

REVIEW OF THE MID-TERM MANAGEMENT PLAN (2014~2016)

Review of the Previous Mid-Term Management Plan

FUNDAMENTAL POLICY

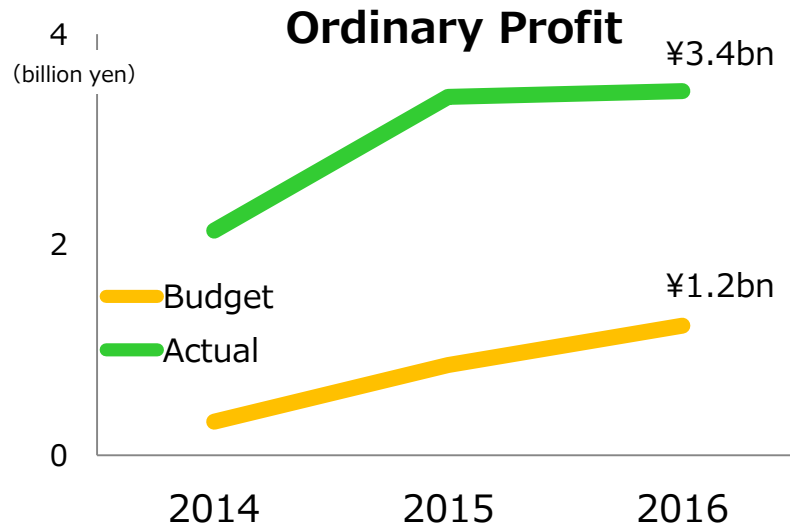
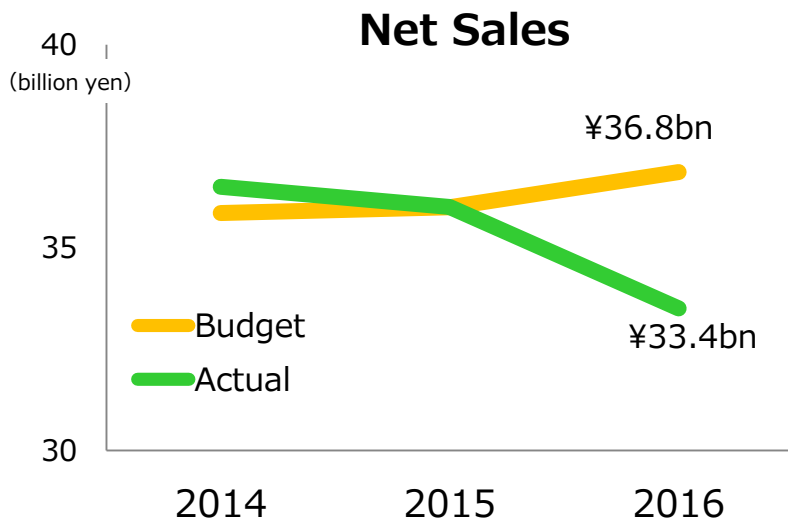
1. Achievement of Numerical Targets

