



**NIPPON
SHOKUBAI**

Financial Results Briefing Materials Year ended March 2023 (FY 2022)

2023/5/16

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FY2022 Results

(Billion yen)

Revenue	419.6
Year-on-Year	+ 50.3
Operating profit	23.5
Year-on-Year	-5.5

■ Revenue

Increased year on year as sales prices increased due to rising raw material prices and weaker yen though sales volume decreased.

■ Operating profit

Decreased year on year due to lower sales volume and higher freight costs although spreads widened.

FY2023 Forecast

(Billion yen)

Revenue	420.0
Year-on-Year	+ 0.4
Operating profit	18.0
Year-on-Year	-5.5

■ Revenue

The same level as the previous year. Sales volume increases but sales prices decline due to falling raw material prices.

■ Operating profit

Expect to decline year-on-year due to shrinking spreads, increases in processing costs and SG&A expenses, and the impact of inventory valuation differences although sales volumes gradually increase in the second half of the year.

Agenda

1. FY2022 Results
2. FY2023 Forecast
3. Progress of Mid-term Management Plan (FY2022-2024)

Explanation of acronyms

SAP: Superabsorbent Polymers

AA: Acrylic Acid

AES: Acrylates

EO: Ethylene oxide

1. FY2022 Results

FY2022 Consolidated financial summary

(Billion Yen)

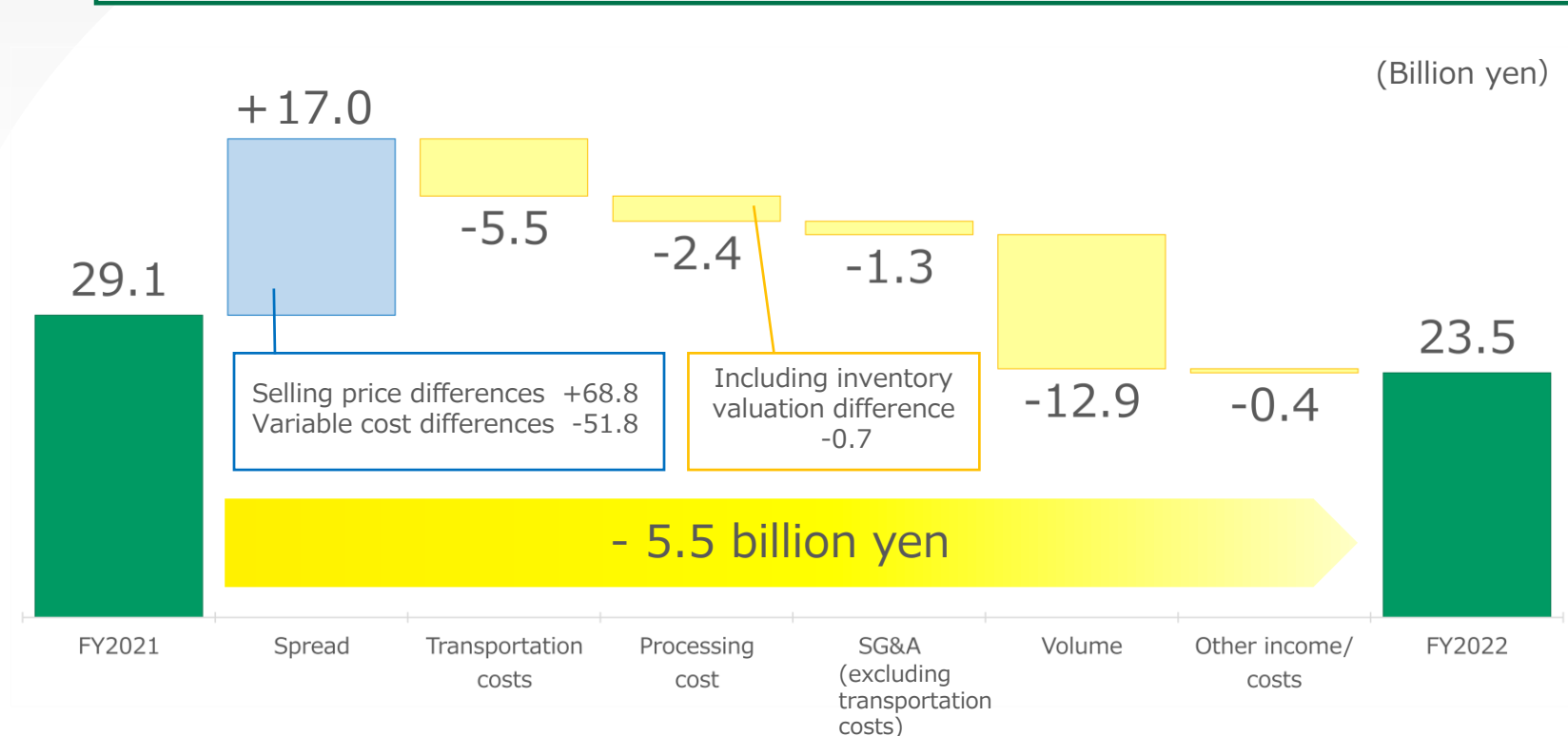
	FY2021	FY2022	Change
Revenue	369.3	419.6	50.3 < 13.6% >
Operating profit	29.1	23.5	-5.5 < -19.0% >
Share of profit of investments accounted for using equity method	3.4	1.9	-1.4 < -42.7% >
Finance income / Costs	1.3	0.7	-0.5 < -42.3% >
Profit before tax	33.7	26.2	-7.5 < -22.3% >
Profit attributable to owners of the parent	23.7	19.4	-4.3 < -18.2% >
R O E	7.2%	5.5%	-1.7 point
R O A	6.8%	5.0%	-1.8 point

(yen/kL)

Domestic naphtha price	56,600	76,600	20,000
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Analysis of changes in operating profit (FY2021 vs FY2022 Results)

Despite widening spreads, operating profit decreased YoY due to lower sales volume and higher in transportation and SG&A expenses.



FY2022 Results by market

(Billion yen)

Market domain		FY2021	FY2022	Change		
Materials	Revenue	262.9	305.7	42.8	<	16.3% >
	AA · SAP	198.3	232.9	34.6	<	17.5% >
	Basic materials, others	64.6	72.8	8.2	<	12.6% >
	Operating profit	20.9	20.9	0.0	<	0.0% >
	Profit margin	8.0%	6.9%	-1.1 point		
Solutions	Revenue	106.4	113.9	7.5	<	7.0% >
	Industrial & Household	79.8	89.0	9.2	<	11.6% >
	Energy & Electronics	22.6	22.1	-0.5	<	-2.0% >
	Others	4.1	2.8	-1.3	<	-31.5% >
	Operating profit	7.8	1.5	-6.3	<	-80.8% >
	Profit margin	7.4%	1.3%	-6.1 point		
Adjustment	Operating profit	0.3	1.1	0.8		
Total	Revenue	369.3	419.6	50.3	<	13.6% >
	Operating profit	29.1	23.5	-5.5	<	-19.0% >
	Profit margin	7.9%	5.6%	-2.3 point		

[Market domain in detail]

AA · SAP	Acrylic acid(AA) · Acrylates(AES) · Superabsorbent polymers(SAP)
Basic materials, others	Ethylene oxide (EO), its derivatives, Hydroxy monomers, Process catalysts and other materials
Industrial & Household	Infrastructure & housing, Industrial materials and Household products
Energy & Electronics	Electronic information materials, Printing, Batteries and environmental purification
Others	Life science (Cosmetics, Health and medical care) and others

Materials revenue

■ AA

Increased revenue as higher selling prices along with rising raw material prices though sales volume decreased due to weak demand.

■ SAP

Increased revenue because of higher selling prices due to rising overseas market conditions, etc., until the third quarter.

■ Basic Materials, others

Increased revenue due to an increase in selling prices along with rising raw material prices, although some export volumes decreased in EO and its derivatives.

