

[Translation]

September 29, 2014

To whom it may concern,

Company name: Taiyo Nippon Sanso Corporation  
Name of representative: Yujiro Ichihara, President and CEO  
(TSE Code: 4091, First Section of the TSE)  
Contact person: Masayuki Kuniya, General Manager,  
Corporate Communications  
TEL. 03-5788-8015

**Notice of Expression of Opinion regarding Tender Offer for the Company Shares by Mitsubishi Chemical Holdings Corporation**

As announced in the press release dated May 13, 2014 titled “Notice Regarding Execution of an Agreement in connection with Tender Offer by Mitsubishi Chemical Holdings Corporation for Shares of Taiyo Nippon Sanso Corporation,” Taiyo Nippon Sanso Corporation (the “Company”) and Mitsubishi Chemical Holdings Corporation (the “Tender Offeror”) determined to conduct a tender offer (the “Tender Offer”) for common shares of the Company after certain conditions, such as the completion of procedures and responses required under domestic and foreign competition laws, were satisfied.

The Tender Offeror has advised that since it has confirmed that the procedures and responses required under domestic and foreign competition laws have been completed, and that it has become possible to conduct the Tender Offer, it has determined to commence the Tender Offer on September 30, 2014, as follows.

Regarding the Tender Offer, the Company’s board of directors, at its meeting held on September 29, 2014, passed resolutions to issue an opinion in support of the Tender Offer, based on the grounds and reasons stated in “(2) Grounds and Reasons for the Opinion” of “3. Details of, and Grounds and Reasons for, the Opinion Concerning the Tender Offer” below, to take a neutral position on whether to recommend that the shareholders of the Company accept the Tender Offer, and to defer to each shareholder the decision as to whether to accept the Tender Offer, as follows.

Both companies have the common understanding to have a policy to maintain the listing of the Company shares after the consummation of the Tender Offer.

1. Outline of the Tender Offeror

(As of March 31, 2014)

(1) Corporate Name	Mitsubishi Chemical Holdings Corporation	
(2) Location	1-1-1, Marunouchi, Chiyoda-ku, Tokyo	
(3) Title and Name of the Representative	Yoshimitsu Kobayashi President & Chief Executive Officer	
(4) Details of Business	Management and control of group companies (establishing strategies, distributing resources, and other matters for or in relation to the entire group)	
(5) Stated Capital	50,000 million yen	
(6) Date of Incorporation	October 3, 2005	
(7) Major Shareholders and Shareholding Percentages	The Master Trust Bank of Japan, Ltd. (Trust Account)	4.73%

	Meiji Yasuda Life Insurance Company (Standing Proxy), Trust & Custody Services Bank, Ltd.		4.27%
	Japan Trustee Services Bank, Ltd. (Trust Account)		4.18%
	Nippon Life Insurance Company		3.05%
	The Bank of Tokyo-Mitsubishi UFJ, Ltd.		2.72%
	Takeda Pharmaceutical Company Limited		2.54%
	Tokio Marine & Nichido Fire Insurance Co., Ltd.		1.98%
	TAIYO LIFE INSURANCE COMPANY		1.64%
	Japan Trustee Services Bank, Ltd. (Trust Account 4)		1.54%
	Mizuho Bank, Ltd. (Standing Proxy), Trust & Custody Services Bank, Ltd.		1.17%
(8) Relationship between Listed Company and Tender Offeror	Capital Relationship	The Tender Offeror holds 116,797,870 shares (including those held indirectly) of the stock of the Company. The Company holds 10,118,148 shares (including those held indirectly) of the stock of the Tender Offeror.	
	Personnel Relationship	Not applicable.	
	Business Relationship	There are no material transactional relationships to be specifically noted, between people or companies affiliated with the Company, and those affiliated with the Tender Offeror. There are no material transactional relationships between the Company and the Tender Offeror to be noted.	
	Status of Applicability of the Related Parties	The Company is an equity method affiliate of the Tender Offeror, and falls under the category of a related party.	

2. Tender Offer Price

1,030 yen per common share.

3. Details of, and Grounds and Reasons for, the Opinion Concerning the Tender Offer

(1) Details of the Opinion

Regarding the Tender Offer, the Company's board of directors, at its meeting held on September 29, 2014, passed resolutions to issue an opinion in support of the Tender Offer, based on the grounds and reasons stated in "(2) Grounds and Reasons for the Opinion" below, to take a neutral position on whether to recommend that the shareholders of the Company accept the Tender Offer, and to defer to each shareholder the decision as to whether to accept the Tender Offer.

