

**Summary of Consolidated Financial Results**  
**For the Second Quarter of the Fiscal Year Ending March 31, 2011**  
**(Six Months Ended September 30, 2010)**

November 4, 2010

Company name: Nippon Shokubai Co., Ltd. Listing: TSE, OSE (First Section)  
 Code number: 4114 URL: <http://www.shokubai.co.jp/>  
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 Scheduled quarterly report filing date: November 8, 2010  
 Scheduled date of dividend payment: December 6, 2010

(Figures are rounded off to the nearest million yen)

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

**(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	%
Six months ended Sep. 30, 2010	138,109	21.6	13,458	128.4	13,392	104.3	7,487	88.9
Six months ended Sep. 30, 2009	113,598	(34.0)	5,893	1.3	6,554	(8.4)	3,963	92.9

	Net income per share	Fully diluted net income per share
	Yen	Yen
Six months ended Sep. 30, 2010	41.23	-
Six months ended Sep. 30, 2009	22.26	-

**(2) Consolidated financial position**

	Total assets	Net assets	Equity ratio	Net assets per share
	Millions of yen	Millions of yen	%	Yen
As of Sep. 30, 2010	317,942	183,131	56.4	882.78
As of Mar. 31, 2010	310,946	163,781	51.4	898.33

Reference: Shareholders' equity (millions of yen): As of Sep. 30, 2010: 179,217 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	-	10.00	-	-	-
Year ending Mar. 31, 2011 (Forecast)	-	-	-	10.00	20.00

Note: Revisions to the dividend forecast made during the period: Yes

**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
Full year	280,000	14.6	23,500	69.3	23,500	57.4	15,500	43.1	80.95

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 Sep. 30, 2010: | 212,000,000 shares | As of Mar. 31, 2010: | 187,000,000 shares |
|----------------------|--------------------|----------------------|--------------------|
- 2) Number of treasury stock at the end of the period
- |                      |                  |                      |                  |
|----------------------|------------------|----------------------|------------------|
| As of Sep. 30, 2010: | 8,984,136 shares | As of Mar. 31, 2010: | 8,976,962 shares |
|----------------------|------------------|----------------------|------------------|
- 3) Average number of shares outstanding during the period (nine-month period)
- |                                 |                    |                                 |                    |
|---------------------------------|--------------------|---------------------------------|--------------------|
| Six months ended Sep. 30, 2010: | 181,591,216 shares | Six months ended Sep. 30, 2009: | 178,002,857 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.

## 1. Qualitative Information, Financial Statements, etc.

### (1) Qualitative Information on Consolidated Operating Results

The Japanese economy in the first half of the current fiscal year showed some signs of a pick up in production and other indices due to a recovery in exports, but uncertainty heightened due to concerns over the outlook of the US and European economies, and high rates of unemployment.

In the chemicals industry, demand continued to recover in China and some other regions, but the business environment remained harsh overall due to the yen's ongoing appreciation and the start of operations at large plants in the Middle East and Asia.

#### 1) Overview

(Unit: Millions of yen)

	Six months ended Sep. 30, 2009	Six months ended Sep. 30, 2010	Change		Year ended Mar. 31, 2010
			(Amount)	(% growth)	
Net sales	113,598	138,109	24,510	21.6%	244,317
Operating income	5,893	13,458	7,565	128.4%	13,881
Ordinary income	6,554	13,392	6,837	104.3%	14,934
Net income	3,963	7,487	3,525	88.9%	10,832
Net income per share	22.26 yen	41.23 yen	18.97 yen	85.2%	60.85 yen
ROA (Return on Assets)	4.3%	8.5%	-	4.2 points	4.9%
ROE (Return on Equity)	5.2%	8.8%	-	3.6 points	7.0%
Foreign exchange rates (\$ and EUR)	\$= 95.55 yen EUR=133.21 yen	\$= 88.96 yen EUR=113.87 yen		(6.59) yen (19.34) yen	\$= 92.88 yen EUR= 131.14 yen
Naphtha price	37,300 yen/kl	46,200 yen/kl		8,900 yen/kl	41,200 yen/kl

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

In this business environment, the Group's consolidated net sales rose 21.6% year-over-year to 138,109 million yen (+24,510 million yen) in the first half of the current fiscal year. Yen appreciation reduced the value of repatriated sales, but sales volumes rose on firm demand, and product prices rose due to an increase in raw materials prices and tight supply-demand conditions.

