



December 22, 2016

Company name:	Mitsubishi Chemical Holdings Corporation
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Notice Regarding a Corporate Split-Off (Simplified/Abbreviated Split-Off)

Mitsubishi Chemical Holdings Corporation (hereinafter, the Company), effective as of February 1, 2017, announced an absorption-type split-off of the equity share administration business (hereinafter, the Business) of Taiyo Nippon Sanso Corporation (hereinafter, TNSC), which is a consolidated subsidiary of the Company, operated by Mitsubishi Chemical Corporation (hereinafter, MCC), which is a wholly owned subsidiary of the Company. As a result, these operations will be continued within the Company, and an agreement for this absorption-type split-off (hereinafter, Split-Off) has been concluded with today's date.

Please note that since this Split-Off will involve the transfer of a business of a wholly owned subsidiary and will be conducted through the simplified/abbreviated split-off method, some disclosure items have been omitted.

1. Objective of the Split-Off

Through the continuation of this Business inside the Company, the aim of the Split-Off is to concentrate management administrative functions for TNSC in the Company. As a result of the Split-Off, all of the 60,947,870 shares of TNSC held by MCC, which, as of September 30, represented 14.07%* of the 433,092,837 shares, issued and outstanding, of TNSC will be succeeded by the Company. Through succession to these shares, in addition to the shares which the Company has at present, the Company will own 218,996,766 shares of TNSC (which will represent 50.56% ownership of that company).

*Here and hereinafter, such ownership percentages are rounded off at the third-digit level.

2. Outline of the Split-Off

1) Schedule for the Split-Off

Agreement signing date: December 22, 2016
Scheduled date of implementation (effective date): February 1, 2017

This Split-Off will be a simplified split-off that is conducted by the Company under the provisions of Article 796-2 of the Companies Act, and, since this will be an abbreviated split-off involving MCC, under the provisions of Article 784-1 of the Companies Act, shareholders' meetings will not be held for shareholders' approval of the Split-Off agreement.

2) Method for the Split-Off

With MCC as the company, a portion of whose operations will be split off, the Split-Off will be approved by the Company as the entity succeeding to the operations to be split off.

3) Allocations related to the Split-Off

Since this Split-Off involves the operations of a wholly owned subsidiary, the Company will not compensate MCC at the time of the Split-Off.

4) Treatment of stock acquisition rights and bonds with stock acquisition rights issued by the companies subject to the Split-Off

No applicable items

5) Increases/decreases in capital as a result of the Split-Off

There will be no increases/decreases in capital as a result of the Split-Off.

6) Rights and obligations assumed by the succeeding company

The Company will succeed to the rights and obligations of the Business split off from MCC. Please note that succession of these liabilities by the Company will be dealt with under the method of non-cumulative assumption of obligations.

7) Outlook for fulfillment of obligations

Under this Split-Off, on and after the effective date, the Company is expected to fulfill the related obligations.

3. Outlines of the Companies Involved

1) Succeeding company

1) Company name	Mitsubishi Chemical Holdings Corporation											
2) Head office location	1-1 Marunouchi 1-chome, Chiyoda-ku, Tokyo											
3) Name and title of representative	Hitoshi Ochi Representative Corporate Executive Officer, President and Chief Executive Officer											
4) Business lines	Management of Group companies (Development of the Group strategies and allocation of financial resources)											
5) Paid-in capital	¥50 billion											
6) Date established	October 3, 2005											
7) Number of outstanding shares	1,506,288,107											
8) Fiscal year-end	March 31											
9) Major shareholders and shareholding ratios (As of September 30, 2016)	<table> <tr> <td>The Master Trust Bank of Japan, Ltd. (Trust account)</td> <td>5.75%</td> </tr> <tr> <td>Japan Trustee Services Bank, Ltd. (Trust account)</td> <td>5.50%</td> </tr> <tr> <td>Meiji Yasuda Life Insurance Company</td> <td>4.27%</td> </tr> <tr> <td>Nippon Life Insurance Company</td> <td>2.82%</td> </tr> <tr> <td>Japan Trustee Services Bank, Ltd. (Trust account 9)</td> <td>1.60%</td> </tr> </table>		The Master Trust Bank of Japan, Ltd. (Trust account)	5.75%	Japan Trustee Services Bank, Ltd. (Trust account)	5.50%	Meiji Yasuda Life Insurance Company	4.27%	Nippon Life Insurance Company	2.82%	Japan Trustee Services Bank, Ltd. (Trust account 9)	1.60%
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Nippon Life Insurance Company	2.82%											
Japan Trustee Services Bank, Ltd. (Trust account 9)	1.60%											
10) Consolidated operating results and financial conditions for the fiscal year ended March 31, 2016												
Net assets	¥1,554,528 million											
Total assets	¥4,061,572 million											
Net assets per share	¥636.43											
Net sales	¥3,823,098 million											
Operating income	¥280,062 million											
Ordinary income	¥270,616 million											
Net income attributable to shareholders of the parent	¥46,444 million											
Net income per share	¥31.70											

