

\* 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 First Quarter of the Fiscal Year Ending March 31, 2022 [IFRS]**  
**(Three Months Ended June 30, 2021)**

August 5, 2021

Company name: NIPPON SHOKUBAI CO., LTD.	Listing: TSE (First Section)
Code number: 4114	URL: <a href="https://www.shokubai.co.jp/">https://www.shokubai.co.jp/</a>
Representative: Yujiro Goto, President and Representative Member of the Board	
Contact for inquiries: Akira Kurusu, General Manager of Corporate Communications Dept.	Phone: +81-3-3506-7605
Scheduled quarterly report filing date: August 11, 2021	
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, 2022 (hereafter FY2021) (from April 1, 2021 to June 30, 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	%
Three months ended Jun. 30, 2021	86,057	36.7	6,659	347.6	8,112	213.4	5,839	241.4	5,643	260.9	6,383	87.4
Three months ended Jun. 30, 2020	62,936	-18.3	1,488	-59.6	2,588	-47.8	1,710	-49.5	1,564	-52.1	3,405	233.3

	Basic earnings per share	Diluted earnings per share
	Yen	Yen
Three months ended Jun. 30, 2021	141.51	—
Three months ended Jun. 30, 2020	39.21	—

(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 Jun. 30, 2021	477,317	327,917	321,571	67.4	8,064.38
As of Mar. 31, 2021	471,617	323,725	317,373	67.3	7,959.07

## 2. Dividends

	Dividends per share				
	End of 1Q	End of 2Q	End of 3Q	Year-end	Annual
	Yen	Yen	Yen	Yen	Yen
FY 2020	–	45.00	–	45.00	90.00
FY 2021	–				
FY 2021 (forecast)		80.00	–	50.00	130.00

Breakdown of dividends for FY 2021 (forecast):

Ordinary dividends: 75.00 yen (end of 2Q) and 45.00 yen (year-end), for a total of 120.00 yen

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

Note: Revisions to the dividends forecast since the latest announcement: Yes

Please refer to “Notice of Revisions to Earnings Forecast and Dividends Forecast for the Fiscal Year ending March 31, 2022” announced today (August 5, 2021) for revisions to the dividend forecasts.

## 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	170,000	36.4	13,000	–	14,500	–	10,000	–	250.78
Full year	325,000	19.0	22,000	–	24,000	–	16,000	–	401.25

Note: Revisions to the financial forecasts since the latest announcement: Yes

Please refer to “Notice of Revisions to Earnings Forecast and Dividends Forecast for the Fiscal Year ending March 31, 2022” announced today (August 5, 2021) for revisions to the consolidated financial forecasts.

### ※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)

Jun. 30, 2021: 40,800,000 shares      Mar. 31, 2021: 40,800,000 shares

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

Jun. 30, 2021: 924,556 shares      Mar. 31, 2021: 924,300 shares

3) Average number of shares outstanding during the period

Three months ended Jun. 30, 2021: 39,875,585 shares      Three months ended Jun. 30, 2020: 39,876,673 shares

### ※ 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 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. Qualitative Information on the Period under Review (3) Consolidated Financial Forecasts and Other Forward-looking Statements” on page 4 of the attached materials for the assumptions used in business forecasts.

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## 1. Qualitative Information on the Period under Review

### (1) Operating Results

The world economy during the three months ended June 30, 2021 saw signs of recovery from the effects of the novel coronavirus disease (COVID-19) and although the degrees of recovery were mixed by country and industry, economic activities resumed. While the economy in the United States steadily picked up, economic activities in Europe continued to be suppressed and sluggish due to another wave of infections. In China, the economy has been recovering gradually, and while there were some signs of the economy bottoming out and moves toward recovery in certain emerging countries in Asia, there were concerns over the rapid spread of the highly contagious delta variant.

As for the Japanese economy, there was an overall move toward improvement in corporate earnings, as capital investments and production activities recovered, while exports also continued to increase. However, personal consumption, mainly in spending on services, remained weak amid the declaration of a state of the emergency and the implementation of the measures to prevent the spread of infection, and the non-manufacturing sector became increasingly weak.

