



September 26, 2013

To whom it may concern,

Company name: Taiyo Nippon Sanso Corporation  
Name of representative: Shinji Tanabe, President  
(TSE Code: 4091, First Section of the TSE)  
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**Notice Regarding Issuance of New Shares and Disposition of Treasury Shares by Way of Third-Party Allotment, and Change of the Principal Shareholder**

Taiyo Nippon Sanso Corporation (the “Company”) hereby announces that its board of directors, at a meeting held on September 26, 2013, resolved certain matters relating to the issuance of new shares and the disposition of treasury shares by way of third-party allotment (collectively, “Capital Increase by Third-Party Allotment”), by which Mitsubishi Chemical Holdings Corporation (“MCHC”) will be the allottee.

The Company also announces the change in its principal shareholder, expected as a result of the Capital Increase by Third-Party Allotment.

- I. Issuance of New Shares and Disposition of Treasury Shares by Way of Third-Party Allotment
1. Outline of Offering and Disposition

(1) Date of issue and disposition	October 15, 2013
(2) Number of shares to be issued or disposed of	Number of shares to be issued: 30,000,000 shares of common stock of the Company Number of shares to be disposed of: 15,096,000 shares of common stock of the Company
(3) Issue price and disposition price	687 yen per share
(4) Amount of funds raised	30,980,952,000 yen
(5) Method of offering or allotment, or method of disposition (intended party to whom shares will be allotted and disposed of)	All shares shall be allotted to MCHC by way of third-party allotment.
(6) Others	Each of the above provisions shall be subject to the effectiveness of the notification under the Financial Instruments and Exchange Act, and to the obtaining of licenses, permissions, or approvals from the relevant authorities with regard to the implementation of the Capital Increase by Third-Party Allotment.

2. Purpose and Reason of Offering and Disposition

Since its development of Japan’s first oxygen generator in 1934, 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 develop its business as an industrial gas manufacturer.

With regard to the domestic business environment concerning the industrial gas industry, to which the Company belongs, the Company's major customers, including electronics companies, are reconsidering or reconstructing their business or organizations. Accordingly, the Company believes that it will take some more time until the demand for industrial gases seriously recovers. On the other hand, the Company believes that the business environment is steady both in North America and Asia, considering the growth of the Company's business results.

Under the circumstances stated above, the Company, with the aim of becoming a major Asian industrial gas company, has considered various measures to maintain and strengthen the base for its domestic business and to further extend its overseas business. Meanwhile, MCHC has maintained a capital tie with the Company, and deeply understands the effectiveness of business strategies and the potential improvement of the Company. Therefore, the Company has arrived at the conclusion that, by mutually cooperating and attempting to strengthen the relationship with MCHC, in terms of the construction and operation of a supply chain in and outside of Japan, marketing activities utilizing the global network, logistics using a business base, and research and development, the Company will be able to expand its business opportunity. Thus, the Company has discussed with MCHC matters regarding a broad business alliance, including strengthening the capital tie with the Mitsubishi Chemical Holdings Group.

As a result, the Company has considered that the execution of a capital and business alliance agreement (the "Agreement"; and the capital and business alliance created under the Agreement shall hereinafter be referred to as the "Capital and Business Alliance") with MCHC, to create a business alliance, will contribute to the Company's future improvement of its business, and eventually, to the improvement of the corporate value and shareholder value. For details of the Capital and Business Alliance, please refer to the "Notice regarding the Capital and Business Alliance between Taiyo Nippon Sanso Corporation and Mitsubishi Chemical Holdings Corporation" separately disclosed by the Company today.

In addition to the above, for the purpose of making the business alliance even more firm and to generate a synergetic effect, and also, meeting financial needs concerning future business development, including capital investment, the Company has decided to conduct the Capital Increase by Third-Party Allotment in accordance with the Agreement, and to appoint MCHC as the allottee.

Through this Capital and Business Alliance, the Company and MCHC aim to expand sales, strengthen product competitiveness, and develop new markets by mutually providing and supplementing their respective sales capability, technological/development capability, and information capability.

