



Financial Results Briefing Material for the Fiscal Year Ending March 2024 (FY 2023)

May 15th, 2024

Kazuhiro Noda, President

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Agenda

- I. FY2023 Results**
- II. FY2024 Forecasts**
- III. Progress of Mid-term Management Plan (FY2022-2024)**
- IV. Achieving the 2030 Long-term Vision**

Abbreviations	
AA	Acrylic acid
AES	Acrylate
SAP	Superabsorbent polymers
EO	Ethylene oxide
EG	Ethylene glycol
VEEA™	Hybrid monomer
SOFC	Solid oxide fuel cell
SOEC	Solid oxide electrolytic cell

Highlights

■ FY2023 Results

Revenue: 392.0 Operating profit: 16.6 (Billion yen)

- The supply-demand balance deteriorated for many products due to sluggish demand associated with global inflation. Low priced products from China flowed into the Asian region.
- Decrease in profit year on year mainly due to worsening spreads of Acrylate and other products.
- On the other hand, demand for SAP grew in emerging countries, and demand for display-related products bottomed out.

■ FY2024 Forecasts

Revenue: 400.0 Operating profit: 15.0 (Billion yen)

- Decrease in profit year on year due to expected narrowing of spreads and increase in fixed costs in the Materials business.
- Demand to gradually recover in the second half of the current fiscal year, although the impact of sluggish demand and the economic slowdown in China will continue for some time.
- Solidify the foundation for the next Mid-term Management Plan by rebuilding strategic product groups, narrowing down growth businesses, and proactively allocating resources.

I . FY 2023 Results

FY2023 Consolidated Financial Summary (YoY)

(Billion yen)	FY2022	FY2023	Difference	
	Actual	Actual	Amount	%
Revenue	419.6	392.0	-27.6	-6.6%
Operating profit	23.5	16.6	-7.0	-29.6%
(Operating profit to revenue)	5.6%	4.2%	-	-
Share of profit of investments accounted for using equity method	1.9	-1.0	-2.9	-
Profit before tax	26.2	15.7	-10.4	-39.9%
Profit attributable to owners of parent	19.4	11.0	-8.4	-43.2%
ROE	5.5%	3.0%	-2.5p	-
ROA	5.0%	2.9%	-2.1p	-
Domestic naphtha price (Yen/kL)	76,600	69,100	-7,500	-9.8%
USD/JPY	135	145	9	6.8%
EUR/JPY	141	157	16	11.2%

Segment Revenue and Operating Profit

(Billion Yen)

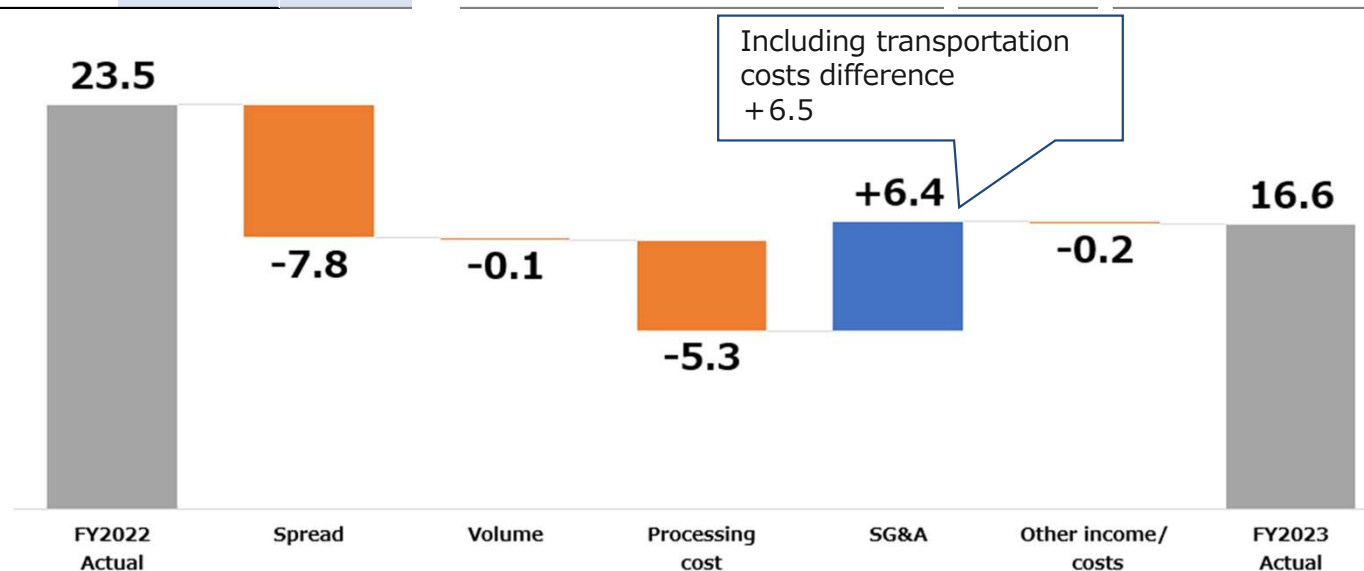
Market Domain	FY2022	FY2023			Revenues Increase/ Decrease Factors	
	Actual	Actual	Difference	%	Volume	Price
AA · SAP	232.1	216.0	-16.1	-6.9%	(+)	(-)
Basic materials, others	73.6	67.8	-5.8	-7.8%	(-)	(-)
Materials Business	305.7	283.8	-21.9	-7.2%		
Industrial & Household	89.0	80.6	-8.3	-9.4%	(-)	(-)
Energy & Electronics	23.6	26.4	2.8	11.9%	(+)	(-)
Others	1.3	1.1	-0.1	-11.3%	(-)	(+)
Solutions Business	113.9	108.2	-5.7	-5.0%		
Total Revenue	419.6	392.0	-27.6	-6.6%		
Materials Business	20.9	12.7	-8.2	-39.2%	(+) Increase in sales volume, selling price (-) Decrease in sales volume, selling price	
Solutions Business	1.5	2.7	1.2	81.8%		
Eliminations and corporate profit (loss)	1.1	1.1	0.0	2.0%		
Total Operating Profit	23.5	16.6	-7.0	-29.6%		

Analysis of Changes in Operating Profit (Total)

Decrease in profit year on year :
Narrowing of spreads for AES, etc., and higher processing costs (impact of inventory valuation difference, higher depreciation, etc.) exceeded the decrease in SG&A mainly decline in lower ocean freight cost.

(Breakdown)

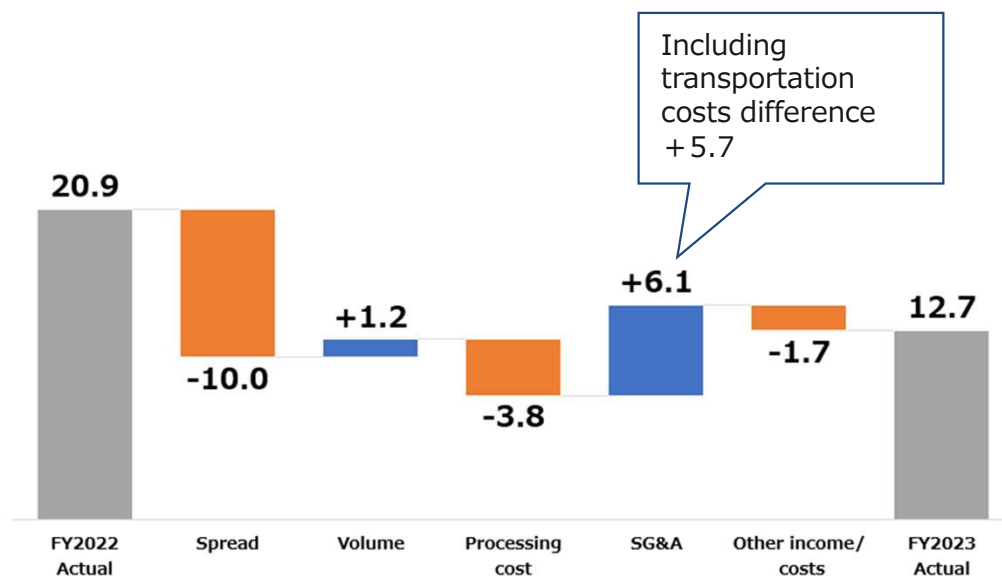
(Billion yen)	Operating profit		Diff.	Spread			Volume	Processing cost		SG&A	Other income/ costs
	FY2022 Actual	FY2023 Actual			Selling price differences	Variable cost differences			Inventory valuation difference		
Total	23.5	16.6	-7.0	-7.8	-36.4	+28.7	-0.1	-5.3	-3.7	+6.4	-0.2



Analysis of Changes in Operating Profit (Materials)

(Breakdown)

(Billion yen)	Operating profit		Diff.	Spread			Volume	Processing cost		SG&A	Other income/ costs
	FY2022 Actual	FY2023 Actual			Selling price differences	Variable cost differences			Inventory valuation difference		
Materials	20.9	12.7	-8.2	-10.0	-36.0	+26.0	+1.2	-3.8	-2.8	+6.1	-1.7



Spread

- AA·AES : Narrowing spreads due to decline in overseas markets, etc.

Volume

- AA·AES: Volume increased due to sales expansion in emerging countries.
- SAP: Volume increased due to strong demand in emerging countries.

Processing cost, SG&A, others

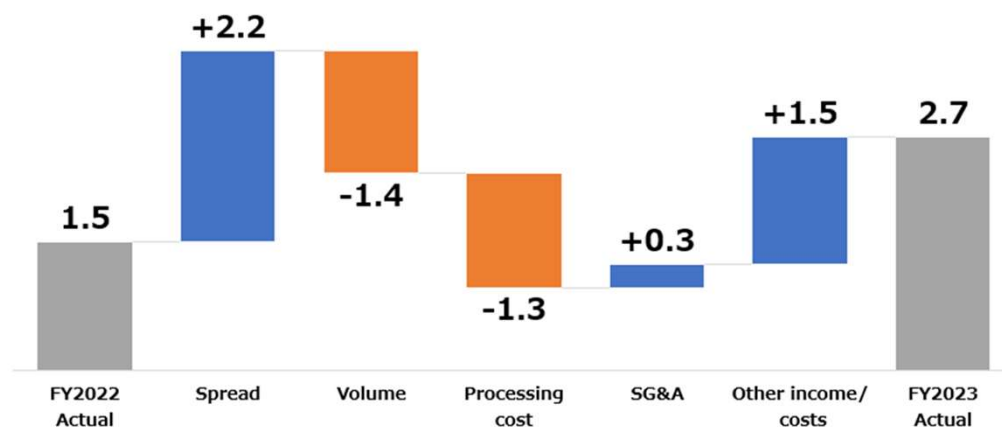
- Higher processing costs due to negative inventory valuation difference and increased depreciation cost in Indonesia.
- Decrease in SG&A due to lower ocean freight (transportation costs).
- Impairment loss of fixed assets(China subsidiary).

Analysis of Changes in Operating Profit (Solutions)

(Breakdown)

(Billion yen)	Operating profit		Diff.
	FY2022 Actual	FY2023 Actual	
Solutions	1.5	2.7	+1.2

Spread			Volume	Processing cost		SG&A	Other income/ costs
	Selling price differences	Variable cost differences			Inventory valuation difference		
+2.2	-0.4	+2.6	-1.4	-1.3	-0.9	+0.3	+1.5



Spread

- Industrial & Household : Widening spread due to falling raw materials price.
- Energy & Electronics : Widening spread due to difference in sales mix.

Volume

- Industrial & Household : Volume declined due to weak demand for household products.
- Energy & Electronics : Volume increased due to bottoming out of display-related demand.

Processing cost, SG&A, others

- Other income/costs
Gain on sale of fixed assets(land).