(2) Grounds and Reasons for the Opinion

(i) Overview of the Tender Offer

As of today, the Tender Offeror holds 116,797,870 shares of the Company (26.97% (which percentage is rounded to the nearest hundredth; hereinafter the same applies) of the total number of issued shares of the Company, 433,092,837 shares, as of June 30, 2014, as set forth in the 11th Business Period First Quarterly Report filed by the Company as of July 31, 2014), including those held by Mitsubishi Chemical Corporation (“Mitsubishi Chemical”), which is a wholly-owned subsidiary of the Tender Offeror. The Company is an equity method affiliate of the Tender Offeror.

The Tender Offeror and the Company executed a master agreement as of May 13, 2014 (the “Agreement”) in order to further enhance the capital and business alliance relationship between both companies and improve the corporate value of both companies. The Tender Offeror and the Company have confirmed in the Agreement that the ultimate objective is for the Tender Offeror to acquire the majority of voting rights of the Company. The details of the Agreement are outlined in “(iv) Outline of the Agreement” below.

Under the Agreement, the Tender Offeror intended to commence a tender offer for the common shares of the Company in order to acquire the majority of voting rights of the Company, after the conditions, such as the completion of procedures and responses required under domestic and foreign competition laws, are satisfied. The Tender Offeror has advised that since it has confirmed that the procedures and responses required under domestic and foreign competition laws have been completed, and that the conditions under the Agreement to commence the Tender Offer have been satisfied, it has passed a resolution to commence the Tender Offer on September 30, 2014, by a written resolution dated September 29, 2014, in place of a resolution of the board of directors, under Article 370 of the Companies Act and Article 26 of the Articles of Incorporation of the Tender Offeror.

As of today, the Company shares are listed on the First Section of Tokyo Stock Exchange, Inc. (the “Tokyo Stock Exchange”). The Tender Offeror intends to enhance the capital alliance relationship between both companies while maintaining the listing of the Company shares and the autonomy of the management of the Company after the consummation of the Tender Offer. Therefore, the Tender Offeror has set 104,079,476 shares as the maximum number of shares to be purchased in the Tender Offer (together with the Company shares that the Tender Offeror and Mitsubishi Chemical hold as of today, the shareholding ratio will be 51.00%). The Tender Offeror has advised that if the total number of tendered share certificates, etc. exceeds the maximum number of shares to be purchased, it will not purchase all or part of such excessive portions, and will conduct delivery and other settlements of the purchased share certificates, etc. on a pro rata basis as set forth in Article 27-13, paragraph (5) of the Financial Instruments and Exchange Act (the “Act”) and Article 32 of the Cabinet Ordinance Concerning the Disclosure of Tender Offers for Shares, Etc., by Persons Other Than Issuers. On the other hand, the Tender Offeror has set 99,748,549 shares as the minimum number of shares to be purchased in the Tender Offer so that the total shareholding ratio of the Tender Offeror and Mitsubishi Chemical will reach the majority of the Company shares, together with the Company shares held as of today. The Tender Offeror has advised that if the total number of tendered shares is less than such minimum number, it will not purchase any of the tendered shares in the Tender Offer.

- (ii) Background and Reason for the Tender Offer, and Management Policy after the Tender Offer
- (i) Background and Reason for the Tender Offer

The Tender Offeror has developed its business in a broad range of areas, such as performance products, health care, and industrial materials, through Mitsubishi Chemical, Mitsubishi Tanabe Pharma Corporation, Mitsubishi Plastics, Inc., and Mitsubishi Rayon Co., Ltd. as the core operating companies.

The Company has been focusing primarily on air separation plants that produce industrial gases (oxygen, nitrogen, and argon), while working to advance a variety of technologies, and has developed its business as an industrial gas manufacturer, since it developed Japan's first oxygen generator in 1934. The Company was formed in 2004 through the merger of Nippon Sanso Corporation and Taiyo Toyo Sanso Co., Ltd. ("Taiyo Toyo Sanso"). At that time, Taiyo Toyo Sanso was in an alliance relationship with Mitsubishi Chemical and engaged in the industrial gas manufacturing business through a joint venture of Taiyo Toyo Sanso and Mitsubishi Chemical, and Mitsubishi Chemical possessed 50,552,926 shares of the Taiyo Toyo Sanso (34.85% of the total number of the then issued shares of the Taiyo Toyo Sanso). As a result of the formation of the Company, Mitsubishi Chemical became the largest shareholder of the Company, holding 40,947,870 shares of the Company (10.09% of the total number of the then issued shares of the Company). Mitsubishi Chemical continued to acquire the Company shares thereafter through the market, and as a result, by the end of March 2010, the number of the Company shares owned by Mitsubishi Chemical reached 60,947,870 shares (15.12% of the then issued shares of the Company). Although the number of the Company shares owned by Mitsubishi Chemical has not been changed since then, as stated below, Mitsubishi Chemical's current shareholding ratio has become 14.07% due to the issuance of new shares by the Company by way of third-party allotment to the Tender Offeror.

