

* 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, 2022 [IFRS]**

May 12, 2022

Company name: NIPPON SHOKUBAI CO., LTD. Listing: TSE (Prime Market)
Code number: 4114 URL: <https://www.shokubai.co.jp/>
Representative: Yujiro Goto, President and Representative Member of the Board
Contact for inquiries: Tomotaka Nishikawa, General Manager of Corporate Communications Dept. Phone: +81-3-3506-7605
Scheduled date of the general shareholders' meeting: June 21, 2022
Scheduled date of dividend payment: June 22, 2022
Scheduled date of filing annual securities report: June 21, 2022
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, 2022 (here after FY 2021) (from April 1, 2021 to March 31, 2022)

(1) Consolidated operating results

(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 2021	369,293	35.2	29,062	-	33,675	-	24,470	-	23,720	-	32,782	777.1
FY 2020	273,163	-9.6	-15,921	-	-12,926	-	-10,291	-	-10,899	-	3,737	-13.6

	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 2021	594.86	-	7.2	6.8	7.9
FY 2020	-273.33	-	-3.4	-2.7	-5.8

Reference: Share of profit of investments accounted for using equity method (millions of yen): FY 2021: 3,362
FY 2020: 1,441

(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, 2022	518,151	351,123	343,882	66.4	8,624.02
As of Mar. 31, 2021	471,617	323,725	317,373	67.3	7,959.07

(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 2021	35,058	-23,158	-10,751	39,363
FY 2020	35,277	-30,623	-12,750	36,341

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 2020	–	45.00	–	45.00	90.00	3,589	–	1.1
FY 2021	–	80.00	–	100.00	180.00	7,177	30.3	2.2
FY 2022 (forecast)	–	90.00	–	90.00	180.00		46.3	

Breakdown of dividends for FY 2021:

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

Commemorative dividends for the 80th anniversary: 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, 2023 (from April 1, 2022 to March 31, 2023)

(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)	220,000	27.2	6,000	-60.5	7,000	-60.6	5,000	-59.5	125.39
Full year	445,000	20.5	20,000	-31.2	23,000	-31.7	15,500	-34.7	389.14

※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, 2022: 40,800,000 shares Mar. 31, 2021: 40,800,000 shares

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

Mar. 31, 2022: 925,134 shares Mar. 31, 2021: 924,300 shares

3) Average number of shares outstanding during the period

FY 2021: 39,875,167 shares FY 2020: 39,876,282 shares

(Reference) Overview of Non-consolidated Financial Results

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

(1) Non-consolidated operating results (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 2021	224,366	23.9	18,148	271.6	24,444	116.7	17,609	—
FY 2020	181,073	-11.5	4,884	-52.0	11,280	-39.6	-19,650	—

	Basic earnings per share	Diluted net income per share
	Yen	Yen
FY 2021	441.60	—
FY 2020	-492.78	—

(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, 2022	356,044	260,212	73.1	6,525.71
As of Mar. 31, 2021	332,494	250,569	75.4	6,283.76

Reference: Shareholders' equity (millions of yen): As of Mar. 31, 2022: 260,212
As of Mar. 31, 2021: 250,569

2. Non-consolidated Financial Forecasts for the Fiscal Year Ending March 31, 2023
(from April 1, 2022 to March 31, 2023)

(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)	135,000	28.4	2,800	-70.6	8,500	-37.7	7,000	-35.8	175.55
Full year	273,000	21.7	10,000	-44.9	17,000	-30.5	13,000	-26.2	326.37

※ 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 5 of the attached materials for the assumptions used in business forecasts.

Contents of the Attached Materials

1. Overview of Operating Results, etc.....	2
(1) Overview of Operating Results for the Fiscal Year under Review.....	2
(2) Overview of Financial Position for the Fiscal Year under Review.....	4
(3) Overview of Cash Flows for the Fiscal Year under Review.....	4
(4) Future Outlook.....	5
(5) Basic Policy on the Distribution of Profits, and Dividends for the Current and Next Fiscal Year	6
2. Corporate Group.....	7
3. Management Policy.....	10
4. Basic Policy of the Choice of Accounting Standards.....	15
5. Consolidated Financial Statements and Related Notes	16
(1) Consolidated Statements of Financial Position	16
(2) Consolidated Statements of Profit or Loss and Consolidated Statements of Comprehensive Income.....	18
(3) Consolidated Statements of Changes in Equity.....	20
(4) Consolidated Statements of Cash Flows.....	22
(5) Notes Concerning Consolidated Financial Statements.....	23
(Going Concern Assumption)	23
(Segment Information).....	23
(Supplementary Information).....	25
(Additional Information).....	25
(Per Share Information)	26
(Significant Subsequent Events)	26
6. Transfers of Executive Officers	26
7. Supplementary Material	27

1. Overview of Operating Results, etc.

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

In the current fiscal year, the global economy continued to recover from the impact of the novel coronavirus disease (COVID-19). While the degree of economic recovery varied by country and industry, economic activities were resuming. In the current situation, there are concerns about economic downside due to soaring resource prices and supply-side constraints amid uncertainty about the future due to the situation in Ukraine and other factors.

In the United States, the economy is steadily picking up, while in Europe, the economy is slowing down due to soaring prices of raw materials and fuels such as natural gas. In China, the economy continued to recover gradually, but the pace of recovery slowed down due to the re-expansion of infection and the resulting zero-corona policy and other factors. In emerging Asian countries, there were signs of economic recovery.

In Japan, exports and corporate earnings generally showed signs of improvement, as capital investment and production activities continued to pick up, although personal consumption stalled amid the severe conditions caused by expanding the Omicron variant infection.

In the chemical industry, the yen weakened against the U.S. dollar due to differences in monetary policy between Japan and the United States and other factors, and crude oil prices also rose, which drove up prices of raw materials and fuels such as domestically produced naphtha. In addition, marine transportation costs rose due to continued disruptions in the global logistics network.

1) Overview

(Unit: Millions of yen)

	FY 2020	FY 2021	Change	
			(Amount)	(% growth)
Revenue	273,163	369,293	96,130	35.2%
Operating profit (loss)	-15,921	29,062	44,982	-%
Profit (loss) before tax	-12,926	33,675	46,601	-%
Profit (loss) attributable to owners of parent	-10,899	23,720	34,619	-%
Basic earnings (loss) per share	-273.33 yen	594.86 yen	868.19 yen	-%
ROA (Ratio of profit before tax to total assets)	-2.7%	6.8%	–	9.5 points
ROE (Ratio of profit to equity attributable to owners of parent)	-3.4%	7.2%	–	10.6 points
Foreign exchange rates (USD and EUR)	USD=¥106.12 EUR=¥123.77	USD=¥112.42 EUR=¥130.55		6.30 yen 6.78 yen
Domestic naphtha price	31,300 yen/kl	56,600 yen/kl		25,300 yen/kl

Under these conditions, the Group's revenue in the current fiscal year increased 35.2% year-on-year to 369,293 million yen, up 96,130 million yen, due to higher selling prices in line with higher raw material prices and conditions of overseas market prices for products, as well as an increase in sales volume.

