



Consolidated Financial Results
For the First Quarter of the Fiscal Year Ending March 31, 2026 [IFRS]
(Three Months Ended June 30, 2025)

Company name: NIPPON SHOKUBAI CO., LTD.
Code number: 4114
Representative: Kazuhiro Noda, Representative Director, President
Contact for inquiries: Takeharu Tatsumi, General Manager of Corporate Communications Dept.
Scheduled date of dividend payment: —
Supplementary material prepared: Yes
Financial results information meeting held: None

August 7, 2025
Listing: TSE (Prime Market)
URL: <https://www.shokubai.co.jp/en>
Phone: +81-3-3506-7605

(Figures are rounded off to the nearest million yen)

1. Consolidated Financial Results for the First Quarter of the Fiscal Year Ending March 31, 2026 (hereafter FY2025) (from April 1, 2025 to June 30, 2025)

(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	%
Three months ended Jun. 30, 2025	101,247	(3.7)	4,295	(17.2)	6,283	(2.1)	4,649	(3.3)	4,434	(4.2)	2,387	(82.8)
Three months ended Jun. 30, 2024	105,095	7.9	5,189	(22.8)	6,421	(8.5)	4,807	(8.6)	4,631	1.2	13,913	(9.1)

	Basic earnings per share	Diluted earnings per share
	Yen	Yen
Three months ended Jun. 30, 2025	29.27	29.26
Three months ended Jun. 30, 2024	29.98	29.97

(2) Consolidated financial position

	Total assets	Total equity	Equity attributable to owners of parent	Rate of equity attributable to owners of parent	Equity attributable to owners of parent per share
	Millions of yen	Millions of yen	Millions of yen	%	Yen
As of Jun. 30, 2025	534,688	385,213	376,502	70.4	2,484.91
As of Mar. 31, 2025	543,659	392,533	383,029	70.5	2,527.98

2. Dividends

	Dividends per share				
	End of 1Q	End of 2Q	End of 3Q	Year-end	Annual
FY2024	—	54.00	—	60.00	114.00
FY2025	—				
FY2025 (forecast)		50.00	—	50.00	100.00

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

3. Consolidated Financial Forecasts for the FY2025 (from April 1, 2025 to March 31, 2026)

(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
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

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

*Notes

(1) Significant changes in the scope of consolidation during the period: Yes
Newly included: 1 company (Emulsion Technology Co., Ltd.)

(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)

Jun. 30, 2025: 156,000,000 shares Mar. 31, 2025: 156,000,000 shares

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

Jun. 30, 2025: 4,484,632 shares Mar. 31, 2025: 4,484,372 shares

3) Average number of shares outstanding during the period

Three months ended Jun. 30, 2025: 151,515,521 shares Three months ended Jun. 30, 2024: 154,463,655 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 (176,500 shares as of June 30, 2025 and 176,500 shares as of March 31, 2025). 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.

* 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, August 7, 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.

Contents of the Attached Materials

1. Overview of Operating Results, etc.....	2
(1) Overview of Operating Results for the Period under Review	2
(2) Overview of Financial Position for the Period under Review	2
2. Condensed Quarterly Consolidated Financial Statements and Related Notes.....	3
(1) Condensed Quarterly Consolidated Statements of Financial Position.....	3
(2) Condensed Quarterly Consolidated Statements of Profit or Loss and Condensed Quarterly Consolidated Statements of Comprehensive Income	5
(3) Condensed Quarterly Consolidated Statements of Changes in Equity.....	7
(4) Condensed Quarterly Consolidated Statements of Cash Flows.....	9
(5) Notes Concerning Condensed Quarterly Consolidated Financial Statements	10
(Going Concern Assumption)	10
(Applicable Financial Reporting Framework)	10
(Segment Information)	10
(Significant Subsequent Event)	12

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 the 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 first quarter of the fiscal year under review decreased by 8,971 million yen from the end of the previous fiscal year to 534,688 million yen. Current assets decreased by 16,372 million yen from the end of the previous fiscal year. This was mainly due to a decrease in cash and cash equivalents and a decrease in trade receivables primarily owing to lower selling prices due to a decline in raw material prices, despite increases mainly in trade receivables and inventories arising from the acquisition of a subsidiary. Non-current assets increased by 7,401 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 capital expenditure and goodwill arising from acquisition of a subsidiary, despite a decrease in investments accounted for using equity method.

Total liabilities decreased by 1,651 million yen from the end of the previous fiscal year to 149,475 million yen. This was mainly due to a decrease in income taxes payable, despite an increase in short-term borrowings and an increase mainly in trade payables due to the acquisition of a subsidiary.

