



Consolidated Financial Results
For the Third Quarter of the Fiscal Year Ending March 31, 2025 [IFRS]
(Nine Months Ended December 31, 2024)

February 6, 2025

Company name: NIPPON SHOKUBAI CO., LTD.	Listing: TSE (Prime Market)
Code number: 4114	URL: https://www.shokubai.co.jp/en
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Scheduled date of dividend payment: —	
Supplementary material prepared: Yes	
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, 2025 (hereafter FY2024) (from April 1, 2024 to December 31, 2024)

(1) Consolidated operating results (cumulative)

(Percentages indicate year-on-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, 2024	308,620	5.6	15,202	5.3	19,169	35.1	14,836	35.4	14,026	43.0	19,008	(13.3)
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)

	Basic earnings per share	Diluted earnings per share
	Yen	Yen
Nine months ended Dec. 31, 2024	91.62	91.59
Nine months ended Dec. 31, 2023	62.58	62.57

Note: On April 1, 2024, the Company conducted a 4-for-1 stock split of common shares. “Basic earnings per share” and “diluted earnings per share” have been calculated assuming that the stock split had been conducted at the start of the previous fiscal year.

(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, 2024	557,213	393,905	385,030	69.1	2,542.12
As of Mar. 31, 2024	544,060	392,562	383,448	70.5	2,482.45

Note: On April 1, 2024, the Company conducted a 4-for-1 stock split of common shares. “Equity attributable to owners of parent per share” has been calculated assuming that the stock split had been conducted at the start of the previous fiscal year.

2. Dividends

	Dividends per share				
	End of 1Q	End of 2Q	End of 3Q	Year-end	Annual
	Yen	Yen	Yen	Yen	Yen
FY2023	—	90.00	—	90.00	180.00
FY2024	—	54.00	—		
FY2024 (forecast)				54.00	108.00

Notes: 1. Revisions to the dividends forecast since the latest announcement: None

2. On April 1, 2024, the Company conducted a 4-for-1 stock split of common shares. Dividend amounts for FY2023 are the actual dividend amounts per share before the stock split. The amounts for FY2024 are based on the post-stock-split information.

3. Consolidated Financial Forecasts for the FY2024 (from April 1, 2024 to March 31, 2025)

(Percentages indicate year-on-year changes)

	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	415,000	5.9	20,000	20.8	23,000	46.1	16,500	49.9
								108.05

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

*Notes

(1) Significant changes in the scope of consolidation during the period: 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 at the end of the period (including treasury shares)

Dec. 31, 2024: 156,000,000 shares Mar. 31, 2024: 156,000,000 shares

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

Dec. 31, 2024: 4,539,984 shares Mar. 31, 2024: 1,536,840 shares

3) Average number of shares outstanding during the period

Nine months ended Dec. 31, 2024: 153,088,724 shares Nine months ended Dec. 31, 2023: 156,702,959 shares

Notes: 1. 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 (176,500 shares as of December 31, 2024 and 179,600 shares as of March 31, 2024). 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.

2. On April 1, 2024, the Company conducted a 4-for-1 stock split of common shares. The "number of shares issued at the end of the period," "number of treasury shares at the end of the period," and "average number of shares outstanding during the period" have been calculated assuming that the stock split had been conducted at the start of the previous fiscal year.

* Review of the Japanese-language originals of the attached consolidated quarterly financial statements by certified public accountants or an audit firm: None

* Appropriate use of business forecasts and other special items

1. 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. Supplementary material will be disclosed through TDnet on Thursday, February 6, 2025, and also be posted on the Company's website.

*This document is 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.

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1. Overview of Operating Results, etc.

(1) Overview of Operating Results for the Period under Review

For an overview of the Group's operating results, please refer to "Financial Results Supplementary Material 3Q FY2024" (Supplementary Material for Financial Results), which has been disclosed today.

(2) Overview of Financial Position for the Period under Review

1) Assets, Liabilities and Equity

Total assets at the end of the third quarter of the fiscal year under review increased by 13,153 million yen from the end of the previous fiscal year to 557,213 million yen. Current assets increased by 5,483 million yen from the end of the previous fiscal year. This was mainly due to an increase in cash and cash equivalents and an increase in trade receivables primarily owing to higher selling prices in connection with higher raw material prices. Non-current assets increased by 7,669 million yen from the end of the previous fiscal year. This was mainly due to an increase in property, plant and equipment because of the purchase of land and other factors and an increase in investments accounted for using equity method, despite a decrease in other financial assets as a result of the sale of stocks held.

Total liabilities increased by 11,810 million yen from the end of the previous fiscal year to 163,308 million yen. This was mainly due to an increase in short-term borrowings, an increase in other financial liabilities primarily as a result of higher facility-related liabilities, and an increase in income taxes payable.

