

Summary of Consolidated Financial Results
For the Third Quarter of the Fiscal Year Ending March 31, 2009
(Nine Months Ended December 31, 2008)

February 6, 2009

Company name: Nippon Shokubai Co., Ltd. Listing: TSE, OSE (First Section)
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(Figures are rounded off to the nearest million yen)

1. Consolidated Financial Results for the Third Quarter of the Fiscal Year Ending March 31, 2009
(from April 1, 2008 to December 31, 2008)

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

	Net sales		Operating income		Ordinary income		Net income	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
Nine months ended Dec. 31, 2008	244,251	-	7,567	-	8,018	-	1,411	-
Nine months ended Dec. 31, 2007	223,260	14.5	14,562	3.5	16,993	2.4	11,067	2.6

	Net income per share	Fully diluted net income per share
	Yen	Yen
Nine months ended Dec. 31, 2008	7.86	-
Nine months ended Dec. 31, 2007	60.35	-

(2) Consolidated financial position

	Total assets	Net assets	Equity ratio	Net assets per share
	Millions of yen	Millions of yen	%	Yen
As of Dec. 31, 2008	342,426	164,973	47.0	904.35
As of Mar. 31, 2008	352,783	175,634	48.6	947.34

Reference: Shareholders' equity (millions of yen): As of Dec. 31, 2008: 160,989 As of Mar. 31, 2008: 171,489

2. Dividends

(Record date)	Dividend per share				
	End of 1Q	End of 2Q	End of 3Q	Year-end	Annual
	Yen	Yen	Yen	Yen	Yen
Year ended Mar. 31, 2008	-	8.00	-	8.00	16.00
Year ending Mar. 31, 2009	-	8.50	-	-	-
Year ending Mar. 31, 2009 (Forecast)	-	-	-	8.50	17.00

Note: Revisions to the dividend forecast made during the period: None

3. Consolidated Earnings Forecast for the Fiscal Year Ending March 31, 2009
(from April 1, 2008 to March 31, 2009)

(Percentages represent year-over-year changes)

	Net sales		Operating income		Ordinary income		Net income		Net income per share
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Yen
Full year	300,000	(0.9)	1,500	(91.8)	1,000	(95.2)	(5,500)	-	(30.68)

Note: Revisions to the consolidated earnings forecast made during the period: Yes

4. Other

- (1) Changes in significant subsidiaries during the period (changes in specific subsidiaries that affect the scope of consolidation): None
- (2) Application of simplified accounting methods and accounting methods peculiar to the preparation of quarterly consolidated financial statements: None
- (3) Changes in accounting principles/procedures, presentation methods, etc. for the preparation of quarterly consolidated financial statements (that are to be stated in the section of Changes in Significant Matters, etc. on which the Preparation of Quarterly Consolidated Financial Statements is Based)
- 1) Changes due to the revision of accounting standards, etc.: Yes
- 2) Other changes: Yes
- (4) Number of shares issued and outstanding (common stock)
- 1) Number of shares issued and outstanding at the end of the period (including treasury stock)
- | | | | |
|----------------------|--------------------|----------------------|--------------------|
| As of Dec. 31, 2008: | 187,000,000 shares | As of Mar. 31, 2008: | 194,881,287 shares |
|----------------------|--------------------|----------------------|--------------------|
- 2) Number of treasury stock at the end of the period
- | | | | |
|----------------------|------------------|----------------------|-------------------|
| As of Dec. 31, 2008: | 8,984,068 shares | As of Mar. 31, 2008: | 13,859,502 shares |
|----------------------|------------------|----------------------|-------------------|
- 3) Average number of shares outstanding during the period (nine-month period)
- | | | | |
|----------------------------------|--------------------|----------------------------------|--------------------|
| Nine months ended Dec. 31, 2008: | 179,614,315 shares | Nine months ended Dec. 31, 2007: | 183,368,021 shares |
|----------------------------------|--------------------|----------------------------------|--------------------|