As for profits, operating income increased 128.4% year-over-year to 13,458 million yen (+7,565 million yen) in the first half. Although fixed costs increased due to the bolstering of production capacity for acrylic acids and ethylene oxides, profitability improved due to an increase in production and sales volumes and a widening of spreads for some products (product prices rose faster than raw materials prices).

Ordinary income increased 104.3% year-over-year to 13,392 million yen (+6,837 million yen) in the first half as the rise in operating income more than offset the 728 million yen decline in net non-operating income caused by foreign exchange losses among other factors. Net income increased 88.9% year-over-year to 7,487 million yen (+3,525 million yen).

#### 2) Segment summary

##### Basic Chemicals

Sales of acrylic acids and acrylates increased sharply due to a significant increase in sales volumes on the back of firm demand, and an increase in export prices due to a surge in market prices driven by tight supply-demand conditions worldwide.

Sales of ethylene oxide also increased due to a rise in sales volumes on firm demand, and upward revisions to selling prices to reflect higher raw materials prices.

Sales of ethylene glycol increased as market prices remained high and domestic sales volumes increased.

Sales of higher alcohol increased due to a rise in sales volumes driven mainly by exports, and upward revisions to selling prices to reflect higher raw materials prices.

Sales of ethanolamine were roughly flat as upward revisions to selling prices to reflect higher raw materials prices offset lower export sales volumes.

In summary, sales in the basic chemicals segment increased 37.2% year-over-year to 61,745 million yen.

Operating income increased 174.4% year-over-year to 6,009 million yen, despite an increase in fixed costs from the bolstering of production capacity, due to a significant improvement in profitability from an increase in sales volumes and production, and a widening of spreads for some products on a surge in market prices.

### **Functional Chemicals**

Sales of superabsorbent polymers decreased, despite an increase in sales volumes on firm demand, due to a decline in selling prices from yen appreciation among other factors.

Sales of specialty acrylates, maleic anhydride, and resin modifiers increased due to a rise in sales volumes and upward revisions to selling prices to reflect higher raw materials prices.

Sales of polymer for concrete admixture, electronic and information materials, and resins for adhesives & paints increased due to a rise in sales volumes.

Sales of raw materials for detergents increased, despite a decline in export sales volumes, due to upward revisions to selling prices to reflect higher raw materials prices.

Sales of processed adhesive products and iodine compounds decreased due to a decline in sales volumes.

In summary, sales in the functional chemicals segment increased 5.5% year-over-year to 67,107 million yen.

Operating income increased 45.9% year-over-year to 5,918 million yen, despite a narrowing of spreads from yen appreciation and higher raw materials prices, due to an increase in production and sales volumes.

### **Environment & Catalysts**

Sales of automotive catalysts, process catalysts, and fuel cell materials increased sharply due to a significant increase in sales volumes.

Sales of De-NOx catalysts, and emission detoxification catalysts were generally flat year-over-year.

In summary, sales in the environment & catalysts segment increased 86.5% year-over-year to 9,257 million yen.

Operating income improved to 1,469 million yen, from a loss in the year-ago period, due to an increase in sales volumes of process catalysts and fuel cell materials, and a decline in loss on valuation of inventories.

## **(2) Qualitative Information on Consolidated Financial Position**

### **1) Assets, liabilities and net assets**

Total assets increased 6,996 million yen year-over-year to 317,942 million yen. Current assets increased mainly due to increases in cash and deposits and notes and accounts receivable-trade. Noncurrent assets decreased due to a decline in the market value of investment securities among other factors.

