



Financial Results Briefing Material for the First Half of the Fiscal Year Ending March 2024 (FY 2023)

November 9th, 2023

Kazuhiro Noda, President

* This document is a translation of the original Japanese document and is only for reference purposes. In the event of any discrepancy between this translated document and the original Japanese document, the latter shall prevail.

Agenda

I. First Half Results and Full Year Forecasts for FY2023

II. Business Overview and Initiatives

Abbreviations	
AA	Acrylic acid
AES	Acrylate
SAP	Superabsorbent polymers
EO	Ethylene oxide
EG	Ethylene glycol
VEEA TM	Hybrid monomer

I . First Half Results and Full Year Forecasts for FY2023

■ Results - First Half of FY2023

■ Revenue [Decrease] YoY

Lower sales prices due to lower raw material prices and other factors, as well as lower sales volumes, resulted in a year-on-year decline in revenue.

■ Operating profit [Decrease] YoY

Lower profit due to higher processing costs (impact of inventory valuation differences, fixed manufacturing costs, etc.) and narrower spreads in AES (acrylates), although SG&A expenses decreased due to a fall in ocean freight costs and other factors.

■ Forecasts - Full Year of FY2023

■ Revenue [Decrease] YoY

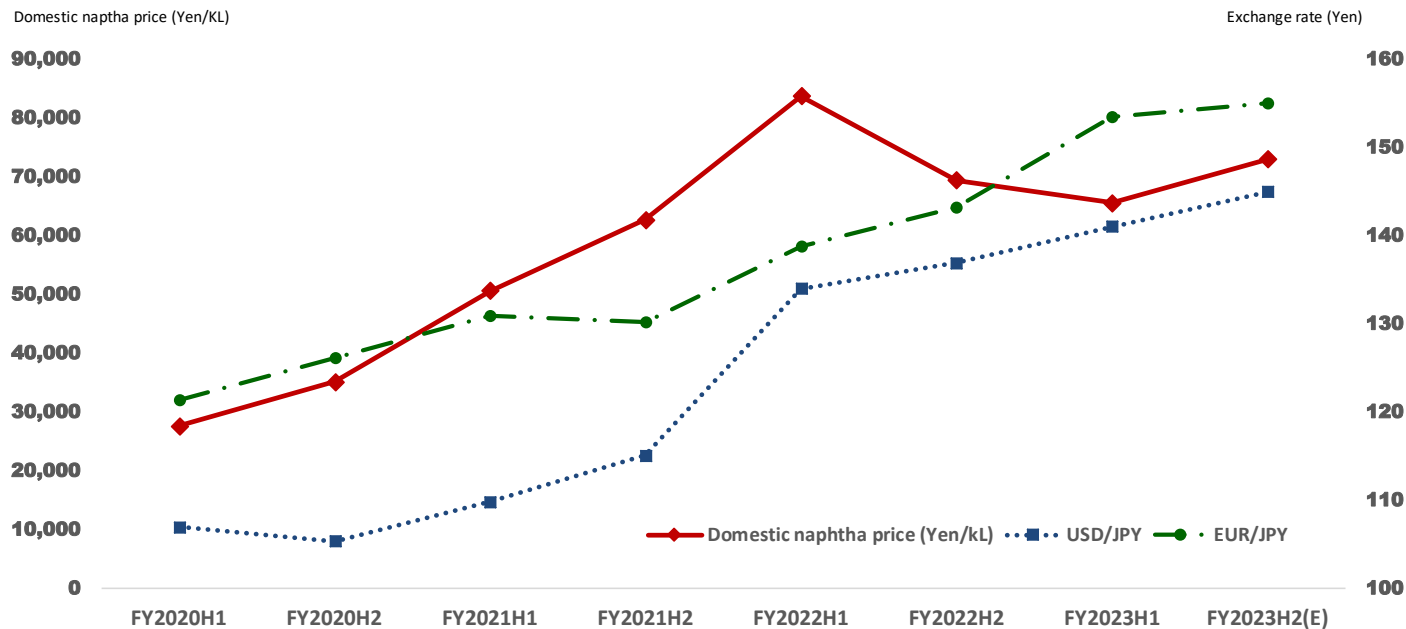
Sales volumes are expected to recover in the second half of the year, but revenue is expected to decline due to lower selling prices as a result of lower raw material prices compared to the previous year.

■ Operating profit [Decrease] YoY

Operating profit is expected to decline due to weak market conditions for acrylates and higher processing costs (impact of inventory valuation differences, fixed manufacturing costs, etc.) although SG&A expenses are expected to decline due to lower ocean freight costs and other factors.

Naphtha Price and Foreign Exchange

	FY2020H1	FY2020H2	FY2021H1	FY2021H2	FY2022H1	FY2022H2	FY2023H1	FY2023H2(E)
Domestic naphtha price (Yen/kL)	27,600	35,100	50,600	62,700	83,800	69,500	65,600	73,000
USD/JPY	107	105	110	115	134	137	141	145
EUR/JPY	121	126	131	130	139	143	153	155



First Half: Consolidated Financial Summary (YoY)

(Billion yen)	FY2022	FY2023	Change	
	Results First Half	Results First Half	Amounts	Rate
Revenue	219.7	194.3	-25.4	-11.5%
Operating profit	17.3	10.0	-7.3	-42.3%
(Operating profit to revenue)	7.9%	5.1%	-	-
Share of profit of investments accounted for using equity method	1.7	-0.4	-2.1	-
Profit before tax	20.2	9.8	-10.4	-51.6%
Profit attributable to owners of parent	14.1	6.9	-7.2	-51.2%
ROE	7.9%	3.7%	-4.2p	-
ROA	7.6%	3.7%	-3.9p	-
Domestic naphtha price (Yen/kL)	83,800	65,600	-18,200	-21.7%
USD/JPY	134	141	7	5.3%
EUR/JPY	139	153	15	10.6%

First Half: Revenue and Operating Profit by Market Domain

(Billion Yen)

Market Domain	FY2022	FY2023			Profit/Loss Factors	
	Results First Half	Results First Half	Change	%	Volume	Price
AA · SAP	123.1	107.1	-15.9	-13.0%	(-)	(-)
Basic materials, others	37.5	35.3	-2.2	-5.9%	(-)	(+)
Materials Business	160.5	142.4	-18.1	-11.3%		
Industrial & Household	46.1	38.5	-7.5	-16.4%	(-)	(-)
Energy & Electronics	11.3	12.2	0.9	7.7%	(+)	(-)
Others	1.7	1.2	-0.6	-31.7%	(+)	(-)
Solutions Business	59.1	51.9	-7.2	-12.2%		
Total Revenue	219.7	194.3	-25.4	-11.5%		
Materials Business	14.1	8.3	-5.8	-41.2%		
Solutions Business	2.6	1.0	-1.6	-62.3%		
Adjustment	0.6	0.7	0.1	16.7%		
Total Operating Profit	17.3	10.0	-7.3	-42.3%		

(+) Increase in sales volume,
selling price
(-) Decrease in sales volume,
selling price

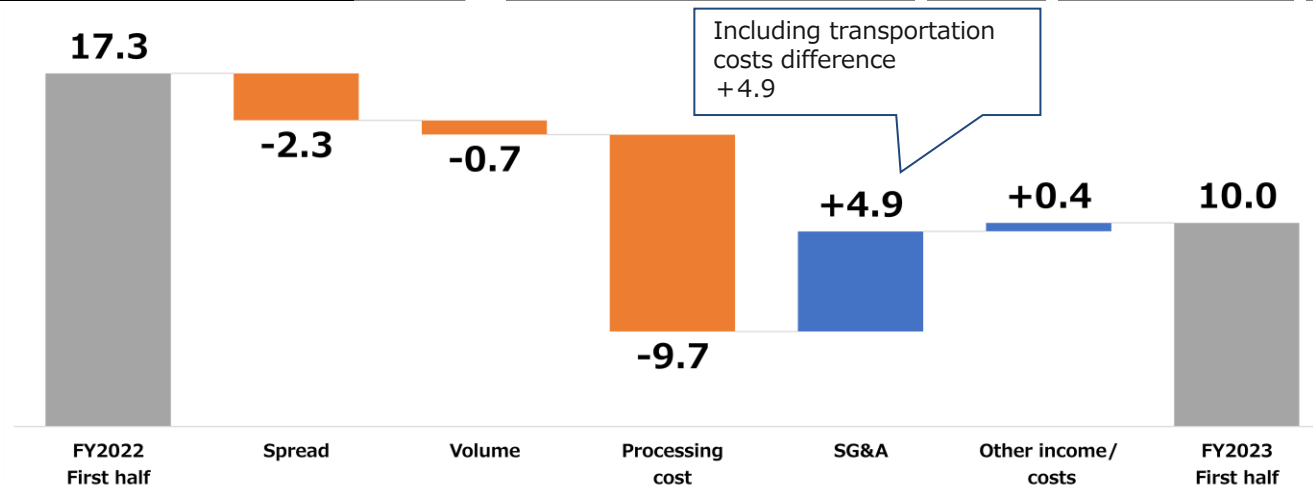
First Half: Analysis of Changes in Operating Profit (Total)