- Net Sales
- Ordinary Profit

2. Achievement of Business Efficiency and Stabilization

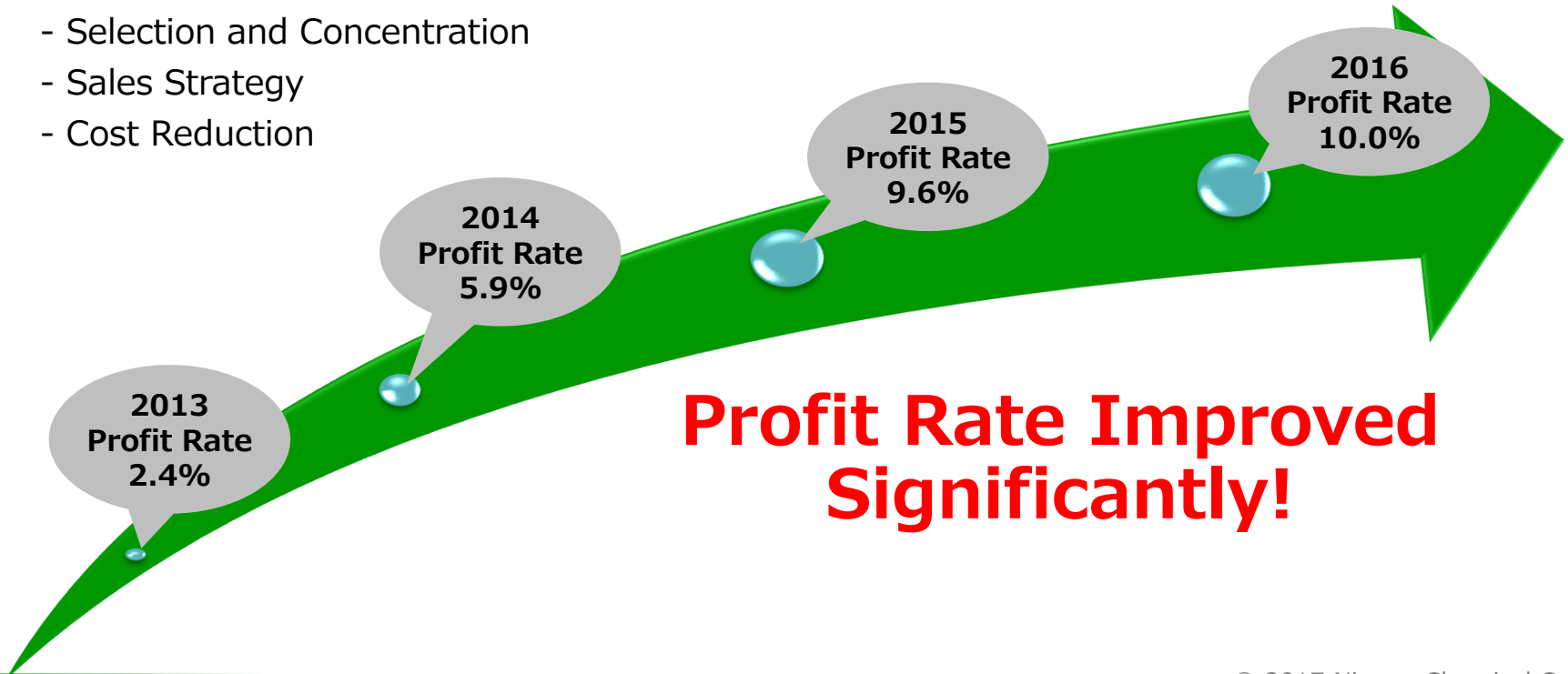


Sales : Unachieved
Profit : Achieved !



Review of the Previous Mid-Term Management Plan

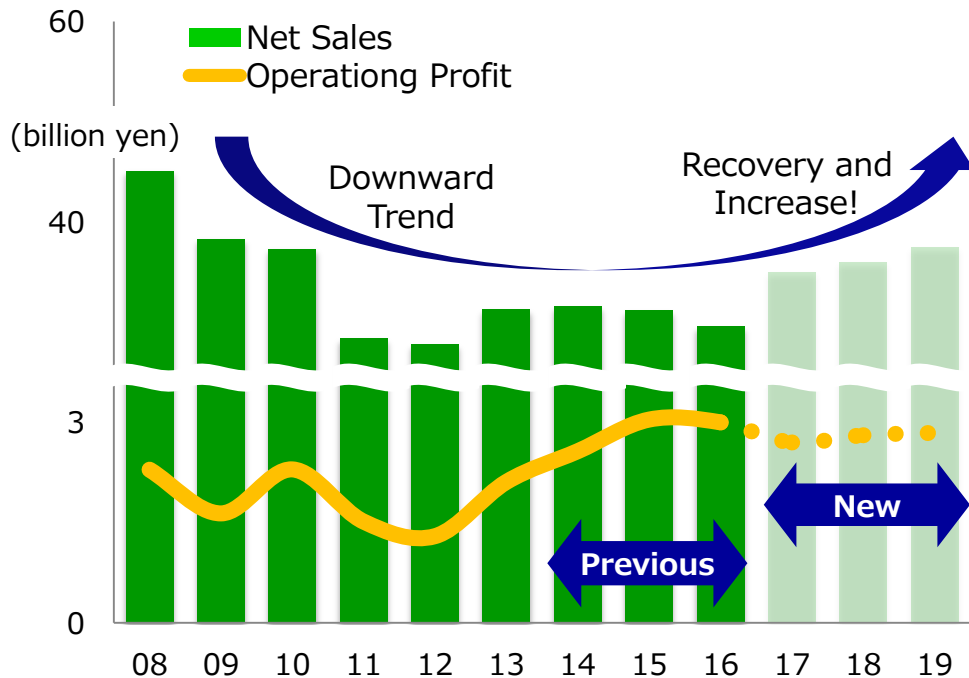
- Embodiment of the structural reform effect implemented immediately before the previous mid-term management plan
- Profitability has improved by implementing **3 Measures** of;
 - Selection and Concentration
 - Sales Strategy
 - Cost Reduction



