Consolidated Financial Results for the First Quarter of the Fiscal Year Ending March 31, 2027 [IFRS] (Three Months Ended June 30, 2026)

August 7, 2026

Company name: NIPPON SHOKUBAI CO., LTD.
Listing: TSE (Prime Market)
Code number: 4114
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Scheduled date of dividend payment: –
Supplementary materials prepared: Yes
Financial results briefing held: Yes (for securities analysts and institutional investors)

(Figures are rounded off to the nearest million yen)

1. Consolidated Financial Results for the First Quarter of the Fiscal Year Ending March 31, 2027 (hereafter FY2026) (from April 1, 2026 to June 30, 2026)

(1) Consolidated operating results (cumulative) (Percentages indicate year-on-year changes)

	Revenue		Operating profit		Profit before tax		Profit		Profit attributable to owners of parent		Total comprehensive income	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
Three months ended Jun. 30, 2026	121,318	19.8	12,142	182.7	14,158	125.3	10,647	129.0	10,378	134.0	14,580	510.7
Three months ended Jun. 30, 2025	101,247	(3.7)	4,295	(17.2)	6,283	(2.1)	4,649	(3.3)	4,434	(4.2)	2,387	(82.8)

	Basic earnings per share	Diluted earnings per share
	Yen	Yen
Three months ended Jun. 30, 2026	70.24	70.23
Three months ended Jun. 30, 2025	29.27	29.26

(2) Consolidated financial position

	Total assets	Total equity	Equity attributable to owners of parent	Ratio of equity attributable to owners of parent	Equity attributable to owners of parent per share
	Millions of yen	Millions of yen	Millions of yen	%	Yen
As of Jun. 30, 2026	610,609	411,330	401,692	65.8	2,718.26
As of Mar. 31, 2026	580,209	406,587	396,649	68.4	2,684.47

2. Dividends

	Annual dividends				
	End of 1Q	End of 2Q	End of 3Q	Year-end	Annual
	Yen	Yen	Yen	Yen	Yen
FY2025	–	50.00	–	63.00	113.00
FY2026	–				
FY2026 (forecast)		70.00	–	70.00	140.00

Note: Revisions to the dividends forecast since the latest announcement: Yes

3. Consolidated Financial Forecasts for FY2026 (from April 1, 2026 to March 31, 2027)

(Percentages indicate year-on-year changes)

	Revenue		Operating profit		Profit before tax		Profit attributable to owners of parent		Basic earnings per share
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Yen
First half (cumulative)	235,000	17.4	12,500	38.7	15,000	38.9	10,500	37.9	71.06
Full year	455,000	13.8	21,000	19.8	27,500	27.9	20,500	22.3	139.71

Note: Revisions to the financial forecasts since the latest announcement: Yes

*Notes

(1) Significant changes in the scope of consolidation during the period: None

(2) Changes in accounting policies; changes in accounting estimates
1) Changes in accounting policies required by IFRS: None
2) Other changes in accounting policies: None
3) Changes in accounting estimates: None

(3) Number of shares issued and outstanding (common shares)

1) Number of shares issued at the end of the period (including treasury shares)

Jun. 30, 2026:	150,000,000 shares	Mar. 31, 2026:	150,000,000 shares

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

Jun. 30, 2026:	2,224,392 shares	Mar. 31, 2026:	2,243,116 shares

3) Average number of shares outstanding during the period

Three months ended Jun. 30, 2026:	147,761,565 shares	Three months ended Jun. 30, 2025:	151,515,521 shares

Note: The numbers of treasury shares at the end of the periods include shares of the Company held by the trust account set up after the introduction of a Performance-linked Stock Compensation Plan for the Company's Members of the Board and Executive Officers (148,092 shares as of June 30, 2026 and 166,816 shares as of March 31, 2026). Shares of the Company held by the trust account are included in the treasury shares to be deducted in the calculation of the average number of shares outstanding during the period.

* Review of the Japanese-language originals of the attached consolidated quarterly financial statements by certified public accountants or an audit firm: None

* Appropriate use of financial forecasts and other special items
1. In this document, statements other than historical facts are forward-looking statements that reflect the Company's plans and expectations. These forward-looking statements involve risks, uncertainties and other factors that may cause our actual results and achievements to differ from those anticipated in these statements. Please refer to "1. Overview of Operating Results, etc. (3) Consolidated Financial Forecasts and Other Forward-looking Statements" on page 3 of the attached materials for the assumptions used in financial forecasts.
2. Supplementary materials will be disclosed through TDnet on Friday, August 7, 2026, and will also be posted on the Company's website.

