



October 31, 2023

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Notice Regarding Application for the Tender Offer of Subsidiary Shares That Will Result in Changes in Subsidiaries and the Dissolution of a Capital and Business Alliance

Mitsubishi Gas Chemical Company, Inc. (“MGC”) hereby announces its decision to apply for a tender offer (the “Tender Offer”) to be undertaken by JSP Corporation (“JSP”), a consolidated subsidiary of MGC. JSP aims to repurchase its shares through this Tender Offer based on a resolution passed at its Board of Directors meeting held today. Moreover, MGC has signed an agreement with JSP regarding MGC’s application for the Tender Offer (the “Application Agreement”) with the intention to place a portion of JSP’s common stock held by MGC on this Tender Offer.

In addition, upon completion of the Tender Offer, JSP will cease to be a consolidated subsidiary and become an affiliate of MGC.

On February 4, 2015, MGC signed a basic agreement (the “Basic Agreement”) with JSP regarding a capital and business alliance as announced in press releases titled “Announcement of Commencement of the Tender Offer for Shares of JSP Corporation (TSE code: 7942)” and “Notice Regarding Results of the Tender Offer for Shares in JSP Corporation (TSE code: 7942) and Changes in Subsidiaries,” which were dated February 4 and March 10, 2015, respectively. Furthermore, as a result of the 2015 Tender Offer for JSP’s common stock, undertaken over a period spanning February 5 to March 9, JSP became a consolidated subsidiary of MGC on March 16, 2015. Since then, both companies have developed a capital and business alliance (the “Capital and Business Alliance”) in accordance with the abovementioned Basic Agreement. However, once JSP ceases to be a consolidated subsidiary of MGC upon the completion of the Tender Offer of JSP’s shares, which MGC has applied to provide, this Basic Agreement will be terminated, with the Capital and Business Alliance between the two companies expected to be dissolved. Details are as follows.

1. Overview of MGC's Application for Tender Offer

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|-----|---------------------------------|--|
| (1) | Number of shares to be offered | Common stock of JSP: 3,600,000 shares (ownership ratio: 12.08%*) |
| (2) | Purchase price | JPY 1,661 per share |
| (3) | Tender Offer Period | From November 1 to 30, 2023 |
| (4) | Commencement date of settlement | December 22, 2023 |

* Calculated by dividing the number of JSP shares in MGC's possession by 29,808,029 shares, which is the total number of shares issued (31,413,473 shares) less the number of JSP's treasury shares (1,605,444 shares) as of September 30, 2023, as presented on the "SUMMARY OF FINANCIAL STATEMENTS (Consolidated) Second Quarter Results for the Fiscal Year Ending March 31, 2024 [Japanese GAAP]" announced today by JSP. The figure is rounded to the nearest second decimal point. This applies to subsequent references to the ownership ratio.

2. Reasons for the Application for Tender Offer and the Dissolution of the Capital and Business Alliance

On February 4, 2015, MGC signed the Basic Agreement with JSP and, on March 16, 2015, made JSP its consolidated subsidiary while maintaining JSP's stock listing. Furthermore, in accordance with said Basic Agreement, both companies initiated the Capital and Business Alliance to enhance their earnings power and pursue the creation and development of new businesses as well as improvement in management efficiency, etc. Through these endeavors, MGC and JSP have developed cooperative relationship aimed at realizing synergies between them while improving their corporate value, as part of efforts to enhance the value of the MGC Group as a whole.

Meanwhile, MGC has promoted its medium-term management plan launched in April 2021. In line with this plan, it has continued to pursue a shift to a profit structure resilient to changes in the business environment. To this end, it is striving to:

- "Further strengthen competitively advantageous ("differentiating") businesses,"
- "Accelerate creation and development of new businesses," and
- "Reevaluate and rebuild unprofitable businesses."

These efforts will help push ahead with business portfolio reforms.

