

Summary of Consolidated Financial Results
For the Fiscal Year Ended March 31, 2024 [IFRS]

May 13, 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
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Scheduled date of the general shareholders' meeting: June 20, 2024
Scheduled date of dividend payment: June 21, 2024
Scheduled date of filing annual securities report: June 20, 2024
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, 2024 (hereinafter FY 2023) (from April 1, 2023 to March 31, 2024)

(1) Consolidated operating results

(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	%
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
FY 2022	419,568	13.6	23,528	(19.0)	26,175	(22.3)	20,160	(17.6)	19,392	(18.2)	30,009	(8.5)

	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 2023	70.48	70.46	3.0	2.9	4.2
FY 2022	122.07	122.06	5.5	5.0	5.6

Reference: Share of profit of investments accounted for using equity method (millions of yen): FY 2023: (958)
FY 2022: 1,925

Note: On April 1, 2024, the Company conducted a stock split of in which each share of common stock was split for 4 shares. "Basic earnings per share" and "diluted earnings per share" have been calculated assuming that the stock split was 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, 2024	544,060	392,562	383,448	70.5	2,482.45
As of Mar. 31, 2023	523,319	369,998	362,231	69.2	2,303.48

Note: On April 1, 2024, the Company conducted a stock split of in which each share of common stock was split for 4 shares. "Equity attributable to owners of parent per share" has been calculated assuming that the stock split was 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 2023	57,880	(15,684)	(28,364)	55,129
FY 2022	41,447	(25,976)	(17,321)	39,035

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 2022	–	90.00	–	90.00	180.00	7,136	36.9	2.0
FY 2023	–	90.00	–	90.00	180.00	7,022	63.9	1.9
FY 2024 (forecast)	–	35.00	–	35.00	70.00		101.8	

Note: On April 1, 2024, the Company conducted a stock split of in which each share of common stock was split for 4 shares. Dividend amounts for FY 2022 and FY2023 are the actual dividend amounts before the stock split. The amounts for FY2024(forecast) are based on the post-stock-split information.

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

(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)	195,000	0.4	6,000	(40.0)	6,500	(33.6)	3,500	(49.0)	22.73
Full year	400,000	2.0	15,000	(9.4)	16,000	1.6	10,500	(4.6)	68.74

*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)

Mar. 31, 2024: 156,000,000 shares Mar. 31, 2023: 163,200,000 shares

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

Mar. 31, 2024: 1,536,840 shares Mar. 31, 2023: 5,945,840 shares

- 3) Average number of shares outstanding during the period

FY 2023: 156,186,157 shares FY 2022: 158,852,170 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 (179,600 shares as of March 31, 2024 and 194,400 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.

2. On April 1, 2024, the Company conducted a stock split of in which each share of common stock was split for 4 shares. The “number of shares issued and outstanding 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 was 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, 2024

(from April 1, 2023 to March 31, 2024)

(1) Non-consolidated operating results

(Percentages indicate year-over-year changes)

	Net sales		Operating profit		Ordinary profit		Profit	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
FY 2023	229,275	(10.8)	8,599	(42.1)	11,605	(49.7)	8,056	(53.1)
FY 2022	257,041	14.6	14,860	(18.1)	23,075	(5.6)	17,183	(2.4)

	Basic earnings per share	Diluted net income per share
	Yen	Yen
FY 2023	51.58	—
FY 2022	108.17	—

Note: On April 1, 2024, the Company conducted a stock split of in which each share of common stock was split for 4 shares. “Basic earnings per share” has been calculated assuming that the stock split was 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, 2024	361,072	269,040	74.5	1,741.77
As of Mar. 31, 2023	361,632	266,555	73.7	1,695.06

Reference: Shareholders' equity (millions of yen): As of Mar. 31, 2024: 269,040

As of Mar. 31, 2023: 266,555

Note: On April 1, 2024, the Company conducted a stock split of in which each share of common stock was split for 4 shares. “Net assets per share” has been calculated assuming that the stock split was 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.
2. Supplementary materials will be disclosed through TDnet on Wednesday, May 15, 2024, and will also be posted on the Company's website.