*This document is translation of the original Japanese document and is only for reference purposes. In the event of any discrepancy between this translated document and the original Japanese document, the latter shall prevail.

Contents of the Attached Materials

1. Overview of Operating Results, etc.

(1) Overview of Operating Results for the Period under Review

For an overview of the Group's operating results, please refer to the supplementary material for financial results, which has been disclosed today.

(2) Overview of Financial Position for the Period under Review

1) Assets, Liabilities and Equity

Total assets at the end of the first quarter of the fiscal year under review increased by 30,400 million yen from the end of the previous fiscal year to 610,609 million yen. Current assets increased by 22,075 million yen from the end of the previous fiscal year. This was mainly due to increases in trade receivables and inventories primarily owing to higher selling prices and raw material prices. Non-current assets increased by 8,325 million yen from the end of the previous fiscal year. This was mainly due to an increase in property, plant and equipment chiefly because of capital expenditure and the impact of the depreciation of the yen on foreign currency translation, and an increase in other financial assets as a result of higher fair values of stocks held.

Total liabilities increased by 25,657 million yen from the end of the previous fiscal year to 199,279 million yen. This was mainly due to an increase in trade payables primarily owing to higher raw material prices, as well as an increase in borrowings associated with capital expenditure and other factors.

Total equity increased by 4,743 million yen from the end of the previous fiscal year to 411,330 million yen. This was mainly due to an increase in net change in fair value of financial assets measured at fair value through other comprehensive income as a result of higher fair values of stocks held, and an increase in exchange differences on translation of foreign operations caused by the depreciation of the yen.

The ratio of equity attributable to owners of parent decreased by 2.6 percentage points from 68.4% at the end of the previous fiscal year to 65.8%. Equity attributable to owners of parent per share increased by 33.79 yen from the end of the previous fiscal year to 2,718.26 yen.

2) Cash Flows

Cash and cash equivalents at the end of the three months ended June 30, 2026 amounted to 50,162 million yen, a decrease of 1,657 million yen from the end of the previous fiscal year, as the sum of cash flows used in investing activities including capital expenditure and cash flows used in financing activities exceeded the cash flows provided by operating activities.

Cash flow from operating activities

Net cash provided by operating activities in the three months ended June 30, 2026 amounted to 13,141 million yen, a decrease of 1,621 million yen from a cash inflow of 14,762 million yen in the same period of the previous fiscal year. This was mainly owing to increases in trade receivables and inventories, which more than offset an increase in profit before tax and an increase in trade payables due to higher raw material prices.

Cash flow from investing activities

Net cash used in investing activities in the three months ended June 30, 2026 totaled 12,820 million yen, a decrease of 4,260 million yen from a cash outflow of 17,080 million yen in the same period of the previous fiscal year. This was mainly due to a decrease in purchase of shares of subsidiaries resulting in change in scope of consolidation, despite a decrease in proceeds from sale of investment securities.

Cash flow from financing activities

Net cash used in financing activities in the three months ended June 30, 2026 amounted to 2,370 million yen, a decrease of 5,771 million yen from a cash outflow of 8,140 million yen in the same period of the previous fiscal year. This was mainly due to an increase in proceeds from borrowings.

(3) Consolidated Financial Forecasts and Other Forward-looking Statements

For the Group's consolidated financial forecast and dividend forecast, please refer to the "Notice Regarding Earnings Forecast and Dividend Forecast for the Fiscal Year Ending March 31, 2027," which has been disclosed today.

(Reference)

Assumptions used in financial forecasts

	Domestic naphtha price	Foreign exchange rate	
	Yen/kl	Yen/USD	Yen/EUR
First-half forecasts	101,000	159	183
Second-half forecasts	75,000	158	180
Full-year forecasts	88,000	158	181

Forecasts by reportable segment

(Unit: Billions of yen)

	Materials business			Solutions business			Adjustment	Total		
	Revenue	Operating profit	Segment income	Revenue	Operating profit	Segment income	Segment income	Revenue	Operating profit	Segment income
First-half forecasts	169.0	6.3	7.5	66.0	5.8	7.1	0.4	235.0	12.5	15.0
Second-half forecasts	159.0	6.0	7.9	61.0	2.4	4.0	0.1	220.0	8.5	12.0
Full-year forecasts	328.0	12.3	15.4	127.0	8.2	11.1	0.5	455.0	21.0	27.0

Note: Segment income is calculated with the formula of "operating profit" + "Share of profit (loss) of investments accounted for using equity method."
"Adjustment" includes inter-segment transaction eliminations and corporate profit (loss) not allocated to reportable segments.