The Tender Offeror, Mitsubishi Chemical's parent company, deeply understands the effectiveness of the Company's business strategies, and the potential for improvement in the Company. The Tender Offeror and the Company therefore believed that they would be able to further expand their business opportunities by causing the Company to establish a broad alliance relationship with the Tender Offeror and its respective subsidiaries, including Mitsubishi Chemical (collectively, the "Tender Offeror Group"). As announced in the press release, "Notice Regarding the Capital and Business Alliance between Taiyo Nippon Sanso Corporation and Mitsubishi Chemical Holdings Corporation" dated September 26, 2013, both companies thus agreed to create a business alliance relationship, and executed a capital and business alliance agreement. As announced in the Company's press release, "Notice Regarding Issuance of New Shares and Disposition of Treasury Shares by Way of Third-Party Allotment, and Change of the Principal Shareholder" dated September 26, 2013, for the purpose of making the business alliance between both companies even stronger to generate a synergistic effect, and also meeting the Company's financial needs concerning future business development, including capital investment, the Company issued 30,000,000 new shares and disposed of 15,096,000 treasury shares by way of third-party allotment to the Tender Offeror (payment date: October 15, 2013; and issue price per share: 687 yen). Furthermore, the Tender Offeror has acquired certain number of the Company shares through market transactions before and after such third-party allotment. As a result, as of today, the Tender Offeror holds 55,850,000 Company shares (shareholding ratio: 12.90%), Mitsubishi Chemical holds 60,947,870 Company shares (shareholding ratio: 14.07%) and together they hold 116,797,870 Company shares in total (shareholding ratio: 26.97%).

Afterward, based on the execution of the capital and business alliance agreement by both companies and the implementation of the third-party allotment by the Company, both companies discussed and evaluated, among other things, as to the agreed-upon business alliance areas, the terms and conditions as well as the timing of implementation, and as to

other areas, potential business alliances or business development. These discussions and evaluations were for the purpose of maximizing synergies between both corporate groups. In this process, both companies shared a common understanding that it is essential to further strengthen the foundation of their businesses in order to respond to changes in the global competitive environment, and for that purpose, it is necessary to create further business synergies through cooperation by both companies as members of the same corporate group based on an enhanced capital relationship and through effective use of management resources of both companies. In order to achieve this goal, both companies agreed to strengthen the capital relationship and business alliance between both companies through the Tender Offer. Both companies expect that the Company's changing from an equity method affiliate of the Tender Offeror to a consolidated subsidiary of the Tender Offeror will create an even firmer alliance and a broad range of synergies through, inter alia, disclosure and supply of management resources that will serve as the foundation of their businesses. Both companies believe that it will become possible for both companies to cooperate more closely with each other than previously contemplated. Such cooperation will include, for instance, on-site cooperative business such as mutual utilization of both companies' supply chains in and outside of Japan and the Company's gas supply to the overseas manufacturing bases developed by the Tender Offeror, and joint research and development in certain advanced fields.

The Tender Offer is aimed at enhancing the capital and business alliance relationship between both companies and improving the corporate value of them, through the Tender Offeror's acquisition of the majority of voting rights of the Company, and the reorganization of the Company as a consolidated subsidiary, through the Tender Offer.

Both companies will work on a detailed examination of promoting the mutual use of their respective distribution channels. To be more specific, both companies will consider the possibilities of cooperative business and transactions in every business segment, including the expansion of sales in the Company's medical care business (medical gases and related equipment) through the Tender Offeror's distribution channels, and the utilization of the Company's distribution channels for the Tender Offeror's artificial spa generators and CFRP pressure vessels.