Solutions revenue

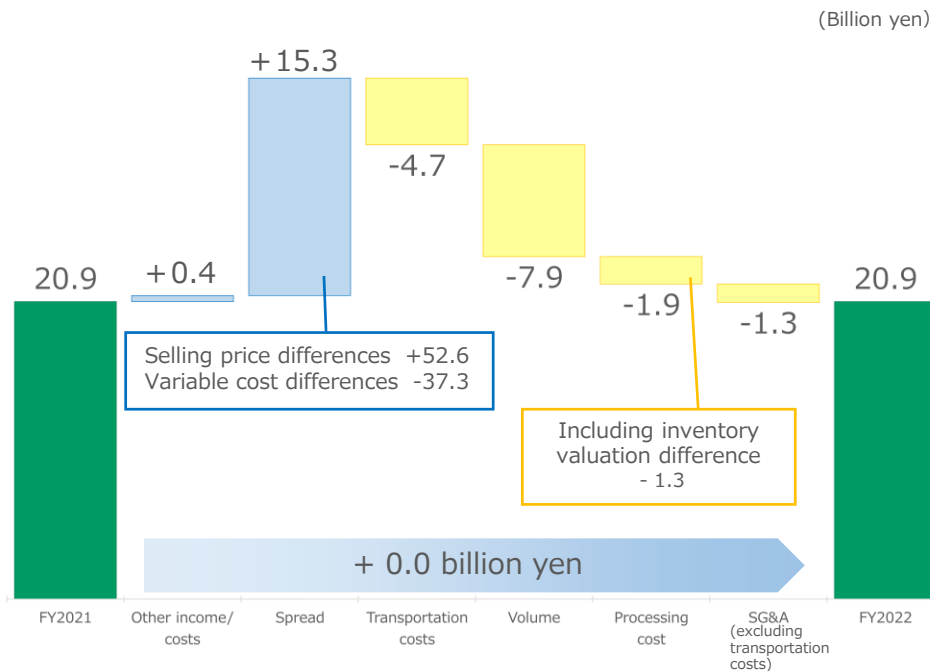
■ Industrial & Household

Increased revenue due to higher sales prices, although sales volume decreased due to weak demand for household products (detergent raw materials and surfactants)

■ Energy & Electronics

Decreased revenue as sales volume of electronic and information materials declined due to sluggish display-related demand.

FY2021 vs FY2022 Results



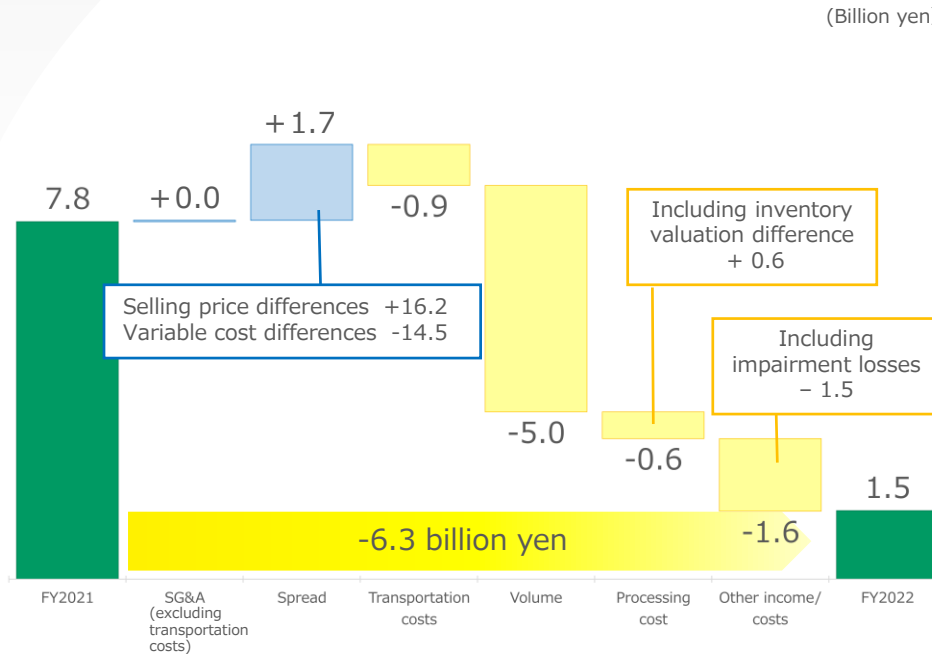
Increase factors

- Spread
 - Widened in SAP as higher overseas market prices through the third quarter.
 - Remained the same level as the previous year in AA/AES as the market prices of AA/AES remained high through the first half of the year.

Decrease factors

- Sales volume
 - Declined in SAP as continued global inflation caused weak demand for disposal diapers.
 - Declined in AA&AES due to weaker demand for automotive, electronic and information materials, SAP etc.
- SG&A and processing costs
 - Increased in manufacturing fixed cost and general and administrative expenses.

FY2021 vs FY2022 Results



Increase factors

- Spread
 - Widened due to weaker yen and other factors.

Decrease factors

- Sales volume
 - Decreased in Industrial & Household market as demand for household products(raw materials for detergent and surfactants) was sluggish.
 - Decreased in Energy & Electronics market. Sales volume of electronic and information materials declined due to sluggish demand for display-related products. Sales volume of battery materials and other products also declined due to weak demand in general.
- SG&A, processing costs, other income and costs
 - Increase in manufacturing fixed cost and general and administrative expenses
 - Impairment losses of fixed assets (electronic and information materials).

2. FY2023 Forecast

Consolidated financial results forecasts in FY2023

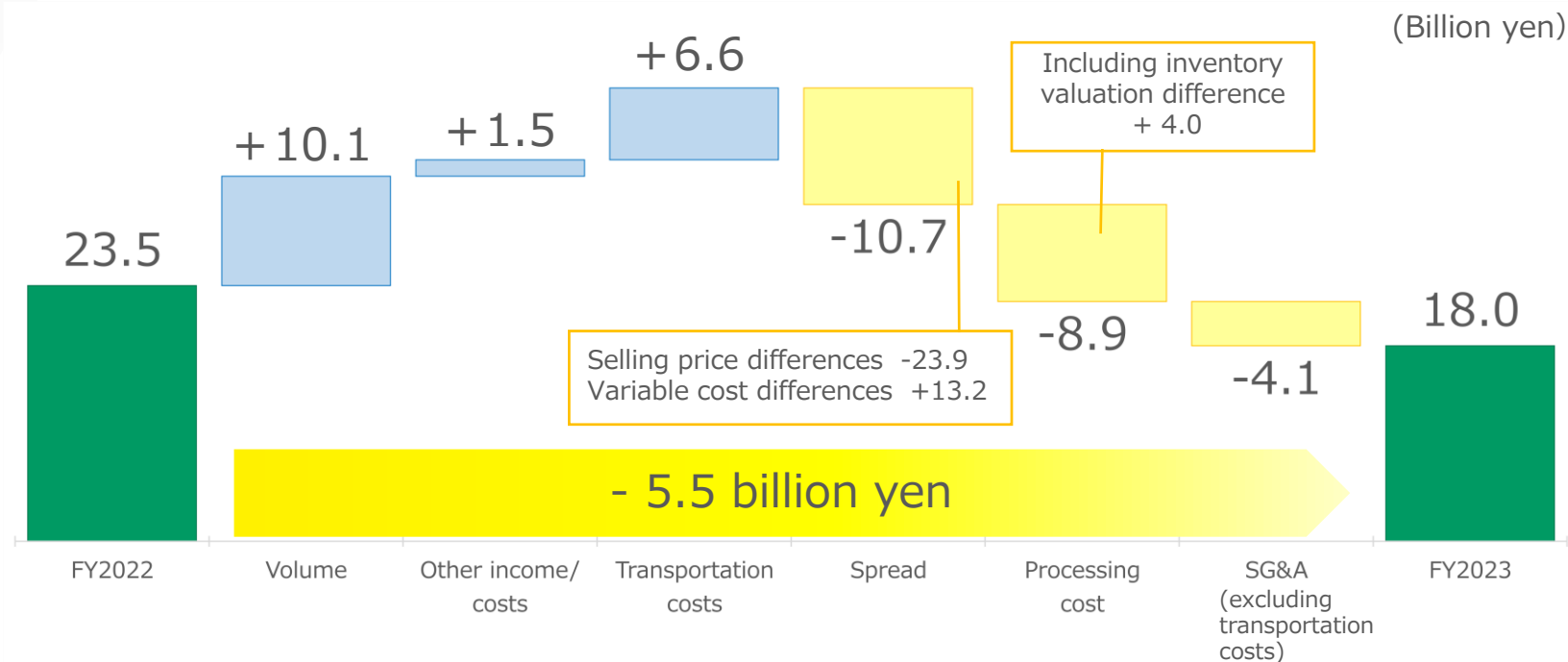
(Billion Yen)

	FY2022	FY2023	Change
Revenue	419.6	420.0	0.4 < 0.1% >
Operating profit	23.5	18.0	-5.5 < -23.5% >
Share of profit of investments accounted for using equity method	1.9	1.8	-0.1 < -5.9% >
Finance income / Costs	0.7	0.2	-0.5 < -73.9% >
Profit before tax	26.2	20.0	-6.2 < -23.6% >
Profit attributable to owners of the parent	19.4	14.5	-4.9 < -25.2% >
R O E	5.5%	4.0%	-1.5 point
R O A	5.0%	3.7%	-1.3 point

Domestic naphtha price	76,600	70,000	-6,600
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Analysis of change in operating profit (FY2022 results vs FY2023 Forecast)

Operating Profit is expected to decrease year on year due to shrinking spreads, increase in SG & A expenses and processing costs (effect of inventory valuation difference along with falling raw material prices, manufacturing fixed costs, etc.), although sales volume is expected to increase, mainly for Materials segment.



