



# **Financial Results Presentation Material**

## **Q2 - FY2025**

(Six Months: April 1 – September 30, 2025)

**11<sup>th</sup> November 2025**

**NIPPON SHOKUBAI CO., LTD.**

**Presented by Kazuhiro Noda**

**Representative Director, President**

**(4114 TSE Prime Market)**

# Agenda

## I . 1H FY2025 Results

## II . FY2025 Forecasts

## III . Business Strategies and Topics

## IV . Shareholder Returns

## References

Abbreviations	
AA	Acrylic acid
AES	Acrylates
SAP	Superabsorbent polymers
EO	Ethylene oxide
Segment Income	"Operating Profit" + "Equity-method investment profit(loss)"

# Summary

## 1H FY2025 Results

【Decrease in both Revenue and OP by YoY】

		(JPY billion)
Revenue	200.2	(-6.7)
Operating Profit	9.0	(-1.4)
Segment Income* <sup>1</sup>	9.6	(-2.6)
Profit before tax	10.8	(-1.6)
Profit* <sup>2</sup>	7.6	(-1.3)

**Overall: Revenue & Operating Profit declined YoY**  
**Solutions businesses: Growth excluding impairment losses**

- Spread widened due to lower raw material prices
- Higher volumes of electronics materials and SAP
- Increased in SG&A expenses and decreased in inventory valuation gains
- Impairment losses at an equity-method associate

## FY2025 Revised Forecasts (Disclosed 11th November)

【Decrease in both Revenue and OP by YoY】

		(JPY billion)
Revenue	405.0	(-4.3)
Operating Profit	18.0	(-1.1)
Segment Income* <sup>1</sup>	19.7	(-3.4)
Profit before tax	21.0	(-2.2)
Profit* <sup>2</sup>	15.0	(-2.4)

## 【vs. Previous Forecasts】

(JPY billion)
(+0.0)
(+1.0)
(+0.4)
(+1.0)
(+0.0)

## Reference: Previous Forecasts (Disclosed 13<sup>th</sup> May)

	(JPY billion)
Revenue	405.0
Operating Profit	17.0
Segment Income* <sup>1</sup>	19.3
Profit before tax	20.0
Profit* <sup>2</sup>	15.0

\* 1: Segment Income = "Operating Profit" + "Equity-method investment profit(loss)"

\* 2: Profit = Profit Attributable to Owners of Parent

# I . 1H FY2025 Results

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# Consolidated Financial Summary

(JPY billion)	FY2024	FY2025	Difference	Difference (%)
	1H	1H		
	Actual	Actual		
<b>Revenue</b>	<b>206.9</b>	<b>200.2</b>	<b>- 6.7</b>	<b>-3.2%</b>
<b>Operating Profit</b>	<b>10.5</b>	<b>9.0</b>	<b>-1.4</b>	<b>-13.8%</b>
(Operating Profit to Revenue)	5.1%	4.5%	-0.6p	-
Equity-method investment profit	1.7	0.6	-1.1	<b>-66.0%</b>
<b>Segment Income<sup>*1</sup></b>	<b>12.2</b>	<b>9.6</b>	<b>-2.6</b>	<b>-21.2%</b>
<b>Profit Before Tax</b>	<b>12.4</b>	<b>10.8</b>	<b>-1.6</b>	<b>-13.1%</b>
<b>Profit<sup>*2</sup></b>	<b>8.9</b>	<b>7.6</b>	<b>-1.3</b>	<b>-14.7%</b>
<b>ROE</b>	<b>4.7%</b>	<b>4.0%</b>	<b>-0.7p</b>	<b>-</b>
<b>ROA</b>	<b>4.7%</b>	<b>4.0%</b>	<b>-0.7p</b>	<b>-</b>
<b>ROIC<sup>*3</sup></b>	<b>4.3%</b>	<b>3.2%</b>	<b>-1.1p</b>	<b>-</b>
Domestic Naphtha Price (JPY/kL)	78,000	64,800	-13,200	-16.9%
FX Rate (1 USD)	153 JPY	146 JPY	-7 JPY	-4.4%
FX Rate (1 EUR)	166 JPY	168 JPY	+2 JPY	+1.2%

\*1: Segment Income = "Operating Profit" + "Equity-method investment profit(loss)"

\*2: Profit = Profit Attributable to Owners of Parent

\*3: ROIC = (After-Tax Operating Profit + Share of profit of investments accounted for using equity method) / (Interest-Bearing Debt + Shareholders' Equity)

# Revenue & Segment Income

Business Domain (JPY billion)		FY2024	FY2025	Difference	Difference (%)
		1H	1H		
		Actual	Actual		
AA · SAP		112.2	109.6	- 2.6	-2.3%
EO and others		37.3	30.1	- 7.2	-19.3%
<b>Materials Business</b>		<b>149.5</b>	<b>139.7</b>	<b>- 9.8</b>	<b>-6.6%</b>
Specialty Chemicals		25.7	24.0	- 1.7	-6.5%
Electronics		10.4	12.5	+2.2	+20.8%
Others <sup>*1</sup>		21.4	24.0	+2.7	+12.5%
<b>Solutions Business</b>		<b>57.4</b>	<b>60.5</b>	<b>+3.1</b>	<b>+5.5%</b>
<b>Total Revenue</b>		<b>206.9</b>	<b>200.2</b>	<b>- 6.7</b>	<b>-3.2%</b>
<b>Materials Business</b>		<b>9.1</b>	<b>6.5</b>	<b>- 2.7</b>	<b>-29.2%</b>
<b>Solutions Business</b>		<b>2.7</b>	<b>2.7</b>	<b>- 0.0</b>	<b>-0.5%</b>
<b>Eliminations and corporate profit (loss)</b>		<b>0.3</b>	<b>0.4</b>	<b>+0.1</b>	<b>+26.9%</b>
<b>Total Segment Income</b>		<b>12.2</b>	<b>9.6</b>	<b>- 2.6</b>	<b>-21.2%</b>

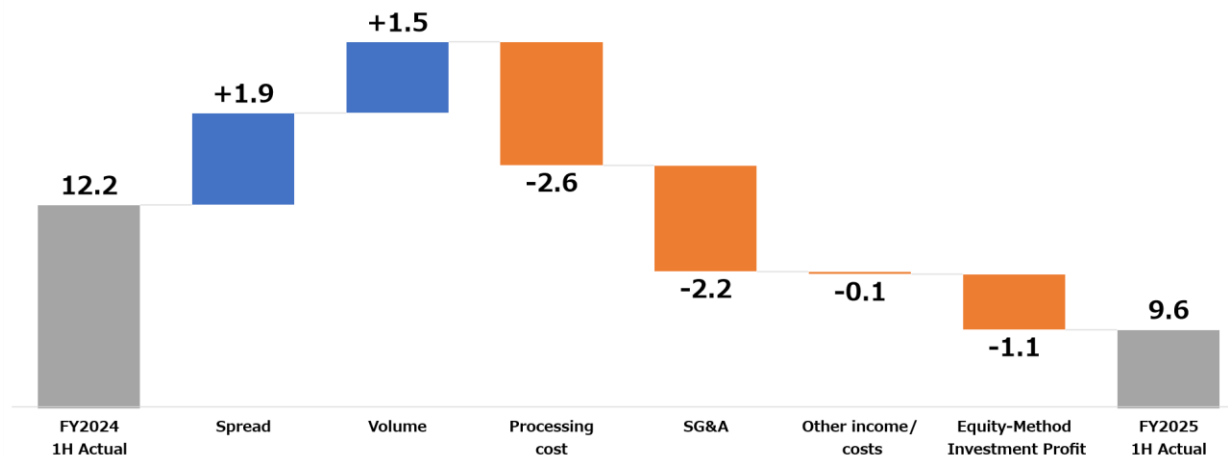
\*1: Includes: Construction, Energy (Batteries, Hydrogen), Environmental catalysts, Household, Health & Medical etc.

