



FOR IMMEDIATE RELEASE

ITOCHU Announces Purchase of Kyoei Denki Ltd.

ITOCHU Corporation (headquartered in Minato-ku, Tokyo; Masahiro Okafuji, President & CEO; hereinafter "ITOCHU") announced today that its wholly owned subsidiary, ITOCHU Plastics Inc. (headquartered in Shibuya-ku, Tokyo; Ryuichi Komatsuzaki, President; hereinafter "CIPS") concluded an agreement on 11th October making Kyoei Denki Ltd. (headquartered in Minato-ku, Tokyo; Shuichi Sasai, President; hereinafter "Kyoei Denki") into a subsidiary by acquiring all the shares in the Company.

Established in 1951, Kyoei Denki is engaged in the sale and processing of electric power-related materials and components (such as tapes and adhesives), and was quick to move into the Asian market and build a sales network in countries such as China and Taiwan. Since then, its fine-tuned response to user needs has enabled it to establish outlets in leading transformer manufacturers as well as electronic device and electronic component manufacturers both in Japan and overseas, resulting in stable growth

Until now the field of Electronic Materials, one of the four business segments of CIPS (Resins, Electronic Materials, Food Packaging Materials, Industrial Materials), has focused on products such as liquid crystal and secondary batteries in the development of its business. However, the addition of the business of electric power-related materials and components in which Kyoei Denki specializes opens up a variety of new possibilities.

Further, the addition of stable revenue from Kyoei Denki's basic products to CIPS's existing portfolio, which has centered on the state of the art electronic materials field, will enable CIPS to supplement and stabilize its earnings structure.

Through business transactions and personal exchange over the past three years, CIPS and Kyoei Denki have deepened their mutual understanding of business culture and corporate climate, business lines, and other areas, and investigations and discussions pertaining to the complementary relationship and synergy between the two companies have finally resulted in the agreement to buy out Kyoei Denki.

CIPS seeks to further expand customer services by utilizing the mutual strengths of the two companies, continuing to support the autonomy and management structure of Kyoei Denki after acquiring the Company, and sharing management resources such as personnel, sales channels, branches, and know-how. Further, in addition to the branches of Kyoei Denki and CIPS, it will implement a growth strategy centered on the Asian region, cooperating with ITOCHU's local subsidiaries in China, Taiwan, and ASEAN with a view to further expanding profit-earning opportunities.

The financial and economic situation in Japan, with the strong yen and the aftermath of the Great East Japan Earthquake, as well as in the economic blocs of the United States, Europe, and Asia, would indicate that the surrounding environment is likely to become even more severe in the future. However, we will pool our energies with the aim of growing together based on a stronger foundation

Kyoei Denki Ltd. Company Profile

Trade Name Kyoei Denki Ltd.

Head Office 2-1-19, Shiba-Daimon, Minato-ku, Tokyo

Established 1951

Annual Turnover 10.7 billion yen (consolidated for 12/2010 period)

Business Line Electrical power / electronic material products and wire harness processing business

Overseas Branches 22 branches in 8 countries in Asia, centered on Hong Kong, Taiwan, Shanghai, Singapore, Thailand, and Indonesia

Number of Employees 612 consolidated