FY2023 Forecast by segment

(Billion yen)

Market domain		FY2022 Result	FY2023 Forecast	Change			
Materials	Revenue	305.7	300.0	-5.7	<	-1.9%	>
	AA · SAP	232.9	227.6	-5.3	<	-2.3%	>
	Basic materials, others	72.8	72.4	-0.4	<	-0.5%	>
	Operating profit	20.9	14.2	-6.7	<	-32.2%	>
	Profit margin	6.9%	4.7%	-2.1 point			
Solutions	Revenue	113.9	120.0	6.1	<	5.4%	>
	Industrial & Household	89.0	86.7	-2.3	<	-2.6%	>
	Energy & Electronics	22.1	29.0	6.9	<	31.2%	>
	Others	2.8	4.3	1.5	<	54.0%	>
	Operating profit	1.5	3.2	1.7	<	113.0%	>
Profit margin	1.3%	2.7%	1.3 point				
Adjustment	Operating profit	1.1	0.6	-0.5			
Total	Revenue	419.6	420.0	0.4	<	0.1%	>
	Operating profit	23.5	18.0	-5.5	<	-23.5%	>
	Profit margin	5.6%	4.3%	-1.3 point			

[Market domain in detail]

AA · SAP	Acrylic acid(AA) · Acrylates(AES) · Superabsorbent polymers(SAP)
Basic materials, others	Ethylene oxide (EO), its derivatives, Hydroxy monomers, Process catalysts and other materials
Industrial & Household	Infrastructure & housing, Industrial materials and Household products
Energy & Electronics	Electronic and information materials, Printing, Batteries and environmental purification
Others	Life science (Cosmetics, Health and medical care) and others

Materials revenue

■ AA

Revenue is expected to decrease due to falling raw material prices and decline market condition meanwhile demand recovery is expected for automotive, electronic and information materials, SAP, etc.

■ SAP

Revenue is expected to decrease due to falling raw material prices and spot market condition.

■ Basic Materials, others

Revenue is expected to decrease because of lower sales volume of process catalysts, in spite of increase in sales volume of EO and its derivatives.

Solutions revenue

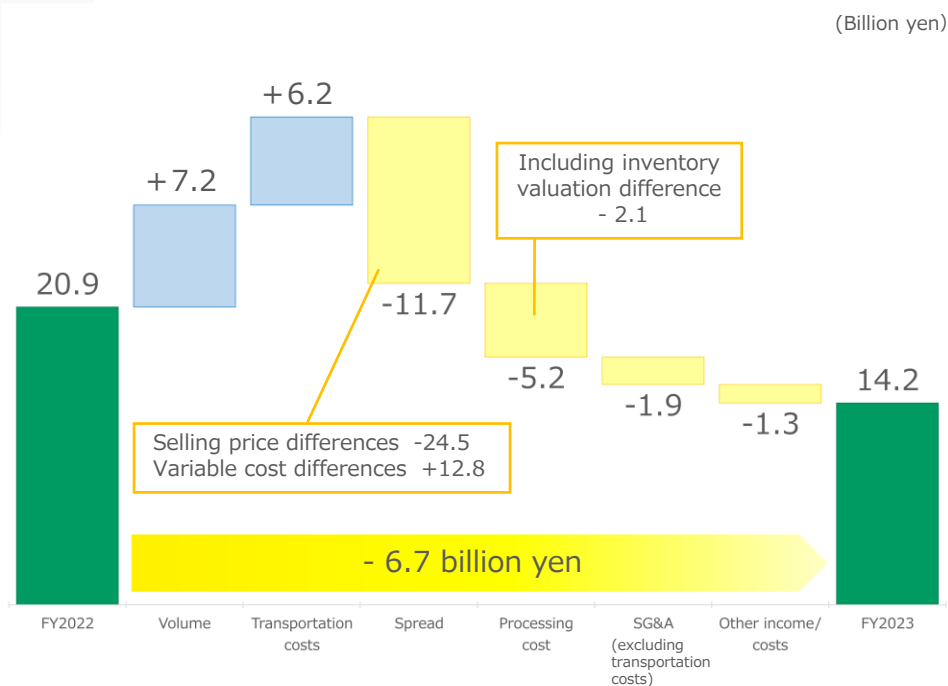
■ Industrial & Household

Revenue is expected to decrease due to lower sales volume of some products, including those for infrastructure & housing.

■ Energy & Electronics

Revenue is expected to increase as electronic and information materials to increase in sales volume due to recovery in demand for displays.

FY2022 Results vs FY2023 Forecast



Increase factors

■ Volume

- Increases in SAP by sales expansion.
- Increases in AA/AES in anticipation of demand recovery for automotive, electronic and information materials and SAP etc.

Decrease factors

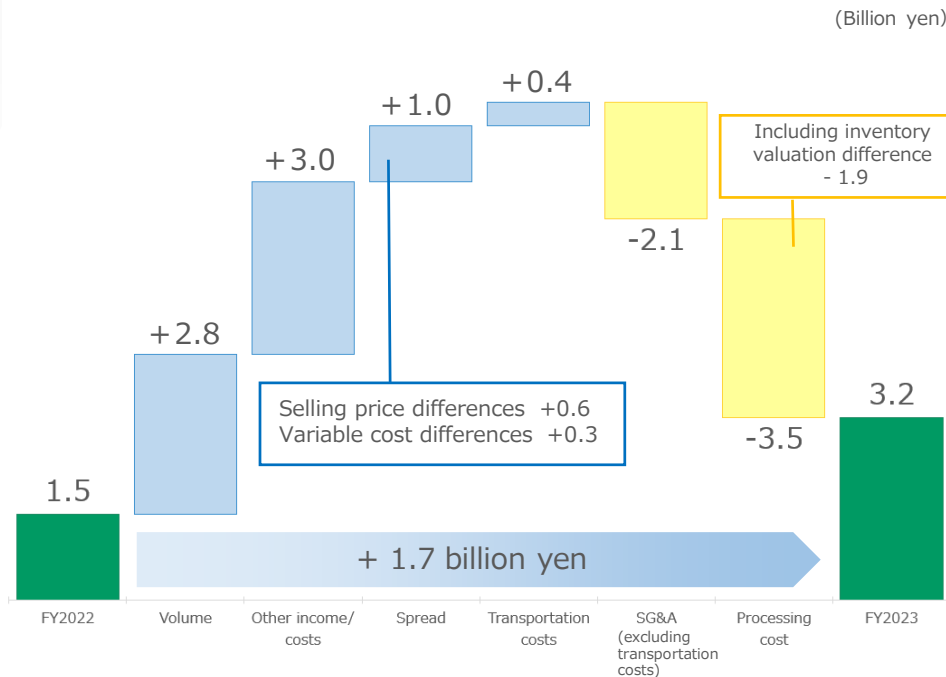
■ Spread

- Narrows in AA/AES as market prices continues to soften.
- Shrinks in SAP sales to some customers due to decline in spot sales market conditions.

■ SG&A and processing cost

- Loss on inventory valuation differences and increased depreciation (due to an expansion in Indonesia), etc.

FY2022 Results vs FY2023 Forecast



Increase factors

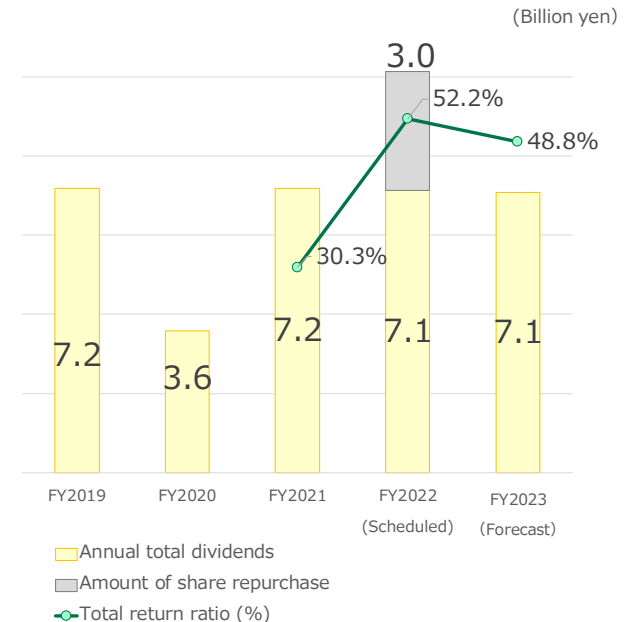
- Sales volume
 - Energy & Electronics
Increases in electronic and information material along with display-related demand recovery and increases in battery materials.
- Other income/costs
 - Eliminating impairment of fixed assets (electronic and information materials) in the previous fiscal year and expecting gains on sales of tangible assets.

Decrease factors

- SG&A and processing cost
 - Higher research and development expenses, general and administrative expenses and loss on inventory valuation differences, etc.

Provide stable and continuous returns to shareholders and
achieve total return ratio of 50%, as set out in the Mid-term Management Plan.

