



July 5, 2018

Company name: Mitsubishi Chemical Holdings Corporation
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Representative Corporate Executive Officer,
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Notice of Acquisition (100% Ownership) of US Company, Praxair, Inc.'s European Businesses

Mitsubishi Chemical Holdings Corporation's consolidated subsidiary, Taiyo Nippon Sanso Corporation (Head office: Shinagawa-ku, Tokyo; President-CEO: Yujiro Ichihara) announced today that it has executed the share purchase agreement to acquire a part of the Praxair's European businesses on July 5, 2018 (Japan time). Please refer to the attached press release for details.



July 5, 2018

To Whom It May Concern:

Company Name: Taiyo Nippon Sanso Corporation
Representative: Yujiro Ichihara, Representative Director,
President-CEO
(Code: 4091, 1st Section of Tokyo Stock
Exchange)
Contact:: Hisataka Ose, Managing Director,
Corporate Communications
(TEL: 03-5788-8015)

Notice of Acquisition (100% Ownership) of US Company, Praxair, Inc.'s European Businesses

We hereby announce that on June 7, 2018 (Japan Time) our board meeting resolved that we would participate in the bid in relation to the sale of a part of the European businesses by Praxair, Inc. ("Praxair"). Following the negotiations on the terms and conditions, we executed the share purchase agreement with Praxair on July 5, 2018 (Japan time).

1. Background of Acquisition

On June 1, 2017, US company Praxair, Inc. reached an agreement with German company Linde Aktiengesellschaft ("Linde AG") to merge by establishing a newly formed Irish holding company. The competition law authorities in the relevant countries are reviewing that merger, and the European Commission is requesting that Praxair sell a part of its European businesses to a third party. We have now executed the share purchase agreement in order to acquire the shares of the corporations running such businesses via a European subsidiary to be newly established. The execution of the above-mentioned transaction is conditioned on the ultimate Linde-Praxair being consummated which requires Praxair and Linde AG obtaining approval from the competition authorities for the merger in the relevant countries and our company obtaining approval from the European Commission and the other relevant competition authorities for executing the acquisition.

2. Purpose of Acquisition

We are aiming at "one trillion yen in sales, a 10% operating margin ratio, 10% or more ROCE, 50% or more overseas sales" as our long-term management vision in order to make ourselves more globally competitive and to firmly establish our place in the industry reorganization environment. We regard this acquisition as a means to make a large advancement toward realizing such vision and an attractive opportunity with strategic significance at the same time.

The industrial gas market in Europe is the second largest behind the North American market, and its competition environment is stable. This acquisition will accelerate our global expansion by obtaining businesses with a certain share in the market in which we have not had previous participation. Further, we will be able to acquire profitable businesses with a certain scale and network (e.g., manufacturing base) as well as talented personnel including the current top management and business platform. Based on such business foundation, we are planning to provide our products, such as environmental responsive products, and to reinforce our group-wide functions, such as enhancement of our marketing to global firms.

3. Summary of Acquisition

(1) Summary of Target Businesses

The industrial gas business of Praxair's European territories in Germany, Spain, Portugal, Italy, Norway, Denmark, Sweden, the Netherlands and Belgium, the carbon dioxide gas business in the United Kingdom, Ireland, the Netherlands and France and the helium-related businesses.

(2) Acquisition Structure

We will acquire the shares of the companies related to the target businesses.

(3) Number of Shares to be Acquired, Acquisition Price and Possession Situation before and after Acquisition

Number of Shares to be Acquired: The precise number of shares to be acquired has not been fixed, so we will make another announcement once it is fixed.

Acquisition Price¹: 5,000 million Euro (approximately 643.8 billion yen²)

¹ Acquisition Price will be adjusted by cash and debt balance and working capital variance etc at closing.

² converted at the exchange rate of one Euro to 128.76yen (as of July 4, 2018)

Advisory Costs, etc. : Approximately 2.7 billion yen

(4) Plans for Raising Capital

We plan to raise funds in consideration of preventing against lower capital efficiency due to stock dilution and maintaining financial soundness. Specifically, after cash on hand and procuring funds through bridge loans for acquisition funds, we plan to refinance by borrowing from financial institutions, issuing corporate bonds, and hybrid financing³ etc., and we do not plan to finance by equity financing.

³Although it is debt, it is a form of financing having features similar to equity such as arbitrary deferral of interest, deferral of ultra-long-term repayment terms, liquidation procedures and subordination in bankruptcy proceedings, without causing dilution of shares. We assume that the credit rating agencies (i.e., Japan Credit Rating Agency, Ltd and Rating and Investment Information, Inc.) would be able to approve certain level of equity of the procurement amount by the financing.