Given these circumstances, MGC has been engaged in internal discussions regarding what its relationship with JSP should be in the future, taking into account perspectives of how to promote business portfolio reforms under the medium-term management plan and how to respond to corporate governance-related requirements from the capital market, and in reference to results achieved thus far by both companies to improve the MGC Group's corporate value. Based on conclusions reached via these discussions, MGC has judged that the current relationship between the two companies limits the scope of business initiatives they can undertake, making it difficult to achieve outcomes robust enough to justify maintaining the Capital and Business Alliance. In order to pursue further improvement in the MGC Group's corporate value, MGC has accordingly determined that it is desirable for both companies to part ways in order to plan and promote their own growth strategies. Accordingly, MGC decided to apply for the Tender Offer and dissolve the Capital and Business Alliance.

Looking ahead, MGC will continue to strive for sustainable corporate growth via the promotion of business

portfolio reforms under its medium-term management plan.

3. Details on the Dissolution of the Capital and Business Alliance

As discussed earlier in “2. Reasons for the Application for Tender Offer and the Dissolution of the Capital and Business Alliance,” MGC and JSP have agreed to place 3,600,000 shares of JSP’s common stock in MGC’s possession for Tender Offer, in accordance with the Application Agreement signed today. This allotment constitutes a portion of MGC’s current holdings of 16,020,882 shares (with a book value totaling JPY 10,844 million as of March 31, 2023).

As announced via the press release titled “Announcement of Commencement of the Tender Offer for Shares of JSP Corporation (TSE code: 7942)” on February 4, 2015, the Basic Agreement between MGC and JSP stipulates that the Basic Agreement may be terminated if (1) both parties agree to do so in writing, (2) either party violates obligations thereunder, or (3) JSP ceases to be a consolidated subsidiary of MGC.

As of today, MGC holds 16,100,676 shares of JSP’s common stock, with its ownership ratio amounting to 54.01%, including indirect shareholdings. JSP is therefore considered a consolidated subsidiary of MGC. However, if all the shares placed on the Tender Offer are purchased by JSP, MGC’s voting rights ratio, including indirect shareholdings, would decline to 47.74% and, accordingly, JSP will cease to be a consolidated subsidiary of MGC and become an affiliate following the Tender Offer. Once the Tender Offer is completed as intended, JSP will thus be excluded from the scope of MGC’s consolidation, resulting in the dissolution of the Capital and Business Alliance as of December 22, 2023 (the commencement date of settlement for the Tender Offer), in accordance with the Basic Agreement.

However, even after the dissolution of the Capital and Business Alliance, MGC will strive to maintain a favorable transactional relationship with JSP while endeavoring to improve the Group’s corporate value.

For the details of the Tender Offer, please also review the document attached to the separate press release titled “Notice Regarding Share Repurchases and Tender Offer to Be Undertaken by a Subsidiary of Mitsubishi Gas Chemical Company, Inc.,” which was announced today by MGC.