Decreased in operating profit YoY

Narrower spreads in acrylates and higher processing costs (impact of inventory valuation differences, fixed manufacturing costs, etc.), although SG&A expenses and other costs decreased due to a fall in ocean freight costs and other factors.

(Breakdown)

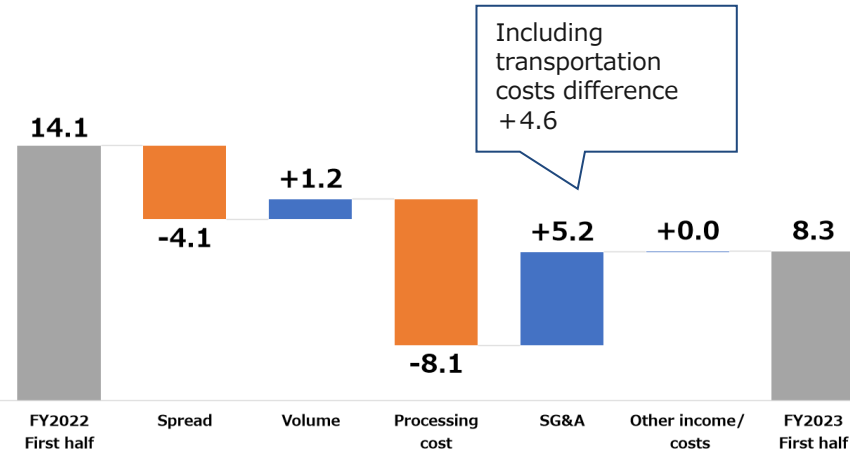
Operating profit (Billion yen)	Operating profit		Change	Spread		Volume	Processing cost		SG&A	Other income/ costs	
	FY2022 First Half	FY2023 First Half		Selling price differences	Variable cost differences		Inventory valuation difference				
Total	17.3	10.0	-7.3	-2.3	-22.4	+20.1	-0.7	-9.7	-8.4	+4.9	+0.4



First Half: Analysis of Changes in Operating Profit (Materials)

(Breakdown)

(Billion yen)	Operating profit		Change	Spread		Volume	Processing cost		SG&A	Other income/costs	
	FY2022 First Half	FY2023 First Half		Selling price differences	Variable cost differences		Inventory valuation difference				
Materials	14.1	8.3	-5.8	-4.1	-22.6	+18.5	+1.2	-8.1	-7.0	+5.2	+0.0



Spread	<ul style="list-style-type: none"> AA·AES : Narrowing spreads as overseas market conditions continue to soften. SAP : Widening spread due to falling raw materials price.
Volume	<ul style="list-style-type: none"> AA·AES, SAP: Volume remained almost the same level as the previous year.
Processing cost, SG&A, others	<ul style="list-style-type: none"> Negative inventory valuation difference and increased depreciation cost in Indonesia. Decrease in SG&A expenses due to lower ocean freight (transportation costs).

First Half: Analysis of Changes in Operating Profit (Solutions)

(Breakdown)

(Billion yen)	Operating profit		Change
	FY2022	FY2023	
	First Half	First Half	
Solutions	2.6	1.0	-1.6

Spread			Volume	Processing cost		SG&A	Other income/costs
Selling price differences	Variable cost differences	Inventory valuation difference					
+1.8	+0.2	+1.6	-1.9	-1.8	-1.3	-0.0	+0.3



Spread	<ul style="list-style-type: none"> Industrial & Household : Widening spread due to falling raw materials price.
Volume	<ul style="list-style-type: none"> Industrial & Household : Volume declined due to weak demand for infrastructure housing and household products.
Processing cost, SG&A, others	<ul style="list-style-type: none"> Other income/costs Income from the sale of land. Costs of considering a JV in Europe for battery materials are recorded.

Full Year: Consolidated Financial Summary (YoY)

(Billion yen)	FY2022	FY2023	Change	
	Results	Forecasts	Amounts	Rate
Revenue	419.6	390.0	-29.6	-7.0%
Operating profit	23.5	15.5	-8.0	-34.1%
(Operating profit to revenue)	5.6%	4.0%	-	-
Share of profit of investments accounted for using equity method	1.9	-0.7	-2.6	-
Profit before tax	26.2	15.0	-11.2	-42.7%
Profit attributable to owners of parent	19.4	10.5	-8.9	-45.9%
ROE	5.5%	2.8%	-2.7p	-
ROA	5.0%	2.8%	-2.2p	-
Domestic naphtha price (Yen/kL)	76,600	69,300	-7,300	-9.5%
USD/JPY	135	143	8	5.6%
EUR/JPY	141	154	13	9.4%

Full Year: Revenue and Operating Profit by Market Domain

(Billion Yen)

Market Domain	FY2022	FY2023 Forecasts				Profit/Loss Factors	
	Results Full Year	Forecasts 2H	Forecasts Full Year	Change	%	Volume	Price
AA · SAP	232.1	103.4	210.5	-21.6	-9.3%	(+)	(-)
Basic materials, others	73.6	32.2	67.5	-6.1	-8.3%	(-)	(-)
Materials Business	305.7	135.6	278.0	-27.7	-9.1%		
Industrial & Household	88.8	42.1	80.7	-8.1	-9.1%	(-)	(-)
Energy & Electronics	22.2	15.6	27.8	5.6	25.2%	(+)	(-)
Others	2.9	2.4	3.6	0.6	20.5%	(-)	(+)
Solutions Business	113.9	60.1	112.0	-1.9	-1.7%		
Total Revenue	419.6	195.7	390.0	-29.6	-7.0%		
Materials Business	20.9	3.7	12.0	-8.9	-42.7%		
Solutions Business	1.5	1.4	2.4	0.9	59.7%		
Adjustment	1.1	0.4	1.1	0.0	2.2%		
Total Operating Profit	23.5	5.5	15.5	-8.0	-34.1%		

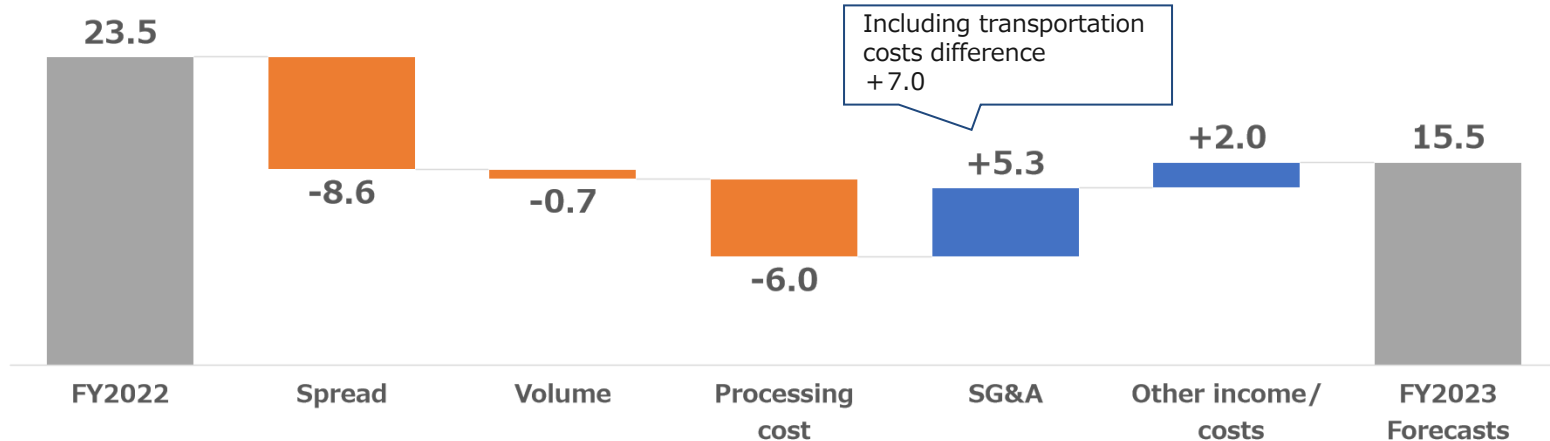
(+) Increase in sales volume,
selling price
(-) Decrease in sales volume,
selling price