II. FY 2024 Forecasts

FY2024 Consolidated Financial Summary (YoY)

(Billion yen)	FY2023	FY2024	Difference	
	Actual	Forecasts	Amount	%
Revenue	392.0	400.0	8.0	2.0%
Operating profit	16.6	15.0	-1.6	-9.4%
(Operating profit to revenue)	4.2%	3.8%	-	-
Share of profit of investments accounted for using equity method	-1.0	0.9	1.9	-
Profit before tax	15.7	16.0	0.3	1.6%
Profit attributable to owners of parent	11.0	10.5	-0.5	-4.6%
ROE	3.0%	2.7%	-0.3p	-
ROA	2.9%	2.9%	0.0p	-
Domestic naphtha price (Yen/kL)	69,100	75,000	5,900	8.5%
USD/JPY	145	150	5	3.7%
EUR/JPY	157	160	3	2.0%

Segment Revenue and Operating Profit

(Billion Yen)

Market Domain	FY2023	FY2024			Revenues Increase/ Decrease Factors	
	Actual	Actual	Diff.	%	Volume	Price
AA · SAP	216.0	211.4	-4.6	-2.1%	(+)	(-)
Basic materials, others	67.8	69.6	1.8	2.6%	(+)	(-)
Materials Business	283.8	281.0	-2.8	-1.0%		
Industrial & Household	80.6	86.5	5.9	7.3%	(-)	(+)
Energy & Electronics	26.4	31.4	5.0	19.0%	(+)	(+)
Others	1.1	1.1	-0.1	-6.7%	(+)	(-)
Solutions Business	108.2	119.0	10.8	10.0%		
Total Revenue	392.0	400.0	8.0	2.0%		
Materials Business	12.7	10.5	-2.2	-17.5%		
Solutions Business	2.7	3.7	1.0	35.4%		
Eliminations and corporate profit (loss)	1.1	0.8	-0.3	-27.2%		
Total Operating Profit	16.6	15.0	-1.6	-9.4%		

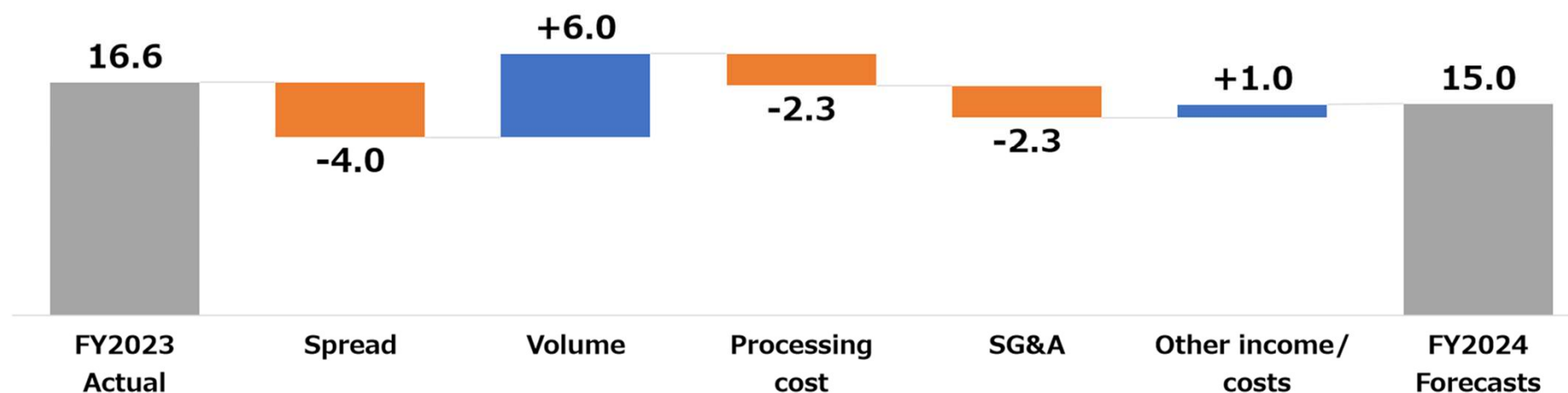
(+) Increase in sales volume,
selling price
 (-) Decrease in sales volume,
selling price

Analysis of Changes in Operating Profit (Total)

Expect decrease in profit year on year
Narrowing of spread in Materials business and increase in fixed manufacturing costs and SG&A expenses, etc. due to price increase, etc., despite increase in sales volume.

(Breakdown)

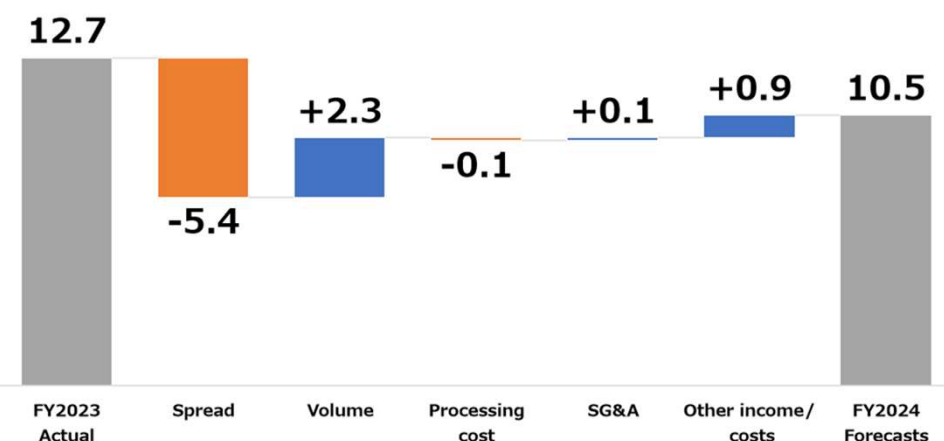
(Billion yen)	Operating profit		Diff.	Spread			Volume	Processing cost		SG&A	Other income/ costs
	FY2023 Actual	FY2024 Forecasts			Selling price differences	Variable cost differences			Inventory valuation difference		
Total	16.6	15.0	-1.6	-4.0	+2.5	-6.4	+6.0	-2.3	-0.8	-2.3	+1.0



Analysis of Changes in Operating Profit (Materials)

(Breakdown)

(Billion yen)	Operating profit		Diff.	Spread			Volume	Processing cost		SG&A	Other income/ costs
	FY2023 Actual	FY2024 Forecasts			Selling price differences	Variable cost differences			Inventory valuation difference		
Materials	12.7	10.5	-2.2	-5.4	-0.4	-5.1	+2.3	-0.1	+0.7	+0.1	+0.9



Spread

- AA·AES : Narrowing spreads as overseas market conditions continue to soften and rising raw material prices.
- SAP : Narrowing spread due to softening overseas market conditions.

Volume

- SAP : Volume growth due to capturing demand in both domestic and emerging countries.
- AA·AES: Decrease in volume due to lower sales to large customers.

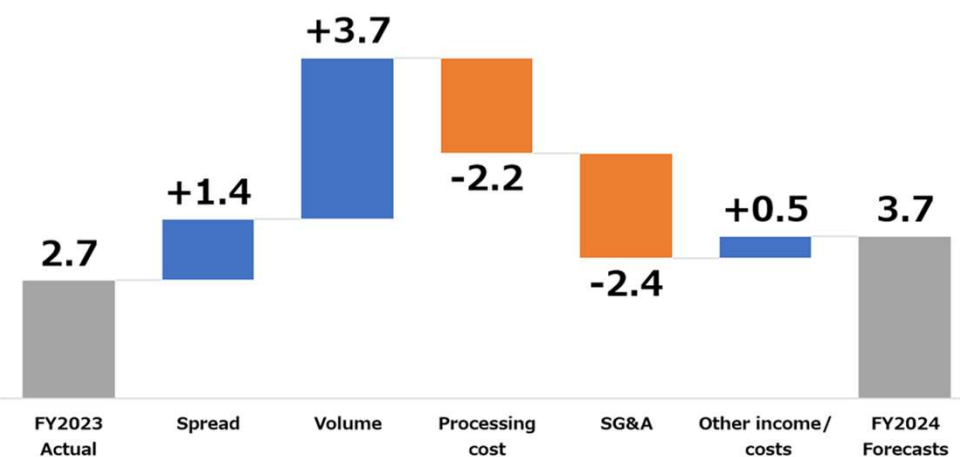
Processing cost, SG&A, others

- Other income/costs
Absence of impairment loss of fixed assets, which recorded in FY2023(China subsidiary)

Analysis of Changes in Operating Profit (Solutions)

(Breakdown)

(Billion yen)	Operating profit		Diff.	Spread			Volume	Processing cost		SG&A	Other income/ costs
	FY2023 Actual	FY2024 Forecasts			Selling price differences	Variable cost differences			Inventory valuation difference		
Solutions	2.7	3.7	+1.0	+1.4	+2.8	-1.4	+3.7	-2.2	-1.5	-2.4	+0.5



Spread

- Industrial & Household : Spreads are expected to improve due to higher sales prices in household products and industrial materials in addition to the yen's depreciation.

Volume

- Energy & Electronics : Increase in volume as recovery in display-related demand.

Processing cost, SG&A, others

- Processing cost, etc.: Impact of inventory valuation differences
- SG&A: increase in R&D expenses

Ⅲ. Progress of Mid-term Management Plan (FY2022-2024)

Overview of the Mid-term Management Plan

Position of the Current Mid-term Management Plan

Formulation of specific action plans from FY2022 to FY2024 to achieve FY2030 Goals

Initiatives to solidify a foundation and execute the transformations outlined in *TechnoAmenity for the Future-I*

Initiatives in Each Phase

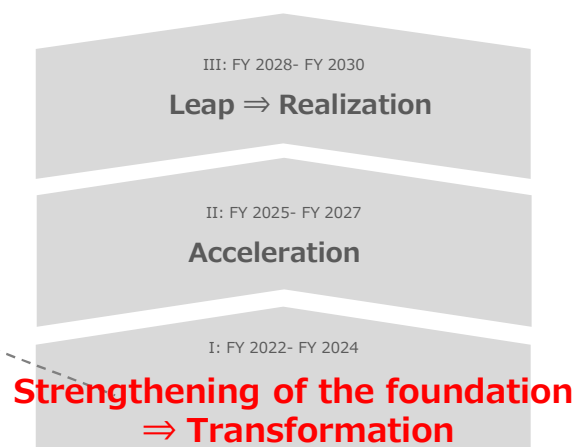


Long-term Vision for FY2030

TechnoAmenity for the future

FY2030 Goals

- Provide materials and solutions required by people and society
- Become a chemical company that keeps evolving by identifying social trends
- Develop with various stakeholders inside and outside the company



Overview of the Mid-term Management Plan

Initiatives and Target through FY2024

Nippon Shokubai will accelerate the three transformations by promoting a digital transformation



Expand the Solutions Business

- Strengthen solution proposals and concentrate resources on selected markets
- Expand sales of strategic product line-up to improve profitability
Double operating profit [compared to FY2021]

Achieve the Materials Business Resilience

- Strengthen profitability and improve added value through sustainability initiatives
(Facility expansion: Only the acrylic acids currently in progress at Nippon Shokubai Indonesia (NSI))



Contribute to reducing our environmental impact throughout the entire life cycle
(Resource mining through final product disposal)

- Reduce CO₂ emission from production processes
- Develop and expand sales of Environmental Contribution Products
(reduce the environmental impact of customers)

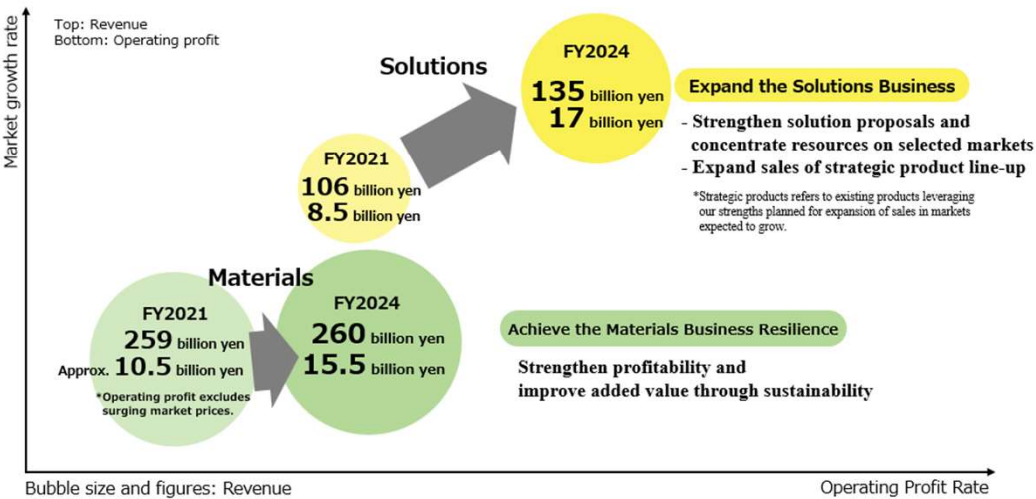


Realize frameworks able to foster individual and organizational growth

- Revise personnel systems
- Strengthen corporate governance
- Put in place measure to enhance productivity
- Delegate authority