4. Outline of JSP

(1)	Company name	JSP Corporation																					
(2)	Location	4-2 Marunouchi 3-chome, Chiyoda-ku, Tokyo																					
(3)	Name/title of representative	Tomohiko Ookubo, President and Representative Director																					
(4)	Business description	Manufacture, sale and export of foamed plastics and other synthetic resin products, design, contracting and management of civil engineering and construction work																					
(5)	Capital stock (As of March 31, 2023)	JPY 10,128 million																					
(6)	Date of foundation	January 24, 1962																					
(7)	Major shareholder and ratio of shareholdings (As of March 31, 2023)	<table border="0"> <tr> <td>MITSUBISHI GAS CHEMICAL COMPANY, INC.</td> <td>53.74%</td> </tr> <tr> <td>JSP Customer Shareholding Association</td> <td>4.41%</td> </tr> <tr> <td>The Master Trust Bank of Japan, Ltd.</td> <td>4.03%</td> </tr> <tr> <td>MSIP CLIENT SECURITIES (Standing Proxy: Morgan Stanley MUFG Securities Co., Ltd.)</td> <td>2.17%</td> </tr> <tr> <td>Custody Bank of Japan, Ltd.</td> <td>1.34%</td> </tr> <tr> <td>JSP Employee Shareholding Association</td> <td>1.06%</td> </tr> <tr> <td>SMBC Nikko Securities Inc.</td> <td>0.85%</td> </tr> <tr> <td>UBS AG LONDON A/C IPB SEGREGATED CLIENT ACCOUNT (Standing Proxy: Tokyo Branch of Citibank, N.A.)</td> <td>0.84%</td> </tr> <tr> <td>Nippon Life Insurance Company</td> <td>0.80%</td> </tr> <tr> <td>NORTHERN TRUST CO. (AVFC) REIEDU UCITS CLIENTS NON LENDING 15 PCT TREATY ACCOUNT (Standing Proxy: Tokyo Branch of The Hongkong and Shanghai Banking Corporation Limited)</td> <td>0.80%</td> </tr> </table>		MITSUBISHI GAS CHEMICAL COMPANY, INC.	53.74%	JSP Customer Shareholding Association	4.41%	The Master Trust Bank of Japan, Ltd.	4.03%	MSIP CLIENT SECURITIES (Standing Proxy: Morgan Stanley MUFG Securities Co., Ltd.)	2.17%	Custody Bank of Japan, Ltd.	1.34%	JSP Employee Shareholding Association	1.06%	SMBC Nikko Securities Inc.	0.85%	UBS AG LONDON A/C IPB SEGREGATED CLIENT ACCOUNT (Standing Proxy: Tokyo Branch of Citibank, N.A.)	0.84%	Nippon Life Insurance Company	0.80%	NORTHERN TRUST CO. (AVFC) REIEDU UCITS CLIENTS NON LENDING 15 PCT TREATY ACCOUNT (Standing Proxy: Tokyo Branch of The Hongkong and Shanghai Banking Corporation Limited)	0.80%
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(8)	Relationships with MGC	Capital relationships	MGC holds 16,100,676 shares of JSP's common stock, (ownership ratio: 54.01%) including indirect shareholdings.																				
		Personal relationships	A specially appointed executive of MGC holds a concurrent position of director at JSP, while an MGC employee concurrently serves as an auditor at JSP.																				
		Transactional relationships	JSP purchases chemical products and synthetic resins from MGC. In addition, MGC has signed the Basic Agreement with JSP.																				
		Status of classification as related parties	JSP is a consolidated subsidiary of MGC. Accordingly, MGC and JSP are considered one another's related parties.																				
(9)	Consolidated operating results and financial position of JSP for the past three years																						

Years ended March 31,	2021	2022	2023
Net assets	JPY 85,561 million	JPY 90,231 million	JPY 96,123 million
Total assets	JPY 129,053 million	JPY 134,527 million	JPY 144,528 million
Net assets per share	JPY 2,767.26	JPY 2,884.93	JPY 3,076.73
Net sales	JPY 102,668 million	JPY 114,125 million	JPY 131,714 million
Operating profit	JPY 5,185 million	JPY 4,589 million	JPY 2,956 million
Ordinary profit	JPY 5,519 million	JPY 4,868 million	JPY 3,363 million
Profit attributable to owners of parent	JPY 3,017 million	JPY 2,893 million	JPY 2,531 million
Earnings per share	JPY 101.22	JPY 97.06	JPY 84.91
Dividend per share	JPY 50.00	JPY 50.00	JPY 50.00

5. Status of Shareholdings before and after the application for Tender Offer

(1)	Number of JSP shares held before the application for Tender Offer	16,100,676 shares (Number of voting rights: 161,004) (Voting rights ratio: 54.06%)* ¹
(2)	Number of JSP shares to be placed on the Tender Offer	3,600,000 shares (Total transfer price: JPY 5,979,600,000 (JPY 1,661 per share))* ²
(3)	Number of JSP shares held after the application for Tender Offer	12,500,676 shares (Number of voting rights: 125,004) (Voting rights ratio: 47.74%)* ^{3, 4}

