

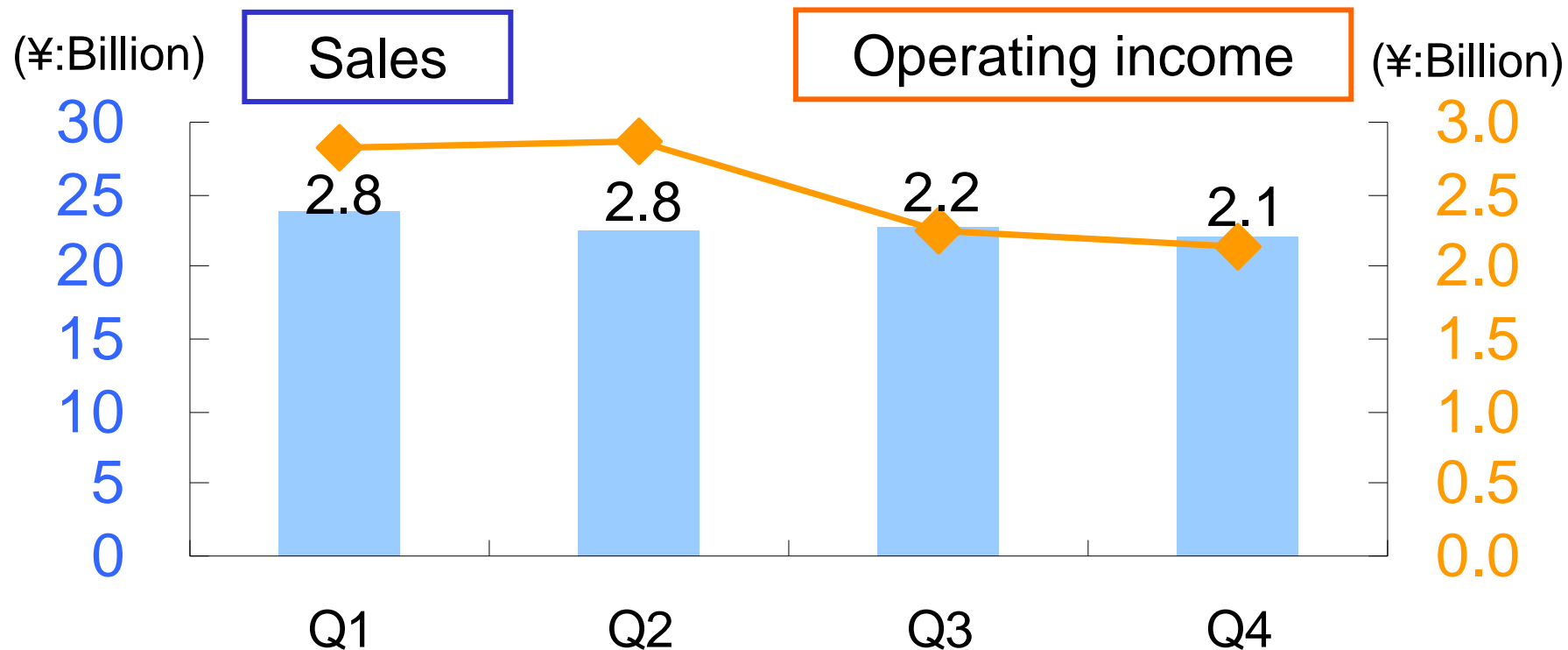
Financial Results for FY2010

New Mid-Term Management Plan
“Double 15” Starts

The Nippon Synthetic Chemical Industry Co., Ltd.

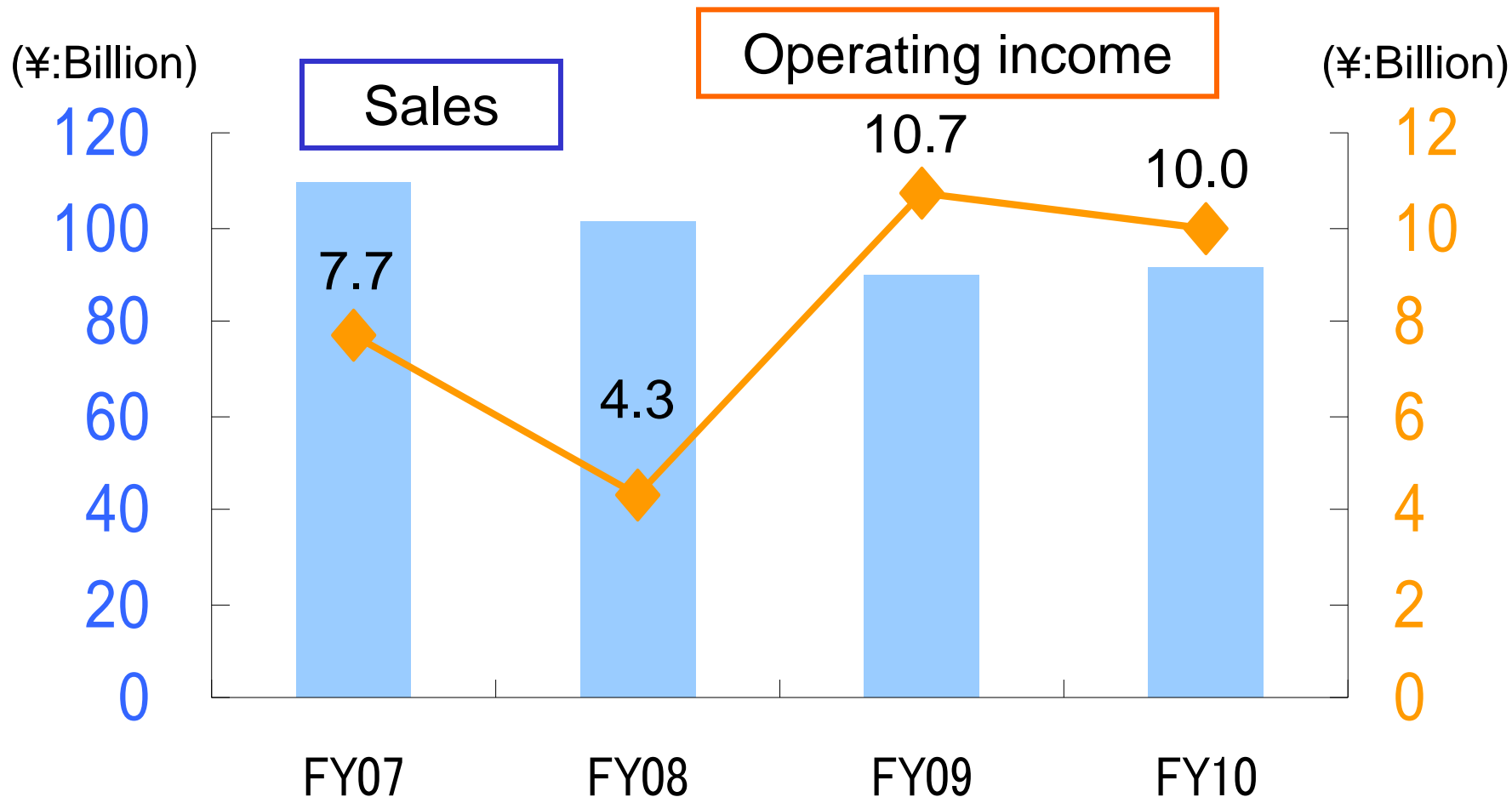


Overview of FY2010



- ◆ First half steady, second half slowing down
 - “OPL Film”, down due to customers’ inventory adjustment
 - “Soarnol”, strong in Europe and North America
- ◆ Adverse conditions caused by price hike of raw materials and fuels
- ◆ Minor effects of the earthquake in the north-eastern part of Japan

Business Results of FY2010 (2)

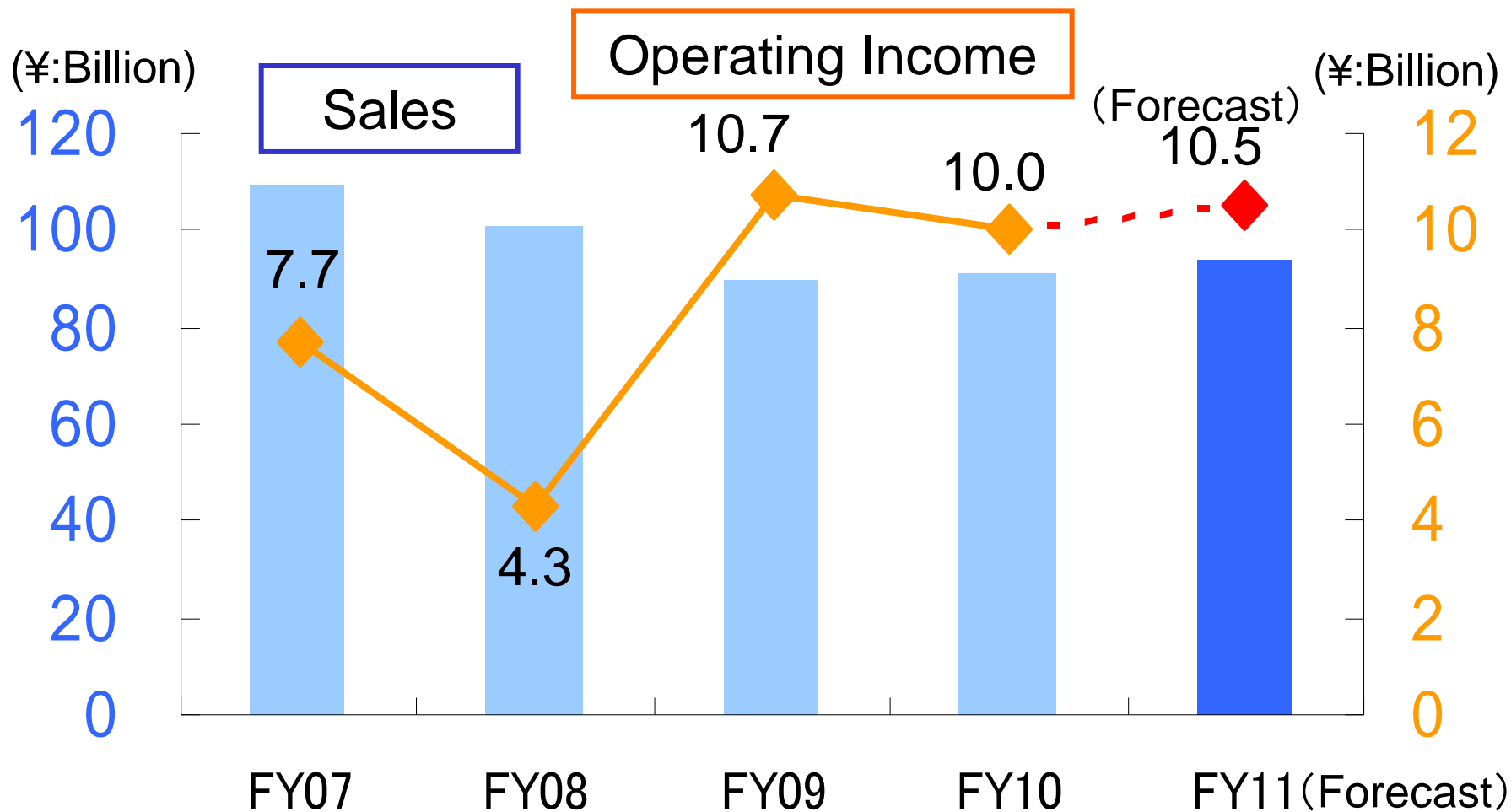


| | | | | |
|------------------------------|---|---|----|----|
| Annual Cash Dividends (JPY) | 7 | 7 | 10 | 12 |
| Interim Cash Dividends (JPY) | — | — | 4 | 5 |

