

February 26th, 2021

Notice of Organizational Reform (As of April 1st, 2021)

**-Aiming to accelerate solution delivery, we will embark on reform,
particularly in the R&D organization-**

NIPPON SHOKUBAI CO., LTD. (Headquarter: Osaka Chuo-ku, President: Yujiro Goto, hereinafter “Nippon Shokubai”) announces an organizational reform as of April 1, 2021.

Aiming to contribute to the sustainable development of society, we strive to provide solutions for challenges our customers and society face by leveraging our value chain of competitive materials. We will embark on the organizational reform particularly in the R&D organization to accelerate our efforts.

Overview of the Organizational Change

1. Organizational changes in the R&D unit

We have developed our R&D organization under the current medium-term management plan “Reborn Nippon Shokubai 2020 NEXT” toward an innovation while grasping changes to a recycling-oriented society and digital transformation, as well as placing a greater focus on market needs by establishing the Innovation & Business Development Division to promote further development in growth areas and the Research Departments of Business Divisions to deepen existing business.

We aim to further strengthen the development of our "solutions business" which offer unique solutions that no other company can offer to solve global customers' challenges while strive to "accelerate creation of new businesses and products". In order to stimulate the progress, we will make changes to the R&D organization as follows.

Strengthening the market development strategies

The New Business Planning Department will be renamed the New Business Development Department with the aim to further strengthen the current market development strategies for market development. We will promote short-term commercialization by building measures for more intensive marketing activities and development in new target business areas, as well as capabilities and solutions for market development, with a view to the medium and long term. Furthermore, the New Business Commercialization Project will be set up to enable fast-track creation of new businesses in specific fields.

Strengthening the cross- departmental management of R&D organization

The R&D Management Department will be set up under the direct control of management. It will be responsible for the overall management of the entire R&D organization encompassing the Business/Solutions Division and the Innovation & Business Development Division to formulate innovation strategies and promotional measures with a view to the short, medium, and long term. Going

forward, we will further promote open innovation, including collaboration with start-ups, utilize the R&D offices abroad, and develop human resources in anticipation of the changing environment.