*** Cautionary statement with respect to forward-looking statements**

1. These materials contain forward-looking statements and statements of this nature based on reasonable judgments in accordance with information currently available. Readers should be aware that actual results and events might differ substantially from these projections.
2. Effective from the current fiscal year, the Company has adopted "Accounting Standard for Quarterly Financial Reporting" (ASBJ Statement No. 12) and "Guidance on Accounting Standard for Quarterly Financial Reporting" (ASBJ Guidance No. 14). In addition, the quarterly consolidated financial statements are prepared in accordance with "Regulations for Quarterly Consolidated Financial Statements."

* The original, written in Japanese, of this information is prepared in accordance with Japanese standard. This is a voluntary translation of the original provided by the company for convenience of readers.

Qualitative Information, Financial Statements, etc.**1. Qualitative Information on Consolidated Operating Results****Overview**

(Unit: Millions of yen)

	Nine months ended Dec. 31, 2007	Nine months ended Dec. 31, 2008	Change		Year ended Mar. 31, 2008
			(Amount)	(% growth)	
Net sales	223,260	244,251	20,991	9.4%	302,669
Operating income	14,562	7,567	(6,995)	(48.0)%	18,379
Ordinary income	16,993	8,018	(8,975)	(52.8)%	20,745
Net income	11,067	1,411	(9,656)	(87.3)%	11,875
Net income per share	60.35 yen	7.86 yen	(52.49) yen	(87.0)%	64.91 yen
ROA (Return on Assets)	6.8%	3.1%	-	(3.7) points	6.1%
ROE (Return on Equity)	8.4%	1.1%	-	(7.3) points	6.9%
Exchange rate (\$ and EUR)	\$=117.35 yen	\$=102.86 yen	(14.49) yen		\$=114.38 yen
	EUR=162.85 yen	EUR=150.88 yen	(11.97) yen		EUR=161.59 yen
Naphtha price	59,700 yen/kl	69,600 yen/kl	9,900 yen/kl		61,500 yen/kl

Note) The ROA and ROE figures shown for each Nine-month period are annualized.

2. Quarterly Consolidated Financial Statements**(1) Consolidated Balance Sheets**

	(Unit: Millions of yen)	
	Third quarter of FY3/09 (As of Dec. 31, 2008)	FY3/08 Summary (As of Mar. 31, 2008)
Assets		
Current assets		
Cash and deposits	22,618	21,586
Notes and accounts receivable-trade	79,418	81,318
Short-term investment securities	-	200
Merchandise and finished goods	31,942	28,740
Work in process	9,296	8,885
Raw materials and supplies	18,660	16,728
Other	10,301	11,312
Allowance for doubtful accounts	(310)	(308)
Total current assets	171,925	168,461
Noncurrent assets		
Property, plant and equipment		
Machinery, equipment and vehicles, net	50,350	57,158
Other, net	68,838	68,434
Accumulated impairment loss	(1,298)	(1,628)
Total property, plant and equipment	117,890	123,964
Intangible assets		
Goodwill	1,965	2,318
Other	2,266	1,489
Total intangible assets	4,231	3,807
Investments and other assets		
Investment securities	31,361	39,127
Other	17,345	17,847
Allowance for doubtful accounts	(327)	(423)
Total investments and other assets	48,379	56,551
Total noncurrent assets	170,501	184,321
Total assets	342,426	352,783

