

Consolidated Financial Results For the Fiscal Year Ended March 31, 2025 [IFRS]



May 13, 2025

Company name: NIPPON SHOKUBAI CO., LTD. Listing: TSE (Prime Market)
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 Scheduled date of the general shareholders' meeting: June 19, 2025
 Scheduled date of dividend payment: June 20, 2025
 Scheduled date of filing annual securities report: June 17, 2025
 Supplementary materials prepared: Yes
 Financial results information meeting held: Yes (for securities analysts and institutional investors)

(Figures are rounded off to the nearest million yen)

1. Consolidated Financial Results for the Fiscal Year Ended March 31, 2025 (hereinafter FY 2024) (from April 1, 2024 to March 31, 2025)

(1) Consolidated operating results

(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	%
FY 2024	409,346	4.4	19,062	15.1	23,203	47.4	18,453	49.1	17,394	58.0	17,531	(48.5)
FY 2023	392,009	(6.6)	16,562	(29.6)	15,744	(39.9)	12,374	(38.6)	11,008	(43.2)	34,038	13.4

	Basic earnings per share	Diluted earnings per share	Ratio of profit to equity attributable to owners of parent	Ratio of profit before tax to total assets	Operating profit to revenue
	Yen	Yen	%	%	%
FY 2024	113.90	113.86	4.5	4.3	4.7
FY 2023	70.48	70.46	3.0	2.9	4.2

Reference: Share of profit of investments accounted for using equity method(millions of yen): FY 2024: 4,015
FY 2023: (958)

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 Mar. 31, 2025	543,659	392,533	383,029	70.5	2,527.98
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.

(3) Consolidated statement of cash flows

	Cash flows from operating activities	Cash flows from investing activities	Cash flows from financing activities	Cash and cash equivalents at end of period
	Millions of yen	Millions of yen	Millions of yen	Millions of yen
FY 2024	46,974	(30,506)	(16,780)	54,565
FY 2023	57,880	(15,684)	(28,364)	55,129

2. Dividends

	Dividends per share					Total dividends (Annual)	Payout ratio (Consolidated)	Dividends on equity attributable to owners of parent (Consolidated)
	End of 1Q	End of 2Q	End of 3Q	Year-end	Annual			
	Yen	Yen	Yen	Yen	Yen	Millions of yen	%	%
FY 2023	—	90.00	—	90.00	180.00	7,022	63.9	1.9
FY 2024	—	54.00	—	60.00	114.00	17,317	100.1	4.5
FY 2025 (forecast)	—	50.00	—	50.00	100.00		100.1	

Note: 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 before the stock split. The amounts for FY 2024 and FY2025 (forecast) are based on the post-stock-split information.

3. Consolidated Financial Forecasts for the Fiscal Year Ending March 31, 2026
(from April 1, 2025 to March 31, 2026)

(Percentages indicate year-over-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
First half (cumulative)	200,000	(3.3)	8,500	(18.7)	10,500	(15.5)	7,500	(16.0)	49.59
Full year	405,000	(1.1)	17,000	(10.8)	20,000	(13.8)	15,000	(13.8)	99.95

***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)

Mar. 31, 2025: 156,000,000 shares Mar. 31, 2024: 156,000,000 shares

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

Mar. 31, 2025: 4,484,372 shares Mar. 31, 2024: 1,536,840 shares

3) Average number of shares outstanding during the period

FY 2024: 152,717,145 shares FY 2023: 156,186,157 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 March 31, 2025 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.

(Reference) Overview of Non-consolidated Financial Results**1. Non-consolidated Financial Results for the Fiscal Year Ended March 31, 2025****(from April 1, 2024 to March 31, 2025)****(1) Non-consolidated operating results****(Percentages indicate year-on-year changes)**

	Net sales		Operating profit		Ordinary profit		Profit	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
FY 2024	244,193	6.5	12,709	47.8	17,694	52.5	17,422	116.2
FY 2023	229,275	(10.8)	8,599	(42.1)	11,605	(49.7)	8,056	(53.1)

	Basic earnings per share	Diluted net income per share
	Yen	Yen
FY 2024	114.08	—
FY 2023	51.58	—