Total equity decreased by 7,320 million yen from the end of the previous fiscal year to 385,213 million yen. This was mainly due to a decrease in retained earnings resulting mainly from dividend of surplus and a decrease in exchange differences on translation of foreign operations caused by exchange rate fluctuations.

The rate of equity attributable to owners of parent decreased by 0.1 percentage points from 70.5% at the end of the previous fiscal year to 70.4%. Equity attributable to owners of parent per share decreased by 43.07 yen from the end of the previous fiscal year to 2,484.91 yen.

2) Cash Flows

Cash and cash equivalents at the end of the three months ended June 30, 2025 amounted to 43,508 million yen, a decrease of 11,056 million yen from the end of the previous fiscal year, as the sum of cash flows used in investing activities including capital investment and cash flows used in financing activities exceeded the cash flows provided by operating activities.

Cash flow from operating activities

Net cash provided by operating activities in the three months ended June 30, 2025 amounted to 14,762 million yen, a decrease of 1,687 million yen from a cash inflow of 16,449 million yen in the same period of the previous fiscal year. This was mainly owing to a decrease in trade payables due primarily to a decline in raw material prices and a higher income taxes paid than in the same period of the previous fiscal year, despite a decrease in trade receivables.

Cash flow from investing activities

Net cash used in investing activities in the three months ended June 30, 2025 totaled 17,080 million yen, an increase of 12,287 million yen from a cash outflow of 4,793 million yen in the same period of the previous fiscal year. This was mainly due to increases in purchase of property, plant and equipment and purchase of shares of subsidiaries resulting in change in scope of consolidation.

Cash flow from financing activities

Net cash used in financing activities in the three months ended June 30, 2025 amounted to 8,140 million yen, a decrease of 297 million yen from a cash outflow of 8,437 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, despite an increase in dividends paid.

2. Condensed Quarterly Consolidated Financial Statements and Related Notes

(1) Condensed Quarterly Consolidated Statements of Financial Position

	(Unit: Millions of yen)	
	FY2024 As of Mar. 31, 2025	1Q FY2025 As of Jun. 30, 2025
Assets		
Current assets		
Cash and cash equivalents	54,565	43,508
Trade receivables	96,465	95,063
Inventories	84,315	83,296
Other financial assets	11,928	9,557
Other current assets	8,178	7,654
Total current assets	<u>255,451</u>	<u>239,079</u>
Non-current assets		
Property, plant and equipment	194,244	199,552
Goodwill	—	5,184
Intangible assets	4,496	4,360
Investments accounted for using equity method	30,040	27,992
Other financial assets	38,479	36,571
Retirement benefit asset	15,750	15,915
Deferred tax assets	3,859	4,251
Other non-current assets	1,339	1,786
Total non-current assets	<u>288,208</u>	<u>295,610</u>
Total assets	<u>543,659</u>	<u>534,688</u>

	(Unit: Millions of yen)	
	FY2024 As of Mar. 31, 2025	1Q FY2025 As of Jun. 30, 2025
Liabilities and equity		
Liabilities		
Current liabilities		
Trade payables	54,821	52,852
Borrowings	23,126	24,859
Other financial liabilities	12,175	11,279
Income taxes payable	5,220	2,096
Provisions	6,709	8,492
Other current liabilities	5,121	4,977
Total current liabilities	107,171	104,554
Non-current liabilities		
Borrowings	18,265	18,153
Other financial liabilities	4,319	4,226
Retirement benefit liability	8,674	9,225
Provisions	3,122	3,287
Deferred tax liabilities	9,574	10,030
Total non-current liabilities	43,954	44,921
Total liabilities	151,126	149,475
Equity		
Share capital	25,038	25,038
Capital surplus	22,533	22,533
Treasury shares	(7,263)	(7,264)
Retained earnings	308,770	303,454
Other components of equity	33,951	32,741
Total equity attributable to owners of parent	383,029	376,502
Non-controlling interests	9,505	8,711
Total equity	392,533	385,213
Total liabilities and equity	543,659	534,688

(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)	
	1Q FY2024 Apr. 1, 2024 to Jun. 30, 2024	1Q FY2025 Apr. 1, 2025 to Jun. 30, 2025
Revenue	105,095	101,247
Cost of sales	86,998	83,040
Gross profit	18,097	18,208
Selling, general and administrative expenses	13,284	14,145
Other operating income	717	560
Other operating expenses	342	328
Operating profit	5,189	4,295
Finance income	956	1,035
Finance costs	395	284
Share of profit (loss) of investments accounted for using equity method	671	1,238
Profit before tax	6,421	6,283
Income tax expense	1,613	1,635
Profit	<u>4,807</u>	<u>4,649</u>
Profit attributable to:		
Owners of parent	4,631	4,434
Non-controlling interests	176	214
Profit	<u>4,807</u>	<u>4,649</u>
Earnings per share:		
Basic earnings per share (Yen)	29.98	29.27
Diluted earnings per share (Yen)	29.97	29.26