	(Unit: Millions of yen)	
	Third quarter of FY3/09 (As of Dec. 31, 2008)	FY3/08 Summary (As of Mar. 31, 2008)
Liabilities		
Current liabilities		
Notes and accounts payable-trade	54,212	57,284
Short-term loans payable	36,102	27,571
Current portion of long-term loans payable	8,145	6,998
Current portion of bonds	5,000	-
Income taxes payable	399	2,982
Provision	3,168	6,551
Other	11,607	10,730
Total current liabilities	118,632	112,116
Noncurrent liabilities		
Bonds payable	15,000	20,000
Long-term loans payable	32,953	34,797
Provision for retirement benefits	8,334	8,153
Other	2,533	2,083
Total noncurrent liabilities	58,820	65,032
Total liabilities	177,452	177,149
Net assets		
Shareholders' equity		
Capital stock	16,529	16,529
Capital surplus	13,562	13,567
Retained earnings	139,355	148,955
Treasury stock	(7,965)	(13,552)
Total shareholders' equity	161,481	165,499
Valuation and translation adjustments		
Valuation difference on available-for-sale securities	854	2,644
Deferred gains or losses on hedges	(57)	(22)
Foreign currency translation adjustment	(1,288)	3,368
Total valuation and translation adjustments	(491)	5,990
Minority interests	3,984	4,145
Total net assets	164,973	175,634
Total liabilities and net assets	342,426	352,783

(2) Consolidated Statements of Income**(For the Nine-month Period)**

(Unit: Millions of yen)

	Third quarter of FY3/09 (Apr. 1, 2008 to Dec. 31 2008)
Net sales	244,251
Cost of sales	207,765
Gross profit	36,486
Selling, general and administrative expenses	
Transportation and warehousing expenses	11,084
Personal expenses	5,218
Research and development expenses	8,262
Other	4,354
Total selling, general and administrative expenses	28,919
Operating income	7,567
Non-operating income	
Interest income	165
Dividends income	794
Equity in earnings of affiliates	759
Real estate rent	749
Other	1,742
Total non-operating income	4,209
Non-operating expenses	
Interest expenses	1,079
Foreign exchange losses	1,506
Other	1,174
Total non-operating expenses	3,758
Ordinary income	8,018
Extraordinary loss	
Loss on valuation of investment securities	2,873
Compensation for damage	246
Total extraordinary losses	3,120
Income before income taxes	4,898
Income taxes-current	1,614
Income taxes-deferred	1,778
Total income taxes	3,392
Minority interests in income	96
Net income	1,411

(3) Consolidated Statements of Cash Flows

(Unit: Millions of yen)

	Third quarter of FY3/09 (Apr. 1, 2008 to Dec. 31 2008)
Net cash provided by (used in) operating activities	
Income before income taxes and minority interests	4,898
Depreciation and amortization	13,694
Loss (gain) on valuation of investment securities	2,873
Loss on compensation for damage	246
Interest and dividends income	(959)
Interest expenses	1,079
Equity in (earnings) losses of affiliates	(759)
Decrease (increase) in notes and accounts receivable-trade	851
Decrease (increase) in inventories	(6,815)
Increase (decrease) in notes and accounts payable-trade	(1,607)
Other, net	(226)
Subtotal	13,277
Interest and dividends income received	1,886
Interest expenses paid	(992)
Compensation for damage paid	(246)
Income taxes paid	(4,519)
Other payments	(1,274)
Net cash provided by (used in) operating activities	8,132
Net cash provided by (used in) investment activities	
Purchase of property, plant and equipment	(11,734)
Proceeds from sales of investment securities	598
Other, net	610
Net cash provided by (used in) investment activities	(10,527)
Net cash provided by (used in) financing activities	
Net increase (decrease) in short-term loans payable	9,069
Proceeds from long-term loans payable	5,504
Repayment of long-term loans payable	(5,967)
Cash dividends paid	(2,970)
Cash dividends paid to minority shareholders	(18)
Purchase of treasury stock	(2,095)
Other, net	(7)
Net cash provided by (used in) financing activities	3,517
Effect of exchange rate change on cash and cash equivalents	(84)
Net increase (decrease) in cash and cash equivalents	1,038
Cash and cash equivalents at beginning of term	21,371
Cash and cash equivalents at end of term	22,409

Effective from the current fiscal year, the Company has adopted “Accounting Standard for Quarterly Financial Reporting” (ASBJ Statement No. 12) and “Guidance on Accounting Standard for Quarterly Financial Reporting” (ASBJ Guidance No. 14). In addition, the quarterly consolidated financial statements are prepared in accordance with “Regulations for Quarterly Consolidated Financial Statements.”