Decrease YoY

Narrower spread in AES due to weak market conditions and higher processing costs (impact of inventory valuation differences, fixed manufacturing costs, etc.), although SG&A expenses and other costs are expected to decrease.

(Breakdown)

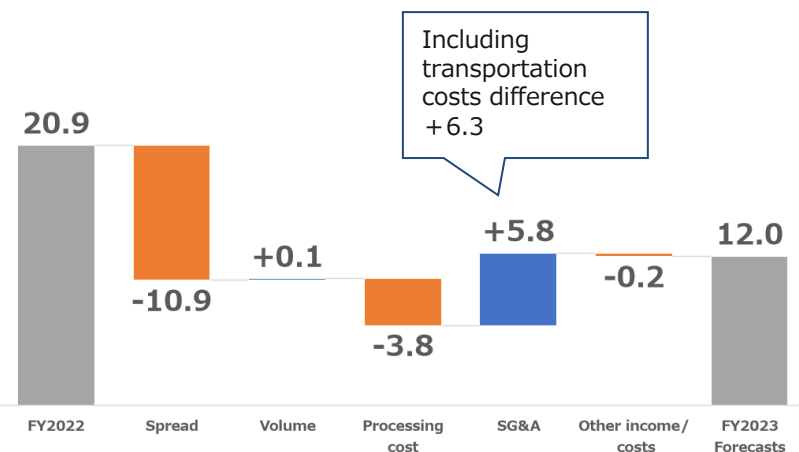
(Billion yen)	Operating profit		Change	Spread			Volume	Processing cost		SG&A	Other income/costs
	FY2022	FY2023 Forecasts		Selling price differences	Variable cost differences	Inventory valuation difference					
Total	23.5	15.5	-8.0	-8.6	-34.9	+26.3	-0.7	-6.0	-4.1	+5.3	+2.0



Full Year: Analysis of Changes in Operating Profit (Materials)

(Breakdown)

(Billion yen)	Operating profit		Change	Spread			Volume	Processing cost		SG&A	Other income/ costs
	FY2022	FY2023 Forecasts		Selling price differences	Variable cost differences	Inventory valuation difference					
Materials	20.9	12.0	-8.9	-10.9	-34.3	+23.4	+0.1	-3.8	-2.8	+5.8	-0.2

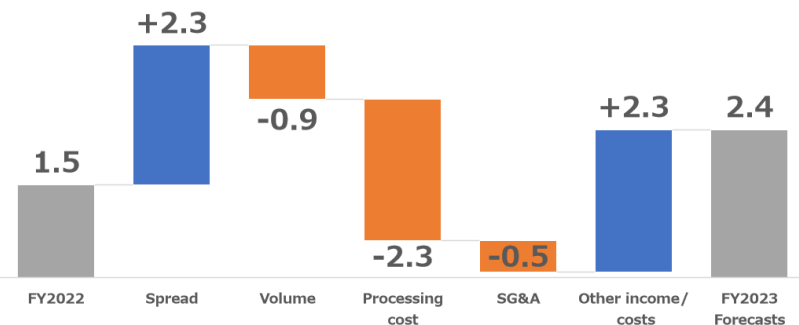


Spread	<ul style="list-style-type: none"> AA·AES : Narrowing spreads as overseas market conditions continue to soften. SAP : Despite widening spread in 1H, full year is expected to be at the same level as the previous year due to the weak market conditions in 2H.
Volume	<ul style="list-style-type: none"> AA·AES: Volume remained almost the same level as the previous year. SAP : Volume growth due to capturing demand in Japan and emerging countries. Process catalyst : decrease in volume due to a period of low replacement demand.
Processing cost, SG&A, others	<ul style="list-style-type: none"> Negative inventory valuation difference and increased depreciation cost in Indonesia, etc. Decrease in SG&A expenses due to lower ocean freight (transportation costs).

Full Year: Analysis of Changes in Operating Profit (Solutions)

(Breakdown)

(Billion yen)	Operating profit		Change	Spread			Volume	Processing cost		SG&A	Other income/ costs
	FY2022	FY2023 Forecasts		Selling price differences	Variable cost differences	Inventory valuation difference					
Solutions	1.5	2.4	+0.9	+2.3	-0.6	+2.9	-0.9	-2.3	-1.3	-0.5	+2.3



Spread

- Industrial & Household : Spreads are expected to widen due to falling raw material prices and yen's depreciation.

Volume

- Industrial & Household : Decrease in household products due to sluggish demand.
- Energy & Electronics : Increase as recovery in display-related demand.

Processing cost, SG&A, others

- Other income/costs
Difference due to the absence of impairment of fixed assets (electronic and information materials) recorded in FY2022.

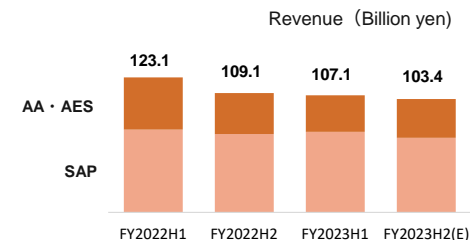
Our basic policy for returning profits to shareholders is to aim for a total return ratio of 50%. Based on an annual dividend of 180 yen for the current fiscal year, the payout ratio is expected to be approximately 67%. As a result of the acquisition of 4 billion yen of treasury stock, the total return ratio is expected to be 104.5%.

	FY2019	FY2020	FY2021	FY2022	FY2023 (Forecasts)
Annual dividend per share (Yen)	180	90	180	180	180
Basic earnings per share (Yen)	278.21	-273.33	594.86	488.29	268.91
Payout ratio (%)	64.7	-	30.3	36.9	66.9
Annual total dividends (Billion yen)	7.2	3.6	7.2	7.1	7.0
Amount of share repurchase (Billion yen)	0.0	0.0	0.0	3.0	4.0
Total payout amount (Billion yen)	7.2	3.6	7.2	10.1	11.0
Profit (Billion yen)	11.1	-10.9	23.7	19.4	10.5
Total return ratio (%)	64.7	-	30.3	52.2	104.5

II. Business Overview and Initiatives

Market Domain		Main Products
AA · SAP	<ul style="list-style-type: none"> AA · AES 	<ul style="list-style-type: none"> Acrylic acid (AA) Acrylates (AES)
	<ul style="list-style-type: none"> SAP 	<ul style="list-style-type: none"> Superabsorbent polymers (SAP)

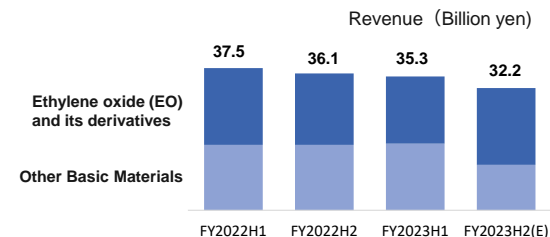
Sales composition ratio



Market Domain	Market Environment	Our First-half results (vs. previous year)	Future Initiatives
AA · AES	<ul style="list-style-type: none"> Asian market softening due to economic deterioration in China. Domestic demand is expected to recover from 2H, but overseas demand is expected to take time to recover. 	<ul style="list-style-type: none"> Deterioration of spreads due to decline in overseas markets. Decrease in sales volume due to global demand decline caused by economic downturn. 	<ul style="list-style-type: none"> ◆ Short-term <ul style="list-style-type: none"> Optimization of production for the entire group. Obtain demand in India and Southeast Asia. ◆ Medium- to Long-Term <ul style="list-style-type: none"> Secure stable customers and implement cost reduction measures.
SAP	<ul style="list-style-type: none"> Despite growth in demand for children's diapers in emerging countries, global demand is expected to increase only slightly due to inflation and other factors. 	<ul style="list-style-type: none"> Increase in volume due to sales expansion in emerging countries and increased market share in the domestic market. 	<ul style="list-style-type: none"> ◆ Short-term <ul style="list-style-type: none"> Demand capture in line with market growth in emerging countries. Improve profitability through cost reduction. ◆ Medium- to Long-Term <ul style="list-style-type: none"> Study of supply system for medium- and long-term demand increase.

