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**Summary of Consolidated Financial Results**  
**For the First Quarter of the Fiscal Year Ending March 31, 2024 [IFRS]**  
**(Three Months Ended June 30, 2023)**

August 7, 2023

Company name: NIPPON SHOKUBAI CO., LTD. Listing: TSE (Prime Market)  
Code number: 4114 URL: <https://www.shokubai.co.jp/>  
Representative: Kazuhiro Noda, President and Representative Member of the Board  
Contact for inquiries: Tomotaka Nishikawa, General Manager of Corporate Communications Dept. Phone: +81-3-3506-7605  
Scheduled quarterly report filing date: August 9, 2023  
Scheduled date of dividend payment: -  
Supplementary quarterly materials prepared: None  
Quarterly results information meeting held: None

(Figures are rounded off to the nearest million yen)

**1. Consolidated Financial Results for the First Quarter of the Fiscal Year Ending March 31, 2024 (hereafter FY2023) (from April 1, 2023 to June 30, 2023)**

(1) Consolidated operating results (cumulative)

(Percentages indicate year-over-year changes)

	Revenue		Operating profit		Profit before tax		Profit		Profit attributable to owners of parent		Total comprehensive income	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
Three months ended Jun. 30, 2023	97,362	(12.7)	6,721	(25.5)	7,019	(36.9)	5,260	(32.8)	4,575	(39.7)	15,304	(4.6)
Three months ended Jun. 30, 2022	111,505	29.6	9,026	35.6	11,122	37.1	7,822	34.0	7,591	34.5	16,035	151.2

	Basic earnings per share	Diluted earnings per share
	Yen	Yen
Three months ended Jun. 30, 2023	116.37	116.35
Three months ended Jun. 30, 2022	190.37	—

(2) Consolidated financial position

	Total assets	Total equity	Equity attributable to owners of parent	Rate of equity attributable to owners of parent	Equity attributable to owners of parent per share
	Millions of yen	Millions of yen	Millions of yen	%	Yen
As of Jun. 30, 2023	535,732	381,333	373,190	69.7	9,491.81
As of Mar. 31, 2023	523,319	369,998	362,231	69.2	9,213.91

## 2. Dividends

	Dividends per share				
	End of 1Q	End of 2Q	End of 3Q	Year-end	Annual
	Yen	Yen	Yen	Yen	Yen
FY 2022	–	90.00	–	90.00	180.00
FY 2023	–				
FY 2023 (forecast)		90.00	–	90.00	180.00

Note: Revisions to the dividends forecast since the latest announcement: None

## 3. Consolidated Financial Forecasts for the Fiscal Year Ending March 31, 2024 (from April 1, 2023 to March 31, 2024)

(Percentages indicate rate of changes year-over-year)

	Revenue		Operating profit		Profit before tax		Profit attributable to owners of parent		Basic earnings per share
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Yen
First half (cumulative)	190,000	(13.5)	10,000	(42.3)	10,500	(48.1)	7,000	(50.2)	178.05
Full year	420,000	0.1	18,000	(23.5)	20,000	(23.6)	14,500	(25.2)	368.80

Note: Revisions to the financial forecasts since the latest announcement: Yes

### ※Notes

(1) Changes in significant subsidiaries during the period (changes in specific subsidiaries that affect the scope of consolidation): None

(2) Changes in accounting policies; changes in accounting estimates

1) Changes in accounting policies required by IFRS: None

2) Other changes in accounting policies: None

3) Changes in accounting estimates: None

(3) Number of shares issued and outstanding (common stock)

1) Number of shares issued and outstanding at the end of the period (including treasury shares)

Jun. 30, 2023: 40,800,000 shares      Mar. 31, 2023: 40,800,000 shares

2) Number of treasury shares at the end of the period

Jun. 30, 2023: 1,482,894 shares      Mar. 31, 2023: 1,486,460 shares

3) Average number of shares outstanding during the period

Three months ended Jun. 30, 2023: 39,314,489 shares      Three months ended Jun. 30, 2022: 39,874,686 shares

Note: The numbers of treasury shares at the end of the periods include shares of the Company held by the trust account set up after the introduction of a Performance-linked Stock Compensation Plan for the Company's Members of the Board and Executive Officers (44,824 shares as of June 30, 2023 and 48,600 shares as of March 31, 2023). Shares of the Company held by the trust account are included in the treasury shares to be deducted in the calculation of the average number of shares outstanding during the period.