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

(2) Non-consolidated financial position

	Total assets	Net assets	Equity ratio	Net assets per share
	Millions of yen	Millions of yen	%	Yen
As of Mar. 31, 2025	360,102	264,984	73.6	1,748.89
As of Mar. 31, 2024	361,072	269,040	74.5	1,741.77

Reference: Shareholders' equity (millions of yen): As of Mar. 31, 2025: 264,984

As of Mar. 31, 2024: 269,040

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

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

*** 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. Please refer to “1. Overview of Operating Results, etc. (4) Future Outlook” on page 5 of the attached materials for the assumptions used in business forecasts.
2. Supplementary materials will be disclosed through TDnet on Wednesday, May 14, 2025, and will 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 Fiscal Year under Review

1) Overview

(Unit: Millions of yen)

	FY 2023	FY 2024	Change	
			(Amount)	(% growth)
Revenue	392,009	409,346	17,336	4.4%
Operating profit	16,562	19,062	2,500	15.1%
Profit before tax	15,744	23,203	7,459	47.4%
Profit attributable to owners of parent	11,008	17,394	6,386	58.0%
Basic earnings per share	70.48 yen	113.90 yen	43.42 yen	61.6%
ROA (Ratio of profit before tax to total assets)	2.9%	4.3%		1.4 points
ROE (Ratio of profit to equity attributable to owners of parent)	3.0%	4.5%		1.5 points
Foreign exchange rates (USD and EUR)	USD = 144.65 yen	USD = 152.62 yen		7.97 yen
	EUR = 156.82 yen	EUR = 163.82 yen		7.00 yen
Domestic naphtha price	69,100 yen/kl	75,600 yen/kl		6,500 yen/kl

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

The Group’s revenue in the current fiscal year increased 4.4% year-on-year to 409,346 million yen, up 17,336 million yen, due to an increase in sales volume and higher selling prices in line with higher raw material prices and a progressively weaker yen.

With regard to profits, operating profit grew 15.1% year-on-year to 19,062 million yen, up 2.5 billion yen mainly due to higher production and sales volumes and the widening of spreads for solutions products, despite an increase in selling, general, and administrative expenses due to a rise in marine transportation costs and increased research expenses, etc.

Profit before tax was 23,203 million yen, a year-on-year increase of 7,459 million yen or 47.4%, due to an increase in operating profit and an increase in the share of profit of investments accounted for using equity method.

As a result, profit attributable to owners of parent of 17,394 million yen was posted, up 6,386 million yen (58.0%) year-on-year.

2) Outline of Sales by Business Segment

(Unit: Millions of yen)

	FY 2023		FY 2024		Change	
Business segment	Materials	Solutions	Materials	Solutions	Materials	Solutions
Revenue	283,808	108,201	294,092	115,254	10,284	7,053
Operating profit	12,732	2,732	12,900	5,114	168	2,383

Materials business

Sales of acrylic acid and acrylates increased due an increase in sales volume as well as an increase in selling prices in line with an increase in raw material prices.

Sales of superabsorbent polymers decreased due to a decline in selling prices in line with a decline in product overseas market conditions, despite an increase in sales volume.

Sales of ethylene oxide and ethylene glycol increased due an increase in selling prices in line with an increase in raw material prices despite a decrease in sales volume.

Sales of special acrylates increased due to an increase in selling prices in line with the progressive weakening of the yen despite a decrease in sales volume.

Sales of maleic anhydride decreased due to lower sales volume despite an increase in selling prices.

Sales of process catalysts increased due to an increase in sales volume.

As a result, revenue in the materials business increased 3.6% year-on-year to 294,092 million yen.

Operating profit increased 1.3% year-on-year to 12,900 million yen due to an increase in production and sales volume and a decrease in impairment loss on non-current assets of NISSHOKU CHEMICAL INDUSTRY (ZHANGJIAGANG) Co., LTD., as well the sale of a portion of carbon credit offsets under the European emissions trading scheme by NIPPON SHOKUBAI EUROPE N. V., despite negative factors contributing to lower profits including higher marine transportation costs and the narrowing of spreads on certain products in line with a decline in overseas market conditions.