The Company has thus far supplied gases through the piping (on-site plant method), mainly to large customers in Japan. From now on, the Company intends to utilize its know-how for stably supplying gases, which it has fostered over years for major domestic customers, for new overseas manufacturing bases that will be planned by the Tender Offeror. By doing so, the Company aims to further expand overseas business. The Company will also procure the base load that is stable in the long term, by supplying gases through the piping method, and absorb demands for liquefied gases, cylinder gases, and gas-related equipment in neighboring markets, thereby aiming to expand its sales through the synergetic effect generated with existing products/business.

(ii) Management Policy after the Tender Offer

With respect to the management structure of the Company after the consummation of the Tender Offer, as described in "(iv)v. Operation and Maintenance of the Listing of the Company after the Consummation of the Tender Offer" below, after the consummation of the Tender Offer, the Tender Offeror intends to nominate, in principle, two (2) persons as candidates for the Company's directors (as of today, the total number of the Company's directors is 17), and to nominate a candidate for the Company's representative director and chairman out of those two (2) persons. However, a candidate for the Company's representative director and president is planned to be nominated by the Company.

Although the Company will manage its business pursuant to the Tender Offeror's "Internal Rules on the Group Management" after the consummation of the Tender Offer, the Company will continue to be managed on respect for its autonomy, and the Company's corporate name and the location of its head office are intended to be maintained.

As described in "(iv) Outline of the Agreement" below, the Tender Offeror and the Company agreed that the Tender Offeror would maintain the Tender Offeror Group's collective ownership ratio of the Company shares. The Tender Offeror does not have any plan of acquiring additional Company shares after the consummation of the Tender Offer and intends to own all of its Company shares including those to be acquired through the Tender Offer (including the Company Shares owned by Mitsubishi Chemical), for a long term.

(iii) Grounds for the Opinion Concerning the Tender Offer

1,030 yen per share, which is the purchase price in the Tender Offer by the Tender Offeror (the "Tender Offer Price"), includes (a) a premium of 28.43% (fractions are rounded to the nearest hundredth; hereinafter the same applies to the calculation of premium rates) on 802 yen, which is the closing price of the Company shares quoted on the Tokyo Stock Exchange on May 12, 2014, which is the business day immediately preceding May 13, 2014 on which the execution of the Agreement by the Tender Offeror and the Company was announced, (b) a premium of 26.38% on 815 yen, which is the simple average closing price of the Company shares quoted for the past one (1) month period to May 12, 2014, (c) a premium of 31.04% on 786 yen, which is the simple average closing price of the Company shares quoted for the past three (3) month period to May 12, 2014, and (d) a premium of 38.44% on 744 yen, which is the simple average closing price of the Company shares quoted for the past six (6) month period to May 12, 2014. The Tender Offer Price of 1,030 yen per share includes a premium of 5.97% on 972 yen, which is the closing price of the Company shares quoted on the Tokyo Stock Exchange on September 26, 2014, which is the business day immediately preceding today.

The Company has appointed Mizuho Securities Co., Ltd. ("Mizuho Securities") as its financial advisor and a third-party appraiser, and Nishimura & Asahi as its legal advisor, and has held multiple consultations and negotiations with the Tender Offeror regarding the significance and purposes of the Tender Offer, the post-Tender Offer management policies, and the various conditions of the Tender Offer. Regarding the Tender Offer Price, after receiving a proposal regarding the Tender Offer Price from the Tender Offeror, the Company obtained a share valuation report (the "Share Valuation Report of May 2014") from Mizuho Securities as reference material on May 13, 2014, for assessing the fairness of the proposed Tender Offer Price, as stated in "(3) Measures to Ensure the Fairness of the Tender Offer Such as Measures to Ensure the Fairness of the Tender Offer Price and to Avoid a Conflict of Interest" below. (The Company did not request that Mizuho Securities issue any opinion stating that the Tender Offer Price is fair from a financial perspective (fairness opinion).)

Based on the contents of the Share Valuation Report of May 2014 obtained from Mizuho Securities, and on legal advice from Nishimura & Asahi, the Company held a board of directors' meeting on May 13, 2014, and seriously considered the various conditions of the Tender Offer.

As a result, the board of directors of the Company resolved that if the Tender Offer commenced, the board would: (i) issue an opinion in support of the Tender Offer, since the Company reached the conclusion that building an even firmer alliance with the Tender Offeror based on the stabilized capital relationship, which was subject to the consummation of the Tender Offer, would contribute to the enhancement of the Company's corporate value, and eventually, its shareholder value, and (ii) take a neutral position on whether to recommend that the shareholders of the Company accept the Tender Offer and defer to the decision of each shareholder as to whether to accept the Tender Offer, since the maximum number of shares to

be purchased was to be set in the Tender Offer and accordingly, the listing of the Company Shares was expected to be maintained continuously after the Tender Offer.