# Total: Analysis of Changes in Segment Income

- Despite wider spreads and higher sales volume, company-wide profit decreased due to worsening profitability in the Materials segment.
- The impact mainly driven by higher processing costs and SG&A expenses.

(Breakdown)

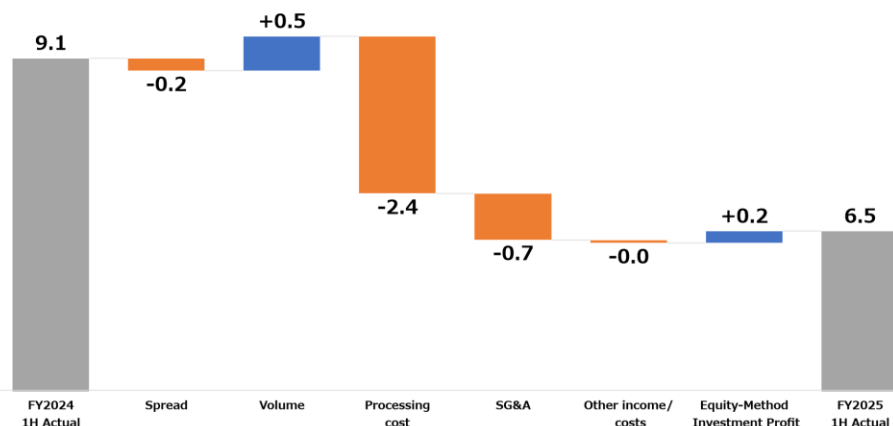
Segment Income			Diff.	Spread			Volume	Processing cost		SG&A	Other income/ costs	Equity- Method Investment Profit
(JPY billion)	FY2024 1H Actual	FY2025 1H Actual			Selling price differences	Variable cost differences			Inventory valuation difference			
Total	12.2	9.6	-2.6	+1.9	-10.0	+11.9	+1.5	-2.6	-2.1	-2.2	-0.1	-1.1



# Materials: Analysis of Changes in Segment Income

(Breakdown)

Segment Income			Diff.	Spread			Volume	Processing cost		SG&A	Other income/ costs	Equity- Method Investment Profit
(JPY billion)	FY2024 1H Actual	FY2025 1H Actual			Selling price differences	Variable cost differences			Inventory valuation difference			
Materials	9.1	6.5	-2.7	-0.2	-11.0	+10.8	+0.5	-2.4	-1.2	-0.7	-0.0	+0.2



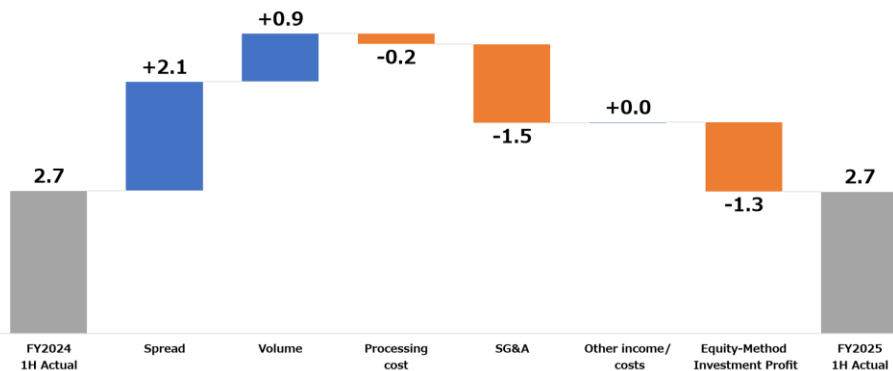
Spread	<ul style="list-style-type: none"> <li>➤ <b>SAP</b> Spread expansion driven by lower raw material prices</li> <li>➤ <b>Special Ester</b> Continued yen appreciation and weak overseas market conditions</li> </ul>
Volume	<ul style="list-style-type: none"> <li>➤ <b>SAP</b> Increased volume driven by expanded sales in emerging markets</li> <li>➤ <b>Special Ester</b> Decline in volume due to weak demand and aggressive low pricing of Chinese products</li> </ul>
Processing cost, SG&A, Other income and costs	<ul style="list-style-type: none"> <li>➤ <b>Processing Costs and Others</b> Decrease in inventory valuation gains and increase in fixed manufacturing costs (overseas)</li> <li>➤ <b>SG&amp;A Expenses</b> Higher transportation costs due to increased SAP volumes</li> </ul>



# Solutions: Analysis of Changes in Segment Income

(Breakdown)

Segment Income			Diff.	Spread			Volume	Processing cost		SG&A	Other income/ costs	Equity- Method Investment Profit
(JPY billion)	FY2024 1H Actual	FY2025 1H Actual			Selling price differences	Variable cost differences			Inventory valuation difference			
Solutions	2.7	2.7	-0.0	+2.1	+1.0	+1.1	+0.9	-0.2	-0.9	-1.5	+0.0	-1.3



Spread	<ul style="list-style-type: none"> <li>➢ <b>Specialty Chemicals</b> Spread expansion for surfactants etc.</li> <li>➢ <b>Electronics</b> Improved product mix for display-related materials</li> </ul>
Volume	<ul style="list-style-type: none"> <li>➢ <b>Electronics</b> Expanded sales of display-related materials to China</li> <li>➢ <b>Others</b> Increased volume following the consolidation of E-TEC* as a subsidiary</li> </ul>
Processing cost, SG&A, Other income and costs	<ul style="list-style-type: none"> <li>➢ <b>SG&amp;A</b> Increase due to higher R&amp;D costs and consolidation of E-TEC* as a subsidiary</li> <li>➢ <b>Processing Costs and Others</b> Decrease in inventory valuation gains</li> <li>➢ <b>Equity-method investment profit</b> Impairment losses recorded at an equity-method associate</li> </ul>

\*E-TEC: Emulsion Technology Co., Ltd.

## II. FY2025 Forecasts

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# Consolidated Financial Summary

(JPY billion)	FY2024	FY2025	FY2025	Difference	Difference
	Full	Full	Full	FY24 Actual/ FY25 Revised	FY25 Forecast/ FY25 Revised
	Actual	Forecast 13 May	Revised Forecast 7 November	Forecast	Forecast
<b>Revenue</b>	<b>409.3</b>	<b>405.0</b>	<b>405.0</b>	<b>- 4.3</b>	<b>+0.0</b>
<b>Operating Profit</b>	<b>19.1</b>	<b>17.0</b>	<b>18.0</b>	<b>-1.1</b>	<b>+1.0</b>
(Operating Profit to Revenue)	4.7%	4.2%	4.4%	-0.2p	+0.2p
Equity-method investment	4.0	2.3	1.7	-2.3	-0.6
<b>Segment Income<sup>*1</sup></b>	<b>23.1</b>	<b>19.3</b>	<b>19.7</b>	<b>-3.4</b>	<b>+0.4</b>
<b>Profit Before Tax</b>	<b>23.2</b>	<b>20.0</b>	<b>21.0</b>	<b>-2.2</b>	<b>+1.0</b>
<b>Profit<sup>*2</sup></b>	<b>17.4</b>	<b>15.0</b>	<b>15.0</b>	<b>-2.4</b>	<b>+0.0</b>
<b>ROE</b>	<b>4.5%</b>	<b>4.0%</b>	<b>3.9%</b>	<b>-0.6p</b>	<b>-0.1p</b>
<b>ROA</b>	<b>4.3%</b>	<b>3.6%</b>	<b>3.8%</b>	<b>-0.5p</b>	<b>+0.2p</b>
<b>ROIC<sup>*3</sup></b>	<b>4.3%</b>	<b>3.5%</b>	<b>3.3%</b>	<b>-1.0p</b>	<b>-0.2p</b>
Domestic Naphtha Price (JPY/kL)	75,600	60,000	62,900	-12,700	+2,900
FX Rate (1 USD)	153 JPY	140 JPY	147 JPY	-6 JPY	+7 JPY
FX Rate (1 EUR)	164 JPY	160 JPY	171 JPY	+7 JPY	+11 JPY