Solutions business

Sales of polymers for concrete admixtures decreased due to lower sales volume despite an increase in selling prices.

Sales of ethyleneimine derivatives, secondary alcohol ethoxylates, and water-soluble polymers such as raw materials for detergents increased due an increase in sales volume and an increase in selling prices.

Sales of resins for paints decreased due to a decrease in sales volume.

Sales of iodine compounds increased due to higher selling prices despite lower sales volume.

Sales of wet air oxidation catalysts and waste gas treatment equipment increased due to an increase in sales volume.

Sales of De-NOx catalysts decreased due to lower sales volume.

Sales of electronic and information materials increased due to an increase in sales volume.

Sales of materials for batteries decreased due to a decrease in sales volume.

As a result, revenue in the solutions business increased 6.5% year-on-year to 115,254 million yen.

Operating profit increased 87.2% year-on-year to 5,114 million yen due to a widening of spreads and an increase in production and sales volume, despite an increase in selling, general, and administrative expenses mainly due to an increase in research expenses.

(2) Overview of Financial Position for the Fiscal Year under Review

Total assets at the end of the current fiscal year decreased by 401 million yen from the end of the previous fiscal year to 543,659 million yen. Current assets decreased by 4,229 million yen from the end of the previous fiscal year. This was mainly due to a decrease in other financial assets, as well as a decrease in trade receivables due to the fact that the closing day of the previous fiscal year fell on a bank holiday. Non-current assets increased by 3,828 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 decreased by 373 million yen from the end of the previous fiscal year to 151,126 million yen. This was mainly due to a decrease in trade payables owing to the fact that the closing day of the previous fiscal year fell on a bank holiday despite an increase in short-term loans payable.

Total equity decreased by 29 million yen from the end of the previous fiscal year to 392,533 million yen. This was mainly due to a decrease in other components of equity and the purchase of treasury shares despite an increase in retained earnings.

The ratio of profit to equity attributable to owners of parent was 70.5%, the same as the previous fiscal year. Equity attributable to owners of parent per share increased by 45.53 yen from the end of the previous fiscal year to 2,527.98 yen.

(3) Overview of Cash Flows for the Fiscal Year under Review

Cash and cash equivalents at the end of the current fiscal year amounted to 54,565 million yen, a decrease of 565 million yen from the end of the previous fiscal year, as cash flows used in investing activities including capital investment and cash flows used in financing activities exceeded cash flows provided by operating activities.

Cash flow from operating activities

Net cash provided by operating activities in the current fiscal year amounted to 46,974 million yen, compared to a cash inflow of 57,880 million yen in the previous fiscal year. Revenue decreased by 10,906 million yen compared to the previous fiscal year mainly due to a decrease in trade payables which increased in the previous fiscal year due to the impact of bank holidays, and an increase in inventories which had decreased in the previous fiscal year due to a decline in raw material prices, although income taxes paid were lower than in the previous fiscal year.

Cash flow from investing activities

Net cash used in investing activities in the current fiscal year totaled 30,506 million yen, compared to a cash outflow of 15,684 million yen in the previous fiscal year. This 14,821 million yen increase in cash outflow compared to the previous fiscal year 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 current fiscal year amounted to 16,780 million yen, compared to a cash outflow of 28,364 million yen in the previous fiscal year. This 11,584 million yen decrease in cash outflow compared to the previous fiscal year 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.

(4) Future Outlook

Both the world economy and the Japanese economy are likely to be greatly influenced by trends in U.S. tariff policy. The outlook for the future is expected to remain uncertain due mainly to economic stagnation owing to increasing tensions in global trade and volatility in exchange rates. The business environment surrounding the Group is also expected to remain difficult to predict.

Under such conditions, after factoring in some tariff policy risk, projected earnings for the next fiscal year are based on exchange rates of 140 yen to the U.S. dollar and 160 yen to the euro, and domestic naphtha prices of 60,000 yen/kl.