Regarding the resolutions at the meeting of the Company's board of directors mentioned above, Mr. Shotaro Yoshimura, who was an external director of the Company at that time, did not participate in the discussion or resolution at the board of directors' meeting stated above, in order to enhance the fairness, the transparency and the objectivity in the process of decision-making regarding the Tender Offer, and to avoid a conflict of interest, because he concurrently served as a director of the Tender Offeror. All of the above resolutions at the Company's board of directors' meeting were adopted by a unanimous vote of all directors present, excluding Mr. Shotaro Yoshimura. Further, all four (4) corporate auditors of the Company attended the above board of directors' meeting, and stated that they had no objections to the resolutions.

Thereafter, in order to commence the Tender Offer, it was necessary to consider changes in the market environment, because more than four (4) months have passed since the scheduled Tender Offer was announced in the press release dated May 13, 2014. In order to re-assess the appropriateness of the Tender Offer Price, the Company again obtained a share valuation report (the "Share Valuation Report of September 2014") from Mizuho Securities as reference material on September 29, 2014, as stated in "(3) Measures to Ensure the Fairness of the Tender Offer Such as Measures to Ensure the Fairness of the Tender Offer Price and to Avoid a Conflict of Interest" below. (The Company has not requested that Mizuho Securities issue any opinion stating that the Tender Offer Price is fair from a financial perspective (fairness opinion).)

Based on the contents of the Share Valuation Report of September 2014, and on legal advice from Nishimura & Asahi, the Company held a board of directors' meeting on September 29, 2014, and seriously considered the various conditions of the Tender Offer. As a result, the board of directors of the Company has unanimously resolved to (i) issue an opinion in support of the Tender Offer, since the Company has reached the conclusion that building an even firmer alliance with the Tender Offeror based on the stabilized capital relationship, which is subject to the consummation of the Tender Offer, will contribute to the enhancement of the Company's corporate value, and eventually, its shareholder value, and (ii) take a neutral position on whether to recommend that the shareholders of the Company accept the Tender Offer and defer to the decision of each shareholder as to whether to accept the Tender Offer, since the maximum number of shares to be purchased has been set in the Tender Offer and accordingly, the listing of the Company Shares is expected to be maintained continuously after the Tender Offer.

Further, all four (4) corporate auditors of the Company attended the above board of directors' meeting, and stated that they had no objections to the resolutions. There are no directors or corporate auditors who have any special interest in the resolutions at the board of directors' meeting on September 29, 2014 regarding the above-mentioned Tender Offer.

(iv). Outline of the Agreement

As described in "(i) Overview of the Tender Offer" above, the Tender Offeror and the Company concluded the Agreement on May 13, 2014. The outline of the Agreement is as below.

i. Purpose and Outline of the Agreement

By aiming to further enhance the capital and business alliance relationship between both companies, and improve the corporate value of both companies, in order to

survive the global competition, which is predicted to become fiercer in the future, the companies agreed to conduct the Tender Offer, to achieve the said purposes.

ii. Launch of the Tender Offer by the Tender Offeror

The Tender Offeror will launch the Tender Offer subject to the satisfaction, as of the business day immediately preceding the commencement date of the Tender Offer, of the following conditions precedent: (a) the Company's board of directors has resolved to express the Supporting Opinion as defined in "iii. Support and Revocation of Support of the Tender Offer by the Company" below, and has announced the Supporting Opinion; (b) the Company has not violated any of its obligations under the Agreement to be performed by the time of commencement of the Tender Offer in any material respect; (c) the Company's representations and warranties are true and correct in all material respects; (d) necessary licenses, approvals, and so on have been obtained, or the relevant waiting period has expired, without any objection being withheld, in relation to the procedures and responses required under domestic and foreign competition laws; (e) there is no judgment, decision, order, or similar obligation from a court or administrative agency that prohibits commencement of the Tender Offer, or places restrictions on the Tender Offer; (f) no material adverse effect has occurred with respect to the Company's business, assets, liabilities, financial conditions, operating results, cash flow status, or future earnings plan; and (g) there is no material fact or a Fact Concerning Tender Offer, etc. (as defined in Article 167(3) of the Act) that has not yet been announced regarding the Company. If an event falling under (f) above has occurred by the time of commencement of the Tender Offer, the companies will faithfully consult with each other regarding the responses to be taken regarding the Tender Offer, including revision of its conditions.