Business Forecasts of FY2011



Business Forecasts of FY2011



| | | | | | |
|------------------------------|---|---|----|----|----|
| Annual Cash Dividends (JPY) | 7 | 7 | 10 | 12 | 12 |
| Interim Cash Dividends (JPY) | — | — | 4 | 5 | 6 |

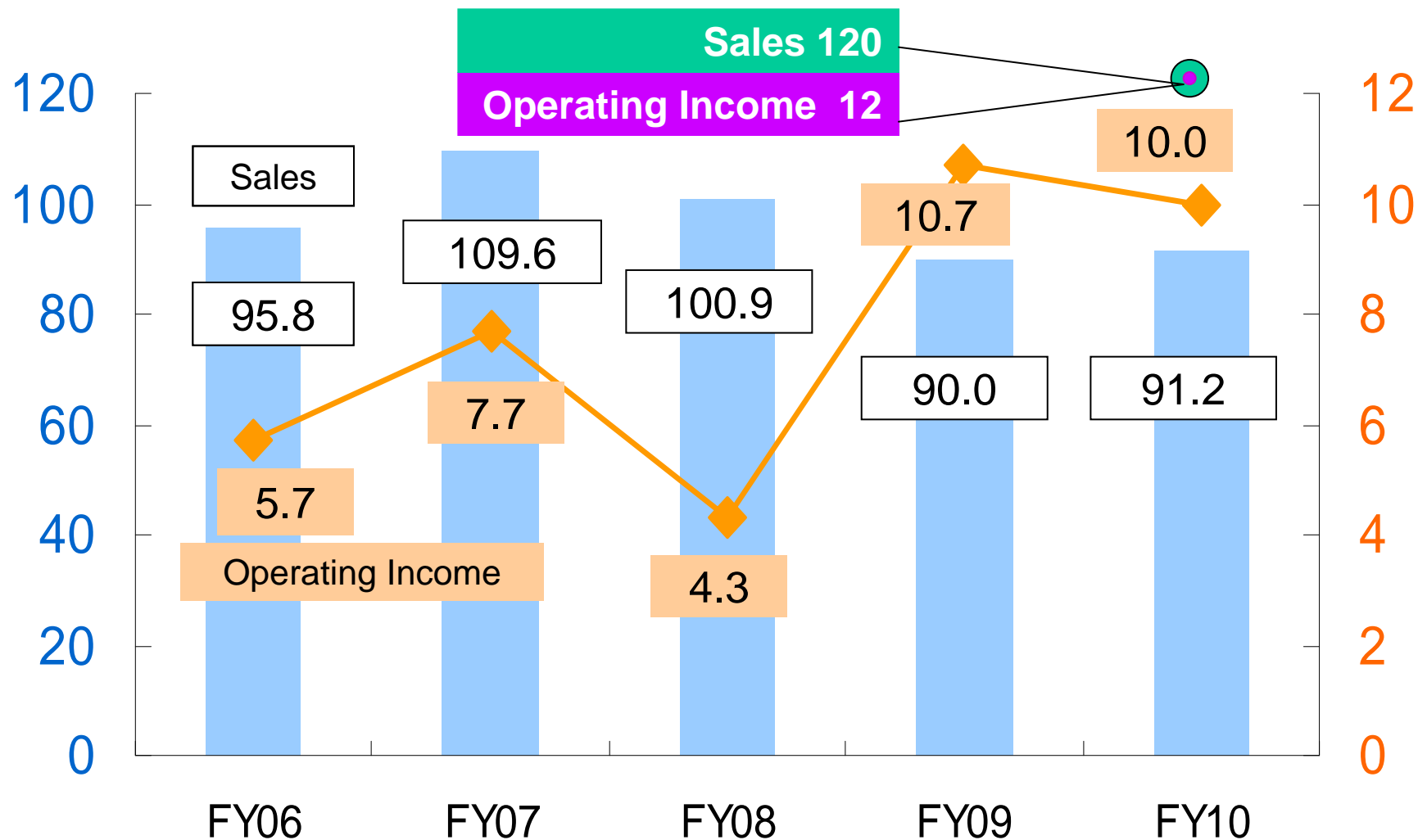
New Mid-Term Management Plan

“Double 15”

Goals achieved, except for negative effects of strong yen

(¥:Billion)

(¥:Billion)



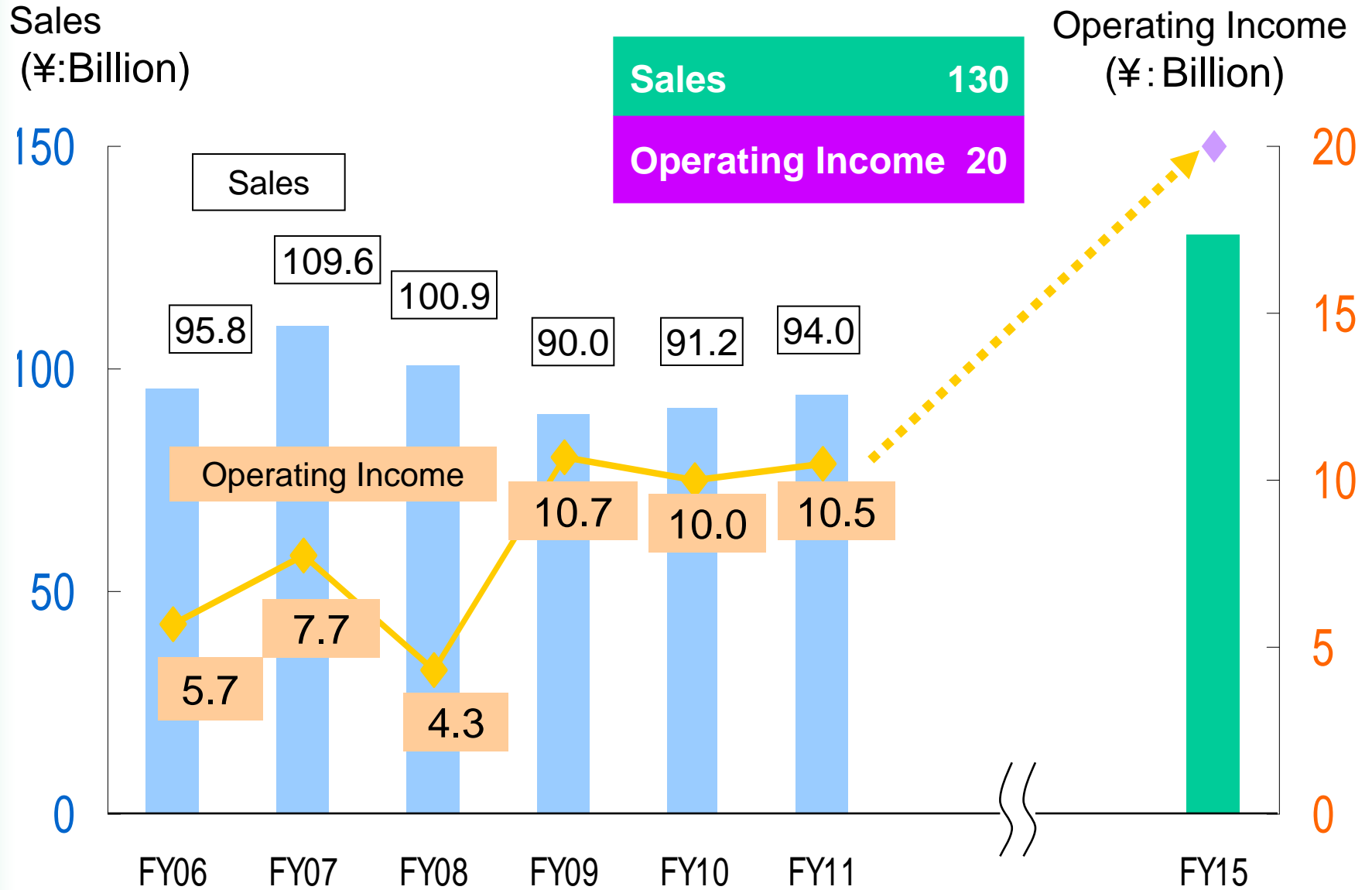
Basic Concept

“Double 15 (Double Fifteen)”

NIPPON GOHSEI Group has launched a new mid-term management plan, Double 15 (FY 2011 – FY 2015). This strategy aims to position us where we want to be in 2025: A company that exploits its strengths to provide specialty products, thereby contributing to a sustainable society and maintaining a visible presence on the global market.

Target of FY2015

- | | |
|---------------------------|-----------------|
| 1) Sales | JPY 130 Billion |
| 2) Operating Income | JPY 20 Billion |
| 3) Operating Income Ratio | More than 15% |



1. Expansion of core businesses

To invest in facilities for capacity expansion:

◆ “OPL Film”

To build new lines following the 5th line now under construction;
and

To pursue superior quality.

◆ “Soarnol”

To reinforce existing plants in USA and UK;

To build a new line; and

To expand sales in Asia and South America.

