

**Summary of Consolidated Financial Results**  
**For the Third Quarter of the Fiscal Year Ending March 31, 2024 [IFRS]**  
**(Nine Months Ended December 31, 2023)**

February 6, 2024

Company name: NIPPON SHOKUBAI CO., LTD. Listing: TSE (Prime Market)  
Code number: 4114 URL: <https://www.shokubai.co.jp/en>  
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: February 9, 2024  
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 Third Quarter of the Fiscal Year Ending March 31, 2024 (hereafter FY2023) (from April 1, 2023 to December 31, 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            | %      |
| Nine months ended Dec. 31, 2023 | 292,362         | (10.2) | 14,443           | (43.7) | 14,189            | (49.8) | 10,959          | (48.0) | 9,806                                   | (52.0) | 21,920                     | (18.2) |
| Nine months ended Dec. 31, 2022 | 325,537         | 20.7   | 25,635           | 7.3    | 28,277            | 2.8    | 21,091          | 5.9    | 20,439                                  | 5.7    | 26,791                     | 18.1   |

|                                 | Basic earnings per share | Diluted earnings per share |
|---------------------------------|--------------------------|----------------------------|
|                                 | Yen                      | Yen                        |
| Nine months ended Dec. 31, 2023 | 250.32                   | 250.27                     |
| Nine months ended Dec. 31, 2022 | 513.18                   | 513.13                     |

(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 Dec. 31, 2023 | 529,250         | 380,466         | 371,614                                 | 70.2  | 9,623.24  |
| 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            | –                   | 90.00     | –         |          |        |
| FY 2023 (forecast) |                     |           |           | 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                      |
| Full year | 390,000         | (7.0) | 15,500           | (34.1) | 15,000            | (42.7) | 10,500                                  | (45.9) | 268.91                   |

Note: Revisions to the financial forecasts since the latest announcement: None

### \*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 shares)

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

Dec. 31, 2023: 39,000,000 shares      Mar. 31, 2023: 40,800,000 shares

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

Dec. 31, 2023: 383,701 shares      Mar. 31, 2023: 1,486,460 shares

3) Average number of shares outstanding during the period

Nine months ended      Nine months ended  
Dec. 31, 2023: 39,175,740 shares      Dec. 31, 2022: 39,827,081 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 (44,900 shares as of December 31, 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.

\* 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.

\* This document is an excerpt 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.

## Condensed Quarterly Consolidated Financial Statements

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

(Unit: Millions of yen)

|   | FY2022<br>As of Mar. 31, 2023 | 3Q-FY2023<br>As of Dec. 31, 2023 |
|---|-------------------------------|----------------------------------|
| Assets  |                               |                                  |
| Current assets                                |                               |                                  |
| Cash and cash equivalents                     | 39,035                        | 46,376                           |
| Trade receivables                             | 98,571                        | 97,088                           |
| Inventories                                   | 86,056                        | 83,645                           |
| Other financial assets                        | 14,151                        | 15,363                           |
| Other current assets                          | 6,239                         | 5,447                            |
| Total current assets                          | 244,053                       | 247,919                          |
| Non-current assets                            |                               |                                  |
| Property, plant and equipment                 | 189,520                       | 189,381                          |
| Intangible assets                             | 8,358                         | 5,578                            |
| Investments accounted for using equity method | 27,088                        | 27,060                           |
| Other financial assets                        | 40,195                        | 45,035                           |
| Retirement benefit asset                      | 9,129                         | 9,253                            |
| Deferred tax assets                           | 3,404                         | 3,251                            |
| Other non-current assets                      | 1,573                         | 1,772                            |
| Total non-current assets                      | 279,266                       | 281,330                          |
| Total assets                                  | 523,319                       | 529,250                          |

(Unit: Millions of yen)