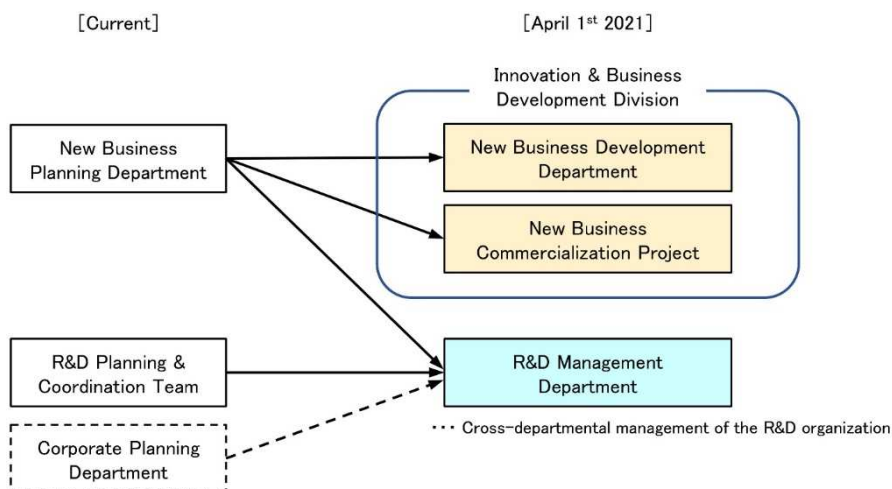


Fig.1 Changes in this R&D organizational reform

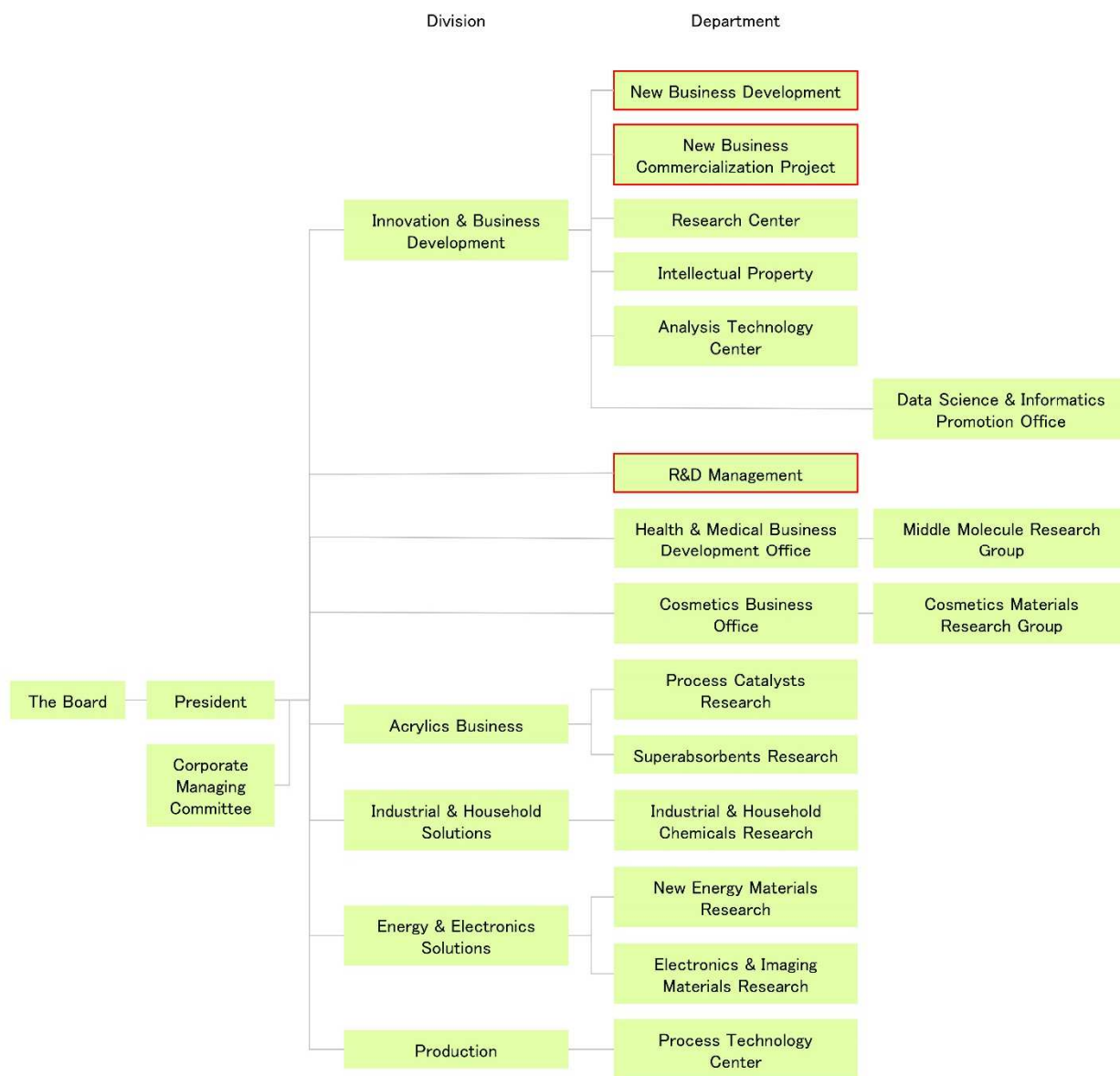


Fig.2 R&D Organization Chart [As of April 1st, 2021]

2. Organizational changes in the administrative unit

The following will be established with the aim to promote sustainability and diversity initiatives, as well as to improve business efficiency.

- **Sustainability Planning Group**

The Sustainability Planning Group will be established in the Corporate Planning Department with the aim to accelerate the integration of a sustainability perspective into our business strategies and further reinforce the information disclosure to parties outside of the company.

- **D&I (Diversity & Inclusion) Promotion Group**

The D&I promotion group will be established in the HR Department with the aim to accelerate the development of a corporate culture and system that promotes the diversity in the workplace.

- **Legal Department**

The Legal Group in the General Affairs Department will be abolished and replaced with the Legal Department with the aim to cope with legal affairs with increasing complexity and expansion.

3. Organizational changes in the Business Division

The Superabsorbents Business Division will be abolished. The Superabsorbents Sales & Marketing Department and the Superabsorbents Research Department will be incorporated into the Acrylics Business Division for integration with the aim to facilitate the transition to the acrylic chain that combines acrylic acid, ingredients, and superabsorbent polymers. This will enable us to develop cooperation between the Sales & Marketing and Research Departments in the acrylic chain and promote the interchange of personnel with the goals of further reinforcing our operation system.

【Contacts】

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