With regard to profits, operating profit increased by 44,982 million yen year-on-year to 29,062 million yen. Although selling, general and administrative expenses increased due to soaring marine transportation costs and other factors, the increase in profit was due to factors such as a widening of the spread due to higher overseas market prices for some products, an increase in production and sales volumes, and the impact of inventory valuation differences due to higher raw material prices. In addition, there were no impairment losses of 11,903 million yen on fixed assets of NIPPON SHOKUBAI EUROPE N.V. (hereinafter, "NSE") and 9,282 million yen on goodwill and technology-related assets related to SIRRUS Inc., and 1,713 million yen in costs related to the cancellation of the business integration between the Company and Sanyo Chemical Industries, Ltd., which were recorded in the previous fiscal year.

Profit before tax was 33,675 million yen, a year-on-year increase of 46,601 million yen, 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 of 23,720 million yen was posted, up 34,619 million yen year-on-year.

2) Outline of Sales by Business Segment

(Unit: Millions of yen)

		FY 2020	FY 2021	Change
Basic Chemicals	Revenue	110,261	158,896	48,634
Functional Chemicals	Revenue	155,272	200,004	44,732
Environment & Catalysts	Revenue	7,629	10,393	2,764
Basic Chemicals	Operating profit	4,535	21,042	16,507
Functional Chemicals	Operating profit	-19,119	8,669	27,788
Environment & Catalysts	Operating profit	203	-941	-1,144

Basic Chemicals

Sales of acrylic acids and acrylates increased due to higher selling prices resulting from higher raw material prices and higher overseas market prices for products, as well as an increase in sales volume.

Sales of ethylene oxide increased due to higher selling prices resulting from higher raw material prices and an increase in sales volume.

Sales of ethylene glycol increased due mainly to higher selling prices resulting from higher overseas market prices of the product, despite a decrease in sales volume.

Sales of secondary alcohol ethoxylates increased due to an increase in sales volume and higher selling prices in line with higher raw material prices and other factors.

As a result, revenue in the basic chemicals segment increased 44.1% year-on-year to 158,896 million yen.

Operating profit increased 16,507 million yen year-on-year to 21,042 million yen due to factors such as widening spreads resulting from higher overseas market prices for products, increased production and sales volumes, and the impact of inventory valuation differences resulting from higher raw material prices.

Functional Chemicals

Sales of superabsorbent polymers increased due to higher selling prices in line with rising raw material prices and product overseas market conditions, as well as an increase in sales volume.

Sales of special acrylates increased due to higher selling prices in line with rising overseas market prices of the products and higher sales volumes.

Sales of polymers for concrete admixtures, water-soluble polymers such as raw materials for detergents, ethyleneimine derivatives, and resins for paints increased mainly due to higher sales volumes.

Sales of maleic anhydride increased due to higher selling prices, mainly reflecting higher raw material prices.

Sales of iodine compounds increased due to an increase in product sales mix and sales volume.

Sales of resin modifiers, electronic and information materials, and processed adhesive products decreased due to lower sales volumes.

As a result, revenue in the functional chemicals segment increased 28.8% year on year to 200,004 million yen.

Operating profit increased due to higher production and sales volumes and the impact of inventory valuation differences resulting from higher raw material prices, despite an increase in selling, general and administrative expenses due to higher marine transportation costs and other factors. In addition, the absence of impairment losses on fixed assets of NSE and goodwill and technology-related assets of SIRRUS Inc., which were recorded in the previous period, resulted in 8,669 million yen, a year-on-year increase of 27,788 million yen.

Environment & Catalysts

Sales of process catalysts, De-NOx catalysts, and fuel cell materials increased due to higher sales volumes.

Sales of materials for lithium-ion batteries increased due to an increase in sales volume despite a decline in selling prices.

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

As a result, revenue in the environment & catalysts segment increased 36.2% year on year to 10,393 million yen.

Operating profit decreased 1,144 million yen year-on-year to operating loss of 941 million yen due to the impact of inventory valuation difference and an increase in selling, general and administrative expenses.

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

Total assets at the end of the current fiscal year increased by 46,534 million yen from the end of the previous fiscal year to 518,151 million yen. Current assets increased by 45,851 million yen compared to the end of the previous fiscal year. This was mainly due to an increase in trade receivables as sales prices increased in line with a rise in raw material costs as well as an increase in inventories in line with higher raw material costs. Non-current assets increased by 684 million yen from the end of the previous fiscal year. This was mainly due to an increase in intangible assets associated with an increase in investments accounted for using equity method and an acquisition of software, despite a decrease in other financial assets due to changes in the fair value of stocks held.

Total liabilities increased by 19,137 million yen compared to the end of the previous fiscal year to 167,028 million yen. This was mainly due to an increase in trade payables in line with a rise in raw material costs and an increase in income tax payable in line with an increase in taxable income.

Total equity increased by 27,398 million yen compared to the end of the previous fiscal year to 351,123 million yen. This was mainly due to an increase in retained earnings from the recording of profits and an increase in translation adjustments for foreign operating activities due to changes in foreign exchange rates.

The ratio of profit to equity attributable to owners of parent decreased by 0.9 percentage points, from 67.3% at the end of the previous fiscal year to 66.4%. Equity attributable to owners of parent per share increased by 664.95 yen compared to the end of the previous fiscal year to 8,624.02 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 39,363 million yen, an increase of 3,022 million yen from the end of the previous fiscal year, as cash flows provided by operating activities exceeded cash flows used in investing activities including capital investment and cash flows used in financing activities.

Cash flow from operating activities

Net cash provided by operating activities in the current fiscal year amounted to 35,058 million yen, a decrease of 219 million yen from a cash inflow of 35,277 million yen in the previous fiscal year. This was mainly due to an increase in trade receivables, which increased in line with rising sales prices; an increase in inventories, which increased as a result of a rise in raw material costs; and a decrease in impairment losses, despite increases in profit before tax and trade payables.

Cash flow from investing activities

Net cash used in investing activities in the current fiscal year totaled 23,158 million yen, a decrease of 7,466 million yen from a cash outflow of 30,623 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 10,751 million yen, a decrease of 1,999 million yen from a cash outflow of 12,750 million yen in the previous fiscal year, mainly due to an increase in short-term borrowings, despite increased cash outflow from the redemption of bonds and repayment of long-term borrowings in the current fiscal year.

(Reference) Condition of cash flow indicators

	FY 2017	FY 2018	FY 2019	FY 2020	FY 2021
Ratio of profit to equity attributable to owners of parent	64.3%	67.1%	67.2%	67.3%	66.4%
Ratio of profit to equity attributable to owners of parent at market base	59.9%	59.8%	41.5%	53.6%	41.0%
Cash flow to interest-bearing debt ratio	1.3 years	1.6 years	1.7 years	1.7 years	1.7 years
Interest coverage ratio	99.4	61.5	86.8	83.2	103.0

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.”

