

**Summary of Consolidated Financial Results**  
**For the Third Quarter of the Fiscal Year Ending March 31, 2010**  
**(Nine Months Ended December 31, 2009)**

February 8, 2010

Company name: Nippon Shokubai Co., Ltd. Listing: TSE, OSE (First Section)  
Code number: 4114 URL: <http://www.shokubai.co.jp/>  
Representative: Tadao Kondo, President and Representative Director  
Contact for inquiries: Katsunori Utsumi, General Manager of General Affairs Dept. Phone: +81-6-6223-9111  
Scheduled quarterly report filing date: February 9, 2010

(Figures are rounded off to the nearest million yen)

**1. Consolidated Financial Results for the Third Quarter of the Fiscal Year Ending March 31, 2010**  
**(from April 1, 2009 to December 31, 2009)**

(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<br>Dec. 31, 2009 | 176,634         | (27.7) | 11,324           | 49.6 | 12,176          | 51.9 | 7,850           | 454.6 |
| Nine months ended<br>Dec. 31, 2008 | 244,251         | -      | 7,567            | -    | 8,018           | -    | 1,411           | -     |

|                                    | Net income per share | Fully diluted net income<br>per share |
|------------------------------------|----------------------|---------------------------------------|
|                                    | Yen                  | Yen                                   |
| Nine months ended<br>Dec. 31, 2009 | 44.10                | -                                     |
| Nine months ended<br>Dec. 31, 2008 | 7.86                 | -                                     |

(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, 2009 | 312,898         | 158,952         | 49.6         | 871.26               |
| As of Mar. 31, 2009 | 302,948         | 151,662         | 48.8         | 831.11               |

Reference: Shareholders' equity (millions of yen): As of Dec. 31, 2009: 155,107 As of Mar. 31, 2009: 147,944

**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, 2009             | -                  | 8.50      | -         | 7.00     | 15.50  |
| Year ending Mar. 31, 2010            | -                  | 7.00      | -         | -        | -      |
| Year ending Mar. 31, 2010 (Forecast) | -                  | -         | -         | 7.00     | 14.00  |

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

**3. Consolidated Earnings Forecast for the Fiscal Year Ending March 31, 2010**  
**(from April 1, 2009 to March 31, 2010)**

(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 | 245,000         | (15.3) | 13,000           | - | 13,000          | - | 8,200           | - | 46.07                |

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: No
- (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, 2009: | 187,000,000 shares | As of Mar. 31, 2009: | 187,000,000 shares |
|----------------------|--------------------|----------------------|--------------------|
- 2) Number of treasury stock at the end of the period
- |                      |                  |                      |                  |
|----------------------|------------------|----------------------|------------------|
| As of Dec. 31, 2009: | 8,974,274 shares | As of Mar. 31, 2009: | 8,991,929 shares |
|----------------------|------------------|----------------------|------------------|
- 3) Average number of shares outstanding during the period (nine-month period)
- |                                  |                    |                                  |                    |
|----------------------------------|--------------------|----------------------------------|--------------------|
| Nine months ended Dec. 31, 2009: | 178,003,808 shares | Nine months ended Dec. 31, 2008: | 179,614,315 shares |
|----------------------------------|--------------------|----------------------------------|--------------------|

\* Cautionary statement with respect to forward-looking statements

For discussion of the assumptions and other factors considered by the Company in preparing the above projections, please refer to page 3 in the section “Qualitative Information and Financial Statements, 2. Consolidated Earnings Forecast.”

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.

\* 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. Consolidated Operating Results****Overview**

(Unit: Millions of yen)

|                            | Nine months ended<br>Dec. 31, 2008 | Nine months ended<br>Dec. 31, 2009 | Change          |            | Year ended<br>Mar. 31, 2009 |
|----------------------------|------------------------------------|------------------------------------|-----------------|------------|-----------------------------|
|                            |                                    |                                    | (Amount)        | (% growth) |                             |
| Net sales                  | 244,251                            | 176,634                            | (67,617)        | (27.7)%    | 289,102                     |
| Operating income           | 7,567                              | 11,324                             | 3,757           | 49.6%      | 622                         |
| Ordinary income            | 8,018                              | 12,176                             | 4,158           | 51.9%      | 757                         |
| Net income                 | 1,411                              | 7,850                              | 6,439           | 456.4%     | (5,307)                     |
| Net income per share       | 7.86 yen                           | 44.10 yen                          | 36.24 yen       | 461.1%     | (29.61) yen                 |
| ROA (Return on Assets)     | 3.1%                               | 5.3%                               | -               | 2.2 points | 0.2%                        |
| ROE (Return on Equity)     | 1.1%                               | 6.9%                               | -               | 5.8 points | (3.3)%                      |
| Exchange rate (\$ and EUR) | \$=102.86 yen                      | \$=93.61 yen                       | (9.25) yen      |            | \$=100.58 yen               |
|                            | EUR=150.88 yen                     | EUR=133.03 yen                     | (17.85) yen     |            | EUR=143.66 yen              |
| Naphtha price              | 69,600 yen/kl                      | 39,000 yen/kl                      | (30,600) yen/kl |            | 58,900 yen/kl               |

