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Announcement: Harima Chemicals, Inc. completes its acquisition of
Momentive Specialty Chemicals' Rosin Business

Harima Chemicals, Inc. ("Harima") announces today that Harima and Mitsubishi Corporation, on January 31, 2011 (U.S. Eastern Standard Time), jointly acquired Momentive Specialty Chemicals Inc.'s ("Momentive", CEO: Craig O. Morrison, headquartered in Ohio, United States) rosin-based printing ink resins, tackifiers, emulsifiers for synthetic rubber and other businesses ("IAR") through a new subsidiary funded by Harima and Mitsubishi corporation. This announcement follows the press release "Harima Chemicals, Inc. to acquire Momentive Specialty Chemicals' Rosin Business", dated November 30, 2010. Momentive is controlled by investment funds affiliated with Apollo Global Management LLC, a leading global asset manager, headquartered in the U.S. The new subsidiary will globally administer and operate the IAR businesses as Lawter through Lawter Inc. in the United States.

1. Reason for acquisition

Harima regards the pine chemical business as one of its strategic businesses. It includes rosin-based printing ink resins, tackifiers and emulsifiers for synthetic rubber, which are mainly made of rosin.

It was determined that Harima, by this acquisition, can continue developing and expanding in the resin and chemical products industry. Momentive has manufacturing sites in overseas markets that Harima has yet to penetrate. Operations will encompass all areas of the world, making Harima a truly global company.

2. Overview of Momentive

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| (1) Company Name | Momentive Specialty Chemicals Inc. | |
| (2) Head office location | Ohio, United States of America | |
| (3) Representative | Craig O. Morrison, President, CEO and Chairman of the Board | |
| (4) Businesses | Research and development, production, sales, international trade and related services of thermoset resins (epoxy resins, unsaturated polyesters, phenol resins) and rosin-related products (printing ink resins, tackifiers, emulsifiers for synthetic rubber, turpentine oil and other) | |
| (5) Capital | USD 2billion (December 31, 2009 US GAAP basis) | |
| (6) Date established | April 24, 1899 | |
| (7) Majority shareholder and shareholder ratio | Momentive Performance Materials Holdings LLC (100%) | |
| (8) Relationship between Harima and Momentive | Equity | None |
| | Personnel | None |
| | Trading | None |
| | Related party | None |

3. Overview of the subsidiary

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|--------------------------|--|
| (1) Company Name | Lawter B.V. (expected name after closing) |
| (2) Head office location | The Netherlands |
| (3) Representative | Nobuo Makino |
| (4) Businesses | Global business control |
| (5) Capital | Euro 17.6 million (JPY 2 billion) |
| (6) Date established | January 18, 2011 |
| (7) Majority shareholder | Harima Chemicals, Inc. 90%, Mitsubishi Corporation 10% |

4. Summary of the IAR business (amounts relate to the year ended December 2009)

- (1) Sales USD 278 million (JPY 26 billion)
- (2) Operating profits USD 7 million (JPY 700 million)
- (3) Net assets USD 156 million (JPY 15 billion)
- (4) Employees Approximately 650
- (5) Production sites The Netherlands (Maastricht), Belgium (Kallo), United States (Baxley, GA and LaVergne, TN), Argentina (Concordia-Entre Rios), New Zealand (Mount Maunganui), China (Nanping-Fujian, Funning-Jiangsu, Fengkai-Guangdong, Suzhou-Jiangsu), Korea (Gunsan)

Exchange rate USD 1: JPY 93.57

5. Outlook

As the acquisition occurred during our 4th quarter, there will be no significant impact on our current year performance.

The impact of the acquisition on next year's performance is expected to be an increase of consolidated sales by JPY 28.5 billion and of consolidated profits by JPY 1 billion.

Harima's current year forecast consolidated financials

JPY millions	Sales	Operating profit	Profit from normal operations	Net profit
Current year forecast consolidated results (FY March 31, 2011)	39,500	2,200	2,200	1,000
Prior year consolidated results (FY March 31, 2010)	33,495	1,334	1,596	951