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Mitsui Chemicals, Inc.

Mitsui Chemicals to Split Mitsui Chemicals Tohcello and Transfer a Portion of Its Shares

Mitsui Chemicals, Inc. (Tokyo: 4183; President & CEO: HASHIMOTO Osamu) today announced that it will be splitting off the Protective Films business and the Industrial Films & Sheets business – which together comprise an ICT business – of its wholly owned subsidiary Mitsui Chemicals Tohcello, Inc. (CEO: MATSUZAKA Shigeharu), and establishing a new wholly owned subsidiary to inherit this ICT business. The new subsidiary will not inherit Mitsui Chemicals Tohcello's Packaging Solution business.

Plans for the Packaging Solution business are to have Mitsui Chemicals Tohcello absorb SunTox Co., Ltd. (President: IJIMA Yoshitaka) – a joint venture between Rengo Co., Ltd. (Tokyo: 3941; President & COO: KAWAMOTO Yosuke) and Tokuyama Corporation (Tokyo: 4043; President: YOKOTA Hiroshi) – in a merger. This will serve to create an integrated company for the Packaging Solution business.

A portion of Mitsui Chemicals' shares in Mitsui Chemicals Tohcello will then be transferred to Rengo to implement an equity adjustment, making Mitsui Chemicals Tohcello a subsidiary of Rengo and an equity-method affiliate of Mitsui Chemicals. As a shareholder, Mitsui Chemicals will continue to be involved in managing the integrated company for the Packaging Solution business.

1. Background and objectives

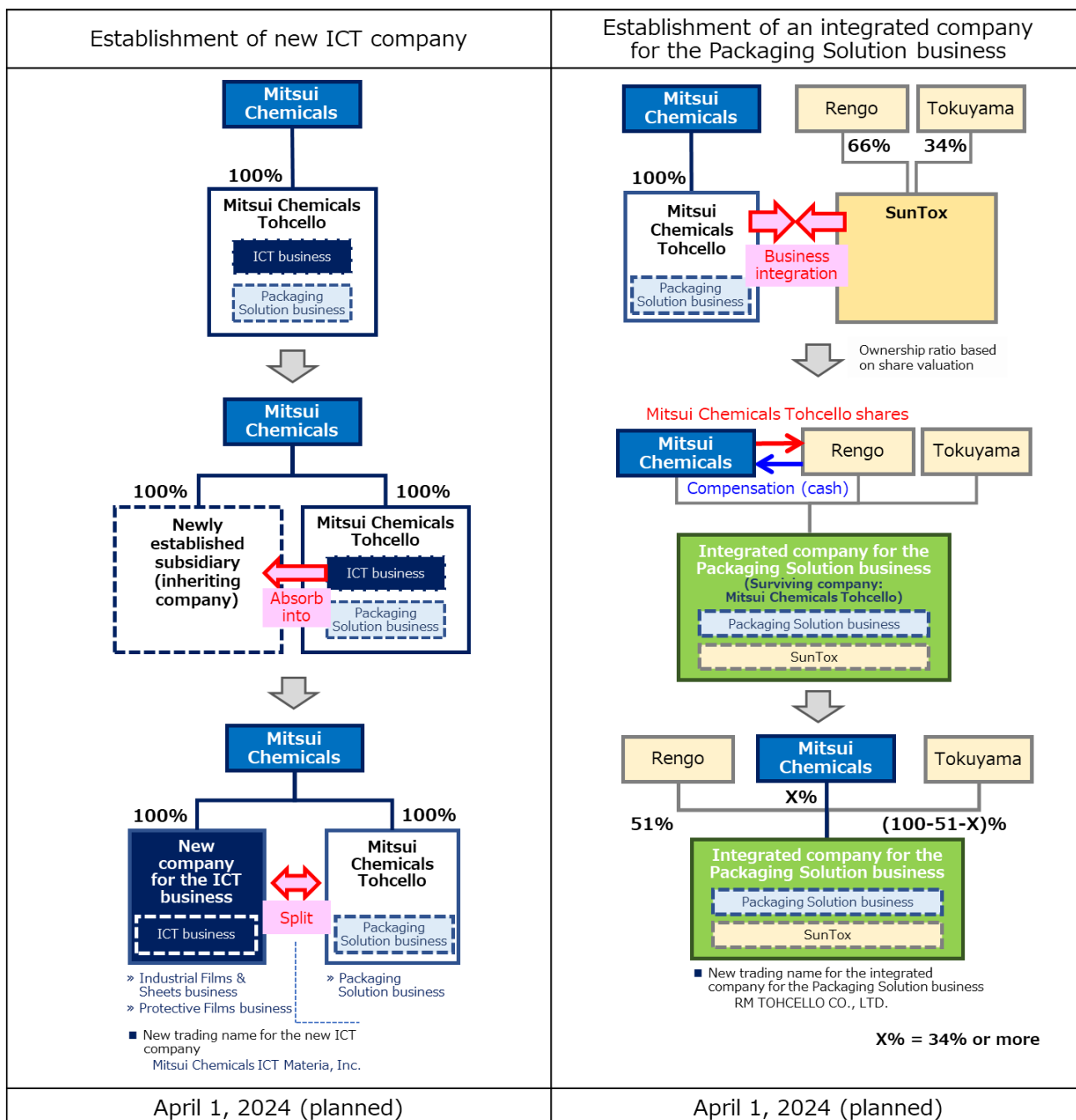
Mitsui Chemicals is working to create and expand a unique ICT Solutions business in line with its VISION 2030 Long-Term Business Plan. Aims are to grow operations here into a third pillar of earnings as part of the company's ongoing business portfolio transformation, which comes as part of its broader Basic Strategy. The business strategy for Mitsui Chemicals' ICT Solutions business sees this business split into four areas – semiconductor & assembly solutions, imaging solutions, battery material solutions and converting solutions – and aims to strengthen each of these areas. As a specific effort for semiconductor & assembly solutions, the company is coordinating its strategy to match a roadmap for semiconductor technologies, and is aiming to leverage the combined strength of the Mitsui Chemicals Group to create new businesses and products.

