



January 31, 2018

To whom it may concern:

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Announcement Concerning the Acquisition of Equity Interest in Nitto Denko (Suzhou) Co., Ltd.

We hereby announce that at the Board Meeting held on January 31, 2018, it was resolved that Nippon Mektron, Ltd., a subsidiary of NOK Corporation acquire equity interest in Nitto Denko (Suzhou) Co., Ltd., a subsidiary of Nitto Denko Corporation to make it a subsidiary, as described below.

1. Reason for acquisition of equity interest

In the flexible printed circuit business, NOK Corporation regards China as one of its important markets. Deeming that the acquisition of equity interest in Nitto Denko (Suzhou) Co., Ltd., from Nitto Denko Corporation and its subsidiary Nitto Denko (China) Investment Co, Ltd., would help enhance its market competitiveness and create a base for future development, the both parties agreed on the acquisition of the equity interest.

2. Outline of the NOK subsidiary to acquire the equity interest

(1) Company name	Nippon Mektron, Ltd.
(2) Location	1-12-15, Shiba-Daimon, Minato-ku, Tokyo
(3) Name and title of representative	President: Toshifumi Kobayashi
(4) Line of business	Manufacturing and sales of electronic components
(5) Capital	Five billion yen

3. Outline of the subsidiary to be transferred (Nitto Denko (Suzhou) Co., Ltd.)

(1)	Company name	Nitto Denko (Suzhou) Co., Ltd.		
(2)	Location	No. 468, Suhong Zhong Rd., Suzhou Industrial Park, Suzhou, P.R. China		
(3)	Name and title of representative	President: Toshihiko Takayanagi		
(4)	Line of business	Manufacture, development, and sale and export of IT- and electronics-related materials (flexible circuit materials, polarizing films for LCDs, and electronics tape materials)		
(5)	Capital	370 million yuan (about 6.4 billion yen at the exchange rate as of January 30, 2018)		
(6)	Established	July 5, 2001		
(7)	Major shareholders and shareholding ratio	Nitto Denko Corporation: 34.2% Nitto Denko (China) Investment Co., Ltd. (wholly owned subsidiary of Nitto Denko Corporation): 65.8%		
(8)	Relationship between the listed company and the company concerned	Capital Relationship	None	
		Personnel relationship	None	
		Business relationship	None	
(9)	Operating results and financial conditions of the company concerned for recent three years			
	Fiscal year	Ended December 31, 2014	Ended December 31, 2015	Ended December 31, 2016
	Net assets	773.7 mil. yuan 13,307.6 million yen	808.7 mil. yuan 13,909.6 million yen	507.9 mil. yuan 8,735.9 million yen
	Total assets	1,315.6 mil. yuan 22,628.3 million yen	972.6 mil. yuan 16,728.7 million yen	871.3 mil. yuan 14,986.4 million yen
	Net sales	2,569.8 mil. yuan 44,200.6 million yen	1,313.7 mil. yuan 22,595.6 million yen	1,418.3 mil. yuan 24,394.8 million yen
	Operating income	235.2 mil. yuan 4,045.4 million yen	51.1 mil. yuan 878.9 million yen	-173.9 mil. yuan -2991.1 million yen
	Ordinary income	235.7 mil. yuan 4,054 million yen	47.0 mil. yuan 808.4 million yen	-172.5 mil. yuan -2,967 million yen
	Net income	176.4 mil. yuan 3,034.1 million yen	35.0 mil. yuan 602 million yen	-195.8 mil. yuan -3367.8 million yen

Dividend for the fiscal year	0 yuan	0 yuan	105.0 mil. yuan
	0 million yen	0 million yen	1,806 million yen

Note: Calculated at the exchange rate of one yuan = About 17.2 yen (as of January 30, 2018)

4. Outline of the companies from which equity interest is to be acquired

(1)	Company name	Nitto Denko Corporation	
(2)	Location	1-1-2, Shimohozumi, Ibaraki City, Osaka	
(3)	Name and title of representative	President and Representative Director: Hideo Takasaki	
(4)	Line of business	Manufacturing, processing, and sales of electrical insulating materials, electrical equipment products, synthetic resin products and other chemical products, and others	
(5)	Capital	26,783 million yen	
(6)	Established	October 25, 1918	
(7)	Net assets	418,558 million yen	
(8)	Total assets	614,825 million yen	
(9)	Major shareholders and shareholding ratio	The Master Trust Bank of Japan, Ltd. (Trust account): 12.33%, and others	
(10)	Relationship between the listed company and the company concerned	Capital relationship	None
		Personnel relationship	None
		Business relationship	Purchase of films and other materials
		Related-party status	The company concerned does not fall under the related party category.

(1)	Company name	Nitto Denko (China) Investment Co., Ltd.
(2)	Location	15-16F, The Place Tower C, 150 Zunyi Road, Changning District, Shanghai, P.R. China
(3)	Name and title of representative	President: Toshihiko Takayanagi
(4)	Line of business	Regional headquarters in the People's Republic of China

(5)	Capital	925.3 million yuan (About 15.9 billion yen at the exchange rate as of January 30, 2018)	
(6)	Established	August 14, 2002	
(7)	Net assets	1,488.5 million yuan (About 25.6 billion yen at the aforementioned exchange rate)	
(8)	Total assets	1,824.3 million yuan (About 31.4 billion yen at the aforementioned exchange rate)	
(9)	Major shareholders and shareholding ratio	Nitto Denko Corporation : 100%	
(10)	Relationship between the listed company and the company concerned	Capital relationship	None
		Personnel relationship	None
		Business relationship	None
		Related-party status	The company concerned does not fall under the related party category.

5. Ratio of equity interest to be acquired, acquisition cost, and ratio of equity interest held before and after the acquisition

(1)	Shareholding ratio before acquisition	0%
(2)	Equity interest to be acquired	100% (34.2% from Nitto Denko Corporation and 65.8% from Nitto Denko (China) Investment Co., Ltd.)
(3)	Acquisition cost	*
(4)	Ratio of equity interest held after transfer	100%

*The acquisition cost shall not be disclosed based on the agreement concluded between the parties.
The cost was calculated in reference to total assets and goodwill.

6. Timetable

(1)	Resolution at the Board Meeting	January 31, 2018
(2)	Conclusion of the agreement	January 31, 2018
(3)	Transfer of the equity interest	May 2018 (Planned)

7. Future outlook

The aforementioned acquisition of equity interest will have only a minor impact on projections for consolidated financial results for the full term ending March 31, 2018. If any event that could affect the future business performance happens, it will be promptly disclosed to the public.

(Reference) Projections for consolidated financial results for the term (announced on November 9, 2017) and actual financial results for the previous term

	Consolidated net sales (Millions of yen)	Consolidated operating income (Millions of yen)	Consolidated ordinary income (Millions of yen)	Profit attributable to owners of parent (Millions of yen)
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Projection for the term (Ending March 31, 2018)	730,400	47,000	57,000	35,000
Actual result for the previous term (Ended March 31, 2017)	713,138	39,776	45,709	27,328