



September 30, 2021

To whom it may concern:

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Notice on Company Split (Simplified Absorption-type Company Split) and Share Transfer in Line with Transfer of the Polycrystalline Alumina Fiber Business of the Consolidated Subsidiary (Mitsubishi Chemical Corporation)

Mitsubishi Chemical Holdings Corporation (MCHC) hereby announces that it was resolved at MCHC's Board of Directors meeting held today that (i) Mitsubishi Chemical Corporation (MCC; Head office: Chiyoda-ku, Tokyo; President: Masayuki Waga), MCHC's consolidated subsidiary, will establish a new company, MAFTEC Co., Ltd. (hereinafter, "the New Company"), to succeed MCC's polycrystalline alumina fiber business by means of an absorption-type company split (hereinafter, "the First Absorption-type Company Split"); and that (ii) Mitsubishi Chemical High-Technica Corporation (Mitsubishi Chemical High-Technica; Head office: Chiyoda-ku, Tokyo; President: Kazutaka Akai), MCC's consolidated subsidiary, will implement an absorption-type company split whereby a new subsidiary to be established by the New Company, MAFTEC Joetsu Co., Ltd. (hereinafter, "the New Company's Subsidiary"), will succeed Mitsubishi Chemical High-Technica's polycrystalline alumina fiber business (together with MCC's polycrystalline alumina fiber business, collectively, "the Business") by means of an absorption-type company split (hereinafter, "the Second Absorption-type Company Split"; and together with the First Absorption-type Company Split, collectively, "this Absorption-type Company Split"), and thereupon, MCC will transfer all shares of the New Company (hereinafter, "the Share Transfer"; and together with this Absorption-type Company Split, "this Transaction") to a special-purpose company (hereinafter, the "Apollo SPC") held by funds managed by affiliates of Apollo Global Management, Inc. (hereinafter, "Apollo").

Various matters for disclosure and details concerning this Absorption-type Company Split have been withheld, as the First Absorption-type Company Split is a simplified absorption-type company split between MCC and the New Company, which is MCC's wholly-owned subsidiary, and the Second Absorption-type Company Split is a simplified absorption-type company split between Mitsubishi Chemical High-Technica and the New Company's Subsidiary.

The Share Transfer is conditional upon the acquisition of necessary clearance and permits under competition laws and other applicable laws in and outside Japan.

1. Purpose of This Transaction

The Business engages in the manufacturing and sales of polycrystalline alumina fiber "MAFTEC™" "MAFTEC™ OBM™" (hereinafter, "the Product") from aluminum and silicon sources. Because the Product has excellent heat resistance and stable functionality even at extremely high temperatures, it is used worldwide mainly as a holding material (support mat) to protect the ceramic catalyst carrier from vibration and impact during running in a catalytic converter to purify automobile exhaust gas and an in-furnace heat insulator for steelworks and other facilities.

Demand for the Product has been strong due to the strengthening of automobile exhaust emission regulations in various countries and the growth of global automobile demand mainly in emerging countries in recent years, and demand is expected to continue to grow to a certain extent in the future. At the same time, there have been moves to regulate the sales of vehicles equipped with internal combustion engines, and investment in new application development and growth fields is indispensable for sustainable growth of the Business.

Under these circumstances, amid discussions on its portfolio reform based on the medium-term management plan APTSIS 25, MCHC has determined that it would be difficult to achieve reform and growth of the Business with sufficient synergies given the MCHC Group's product groups and technologies. Taking into account Apollo's wealth of experience supporting companies in advanced materials, chemicals and automotive industries as well as its specialized knowledge and management resources in the materials industry, including the aluminum industry, MCHC recently agreed to the Share Transfer to the Apollo SPC based on the belief that it would be optimal for the Business to develop new applications, including further expansion of fire and heat resistant solutions and products for industrial use and electric vehicles, and further enhance competitiveness.

In line with its resource allocation policy, MCHC will use the funds acquired through the Share Transfer to increase its corporate value by balancing financial position improvements, growth business investments, and shareholder returns.