The chemical industry saw signs of recovery as the operating ratio improved thanks to a pickup in demand. Additionally, spurred on by expectations for economic recovery, domestic naphtha prices rose in conjunction with the rise in crude oil prices.

#### 1) Overview

(Unit: Millions of yen)

	Three months ended Jun. 30, 2020	Three months ended Jun. 30, 2021	Change		FY 2020
			(Amount)	(% growth)	
Revenue	62,936	86,057	23,122	36.7%	273,163
Operating profit (loss)	1,488	6,659	5,171	347.6%	-15,921
Profit (loss) before tax	2,588	8,112	5,524	213.4%	-12,926
Profit (loss) attributable to owners of parent	1,564	5,643	4,079	260.9%	-10,899
Basic earnings (loss) per share	39.21 yen	141.51 yen	102.30 yen	260.9%	-273.33 yen
ROA (Ratio of profit before tax to total assets)	2.2%	6.8%	-	4.6 points	-2.7%
ROE (Ratio of profit to equity attributable to owners of parent)	2.0%	7.1%	-	5.1 points	-3.4%
Foreign exchange rates (USD and EUR)	USD=107.63 yen EUR=118.59 yen	USD=109.52 yen EUR=131.94 yen		1.89 yen 13.35 yen	USD=106.12 yen EUR=123.77 yen
Domestic naphtha price	24,900 yen/kl	47,700 yen/kl		22,800 yen/kl	31,300 yen/kl

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

Under these conditions, the Group's revenue in the three months ended June 30, 2021 increased by 36.7% year-on-year to 86,057 million yen, up 23,122 million yen. Contributing factors were an increase in sales prices caused by a rise in raw material costs and strong market conditions for products outside of Japan and an increase in sales volume.

With regard to profits, operating profit increased by 5,171 million yen, or 347.6% year-on-year, to 6,659 million yen mainly due to strong market conditions for certain products outside of Japan, increases in production and sales volume, and a decline in processing costs such as inventory valuation difference.

Profit before tax increased by 213.4% year-on-year to 8,112 million yen, up 5,524 million yen mainly due to increases in operating profit and share of profit of investments accounted for using equity method.

As a result, profit attributable to owners of parent rose 260.9% year-on-year to 5,643 million yen, up 4,079 million yen.

## 2) Outline of Sales by Business Segment

### Basic Chemicals

Sales of acrylic acids and acrylates increased as sales prices rose mainly in line with the rise in raw material costs and strong market conditions for products outside of Japan, as well as an increase in sales volume.

Sales of ethylene oxide increased due to a rise in sales prices caused by higher raw material costs and increased sales volume.

Sales of ethylene glycol increased due to higher sales prices as a result of strong market conditions for products outside of Japan, despite a decline in sales volume.

Sales of secondary alcohol ethoxylates increased due to an increase in sales volume, as well as a rise in sales prices in line with a rise in raw material costs.

As a result of the above, revenue in the basic chemicals segment increased by 48.3% year-on-year to 37,058 million yen. Operating profit increased by 4,724 million yen year-on-year to 4,970 million yen mainly due the spread expanding as a result of strong market conditions for products outside of Japan, increases in production and sales volume, and a decline in processing costs such as inventory valuation difference.

### Functional Chemicals

Sales of superabsorbent polymers increased mainly due to a rise in sales prices in line with a rise in raw materials costs and strong market conditions for products outside of Japan as well as an increase in sales volume.

Sales of special acrylates increased due to a rise in sales volume and an increase in sales prices mainly in line with strong market conditions for products outside of Japan.

Sales of polymers for concrete admixture, water-soluble polymers for raw materials of detergents, electronic information material, resin modifiers, and resins for paints, increased in line with an increase in sales volume.

Sales of maleic anhydride increased due to higher sales prices as a result of a rise in raw material costs, despite a decline in sales volume.

Sales of ethyleneimine derivatives, iodine compounds, and adhesive products increased as a result of rises in sales volume and sales prices.

As a result, revenue in the functional chemicals segment increased by 30.1% year-on-year to 46,228 million yen.

Operating profit increased by 138.2% year-on-year to 2,321 million yen mainly due to increases in production and sales volume and a decline in processing costs such as inventory valuation difference.