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

**2. Consolidated Earnings Forecast**

In this fiscal year, we had good results in the third quarter, but we foresee an increase of domestic naphtha price in the fourth quarter. As a result of it, we forecast consolidated net sales over the full fiscal year of 245,000 million yen, operating income of 13,000 million yen, ordinary income of 13,000 million yen, and net income of 8,200 million yen.

We have raised our sales forecast by 10,000 million yen from the previous one, but our profit forecasts remain as same.

We base our fourth quarter forecasts on exchange rates of 90 yen to the US dollar and 120 yen to the euro as same as the previous forecasts, and naphtha prices of 50,000 yen/kl changed from previous forecast; 43,000 yen/kl.

Our full-year forecasts by business segment are as follows:

(Unit: Millions of yen)

|                        | Basic Chemicals |                  | Functional Chemicals |                  | Environment & Catalysts |                  |
|------------------------|-----------------|------------------|----------------------|------------------|-------------------------|------------------|
|                        | Net sales       | Operating income | Net sales            | Operating income | Net sales               | Operating income |
| Previous forecasts (A) | 94,000          | 4,500            | 128,000              | 8,500            | 13,000                  | 0                |
| Latest forecasts (B)   | 100,000         | 4,500            | 132,000              | 8,500            | 13,000                  | 0                |
| Change (B-A)           | 6,000           | -                | 4,000                | -                | -                       | -                |

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

|  | (Unit: Millions of yen)                          |   |
|--|--|---|
|  | Third quarter of FY3/10<br>(As of Dec. 31, 2009) | FY3/08 Summary<br>(As of Mar. 31, 2009) |
| Assets                                 |  |   |
| Current assets                         |  |   |
| Cash and deposits                      | 28,862   | 29,925                                  |
| Notes and accounts receivable-trade    | 64,329   | 52,904                                  |
| Merchandise and finished goods         | 21,088   | 21,363                                  |
| Work in process                        | 6,663  | 7,068                                   |
| Raw materials and supplies             | 11,716   | 13,930                                  |
| Other                                  | 8,389  | 12,961                                  |
| Allowance for doubtful accounts        | (226)  | (251)                                   |
| Total current assets                   | 140,822  | 137,900                                 |
| Noncurrent assets                      |  |   |
| Property, plant and equipment          |  |   |
| Machinery, equipment and vehicles, net | 39,628   | 45,382                                  |
| Other, net                             | 85,159   | 74,103                                  |
| Accumulated impairment loss            | (2,998)  | (3,031)                                 |
| Total property, plant and equipment    | 121,789  | 116,454                                 |
| Intangible assets                      |  |   |
| Goodwill                               | 1,509  | 1,848                                   |
| Other                                  | 2,280  | 2,140                                   |
| Total intangible assets                | 3,789  | 3,987                                   |
| Investments and other assets           |  |   |
| Investment securities                  | 31,357   | 27,988                                  |
| Other                                  | 15,453   | 16,944                                  |
| Allowance for doubtful accounts        | (311)  | (324)                                   |
| Total investments and other assets     | 46,498   | 44,607                                  |
| Total noncurrent assets                | 172,076  | 165,048                                 |
| Total assets                           | 312,898  | 302,948                                 |

