

Summary of Consolidated Financial Results
For the First Quarter of the Fiscal Year Ending March 31, 2011
(Three Months Ended June 30, 2010)

August 4, 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: Teruhisa Wada, General Manager of General Affairs Dept. Phone: +81-6-6223-9111
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(Figures are rounded off to the nearest million yen)

1. Consolidated Financial Results for the First Quarter of the Fiscal Year Ending March 31, 2011
(from April 1, 2010 to June 30, 2010)

(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	%
Three months ended Jun. 30, 2010	70,607	28.0	7,513	227.0	7,580	167.6	3,582	186.0
Three months ended Jun. 30, 2009	55,154	(33.7)	2,298	(37.2)	2,832	(44.6)	1,252	(62.3)

	Net income per share	Fully diluted net income per share
	Yen	Yen
Three months ended Jun. 30, 2010	20.12	-
Three months ended Jun. 30, 2009	7.03	-

(2) Consolidated financial position

	Total assets	Net assets	Equity ratio	Net assets per share
	Millions of yen	Millions of yen	%	Yen
As of Jun. 30, 2010	311,481	165,131	51.7	905.44
As of Mar. 31, 2010	310,946	163,781	51.4	898.33

Reference: Shareholders' equity (millions of yen): As of Jun. 30, 2010: 161,187 As of Mar. 31, 2010: 159,923

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, 2010	-	7.00	-	7.00	14.00
Year ending Mar. 31, 2011	-	-	-	-	-
Year ending Mar. 31, 2011 (Forecast)	-	8.00	-	8.00	16.00

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

3. Consolidated Earnings Forecast for the Fiscal Year Ending March 31, 2011
(from April 1, 2010 to March 31, 2011)

(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
Half year	137,000	20.6	11,500	95.1	11,500	75.5	6,100	53.9	34.27
Full year	275,000	12.6	16,000	15.3	17,000	13.8	12,000	10.8	67.41

Note: Revisions to the consolidated earnings forecast made during the period: None

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 Jun. 30, 2010: | 187,000,000 shares | As of Mar. 31, 2010: | 187,000,000 shares |
|----------------------|--------------------|----------------------|--------------------|
- 2) Number of treasury stock at the end of the period
- | | | | |
|----------------------|------------------|----------------------|------------------|
| As of Jun. 30, 2010: | 8,979,484 shares | As of Mar. 31, 2010: | 8,976,962 shares |
|----------------------|------------------|----------------------|------------------|
- 3) Average number of shares outstanding during the period (three-month period)
- | | | | |
|-----------------------------------|--------------------|-----------------------------------|--------------------|
| Three months ended Jun. 30, 2010: | 178,021,662 shares | Three months ended Jun. 30, 2009: | 178,005,205 shares |
|-----------------------------------|--------------------|-----------------------------------|--------------------|

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

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. Qualitative Information on Consolidated Operating Results****Overview**

(Unit: Millions of yen)

	Three months ended Jun. 30, 2009	Three months ended Jun. 30, 2010	Change		Year ended Mar. 31, 2010
			(Amount)	(% growth)	
Net sales	55,154	70,607	15,453	28.0%	244,317
Operating income	2,298	7,513	5,215	227.0%	13,881
Ordinary income	2,832	7,580	4,748	167.6%	14,934
Net income	1,252	3,582	2,330	186.0%	10,832
Net income per share	7.03 yen	20.12 yen	13.09 yen	186.2%	60.85 yen
ROA (Return on Assets)	3.7%	9.7%	-	6.0 points	4.9%
ROE (Return on Equity)	3.3%	8.9%	-	5.6 points	7.0%
Exchange rate (\$ and EUR)	\$=97.36 yen	\$=92.01 yen	(5.35) yen		\$=92.88 yen
	EUR=132.66 yen	EUR=117.03 yen	(15.63) yen		EUR=131.14 yen
Naphtha price	33,300 yen/kl	49,700 yen/kl	16,400 yen/kl		41,200 yen/kl

Note) The ROA and ROE figures shown for each Three-months period are annualized.

