

Listed company name: Nitto Denko Corporation

Head office: 2-5-25, Umeda, Kita-ku, Osaka

Stock exchange listings: Tokyo, Osaka, First Section

Code No.: 6988

Company representative: Yukio Nagira, President

Contact person: Shinya Shioji

General Manager, Corporate Communications Department

Phone: +81-6-6452-2101

### **Notice Regarding Changes in Consolidated Subsidiary (Transfer of Partial Ownership)**

Nitto Denko Corporation (“the Company”) has resolved at its Board of Directors meeting held on January 31, 2011 to transfer a portion of ownership in NITTO DENKO ((SHANGHAI) ELECTRO-ENERGY) CO., LTD., (“NSE”) a consolidated subsidiary of the Company that conducts development of new products. The details are as follows.

#### 1. Reason for the partial ownership transfer

The reason is to realize further business growth by conducting the businesses carried out by NSE in partnership with the recipient of the partial ownership transfer.

#### 2. Overview of NSE

(1)	Name	NITTO DENKO ((SHANGHAI) ELECTRO-ENERGY) CO., LTD.		
(2)	Location	716-2 Lianyang Rd., Songjiang Industrial Zone, Songjiang, Shanghai, China		
(3)	Name and position of representative	Toshihiko Omote, Chairman		
(4)	Business activities	Development, production and sale of semiconductor related materials and electronic components		
(5)	Capital	30,300 thousand USD		
(6)	Date of establishment	September 1, 2003		
(7)	Major shareholder and percentage of shares held	Nitto Denko Corporation (100%)		
(8)	Relationship between the Company and NSE	Capital relationship	The Company holds 100% ownership of NSE.	
		Personal relationship	All directors of NSE’s Board of Directors (3 persons) concurrently serve as employees of the Company.	
		Business relationship	NSE conducts development of the Company’s products. Besides this fact, there are no business relationships to make special note of between related persons or related companies of the Company and related persons or related companies of NSE.	
(9)	Operating results and financial position of most recent three years			
	Accounting period	Fiscal year ended March 31, 2010 (Unit: thousands of RMB)	Fiscal year ended March 31, 2009 (Unit: thousands of RMB)	Fiscal year ended March 31, 2008 (Unit: thousands of RMB)
	Total assets	30,961	12,687	32,865
	Net sales	4,461	0.00	0.00

Note: Because the business activities of NSE relate to the development of new products, which occur during a preparatory stage of business operations, operating results such as operating income are omitted.

### 3. Overview of recipient of the partial ownership transfer

(1)	Name	TDK Corporation	
(2)	Location	1-13-1, Nihonbashi, Chuo-ku, Tokyo	
(3)	Name and position of representative	Takehiro Kamigama, President and CEO	
(4)	Business activities	Manufacture and sale of passive components, magnetic application products, etc.	
(5)	Capital	32,641 million yen	
(6)	Date of establishment	December 7, 1935	
(7)	Net assets	549,669 million yen (consolidated)	
(8)	Total assets	1,091,458 million yen (consolidated)	
(9)	Major shareholders and percentage of shares held	The Master Trust Bank of Japan, Ltd. (trust account)	10.88%
		Japan Trustee Services Bank, Ltd. (trust account)	10.12%
		Panasonic Corporation	4.82%
		Nats Cumco	2.91%
		JPMorgan Securities Japan Co., Ltd.	2.51%
(10)	Relationship between the Company and TDK Corporation	Capital relationship	There are no items to report.
		Personal relationship	There are no items to report.
		Business relationship	There are no business relationships to make special note.
		Status of relationship as a related party of the Company	There are no items to report.

### 4. Ownership portion to be transferred and the Company's ownership before and after transfer

(1)	Ownership before change	100.0%
(2)	Ownership portion to be transferred	65.0%
(3)	Ownership after change	35.0%

### 5. Schedule

(1)	Resolution of Board of Directors	January 31, 2011
(2)	Date of partial ownership transfer agreement	Scheduled for late February 2011
(3)	Date of partial ownership transfer	Scheduled for late May 2011 Subject to approval by Chinese (Shanghai) relevant authority

### 6. Future outlook

The transfer of partial ownership of NSE is expected to have immaterial impact on the Company's consolidated operating results.

When the transfer takes effect, NSE will change from being a consolidated subsidiary to being an affiliate subject to equity method.

(Reference) Consolidated forecasts for the fiscal year ending March 31, 2011 (announced January 31, 2011) and actual results for the previous fiscal year

(Unit: millions of yen)

	Net sales	Operating income	Ordinary income	Net income
Forecast for the fiscal year ending March 31, 2011	640,000	87,000	87,000	58,000
Actual results for the fiscal year ended March 31, 2010	601,859	56,086	58,833	37,570