|  | FY2022<br>As of Mar. 31, 2023 | 3Q-FY2023<br>As of Dec. 31, 2023 |
|--|-------------------------------|----------------------------------|
| <b>Liabilities and equity</b>                        |                               |                                  |
| <b>Liabilities</b>                                   |                               |                                  |
| <b>Current liabilities</b>                           |                               |                                  |
| Trade payables                                       | 53,138                        | 63,832                           |
| Borrowings   | 23,044                        | 15,950                           |
| Other financial liabilities                          | 9,539                         | 10,028                           |
| Income taxes payable                                 | 3,970                         | 321                              |
| Provisions   | 6,672                         | 4,517                            |
| Other current liabilities                            | 5,278                         | 3,935                            |
| <b>Total current liabilities</b>                     | <b>101,641</b>                | <b>98,582</b>                    |
| <b>Non-current liabilities</b>                       |                               |                                  |
| Borrowings   | 27,867                        | 23,656                           |
| Other financial liabilities                          | 5,961                         | 5,229                            |
| Retirement benefit liability                         | 8,941                         | 9,192                            |
| Provisions   | 2,582                         | 2,848                            |
| Deferred tax liabilities                             | 6,330                         | 9,276                            |
| <b>Total non-current liabilities</b>                 | <b>51,681</b>                 | <b>50,202</b>                    |
| <b>Total liabilities</b>                             | <b>153,321</b>                | <b>148,784</b>                   |
| <b>Equity</b>  |                               |                                  |
| Share capital  | 25,038                        | 25,038                           |
| Capital surplus                                      | 22,520                        | 22,531                           |
| Treasury shares                                      | (9,298)                       | (2,355)                          |
| Retained earnings                                    | 301,940                       | 293,971                          |
| Other components of equity                           | 22,030                        | 32,429                           |
| <b>Total equity attributable to owners of parent</b> | <b>362,231</b>                | <b>371,614</b>                   |
| Non-controlling interests                            | 7,767                         | 8,852                            |
| <b>Total equity</b>                                  | <b>369,998</b>                | <b>380,466</b>                   |
| <b>Total liabilities and equity</b>                  | <b>523,319</b>                | <b>529,250</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**

Nine months ended December 31, 2022 and 2023

(Unit: Millions of yen)

|   | 3Q-FY2022<br>Apr. 1, 2022 to Dec. 31, 2022 | 3Q-FY2023<br>Apr. 1, 2023 to Dec. 31, 2023 |
|---|--|--|
| Revenue   | 325,537                                    | 292,362                                    |
| Cost of sales   | 258,306                                    | 242,111                                    |
| Gross profit  | 67,230                                     | 50,251                                     |
| Selling, general and administrative expenses                            | 43,087                                     | 37,363                                     |
| Other operating income  | 2,273                                      | 3,132                                      |
| Other operating expenses  | 781  | 1,578                                      |
| Operating profit  | 25,635                                     | 14,443                                     |
| Finance income  | 1,520                                      | 1,883                                      |
| Finance costs   | 1,044                                      | 1,725                                      |
| Share of profit (loss) of investments accounted for using equity method | 2,166                                      | (411)                                      |
| Profit before tax   | 28,277                                     | 14,189                                     |
| Income tax expense  | 7,186                                      | 3,229                                      |
| Profit  | 21,091                                     | 10,959                                     |
| Profit attributable to  |  |  |
| Owners of parent  | 20,439                                     | 9,806                                      |
| Non-controlling interests   | 652  | 1,153                                      |
| Profit  | 21,091                                     | 10,959                                     |
| Earnings per share  |  |  |
| Basic earnings per share (Yen)  | 513.18                                     | 250.32                                     |
| Diluted earnings per share (Yen)  | 513.13                                     | 250.27                                     |

## Condensed Quarterly Consolidated Statements of Comprehensive Income

Nine months ended December 31, 2022 and 2023

(Unit: Millions of yen)

|  | 3Q-FY2022<br>Apr. 1, 2022 to Dec. 31, 2022 | 3Q-FY2023<br>Apr. 1, 2023 to Dec. 31, 2023 |
|--|--|--|
| Profit   | 21,091                                     | 10,959                                     |
| 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 | (1,701)                                    | 3,528                                      |
| Share of other comprehensive income of investments accounted for using equity method                                   | 142  | 5  |
| Total of items that will not be reclassified to profit or loss   | (1,559)                                    | 3,533                                      |
| Items that may be reclassified to profit or loss   |  |  |
| Exchange differences on translation of foreign operations  | 6,314                                      | 6,418                                      |
| Share of other comprehensive income of investments accounted for using equity method                                   | 945  | 1,010                                      |
| Total of items that may be reclassified to profit or loss  | 7,259                                      | 7,428                                      |
| Other comprehensive income, net of tax   | 5,700                                      | 10,961                                     |
| Comprehensive income   | 26,791                                     | 21,920                                     |
| Comprehensive income attributable to   |  |  |
| Owners of parent   | 25,660                                     | 20,384                                     |
| Non-controlling interests  | 1,131                                      | 1,537                                      |
| Comprehensive income   | 26,791                                     | 21,920                                     |