As a result of the Capital Increase by Third-Party Allotment, the dilution of existing shareholders' voting rights will occur. However, in order to respond to business environment changes on a continuing basis and to expand its business, the Company believes that it is indispensable to further strengthen its domestic business base and further expand its overseas business now, and that it is desirable to build a firm capital alliance relationship. Under the said understanding, the Company believes that the Capital Increase by Third-Party Allotment will contribute to the improvement of its corporate value despite the dilution of its shares as a result thereof, because the Company will be able to gain higher value. The Company has thus decided that, from a medium-and-long perspective, the Capital Increase by Third-Party Allotment will contribute to increasing existing shareholders' profits.

Also, in order to develop and maintain gas manufacturing bases and supply bases, the Company requires a large amount of funds for making capital investments. Contemplating to procure financial soundness as well as to expand its business based on long-term and stable funds, the Company has considered that it is desirable to enhance its capital adequacy, and therefore, has decided that the equity finance is the best way to raise funds. Further, the Company has considered that, rather than a capital increase by way of public offering or shareholder allotment, a capital increase by way of third-party allotment would be a desirable means by which it would be able to raise funds promptly and

certainly, while enhancing the relationship with MCHC, through which it expects to generate the synergetic effect.

The Company has 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, which had been introduced in the fourth ordinary meeting of shareholders held on June 27, 2008. In its board of directors’ meeting held today, the Company has agreed to the Capital Increase by Third-Party Allotment, and has resolved that the acquisition of the Company stock by MCHC through the Capital Increase by Third-Party Allotment and Negotiated Transactions (as defined below) would not fall under the category of a large volume purchase as stipulated under the said defensive measures.

### 3. Amount of Funds to be Raised, Purpose of Use, and Time to Use Funds

#### (1) Amount of Funds to be Raised

		(in millions of yen)
(i)	Total amount to be paid-in	30,981
(ii)	Estimated expenses to be incurred in relation to the issuance and disposition	153
(iii)	Estimated amount to be raised after the relevant deduction	30,828

Note 1: The estimated expenses to be incurred in relation to the issuance and disposition are exclusive of consumption or other taxes.

Note 2: The breakdown of the estimated expenses to be incurred in relation to the issuance and disposition are as follows: registration-related expenses including the registration and license tax, attorneys’ fees, and financial advisory fees, etc.

#### (2) Specific Purpose of Use of Funds to be Raised; Time to Use Funds

The specific purpose of use of the funds to be raised through the Capital Increase by Third-Party Allotment is scheduled as follows. The Company will manage the funds raised in a bank account until it actually uses the funds.

	Specific Purpose of Use	Amount (in 100 millions of yen)	Scheduled Time of Use
(i)	Capital investments for enhancing industrial gas manufacturing capability outside Japan	188	October 2013 - September 2015
(ii)	Capital investments for enhancing product manufacturing capability in Japan	65	December 2013 - March 2015
(iii)	Strategic investment and financing in North America, Asia, and other countries or regions inside and outside Japan	55	October 2013 - June 2014

#### (i) Capital investments for enhancing industrial gas manufacturing capability outside Japan

The Company aims to increase industrial gas manufacturing capability outside Japan by apportioning the raised funds to capital investments (including air separation plants and hydrogen producers), mainly in the petrochemical industry in North America, and

mainly in the petrochemical and semi-conductor industries in Vietnam and the Philippines.

(ii) Capital investment for enhancing product production capability in Japan

The Company aims to increase the manufacturing capability in Japan by apportioning the raised funds to capital investments concerning liquefied carbon dioxide gas, labeled water for oxygen stable isotopes (Water-<sup>18</sup>O)<sup>(Note)</sup>, and other industrial and medical gases.