	FY2019	FY2020	FY2021	FY2022 (Scheduled)	FY2023 (Forecast)
Annual dividend per share (Yen)	180.00	90.00	180.00	180.00	180.00
Profit (Billion yen)	11.1	-10.9	23.7	19.4	14.5
Payout ratio	64.7%	-	30.3%	36.9%	48.8%
Annual total dividends (Billion yen)	7.2	3.6	7.2	7.1	7.1
Amount of share repurchase (Billion yen)	0.0	0.0	0.0	3.0	0.0
Total payout amount (Billion yen)	7.2	3.6	7.2	10.1	7.1
Total return ratio (%)	64.7%	-	30.3%	52.2%	48.8%



3. Progress of Mid-term Management Plan (FY2022-2024)

Implement three transformations to achieve mid-term targets

1

Business Transformation

Expand the Solutions Business

- Strengthen solution proposals and concentrate resources on selected markets
- Expand sales of strategic product line-up to improve profitability
Double operating profit [compared to FY2021]

Achieve the Materials Business Resilience

- Strengthen profitability and improve added value through sustainability initiatives
(Facility expansion: Only the acrylic acids currently in progress at Nippon Shokubai Indonesia (NSI))

2

Strategic Transformation for Environmental Initiatives

Contribute to reducing our environmental impact throughout the entire life cycle (Resource mining through final product disposal)

- Reduce CO₂ emission from production processes
- Develop and expand sales of Environmental Contribution Products (reduce the environmental impact of customers)

3

Organizational Transformation

Realize frameworks able to foster Individual and organizational growth

- Revise personnel systems
- Strengthen corporate governance
- Put in place measure to enhance productivity
- Delegate authority



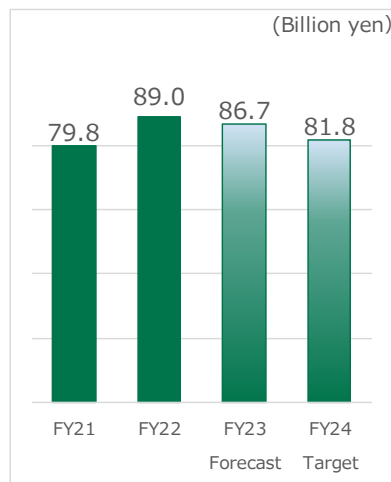
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Business
Transformation

Market Domain: Industrial & Household

Focus on technology and materials development with an eye toward carbon neutrality and reducing environmental impact in 2050

Revenue Trend



Policies for FY2024

■ Infrastructure housing & Industrial materials

- Introduce high-performance types of **concrete admixture polymers** and expand sales of **acrylic resins**. Aim to build a cluster in infrastructure and industrial materials by promoting sales of related materials that contribute to reducing CO₂ emissions and environmental impact.
- Highly unique product groups, such as **polyethyleneimine**, aim to capture environmentally friendly demand.

■ Household products

- Developing other applications, particularly **polycarboxylates**, and developing materials for sustainable trends, such as raw materials for detergents.

Status and Progress in FY2022

■ Infrastructure housing & Industrial materials

- Development of eco-friendly **concrete admixture polymers** has progressed and is on track to be launched by FY2024.
- Steady growth in sales of high weatherability **acrylic resins**
- Expanding sales of **polyethyleneimine** for water treatment in response to the global trend of stricter environmental regulations.

■ Household products

- Delayed customer evaluation of **polycarboxylates** application development because of COVID-19
- Progress in development of raw materials for detergent in response to sustainable trends, but later than schedule

*Letters in Red: strategic products



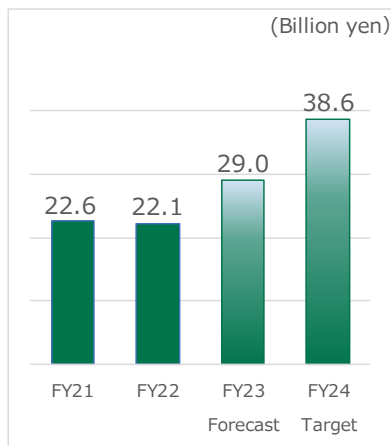
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Business
Transformation

Market Domain: Energy & Electronics

Promoting the strengthening of the business base to enable business expansion in each market.

Revenue Trend



Policy for FY2024

■ Electronic and information materials & Printing

- Aim to win the adoption of **acrylic resin for optical films** in Chinese customers in line with growing demand for LCD panels. In addition, promote development for next-generation displays
- Attempt to capture growing demand for UV inkjet ink with **polymerization monomers**

■ Batteries & Environment

- Battery materials are considering a global-scale production and supply system for **electrolyte for lithium-ion batteries** for electric vehicles under a policy of 'local production for local consumption', taking into account geopolitical risks.
- In environmental materials, sales of **wastewater treatment and De-NOx catalysts** are being expanded to meet stricter environmental regulations.

Status and Progress in FY2022

■ Electronic and information materials & Printing

- Advances in evaluation for Chinese customers in various products for displays, mainly **acrylic resin for optical films**
- Advances in acquiring new customers/new applications in **polymerization monomers**

■ Batteries & Environment

- Focused on developing new customers and building production structure in China for **electrolyte for lithium-ion batteries** (completed investment in Hunan Fluopont New Materials)
- Inquiries for environmental materials, such as **wastewater treatment catalysts**, increased partly due to rising fuel prices

1

Business
Transformation

Market Domain: New Businesses

Accelerate business growth and development to contribute to earnings by 2030

Health & Medical care

Policy for FY2024

- Expansion of the contract manufacturing business for **middle-molecular active pharmaceutical ingredients (oligonucleotide and peptides)**
- Commercialization of Proprietary **HDO** and **DDS polymers**

Status and Progress in FY2022

- Increase in domestic development orders (10x compared to FY2021); however, due to delays in development by domestic pharmaceutical companies, contract volume did not reach the plan

Cosmetics

Policy for FY2024

- Aiming to develop and sell products through proposal-based sales using synthetic and natural materials as arms

Status and Progress in FY2022

- Prospects for commercialization of **multifunctional polymers**
- Start considering at several companies, including major manufacturers
- Early adoption by utilizing proprietary technologies (emulsion materials)

Business Creation

Policy for FY2024

- Promote steady commercialization while flexibly shifting focus according to market trends and development status

Status and Progress in FY2022

- Accelerated development of **alkaline water electrolysis separator** and **ammonia decomposition catalyst**
- Commercialization of **draw solutions for forward osmosis processes** for seawater desalination completed; supply system under construction at multiple sites

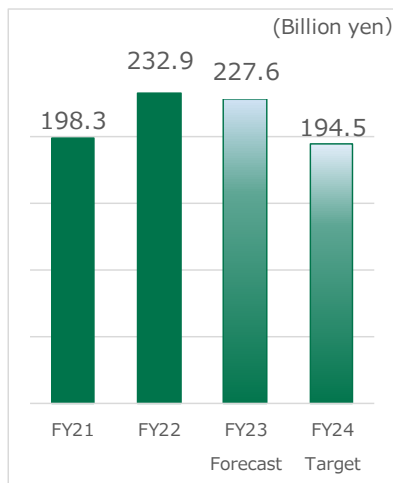
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Business
Transformation

Market Domain: AA/SAP

Continue efforts to improve profitability and add value

Revenue Trend



Policy for FY2024

- Initiatives to improve profitability and add value
 - Maximize AA/SAP synergy: Maximize sales, including new AA facilities (100,000 tons in Indonesia, in operation in 2023)
 - Bio-based AA/SAP: Expand sales of mass-balanced bio-based SAP
 - SAP Survival PJ: Improve profitability by debottling existing facilities, shifting to high-efficiency facilities, etc.

Status and Progress in FY2022

- In fiscal 2022, sales were favorable due to favorable market conditions and the implementation of price revisions, but demand remained weak from the second half of the fiscal year. AA market conditions softened
- Initiatives to improve profitability and add value
 - Maximize AA/SAP synergy: AA/SAP price revision implemented. Completion of new 100,000 tons AA facility in Indonesia
 - Bio-based AA/SAP: Bio-based SAP sales started from European base (mass balance method)
 - SAP Survival PJ: Completed a 10% increase in production capacity through renovation of existing facilities



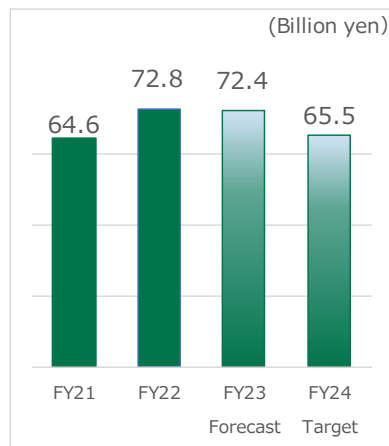
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Business
Transformation

Market Domain: Basic Materials

Continue efforts to generate stable cash

Revenue Trend



Policy for FY2024

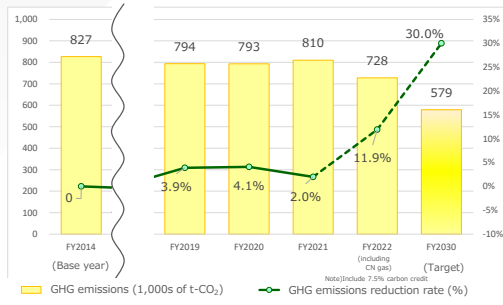
- In Initiatives for stable cash generation
 - Increase domestic EO/EG sales in place of MEG exports and expand EOA contracting
 - EO Resilience PJ: Improve production efficiency by improving catalysts and promoting DX
- Initiatives for Value-Added Improvement
 - Bio-based EO : Complete studies for commercialization by FY2024