(4) Future Outlook

The world economy continues to recover from the effects of the novel coronavirus disease (COVID-19), and a steady recovery is expected in the Japanese economy as well. On the other hand, the outlook is becoming increasingly uncertain due to stagnation in economic activities and supply-side restrictions caused by the re-expansion of COVID-19 and the situation in Ukraine, as well as trends in raw material and fuel prices and exchange rate fluctuations. In addition, the business environment surrounding the Group is expected to remain challenging due to such factors such as the continuing tight supply and demand situation for ocean transport.

Under such conditions, projected earnings in the next fiscal year are based on exchange rates of 125 yen to the U.S. dollar and 130 yen to the euro, and domestic naphtha prices of 75,000 yen/kl. Although it is difficult to foresee the future outlook for domestic naphtha prices, we assume that there will be some degree of stabilization in the second half of the next fiscal year and will set the prices at 85,000 yen/kl in the first half and 65,000 yen/kl in the second half of the next fiscal year.

In terms of annual performance, based on the forecast of higher sales prices due to an increase in raw material prices and higher sales volume centering on the Materials business, we forecast revenue of 445.0 billion yen (220.0 billion yen for the first half), a year-on-year increase of 75,707 million yen (20.5%).

In terms of profit, although we expect spreads to widen and sales production volumes to increase, selling, general and administrative expenses are expected to increase due mainly to a surge in ocean transport costs while we project an increase in processing costs such as inventory valuation differences. We therefore forecast operating profit of 20.0 billion yen (6.0 billion yen for the first half), a decrease of 9,062 million yen from the current fiscal year. We forecast profit before tax of 23.0 billion yen (7.0 billion yen for the first half), a year-on-year decrease of 10,675 million yen, and profit attributable to owners of parent of 15.5 billion yen (5.0 billion yen for the first half), a year-on-year decrease of 8,220 million yen.

Forecasts by reportable segment

(Unit: Billions of yen)

	Materials business		Solutions business		Adjustment	Total	
	Revenue	Operating profit	Revenue	Operating profit	Operating profit	Revenue	Operating profit
First-half forecasts	160.0	2.3	60.0	3.2	0.5	220.0	6.0
Second-half forecasts	160.0	9.5	65.0	4.5	0.0	225.0	14.0
Full-year forecasts	320.0	11.8	125.0	7.7	0.5	445.0	20.0

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.

During the period of the new Medium-term Business Plan “TechnoAmenity for the future-I” formulated in March 2022, the Company aims to achieve a total shareholder return ratio of 50% (dividend payout ratio of 40% and share buyback of 10%), while securing sufficient financial resources for investment in growth and maintaining competitiveness, and pursuing capital efficiency at the same time.

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 plans to pay a year-end dividend of 100 yen per share (an ordinary dividend of 95 yen per share and a commemorative dividend of 5 yen per share for the 80th anniversary) for FY 2021, taking into consideration the business environment, results and future prospects for business growth. As a result, annual dividends will total 180 yen per share (an ordinary dividend of 170 yen per share and a commemorative dividend of 10 yen per share for the 80th anniversary), and the consolidated payout ratio will be 30.3%.

The consolidated financial forecasts for FY 2022 are projected to decline, but based on the above policy, the Company projects annual dividends of 180 yen, unchanged from FY 2021.

2. Corporate Group

(1) The Nippon Shokubai corporate group (the Company and its subsidiaries and affiliates) consists of the Company, 26 subsidiaries and 17 affiliates, and its mainstay business is the manufacture and sale of chemicals.

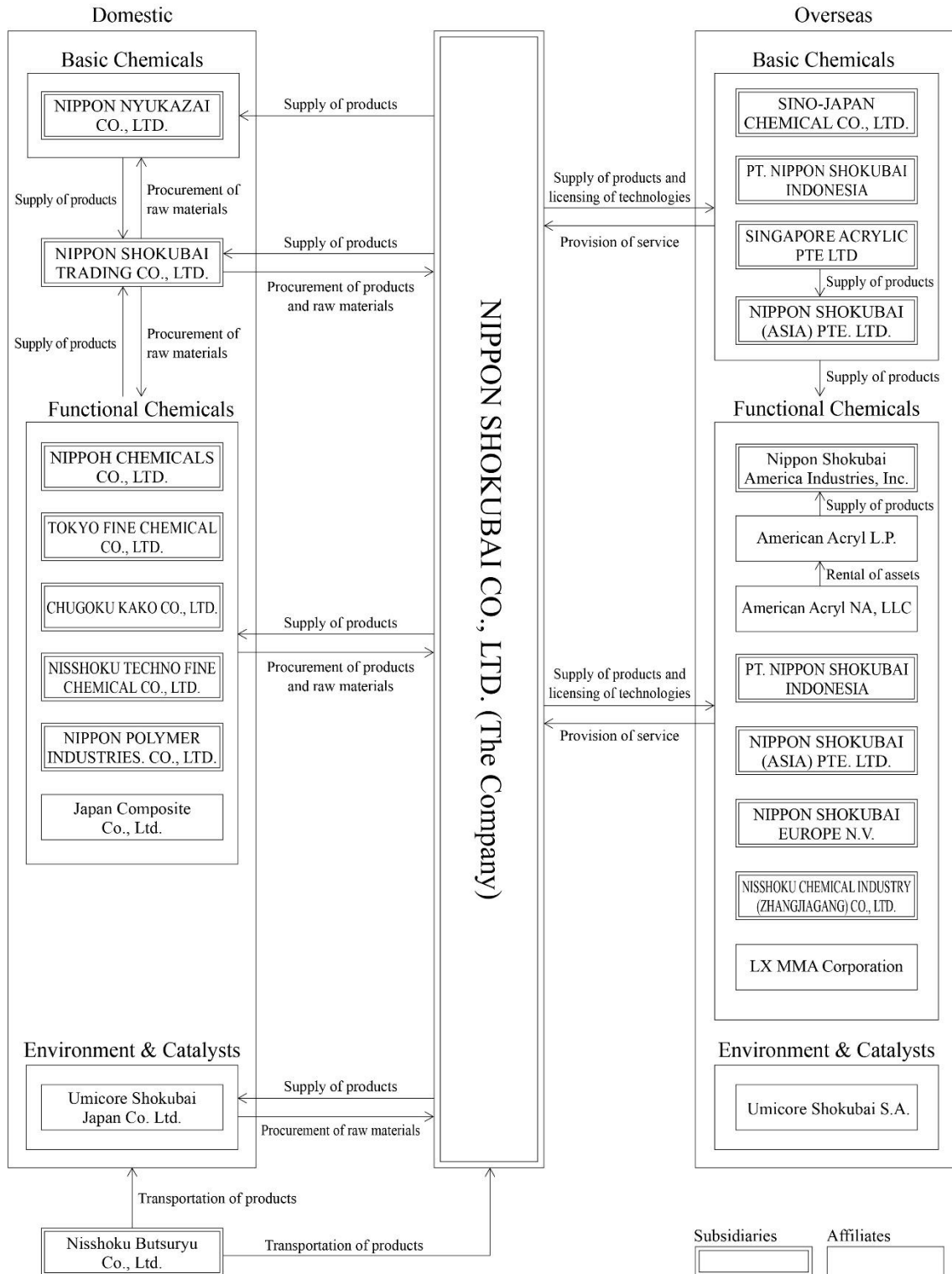
The table below shows the positioning and relationship of mainstay companies among the group's business segments.

