January 5, 2018 Yujiro Goto President NIPPON SHOKUBAI CO., LTD

New Year's Message to the Employees

In the first half of the FY2017, the starting year of the 2nd Mid-term Business Plan, we had increase in both sales and profit despite of the drastic change in raw materials prices and exchange rate. I appreciate all the effort of everyone who contributed to the company.

To win the severe competition of the SAP market, we have initiated SAP survival project in October 2016. Last year, we have narrowed down to specific and practical themes and put them into actions in order to improve profitability and strengthen R&D. As a result, we are seeing positive outcome little by little. Also, we are accelerating the creation of new business and products, shifting towards more aggressive management to "Reborn" Nippon Shokubai. Furthermore, we are expanding our existing business fields as well. Taking a new step may not be easy. However, we can overcome these challenges by wisdom, courage, and organizational capability. Our effort will definitely lead to a significant achievement.

I hope each employee understands company's vision and engage more in thinking and acting to reach the goal. To work innovatively, we have formed the workstyle innovation committee, led by president myself, and will implement strategies starting from this April.

I delivered my thoughts on the 2nd Mid-term Business Plan in the president message video. I would like to look back on it when I face various environmental changes. Please consider what you can do to achieve the plan regardless of the role in your daily job. To see the reliable growth over the next ten years by 2020, we must make the year 2018 a progressive year. I wish you all a happy new year. Thank you.

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