Portfolio Transformation

Transform portfolio from existing to growth fields



Progress of the Mid-term Management Plan (1) Summary

Targets	FY2021 Results	FY2022 Results	FY2023 Results	FY2024 Forecasts	FY2024 Mid-term management plan	2030 Our Goal
Operating Profit	29.1 billion yen	23.5 billion yen	16.6 billion yen	15.0 billion yen	33.0 billion yen	60.0 billion yen scale
Solutions business Operating profit	7.8 billion yen	1.5 billion yen	2.7 billion yen	3.7 billion yen	17.0 billion yen	40.0 billion yen scale
ROE	7.2%	5.5%	3.0%	2.7%	7.5%	9% or more
ROA	6.8%	5.0%	2.9%	2.9%	6.9%	9% or more
Total shareholder return ratio	30.3%	52.2%	99.7%	148.9%	50%	-
New product Revenue (Non-consolidated, excluding new SAP products, and launched within five years)	10.9 billion yen	17.1 billion yen	13.6 billion yen	14.0 billion yen	28.0 billion yen	-
Growth investments and investments to remain competitive	-	26.7 billion yen	50.3 billion yen (FY2022-2023 cumulative)	97.0 billion yen (FY2022-2024 cumulative)	120.0 billion yen (FY2022-2024 cumulative)	400.0 billion yen (FY2022-2030 cumulative)
CO ₂ emission reductions (Scope 1 and Scope 2 emissions in Japan relative to FY 2014)	2% reduction	14% reduction*	13% reduction* (Preliminary)	-	-	30% reduction
Environmental Contribution Products Revenue	39.0 billion yen	44.0 billion yen	45.0 billion yen (Preliminary)	45.0 billion yen	55.0 billion yen	135.0 billion yen
Ratio of female recruitment in clerical and chemical position	23.3%	24.1%	28.6%	30.0%	30%	-
Ratio of female managers	4.1%	4.4%	5.4%	6.0%	6%	-
Ratio of male employees taking childcare leave *Change from more than one day to more than 15 days	4.1%	36.4%	90.0%	100.0%	100.0%	-

(* Includes 7.5% carbon credits) (* Includes 7.3% carbon credits)

Progress of the Mid-term Management Plan (2) Summary

■ Main Financial Objectives

(Billion Yen)

	FY2021	Actual		Forecasts	Targets	Goals
		Current Mid-term Management Plan Period			FY2024	FY2030
		FY2022	FY2023	FY2024		
Revenue	369.3	419.6	392.0	400.0	395.0	500.0
Materials	262.9	305.7	283.8	281.0	260.0	250.0
Solutions	106.4	113.9	108.2	119.0	135.0	250.0
Operating profit	29.1	23.5	16.6	15.0	33.0	60.0
Materials	20.9	20.9	12.7	10.5	15.5	20.0
Solutions	7.8	1.5	2.7	3.7	17.0	40.0
Eliminations and corporate profit (loss)	0.3	1.1	1.1	0.8	0.5	-

Major factors for the difference to the mid-term targets

- Sluggish performance of strategic product groups
- Delay in expansion of growth business

■ ROE

ROE							
	<div>Profit</div> <div>Shareholders' equity</div>	=	<div>Profitability</div> <div>Profit</div> <div>Revenue</div>	ROA	<div>Efficiency</div> <div>Revenue</div> <div>Total assets</div>	×	<div>Soundness</div> <div>Total assets</div> <div>Shareholders' equity</div>
FY2024 targets Mid-term Management Plan	7.5%		6.8%	×	0.74	×	1.48
FY2024 Forecast	2.7%		2.6%	×	0.73	×	1.44
Issues			improvement in profitability		improvement in asset efficiency		increase in leverage

Progress of the Mid-term Management Plan "Business Transformation"

Section	Progress Status	Future Action Plan
Expansion of Solutions Business	<ul style="list-style-type: none"> ● Sluggish Sales of Strategic Products <ul style="list-style-type: none"> • Resins for Optical Films: Sales did not increase as expected due to delays in recovery of display-related demand. • Concrete Admixtures Material: Volume decreased due to restructuring of the admixture industry and competition with Chinese and Korean products in overseas markets. • Detergent Ingredients: Reduced use of our company products used in high-performance detergents ● Delayed by about 2 years in Energy (battery, hydrogen) and life sciences (health and medicine: Nucleic Acids & Peptides CDMO) where aiming to expand business (profit contribution) from FY 2025 onwards ● Completion of the development of a platform to strengthen the ability to propose solutions. <ul style="list-style-type: none"> • Increase in personnel resources approximately 100 more people in 3 years (initial plan indicated 70) • Establish a mechanism to visualize and share customer information 	<ul style="list-style-type: none"> ● Recovery in the strategic product group <ul style="list-style-type: none"> • Resins for optical films: Response to the shift in the LCD market to China • Concrete Admixture Material: Early launch of products contributing to carbon neutral • Detergent Ingredients: Reviewing optimal production system. ● Invest resources actively in 3 Businesses (Energy business, Electronics business, and Life science business) ● Execution of diverse business expansion plans (M&A, product clustering, overseas expansion, etc.)
Resilience in the Materials Business	<ul style="list-style-type: none"> ● AA・SAP: <ul style="list-style-type: none"> • SAP: Completion of capacity expansion through remodeling of existing plant • AES: Decline in market conditions and sales volume due to outflow of low-priced Chinese products to Asian regions as a result of economic slowdown in China. ● EO: <ul style="list-style-type: none"> • Reflecting raw material and fuel price increase into selling prices. 	<ul style="list-style-type: none"> ● SAP: Strengthen sales to growth markets such as in highly functional fields and the Indian market ● AA and EO: Increase market share in view of domestic industry restructuring ● EO: Acquire contract for new EO additions
	<ul style="list-style-type: none"> ● Developing bio-AA production methods for multiple routes (to build bench and pilot facilities) ● Demand for biomass-derived products has not increased as expected 	<ul style="list-style-type: none"> ● Continuation for the development of bio-AA manufacturing methods in preparation for the rising demand

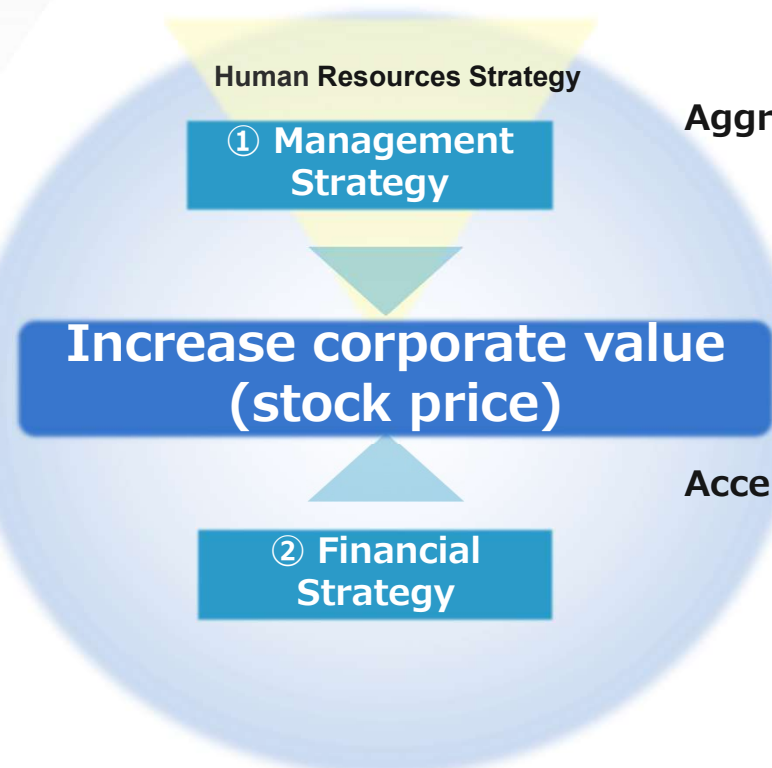
*Progress of "Environmental Transformation" and "Organizational Transformation" will be disclosed in the next Mid-Term Management Plan

IV. Achieving the Long-term Vision

Achieving the Long-term Vision for FY2030

< The next Mid-term Management Plan (FY 2025 to FY 2027) is in the process of being formulated >

- **Revision in (1) Management Strategy and (2) Financial Strategy to achieve ROE and ROA of 9% or more targeted in the Long-term Vision for FY2030**
- **Start efforts this fiscal year to improve corporate value without waiting for the next Mid-term Management Plan starting from FY2025**



Aggressive investment in growth businesses by reviewing resource allocation

- Business expansion is in sight in Energy business, Electronics business, and Life science business, due to advances in R & D and marketing activities



- **Invest resources actively in the above 3 businesses selected as growth businesses**
- **Business management by ROIC**

Accelerating Asset and Capital Efficiency

- Target 60% of Shareholders' equity ratio to increase asset and capital efficiency
- Dividend payout ratio of 100% over the next four years to curb capital accumulation
- Reduce cross-shareholdings by 50% over four years and use the proceeds to acquire treasury stock
- Acquire treasury stock of approximately ¥20 billion over four years through FY2027

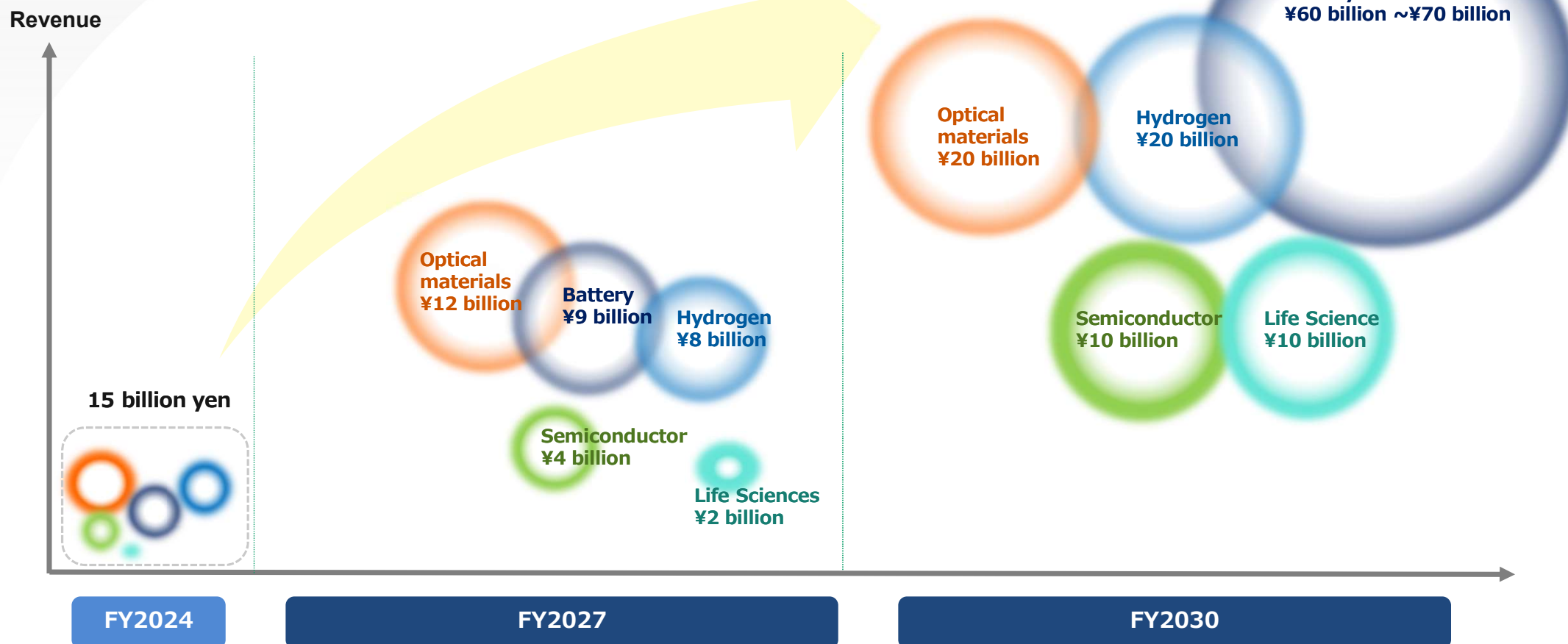
(1) Management Strategy: Growth image toward FY2030

- Profit growth through FY2027 by strengthening growth businesses and rebuilding strategic product groups.
- Growth businesses will enter a profit expansion phase around FY2030.