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 special acrylates and other chemicals from the Company and sells them in Singapore. NIPPOH 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. LX 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.

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

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



- Notes: 1 NIPPON SHOKUBAI TRADING CO., LTD., Nisshoku 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. In order to respond flexibly to such drastic changes and achieve further growth, under the Long-Term Vision “TechnoAmenity for the future” formulated in April 2021 and the new Medium-term Business Plan “TechnoAmenity for the future-I” formulated in March 2022, the Group will accelerate three transformations.

【Overview by business segment】

In the Materials business, we have promoted the “SAP Survival project” to strengthen profitability amid declining profitability due to intensifying competition in the acrylic business and the superabsorbent polymer (SAP) business, and achieved a certain level of success. Since FY2021, we have also started horizontal expansion to ethylene oxide (EO) and its derivatives (the EO Resilience project) and are striving to improve profitability.

In addition, we believe that there are many opportunities for the Group to contribute to carbon neutrality, which is increasingly demanded by society, and we are promoting it as “Strategic transformation for environmental initiatives.”

In the Solutions business, we believe there is room for application development by leveraging our technologies and existing products, and we will promote sales expansion of strategic product groups, etc., in the 10 markets that are the focus of our growth areas.

As customer issues become more complex and the speed of market change accelerates, we have started to strengthen our marketing function since FY2021 in order to provide solutions that leverage our strengths in response to diverse needs.

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

Under the Long-term vision, “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.

<Three transformations toward the goals for 2030>

[1] Business transformation

Transforming portfolio from the existing areas to growing areas

Expanding the highly profitable Solutions business
Rebuilding the Materials business fundamentally to strengthen our business foundation
Improving productivity and creating new value by promoting digital transformation (DX)

[2] Transforming ourselves for environmental initiatives

Promoting sustainability to achieve carbon neutrality in 2050

[3] Organizational transformation

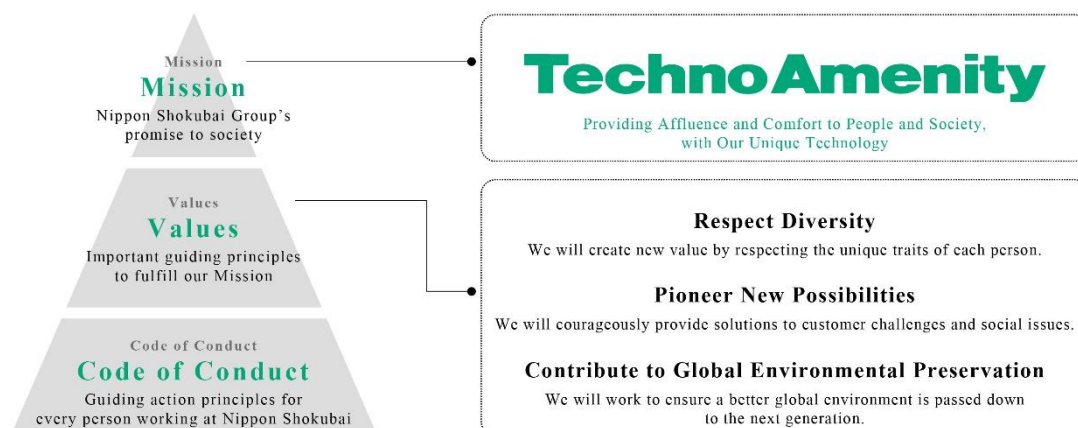
Transforming ourselves to be a continuously growing organization and company where diverse human resources work energetically.

【New Medium-term Business Plan “TechnoAmenity for the future-I”】

The Group formulated the new Medium-term Business Plan as the first three years (FY 2022 – FY 2024) of actions towards achieving our long-term vision. It defines the first three years of actions to solidify a foundation in each of our fields and spearhead various initiatives toward transformations. We will steadily implement the new Medium-term Business Plan, aiming to achieve record-high earnings in FY 2024, as a milestone of “The Goals in 2030” as defined in the long-term vision.

[Group mission framework]

We have reorganized our philosophy framework and its contents to realize our long-term vision, and revised it into a framework of values and code of conduct with our group mission at the top.



[Management targets]

As part of the “Business transformation,” we aim to increase the ratio of operating profit of the Solutions business to total operating profit to 50% and achieve a record-high operating profit of 33.0 billion yen. We have also set goals for “Strategic transformation for environmental initiatives,” “Organizational transformation,” and “Capital policy” to promote each of these initiatives steadily.

		FY2024 Targets	Goals in FY2030
Financial targets	Operating profit	33.0 billion yen	Approx. of 60.0 billion yen
	Solutions business operating profit	17.0 billion yen	Approx. of 40.0 billion yen
	ROE	7.5%	9% or higher
	ROA	6.9%	9% or higher
	Total shareholder return ratio	50%	-
	Revenue from new products (Non-consolidated, excluding SAP products, and launched within five years)	28.0 billion yen	-
Investments	Growth investments and investments to remain competitive	120.0 billion yen (Cumulative total from FY2022 to FY2024)	400.0 billion yen (Cumulative total from FY2022 to FY2030)
Carbon neutrality target	CO ₂ emission reductions (Scope 1 and Scope 2 emissions in Japan relative to FY2014)	-	30% reduction
	Revenue from environmental contributing products	55.0 billion yen	135.0 billion yen
Diversity and inclusion target (Non-consolidated)	Ratio of female recruitment in clerical and chemical position	30%	-
	Ratio of female managers	6%	-
	Ratio of male employees taking childcare leave	30%	-

<Prerequisites> FY2024: Naphtha price = 50,000 yen/kL; 1 USD = 110 yen; 1 Euro = 130 yen

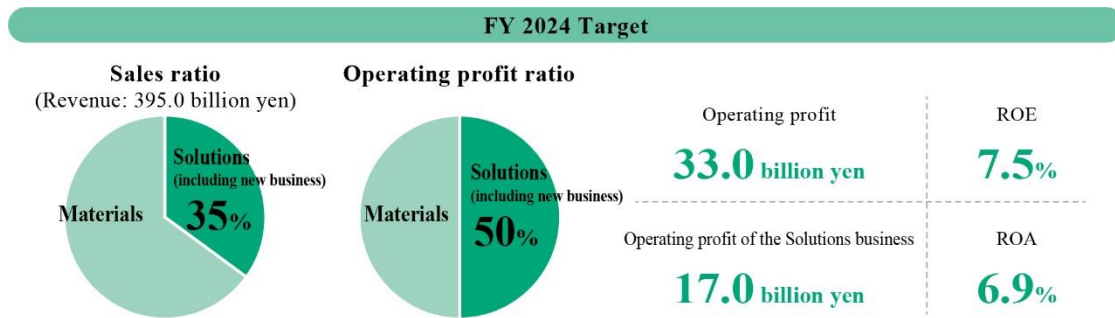
In addition to our emphasis on operating profit, which represents the profitability and growth potential of our business, we have set operating profit of the Solutions business as a financial target in the new Medium-term Business Plan, as we aim to transform our portfolio from existing to growth areas.