Market Domain		Main Products
Basic materials, others	<ul style="list-style-type: none"> EO and its derivatives 	<ul style="list-style-type: none"> Ethylene oxide (EO) Ethylene glycol (EG) Ethanolamine (EA)
	<ul style="list-style-type: none"> Other basic materials 	<ul style="list-style-type: none"> Hydroxy monomers Process catalysts

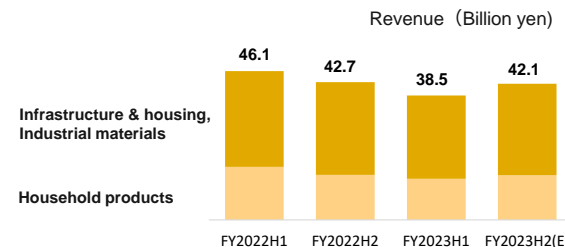
Sales composition ratio



Market Domain	Market Environment	Our First-half results (vs. previous year)	Future Initiatives
Basic materials, others	<p>[EO and its derivatives]</p> <ul style="list-style-type: none"> Global EG supply-demand balance continues to soften. 	<p>[EO and its derivatives]</p> <ul style="list-style-type: none"> Price pass-through due to higher raw material, fuel and repair costs. Continued to suspend EG exports due to sluggish market conditions. 	<p>[EO and its derivatives]</p> <ul style="list-style-type: none"> ◆ Short-term <ul style="list-style-type: none"> Maintain stable supply system as the largest EO manufacturer in Japan. ◆ Medium- to long-term <ul style="list-style-type: none"> Fully consider to form the best alliances with upstream, downstream and other companies in the industry.

Market Domain		Main Products
Industrial & Household	<ul style="list-style-type: none"> Infrastructure & housing, Industrial materials 	<ul style="list-style-type: none"> Polymers for concrete admixtures Acrylic resin Various amins (Ethyleneimine, etc.)
	<ul style="list-style-type: none"> Household products 	<ul style="list-style-type: none"> Polycarboxylates Secondary alcohol ethoxylates

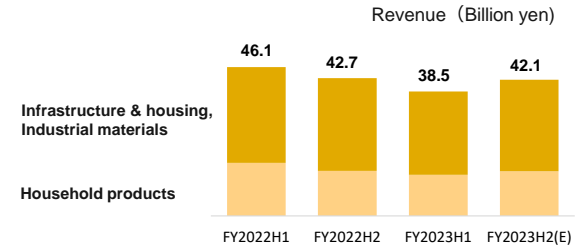
Sales composition ratio



Market Domain	Market Environment	Our First-half results (vs. previous year)	Future Initiatives
Infrastructure & housing, Industrial materials	<p>[Infrastructure & housing]</p> <ul style="list-style-type: none"> Global demand for concrete-related products increased. Domestic demand continues to decline gradually. Domestic demand for renovation is steady. <p>[Industrial materials]</p> <ul style="list-style-type: none"> Various types of amine are in the limelight for CO₂ recovery systems. 	<p>[Infrastructure & housing]</p> <ul style="list-style-type: none"> Volume of polymers for admixture decreased due to competition with Chinese and Korean products in overseas markets. Acrylic resins for paints were steady for renovation, but volume decline in ceramic building materials due to decrease in new construction. <p>[Industrial materials]</p> <ul style="list-style-type: none"> Ethyleneimine volume decreased due to sluggish demand in Europe and the U.S. 	<p>◆Short-term</p> <p>[Infrastructure & housing]</p> <ul style="list-style-type: none"> Price correction in domestic market due to rising raw material prices, etc. <p>[Industrial materials]</p> <ul style="list-style-type: none"> Focus on development of CO₂ absorption applications using amines (including medium- and long-term). <p>◆Medium- to Long-Term</p> <p>[Infrastructure & housing]</p> <ul style="list-style-type: none"> Shift from general-purpose products to high-value-added products Focus on environmentally friendly products such as concrete for CO₂ reduction.

Market Domain		Main Products
Industrial & Household	<ul style="list-style-type: none"> Infrastructure & housing, Industrial materials 	<ul style="list-style-type: none"> Polymers for concrete admixtures Acrylic resin Various amins (Ethyleneimine, etc.)
	<ul style="list-style-type: none"> Household products 	<ul style="list-style-type: none"> Polycarboxylates Secondary alcohol ethoxylates

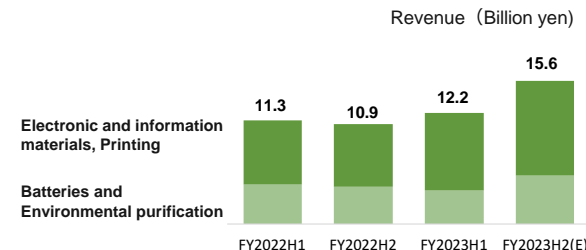
Sales composition ratio



Market Domain	Market Environment	Our First-half results (vs. previous year)	Future Initiatives
Household products	<ul style="list-style-type: none"> In detergents, sales volume declined due to economic slowdown in China. Shift to lower-priced products due to inflationary pressures. 	<ul style="list-style-type: none"> Decrease in sales volume of our products used in high value-added products. Decrease in sales volume due to intensified price competition in overseas markets. 	<ul style="list-style-type: none"> ◆ Short-term <ul style="list-style-type: none"> Price correction due to price hikes in raw materials, etc. ◆ Medium- to long-term <ul style="list-style-type: none"> Optimization of production system to meet demand. Focus on new high-functional products and environmentally friendly products (bio-based raw materials and biodegradable products).

Market Domain		Main Products
Energy & Electronics	<ul style="list-style-type: none"> Electronic information materials, Printing 	<ul style="list-style-type: none"> ACRYVIEWA™ (Acrylic resins for optical films) Resist materials Fine particles VEEA™ (Hybrid monomers)
	<ul style="list-style-type: none"> Batteries and Environmental purification 	<ul style="list-style-type: none"> IONEL™ (Electrolytes for lithium-ion batteries) Electrolyte sheets for solid oxide fuel cells Environmental catalysts Automotive catalysts

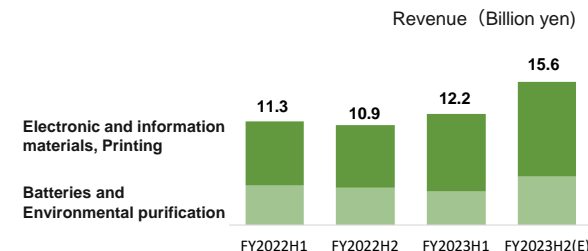
Sales composition ratio



Market Domain	Market Environment	Our First-half results (vs. previous year)	Future Initiatives
Electronic information materials, Printing	<ul style="list-style-type: none"> Demand for LCD panel materials for large-size TVs is on a recovery trend, but full recovery is expected in FY2024 and beyond. 	<ul style="list-style-type: none"> Sales volume of LCD panel-related products increased due to gradual recovery in demand. 	<ul style="list-style-type: none"> ◆ Short-term <ul style="list-style-type: none"> Sales expansion in response to the shift of the LCD panel industry to China. Sales expansion of high-value-added products. ◆ Medium- to long-term <ul style="list-style-type: none"> Development of new products for next-generation displays. Expansion into high-value-added printing applications such as electronic materials. Promote development of materials for 3D printers.

