

Date: September 30, 2020  
Listed company name: Nitto Denko Corporation  
Stock exchange listing: Tokyo, First Section  
Code number: 6988  
Company representative: Hideo Takasaki, President  
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## **Notice Concerning the Company Split (Absorption-type Split) with a Consolidated Subsidiary**

Nitto Denko Corporation (hereinafter, "the Company") hereby announces that it was decided at its Board of Directors meeting held today to split a portion of the external sales and parts converting operations of its domestic automotive 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 April 1, 2021.

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, the core of which is the automotive industry, offers high growth potential and, as such, is one of the focus areas of the Company. Today, the ongoing COVID-19 global pandemic is having no small impact on the automotive industry, with the result that the competitive landscape within the industry and people's perceptions of mobility have begun to change. To further enhance its competitive edge in this fast-changing operating environment, the Company has decided to transfer a portion of the domestic external sales and parts converting operations of its Transportation Business Sector to Nissho.

Last year, the Company consolidated its domestic automotive converting products business into Nissho. By transferring external sales and other operations in Japan to Nissho, the Company hopes to generate synergy between Nissho's channels to access wide-ranging materials and materials converting technology on one hand and the Company's materials development capability on the other, to maximize its capacity to offer innovative solutions to customers, thus enhancing the Group's presence and value in the next-generation mobility sector.

### 2. Overview of the Absorption-type Split

#### (1) Timeline

Board of Directors resolution:	September 30, 2020
Agreement to be concluded:	December 8, 2020 (planned)
Agreement to be implemented (effective date):	April 1, 2021 (planned)

(2) Method

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

Since the Absorption-type Split falls under a simplified absorption-type split as defined in Article 784, paragraph 2 of the Companies Act for the Company and a summary absorption-type split as defined in Article 796, paragraph 1 of the Companies Act for Nissho, 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 Absorption-type Split

There will be no change to the treatment of warrants issued by the Company.

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

There will be no increase/decrease in the amount of capital of the Company or Nissho 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 sales function of the Company's domestic automotive business, to the extent stipulated in the absorption-type split agreement entered into by and 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, 2020)

( 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	515 million yen
(6) Established	October 1918	September 1958
(7) Shares Outstanding	158,758,428 shares	6,605,451 shares
(8) Settlement Term	March 31	March 31
(9) Principal Shareholders and Percentage of Ownership	The Master Trust Bank of Japan, Ltd. (Trust account) 18.67% Japan Trustee Services Bank, Ltd. (Trust account) 9.28% Japan Trustee Services Bank, Ltd. (Trust account 7) 2.19%	Nitto Denko Corporation 100%
(10) Business Results and Financial Condition for the Preceding Fiscal Year		
Net Assets	690,204 million yen (consolidated)	17,900 million yen (non-consolidated)
Total Assets	921,900 million yen (consolidated)	23,509 million yen (non-consolidated)
Per-share Equity Attributable to Owners of the Parent Company	4,479.29 yen (consolidated)	2,709.90 yen (non-consolidated)
Revenue	741,018 million yen (consolidated)	27,736 million yen (non-consolidated)
Operating Income	69,733 million yen (consolidated)	1,088 million yen (non-consolidated)
Net Income	47,224 million yen (consolidated)	1,543 million yen (non-consolidated)
Net Income Attributable to Owners of the Parent Company	47,156 million yen (consolidated)	1,543 million yen (non-consolidated)
Earnings Per Share	301.32 yen (consolidated)	233.73 yen (non-consolidated)

4. Overview of Business sector to be Split

(1) Content of Business to be Split

A portion of the domestic external sales and parts converting operations of the Transportation business

(2) Operating Results of Business to be Split (for the Year Ended March 31, 2020)

Sales: 14,889 million yen

(3) Items and Book Values of Assets and Liabilities to be Split (as of March 31, 2020)

Assets	Current Assets	3,794 million yen
	Non-current Assets	140 million yen
Liabilities	Current Liabilities	36 million yen

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, Representative Director and President
Capital	515 million yen
Settlement Term	March 31

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 July 27, 2020) 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)
FY2020 Forecasts for current term (year ending March 31, 2021)	675,000	64,000	64,000	45,000	45,000	301.95
FY2019 Results for previous term (year ended March 31, 2020)	741,018	69,733	69,013	47,224	47,156	301.32