

* This financial report is solely a translation of "Kessan Tanshin" (in Japanese, including attachments), which has been prepared in accordance with the International Financial Reporting Standards (IFRS), for the convenience of readers who prefer an English translation.

**Summary of Consolidated Financial Results
For the Fiscal Year Ended March 31, 2021 [IFRS]**

May 11, 2021

Company name: NIPPON SHOKUBAI CO., LTD. Listing: TSE (First Section)
Code number: 4114 URL: <https://www.shokubai.co.jp/>
Representative: Yujiro Goto, President and Representative Member of the Board
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Scheduled date of the general shareholders' meeting: June 22, 2021
Scheduled date of dividend payment: June 23, 2021
Scheduled date of filing annual securities report: June 22, 2021
Supplementary materials prepared: Yes
Financial results information meeting held: Yes (for securities analysts and institutional investors)

(Figures are rounded off to the nearest million yen)

**1. Consolidated Financial Results for the Fiscal Year Ended March 31, 2021 (here after FY2020)
(from April 1, 2020 to March 31, 2021)**

(1) Consolidated operating results (cumulative)

(Percentages represent year-over-year changes)

	Revenue		Operating profit		Profit before tax		Profit		Profit attributable to owners of parent		Total comprehensive income	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
FY 2020	273,163	-9.6	-15,921	—	-12,926	—	-10,291	—	-10,899	—	3,737	-13.6
FY 2019	302,150	-10.8	13,178	-49.6	15,748	-51.0	11,590	-52.4	11,094	-53.5	4,327	-79.3

	Basic earnings per share	Diluted earnings per share	Ratio of profit to equity attributable to owners of parent	Ratio of profit before tax to total assets	Operating profit to revenue
	Yen	Yen	%	%	%
FY 2020	-273.33	—	-3.4	-2.7	-5.8
FY 2019	278.21	—	3.5	3.3	4.4

Reference: Share of profit of investments accounted for using equity method (millions of yen): FY 2020: 1,441
FY 2019: 2,640

(2) Consolidated financial position

	Total assets	Total equity	Equity attributable to owners of parent	Rate of equity attributable to owners of parent	Equity attributable to owners of parent per share
	Millions of yen	Millions of yen	Millions of yen	%	Yen
As of Mar. 31, 2021	471,617	323,725	317,373	67.3	7,959.07
As of Mar. 31, 2020	475,641	326,108	319,699	67.2	8,017.17

(3) Consolidated statement of cash flows

	Cash flows from operating activities	Cash flows from investing activities	Cash flows from financing activities	Cash and cash equivalents at end of period
	Millions of yen	Millions of yen	Millions of yen	Millions of yen
FY 2020	35,277	-30,623	-12,750	36,341
FY 2019	37,499	-32,806	-7,859	43,869

2. Dividends

	Dividends per share					Total dividends (Annual)	Payout ratio (Consolidated)	Dividends on equity attributable to owners of parent (Consolidated)
	End of 1Q	End of 2Q	End of 3Q	Year-end	Annual			
	Yen	Yen	Yen	Yen	Yen	Millions of yen	%	%
FY 2019	–	90.00	–	90.00	180.00	7,178	64.7	2.2
FY 2020	–	45.00	–	45.00	90.00	3,589	–	1.1
FY 2021 (forecast)	–	50.00	–	50.00	100.00		39.9	

Breakdown of dividends for FY 2021 (forecast):

Ordinary dividends: 45.00 yen (end of 2Q) and 45.00 yen (year-end), for a total of 90.00 yen
Commemorative dividends: 5.00 yen (end of 2Q) and 5.00 yen (year-end), for a total of 10.00 yen

3. Consolidated Financial Forecasts for the Fiscal Year Ending March 31, 2022 (from April 1, 2021 to March 31, 2022)

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

	Revenue		Operating profit		Profit before tax		Profit attributable to owners of parent		Basic earnings per share
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Yen
First half (cumulative)	150,000	20.3	5,000	–	6,000	–	4,000	–	100.31
Full year	300,000	9.8	13,000	–	15,000	–	10,000	–	250.78

※Notes

(1) Changes in significant subsidiaries during the period (changes in specific subsidiaries that affect the scope of consolidation): None

(2) Changes in accounting policies; changes in accounting estimates

- 1) Changes in accounting policies required by IFRS: None
- 2) Other changes in accounting policies: None
- 3) Changes in accounting estimates: 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)

Mar. 31, 2021: 40,800,000 shares Mar. 31, 2020: 40,800,000 shares

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

Mar. 31, 2021: 924,300 shares Mar. 31, 2020: 923,272 shares

- 3) Average number of shares outstanding during the period

FY 2020: 39,876,282 shares FY 2019: 39,877,161 shares

(Reference) Overview of Non-consolidated Financial Results

1. Non-consolidated Financial Results for the Fiscal Year Ended March 31, 2021
(from April 1, 2020 to March 31, 2021)

(1) Non-consolidated operating results (cumulative) (Percentages represent year-over-year changes)

	Net sales		Operating profit		Ordinary profit		Profit	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
FY 2020	181,073	-11.5	4,884	-52.0	11,280	-39.6	-19,650	-
FY 2019	204,690	-11.9	10,178	-41.4	18,677	-28.8	14,776	-27.5

	Basic earnings per share	Diluted net income per share
	Yen	Yen
FY 2020	-492.78	-
FY 2019	370.54	-

(2) Non-consolidated financial position

	Total assets	Net assets	Equity ratio	Net assets per share
	Millions of yen	Millions of yen	%	Yen
As of Mar. 31, 2021	332,494	250,569	75.4	6,283.76
As of Mar. 31, 2020	355,380	268,014	75.4	6,721.06

Reference: Shareholders' equity (millions of yen): As of Mar. 31, 2021: 250,569
As of Mar. 31, 2020: 268,014

2. Non-consolidated Financial Forecasts for the Fiscal Year Ending March 31, 2022
(from April 1, 2021 to March 31, 2022)

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

	Net sales		Operating profit		Ordinary profit		Profit		Basic earnings per share
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Yen
First half (cumulative)	90,000	9.8	1,500	-	5,000	80.9	4,000	51.4	100.31
Full year	190,000	4.9	6,500	33.1	11,500	1.9	9,000	-	225.70

Note: As the Company adopted the "Accounting Standard for Revenue Recognition" (ASBJ Statement No. 29), etc. from the beginning of the fiscal year ending March 31, 2022, the non-consolidated financial forecasts above are figures after reflecting the Standard.

※ This financial results report is exempt from the audit procedures by certified public accountants or an audit corporation.

※ Appropriate use of business forecasts and 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. Please refer to "1. Overview of Operating Results, etc. (4) Future Outlook" on page 6 of the attached materials for the assumptions used in business forecasts.

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1. Overview of Operating Results, etc.

(1) Overview of Operating Results for the Fiscal Year under Review

The world economy in the current fiscal year saw economic activities recover in steps from the impact of the novel coronavirus (COVID-19), but degrees of economic recovery were mixed by country and industry. While there was a pickup in economy in the United States, economic activities in Europe were suppressed and remained sluggish due to another wave of infections. In China, the economy has been recovering gradually, and although harsh conditions continued in Asian emerging countries, there were some signs of bottoming out and moves toward recovery.

As for the Japanese economy, production and exports which decreased due to COVID-19 began to rise, and there was a move toward improvement in corporate earnings, despite lingering weakness in the non-manufacturing sector.

The chemicals industry has been picking up as seen in a sign of recovery in demand, although the business environment continued to be harsh.

