

November 30, 2010

Harima Chemicals Inc
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Announcement: Harima Chemicals, Inc. to acquire Momentive Specialty
Chemicals' Rosin Business

Harima Chemicals, Inc. ("Harima") announced today that it and Mitsubishi Corporation will jointly acquire Momentive Specialty Chemicals Inc.'s ("Momentive", CEO: Craig Morrison, headquartered in Ohio, United States) rosin based printing ink resins, tackifiers, emulsifiers for synthetic rubber and other businesses. Following the acquisition, the IAR business will continue under newly established Lawter Inc. Momentive is controlled by investment funds affiliated with Apollo Global Management LLC, a leading global asset manager, headquartered in the U.S.

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. Momentive primarily specializes in thermoset resins. Due to a strategic decision to focus on its thermoset resin operations, Momentive has decided to divest its rosin related business and proposed Harima purchase the IAR.

Following the results of due diligence, it was determined that Harima, by acquiring the IAR, can continue developing and expanding in the resin and chemical products industry. As a result Harima entered into negotiations and subsequently agreed to purchase the IAR business.

Momentive has manufacturing sites in overseas markets that Harima has yet to penetrate. This acquisition will allow Harima to achieve overseas sales and profit ratio of more than 50%. Operations will encompass all areas of the world making Harima a truly global company.

2. Acquisition price

USD 120 million, (approximately JPY 10 billion)

3. 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 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 508 million | |
| (6) | Date established | October 1, 2010 (via merger) | |
| (7) | Majority shareholder and shareholder ratio | Momentive Performance Materials Holdings LLC (100%) | |
| | Relationship between Harima and Momentive | Equity | None |
| | | Personnel | None |
| | | Trading | None |
| | | Related party | None |

4. Summary of Mitsubishi Corporation

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|-----|--|--|------|
| (1) | Head office location | Chiyoda-ku, Tokyo, Japan | |
| (2) | Representative | Ken Kobayashi, President | |
| (3) | Businesses | General trading company | |
| (4) | Capital | JPY 203 billion | |
| (5) | Date established | April, 1950 | |
| (6) | Majority shareholder and shareholder ratio | Japan Trustee Services Bank, Ltd (7.28%) | |
| | Relationship between Harima and Mitsubishi | Equity | None |
| | | Personnel | None |
| | | Trading | None |
| | | Related party | None |

5. Method of acquisition

Harima and Mitsubishi Corporation will establish a new company which will purchase the

IAR business. (Harima's shareholding will be greater than 90%).

6. Summary of the IAR business (amounts relate to the year ending December 2009)

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|-----|-------------------|--|
| (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, 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

7. Schedule

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|-----|------------------------------------|-------------------|
| (1) | Harima Board of Directors decision | November 30, 2010 |
| (2) | Conclusion of purchase agreement | November 30, 2010 |
| (3) | Planned share purchase date | February, 2011 |

8. Outlook

As the acquisition is planned to occur 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

【Notes】

1. Rosin

Rosin is distilled from natural resins such as pine, and hence more commonly known as pine resin. Rosin can be grouped into tall oil rosin and gum rosin depending on two separate production methods.

Production of tall oil rosin involves separating tall oil rosin and tall oil fatty acids from the crude tall oil which is a by-product of kraft pulp production from pine trees. Tall oil rosin is currently produced in Japan, where the sole producer is Harima, as well as the United States, Europe and New Zealand.

Production of gum rosin involves tapping pine trees to obtain oleoresin, and then removing the turpentine through distillation. Gum rosin is produced primarily in China, but also in Brazil, Argentina, and Indonesia.

2. Rosin based resins

Rosin based resins are used in a variety of chemical reactions (maleation, esterification, disproportionation, and phenol reactions etc) to provide a number of characteristics depending on the application. Rosin controls hardness, solubility of solvent and wettability on pigments. As a result, rosin based resins are used in many industries such as painting, printing ink, adhesive resins, emulsifiers for synthetic rubber (such as SBR) and soldering flux. Rosin based phenolic resins, used for printing inks, disperses the ink pigment and adheres the pigment on paper after printing. Through the use of rosin-based phenolic resins, the dispersability of printing ink pigments can be improved, increasing the quality of the printing color tone.

3. Tackifiers

A tackifier is a general term for resins used to describe a pressure sensitive adhesive (PSA) and an adhesive. PSA is usually agar in form, and an adhesive is a resin which solidifies after coating in liquid and pasting. Although the tack from an adhesive cannot be extracted, the property of PSAs can be modified such as easy coating or extracting by changing use of selected tackifiers.

By blending an acrylic resin which has the main adhesive ingredient, ethylene vinyl acetate (EVA) or Styrene Butadiene Rubber (SBR) with a rosin based tackifier resin, it is possible to improve the adhesive strength and heat resistant properties of rosin based adhesive resins.

In addition to the adhesives used for packing tape and double sided tape, rosin resins are used in hot melt adhesives (coating after melting its solid state, the cooling process determines the adhesiveness).

4. Emulsifiers for synthetic rubber

Synthetic rubber emulsifier is an agent used in the production of synthetic rubber (SBR) which is used in vehicle tire production, and Acrylonitrile Butadiene Styrene resins (ABS). Modified rosin and fatty acid alkali salts are used for this agent. A disproportionated rosin is added to synthetic rubber to improve the adhesive properties and productivity.

5. Thermosetting resins

A thermosetting resin hardens when heat is applied, and when heated again, cannot be re-molded. Epoxy resin, phenolic resin and unsaturated polyester resins are alternative resins.