Business		Strategic Overview
Growth Business Business expansion to capture market growth	Energy	Battery <ul style="list-style-type: none"> ■ Capturing the growing demand for automotive lithium-ion batteries (establishment of a multi-site production system for Ionel) ■ Development of next-generation electrolytes and peripheral materials
		Hydrogen <ul style="list-style-type: none"> ■ Approaches to various implementation methods to hydrogen society, such as alkaline water electrolysis and ammonia decomposition catalyst. ■ Capturing the growing demand for SOFC/SOEC (building a system to increase production of solid electrolyte sheets)
	Electronics	Optical materials <ul style="list-style-type: none"> ■ Responding to the shift in the LCD market to China ■ Shifting to high-value-added products such as next-generation displays
		Semiconductors <ul style="list-style-type: none"> ■ Expansion of product lineup for 3D packaging materials (e.g., particulate products) ■ Develop new products utilizing our materials and technologies
	Life Sciences	Health and Medicine <ul style="list-style-type: none"> ■ Contract development and manufacturing of active pharmaceutical ingredients (CDMO) and development of drug discovery support using proprietary technologies ■ Expand marketing to growing overseas areas (North America)
Business		Strategic Overview
Core Business (1) Maximize profits with increased efficiency	AA · SAP	<ul style="list-style-type: none"> ■ Tap into demand in India and other growth areas ■ Optimize production and supply systems at six sites worldwide
	EO	<ul style="list-style-type: none"> ■ Capture maximum demand by taking the opportunity of the domestic industry restructuring
Core Business (2) Business expansion in response to area expansion and market inflection points	Specialty Chemical	<ul style="list-style-type: none"> ■ Develop high-margin business with highly unique materials ■ Review marketing methods and development system, accelerate overseas expansion
	Construction Chemical	<ul style="list-style-type: none"> ■ Develop and launch products that contribute to carbon neutrality ■ Expand lineup of high-performance building materials based on emulsions

(1) Management Strategy: Growth image toward FY2030

Sales scale of growth businesses: FY2027 & FY2030



(1) Management Strategy: Battery

■ Target revenue of approx. 50 billion yen and operating profit margin of over 10% by 2030 in Ionel business

Region	Business Type	Manufacturing Capacity *	Efforts to Achieve Goals	FY2024	FY2025	FY2026	FY2027	FY2028	FY2029	FY2030
China	JV/Capchem	1,200t/y ;Plans to increase by several thousand tons	Increased production capacity							
Japan	Own	Several thousand tons/y scale	Concretization of PJ contents including site selection					Targeting to start commercial operation in 2028		
North America	JV	Several thousand tons/y scale	Selection of JV partners and implementation of schemes					Targeting to start commercial operation in 2029		
Europe	JV/Arkema	Suspension of plan, and resumption of study in response to future demand trends								

*Production capacity at each site is shown. In the case of JV, it is planned to collect and sell a quantity corresponding to our company's stake.

(1) Management Strategy: Hydrogen

■ Target revenue of approx. 20 billion yen and operating margin of 20 % level by 2030 in product group supporting hydrogen supply chain

*Revenue in 2030

For Alkaline Water Electrolysis Separator

Billions of yen scale

- The alkaline type method is the mainstream for water electrolysis. By 2030, the market size will be almost tripled.
- Successfully achieved higher efficiency and lower cost than the preceding competitive products
- Adoption is progressing for small separators, aiming to expand business for large separators and large customers.

Manufacturing



Hydrogen Production

**Toward Carbon Neutrality
Building a Hydrogen Supply Chain
Contributing to All Directions**

Ammonia synthesis

Ammonia Transportation



Ammonia Decomposition catalyst

Billions of yen scale

- Ammonia is an effective substance for achieving carbon neutrality as a fuel and hydrogen carrier
- Small-scale demonstration by customers to be conducted during the next Mid-term Plan period, Commercial-scale demonstration to be conducted by 2030

Transportation

Decomposition to hydrogen

Utilization



Fuel Cell

Hydrogen Combustion

For SOEC Electrolyte sheet

Billions of yen scale

- Development is leading in Europe as a highly efficient hydrogen production method
- Utilizes SOFC sheet manufacturing technology. Timely supply in response to market expansion.

For SOFC Electrolyte sheet

10 Billions of yen scale

- More than 20 years of business with the industry's top manufacturer
- Expand production capacity by 1.5 times in FY2024
- Further capacity expansion expected during the next Mid-term Plan period

(2) Financial Strategy: Promoting BS Management (Improving Asset and Capital Efficiency)

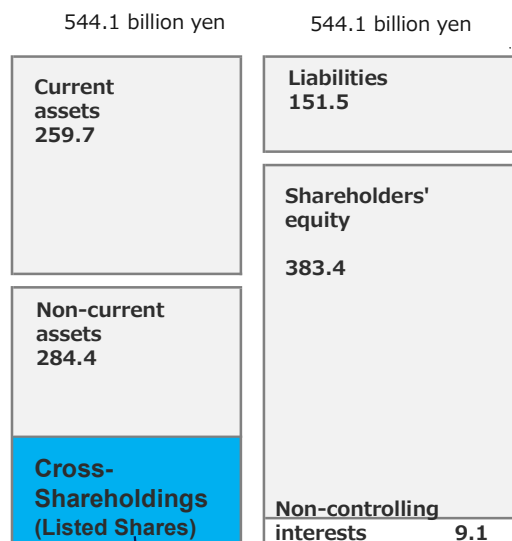
■ Asset and Capital Optimization: ROIC Business Management

Reduction of cross-shareholdings to 50% of the amount at the end of FY2023 over 4years

■ Optimization of leverage level: Reduction of shareholders' equity ratio to near 60% by the end of FY 2027

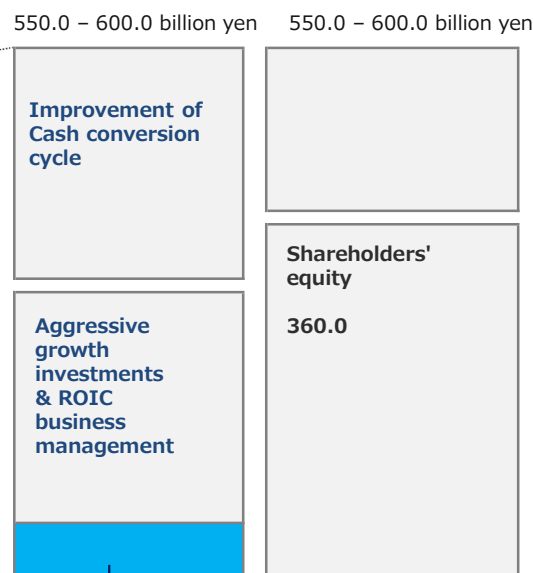
■ Maintain external rating of A

End of FY2023



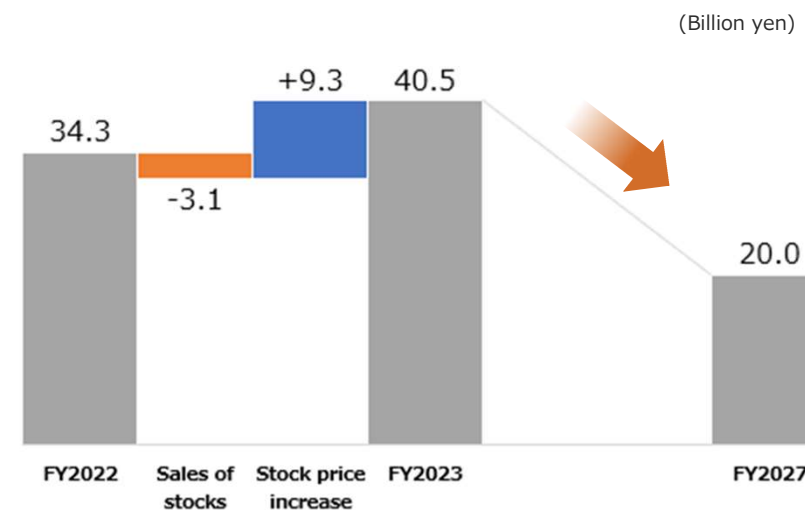
40.5 billion yen

Image at the end of FY2027



50% reduction
Approx. 20.0 billion yen

End of FY2027 Image of reduction in cross-shareholdings



(2) Financial Strategy: Cash Allocation Policy

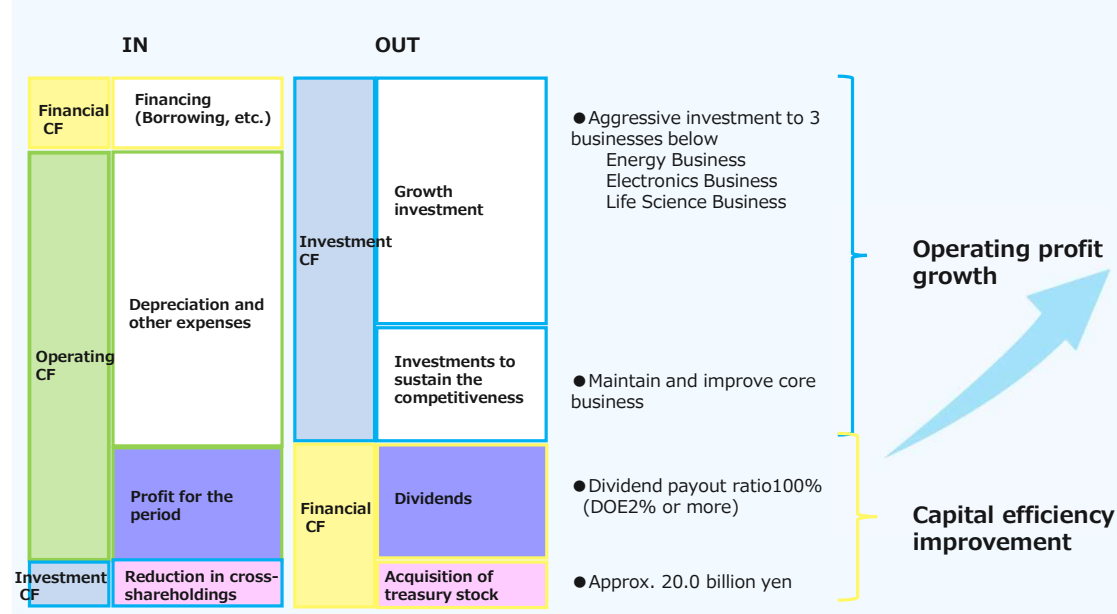
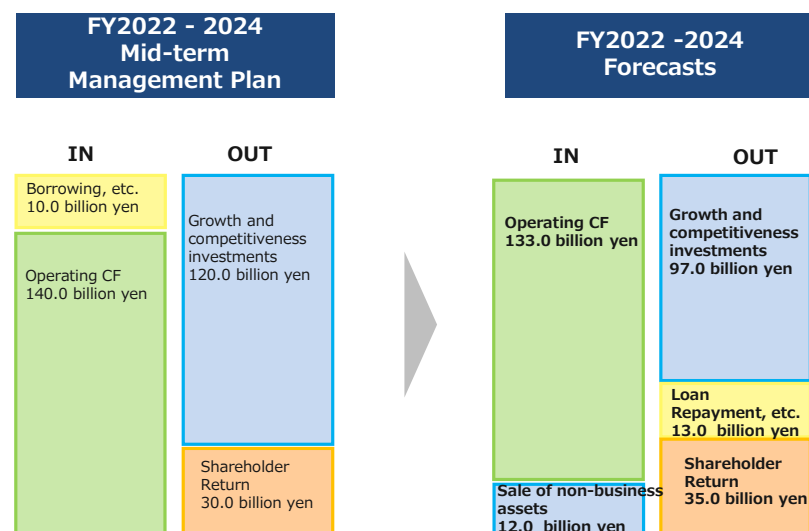
- Use operating CF and funds raised to invest aggressively in growth and pay dividends (expect increased investment in FY24-27)
- Proceeds from the reduction in cross-shareholdings will be used for share buybacks

● Policy and Progress in Current Mid-term Plan

- Emphasis on balance between investment and shareholder returns
- Delay investment for growth
 - Sell non-business assets and increase shareholder returns ahead of schedule

● FY2024 - FY2027 Policy

- Prioritize investments (including M & A) and dividends
 - Use surplus funds for share buybacks
- *Details of investment amount, etc. will be disclosed after the formulation of the next Mid-term Management Plan



Shareholder Return

- Plan to pay the same amount of dividend in FY2023 as in the previous fiscal year (180 yen/share before stock split, 45 yen/share after stock split).
- Change to a new dividend policy from FY2024 to achieve an optimal capital structure (shareholders' equity ratio near 60%).
 - In FY2024, Plan to pay a dividend of 70 yen/share (increase 25 yen from FY2023, after the stock split) and buybacks 5.0 billion yen of treasury stock.

● Policy in Current Mid-term Plan

While securing sufficient financial resources for investment in growth as well as maintaining competitiveness of existing business and pursuing capital efficiency.