2. Condensed Quarterly Consolidated Financial Statements and Related Notes

(1) Condensed Quarterly Consolidated Statements of Financial Position

(Unit: Millions of yen)

	FY2025 As of Mar. 31, 2026	1Q FY2026 As of Jun. 30, 2026
Assets		
Current assets		
Cash and cash equivalents	51,819	50,162
Trade receivables	91,288	104,085
Inventories	85,758	95,607
Other financial assets	9,101	10,221
Other current assets	9,277	9,241
Total current assets	247,243	269,317
Non-current assets		
Property, plant and equipment	223,128	228,140
Goodwill	3,539	3,539
Intangible assets	6,015	5,713
Investments accounted for using equity method	30,004	29,468
Other financial assets	42,199	45,906
Retirement benefit asset	20,675	20,964
Deferred tax assets	4,616	4,844
Other non-current assets	2,791	2,719
Total non-current assets	332,966	341,292
Total assets	580,209	610,609

(Unit: Millions of yen)

	FY2025 As of Mar. 31, 2026	1Q FY2026 As of Jun. 30, 2026
Liabilities and equity		
Liabilities		
Current liabilities		
Trade payables	51,659	66,090
Borrowings	23,107	33,140
Other financial liabilities	13,194	12,806
Income taxes payable	2,427	4,260
Provisions	7,020	8,508
Other current liabilities	6,460	5,668
Total current liabilities	103,867	130,473
Non-current liabilities		
Borrowings	35,624	33,868
Other financial liabilities	6,302	6,053
Retirement benefit liability	9,189	9,286
Provisions	4,006	4,073
Deferred tax liabilities	14,510	15,382
Other non-current liabilities	125	145
Total non-current liabilities	69,755	68,806
Total liabilities	173,622	199,279
Equity		
Share capital	25,038	25,038
Capital surplus	22,473	22,457
Treasury shares	(3,854)	(3,823)
Retained earnings	302,831	303,957
Other components of equity	50,160	54,062
Total equity attributable to owners of parent	396,649	401,692
Non-controlling interests	9,939	9,638
Total equity	406,587	411,330
Total liabilities and equity	580,209	610,609

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

Condensed Quarterly Consolidated Statements of Profit or Loss

(Unit: Millions of yen)

	1Q FY2025 Apr. 1, 2025 to Jun. 30, 2025	1Q FY2026 Apr. 1, 2026 to Jun. 30, 2026
Revenue	101,247	121,318
Cost of sales	83,040	94,325
Gross profit	18,208	26,994
Selling, general and administrative expenses	14,145	15,054
Other operating income	560	568
Other operating expenses	328	365
Operating profit	4,295	12,142
Finance income	1,035	897
Finance costs	284	229
Share of profit (loss) of investments accounted for using equity method	1,238	1,348
Profit before tax	6,283	14,158
Income tax expense	1,635	3,511
Profit	4,649	10,647
Profit attributable to:		
Owners of parent	4,434	10,378
Non-controlling interests	214	269
Profit	4,649	10,647
Earnings per share:		
Basic earnings per share (Yen)	29.27	70.24
Diluted earnings per share (Yen)	29.26	70.23

Condensed Quarterly Consolidated Statements of Comprehensive Income

(Unit: Millions of yen)

	1Q FY2025 Apr. 1, 2025 to Jun. 30, 2025	1Q FY2026 Apr. 1, 2026 to Jun. 30, 2026
Profit	4,649	10,647
Other comprehensive income		
Items that will not be reclassified to profit or loss		
Net change in fair value of financial assets measured at fair value through other comprehensive income	1,304	2,553
Share of other comprehensive income of investments accounted for using equity method	(0)	(2)
Total of items that will not be reclassified to profit or loss	1,304	2,551
Items that may be reclassified to profit or loss		
Exchange differences on translation of foreign operations	(2,362)	1,282
Share of other comprehensive income of investments accounted for using equity method	(1,202)	99
Total of items that may be reclassified to profit or loss	(3,565)	1,382
Other comprehensive income, net of tax	(2,261)	3,933
Comprehensive income	2,387	14,580
Comprehensive income attributable to		
Owners of parent	2,565	14,278
Non-controlling interests	(178)	302
Comprehensive income	2,387	14,580