* 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.

Consolidated Financial Statements

(1) Consolidated Statements of Financial Position

(Unit: Millions of yen)

	FY 2022 As of Mar. 31, 2023	FY 2023 As of Mar. 31, 2024
Assets		
Current assets		
Cash and cash equivalents	39,035	55,129
Trade receivables	98,571	98,181
Inventories	86,056	84,446
Other financial assets	14,151	16,661
Other current assets	6,239	5,262
Total current assets	244,053	259,679
Non-current assets		
Property, plant and equipment	189,520	188,436
Intangible assets	8,358	4,959
Investments accounted for using equity method	27,088	26,531
Other financial assets	40,195	45,718
Retirement benefit asset	9,129	13,700
Deferred tax assets	3,404	3,846
Other non-current assets	1,573	1,192
Total non-current assets	279,266	284,381
Total assets	523,319	544,060

(Unit: Millions of yen)

	FY 2022 As of Mar. 31, 2023	FY 2023 As of Mar. 31, 2024
Liabilities and equity		
Liabilities		
Current liabilities		
Trade payables	53,138	61,351
Borrowings	23,044	17,100
Other financial liabilities	9,539	10,355
Income taxes payable	3,970	1,534
Provisions	6,672	6,239
Other current liabilities	5,278	4,667
Total current liabilities	101,641	101,246
Non-current liabilities		
Borrowings	27,867	21,924
Other financial liabilities	5,961	5,634
Retirement benefit liability	8,941	8,968
Provisions	2,582	3,051
Deferred tax liabilities	6,330	10,676
Total non-current liabilities	51,681	50,252
Total liabilities	153,321	151,498
Equity		
Share capital	25,038	25,038
Capital surplus	22,520	22,513
Treasury shares	(9,298)	(2,358)
Retained earnings	301,940	298,424
Other components of equity	22,030	39,830
Total equity attributable to owners of parent	362,231	383,448
Non-controlling interests	7,767	9,114
Total equity	369,998	392,562
Total liabilities and equity	523,319	544,060

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

	(Unit: Millions of yen)	
	FY 2022 Apr. 1, 2022 to Mar. 31, 2023	FY 2023 Apr. 1, 2023 to Mar. 31, 2024
Revenue	419,568	392,009
Cost of sales	339,176	324,005
Gross profit	80,392	68,004
Selling, general and administrative expenses	56,844	51,243
Other operating income	3,057	5,814
Other operating expenses	3,076	6,012
Operating profit	23,528	16,562
Finance income	1,856	2,280
Finance costs	1,134	2,141
Share of profit (loss) of investments accounted for using equity method	1,925	(958)
Profit before tax	26,175	15,744
Income tax expense	6,015	3,369
Profit	20,160	12,374
Profit attributable to		
Owners of parent	19,392	11,008
Non-controlling interests	769	1,367
Profit	20,160	12,374
Earnings per share		
Basic earnings per share (Yen)	122.07	70.48
Diluted earnings per share (Yen)	122.06	70.46

Consolidated Statements of Comprehensive Income

	(Unit: Millions of yen)	
	FY 2022 Apr. 1, 2022 to Mar. 31, 2023	FY 2023 Apr. 1, 2023 to Mar. 31, 2024
Profit	20,160	12,374
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	(199)	4,964
Remeasurements of defined benefit plans	1,604	3,287
Share of other comprehensive income of investments accounted for using equity method	154	(10)
Total of items that will not be reclassified to profit or loss	1,559	8,240
Items that may be reclassified to profit or loss		
Exchange differences on translation of foreign operations	6,888	12,592
Share of other comprehensive income of investments accounted for using equity method	1,402	831
Total of items that may be reclassified to profit or loss	8,290	13,424
Other comprehensive income, net of tax	9,848	21,664
Comprehensive income	30,009	34,038
Comprehensive income attributable to		
Owners of parent	28,889	32,239
Non-controlling interests	1,120	1,799
Comprehensive income	30,009	34,038