### ※ Indication regarding execution of audit procedures

This quarterly financial results report is outside the scope of quarterly review by certified public accountants or an audit corporation.

### ※ Appropriate use of business forecasts and other special items

In this document, statements other than historical facts are forward-looking statements that reflect the Company's plans and expectations. These forward-looking statements involve risks, uncertainties and other factors that may cause our actual results and achievements to differ from those anticipated in these statements.

## 2. Condensed Quarterly Consolidated Financial Statements and Related Notes

### (1) Condensed Quarterly Consolidated Statements of Financial Position

	(Unit: Millions of yen)	
	FY2022 As of Mar. 31, 2023	1Q-FY2023 As of Jun. 30, 2023
Assets		
Current assets		
Cash and cash equivalents	39,035	38,938
Trade receivables	98,571	99,390
Inventories	86,056	87,940
Other financial assets	14,151	15,578
Other current assets	6,239	7,036
Total current assets	244,053	248,883
Non-current assets		
Property, plant and equipment	189,520	194,044
Intangible assets	8,358	8,621
Investments accounted for using equity method	27,088	25,835
Other financial assets	40,195	43,902
Retirement benefit asset	9,129	9,154
Deferred tax assets	3,404	3,706
Other non-current assets	1,573	1,588
Total non-current assets	279,266	286,849
Total assets	523,319	535,732

(Unit: Millions of yen)

	FY2022 As of Mar. 31, 2023	1Q-FY2023 As of Jun. 30, 2023
<b>Liabilities and equity</b>		
<b>Liabilities</b>		
<b>Current liabilities</b>		
Trade payables	53,138	55,010
Borrowings	23,044	20,543
Other financial liabilities	9,539	10,890
Income taxes payable	3,970	1,920
Provisions	6,672	8,078
Other current liabilities	5,278	5,170
<b>Total current liabilities</b>	<b>101,641</b>	<b>101,610</b>
<b>Non-current liabilities</b>		
Borrowings	27,867	27,326
Other financial liabilities	5,961	5,944
Retirement benefit liability	8,941	9,056
Provisions	2,582	2,815
Deferred tax liabilities	6,330	7,647
<b>Total non-current liabilities</b>	<b>51,681</b>	<b>52,788</b>
<b>Total liabilities</b>	<b>153,321</b>	<b>154,399</b>
<b>Equity</b>		
Share capital	25,038	25,038
Capital surplus	22,520	22,513
Treasury shares	(9,298)	(9,276)
Retained earnings	301,940	302,983
Other components of equity	22,030	31,931
<b>Total equity attributable to owners of parent</b>	<b>362,231</b>	<b>373,190</b>
Non-controlling interests	7,767	8,142
<b>Total equity</b>	<b>369,998</b>	<b>381,333</b>
<b>Total liabilities and equity</b>	<b>523,319</b>	<b>535,732</b>

**(2) Condensed Quarterly Consolidated Statements of Profit or Loss and Condensed Quarterly Consolidated Statements of Comprehensive Income**  
**Condensed Quarterly Consolidated Statements of Profit or Loss**

Three months ended June 30, 2022 and 2023

(Unit: Millions of yen)