Liabilities decreased 12,354 million yen year-over-year to 134,811 million yen, despite an increase in income taxes payable, there were decreases in notes and accounts payable-trade and loans payable.

Net assets increased 19,350 million yen year-over-year to 183,131 million yen. This was mainly due to increases in capital and capital surplus from the issue of stock, and an increase in retained earnings.

Shareholders' equity ratio increased 5.0 points, from 51.4% at the end of the previous fiscal year, to 56.4%. Net assets per share decreased 15.55 yen to 882.78 yen.

### **2) Cash Flows**

Cash and cash equivalents at the end of the second quarter increased 7,636 million yen over the end of the previous fiscal year to 35,870 million yen as cash flow provided by operating activities and financing activities (fundraising via the issue of stock, etc.) exceeded cash flow used in investing activities (capital investment, etc.).

***(Cash flow from operating activities)***

Cash from operating activities totaled 10,114 million yen (25,048 million yen in the same period of the previous fiscal year). This was mainly due to an increase in income before income taxes and minority interests, while there were decreases in notes and accounts payable-trade, and income taxes paid.

***(Cash flow from investing activities)***

Cash used in investing activities totaled 8,099 million yen (13,182 million yen in the same period of the previous fiscal year). This was mainly due to a decrease in outlays for the purchase of property, plant and equipment.

***(Cash flow from financing activities)***

Cash from financing activities totaled 6,118 million yen (9,516 million yen used in the same period of the previous fiscal year). This was mainly due to the procurement of funds via the issue of stock.

**(3) Qualitative Information on Consolidated Earnings Forecast**

We believe conditions in the Japanese economy will remain harsh for some time given concerns about the outlook of the US and European economies, and signs of some problems in emerging economies which have driven the global economy to date.

We expect the outlook for the chemicals industry to remain unclear due to concerns of a rise in crude oil prices, and deep-rooted expectations of further yen appreciation.

In this environment, we forecast consolidated net sales over the full fiscal year of 280,000 million yen (141,900 million yen in the second half), operating income of 23,500 million yen (10,000 million yen in the second half), ordinary income of 23,500 million yen (10,100 million yen in the second half), and net income of 15,500 million yen (8,000 million yen in the second half), as we previously raised our sales forecast and our profit forecasts.

We base our second half forecasts on exchange rates of 85 yen to the US dollar and 110 yen to the euro, and naphtha prices of 45,000 yen/kl. In this harsh business environment, we will continue to cut all variety of costs, focus on expanding production and sales volumes, and strive to maintain and expand spreads.

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
First-half results	61,700	6,000	67,100	5,900	9,300	1,500
Second-half forecasts	56,300	2,600	75,900	7,100	9,700	400
Full-year forecasts	118,000	8,600	143,000	13,000	19,000	1,900

## 2. Other Information

### (1) Changes in significant subsidiaries during the period

Not applicable.

### (2) Overview of application of simplified accounting methods and accounting methods

Not applicable.

### (3) Overview of changes in accounting principles/procedures, presentation methods, etc.

#### 1. Changes in accounting policies

##### 1) Application of “Accounting Standard for Equity Method of Accounting for Investments” and “Practical Solution on Unification of Accounting Policies Applied to Associates Accounting for Using the Equity Method”

Beginning with the first quarter of the current fiscal year, “Accounting Standard for Equity Method of Accounting for Investments” (Accounting Standards Board of Japan (ASBJ) Statement No. 16, issued on March 10, 2008) and “Practical Solution on Unification of Accounting Policies Applied to Associates Accounting for Using the Equity Method” (ASBJ Practical Issue Task Force (PITF) No. 24, March 10, 2008) have been applied.

There is no impact of the change on ordinary income and income before income taxes and minority interests.

##### 2) Application of accounting standard for asset retirement obligations

Beginning with the first quarter of the current fiscal year, “Accounting Standard for Asset Retirement Obligations” (ASBJ Statement No. 18, March 31, 2008) and “Guidance on Accounting Standard for Asset Retirement Obligations” (ASBJ Guidance No. 21, March 31, 2008) have been applied.