\*1: Segment Income = "Operating Profit" + "Equity-method investment profit(loss)"

\*2: Profit = Profit Attributable to Owners of Parent

\*3: ROIC = (After-Tax Operating Profit + Share of profit of investments accounted for using equity method) / (Interest-Bearing Debt + Shareholders' Equity)

# Revenue & Segment Income

Business Domain (JPY billion)	FY2024	FY2025	FY2025	Difference FY24 Actual/ FY25 Revised Forecast	Difference FY25 Forecast/ FY25 Revised Forecast
	Full	Full	Full		
	Actual	Forecast 13 May	Revised Forecast 7 November		
AA · SAP	222.1	212.4	218.3	- 3.8	+5.8
EO and others	72.0	66.6	62.7	- 9.3	- 3.8
<b>Materials Business</b>	<b>294.1</b>	<b>279.0</b>	<b>281.0</b>	<b>- 13.1</b>	<b>+2.0</b>
Specialty Chemicals	51.6	51.4	50.0	- 1.6	- 1.4
Electronics	20.9	23.7	25.5	+4.6	+1.8
Others*	42.8	50.9	48.5	+5.7	- 2.3
<b>Solutions Business</b>	<b>115.3</b>	<b>126.0</b>	<b>124.0</b>	<b>+8.7</b>	<b>- 2.0</b>
<b>Total Revenue</b>	<b>409.3</b>	<b>405.0</b>	<b>405.0</b>	<b>- 4.3</b>	<b>+0.0</b>
<b>Materials Business</b>	<b>15.9</b>	<b>12.4</b>	<b>12.2</b>	<b>- 3.7</b>	<b>- 0.2</b>
<b>Solutions Business</b>	<b>6.1</b>	<b>6.2</b>	<b>6.7</b>	<b>+0.6</b>	<b>+0.5</b>
<b>Eliminations and corporate profit (loss)</b>	<b>1.0</b>	<b>0.7</b>	<b>0.8</b>	<b>- 0.2</b>	<b>+0.1</b>
<b>Total Segment Income</b>	<b>23.1</b>	<b>19.3</b>	<b>19.7</b>	<b>- 3.4</b>	<b>+0.4</b>

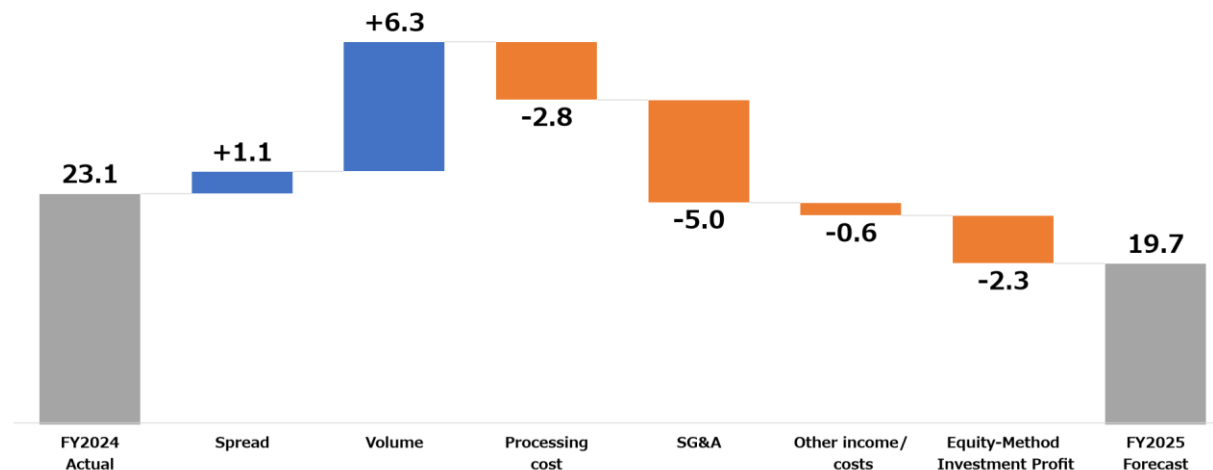
\*Includes: Construction, Energy (Batteries, Hydrogen), Environmental catalysts, Household, Health & Medical etc.

# Total: Analysis of Changes in Segment Income

- Increasing sales volume for both segments, but Materials to be hit by weak overseas markets conditions
- Declining overall profit due to higher SG&A and processing costs, as well as impairment losses at an equity-method associate

(Breakdown)

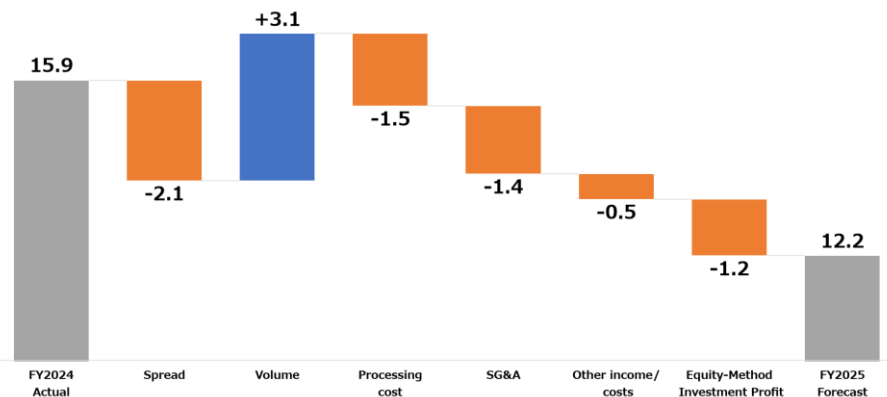
Segment Income			Diff.	Spread			Volume	Processing cost		SG&A	Other income/ costs	Equity-Method Investment Profit
(JPY billion)	FY2024 Actual	FY2025 Forecast			Selling price differences	Variable cost differences			Inventory valuation difference			
Total	23.1	19.7	-3.4	+1.1	-22.8	+23.9	+6.3	-2.8	-1.1	-5.0	-0.6	-2.3



# Materials: Analysis of Changes in Segment Income

(Breakdown)

Segment Income			Diff.	Spread			Volume	Processing cost		SG&A	Other income/costs	Equity-Method Investment Profit
(JPY billion)	FY2024 Actual	FY2025 Forecast			Selling price differences	Variable cost differences			Inventory valuation difference			
Materials	15.9	12.2	-3.7	-2.1	-22.8	+20.7	+3.1	-1.5	-0.4	-1.4	-0.5	-1.2

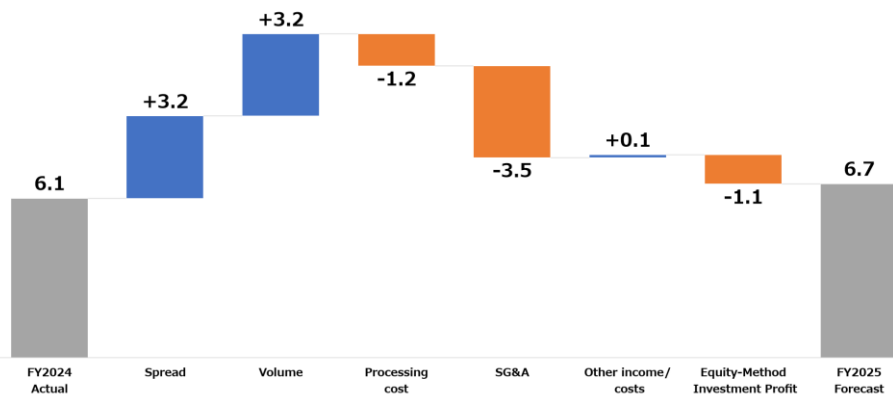


Spread	<ul style="list-style-type: none"> <li>➤ <b>Special Ester, AA/AES</b> Continuing weak overseas market conditions</li> </ul>
Volume	<ul style="list-style-type: none"> <li>➤ <b>SAP</b> Increasing volume, mainly driven by expanded sales in emerging markets</li> </ul>
Processing cost, SG&A, Other income and costs	<ul style="list-style-type: none"> <li>➤ <b>Processing Costs and Others</b> Increasing in fixed manufacturing costs (overseas) and expansion of inventory valuation losses</li> <li>➤ <b>Equity-method investment profit</b> Worsening profits due to market downturn</li> </ul>