2. Establishment of the third pillar and strengthening of new products' development

Targeted areas :

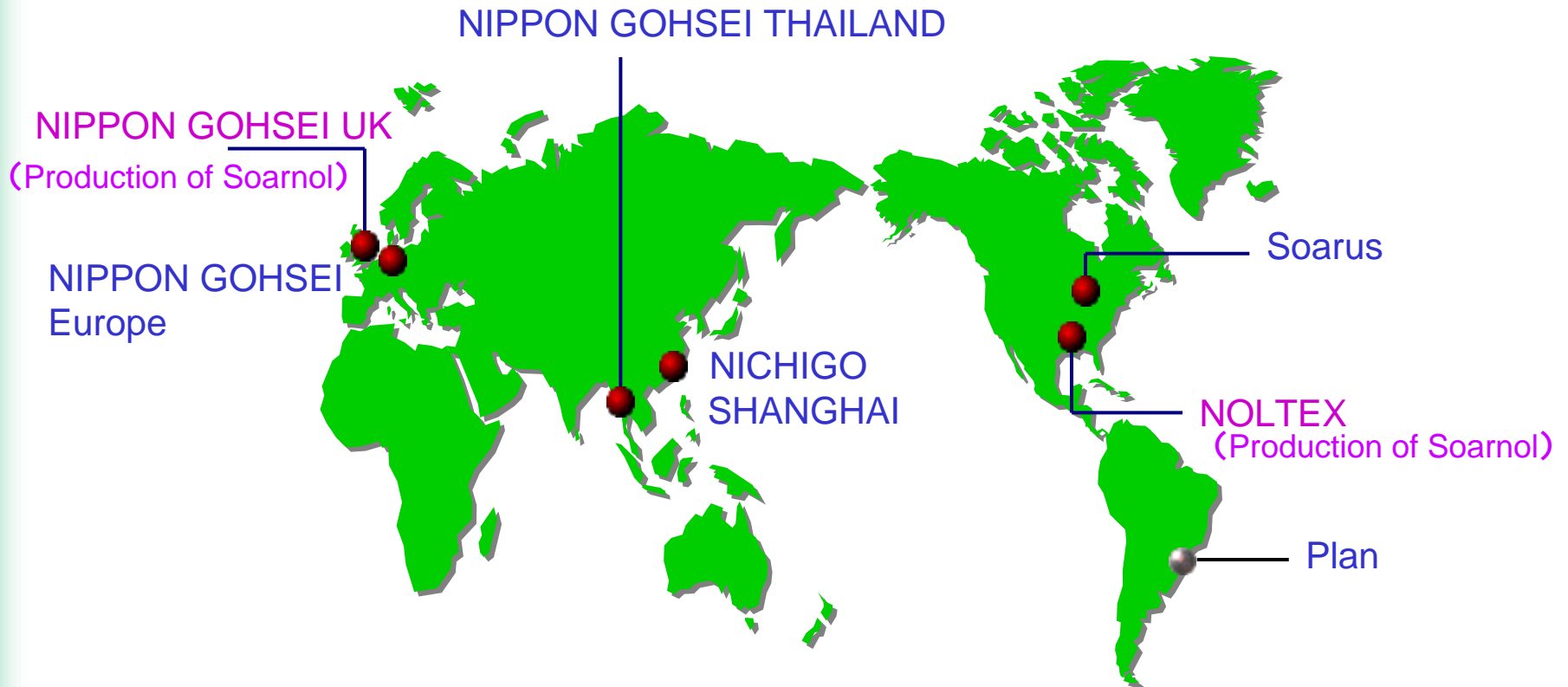
IT & Electronics, Optical, Energy, and Amenity

- ◆ Pressure sensitive adhesive, functional coating resins
Expansion of overseas sales and local production,
focusing on optical fields
- ◆ “NICHIGO G-Polymer” (amorphous vinyl alcohol resin)
Early creation of real demand
- ◆ New Products' Development
Display materials (glass substitutes), etc.
- ◆ R&D reinforcement
Increase of research staff by more than 20%

3. Competitive advantage

- ◆ To strengthen production bases
- ◆ To establish optimum production system
- ◆ To promote business selection and concentration to become a more muscular company
- ◆ To maintain a company constitution that can make profits even at 70 % operation

4. Expansion of overseas bases

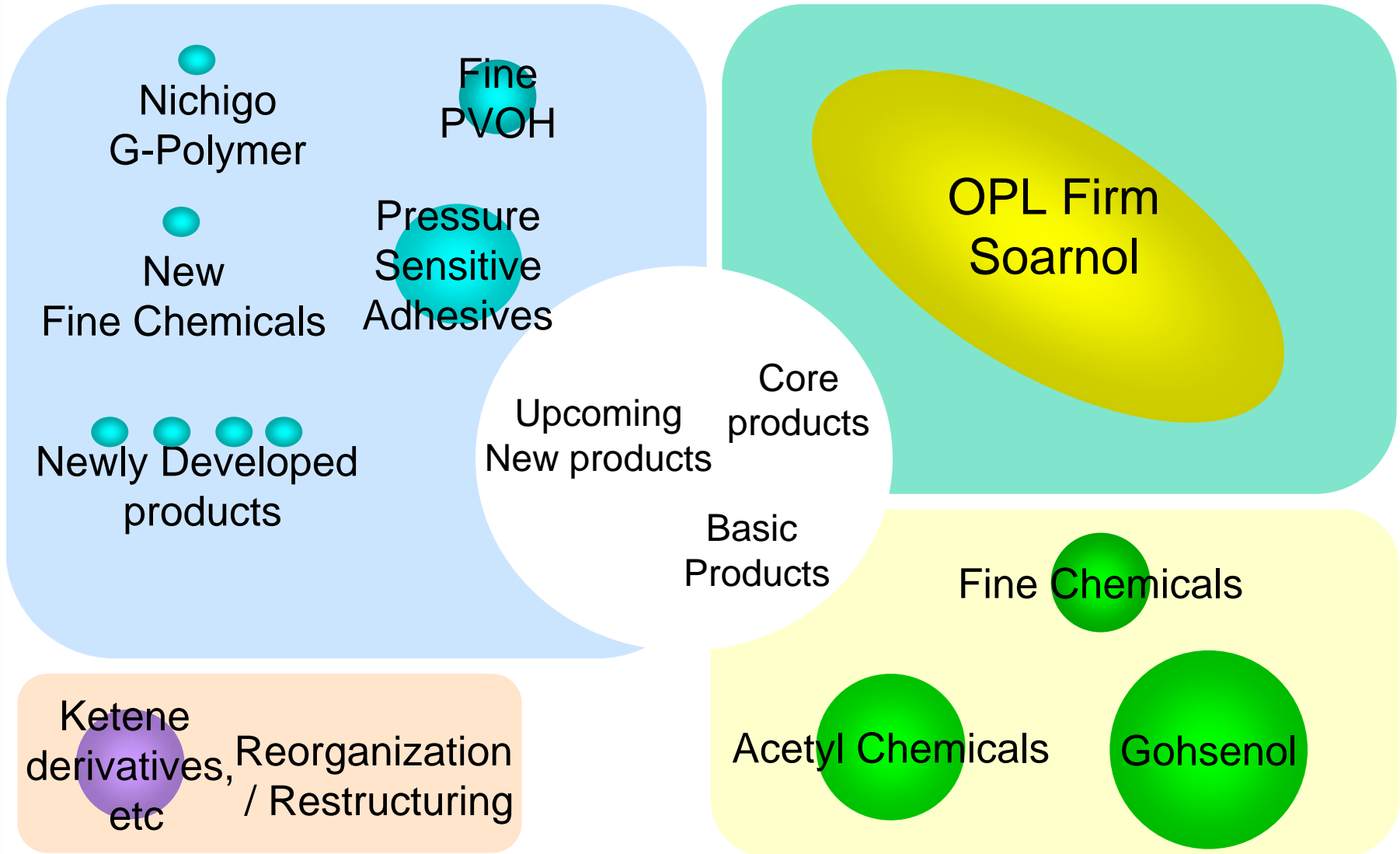


- ◆ Overseas sales from 45% in FY2010 → 55% in FY2015
- ◆ Sales expansion in Europe and North America
+ capacity and sales expansion in Asia

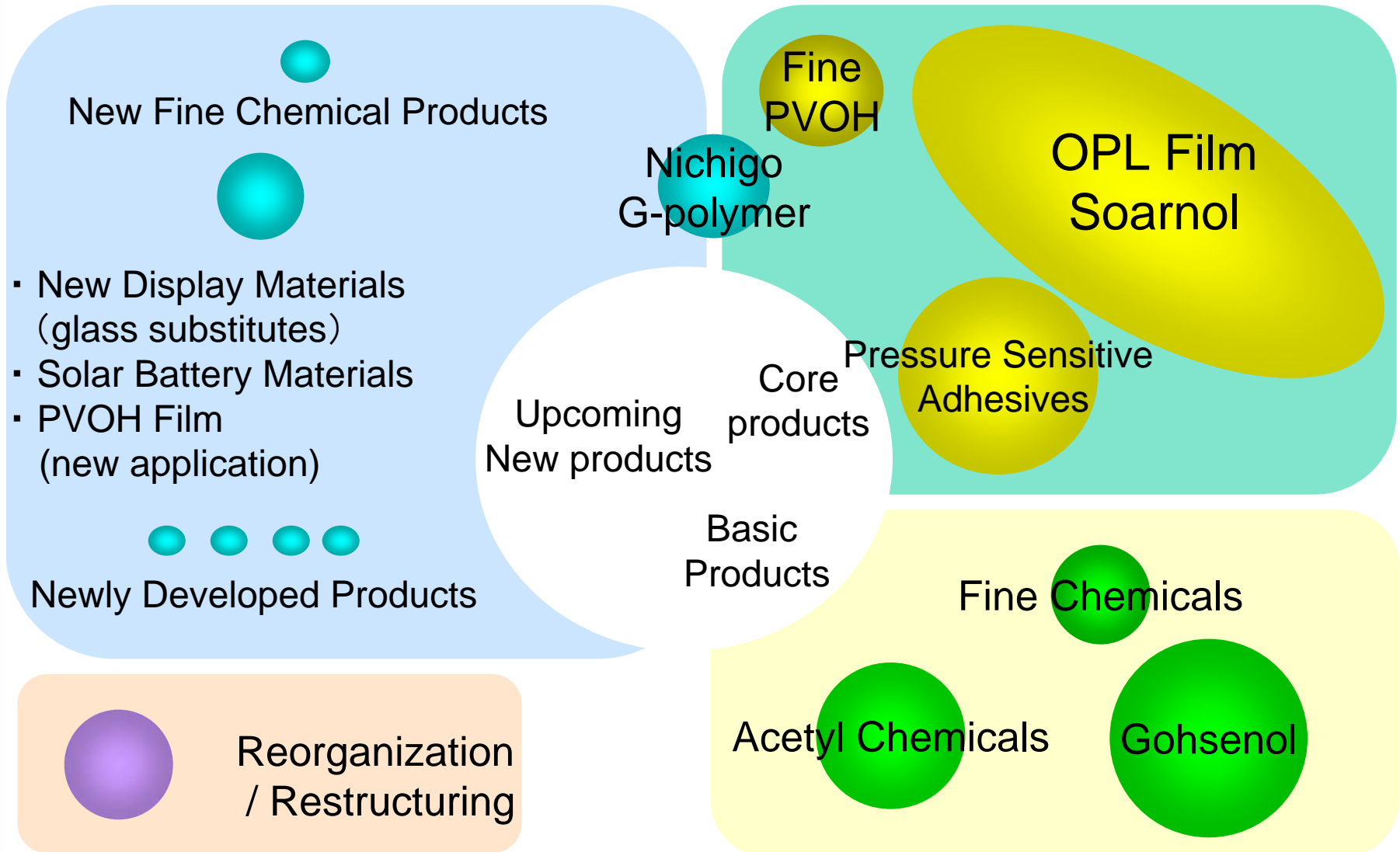
5. Assurance of Safety, Quality, Environment, and Compliance