1) Overview

(Unit: Millions of yen)

	FY 2019	FY 2020	Change	
			(Amount)	(% growth)
Revenue	302,150	273,163	-28,987	-9.6%
Operating profit (loss)	13,178	-15,921	-29,098	-%
Profit (loss) before tax	15,748	-12,926	-28,674	-%
Profit (loss) attributable to owners of parent	11,094	-10,899	-21,994	-%
Basic earnings (loss) per share	278.21 yen	-273.33 yen	-551.54 yen	-%
ROA (Ratio of profit before tax to total assets)	3.3%	-2.7%	–	-6.0 points
ROE (Ratio of profit to equity attributable to owners of parent)	3.5%	-3.4%	–	-6.9 points
Foreign exchange rates (USD and EUR)	USD=¥108.72	USD=¥106.12		-2.60 yen
	EUR=¥120.83	EUR=¥123.77		2.94 yen
Domestic naphtha price	42,900 yen/kl	31,300 yen/kl		-11,600 yen/kl

Under these conditions, the Group's revenue in the current fiscal year decreased 9.6% year-on-year to 273,163 million yen, down 28,987 million yen. Contributing factors included a decline in sales prices on account of a fall in raw material costs and weak market conditions for products outside of Japan due to COVID-19, along with slowdown in the global economy and a decline in sales volume.

With regard to profits, operating loss of 15,921 million yen was recorded, which was a year-on-year decrease of 29,098 million yen. This was due to lower production and sales volume, as well as narrowed spreads owing to a decline in product prices in excess of the decrease in raw materials costs, 11,903 million yen posted in impairment losses of non-current assets recorded by the Company's consolidated subsidiary NIPPON SHOKUBAI EUROPE N.V. (hereinafter, "NSE"), 9,282 million posted yen in impairment losses of goodwill and technology-related assets, etc. associated with SIRRUS Inc., and 1,713 million yen in business integration expenses associated with the cancellation of the business integration between the Company and Sanyo Chemical Industries, Ltd.

Loss before tax was 12,926 million yen, a year-on-year decrease of 28,674 million yen, due to decreases in operating profit and share of profit of investments accounted for using equity method, despite improved foreign exchange loss.

As a result, loss attributable to owners of parent of 10,899 million yen was posted, down 21,994 million yen year-on-year.

2) Outline of Sales by Business Segment

(Unit: Millions of yen)

		FY 2019	FY 2020	Change
Basic Chemicals	Revenue	120,068	110,261	-9,807
Functional Chemicals	Revenue	170,389	155,272	-15,117
Environment & Catalysts	Revenue	11,693	7,629	-4,064
Basic Chemicals	Operating profit	6,248	4,535	-1,714
Functional Chemicals	Operating profit	4,839	-19,119	-23,957
Environment & Catalysts	Operating profit	844	203	-641

Basic Chemicals

Sales of acrylic acids and acrylates decreased due to declined sales prices on account of lower raw material costs accompanying a drop in domestic naphtha prices.

Sales of ethylene oxide decreased due to a decline in sales prices on account of lower raw material costs accompanying a drop in domestic naphtha prices, despite increased sales volume.

Sales of ethylene glycol decreased due to a decline in sales prices accompanying lower market conditions for products outside of Japan and decreased sales volume.

Sales of secondary alcohol ethoxylates decreased due to a decline in sales prices on account of lower raw material costs, despite increased sales volume.

As a result of the above, revenue in the basic chemicals segment decreased 8.2% year-on-year to 110,261 million yen.

Operating profit decreased 27.4% year-on-year, to 4,535 million yen. This was due to factors such as narrowed spreads, and an increase in processing costs such as inventory valuation difference.

Functional Chemicals

Sales of superabsorbent polymers decreased due to lower sales prices as a result of falling raw material costs and market conditions for products outside of Japan.

Sales of special acrylates decreased due to lower sales prices as a result of falling market conditions for products outside of Japan and decreased sales volume on account of sluggish demand associated with a slowdown in the world economy caused by COVID-19.

Sales of polymers for concrete admixture, ethyleneimine derivatives, water-soluble polymers for raw materials of detergents and resins for paints decreased due to decreased sales volume as a result of lower demand.

Sales of maleic anhydride decreased due to lower sales prices as a result of falling raw materials cost, despite increased sales volume.

Sales of electronic information material and adhesive products decreased due to lower sales volume, despite higher sales prices.

Sales of resin modifiers increased due to higher sales volume, despite lower sales prices.

Sales of iodine compounds increased due to higher sales prices and sales volume.

As a result, revenue in the functional chemicals segment decreased 8.9% year-on-year to 155,272 million yen.

Operating loss of 19,119 million yen was posted, a year-on-year decrease of 23,957 million yen. This was due to factors such as lower production and sales volume, narrowed spreads and impairment losses recorded associated with NSE and SIRRUS Inc.

Environment & Catalysts

Sales of process catalysts, De-NOx catalysts and waste gas treatment catalysts decreased due to lower sales volume.

Sales of fuel cell materials decreased due to lower sales prices.

Sales of materials for lithium-ion batteries increased due mainly to higher sales volume.

As a result of the above, revenue in the environment & catalysts segment dropped 34.8% year-on-year to 7,629 million yen.

Operating profit in the segment decreased 75.9% year-on-year to 203 million yen, on account of decreased production and sales volume.

(2) Overview of Financial Position for the Fiscal Year under Review

Total assets at the end of the current fiscal year decreased by 4,024 million yen from the end of the previous fiscal year to 471,617 million yen. Current assets decreased by 2,953 million yen compared to the end of the previous fiscal year. This was mainly due to decreases in cash and cash equivalents and inventories, despite an increase in trade receivables in line with current recovery in demand. Non-current assets were 1,071 million yen lower than at the end of the previous fiscal year. This was due to decreases in property, plant and equipment, goodwill, and intangible assets associated with the recording of impairment losses, despite an increase in other financial assets in line with an increase in the market value of stocks held.

Total liabilities decreased by 1,641 million yen compared to the end of the previous fiscal year to 147,891 million yen. This was mainly due to repayments of borrowings.

Total equity decreased by 2,383 million yen compared to the end of the previous fiscal year to 323,725 million yen. This was due to a decrease in retained earnings due to the posting of a loss, despite an increase in other components of equity. The ratio of profit to equity attributable to owners of parent rose 0.1 percentage points, from 67.2% at the end of the previous fiscal year to 67.3%. Equity attributable to owners of parent per share decreased by 58.10 yen compared to the end of the previous fiscal year to 7,959.07 yen.

(3) Overview of Cash Flows for the Fiscal Year under Review

Cash and cash equivalents at the end of the current fiscal year amounted to 36,341 million yen, a decrease of 7,529 million yen from the end of the previous fiscal year, as cash flows used in investing activities including capital investment and cash flows used in financing activities exceeded cash flows provided by operating activities.

Cash flow from operating activities

Net cash provided by operating activities in the current fiscal year amounted to 35,277 million yen, a decrease of 2,223 million yen from a cash inflow of 37,499 million yen in the previous fiscal year. Despite a decrease in income taxes paid and the recording of impairment losses, profit before tax deteriorated and inflows increased from changes in inventories and trade payables, while trade receivables, which decreased in the previous fiscal year due to progress in settlement, increased during the current fiscal year in line with current recovery in demand.

Cash flow from investing activities

Net cash used in investing activities in the current fiscal year totaled 30,623 million yen, a decrease of 2,182 million yen from a cash outflow of 32,806 million yen in the previous fiscal year, mainly due to a decrease in outflow for purchase of property, plant and equipment.