iii. Support and Revocation of Support of the Tender Offer by the Company

The Company shall express and announce its opinion approving the Tender Offer (the "Supporting Opinion"), and shall maintain the Supporting Opinion until the expiration of the Tender Offer period. However, the Company's expression of the Supporting Opinion shall be subject to the satisfaction, as of the business day immediately preceding the commencement date of the Tender Offer, of the following conditions precedent: (a) the Tender Offeror has not violated any of its obligations under the Agreement to be performed by the time of commencement of the Tender Offer in any material respect; (b) the representations and warranties of the Tender Offeror are true and correct in all material respects; (c) no event has occurred that will materially affect the corporate value of the Company, and that will thus cause it to be reasonably decided to be inappropriate for the Company to support the Tender Offer; and (d) there is no proposal for a tender offer of the Company shares or any other large purchasing transaction, etc. of the Company's Shares, etc. by a third party other than the Tender Offeror, that proposes conditions that are superior to those of the Tender Offer and that, due to expressing the Supporting Opinion despite the existence of such a Competing Transaction may, in reasonable judgment, cause the Company's directors to be in violation of their duty to exercise the due care of a prudent manager.

iv. Maintenance of Ownership Ratio After the Consummation of the Tender Offer

- a) The Tender Offeror shall maintain the Tender Offeror Group's collective ownership ratio in the Company after the consummation of the Tender Offer.
- b) After the Tender Offer, if the Company intends to conduct any act that will result in the Tender Offeror Group's ownership ratio of the Company shares becoming less than the majority of the total number of issued Company's shares, then the Company shall,



upon consultation with the Tender Offeror, provide the Tender Offeror with a reasonably acceptable opportunity to maintain Tender Offeror Group's ownership ratio of the Company shares.

- v. Operation and Maintenance of the Listing of the Company after the Consummation of the Tender Offer
  - a) The Company shall manage its business pursuant to the "Internal Rules on the Group Management" of the Tender Offeror. Under the "Internal Rules on the Group Management", Tender Offeror shall respect the autonomy of the Company's management, and shall support and cooperate with the Company in full force.
  - b) The Tender Offeror shall maintain the listing of the Company shares, and shall not conduct any act intended to abolish their listing.
  - c) The Tender Offeror may nominate, in principle, two persons, as candidates for the Company's directors, out of whom the Tender Offeror may nominate a candidate for the Company's representative director and chairman. The Company may nominate a candidate for the Company's representative director and president.
  - d) The Company shall, in principle, maintain its corporate name, and the location of its head office.
- (3) Measures to Ensure the Fairness of the Tender Offer Such as Measures to Ensure the Fairness of the Tender Offer Price and to Avoid a Conflict of Interest
  - (i) Obtaining Share Valuation Reports from Independent Third-party Appraiser

As stated in "3.(2)(iii) Grounds for the Opinion Concerning the Tender Offer" above as measures to ensure the fairness of the Tender Offer, the Company received share valuation reports as reference materials from Mizuho Securities, an independent third-party appraiser having no material interest in either company and which is not a related party of either company, upon determining the appropriateness of the Tender Offer Price. Because the Company takes a neutral position on whether to recommend that the shareholders of the Company accept the Tender Offer, and defers to the decision of each shareholder as to whether to accept the Tender Offer, the Company has not requested that Mizuho Securities issue any opinion stating that the Tender Offer Price is fair from a financial perspective (fairness opinion), in light of actual practices in similar cases.

i. Outline of the Share Valuation Report of May 2014

Mizuho Securities analyzed the value of the Company shares, upon certain conditions, based on the financial information and the financial forecasts, which the Company had provided. Mizuho Securities calculated the value of the Company shares using (i) the average market price method, since the Company shares are listed on the Tokyo Stock Exchange and the market price of those shares is available there; (ii) the comparable company method, since there are multiple listed companies engaged in businesses relatively similar to the business of the Company, and accordingly it is possible to estimate the value of the Company shares by comparing the Company with those similar companies; and (iii) the DCF method, in order to reflect the performance of the Company's future business activities on the valuation.

The valuation ranges per Company share calculated by using the above methods are as follows, respectively:

Average Market Price Method:	between 744 yen and 815 yen.
Comparable Company Method:	between 777 yen and 1,064 yen.
DCF Method:	between 779 yen and 1,169 yen.