As an equipment manufacturer, we have always emphasized profitability and asset efficiency, and ROA (Ratio of profit before tax to total assets) is one of our financial targets. Furthermore, as we aim to provide sufficient returns to shareholders, ROE (Ratio of profit to equity attributable to owners of parent), which expresses management efficiency relative to equity, is also one of our financial targets since the new Medium-term Business Plan.

[Three transformations]

i) Business transformation

As part of the portfolio transformation, we aim to increase the ratio of operating profit of the Solutions business to 50%.



a. Initiatives to expand the Solutions business

We will develop a platform related to planning, development, and marketing to strengthen our ability to propose solutions. Specifically, we will strengthen our ability to identify issues from the customer’s perspective by 1) allocating resources flexibly and actively, 2) setting focus markets where we can leverage our strengths, and 3) visualizing and sharing customer information. Furthermore, in order to establish a timely production system, we will build a system that allows the Production & Technology to be involved in R&D themes as early as possible and promote rapid commercialization of products with reduced initial investment by utilizing the Group’s internal facilities.

b. Initiatives to strengthen the Materials business

In the acrylic business, to strengthen profitability, we will continue the “SAP Survival project” that was undertaken during the previous medium-term business plan, as well as reduce manufacturing costs by introducing highly efficient production technology. Sustainability efforts will include development of biomass raw materials for acrylic acids (bio-based AA), initiatives of bio-based superabsorbent polymer (bio-based SAP), and the promotion of SAP recycling and initiatives through the supply chain.

We plan to start commercial operation of an acrylic acid (AA) facility (100,000 tons/year) in Indonesia in 2023.

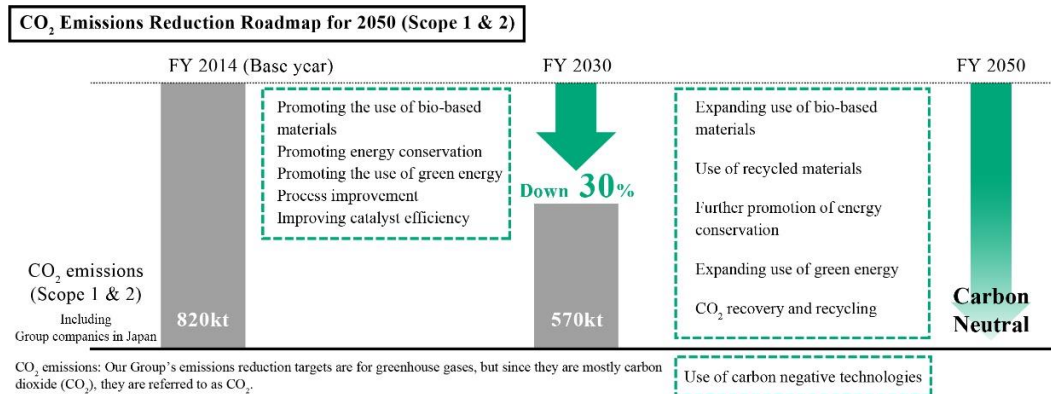
Bio-based AA Development	Bio-based SAP Initiatives	Promotion of SAP Recycling
<p>Progress with the development of new production methods for biomass raw materials for acrylic acids. (Investigate multiple routes)</p> <ul style="list-style-type: none"> ● Proof-of-concept pilot project by FY 2025 ● Target practical use by FY 2030 <p>Strength: Catalyst design and mass-manufacturing technologies</p>	<p>Start production of AA/SAP from bio-based propylene using a mass balance system. (Pioneer effort at NSE in Europe)</p>	<p>Prove the concept of producing recycled SAP from used disposable diapers that have been collected.</p>

In the EO business, we will apply the knowledge from the “SAP Survival project” to EO and its derivatives to improve profitability at the manufacturing facility and group companies as a whole (the EO Resilience project). In addition, as part of our sustainability efforts, we will move forward with efforts to produce and sell ethylene derivatives using bio-based raw materials.

ii) Strategic transformation for environmental initiatives

Toward carbon neutrality in 2050, we have set our own CO₂ emissions reduction (Scopes 1 & 2) target of 30% in 2030 (vs. 2014). In addition to conventional energy-saving activities, we aim to achieve this target through a complex of activities, including innovation in manufacturing processes and technologies, and conversion of raw materials and energy.

Furthermore, as a contribution to the reduction of emissions in society as a whole, we will strive to reduce CO₂ emissions through our business activities by setting revenue targets for environmental contribution products and expanding sales of these products. (Scope 3)

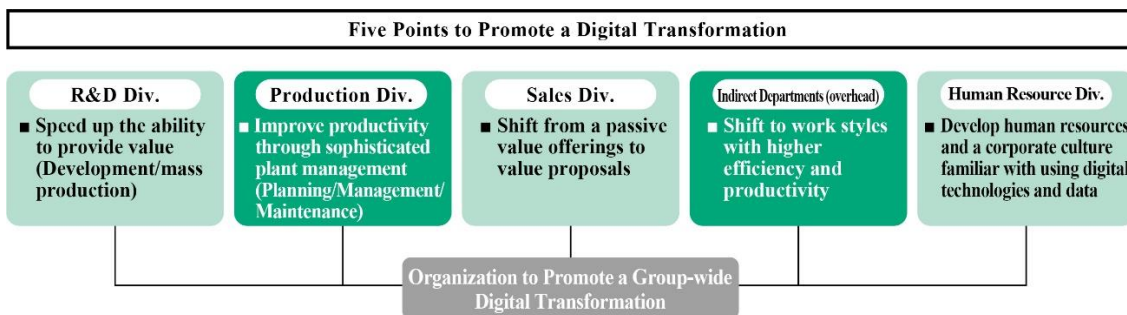


iii) Organizational transformation

Aiming to realize frameworks able to foster individuals and organizational growth, we have set three tasks and will implement multiple measures. Specifically, we will build a foundation for corporate growth by 1) Develop and empower human resource (introduction of a new human resource system, promotion of diverse human resources, development of systems and infrastructure to support diverse work styles, etc.), 2) Organizational growth (improvement of productivity in indirect departments, delegation of authority to expedite organizational decision making, strengthening dialogue between management and employees, etc.), and 3) Strengthen corporate governance (enhance the effectiveness of the Board, strengthening mid- to long-term incentives for Members of the Board, etc.).

