

## Greetings from the new Chairman and CEO

I am very proud to have been appointed Chairman and CEO following the 132nd General Meeting of Shareholders and subsequent Meeting of the Board of Directors. I would like to take this opportunity to express my sincere appreciation for your continuing support for Nihon Parkerizing and its Group companies. Next year Nihon Parkerizing will celebrate its 90th anniversary. That we have come this far is entirely due to the support of our valued customers, shareholders and many stakeholders, and we are very grateful for your continued patronage.

The Parker Group currently encompasses 57 companies (including Nihon Parkerizing and its 45 subsidiaries, and 12 affiliated companies) in 13 countries, with consolidated sales of 109,500 million yen. In order to manage the expansion of the business and compliance with the corporate governance code, it was decided at the recent 132nd General Meeting of Shareholders to transition to a company with an audit and supervisory committee. Four directors were appointed to the audit and supervisory committee, three of whom are outside directors. In addition, a new Chairman and President were appointed to further enhance the system of governance.

Nihon Parkerizing has been a constituent of the JPX Nikkei Index 400 since the index's inauguration in January 2014. This index is composed of companies chosen for their high appeal to investors, and we believe our selection was a positive assessment of the Parker Group's management initiatives that have actively sought to increase corporate value. The management goals of the Parker Group are to realize sustainable growth and increase corporate value. As CEO under the new organizational system, I will endeavor to bring together Nihon Parkerizing and our Group companies, so that we can work together to meet the expectations of our shareholders and various stakeholders and achieve the management goals.

Currently we are faced with many elements of uncertainty, such as the spread of protectionist sentiments, the difficulty of anticipating the policy trends of the U.S. administration and the direction of the Chinese economy, as well as exchange rate risks. However the globalization of economic activity will not cease, and it is expected that the proportion of overseas sales in the Group will continue to rise even further.

Against such a background, we will expand our business base in Japan with a focus on technical development, and continue to promote globalization, tackling a number of management issues as we aim to be the leading global company in the field of surface modifications in our 90<sup>th</sup> year and onwards towards our centenary.

Thank you for your continued support and encouragement.

Kazuichi Satomi  
Chairman & CEO  
Nihon Parkerizing Co., Ltd.  
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