- ◆ Safety First, Quality First !
- ◆ Environment
 - 17% reduction of CO₂ emission by FY2015 compared with that of FY2005
 - Introduction of an LNG boiler and a biomass boiler to Ogaki Plant and Kumamoto Plant, respectively.
- ◆ Compliance with the law and corporate ethics

Present portfolio



Target portfolio for FY2015



CAPEX, Depreciation, and R&D Expenses

(¥:Billion)

FY08 to
FY10

FY11 to
FY15

CAPEX

18.0

57.0

Depreciation

20.0

48.0

R&D Expenses

7.8

20.0

Business Results of FY2010

(¥:Billion)

| | FY09 | FY10 | Difference |
|------------------------|-------|-------|--------------|
| Sales | 90.0 | 91.2 | +1.1 (+1.3%) |
| Operating income | 10.7 | 10.0 | ▲0.6 (▲6.3%) |
| Operating income ratio | 12.0% | 11.1% | ▲0.9% |
| Ordinary income | 10.0 | 9.4 | ▲0.5 (▲5.5%) |
| Net profit | 5.7 | 6.1 | +0.3 (+6.6%) |

Per Share

| | | | |
|----------------------|-------|-------|-------|
| Net profit (yen) | 59.06 | 62.94 | +3.88 |
| Cash dividends (yen) | 10 | 12 | +2 |

Business summary by Segment (1)

(¥:Billion)

| | Sales | | | Operating income | | |
|------------------------------|-------|------|------------|------------------|------|------------|
| | FY09 | FY10 | Difference | FY09 | FY10 | Difference |
| Synthetic Resin ① | 65.0 | 64.9 | ▲0.1 | 10.7 | 10.2 | ▲0.4 |
| Acetyl & Fine chemicals ② | 22.7 | 22.9 | +0.1 | 0.2 | ▲0.1 | ▲0.3 |
| Chemical Product ③ | 87.8 | 87.8 | +0.0 | 10.9 | 10.1 | ▲0.8 |
| Others ④ | 2.2 | 3.3 | +1.1 | 0.0 | 0.2 | +0.1 |
| Common Cost ⑤ | - | - | - | ▲0.2 | ▲0.2 | ▲0.0 |
| Total ③~⑤ | 90.0 | 91.2 | +1.1 | 10.7 | 10.0 | ▲0.6 |

Synthetic resin

◆ “OPL Film”

Due to customers' inventory adjustment starting from the end of the first half, sales went down.

◆ “Soarnol”

Sales increase was greater than expected, by returning to the growth track of pre-Lehman's fall.

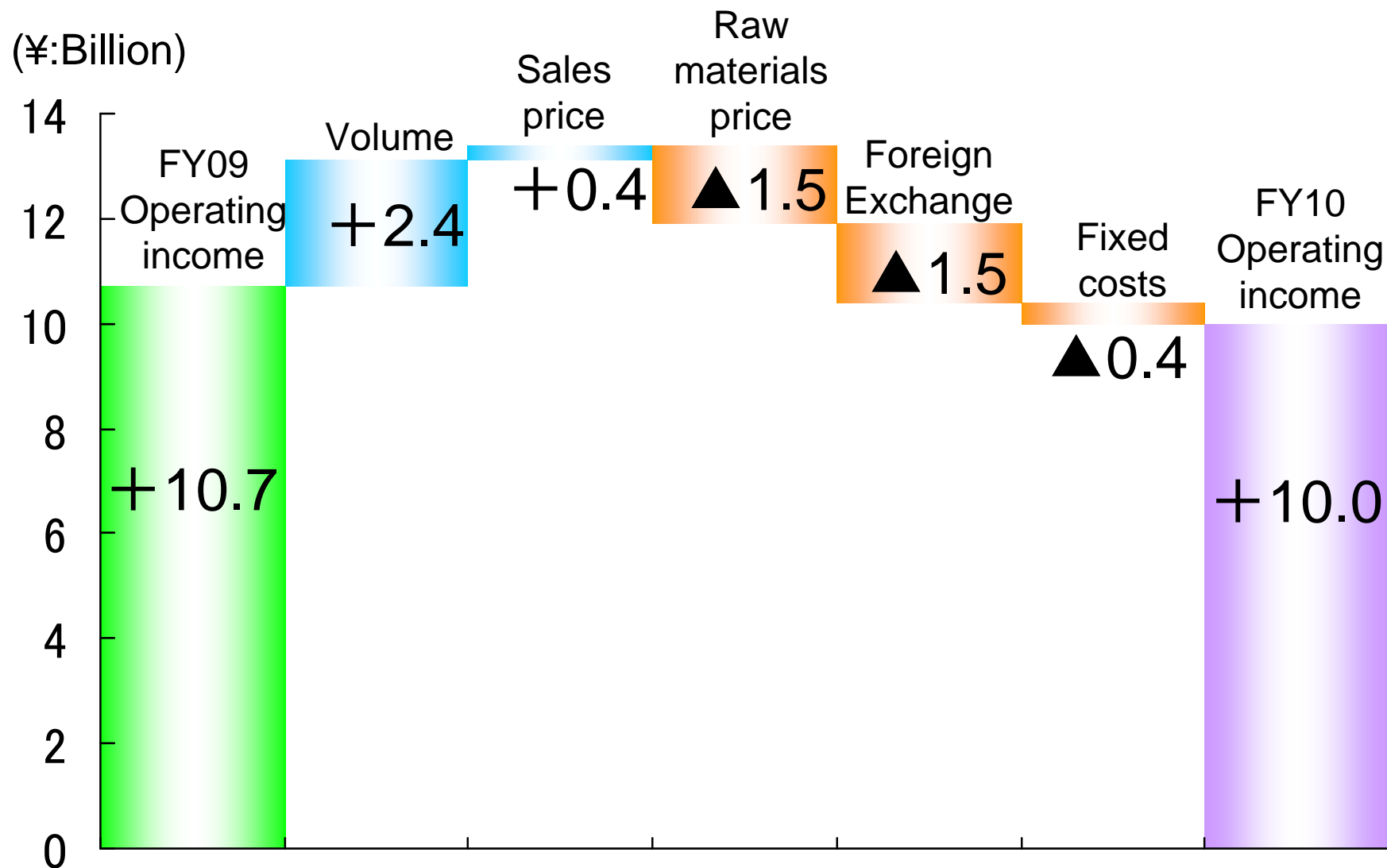
◆ Pressure sensitive adhesive, functional coatings

Sales increase was achieved centering on IT and electronics materials.

Acetyl and Fine Chemicals

- ◆ Profits were reduced due to rising of raw materials and fuel prices.

Analysis of Operating Income



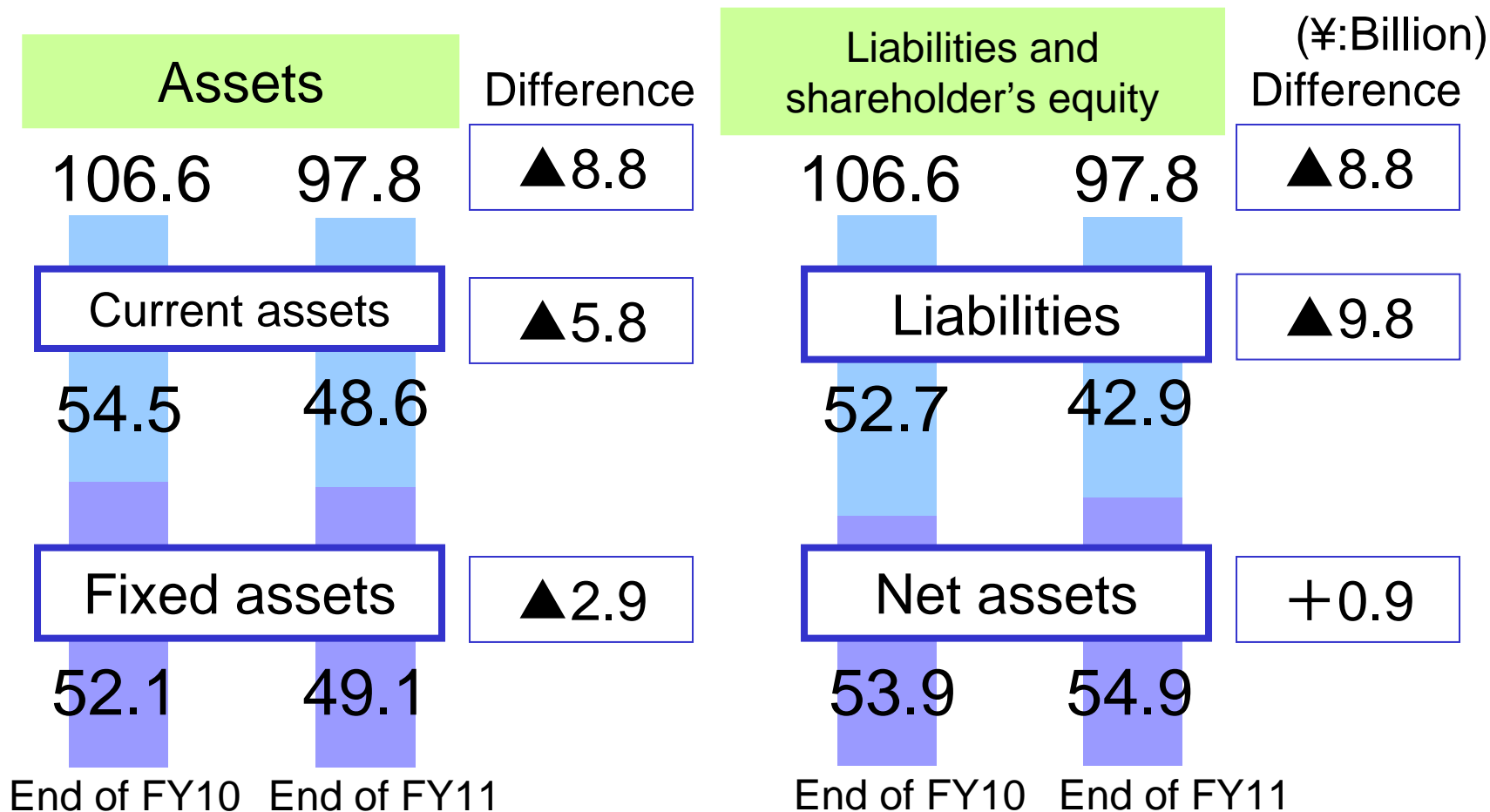
| | FY09 | FY10 | (¥:Billion) Difference |
|--------------|------|------|---------------------------|
| CAPEX | 5.1 | 6.7 | +1.6 |
| Depreciation | 6.7 | 6.5 | ▲0.2 |
| R&D Expenses | 2.6 | 2.8 | +0.2 |

| | | | |
|----------|-----|-----|-----|
| JPY/US\$ | 93 | 86 | ▲7 |
| JPY/EURO | 131 | 113 | ▲18 |

※ Average rate

| | | | |
|------------------------|--------|--------|--------|
| Naphtha price (JPY/KL) | 41,200 | 47,500 | +6,300 |
|------------------------|--------|--------|--------|

