

January 7, 2019
Yujiro Goto
President
NIPPON SHOKUBAI CO., LTD

New Year's Message to the Employees

2018 was a year of many anxiety events such as the enormous natural disaster in Japan and confusion around the world including intensifying US-China trade conflict. Meanwhile, we, as a company, had bright topics such as the launch of new plants in Belgium and the second victory of Shoko Sasaki, Japanese pro-golfer who belongs to Nippon Shokubai. It was an effort rewarded positive year for Nippon Shokubai.

Two years have passed since the starting of the SAP Survival Project, which started with a sense of crisis and a strong will in our SAP business, one of our main businesses. The outcome of various activities is gradually coming out and certainly began to contribute to profit. Also, last year, new plants of Superabsorbent Polymers ("SAP") and Acrylic Acid ("AA") at Belgium began commercial operation and we further decided to build a new AA plant in Indonesia. Focusing on profitability, we are expanding our business while responding to the expanding world demand.

Additionally, we are focusing on the shifts towards growing businesses fields. We have targeted 3 sectors and 8 areas and working on various measures. In the existing business field, we are actively expanding the facilities to respond to the demand expansion and also developing product applications to new areas.

Aiming for the sustainable growth, we set revitalizing people and organizations, acquiring even greater trust from the society, and strengthening group management as tasks and started activities mainly led by the Workstyle Innovation Committee and the Sustainability Promotion Committee. All of these aims to be "a company that everyone can take pride in," to keep everyone work actively, and to make sure achievements are firmly recognized by society and everyone continue to grow as oneself. This begins with everyone's thinking and acting. Please act with the thought of making tomorrow better than today.

In the 2nd Medium-term Business Plan, we stated that "In the final year of 2020, we will aim to see the sure growth of the next 10 years." The year 2021 is Nippon Shokubai's 80th anniversary. To make sure 80th anniversary will be connected reliably to the next 90th anniversary and towards 100th anniversary, let's aim to achieve the target of the 2nd Medium-term Business Plan.

I think our Group Mission "TechnoAmenity-Providing affluence and comfort to

people and society, with our unique technology” is the forerunner of the idea of ESG and SDGs. We have been practicing this idea for nearly 30 years and we should be proud of it. I would like to reaffirm this idea, not only focus on profit but also contributing to the society through business activities, and to properly identify the way towards becoming "Reborn Nippon Shokubai."

Safety and stable operation will be firmly continued this year as well. I wish you all a happy new year. Thank you.

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