Notes:

- i) The percentage ownership ratios in the item “Major shareholders and shareholding ratios (as of September 30, 2016)” are ownership ratios of the Company’s total shares issued and outstanding.
- ii) As of September 30, 2016, the Company holds 41,425,975 shares, 2.75%, of its common stock.
- iii) Beginning with the year ending March 31, 2017, the Company adopts International Financial Reporting Standards (IFRS); however, the figures for the period ended March 31, 2016, were prepared according to accounting standards in Japan.

2) Splitting company

	MCC
1) Company name	Mitsubishi Chemical Corporation
2) Head office location	1-1 Marunouchi 1-chome, Chiyoda-ku, Tokyo
3) Name and title of representative	Hiroaki Ishizuka Member of the Board, President and Chief Executive Officer
4) Business lines	Production and sale of chemical products
5) Paid-in capital	¥50 billion
6) Date established	June 1, 1950
7) Number of outstanding shares	2,177,675,032
8) Fiscal year-end	March 31
9) Major shareholder and shareholding ratio	Mitsubishi Chemical Holdings Corporation 100%
10) Consolidated operating results and financial conditions for the fiscal year ended March 31, 2016	
Net assets	¥380,399 million
Total assets	¥1,374,734 million
Net assets per share	¥134.96
Net sales	¥1,745,987 million
Operating income	¥69,392 million
Ordinary income	¥64,367 million
Net income (loss) attributable to shareholders of the parent	(¥34,158 million)
Net income (loss) per share	(¥15.68)

Note:

Beginning with the year ending March 31, 2017, the Company adopts International Financial Reporting Standards (IFRS); however, the figures for the period ended March 31, 2016, were prepared according to accounting standards in Japan.

4. Outlines of the Business to Be Succeeded

1) Outline of the Business to be succeeded

The equity share administration business of TNSC, which is a consolidated subsidiary of the Company

2) Operating results of the Business to be succeeded

There are no items cited regarding the management performance of the Business to be succeeded.

3) Assets and liabilities of the Business to be succeeded

Assets	Liabilities
¥20.0 billion	¥20.0 billion

5. Status after the Split-Off

There will be no change in the Company's name, head office location, name and title of representative, business lines, paid-in capital, or fiscal year-end.

6. Impact on Financial Outlook

This Split-Off will have no impact on the consolidated financial results forecasts for the fiscal year ending March 31, 2017.

Reference:

Consolidated financial results forecasts for the fiscal year ending March 31, 2017 (Fiscal 2016) [IFRS]
(Unit: Millions of yen)

	Sales revenue	Operating income	Earnings before taxes	Net income	Net income attributable to owners of the parent
Consolidated financial results forecasts for fiscal 2016	3,280,000	229,000	214,000	179,000	125,000

Notes:

- i) Core operating income (full year): ¥259,000 million
Core operating income excludes gains or losses incurred by non-recurring items specified by the Company from operating income.
- ii) Beginning with fiscal 2016, the Company adopts IFRS, and above-mentioned forecasts are based on IFRS.

Consolidated financial results for the fiscal year ended March 31, 2016 (Fiscal 2015) [JGAAP]
(Unit: Millions of yen)

	Net sales	Operating income	Ordinary income	Net income attributable to shareholders of the parent
Consolidated financial results for fiscal 2015	3,823,098	280,026	270,616	46,444