(Note) Labeled water for oxygen stable isotopes (Water-<sup>18</sup>O) is produced by enriching the oxygen stable isotopes with the mass number of 18, included in natural oxygen at an extremely tiny amount, at a percentage of 98% or more. They are used as the material of the diagnostic reagent for the positron emission tomography (PET), which is effective at detecting early stage cancer and at prognosis monitoring.

(iii) Strategic investment and financing in North America, Asia, and other countries or regions inside and outside Japan

The Company's management policy is to "further strengthen our domestic operating foundation" and "grow our promising overseas businesses." It therefore believes that a strategic business alliance or capital alliance is a useful means to achieve this end. Thus, the Company intends to apportion the raised funds to strategic investments for expanding its business scale, such as, in Japan, by purchasing Pacific Medico Co., Ltd. (the purchase price is not fixed), which is a medical device manufacturer in Japan, in contemplation of expanding the medical business; and in the North American and the Asian region, by purchasing distributor companies or local gas manufacturers.

4. Company's Intention regarding Reasonableness of the Purpose of the Use of Funds

As stated in "3. (2) Specific Purpose of Use of Funds to be Raised; Time to Use Funds" above, the Company intends to appropriate the funds raised through the Capital Increase by Third-Party Allotment for capital investment for enhancing the industrial gas manufacturing capability, etc. inside and outside Japan, and strategic investment and financing in North America, Asia, and other countries or regions inside or outside Japan, aiming to expand the business scale.

The Company believes that, by making its financial base stable, utilizing investment opportunities for expanding businesses in Japan, North America, and Asia, and generating the business synergy with MCHC through the Capital Increase by Third-Party Allotment, its corporate value and existing shareholders' profits will be increased. The Company thus considers that the purpose of use of the funds raised through the Capital Increase by Third-Party Allotment is reasonable.

5. Reasonableness regarding the Issuance Terms and the Disposition Terms

(1) Grounds for the calculation of the amount to be paid-in, and the specific details thereof

The Company has set the amount to be paid-in at 687 yen, based on the closing price of its common stock at the Tokyo Stock Exchange, Inc. (the "TSE") on the business day immediately before the date on which the Capital Increase by Third-Party Allotment has been resolved at the board of directors' meeting, and after taking into account the simple average of the closing price for the one-month period immediately before the said resolution date, the simple average of the closing price for the three-month period immediately before the said resolution date, and the simple average of the closing price for the six-month period immediately before the said resolution date.

The “Guidelines Concerning Handling of Allocation of New Shares to a Third Party” of the Japan Securities Dealers Association (the “JSDA”) (as of April 1, 2010) provide that, as a general rule, when a member company intends to issue new shares through third-party allotment, the amount to be paid-in shall be determined based on the price on the day immediately before the day on which its board of directors has resolved the issuance of the shares (or, if no trade has taken place on that day, the price of the day nearest to the day before that day). The Company has therefore set the amount to be paid-in upon the Capital Increase by Third-Party Allotment based on the closing price of the business day immediately before the day on which its board of directors’ has resolved the Capital Increase by Third-Party Allotment.

The amount to be paid-in is set to be a 1.48% premium to the closing price (677 yen) of the Company’s common stock on the TSE on the business day immediately before the above-mentioned resolution date; a 4.89% premium to the simple average (655 yen) of the closing price of the same for the one-month period immediately before the said resolution date; a 0.43% discount to the simple average (690 yen) of the closing price of the same for the three-month period immediately before the said resolution date; and a 0.44% premium to the simple average (684 yen) of the closing price of the same for the six-month period immediately before the said resolution date.

Since the above amount to be paid-in is in accordance with the “Guidelines Concerning Handling of Allocation of New Shares to a Third Party” of the JSDA, the Company believes that the amount is not specifically advantageous to MCHC.

Mr. Shotaro Yoshimura, who is an outside director, did not participate in the discussion and resolution of the board of directors’ meeting stated above, and in addition, he did not participate in the discussion and negotiation with the allottee as a member of the Company, because he worked as representative director and deputy chief executive officer of MCHC (allottee), therefore, he was judged to have a special interest.