Total return ratio 50%
(Payout ratio 40%, share repurchase 10%)

● Changes in Shareholder Returns

	FY2020	FY2021	FY2022	FY2023 (Scheduled)	FY2024 (Forecasts)
Annual dividend per share (Yen)	90	180	180	180	(280)
After stock split	(23)	(45)	(45)	(45)	70
Basic earnings per share (Yen)	-273.33	594.86	488.29	281.91	(274.96)
After stock split	(-68.33)	(148.7)	(122.07)	(70.48)	68.74
Payout ratio (%)	-	30.3	36.9	63.9	101.8
Annual total dividends (Billion yen)	3.6	7.2	7.1	7.0	10.6
Amount of share repurchase (Billion yen)	0.0	0.0	3.0	4.0	5.0
Total payout amount (Billion yen)	3.6	7.2	10.1	11.0	15.6
Profit (Billion yen)	-10.9	23.7	19.4	11.0	10.5
Total return ratio (%)	-	30.3	52.2	99.7	148.9

● FY2024 - FY2027 Policy

Dividend payout ratio 100% + Buybacks of treasury stock

- Dividend payout ratio 100% or DOE* 2.0%, whichever is greater.

- Use surplus funds obtained from the reduction of cross shareholdings to purchase treasury stock.
(Approx. 20 billion yen is planned by FY2027)

*DOE (Dividend on Equity Ratio)

FY 2020	FY 2021	FY 2022	FY 2023 (Scheduled)	FY 2024 (Forecasts)
1.1%	2.2%	2.0%	1.9%	2.8%

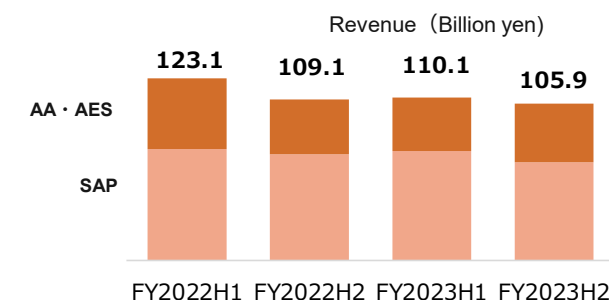
References

Business Overview and Initiatives

[AA・SAP] Business Overview and Initiatives

Market Domain		Main Products
AA・SAP	■ AA・AES	<ul style="list-style-type: none"> Acrylic acid (AA) Acrylates (AES)
	■ SAP	<ul style="list-style-type: none"> Superabsorbent polymers (SAP)

Sales composition ratio

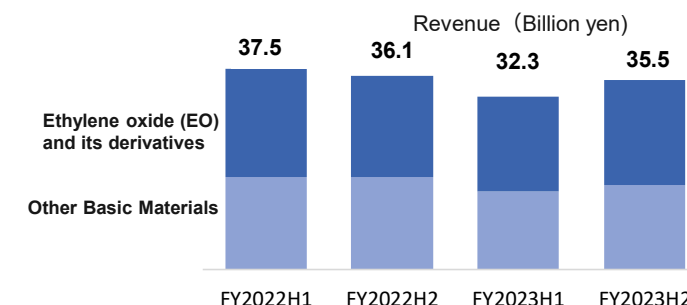


Market Domain	Market Environment	Our FY2023 results (vs. previous year)	Future Initiatives
AA・AES	<ul style="list-style-type: none"> Asian market continues to sluggish due to economic deterioration in China. Domestic demand is recovering for automotive and other applications, but overall demand recovery is expected to take time. 	<ul style="list-style-type: none"> Deterioration of spreads due to decline in overseas markets. Volume increase due to sales expansion in emerging countries. 	<ul style="list-style-type: none"> ◆ Short-term <ul style="list-style-type: none"> Optimization of production for the entire group. Obtain demand in India and Southeast Asia. ◆ Medium- to Long-Term <ul style="list-style-type: none"> Secure stable customers and implement cost reduction measures.
SAP	<ul style="list-style-type: none"> Despite growth in demand for children's diapers in emerging countries, global demand is expected to increase only slightly due to inflation and other factors. 	<ul style="list-style-type: none"> Increase in volume due to sales expansion in emerging countries and increased market share in the domestic market. 	<ul style="list-style-type: none"> ◆ Short-term <ul style="list-style-type: none"> Customer intake due to domestic restructuring. Demand capture in line with market growth in emerging countries. Improve profitability through cost reduction. ◆ Medium- to Long-Term <ul style="list-style-type: none"> Study of supply system for medium- and long-term demand increase. Sustainability (bio-based raw materials, recycle) Establishment of research system in Indonesia

[Basic Materials, others] Business Overview and Initiatives

Market Domain		Main Products
Basic materials, others	EO and its derivatives	<ul style="list-style-type: none"> Ethylene oxide (EO) Ethylene glycol (EG) Ethanolamine (EA)
	Other basic materials	<ul style="list-style-type: none"> Hydroxy monomers Process catalysts

Sales composition ratio

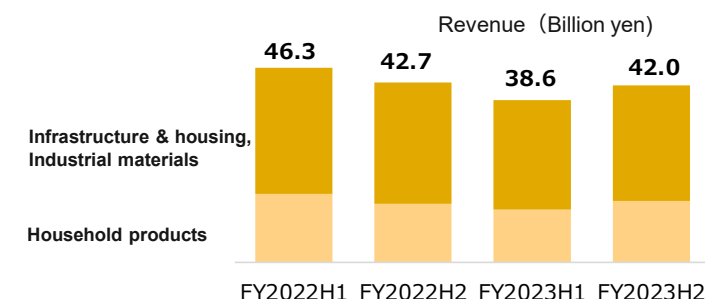


Market Domain	Market Environment	Our FY2023 results (vs. previous year)	Future Initiatives
Basic materials, others	<p>[EO and its derivatives]</p> <ul style="list-style-type: none"> Global EG supply-demand balance continues to soften. Domestic demand is sluggish, especially for surfactant applications. 	<p>[EO and its derivatives]</p> <ul style="list-style-type: none"> Increase in product prices due to higher raw material and fuel costs as well as fixed and repair costs. Continued to suspend EG exports due to sluggish market conditions. Decrease in sales volume due to sluggish domestic demand 	<p>[EO and its derivatives]</p> <ul style="list-style-type: none"> ◆Short-term <ul style="list-style-type: none"> Maintain stable supply system as the largest EO manufacturer in Japan. ◆Medium- to long-term <ul style="list-style-type: none"> Fully consider to form alliances with upstream, downstream and other companies in the industry.

[Industrial & Household-1] Business Overview and Initiatives

Market Domain		Main Products
Industrial & Household	■ Infrastructure & housing, Industrial materials	<ul style="list-style-type: none"> Polymers for concrete admixtures Acrylic resin Various amins (Ethyleneimine, etc.)
	■ Household products	<ul style="list-style-type: none"> Polycarboxylates Secondary alcohol ethoxylates

Sales composition ratio

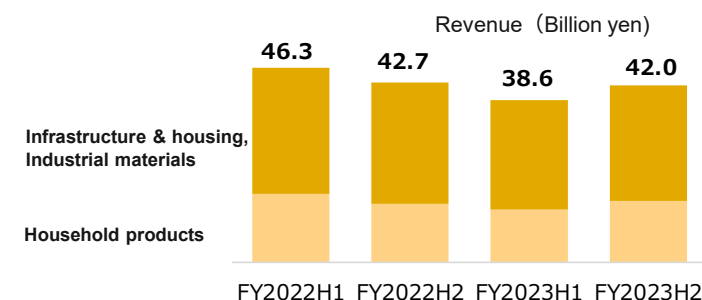


Market Domain	Market Environment	Our FY2023 results (vs. previous year)	Future Initiatives
Infrastructure & housing, Industrial materials	<p>[Infrastructure & housing]</p> <ul style="list-style-type: none"> Global demand for concrete-related products increased. Domestic demand continues to decline gradually. Domestic demand for renovation is steady. <p>[Industrial materials]</p> <ul style="list-style-type: none"> Amines are in the limelight for CO₂ recovery systems. 	<p>[Infrastructure & housing]</p> <ul style="list-style-type: none"> Volume of polymers for admixture decreased due to competition with Chinese and Korean products in overseas markets. Acrylic resins for paints were steady for renovation, but volume decline in ceramic building materials due to decrease in new construction. <p>[Industrial materials]</p> <ul style="list-style-type: none"> Ethyleneimine sales volume decreased in 1H due to inventory adjustment phase, but has been recovering. 	<p>◆ Short-term</p> <p>[Infrastructure & housing]</p> <ul style="list-style-type: none"> Aim to maintain and expand spreads of existing products and increase market share with high-performance products. <p>[Industrial materials]</p> <ul style="list-style-type: none"> Focus on development of CO₂ absorption applications using amines (including medium- and long-term). <p>◆ Medium- to Long-Term</p> <p>[Infrastructure & housing]</p> <ul style="list-style-type: none"> Shift from general-purpose products to high-value-added products Focus on environmentally friendly products such as concrete for CO₂ reduction.

[Industrial & Household-2] Business Overview and Initiatives

Market Domain		Main Products
Industrial & Household	■ Infrastructure & housing, Industrial materials	<ul style="list-style-type: none"> • Polymers for concrete admixtures • Acrylic resin • Various amins (Ethyleneimine, etc.)
	■ Household products	<ul style="list-style-type: none"> • Polycarboxylates • Secondary alcohol ethoxylates

Sales composition ratio

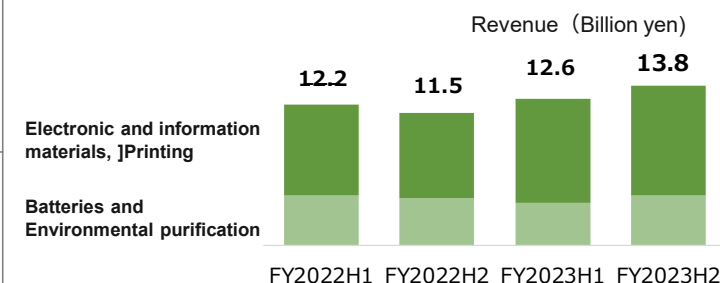


Market Domain	Market Environment	Our FY2023 results (vs. previous year)	Future Initiatives
Household products	<ul style="list-style-type: none"> • In detergents, sales volume declined due to economic slowdown in China. • Shift to lower-priced products due to inflationary pressures. 	<ul style="list-style-type: none"> • Decrease in sales volume of our products used in high value-added products. • Decrease in sales volume due to intensified price competition in overseas markets. • Developed products for specific customers remained steady 	<p>◆ Short-term</p> <ul style="list-style-type: none"> • Price correction due to price hikes in raw materials, etc. • Expansion of sales channels and concentration of sales promotion activities on target customers. <p>◆ Medium- to long-term</p> <ul style="list-style-type: none"> • Optimization of production system to meet demand. • Focus on new high-functional products and environmentally friendly products (bio-based raw materials and biodegradable products).

[Energy & Electronics-1] Business Overview and Initiatives

Market Domain		Main Products
Energy & Electronics	■ Electronic information materials, Printing	<ul style="list-style-type: none"> • ACRYVIEWA™ (Acrylic resins for optical films) • Resist materials • Fine particles • VEEA™ (Hybrid monomers)
	■ Batteries and Environmental purification	<ul style="list-style-type: none"> • IONEL™ (Electrolytes for lithium-ion batteries) • Electrolyte sheets for solid oxide fuel cells • Environmental catalysts • Automotive catalysts

Sales composition ratio

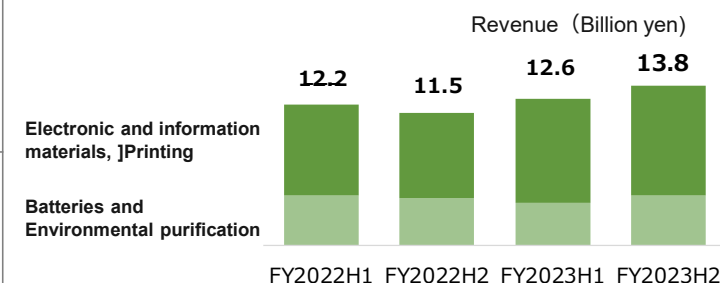


Market Domain	Market Environment	Our FY2023 results (vs. previous year)	Future Initiatives
Electronic information materials, Printing	<ul style="list-style-type: none"> • Acceleration of the shift of the LCD panel industry to China. • Demand for LCD panel materials deteriorated from the 2H of FY2023, but is expected to recover gradually from the 1H of FY2024. 	<ul style="list-style-type: none"> • Sales volume of LCD panel-related products increased due to gradual increase in demand. 	<ul style="list-style-type: none"> ◆ Short-term <ul style="list-style-type: none"> • Sales expansion in response to the shift of the LCD panel industry to China. • Sales expansion of high-value-added products. ◆ Medium- to long-term <ul style="list-style-type: none"> • Development of new products for next-generation displays. • Expansion into high-value-added printing applications such as electronic materials. • Promote development of materials for 3D printers.

