

# New Mid-Term Management Plan

## *“Double 15”*

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The Nippon Synthetic Chemical Industry Co., Ltd.

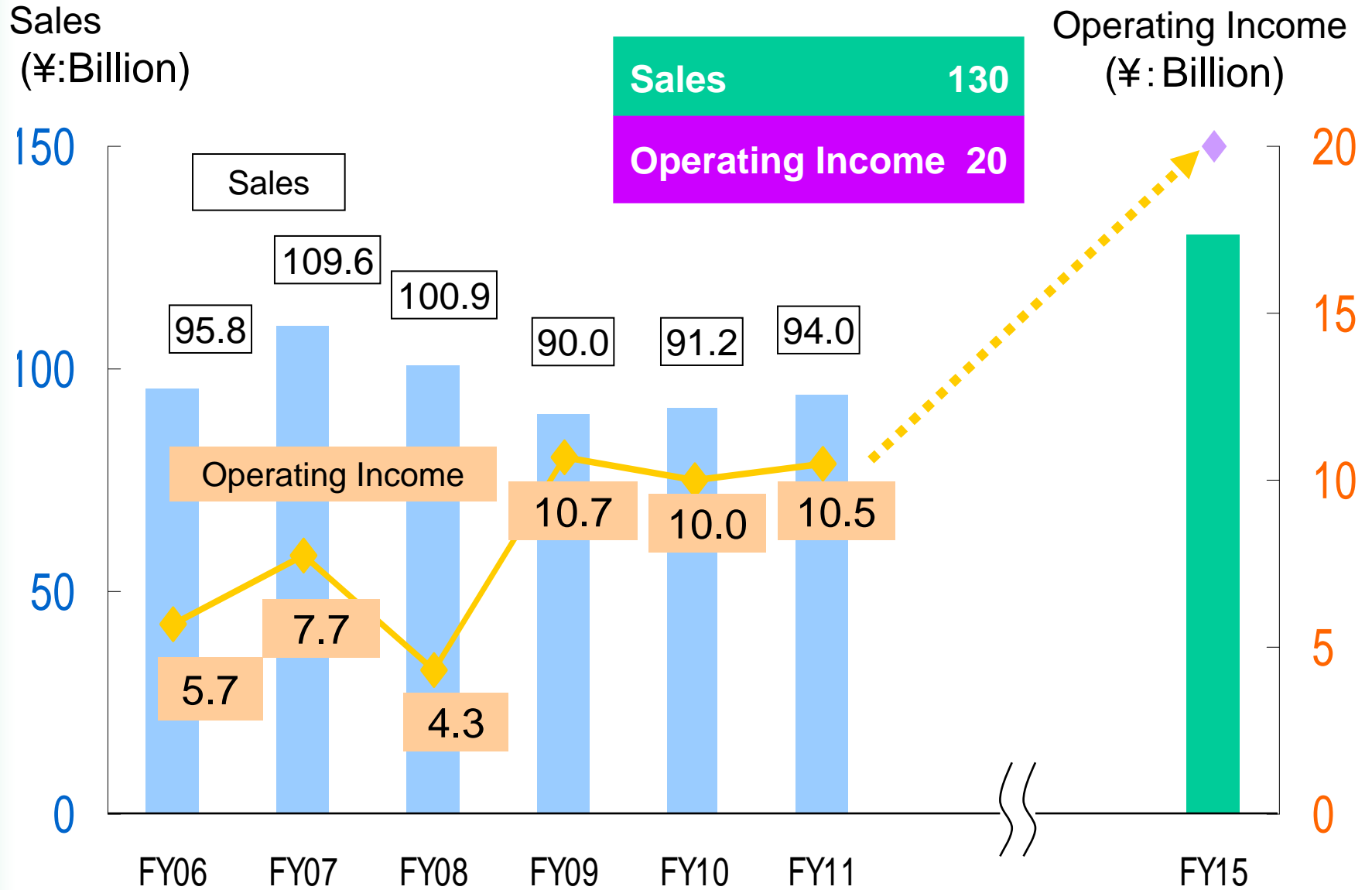