There is no impact of the change on operating income, ordinary income and income before income taxes and minority interests.

##### 3) Depreciation methods applicable to major depreciable assets

###### Property, plant and equipment

The declining-balance method had been adopted primarily as the depreciation method for property, plant and equipment (excluding lease assets) at the Company and its domestic consolidated subsidiaries, but this was changed to the straight-line method from the first quarter of the current fiscal year.

In light of the harsh business environment, the Company in April 2010 formulated a long-term business plan “TechnoAmenity 2015” for the next six years (from FY10 to FY15), coupled with a medium-term business plan outlining a concrete course of action over the next three years, in order to restructure its management targets. Following a rigorous examination of the investment requirements to achieve these targets, the Company also announced plans for large-scale investments of 120,000 million yen including the installation of new manufacturing equipment for superabsorbent polymers (annual capacity of 60,000 tons) at the Himeji Plant. The Company, upon making its investment decision with respect to this and other production equipment, carefully reviewed the content of its property, plant and equipment including its track record of disposing and renewing property, plant and equipment, and the usage conditions of its production equipment, and confirmed long-term stable utilization over the useful life of production equipment and the absence of rapid obsolescence either technologically or economically. As the Company expects the usage conditions of large future investments to be similar to that of current equipment, it judged that equalizing depreciation expenses over the useful life of production equipment and other property, plant and equipment most appropriately reflects actual usage conditions. It therefore decided to review its depreciation method and adopt the straight-line method in place of the declining-balance method.

The effect of this change was to increase gross profit by 2,201 million yen, operating income by 2,321 million yen, and ordinary income and income before income taxes and minority interests by 2,316 million yen each in the first half of the

current fiscal year. The impact on segment operations is shown in the Segment Information section.

## 2. Reclassifications

*(Consolidated statement of income)*

Following the application of “Cabinet Office Ordinance Partially Revising Regulation of Financial Statements” (Cabinet Office Ordinance No. 5, March 24, 2009) based on the “Accounting Standard for Consolidated Financial Statements” (ASBJ Statement No. 22, December 26, 2008,) an item “Income before minority interests” is presented in the first half of the current fiscal year.

### (4) Overview of Important Information about Going Concern Assumption

Not applicable.

*\* 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.*

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

(Unit: Millions of yen)

	Second quarter of Fiscal year ending Mar. 31, 2011 (As of Sep. 30, 2010)	Summary of Fiscal year ended Mar. 31, 2010 (As of Mar. 31, 2010)
Assets		
Current assets		
Cash and deposits	36,044	28,404
Notes and accounts receivable-trade	66,355	63,086
Merchandise and finished goods	18,780	21,256
Work in process	5,743	5,044
Raw materials and supplies	12,338	11,057
Other	8,783	9,593
Allowance for doubtful accounts	(236)	(227)
Total current assets	147,806	138,213
Noncurrent assets		
Property, plant and equipment		
Machinery, equipment and vehicles, net	54,164	46,801
Other, net	69,701	77,385
Accumulated impairment loss	(3,615)	(3,730)
Total property, plant and equipment	120,249	120,455
Intangible assets		
Goodwill	1,171	1,405
Other	2,357	2,315
Total intangible assets	3,528	3,720
Investments and other assets		
Investment securities	31,352	33,586
Other	15,245	15,254
Allowance for doubtful accounts	(239)	(283)
Total investments and other assets	46,358	48,557
Total noncurrent assets	170,136	172,732
Total assets	317,942	310,946



(Unit: Millions of yen)