Cash flow from financing activities

Net cash used in financing activities in the current fiscal year amounted to 12,750 million yen, an increase of 4,891 million yen from a cash outflow of 7,859 million yen in the previous fiscal year, mainly due to progress in repayments of short-term borrowings, despite a decrease in repayments of long-term borrowings for capital investment.

(Reference) Condition of cash flow indicators

	FY 2017	FY 2018	FY 2019	FY 2020
Ratio of profit to equity attributable to owners of parent	64.3%	67.1%	67.2%	67.3%
Ratio of profit to equity attributable to owners of parent at market base	59.9%	59.8%	41.5%	53.6%
Cash flow to interest-bearing debt ratio	1.3 years	1.6 years	1.7 years	1.7 years
Interest coverage ratio	99.4	61.5	86.8	83.2

Ratio of profit to equity attributable to owners of parent: Equity attributable to owners of parent/ total assets

Ratio of profit to equity attributable to owners of parent at market base: market capitalization/ total assets

Cash flow to interest-bearing debt ratio: interest-bearing debt/ operating cash flow

Interest coverage ratio: operating cash flow/ interest payments

Notes: 1. All indicators are calculated based on consolidated figures.

2. Market capitalization = closing share price at period end × number of outstanding shares at period end (after deducting treasury stock)

3. We use “net cash provided by operating activities” from the consolidated statements of cash flows for “operating cash flow.”

4. We have included all interest-bearing debts in the consolidated statements of financial position for “interest-bearing debt.”

5. We use “interest paid” from the consolidated statements of cash flows for “interest payments.”

6. Figures for FY 2016 and before are not presented, as we transitioned to IFRS on April 1, 2017, applying it from FY 2018.

(4) Future Outlook

The global economy is expected to recover gradually in FY 2021 to levels prior to the COVID-19 pandemic, supported by an economic upturn on the back of wide adoption of COVID-19 infection preventative measures and progress in vaccinations. China is expecting a high GDP growth rate, and economies in the United States and Europe are also forecast to recover steadily. However, there is a risk that the spread of COVID-19 variants and delays in vaccinations may slow down the pace of recovery. The Japanese economy is projected to recover steadily, but with the state of emergency declared for the third time, and in a situation where the roll-out of vaccinations may take some time, there are concerns that recovery may delay. The operating environment surrounding the Group, such as the intensifying conflict between the U.S. and China and trends in crude oil prices, is expected to remain unpredictable.

Under such conditions, projected earnings in the next fiscal year are based on exchange rates of 105 yen to the U.S. dollar and 125 yen to the euro, and domestic naphtha prices of 44,000 yen/kl. Based on the forecast of higher sales prices in line with an increase in raw material prices and higher sales volume centering on Functional Chemicals, we forecast revenue of 300.0 billion yen (150.0 billion yen for the first half), a year-on-year increase of 26,837 million yen (9.8%).

In terms of profit, due mainly to a surge in ocean transport costs, selling, general and administrative expenses are expected to increase while we project the absence of impairment losses and business integration expenses, which were recorded in the current fiscal year, and an increase in sales volume as well as a decrease in processing costs such as inventory valuation differences. We therefore forecast operating profit of 13.0 billion yen (5.0 billion yen for the first half), an increase of 28,921 million yen from the current fiscal year. We forecast profit before tax of 15.0 billion yen (6.0 billion yen for the first half), a year-on-year increase of 27,926 million yen, and profit attributable to owners of parent of 10.0 billion yen (4.0 billion yen for the first half), a year-on-year increase of 20,899 million yen.

Forecasts by business segment

(Unit: Billions of yen)

	Basic Chemicals		Functional Chemicals		Environment & Catalysts		Adjustment	Total	
	Revenue	Operating profit	Revenue	Operating profit	Revenue	Operating profit	Operating profit	Revenue	Operating profit
First-half forecasts	63.0	2.8	82.0	3.0	5.0	-1.3	0.5	150.0	5.0
Second-half forecasts	57.0	3.2	88.0	4.4	5.0	0.3	0.1	150.0	8.0
Full-year forecasts	120.0	6.0	170.0	7.4	10.0	-1.0	0.6	300.0	13.0

Note: “Adjustment” includes inter-segment transaction eliminations and corporate profit (loss) not allocated to reportable segments.

(5) Basic Policy on the Distribution of Profits, and Dividends for the Current and Next Fiscal Year

The Company has positioned the return of profits to shareholders as the most important management task, and, in consideration of the dividend payout ratio, etc., distributes dividends under a basic policy of aiming to improve medium- to long-term dividend levels in line with projected trends in consolidated earnings, while at the same time taking an overall view to expand the business and strengthen the corporate structure. In addition to dividend distributions, the Company intends to consider stock buybacks as one of the options to raise the value per share.

Meanwhile, aggressive investments in equipment, strategies, and R&D are also necessary for the maintenance of competitiveness and continued growth. As such, the Company regards retention of internal reserves also essential; therefore we will continue to distribute profits by carefully considering the balance of above factors.

The Company pays dividends twice a year, once at the end of the interim period and once at the end of the fiscal year.

Based on the above basic policy, the Company regretfully plans to pay a year-end dividend of 45 yen per share for FY 2020, taking into consideration the business environment, results and future prospects for business growth. As a result, annual dividends will total 90 yen per share.

The consolidated financial forecasts for FY 2021 are projected to recover from deficit recorded in FY 2020, but taking into consideration the risk of downturns in profit depending on economic trends and from the viewpoint of stable dividends, the Company projects annual dividends of 90 yen, unchanged from FY 2020. In addition, as the Company will mark the 80th anniversary of its foundation in FY 2021, we plan to distribute a commemorative dividend of 10.00 yen per share (5 yen each for interim dividends and year-end dividends), which will make the annual dividend 100 yen per share.

2. Corporate Group

(1) The Nippon Shokubai corporate group (the Company and its subsidiaries and affiliates) consists of the Company, 27 subsidiaries and 17 affiliates, and its mainstay business is the manufacture and sale of chemicals.

The table below shows the positioning and relationship of mainstay companies among the group's business segments.