# Solutions: Analysis of Changes in Segment Income

(Breakdown)

Segment Income			Diff.	Spread			Volume	Processing cost		SG&A	Other income/ costs	Equity-Method Investment Profit
(JPY billion)	FY2024 Actual	FY2025 Forecast			Selling price differences	Variable cost differences			Inventory valuation difference			
Solutions	6.1	6.7	+0.6	+3.2	+0.0	+3.1	+3.2	-1.2	-0.7	-3.5	+0.1	-1.1



Spread	<ul style="list-style-type: none"> <li>➢ <b>Specialty Chemicals</b> Spread expansion mainly for various amines and surfactants</li> <li>➢ <b>Others</b> Product mix improvement for lithium-ion battery materials</li> </ul>
Volume	<ul style="list-style-type: none"> <li>➢ <b>Electronics</b> Expanding sales of display-related materials to China</li> <li>➢ <b>Others</b> Increasing volume following the consolidation of E-TEC* as a subsidiary</li> </ul>
Processing cost, SG&A, Other income and costs	<ul style="list-style-type: none"> <li>➢ <b>SG&amp;A</b> Increasing due to higher R&amp;D costs and consolidation of E-TEC* as a subsidiary</li> <li>➢ <b>Processing Costs and Others</b> Decreasing in inventory valuation gains</li> <li>➢ <b>Equity-method investment profit</b> Impairment losses to be recorded at an equity-method associate</li> </ul>

\*E-TEC: Emulsion Technology Co., Ltd.

# Segment Income (Trend in 1H-2H)

Business Domain (JPY billion)	FY2024			FY2025		
	1H	2H	FULL	1H	2H (E)	FULL (E)
AA · SAP	6.1	3.4	9.5	5.2	3.9	9.1
EO and others	3.0	3.4	6.4	1.3	1.8	3.1
Materials	9.1	6.8	15.9	6.5	5.7	12.2
Specialty Chemicals	2.5	2.7	5.3	2.5	2.3	4.8
Electronics	1.5	2.2	3.6	2.8	2.2	5.1
Others	-1.2	-1.5	-2.8	-2.6	-0.6	-3.2
Solutions	2.7	3.4	6.1	2.7	4.0	6.7
Eliminations and corporate profit (loss)	0.3	0.7	1.0	0.4	0.4	0.8
Total Segment Income	12.2	10.9	23.1	9.6	10.1	19.7



## **Ⅲ. Business Strategies and Topics**

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# Solutions: Specialty Chemicals

## 【Business Overview】

- Applications for water treatment agents remain steady
- Surfactants (Taiwan subsidiary) struggling in commodity products

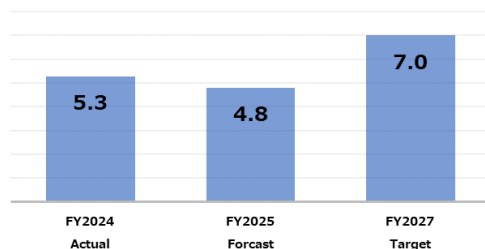
(JPY billion)

	Revenue			Segment Income		
	FY2024	FY2025	Diff	FY2024	FY2025	Diff
1H	25.7	24.0	- 1.7	2.5	2.5	- 0.0
Full	51.6	50.0	- 1.6	5.3	4.8	- 0.5

## ■ Yearly Trends

(JPY billion)

Segment Income



Main Products	Market Environment	Initiatives Toward FY2027
Various types of amines	<ul style="list-style-type: none"> <li>• Growing demand for water treatment due to stricter wastewater regulations</li> <li>• Delaying CO<sub>2</sub> absorption applications by 1–2 years</li> </ul>	<ul style="list-style-type: none"> <li>• Strengthening production systems to meet increasing water treatment demand</li> <li>• Market development and sales expansion for newly developed products</li> </ul>
Surfactants	<ul style="list-style-type: none"> <li>• Chinese products penetrating the commodity market in Asia</li> </ul>	<ul style="list-style-type: none"> <li>• Expansion of products and facilities for high-performance applications (semiconductors)</li> </ul>
Cross-linking agent for water-based resins	<ul style="list-style-type: none"> <li>• Increasing demand for VOC-free solutions due to stricter environmental regulations</li> </ul>	<ul style="list-style-type: none"> <li>• Addressing further environmental impact reduction needs through low-temperature curing technology</li> </ul>

# Solutions: Electronics

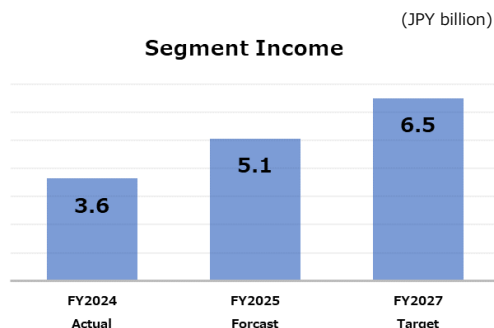
## 【Business Overview】

- Increase in sales volume of LCD display-related products (Resins for optical films, fine particles, etc.)

(JPY billion)

	Revenue			Segment Income		
	FY2024	FY2025	Diff	FY2024	FY2025	Diff
1H	10.4	12.5	+2.2	1.5	2.8	+1.4
Full	20.9	25.5	+4.6	3.6	5.1	+1.4

## ■ Yearly Trends



Main Products	Market Environment	Initiatives Toward FY2027
Resins for optical films	<ul style="list-style-type: none"> <li>• The shift of the LCD display market to China continues</li> <li>• Demand remains strong due to larger and higher-resolution TV panels</li> </ul>	<ul style="list-style-type: none"> <li>• Expansion of high value-added product sales</li> </ul>
Fine particles	<ul style="list-style-type: none"> <li>• Growing demand in display and semiconductor applications</li> </ul>	<ul style="list-style-type: none"> <li>• Sales expansion in the semiconductor market</li> <li>• Capacity enhancement of fine particle manufacturing equipment</li> </ul>
Iodine	<ul style="list-style-type: none"> <li>• Market conditions remain steady</li> </ul>	<ul style="list-style-type: none"> <li>• Increase in iodine production through new well development</li> </ul>

# Electronics -1-

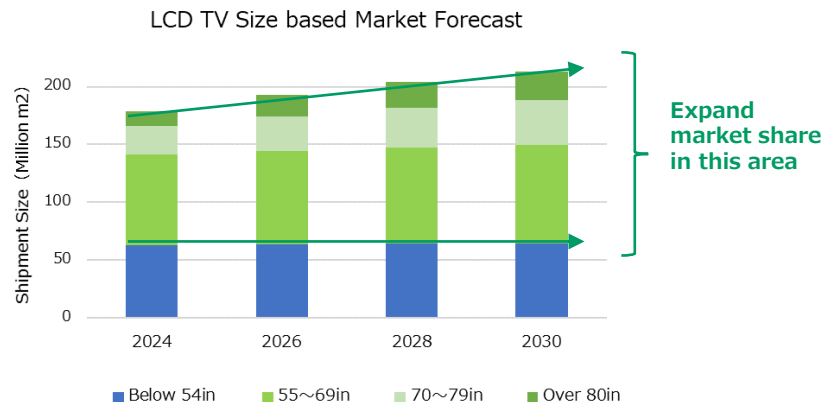
## Target market for Resins for optical films