[Energy & Electronics-2] Business Overview and Initiatives

Market Domain	Main Products
Energy & Electronics	<ul style="list-style-type: none"> ■ Electronic information materials, Printing <ul style="list-style-type: none"> • ACRYVIEWA™ (Acrylic resins for optical films) • Resist materials • Fine particles • VEEA™ (Hybrid monomers)
	<ul style="list-style-type: none"> ■ Batteries and Environmental purification <ul style="list-style-type: none"> • IONEL™ (Electrolytes for lithium-ion batteries) • Electrolyte sheets for solid oxide fuel cells • Environmental catalysts • Automotive catalysts

Sales composition ratio



Market Domain	Market Environment	Our FY2023 results (vs. previous year)	Future Initiatives
Batteries and Environmental purification	<p>[Batteries]</p> <ul style="list-style-type: none"> • In China, EV sales are steady but growth is slowing, and competition in the LIB market is intensifying. In Europe EV sales fall due to recession. In the U.S. EV/battery (materials) manufactured in China is being eliminated • Rapid expansion of SOFC/SOEC in Europe, the United States and South Korea <p>[Environmental Purification]</p> <ul style="list-style-type: none"> • Growing need for exhaust gas/wastewater treatment catalysts with low CO2 emissions 	<p>[Batteries]</p> <ul style="list-style-type: none"> • IONEL: Sales were strong in Japan, Europe, and the U.S. markets. On the other hand, in China, amid a sharp decline in market prices, we began switching to highly price-competitive JV products in China. • Electrolyte sheets for SOFC: Growth sales by responding to strong customer needs <p>[Environmental Purification]</p> <ul style="list-style-type: none"> • De-NOx catalysts and catalysts for catalytic combustion decreased in sales volume YoY. 	<p>◆ Short-term</p> <p>[Batteries]</p> <ul style="list-style-type: none"> • IONEL: Expand sales channels to Japan, Europe and the U.S., suspend consideration of JV in Europe, consider locations in the U.S. and Japan. Start and expansion of sales of Chinese JV products in the Chinese market. <p>[Environmental Purification]</p> <ul style="list-style-type: none"> • Strengthen sales of wastewater treatment catalysts and catalysts for catalytic combustion. <p>◆ Medium- to long-term</p> <p>[Batteries]</p> <ul style="list-style-type: none"> • IONEL: Establishment of production system and differentiated technology in line with the strategy of local production for local consumption. • Electrolyte sheets for SOFC: Substantial increase in production capacity and cost reduction <p>[Environmental Purification]</p> <ul style="list-style-type: none"> • Development and launch of GX-related products.

[Life Science & Business Creation] Business Overview and Initiatives

Market Domain	Main Products	Market Environment	Our FY2023 results (vs. previous year)	Future Initiatives
Health & Medical	<ul style="list-style-type: none"> Contract manufacturing of Middle-Molecular APIs <ul style="list-style-type: none"> ➢ Oligonucleotide ➢ Peptide Drug Development Support <ul style="list-style-type: none"> ➢ HDO(Heteroduplex Oligonucleotide) ➢ DDS Polymers ➢ Cationic Peptide (Fol-Dab8) 	<ul style="list-style-type: none"> Middle-Molecular APIs(Oligonucleotide/Peptide) continue to maintain a high growth rate <p><Growth rate(2020-2030)></p> <ul style="list-style-type: none"> ➢ Oligonucleotide: High(17%) ➢ Peptide: Medium(8%) 	<ul style="list-style-type: none"> The number of small-quantity syntheses acquired grew rapidly, approx. 7 times that of the previous fiscal year Specific projects are coming up for FY2024 using the SGP plant 	<p>◆ Short-term</p> <ul style="list-style-type: none"> Strengthening business expansion in North America Consideration of growth strategies including M&A and alliances with other companies <p>◆ Medium- to Long-Term</p> <ul style="list-style-type: none"> Acquiring medium to high-volume contracts
Cosmetics	<ul style="list-style-type: none"> Multifunctional polymers Emulsion polymers Liposomes Naturally derived products Existing products(PVP, Organic acids, Polyethyleneimine) 	<ul style="list-style-type: none"> Requirements for high-performance materials development Growing demand for naturally-derived materials Tighter regulations in each country 	<ul style="list-style-type: none"> Commercialized multifunctional polymers and emulsion polymers. Expand adoption of existing products for cosmetics applications. (PVP, Organic acids, Polyethyleneimine) Acquisition of customized projects (polymers, liposomes, etc.) 	<p>◆ Short-term</p> <ul style="list-style-type: none"> Market development and adoption promotion Promotion of new product launch <p>◆ Medium- to long-term</p> <ul style="list-style-type: none"> Strengthen development of natural/environmentally friendly materials Alliance/Collaboration
Business Creation	<ul style="list-style-type: none"> Separator for alkaline water electrolysis Ammonia decomposition catalyst Osmotic pressure generating agents for seawater desalination 	<ul style="list-style-type: none"> Accelerating consideration of Hydrogen and Ammonia Utilization Growing needs for desalination and wastewater treatment technologies 	<ul style="list-style-type: none"> Construction of large alkaline water electrolyzers with our separators completed (NEDO) Strengthened collaboration with partner companies for ammonia decomposition catalysts <ul style="list-style-type: none"> -JERA and Chiyoda to start development under NEDO project -Conclude Agreement on joint development with MHI Complete acquisition of demonstration data from a seawater desalination pilot plant in Hawaii 	<p>◆ Medium- to Long-Term</p> <ul style="list-style-type: none"> Launch and global expansion of separators for alkaline water electrolysis Promotion of social implementation of ammonia decomposition catalysts in collaboration with our partners Apply osmotic pressure generating agents to wastewater treatment applications such as oil drilling

References

**Financial Data, Market Conditions,
Production capacity**

Comparison of Forecasts(disclosed at Nov.7) and Actual Results for FY2023

(Billion yen)	FY2023	FY2023	Difference	
	Forecasts at Nov. 7	Actual	Amount	%
Revenue	390.0	392.0	2.0	0.5%
Operating profit	15.5	16.6	1.1	6.9%
(Operating profit to revenue)	4.0%	4.2%	-	-
Share of profit of investments accounted for using equity method	-0.7	-1.0	-0.3	-
Profit before tax	15.0	15.7	0.7	5.0%
Profit attributable to owners of parent	10.5	11.0	0.5	4.8%
ROE	2.8%	3.0%	0.2p	-
ROA	2.8%	2.9%	0.1p	-
Domestic naphtha price (Yen/kL)	69,300	69,100	-200	-0.3%
USD/JPY	143	145	2	1.1%
EUR/JPY	154	157	3	1.7%

Consolidated Statement of Financial Position

(Billion yen)

	Mar.31, 2023	Mar.31, 2024	Diff.
Cash and cash equivalents	39.0	55.1	16.1
Trade receivables	98.6	98.2	-0.4
Inventories	86.1	84.4	-1.6
Others	20.4	21.9	1.5
Current assets	244.1	259.7	15.6
Property, plant and equipment	189.5	188.4	-1.1
Intangible assets	8.4	5.0	-3.4
Investments accounted for using equity method	27.1	26.5	-0.6
Others	54.3	64.5	10.2
Non-current assets	279.3	284.4	5.1
Assets	523.3	544.1	20.7

	Mar.31, 2023	Mar.31, 2024	Diff.
Trade payables	53.1	61.4	8.2
Borrowings	50.9	39.0	-11.9
Others	49.3	51.1	1.9
Liabilities	153.3	151.5	-1.8
Share capital	25.0	25.0	-
Treasury shares	-9.3	-2.4	6.9
Retained earnings	301.9	298.4	-3.5
Others	44.6	62.3	17.8
Non-controlling interests	7.8	9.1	1.3
Equity	370.0	392.6	22.6
Liabilities and equity	523.3	544.1	20.7

D/E ratio (times)	0.16	0.12
Interest-bearing loans	57.6	45.6

Consolidated Cash Flows

(Billion yen)

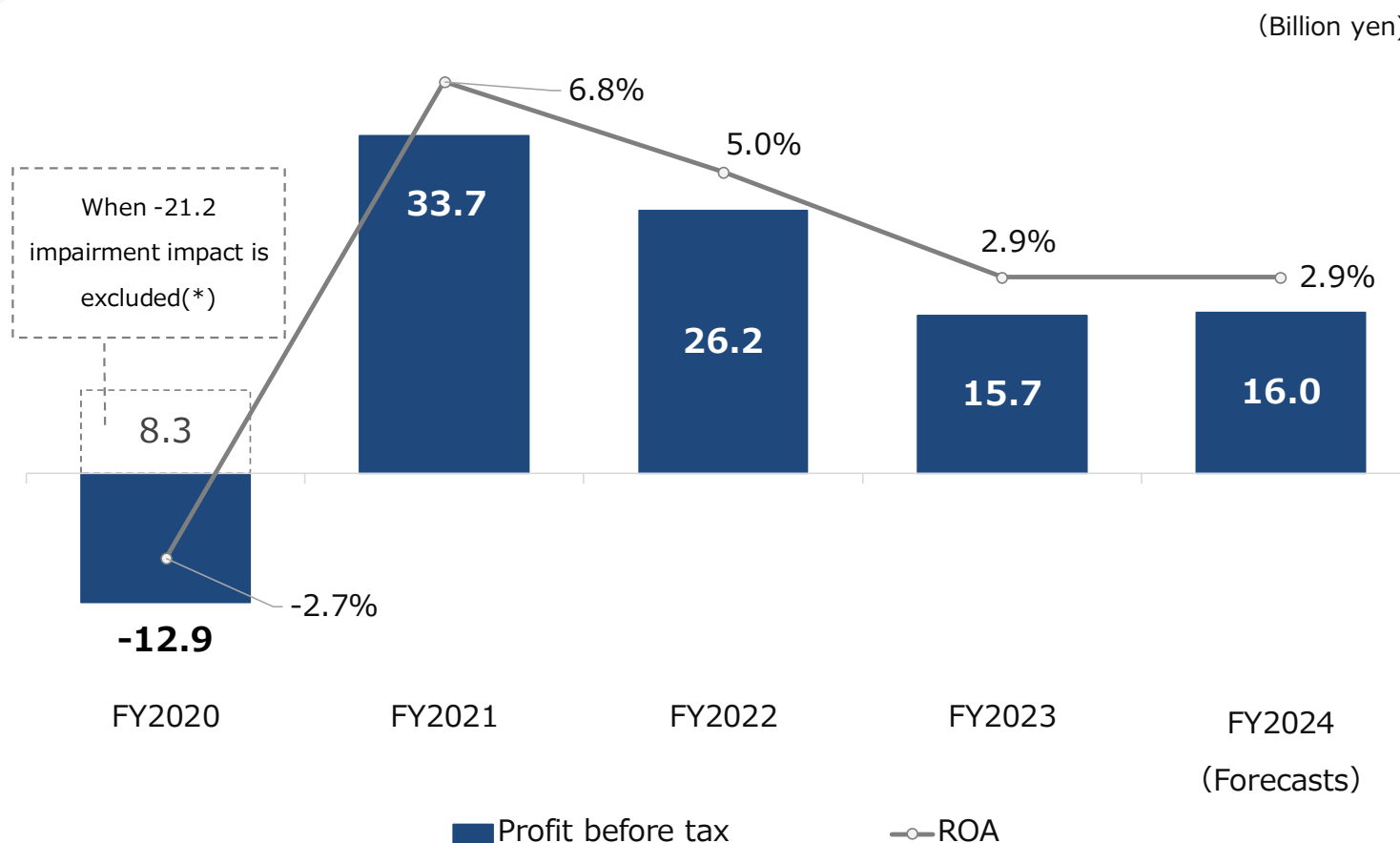
	FY2022 Actual	FY2023 Actual	Difference
Cash flows from operating activities	41.4	57.9	16.4
Profit (loss) before tax	26.2	15.7	-10.4
Depreciation and amortization	29.3	31.9	2.5
Changes in trade receivables/payables and inventories	-7.5	14.8	22.3
Others	-6.6	-4.5	2.0
Cash flows from investing activities	-26.0	-15.7	10.3
Free cash flows	15.5	42.2	26.7
Cash flows from financing activities	-17.3	-28.4	-11.0
Changes in borrowings	-4.1	-15.1	-11.0
Purchase of treasury shares	-3.0	-4.0	-1.0
Dividends paid	-7.6	-7.1	0.5
Others	-2.7	-2.3	0.4
Cash and cash equivalents at end of period	39.0	55.1	16.1

Trends by Segment Every Six Months

(Billion yen)