(3) Condensed Quarterly Consolidated Statements of Changes in Equity

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

(Unit: Millions of yen)

	Share capital	Capital surplus	Treasury shares	Retained earnings	Other components of equity	
					Net change in fair value of financial assets measured at fair value through other comprehensive income	Remeasurements of defined benefit plans
Balance at beginning of period	25,038	22,533	(7,263)	308,770	4,225	–
Profit	–	–	–	4,434	–	–
Other comprehensive income	–	–	–	–	1,304	(0)
Comprehensive income	–	–	–	4,434	1,304	(0)
Purchase of treasury shares	–	–	(0)	–	–	–
Disposal of treasury shares	–	–	–	–	–	–
Share-based payment transactions	–	–	–	–	–	–
Dividends	–	–	–	(9,091)	–	–
Transfer from other components of equity to retained earnings	–	–	–	(659)	659	0
Other	–	–	–	–	–	–
Total transactions with owners	–	–	(0)	(9,750)	659	0
Balance at end of period	25,038	22,533	(7,264)	303,454	6,189	–

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

Three months ended June 30, 2026 (Apr. 1, 2026 to Jun. 30, 2026)

(Unit: Millions of yen)

	Share capital	Capital surplus	Treasury shares	Retained earnings	Other components of equity	
					Net change in fair value of financial assets measured at fair value through other comprehensive income	Remeasurements of defined benefit plans
Balance at beginning of period	25,038	22,473	(3,854)	302,831	10,384	–
Profit	–	–	–	10,378	–	–
Other comprehensive income	–	–	–	–	2,551	(2)
Comprehensive income	–	–	–	10,378	2,551	(2)
Purchase of treasury shares	–	–	–	–	–	–
Disposal of treasury shares	–	0	31	–	–	–
Share-based payment transactions	–	(16)	–	–	–	–
Dividends	–	–	–	(9,309)	–	–
Transfer from other components of equity to retained earnings	–	–	–	(2)	–	2
Other	–	–	–	58	–	–
Total transactions with owners	–	(15)	31	(9,253)	–	2
Balance at end of period	25,038	22,457	(3,823)	303,957	12,936	–

	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	39,776	50,160	396,649	9,939	406,587
Profit	–	–	10,378	269	10,647
Other comprehensive income	1,350	3,900	3,900	33	3,933
Comprehensive income	1,350	3,900	14,278	302	14,580
Purchase of treasury shares	–	–	–	–	–
Disposal of treasury shares	–	–	32	–	32
Share-based payment transactions	–	–	(16)	–	(16)
Dividends	–	–	(9,309)	(602)	(9,911)
Transfer from other components of equity to retained earnings	–	2	–	–	–
Other	–	–	58	–	58
Total transactions with owners	–	2	(9,234)	(602)	(9,837)
Balance at end of period	41,126	54,062	401,692	9,638	411,330

(4) Condensed Quarterly Consolidated Statements of Cash Flows

(Unit: Millions of yen)

	1Q FY2025 Apr. 1, 2025 to Jun. 30, 2025	1Q FY2026 Apr. 1, 2026 to Jun. 30, 2026
Cash flows from operating activities		
Profit before tax	6,283	14,158
Depreciation and amortization	7,775	8,143
Loss (gain) on sale of property, plant and equipment	(1)	(0)
Interest and dividend income	(941)	(832)
Interest expenses	274	228
Share of loss (profit) of investments accounted for using equity method	(1,238)	(1,348)
Decrease (increase) in trade receivables	2,388	(12,286)
Decrease (increase) in inventories	2,044	(9,375)
Increase (decrease) in trade payables	(2,986)	14,137
Other	2,032	(687)
Subtotal	15,631	12,138
Interest and dividends received	2,868	2,246
Interest paid	(175)	(195)
Income taxes refund (paid)	(3,562)	(1,048)
Net cash provided by (used in) operating activities	14,762	13,141
Cash flows from investing activities		
Purchase of property, plant and equipment	(13,640)	(13,333)
Proceeds from sale of property, plant and equipment	2	0
Purchase of intangible assets	(183)	(97)
Purchase of investments	(1)	(1)
Proceeds from sale and redemption of investments	3,790	–
Purchase of shares of subsidiaries resulting in change in scope of consolidation	(6,900)	–
Other	(148)	611
Net cash provided by (used in) investing activities	(17,080)	(12,820)
Cash flows from financing activities		
Net increase (decrease) in short-term borrowings	2,359	4,814
Proceeds from long-term borrowings	–	3,112
Repayments of long-term borrowings	(383)	(21)
Repayments of lease liabilities	(409)	(363)
Purchase of treasury shares	(0)	–
Dividends paid	(9,091)	(9,309)
Dividends paid to non-controlling interests	(616)	(602)
Net cash provided by (used in) financing activities	(8,140)	(2,370)
Effect of exchange rate changes on cash and cash equivalents	(598)	392
Net increase (decrease) in cash and cash equivalents	(11,056)	(1,657)
Cash and cash equivalents at beginning of period	54,565	51,819
Cash and cash equivalents at end of period	43,508	50,162