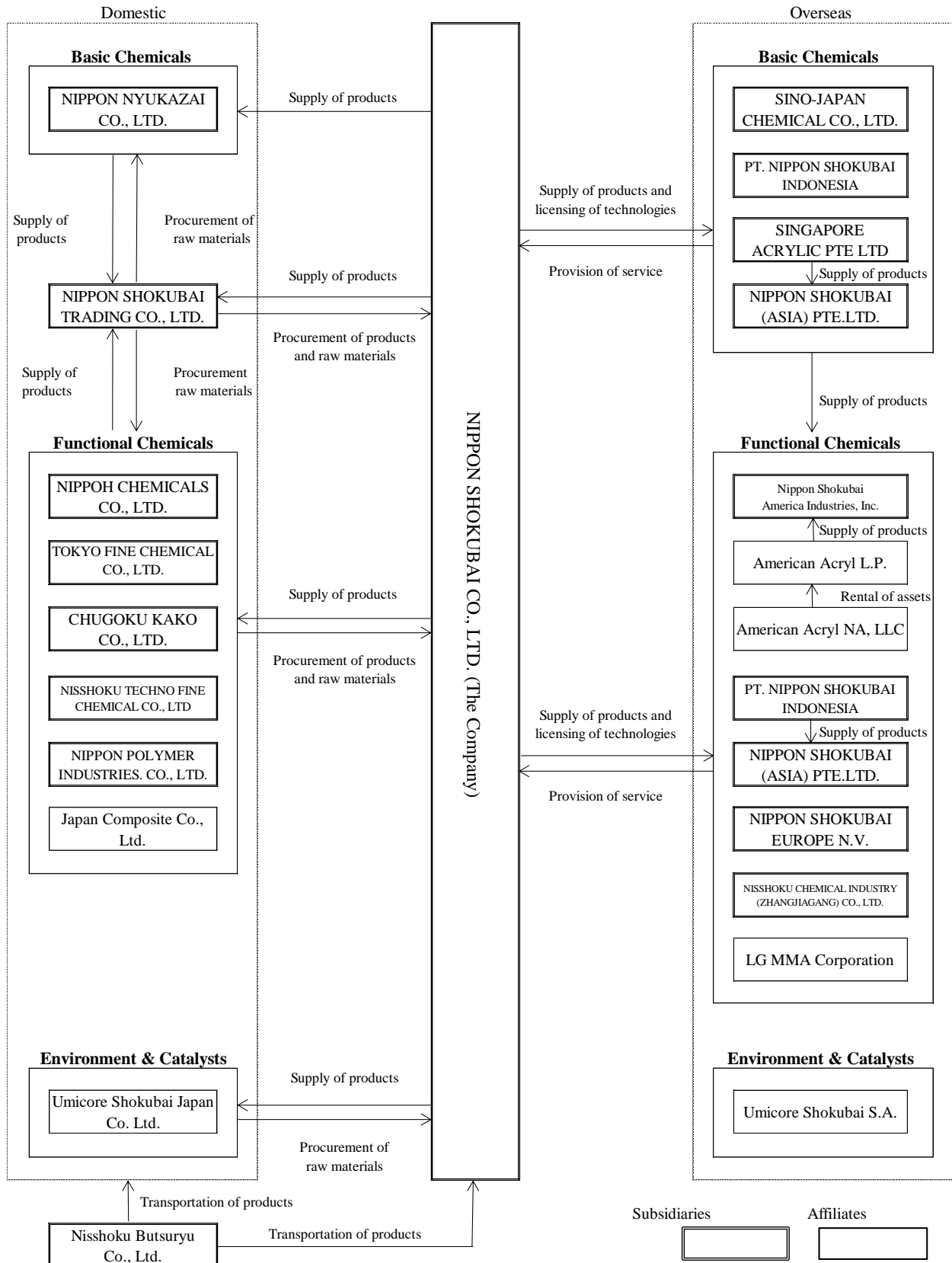
Business segments	Main products	Positioning of mainstay companies within the business
Basic Chemicals	Acrylic acid Acrylates Ethylene oxide Ethylene glycol Ethanolamine Secondary alcohol ethoxylates Glycol ether	NIPPON SHOKUBAI CO., LTD. ("the Company") manufactures and sells acrylic acids, acrylates, and other basic chemicals. NIPPON SHOKUBAI TRADING CO., LTD. procures mainly basic chemicals from the Company and sells them. It also procures products and raw materials to supply to the Company. PT. NIPPON SHOKUBAI INDONESIA manufactures and sells acrylic acids and acrylates in Indonesia. SINGAPORE ACRYLIC PTE LTD and NIPPON SHOKUBAI (ASIA) PTE.LTD. manufacture and sell acrylic acids in Singapore. NIPPON NYUKAZAI CO., LTD. manufactures and sells surfactants and chemical products such as glycol ether. It procures ethylene oxide and other raw materials for surfactants from the Company. SINO-JAPAN CHEMICAL CO., LTD. manufactures and sells surfactants and other industrial chemicals in Taiwan.
Functional Chemicals	Superabsorbent polymers Special acrylates Intermediates for pharmaceuticals Polymers for concrete admixtures Electronic and information materials Iodine compounds Maleic anhydride Resins for adhesives/paints Processed adhesive products	The Company manufactures and sells superabsorbent polymers, special acrylates, pharmaceutical intermediates, and other functional chemicals. Nippon Shokubai America Industries, Inc. manufactures and sells superabsorbent polymers, polymers for concrete admixtures, and acrylic acid detergent builders in the US. It procures acrylic acid, the raw material of superabsorbent polymers, from American Acryl L.P. NIPPON SHOKUBAI EUROPE N.V. manufactures and sells superabsorbent polymers in Belgium. NISSHOKU CHEMICAL INDUSTRY (ZHANGJIAGANG) CO., LTD. manufactures and sells superabsorbent polymers and polymers for concrete admixtures in China. PT. NIPPON SHOKUBAI INDONESIA manufactures and sells superabsorbent polymers in Indonesia. NIPPON SHOKUBAI (ASIA) PTE.LTD. procures superabsorbent polymers and other chemicals from the Company and PT. NIPPON SHOKUBAI INDONESIA and sells them in Singapore. NIPPON CHEMICALS CO., LTD. manufactures and sells iodine compounds, natural gas, and raw materials for pharmaceuticals, agricultural chemicals, and fragrances. TOKYO FINE CHEMICAL CO., LTD. manufactures and sells stabilizers, preservatives, and anti-freeze solutions. It procures ethylene glycol, the raw material of anti-freeze solutions, from the Company. NISSHOKU TECHNO FINE CHEMICAL CO., LTD manufactures and sells raw materials for dye agents among other products, and the Company sells some of these products. It also procures acrylic acids among other raw materials from the Company. CHUGOKU KAKO CO., LTD. procures adhesive resins and other raw materials from the Company, and manufactures and sells processed adhesives and other products. NIPPON POLYMER INDUSTRIES. CO., LTD. procures acrylates among other raw materials from the Company, and manufactures resins for adhesives and paint; the Company sells some of these products. LG MMA Corporation manufactures and sells MMA monomers and polymers in South Korea.

Business segments	Main products	Positioning of mainstay companies within the business
Environment & Catalysts	Automotive catalysts De-NOx catalysts Dioxins decomposition catalysts Process catalysts Equipment for exhaust gas treatment Fuel cell materials	The Company manufactures and sells automotive catalysts and other environment & catalyst products. Umicore Shokubai Japan Co. Ltd procures automotive catalysts from the Company and sells them.

Notes: 1. Nisshoku Butsuryu Co., Ltd. mainly transports the Company's manufactured and commercial products and is therefore involved in all business segments.

2. Sirrus, Inc. belongs to Functional Chemicals segment and is mainly engaged in research and development.

(2) The following is a diagram of the main companies of the corporate group.



- Notes: 1 NIPPON SHOKUBAI TRADING CO., LTD., Nissshoku Butsuryu Co., Ltd., PT. NIPPON SHOKUBAI INDONESIA and NIPPON SHOKUBAI (ASIA) PTE.LTD. belong to several business segments.
 2. Umicore Shokubai S.A. controls automotive catalyst business and is a holding company of five companies including Umicore Shokubai Japan Co. Ltd.
 3. Arrows indicate the flow of products and services. (Several companies enclosed in a box may show the relationship between a company linked to it by arrows and some of the companies in the box.)

3. Management Policy

The business environment surrounding the Group has changed significantly, and while chemical products are becoming more global and commoditized, the functions required for them are also diversifying. Although the Group has been trying to strengthen the competitiveness of existing business and create new products and business, we have yet to achieve significant results, which led to sluggish business performance in line with the deteriorated profitability of existing businesses.

As global competition intensifies, it is becoming increasingly necessary to be cost competitive and to flexibly respond to the needs that are required, making it difficult for us to survive with our current corporate character. In addition, it is essential to tackle climate change in order to realize a sustainable society.

Under a new long-term vision, the Group will accelerate the transformation.