### ■ Resins for optical films - Increasing adoption of new grades

- Resin optimized for wider and larger film applications
- Resin optimized for retardation film in high-resolution displays

### ● TV Market / Forecast of LCD Panel Shipment Size Trends (Size-based)

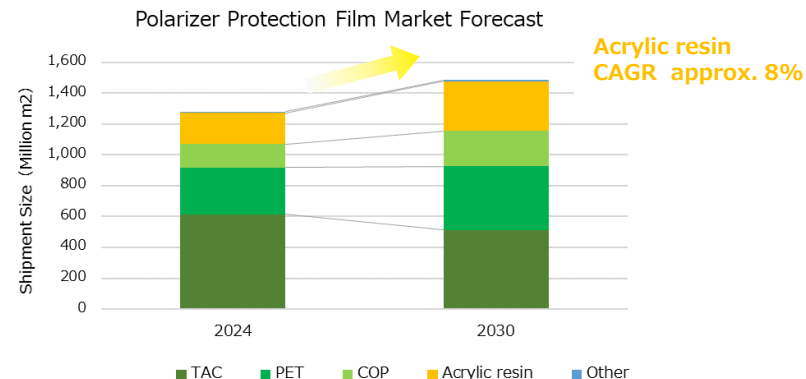
- Models over 55 inches are projected to keep increasing year by year



Source: Created by our company using various materials

### ● Polarizer Protection Film Market / Forecast of Shipment Size Trends (PVA Protective Film + Retardation Film)

- With the trend toward larger panel sizes, film size continues to grow
- Shift to non-TAC films is accelerating for high-resolution applications



Source: Created by our company using Fuji Chimera Research Institute's report, 2025 Display Market Trends and Future Prospects

## Target Applications of Silica Particles

### ■ Target Applications: UF and SR for Semiconductor

#### UF (Underfill)

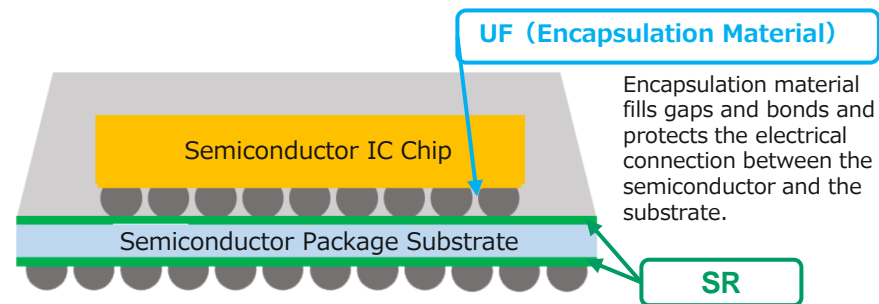
To ensure reliability in semiconductor packaging, resin thermal expansion must be minimized.

#### SR (Solder Resist)

Silica particles are critical for high-resolution applications.

Key Technologies	Strengths and Winning Strategy of Silica Particles
Coarse Particle-Free	Leveraging both small particle size and narrow particle size distribution to expand adoption in underfill materials
High Resolution	Silica particles contribute to performance improvement in advanced materials (interlayer insulation materials, solder resist)

### ■ Cross-sectional view of a semiconductor package



- Capacity expansion of fine particle production facilities;

**Commercial operation  
to start next fiscal year**

# Solutions: Others

## 【Business Overview】

- Largely on track with the plan despite an impairment loss was recorded at the equity-method associate ;Umicore Shokubai

(Construction) E-TEC was made a subsidiary

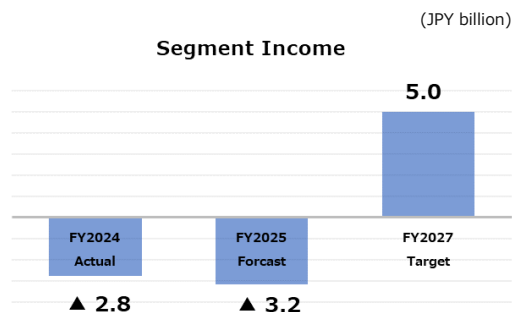
(Energy batteries) Strong demand in China; expansion plans progressing as scheduled

(Healthcare and medical) Increase in contract projects; decision made to strengthen facilities

(JPY billion)

	Revenue			Segment Income		
	FY2024	FY2025	Diff	FY2024	FY2025	Diff
1H	21.4	24.0	+2.7	-1.2	-2.6	- 1.3
Full	42.8	48.5	+5.7	-2.8	-3.2	- 0.4

## ■ Yearly Trends



Business Domain	Market Environment	Initiatives Toward FY2027
Construction	<ul style="list-style-type: none"> <li>• Growing demand for reducing environmental impact</li> </ul>	<ul style="list-style-type: none"> <li>• Launch of products developed through industry-academia collaboration</li> <li>• Acceleration of synergies through E-TEC acquisition</li> <li>• Expansion of North American business</li> </ul>
Energy (batteries)	<ul style="list-style-type: none"> <li>• Despite fierce competition in the EV and LIB markets, our electrolyte demand is robust</li> </ul>	<ul style="list-style-type: none"> <li>• Expansion of production scale in China</li> <li>• Planning a new plant in Japan (Kitakyushu)</li> </ul>
Health and Medical	<ul style="list-style-type: none"> <li>• Medium-molecule pharmaceuticals (nucleic acids/peptides) maintain high growth rates</li> </ul>	<ul style="list-style-type: none"> <li>• Introduction of large-scale manufacturing facilities</li> <li>• Exploring growth strategies through M&amp;A and alliances with other companies</li> </ul>

# Materials: AA • SAP

## 【Business Overview】

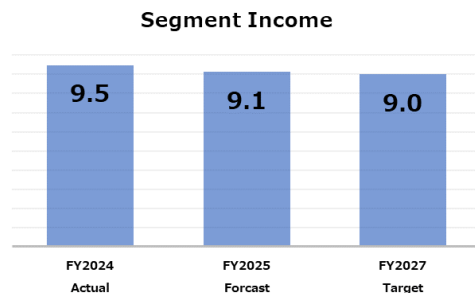
- Continued market downturn due to the impact of Chinese products
- Increase in sales volume through SAP expansion in emerging markets

(JPY billion)

	Revenue			Segment Income		
	FY2024	FY2025	Diff	FY2024	FY2025	Diff
1H	112.2	109.6	- 2.6	6.1	5.2	- 0.9
Full	222.1	218.3	- 3.8	9.5	9.1	- 0.4

## ■ Yearly Trends

(JPY billion)



Main Products	Market Environment	Initiatives Toward FY2027
AA • AES	Asian market remains sluggish due to intensified competition from oversupply in China	Optimization of production across the entire group Capturing demand in India and Southeast Asia
SAP	Global diaper market expected to continue growing, especially in Global South regions with high growth rates	50,000 ton capacity expansion in Indonesia Strengthening sales in Global South markets

## IV. Shareholder Returns

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# Shareholder Returns

## Shareholder Return Policy for FY2024-FY2027

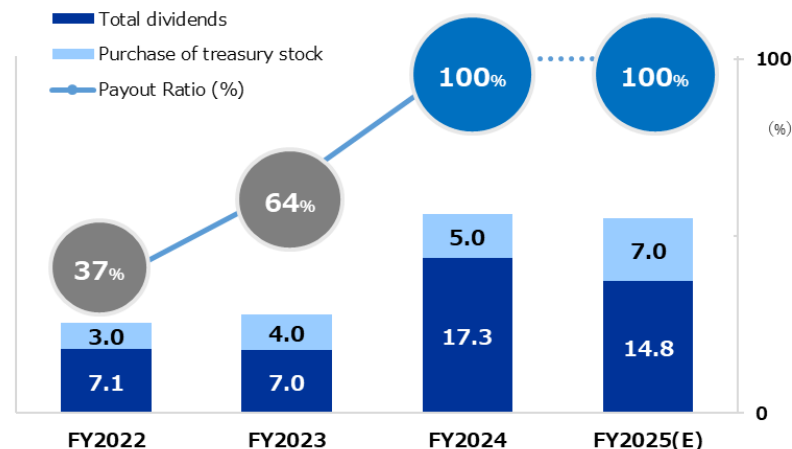
- Distribute dividends based on the greater of **payout ratio of 100%** or **DOE\* of 2.0%**
- Use funds obtained through the reduction of strategic shareholdings etc. to **repurchase treasury shares**.