## Basic Concept

### *“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 :

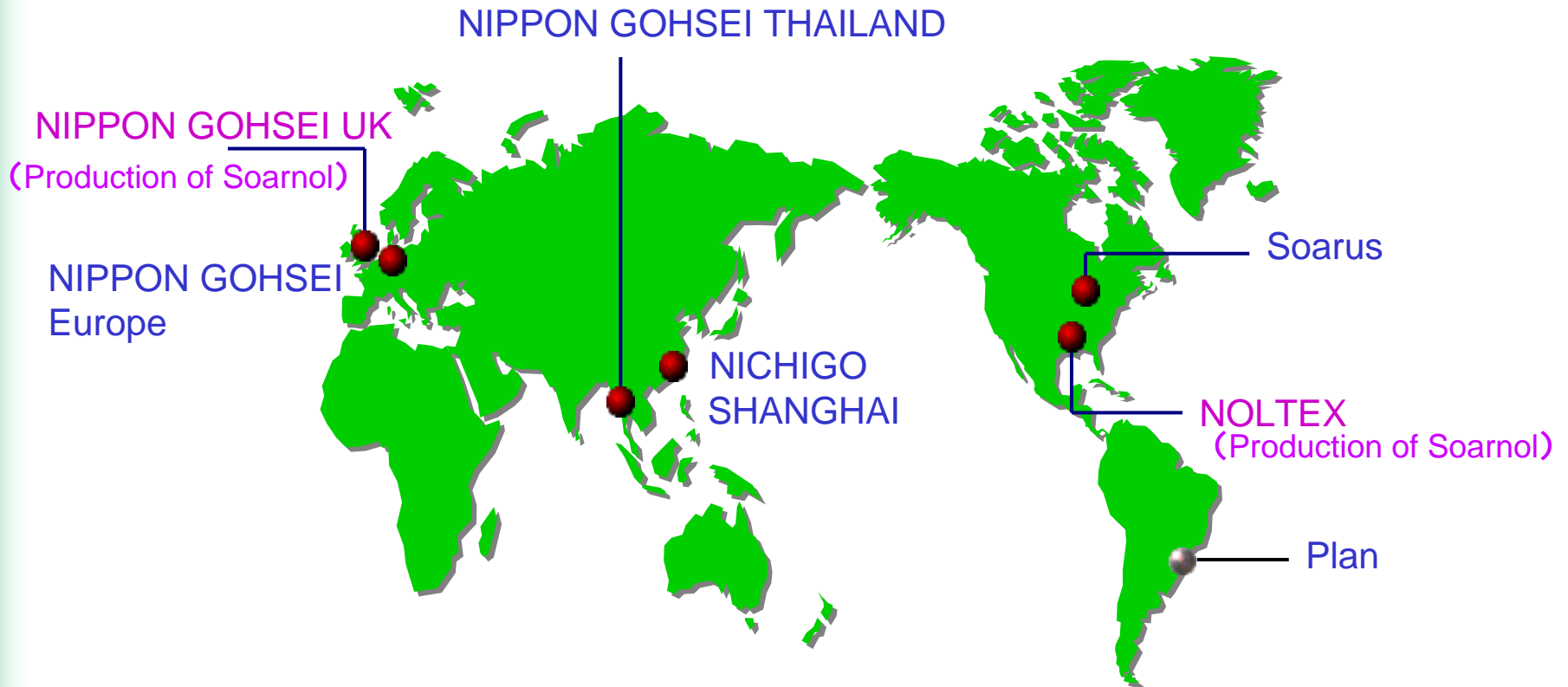
IT & Electronics, Optical, Energy, and Amenity