In terms of annual performance, we forecast revenue of 405.0 billion yen (200.0 billion yen for the first half), a year-on-year decrease of 4,346 million yen (-1.1%). This is because we expect a decline in raw material prices mainly for materials products and a decline in selling prices in line with a progressively stronger yen, despite increases in the sales volume of materials products and solutions products.

In terms of profit, although we expect increases in production and sales volume and a widening of the spread in solutions products, we also expect a narrowing of the spread in materials products and an increase in fixed manufacturing costs and selling, general, and administrative expenses resulting from soaring prices, etc. We therefore forecast operating profit of 17.0 billion yen (8.5 billion yen for the first half), a decrease of 2,062 million yen compared to the current fiscal year. We forecast profit before tax of 20.0 billion yen (10.5 billion yen for the first half), a year-on-year decrease of 3,203 million yen, and profit attributable to owners of parent of 15.0 billion yen (7.5 billion yen for the first half), a year-on-year decrease of 2,394 million yen.

Forecasts by reportable segment

(Unit: Billions of yen)

	Materials business		Solutions business		Adjustment	Total	
	Revenue	Operating profit	Revenue	Operating profit	Operating profit	Revenue	Operating profit
First-half forecasts	138.0	5.7	62.0	2.4	0.4	200.0	8.5
Second-half forecasts	141.0	5.3	64.0	2.9	0.3	205.0	8.5
Full-year forecasts	279.0	11.0	126.0	5.3	0.7	405.0	17.0

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

(5) Basic Policy on the Distribution of Profits, and Dividends for the Current and Next Fiscal Year

The Company has positioned the distribution of profits to shareholders as the most important management task, and has a basic policy of providing a stable distribution of profits, while at the same time taking an overall view to expand the business and strengthen the corporate structure in order to enhance corporate value. Regarding dividends, the Company aims to improve medium- to long-term dividend levels while considering the dividend payout ratio, etc., and intends to consider share repurchase as one of the options to raise the value per share.

As stated in “Announcement Regarding Change in Shareholder Return Policy” announced on May 13, 2024, the Company plans to pay a year-end dividend for the current fiscal year of 60 yen per share, based on the policy of paying dividends with a payout ratio of 100% or a dividend on equity ratio (DOE) of 2.0% as a guide, whichever is greater. As a result, annual dividends will total 114 yen per share, and the consolidated payout ratio will be 100.1%. In addition, the Company purchased 5.0 billion yen (3,004,800 shares) of treasury shares during the current fiscal year, bringing the total shareholder return ratio including this share repurchase to 128.2%.

Based on the above Shareholder Return Policy, the Company plans to pay annual dividends of 100 yen per share (a payout ratio of 100.1%) for the next fiscal year.

2. Basic Policy of the Choice of Accounting Standards

With a view to improving the international comparability of financial statements and to enhancing Group management by integrating accounting treatments, the Company has applied the International Financial Reporting Standards (IFRS) from the annual securities report for FY 2018.

3. Consolidated Financial Statements and Related Notes

(1) Consolidated Statements of Financial Position

(Unit: Millions of yen)

	FY 2023 As of Mar. 31, 2024	FY 2024 As of Mar. 31, 2025
Assets		
Current assets		
Cash and cash equivalents	55,129	54,565
Trade receivables	98,181	96,465
Inventories	84,446	84,315
Other financial assets	16,661	11,928
Other current assets	5,262	8,178
Total current assets	259,679	255,451
Non-current assets		
Property, plant and equipment	188,436	194,244
Intangible assets	4,959	4,496
Investments accounted for using equity method	26,531	30,040
Other financial assets	45,718	38,479
Retirement benefit asset	13,700	15,750
Deferred tax assets	3,846	3,859
Other non-current assets	1,192	1,339
Total non-current assets	284,381	288,208
Total assets	544,060	543,659

(Unit: Millions of yen)