With the average market price method, Mizuho Securities used May 12, 2014 as the base date, and the valuation was based on 802 yen, which is the closing share price on the base date; 815 yen, which is the simple average closing price for the past one (1) month; 786 yen, which is the simple average closing price for the last three (3) months; and 744 yen, which is the simple average closing price for the last six (6) months on the First Section of the Tokyo Stock Exchange.

With the comparable company method, Mizuho Securities valued the Company shares through comparison with market share prices and financial metrics (indicating elements such as profitability) of listed companies engaged in businesses relatively similar to the business of the Company.

With the DCF method, Mizuho Securities calculated the value of the Company shares by discounting the free cash flows that the Company is expected to generate in or after the fiscal year ending March 2015, to present value using certain discount rates. It was based on assumptions derived from multiple sources, including profit and investment projects in the Company's business plans, and publicly available information.

In addition, no significant increases or decreases in profit are anticipated in the Company's business plans, on which the DCF analysis was based.

## ii. Outline of the Share Valuation Report of September 2014

Mizuho Securities analyzed the value of the Company shares, upon certain conditions, based on the financial information and the financial forecasts, which the Company had provided. Mizuho Securities calculated the value of the Company shares using (i) the average market price method, since the Company shares are listed on the Tokyo Stock Exchange and the market price of those shares is available there; (ii) the comparable company method, since there are multiple listed companies engaged in businesses relatively similar to the business of the Company, and accordingly it is possible to estimate the value of the Company shares by comparing the Company with those similar companies; and (iii) the DCF method, in order to reflect the performance of the Company's future business activities on the valuation.

The valuation ranges per Company share calculated by using the above methods are as follows, respectively:

Average Market Price Method:	between 744 yen and 815 yen.
Comparable Company Method:	between 868 yen and 1,126 yen.
DCF Method:	between 740 yen and 1,251 yen.

With the average market price method, Mizuho Securities used May 12, 2014 as the base date, and the valuation was based on 802 yen, which is the closing share price on the base date; 815 yen, which is the simple average closing price for the past one (1) month; 786 yen, which is the simple average closing price for the last three (3) months; and 744 yen, which is the simple average closing price for the last six (6) months on the First Section of the Tokyo Stock Exchange.

With the comparable company method, Mizuho Securities valued the Company shares through comparison with market share prices and financial metrics (indicating elements such as profitability) of listed companies engaged in businesses relatively similar to the business of the Company.

With the DCF method, Mizuho Securities calculated the value of the Company shares by discounting the free cash flows that the Company is expected to generate in or after the fiscal year ending March 2015, to present value using certain discount rates. It was based on assumptions derived from multiple sources, including profit and investment projects in the Company's business plans, and publicly available information.

In addition, no significant increases or decreases in profit are anticipated in the Company's business plans, on which the DCF analysis was based.

(ii) Advice from Independent Law Firm

The Company received legal advice regarding the decision-making method and process of the Company's board of directors with respect to the Tender Offer from Nishimura & Asahi, a legal advisor independent from both companies, in order to ensure fairness and appropriateness of the decision-making method and process.

(iii) Unanimous Approval by the Non-Interested Directors and Corporate Auditors of the Company

The Company and the Tender Offeror shared a common understanding that it is essential to further strengthen the foundation of their businesses in order to respond to changes in the global competitive environment, and for that purpose, it is necessary to create further business synergies through both companies' cooperation as members of the same corporate group based on an enhanced capital relationship and through effective use of the management resources of both companies.

Based on the consideration of the enhancement of corporate value and shareholder value as above, the intention of the Tender Offeror, the contents of the Share Valuation Report of May 2014 prepared by Mizuho Securities, legal advice from Nishimura & Asahi, and other related documents, the Company held a board of directors' meeting on May 13, 2014, and seriously considered the various conditions of the Tender Offer.

As a result, the board of directors of the Company resolved that if the Tender Offer commenced, the board would: (i) issue an opinion in support of the Tender Offer, since the Company reached the conclusion that building an even firmer alliance with the Tender Offeror based on the stabilized capital relationship, which was subject to the consummation of the Tender Offer, would contribute to the enhancement of the Company's corporate value, and eventually, its shareholder value, and (ii) take a neutral position on whether to recommend that the shareholders of the Company accept the Tender Offer, and defer to the decision of each shareholder as to whether to accept the Tender Offer, since the maximum number of shares to be purchased was to be set in the Tender Offer, and accordingly, the listing of the Company shares was expected to continue to be maintained after the Tender Offer. Regarding the resolutions at the meeting of the Company's board of directors mentioned above, Mr. Shotaro Yoshimura, who was an external director of the Company at that time, did not participate in the discussion or resolution at the board of directors' meeting stated above, in order to enhance the fairness, the transparency and the objectivity in the process of decision-making regarding the Tender Offer, and to avoid a conflict of interest, because he concurrently served as a director of the Tender Offeror. All of the above resolutions of the Company's board of directors' meeting were adopted by a unanimous vote of all directors present, excluding Mr.