Status and Progress in FY2022

- MEG spreads worsened due to softer market conditions and higher various costs
- In Initiatives for stable cash generation
 - EO Resilience PJ: Energy conservation, logistics improvement, increased contract production
 - Significant price revisions have already been announced to rectify profitability

2

Strategic Transformation for Environmental Initiatives



Reducing CO₂ Emissions

Accelerate efforts to convert raw materials to biomass, which has a significant impact on emissions reductions

Progress in FY2022

- Raw material biomass conversion
 - Procurement and preparation for acceptance of ethylene and propylene derived from bio-Naphtha
 - Obtained ISCC PLUS certification for the supply of biomass-derived products in mass balance system (19 products including AA, SAP, and EO produced in Japan)
- Introduction of Internal Carbon Pricing

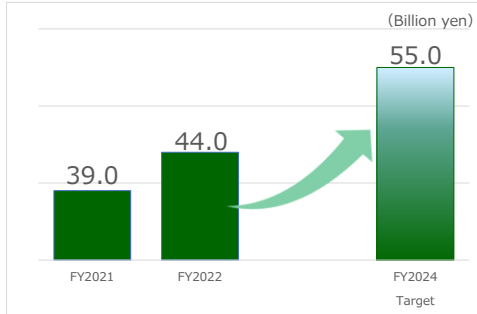
Develop and expand sales of environmental contribution products

Expand sales of products that reduce environmental impact, mainly in Solutions business.

Progress in FY2022

- Environmentally friendly products
 - Five new products were added, bringing the total to 30.
 - Major items of increase include osmotic pressure generating agents, emulsifiers for emulsion polymerization, and coagulants for wastewater treatment. (Reference) Contribution to CO₂ reduction by sales of environmentally friendly products in FY2021 is approximately 1.04 million tons-CO₂/year.

Environmental Contribution Products Revenue



3

Organizational
Transformation

**Develop and empower human resources
Toward the realization of our long-term vision
Develop a foundation to support employees' thinking and behavior (thinking and acting on their own) by utilizing diverse human resources**

Long-term Vision for FY2030

TechnoAmenity for the future

FY2030 Goals

- Provide materials and solutions required by people and society
- Become a chemical company that keeps evolving by identifying social trends
- Develop with various stakeholders inside and outside the company

Developing autonomous talent

Progress in FY 2022

- **Implementation of new personnel system begins**
 - Moving away from seniority-based management
 - Evaluating human resources to take on challenges
- **Conducting an engagement survey**
 - The first survey was conducted in FY2022
 - => Continuing initiatives for improvement

Promoting the active participation of diverse talent

Progress in FY 2022

- **Self-Reporting System, Continuation of Work Location, Male Child Care, Review of Leave System**
 - Promotion of diverse work styles
- **Introduction of systems to promote the active participation of senior employees**
 - Active and autonomous career choice

Plans to invest 10.0 billion yen by FY2024:

Decided to invest more than 40% by the end of FY2022

Production Division

Improving productivity through advanced plant operations
(Planning, operation and maintenance)

Progress in FY2022

- **Began building an information integration infrastructure to link and utilize manufacturing plant information**
=>(Aim) Improve productivity of manufacturing plants and realize higher sophistication and efficiency
- **Introduce an AI-driven (algorithmic) production planning optimization system to SAP production**
=>(Aim) Contribute to reducing the number of product switches and operating expenses in addition to improving operational efficiency

Sales & marketing Division

From passive value provision to value proposition

Progress in FY2022

- **Promoting digital marketing**
=>(Aim) Acquisition of new and promising customers that will strengthen the Solutions business
- **Implementation of customer information management system (SFA, CRM)**
=>(Aim) Sophistication of solution provision through centralized management of customer information

HR Division

Toward human resources and a corporate culture that makes full use of digital technology and data

Progress in FY2022

- **Training for all employees**
=>(Aim) Cultivating human resources for digital use in the field
- **Cultivating human resources for data science research**
=>(Aim) Contributing to rationalizing the study of composition and experimental conditions in research and development activities

Mid-term plan targets and progress

Targets	FY2021 Results	FY2022 Results	FY2023 Forecast	FY2024 Med-term plan Total	2030 Our Goal
Operating Profit	29.1 billion yen	23.5 billion yen	18.0 billion yen	33.0 billion yen	60.0 billion yen scale
Solutions business Operating profit	7.8 billion yen	1.5 billion yen	3.2 billion yen	17.0 billion yen	40.0 billion yen scale
ROE	7.2%	5.5%	4.0%	7.5%	9% or more
ROA	6.8%	5.0%	3.7%	6.9%	9% or more
Total shareholder return ratio	30.3%	52.2%	48.8%	50%	-
New product Revenue (Non-consolidated, excluding new SAP products, and launched within five years)	10.9 billion yen	17.1 billion yen	17.7 billion yen	28 billion yen	-
Growth investments and investments to remain competitive	-	23.2 billion yen	57.9 billion yen (FY 2022 -2023 cumulative)	120.0 billion yen (FY 2022 -2024 cumulative)	400.0 billion yen (FY 2022 -2030 cumulative)
CO ₂ emission reductions (Scope 1 and Scope 2 emissions in Japan relative to FY 2014)	2% reduction	12% reduction * <i>*Preliminary figures</i>	-	-	30% reduction
Environmental Contribution Products Revenue	39.0 billion yen	44.0 billion yen	-	55.0 billion yen	135.0 billion yen
Ratio of female recruitment in clerical and chemical position	23.3%	24.1%	27% or more	30%	-
Ratio of female managers	4.1%	4.4%	5.5% or more	6%	-
Ratio of male employees taking childcare leave <i>*Change from more than one day to more than 15 days</i>	4.1%	36.4% <small>(* Including 7.5% carbon credit)</small>	-	100% <i>*Change of Target</i>	-

3. References

Consolidated statement of financial position

(Billin yen)

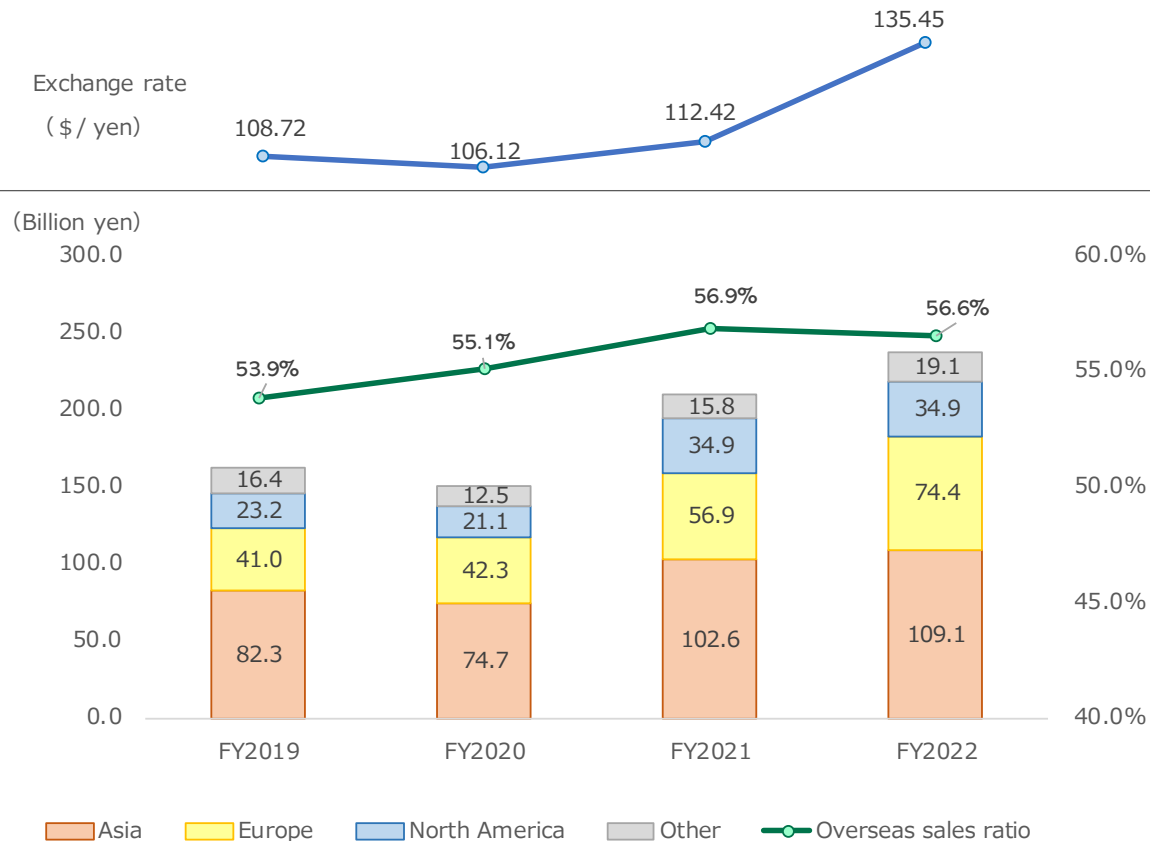
	FY2021	FY2022	Change		FY2021	FY2022	Change
Cash and cash equivalents	39.4	39.0	-0.3	Trade payables	57.6	53.1	-4.5
Trade receivables	103.6	98.6	-5.0	Borrowings	52.2	50.9	-1.3
Inventories	75.3	86.1	10.7	Others	57.2	49.3	-7.9
Others	19.4	20.4	1.0	Liabilities	167.0	153.3	-13.7
Current assets	237.7	244.1	6.4	Share capital	25.0	25.0	-
Property, plant and equipment	191.1	189.5	-1.6	Treasury shares	-6.3	-9.3	-3.0
Intangible assets	7.9	8.4	0.5	Retained earnings	288.1	301.9	13.8
Investments accounted for using equity method	22.9	27.1	4.2	Others	37.0	44.6	7.5
Others	58.6	54.3	-4.3	Non-controlling interests	7.2	7.8	0.5
Non-current assets	280.5	279.3	-1.3	Equity	351.1	370.0	18.9
Assets	518.2	523.3	5.2	Liabilities and equity	518.2	523.3	5.2