Now, in line with that approach – as well as the projections of both medium- to long-term growth and continuous technological innovation in the semiconductor market – Mitsui Chemicals has decided to split off Mitsui Chemicals Tohcello's ICT business and operate it as an affiliate to help facilitate speedy decision-making and pursue even greater synergies for the Mitsui Chemicals Group.

As for the Packaging Solution business, which accounts for the remainder of Mitsui Chemicals Tohcello, Mitsui Chemicals gave consideration to the rapid change being seen in the business environment surrounding the plastic packaging materials industry. Against this backdrop, Mitsui Chemicals determined that the best way for Mitsui Chemicals Tohcello's Packaging Solution

business to both respond flexibly to that business environment going forward and implement a strategy for continued growth would be to seek out a collaborative effort with Rengo – which has built up a strong business foundation for flexible packaging materials, including overseas, on the back of active efforts in the sector. Discussions were therefore pursued with both Rengo and Tokuyama. These discussions led to the conclusion that the best course of action would be to integrate Mitsui Chemicals Tohcello’s Packaging Solution business with the flexible packaging materials business of Rengo subsidiary SunTox. This decision was informed by the prospects the move offers for turning Mitsui Chemicals Tohcello into a high-earning business, speeding up the development of new eco-friendly products and expanding overseas business.

2. Plan for the business split



- ① Mitsui Chemicals will establish a new wholly-owned subsidiary to serve as the inheriting company in an absorption-type company split of Mitsui Chemicals Tohcello's ICT business.
- ② Mitsui Chemicals Tohcello will absorb Rengo subsidiary SunTox in a merger to form an integrated company for the Packaging Solution business.
- ③ A portion of Mitsui Chemicals' shares in Mitsui Chemicals Tohcello will be transferred to Rengo to implement an equity adjustment. (Stock transfer price: JPY 10.85 billion (Planned))
- ④ Following the share transfer, Rengo will hold a 51 percent share in the integrated company for the Packaging Solution business, while Mitsui Chemicals will hold a share of 34 percent or more, making the company a subsidiary of Rengo and an equity-method affiliate of Mitsui Chemicals. Mitsui Chemicals will continue to be involved in the management of the integrated company.

*The merger will take effect contingent on approval from competition law authorities in each country.