【Review of the 2nd medium-term business plan “Reborn Nippon Shokubai 2020 NEXT”】

Progress during the four years (FY 2017 – 2020) includes new and additional construction of the production plants of acrylic acids and superabsorbent polymer (SAP) with the goal of strengthening competitiveness of existing business. As to the “SAP Survival project” aimed at large-scale cost reductions and gains in competitiveness in the superabsorbent polymer business, cost cutting measures have been implemented, while new SAP recycling technologies have been developed under the co-development with several other companies, among other initiatives.

Among new businesses, in the health and medical business, at Suita Research Center, we initiated commercial operation of a facility of API synthesis with one of the largest manufacturing scales in Japan. In addition, in the cosmetics ingredient business, the Company conducted co-development with several other companies and commenced the sale of products in April 2019. We continued our efforts to expand market share through delivering materials that meet customers’ needs.

As targets for the fiscal year 2020, the final year of the 2nd medium-term business plan “Reborn Nippon Shokubai 2020 NEXT,” the Group aimed at revenue of 400.0 billion yen, profit before tax of 40.0 billion yen, and ROA (Ratio of profit before tax to total assets) of 7.4%. However, all of these indicators fell short of the targets, due to the severe competition faced by its mainstay Superabsorbents Business, and sluggish demand due to stagnant economic activities caused by COVID-19.

【Long-term vision “TechnoAmenity for the future”】

In order to flexibly respond to dramatic changes in the operating environment and evolve the Group into a more resilient company, the Group formulated “The Goals in 2030,” and Long-term vision that represents the Group’s initiatives toward realizing the goals.

Resolving issues toward “realizing a sustainable society,” including the pursuit of harmony with the environment is exactly what the Group upholds in the Nippon Shokubai Group Mission “Providing affluence and comfort to people and society, with our unique technology.” In order to announce our commitment to the contribution to “realization of a sustainable society” through a concerted effort by the group companies, we named the vision “TechnoAmenity for the future.”

The Medium-term Business Plan, which is a concrete action plan inclusive of numerical targets, for the realization of the long-term vision, is scheduled to be formulated in FY 2021 and fully implemented in April 2022. However, we will start various initiatives in FY 2021 before the plan is completed.

[Outline of Long-term vision “TechnoAmenity for the future”]

Under the Long-term vision “TechnoAmenity for the future,” “The Goals in 2030” are defined as “Providing materials and solutions required by people and society,” “Chemical company that keeps evolving by identifying social changes,” and “Developing with various stakeholders inside and outside the company,” and toward achieving these goals, three transformations have been established, which are, “Business transformation,” “Strategic transformation for environmental initiatives” and “Organizational transformation.”

Long-term vision "TechnoAmenity for the future"

〈The Goals in 2030〉

- Providing materials and solutions required by people and society
- Chemical company that keeps evolving by identifying social changes
- Developing with various stakeholders inside and outside the company

〈Three transformations toward the goals in 2030〉

1. Business transformation	<ul style="list-style-type: none"> ◆ Transforming portfolio from existing areas to growing areas <ul style="list-style-type: none"> ·Expanding the highly profitable Solutions business ·Strengthening the Materials business foundation by reestablishment of the business ·Improving productivity and creating new value through Digital transformation(DX) promotion
2.Strategic transformation for environmental initiatives	<ul style="list-style-type: none"> ◆ Promoting sustainability to achieve carbon neutrality in 2050
3.Organizational transformation	<ul style="list-style-type: none"> ◆ Transforming to be a continuously developing organization and company where diverse human resources work energetically.

[Three transformations]

i) Business transformation

Aiming to become a chemical company that keeps evolving by identifying social changes, we will be focusing on the response to carbon neutrality and expansion of the solutions business (refer to the table below).

In the Materials business (refer to the table below), we will strengthen competitiveness through thorough cost reductions and alliances with other companies, while vigorously promoting decarbonization and recycling.

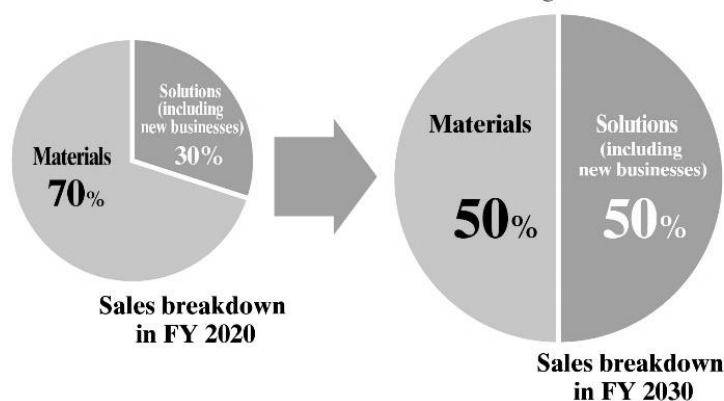
In the Solutions business, we will provide solutions to customer issues in a timely manner by combining multiple products and technologies in addition to providing a single material.

By expanding the highly profitable Solutions business, we aim to achieve ROA of 8% or more and Solutions sales ratio of 50% or more in the fiscal year 2030. Leveraging the strengths of each the Materials and Solutions businesses, the Group will transform itself into a corporate group capable of responding flexibly to changes in the business environment.

<Target business portfolio and policies for each segment>

ROA: 8% or more

Solutions sales ratio: Aiming at 50% or more



Materials business	Basic Materials (Ethylene oxide, etc.)	Provide high-quality materials through high production technology
	Acrylics (acrylic acid, acrylates and superabsorbent polymers)	
Solutions business	Industrial & Household (consumer products, vehicles, construction materials areas)	To meet customer needs in various industries, we will leverage the capability of developing key materials, our strength, and provide original functions that no competitors have
	Energy & Electronics (battery, electronics areas)	
	Life Sciences (health & medical, cosmetics areas)	

ii) Strategic transformation for environmental initiatives

We will promote company-wide initiatives to contribute to realizing carbon neutrality in 2050. By the fiscal year 2030, we will develop and demonstrate recycling technology for used disposal diapers containing SAP, use bio-based raw materials for major products, and expand the sales of environmental contributing products. Concrete targets under each of the initiatives will be established in a new Medium-term Business Plan.

iii) Organizational transformation

For the early realization of the mechanism in which individuals and the organization can be developed, we will work to develop autonomous human resources, transform to an autonomous organization, and further strengthen corporate governance. Specifically, by implementing such measures as the introduction of a new personnel system, promotion of diversity and inclusion (D&I), review of approval authority, strengthening internal communication, and improving deliberation of mid- and long-term strategies and management issues by officers, the Group will aim to transform itself into a continuously developing organization and a company where diverse human resources can work to their fullest potential.

4. Basic Policy of the Choice of Accounting Standards

With a view to improving the international comparability of financial statements and to enhancing Group management by integrating accounting treatments, the Company has applied the International Financial Reporting Standards (IFRS) from the annual securities report for FY 2018.