Profit Rate Improved Significantly!

Future Challenges

- Sales recovered slightly during the previous plan by the upturn in external environment, but have been on the downward trend in this 10 years.
- Profits showed recovery sign after the structural reforms and other measures.
- Recovery and increase in sales are necessary for the future growth.



Enforcement of Marketing and R&D



- Maintain Domestic Market Share
- Develop New Customers
- Increase Overseas Sales
- Accelerate the Pace of New Product Development
- Make Intensive Investment in the Priority Development Themes

THE MID-TERM MANAGEMENT PLAN (2017~2019)

The Mid-Term Management Plan

To Achieve Stable Profit

Concentrated Investment	Overseas Strategy	Enhancement of Business Base
<ul style="list-style-type: none">• Expanding the Business of Specialty Chemicals• Construction of New Factories for the Next-generation Products• M&A Promotion	<ul style="list-style-type: none">• Active Sales Promotion to the Asian Market• Reinforcement of Cooperation with Overseas Branches• Feasibility Assessment on the Establishment of New Production Base in Southeast Asia	<ul style="list-style-type: none">• Recovery of the Current Domestic Market Share• Utilizing Assets• Fostering Human Resources

Growth Strategy

Structural Reform

The Mid-Term Management Plan①

Concentrated Investment

Specialty Chemicals

- Focus on the electronic materials and organic-related products as growth fields
- Develop new products taking advantage of our unique know-how, as well as new grades for the current products

New Factories for the Next-generation Products

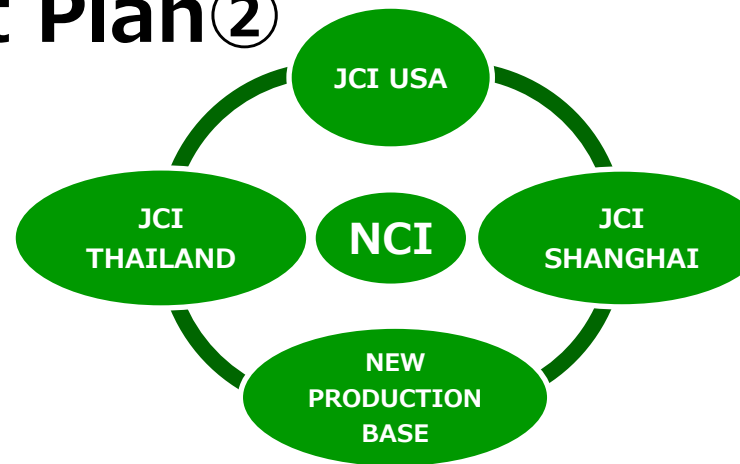
- Strengthen relationship with customers and keep up with the market expansion
- Plan 3.5million-scale investment
- Draw up the next mid-term management plan with BCP

M&A Promotion

- Select M&A targets not only in existing areas but also in new areas regardless of whether domestic or overseas, with a view to capital participation and business alliances

The Mid-Term Management Plan②

Overseas Strategy



Increase the Overseas Sales Ratio to 20% from the current 10%

JCI USA Inc.

- Expand business in Western countries
- Promote the cross-border trading

JCI (SHANGHAI) CO., LTD.