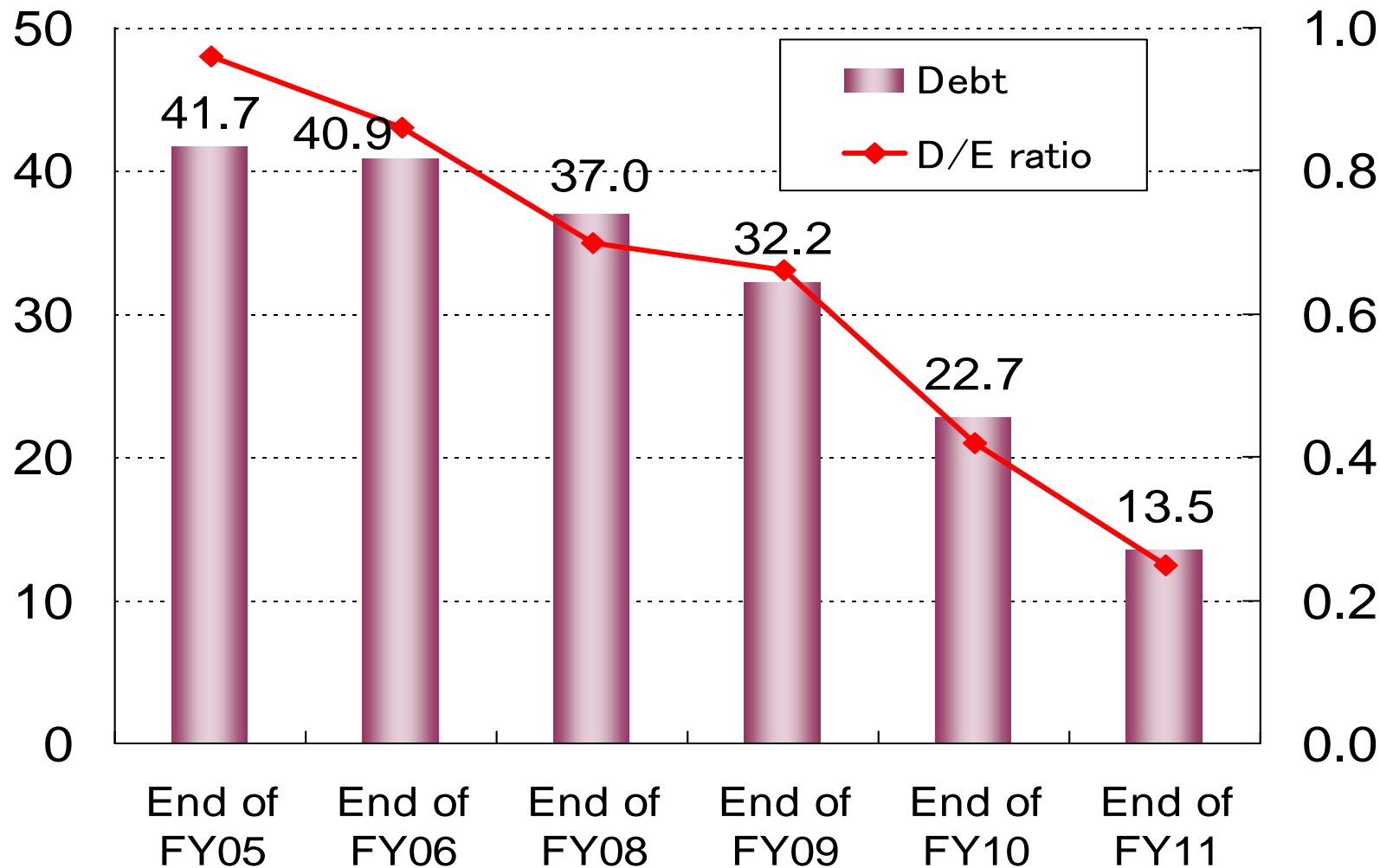
※ Average price



| | | | |
|--------------|-------|-------|------|
| Equity | 52.4 | 54.9 | +2.4 |
| Equity Ratio | 49.2% | 56.2% | |
| Debt | 22.7 | 13.5 | ▲9.2 |
| D/E Ratio | 0.43 | 0.24 | |

Improvement of finance (Debt and D/E ratio)

(¥:Billion)



(¥:Billion)

FY09

FY10

| | | |
|------------------------------|-------|------|
| CF from operating activities | 18.2 | 14.1 |
| CF from investing activities | ▲4.5 | ▲7.7 |
| Free CF | 13.7 | 6.4 |
| CF from financial activities | ▲10.6 | ▲9.8 |
| NET CF | 3.1 | ▲3.4 |

Business Forecasts of FY2011



1. Exchange rate

| | FY10 Ave. | FY11 | Difference |
|-----------|-----------|------|------------|
| JPY/US \$ | 86 | 85 | ▲1 |
| JPY/EURO | 113 | 110 | ▲3 |

2. Naphtha price (JPY/KL)

| | FY10(Ave.) | FY11 | Difference |
|---------|------------|--------|------------|
| Naphtha | 47,500 | 60,000 | +12,500 |

Earnings forecast of FY2011

(¥:Billion)

| | FY11 1 st Half | FY11 2 nd Half | FY11 | FY10 | FY09 |
|--------------------------------|------------------------------|------------------------------|-------|-------|-------|
| Sales | 46.0 | 48.0 | 94.0 | 91.2 | 90.0 |
| Operating income | 4.9 | 5.6 | 10.5 | 10.0 | 10.7 |
| Operating income ratio | 10.7% | 11.6% | 11.2% | 11.1% | 12.0% |
| Ordinary income | 4.9 | 5.5 | 10.4 | 9.4 | 10.0 |
| Net Profit | 2.8 | 3.2 | 6.0 | 6.1 | 5.7 |
| Net Profit per share (yen) | 28.74 | 32.85 | 61.59 | 62.94 | 59.06 |
| Cash dividends per share (yen) | 6 | 6 | 12 | 12 | 10 |

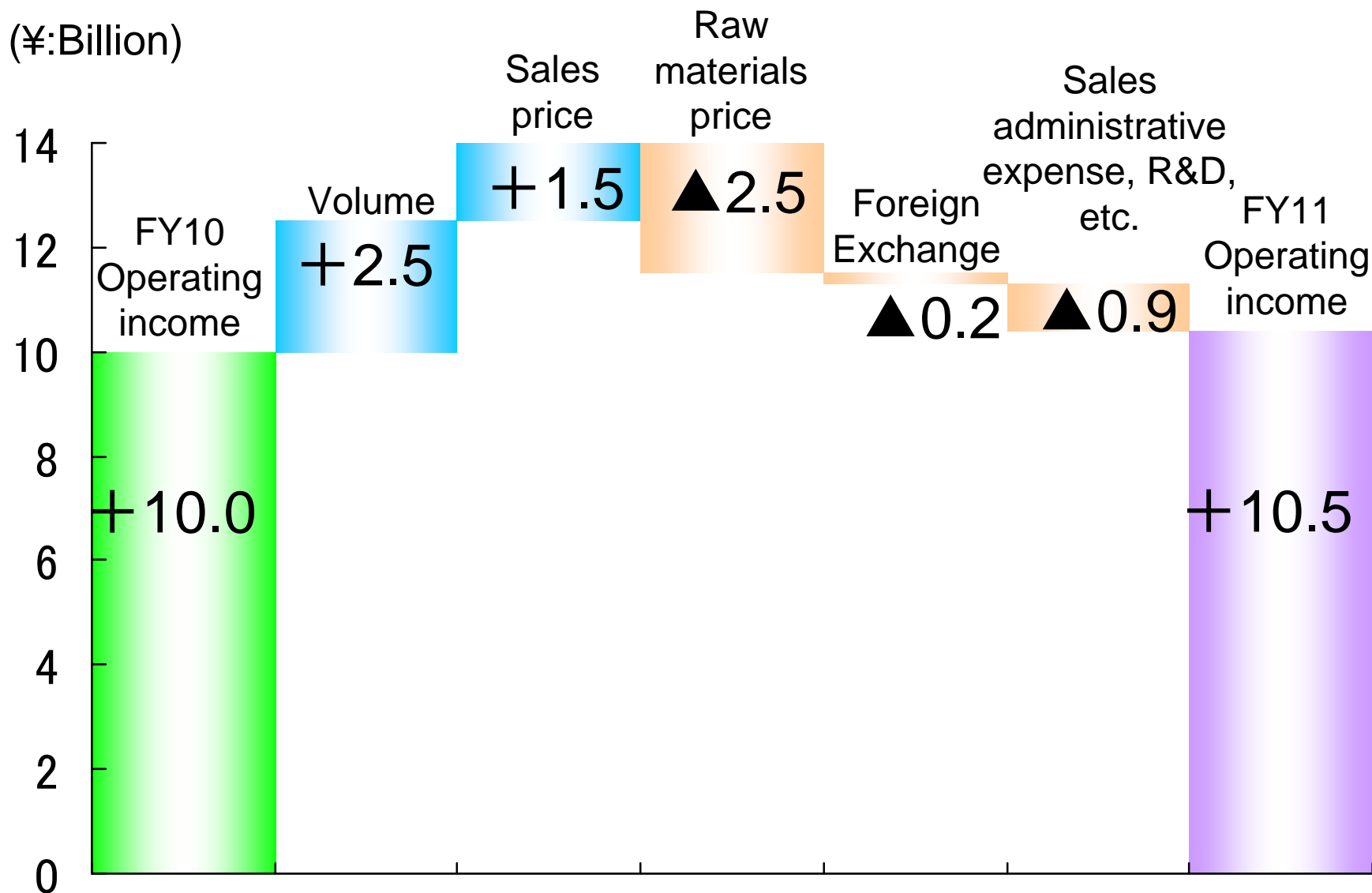
Earnings forecast of FY2011 by segment

(¥:Billion)

| | Sales | | | Operating income | | |
|---------------------------|--------------|---------------|------------|------------------|---------------|------------|
| | FY10 results | FY11 forecast | Difference | FY10 results | FY11 forecast | Difference |
| Synthetic Resin ① | 64.9 | 67.6 | +2.7 | 10.2 | 11.0 | +0.7 |
| Acetyl & Fine chemicals ② | 22.9 | 23.1 | +0.2 | ▲0.1 | ▲0.1 | ▲0.0 |
| Chemical Product ③ | 87.8 | 90.8 | +2.9 | 10.1 | 10.8 | +0.7 |
| Others ④ | 3.3 | 3.1 | ▲0.2 | 0.2 | 0.1 | ▲0.1 |
| Common Cost ⑤ | - | - | - | ▲0.2 | ▲0.4 | ▲0.2 |
| Total ③~⑤ | 91.2 | 94.0 | +2.7 | 10.0 | 10.5 | +0.4 |