- ◆ 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

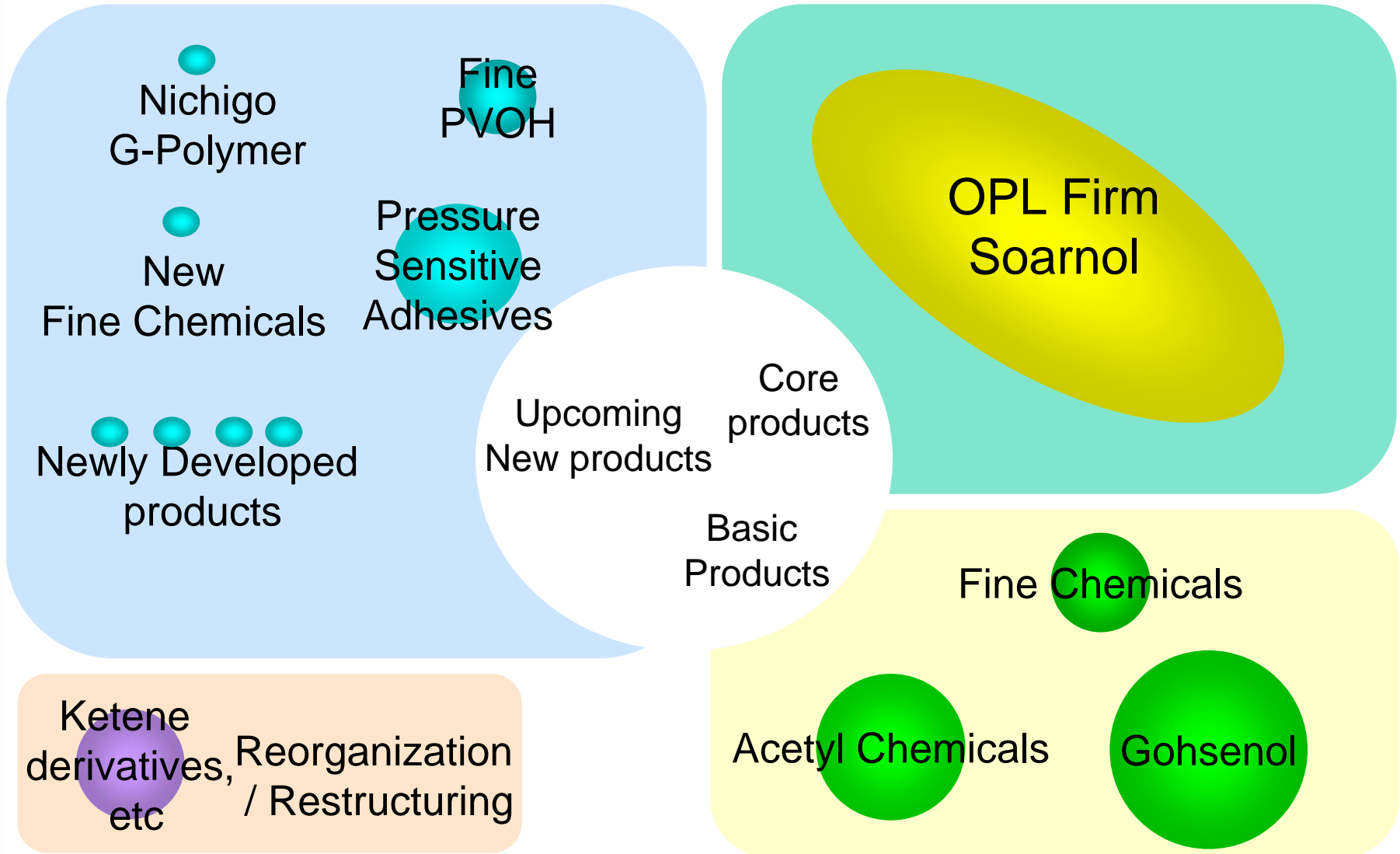


- ◆ Overseas sales from 45% in FY2010 → 55% in FY2015
- ◆ Sales expansion in Europe and North America  
+ capacity and sales expansion in Asia

