

Date: September 28, 2018
Listed company name: Nitto Denko Corporation
Stock exchange listing: Tokyo, First Section
Code number: 6988
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**Notice Concerning the Company Split (Absorption-type Split) with a
Consolidated Subsidiary**

Nitto Denko Corporation (hereafter "the Company") hereby announces that it has decided, at its Board of Directors meeting held today, to split a portion of the Company's domestic automotive converting products business to be succeeded by its wholly-owned subsidiary Nissho Corporation (hereinafter, "Nissho") through an absorption-type split (hereinafter, the "Absorption-type Split") with an effective date of July 1, 2019.

Because the Absorption-type Split is an absorption-type split involving a wholly-owned subsidiary, disclosure of certain particulars and information has been omitted.

1. Objective of the Absorption-type Split

The transportation sector, centering on automobiles, is a focus of the Company as a growth area. The automotive industry is experiencing a "once in a century" transformation, and in response, the Company has decided to centralize and reinforce its domestic automotive converting products business in Nissho, in order to further enhance its competitiveness and augment the Nitto Group presence in the next-generation mobility sector.

By generating synergy between the Company's materials development capability and Nissho's materials converting technology, the Company will undertake to offer innovation to customers in the next-generation mobility sector and enhance the corporate value of the Nitto Group.

2. Overview of the Absorption-type Split

(1) Timeline

Board of Directors resolution: September 28, 2018

Agreement to be concluded: January 11, 2019 (planned)

Agreement to be implemented (effective date): July 1, 2019 (planned)

(2) Method

The method for the Absorption-type Split will be an absorption-type split, with the Company as the splitting company in the absorption-type split and Nissho as the succeeding company in the absorption-type split.

Since the Absorption-type Split falls under a simplified absorption-type split as defined in Article 784, paragraph 2 of the Companies Act, and a summary absorption-type split as defined in Article 796, paragraph 1 of the Companies Act as the Absorption-type Split relates to the Company and Nissho, respectively, both companies plan to implement the Absorption-type Split without a resolution of their general shareholders meetings.

(3) Allotments Relating to the Absorption-type Split

There will be no allotment of shares, or granting of cash or other assets, by Nissho to the Company in association with the Absorption-type Split.

(4) Treatment of share warrant and bond with stock acquisition right arising from the Company Split

Treatment of warrants issued by the Company will not change.

(5) Capital Increase Attributable to the Absorption-type Split

The amount of capital of the Company and of Nissho will not change as a result of the Absorption-type Split.

(6) Rights and Obligations succeeded by Succeeding Company

As of the effective date, Nissho will assume assets and liabilities, as well as rights and obligations attached thereto, that belong to the Company's domestic automotive converting products business, to the extent stipulated in the absorption-type split agreement concluded between the Company and Nissho.

(7) Expected Performance of Liabilities

The Company judges that the Absorption-type Split will not affect debt servicing outlooks for the Company and Nissho.

3. Overview of Company Split and the Companies Involved (as of March 31, 2018)

(1) Name	Nitto Denko Corporation (splitting company)	Nissho Corporation (succeeding company)
(2) Address	1-1-2, Shimohozumi, Ibaraki, Osaka	4-8-17, Nishitenma, Kita-ku, Osaka
(3) Representative's name and title	Hideo Takasaki Representative Director and President	Atsushi Ukon Representative Director and President
(4) Principal Business	Manufacturing, development, and sales, including export of electronics-related materials (polarizing films for liquid-crystal displays, flexible circuit materials, electronic-use tapes, etc.), industrial-use tape materials (bonding and joining materials, protection materials, etc.), medical-related materials, etc.	Manufacturing and sales of film and adhesive tape secondary processed products for a broad range of industries, and sales of related products
(5) Capital	26,783 million yen	500 million yen
(6) Established	October 1918	September 1958
(7) Shares Outstanding	173,758,428 shares	6,600,000 shares
(8) Settlement Term	March 31	March 31
(9) Principal Shareholders and Percentage Ownership	The Master Trust Bank of Japan, Ltd. 15.47% Japan Trustee Services Bank, Ltd. 8.89% JPMorgan Chase Bank 4.40%	Nitto Denko Corporation 100%

(10) Business Results and Financial Condition for the Preceding Fiscal Year			
Net Assets	693,995	million yen (consolidated)	17,977 million yen (non-consolidated)
Total Assets	937,796	million yen (consolidated)	25,480 million yen (non-consolidated)
Per-share Equity Attributable to Owners of the Parent Company	4,328.50	yen (consolidated)	2,723.91 yen (non-consolidated)
Revenue	856,262	million yen (consolidated)	22,305 million yen (non-consolidated)
Operating Income	125,722	million yen (consolidated)	1,217 million yen (non-consolidated)
Net Income	87,463	million yen (consolidated)	1,538 million yen (nonconsolidated)
Net Income Attributable to Owners of the Parent Company	87,377	million yen (consolidated)	1,538 million yen (non-consolidated)
Earnings Per Share	538.99	yen (consolidated)	233.11 yen (non-consolidated)

4. Overview of Business Sector to be Split

(1) Content of Business to be Split

A portion of domestic components converting business for automotive industry-related enterprises

(2) Operating Results of Business to be Split (for the Year Ended March 31, 2018)

Sales: 7,976 million yen

(3) Items and Book Values of Assets and Liabilities to be Split (as of March 31, 2018)

Assets	Current Assets	107	million yen
	Non-current Assets	47	million yen
Liabilities	none		

5. Status Subsequent to the Absorption-type Split

There will be no change to the Company's name, address, representative's name and title, its business content, capitalization and settlement term.

Details for Nissho, the succeeding company in the absorption-type split, are planned to be as follows.

Name	Nissho Corporation
Address	4-8-17, Nishitenma, Kita-ku, Osaka
Representative's name and title	Atsushi Ukon
Capital	Representative Director and President
Settlement Term	515 million yen

6. Future Outlook

Since the Absorption-type Split is an absorption-type split involving a wholly-owned subsidiary, any influence on the Company's consolidated business results will be immaterial.

(Reference)

Current-term consolidated earnings forecast (released April 27, 2018) and previous term consolidated results

	Revenue (million yen)	Operating Income (million yen)	Income before Income Taxes (million yen)	Net Income (million yen)	Net Income Attributable to Owners of the Parent Company (million yen)	Basic Earnings Per Share (yen)
Forecast, current term (Year ending March 31, 2019)	860,000	135,000	135,000	100,000	100,000	636.37
Results, previous term (Year ended March 31, 2018)	856,262	125,722	126,168	87,463	87,377	538.99