(4) Going Concern Assumption

Not applicable.

(5) Segment Information

1) Business Segment Information

Third quarter of FY3/09 (Apr. 1, 2008 to Dec. 31, 2008)

(Unit: Millions of yen)

	Basic chemicals	Functional chemicals	Environment & catalysts	Total	Eliminations or corporate	Consolidated
Net sales						
(1) Sales to third parties	101,994	115,615	26,642	244,251	-	244,251
(2) Intergroup sales and transfers	28,506	1,404	1,635	31,545	(31,545)	-
Total	130,499	117,019	28,278	275,796	(31,545)	244,251
Operating income (loss)	5,808	879	1,273	7,961	(393)	7,567

Notes: 1. Business segments are defined in view of similarities in types and characteristics of operations, etc.

2. Principal products by business segment:

(1) Basic chemicals

Acrylic acid, acrylates, ethylene oxide, ethylene glycol, ethanolamine, higher alcohol, and glycol ether

(2) Functional chemicals

Superabsorbent polymers, intermediates for pharmaceuticals, polymers for concrete admixtures, electronic and information materials, iodine compounds, maleic anhydride, resins for adhesives/paints, molded plastics, and processed adhesive products

(3) Environment & catalysts

Automotive catalysts, De-NOx catalysts, dioxins decomposition catalysts, process catalysts, and equipment for exhaust gas treatment

3. Changes in significant accounting policies

(1) Change in valuation standards and methods for major assets

Inventory for regular sales purposes was computed primarily by the lower of cost or market, using moving average method in prior years. With the adoption of “Accounting Standard for Measurement of Inventories” (ASBJ Statement No. 9, July 5, 2006) from the first quarter of the current fiscal year, inventory is valued primarily at the lower of cost or market, using moving average method (the carrying value on the balance sheet is written down to reflect the effect of lower profit margins).

The effect of this change was to increase operating income in basic chemicals, functional chemicals, and environment & catalysts by 516 million yen, 781 million yen and 1,072 million yen respectively, in the third quarter of the current fiscal year, compare to the previous method.

(2) Supplementary information

The Company and its domestic consolidated subsidiaries have reviewed the useful life of machinery and equipment from the first quarter of the current fiscal year in accordance with the revised Corporation Tax Law.

The effect of this change was to increase operating income in basic chemicals, functional chemicals, and environment & catalysts by 230 million yen, 90 million yen and 2 million yen respectively, in the third quarter of the current fiscal year, compare to the previous method.

2) Geographical Segment Information

Third quarter of FY3/09 (Apr. 1, 2008 to Dec. 31, 2008)

(Unit: Millions of yen)

	Japan	Europe	Asia	Other regions	Total	Eliminations or corporate	Consolidated
Net sales							
(1) Sales to third parties	177,806	29,221	23,678	13,546	244,251	-	244,251
(2) Intergroup sales and transfers	24,220	57	1,122	203	25,603	(25,603)	-
Total	202,027	29,278	24,800	13,749	269,854	(25,603)	244,251
Operating income (loss)	7,830	(335)	504	(1,494)	6,505	1,062	7,567

Notes: 1. Segmentation of countries and regions is based on geographical proximity.

2. Major countries and regions included in the segments other than Japan:

- (1) Europe: Belgium
 (2) Asia: Singapore, Indonesia, and China
 (3) Other regions: North America (USA)

3. Changes in significant accounting policies

(1) Change in valuation standards and method for major assets

Inventory for regular sales purposes was computed primarily by the lower of cost or market, using moving average method in prior years. With the adoption of "Accounting Standard for Measurement of Inventories" (ASBJ Statement No. 9, July 5, 2006) from the first quarter of the current fiscal year, inventory is valued primarily at the lower of cost or market, using moving average method (the carrying value on the balance sheet is written down to reflect the effect of lower profit margins).

