

April 17, 2014

Nippon Shokubai Announces New Long-term Business Plan “Reborn Nippon Shokubai 2020” and Corresponding Medium-term Business Plan

TOKYO/OSAKA, April 17, 2014—Nippon Shokubai today announced its new long-term business plan for the fiscal years 2014 to 2020, entitled “Reborn Nippon Shokubai 2020,” along with the medium-term business plan, which will specify an action plan for the initial three years of the period (fiscal 2014 to 2016).

We reconfirm our intention to follow our corporate credo: “Safety takes priority over production,” and we are making every effort to implement the preventive/corrective measures learned from the accident that occurred at the Himeji Plant in 2012. We believe that only through these actions will we be able to regain the confidence of stake holders as a chemical company.

We will deliver the products and services that provide affluence and comfort to people and society, and we will strive as a team to achieve the “Reborn Nippon Shokubai”—a company*) that everybody can be proud of.

- *) A company that promotes work safety and peace of mind
- A company that rewards people who make their best efforts and achieve results
- A company that people can be proud to work for

1. Mission, Management Commitment and Corporate Credo

We repositioned “**TechnoAmenity**,” which was formerly our corporate mission, as the Group mission. This was done to ensure a greater focus on a coordinated group wide effort to execute the corporate social mission expressed by this Group Mission statement.

We reconfirmed “Safety takes priority over production” as our corporate credo, and we pledge to maintain an awareness of the lessons learned from the Himeji accident. With this emphasis on safety, we are now determined to ensure that a tragic accident such as the explosion and fire at the Himeji Plant never occurs again.

Mission/Management Commitment	Corporate Credo
<p>Nippon Shokubai Group Mission</p> <p>TechnoAmenity</p> <p>Providing affluence and comfort to people and society, with our unique technology</p> <p>Management Commitment</p> <p>We conduct all of our corporate activities based upon a deep respect for humanity.</p> <p>We aim at coexisting with society, and working in harmony with the environment.</p> <p>We pursue technologies that will create the future.</p> <p>We act on the global stage.</p>	<p>Safety takes priority over production.</p>

2. “Reborn Nippon Shokubai 2020,” the new long-term business plan

We reassessed the long-term 2025 Vision outlined in the previous business plan and we have set the target 2020 as a milestone for the 2025 Vision.

“Reborn Nippon Shokubai 2020” is designed to ensure safe, reliable production activities. The plan also highlights profitability over sales, setting goals for strengthening existing and core businesses, establishing new businesses as soon as possible, and launching new products to the market quickly.

◆ Vision for 2025

An innovative chemical company that provides new value for people’s lives

We;

- Take on the challenge of creating new value by developing new products and business through our advanced technologies and our creativity
- Deliver the new values globally through our unique products and technologies
- Manufacture products that embody new value and feature the highest safety and productivity
- Create new value that contributes to the global environment
- Create new value by promoting dynamism and diversity in the workplace throughout all Group companies

Business Activities

- a) Positioning acrylic acid (AA) and superabsorbent polymers (SAP) as its main businesses, ethylene oxide (EO) and other existing businesses will be even stronger than today. Performance chemicals, new energy materials, and/or health and medical materials will be established as the next drivers of business expansion. We will also be germinating the seeds of new businesses continuously.
- b) Accelerate business development continuously throughout the global market
- c) Employ our competencies in R&D, production technologies and marketing and maximize the synergy from such activities

◆ Targets for 2020

The targets for 2020 have been set as a milestone for the 2025 Vision.

Management Indexes and Numerical Targets

(Unit: Billion yen)