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

(Unit: Millions of yen)

	First quarter of Fiscal year ending Mar. 31, 2011 (As of Jun. 30, 2010)	Summary of Fiscal year ended Mar. 31, 2010 (As of Mar. 31, 2010)
Assets		
Current assets		
Cash and deposits	25,219	28,404
Notes and accounts receivable-trade	68,423	63,086
Merchandise and finished goods	20,367	21,256
Work in process	5,953	5,044
Raw materials and supplies	11,473	11,057
Other	10,203	9,593
Allowance for doubtful accounts	(237)	(227)
Total current assets	141,401	138,213
Noncurrent assets		
Property, plant and equipment		
Machinery, equipment and vehicles, net	56,456	46,801
Land	31,538	30,710
Other, net	35,049	46,674
Accumulated impairment loss	(3,741)	(3,730)
Total property, plant and equipment	119,303	120,455
Intangible assets		
Goodwill	1,288	1,405
Other	2,255	2,315
Total intangible assets	3,543	3,720
Investments and other assets		
Investment securities	31,893	33,586
Other	15,594	15,254
Allowance for doubtful accounts	(252)	(283)
Total investments and other assets	47,234	48,557
Total noncurrent assets	170,080	172,732
Total assets	311,481	310,946

(Unit: Millions of yen)

	First quarter of Fiscal year ending Mar. 31, 2011 (As of Jun. 30, 2010)	Summary of Fiscal year ended Mar. 31, 2010 (As of Mar. 31, 2010)
Liabilities		
Current liabilities		
Notes and accounts payable-trade	40,323	38,491
Short-term loans payable	25,454	26,587
Current portion of long-term loans payable	7,789	7,631
Income taxes payable	3,558	2,476
Provision for bonuses	3,887	2,405
Other provision	2,928	2,672
Other	5,707	8,755
Total current liabilities	89,647	89,018
Noncurrent liabilities		
Bonds payable	15,000	15,000
Long-term loans payable	30,770	32,257
Provision for retirement benefits	8,872	8,770
Other	2,060	2,120
Total noncurrent liabilities	56,703	58,147
Total liabilities	146,350	147,165
Net assets		
Shareholders' equity		
Capital stock	16,529	16,529
Capital surplus	13,574	13,574
Retained earnings	143,454	141,118
Treasury stock	(7,979)	(7,977)
Total shareholders' equity	165,578	163,244
Valuation and translation adjustments		
Valuation difference on available-for-sale securities	1,246	2,615
Deferred gains or losses on hedges	(35)	(35)
Foreign currency translation adjustment	(5,602)	(5,902)
Total valuation and translation adjustments	(4,391)	(3,321)
Minority interests	3,944	3,858
Total net assets	165,131	163,781
Total liabilities and net assets	311,481	310,946

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

	(Unit: Millions of yen)	
	First quarter of Fiscal year ended Mar. 31, 2010 (Apr. 1, 2009 to Jun. 30, 2009)	First quarter of Fiscal year ending Mar. 31, 2011 (Apr. 1, 2010 to Jun. 30, 2010)
Net sales	55,154	70,607
Cost of sales	44,574	53,980
Gross profit	10,580	16,627
Selling, general and administrative expenses		
Transportation and warehousing expenses	2,796	3,466
Personal expenses	1,760	1,814
Research and development expenses	2,457	2,531
Other	1,268	1,302
Total selling, general and administrative expenses	8,282	9,114
Operating income	2,298	7,513
Non-operating income		
Interest income	43	17
Dividends income	259	321
Equity in earnings of affiliates	259	323
Real estate rent	262	309
Other	312	162
Total non-operating income	1,135	1,133
Non-operating expenses		
Interest expenses	356	234
Foreign exchange losses	-	632
Other	244	199
Total non-operating expenses	601	1,065
Ordinary income	2,832	7,580
Extraordinary loss		
Other	-	752
Total extraordinary losses	-	752
Income before income taxes	2,832	6,828
Income taxes-current	180	3,963
Income taxes-deferred	1,380	(808)
Total income taxes	1,560	3,155
Income before minority interests	-	3,673
Minority interests in income	20	91
Net income	1,252	3,582

(3) Consolidated Statements of Cash Flows

(Unit: Millions of yen)