- (2) Grounds for determining that the number of shares to be issued, number of shares to be disposed of, and the extent of the dilution, are reasonable

The percentage of the number of shares issued and disposed of as a result of the Capital Increase by Third-Party Allotment, to the total number of issued shares of the Company as of March 31, 2013, (i.e., 403,092,837 shares) will be 11.19% (the percentage to the total number of voting rights, specifically, 383,307 units, as of March 31, 2013, will be 11.76%), and the value per share of common stock of the Company will be diluted to a certain extent.

However, as stated in “2. Purpose and Reason of Offering and Disposition” above, the Capital and Business Alliance and the Capital Increase by Third-Party Allotment lead to the further strengthening of the Company’s domestic base and further expansion of overseas business. The Company therefore believes that the said alliance and capital increase will contribute to the improvement of its corporate value and, from a medium-and-long perspective, will contribute to the increase of existing shareholders’ profits.

Accordingly, the Company has determined that the number of shares to be issued and the extent of the dilution in relation to the Capital Increase by Third-Party Allotment are reasonable.

6. Reason for Appointing the Intended Party to Whom Shares will be Allotted and Disposed of

(1) Outline of the intended party to whom shares will be allotted and disposed of

(As of March 31, 2013, unless specifically indicated)

(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)	Number of Issued Shares	1,506,288,107 shares	
(8)	Date of Settlement of the Account	March 31	
(9)	Number of Employees	55,131 (consolidated); 97 (non-consolidated)	
(10)	Major Customers	Mitsubishi Chemical Corporation Mitsubishi Tanabe Pharma Corporation Mitsubishi Plastics, Inc. Mitsubishi Rayon Co., Ltd.	
(11)	Major Transacting Banks	The Bank of Tokyo-Mitsubishi UFJ, Ltd. Mitsubishi UFJ Trust and Banking Corporation Mizuho Corporate Bank, Ltd. The Norinchukin Bank	
(12)	Major Shareholders and Shareholding Percentage	The Master Trust Bank of Japan ,Ltd. (Trust Account)	4.69%
		Meiji Yasuda Life Insurance Company (Standing Proxy), Trust & Custody Services Bank, Ltd.	4.27%
		Japan Trustee Services Bank, Ltd. (Trust Account)	4.07%
		Takeda Pharmaceutical Company Limited	3.43%
		Nippon Life Insurance Company	3.28%
		The Bank of Tokyo-Mitsubishi UFJ, Ltd.	2.72%
		Tokio Marine & Nichido Fire Insurance Co., Ltd.	2.26%
		SSBT OD05 OMNIBUS ACCOUNT - TREATY CLIENTS (Standing Proxy), The Hongkong and Shanghai Banking Corporation Limited, Tokyo Branch	2.05%
		TAIYO LIFE INSURANCE COMPANY	1.64%
		Japan Trustee Services Bank, Ltd. (Trust Account 4)	1.55%
(13)	Relationship between the Parties		
	Capital Relationship	The Company holds 10,477,182 shares (including those held indirectly) of the stock of MCHC. MCHC holds 60,947,870 shares (including those held indirectly) of the stock of the Company.	
	Personnel Relationship	One (1) officer of MCHC concurrently serves as the outside-director of the Company.	
	Transactional Relationship	There are no material transactional relationships between the Company and MCHC to be noted. There are no material	

		transactional relationships to be specifically noted, between people or companies affiliated with the Company, and those affiliated with MCHC.		
	Application as a Related Party	The Company is an equity-method affiliate of MCHC, and falls under the category of a related party.		
(14) Operational Results and Financial Conditions for the Latest 3 Fiscal Years				
	Accounting Period	March 2011	March 2012	March 2013
	Net assets (consolidated)	1,114,003	1,144,954	1,203,316
	Total assets (consolidated)	3,294,014	3,173,970	3,307,758
	Net assets per share (consolidated; in yen)	514.30	522.77	553.54
	Sales (consolidated)	3,166,771	3,208,168	3,088,577
	Operating income (consolidated)	226,493	130,579	90,241
	Ordinary income (consolidated)	223,899	133,614	87,054
	Net income for the year (consolidated)	83,581	35,486	18,596
	Net income per share for the year (consolidated; in yen)	58.72	24.06	12.61
	Dividends per share (yen)	10	10	12

