

February 19, 2010

Tokyo Ohka Kogyo Co., Ltd.

## **Notice Regarding the Transfer of Shares in a Consolidated Subsidiary**

Tokyo Ohka Kogyo Co., Ltd. (hereinafter the “Company”) hereby announces that the Board of Directors of the Company in a meeting held on February 19, 2010, approved the decision to transfer all its shares in TOK ITALIA S.p.A., a consolidated subsidiary (based in Pogliano Milanese, Milan, Italy; hereinafter “TOK ITALIA”) to Elga Europe S.r.l. (based in Nerviano, Milan, Italy; hereinafter “Elga Europe”).

### **1. Reason for transfer of shares**

TOK ITALIA has been manufacturing and selling dry film resists for printed circuit boards (PCBs) and high purity chemicals in Europe since its inception in 1995. However, TOK ITALIA currently suffers from a stagnant business and continues to face a tough business environment accompanying the global recession in the real economy triggered by the collapse of a U.S. financial institution in the second half of 2008.

After giving due consideration to the growth potential of the dry film resist market, the Company has decided to withdraw from the dry film resist business and has already stopped manufacturing these products in Japan. Also, the Company has determined that transferring all its shares in TOK ITALIA to Elga Europe, its joint shareholder, is the appropriate way to handle this matter in Europe.

### **2. Outline of consolidated subsidiary to be transferred (TOK ITALIA)**

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|--|---|
| (1) Corporate Name                                   | TOK ITALIA S.p.A.   |
| (2) Location   | Via Camillo Chiesa, 30, 20010 Pogliano M.SE (MI), ITALY               |
| (3) Representative                                   | Carlo Favini, President   |
| (4) Business activities                              | Manufacturing and sales of dry film resists and high purity chemicals |
| (5) Paid-in Capital                                  | 8,900 thousand euros  |
| (6) Established                                      | May 1995  |
| (7) Principal Shareholders and Ratio of Shareholding | Tokyo Ohka Kogyo Co., Ltd. 80%<br>Elga Europe S.r.l. 20%              |

#### **(8) Relationship with the Company**

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|-----------------|--|
| Capital ties:   | The Company is a parent company holding 80% of the issued shares of TOK ITALIA.  |
| Personnel ties: | A director from the Company and another director from TOKYO OHKA KOGYO EUROPE B.V., a consolidated subsidiary, serve as directors of TOK ITALIA. |
| Business ties:  | TOKYO OHKA KOGYO EUROPE B.V., a consolidated subsidiary, purchases high purity chemicals from TOK ITALIA.  |

(9) Business results and financial status for the past three years

(Thousand euros)

	Fiscal Year Ended December 31, 2007	Fiscal Year Ended December 31, 2008	Fiscal Year Ended December 31, 2009 (estimate)
Net Sales	8,520	8,419	6,134
Operating Income	-647	-3,318	-1,648
Ordinary Income	-782	-3,544	-1,790
Net Income	-826	-3,574	-2,701
Net Assets	7,944	4,369	1,668
Total Assets	12,658	9,758	6,824

**3. Outline of a company to which shares are to be transferred (Elga Europe)**

- (1) Corporate Name                      Elga Europe S.r.l.
- (2) Location                                Via della Merlata, 8, 20014 Nerviano (MI), ITALY
- (3) Representative                        Carlo Favini, President
- (4) Business activities                    Manufacturing and sales of plating solution for PCBs and sales of dry film resists and high purity chemicals
- (5) Established                             May 1973
- (6) Relationship with the Company
  - Capital ties:                      There are no capital ties.
  - Personnel ties:                    There are no personnel ties.
  - Business ties:                    There are no major business ties.

**4. Transfer schedule**

- (1) Board of Directors' resolution: February 19, 2010
- (2) Planned date for concluding the contract for the transfer of shares: February 23, 2010
- (3) Planned date for transferring shares: February 23, 2010

**5. Future outlook**

An extraordinary loss of approx. 150 million yen (consolidated) is to be posted in relation to this matter. The Company will examine its effect and other factors on the full-year business forecast for the fiscal year ending March 31, 2010 and announce the results of that examination at a later date.

Please note that its effect on the business results for the fiscal year ending March 31, 2011 and later periods is minor.

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