D/E ratio (times)	0.17	0.16
Interest-bearing loans	597	576

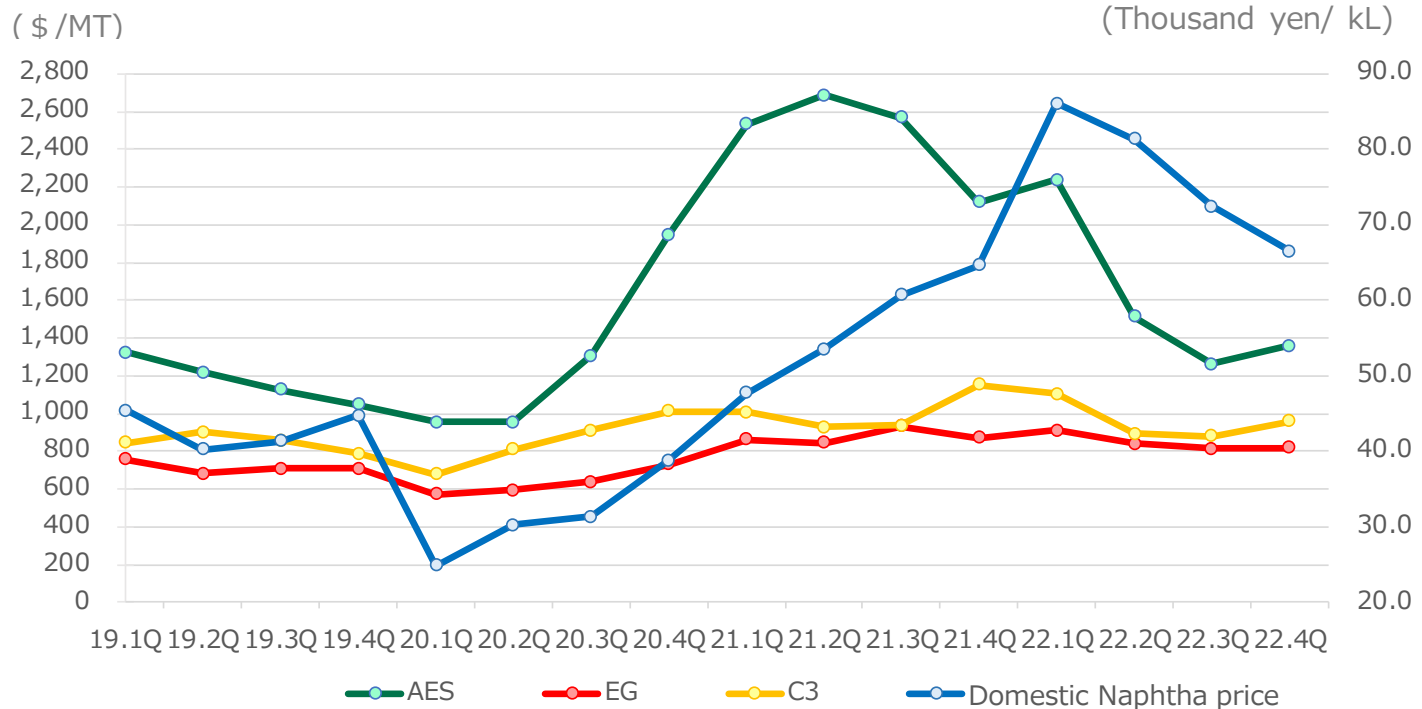
Consolidated cash flows

(Billion yen)

	FY2021	FY2022	Change
Cash flows from operating activities	35.1	41.4	6.4
Profit (loss) before tax	33.7	26.2	-7.5
Depreciation and amortization	28.9	29.3	0.4
Trade receivables and payables	-8.8	1.4	10.2
Decrease (increase) in inventories	-15.8	-8.9	6.8
Others	-3.0	-6.6	-3.6
Cash flows from investing activities	-23.2	-26.0	-2.8
Cash flows from financing activities	-10.8	-17.3	-6.6
Purchase of treasury shares	0.0	-3.0	-3.0
Dividends paid	-5.0	-7.6	-2.6
Others	-5.8	-6.7	-1.0
Effect of exchange rate changes on cash and cash equivalents	1.9	1.5	-0.4
Net increase (decrease) in cash and cash equivalents	3.0	-0.3	-3.3
Cash and cash equivalents	36.3	39.4	3.0
Cash and cash equivalents	39.4	39.0	-0.3
Free cash flows	11.9	15.5	3.6

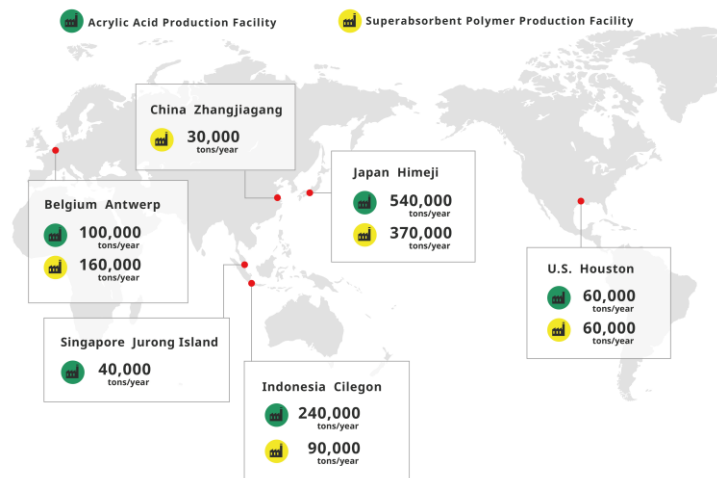
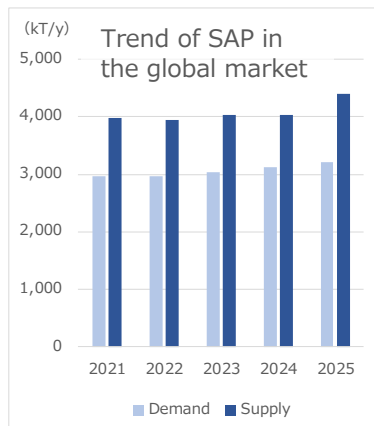
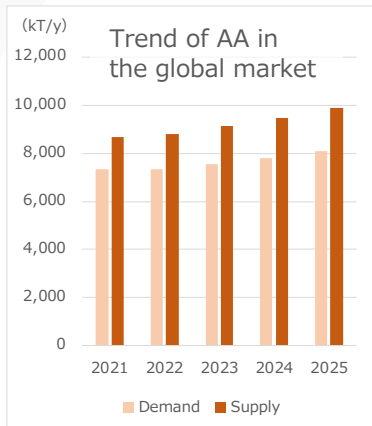


Overseas market conditions for products, overseas market conditions for propylene, change of domestic naphtha price



