April 27, 2011

Sekisui Chemical Co., Ltd.

Strengthening the IT Field by Acquisition of the Performance Film Manufacturer "Suzutora Corporation"

We are pleased to inform you that Sekisui Chemical Co., Ltd. (President Naofumi Negishi; hereinafter called "Sekisui Chemical" today acquired Suzutora Corporation (President: Takahiro Suzuki; hereinafter called "Suzutora"). Our aim is to expand the IT field (IT Related Materials) using ITO film (See Note 1) and other technologies held by Suzutora.

Note 1: ITO film - A transparent conductive film with an ITO (Indium Tin Oxide) coat applied to a base film such as PET (Polyethylene Terephthalate). Used in mobile phone and smartphone touch panels, solar cells, and organic electroluminescence, etc.

1. Background

Sekisui Chemical's High Performance Plastics Company (President: Takayoshi Matsunaga) aims to grow stronger by through active strategic investment by positioning the three fields of AT (Automotive Materials), IT and MD (Medical Products) as strategic business fields.

In the IT field until now, we have developed performance materials in the mounted PCB field (See Note 2), etc., centering on fine particle clusters, sealing materials, bonding tapes and protective films in the field of flat panel displays (hereinafter called "FPDs"), but we were also discussing moving into peripheral products with high added value.

Meanwhile, Suzutora entered the ITO film market in 2007 based on high-level sputtering (See Note 3) technology, which contributes to the high performance of the film, and has come to be highly regarded, but to cope with the rapidly-expanding market, further system reinforcement has become an issue.

On this occasion, we have been able to achieve both objectives by bringing Suzutora under the affiliates of the Sekisui Chemical Group.

Note 2: Mounted PCB field - PCBs to which diverse electronic parts are mounted are used to form electrical circuits. Sekisui Chemical has developed the resins and tapes necessary to manufacture these PCBs.

Note 3: Sputtering - A method of forming a film on an adherend by positioning the metal to which a thin membrane will be applied (ITO: Indium Tin Oxide, etc.) as the target, and striking it with high-energy ion particles to knock out nuclei and molecules of the target surface.

2. Purpose of Acquisition

1) Entering into New Fields and Sales Synergy

As well as entering into the new field of IT-related film products (ITO film), Sekisui Chemical is also looking forward to the synergistic effects of using our sales network for the products of both companies.

2) Using Group Management Resources

The aim is for Suzutora to grow and expand further to cope with the speed of the expanding scale of the ITO film market through the effective use of the Sekisui Chemical Group's management resources.

3) New Product Development

The aim is to rapidly develop and launch new products in the IT field and the Energy Field, such as Solar cells and fuel cells, by combining Suzutora's sputtering technology with Sekisui Chemical's adhesive and coating technologies.

3. Business Objectives

We are aiming for sales of 10 billion yen in 2013 by expanding the sales of Suzutora's high-performance ITO film for touch panels, which is used in smartphones and tablet terminals, which is where rapid growth is forecast in field of FPDs.

4. Overview of company to be acquired

1) Company Name: Suzutora Corporation

2) Business Contents: Thin membrane manufacturing (ITO film for touch panels)

Textile manufacture (metal coating processing, backing processing for synthetic leather, etc.)

3) Address: 36 Hama-cho, Gamagori City, Aichi Prefecture, Japan

4) Established: April 1936

5) Capital: 30 million yen

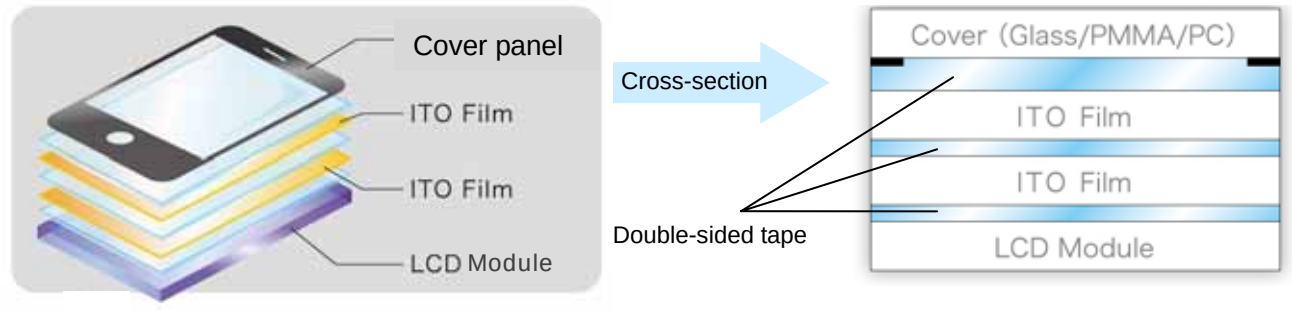
6) Employees: Approximately 140

7) Sales: Approximately 4.3 billion yen (as of August 2010)

8) Acquisition Method: Acquired 100% of all shares

【Reference】

<Static Capacitance Touch Panel Configuration Diagram>



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