	FY 2023 As of Mar. 31, 2024	FY 2024 As of Mar. 31, 2025
Liabilities and equity		
Liabilities		
Current liabilities		
Trade payables	61,351	54,821
Borrowings	17,100	23,126
Other financial liabilities	10,355	12,175
Income taxes payable	1,534	5,220
Provisions	6,239	6,709
Other current liabilities	4,667	5,121
Total current liabilities	101,246	107,171
Non-current liabilities		
Borrowings	21,924	18,265
Other financial liabilities	5,634	4,319
Retirement benefit liability	8,968	8,674
Provisions	3,051	3,122
Deferred tax liabilities	10,676	9,574
Total non-current liabilities	50,252	43,954
Total liabilities	151,498	151,126
Equity		
Share capital	25,038	25,038
Capital surplus	22,513	22,533
Treasury shares	(2,358)	(7,263)
Retained earnings	298,424	308,770
Other components of equity	39,830	33,951
Total equity attributable to owners of parent	383,448	383,029
Non-controlling interests	9,114	9,505
Total equity	392,562	392,533
Total liabilities and equity	544,060	543,659

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

Consolidated Statements of Profit or Loss

(Unit: Millions of yen)

	FY 2023 Apr. 1, 2023 to Mar. 31, 2024	FY 2024 Apr. 1, 2024 to Mar. 31, 2025
Revenue	392,009	409,346
Cost of sales	324,005	338,900
Gross profit	68,004	70,446
Selling, general, and administrative expenses	51,243	53,293
Other operating income	5,814	3,564
Other operating expenses	6,012	1,654
Operating profit	16,562	19,062
Finance income	2,280	2,522
Finance costs	2,141	2,396
Share of profit (loss) of investments accounted for using equity method	(958)	4,015
Profit before tax	15,744	23,203
Income tax expense	3,369	4,750
Profit	12,374	18,453
Profit attributable to		
Owners of parent	11,008	17,394
Non-controlling interests	1,367	1,059
Profit	12,374	18,453
Earnings per share		
Basic earnings per share (Yen)	70.48	113.90
Diluted earnings per share (Yen)	70.46	113.86

Consolidated Statements of Comprehensive Income

(Unit: Millions of yen)

	FY 2023 Apr. 1, 2023 to Mar. 31, 2024	FY 2024 Apr. 1, 2024 to Mar. 31, 2025
Profit	12,374	18,453
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	4,964	(1,727)
Remeasurements of defined benefit plans	3,287	1,525
Share of other comprehensive income of investments accounted for using equity method	(10)	(19)
Total of items that will not be reclassified to profit or loss	8,240	(221)
Items that may be reclassified to profit or loss		
Exchange differences on translation of foreign operations	12,592	(710)
Share of other comprehensive income of investments accounted for using equity method	831	9
Total of items that may be reclassified to profit or loss	13,424	(702)
Other comprehensive income, net of tax	21,664	(922)
Comprehensive income	34,038	17,531
Comprehensive income attributable to		
Owners of parent	32,239	16,147
Non-controlling interests	1,799	1,383
Comprehensive income	34,038	17,531

(3) Consolidated Statements of Changes in Equity

Fiscal year ended Mar. 31, 2024 (Apr. 1, 2023 to Mar. 31, 2024)

(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	—	—	—	11,008	—	—
Other comprehensive income	—	—	—	—	4,960	3,271
Comprehensive income	—	—	—	11,008	4,960	3,271
Purchase of treasury shares	—	—	(3,966)	—	—	—
Disposal of treasury shares	—	(3)	23	—	—	—
Cancellation of treasury shares	—	—	10,882	(10,882)	—	—
Share-based payment transactions	—	(5)	—	—	—	—
Dividends	—	—	—	(7,072)	—	—
Increase (decrease) in non-controlling interests	—	1	—	—	—	—
Transfer from other components of equity to retained earnings	—	—	—	3,431	(160)	(3,271)
Total transactions with owners	—	(7)	6,940	(14,524)	(160)	(3,271)
Balance at end of period	25,038	22,513	(2,358)	298,424	9,131	—

(Unit: Millions of yen)