The effect of this change was to increase operating income by 2,369 million yen in Japan in the third quarter of the current fiscal year, compared to the previous method.

(2) Supplementary information

The Company and its domestic consolidated subsidiaries have reviewed the useful life of machinery and equipment from the first quarter of the current fiscal year in accordance with the revised Corporation Tax Law.

The effect of this change was to increase operating income by 322 million yen in Japan in the third quarter of the current fiscal year, compared to the previous method.

3) Overseas Sales

Third quarter of FY3/09 (Apr. 1, 2008 to Dec. 31, 2008)

(Unit: Millions of yen)

	Asia	Europe	North America	Other regions	Total
I. Overseas sales	38,975	33,673	18,768	13,996	105,413
II. Consolidated sales					244,251
III. Overseas sales as a percentage of consolidated sales	16.0%	13.8%	7.7%	5.7%	43.2%

Notes: 1. Segmentation of countries and regions is based on geographical proximity.

2. Major countries and regions included in the respective segments:

- (1) Asia: East Asian and Southeast Asian countries
 (2) Europe: European countries
 (3) North America: North American countries
 (4) Other regions: Countries and regions other than Asia, Europe, North America and Japan

3. "Overseas sales" represent total sales of Nippon Shokubai Co., Ltd. and its consolidated subsidiaries generated in countries and regions other than Japan.

(6) Notes on Significant Changes in Shareholders' Equity

(Unit: Millions of yen)

	Capital stock	Capital surplus	Retained earnings	Treasury stock	Total shareholders' equity
Balance as of Mar. 31, 2008	16,529	13,567	148,955	(13,552)	165,499
Changes during the period					
Dividends from surplus	-	-	(2,970)	-	(2,970)
Net income	-	-	1,411	-	1,411
Purchase of treasury stock	-	-	-	(2,095)	(2,095)
Disposal of treasury stock	-	(0)	(5)	14	9
Retirement of treasury stock (Note)	-	(5)	(7,663)	7,668	-
Decrease due to prior year adjustments in overseas subsidiaries	-	-	(373)	-	(373)
Total changes during the period	-	(5)	(9,601)	5,587	(4,019)
Balance as of Dec. 31, 2008	16,529	13,562	139,355	(7,965)	161,481

Note: On May 13, 2008, 7,881 thousand shares of common stock were retired.

Reference Data**Financial Statements, etc for the Previous Interim Period (from Apr. 1, 2007 to Dec. 31 2007)**

1) Summary of Consolidated Statements of Income for the Third Quarter of FY3/08 (from Apr. 1, 2007 to Dec. 31 2007)

(Unit: Millions of yen)

Account title	Amount
Net sales	223,260
Cost of sales	181,793
Gross profit	41,467
Selling, general and administrative expense	26,905
Operating income	14,562
Non-operating income	4,662
Non-operating expenses	2,232
Ordinary income	16,993
Extraordinary income	328
Extraordinary losses	296
Income before income taxes and minority interests	17,025
Income taxes	5,873
Minority interests in earnings of consolidated subsidiaries	86
Net income	11,067

2) Summary of Consolidated Statements of Cash Flows for the Third quarter of FY3/08 (from Apr. 1, 2007 to Dec. 31 2007)

(Unit: Millions of yen)