Shotaro Yoshimura. Further, all four (4) corporate auditors of the Company attended the above board of directors' meeting, and stated that they had no objections to the resolutions.

Thereafter, in order to commence the Tender Offer, it was necessary to consider changes in the market environment, because more than four (4) months have passed since the scheduled Tender Offer was announced in the press release dated May 13, 2014. Therefore, based on the contents of the Share Valuation Report of September 2014 prepared by Mizuho Securities, and legal advice from Nishimura & Asahi, the Company held a board of directors' meeting on September 29, 2014, and seriously considered the various conditions of the Tender Offer. As a result, the board of directors of the Company has unanimously resolved to (i) issue an opinion in support of the Tender Offer, since the Company has reached the conclusion that building an even firmer alliance with the Tender Offeror based on the stabilized capital relationship, which is subject to the consummation of the Tender Offer, will contribute to the enhancement of the Company's corporate value, and eventually, its shareholder value, and (ii) take a neutral position on whether to recommend that the shareholders of the Company accept the Tender Offer and defer to the decision of each shareholder as to whether to accept the Tender Offer, since the maximum number of shares to be purchased has been set in the Tender Offer and accordingly, the listing of the Company Shares is expected to be maintained continuously after the Tender Offer. Further, all four (4) corporate auditors of the Company attended the above board of directors' meeting, and stated that they had no objections to the resolutions. There are no directors or corporate auditors who have any special interest in the resolutions at the board of directors' meeting on September 29, 2014, regarding the above-mentioned Tender Offer.

(4) Likelihood of and Reasons for Delisting

As of today, the Company shares are listed on the Tokyo Stock Exchange First Section. The Tender Offer does not purport to have the Company shares delisted. Because the Tender Offeror has set a maximum number of shares (104,079,476) to be purchased in the Tender Offer (together with the Company shares that Tender Offeror and Mitsubishi Chemical hold as of today, the total holding percentage after the Tender Offer will be 51.00%), the ordinary shares of the Company will continue to be listed on the Tokyo Stock Exchange First Section after the Tender Offer.

(5) Matters Relating to the Second-Step Takeover

The Tender Offer does not purport a Second-Step Takeover.

4. Matters Related to Material Agreement between Tender Offeror and Shareholders and/or Directors of Company Regarding the Offer in the Tender Offer

Not applicable

5. Details Regarding Provision of Benefits by Tender Offeror or its Specially Interested Persons

Not applicable

6. Policy for Responses Regarding Basic Policies on the Control of the Company

The Company updated the "Measures against Large Volume Purchases of the Company Stock (Defensive Measures for Mergers)" in the seventh ordinary meeting of shareholders held on June 29, 2011 and the tenth ordinary meeting of shareholders held on June 27, 2014, which had been introduced in the fourth ordinary meeting of shareholders held on June 27, 2008. The Company resolved at its board of directors' meeting held May 13, 2014 to support the Tender Offer, admitting that the acquisition of the Company shares by the Tender Offeror

under the Tender Offer does not fall within the scope of the large volume purchases prescribed in the Defensive Measures for Mergers.

7. Inquiries to the Tender Offeror

Not applicable

8. Request for Extension of the Tender Offer Period

Not applicable

9. Future Prospects

(1) Policies, etc. After the Tender Offer

Please refer to “3.(2)(ii) Background and Reason for the Tender Offer, and Management Policy after the Tender Offer” and “3.(4) Likelihood of and Reasons for Delisting” above for policies, etc. after the Tender Offer.

(2) Business Forecasts

The Company will make an announcement in a timely manner, if it becomes evident that the Tender Offer has a material impact on the Company’s business results.

(Reference) Outline of the Tender Offer, etc.

“Mitsubishi Chemical Holdings Corporation Announces Commencement of Tender Offer for Shares of Common Stock of Taiyo Nippon Sanso Corporation (TSE Code: 4091)” published by the Tender Offeror today, and attached to this document

END