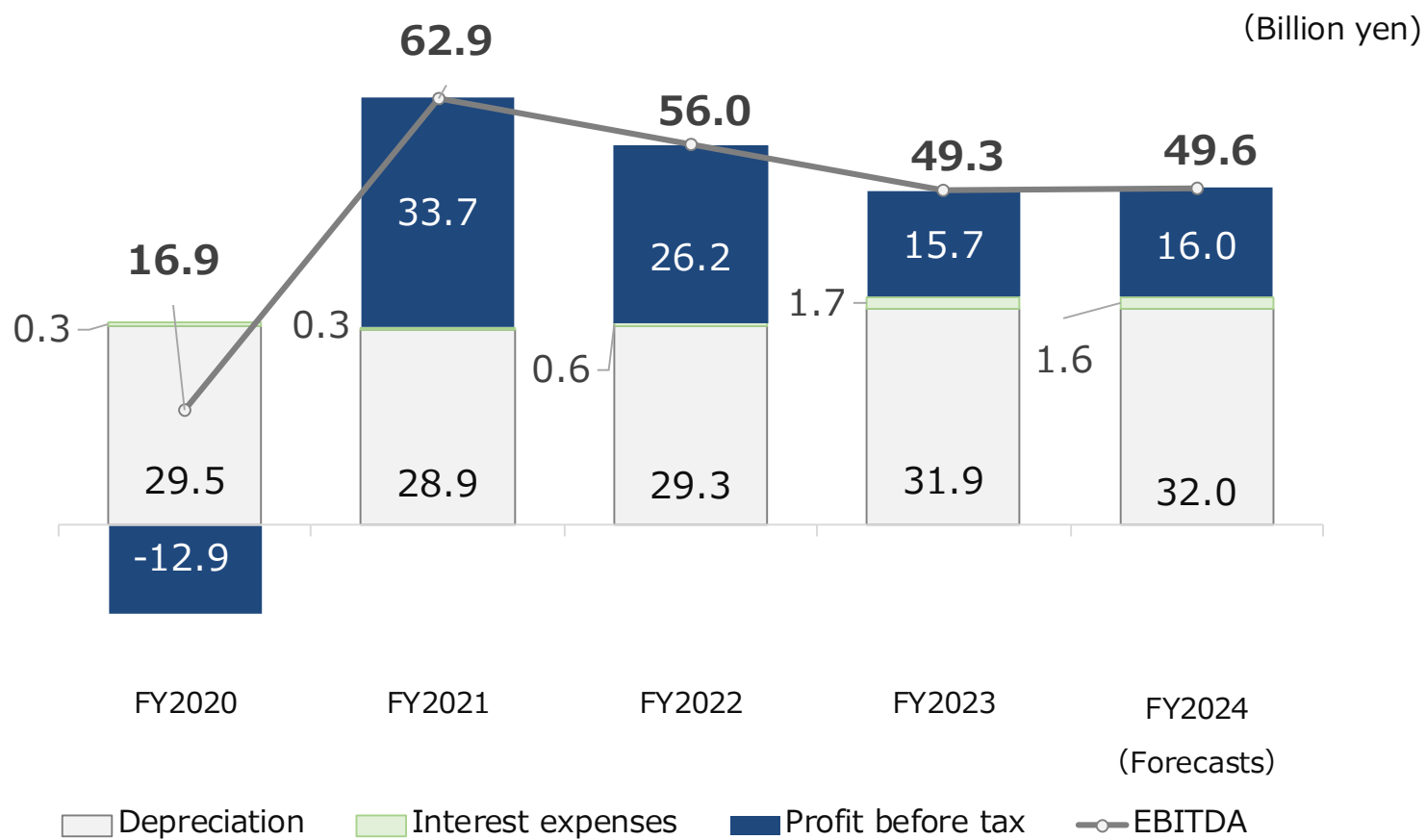
Market Domain	FY2022			FY2023			FY2024 Forecasts		
	1H	2H	Full Year	1H	2H	Full Year	Forecasts 1H	Forecasts 2H	Forecasts Full Year
AA · SAP	123.1	109.1	232.1	110.1	105.9	216.0	103.9	107.5	211.4
Basic materials, others	37.5	36.1	73.6	32.3	35.5	67.8	34.1	35.5	69.6
Materials Business	160.5	145.1	305.7	142.4	141.4	283.8	138.0	143.0	281.0
Industrial & Household	46.3	42.7	89.0	38.6	42.0	80.6	42.0	44.5	86.5
Energy & Electronics	12.2	11.5	23.6	12.6	13.8	26.4	14.5	16.9	31.4
Others	0.7	0.6	1.3	0.6	0.5	1.1	0.5	0.6	1.1
Solutions Business	59.1	54.8	113.9	51.9	56.3	108.2	57.0	62.0	119.0
Total Revenue	219.7	199.9	419.6	194.3	197.7	392.0	195.0	205.0	400.0
Materials Business	14.1	6.8	20.9	8.3	4.4	12.7	4.8	5.7	10.5
Solutions Business	2.6	-1.1	1.5	1.0	1.7	2.7	0.9	2.8	3.7
Eliminations and corporate profit (loss)	0.6	0.4	1.1	0.7	0.4	1.1	0.3	0.5	0.8
Total Operating Profit	17.3	6.2	23.5	10.0	6.6	16.6	6.0	9.0	15.0

Trends in ROA



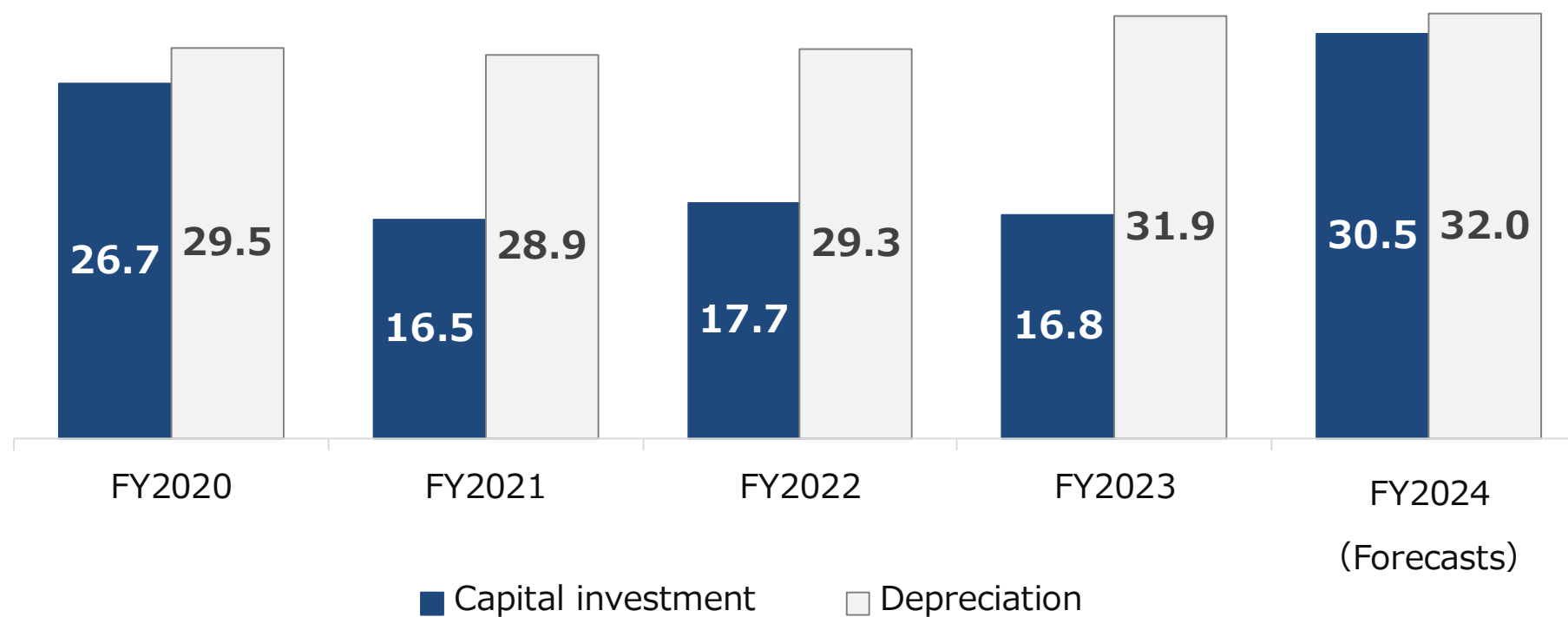
(*) In FY2020, impairment losses on fixed assets of Nippon Shokubai Europe N.V. and also impairment losses on goodwill and intangible assets of Sirrus, Inc. were recorded. Profit before tax excluding that impact is shown in parentheses

Trends in EBITDA



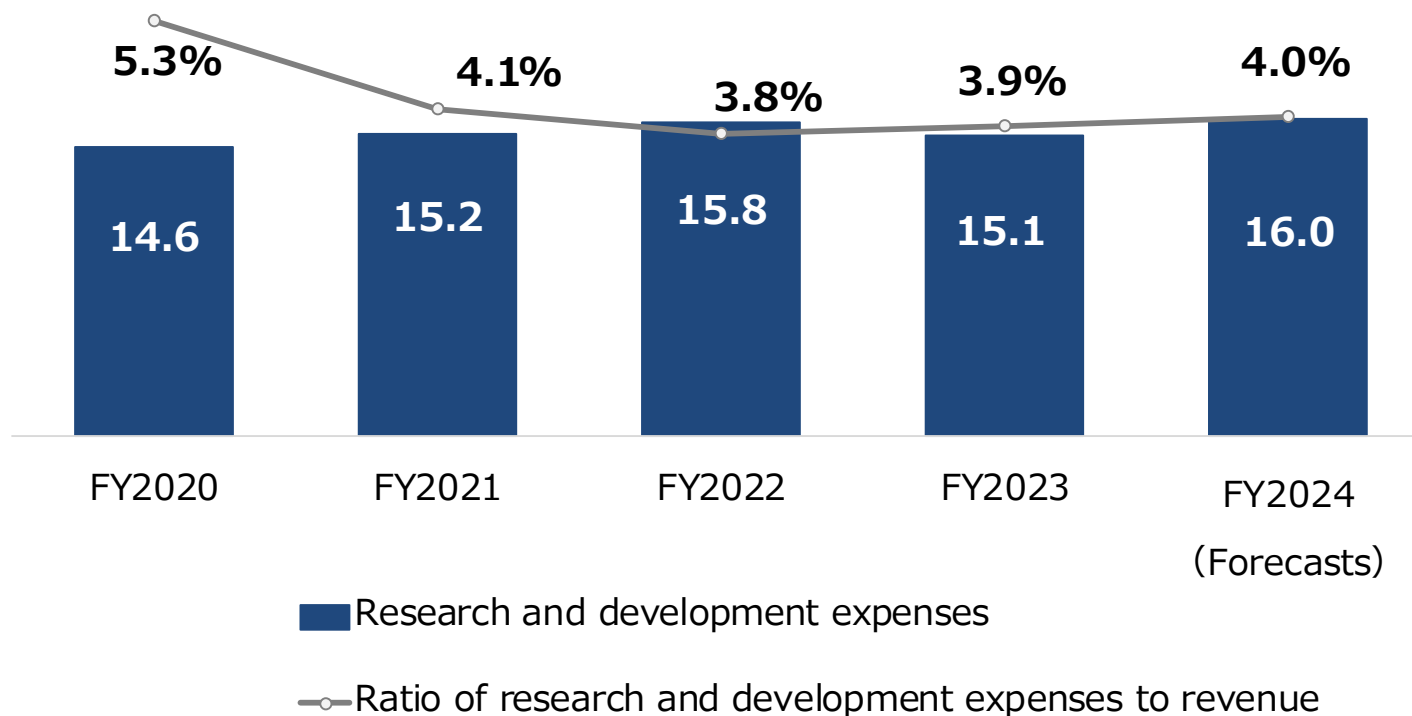
Trends in Capital Investment and Depreciation

(Billion yen)