Total equity increased by 1,343 million yen from the end of the previous fiscal year to 393,905 million yen. This was mainly due to increases in retained earnings and exchange differences on translation of foreign operations caused by exchange rate fluctuations, despite the purchase of treasury shares.

The rate of equity attributable to owners of parent decreased by 1.4 percentage points from 70.5% at the end of the previous fiscal year to 69.1%. Equity attributable to owners of parent per share increased by 59.67 yen from the end of the previous fiscal year to 2,542.12 yen.

2) Cash Flows

Cash and cash equivalents at the end of the nine months ended December 31, 2024 amounted to 61,491 million yen, an increase of 6,362 million yen from the end of the previous fiscal year as a result of cash flows provided by operating activities exceeding the sum of cash flows used in investing activities including capital investment and cash flows used in financing activities.

Cash flow from operating activities

Net cash provided by operating activities in the nine months ended December 31, 2024 amounted to 39,463 million yen, a decrease of 6,465 million yen from a cash inflow of 45,928 million yen in the same period of the previous fiscal year. This was mainly owing to a lower increase in trade payables compared to the same period of the previous year due to the impact of a bank holiday and other factors, despite higher profit before tax than in the same period of the previous fiscal year and lower income taxes paid than in the same period of the previous fiscal year.

Cash flow from investing activities

Net cash used in investing activities in the nine months ended December 31, 2024 totaled 22,853 million yen, an increase of 9,115 million yen from a cash outflow of 13,738 million yen in the same period of the previous fiscal year. This was mainly due to an increase in purchase of land, despite an increase in proceeds from sale of investment securities.

Cash flow from financing activities

Net cash used in financing activities in the nine months ended December 31, 2024 amounted to 11,425 million yen, a decrease of 14,436 million yen from a cash outflow of 25,861 million yen in the same period of the previous fiscal year. This was mainly due to the fact that a net decrease in short-term borrowings turned to a net increase and a decrease in repayments of long-term borrowings, despite increases in dividends paid and purchase of treasury shares.

2. Condensed Quarterly Consolidated Financial Statements and Related Notes

(1) Condensed Quarterly Consolidated Statements of Financial Position

	(Unit: Millions of yen)	
	FY2023 As of Mar. 31, 2024	3Q FY2024 As of Dec. 31, 2024
Assets		
Current assets		
Cash and cash equivalents	55,129	61,491
Trade receivables	98,181	100,339
Inventories	84,446	85,050
Other financial assets	16,661	10,607
Other current assets	5,262	7,676
Total current assets	259,679	265,163
Non-current assets		
Property, plant and equipment	188,436	196,974
Intangible assets	4,959	4,684
Investments accounted for using equity method	26,531	29,216
Other financial assets	45,718	41,843
Retirement benefit asset	13,700	13,983
Deferred tax assets	3,846	4,001
Other non-current assets	1,192	1,348
Total non-current assets	284,381	292,050
Total assets	544,060	557,213

(Unit: Millions of yen)

	FY2023 As of Mar. 31, 2024	3Q FY2024 As of Dec. 31, 2024
Liabilities and equity		
Liabilities		
Current liabilities		
Trade payables	61,351	63,104
Borrowings	17,100	27,353
Other financial liabilities	10,355	12,968
Income taxes payable	1,534	3,829
Provisions	6,239	4,542
Other current liabilities	4,667	3,940
Total current liabilities	101,246	115,737
Non-current liabilities		
Borrowings	21,924	19,973
Other financial liabilities	5,634	4,752
Retirement benefit liability	8,968	9,226
Provisions	3,051	3,156
Deferred tax liabilities	10,676	10,463
Total non-current liabilities	50,252	47,571
Total liabilities	151,498	163,308
Equity		
Share capital	25,038	25,038
Capital surplus	22,513	22,516
Treasury shares	(2,358)	(7,353)
Retained earnings	298,424	303,589
Other components of equity	39,830	41,239
Total equity attributable to owners of parent	383,448	385,030
Non-controlling interests	9,114	8,875
Total equity	392,562	393,905
Total liabilities and equity	544,060	557,213

(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

	(Unit: Millions of yen)	
	3Q FY2023 Apr. 1, 2023 to Dec. 31, 2023	3Q FY2024 Apr. 1, 2024 to Dec. 31, 2024
Revenue	292,362	308,620
Cost of sales	242,111	254,957
Gross profit	50,251	53,663
Selling, general and administrative expenses	37,363	39,701
Other operating income	3,132	2,190
Other operating expenses	1,578	950
Operating profit	14,443	15,202
Finance income	1,883	2,159
Finance costs	1,725	1,279
Share of profit (loss) of investments accounted for using equity method	(411)	3,087
Profit before tax	14,189	19,169
Income tax expense	3,229	4,333
Profit	10,959	14,836
Profit attributable to:		
Owners of parent	9,806	14,026
Non-controlling interests	1,153	810
Profit	10,959	14,836
Earnings per share:		
Basic earnings per share (Yen)	62.58	91.62
Diluted earnings per share (Yen)	62.57	91.59