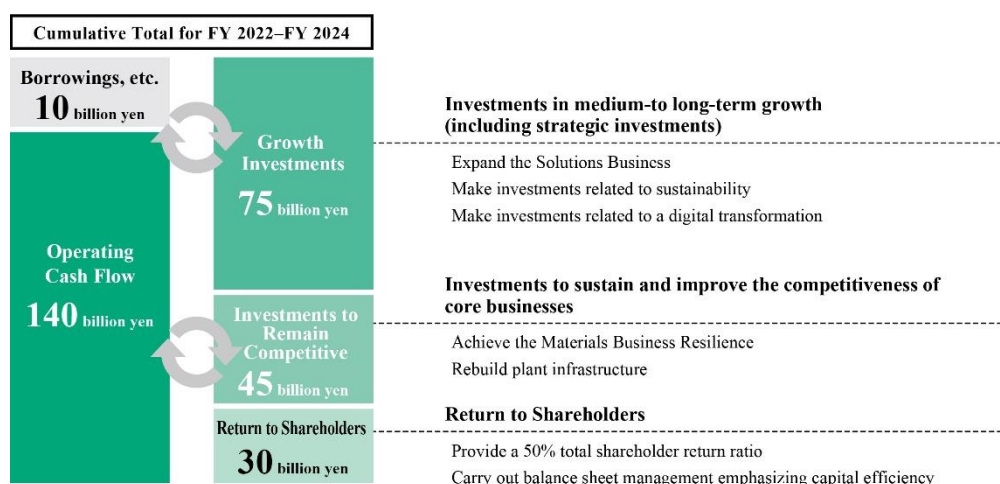
[Promotion of DX]

A DX promotion organization will be established to lead and support activities across the Group and accelerate DX promotion.



[Capital policy]

By striking an ideal balance between investment for growth, investment to maintain competitiveness, and shareholder returns, we aim to achieve ROE of 7.5% and ROA of 6.9% by the end of the new medium-term business plan period (FY 2024).



[Progress in FY2021 (as the zero year of the Medium-term Business Plan)]

As stated in the Long-Term Vision, we have sequentially implemented the necessary initiatives in the fiscal year 2021, the first year of the new medium-term business plan.

In “Business transformation,” we have completed the establishment of a new organization and increased the number of employees to strengthen the planning, development, and marketing functions to expand the Solutions business, and have begun collecting, analyzing, and sharing information using marketing automation and other tools already in place. In addition, for the purpose of establishing a timely production system, we have almost completed the construction of a system to share the progress of R&D and commercialization with related divisions as needed, and plan to start full-scale operation in the fiscal year 2022. In “Materials business strengthening,” we have started to promote related cost reduction projects, and NIPPON SHOKUBAI EUROPE N.V., a European subsidiary, has completed the acquisition of biomass SAP production certification, and will gradually establish its supply system in response to customer requests.

In the “Strategic transformation for environmental initiatives” area, we have completed the formulation of CO₂ reduction scenarios for the 2030 target, have begun the conversion of energy use, and expect to bring many of the themes currently under research and development to the market as environmental contribution products.

In the area of “Organizational transformation,” we have already completed the establishment of a new personnel system to promote the development and success of human resources and the establishment of rules for the transfer of duties and authority, which were reviewed for the growth of the organization, and began to operate the system in April 2022.

As for DX promotion, the renewal of the IT infrastructure and the Group-wide core operating system (ERP), which support diverse work styles, is proceeding as planned. The newly established organization will play a central role in ensuring more effective operation.

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 2020 As of Mar. 31, 2021	FY 2021 As of Mar. 31, 2022
Assets		
Current assets		
Cash and cash equivalents	36,341	39,363
Trade receivables	82,053	103,577
Inventories	57,612	75,311
Other financial assets	9,661	12,427
Other current assets	6,140	6,979
Total current assets	191,806	237,656
Non-current assets		
Property, plant and equipment	193,197	191,143
Intangible assets	5,989	7,895
Investments accounted for using equity method	20,108	22,868
Other financial assets	44,285	40,981
Retirement benefit asset	11,571	12,820
Deferred tax assets	3,093	3,320
Other non-current assets	1,568	1,468
Total non-current assets	279,811	280,495
Total assets	471,617	518,151

(Unit: Millions of yen)

	FY 2020 As of Mar. 31, 2021	FY 2021 As of Mar. 31, 2022
Liabilities and equity		
Liabilities		
Current liabilities		
Trade payables	45,912	57,616
Bonds and borrowings	23,981	23,559
Other financial liabilities	8,671	10,570
Income taxes payable	1,422	5,812
Provisions	4,734	5,931
Other current liabilities	6,030	5,527
Total current liabilities	90,750	109,014
Non-current liabilities		
Borrowings	28,887	28,634
Other financial liabilities	8,023	6,784
Retirement benefit liability	14,162	14,044
Provisions	2,157	2,347
Deferred tax liabilities	3,914	6,205
Total non-current liabilities	57,142	58,014
Total liabilities	147,891	167,028
Equity		
Share capital	25,038	25,038
Capital surplus	22,472	22,472
Treasury shares	-6,286	-6,291
Retained earnings	267,729	288,124
Other components of equity	8,420	14,538
Total equity attributable to owners of parent	317,373	343,882
Non-controlling interests	6,352	7,241
Total equity	323,725	351,123
Total liabilities and equity	471,617	518,151

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

(Unit: Millions of yen)

	FY 2020 Apr. 1, 2020 to Mar. 31, 2021	FY 2021 Apr. 1, 2021 to Mar. 31, 2022
Revenue	273,163	369,293
Cost of sales	225,116	291,586
Gross profit	48,047	77,707
Selling, general and administrative expenses	41,486	48,992
Other operating income	2,297	3,013
Other operating expenses	24,778	2,667
Operating profit (loss)	-15,921	29,062
Finance income	1,922	1,932
Finance costs	369	682
Share of profit of investments accounted for using equity method	1,441	3,362
Profit (loss) before tax	-12,926	33,675
Income tax expense	-2,635	9,204
Profit (loss)	-10,291	24,470
Profit (loss) attributable to		
Owners of parent	-10,899	23,720
Non-controlling interests	608	750
Profit (loss)	-10,291	24,470
Earnings (loss) per share		
Basic earnings per share (Yen)	-273.33	594.86
Diluted earnings per share (Yen)	-	-

Consolidated Statements of Comprehensive Income

(Unit: Millions of yen)