(in millions of yen, unless specifically indicated)

MCHC, the intended party to whom shares will be allotted and disposed of, is listed on the First Section of the TSE market. The Company has confirmed on TSE's website MCHC's basic stance towards the elimination of anti-social forces (including the fact that MCHC declared the elimination of the same in its corporate governance report submitted to the TSE), and the progress of the activities towards the same, and has determined that MCHC and officers and major shareholders of MCHC are not, and are not related to, any specified group, etc.

- (2) Reason for appointing the intended party to whom shares will be allotted and disposed of

Please see "2. Purpose and Reason of Offering and Disposition" above.

- (3) Policy of the holding by the intended party to whom shares will be allotted and disposed of

In executing the Agreement with MCHC, which has been executed today, the Company has confirmed, orally, that MCHC intends to hold the stock of the Company long term.

Also, the Company and MCHC have agreed in the Agreement that if MCHC or its subsidiaries intend to transfer or sell the Company's share to a third party, to create a security interest in the same, or to conduct any other acts in relation to the same, they shall discuss this with the Company to reach an agreement in advance.

The Company intends to obtain a written pledge from MCHC to the effect that, in the event that MCHC transferred, within two (2) years from the due date of the payment, all or a part of the shares of the Company's common stock it acquired, MCHC shall consent to the following: (i) it shall immediately report the name and address of the transferee, number of the transferred shares, transfer date, transfer price, reason for the transfer, means of the transfer, and other matters to the Company in writing, (ii) the Company will submit a report to the TSE based on the information reported by MCHC, and (iii) the details so reported by the Company shall be provided for public inspection.

- (4) Details of confirmation regarding the existence of properties required for the payment by the intended party to whom shares will be allotted and disposed of

Based on MCHC's securities report for the eighth (8th) fiscal year (filed on June 25, 2013) and the first (1st) quarterly report for the ninth (9th) fiscal year (filed on August 9, 2013), the Company has confirmed that MCHC has cash and deposits necessary and sufficient to make the payment for the Capital Increase by Third-Party Allotment. The Company has not recognized any concern regarding significant deterioration of the financial conditions of MCHC since then, it has determined that no problem will arise in relation to the payment for the Capital Increase by Third-Party Allotment.

7. Major Shareholders and Shareholding Percentage after the Offering and the Disposition

Before Offering and Disposition (as of March 31, 2013)		After Offering and Disposition	
Mitsubishi Chemical Corporation	15.12%	Mitsubishi Chemical Corporation	14.07%
JFE Steel Corporation	6.27%	Mitsubishi Chemical Holdings Corporation	10.41%
Taiyo Nippon Sanso Corporation's shareholding association	5.14%	JFE Steel Corporation	5.83%
Meiji Yasuda Life Insurance Company	3.97%	Taiyo Nippon Sanso Corporation's shareholding association	4.79%
National Mutual Insurance Federation of Agricultural Cooperatives	3.77%	Mizuho Bank, Ltd.	3.78%
Mizuho Corporate Bank, Ltd.	3.59%	Meiji Yasuda Life Insurance Company	3.70%
The Master Trust Bank of Japan ,Ltd. (Trust Account)	2.93%	National Mutual Insurance Federation of Agricultural Cooperatives	3.51%
Japan Trustee Services Bank, Ltd. (Trust Account)	2.78%	The Master Trust Bank of Japan ,Ltd. (Trust Account)	2.72%
The Norinchukin Bank	2.48%	Japan Trustee Services Bank, Ltd. (Trust Account)	2.59%
Dai-Ichi Life Insurance Company, Limited	1.87%	The Norinchukin Bank	2.31%