	First quarter of Fiscal year ended Mar. 31, 2010 (Apr. 1, 2009 to Jun. 30, 2009)	First quarter of Fiscal year ending Mar. 31, 2011 (Apr. 1, 2010 to Jun. 30, 2010)
Net cash provided by (used in) operating activities		
Income before income taxes	2,832	6,828
Depreciation and amortization	3,829	3,771
Other extraordinary loss (income)	-	752
Interest and dividends income	(302)	(338)
Interest expenses	356	234
Equity in (earnings) losses of affiliates	(259)	(323)
Decrease (increase) in notes and accounts receivable-trade	(259)	(5,426)
Decrease (increase) in inventories	3,406	(598)
Increase (decrease) in notes and accounts payable-trade	2,533	1,619
Other, net	3,017	1,443
Subtotal	15,154	7,961
Interest and dividends income received	760	1,285
Interest expenses paid	(368)	(145)
Income taxes paid	(90)	(2,828)
Other payments	-	(251)
Net cash provided by (used in) operating activities	15,456	6,022
Net cash provided by (used in) investing activities		
Purchase of property, plant and equipment	(5,237)	(5,192)
Proceeds from sales of investment securities	2	-
Other, net	367	(513)
Net cash provided by (used in) investing activities	(4,867)	(5,705)
Net cash provided by (used in) financing activities		
Net increase (decrease) in short-term loans payable	(1,455)	(791)
Proceeds from long-term loans payable	-	60
Repayment of long-term loans payable	(1,972)	(1,410)
Cash dividends paid	(1,246)	(1,246)
Cash dividends paid to minority shareholders	(16)	(21)
Purchase of treasury stock	(5)	(2)
Other, net	(6)	(8)
Net cash provided by (used in) financing activities	(4,700)	(3,418)
Effect of exchange rate change on cash and cash equivalents	323	(82)
Net increase (decrease) in cash and cash equivalents	6,213	(3,183)
Cash and cash equivalents at beginning of period	29,450	28,234
Cash and cash equivalents at end of period	35,663	25,052

(4) Going Concern Assumption

Not applicable.

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

First quarter of Fiscal year ended Mar. 31, 2010 (Apr. 1, 2009 to Jun. 30, 2009)

(Unit: Millions of yen)

	Basic chemicals	Functional chemicals	Environment & catalysts	Total	Eliminations or corporate	Consolidated
Net sales						
(1) Sales to third parties	21,123	31,738	2,292	55,154	-	55,154
(2) Intergroup sales and transfers	4,091	332	248	4,671	(4,671)	-
Total	25,214	32,070	2,541	59,824	(4,671)	55,154
Operating income (loss)	1,014	1,784	(448)	2,350	(52)	2,298

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

2) Geographical Segment Information

First quarter of Fiscal year ended Mar. 31, 2010 (Apr. 1, 2009 to Jun. 30, 2009)

(Unit: Millions of yen)

	Japan	Europe	Asia	Other regions	Total	Eliminations or corporate	Consolidated
Net sales							
(1) Sales to third parties	38,148	8,693	4,592	3,721	55,154	-	55,154
(2) Intergroup sales and transfers	4,799	24	21	18	4,862	(4,862)	-
Total	42,946	8,717	4,613	3,740	60,016	(4,862)	55,154
Operating income (loss)	2,103	217	(136)	373	2,557	(259)	2,298

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

First quarter of Fiscal year ended Mar. 31, 2010 (Apr. 1, 2009 to Jun. 30, 2009)

(Unit: Millions of yen)

	Asia	Europe	North America	Other regions	Total
I. Overseas sales	9,608	9,633	4,709	3,446	27,396
II. Consolidated sales					55,154
III. Overseas sales as a percentage of consolidated sales	17.4%	17.5%	8.5%	6.3%	49.7%

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.

4) Segment Information

First quarter of Fiscal year ending Mar. 31, 2011 (Apr. 1, 2010 to Jun. 30, 2010)

(Unit: Millions of yen)

	Basic chemicals	Functional chemicals	Environment & catalysts	Total	Adjustment	Consolidation
Net sales						
(1) Sales to third parties	31,617	34,979	4,011	70,607	-	70,607
(2) Intergroup sales and transfers	7,543	436	374	8,353	(8,353)	-
Total	39,160	35,415	4,385	78,960	(8,353)	70,607
Operating income (loss)	3,354	3,007	1,119	7,481	32	7,513

Notes: 1. Segment income adjustment: Elimination of ¥32 million in inter-segment transactions.

2. Segment income is adjusted for Operating Income described in Consolidated Quarterly Statements of Income.

* 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.