Market Domain		Main Products
Energy & Electronics	<ul style="list-style-type: none"> Electronic information materials, Printing 	<ul style="list-style-type: none"> ACRYVIEWA™ (Acrylic resins for optical films) Resist materials Fine particles VEEA™ (Hybrid monomers)
	<ul style="list-style-type: none"> Batteries and Environmental purification 	<ul style="list-style-type: none"> IONEL™ (Electrolytes for lithium-ion batteries) Electrolyte sheets for solid oxide fuel cells Environmental catalysts Automotive catalysts

Sales composition ratio



Market Domain	Market Environment	Our First-half results (vs. previous year)	Future Initiatives
Batteries and Environmental purification	<p>[Batteries] <LIB></p> <ul style="list-style-type: none"> In Europe, Chinese and Korean manufacturers are making inroads. Some battery makers are shifting to the U.S. In China, EV sales are strong, but competition in the LIB market is intensifying due to the economic downturn. <p>[Environmental purification]</p> <ul style="list-style-type: none"> Environmental catalysts market (De-NOx, dioxin decomposition) is strong. Demand for exhaust gas treatment and wastewater treatment processes with low CO₂ emissions is increasing. 	<p>[Batteries]</p> <ul style="list-style-type: none"> IONEL: JV in China started operation and sales, pre-marketing sales for the U.S. market. <p>[Environmental purification]</p> <ul style="list-style-type: none"> De-NOx catalysts and catalysts for catalytic combustion decreased in sales volume YoY. 	<p>◆ Short-term</p> <p>[Batteries]</p> <ul style="list-style-type: none"> IONEL: Expand sales channels to Japan, Europe and the U.S., suspend consideration of JV in Europe, consider locations in the U.S. and Japan. <p>[Environmental purification]</p> <ul style="list-style-type: none"> Strengthen sales of wastewater treatment catalysts and catalysts for catalytic combustion. <p>◆ Medium- to long-term</p> <p>[Batteries]</p> <ul style="list-style-type: none"> IONEL: Establishment of production system and differentiated technology in line with the strategy of local production for local consumption. <p>[Environmental purification]</p> <ul style="list-style-type: none"> Development and launch of GX-related products.

Market Domain	Main Products	Market Environment	Our First-half results (vs. previous year)	Future Initiatives
Health & Medical	<ul style="list-style-type: none"> • Oligonucleotide and peptide APIs • HDO(Heteroduplex Oligonucleotide)/DDS Polymers 	<ul style="list-style-type: none"> • Nucleic acid drug market growing rapidly. 	<ul style="list-style-type: none"> • Increase in exploratory/non-clinical projects 	<ul style="list-style-type: none"> ◆ Short-term <ul style="list-style-type: none"> • Strengthen marketing capabilities ◆ Medium- to Long-Term <ul style="list-style-type: none"> • Acquiring medium-volume contracts
Cosmetics	<ul style="list-style-type: none"> • Multifunctional polymers • Emulsion polymers • Liposomes • Naturally derived products 	<ul style="list-style-type: none"> • Market recovery from the Corona disaster • Growing demand for naturally-derived materials 	<ul style="list-style-type: none"> • Accelerated adoption of and inquiries about our developed products 	<ul style="list-style-type: none"> ◆ Short-term <ul style="list-style-type: none"> • Market development and adoption promotion • Promotion of new product launch ◆ Medium- to long-term <ul style="list-style-type: none"> • Strengthen development of natural/environmentally friendly materials • Alliance/Collaboration
Business Creation	<ul style="list-style-type: none"> • Separator for alkaline water electrolysis • Ammonia decomposition catalyst • Osmotic pressure generating agents for seawater desalination 	<ul style="list-style-type: none"> • Accelerating consideration of Hydrogen and Ammonia Utilization • Growing needs for desalination and wastewater treatment technologies 	<ul style="list-style-type: none"> • Increased inquiries for samples of separators for alkaline water electrolysis • Progress in development and commercialization of ammonia decomposition catalysts 	<ul style="list-style-type: none"> ◆ Medium- to Long-Term <ul style="list-style-type: none"> • Responding to the growing size of separators for alkaline water electrolysis • Joint development of ammonia decomposition catalysts with other companies • Apply osmotic pressure generating agents to wastewater treatment applications such as oil drilling.

Targets and Progress

Targets	FY2021 Results	FY2022 Results	FY2023 Forecasts	FY2024 Med-term plan Total	2030 Our Goal
Operating Profit	29.1 billion yen	23.5 billion yen	15.5 billion yen	33.0 billion yen	60.0 billion yen scale
Solutions business Operating profit	7.8 billion yen	1.5 billion yen	2.4 billion yen	17.0 billion yen	40.0 billion yen scale
ROE	7.2%	5.5%	2.8%	7.5%	9% or more
ROA	6.8%	5.0%	2.8%	6.9%	9% or more
Total shareholder return ratio	30.3%	52.2%	104.5%	50%	-
New product Revenue (Non-consolidated, excluding new SAP products, and launched within five years)	10.9 billion yen	17.1 billion yen	14.8 billion yen	28.0 billion yen	-
Growth investments and investments to remain competitive	-	23.2 billion yen	47.8 billion yen (FY2022-2023 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	14% reduction*	-	-	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%	32.3%	30%	-
Ratio of female managers	4.1%	4.4%	5.2%	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%	84.8%	100% <i>*Change of Target</i>	-

(* Including 7.5% carbon credit)

References

First Half of FY2023 Results vs Revised Forecasts on Aug.7

(Billion yen)	FY2022	FY2023	Change	
	First Half Forecasts as of Aug. 7	Results First half	Amounts	Rate
Revenue	190.0	194.3	4.3	2.3%
Operating profit	10.0	10.0	0.0	0.1%
(Operating profit to revenue)	5.3%	5.1%	-	-
Share of profit of investments accounted for using equity method	-0.1	-0.4	-0.2	-
Profit before tax	10.5	9.8	-0.7	-6.8%
Profit attributable to owners of parent	7.0	6.9	-0.1	-2.0%
ROE	3.8%	3.7%	-0.1p	-
ROA	4.0%	3.7%	-0.3p	-
Domestic naphtha price (Yen/kL)	62,800	65,600	2,800	4.5%
USD/JPY	136	141	5	3.5%
EUR/JPY	150	153	4	2.4%

Consolidated Statement of Financial Position

(Billion yen)

	Mar.31, 2023	Sep.30, 2023	Change
Cash and cash equivalents	39.0	49.8	10.7
Trade receivables	98.6	100.3	1.7
Inventories	86.1	83.1	-2.9
Others	20.4	20.3	-0.1
Current assets	244.1	253.4	9.4
Property, plant and equipment	189.5	193.0	3.5
Intangible assets	8.4	8.8	0.4
Investments accounted for using equity method	27.1	27.1	0.0
Others	54.3	58.1	3.8
Non-current assets	279.3	287.0	7.7
Assets	523.3	540.4	17.1

	Mar.31, 2023	Sep.30, 2023	Change
Trade payables	53.1	60.0	6.9
Borrowings	50.9	42.8	-8.1
Others	49.3	49.3	0.0
Liabilities	153.3	152.1	-1.2
Share capital	25.0	25.0	-
Treasury shares	-9.3	-9.3	0.0
Retained earnings	301.9	305.4	3.5
Others	44.6	58.5	13.9
Non-controlling interests	7.8	8.7	0.9
Equity	370.0	388.3	18.3
Liabilities and equity	523.3	540.4	17.1

D/E ratio (times)	0.16	0.13
Interest-bearing loans	57.6	49.3

Consolidated Cash Flows

(Billion yen)