Analysis of Operating Income

(¥:Billion)



(¥:Billion)

FY10 FY11 Difference

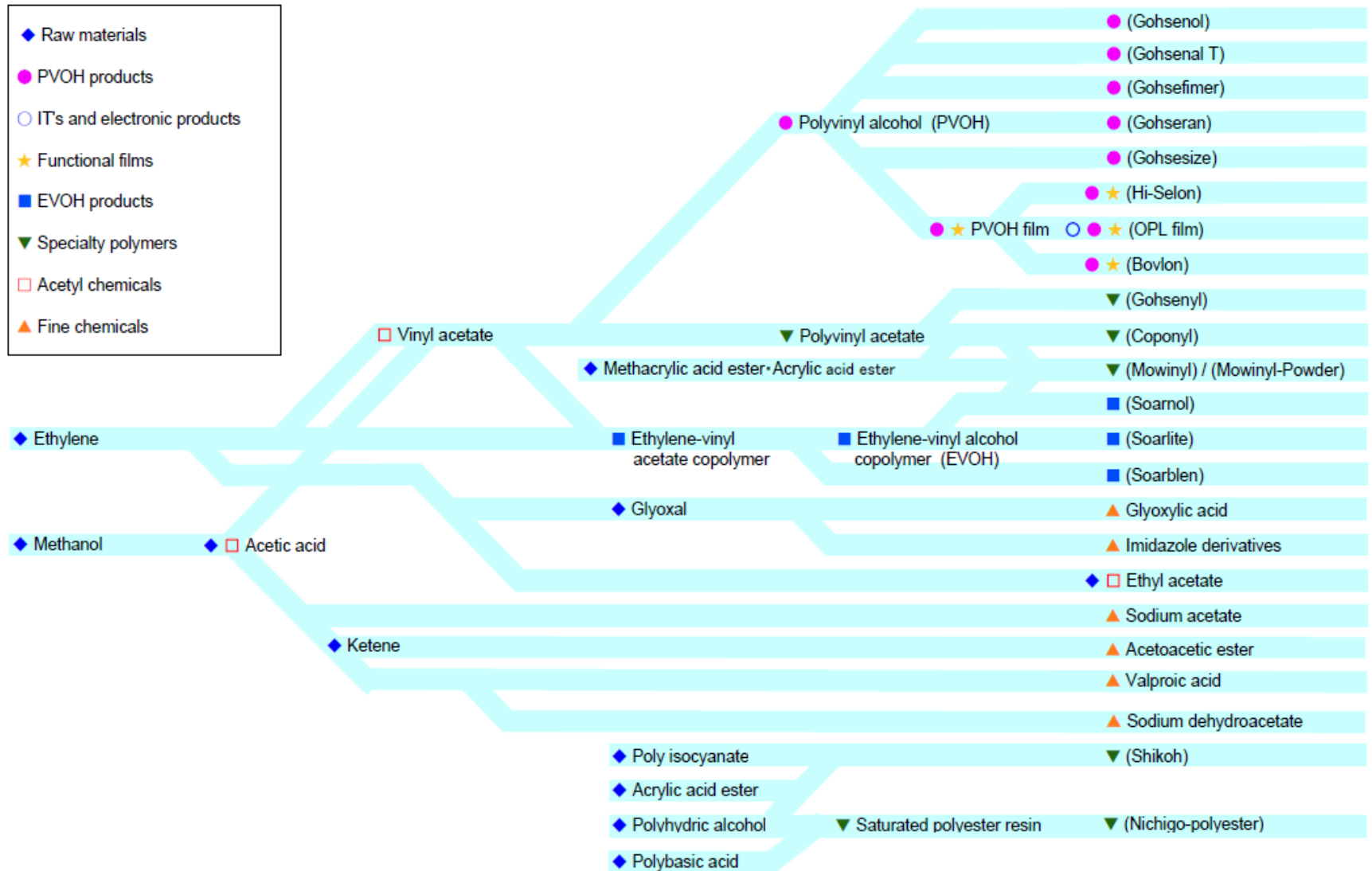
| | | | |
|--------------|-----|-----|------|
| CAPEX | 6.7 | 6.7 | +0.0 |
| Depreciation | 6.5 | 7.4 | +0.8 |
| R&D Expenses | 2.8 | 3.4 | +0.6 |

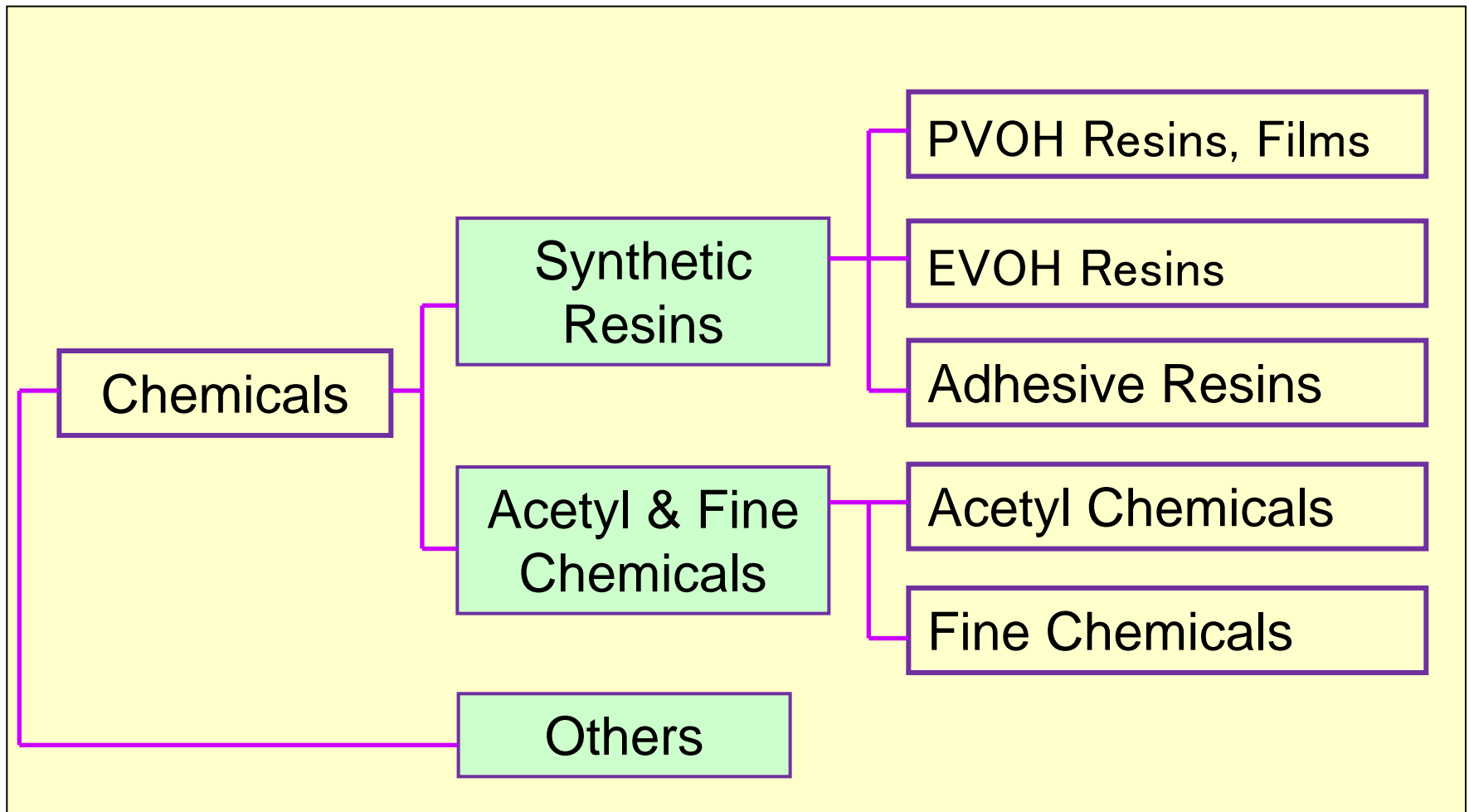
Solution by Chemistry

There is a possibility the forecast figures at present will differ from the actual business results, because the former was calculated by using the information available at this time.

Appendix

Products List

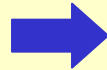




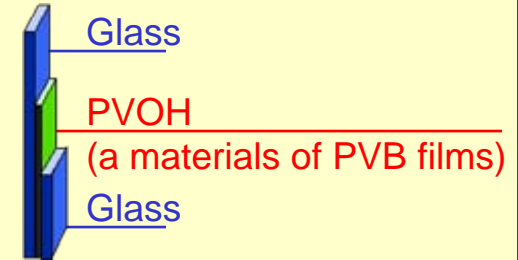
◆What is “Gohsenol™”?

Feature

- Water solubility
- adherence
- Film forming properties, etc.



◆Main Application



Used as raw material for the bonding middle layer in safety glass for windshields

Used as a surface coating agent for information industrial paper

- heat sensitive paper
- ink jet recording paper, etc.