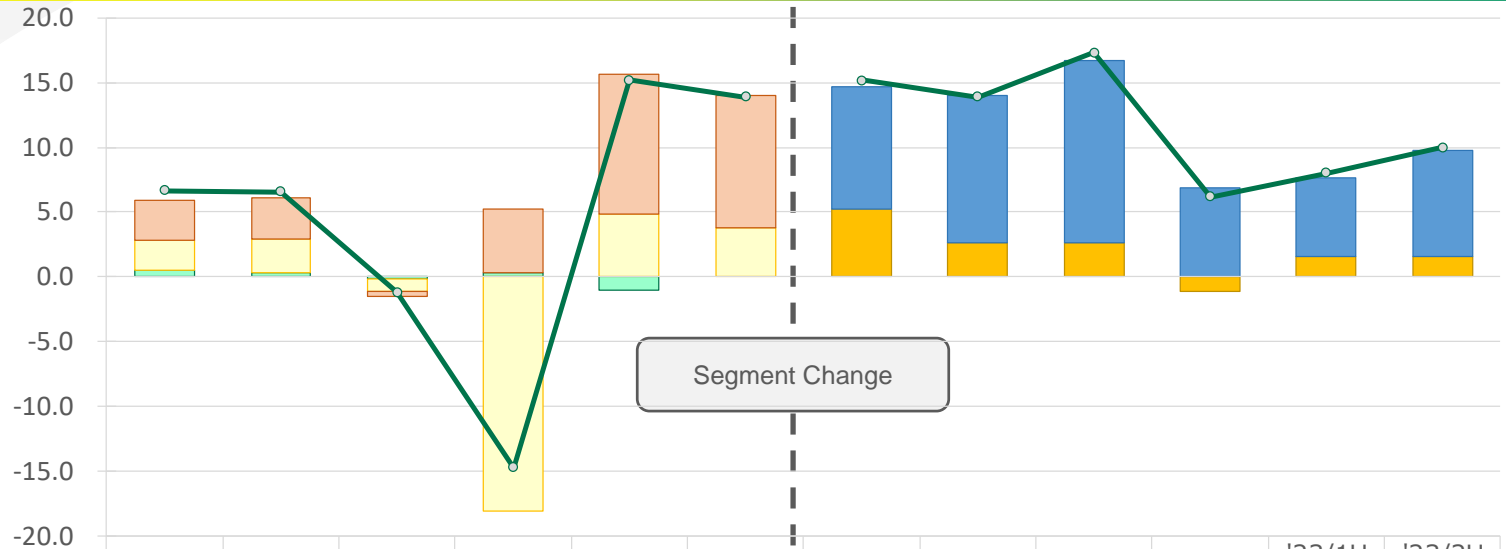
AA /AES, SAP Trends

■ Global demand: Expected to grow about 3-5% annually over the medium to long term



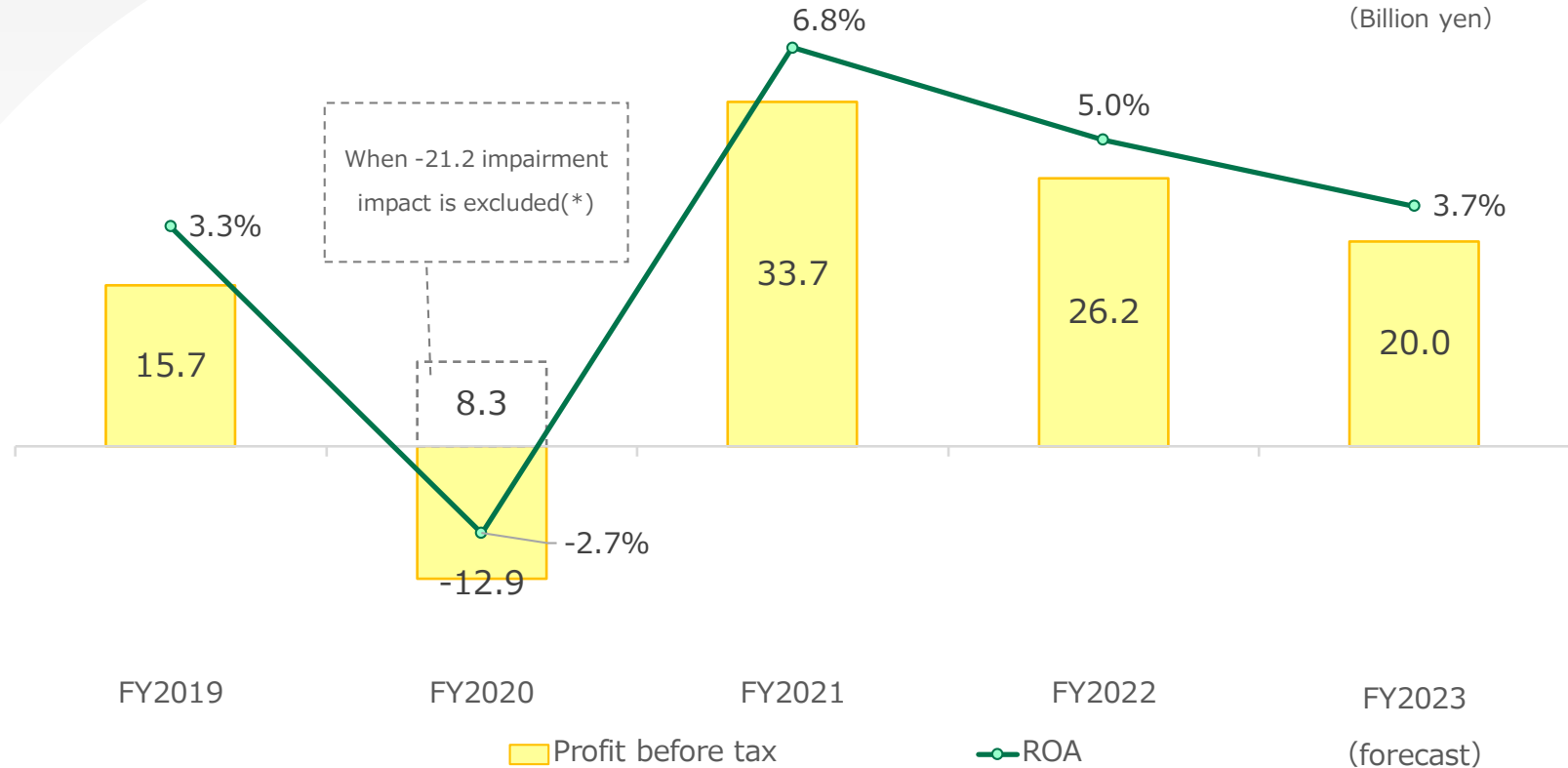
Production capacity	Nippon Shokubai Group						(kt/year)
	Japan	Indonesia	Belgium	US	Singapore	China	Total
AA facility	540	140 + 100 New facility started in 2023	100	60	40	0	980
SAP facility	370	90	160	60	0	30	710

Trends in operating profit by segment every six months



	'19/1H	'19/2H	'20/1H	'20/2H	'21/1H	'21/2H	'21/1H	'21/2H	'22/1H	'22/2H	'23/1H forecast	'23/2H forecast
Basic Chemicals	3.1	3.2	-0.4	4.9	10.8	10.2						
Functional Chemicals	2.3	2.5	-1.0	-18.1	4.8	3.8						
Environment & Catalysts	0.5	0.3	-0.1	0.3	-1.0	0.0						
Materials							9.5	11.4	14.1	6.8	6.0	8.2
Solutions							5.2	2.6	2.6	-1.1	1.6	1.6
Total	6.6	6.5	-1.2	-14.7	15.2	13.9	15.2	13.9	17.3	6.2	8.0	10.0

Trends in consolidated financial results



(*) In FY2020, impairment losses on fixed assets of Nippon Shokubai Europe N.V. and also impairment losses on goodwill and intangible assets of Sirrus, Inc. were recorded. Profit before tax excluding that impact is shown in parentheses

Trends by segment every six months

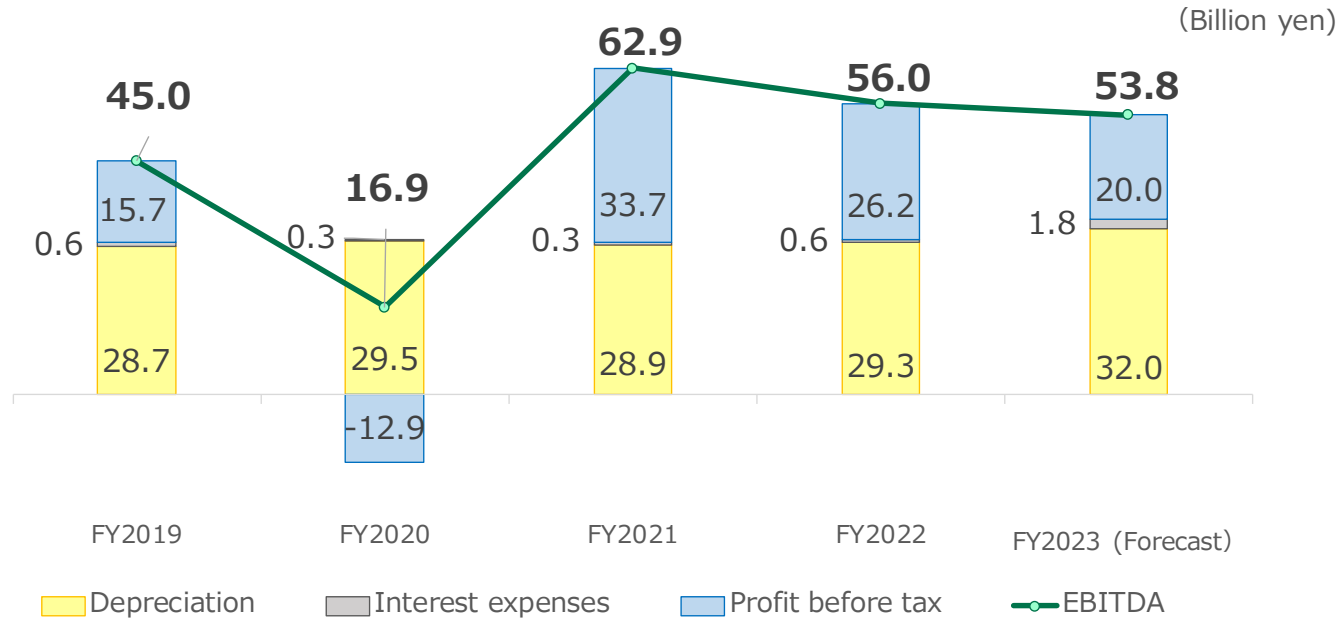
(Billion yen)