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

Nine months ended December 31, 2022 (Apr. 1, 2022 to Dec. 31, 2022)

(Unit: Millions of yen)

|   | Share capital | Capital surplus | Treasury shares | Retained earnings | Other components of equity   |   |
|---|---------------|-----------------|-----------------|-------------------|--|---|
|   |               |                 |                 |                   | Net change in fair value of equity instruments designated as 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  | –             | –               | –               | 20,439            | –  | –                                       |
| Other comprehensive income                                    | –             | –               | –               | –                 | (1,702)  | 142                                     |
| Comprehensive income  | –             | –               | –               | 20,439            | (1,702)  | 142                                     |
| Purchase of treasury shares                                   | –             | –               | (1,987)         | –                 | –  | –                                       |
| Disposal of treasury shares                                   | –             | –               | –               | –                 | –  | –                                       |
| Cancellation of treasury shares                               | –             | –               | –               | –                 | –  | –                                       |
| Share-based payment transactions                              | –             | 30              | –               | –                 | –  | –                                       |
| Dividends   | –             | –               | –               | (7,581)           | –  | –                                       |
| Increase (decrease) in non-controlling interests              | –             | 8               | –               | –                 | –  | –                                       |
| Transfer from other components of equity to retained earnings | –             | –               | –               | 258               | (116)  | (142)                                   |
| Total transactions with owners                                | –             | 38              | (1,987)         | (7,323)           | (116)  | (142)                                   |
| Balance at end of period                                      | 25,038        | 22,510          | (8,278)         | 301,240           | 3,057  | –                                       |

|   | 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  | –   | –      | 20,439  | 652                       | 21,091       |
| Other comprehensive income                                    | 6,781   | 5,221  | 5,221   | 479                       | 5,700        |
| Comprehensive income  | 6,781   | 5,221  | 25,660  | 1,131                     | 26,791       |
| Purchase of treasury shares                                   | –   | –      | (1,987)                                       | –                         | (1,987)      |
| Disposal of treasury shares                                   | –   | –      | –   | –                         | –            |
| Cancellation of treasury shares                               | –   | –      | –   | –                         | –            |
| Share-based payment transactions                              | –   | –      | 30  | –                         | 30           |
| Dividends   | –   | –      | (7,581)                                       | (571)                     | (8,152)      |
| Increase (decrease) in non-controlling interests              | –   | –      | 8   | (24)                      | (16)         |
| Transfer from other components of equity to retained earnings | –   | (258)  | –   | –                         | –            |
| Total transactions with owners                                | –   | (258)  | (9,530)                                       | (595)                     | (10,124)     |
| Balance at end of period                                      | 16,445  | 19,502 | 360,012                                       | 7,778                     | 367,790      |

Nine months ended December 31, 2023 (Apr. 1, 2023 to Dec. 31, 2023)

(Unit: Millions of yen)

|   | Share capital | Capital surplus | Treasury shares | Retained earnings | Other components of equity   |   |
|---|---------------|-----------------|-----------------|-------------------|--|---|
|   |               |                 |                 |                   | Net change in fair value of equity instruments designated as 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  | –             | –               | –               | 9,806             | –  | –                                       |
| Other comprehensive income                                    | –             | –               | –               | –                 | 3,527  | 5                                       |
| Comprehensive income  | –             | –               | –               | 9,806             | 3,527  | 5                                       |
| Purchase of treasury shares                                   | –             | –               | (3,963)         | –                 | –  | –                                       |
| Disposal of treasury shares                                   | –             | (3)             | 23              | –                 | –  | –                                       |
| Cancellation of treasury shares                               | –             | –               | 10,882          | (10,882)          | –  | –                                       |
| Share-based payment transactions                              | –             | 14              | –               | –                 | –  | –                                       |
| Dividends   | –             | –               | –               | (7,072)           | –  | –                                       |
| Increase (decrease) in non-controlling interests              | –             | 1               | –               | –                 | –  | –                                       |
| Transfer from other components of equity to retained earnings | –             | –               | –               | 179               | (173)  | (5)                                     |
| Total transactions with owners                                | –             | 11              | 6,943           | (17,776)          | (173)  | (5)                                     |
| Balance at end of period                                      | 25,038        | 22,531          | (2,355)         | 293,971           | 7,684  | –                                       |