2. Overview of This Absorption-type Company Split

(1) Summary of the First Absorption-type Company Split

(i) Schedule of the First Absorption-type Company Split

Board of Directors to approve the First Absorption-type Company Split agreement (MCC)	January 21, 2022 (Scheduled)
Parties to conclude the First Absorption-type Company Split agreement	January 21, 2022 (Scheduled)
First Absorption-type Company Split to take effect	March 1, 2022 (Scheduled)

Note: As the First Absorption-type Company Split is a simplified absorption-type company split prescribed in Article 784, Paragraph 2 of the Companies Act for MCC, and is a simplified absorption-type company split prescribed in Article 796, Paragraph 2 of the Companies Act for the New Company, both parties will not hold a general shareholders meeting for approval of the absorption-type company split agreement.

(ii) Method of the First Absorption-type Company Split

This will take the form of an absorption-type company split, with MCC as the splitting company and the New Company as the successor company.

(iii) Details of Share Allocation for the First Absorption-type Company Split

No shares or other consideration will be allocated in relation to the First Absorption-type Company Split.

(iv) Handling of Stock Acquisition Rights and Bonds with Stock Acquisition Rights as a Result of the First Absorption-type Company Split

None.

(v) Change in Capital Due to the First Absorption-type Company Split

MCHC's capital will remain unchanged as a result of the First Absorption-type Company Split.

(vi) Rights and Obligations Assumed by the Successor Company

The New Company will assume rights and obligations including assets and liabilities pertaining to the applicable business prescribed separately in the absorption-type company split agreement as of the effective date of the First Absorption-type Company Split.

Note: The rights and obligations to be assumed by the successor company will include common shares of the New Company's Subsidiary to be delivered to Mitsubishi Chemical High-Technica as a result of the Second Absorption-type Company Split. The common shares to be delivered to Mitsubishi Chemical High-Technica will be delivered to MCC by way of a cash dividend before the First Absorption-type Company Split takes effect.

(vii) Expected Fulfillment of Obligations

It has been judged that there would be no issues regarding fulfillment of obligations to be assumed by the New Company following the effective date of the First Absorption-type Company Split.

(2) Overview of the Parties Involved in the First Absorption-type Company Split (as of September 30, 2021; as of the Date of Establishment for the Successor Company)

	Splitting Company	Successor Company
(i) Name	Mitsubishi Chemical Corporation	MAFTEC Co., Ltd. (Scheduled)
(ii) Location	1-1 Marunouchi 1-chome, Chiyoda-ku, Tokyo	To be determined
(iii) Representative	Masayuki Waga, President and Representative Director	To be determined
(iv) Business Description	Manufacturing and sales of chemical products	Manufacturing and sales of polycrystalline alumina fiber
(v) Capital Stock	53,229 million yen	1 million yen (Scheduled)
(vi) Establishment	August 31, 1933 (Founding of the original company) April 1, 2017 (Creation of MCC)	To be determined
(vii) Number of Shares Issued	572,034,109	1,000 (Scheduled)
(viii) Fiscal Year-End	March 31	March 31 (Scheduled)
(ix) Shareholder	Mitsubishi Chemical Holdings Corporation 100%	Mitsubishi Chemical Corporation 100%
(x) Earnings and Financial Data for the Previous Fiscal Year (FY2021/3)		
Net assets	578,758 million yen (Non-consolidated)	—
Gross assets	1,414,314 million yen (Non-consolidated)	—
Net assets per share	1,011.75 yen (Non-consolidated)	—
Net sales	992,380 million yen (Non-consolidated)	—
Operating income	3,835 million yen (Non-consolidated)	—
Net income	29,376 million yen (Non-consolidated)	—
Net income per share	51.35 yen (Non-consolidated)	—

Note: As the successor company is yet to be established, no earnings or financial data for the previous fiscal year are available.

(3) Summary of the Second Absorption-type Company Split

(i) Schedule of the Second Absorption-type Company Split

Board of Directors to approve the Second Absorption-type Company Split (Mitsubishi Chemical High-Technica)	January 21, 2022 (Scheduled)
Parties to conclude the Second Absorption-type Company Split agreement	January 21, 2022 (Scheduled)
General shareholders meeting to approve the Second Absorption-type Company Split agreement (New Company's Subsidiary)	January 21, 2022 (Scheduled)
Second Absorption-type Company Split to take effect	March 1, 2022 (Scheduled)

Note: As the Second Absorption-type Company Split is a simplified absorption-type company split prescribed in Article 784, Paragraph 2 of the Companies Act for Mitsubishi Chemical High-Technica, the company will not hold a general shareholders meeting for approval of the absorption-type company split agreement.