Market domain		FY2021			FY2022			FY2023 (Forecasts)		
		1H	2H	Full year	1H	2H	Full year	1H	2H	Full year
Materials	Revenue	121.1	141.8	262.9	160.5	145.1	305.7	148.0	152.0	300.0
	AA · SAP	91.0	107.3	198.3	123.1	109.8	232.9	112.8	114.8	227.6
	Basic materials, others	30.1	34.5	64.6	37.5	35.3	72.8	35.2	37.2	72.4
	Operating profit	9.5	11.4	20.9	14.1	6.8	20.9	6.0	8.2	14.2
	Profit margin	7.8%	8.1%	8.0%	8.8%	4.7%	6.9%	4.1%	5.4%	4.7%
Solutions	Revenue	51.8	54.5	106.4	59.1	54.8	113.9	57.0	63.0	120.0
	Industrial & Household	38.0	41.8	79.8	46.3	42.7	89.0	42.7	44.1	86.7
	Energy & Electronics	11.6	11.0	22.6	11.3	10.8	22.1	12.9	16.1	29.0
	Others	2.3	1.8	4.1	1.6	1.2	2.8	1.4	2.9	4.3
	Operating profit	5.2	2.6	7.8	2.6	-1.1	1.5	1.6	1.6	3.2
Profit margin	10.1%	4.8%	7.4%	4.4%	-2.0%	1.3%	2.8%	2.5%	2.7%	
Adjustment	Operating profit	0.4	-0.2	0.3	0.6	0.4	1.1	0.4	0.2	0.6
Total	Revenue	173.0	196.3	369.3	219.7	199.9	419.6	205.0	215.0	420.0
	Operating profit	15.2	13.9	29.1	17.3	6.2	23.5	8.0	10.0	18.0
	Profit margin	8.8%	7.1%	7.9%	7.9%	3.1%	5.6%	3.9%	4.7%	4.3%

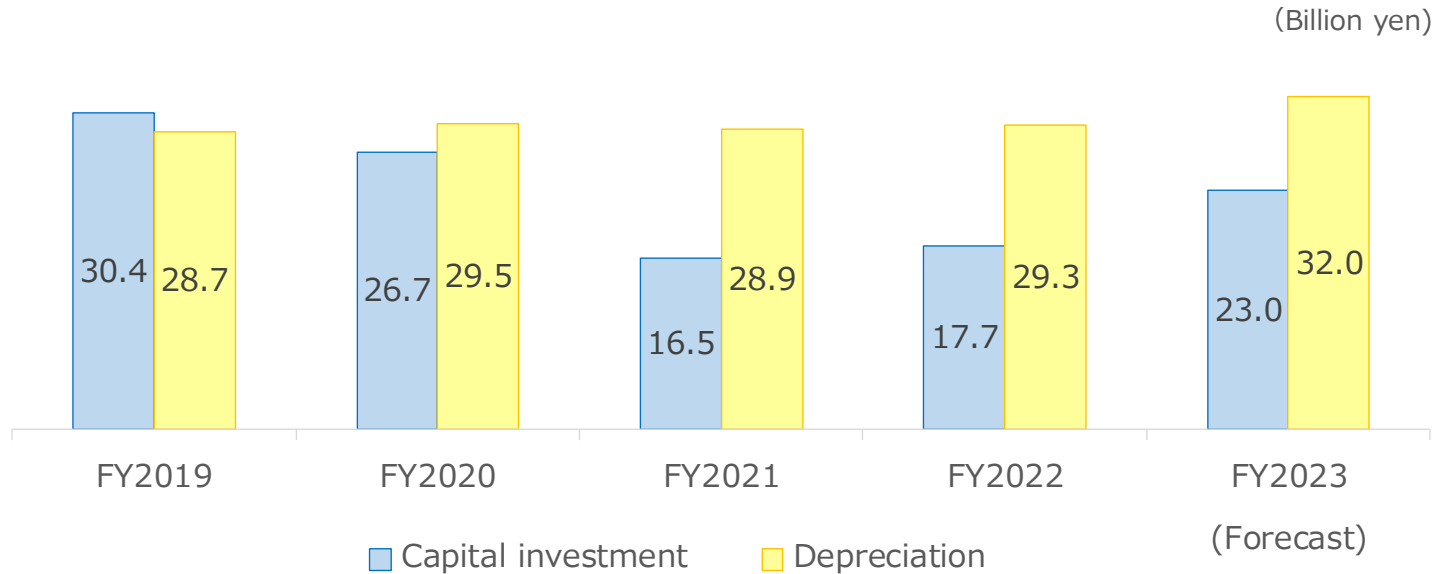
[Market domain in detail]

AA · SAP	Acrylic acid(AA) · Acrylates(AES) · Superabsorbent polymers(SAP)
Basic materials, others	Ethylene oxide (EO), its derivatives, Hydroxy monomers, Process catalysts and other materials
Industrial & Household	Infrastructure & housing, Industrial materials and Household products
Energy & Electronics	Electronic information materials, Printing, Batteries and environmental purification
Others	Life science (Cosmetics, Health and medical care) and others

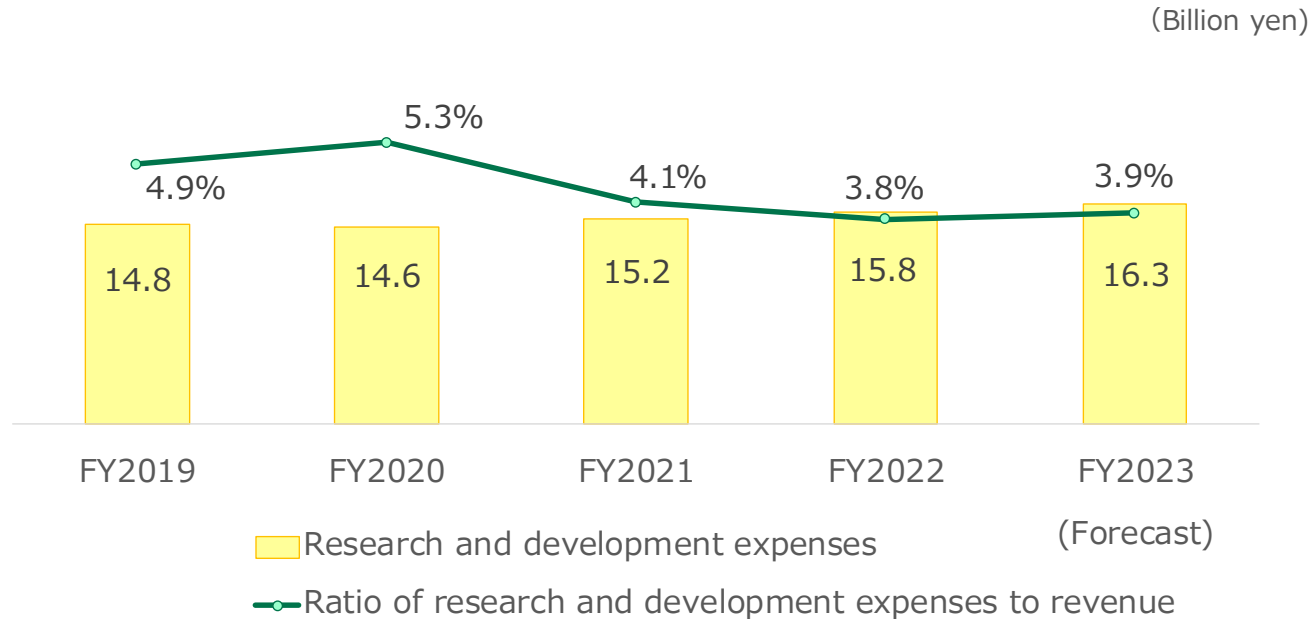
Trends in EBITDA



Trends in amount of capital investment and depreciation



Trends in research and development expenses



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Readers should be aware that actual results and events might differ substantially from these projections.

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