

New Year's Message

Let me start by wishing you all a Happy New Year.

Although our Group's business performance was greatly shaken by the COVID-19 pandemic that began in 2019, there were signs that the pandemic was calming down at the end of 2021, and we are now starting to recover. However, high raw material costs and soaring ocean freight rates that have existed since the end of last year have made it difficult for us to look into the future. We will continue to focus on the recovery of business performance and aim to achieve good business results for the next fiscal year.

In April 2022, we will launch a three-year medium-term business plan, and we will begin activities in earnest to realize “The Goals in 2030” as outlined in our long-term vision, “TechnoAmenity for the future,” as well as the **three transformations** that will lead to the realization of these goals.

(1) Business transformation

We will proportionally expand our Solutions business¹⁾, which is less susceptible to market conditions, in order to transform our business structure into a robust one that can secure stable earnings. Strengthening our marketing capabilities will be key to achieving this goal. We will also do everything that we can to continuously strengthen the earning power of our Materials business²⁾ as a core business. We will plan and execute the restructuring of our business and establish systems to transform our organization into one that can generate bold and innovative ideas as well as make rational and swift decisions to bring about major changes.

(2) Strategic transformation for environmental initiatives

We will contribute to resolving the social issue of achieving carbon neutrality by 2050. At the same time, we will define the roles and goals that our Group should fulfill to achieve growth for Nippon Shokubai, and we will then implement necessary changes. We have plans to make a major shift to viable strategies with a focus on initiatives that leverage the strengths of Nippon Shokubai, such as expanding sales of environmentally-friendly products and using bio-based raw materials for major products. We will also work with other companies to develop a scenario for the achievement of these goals by 2050.

(3) Organizational transformation

We will work to create a system and environment that serves to facilitate and deepen communication between people, and as soon as possible, we will create a system that allows for the growth of individuals and the organization. Specifically, we will further advance the delegation of authority as well as reform our personnel and education systems. We are working to create a fair system that our stakeholders will find satisfying.

We hope to count on your continued support of our Group this year.

*1) Solutions business consists of Industrial & Household business including the materials for consumer products, vehicles and construction materials, Energy & Electronics business including the materials for rechargeable battery and electronic device, and Life Science business including medical materials and cosmetics.

*2) Materials business consists of Basic chemicals business including ethylene oxide, acrylic business including acrylates and superabsorbent polymer (SAP) business.

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