5. Consolidated Financial Statements and Related Notes

(1) Consolidated Statements of Financial Position

	(Unit: Millions of yen)	
	FY 2019 As of Mar. 31, 2020	FY 2020 As of Mar. 31, 2021
Assets		
Current assets		
Cash and cash equivalents	43,869	36,341
Trade receivables	74,570	82,053
Inventories	60,762	57,612
Other financial assets	9,894	9,661
Other current assets	5,663	6,140
Total current assets	194,759	191,806
Non-current assets		
Property, plant and equipment	200,252	193,197
Goodwill	4,303	–
Intangible assets	10,239	5,989
Investments accounted for using equity method	19,823	20,108
Other financial assets	33,748	44,285
Retirement benefit asset	7,540	11,571
Deferred tax assets	3,179	3,093
Other non-current assets	1,796	1,568
Total non-current assets	280,881	279,811
Total assets	475,641	471,617

(Unit: Millions of yen)

	FY 2019 As of Mar. 31, 2020	FY 2020 As of Mar. 31, 2021
Liabilities and equity		
Liabilities		
Current liabilities		
Trade payables	44,741	45,912
Bonds and borrowings	17,177	23,981
Other financial liabilities	8,289	8,671
Income taxes payable	2,370	1,422
Provisions	4,879	4,734
Other current liabilities	4,971	6,030
Total current liabilities	82,427	90,750
Non-current liabilities		
Bonds and borrowings	38,854	28,887
Other financial liabilities	7,110	8,023
Retirement benefit liability	14,509	14,162
Provisions	1,929	2,157
Deferred tax liabilities	4,704	3,914
Total non-current liabilities	67,105	57,142
Total liabilities	149,532	147,891
Equity		
Share capital	25,038	25,038
Capital surplus	22,472	22,472
Treasury shares	-6,281	-6,286
Retained earnings	280,555	267,729
Other components of equity	-2,086	8,420
Total equity attributable to owners of parent	319,699	317,373
Non-controlling interests	6,410	6,352
Total equity	326,108	323,725
Total liabilities and equity	475,641	471,617

(2) Consolidated Statements of Profit or Loss and Consolidated Statements of Comprehensive Income
Consolidated Statements of Profit or Loss

	(Unit: Millions of yen)	
	FY 2019 Apr. 1, 2019 to Mar. 31, 2020	FY 2020 Apr. 1, 2020 to Mar. 31, 2021
Revenue	302,150	273,163
Cost of sales	248,666	225,116
Gross profit	53,484	48,047
Selling, general and administrative expenses	41,903	41,486
Other operating income	3,080	2,297
Other operating expenses	1,483	24,778
Operating profit (loss)	13,178	-15,921
Finance income	1,741	1,922
Finance costs	1,811	369
Share of profit of investments accounted for using equity method	2,640	1,441
Profit (loss) before tax	15,748	-12,926
Income tax expense	4,157	-2,635
Profit (loss)	11,590	-10,291
Profit (loss) attributable to		
Owners of parent	11,094	-10,899
Non-controlling interests	496	608
Profit (loss)	11,590	-10,291
Earnings (loss) per share		
Basic earnings per share (Yen)	278.21	-273.33
Diluted earnings per share (Yen)	-	-

Consolidated Statements of Comprehensive Income

(Unit: Millions of yen)

	FY 2019 Apr. 1, 2019 to Mar. 31, 2020	FY 2020 Apr. 1, 2020 to Mar. 31, 2021
Profit (loss)	11,590	-10,291
Other comprehensive income		
Items that will not be reclassified to profit or loss		
Net change in fair value of equity instruments designated as measured at fair value through other comprehensive income	-3,647	7,827
Remeasurements of defined benefit plans	-523	3,186
Share of other comprehensive income of investments accounted for using equity method	-7	20
Total of items that will not be reclassified to profit or loss	-4,178	11,033
Items that may be reclassified to profit or loss		
Exchange differences on translation of foreign operations	-2,476	2,954
Share of other comprehensive income of investments accounted for using equity method	-610	41
Total of items that may be reclassified to profit or loss	-3,086	2,995
Other comprehensive income, net of tax	-7,264	14,028
Comprehensive income	4,327	3,737
Comprehensive income attributable to		
Owners of parent	3,875	3,064
Non-controlling interests	452	674
Comprehensive income	4,327	3,737

(3) Consolidated Statements of Changes in Equity

Fiscal year ended Mar. 31, 2020 (Apr. 1, 2019 to Mar. 31, 2020)

(Unit: Millions of yen)

	Share capital	Capital surplus	Treasury shares	Retained earnings	Other components of equity	
					Financial assets measured at fair value through other comprehensive income	Remeasurements of defined benefit plans
Balance at beginning of period	25,038	22,472	-6,274	276,934	3,942	-
Profit	-	-	-	11,094	-	-
Other comprehensive income	-	-	-	-	-3,642	-469
Comprehensive income	-	-	-	11,094	-3,642	-469
Purchase of treasury shares	-	-	-6	-	-	-
Disposal of treasury shares	-	-	-	-	-	-
Dividends	-	-	-	-7,178	-	-
Transfer from other components of equity to retained earnings	-	-	-	-296	-173	469
Total transactions with owners	-	-	-6	-7,474	-173	469
Balance at end of period	25,038	22,472	-6,281	280,555	126	-

	Other components of equity		Total equity attributable to owners of parent	Non-controlling interests	Total
	Exchange differences on translation of foreign operations	Total			
Balance at beginning of period	896	4,838	323,008	6,219	329,227
Profit	-	-	11,094	496	11,590
Other comprehensive income	-3,108	-7,219	-7,219	-44	-7,264
Comprehensive income	-3,108	-7,219	3,875	452	4,327
Purchase of treasury shares	-	-	-6	-	-6
Disposal of treasury shares	-	-	-	-	-
Dividends	-	-	-7,178	-261	-7,439
Transfer from other components of equity to retained earnings	-	296	-	-	-
Total transactions with owners	-	296	-7,184	-261	-7,445
Balance at end of period	-2,212	-2,086	319,699	6,410	326,108

Fiscal year ended Mar. 31, 2021 (Apr. 1, 2020 to Mar. 31, 2021)

(Unit: Millions of yen)

	Share capital	Capital surplus	Treasury shares	Retained earnings	Other components of equity	
					Financial assets measured at fair value through other comprehensive income	Remeasurements of defined benefit plans
Balance at beginning of period	25,038	22,472	-6,281	280,555	126	-
Loss	-	-	-	-10,899	-	-
Other comprehensive income	-	-	-	-	7,823	3,199
Comprehensive income	-	-	-	-10,899	7,823	3,199
Purchase of treasury shares	-	-	-6	-	-	-
Disposal of treasury shares	-	-0	0	-	-	-
Dividends	-	-	-	-5,383	-	-
Transfer from other components of equity to retained earnings	-	-	-	3,457	-258	-3,199
Total transactions with owners	-	-0	-6	-1,926	-258	-3,199
Balance at end of period	25,038	22,472	-6,286	267,729	7,691	-

	Other components of equity		Total equity attributable to owners of parent	Non-controlling interests	Total
	Exchange differences on translation of foreign operations	Total			
Balance at beginning of period	-2,212	-2,086	319,699	6,410	326,108
Loss	-	-	-10,899	608	-10,291
Other comprehensive income	2,942	13,963	13,963	65	14,028
Comprehensive income	2,942	13,963	3,064	674	3,737
Purchase of treasury shares	-	-	-6	-	-6
Disposal of treasury shares	-	-	0	-	0
Dividends	-	-	-5,383	-731	-6,115
Transfer from other components of equity to retained earnings	-	-3,457	-	-	-
Total transactions with owners	-	-3,457	-5,389	-731	-6,121
Balance at end of period	730	8,420	317,373	6,352	323,725

(4) Consolidated Statements of Cash Flows

(Unit: Millions of yen)