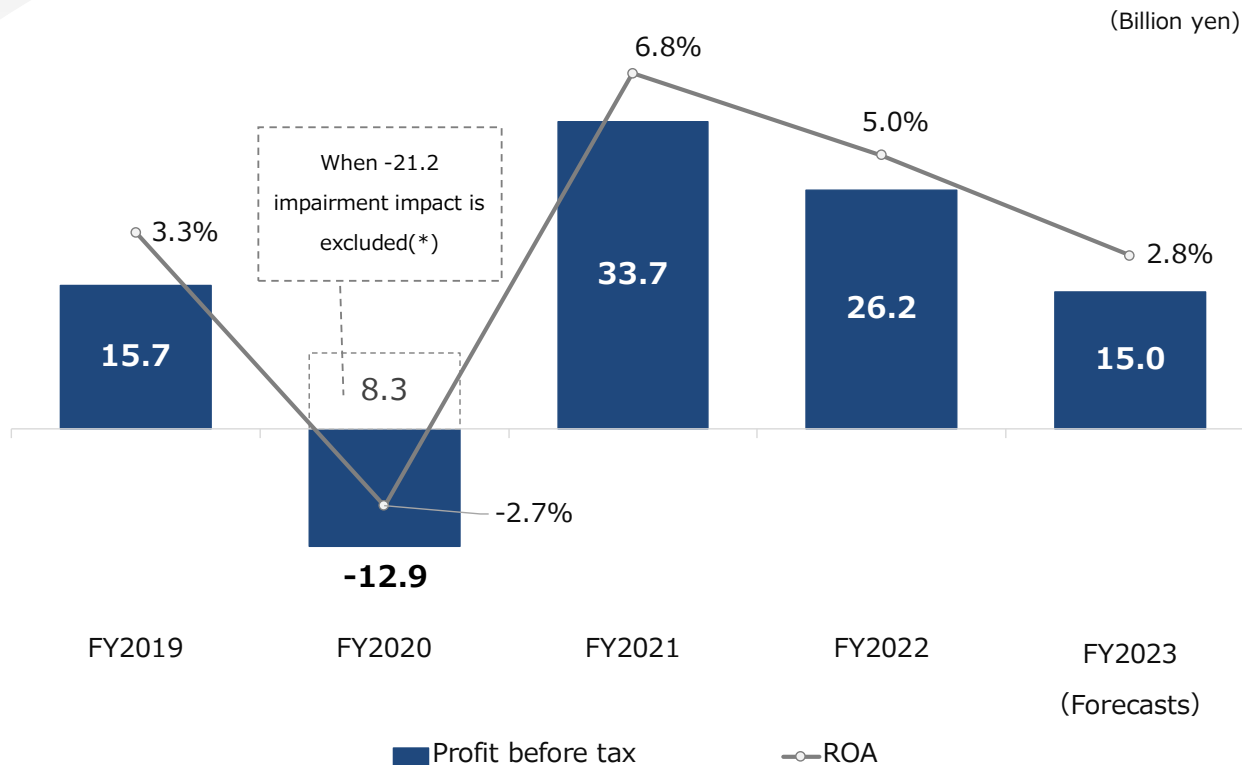
	FY2022 First Half	FY2023 First Half	Change
Cash flows from operating activities	14.2	33.4	19.1
Profit (loss) before tax	20.2	9.8	-10.4
Depreciation and amortization	14.8	16.0	1.3
Trade receivables and payables	-2.6	6.4	8.9
Decrease (increase) in inventories	-10.4	5.6	16.0
Others	-7.8	-4.4	3.4
Cash flows from investing activities	-10.6	-8.8	1.8
Cash flows from financing activities	-7.2	-15.8	-8.7
Purchase of treasury shares	-0.0	-0.0	0.0
Borrowings	-1.7	-10.9	-9.2
Dividends paid	-4.0	-3.5	0.5
Others	-1.5	-1.4	0.1
Effect of exchange rate changes on cash and cash equivalents	3.1	2.0	-1.2
Net increase (decrease) in cash and cash equivalents	-0.4	10.7	11.1
Cash and cash equivalents at beginning of period	39.4	39.0	-0.3
Cash and cash equivalents at end of period	39.0	49.8	10.8
Free cash flows	3.6	24.6	21.0

Trends by Segment Every Six Months

(Billion yen)

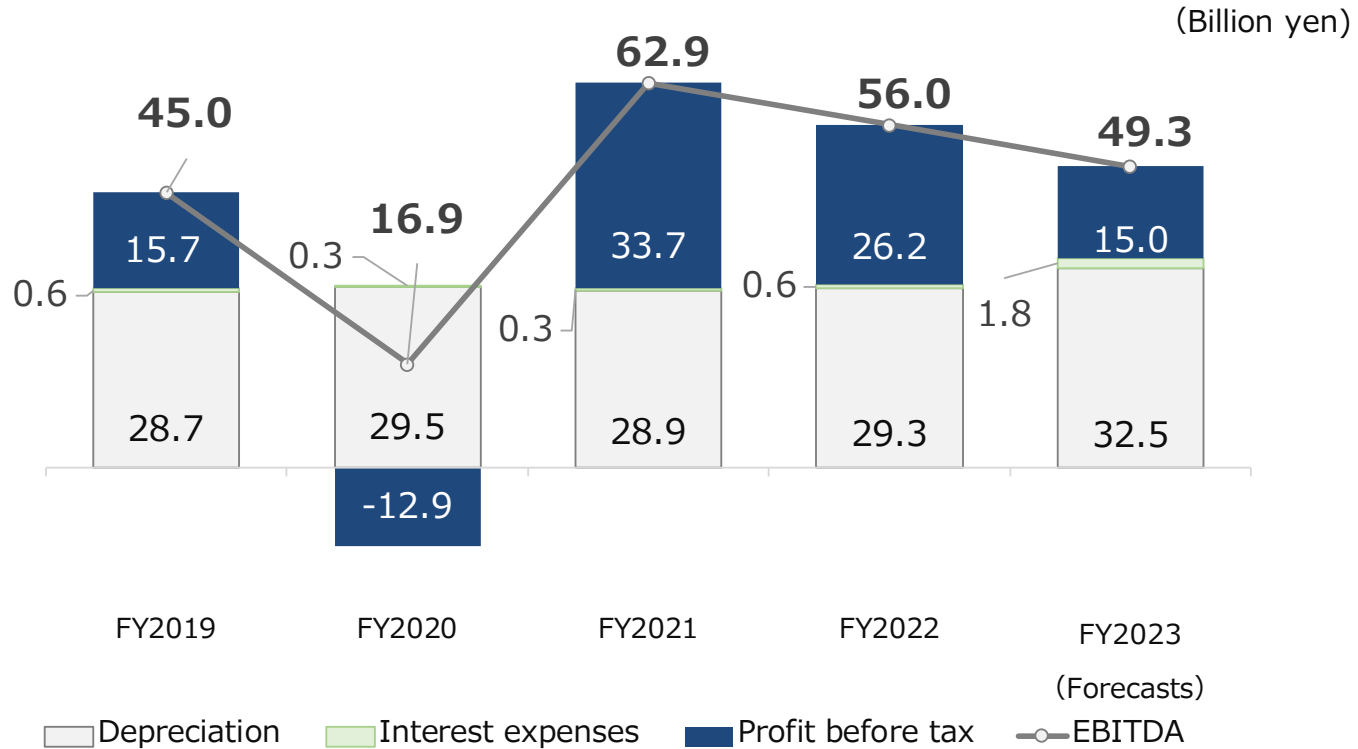
Market Domain	FY2021			FY2022			FY2023 Forecasts		
	1H	2H	Full Year	1H	2H	Full Year	1H	Forecasts 2H	Forecasts Full Year
AA · SAP	91.0	107.3	198.3	123.1	109.1	232.1	107.1	103.4	210.5
Basic materials, others	30.1	34.5	64.6	37.5	36.1	73.6	35.3	32.2	67.5
Materials Business	121.1	141.8	262.9	160.5	145.1	305.7	142.4	135.6	278.0
Industrial & Household	38.0	41.8	79.8	46.1	42.7	88.8	38.5	42.1	80.7
Energy & Electronics	11.6	11.0	22.6	11.3	10.9	22.2	12.2	15.6	27.8
Others	2.3	1.8	4.1	1.7	1.2	2.9	1.2	2.4	3.6
Solutions Business	51.8	54.5	106.4	59.1	54.8	113.9	51.9	60.1	112.0
Total Revenue	173.0	196.3	369.3	219.7	199.9	419.6	194.3	195.7	390.0
Materials Business	9.5	11.4	20.9	14.1	6.8	20.9	8.3	3.7	12.0
Solutions Business	5.2	2.6	7.8	2.6	-1.1	1.5	1.0	1.4	2.4
Adjustment	0.4	-0.2	0.3	0.6	0.4	1.1	0.7	0.4	1.1
Total Operating Profit	15.2	13.9	29.1	17.3	6.2	23.5	10.0	5.5	15.5

