

\* This financial report is solely a translation of “2023 Nen 3 Gatsu ki Gyosekiyosou no Shusei ni Kansuru Oshirase” (in Japanese), which has been prepared in accordance with International Financial Reporting Standards (IFRS), for the convenience of readers who prefer an English translation.

August 4, 2022

For Immediate Release

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## **Notice of Revisions to Earnings Forecasts for the Fiscal Year Ending March 31, 2023**

NIPPON SHOKUBAI CO., LTD. [Headquarters: Chuo-ku, Osaka; President: Kazuhiro Noda, TSE: 4114] (“Nippon Shokubai”) has made the following revisions to its earnings forecasts for the fiscal year ending March 31, 2023, which were announced on May 12, 2022, in view of recent trends in operating results. The details are as follows.

### 1. Consolidated financial forecasts

Consolidated financial forecasts (cumulative) for the six months ending September 30, 2022 (from April 1, 2022 to September 30, 2022)

	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
Previous Forecasts (A) (as of May 12, 2022)	220,000	6,000	7,000	5,000	125.39
New Forecasts (B)	230,000	15,000	17,500	12,000	300.94
Change in Amount (B-A)	10,000	9,000	10,500	7,000	
Percentage Change (%)	4.5%	150.0%	150.0%	140.0%	
(Reference) Six Months Ended September 30, 2021	172,988	15,177	17,750	12,350	309.72

Consolidated full-year financial forecasts for the fiscal year ending March 31, 2023 (from April 1, 2022 to March 31, 2023)

	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
Previous Forecasts (A) (as of May 12, 2022)	445,000	20,000	23,000	15,500	389.14
New Forecasts (B)	460,000	25,000	30,000	20,000	502.03
Change in Amount (B-A)	15,000	5,000	7,000	4,500	
Percentage Change (%)	3.4%	25.0%	30.4%	29.0%	
(Reference) Full Year of Fiscal Year Ended March 31, 2022	369,293	29,062	33,675	23,720	594.86

## 2. Non-consolidated financial forecasts

Non-consolidated financial forecasts (cumulative) for the six months ending September 30, 2022 (from April 1, 2022 to September 30, 2022)

	Net sales	Operating profit	Ordinary profit	Profit	Basic earnings per share
	Millions of yen	Millions of yen	Millions of yen	Millions of yen	Yen
Previous Forecasts (A) (as of May 12, 2022)	135,000	2,800	8,500	7,000	175.55
New Forecasts (B)	142,000	8,300	15,300	11,900	298.44
Change in Amount (B-A)	7,000	5,500	6,800	4,900	
Percentage Change (%)	5.2%	196.4%	80.0%	70.0%	
(Reference) Six Months Ended September 30, 2021	105,139	9,523	13,646	10,896	273.25

Non-consolidated full-year financial forecasts for the fiscal year ending March 31, 2023 (from April 1, 2022 to March 31, 2023)

	Net sales	Operating profit	Ordinary profit	Profit	Basic earnings per share
	Millions of yen	Millions of yen	Millions of yen	Millions of yen	Yen
Previous Forecasts (A) (as of May 12, 2022)	273,000	10,000	17,000	13,000	326.37
New Forecasts (B)	283,000	12,700	21,100	16,400	411.67
Change in Amount (B-A)	10,000	2,700	4,100	3,400	
Percentage Change (%)	3.7%	27.0%	24.1%	26.2%	
(Reference) Full Year of Fiscal Year Ended March 31, 2022	224,366	18,148	24,444	17,609	441.60

### 3. Reasons for the revision of consolidated and non-consolidated financial forecasts

Regarding its consolidated financial forecasts for the six months ending September 30, 2022, due to higher selling prices resulting from price revisions for some products and the ongoing depreciation of the yen, as well as higher-than-expected sales volume of superabsorbent polymers and other products, revenue is expected to increase by 10,000 million yen to 230,000 million yen from the previous forecast as of May 12, 2022. As for profits, the upward revision is due to factors such as a widening of the spread of acrylic acids and acrylates, and a widening of the spread and increase in sales volume of superabsorbent polymers. As a result, we expect an increase in operating profit of 9,000 million yen to 15,000 million yen from the previous forecast. Further, we also expect profit before income tax of 17,500 million yen and profit attributable to owners of parent of 12,000 million yen.

Regarding its consolidated full-year financial forecasts for the fiscal year ending March 31, 2023, based on the situation in the first half of the year, we have revised our sales forecast taking into account that the current price of raw materials and fuels will remain higher than assumed at the time of the previous forecast. As a result, we expect an increase in revenue of 15,000 million yen to 460,000 million yen. As for profits, despite the upward swing in the first half of the year, we expect a narrowing of the spread due to the continued higher-than-expected prices of raw materials and fuel, and a certain level of decline in overseas market for products such as acrylic acids and acrylates. For these reasons, we expect an increase in operating profit of 5,000 million yen to 25,000 million yen from the previous forecast, and profit before income tax of 30,000 million yen and profit attributable to owners of parent of 20,000 million yen.

The assumed exchange rates for our full-year forecast are 130 yen to the U.S. dollar and 136 yen to euro, and the assumed price for domestic naphtha is 81,800 yen/kl (83,600 yen/kl for the first half of the year, 80,000 yen/kl for the second half of the year).

Also, the non-consolidated financial forecasts for the first half of the year and the full year have been revised as above for the same reasons stated.

### 4. Dividends forecasts

Regarding the dividend forecasts for the fiscal year ending March 31, 2023, there is no change from the previous forecast of 90 yen per share for the interim dividend. We will continue to consider whether or not to revise the year-end dividend forecast based on the assessment of our future business performance trends, taking into account the impact of the situation in Ukraine, rising raw material prices, and declining automobile production.

(Note)

The preceding forecasts are based on information currently available and certain assumptions that Nippon Shokubai believes are reasonable. Various factors may lead to different actual results from the forecasts.