\*DOE : Dividend on equity ratio

### ■ Dividend per Share

(Dividends:JPY)	FY2023	FY2024	FY2025(E)
Interim	22.5	54.0	50.0
Year end	22.5	60.0	50.0
Annual	45.0	114.0	100.0

\* On April 1, 2024, NIPPON SHOKUBAI conducted a 4-for-1 stock split of common shares.  
Above dividend amounts are based on the post-stock-split amounts.



DOE	2.0%	1.9%	4.5%	Approx. 4%
Total return ratio	52.2%	99.7%	128.2%	Approx. 146%

◆ The total return ratio is projected to surpass the previous year's level in FY2025, aiming for a substantial increase by FY2027

# References

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# Business Domain and Main Products

## Business Domain

## Main Products

### Materials

AA ・ SAP

EO and others

- Acrylic acid, Acrylates
- Superabsorbent polymer

- Ethylene oxide ● Ethylene glycol
- Organic acids ● Special esters ● Process catalysts etc.

Specialty Chemicals

- Various types of amines ● Cross-linking agent for water-based resins
- Surfactants (Main subsidiaries: NIPPON NYUKAZAI CO., LTD. and SINO-JAPAN CHEMICAL CO.,LTD.)

Electronics

- Resins for optical films ● Resist materials
- Fine particles ● Dye ● Iodine  
(Main subsidiary: NIPPOH CHEMICALS CO., LTD.)

### Solutions

Others

Construction

Energy (Batteries and Hydrogen ) ・  
Environmental catalysts

Household  
Health & Medical etc.

- Concrete admixture polymers ● Emulsions  
(Main subsidiary: Emulsion Technology Co., Ltd.)

- Electrolytes for LIB\*<sup>1</sup> ● Electrolyte sheets
- Ammonia decomposition catalysts
- Waste gas treatment catalysts and Wastewater treatment catalysts

- Raw materials for detergents ● Oligonucleotide & peptides CDMO\*<sup>2</sup>

\*1: LIB: lithium-ion batteries

\*2: Abbreviation of Contract Development and Manufacturing Organization

# Consolidated Statement of Financial Position

(JPY billion)	Mar.31, 2025	Sep.30, 2025	Diff.
Cash and cash equivalents	54.6	45.9	- 8.7
Trade receivables	96.5	92.4	- 4.1
Inventories	84.3	84.0	- 0.3
Others	20.1	15.9	- 4.2
<b>Current assets</b>	<b>255.5</b>	<b>238.1</b>	<b>- 17.4</b>
Property, plant and equipment	194.2	201.0	+6.7
Goodwill	-	3.5	+3.5
Intangible assets	4.5	6.7	+2.2
Equity-method investment	30.0	28.1	- 1.9
Others	59.4	58.6	- 0.8
<b>Non-current assets</b>	<b>288.2</b>	<b>297.9</b>	<b>+9.7</b>
<b>Total Assets</b>	<b>543.7</b>	<b>536.0</b>	<b>- 7.7</b>

	Mar.31, 2025	Sep.30, 2025	Diff.
Trade payables	54.8	49.6	- 5.2
Borrowings	41.4	43.7	+2.3
Others	54.9	52.7	- 2.2
<b>Liabilities</b>	<b>151.1</b>	<b>146.0</b>	<b>- 5.2</b>
Share capital	25.0	25.0	-
Treasury shares	-7.3	-12.4	- 5.1
Retained earnings	308.8	307.5	- 1.3
Others	56.5	60.5	+4.0
Non-controlling interests	9.5	9.4	- 0.1
<b>Equity</b>	<b>392.5</b>	<b>390.0</b>	<b>- 2.5</b>
<b>Liabilities and equity</b>	<b>543.7</b>	<b>536.0</b>	<b>- 7.7</b>

D/E ratio (times)	0.12	0.13
Interest-bearing loans	46.6	48.3

# Consolidated Cash Flows

(JPY billion)	FY2024 1H Actual	FY2025 1H Actual	Difference
<b>Cash flows from operating activities</b>	23.0	25.5	+2.6
Profit (loss) before tax	12.4	10.8	-1.6
Depreciation and amortization	15.8	15.9	+0.1
Changes in trade receivables/payables and inventories	-4.3	1.6	+5.9
Others	-1.0	-2.8	-1.8
<b>Cash flows from investing activities</b>	-7.6	-20.7	-13.1
<b>Free cash flows</b>	15.4	4.8	-10.6
<b>Cash flows from financing activities</b>	-14.3	-13.5	+0.8
Changes in borrowings	-5.1	2.3	+7.4
Purchase of treasury shares	-4.1	-5.2	-1.1
Dividends paid	-3.5	-9.1	-5.6
Others	-1.6	-1.5	+0.1
<b>Cash and cash equivalents at end of period</b>	55.0	45.9	-9.2

# Consolidated Key Indicators

(JPY billion)	FY2023 1H	FY2023 Full	FY2024 1H	FY2024 Full	FY2025 1H	FY2025 Full(E)
Capex	8.3	16.8	9.6	37.8	19.1	55.0
Depreciation and amortization	16.0	31.9	15.8	31.6	15.9	32.5
R&D cost	7.7	15.1	7.9	15.7	8.1	17.1
EBITDA	26.6	49.3	29.0	56.1	27.2	54.6
Interest-bearing loans	49.3	45.6	38.7	46.6	48.3	69.8
Total equity attributable to owners of parent	379.6	383.4	381.5	383.0	380.6	378.2
Total assets	540.4	544.1	522.7	543.7	536.0	565.0
D/E (x)	0.13	0.12	0.10	0.12	0.13	0.18
Shareholder's Equity Ratio(%)	70.2	70.5	73.0	70.5	71.0	66.9
Operating profit to Revenue(%)	5.1	4.2	5.1	4.7	4.5	4.4
ROA(%)	3.7	2.9	4.7	4.3	4.0	3.8
ROE(%)	3.7	3.0	4.7	4.5	4.0	3.9
ROIC (%)	3.6	2.9	4.3	4.3	3.2	3.3

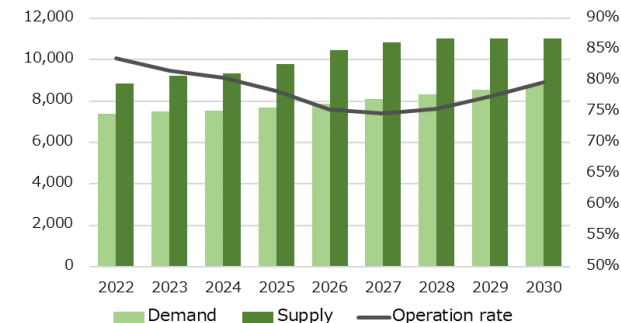
# AA/SAP Global supply and demand trends