*1 The voting rights ratio presented in the “Number of JSP shares held before the application for Tender Offer” refers to the ratio of voting rights (161,004) obtained by adding the number of voting rights (796) arising from the shares of JSP common stock in Mitsubishi Gas Chemical Trading, Inc.’s possession (58,250 shares), JAPAN FINECHEM COMPANY, INC.’s possession (10,772 shares), and Japan U-PiCA Company, Ltd.’s possession (10,772 shares), all of which are consolidated subsidiaries of MGC, to MGC’s voting rights (160,208) arising from the shares of JSP common stock in MGC’s possession (16,020,882) as of March 31, 2023, to 297,824 voting rights as of March 31, 2023 as presented on the 65th Annual Securities Report submitted by JSP on June 29, 2023. The figure is rounded to the nearest second decimal point.

*2 Total transfer price presented in the “Number of JSP shares to be placed on the Tender Offer” is calculated by multiplying the purchase price per share proposed for the Tender Offer by the number of shares to be placed by MGC on the Tender Offer.

*3 Figures presented in the “Number of JSP shares held after the application for Tender Offer” are premised on the purchase of all 3,600,000 shares of JSP’s common stock to be placed by MGC on the Tender Offer in accordance with the Application Agreement.

*4 The voting rights ratio presented in the “Number of JSP shares held after the application for Tender Offer” refers to the ratio of voting rights (125,004) obtained by adding the number of voting rights (796) arising from the shares of JSP common stock in Mitsubishi Gas Chemical Trading, Inc.’s possession (58,250 shares), JAPAN FINECHEM COMPANY, INC.’s possession (10,772 shares), and Japan U-PiCA Company, Ltd.’s possession (10,772 shares), all of which are consolidated subsidiaries of MGC, to MGC’s voting rights

(124,208) after the Tender Offer based on the resulting number of shares (12,420,882) of JSP common stock in MGC's possession, to 261,824 voting rights, which represent 297,824 voting rights, as of March 31, 2023, as presented on the 65th Annual Securities Report submitted by JSP on June 29, 2023, less 36,000 voting rights arising from 3,600,000 shares to be placed on the Tender Offer. The figure is rounded to the nearest second decimal point.

6. Schedule for the Dissolution of the Capital and Business Alliance

(1)	Date of the Board of Directors' resolution	October 31, 2023
(2)	Date of the signing of the Application Agreement	October 31, 2023
(3)	Date of the commencement of settlement for the Tender Offer	December 22, 2023 (scheduled)
(4)	Date of the dissolution of the Capital and Business Alliance	December 22, 2023 (scheduled)

7. Outlook

If the Tender Offer is completed as intended, JSP will cease to be a consolidated subsidiary of MGC via the Tender Offer of JSP's shares, which MGC has applied to provide in accordance with the Application Agreement.

In addition, careful assessments are now under way to determine the impact of MGC's application for the Tender Offer, along with the resulting dissolution of the Capital and Business Alliance, on its operating results for the fiscal year ending March 31, 2024. Looking ahead, MGC will swiftly conduct information disclosure if it recognizes the need to revise its operating results forecasts or other matters requiring public announcement.

Reference: Consolidated operating results forecasts for the fiscal year ending March 31, 2024 (announced on August 7, 2023) and consolidated operating results for the fiscal year ended March 31, 2023

	Net sales	Operating profit	Ordinary profit	Profit attributable to owners of parent
Forecasts for the fiscal year ending March 31, 2024	JPY 840,000 million	JPY 46,000 million	JPY 49,000 million	JPY 47,000 million
Results for the fiscal year ended March 31, 2023	JPY 781,211 million	JPY 49,030 million	JPY 69,764 million	JPY 49,085 million

(Note) This document has been translated from the Japanese original for reference purpose only. In the event of any discrepancy between this translated document and the Japanese original, the original shall prevail.

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