### Environment & Catalysts

Sales of process catalysts increased due to higher sales prices, despite a decline in sales volume.

Sales of De-NOx catalysts, fuel cell materials, and materials for lithium-ion batteries, increased mainly due to higher sales volume.

Sales of wet air oxidation catalysts decreased mainly due to a decline in sales volume.

As a result, revenue in the environment & catalysts segment increased by 14.6% year-on-year to 2,771 million yen.

Operating profit decreased by 1,036 million yen year-on-year to an operating loss of 837 million yen mainly due to an increase in processing costs such as inventory valuation difference.

## (2) Financial Position

### 1) Analysis of Financial Position

Total assets at the end of the first quarter of the current fiscal year increased by 5,701 million yen from the end of the previous fiscal year to 477,317 million yen. Current assets increased by 7,152 million yen compared to the end of the previous fiscal year. This was mainly due to an increase in trade receivables as sales prices rose in line with a rise in raw material costs. Non-current assets decreased by 1,452 million yen from the end of the previous fiscal year. This was mainly due to a decrease in property, plant and equipment as a result of progress in depreciation.

Total liabilities increased by 1,509 million yen compared to the end of the previous fiscal year to 149,400 million yen. This was mainly due to an increase in trade payables as a result of higher raw material costs and an increase in purchase volume as well as an increase in short-term borrowings, despite the redemption of bonds.

Total equity increased by 4,192 million yen compared to the end of the previous fiscal year to 327,917million yen. This was mainly due to an increase in retained earnings.

Ratio of profit to equity attributable to owners of parent rose 0.1 percentage points from 67.3% at the end of the previous fiscal year to 67.4%. Equity attributable to owners of parent per share increased by 105.31 yen compared to the end of the previous fiscal year to 8,064.38 yen.

## 2) Cash Flows

Cash and cash equivalents at the end of the three months ended June 30, 2021 amounted to 32,756 million yen, a decrease of 3,585 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 three months ended June 30, 2021 amounted to 9,321 million yen, a decrease of 3,266 million yen from a cash inflow of 12,587 million yen in the same period of the previous fiscal year. This was mainly because trade receivables, which had decreased due to a decline in sales volume in the same period of the previous fiscal year, increased during the three months ended June 30, 2021 in line with rising sales prices, despite increases in profit before tax and trade payables.

### Cash flow from investing activities

Net cash used in investing activities in the three months ended June 30, 2021 totaled 6,888 million yen, a decrease of 2,800 million yen from a cash outflow of 9,687 million yen in the same period of the previous fiscal year, mainly due to a decrease in purchase of property, plant and equipment.

### Cash flow from financing activities

Net cash used in financing activities in the three months ended June 30, 2021 amounted to 6,105 million yen, an increase of 2,952 million yen from a cash outflow of 3,152 million yen in the same period of the previous fiscal year, mainly due to a decrease in proceeds from long-term borrowings, despite an increase in short-term borrowings for the redemption of bonds.

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

Please refer to “Notice of Revisions to Earnings Forecast and Dividends Forecast for the Fiscal Year ending March 31, 2022” announced today (August 5, 2021) for revisions to the consolidated financial forecasts.

### Reference

#### Preconditions for forecasts

	Domestic naphtha price	Foreign exchange rate	
	yen/kl	yen/USD	yen/EUR
First half forecasts	50,400	110	131
Second half forecasts	50,000	105	125
Full year forecasts	50,200	107	128

#### 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	75.5	9.0	90.0	4.6	4.5	-1.1	0.5	170.0	13.0
Second half forecasts	61.5	3.7	89.0	4.7	4.5	0.3	0.3	155.0	9.0
Full year forecasts	137.0	12.7	179.0	9.3	9.0	-0.8	0.8	325.0	22.0

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

## 2. Condensed Quarterly Consolidated Financial Statements and Related Notes

### (1) Condensed Quarterly Consolidated Statements of Financial Position

(Unit: Millions of yen)