(5) Notes Concerning Condensed Quarterly Consolidated Financial Statements

(Going Concern Assumption)

Not applicable.

(Applicable Financial Reporting Framework)

The Group's condensed quarterly consolidated financial statements, which comprise the Condensed Quarterly Consolidated Statement of Financial Position, Condensed Quarterly Consolidated Statement of Profit or Loss, Condensed Quarterly Consolidated Statement of Comprehensive Income, Condensed Quarterly Consolidated Statement of Changes in Equity, Condensed Quarterly Consolidated Statement of Cash Flows, and Notes Concerning Condensed Quarterly Consolidated Financial Statements, have been prepared in accordance with Article 5, Paragraph 2 of the Tokyo Stock Exchange, Inc.'s Standards for the Preparation of Quarterly Financial Statements (the "Standards"), applying the provisions for reduced disclosures as set forth in Article 5, Paragraph 5 of the Standards, accordingly certain disclosures and notes required by IAS 34 *Interim Financial Reporting* are not given.

(Segment Information)

1. Outline of Reportable Segments

The Group's reportable segments are divisions of the Group for which separate financial information is available, and whose operating results are reviewed regularly by the Board of Directors of the Company in order to allocate management resources and assess financial results.
The Group's main business lines are divided based on similarity in the type and nature of business, among other factors, and the Group prepares the comprehensive strategy and conducts the business activities corresponding to the products handled by each business line.
Accordingly, the Group is comprised of reportable segments by product type based on the classified businesses and does not aggregate these business segments. The two reportable segments of the Group are the Materials business and the Solutions business.
In the Materials business, acrylic acid, acrylates, ethylene oxide, ethylene glycol, ethanolamine, special esters, superabsorbent polymers, maleic anhydride, process catalysts, etc. are manufactured and sold. In the Solutions business, concrete admixture polymers, glycol ethers, water-soluble polymers such as raw materials for detergents, intermediates for pharmaceuticals, electronic and information materials, iodine compounds, resins for adhesives/paints, ethyleneimine derivatives, processed adhesive products, De-NOx catalysts, dioxin decomposition catalysts, equipment for waste gas treatment, wastewater treatment catalysts for catalytic wet air oxidation, materials for batteries, etc. are manufactured and sold.

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

Three months ended June 30, 2025 (Apr. 1, 2025 to June 30, 2025) (Unit: Millions of yen)

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

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

Three months ended June 30, 2026 (Apr. 1, 2026 to June 30, 2026) (Unit: Millions of yen)

	Reportable segments			Adjustment (Note)	Total
	Materials	Solutions	Total		
Revenue					
Revenue to third parties	87,894	33,424	121,318	–	121,318
Intergroup revenue and transfers	5,106	834	5,940	(5,940)	–
Total	93,000	34,258	127,259	(5,940)	121,318
Segment income					
Operating profit	8,414	3,658	12,072	70	12,142
Share of profit (loss) of investments accounted for using equity method	345	1,002	1,348	–	1,348
Total	8,759	4,661	13,420	70	13,490
Finance income	–	–	–	–	897
Finance costs	–	–	–	–	229
Profit before tax	–	–	–	–	14,158

Note: The “Segment income” adjustment of 70 million yen includes inter-segment transaction eliminations and corporate profit (loss) not allocated to reportable segments.