|   | 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  | –   | –      | 9,806   | 1,153                     | 10,959       |
| Other comprehensive income                                    | 7,045   | 10,577 | 10,577  | 384                       | 10,961       |
| Comprehensive income  | 7,045   | 10,577 | 20,384  | 1,537                     | 21,920       |
| Purchase of treasury shares                                   | –   | –      | (3,963)                                       | –                         | (3,963)      |
| Disposal of treasury shares                                   | –   | –      | 20  | –                         | 20           |
| Cancellation of treasury shares                               | –   | –      | –   | –                         | –            |
| Share-based payment transactions                              | –   | –      | 14  | –                         | 14           |
| Dividends   | –   | –      | (7,072)                                       | (451)                     | (7,523)      |
| Increase (decrease) in non-controlling interests              | –   | –      | 1   | (1)                       | (0)          |
| Transfer from other components of equity to retained earnings | –   | (179)  | –   | –                         | –            |
| Total transactions with owners                                | –   | (179)  | (11,001)                                      | (452)                     | (11,453)     |
| Balance at end of period                                      | 24,744  | 32,429 | 371,614                                       | 8,852                     | 380,466      |



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

(Unit: Millions of yen)

|  | 3Q-FY2022<br>Apr. 1, 2022 to Dec. 31, 2022 | 3Q-FY2023<br>Apr. 1, 2023 to Dec. 31, 2023 |
|--|--|--|
| Cash flows from operating activities   |  |  |
| Profit before tax  | 28,277                                     | 14,189                                     |
| Depreciation and amortization  | 22,166                                     | 23,844                                     |
| Loss (gain) on sale of property, plant and equipment                                 | (21)                                       | (1,299)                                    |
| Decrease (increase) in retirement benefit asset                                      | (38)                                       | (125)                                      |
| Increase (decrease) in retirement benefit liability                                  | (100)                                      | 171  |
| Interest and dividend income   | (1,491)                                    | (1,821)                                    |
| Interest expenses  | 342  | 1,285                                      |
| Share of loss (profit) of investments accounted for using equity method              | (2,166)                                    | 411  |
| Decrease (increase) in trade receivables   | (1,689)                                    | 3,375                                      |
| Decrease (increase) in inventories   | (13,729)                                   | 4,280                                      |
| Increase (decrease) in trade payables  | 7,150                                      | 9,530                                      |
| Other  | (1,054)                                    | (1,904)                                    |
| Subtotal   | 37,645                                     | 51,936                                     |
| Interest and dividends received  | 5,043                                      | 2,709                                      |
| Interest paid  | (277)                                      | (1,094)                                    |
| Income taxes paid  | (9,330)                                    | (7,624)                                    |
| Net cash provided by (used in) operating activities                                  | 33,081                                     | 45,928                                     |
| Cash flows from investing activities   |  |  |
| Purchase of property, plant and equipment  | (17,202)                                   | (14,559)                                   |
| Proceeds from sale of property, plant and equipment                                  | 22   | 1,264                                      |
| Purchase of intangible assets  | (1,111)                                    | (1,104)                                    |
| Purchase of investments  | (252)                                      | (127)                                      |
| Proceeds from sale and redemption of investments                                     | 259  | 422  |
| Other  | 1,288                                      | 366  |
| Net cash provided by (used in) investing activities                                  | (16,996)                                   | (13,738)                                   |
| Cash flows from financing activities   |  |  |
| Net increase (decrease) in short-term borrowings                                     | 10,059                                     | (4,265)                                    |
| Proceeds from long-term borrowings   | 5,000                                      | 400  |
| Repayments of long-term borrowings   | (10,661)                                   | (9,219)                                    |
| Repayments of lease liabilities  | (1,505)                                    | (1,291)                                    |
| Purchase of treasury shares  | (1,987)                                    | (3,963)                                    |
| Dividends paid   | (7,581)                                    | (7,072)                                    |
| Dividends paid to non-controlling interests  | (571)                                      | (451)                                      |
| Purchase of shares of subsidiaries not resulting in change in scope of consolidation | (16)                                       | (0)  |
| Net cash provided by (used in) financing activities                                  | (7,261)                                    | (25,861)                                   |
| Effect of exchange rate changes on cash and cash equivalents                         | 1,228                                      | 1,012                                      |
| Net increase (decrease) in cash and cash equivalents                                 | 10,052                                     | 7,341                                      |
| Cash and cash equivalents at beginning of period                                     | 39,363                                     | 39,035                                     |
| Cash and cash equivalents at end of period   | 49,415                                     | 46,376                                     |