Condensed Quarterly Consolidated Statements of Comprehensive Income

	(Unit: Millions of yen)	
	3Q FY2023 Apr. 1, 2023 to Dec. 31, 2023	3Q FY2024 Apr. 1, 2024 to Dec. 31, 2024
Profit	10,959	14,836
Other comprehensive income		
Items that will not be reclassified to profit or loss		
Net change in fair value of financial assets measured at fair value through other comprehensive income	3,528	196
Share of other comprehensive income of investments accounted for using equity method	5	(1)
Total of items that will not be reclassified to profit or loss	3,533	195
Items that may be reclassified to profit or loss		
Exchange differences on translation of foreign operations	6,418	4,088
Share of other comprehensive income of investments accounted for using equity method	1,010	(111)
Total of items that may be reclassified to profit or loss	7,428	3,977
Other comprehensive income, net of tax	10,961	4,172
Comprehensive income	21,920	19,008
Comprehensive income attributable to		
Owners of parent	20,384	18,255
Non-controlling interests	1,537	753
Comprehensive income	21,920	19,008

(3) Condensed Quarterly Consolidated Statements of Changes in Equity

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 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	—	—	—	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

Nine months ended December 31, 2024 (Apr. 1, 2024 to Dec. 31, 2024)

(Unit: Millions of yen)

	Share capital	Capital surplus	Treasury shares	Retained earnings	Other components of equity	
					Net change in fair value of financial assets measured at fair value through other comprehensive income	Remeasurements of defined benefit plans
Balance at beginning of period	25,038	22,513	(2,358)	298,424	9,131	—
Profit	—	—	—	14,026	—	—
Other comprehensive income	—	—	—	—	193	(1)
Comprehensive income	—	—	—	14,026	193	(1)
Purchase of treasury shares	—	—	(5,002)	—	—	—
Disposal of treasury shares	—	(1)	7	—	—	—
Cancellation of treasury shares	—	—	—	—	—	—
Share-based payment transactions	—	4	—	—	—	—
Dividends	—	—	—	(11,681)	—	—
Increase (decrease) in non-controlling interests	—	—	—	—	—	—
Transfer from other components of equity to retained earnings	—	—	—	2,820	(2,821)	1
Total transactions with owners	—	3	(4,995)	(8,861)	(2,821)	1
Balance at end of period	25,038	22,516	(7,353)	303,589	6,504	—

	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	30,699	39,830	383,448	9,114	392,562
Profit	—	—	14,026	810	14,836
Other comprehensive income	4,036	4,229	4,229	(57)	4,172
Comprehensive income	4,036	4,229	18,255	753	19,008
Purchase of treasury shares	—	—	(5,002)	—	(5,002)
Disposal of treasury shares	—	—	6	—	6
Cancellation of treasury shares	—	—	—	—	—
Share-based payment transactions	—	—	4	—	4
Dividends	—	—	(11,681)	(993)	(12,674)
Increase (decrease) in non-controlling interests	—	—	—	—	—
Transfer from other components of equity to retained earnings	—	(2,820)	—	—	—
Total transactions with owners	—	(2,820)	(16,673)	(993)	(17,666)
Balance at end of period	34,735	41,239	385,030	8,875	393,905

(4) Condensed Quarterly Consolidated Statements of Cash Flows

(Unit: Millions of yen)

	3Q FY2023 Apr. 1, 2023 to Dec. 31, 2023	3Q FY2024 Apr. 1, 2024 to Dec. 31, 2024
Cash flows from operating activities		
Profit before tax	14,189	19,169
Depreciation and amortization	23,844	23,604
Loss (gain) on sale of property, plant and equipment	(1,299)	(4)
Impairment losses	—	83
Interest and dividend income	(1,821)	(2,148)
Interest expenses	1,285	1,026
Share of loss (profit) of investments accounted for using equity method	411	(3,087)
Decrease (increase) in trade receivables	3,375	(1,461)
Decrease (increase) in inventories	4,280	205
Increase (decrease) in trade payables	9,530	1,436
Other	(1,858)	314
Subtotal	51,936	39,137
Interest and dividends received	2,709	2,602
Interest paid	(1,094)	(901)
Income taxes refund (paid)	(7,624)	(1,374)
Net cash provided by (used in) operating activities	45,928	39,463
Cash flows from investing activities		
Purchase of property, plant and equipment	(14,559)	(26,340)
Proceeds from sale of property, plant and equipment	1,264	17
Purchase of intangible assets	(1,104)	(886)
Purchase of investments	(127)	(83)
Proceeds from sale and redemption of investments	422	4,188
Other	366	251
Net cash provided by (used in) investing activities	(13,738)	(22,853)
Cash flows from financing activities		
Net increase (decrease) in short-term borrowings	(4,265)	13,120
Proceeds from long-term borrowings	400	100
Repayments of long-term borrowings	(9,219)	(5,706)
Repayments of lease liabilities	(1,291)	(1,262)
Purchase of treasury shares	(3,963)	(5,002)
Dividends paid	(7,072)	(11,681)
Dividends paid to non-controlling interests	(451)	(993)
Other	(0)	0
Net cash provided by (used in) financing activities	(25,861)	(11,425)
Effect of exchange rate changes on cash and cash equivalents	1,012	1,177
Net increase (decrease) in cash and cash equivalents	7,341	6,362
Cash and cash equivalents at beginning of period	39,035	55,129
Cash and cash equivalents at end of period	46,376	61,491