	FY 2019 Apr. 1, 2019 to Mar. 31, 2020	FY 2020 Apr. 1, 2020 to Mar. 31, 2021
Cash flows from operating activities		
Profit (loss) before tax	15,748	-12,926
Depreciation and amortization	28,653	29,470
Impairment losses	—	21,185
Decrease (increase) in retirement benefit asset	91	71
Increase (decrease) in retirement benefit liability	180	145
Interest and dividend income	-1,736	-1,385
Interest expenses	573	340
Share of loss (profit) of investments accounted for using equity method	-2,640	-1,441
Decrease (increase) in trade receivables	6,056	-6,415
Decrease (increase) in inventories	-2,063	4,092
Increase (decrease) in trade payables	-6,741	360
Other	224	3,503
Subtotal	38,343	36,999
Interest and dividends received	5,558	2,656
Interest paid	-432	-424
Income taxes paid	-5,970	-3,954
Net cash provided by (used in) operating activities	37,499	35,277
Cash flows from investing activities		
Purchase of property, plant and equipment	-32,319	-29,658
Proceeds from sale of property, plant and equipment	2,517	9
Purchase of intangible assets	-1,710	-1,728
Purchase of investments	-158	-525
Proceeds from sale and redemption of investments	677	496
Acquisition of shares of subsidiaries and affiliates	-850	-2
Other	-962	785
Net cash provided by (used in) investing activities	-32,806	-30,623
Cash flows from financing activities		
Net increase (decrease) in short-term borrowings	3,005	-6,834
Proceeds from long-term borrowings	10,934	8,191
Repayments of long-term borrowings	-12,602	-6,305
Repayments of lease liabilities	-1,751	-1,682
Purchase of treasury shares	-6	-6
Dividends paid	-7,178	-5,383
Dividends paid to non-controlling interests	-261	-731
Other	—	0
Net cash provided by (used in) financing activities	-7,859	-12,750
Effect of exchange rate changes on cash and cash equivalents	-399	569
Net increase (decrease) in cash and cash equivalents	-3,564	-7,529
Cash and cash equivalents at beginning of period	47,434	43,869
Cash and cash equivalents at end of period	43,869	36,341

(5) Notes Concerning Consolidated Financial Statements

【Going Concern Assumption】

Not applicable.

【Segment Information】

1. Outline of Reportable Segments

The Company's reportable segments are divisions of the Company for which separate financial information is available, and whose operating results are reviewed regularly by the Board of Directors of the Company in order to allocate management resources and assess performance of operations.

The Company's main business lines are divided based on similarities of function and nature and the Company prepares the comprehensive strategy and conducts the business activities corresponding to the products handled by each business line.

Accordingly, the Company is comprised of reportable segments classified by type of products based on each business line and does not aggregate its operating results. The three reportable segments of the Company are Basic chemicals, Functional chemicals, and Environment & catalysts.

The basic chemicals segment is engaged in the manufacturing and sales of acrylic acids, acrylates, ethylene oxide, ethylene glycol, ethanolamine, secondary alcohol ethoxylates and glycol ethers. The functional chemicals segment is engaged in the manufacturing and sales of superabsorbent polymers, special acrylates, intermediates for pharmaceuticals, polymers for concrete admixture, electronic information material, iodine, maleic anhydride, resins for adhesives and paints, and adhesive products. The environment & catalysts segment is engaged in the manufacturing and sales of automotive catalysts, De-NOx catalysts, dioxin decomposition catalysts, process catalysts, waste gas treatment catalysts and fuel cell materials.

2. Method of Calculating Revenue, Income or Loss, Assets and Other Items by Reportable Segment

The accounting method for business segments reported is substantially the same as the accounting method adopted for preparing the consolidated financial statements. Intergroup revenue and transfers are mainly based on market prices and cost of manufacturing. Segment income is consistent with operating profit.

3. Information Concerning Revenue, Income or Loss, Assets and Other Items by Reportable Segment

FY 2019 (Apr. 1, 2019 to March 31, 2020)

(Unit: Millions of yen)

	Reportable segments				Adjustment (Note 1, 2)	Total
	Basic Chemicals	Functional Chemicals	Environment & Catalysts	Total		
Revenue						
Revenue to third parties	120,068	170,389	11,693	302,150	–	302,150
Intergroup revenue and transfers	33,394	5,787	1,550	40,730	-40,730	–
Total	153,462	176,176	13,242	342,880	-40,730	302,150
Segment income	6,248	4,839	844	11,931	1,246	13,178
Finance income	–	–	–	–	–	1,741
Finance costs	–	–	–	–	–	1,811
Share of profit of investments accounted for using equity method	–	–	–	–	–	2,640
Profit before tax	–	–	–	–	–	15,748
Segment assets	151,149	249,813	32,596	433,559	42,082	475,641
Other items						
Depreciation and amortization	10,923	16,493	1,236	28,653	–	28,653
Impairment losses	–	–	–	–	–	–
Increase in property, plant and equipment and intangible assets	16,900	17,111	1,967	35,978	–	35,978

Notes: 1. The “Segment income” adjustment includes inter-segment transaction eliminations and corporate profit (loss) not allocated to reportable segments amounting to 1,246 million yen.

2. The “Segment assets” adjustment includes short-term surplus funds (cash and deposit) and long-term surplus funds (investments in securities) amounting to 42,082 million yen.

FY 2020 (Apr. 1, 2020 to March 31, 2021)

(Unit: Millions of yen)

	Reportable segments				Adjustment (Note 1, 2)	Total
	Basic Chemicals	Functional Chemicals	Environment & Catalysts	Total		
Revenue						
Revenue to third parties	110,261	155,272	7,629	273,163	–	273,163
Intergroup revenue and transfers	27,407	3,799	1,475	32,681	-32,681	–
Total	137,669	159,071	9,104	305,844	-32,681	273,163
Segment income (loss)	4,535	-19,119	203	-14,381	-1,540	-15,921
Finance income	–	–	–	–	–	1,922
Finance costs	–	–	–	–	–	369
Share of profit of investments accounted for using equity method	–	–	–	–	–	1,441
Profit (loss) before tax	–	–	–	–	–	-12,926
Segment assets	156,642	236,934	35,145	428,721	42,896	471,617
Other items						
Depreciation and amortization	10,813	17,459	1,198	29,470	–	29,470
Impairment losses	–	21,185	–	21,185	–	21,185
Increase in property, plant and equipment and intangible assets	14,795	17,247	689	32,731	–	32,731

Notes: 1. The “Segment income (loss)” adjustment includes inter-segment transaction eliminations and corporate profit (loss) not allocated to reportable segments amounting to -1,540 million yen. Corporate profit (loss) includes -1,713 million in business integration expenses associated with the cancellation of the business integration between the Company and Sanyo Chemical Industries, Ltd.

2. The “Segment assets” adjustment includes short-term surplus funds (cash and deposit) and long-term surplus funds (investments in securities) amounting to 42,896 million yen.

【Supplementary Information】

Overseas Revenue

FY 2019 (Apr. 1, 2019 to Mar. 31, 2020)

(Unit: Millions of yen)

	Asia	Europe	North America	Others	Total
I. Overseas revenue	82,343	40,959	23,206	16,414	162,922
II. Consolidated revenue					302,150
III. Overseas revenue to consolidated revenue	27.2%	13.6%	7.7%	5.4%	53.9%

FY 2020 (Apr. 1, 2020 to Mar. 31, 2021)

(Unit: Millions of yen)

	Asia	Europe	North America	Others	Total
I. Overseas revenue	74,657	42,258	21,096	12,546	150,557
II. Consolidated revenue					273,163
III. Overseas revenue to consolidated revenue	27.3%	15.5%	7.7%	4.6%	55.1%

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 revenue” means revenue outside Japan by NIPPON SHOKUBAI CO., LTD. and its consolidated subsidiaries.