Trends in ROA



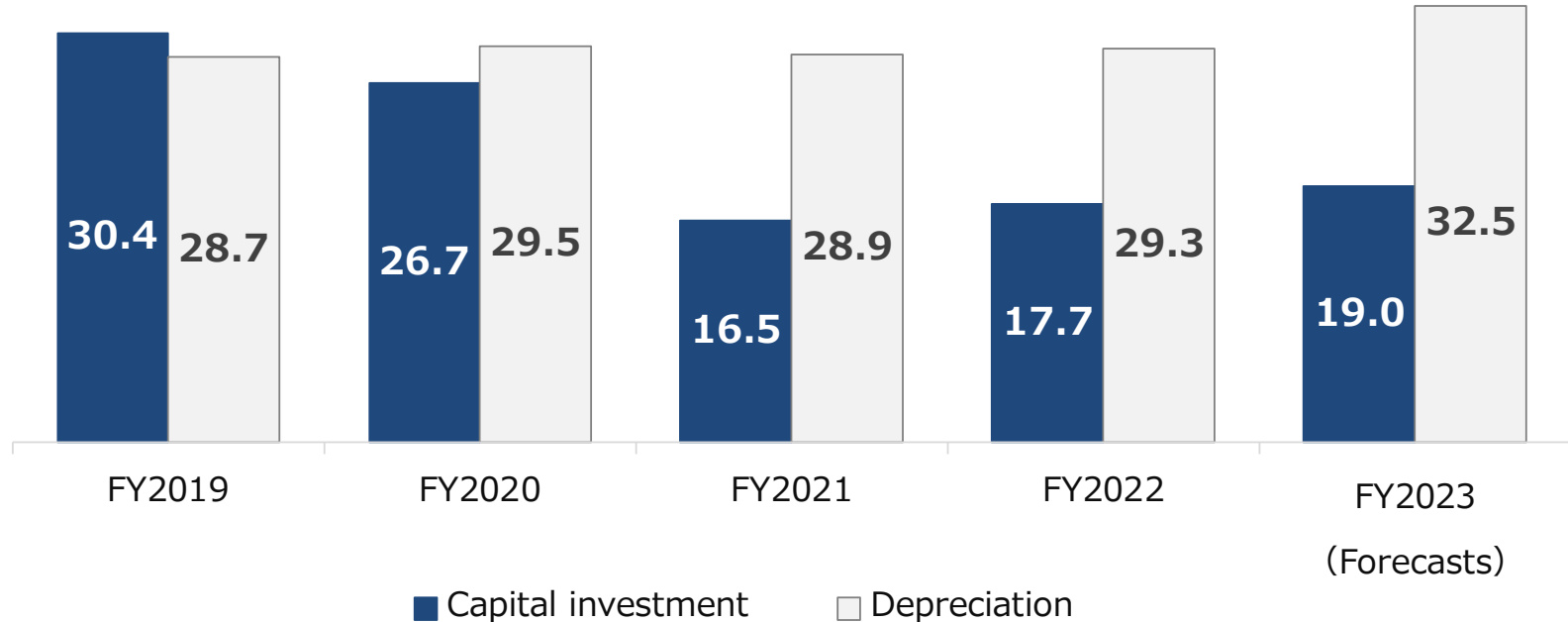
(*) In FY2020, impairment losses on fixed assets of Nippon Shokubai Europe N.V. and also impairment losses on goodwill and intangible assets of Sirrus, Inc. were recorded. Profit before tax excluding that impact is shown in parentheses

Trends in EBITDA



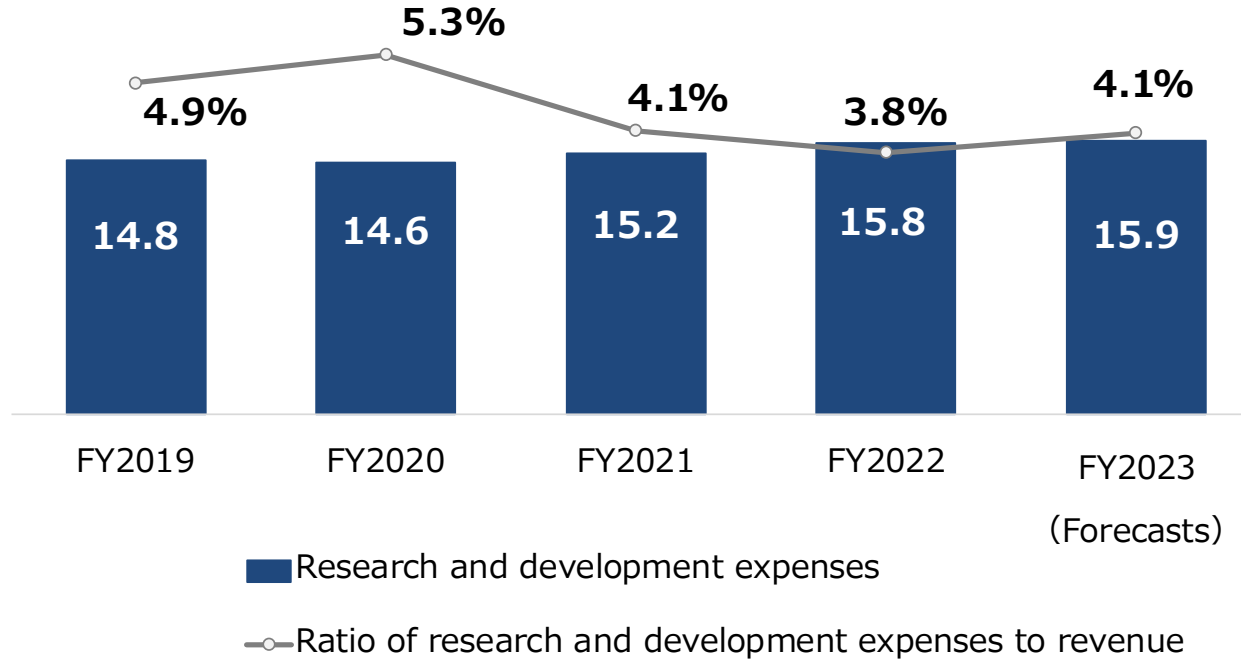
Trends in Capital Investment and Depreciation

(Billion yen)