- Cover the entire China market
- Expand sales network as well as purchase

JCI (THAILAND) CO., LTD.

- Establish a subsidiary in Thailand and expand business in Asian market
- Increase NCI brand recognition in Southeast Asia and Oceania

NEW PRODUCTION BASE

- Expand business in Southeast Asia to achieve 'local production and local consumption'

The Mid-Term Management Plan③

Enhancement of Business Base

Recovery of the Current Domestic Market Share

- Expand the market share of promising products
- Strengthen the partnership with current customers and develop new customers.
- Pursue the further cost reduction

Utilizing Assets

- Examine the efficient and effective use of tangible and intangible assets (unused land, patent, and manufacturing know-how)

Fostering Human Resources

- Acquire and foster appropriate human resources necessary to achieve goals
- Promote personnel relocation and organizational management to maximize individual capabilities

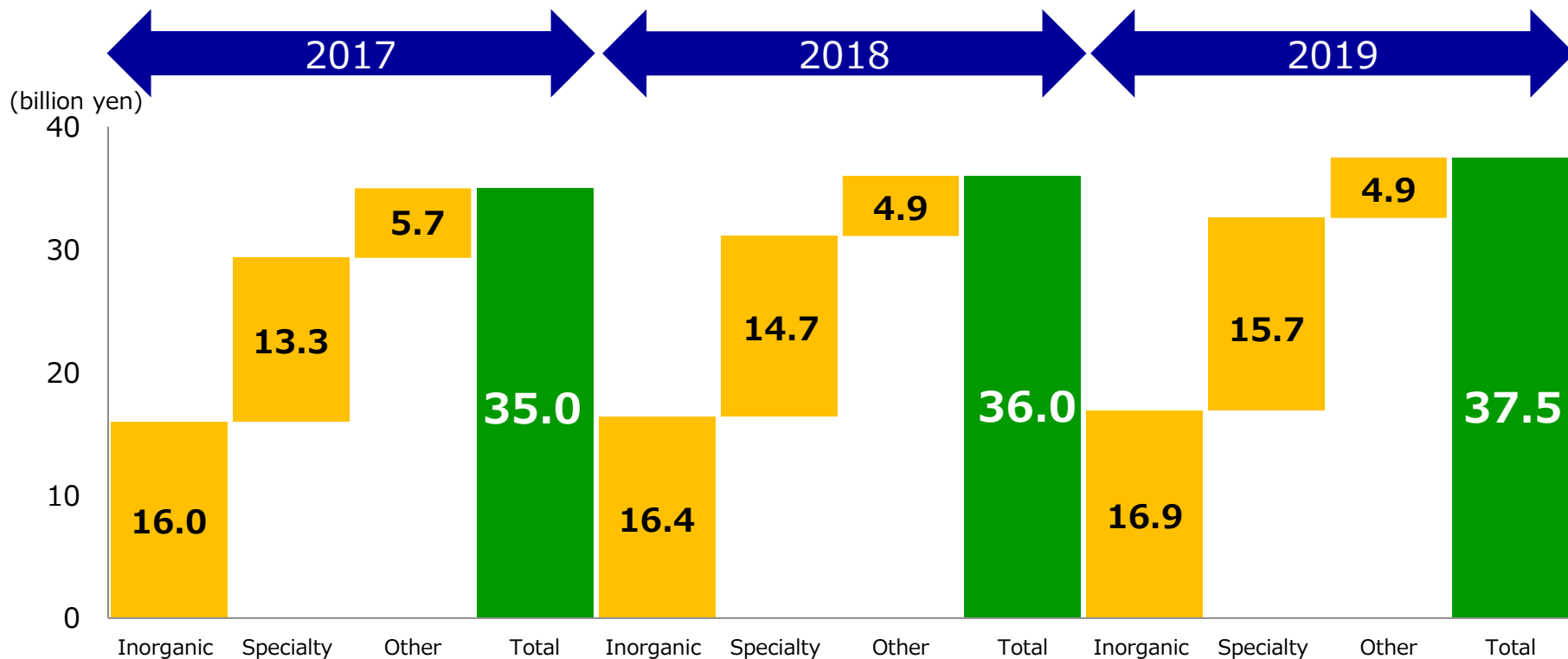
Numerical Targets

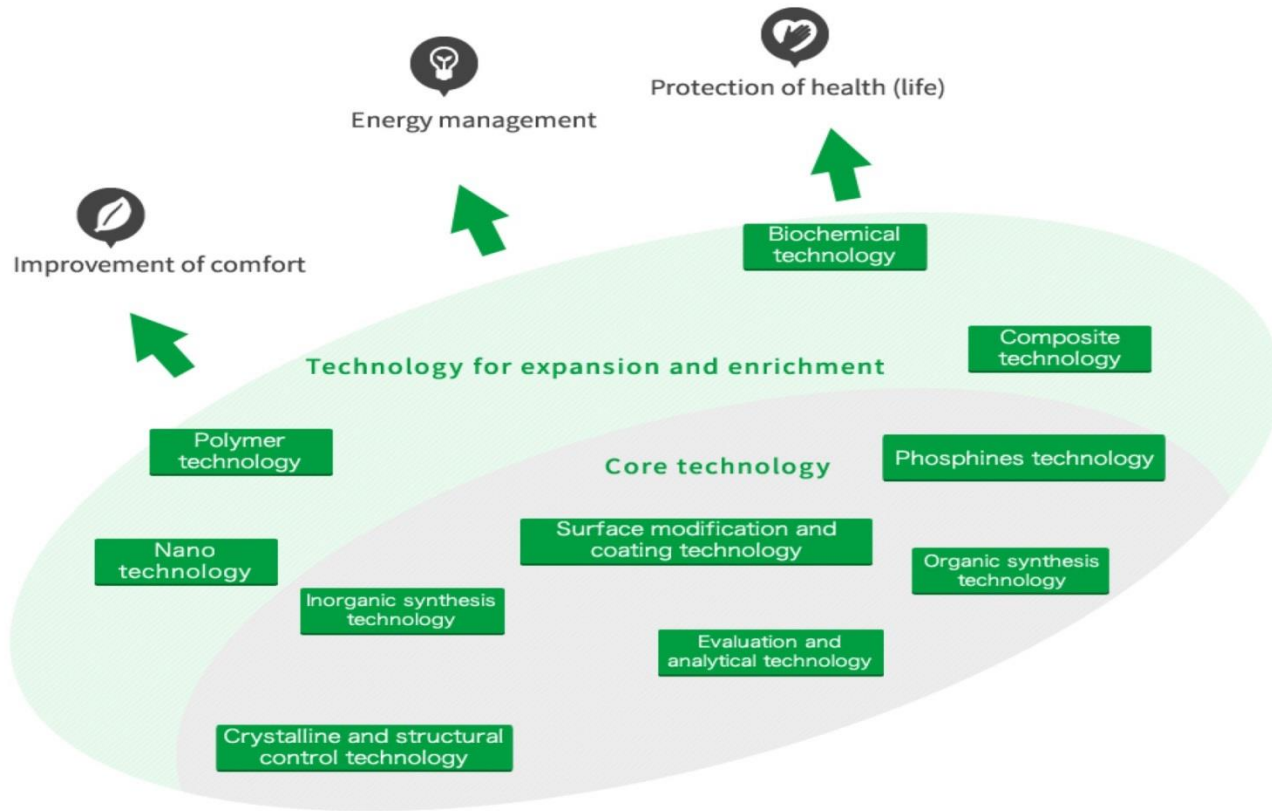
(billion yen)

	2016	2017	2018	2019
Net Sales	33.4	35.0	36.0	37.5
Operating Profit	3.3	2.5	2.8	2.9
(%)	10.0	7.1	7.7	7.7
Capital Investment	2.2	3.4	5.3	3.0
New Product Sales*	2.3	2.2	2.8	2.0

*Products within 3 years from product registration are classified as “New Products”

Segment Sales Plan





Research & Development

Data and projections described in this material are based on the information available as of the publication.

No forward-looking statement can be guaranteed and actual results of operations may differ from those projected.