	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	—	—	11,008	1,367	12,374
Other comprehensive income	13,000	21,231	21,231	432	21,664
Comprehensive income	13,000	21,231	32,239	1,799	34,038
Purchase of treasury shares	—	—	(3,966)	—	(3,966)
Disposal of treasury shares	—	—	20	—	20
Cancellation of treasury shares	—	—	—	—	—
Share-based payment transactions	—	—	(5)	—	(5)
Dividends	—	—	(7,072)	(451)	(7,523)
Increase (decrease) in non-controlling interests	—	—	1	(1)	(0)
Transfer from other components of equity to retained earnings	—	(3,431)	—	—	—
Total transactions with owners	—	(3,431)	(11,022)	(452)	(11,474)
Balance at end of period	30,699	39,830	383,448	9,114	392,562

Fiscal year ended Mar. 31, 2025 (Apr. 1, 2024 to Mar. 31, 2025)

(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	22,513	(2,358)	298,424	9,131	—
Profit	—	—	—	17,394	—	—
Other comprehensive income	—	—	—	—	(1,727)	1,454
Comprehensive income	—	—	—	17,394	(1,727)	1,454
Purchase of treasury shares	—	—	(5,002)	—	—	—
Disposal of treasury shares	—	11	97	—	—	—
Cancellation of treasury shares	—	—	—	—	—	—
Share-based payment transactions	—	8	—	—	—	—
Dividends	—	—	—	(11,681)	—	—
Increase (decrease) in non-controlling interests	—	—	—	—	—	—
Transfer from other components of equity to retained earnings	—	—	—	4,633	(3,179)	(1,454)
Total transactions with owners	—	20	(4,905)	(7,048)	(3,179)	(1,454)
Balance at end of period	25,038	22,533	(7,263)	308,770	4,225	—

(Unit: Millions of yen)

	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	—	—	17,394	1,059	18,453
Other comprehensive income	(973)	(1,246)	(1,246)	324	(922)
Comprehensive income	(973)	(1,246)	16,147	1,383	17,531
Purchase of treasury shares	—	—	(5,002)	—	(5,002)
Disposal of treasury shares	—	—	109	—	109
Cancellation of treasury shares	—	—	—	—	—
Share-based payment transactions	—	—	8	—	8
Dividends	—	—	(11,681)	(993)	(12,674)
Increase (decrease) in non-controlling interests	—	—	—	—	—
Transfer from other components of equity to retained earnings	—	(4,633)	—	—	—
Total transactions with owners	—	(4,633)	(16,567)	(993)	(17,559)
Balance at end of period	29,726	33,951	383,029	9,505	392,533

(4) Consolidated Statements of Cash Flows

(Unit: Millions of yen)

	FY 2023 Apr. 1, 2023 to Mar. 31, 2024	FY 2024 Apr. 1, 2024 to Mar. 31, 2025
Cash flows from operating activities		
Profit before tax	15,744	23,203
Depreciation and amortization	31,853	31,551
Loss (gain) on sale of property, plant and equipment	(1,593)	(42)
Impairment losses	3,602	438
Interest and dividend income	(2,214)	(2,505)
Interest expenses	1,741	1,338
Share of loss (profit) of investments accounted for using equity method	958	(4,015)
Decrease (increase) in trade receivables	3,589	1,540
Decrease (increase) in inventories	4,926	(72)
Increase (decrease) in trade payables	6,289	(6,429)
Other	28	2,017
Subtotal	64,923	47,025
Interest and dividends received	3,114	2,966
Interest paid	(1,718)	(1,316)
Income taxes (paid) refund	(8,440)	(1,702)
Net cash provided by (used in) operating activities	57,880	46,974
Cash flows from investing activities		
Purchase of property, plant and equipment	(19,149)	(33,920)
Proceeds from sale of property, plant and equipment	1,993	98
Purchase of intangible assets	(1,418)	(1,084)
Purchase of investments	(128)	(1,448)
Proceeds from sale and redemption of investments	3,028	6,314
Acquisition of shares of subsidiaries and affiliates	(570)	(75)
Other	559	(392)
Net cash provided by (used in) investing activities	(15,684)	(30,506)
Cash flows from financing activities		
Net increase (decrease) in short-term borrowings	(3,031)	10,607
Proceeds from long-term borrowings	500	100
Repayments of long-term borrowings	(12,531)	(8,116)
Repayments of lease liabilities	(1,814)	(1,797)
Purchase of treasury shares	(3,966)	(5,002)
Dividends paid	(7,072)	(11,681)
Dividends paid to non-controlling interests	(451)	(993)
Other	(0)	103
Net cash provided by (used in) financing activities	(28,364)	(16,780)
Effect of exchange rate changes on cash and cash equivalents	2,263	(253)
Net increase (decrease) in cash and cash equivalents	16,094	(565)
Cash and cash equivalents at beginning of period	39,035	55,129
Cash and cash equivalents at end of period	55,129	54,565

