

* 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 Third Quarter of the Fiscal Year Ending March 31, 2022 [IFRS]
(Nine Months Ended December 31, 2021)

February 3, 2022

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	
Contact for inquiries: Akira Kurusu, General Manager of Corporate Communications Dept.	Phone: +81-3-3506-7605
Scheduled quarterly report filing date: February 9, 2022	
Scheduled date of dividend payment: -	
Supplementary quarterly materials prepared: None	
Quarterly results information meeting held: None	

(Figures are rounded off to the nearest million yen)

1. Consolidated Financial Results for the Third Quarter of the Fiscal Year Ending March 31, 2022 (hereafter FY2021) (from April 1, 2021 to December 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	%
Nine months ended Dec. 31, 2021	269,813	38.0	23,889	-	27,514	658.2	19,921	897.8	19,336	-	22,682	276.1
Nine months ended Dec. 31, 2020	195,461	-13.9	1,485	-86.0	3,629	-73.6	1,997	-79.5	1,540	-83.5	6,030	-26.0

	Basic earnings per share	Diluted earnings per share
Nine months ended Dec. 31, 2021	Yen 484.92	Yen -
Nine months ended Dec. 31, 2020	Yen 38.61	Yen -

(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 Dec. 31, 2021	512,298	341,023	334,133	65.2	8,379.53
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	–	80.00	–		
FY 2021 (forecast)				100.00	180.00

Breakdown of dividends for FY 2021 (forecast):

Ordinary dividends: 75.00 yen (end of 2Q) and 95.00 yen (year-end), for a total of 170.00 yen

Commemorative dividends for its 80th anniversary: 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 (February 3, 2022) 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
Full year	365,000	33.6	27,000	–	31,000	–	21,500	–	539.18

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 (February 3, 2022) 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)

	Dec. 31, 2021:	40,800,000 shares	Mar. 31, 2021:	40,800,000 shares
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 - 2) Number of treasury stock at the end of the period

	Dec. 31, 2021:	925,071 shares	Mar. 31, 2021:	924,300 shares
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 - 3) Average number of shares outstanding during the period

	Nine months ended		Nine months ended	
	Dec. 31, 2021:	39,875,257 shares	Dec. 31, 2020:	39,876,441 shares

※ Indication regarding execution of audit procedures

This quarterly financial results report is outside the scope of quarterly review 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.

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1. 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	3Q-FY2021 As of Dec. 31, 2021
Assets		
Current assets		
Cash and cash equivalents	36,341	43,769
Trade receivables	82,053	101,271
Inventories	57,612	72,605
Other financial assets	9,661	10,617
Other current assets	6,140	5,491
Total current assets	191,806	233,753
Non-current assets		
Property, plant and equipment	193,197	190,210
Intangible assets	5,989	7,317
Investments accounted for using equity method	20,108	21,926
Other financial assets	44,285	42,898
Retirement benefit asset	11,571	11,609
Deferred tax assets	3,093	3,002
Other non-current assets	1,568	1,582
Total non-current assets	279,811	278,545
Total assets	471,617	512,298

(Unit: Millions of yen)

	FY2020 As of Mar. 31, 2021	3Q-FY2021 As of Dec. 31, 2021
Liabilities and equity		
Liabilities		
Current liabilities		
Trade payables	45,912	64,981
Bonds and borrowings	23,981	26,166
Other financial liabilities	8,671	8,858
Income taxes payable	1,422	5,786
Provisions	4,734	3,088
Other current liabilities	6,030	4,356
Total current liabilities	90,750	113,234
Non-current liabilities		
Borrowings	28,887	29,989
Other financial liabilities	8,023	7,083
Retirement benefit liability	14,162	14,323
Provisions	2,157	2,222
Deferred tax liabilities	3,914	4,423
Total non-current liabilities	57,142	58,041
Total liabilities	147,891	171,275
Equity		
Share capital	25,038	25,038
Capital surplus	22,472	22,472
Treasury shares	-6,286	-6,291
Retained earnings	267,729	282,619
Other components of equity	8,420	10,294
Total equity attributable to owners of parent	317,373	334,133
Non-controlling interests	6,352	6,890
Total equity	323,725	341,023
Total liabilities and equity	471,617	512,298

(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

Nine months ended Dec. 31, 2020 and 2021

(Unit: Millions of yen)

	3Q-FY 2020 Apr. 1, 2020 to Dec. 31, 2020	3Q-FY 2021 Apr. 1, 2021 to Dec. 31, 2021
Revenue	195,461	269,813
Cost of sales	161,202	212,232
Gross profit	34,259	57,581
Selling, general and administrative expenses	30,218	35,176
Other operating income	1,713	2,209
Other operating expenses	4,269	725
Operating profit	1,485	23,889
Finance income	1,501	1,250
Finance costs	277	606
Share of profit of investments accounted for using equity method	920	2,980
Profit before tax	3,629	27,514
Income tax expense	1,632	7,593
Profit	1,997	19,921
Profit attributable to		
Owners of parent	1,540	19,336
Non-controlling interests	457	585
Profit	1,997	19,921
Earnings per share		
Basic earnings per share (Yen)	38.61	484.92
Diluted earnings per share (Yen)	-	-

Condensed Quarterly Consolidated Statements of Comprehensive Income

Nine months ended Dec. 31, 2020 and 2021

(Unit: Millions of yen)