	FY2020 As of Mar. 31, 2021	1Q-FY2021 As of Jun. 30, 2021
Assets		
Current assets		
Cash and cash equivalents	36,341	32,756
Trade receivables	82,053	88,160
Inventories	57,612	61,976
Other financial assets	9,661	10,438
Other current assets	6,140	5,628
Total current assets	191,806	198,958
Non-current assets		
Property, plant and equipment	193,197	191,445
Intangible assets	5,989	6,355
Investments accounted for using equity method	20,108	20,344
Other financial assets	44,285	43,785
Retirement benefit asset	11,571	11,581
Deferred tax assets	3,093	3,210
Other non-current assets	1,568	1,639
Total non-current assets	279,811	278,359
Total assets	471,617	477,317

(Unit: Millions of yen)

	FY2020 As of Mar. 31, 2021	1Q-FY2021 As of Jun. 30, 2021
Liabilities and equity		
Liabilities		
Current liabilities		
Trade payables	45,912	51,690
Bonds and borrowings	23,981	23,831
Other financial liabilities	8,671	6,422
Income taxes payable	1,422	2,785
Provisions	4,734	6,259
Other current liabilities	6,030	4,875
Total current liabilities	90,750	95,862
Non-current liabilities		
Borrowings	28,887	25,747
Other financial liabilities	8,023	7,668
Retirement benefit liability	14,162	14,160
Provisions	2,157	2,203
Deferred tax liabilities	3,914	3,760
Total non-current liabilities	57,142	53,538
Total liabilities	147,891	149,400
Equity		
Share capital	25,038	25,038
Capital surplus	22,472	22,472
Treasury shares	-6,286	-6,288
Retained earnings	267,729	271,589
Other components of equity	8,420	8,759
Total equity attributable to owners of parent	317,373	321,571
Non-controlling interests	6,352	6,346
Total equity	323,725	327,917
Total liabilities and equity	471,617	477,317



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

Three months ended June 30, 2020 and 2021

(Unit: Millions of yen)

	1Q-FY 2020 Apr. 1, 2020 to Jun. 30, 2020	1Q-FY 2021 Apr. 1, 2021 to Jun. 30, 2021
Revenue	62,936	86,057
Cost of sales	51,465	68,684
Gross profit	11,471	17,374
Selling, general and administrative expenses	10,187	11,434
Other operating income	476	954
Other operating expenses	273	236
Operating profit	1,488	6,659
Finance income	911	519
Finance costs	95	112
Share of profit of investments accounted for using equity method	285	1,046
Profit before tax	2,588	8,112
Income tax expense	878	2,273
Profit	1,710	5,839
Profit attributable to		
Owners of parent	1,564	5,643
Non-controlling interests	146	196
Profit	1,710	5,839
Earnings per share		
Basic earnings per share	39.21	141.51
Diluted earnings per share	-	-

### Condensed Quarterly Consolidated Statements of Comprehensive Income

Three months ended June 30, 2020 and 2021

(Unit: Millions of yen)

	1Q-FY 2020 Apr. 1, 2020 to Jun. 30, 2020	1Q-FY 2021 Apr. 1, 2021 to Jun. 30, 2021
Profit	1,710	5,839
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	2,794	-557
Share of other comprehensive income of investments accounted for using equity method	-1	-0
Total of items that will not be reclassified to profit or loss	2,793	-558
Items that may be reclassified to profit or loss		
Exchange differences on translation of foreign operations	-403	700
Share of other comprehensive income of investments accounted for using equity method	-695	402
Total of items that may be reclassified to profit or loss	-1,098	1,102
Other comprehensive income, net of tax	1,695	544
Comprehensive income	3,405	6,383
Comprehensive income attributable to		
Owners of parent	3,305	5,993
Non-controlling interests	101	390
Comprehensive income	3,405	6,383

### (3) Condensed Quarterly Consolidated Statements of Changes in Equity

Three months ended Jun. 30, 2020 (Apr. 1, 2020 to Jun. 30, 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	-6,281	280,555	126	-
Profit	-	-	-	1,564	-	-
Other comprehensive income	-	-	-	-	2,793	-1
Comprehensive income	-	-	-	1,564	2,793	-1
Purchase of treasury shares	-	-	-1	-	-	-
Disposal of treasury shares	-	-0	0	-	-	-
Dividends	-	-	-	-3,589	-	-
Transfer from other components of equity to retained earnings	-	-	-	-1	-	1
Total transactions with owners	-	-0	-1	-3,590	-	1
Balance at end of period	25,038	22,472	-6,281	278,529	2,919	-