## [AA]

### ■ Supply and Demand trends

<b>Demand</b>	Global demand approx. 7.7 million tons (estimated 2025) 3% annual growth expected in the medium term (growth of more than 5% assumed in emerging countries)
<b>Supply</b>	➤ <b>Planned expansion/shutdown in total worldwide</b> (annual production capacity) 2024: approx. -100,000 tons 2025: approx. 1,200,000 tons 2026 onward: approx. 300,000 to 500,000 tons

(KT/Y) AA Global Supply and Demand

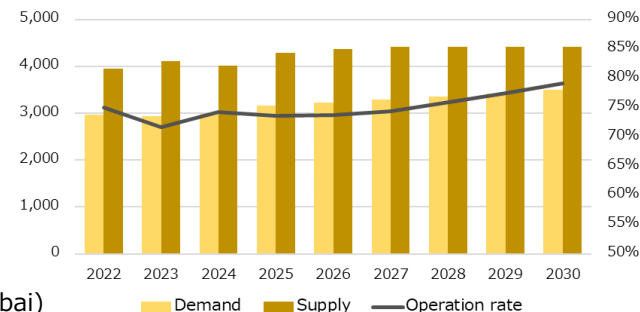


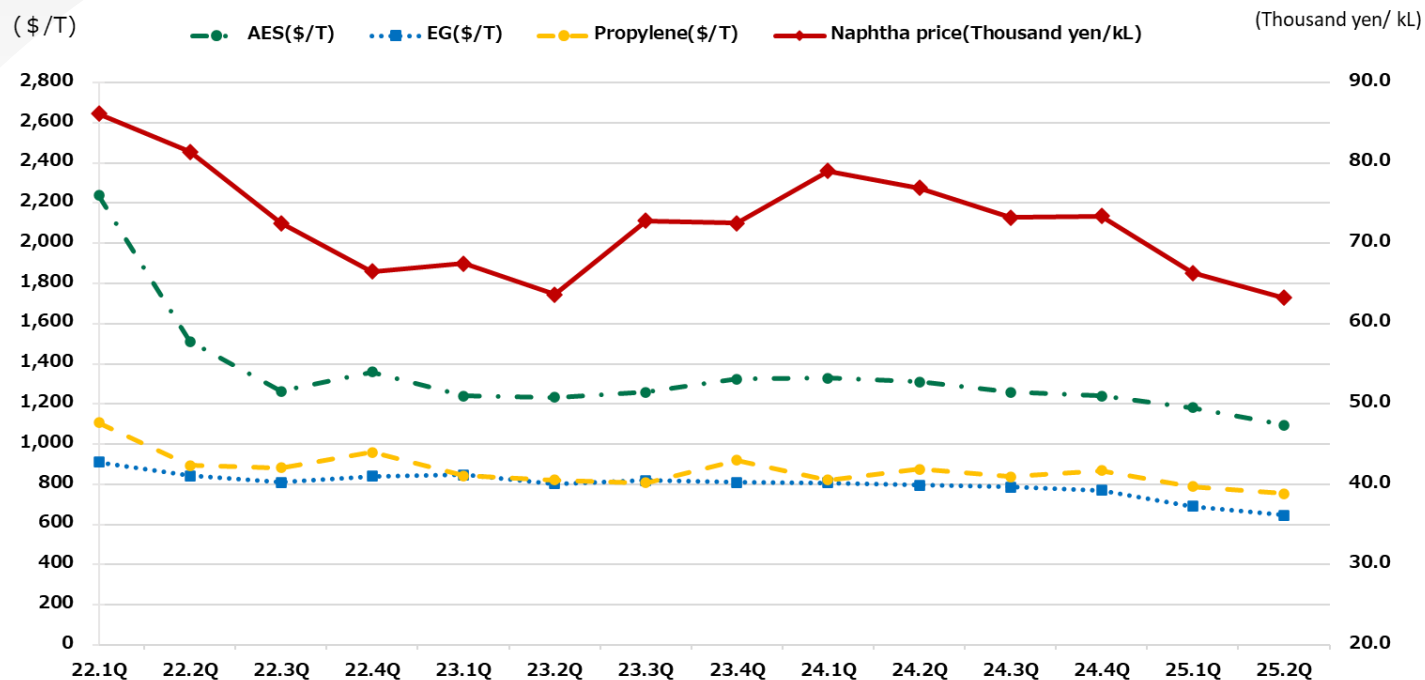
## [SAP]

### ■ Supply and Demand trends

<b>Demand</b>	Global demand approx. 3.2 million tons (estimated 2025) 2-3% annual growth expected in the medium term (growth of 4-5% assumed in emerging countries)
<b>Supply</b>	➤ <b>Planned expansion/shutdown in total worldwide</b> (annual production capacity) 2024: approx. -100,000 tons 2025: approx. 300,000 tons 2026 onward: approx. 100,000 tons (incl. 50,000 tons of Nippon Shokubai)

(KT/Y) SAP Global Supply and Demand







# Foreign Exchange Rate and Overseas Revenue

## ■ Foreign Exchange Rate

	FY22.1Q	FY22.2Q	FY22.3Q	FY22.4Q	FY23.1Q	FY23.2Q	FY23.3Q	FY23.4Q	FY24.1Q	FY24.2Q	FY24.3Q	FY24.4Q	FY25.1Q	FY25.2Q
JPY per 1 USD	130	138	141	132	137	145	148	149	156	150	152	153	145	147
JPY per 1 EUR	138	139	144	142	150	157	159	161	168	164	163	161	164	172

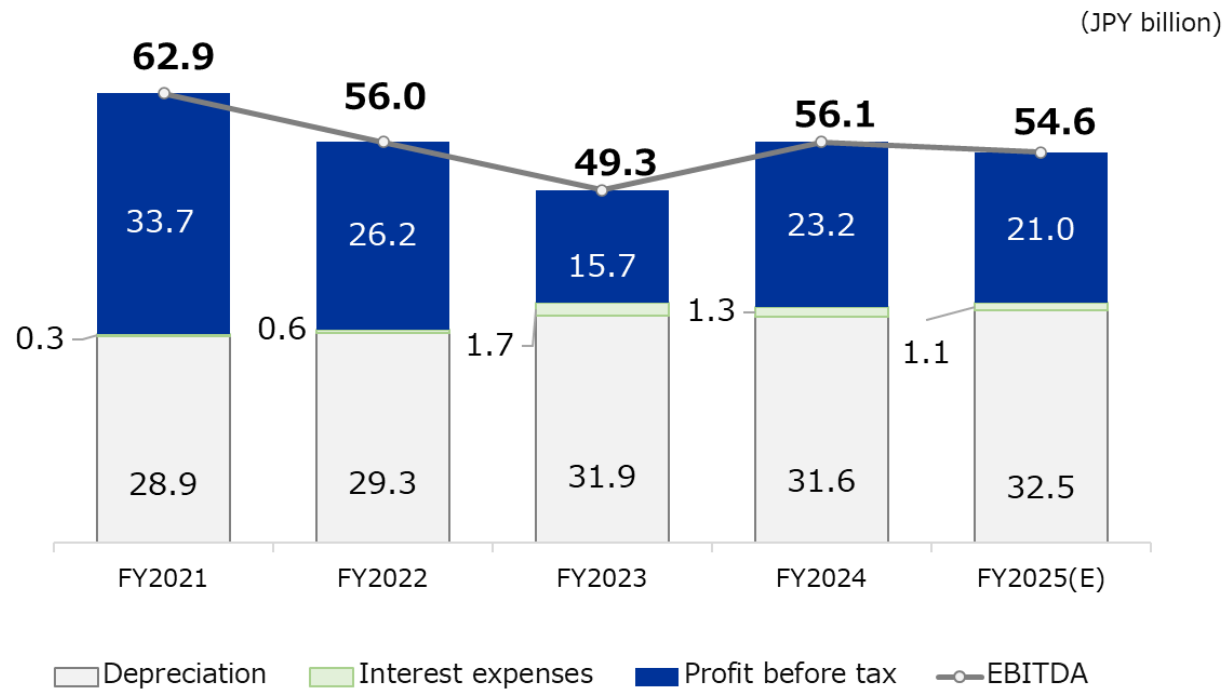
## ■ Overseas Revenue - Cumulative for the quarter