|   | (Unit: Millions of yen)                          |   |
|---|--|---|
|   | Third quarter of FY3/10<br>(As of Dec. 31, 2009) | FY3/09 Summary<br>(As of Mar. 31, 2009) |
| <b>Liabilities</b>                                    |  |   |
| <b>Current liabilities</b>                            |  |   |
| Notes and accounts payable-trade                      | 38,317   | 23,196                                  |
| Short-term loans payable                              | 26,203   | 28,950                                  |
| Current portion of long-term loans payable            | 9,492  | 12,614                                  |
| Current portion of bonds                              | -  | 5,000                                   |
| Income taxes payable                                  | 1,734  | 405                                     |
| Provision   | 3,116  | 4,164                                   |
| Other   | 13,197   | 12,514                                  |
| <b>Total current liabilities</b>                      | <b>92,059</b>                                    | <b>86,842</b>                           |
| <b>Noncurrent liabilities</b>                         |  |   |
| Bonds payable   | 15,000   | 15,000                                  |
| Long-term loans payable                               | 35,987   | 38,775                                  |
| Provision for retirement benefits                     | 8,560  | 8,465                                   |
| Other   | 2,340  | 2,205                                   |
| <b>Total noncurrent liabilities</b>                   | <b>61,887</b>                                    | <b>64,444</b>                           |
| <b>Total liabilities</b>                              | <b>153,946</b>                                   | <b>151,286</b>                          |
| <b>Net assets</b>                                     |  |   |
| <b>Shareholders' equity</b>                           |  |   |
| Capital stock   | 16,529   | 16,529                                  |
| Capital surplus                                       | 13,574   | 13,562                                  |
| Retained earnings                                     | 138,136  | 132,778                                 |
| Treasury stock  | (7,974)  | (7,970)                                 |
| <b>Total shareholders' equity</b>                     | <b>160,265</b>                                   | <b>154,900</b>                          |
| <b>Valuation and translation adjustments</b>          |  |   |
| Valuation difference on available-for-sale securities | 1,334  | 41                                      |
| Deferred gains or losses on hedges                    | (53)   | (155)                                   |
| Foreign currency translation adjustment               | (6,439)  | (6,842)                                 |
| <b>Total valuation and translation adjustments</b>    | <b>(5,158)</b>                                   | <b>(6,955)</b>                          |
| Minority interests                                    | 3,845  | 3,717                                   |
| <b>Total net assets</b>                               | <b>158,952</b>                                   | <b>151,662</b>                          |
| <b>Total liabilities and net assets</b>               | <b>312,898</b>                                   | <b>302,948</b>                          |

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

|  | (Unit: Millions of yen)                                   |   |
|--|---|---|
|  | Third quarter of FY3/09<br>(Apr. 1, 2008 to Dec. 31 2008) | Third quarter of FY3/10<br>(Apr. 1, 2009 to Dec. 31 2009) |
| Net sales  | 244,251   | 176,634   |
| Cost of sales                                      | 207,765   | 140,115   |
| Gross profit                                       | 36,486  | 36,519  |
| Selling, general and administrative expenses       |   |   |
| Transportation and warehousing expenses            | 11,084  | 8,923   |
| Personal expenses                                  | 5,218   | 5,156   |
| Research and development expenses                  | 8,262   | 7,429   |
| Other  | 4,354   | 3,686   |
| Total selling, general and administrative expenses | 28,919  | 25,195  |
| Operating income                                   | 7,567   | 11,324  |
| Non-operating income                               |   |   |
| Interest income                                    | 165   | 116   |
| Dividends income                                   | 794   | 432   |
| Equity in earnings of affiliates                   | 759   | 876   |
| Real estate rent                                   | 749   | 753   |
| Other  | 1,742   | 740   |
| Total non-operating income                         | 4,209   | 2,916   |
| Non-operating expenses                             |   |   |
| Interest expenses                                  | 1,079   | 939   |
| Foreign exchange losses                            | 1,506   | 326   |
| Other  | 1,174   | 799   |
| Total non-operating expenses                       | 3,758   | 2,064   |
| Ordinary income                                    | 8,018   | 12,176  |
| 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   | 12,176  |
| Income taxes-current                               | 1,614   | 1,559   |
| Income taxes-deferred                              | 1,778   | 2,595   |
| Total income taxes                                 | 3,392   | 4,153   |
| Minority interests in income                       | 96  | 173   |
| Net income   | 1,411   | 7,850   |

**(3) Consolidated Statements of Cash Flows**

(Unit: Millions of yen)