	1Q-FY 2022 Apr. 1, 2022 to Jun. 30, 2022	1Q-FY 2023 Apr. 1, 2023 to Jun. 30, 2023
Revenue	111,505	97,362
Cost of sales	88,372	79,964
Gross profit	23,133	17,398
Selling, general and administrative expenses	14,373	12,289
Other operating income	624	1,791
Other operating expenses	357	178
Operating profit	9,026	6,721
Finance income	946	1,075
Finance costs	84	392
Share of profit (loss) of investments accounted for using equity method	1,235	(385)
Profit before tax	11,122	7,019
Income tax expense	3,300	1,759
Profit	7,822	5,260
Profit attributable to		
Owners of parent	7,591	4,575
Non-controlling interests	231	685
Profit	7,822	5,260
Earnings per share		
Basic earnings per share (Yen)	190.37	116.37
Diluted earnings per share (Yen)	-	116.35

## Condensed Quarterly Consolidated Statements of Comprehensive Income

Three months ended June 30, 2022 and 2023

(Unit: Millions of yen)

	1Q-FY 2022 Apr. 1, 2022 to Jun. 30, 2022	1Q-FY 2023 Apr. 1, 2023 to Jun. 30, 2023
Profit	7,822	5,260
Other comprehensive income		
Items that will not be reclassified to profit or loss		
Net change in fair value of equity instruments designated as measured at fair value through other comprehensive income	(1,420)	2,633
Share of other comprehensive income of investments accounted for using equity method	(1)	1
Total of items that will not be reclassified to profit or loss	(1,420)	2,634
Items that may be reclassified to profit or loss		
Exchange differences on translation of foreign operations	8,778	7,713
Share of other comprehensive income of investments accounted for using equity method	854	(304)
Total of items that may be reclassified to profit or loss	9,633	7,410
Other comprehensive income, net of tax	8,212	10,044
Comprehensive income	16,035	15,304
Comprehensive income attributable to		
Owners of parent	15,553	14,477
Non-controlling interests	482	826
Comprehensive income	16,035	15,304

### (3) Condensed Quarterly Consolidated Statements of Changes in Equity

Three months ended Jun. 30, 2022 (Apr. 1, 2022 to Jun. 30, 2022)

(Unit: Millions of yen)

	Share capital	Capital surplus	Treasury shares	Retained earnings	Other components of equity	
					Financial assets measured at fair value through other comprehensive income	Remeasurements of defined benefit plans
Balance at beginning of period	25,038	22,472	(6,291)	288,124	4,874	–
Profit	–	–	–	7,591	–	–
Other comprehensive income	–	–	–	–	(1,420)	(1)
Comprehensive income	–	–	–	7,591	(1,420)	(1)
Purchase of treasury shares	–	–	(2)	–	–	–
Disposal of treasury shares	–	–	–	–	–	–
Share-based payment transactions	–	–	–	–	–	–
Dividends	–	–	–	(3,987)	–	–
Transfer from other components of equity to retained earnings	–	–	–	115	(116)	1
Total transactions with owners	–	–	(2)	(3,872)	(116)	1
Balance at end of period	25,038	22,472	(6,293)	291,843	3,338	–

	Other components of equity		Total equity attributable to owners of parent	Non-controlling interests	Total equity
	Exchange differences on translation of foreign operations	Total			
Balance at beginning of period	9,664	14,538	343,882	7,241	351,123
Profit	–	–	7,591	231	7,822
Other comprehensive income	9,383	7,962	7,962	250	8,212
Comprehensive income	9,383	7,962	15,553	482	16,035
Purchase of treasury shares	–	–	(2)	–	(2)
Disposal of treasury shares	–	–	–	–	–
Share-based payment transactions	–	–	–	–	–
Dividends	–	–	(3,987)	(571)	(4,559)
Transfer from other components of equity to retained earnings	–	(115)	–	–	–
Total transactions with owners	–	(115)	(3,989)	(571)	(4,560)
Balance at end of period	19,047	22,385	355,445	7,152	362,597

Three months ended Jun. 30, 2023 (Apr. 1, 2023 to Jun. 30, 2023)

(Unit: Millions of yen)