(JPY billion)		FY22.1Q	FY22.2Q	FY22.3Q	FY22.4Q	FY23.1Q	FY23.2Q	FY23.3Q	FY23.4Q	FY24.1Q	FY24.2Q	FY24.3Q	FY24.4Q	FY25.1Q	FY25.2Q
Asia		30.1	58.7	86.2	109.1	22.6	46.7	73.0	99.2	28.1	56.2	83.7	110.5	24.7	49.5
Europe		20.3	39.3	58.7	74.4	17.8	34.3	48.8	64.4	16.9	32.5	48.0	62.8	15.8	32.5
North America		8.3	17.1	26.6	34.9	9.3	18.6	27.9	38.4	10.7	20.0	29.8	39.5	10.2	20.1
Other regions		4.7	9.8	14.1	19.1	5.2	10.2	14.1	17.4	3.4	7.1	10.6	14.9	3.4	7.4
Overseas Revenue (Total)		63.4	124.9	185.6	237.5	54.9	109.9	163.9	219.3	59.2	115.8	172.1	227.7	53.9	109.5

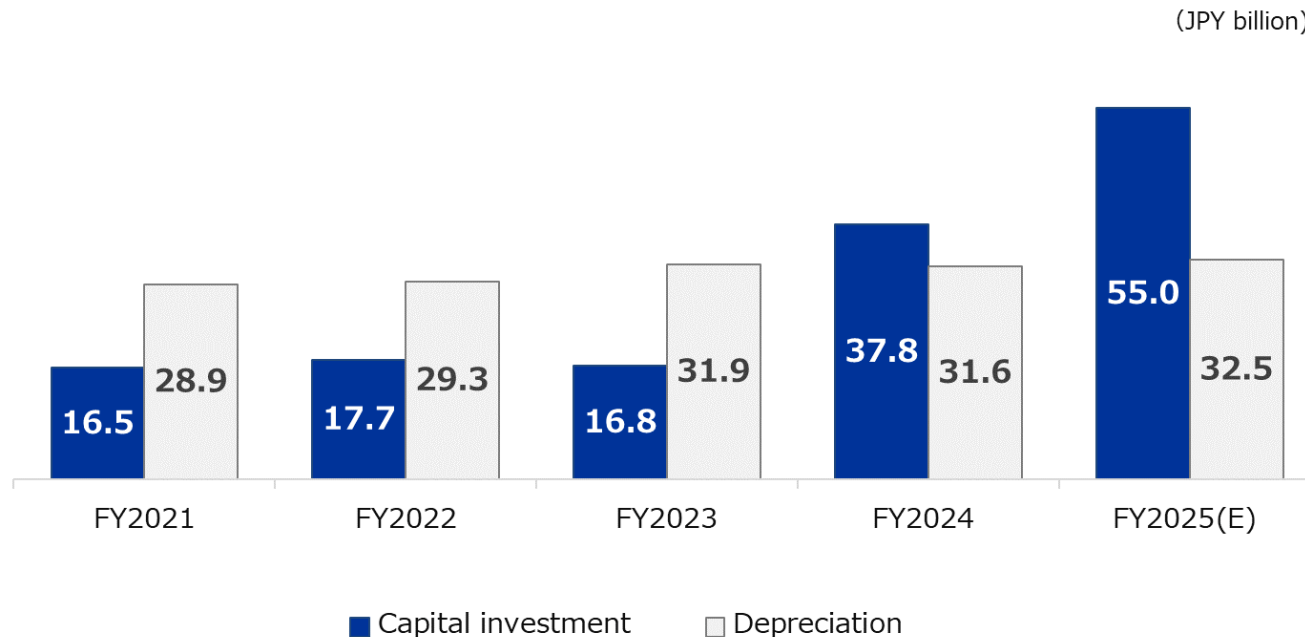
Asia		27.0%	26.7%	26.5%	26.0%	23.2%	23.9%	25.0%	25.3%	26.7%	27.2%	27.2%	27.0%	24.4%	24.7%
Europe		18.2%	17.9%	18.0%	17.7%	18.3%	17.7%	16.7%	16.4%	16.1%	15.7%	15.5%	15.3%	15.6%	16.2%
North America		7.4%	7.8%	8.2%	8.3%	9.6%	9.6%	9.6%	9.8%	10.2%	9.7%	9.7%	9.7%	10.0%	10.1%
Other regions		4.2%	4.5%	4.3%	4.6%	5.3%	5.3%	4.8%	4.4%	3.3%	3.4%	3.4%	3.6%	3.3%	3.7%
Ratio of Overseas Revenue		56.8%	56.9%	57.0%	56.6%	56.4%	56.5%	56.1%	55.9%	56.3%	56.0%	55.8%	55.6%	53.3%	54.7%

# Trends in EBITDA

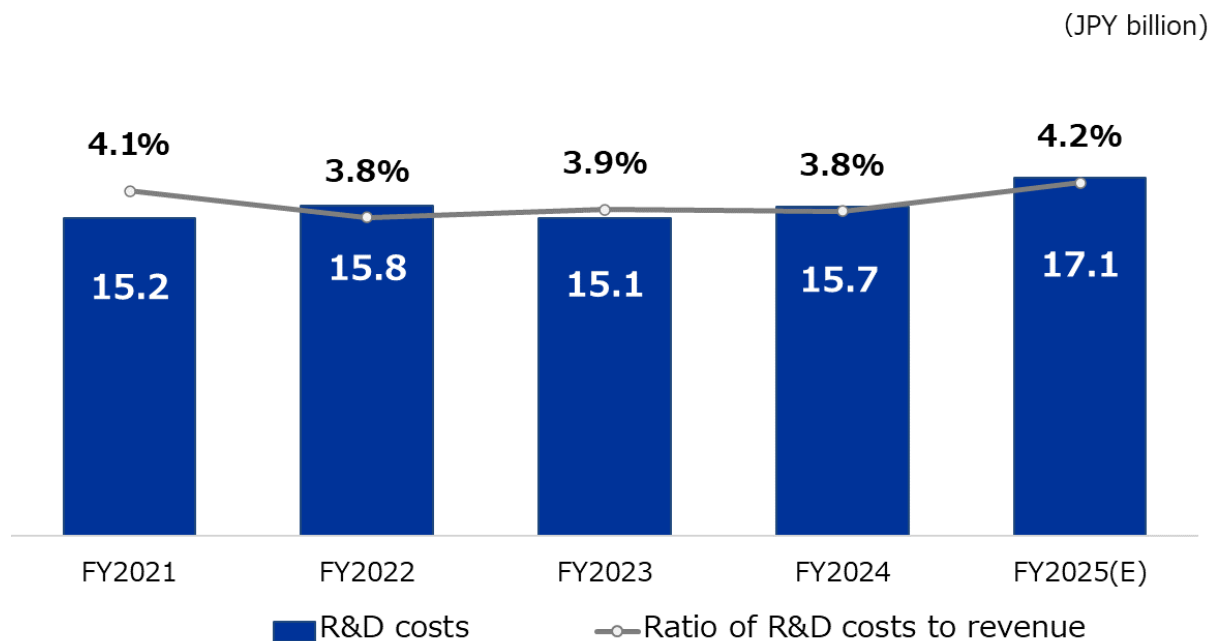


(EBITDA= Profit before tax + Dep + Interest expenses)

# Trends in Capital Investment and Depreciation



# Trends in R&D costs



- ◆ Announcement of financial results for the Q3 - FY2025

**Thursday, 5<sup>th</sup> February 2026, at 13:00 JST**

This schedule is subject to change without notice.

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