	FY 2020 Apr. 1, 2020 to Mar. 31, 2021	FY 2021 Apr. 1, 2021 to Mar. 31, 2022
Profit (loss)	-10,291	24,470
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	7,827	-2,160
Remeasurements of defined benefit plans	3,186	1,054
Share of other comprehensive income of investments accounted for using equity method	20	-38
Total of items that will not be reclassified to profit or loss	11,033	-1,144
Items that may be reclassified to profit or loss		
Exchange differences on translation of foreign operations	2,954	9,041
Share of other comprehensive income of investments accounted for using equity method	41	416
Total of items that may be reclassified to profit or loss	2,995	9,457
Other comprehensive income, net of tax	14,028	8,312
Comprehensive income	3,737	32,782
Comprehensive income attributable to		
Owners of parent	3,064	31,497
Non-controlling interests	674	1,285
Comprehensive income	3,737	32,782

(3) Consolidated Statements of Changes in Equity

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	-
Profit (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 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 (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

Fiscal year ended Mar. 31, 2022 (Apr. 1, 2021 to Mar. 31, 2022)

(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	-	-	-	23,720	-	-
Other comprehensive income	-	-	-	-	-2,157	999
Comprehensive income	-	-	-	23,720	-2,157	999
Purchase of treasury shares	-	-	-5	-	-	-
Disposal of treasury shares	-	-	-	-	-	-
Dividends	-	-	-	-4,984	-	-
Transfer from other components of equity to retained earnings	-	-	-	1,659	-660	-999
Total transactions with owners	-	-	-5	-3,325	-660	-999
Balance at end of period	25,038	22,472	-6,291	288,124	4,874	-

	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	-	-	23,720	750	24,470
Other comprehensive income	8,935	7,777	7,777	535	8,312
Comprehensive income	8,935	7,777	31,497	1,285	32,782
Purchase of treasury shares	-	-	-5	-	-5
Disposal of treasury shares	-	-	-	-	-
Dividends	-	-	-4,984	-396	-5,380
Transfer from other components of equity to retained earnings	-	-1,659	-	-	-
Total transactions with owners	-	-1,659	-4,989	-396	-5,385
Balance at end of period	9,664	14,538	343,882	7,241	351,123

(4) Consolidated Statements of Cash Flows

(Unit: Millions of yen)

	FY 2020 Apr. 1, 2020 to Mar. 31, 2021	FY 2021 Apr. 1, 2021 to Mar. 31, 2022
Cash flows from operating activities		
Profit (loss) before tax	-12,926	33,675
Depreciation and amortization	29,470	28,875
Loss (gain) on sale of property, plant and equipment	-4	-502
Impairment losses	21,185	575
Decrease (increase) in retirement benefit asset	71	-46
Increase (decrease) in retirement benefit liability	145	-11
Interest and dividend income	-1,385	-1,483
Interest expenses	340	338
Share of loss (profit) of investments accounted for using equity method	-1,441	-3,362
Decrease (increase) in trade receivables	-6,415	-19,005
Decrease (increase) in inventories	4,092	-15,750
Increase (decrease) in trade payables	360	10,231
Other	3,507	1,314
Subtotal	36,999	34,848
Interest and dividends received	2,656	2,775
Interest paid	-424	-340
Income taxes paid	-3,954	-2,225
Net cash provided by (used in) operating activities	35,277	35,058
Cash flows from investing activities		
Purchase of property, plant and equipment	-29,658	-20,189
Proceeds from sale of property, plant and equipment	9	730
Purchase of intangible assets	-1,728	-2,067
Purchase of investments	-525	-895
Proceeds from sale and redemption of investments	496	1,727
Acquisition of shares of subsidiaries and affiliates	-2	-500
Other	785	-1,963
Net cash provided by (used in) investing activities	-30,623	-23,158
Cash flows from financing activities		
Net increase (decrease) in short-term borrowings	-6,834	6,227
Proceeds from long-term borrowings	8,191	10,035
Repayments of long-term borrowings	-6,305	-9,722
Redemption of bonds	-	-10,000
Repayments of lease liabilities	-1,682	-1,906
Purchase of treasury shares	-6	-5
Dividends paid	-5,383	-4,984
Dividends paid to non-controlling interests	-731	-396
Other	0	-
Net cash provided by (used in) financing activities	-12,750	-10,751
Effect of exchange rate changes on cash and cash equivalents	569	1,872
Net increase (decrease) in cash and cash equivalents	-7,529	3,022
Cash and cash equivalents at beginning of period	43,869	36,341
Cash and cash equivalents at end of period	36,341	39,363

(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 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.

FY 2021 (Apr. 1, 2021 to March 31, 2022)

(Unit: Millions of yen)

	Reportable segments				Adjustment (Note 1, 2)	Total
	Basic Chemicals	Functional Chemicals	Environment & Catalysts	Total		
Revenue						
Revenue to third parties	158,896	200,004	10,393	369,293	–	369,293
Intergroup revenue and transfers	40,543	3,267	1,939	45,750	-45,750	–
Total	199,439	203,272	12,332	415,043	-45,750	369,293
Segment income (loss)	21,042	8,669	-941	28,770	291	29,062
Finance income	–	–	–	–	–	1,932
Finance costs	–	–	–	–	–	682
Share of profit of investments accounted for using equity method	–	–	–	–	–	3,362
Profit before tax	–	–	–	–	–	33,675
Segment assets	186,271	262,025	36,494	484,790	33,361	518,151
Other items						
Depreciation and amortization	11,177	16,462	1,236	28,875	–	28,875
Impairment losses	–	–	–	–	575	575
Increase in property, plant and equipment and intangible assets	10,150	12,477	486	23,113	–	23,113

Notes: 1. The “Segment income (loss)” adjustment includes inter-segment transaction eliminations and corporate profit (loss) not allocated to reportable segments amounting to 291 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 33,361 million yen.

【Supplementary Information】

Overseas Revenue

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%

FY 2021 (Apr. 1, 2021 to Mar. 31, 2022)

(Unit: Millions of yen)

	Asia	Europe	North America	Others	Total
I. Overseas revenue	102,627	56,931	34,852	15,790	210,200
II. Consolidated revenue					369,293
III. Overseas revenue to consolidated revenue	27.8%	15.4%	9.4%	4.3%	56.9%

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.

【Additional Information】

(Change in segment classification)

In the current fiscal year, the Group had three business segments and reportable segments; Basic chemicals, Functional chemicals, and Environment & catalysts. The Group has decided to change to two business and reporting segments; the Materials business and the Solutions business, effective from the next fiscal year.

This is based on a change in the management control system, which aims to transform the business portfolio by clarifying the goals and strategies of the Materials business and the Solutions business, and by utilizing the strengths of each, in conjunction with the formulation of a new Medium-term Business Plan that begins in the next fiscal year.