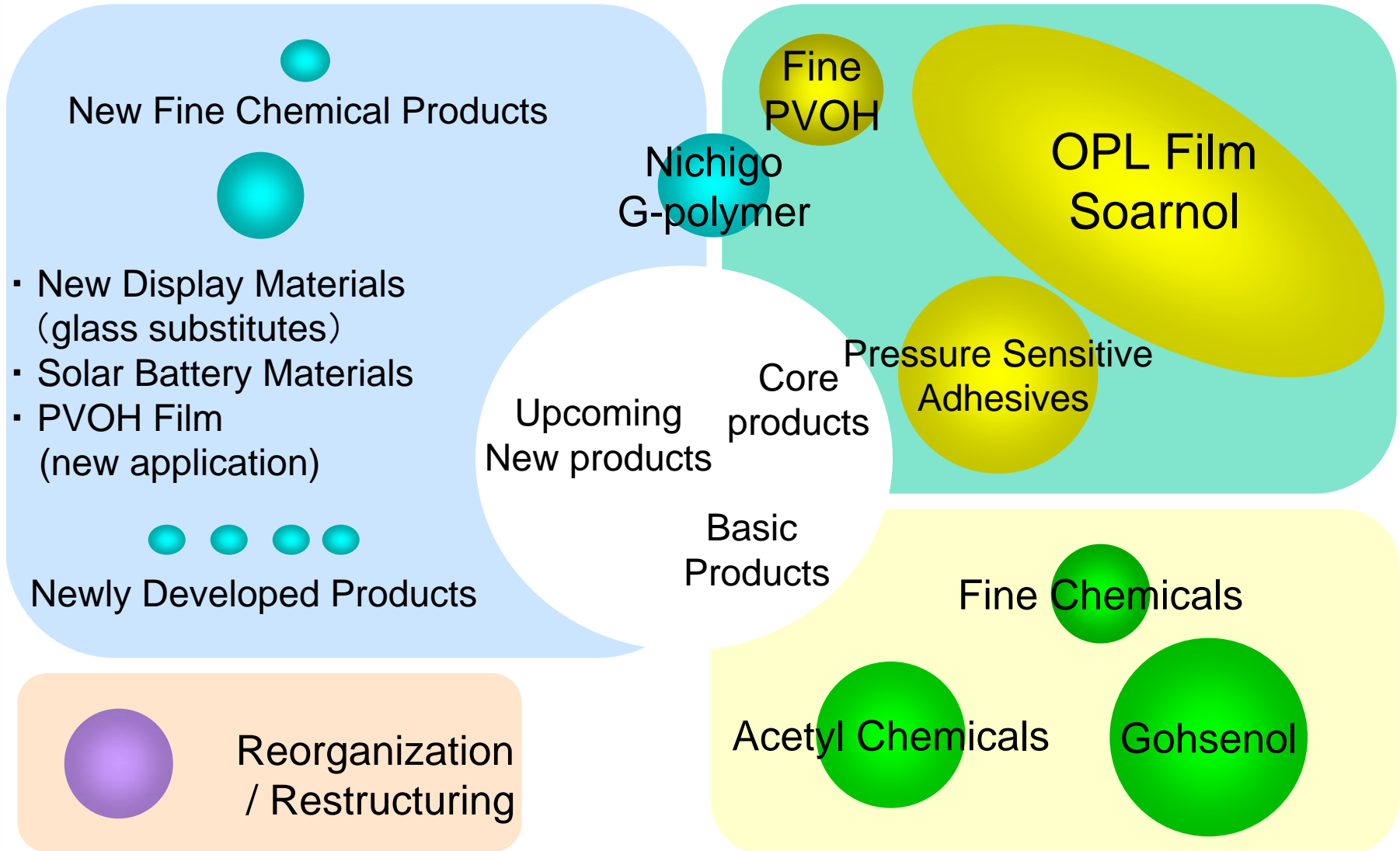
## 5. Assurance of Safety, Quality, Environment, and Compliance

- ◆ Safety First, Quality First !
- ◆ Environment
  - 17% reduction of CO<sub>2</sub> 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