(ii) Method of the Second Absorption-type Company Split

This will take the form of an absorption-type company split, with Mitsubishi Chemical High-Technica as the splitting company and the New Company's Subsidiary as the successor company.

(iii) Details of Share Allocation for the Second Absorption-type Company Split

The New Company's Subsidiary will issue 1 common share in conjunction with the Second Absorption-type Company Split, and the share will be delivered to Mitsubishi Chemical High-Technica.

(iv) Handling of Stock Acquisition Rights and Bonds with Stock Acquisition Rights as a Result of the Second Absorption-type Company Split

None.

(v) Change in Capital Due to the Second Absorption-type Company Split

MCHC's capital will remain unchanged as a result of the Second Absorption-type Company Split.

(vi) Rights and Obligations Assumed by the Successor Company

The New Company's Subsidiary will assume rights and obligations including assets and liabilities pertaining to the applicable business prescribed separately in the absorption-type company split agreement as of the effective date of the Second Absorption-type Company Split.

(vii) Expected Fulfillment of Obligations

It has been judged that there would be no issues regarding fulfillment of obligations to be assumed by the New Company's Subsidiary following the effective date of the Second Absorption-type Company Split.

(4) Overview of the Parties Involved in the Second Absorption-type Company Split (as of September 30, 2021; as of the Date of Establishment for the Successor Company)

	Splitting Company	Successor Company
(i) Name	Mitsubishi Chemical High-Technica Corporation	MAFTEC Joetsu Co., Ltd. (Scheduled)
(ii) Location	1-1 Marunouchi 1-chome, Chiyoda-ku, Tokyo	To be determined

(iii) Representative	Kazutaka Akai, President and Director	To be determined
(iv) Business Description	Operation and management of Joetsu, Odawara, and Mizushima Plants Consignment of production for MCC's major businesses Real estate business in Joetsu and Odawara districts	Manufacturing of polycrystalline alumina fiber
(v) Capital Stock	100 million yen	1 million yen (Scheduled)
(vi) Establishment	February 26, 1992	To be determined
(vii) Number of Shares Issued	2,000	1,000 (Scheduled)
(viii) Fiscal Year-End	March 31	March 31 (Scheduled)
(ix) Shareholder	Mitsubishi Chemical Corporation 100%	MAFTEC Co., Ltd. 100%
(x) Earnings and Financial Data for the Previous Fiscal Year		
Net assets	575 million yen (Non-consolidated)	—
Gross assets	3,708 million yen (Non-consolidated)	—
Net assets per share	287,591 yen (Non-consolidated)	—
Net sales	13,741 million yen (Non-consolidated)	—
Operating income	274 million yen (Non-consolidated)	—
Net income	260 million yen (Non-consolidated)	—
Net income per share	129,792 yen (Non-consolidated)	—

Note: As the successor company is yet to be established, no earnings or financial data for the previous fiscal year are available.

(5) Overview of the Business Domain to Be Split or to Be Succeeded as a Result of This Absorption-type Company Split

(i) Business Description of the Business Domain to Be Split or to Be Succeeded

Manufacturing and sales of polycrystalline alumina fiber

(ii) Book Value of Assets and Liabilities to Be Split or to Be Succeeded (as of March 31, 2021)

Assets		Liabilities	
Item	Amount	Item	Amount
Current assets	11,936 million yen	Current liabilities	3,235 million yen
Noncurrent asset	16,638 million yen	Noncurrent liabilities	706 million yen
Total assets	28,575 million yen	Total liabilities	3,941 million yen

Note: The amounts listed above are based on the balance sheets as of March 31, 2021, and the actual amount of assets and liabilities to be split shall be the amounts obtained by adding any increase or decrease that occurred during the period until the effective date.

Note: Business performance of the department to be divided or transferred will be kept undisclosed according to the confidentiality obligation agreed upon between the parties involved.

(6) Status After This Absorption-type Company Split

The company name, location of the head office, title and name of the representative director, contents of the business, capital, and fiscal year of the parties involved will remain unchanged even after this Absorption-type Company Split. In addition, Mitsubishi Chemical Corporation will transfer all shares of the

New Company as of the effective date of the Share Transfer to Apollo SPC.