Used as raw material for PVOH films

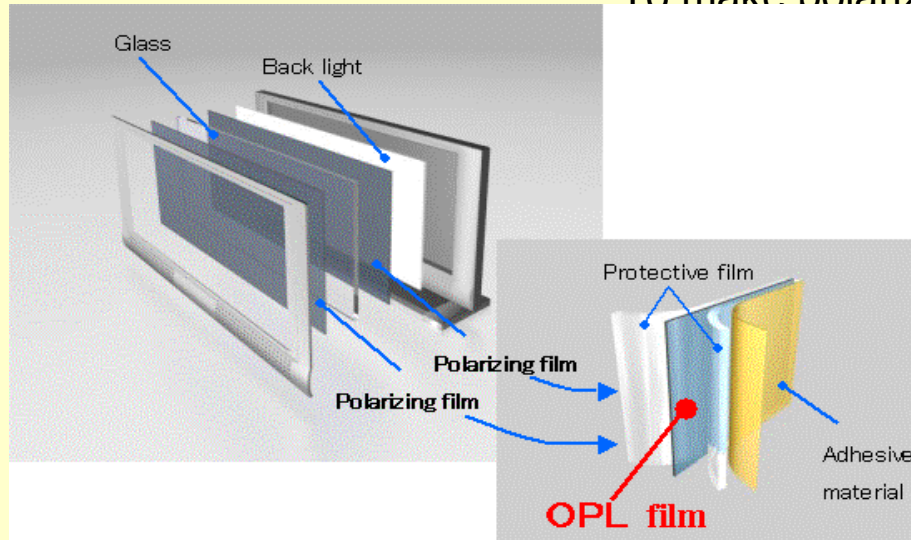
- optical polarized PVOH film, etc.



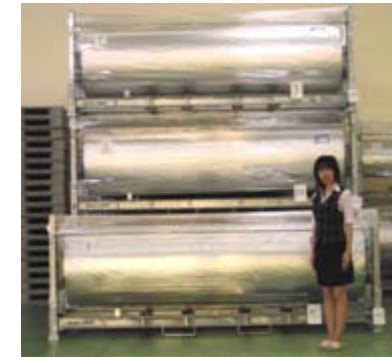
◆“Gohsenol™” Production capacities

| | |
|---------------------|-------------------|
| The Mizushima Plant | 40,000 tonnes / y |
| The Kumamoto Plant | 30,000 tonnes / y |
| Total | 70,000 tonnes / y |

◆What is OPL Film™ ?



To make polarizing film, OPL Film™ for polarizer is processed through two layers of protective film called TAC and is subsequently processed to affix to LCD panel.



◆OPL Film™ Production capacities

2003 12 million sq. meters / y

2005 13 million sq. meters / y

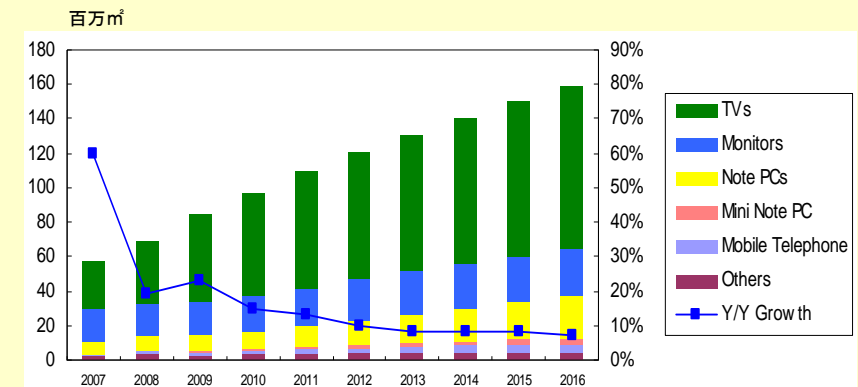
2008 15 million sq. meters / y

2009 15 million sq. meters / y

total 55 million sq. meters / y

* 2012 15 million sq. meters / y (plan)

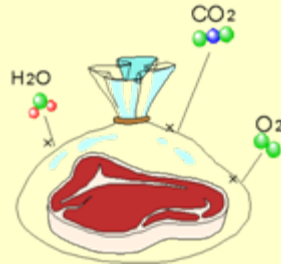
◆TFT LCD Panel Market Forecast



◆What is EVOH ?

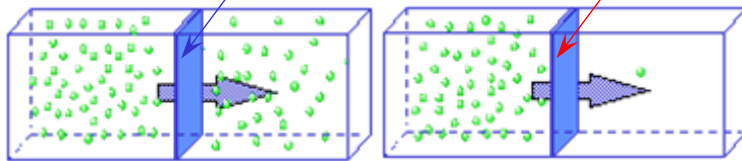
Feature

- High gas barrier
- Fragrance preservation
- Transparency, etc.

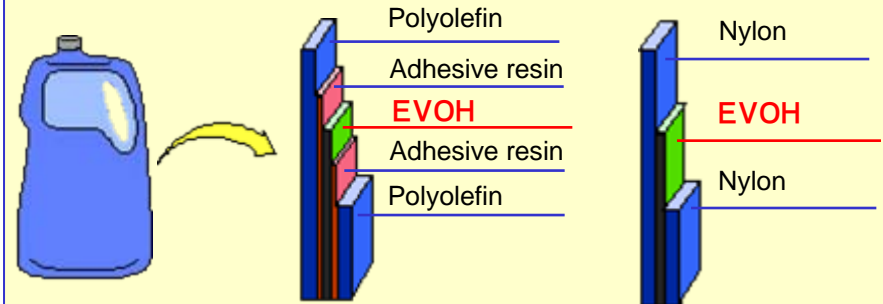


Polyethylen

EVOH



◆Main application



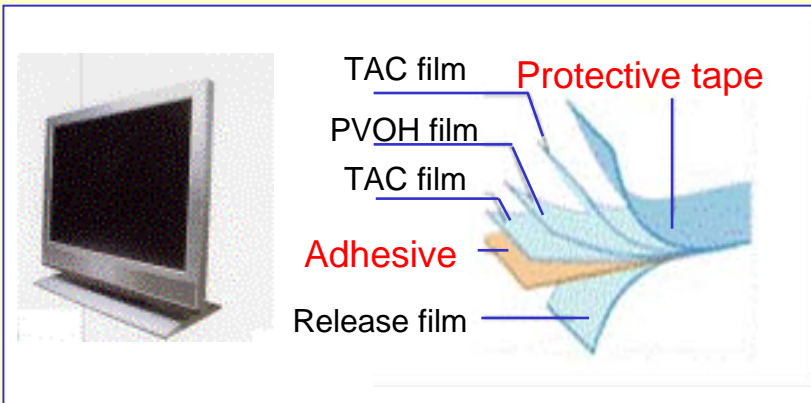
Soarnol™ is a package for preserving flavor and freshness.

◆Soarnol™ Production capacities

| | |
|---------------------|--------------------------|
| The Mizushima Plant | 10,000 tonnes / y |
| NOLTEX (U.S.A.) | 20,000 tonnes / y |
| NIPPON GOHSEI UK | 15,000 tonnes / y |
| Total | 45,000 tonnes / y |

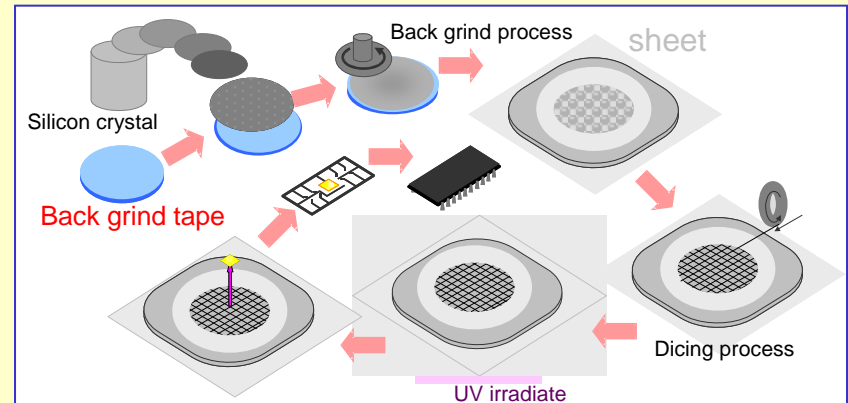


◆ Main application for LCD



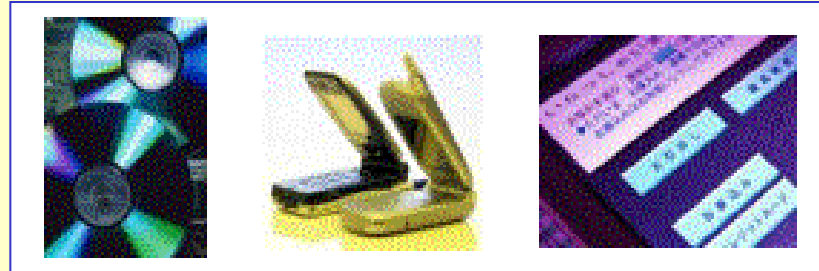
- Adhesive resin for polarizing film for LCD
- Masking tape for surface protection

◆ Main application for Semiconductor



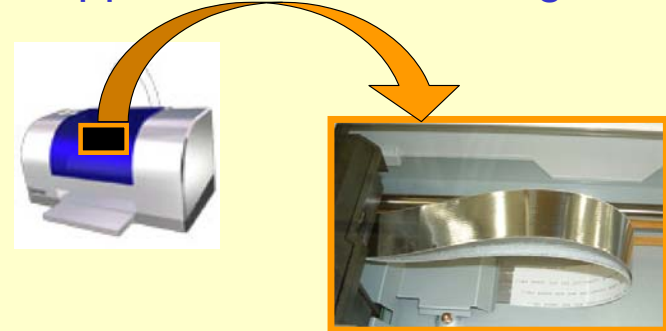
- Temporarily immovable tape
- Masking tape for surface protection

◆ Main application for Hard Coating



Glossy retention and surface protection for CDs, DVDs, mobile phones and ATM touch-sensitive panels

◆ Main application for recording media



Cable coating and adhesion for copying machine and facimile machine

Overseas Bases

(Production of Soarnol)



NIPPON GOHSEI UK



NIPPON GOHSEI THAILAND
(Sales, Technical service)

Soarus



(Sales, Technical service)



NIPPON GOHSEI

(Production of Soarnol)
NOLTEX



NIPPON GOHSEI Europe
(Sales, Technical service)



NICHIGO SHANGHAI
(Sales, Technical service)

Review of Operation (1)