|   | Third quarter of FY3/09<br>(Apr. 1, 2008 to Dec. 31 2008) | Third quarter of FY3/10<br>(Apr. 1, 2009 to Dec. 31 2009) |
|---|---|---|
| Net cash provided by (used in) operating activities         |   |   |
| Income before income taxes and minority interests           | 4,898   | 12,176  |
| Depreciation and amortization                               | 13,694  | 11,589  |
| Loss (gain) on valuation of investment securities           | 2,873   | -   |
| Loss on compensation for damage                             | 246   | -   |
| Interest and dividends income                               | (959)   | (547)   |
| Interest expenses   | 1,079   | 939   |
| Equity in (earnings) losses of affiliates                   | (759)   | (876)   |
| Decrease (increase) in notes and accounts receivable-trade  | 851   | (11,362)  |
| Decrease (increase) in inventories                          | (6,815)   | 2,986   |
| Increase (decrease) in notes and accounts payable-trade     | (1,607)   | 14,959  |
| Other, net  | (226)   | 683   |
| Subtotal  | 13,277  | 30,547  |
| Interest and dividends income received                      | 1,886   | 1,013   |
| Interest expenses paid                                      | (992)   | (948)   |
| Compensation for damage paid                                | (246)   | -   |
| Income taxes (paid) refund                                  | (4,519)   | 1,487   |
| Other payments  | (1,274)   | -   |
| Net cash provided by (used in) operating activities         | 8,132   | 32,098  |
| Net cash provided by (used in) investment activities        |   |   |
| Purchase of property, plant and equipment                   | (11,734)  | (17,083)  |
| Proceeds from sales of investment securities                | 598   | 2   |
| Other, net  | 610   | 289   |
| Net cash provided by (used in) investment activities        | (10,527)  | (16,792)  |
| Net cash provided by (used in) financing activities         |   |   |
| Net increase (decrease) in short-term loans payable         | 9,069   | (2,897)   |
| Proceeds from long-term loans payable                       | 5,504   | 1,000   |
| Repayment of long-term loans payable                        | (5,967)   | (6,894)   |
| Redemption of bonds   | -   | (5,000)   |
| Cash dividends paid   | (2,970)   | (2,492)   |
| Cash dividends paid to minority shareholders                | (18)  | (16)  |
| Purchase of treasury stock                                  | (2,095)   | (12)  |
| Other, net  | (7)   | 6   |
| Net cash provided by (used in) financing activities         | 3,517   | (16,304)  |
| Effect of exchange rate change on cash and cash equivalents | (84)  | 205   |
| Net increase (decrease) in cash and cash equivalents        | 1,038   | (793)   |
| Cash and cash equivalents at beginning of term              | 21,371  | 29,450  |
| Cash and cash equivalents at end of term                    | 22,409  | 28,658  |

**(4) Going Concern Assumption**

Not applicable.

**(5) Segment Information****1) Business Segment Information**

Third quarter of Fiscal year ended Mar. 31, 2009 (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        |

Third quarter of Fiscal year ending Mar. 31, 2010 (Apr. 1, 2009 to Dec. 31, 2009)

(Unit: Millions of yen)

|                                    | Basic chemicals | Functional chemicals | Environment & catalysts | Total   | Eliminations or corporate | Consolidated |
|------------------------------------|-----------------|----------------------|-------------------------|---------|---------------------------|--------------|
| Net sales                          |                 |                      |                         |         |                           |              |
| (1) Sales to third parties         | 71,260          | 96,806               | 8,568                   | 176,634 | -                         | 176,634      |
| (2) Intergroup sales and transfers | 15,191          | 977                  | 751                     | 16,919  | (16,919)                  | -            |
| Total                              | 86,451          | 97,783               | 9,320                   | 193,553 | (16,919)                  | 176,634      |
| Operating income (loss)            | 4,368           | 7,001                | (96)                    | 11,274  | 51                        | 11,324       |

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 &amp; catalysts

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

**2) Geographical Segment Information**

Third quarter of Fiscal year ended Mar. 31, 2009 (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        |



Third quarter of Fiscal year ending Mar. 31, 2010 (Apr. 1, 2009 to Dec. 31, 2009)

(Unit: Millions of yen)

|                                    | Japan   | Europe | Asia   | Other regions | Total   | Eliminations or corporate | Consolidated |
|------------------------------------|---------|--------|--------|---------------|---------|---------------------------|--------------|
| Net sales                          |         |        |        |               |         |                           |              |
| (1) Sales to third parties         | 126,321 | 24,263 | 16,058 | 9,992         | 176,634 | -                         | 176,634      |
| (2) Intergroup sales and transfers | 17,085  | 57     | 79     | 167           | 17,389  | (17,389)                  | -            |
| Total                              | 143,406 | 24,320 | 16,137 | 10,159        | 194,023 | (17,389)                  | 176,634      |
| Operating income (loss)            | 9,484   | 617    | 452    | 162           | 10,716  | 609                       | 11,324       |

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) Overseas Sales**

Third quarter of Fiscal year ended Mar. 31, 2009 (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%   |

Third quarter of Fiscal year ending Mar. 31, 2010 (Apr. 1, 2009 to Dec. 31, 2009)

(Unit: Millions of yen)

|   | Asia   | Europe | North America | Other regions | Total   |
|---|--------|--------|---------------|---------------|---------|
| I. Overseas sales   | 29,847 | 27,666 | 14,172        | 10,639        | 82,325  |
| II. Consolidated sales                                    |        |        |               |               | 176,634 |
| III. Overseas sales as a percentage of consolidated sales | 16.9%  | 15.7%  | 8.0%          | 6.0%          | 46.6%   |

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.