	Second quarter of Fiscal year ending Mar. 31, 2011 (As of Sep. 30, 2010)	Summary of Fiscal year ended Mar. 31, 2010 (As of Mar. 31, 2010)
<b>Liabilities</b>		
Current liabilities		
Notes and accounts payable-trade	33,956	38,491
Short-term loans payable	18,535	26,587
Current portion of long-term loans payable	7,790	7,631
Current portion of bonds	4,368	2,476
Provision	5,149	5,077
Other	9,278	8,755
Total current liabilities	79,076	89,018
Noncurrent liabilities		
Bonds payable	15,000	15,000
Long-term loans payable	29,877	32,257
Provision for retirement benefits	8,941	8,770
Other	1,917	2,120
Total noncurrent liabilities	55,735	58,147
Total liabilities	134,811	147,165
<b>Net assets</b>		
Shareholders' equity		
Capital stock	25,038	16,529
Capital surplus	22,083	13,574
Retained earnings	147,359	141,118
Treasury stock	(7,983)	(7,977)
Total shareholders' equity	186,498	163,244
Valuation and translation adjustments		
Valuation difference on available-for-sale securities	895	2,615
Deferred gains or losses on hedges	(32)	(35)
Foreign currency translation adjustment	(8,143)	(5,902)
Total valuation and translation adjustments	(7,280)	(3,321)
Minority interests	3,914	3,858
Total net assets	183,131	163,781
Total liabilities and net assets	317,942	310,946

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

(Unit: Millions of yen)

	Second quarter of Fiscal year ended Mar. 31, 2010 (Apr. 1, 2009 to Sep. 30, 2009)	Second quarter of Fiscal year ending Mar. 31, 2011 (Apr. 1, 2010 to Sep. 30, 2010)
Net sales	113,598	138,109
Cost of sales	91,030	106,602
Gross profit	22,568	31,507
Selling, general and administrative expenses		
Transportation and warehousing expenses	5,869	6,811
Personal expenses	3,456	3,628
Research and development expenses	4,861	5,022
Other	2,490	2,588
Total selling, general and administrative expenses	16,675	18,049
Operating income	5,893	13,458
Non-operating income		
Interest income	84	47
Dividends income	265	334
Equity in earnings of affiliates	634	922
Technical support fee	207	165
Real estate rent	504	603
Other	419	236
Total non-operating income	2,114	2,307
Non-operating expenses		
Interest expenses	679	466
Foreign exchange losses	243	932
Other	531	976
Total non-operating expenses	1,453	2,373
Ordinary income	6,554	13,392
Extraordinary income		
Gain on sales of noncurrent assets	-	322
Total extraordinary income	-	322
Extraordinary loss		
Other	-	900
Total extraordinary loss	-	900
Income before income taxes	6,554	12,813
Income taxes-current	294	5,361
Income taxes-deferred	2,233	(194)
Total income taxes	2,527	5,167
Income before minority interests	-	7,646
Minority interests in income	65	158
Net income	3,963	7,487

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

(Unit: Millions of yen)

	Second quarter of Fiscal year ended Mar. 31, 2009 (Apr. 1, 2009 to Sep. 30, 2009)	Second quarter of Fiscal year ending Mar. 31, 2010 (Apr. 1, 2009 to Sep. 30, 2009)
Net cash provided by (used in) operating activities		
Income before income taxes and minority interests	6,554	12,813
Depreciation and amortization	7,713	7,498
Other extraordinary loss (income)	-	900
Loss (gain) on sales and retirement of noncurrent assets	-	(322)
Interest and dividends income	(349)	(380)
Interest expenses	679	466
Equity in (earnings) losses of affiliates	(634)	(922)
Stock issuance cost	-	97
Decrease (increase) in notes and accounts receivable-trade	(2,869)	(4,088)
Decrease (increase) in inventories	4,190	(423)
Increase (decrease) in notes and accounts payable-trade	7,963	(3,372)
Other, net	206	1,168
Subtotal	23,452	13,434
Interest and dividends income received	804	1,326
Interest expenses paid	(803)	(467)
Income taxes (paid) refund	1,595	(3,465)
Other payments	-	(716)
Net cash provided by (used in) operating activities	25,048	10,114
Net cash provided by (used in) investment activities		
Purchase of property, plant and equipment	(13,185)	(7,898)
Proceeds from sales of investment securities	2	4
Other, net	2	(205)
Net cash provided by (used in) investment activities	(13,182)	(8,099)
Net cash provided by (used in) financing activities		
Net increase (decrease) in short-term loans payable	(2,797)	(7,362)
Proceeds from long-term loans payable	300	60
Repayment of long-term loans payable	(5,736)	(2,214)
Proceeds from issuance of common stock	-	17,018
Payments for issuance of common stock	-	(97)
Cash dividends paid	(1,246)	(1,246)
Cash dividends paid to minority shareholders	(16)	(21)
Purchase of treasury stock	(9)	(6)
Other, net	(13)	(15)
Net cash provided by (used in) financing activities	(9,516)	6,118
Effect of exchange rate change on cash and cash equivalents	327	(497)
Net increase (decrease) in cash and cash equivalents	2,677	7,636
Cash and cash equivalents at beginning of term	29,450	28,234
Cash and cash equivalents at end of term	32,128	35,870