4. Principal Target Businesses

As we are not able to disclose management performance and financial position for certain of the companies related to the target businesses, we inform a brief description of three major entities conducting the target businesses.

(1)	Name	Praxair Espana, S.L.	
(2)	Address	Calle Orense, 11 E-28020 Madrid, Spain	
(3)	Name and position of representative	Eduardo Gil (Managing Director)	
(4)	Type of business	Manufacture and sale of industrial gas and related machinery and equipment	
(5)	Capital amount	1,012,180.16 Euro	
(6)	Year of Establishment	1954	
(7)	Major shareholders and stockholding ratio	Praxair Euroholding S.L. (100%)	
(8)	Relationship between the listed company and the target companies	Capital relationship	N/A
		Personal relationship	N/A

	Transactional relationship	N/A
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(1)	Name	Praxair Deutschland Holding GmbH	
(2)	Address	Hans-Bockler-Strasse 1 (Kennedyhaus), 40476 Dusseldorf, Germany	
(3)	Name and position of representative	Frank Wegmann (Managing Director)	
(4)	Type of business	Manufacture and sale of industrial gas and related machinery and equipment	
(5)	Capital amount	61,000,000.00 Euro	
(6)	Year of Establishment	2004	
(7)	Major shareholders and stockholding ratio	Praxair Euroholding S.L. (100%)	
(8)	Relationship between the listed company and the target companies	Capital relationship	N/A
		Personal relationship	N/A
		Transactional relationship	N/A

(1)	Name	Praxair Italia S.r.l.	
(2)	Address	Via Benigno Crespi n.19, Milan, Italy	
(3)	Name and position of representative	Raoul Giudici (Managing Director)	
(4)	Type of business	Manufacture and sale of industrial gas and related machinery and equipment	
(5)	Capital amount	25,000,000.00 Euro	
(6)	Year of Establishment	2014	
(7)	Major shareholders and stockholding ratio	Praxair Euroholding S.L. (100%)	
(8)	Relationship between the listed company and the target companies	Capital relationship	N/A
		Personal relationship	N/A
		Transactional relationship	N/A

5. Consolidated management performance and consolidated statement of financial position⁴ of the target businesses within a period of the most recent three (3) years

Accounting Period	December 2015	December 2016	December 2017
Net Assets	—	1,670.4 million Euro	1,673.0 million Euro
Total Assets	—	2,236.9 million Euro	2,229.1 million Euro
Sales revenue	1,096.3 million Euro	1,183.3 million Euro	1,273.7 million Euro
EBIT	230.9 million Euro	253.7 million Euro	266.0 million Euro
EBITDA	349.7 million Euro	381.0 million Euro	400.8 million Euro

⁴ Above chart includes all the entities' figures to be acquired.

Net Assets and total assets as of December 2015 are not available and therefore not disclosed.

6. Overview of Seller of Stock to be Acquired (as of March 31, 2018)

(1)	Name	Praxair, Inc.	
(2)	Address	10 Riverview Dr., Danbury, CT 06810, USA	
(3)	Name and position of representative	Steve Angel (Chairman & CEO)	
(4)	Type of business	Manufacture and sale of industrial gas and related machinery and equipment	
(5)	Capital amount	\$41,467,000	
(6)	Date of establishment	1907	
(7)	Total capital	\$6,884,000,000	
(8)	Total assets	\$20,592,000,000	
(9)	Major shareholders and stockholding ratio	The Vanguard Group, Inc. (7.52%) Capital World Investors (6.36%)	
(10)	Relationship between the listed company and the target companies	Capital relationship	N/A
		Personal relationship	N/A
		Transactional relationship	N/A
		Applicable circumstances to the parties	N/A

7. Schedule

(1)	Date of resolution of the board of directors (The resolution of the bid participation)	June 7, 2018
(2)	Execution date of agreements	July 5, 2018
(3)	Effective date of share transfer	November 2018 (Estimated)

8. Future Prospects

We will make another announcement regarding March 2019 consolidated management performance of our Company resulting from this transaction after a detailed review following completion of the purchase procedures. Additionally, if this acquisition is completed, we plan to make revisions in our mid-term business plan "Ortus Stage 2" (accounting periods March 2018 through March 2021). The revised mid-term business plans will be conducted after the acquisition procedures are completed, and we will make another announcement.

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