3. Overview of the new companies

① New ICT company

- (1) New trading name Mitsui Chemicals ICT Materia, Inc.
- (2) Business The production and sale of protective films, films for the electronic component manufacturing process, and other such industrial films and sheets used by the semiconductor, electronic materials and optical sectors, as well as the production and sale of solar cell encapsulants
- (3) Head office Yaesu, Chuo-ku, Tokyo
- (4) Sales sites Tokyo (Yaesu, Chuo), Taiwan Tohcello Functional Sheet, Inc. (Taiwan), MC TOHCELLO (MALAYSIA) SDN. BHD. (Malaysia)
- (5) Production sites Ibaraki Works (Koga, Ibaraki), Nagoya Works (Nagoya, Aichi) , Taiwan Tohcello Functional Sheet, Inc. (Taiwan), MCTI SCIENTEX SOLAR SDN. BHD. (Malaysia)
- (6) Employees 350 (approximate)
- (7) Date of absorption-type company split April 1, 2024 (planned)

② Integrated company for the Packaging Solution business

- (1) New trading name RM TOHCELLO CO., LTD.
- (2) Business The production and sale of packaging films and foam sheets used as packaging materials for food, drink, daily necessities and other goods
- (3) Head office Kanda, Chiyoda-ku, Tokyo
- (4) Sales sites Tokyo (Kanda, Chiyoda; Ueno, Taito), Nagoya (Nagoya), Osaka (Osaka), Shikoku (Takamatsu), Fukuoka (Fukuoka), Sapporo (Sapporo), SIAM TOHCELLO CO., LTD. (Thailand)
- (5) Production sites & other sites Ibaraki Works (Koga, Ibaraki), Kanto Plant (Itako, Ibaraki), Hamamatsu Works (Hamamatsu, Shizuoka), Anjo Works (Anjo, Aichi), Katsuta Works (Hitachinaka, Ibaraki), Tokuyama Plant (Shunan, Yamaguchi), Shikoku Tohcello Co., Ltd. (Tokushima), Tohcello Slitter Co., Ltd. (Nogi, Tochigi), Tohcello Logistics Co., Ltd. (Nogi, Tochigi), SIAM TOHCELLO CO., LTD. (Thailand)
- (6) Employees 1,230 (approximate)
- (7) Date of merger April 1, 2024 (planned)

4. Outlook

The impact of this deal on the financial performance of the Mitsui Chemicals Group is expected to be minor. However, the Mitsui Chemicals Group will promptly announce any matters that warrant disclosure, should they appear.

■ Reference: Inheritance of Mitsui Chemicals Tohcello's product lines

Products to be transferred to the new ICT company (Mitsui Chemicals ICT Materia, Inc.)	Products to be inherited by the integrated company for the Packaging Solution business (RM TOHCELLO CO., LTD.)
<ul style="list-style-type: none"> ■ Industrial Films & Sheets business <ul style="list-style-type: none"> ▪ Opulent™ (heat-resistant release film) ▪ Separator SP-PET™ (silicone-coated film) ▪ SOLAR ASCE™ (photovoltaic encapsulants) ■ Protective Films business <ul style="list-style-type: none"> ▪ ICROS™ Tape (tape for semiconductor manufacturing process) ▪ Mitsui Masking Tape™ (surface protection tape) ▪ MintRow™ (heat-resistant release film for semiconductor molding process) ▪ Thermal Release Double Sided Tape (double-sided tape for temporary bonding) 	<ul style="list-style-type: none"> ■ Packaging Solution business <ul style="list-style-type: none"> ▪ OP (biaxially-oriented polypropylene film) ▪ ECONEIGE™ (milky-white BOPP film) ▪ MAXBARRIER™ (transparent high-barrier film) ▪ ML (aluminum-metallized film) ▪ TL (transparent vapor deposition film) ▪ CP (cast polypropylene film) ▪ T.A.F.™ (cast coextruded multilayer film) ▪ CMPS™, T.A.F.™, ABF (easy-peel film) ▪ T.U.X.™ (L-LDPE film) ▪ L-Smart™ (sustainable L-LDPE film) ▪ Hi-Sheet™ (low-ratio foamed PE sheet (cap liners and seals)) ▪ Aobeni™ (PP foam sheet floor protections at moving) ▪ PAULOWNIA™ (foam-molded PP sheet, expanded 3 times) ▪ PAULOWNIA™ Super (foam-molded PP sheet, expanded 2 times) ▪ PAULOWNIA™ V (foam-molded PP sheet, expanded 5 times) ▪ PAULOWNIA™ Super HD (foam-molded PE sheet, expanded 2 times) ▪ Happort™ (foam-molded PP sheet, expanded 1.3 times)

*CMPS™ is a registered trademark of DOW-MITSUI POLYCHEMICALS CO.,LTD.