【Per Share Information】

Basic earnings per share and its basis for calculation are as follows.

Diluted earnings per share are not shown since there are no potential shares of common stock with dilutive effects.

	FY 2019 Apr. 1, 2019 to Mar. 31, 2020	FY 2020 Apr. 1, 2020 to Mar. 31, 2021
Profit (loss) attributable to owners of parent (Millions of yen)	11,094	-10,899
Average number of shares of common stock during the period (Thousands of shares)	39,877	39,876
Basic earnings (loss) per share (Yen)	278.21	-273.33

【Significant Subsequent Events】

Not applicable.

6. Transfers of Executive Officers

(Scheduled for June 22, 2021)

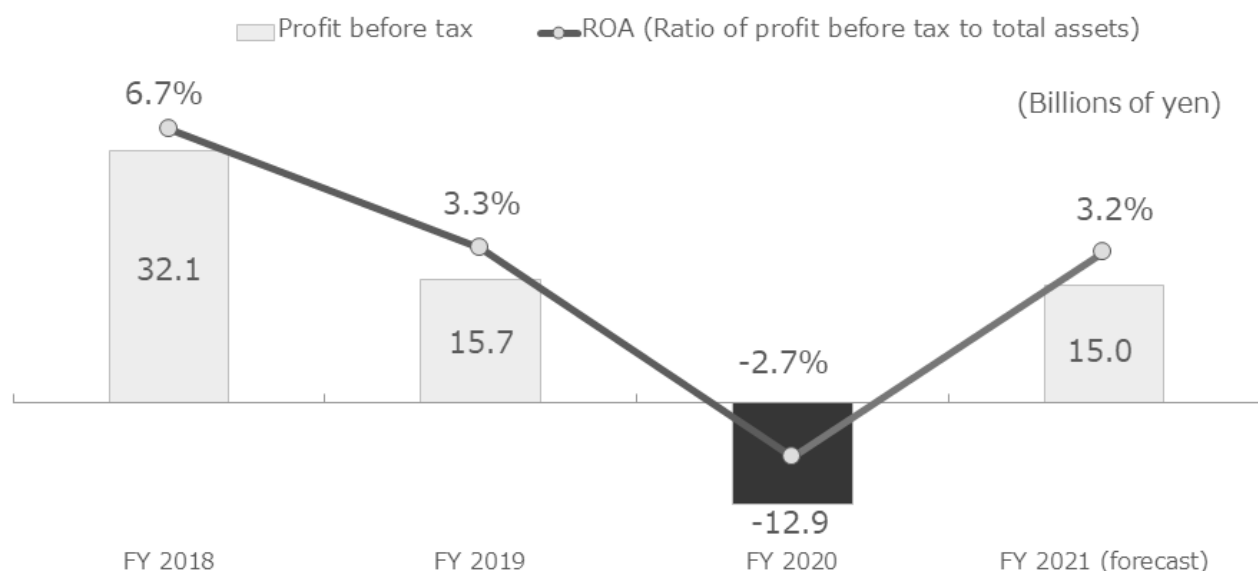
For changes in officers, please see the “*Daihyotorishimariyaku oyobi yakuin to no idou ni kansuru oshirase* (Notice of Transfers of Representative Members of the Board and Executive Officers, etc.)” announced today. (Only available in Japanese)

7. Supplementary Material

Trend of Results and Key Management Indicators, and Features of FY 2021

1) Consolidate financial results

(Unit: Billions of yen)	FY 2019 Results	FY 2020 Results	Change	FY 2020 Results	FY 2021 Forecast	Change	
Revenue	302.2	273.2	<-9.6%> -29.0	273.2	300.0	<-9.8%> 26.8	
Operating profit	4.4% 13.2	-5.8% -15.9	<-%> -29.1	-5.8% -15.9	4.3% 13.0	<-%> 28.9	
Profit before tax	5.2% 15.7	-4.7% -12.9	<-%> -28.7	-4.7% -12.9	5.0% 15.0	<-%> 27.9	
Profit attributable to owners of parent	3.7% 11.1	-4.0% -10.9	<-%> -22.0	-4.0% -10.9	3.3% 10.0	<-%> 20.9	
Basic earnings per share	278.21 yen	-273.33 yen	-551.54 yen	-273.33 yen	250.78 yen	524.11 yen	
ROA (Ratio of profit before tax to total assets)	3.3%	-2.7%	-6.0 points	-2.7%	3.2%	5.9 points	
ROE (Ratio of profit to equity attributable to owners of parent)	3.5%	-3.4%	-6.9 points	-3.4%	3.1%	6.5 points	
Domestic naphtha price	yen/kL	42,900	31,300	-11,600	31,300	44,000	12,700
Exchange rate	yen/USD	108.72	106.12	-2.60	106.12	105.00	-1.12
	yen/EUR	120.83	123.77	2.94	123.77	125.00	1.23



2) Other consolidated indicators

(Unit: Billions of yen)	FY 2019 Results	FY 2020 Results	Change	FY 2020 Results	FY 2021 Forecast	Change
Dividends per share	180.00 yen	90.00 yen	-90.00 yen	90.00 yen	[100.00 yen]	10.00 yen
Payout ratio	64.7%	-%	- points	-%	[39.9%]	- points
Total assets	475.6	471.6	-4.0	471.6	473.0	1.4
Interest-bearing debt	63.4	61.6	-1.8	61.6	56.0	-5.5
D/E ratio	0.20 times	0.19 times	-0.01 times	0.19 times	0.17 times	-0.02 times
Equity attributable to owners of parent	319.7	317.4	-2.3	317.4	323.6	6.2
Rate of equity attributable to owners of parent	67.2%	67.3%	0.1 points	67.3%	68.4%	1.1 points
Equity attributable to owners of parent per share	8,017.17 yen	7,959.07 yen	-58.10 yen	7,959.07 yen	8,114.84 yen	155.77 yen
Capital investments	30.4	26.7	-3.7	26.7	23.0	-3.7
Depreciation and amortization	28.7	29.5	0.8	29.5	27.0	-2.5
R&D expenses	14.8	14.6	-0.2	14.6	15.4	0.8
Number of employees	4,510	4,555	45	4,555	4,611	56

Features of the fiscal year ending March 31, 2022 (year-on-year comparison)

◎ Increase in revenue/profit:

Revenue will increase due to factors such as an increase in sales prices in line with higher raw material prices and growth in sales volume mainly of functional chemicals.

Profit will increase due to an increase in sales volume and a decrease in processing costs such as inventory valuation differences in addition to no longer recording impairment losses and business integration expenses.

	(Unit: Billions of yen)	Major cause
Revenue	+26.8 (Increase)	<ul style="list-style-type: none"> Increases in all segments of basic chemicals, functional chemicals, and environment and catalysts Increase in revenue due to higher selling prices in line with rising raw materials costs and an increase in sales volume centered on functional chemicals
Operating profit	+28.9 (Increase)	<ul style="list-style-type: none"> Decrease in other operating expenses (impairment losses, business integration expenses, etc.), increases in production and sales volume, and a decrease in processing costs > an increase in selling, general and administrative expenses and a contraction in the spread between raw material costs and sales prices
Profit before tax	+27.9 (Increase)	<ul style="list-style-type: none"> Decreases in foreign exchange gains and dividend income, etc.
Profit attributable to owners of parent	+20.9 (Increase)	

* This financial report is solely a translation of "Kessan Tanshin" (in Japanese, including attachments), which has been prepared in accordance with the International Financial Reporting Standards (IFRS), for the convenience of readers who prefer an English translation.