- \* 1 Treasury stock held by the Company is excluded from the above table of major shareholders.
- \* 2 The above table is based on the shareholder registry as of March 31, 2013. In addition, the shareholding percentage after the offering reflects the changes as a result of the Capital Increase by Third-Party Allotment, based on the shareholder registry as of March 31, 2013.
- \* 3 Mizuho Corporate Bank, Ltd. merged with Mizuho Bank, Ltd. on July 1, 2013. As a result thereof, its trade name has changed to Mizuho Bank, Ltd.
- \* 4 In conjunction with the Capital Increase by Third-Party Allotment, MCHC intends to acquire shares of Company from the Company's existing shareholders through transactions via the ToSTNeT market or through negotiated transactions outside the market (collectively, "Negotiated Transactions"). We recognize that if such share acquisitions actually takes place, the shareholding percentage of MCHC (the percentage to the total number of issued shares after the Capital Increase by Third-Party Allotment, including those held indirectly) will be approximately 27% at maximum.

## 8. Future Prospects

The Capital and Business Alliance and the Capital Increase by Third-Party Allotment are considered to contribute to strengthening the Company's business and financial characteristics. However, the specific amount of the effect thereof is currently unknown.

If any matters that should be disclosed occur, the Company will promptly disclose the details thereof, as soon as it becomes aware of them.

(Matters regarding procedures under the code of conduct of companies)

Since (i) the percentage of the dilution is less than 25%, and (ii) the controlling shareholder will not change as a result of the Capital Increase by Third-Party Allotment, receipt of an opinion from an independent third party and confirmation of the intent of the shareholders, as provided for in Article 432 of the Securities Listing Regulations stipulated by the TSE, are not required.

## 9. Business Results for the Last 3 Fiscal Years and Equity Finance

### (1) Business results for the last 3 fiscal years (consolidated)

	FY ending in March 2011	FY ending in March 2012	FY ending in March 2013
Sales (consolidated)	483,620	477,451	468,387
Operating income (consolidated)	35,468	31,067	24,884
Ordinary income (consolidated)	34,167	29,730	23,060
Net income for the year (consolidated)	12,736	21,200	2,071
Net income per share for the year (consolidated; in yen)	31.86	53.33	5.25
Dividends per share (in yen)	12.00	12.00	12.00
Net assets per share (consolidated; in yen)	481.71	506.02	525.38

(in millions of yen, unless specifically indicated)

### (2) Number of issued shares and potential shares as of this point in time (as of March 31, 2013)

	Number of shares	Percentage to the issued shares
Number of issued shares	403,092,837 share	100%

Note: As of March 31, 2013, there are no potential shares.

### (3) Recent share price

#### (i) Share price for the last 3 fiscal years

	FY ending in March 2011	FY ending in March 2012	FY ending in March 2013
Opening price	907 yen	700 yen	589 yen
Highest price	910 yen	702 yen	713 yen
Lowest price	546 yen	506 yen	362 yen
Closing price	693 yen	584 yen	638 yen

(ii) Share price for the last 6 fiscal years

	March	April	May	June	July	August
Opening price	647 yen	628 yen	638 yen	700 yen	687 yen	708 yen
Highest price	713 yen	668 yen	844 yen	709 yen	777 yen	748 yen
Lowest price	633 yen	578 yen	632 yen	617 yen	673 yen	634 yen
Closing price	638 yen	646 yen	716 yen	685 yen	692 yen	645 yen

(iii) Share price on the business day before the day on which the issuance has been resolved

	September 25, 2013
Opening price	679 yen
Highest price	679 yen
Lowest price	670 yen
Closing price	677 yen

(4) Equity finance for the last 3 fiscal years

Not applicable.