Condensed Quarterly Consolidated Statements of Comprehensive Income

	(Unit: Millions of yen)	
	1Q FY2024 Apr. 1, 2024 to Jun. 30, 2024	1Q FY2025 Apr. 1, 2025 to Jun. 30, 2025
Profit	4,807	4,649
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	1,283	1,304
Share of other comprehensive income of investments accounted for using equity method	0	(0)
Total of items that will not be reclassified to profit or loss	1,283	1,304
Items that may be reclassified to profit or loss		
Exchange differences on translation of foreign operations	7,362	(2,362)
Share of other comprehensive income of investments accounted for using equity method	460	(1,202)
Total of items that may be reclassified to profit or loss	7,822	(3,565)
Other comprehensive income, net of tax	9,105	(2,261)
Comprehensive income	<u>13,913</u>	<u>2,387</u>
Comprehensive income attributable to		
Owners of parent	13,515	2,565
Non-controlling interests	398	(178)
Comprehensive income	<u>13,913</u>	<u>2,387</u>

(3) Condensed Quarterly Consolidated Statements of Changes in Equity

Three months ended June 30, 2024 (Apr. 1, 2024 to Jun. 30, 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	—	—	—	4,631	—	—
Other comprehensive income	—	—	—	—	1,282	0
Comprehensive income	—	—	—	4,631	1,282	0
Purchase of treasury shares	—	—	(1)	—	—	—
Disposal of treasury shares	—	(1)	3	—	—	—
Share-based payment transactions	—	0	—	—	—	—
Dividends	—	—	—	(3,475)	—	—
Transfer from other components of equity to retained earnings	—	—	—	907	(907)	(0)
Total transactions with owners	—	(1)	2	(2,568)	(907)	(0)
Balance at end of period	25,038	22,512	(2,356)	300,488	9,507	—

	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	—	—	4,631	176	4,807
Other comprehensive income	7,601	8,884	8,884	222	9,105
Comprehensive income	7,601	8,884	13,515	398	13,913
Purchase of treasury shares	—	—	(1)	—	(1)
Disposal of treasury shares	—	—	2	—	2
Share-based payment transactions	—	—	0	—	0
Dividends	—	—	(3,475)	(760)	(4,235)
Transfer from other components of equity to retained earnings	—	(907)	—	—	—
Total transactions with owners	—	(907)	(3,474)	(760)	(4,234)
Balance at end of period	38,300	47,807	393,489	8,752	402,241

Three months ended June 30, 2025 (Apr. 1, 2024 to Jun. 30, 2025)

(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	22,533	(7,263)	308,770	4,225	–
Profit	–	–	–	4,434	–	–
Other comprehensive income	–	–	–	–	1,304	(0)
Comprehensive income	–	–	–	4,434	1,304	(0)
Purchase of treasury shares	–	–	(0)	–	–	–
Disposal of treasury shares	–	–	–	–	–	–
Share-based payment transactions	–	–	–	–	–	–
Dividends	–	–	–	(9,091)	–	–
Transfer from other components of equity to retained earnings	–	–	–	(659)	659	0
Total transactions with owners	–	–	(0)	(9,750)	659	0
Balance at end of period	25,038	22,533	(7,264)	303,454	6,189	–

	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	29,726	33,951	383,029	9,505	392,533
Profit	–	–	4,434	214	4,649
Other comprehensive income	(3,173)	(1,869)	(1,869)	(392)	(2,261)
Comprehensive income	(3,173)	(1,869)	2,565	(178)	2,387
Purchase of treasury shares	–	–	(0)	–	(0)
Disposal of treasury shares	–	–	–	–	–
Share-based payment transactions	–	–	–	–	–
Dividends	–	–	(9,091)	(616)	(9,707)
Transfer from other components of equity to retained earnings	–	659	–	–	–
Total transactions with owners	–	659	(9,091)	(616)	(9,707)
Balance at end of period	26,552	32,741	376,502	8,711	385,213