	Share capital	Capital surplus	Treasury shares	Retained earnings	Other components of equity	
					Financial assets measured at fair value through other comprehensive income	Remeasurements of defined benefit plans
Balance at beginning of period	25,038	22,520	(9,298)	301,940	4,331	–
Profit	–	–	–	4,575	–	–
Other comprehensive income	–	–	–	–	2,632	1
Comprehensive income	–	–	–	4,575	2,632	1
Purchase of treasury shares	–	–	(1)	–	–	–
Disposal of treasury shares	–	(4)	24	–	–	–
Share-based payment transactions	–	(3)	–	–	–	–
Dividends	–	–	–	(3,534)	–	–
Transfer from other components of equity to retained earnings	–	–	–	1	–	(1)
Total transactions with owners	–	(7)	22	(3,533)	–	(1)
Balance at end of period	25,038	22,513	(9,276)	302,983	6,963	–

	Other components of equity		Total equity attributable to owners of parent	Non-controlling interests	Total equity
	Exchange differences on translation of foreign operations	Total			
Balance at beginning of period	17,699	22,030	362,231	7,767	369,998
Profit	–	–	4,575	685	5,260
Other comprehensive income	7,269	9,902	9,902	142	10,044
Comprehensive income	7,269	9,902	14,477	826	15,304
Purchase of treasury shares	–	–	(1)	–	(1)
Disposal of treasury shares	–	–	20	–	20
Share-based payment transactions	–	–	(3)	–	(3)
Dividends	–	–	(3,534)	(451)	(3,984)
Transfer from other components of equity to retained earnings	–	(1)	–	–	–
Total transactions with owners	–	(1)	(3,518)	(451)	(3,969)
Balance at end of period	24,968	31,931	373,190	8,142	381,333

**(4) Condensed Quarterly Consolidated Statements of Cash Flows**

(Unit: Millions of yen)

	1Q-FY 2022 Apr. 1, 2022 to Jun. 30, 2022	1Q-FY 2023 Apr. 1, 2023 to Jun. 30, 2023
Cash flows from operating activities		
Profit before tax	11,122	7,019
Depreciation and amortization	7,414	7,915
Loss (gain) on sale of property, plant and equipment	(5)	(1,260)
Decrease (increase) in retirement benefit asset	(14)	(25)
Increase (decrease) in retirement benefit liability	(80)	50
Interest and dividend income	(639)	(694)
Interest expenses	84	392
Share of loss (profit) of investments accounted for using equity method	(1,235)	385
Decrease (increase) in trade receivables	(4,458)	1,374
Decrease (increase) in inventories	(6,235)	226
Increase (decrease) in trade payables	7,314	515
Other	(208)	1,023
Subtotal	13,061	16,919
Interest and dividends received	3,843	1,507
Interest paid	(90)	(249)
Income taxes paid	(4,448)	(4,082)
Net cash provided by (used in) operating activities	12,366	14,096
Cash flows from investing activities		
Purchase of property, plant and equipment	(6,075)	(6,041)
Proceeds from sale of property, plant and equipment	5	1,221
Purchase of intangible assets	(326)	(374)
Purchase of investments	(51)	(26)
Proceeds from sale and redemption of investments	259	-
Other	323	(630)
Net cash provided by (used in) investing activities	(5,866)	(5,850)
Cash flows from financing activities		
Net increase (decrease) in short-term borrowings	(2,722)	(2,457)
Proceeds from long-term borrowings	5,000	200
Repayments of long-term borrowings	(4,517)	(3,001)
Repayments of lease liabilities	(480)	(482)
Purchase of treasury shares	(2)	(1)
Dividends paid	(3,987)	(3,534)
Dividends paid to non-controlling interests	(571)	(451)
Net cash provided by (used in) financing activities	(7,280)	(9,725)
Effect of exchange rate changes on cash and cash equivalents	2,064	1,382
Net increase (decrease) in cash and cash equivalents	1,285	(97)
Cash and cash equivalents at beginning of period	39,363	39,035
Cash and cash equivalents at end of period	40,648	38,938