Account title	Amount
I. Operating activities	
Income before income taxes and minority interests	17,025
Depreciation and amortization	13,090
Decrease (increase) in notes and accounts receivable-trade	(8,104)
Decrease (increase) in inventories	(4,205)
Increase (decrease) in notes and accounts payable-trade	3,892
Other, net	(1,704)
Subtotal	19,995
Income taxed paid	(6,836)
Other, net	930
Net cash provided by operating activities	14,089
II. Investment activities	
Purchases of tangible fixed assets	(15,740)
Purchases of investment in securities	(3,557)
Increase in investments receivable	(531)
Collection of investments receivable	260
Collection of loans receivable	789
Other, net	189
Net cash used in investment activities	(18,591)
III. Financing activities	
Increase (decrease) in short-term bank loans, net	5,285
Proceeds from bond issuance	15,000
Proceeds from long-term debt	7,081
Repayment of long-term debt	(4,442)
Cash dividends paid	(2,941)
Purchase of treasury stock	(1,975)
Other, net	(14)
Net cash provided by financing activities	17,994
IV. Effect of exchange rate changes on cash and cash equivalents	(86)
V. Increase (decrease) in cash and cash equivalents	13,406
VI. Cash and cash equivalents at beginning of term	16,991
VII. Cash and cash equivalents at end of term	30,398

3) Segment Information

Third quarter of FY3/08 (Apr. 1, 2007 to Dec. 31, 2007)

Business segment information

(Unit: Millions of yen)

	Basic chemicals	Functional chemicals	Environment & catalysts	Total	Eliminations or corporate	Consolidated
Net sales						
(1) Sales to third parties	79,260	116,931	27,069	223,260	-	223,260
(2) Intergroup sales and transfers	24,459	933	586	25,978	(25,978)	-
Total	103,719	117,864	27,655	249,238	(25,978)	223,260
Operating income (loss)	4,358	8,198	1,916	14,473	90	14,562

Notes: 1. Business segments are defined in view of similarities in types and characteristics of operations, etc.

2. Principal products by business segment:

(1) Basic chemicals

Acrylic acid, acrylates, ethylene oxide, ethylene glycol, ethanolamine, and higher alcohol

(2) Functional chemicals

Superabsorbent polymers, intermediates for pharmaceuticals, polymers for concrete admixtures, electronic and information materials, iodine compounds, maleic anhydride, unsaturated polyester resins, resins for adhesives/paints, molded plastics, and processed adhesive products

(3) Environment & catalysts

Automotive catalysts, De-NOx catalysts, dioxins decomposition catalysts, process catalysts, and equipment for exhaust gas treatment

Geographical segment information

(Unit: Millions of yen)

	Japan	Europe	Asia	Other regions	Total	Eliminations or corporate	Consolidated
Net sales							
(1) Sales to third parties	157,925	31,697	21,160	12,478	223,260	-	223,260
(2) Intergroup sales and transfers	25,240	60	2,556	227	28,082	(28,082)	-
Total	183,165	31,757	23,716	12,705	251,342	(28,082)	223,260
Operating income (loss)	13,016	163	468	(370)	13,277	1,285	14,562

Notes: 1. Segmentation of countries and regions is based on geographical proximity.

2. Major countries and regions included in the segments other than Japan:

(1) Europe: Belgium

(2) Asia: Singapore, Indonesia, and China

(3) Other regions: North America (USA)

Overseas sales

(Unit: Millions of yen)

	Asia	Europe	North America	Other regions	Total
I. Overseas sales	41,500	35,820	18,316	11,863	107,499
II. Consolidated sales					223,260
III. Overseas sales as a percentage of consolidated sales	18.6%	16.0%	8.2%	5.3%	48.1%

Notes: 1. Segmentation of countries and regions is based on geographical proximity.

2. Major countries and regions included in the respective segments:

(1) Asia: East Asian and Southeast Asian countries

(2) Europe: European countries

(3) North America: North American countries

(4) Other regions: Countries and regions other than Asia, Europe, North America and Japan

3. "Overseas sales" represent total sales of Nippon Shokubai Co., Ltd. and its consolidated subsidiaries generated in countries and regions other than Japan.

* This financial report is solely a translation of "Kessan Tanshin" (in Japanese, including attachments), which has been prepared in accordance with accounting principles and practices generally accepted in Japan, for the convenience of readers who prefer an English translation.