



NIPPON SHOKUBAI announces its new long-term business plan “TechnoAmenity 2015” and medium-term business plan

NIPPON SHOKUBAI CO., LTD. [Tokyo Stock Exchange - TOKSE:4114.T] (“NIPPON SHOKUBAI”) today announces its new 6-year-long-term business plan for the fiscal year ending March 2011 (“FY 2010”) to FY 2015 named “TechnoAmenity 2015” and new 3-year-medium-term business plan from FY 2010 to 2012.

TechnoAmenity 2015 (FY 2010 – FY 2015) **“Challenge to the future, make dreams come true”**

Target in FY 2015: Net sales ¥400 billion, Ordinary income ¥30 billion, ROA 7.5%

Target in FY 2012: Net sales ¥330 billion, Ordinary income ¥22 billion, ROA 6.3%

(For reference)

<Intent of the new plan>

NIPPON SHOKUBAI had executed a 5-year-long-term business plan named “TechnoAmenity V3” from FY 2006, aiming the growth with an expansion of new business such as the electronics and information materials (“E&I”) business. The price hike in raw materials, however, caused NIPPON SHOKUBAI to decrease its profitability from the start of the plan, and the world recession occurred in the second half of FY 2008 forced NIPPON SHOKUBAI in the red for the first time since its establishment. In addition, the new products sales amount / ratio to net sales were far behind from the target in the plan.

Under such circumstances, NIPPON SHOKUBAI decided to move up the execution of the new long-term business plan “TechnoAmenity 2015” and the medium-term business plan in the first 3 years in order to recover and even grow.

<Summary of the long-term business plan “TechnoAmenity 2015”>

©Corporate and Management Philosophy

Corporate Philosophy:

TechnoAmenity

Providing value and comfort to people and society, with our unique technology

Management Philosophy:

We will conduct all of our corporate activities based upon a deep respect for humanity.

We will aim at coexisting with society, and working in harmony with the environment.

We will pursue innovative technology.

We will act on the global stage.

NIPPON SHOKUBAI firmly holds the Corporate Philosophy and amends the Management Philosophy partially as the above. to clarify its intension,

◎ Slogan

NIPPON SHOKUBAI defines “Challenge to the future, make dreams come true” as a new slogan. The vision, target and goal in the new business plan are dreams that NIPPON SHOKUBAI should make come true for the future. Even if it is so hard journey, NIPPON SHOKUBAI has determined to keep challenging and to accomplish the results. NIPPON SHOKUBAI herewith declares to regain a challenger spirit to the future.

◎Vision/Target in FY 2025, Level to attain in FY 2015

This new plan has been induced by the vision/target to realize in FY 2025 and the level to attain in FY 2015 to achieve them.

Vision/Target in FY 2025; self portrait NIPPON SHOKUBAI wish be

“A chemical company providing new values through innovative technologies”

- * A high performance company with high customer satisfaction, which provides high added value brought by continuous R&D and cost reduction activities
 - * A company coexisting with nature and society, which develops chemical production processes using non-fossil resources and minimizes negative loads to the nature with less energy and less discharge
 - * A company with active employees and lively organizations, which treats diversity of human resources valuable in the world
 - * A company with the NSCL style unique social contributions, which are widely recognized
- The business and technology portfolio are shown in the chart.

Level to attain in FY 2015; self portrait NIPPON SHOKUBAI should be

E&I materials business

- * Become one of centerpiece of the profit generation
- * Having wide range materials for flat panel displays
- * Providing products for storage batteries, communication devices, and semi-conductors

New energy business

- * Establishing a firm position as a producer of materials for fuel cells
- * Providing new materials for new fuels

Current business

- *Recovering and improving profitability of derivatives of AA and EO
- *Establishing a position as a global supplier of fine and specialty chemicals
- *Achieving a new production process technology of EO

Health and medical materials business

- *Providing products for medical materials and functional foods
- *Acquiring a sales volume as a department-size

New Technologies

- *Having some key technologies related biomass
- *Achieving new production process technologies of AA
- *Reaching a milestone for utilizing carbon dioxide
- *Having evaluation technologies for various materials for new business

Core technologies

- *Maintaining world No.1 performance of the AA process catalysts
- *Propelling actions to reduce 25% of carbon dioxide discharge in FY 2015 in comparison with in FY 1990

AA: Acrylic acid
EO: Ethylene Oxide
SAP: Superabsorbent polymers

◎Basic business and development strategy in the plan

① Expediting the development of E&I materials business

According to the last long-term business plan, NIPPON SHOKUBAI has mainly allocated its resources into E&I materials business. Despite its big effort by weighing certain themes with the products and technology road map, the planned sales and profit has not been achieved.

Therefore, under the new plan, NIPPON SHOKUBAI promotes the materials which is already entered the market and accelerates the commercialization of the new products. With this way, NIPPON SHOKUBAI expedites E&I materials business as a centerpiece of generating profit.

To achieve the plan, NIPPON SHOKUBAI reinforces its marketing, R&D and production system, and in parallel NIPPON SHOKUBAI develops materials for next generation, such as storage batteries, semi-conductors and information devices.

② Early start of new business

While NIPPON SHOKUBAI expedites E&I materials as a core business and regains a profitability of the current business, NIPPON SHOKUBAI launches the new business that will support us in the future. To utilize business resources efficiently, NIPPON SHOKUBAI focuses the new business on the field of new energy, and health and medical materials.

As for the field of new energy, NIPPON SHOKUBAI aims to establish a firm position as a fuel cell material producer, and will launch some new materials for new fuels. In addition, NIPPON SHOKUBAI will develop technologies of “green” chemicals such as biomass related materials.