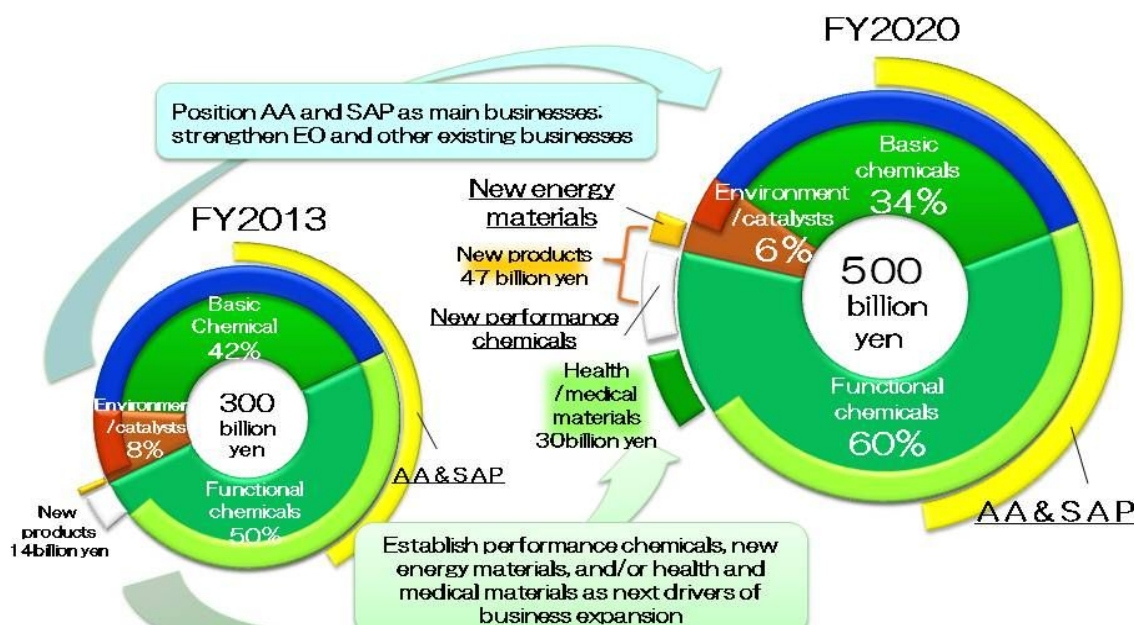
	Sales	Ordinary income	ROA ¹	Sales for new products ²
FY2020 long-term target figures	500	50	9.5%	47
FY2016 medium-term target figures	393	34	8.5%	29

1 Return of assets (ROA), ratio of ordinary income to total assets

2 Total sales of products launched within the last five years, excluding SAP

Assumptions: Domestic naphtha price 65,000 yen/kl, exchange rate 100 yen/US\$, 130 yen/EUR

● Business Portfolio



* Figures for fiscal 2013 are as of time of release on February 5, 2014

◆ Strategies by Business area

In order to meet targets for 2020, we have adopted the following basic strategies for each business area.

(1) Acrylic business

We will work to maintain its top share of the global market and world-class technologies in the superabsorbent polymers business. We also aim to be a leading global player in the acrylic monomer business. We will focus on maintaining and strengthening our competitiveness—a strength that will make sustainable growth and global business development possible.

(2) Performance chemicals business

We aim to position ourselves as a top global supplier to explore new markets and access growth markets through our original products and technologies. We will focus on expanding our line of unique chemicals, using materials created in house, to form the next mainstay of corporate profits.

(3) Ethylene oxide business

For ethylene oxide and its derivatives, we will strengthen the foundation of this core business by changing the product portfolio and entering growth markets, thereby maintaining a steady cash flow.

(4) New energy materials/catalyst business

We will position new energy-related materials as one of our next core businesses by accelerating the development and marketing of these materials. We aim to develop a material that will become the de facto standard in the new energy markets.

(5) New businesses

We will add the health and medical materials sector as a new business area that will provide growth opportunities. We will establish a new business footprint by seeking out business partnerships and/or mergers and acquisitions.

In working to create our next new businesses, we will continuously survey changes in the business environment and customer needs in order to pursue potential business opportunities where we can utilize and apply our competencies.

◆ Capital and Strategic Investment

In order to further strengthen our core products and quickly develop new businesses, we will actively pursue the following investment strategies.

	Long-Term Business Plan	
	Medium-Term Business Plan FY2014-2016	FY2017-2020
Capital investment	60 billion yen	140 billion yen
Strategic investment	50 billion yen	

In the initial three years of our long-term business plan, we will concentrate on further boosting the competitiveness of existing products. During this period, we will focus on operating all plants at a high production rate, including the new facilities that were planned and completed under the previous business plan. At the same time, we will decide on our next expansion plans.

◆ Corporate-level challenges to be addressed for further growth

(1) Enhance the confidence of stakeholders

We will ensure that all of the safety measures are properly in place and operated effectively, and we will reinforce our operational capacity, making sure that appropriate resources are applied, promoting a safety mindset among employees, and securing a sustainable, environment-friendly supply chain. Furthermore, we recognize the importance of maintaining good communications with the stakeholders.

(2) Develop an active corporate team and organization

We believe that no sustainable growth can be made without having corporate management promote people's talent. We launched the Corporate Culture Renovation Committee in April, which will be responsible for implementing necessary actions to promote and accelerate the education of people and the renovation of corporate culture. Concurrently, we will reinforce the functions and responsibilities of each business unit, and cross-functional projects will be delegated at various work levels.

(3) Strengthen Group management

We recognize that it is even more important to strengthen the business foundations of Group companies that are operating under volatile business conditions, including increasing competition in worldwide markets. We will utilize the Group's core competencies in order to maximize the synergy of Group companies and boost corporate value.

(4) Accelerate R&D and new business development

We recognize that there can be no further growth without the development of new business and new products. Both long-term R&D, based on future needs, and short- and medium-term development focusing on commercial potential and marketability are necessary. We will always seek open innovation opportunities to cooperate with partners to develop and quickly launch new products.

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