Financial Highlights

| ¥:Billion | FY06 | FY07 | FY08 | FY09 | FY10 |
|---------------------------------------|--------|--------|--------|--------|--------|
| Sales | 95.8 | 109.6 | 100.9 | 90.0 | 91.2 |
| (Synthetic resins) | 58.6 | 68.7 | 64.5 | 65.0 | 64.9 |
| (Acetyl and Fine chemicals) | 33.3 | 36.6 | 32.6 | 22.7 | 22.9 |
| (Others) | 3.8 | 4.1 | 3.7 | 2.2 | 3.3 |
| Operating income | 5.7 | 7.7 | 4.3 | 10.7 | 10.0 |
| (Synthetic resins) | 5.3 | 7.5 | 4.2 | 10.7 | 10.2 |
| (Acetyl and Fine chemicals) | 0.3 | 0.1 | 0.2 | 0.2 | △0.1 |
| (Others) | 0.1 | 0.1 | 0.0 | 0.0 | 0.2 |
| (Common costs) | △0.1 | △0.2 | △0.2 | △0.2 | △0.2 |
| Net profits | 2.2 | 5.5 | 0.9 | 5.7 | 6.1 |
| Total Assets | 121.1 | 122.4 | 106.8 | 106.6 | 97.8 |
| Debt | 40.9 | 37.0 | 32.2 | 22.7 | 13.5 |
| Net Assets | 47.7 | 52.6 | 48.6 | 53.9 | 54.9 |
| CAPEX | 2.2 | 6.6 | 6.0 | 5.1 | 6.7 |
| Depreciation | 5.3 | 5.9 | 6.8 | 6.7 | 6.5 |
| Net income profit per Share ¥ | 23.58 | 56.57 | 9.48 | 59.06 | 62.94 |
| Net Assets per Share ¥ | 471.16 | 522.56 | 483.90 | 538.54 | 564.07 |
| Cash dividends per Share ¥ | 6.0 | 7.0 | 7.0 | 10.0 | 12.0 |
| Stock price per Share ¥ (March 31) | 542 | 731 | 278 | 643 | 513 |

Operating income by Area

| ¥:Billion | FY06 | FY07 | FY08 | FY09 | FY10 |
|-----------|------|------|------|------|------|
| Japan | 6.1 | 5.7 | 2.6 | 8.1 | 6.3 |
| America | 0.9 | 1.2 | 0.9 | 1.5 | 1.8 |
| Europe | △0.4 | 0.9 | 0.6 | 1.0 | 1.9 |
| Asia | △0.7 | △0.3 | — | — | — |
| Total | 5.7 | 7.7 | 4.3 | 10.7 | 10.0 |

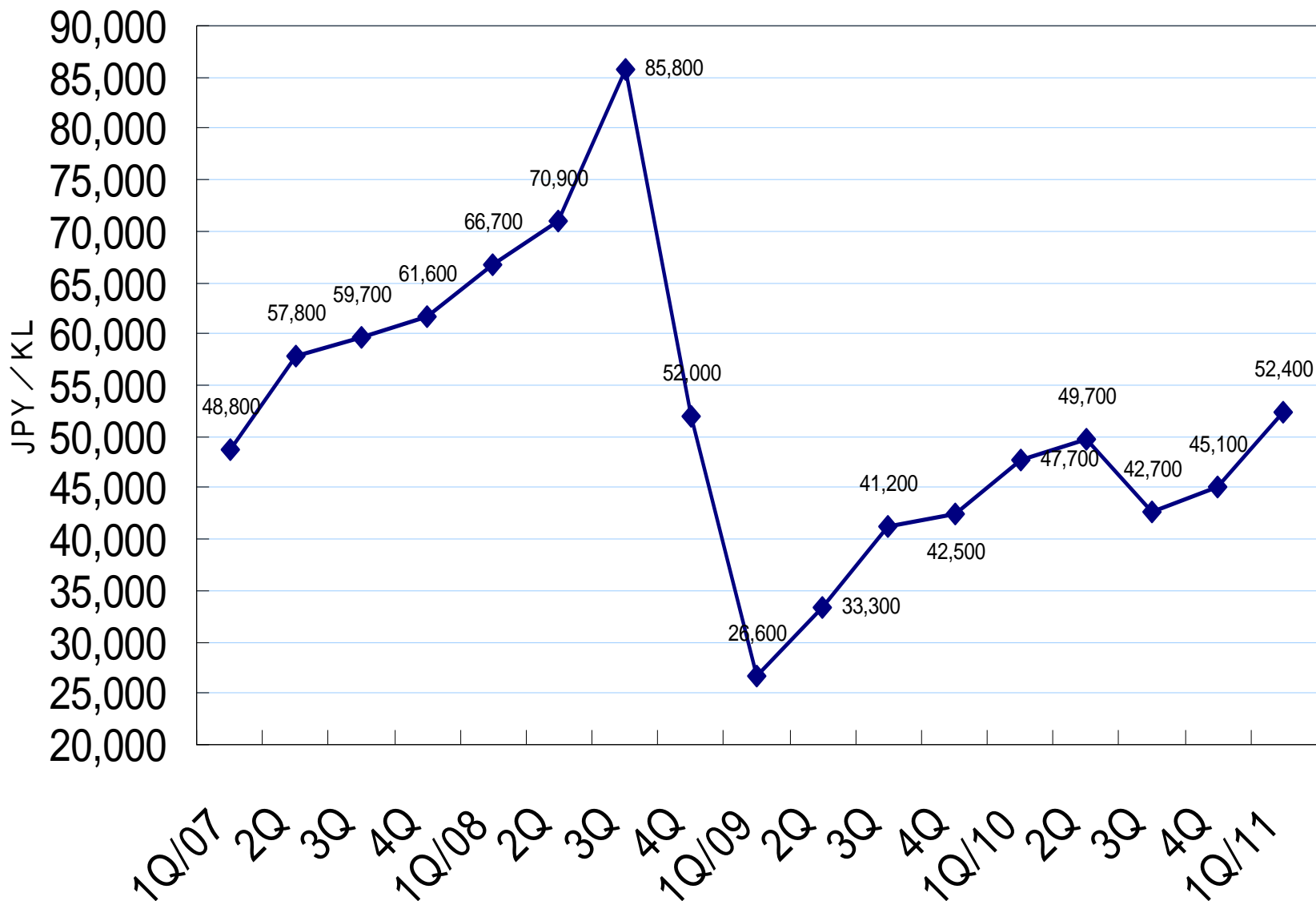
Exchange rate, Naphtha price

| ¥ | FY06 | FY07 | FY08 | FY09 | FY10 |
|-----------------|--------|--------|--------|--------|--------|
| 1\$ | 117.0 | 114.3 | 100.5 | 92.9 | 85.7 |
| 1€ | 150.1 | 161.5 | 143.5 | 131.2 | 113.1 |
| Naphtha Average | 49,950 | 61,450 | 58,925 | 41,175 | 47,450 |

Net Sales and Operating Income by Segment

| ¥:Billion | FY2009 | | | | | | | FY2010 | | | | | | |
|-----------------------------|--------|------|-------------------------|------|------|-------------------------|-------|--------|------|-------------------------|------|------|-------------------------|-------|
| | Q1 | Q2 | 1 st Half | Q3 | Q4 | 2 nd Half | Total | Q1 | Q2 | 1 st Half | Q3 | Q4 | 2 nd Half | Total |
| Sales | 21.6 | 23.2 | 44.9 | 23.6 | 21.5 | 45.1 | 90.0 | 21.6 | 23.2 | 46.4 | 22.7 | 22.0 | 44.7 | 91.2 |
| (Synthetic resins) | 15.3 | 16.4 | 31.7 | 16.5 | 16.7 | 33.3 | 65.0 | 17.0 | 16.1 | 33.2 | 16.1 | 15.6 | 31.7 | 64.9 |
| (Acetyl and Fine chemicals) | 5.5 | 6.2 | 11.8 | 6.1 | 4.7 | 10.9 | 22.7 | 5.8 | 5.7 | 11.5 | 5.8 | 5.4 | 11.3 | 22.9 |
| (Others) | 0.7 | 0.5 | 1.3 | 0.9 | — | 0.9 | 2.2 | 0.9 | 0.7 | 1.6 | 0.7 | 0.9 | 1.7 | 3.3 |
| Operating income | 2.6 | 2.9 | 5.5 | 2.4 | 2.7 | 5.1 | 10.7 | 2.6 | 2.9 | 5.6 | 2.2 | 2.1 | 4.3 | 10.0 |
| (Synthetic resins) | 2.6 | 2.7 | 5.4 | 2.4 | 2.8 | 5.3 | 10.7 | 2.8 | 2.8 | 5.6 | 2.3 | 2.1 | 4.5 | 10.2 |
| (Acetyl and Fine chemicals) | 0.1 | 0.1 | 0.2 | 0.0 | △0.0 | △0.0 | 0.2 | 0.0 | 0.0 | 0.0 | △0.0 | △0.1 | △0.1 | △0.1 |
| (Others) | △0.0 | 0.0 | △0.0 | 0.0 | 0.0 | 0.0 | 0.0 | △0.0 | 0.0 | 0.1 | 0.0 | 0.0 | 0.1 | 0.2 |
| (Common costs) | △0.0 | △0.0 | △0.1 | △0.0 | △0.2 | △0.2 | △0.2 | △0.0 | △0.0 | △0.1 | △0.0 | △0.1 | △0.2 | △0.2 |
| Net profit | 1.5 | 1.4 | 2.9 | 1.6 | 1.1 | 2.8 | 5.7 | 1.5 | 1.4 | 2.9 | 1.6 | 1.5 | 3.2 | 61 |

Naphtha Price (Q1/2007~Q1/2011)



Composition of Shareholders

- Authorized Shares 154,944,000
- Outstanding Shares 97,412,174
(except 957,012 Shares held by NIPPON GOHSEI)
- Number of Shareholders 5,684

| Lank | Shareholder's Name | Rate |
|------|---|--------------|
| 1. | Mitsubishi Chemical Corporation | 41.1% |
| 2. | Japan Trustee Services Bank, LTD. (Trust Account) | 8.7% |
| 3. | The Master Trust Bank of Japan, LTD. (Trust Account) | 4.7% |
| 4. | Japan Trustee Services Bank, LTD. (Trust Account 9) | 2.6% |
| 5. | Mitsubishi Corporation | 2.1% |
| 6. | Mizuho Corporate Bank, LTD. | 1.2% |
| 7. | Marubeni Corporation | 1.0% |
| 8. | Morgan Stanley and Company International PLC | 0.9% |
| 9. | State Street Bank and Trust Company | 0.9% |
| 10. | Goldman Sax International | 0.9% |

(except 957,012 Shares held by NIPPON GOHSEI)