(4) Condensed Quarterly Consolidated Statements of Cash Flows

	(Unit: Millions of yen)	
	1Q FY2024 Apr. 1, 2024 to Jun. 30, 2024	1Q FY2025 Apr. 1, 2025 to Jun. 30, 2025
Cash flows from operating activities		
Profit before tax	6,421	6,283
Depreciation and amortization	7,909	7,775
Loss (gain) on sale of property, plant and equipment	(2)	(1)
Interest and dividend income	(953)	(941)
Interest expenses	385	274
Share of loss (profit) of investments accounted for using equity method	(671)	(1,238)
Decrease (increase) in trade receivables	(4,755)	2,388
Decrease (increase) in inventories	2,678	2,044
Increase (decrease) in trade payables	1,648	(2,986)
Other	3,533	2,032
Subtotal	16,191	15,631
Interest and dividends received	1,331	2,868
Interest paid	(241)	(175)
Income taxes refund (paid)	(832)	(3,562)
Net cash provided by (used in) operating activities	16,449	14,762
Cash flows from investing activities		
Purchase of property, plant and equipment	(6,435)	(13,640)
Proceeds from sale of property, plant and equipment	6	2
Purchase of intangible assets	(170)	(183)
Purchase of investments	(1)	(1)
Proceeds from sale and redemption of investments	1,422	3,790
Purchase of shares of subsidiaries resulting in change in scope of consolidation	–	(6,900)
Other	386	(148)
Net cash provided by (used in) investing activities	(4,793)	(17,080)
Cash flows from financing activities		
Net increase (decrease) in short-term borrowings	(1,989)	2,359
Proceeds from long-term borrowings	100	–
Repayments of long-term borrowings	(1,900)	(383)
Repayments of lease liabilities	(412)	(409)
Purchase of treasury shares	(1)	(0)
Dividends paid	(3,475)	(9,091)
Dividends paid to non-controlling interests	(760)	(616)
Other	0	–
Net cash provided by (used in) financing activities	(8,437)	(8,140)
Effect of exchange rate changes on cash and cash equivalents	1,646	(598)
Net increase (decrease) in cash and cash equivalents	4,865	(11,056)
Cash and cash equivalents at beginning of period	55,129	54,565
Cash and cash equivalents at end of period	59,995	43,508

(5) Notes Concerning Condensed Quarterly 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.

Under its new Medium-Term Management Plan (FY2025-FY2027), the Group has set forth a strategy to enhance profitability of the Solutions business. Going forward, the importance of share of profit of investments accounted for using equity method (equity-method investment profit) is expected to increase further as we expand our investments in growth business areas. To assess the Group's earning power more accurately, we use the profit indicator of "operating profit + equity-method investment profit."

In line with this change, segment income is calculated with the formula of "operating profit" + "equity-method investment profit (loss)" and segment income for the three months ended June 30, 2024 has been restated accordingly.

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

Three months ended June 30, 2024 (Apr. 1, 2024 to June 30, 2024)

(Unit: Millions of yen)

	Reportable segments			Adjustment (Note)	Total
	Materials	Solutions	Total		
Revenue					
Revenue to third parties	76,421	28,674	105,095	–	105,095
Intergroup revenue and transfers	3,951	756	4,707	(4,707)	–
Total	80,372	29,430	109,802	(4,707)	105,095
Segment income					
Operating profit	4,727	378	5,105	83	5,189
Share of profit (loss) of investments accounted for using equity method	372	299	671	–	671
Total	5,099	677	5,777	83	5,860
Finance income	–	–	–	–	956
Finance costs	–	–	–	–	395
Profit before tax	–	–	–	–	6,421

Note: The adjustment for "Segment income" includes inter-segment transaction eliminations and corporate profit (loss) not allocated to reportable segments amounting to 83 million yen.

Three months ended June 30, 2025 (Apr. 1, 2025 to June 30, 2025)

(Unit: Millions of yen)

	Reportable segments			Adjustment (Note)	Total
	Materials	Solutions	Total		
Revenue					
Revenue to third parties	69,808	31,440	101,247	–	101,247
Intergroup revenue and transfers	4,317	715	5,031	(5,031)	–
Total	74,124	32,154	106,279	(5,031)	101,247
Segment income					
Operating profit	2,330	1,856	4,185	109	4,295
Share of profit (loss) of investments accounted for using equity method	734	503	1,238	–	1,238
Total	3,064	2,359	5,423	109	5,532
Finance income	–	–	–	–	1,035
Finance costs	–	–	–	–	284
Profit before tax	–	–	–	–	6,283

Note: The adjustment for "Segment income" includes inter-segment transaction eliminations and corporate profit (loss) not allocated to reportable segments amounting to 109 million yen.

(Significant Subsequent Events)

(Purchase of treasury stock)

The Company has resolved, at a meeting of the Board of Directors held on July 30, 2025, the matters related to the purchase of treasury stock pursuant to the provisions of Article 156 of the Companies Act, as applied by replacing the relevant terms pursuant to the provisions of Article 165, paragraph 3 of the same Act. Details are described in the “Notice Regarding Purchase of Treasury Stock (Purchase of Treasury Stock under the provisions of the Articles of Incorporation pursuant to Article 165, Paragraph 2, of the Companies Act)” announced on July 30, 2025.