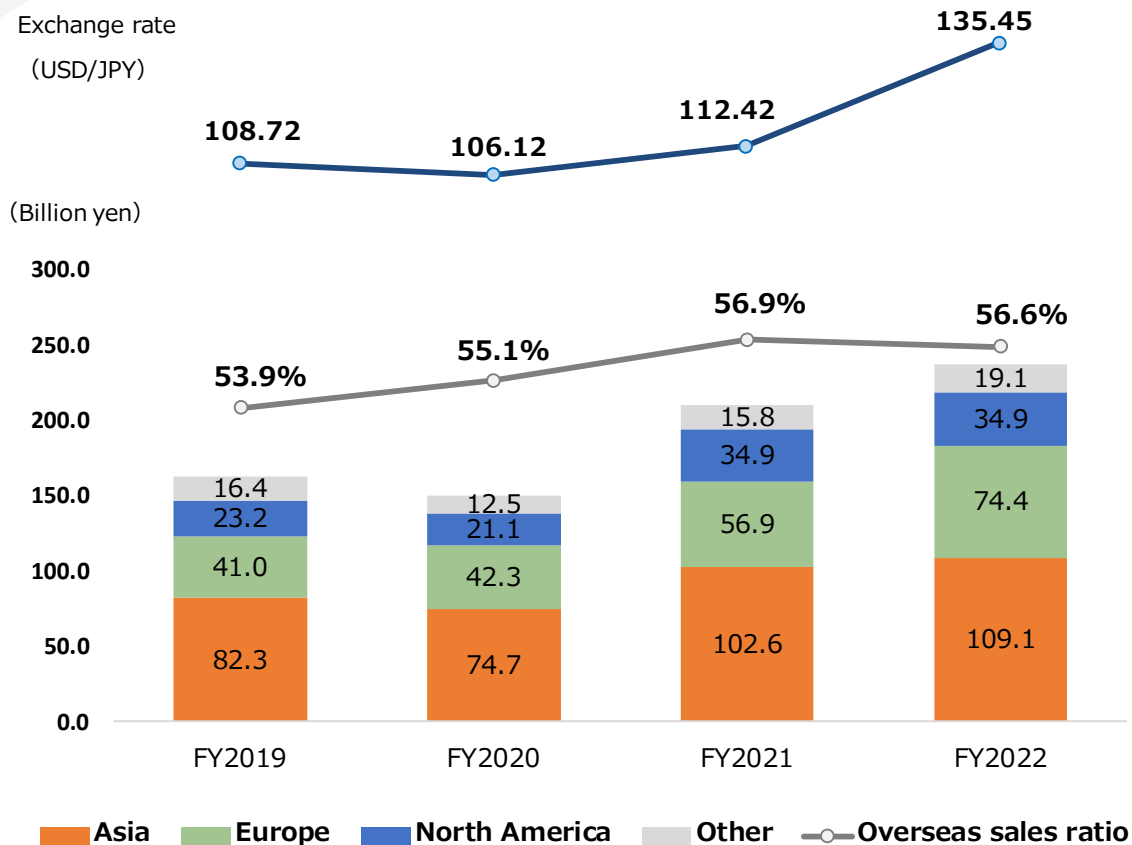


Trends in Research and Development Expenses

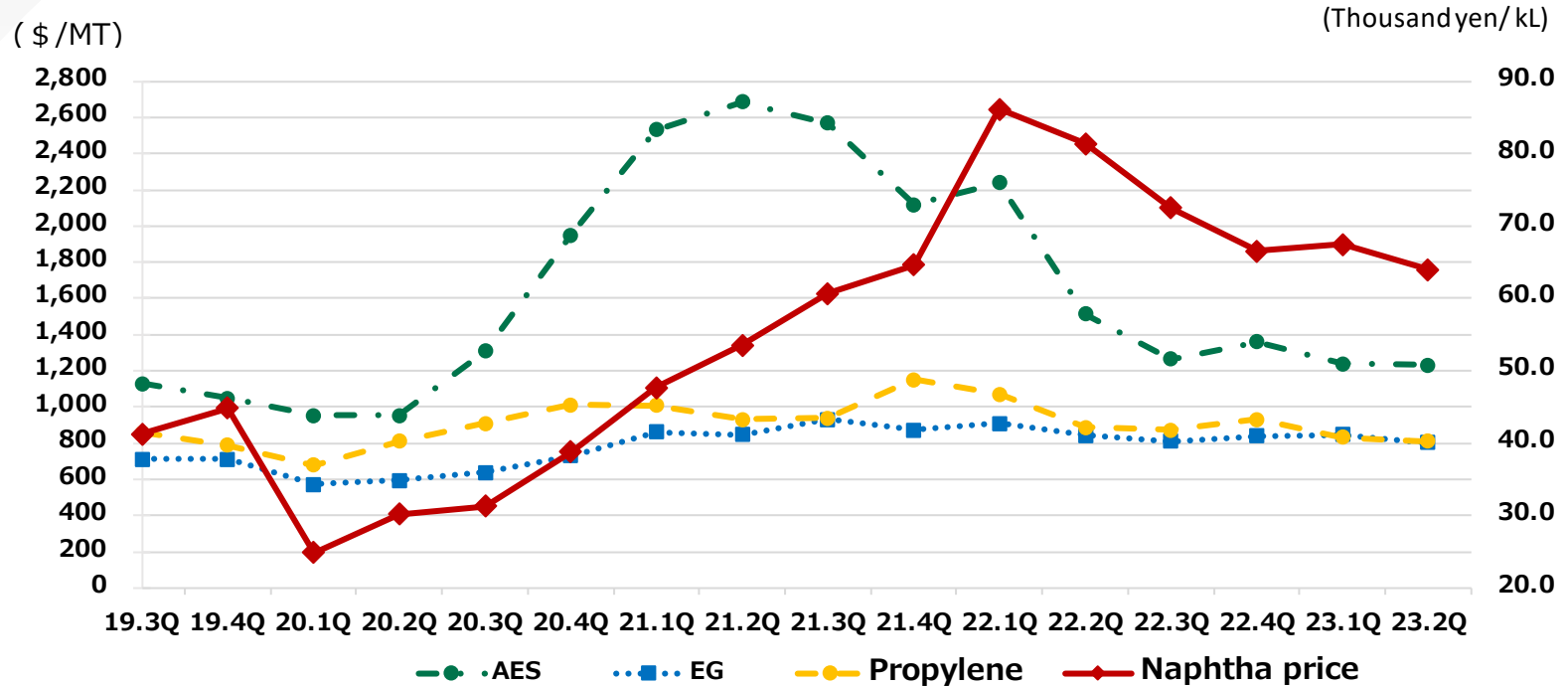
(Billion yen)



Overseas Sales

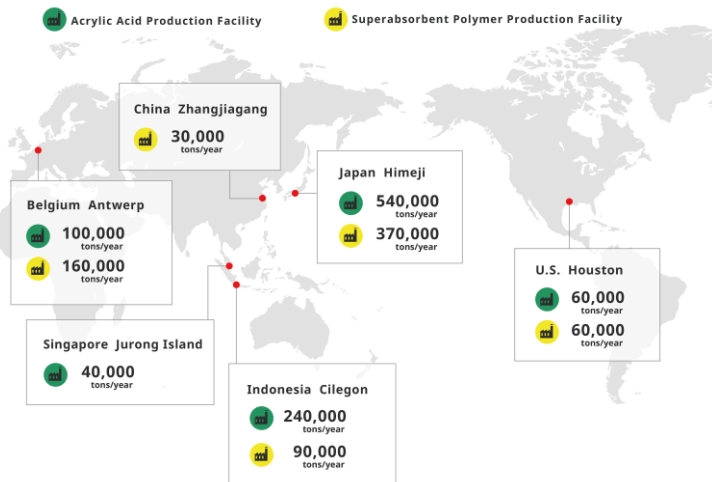
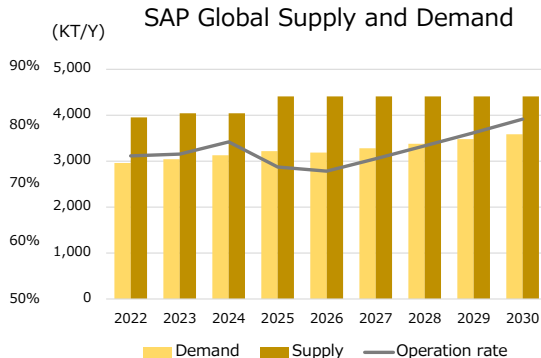
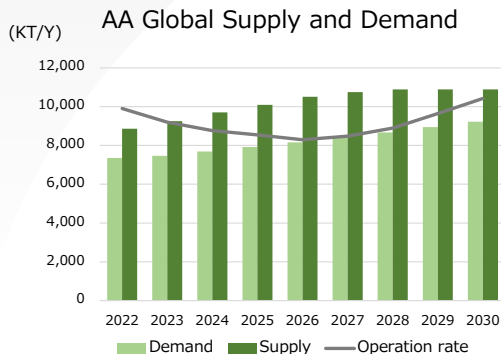


Overseas market conditions for products, propylene price and domestic naphtha price.



Supply/Demand Trend of AA and SAP

■ 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

This presentation material (“Material”) is aiming to provide readers referential information, not to persuade investment. Material contains forward-looking statements and statements of this nature based on reasonable judgments in accordance with information currently available. We do not commit nor guarantee the contents of Material.

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

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