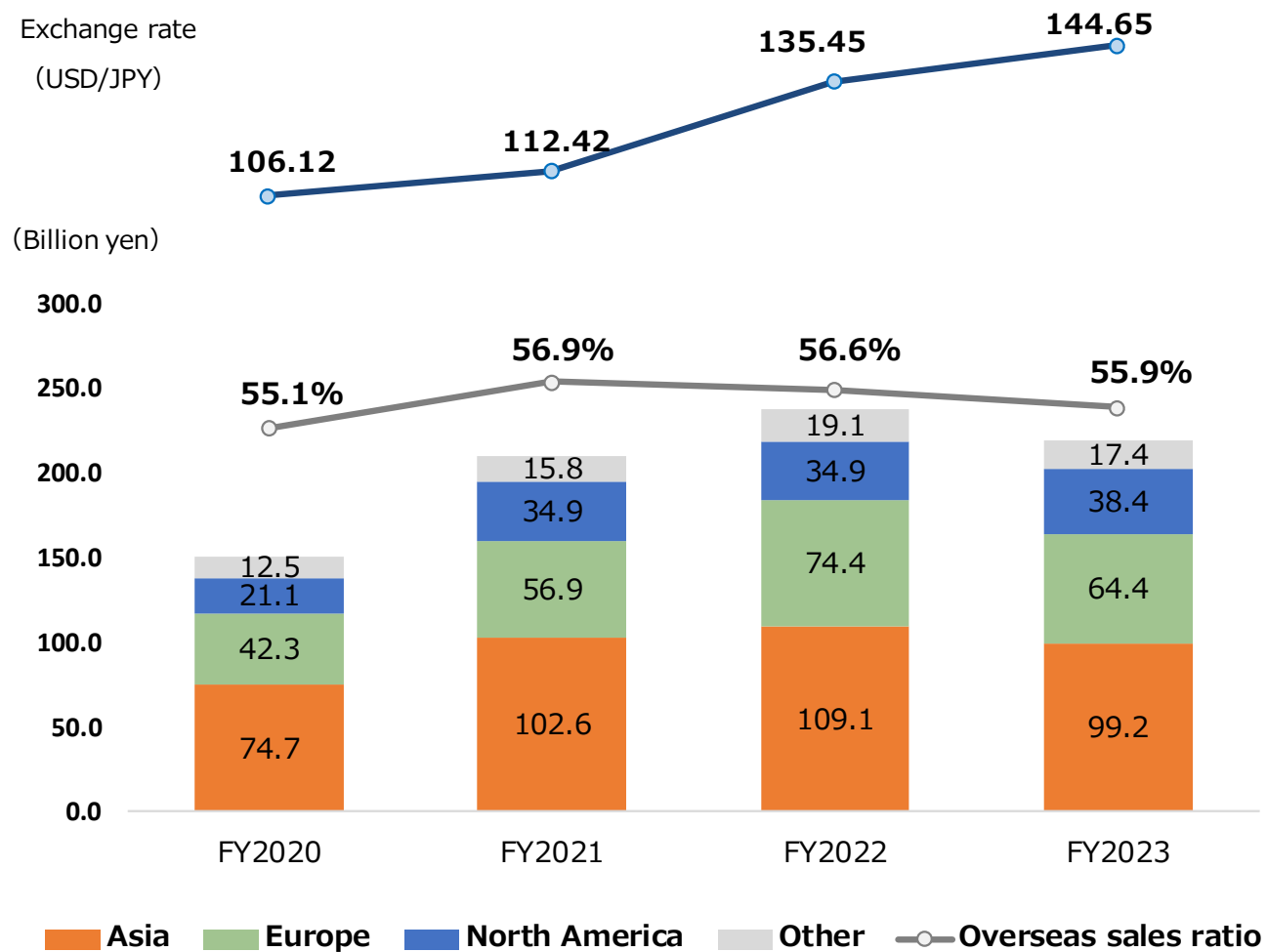


Trends in Research and Development Expenses

(Billion yen)

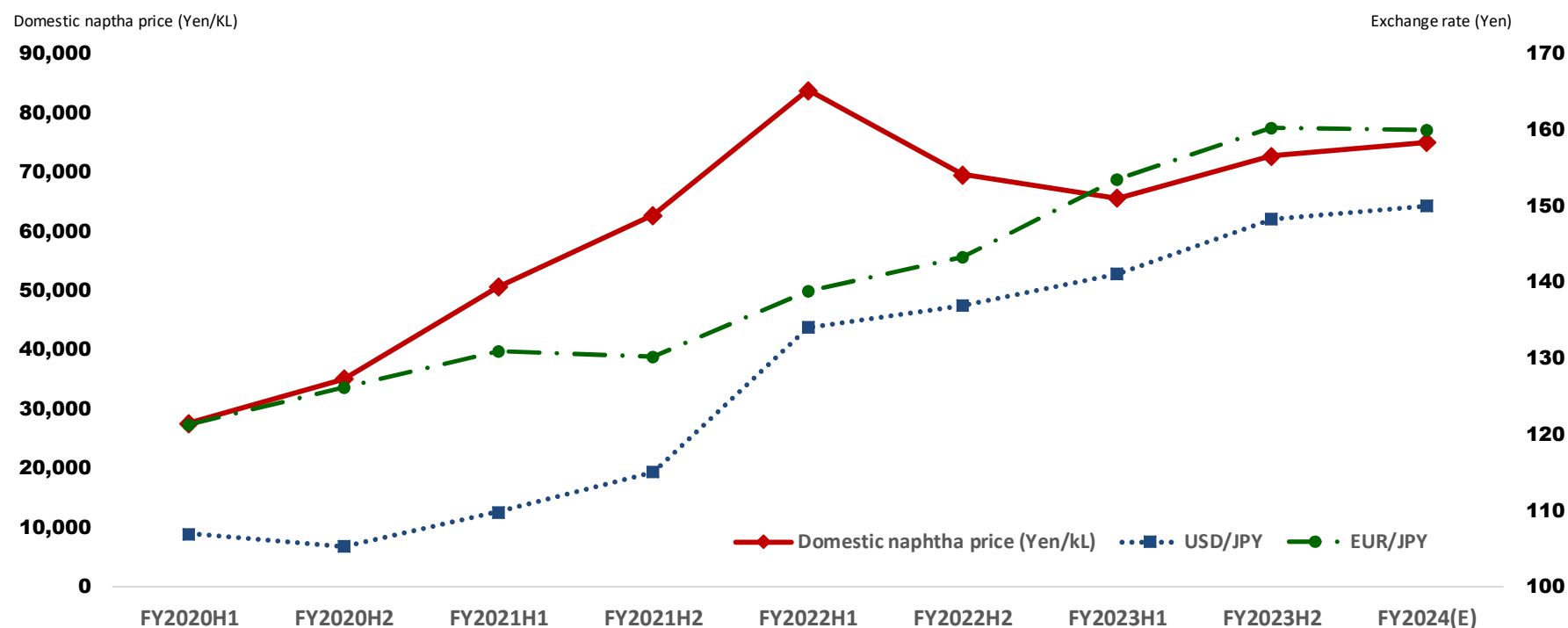


Overseas Revenue Trends



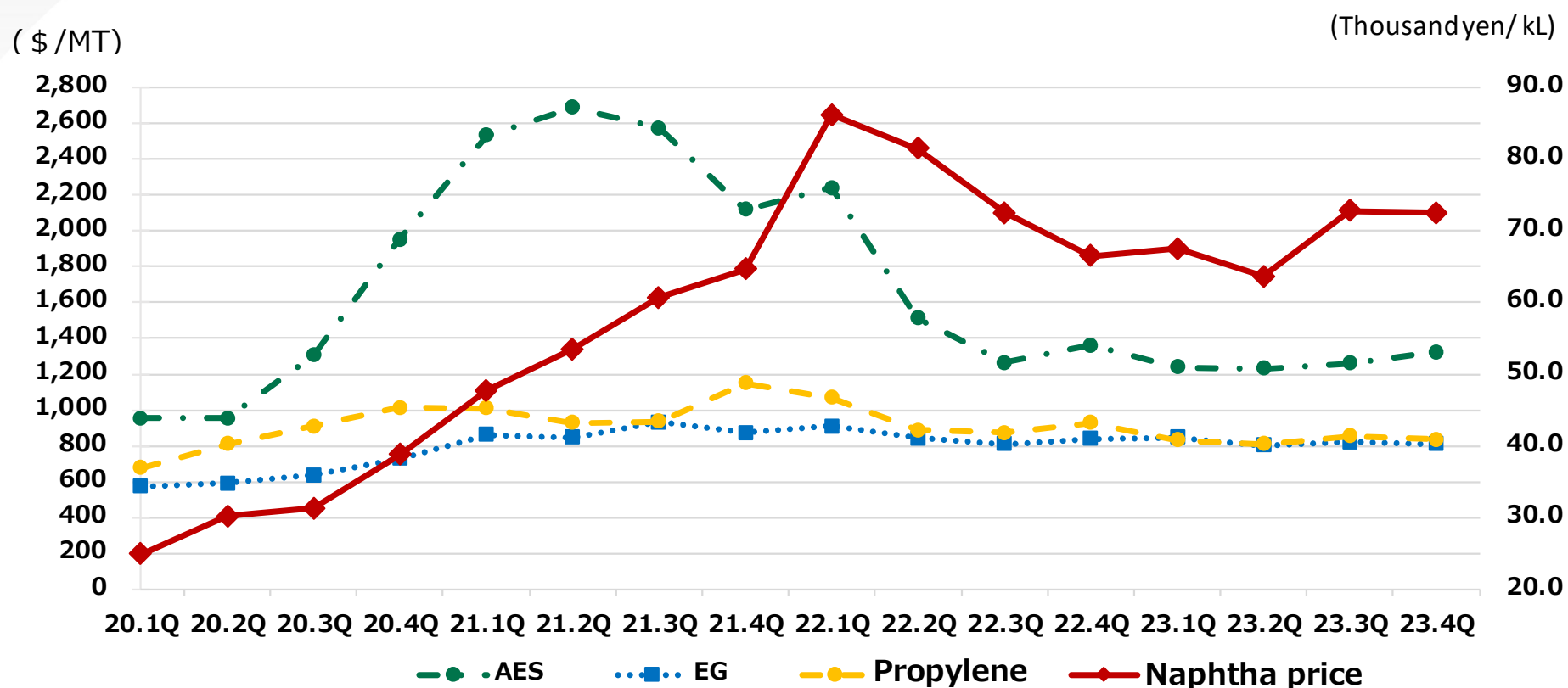
Naphtha Price and Foreign Exchange

	FY2020H1	FY2020H2	FY2021H1	FY2021H2	FY2022H1	FY2022H2	FY2023H1	FY2023H2	FY2024(E)
Domestic naphtha price (Yen/kL)	27,600	35,100	50,600	62,700	83,800	69,500	65,600	72,700	75,000
USD/JPY	107	105	110	115	134	137	141	148	150
EUR/JPY	121	126	131	130	139	143	153	160	160



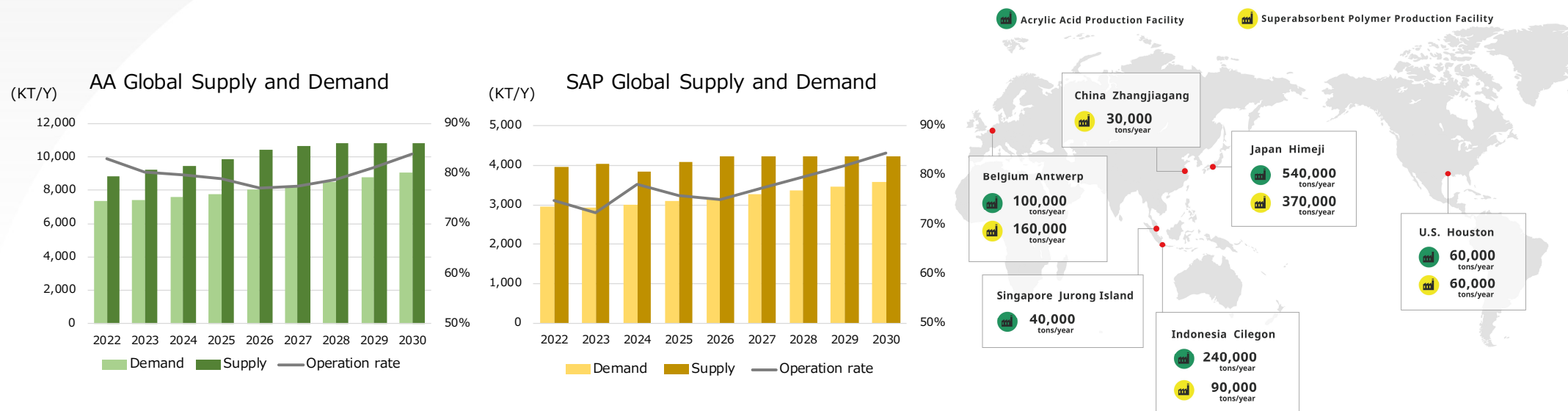
Market Conditions

Overseas market conditions for products, propylene price and domestic naphtha price.



Supply/Demand Trend of AA and SAP

■ Global demand: Expected to grow about 3-5% annually over the medium to long term.



Production capacity	Nippon Shokubai Group						(kT/year)
	Japan	Indonesia	Belgium	US	Singapore	China	Total
AA facility	540	140 + 100 New facility started in 2023	100	60	40	0	980
SAP facility	370	90	160	60	0	30	710

This presentation material (“Material”) is aiming to provide readers referential information, not to persuade investment. Material contains forward-looking statements and statements of this nature based on reasonable judgments in accordance with information currently available. We do not commit nor guarantee the contents of Material.

Readers should be aware that actual results and events might differ substantially from these projections.

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