	Other components of equity		Total equity attributable to owners of parent	Non-controlling interests	Total equity
	Exchange differences on translation of foreign operations	Total			
Balance at beginning of period	-2,212	-2,086	319,699	6,410	326,108
Profit	-	-	1,564	146	1,710
Other comprehensive income	-1,051	1,741	1,741	-45	1,695
Comprehensive income	-1,051	1,741	3,305	101	3,405
Purchase of treasury shares	-	-	-1	-	-1
Disposal of treasury shares	-	-	0	-	0
Dividends	-	-	-3,589	-120	-3,709
Transfer from other components of equity to retained earnings	-	1	-	-	-
Total transactions with owners	-	1	-3,590	-120	-3,710
Balance at end of period	-3,263	-344	319,414	6,391	325,804

Three months ended Jun. 30, 2021 (Apr. 1, 2021 to Jun. 30, 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	-6,286	267,729	7,691	—
Profit	—	—	—	5,643	—	—
Other comprehensive income	—	—	—	—	-555	-0
Comprehensive income	—	—	—	5,643	-555	-0
Purchase of treasury shares	—	—	-1	—	—	—
Disposal of treasury shares	—	—	—	—	—	—
Dividends	—	—	—	-1,794	—	—
Transfer from other components of equity to retained earnings	—	—	—	12	-12	0
Total transactions with owners	—	—	-1	-1,783	-12	0
Balance at end of period	25,038	22,472	-6,288	271,589	7,123	—

	Other components of equity		Total equity attributable to owners of parent	Non-controlling interests	Total equity
	Exchange differences on translation of foreign operations	Total			
Balance at beginning of period	730	8,420	317,373	6,352	323,725
Profit	—	—	5,643	196	5,839
Other comprehensive income	906	350	350	194	544
Comprehensive income	906	350	5,993	390	6,383
Purchase of treasury shares	—	—	-1	—	-1
Disposal of treasury shares	—	—	—	—	—
Dividends	—	—	-1,794	-396	-2,190
Transfer from other components of equity to retained earnings	—	-12	—	—	—
Total transactions with owners	—	-12	-1,796	-396	-2,192
Balance at end of period	1,636	8,759	321,571	6,346	327,917

**(4) Condensed Quarterly Consolidated Statements of Cash Flows**

(Unit: Millions of yen)

	1Q-FY 2020 Apr. 1, 2020 to Jun. 30, 2020	1Q-FY 2021 Apr. 1, 2021 to Jun. 30, 2021
Cash flows from operating activities		
Profit before tax	2,588	8,112
Depreciation and amortization	7,261	7,119
Loss (gain) on sale of property, plant and equipment	-0	-521
Decrease (increase) in retirement benefit asset	19	-10
Increase (decrease) in retirement benefit liability	63	-42
Interest and dividend income	-511	-519
Interest expenses	95	83
Share of loss (profit) of investments accounted for using equity method	-285	-1,046
Decrease (increase) in trade receivables	11,471	-5,853
Decrease (increase) in inventories	-141	-4,165
Increase (decrease) in trade payables	-11,160	5,626
Other	3,446	-58
Subtotal	12,846	8,726
Interest and dividends received	1,774	1,738
Interest paid	-178	-100
Income taxes paid	-1,856	-1,044
Net cash provided by (used in) operating activities	12,587	9,321
Cash flows from investing activities		
Purchase of property, plant and equipment	-9,138	-6,770
Proceeds from sale of property, plant and equipment	41	632
Purchase of intangible assets	-292	-453
Purchase of investments	-323	-330
Proceeds from sale and redemption of investments	-	30
Other	25	3
Net cash provided by (used in) investing activities	-9,687	-6,888
Cash flows from financing activities		
Net increase (decrease) in short-term borrowings	-4,736	7,565
Proceeds from long-term borrowings	8,304	1,095
Repayments of long-term borrowings	-2,676	-2,095
Redemption of bonds	-	-10,000
Repayments of lease liabilities	-334	-479
Purchase of treasury shares	-1	-1
Dividends paid	-3,589	-1,794
Dividends paid to non-controlling interests	-120	-396
Other	0	-
Net cash provided by (used in) financing activities	-3,152	-6,105
Effect of exchange rate changes on cash and cash equivalents	-140	87
Net increase (decrease) in cash and cash equivalents	-393	-3,585
Cash and cash equivalents at beginning of period	43,869	36,341
Cash and cash equivalents at end of period	43,476	32,756

## **(5) Notes Concerning Condensed Quarterly Consolidated Financial Statements**

### **【Going Concern Assumption】**

Not applicable.