(5) Notes Concerning Consolidated Financial Statements

(Going Concern Assumption)

Not applicable.

(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. Method of Calculating Revenue, Income or Loss, Assets and Other Items by Reportable Segment

The accounting method for business segments reported is substantially the same as the accounting method adopted for preparing the consolidated financial statements. Intersegment revenue and transfers are mainly based on market prices and cost of manufacturing. Segment income is consistent with operating profit.

3. Information Concerning Revenue, Income or Loss, Assets and Other Items by Reportable Segment

FY 2023 (Apr. 1, 2023 to Mar. 31, 2024)

(Unit: Millions of yen)

	Reportable segments			Adjustment (Notes 1, 2)	Total
	Materials	Solutions	Total		
Revenue					
Revenue to third parties	283,808	108,201	392,009	—	392,009
Intergroup revenue and transfers	16,062	2,841	18,904	(18,904)	—
Total	299,870	111,042	410,913	(18,904)	392,009
Segment income	12,732	2,732	15,463	1,098	16,562
Finance income	—	—	—	—	2,280
Finance costs	—	—	—	—	2,141
Share of profit (loss) of investments accounted for using equity method	—	—	—	—	(958)
Profit before tax	—	—	—	—	15,744
Segment assets	350,734	143,411	494,145	49,915	544,060
Other items					
Depreciation and amortization	25,996	5,857	31,853	—	31,853
Impairment losses	2,639	963	3,602	—	3,602
Increase in property, plant and equipment and intangible assets	17,243	5,246	22,489	—	22,489

Notes: 1. The adjustment for “Segment income” includes inter-segment transaction eliminations and corporate profit (loss) not allocated to reportable segments amounting to 1,098 million yen.

2. The “Segment assets” adjustment of 49,915 million yen includes long-term surplus funds (investments in securities).

FY 2024 (Apr. 1, 2024 to Mar. 31, 2025)

(Unit: Millions of yen)

	Reportable segments			Adjustment (Notes 1, 2)	Total
	Materials	Solutions	Total		
Revenue					
Revenue to third parties	294,092	115,254	409,346	—	409,346
Intergroup revenue and transfers	16,737	2,842	19,579	(19,579)	—
Total	310,829	118,096	428,925	(19,579)	409,346
Segment income	12,900	5,114	18,014	1,048	19,062
Finance income	—	—	—	—	2,522
Finance costs	—	—	—	—	2,396
Share of profit (loss) of investments accounted for using equity method	—	—	—	—	4,015
Profit before tax	—	—	—	—	23,203
Segment assets	359,865	140,751	500,616	43,043	543,659
Other items					
Depreciation and amortization	26,087	5,464	31,551	—	31,551
Impairment losses	143	295	438	—	438
Increase in property, plant and equipment and intangible assets	33,155	5,688	38,843	—	38,843

Notes: 1. The adjustment for “Segment income” includes inter-segment transaction eliminations and corporate profit (loss) not allocated to reportable segments amounting to 1,048 million yen.

2. The “Segment assets” adjustment of 43,043 million yen includes long-term surplus funds (investments in securities).

(Per Share Information)

The basis for calculation of basic earnings per share and diluted earnings per share is as follows.