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)	

【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 2020 Apr. 1, 2020 to Mar. 31, 2021	FY 2021 Apr. 1, 2021 to Mar. 31, 2022
Profit (loss) attributable to owners of parent (Millions of yen)	-10,899	23,720
Average number of shares of common stock during the period (Thousands of shares)	39,876	39,875
Basic earnings (loss) per share (Yen)	-273.33	594.86

【Significant Subsequent Events】

(Introduction of performance-linked stock compensation plan for Members of the Board, etc. of the Company)

At a meeting of the Board held on May 12, 2022, the Company resolved to introduce a new Performance-linked Stock Compensation Plan (hereinafter referred to as the “Plan”) for the Company’s Members of the Board (excluding Outside Members of the Board and non-residents in Japan; the same applies hereinafter) and Executive Officers (excluding non-residents in Japan; hereinafter collectively referred to as “Members of the Board, etc.”), and has decided to submit a proposal for the introduction of the Plan at the 110th Ordinary General Meeting of Shareholders scheduled to be held on June 21, 2022.

For details, please see the “*Tousha no torishimariyaku to ni taisuru gyousekirendougata kabushikihouseido no dounyu ni kansuru oshirase* (Notice Concerning Introduction of Performance-linked Stock Compensation Plan for Members of the Board, etc. of the Company)” announced today. (Only available in Japanese)

6. Transfers of Executive Officers

(Scheduled for June 21, 2022)

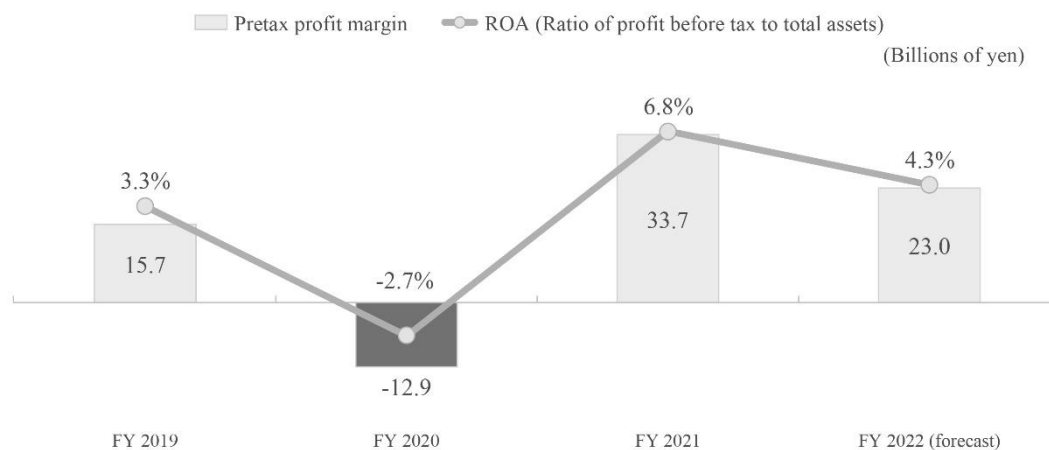
For changes in officers, please see the “NIPPON SHOKUBAI Announces Change in Representative Members of the Board (Change of President)” and “*Yakuin to no idou ni kansuru oshirase* (Notice of Transfers of Executive Officers, etc.)” (only available in Japanese) announced today.

7. Supplementary Material

Trend of Results and Key Management Indicators, and Features of FY 2022

1) Consolidate financial results

(Unit: Billions of yen)	FY 2020 Results	FY 2021 Results	Change	FY 2021 Results	FY 2022 Forecast	Change	
Revenue	273.2	369.3	<35.2%> 96.1	369.3	445.0	<20.5%> 75.7	
Operating profit	-5.8% -15.9	7.9% 29.1	<-%> 45.0	7.9% 29.1	4.5% 20.0	<-31.2%> -9.1	
Profit before tax	-4.7% -12.9	9.1% 33.7	<-%> 46.6	9.1% 33.7	5.2% 23.0	<-31.7%> -10.7	
Profit attributable to owners of parent	-4.0% -10.9	6.4% 23.7	<-%> 34.6	6.4% 23.7	3.5% 15.5	<-34.7%> -8.2	
Basic earnings per share	-273.33 yen	594.86 yen	868.19 yen	594.86 yen	389.14 yen	-205.72 yen	
ROA (Ratio of profit before tax to total assets)	-2.7%	6.8%	9.5 points	6.8%	4.3%	-2.5 points	
ROE (Ratio of profit to equity attributable to owners of parent)	-3.4%	7.2%	10.6 points	7.2%	4.5%	-2.7 points	
Domestic naphtha price	yen/kL	31,300	56,600	25,300	56,700	75,000	18,300
Exchange rate	yen/USD	106.12	112.42	6.30	112.42	125.00	12.58
	yen/EUR	123.77	130.55	6.78	130.55	130.00	-0.55



2) Other consolidated indicators

(Unit: Billions of yen)	FY 2020 Results	FY 2021 Results	Change	FY 2021 Results	FY 2022 Forecast	Change
Dividends per share	90.00 yen	180.00 yen	90.00 yen	180.00 yen	[180.00 yen]	-
Payout ratio	-%	30.3%	- points	30.3%	[46.3%]	16.0 points
Total assets	471.6	518.2	46.5	518.2	540.0	21.8
Interest-bearing debt	61.6	59.7	-1.9	59.7	68.2	8.5
D/E ratio	0.19 times	0.17 times	-0.02 times	0.17 times	0.19 times	0.02 times
Equity attributable to owners of parent	317.4	343.9	26.5	343.9	351.3	7.4
Rate of equity attributable to owners of parent	67.3%	66.4%	-0.9 points	66.4%	65.1%	-1.3 points
Equity attributable to owners of parent per share	7,959.07 yen	8,624.02 yen	664.95 yen	8,624.02 yen	8,830.97 yen	206.95 yen
Capital investments	26.7	16.5	-10.2	16.5	20.5	4.0
Depreciation and amortization	29.5	28.9	-0.6	28.9	29.0	0.1
R&D expenses	14.6	15.2	0.6	15.2	16.3	1.1
Number of employees	4,555	4,526	-29	4,526	4,578	52

Features of the fiscal year ending March 31, 2023 (year-on-year comparison)

◎ Increase in revenue/decrease in 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 the Materials business.

Profit will decrease due to an increase in selling, general and administrative expenses resulting mainly from a surge in ocean transport costs and an increase in processing costs such as inventory valuation differences, despite the expected widening of spreads and increase in sales production volume.

	(Unit: Billions of yen)	Major cause
Revenue	+75.7 (Increase)	<ul style="list-style-type: none"> Increases in both of the Materials and Solutions businesses Increase in revenue due to higher selling prices in line with rising raw materials costs and an increase in sales volume centered on the Materials business
Operating profit	-9.1 (Decrease)	<ul style="list-style-type: none"> Increases in selling, general and administrative expenses and in processing costs > a widening of the spread and increases in production and sales volume
Profit before tax	-10.7 (Decrease)	<ul style="list-style-type: none"> Decrease in share of profit of entities accounted for using equity method
Profit attributable to owners of parent	-8.2 (Decrease)	

* 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.