As for the field of health and medical materials, NIPPON SHOKUBAI will obtain a certain product groups to maintain future development.

③ Enhancement of current business competitiveness with an innovative cost reduction

Resource-rich countries expand their petrochemical industry in drastic and emergent countries enter chemical industry in earnest. Under such circumstances, NIPPON SHOKUBAI's current business faces severe competition. Without the competitiveness of the product, no more business expansion can be realized.

NIPPON SHOKUBAI will recover and improve the profitability of the current business, AA, EO and their derivatives such as SAP, Aqualoc; polymers for concrete admixture, Aqualic; water-soluble polymers, with innovative production process and cost reduction. To achieve the above, NIPPON SHOKUBAI will revisit at its process, raw materials and polymer composition in zero-base, and will improve performance of the catalysts for AA and EO process.

At first, to reduce the cost of the current products as soon as possible, NIPPON SHOKUBAI starts a corporate project to recover/improve profitability in April this year. The subject products are AA, SAP and EO. Top management decides the cost reduction target and schedule, and the necessary actions for the whole value chain from purchasing raw materials to sales to customers will be discussed.

Concrete action plans will be described in the plan of each division.

◎Corporate issues and strategy

To achieve the target in FY 2015, NIPPON SHOKUBAI should activate its human resources and organization, and concentrate in the direction of “Challenge to the future, make dreams come true”. Learning from result of the last long-term business plan, NIPPON SHOKUBAI raises “Talent development”, “Organization climate”, “Enhancement of organization” and “Group management” as corporate issues and will make steady progress.

<Summary of the medium-term business plan>

NIPPON SHOKUBAI targets net sales ¥330 billion, ordinary income ¥22 billion, ROA 6.3% and net sales of new products launched since 5 years before ¥57 billion in FY 2012.

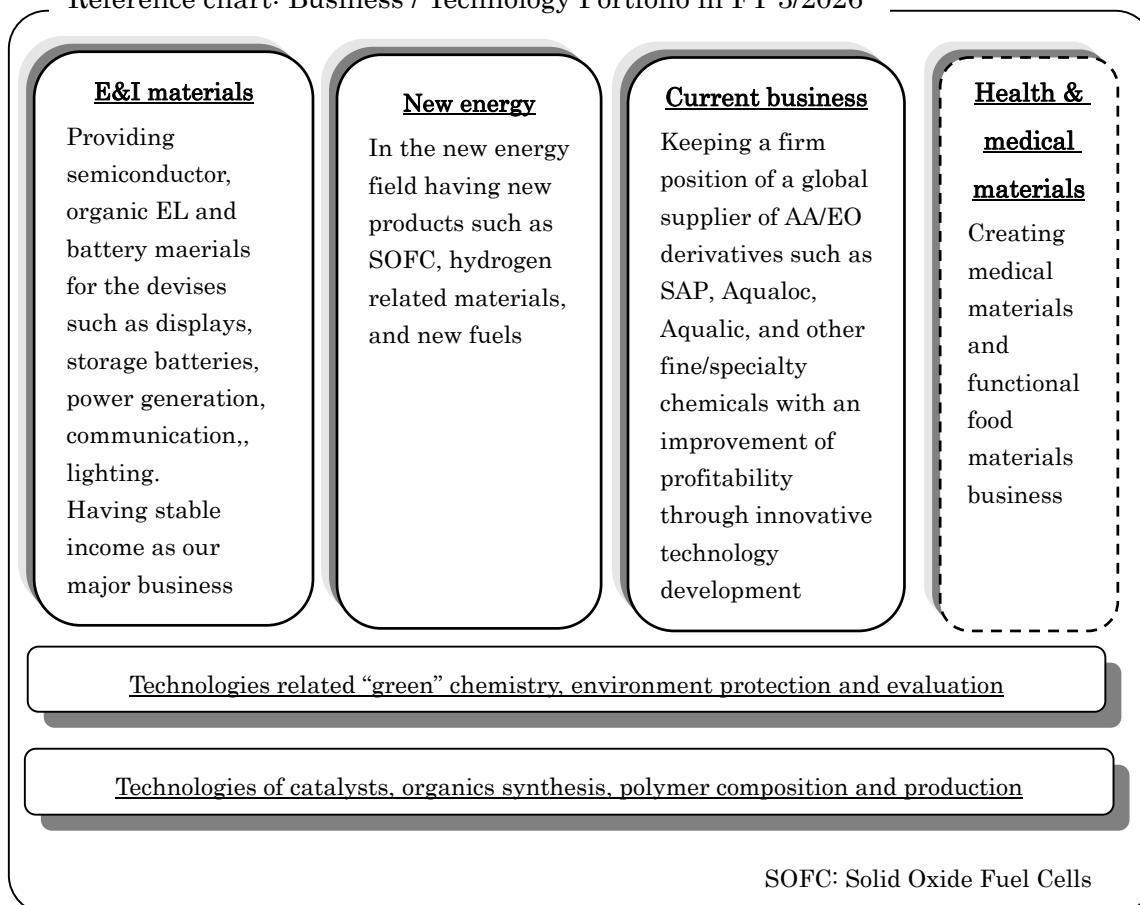
Contacts:

Investor and Public Relations Dept. NIPPON SHOKUBAI CO., LTD.

TEL: +81-3-3506-7605

E-mail: shokubai@n.shokubai.co.jp

Reference chart: Business / Technology Portfolio in FY 3/2026



Reference graph: Management measures FY 2009, 2012 and 2015