### **【Changes in Accounting Policies】**

The accounting policies applied in these condensed quarterly consolidated financial statements are the same as those applied in the consolidated financial statements for the previous fiscal year.

Income tax expense in the three months ended June 30, 2021 is calculated based on the estimated average annual effective tax rate.

### **【Segment Information, etc.】**

#### **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. Information Concerning Revenue and Income or Loss by Reportable Segment

Three months ended Jun. 30, 2020 (Apr. 1, 2020 to Jun. 30, 2020)

(Unit: Millions of yen)

	Reportable segments				Adjustment (Note)	Total
	Basic Chemicals	Functional Chemicals	Environment & Catalysts	Total		
Revenue						
(1) Revenue to third parties	24,990	35,527	2,418	62,936	–	62,936
(2) Intergroup revenue and transfers	6,889	651	283	7,822	-7,822	–
Total	31,879	36,178	2,701	70,758	-7,822	62,936
Segment income	246	975	200	1,420	67	1,488
Finance income	–	–	–	–	–	911
Finance costs	–	–	–	–	–	95
Share of profit of investments accounted for using equity method	–	–	–	–	–	285
Profit before tax	–	–	–	–	–	2,588

Notes: The adjustment for “Segment income” includes inter-segment transaction eliminations and corporate profit (loss) not allocated to reportable segments amounting to 67 million yen.

Three months ended Jun. 30, 2021 (Apr. 1, 2021 to Jun. 30, 2021)

(Unit: Millions of yen)

	Reportable segments				Adjustment (Note)	Total
	Basic Chemicals	Functional Chemicals	Environment & Catalysts	Total		
Revenue						
(1) Revenue to third parties	37,058	46,228	2,771	86,057	–	86,057
(2) Intergroup revenue and transfers	9,477	904	178	10,559	-10,559	–
Total	46,535	47,132	2,950	96,616	-10,559	86,057
Segment income (loss)	4,970	2,321	-837	6,455	204	6,659
Finance income	–	–	–	–	–	519
Finance costs	–	–	–	–	–	112
Share of profit of investments accounted for using equity method	–	–	–	–	–	1,046
Profit before tax	–	–	–	–	–	8,112

Notes: The adjustment for “Segment income (loss)” includes inter-segment transaction eliminations and corporate profit (loss) not allocated to reportable segments amounting to 204 million yen.

## 3. Information Concerning Impairment Loss of Non-current Assets or Goodwill, etc. by Reportable Segment

Three months ended Jun. 30, 2020 (Apr. 1, 2020 to Jun. 30, 2020)

Not applicable.

Three months ended Jun. 30, 2021 (Apr. 1, 2021 to Jun. 30, 2021)

Not applicable.

## 【Supplementary Information】

### Overseas Revenue

Three months ended Jun. 30, 2020 (Apr. 1, 2020 to Jun. 30, 2020)

(Unit: Millions of yen)

	Asia	Europe	North America	Others	Total
I. Overseas revenue	15,771	9,040	5,047	3,078	32,936
II. Consolidated revenue					62,936
III. Overseas revenue to consolidated revenue	25.0%	14.4%	8.0%	4.9%	52.3%

Three months ended Jun. 30, 2021 (Apr. 1, 2021 to Jun. 30, 2021)

(Unit: Millions of yen)

	Asia	Europe	North America	Others	Total
I. Overseas revenue	23,054	12,965	8,513	3,610	48,142
II. Consolidated revenue					86,057
III. Overseas revenue to consolidated revenue	26.7%	15.1%	9.9%	4.2%	55.9%

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.

## 【Significant Subsequent Events】

Not applicable.

\* 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.