	FY 2023 (Apr. 1, 2023 to March 31, 2024)	FY 2024 (Apr. 1, 2024 to March 31, 2025)
Profit attributable to owners of parent (Millions of yen)	11,008	17,394
Profit adjustments (Millions of yen)	—	—
Profit for calculation of diluted earnings per share (Millions of yen)	11,008	17,394
Average number of shares of common stock during the period (Thousands of shares)	156,186	152,717
Increase in number of common stock		
Performance-linked stock compensation (Thousands of shares)	35	49
Average number of diluted common shares during the period (Thousands of shares)	156,221	152,767
Basic earnings per share (Yen)	70.48	113.90
Diluted earnings per share (Yen)	70.46	113.86

Notes: 1. In the calculation of basic earnings per share and diluted earnings per share, the Company's shares held in trust for the Performance-linked Stock Compensation Plan for the Company's Members of the Board and Executive Officers are treated as treasury shares, and the number of such shares is 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. Basic earnings per share and diluted earnings per share has been calculated on the assumption that the stock split had been conducted at the beginning of the previous fiscal year.

(Significant Subsequent Events)

(Business combination through acquisition)

The Company and JSR Corporation reached an agreement on the acquisition of shares of Emulsion Technology Co., Ltd. (hereinafter “E-TEC”), a company engaged in the emulsion and other businesses, by the Company (hereinafter, this “Transaction”) and entered into a share purchases agreement (hereinafter, the “SPA”) on November 12, 2024. Based on the SPA, the Company completed acquisition of all shares in the acquired company on April 1, 2025.

1. Overview of the business combination

(1) Name and description of business of the acquired company

Name	Emulsion Technology Co., Ltd.
Description of business	Production and marketing of industrial materials, civil engineering and construction materials made of synthetic rubber latex or acrylic emulsion as base, and production and marketing of acrylic emulsion

(2) Date acquired

April 1, 2025

(3) Percentage of voting equity interest acquired

100%

(4) Main reasons for the business combination

Since its founding in 1941, the Company has expanded its business by placing its unique technologies related to organic synthesis based on oxidation catalyst technology at the core. Under the long-term vision “TechnoAmenity for the future,” which started in 2022, we aim to expand the “Solutions Business,” which capitalizes on the research and development capabilities cultivated by the Company to provide unique solutions to overcome the problems that customers face, with the goal of transforming its business portfolio from existing fields to growth fields. Against a backdrop of growing population and urbanization, the construction chemicals market, where the “Industrial & Household Business,” which belongs to the Solutions Business, offers its solutions, is expected to grow worldwide. The Company has, to date, introduced coating resins and polymers for cement additives to the respective target markets. In the meantime, we have also aspired to enhance our ability to make more effective proposals by acquiring external technologies or businesses to achieve a business model that provides one-stop solutions for customers’ problems in pursuit of further business expansion.

E-TEC manufactures and sells construction, civil engineering and other industrial-use products, such as waterproof materials, adhesives, and pressure-sensitive adhesives made of synthetic rubber latex or acrylic emulsion, leveraging its core technologies “emulsion polymerization technology” and “compound technology,” which combines emulsion with other materials to achieve advanced performance.

We believe that this Transaction will allow us to strengthen our product portfolio centered on construction chemicals, expand the emulsion polymerization technology and production capacity, and enhance our ability to make more effective proposals with the compound technology. Based on this belief, we entered into the SPA. We also believe that this Transaction will deepen the collaborative relationship between E-TEC and the Group, which would help E-TEC strengthen its product portfolio and integrate R&D capabilities of both companies, enabling E-TEC to expand its business and eventually further enhance its corporate value.

(5) Method of acquiring control in the acquired company

Acquisition of shares for cash

2. Breakdown of the acquisition cost of the acquired company and types of consideration

Consideration for acquisition: 7,200 million yen in cash

(Note) The final consideration for acquisition may be a price-adjusted amount based on the price adjustment provisions set forth in the SPA.

3. Amount of acquisition-related costs and the line item in which the amount is recognized

Acquisition-related costs related to this business combination of 92 million yen were recorded as “Selling, General, and

Administrative Expenses” in the current fiscal year, and 90 million yen (estimated amount) is expected for the next fiscal year.

4. Amount of goodwill generated

Not determined at present.

5. Amount assets acquired and liabilities assumed as of the acquisition date and breakdown of their major components

Not determined at present.