	3Q-FY 2020 Apr. 1, 2020 to Dec. 31, 2020	3Q-FY 2021 Apr. 1, 2021 to Dec. 31, 2021
Profit	1,997	19,921
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	5,545	-704
Share of other comprehensive income of investments accounted for using equity method	-0	-2
Total of items that will not be reclassified to profit or loss	5,545	-706
Items that may be reclassified to profit or loss		
Exchange differences on translation of foreign operations	-974	3,458
Share of other comprehensive income of investments accounted for using equity method	-538	8
Total of items that may be reclassified to profit or loss	-1,511	3,467
Other comprehensive income, net of tax	4,033	2,761
Comprehensive income	6,030	22,682
Comprehensive income attributable to		
Owners of parent	5,597	21,748
Non-controlling interests	433	933
Comprehensive income	6,030	22,682

(3) Condensed Quarterly Consolidated Statements of Changes in Equity

Nine months ended Dec. 31, 2020 (Apr. 1, 2020 to Dec. 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	-6,281	280,555	126	-
Profit	-	-	-	1,540	-	-
Other comprehensive income	-	-	-	-	5,542	-0
Comprehensive income	-	-	-	1,540	5,542	-0
Purchase of treasury shares	-	-	-4	-	-	-
Disposal of treasury shares	-	-0	0	-	-	-
Dividends	-	-	-	-5,383	-	-
Transfer from other components of equity to retained earnings	-	-	-	243	-243	0
Total transactions with owners	-	-0	-4	-5,140	-243	0
Balance at end of period	25,038	22,472	-6,284	276,955	5,425	-

	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	-	-	1,540	457	1,997
Other comprehensive income	-1,485	4,058	4,058	-24	4,033
Comprehensive income	-1,485	4,058	5,597	433	6,030
Purchase of treasury shares	-	-	-4	-	-4
Disposal of treasury shares	-	-	0	-	0
Dividends	-	-	-5,383	-731	-6,115
Transfer from other components of equity to retained earnings	-	-243	-	-	-
Total transactions with owners	-	-243	-5,387	-731	-6,119
Balance at end of period	-3,697	1,728	319,909	6,111	326,020

Nine months ended Dec. 31, 2021 (Apr. 1, 2021 to Dec. 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	-6,286	267,729	7,691	-
Profit	-	-	-	19,336	-	-
Other comprehensive income	-	-	-	-	-701	-2
Comprehensive income	-	-	-	19,336	-701	-2
Purchase of treasury shares	-	-	-4	-	-	-
Disposal of treasury shares	-	-	-	-	-	-
Dividends	-	-	-	-4,984	-	-
Transfer from other components of equity to retained earnings	-	-	-	538	-540	2
Total transactions with owners	-	-	-4	-4,446	-540	2
Balance at end of period	25,038	22,472	-6,291	282,619	6,450	-

	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	-	-	19,336	585	19,921
Other comprehensive income	3,115	2,412	2,412	349	2,761
Comprehensive income	3,115	2,412	21,748	933	22,682
Purchase of treasury shares	-	-	-4	-	-4
Disposal of treasury shares	-	-	-	-	-
Dividends	-	-	-4,984	-396	-5,380
Transfer from other components of equity to retained earnings	-	-538	-	-	-
Total transactions with owners	-	-538	-4,989	-396	-5,384
Balance at end of period	3,844	10,294	334,133	6,890	341,023

(4) Condensed Quarterly Consolidated Statements of Cash Flows

(Unit: Millions of yen)

	3Q-FY 2020 Apr. 1, 2020 to Dec. 31, 2020	3Q-FY 2021 Apr. 1, 2021 to Dec. 31, 2021
Cash flows from operating activities		
Profit before tax	3,629	27,514
Depreciation and amortization	21,911	21,540
Loss (gain) on sale of property, plant and equipment	-1	-505
Impairment losses	1,795	-
Decrease (increase) in retirement benefit asset	63	-38
Increase (decrease) in retirement benefit liability	164	64
Interest and dividend income	-1,093	-1,195
Interest expenses	250	249
Share of loss (profit) of investments accounted for using equity method	-920	-2,980
Decrease (increase) in trade receivables	5,123	-18,294
Decrease (increase) in inventories	1,949	-14,343
Increase (decrease) in trade payables	-1,822	18,680
Other	679	-2,555
Subtotal	31,726	28,135
Interest and dividends received	2,358	2,472
Interest paid	-349	-237
Income taxes paid	-3,285	-1,969
Net cash provided by (used in) operating activities	30,449	28,401
Cash flows from investing activities		
Purchase of property, plant and equipment	-22,246	-15,938
Proceeds from sale of property, plant and equipment	5	733
Purchase of intangible assets	-824	-1,513
Purchase of investments	-424	-385
Proceeds from sale and redemption of investments	448	1,333
Acquisition of shares of subsidiaries and affiliates	-	-500
Other	-455	-984
Net cash provided by (used in) investing activities	-23,496	-17,253
Cash flows from financing activities		
Net increase (decrease) in short-term borrowings	-7,197	10,499
Proceeds from long-term borrowings	8,191	9,989
Repayments of long-term borrowings	-5,447	-8,185
Redemption of bonds	-	-10,000
Repayments of lease liabilities	-1,008	-1,309
Purchase of treasury shares	-4	-4
Dividends paid	-5,383	-4,984
Dividends paid to non-controlling interests	-731	-396
Other	0	-
Net cash provided by (used in) financing activities	-11,579	-4,390
Effect of exchange rate changes on cash and cash equivalents	-313	671
Net increase (decrease) in cash and cash equivalents	-4,940	7,428
Cash and cash equivalents at beginning of period	43,869	36,341
Cash and cash equivalents at end of period	38,929	43,769