**(4) Going Concern Assumption**

Not applicable.

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

Second quarter of Fiscal year ending Mar. 31, 2010 (Apr. 1, 2009 to Sep. 30, 2009) (Unit: Millions of yen)

	Basic chemicals	Functional chemicals	Environment & catalysts	Total	Eliminations or corporate	Consolidated
Net sales						
(1) Sales to third parties	45,001	63,634	4,964	113,598	-	113,598
(2) Intergroup sales and transfers	9,546	633	692	10,870	(10,870)	-
Total	54,546	64,267	5,656	124,469	(10,870)	113,598
Operating income (loss)	2,190	4,056	(367)	5,878	15	5,893

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, ethanalamine, 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**

Second quarter of Fiscal year ending Mar. 31, 2010 (Apr. 1, 2009 to Sep. 30, 2009) (Unit: Millions of yen)

	Japan	Europe	Asia	Other regions	Total	Eliminations or corporate	Consolidated
Net sales							
(1) Sales to third parties	80,012	16,549	10,115	6,922	113,598	-	113,598
(2) Intergroup sales and transfers	11,243	41	56	38	11,377	(11,377)	-
Total	91,255	16,590	10,171	6,959	124,976	(11,377)	113,598
Operating income (loss)	4,902	321	110	304	5,638	255	5,893

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**

Second quarter of Fiscal year ending Mar. 31, 2010 (Apr. 1, 2009 to Sep. 30, 2009) (Unit: Millions of yen)

	Asia	Europe	North America	Other regions	Total
I. Overseas sales	19,303	18,524	9,486	7,312	54,625
II. Consolidated sales					113,598
III. Overseas sales as a percentage of consolidated sales (%)	17.0	16.3	8.4	6.4	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.

#### 4) Segment Information

Second quarter of Fiscal year ending Mar. 31, 2011 (Apr. 1, 2010 to Sep. 30, 2010) (Unit: Millions of yen)

	Basic chemicals	Functional chemicals	Environment & catalysts	Total	Adjustment	Consolidation
Net sales						
(1) Sales to third parties	61,745	67,107	9,257	138,109	-	138,109
(2) Intergroup sales and transfers	13,955	852	902	15,708	(15,708)	-
Total	75,699	67,959	10,159	153,817	(18,708)	138,109
Operating income (loss)	6,009	5,918	1,469	13,395	63	13,458

- Notes: 1. Segment income adjustment: Elimination of ¥63 million in inter-segment transactions.  
 2. Segment income is adjusted for Operating Income described in Consolidated Quarterly Statements of Income.  
 3. Changes in accounting policies

(Depreciation methods applicable to major depreciable assets)

From this fiscal year, the Company and its domestic consolidated subsidiaries changed their depreciation method from the declining-balance method to the straight-line method.

As a results, compared with the conventional method, Operating income of Basic Chemicals increased 1,874 million yen, Functional Chemicals increased 414 million yen, and Environment & Catalyst increased 34 million yen.

\* 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.