(5) Notes Concerning Condensed Semi-annual Consolidated Financial Statements

(Going Concern Assumption)

Not applicable.

(Applicable Financial Reporting Framework)

The Group's condensed quarterly consolidated financial statements, which comprise the Condensed Quarterly Consolidated Statement of Financial Position, Condensed Quarterly Consolidated Statement of Profit or Loss, Condensed Quarterly Consolidated Statement of Comprehensive Income, Condensed Quarterly Consolidated Statement of Changes in Equity, Condensed Quarterly Consolidated Statement of Cash Flow, and Notes to Condensed Consolidated Financial Statements, have been prepared in accordance with Article 5, Paragraph 2 of the Tokyo Stock Exchange, Inc.'s Standards for the Preparation of Quarterly Financial Statements (the Standards), applying the provisions for reduced disclosures as set forth in Article 5, Paragraph 5 of the Standards, accordingly certain disclosures and notes required by IAS 34 *Interim Financial Reporting* are not given.

(Segment Information)

1. Outline of Reportable Segments

The Group's reportable segments are divisions of the Group for which separate financial information is available, and whose operating results are reviewed regularly by the Board of Directors of the Company in order to allocate management resources and assess performance of operations.

The Group's main business lines are divided based on similarities of function and nature and the Group prepares the comprehensive strategy and conducts the business activities corresponding to the products handled by each business line. Accordingly, the Group is comprised of reportable segments classified by type of products based on each business line and does not aggregate its operating results. The two reportable segments of the Group are the Materials business and the Solutions business.

In the Materials business, acrylic acid, acrylates, ethylene oxide, ethylene glycol, ethanolamine, special acrylates, superabsorbent polymers, maleic anhydride, process catalysts, etc. are manufactured and sold. In the Solutions business, polymers for concrete admixtures, glycol ether, secondary alcohol ethoxylates, water-soluble polymers such as raw materials for detergents, intermediates for pharmaceuticals, electronic and information materials, iodine compounds, resins for adhesives/paints, ethyleneimine derivatives, processed adhesive products, automotive catalysts, De-NOx catalysts, dioxin decomposition catalysts, equipment for waste gas treatment, wet air oxidation catalysts, materials for batteries, etc. are manufactured and sold.

2. Information Concerning Revenue and Income or Loss by Reportable Segment

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

(Unit: Millions of yen)

	Reportable segments			Adjustment (Note)	Total
	Materials	Solutions	Total		
Revenue					
Revenue to third parties	212,062	80,300	292,362	—	292,362
Intergroup revenue and transfers	12,417	2,150	14,567	(14,567)	—
Total	224,479	82,450	306,930	(14,567)	292,362
Segment income	11,595	1,945	13,540	903	14,443
Finance income	—	—	—	—	1,883
Finance costs	—	—	—	—	1,725
Share of profit (loss) of investments accounted for using equity method	—	—	—	—	(411)
Profit before tax	—	—	—	—	14,189

Note: The adjustment for “Segment income” includes inter-segment transaction eliminations and corporate profit (loss) not allocated to reportable segments amounting to 903 million yen.

Nine months ended Dec. 31, 2024 (Apr. 1, 2024 to Dec. 31, 2024)

(Unit: Millions of yen)

	Reportable segments			Adjustment (Note)	Total
	Materials	Solutions	Total		
Revenue					
Revenue to third parties	221,963	86,657	308,620	—	308,620
Intergroup revenue and transfers	13,147	2,235	15,382	(15,382)	—
Total	235,110	88,892	324,002	(15,382)	308,620
Segment income	10,523	3,883	14,405	797	15,202
Finance income	—	—	—	—	2,159
Finance costs	—	—	—	—	1,279
Share of profit (loss) of investments accounted for using equity method	—	—	—	—	3,087
Profit before tax	—	—	—	—	19,169

Note: The adjustment for “Segment income” includes inter-segment transaction eliminations and corporate profit (loss) not allocated to reportable segments amounting to 797 million yen.