3. Overview of the Share Transfer

(1) Overview of the New Company to Be Transferred

Please refer to the “Successor Company” columns in “2. (2) Overview of the Parties Involved in the First Absorption-type Company Split (as of September 30, 2021; as of the Date of Establishment for the Successor Company)” and “2. (4) Overview of the Parties Involved in the Second Absorption-type Company Split (as of September 30, 2021; as of the Date of Establishment for the Successor Company)” above.

(2) Overview of the Counterparty of the Share Transfer (as of September 30, 2021)

(i)	Name	White Japan Acquisition Co., Ltd. (the Apollo SPC referred to above)	
(ii)	Location	2-10-4 Toranomon, Minato-ku, Tokyo	
(iii)	Representative	Tsuneyuki Tanaka	
(iv)	Business Description	Holding Company	
(v)	Capital Stock	5,000 yen	
(vi)	Establishment	September 27, 2021	
(vii)	Net assets for the previous fiscal year	—	
(viii)	Gross assets for the previous fiscal year	—	
(ix)	Shareholder	White Japan Holdings Co., Ltd., 100%	
(x)	Relationship between the listed company and the relevant company	Capital relationship	None.
		Personnel relationship	None.
		Business relationship	None.
		Status of relationship with related parties	None.

Note: There is no information on the financial position and business results of the company because it was incorporated on September 27, 2021.

(3) Number of Shares to Be Transferred and Share Holding Status Before and After the Share Transfer

Number of shares held before the Share Transfer	1,000 shares (voting rights: 1,000) (Scheduled) (Ownership ratio of voting rights: 100%)
Number of shares to be transferred	1,000 shares (voting rights: 1,000) (Scheduled)
Transfer price	85 billion yen (Note)
Number of shares held after the Share Transfer	0 (Number of voting rights: 0) (Ownership ratio of voting rights: 0%)

Note: The transfer price will be adjusted based on any changes in the assets and liabilities of the Business and other conditions that might occur by the execution date of the Share Transfer. There was also agreement on contingent compensation, in addition to the transfer price above. While details are not disclosed due to confidential obligations between the parties, MCC may receive additional compensation if certain conditions are met.

(4) Schedule of the Share Transfer

(i)	Board of Directors to approve the Share Transfer agreement (MCHC)	September 30, 2021
(ii)	Share Transfer agreement to be concluded	September 30, 2021
(iii)	Share Transfer to be executed	March 1, 2022 (Scheduled)

4. Future Outlook

MCHC expects to post a total of approximately 54 billion yen in income related to the Share Transfer. The full-year financial results forecast for the fiscal year ending March 2022, which takes into account this Transaction and other effects, is currently under review and will be announced promptly if a revision to the forecast is necessary.

Note: The impact of the Share Transfer on MCHC's earnings is based on information currently available to MCHC.

The impact on earnings after taking into account the contingent considerations described under "3 (3) Number of Shares to Be Transferred and Share Holding Status Before and After the Share Transfer" is currently under review. If there are any matters to be disclosed, they will be announced promptly.

(Reference) Consolidated Financial Results Forecast for the Current Fiscal Year (Announced on May 12, 2021) and Consolidated Financial Results for the Previous Fiscal Year

	Sales revenue	Core operating income	Operating income	Net income	Net income attributable to owners of the parent	Basic earnings per share
	Million yen	Million yen	Million yen	Million yen	Million yen	Yen
Consolidated financial results forecast for the current fiscal year (FY2022/3)	3,660,000	230,000	216,000	140,000	97,000	68.29
Consolidated financial results for the previous fiscal year (FY2021/3)	3,257,535	174,710	47,518	22,722	(7,557)	(5.32)

[Reference: Overview of Apollo.]

Apollo is a leading global alternative investment manager with offices in New York, Los Angeles, San Diego, Houston, Bethesda, London, Frankfurt, Madrid, Luxembourg, Mumbai, Delhi, Singapore, Hong Kong, Shanghai and Tokyo. Apollo had assets under management of approximately \$472 billion as of June 30, 2021 in credit, private equity and real assets funds invested across a core group of nine industries where Apollo has considerable knowledge and resources. For more information about Apollo, please visit its website at www.apollo.com.