

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

Listed company name: Hitachi Chemical Co., Ltd.  
Head office: 2-1-1, Nishi-Shinjuku, Shinjuku-ku, Tokyo  
Stock exchange listings: Tokyo, Osaka, First Section  
Code No.: 4217  
Company representative: Kazuyuki Tanaka, President and Chief Executive Officer  
Contact person: Atsushi Kato  
Manager, Corporate Communication Center, CSR Management Sector  
Phone: +81-3-5381-2370

**Notice Regarding Basic Agreement on Transfer (Acquisition) of  
Semiconductor Encapsulating Materials Business  
(Excluding Encapsulating Materials Business for Optical Semiconductors)**

Nitto Denko Corporation (“Nitto Denko”) and Hitachi Chemical Co., Ltd. (“Hitachi Chemical”) have decided by resolution at their respective Boards of Directors meetings held on March 30, 2012 to enter into a basic agreement for Nitto Denko to transfer its semiconductor encapsulating materials business (excluding encapsulating materials business for optical semiconductors) to Hitachi Chemical, and for Hitachi Chemical to acquire this business (such transfer and acquisition, hereinafter the “Business Transfer (Acquisition)”). The details are as follows.

1. Reason for the Business Transfer (Acquisition)

Nitto Denko, which is engaged in the semiconductor encapsulating materials business (the “Encapsulating Materials Business”), plans to intensively focus its management resources on the “Green,” “Clean” and “Fine” fields (environmental solutions, energy materials, and life sciences) as detailed in its two-year mid-term management plan starting from Fiscal Year 2011, “Team-NITTO Creation 2012,” which centers on business growth, qualitative improvement and human resources development, thus working on the creation of new core businesses. Hitachi Chemical, meanwhile, believes that the company needs to develop its business base by retaining leadership in materials development and obtaining greater market share in its bid to survive in the increasingly and globally as well as domestically competitive Encapsulating Materials Business, which the company specifically focuses on among electronics materials, major products of the company, as it expects the demand to continue expanding with further growth of semiconductor market.

Nitto Denko and Hitachi Chemicals, after holding talks on the Business Transfer (Acquisition) in response to such a circumstance, have reached agreement that it is in their best interests for Nitto Denko to transfer its semiconductor encapsulating materials business (excluding encapsulating materials business for optical semiconductors; hereinafter the “Subject Encapsulating Materials

Business”) to Hitachi Chemical, and for Hitachi Chemical to acquire this business.

Nitto Denko has concluded that the consolidation into Hitachi Chemical of the Subject Encapsulating Materials Business, centered on transfer molds, with which Hitachi Chemical products have a strong complementary relationship, will contribute to the improvement of service for customers. Going forward, Nitto Denko aims to shift the management resources that were applied to the Subject Encapsulating Materials Business to other product businesses for the semiconductor market, create further value-added products, and establish a leading position in the industry.

Hitachi Chemical on its part will be able to continue expanding the scale of its business through the enhancement of its product lineup, sales channels, and other elements, resulting from its acquisition of the Subject Encapsulating Materials Business from Nitto Denko. As such, Hitachi Chemical expects to establish a strong position in the encapsulating materials business, while also achieving further improvements in net sales for its electronics materials as a whole through synergies with other semiconductor related materials.

Nitto Denko and Hitachi Chemical will work on the details of the Business Transfer (Acquisition).

## 2. Overview of the Business Transfer (Acquisition)

### (1) Outline of the Business Transfer (Acquisition)

- (a) All shares of NITTO ELECTRONICS KYUSHU CORPORATION, which is the domestic manufacturing base for the Subject Encapsulating Materials Business of Nitto Denko.
- (b) All shares of NITTO DENKO ELECTRONICS (MALAYSIA) SDN. BHD., which is the overseas (Malaysia) manufacturing base for the Subject Encapsulating Materials Business of Nitto Denko.
- (c) Other assets, liabilities, agreements, etc. pertaining to the Subject Encapsulating Materials Business of Nitto Denko.

In addition to the above, the personnel necessary for the execution of the Subject Encapsulating Materials Business.

### 3. Overview of companies involved

(1) Name	Nitto Denko Corporation	Hitachi Chemical Co., Ltd.
(2) Location	2-5-25, Umeda, Kita-ku, Osaka, Osaka	2-1-1, Nishi-Shinjuku, Shinjuku-ku, Tokyo
(3) Name and position of representative	Yukio Nagira, President	Kazuyuki Tanaka, President and Chief Executive Officer
(4) Business activities	Manufacture and sale of industrial tapes, optronics and medical & membrane	Manufacture and sale of functional materials and advanced components and systems
(5) Capital	26,783 million yen (March 31, 2011)	15,454 million yen (March 31, 2011)
(6) Date of establishment	October 25, 1918	October 10, 1962
(7) Net assets	419,673 million yen (consolidated, March 31, 2011)	290,311 million yen (consolidated, March 31, 2011)
(8) Total assets	653,961 million yen (consolidated, March 31, 2011)	432,184 million yen (consolidated, March 31, 2011)
(9) Major shareholders and percentage of shares held	JP MORGAN CHASE BANK 380055 5.5% Japan Trustee Services Bank, Ltd. (Trust Account) 5.4%	Hitachi, Ltd. 51.2%
(10) Number of employees	Consolidated 25,402 (March 31, 2011) Non-consolidated 4,722 (March 31, 2011)	Consolidated 15,930 (March 31, 2011) Non-consolidated 4,015 (March 31, 2011)
(11) Relationship between companies involved	Capital relationship	There are no items to report.
	Personal relationship	There are no items to report.
	Business relationship	The companies involved supply parts to each other and license patent rights to each other.
	Status of relationship as a related party	There are no items to report.

4. Overview of subsidiaries subject to business transfer

(1) Name	NITTO ELECTRONICS KYUSHU CORPORATION	NITTO DENKO ELECTRONICS (MALAYSIA) SDN. BHD.
(2) Location	2307-2, Yoshida, Yoshinogari-cho, Kanzaki-gun, Saga	No.2, Persiaran Budiman, Seksyen 23, 40300, Shah Alam, Selangor Darul Ehsan, Malaysia
(3) Name and position of representative	Kouji Kitazaki, Representative Director	Kouji Kitazaki, Representative Director
(4) Business activities	Manufacture and sale of semiconductor encapsulating materials, semiconductor mold encapsulating cleaning sheets	Manufacture and sale of semiconductor encapsulating materials
(5) Capital	436 million yen (March 31, 2011)	52,500 thousand ringgit (March 31, 2011)
(6) Date of establishment	April 1, 2002	December 1, 1989
(7) Major shareholders and percentage of shares held	Nitto Denko Corporation 100%	Nitto Denko Corporation 100%
(8) Number of employees	73 (March 31, 2011)	399 (March 31, 2011)
(9) Relationship between companies and Hitachi Chemical	Capital relationship	There are no items to report.
	Personal relationship	There are no items to report.
	Business relationship	There are no items to report.

5. Schedule

The end of April 2012 (planned) Conclusion of agreement on business transfer (acquisition)  
 October 1, 2012 (planned) Date of business transfer (acquisition)

The Business Transfer (Acquisition) will be implemented on condition of the obtainment of all necessary licenses and approvals.

6. Future outlook

This matter is expected to have a minimal impact on the performances and financial positions of Nitto Denko and Hitachi Chemical.

Please direct inquiries concerning this matter to the following contacts:

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