10. Terms of the Issuance

(1) Type and number of shares

30,000,000 shares of the Company's common stock

(2) Amount to be paid-in

687 yen per share

(3) Total amount to be paid-in

20,610,000,000 yen

(4) Total amount of the stated capital and capital reserve to be increased

Stated capital: 10,305,000,000 yen

Capital reserve: 10,305,000,000 yen

(5) Due Date for subscription

October 15, 2013

(6) Due date for payment

October 15, 2013

(7) Allottee and the number of shares to be allotted

The Company will allot 30,000,000 shares to MCHC by way of third-party allotment.

(8) Other

Each of the above items shall be subject to the effectiveness of the notification under the Financial Instruments and Exchange Act, and to the obtaining of licenses, permissions, or approvals from the relevant authorities with regard to the implementation of the Capital Increase by Third-Party Allotment.

11. Terms of the Disposition

(1) Type and number of shares

15,096,000 shares of the Company's common stock

(2) Amount to be disposed of

687 yen per share

(3) Total amount to be disposed of

10,370,952,000 yen

(4) The party to whom shares will be disposed of, and the number of shares to be disposed of

The Company will allot 15,096,000 shares to MCHC by way of third-party allotment.

(5) Date of disposition

October 15, 2013

(6) Others

Each of the above items shall be subject to the effectiveness of the notification under the Financial Instruments and Exchange Act, and to the obtaining of licenses, permissions, or approvals from the relevant authorities with regard to the implementation of the Capital Increase by Third-Party Allotment.

II. Change of the Company's Principal Shareholder

1. Background based on which the Company expects the Change

The Company's principal shareholder is expected to change as of October 15, 2013, as a result of the Capital Increase by Third-Party Allotment being effective, upon the Capital and Business Alliance stated above.

2. Outline of the Shareholder subject to the Change

Name: Mitsubishi Chemical Holdings Corporation

The outline of the above company is as stated in "I. Issuance of New Shares and Disposition of Treasury Shares by Way of Third-Party Allotment; 6. Reason for Appointing Intended Party to Whom Shares will be Allotted and Disposed of; (1) Outline of the intended party to whom shares will be allotted and disposed of" above.

3. Number of Voting Rights of the Shareholder and the Percentage to the Total Number of Voting Rights Before and After the Change

MCHC

	Attribution	Number of Voting Rights/Number of Shares Held (Percentage to the Total Voting Rights)			Ranking among Major shareholders
		Number of Voting Rights / Shares Held Directly	Number of Voting Rights / Shares to be Added	Total Number of Voting Rights / Shares	
Before the Change	Other affiliated company	- (- %)	60,947 units / 60,947,870 shares (15.90%)	60,947 units / 60,947,870 shares (15.90%)	-
After the Change	Other affiliated company	45,096 units / 45,096,000 shares (10.53%)	60,947 units / 60,947,870 shares (14.23%)	106,043 units / 106,043,870 shares (24.75%)	Second ranking

\* MCHC is the wholly owning parent company of Mitsubishi Chemical Corporation. Figures for the “Number of Voting Rights / Shares to be Added” include those that MCHC holds indirectly through Mitsubishi Chemical Corporation, the figures for the “Total Number of Voting Rights / Shares” indicate the total of those held directly by MCHC and those held indirectly through Mitsubishi Chemical Corporation. In addition, the “Ranking among Major Shareholders” indicates the ranking based on the number of shares/voting rights directly held by MCHC.

\* In conjunction with the Capital Increase by Third-Party Allotment, MCHC intends to acquire shares from the Company’s existing shareholders through the Negotiated Transactions. If such share acquisition actually takes place, the percentage to the total number of voting rights (the percentage to the total number of voting rights after the Capital Increase by Third-Party Allotment, including those held indirectly) will be approximately 27% at maximum.

\* Number of shares with no voting rights, subtracted from the total number of issued shares  
 Before the change: 19,785,837 shares  
 After the change: 4,689,837 shares  
 Total number of issued shares as of March 31, 2013: 403,092,837 shares

4. Future Prospects

Please see “I. Issuance of New Shares and Disposition of Treasury Shares by Way of Third-Party Allotment; 8. Future Prospects” above.

End.