(3) Consolidated Statements of Changes in Equity

Fiscal year ended Mar. 31, 2023 (Apr. 1, 2022 to Mar. 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	22,472	(6,291)	288,124	4,874	–
Profit	–	–	–	19,392	–	–
Other comprehensive income	–	–	–	–	(201)	1,664
Comprehensive income	–	–	–	19,392	(201)	1,664
Purchase of treasury shares	–	–	(3,007)	–	–	–
Disposal of treasury shares	–	–	–	–	–	–
Cancellation of treasury shares	–	–	–	–	–	–
Share-based payment transactions	–	41	–	–	–	–
Dividends	–	–	–	(7,581)	–	–
Increase (decrease) in non-controlling interests	–	8	–	–	–	–
Transfer from other components of equity to retained earnings	–	–	–	2,005	(342)	(1,664)
Total transactions with owners	–	49	(3,007)	(5,575)	(342)	(1,664)
Balance at end of period	25,038	22,520	(9,298)	301,940	4,331	–

	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	–	–	19,392	769	20,160
Other comprehensive income	8,035	9,497	9,497	351	9,848
Comprehensive income	8,035	9,497	28,889	1,120	30,009
Purchase of treasury shares	–	–	(3,007)	–	(3,007)
Disposal of treasury shares	–	–	–	–	–
Cancellation of treasury shares	–	–	–	–	–
Share-based payment transactions	–	–	41	–	41
Dividends	–	–	(7,581)	(571)	(8,152)
Increase (decrease) in non-controlling interests	–	–	8	(24)	(16)
Transfer from other components of equity to retained earnings	–	(2,005)	–	–	–
Total transactions with owners	–	(2,005)	(10,539)	(595)	(11,134)
Balance at end of period	17,699	22,030	362,231	7,767	369,998

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	–

	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

(4) Consolidated Statements of Cash Flows

	(Unit: Millions of yen)	
	FY 2022 Apr. 1, 2022 to Mar. 31, 2023	FY 2023 Apr. 1, 2023 to Mar. 31, 2024
Cash flows from operating activities		
Profit before tax	26,175	15,744
Depreciation and amortization	29,312	31,853
Loss (gain) on sale of property, plant and equipment	(22)	(1,593)
Impairment losses	1,554	3,602
Interest and dividend income	(1,837)	(2,214)
Interest expenses	558	1,741
Share of loss (profit) of investments accounted for using equity method	(1,925)	958
Decrease (increase) in trade receivables	7,371	3,589
Decrease (increase) in inventories	(8,926)	4,926
Increase (decrease) in trade payables	(5,923)	6,289
Other	71	28
Subtotal	46,407	64,923
Interest and dividends received	5,401	3,114
Interest paid	(454)	(1,718)
Income taxes paid	(9,907)	(8,440)
Net cash provided by (used in) operating activities	41,447	57,880
Cash flows from investing activities		
Purchase of property, plant and equipment	(21,652)	(19,149)
Proceeds from sale of property, plant and equipment	331	1,993
Purchase of intangible assets	(1,433)	(1,418)
Purchase of investments	(383)	(128)
Proceeds from sale and redemption of investments	821	3,028
Acquisition of shares of subsidiaries and affiliates	–	(570)
Payments for investments in capital of subsidiaries and associates	(3,963)	–
Other	302	559
Net cash provided by (used in) investing activities	(25,976)	(15,684)
Cash flows from financing activities		
Net increase (decrease) in short-term borrowings	544	(3,031)
Proceeds from long-term borrowings	9,000	500
Repayments of long-term borrowings	(13,621)	(12,531)
Repayments of lease liabilities	(2,110)	(1,814)
Purchase of treasury shares	(3,007)	(3,966)
Dividends paid	(7,581)	(7,072)
Dividends paid to non-controlling interests	(571)	(451)
Other	25	(0)
Net cash provided by (used in) financing activities	(17,321)	(28,364)
Effect of exchange rate changes on cash and cash equivalents	1,522	2,263
Net increase (decrease) in cash and cash equivalents	(327)	16,094
Cash and cash equivalents at beginning of period	39,363	39,035
Cash and cash equivalents at end of period	39,035	55,129