



January 22, 2019

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Representative: Hitoshi Ochi
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**Taiyo Nippon Sanso Corporation Announces
“Notice Regarding Determination of Issuance Conditions for Hybrid Bonds
(Public Subordinated Bonds)”**

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 determined the issuance conditions regarding the public issue of the hybrid bonds (public subordinated bonds) announced on December 4, 2018.

Please refer to the attached press release for details.



January 22, 2019

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, General Manager
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**Notice Regarding Determination of Issuance Conditions for Hybrid Bonds
 (Public Subordinated Bonds)**

Taiyo Nippon Sanso Corporation (TNSC) hereby announces that today it determined the issuance conditions regarding the public issue of the hybrid bonds (public subordinated bonds) announced on December 4, 2018. Details are as follows.

	1st Series Deferrable Interest and Callable Unsecured Subordinated Bonds	2nd Series Deferrable Interest and Callable Unsecured Subordinated Bonds
(1) Amount of issue	¥100.0 billion	¥8.0 billion
(2) Initial interest rate	1.41% per annum (Note 1)	1.87% per annum (Note 2)
(3) Payment date	January 29, 2019	January 29, 2019
(4) Maturity date	January 29, 2054	January 29, 2059
(5) Early redemption	Early redemption is possible at TNSC' s discretion on each interest payment date from January 29, 2024 or upon the occurrence and continuation of a tax event or an equity credit change event on or after the payment date.	Early redemption is possible at TNSC' s discretion on each interest payment date from January 29, 2029 or upon the occurrence and continuation of a tax event or an equity credit change event on or after the payment date.
(6) Replacement restrictions	In the case of early redemption, etc., of the subordinated bonds, TNSC does not intend to conduct early redemption, etc., unless it raises funds through the issuance of replacement securities, etc., within the 12-month period preceding the date of early redemption, etc. (However, this restriction will not apply if the date of early redemption, etc., falls on or after January 29, 2024 and TNSC meets both of the requirements of (i) and (ii) below.)	Note 3

	As of the end of the fiscal year immediately preceding the date of early redemption, etc., or at the end of any quarter of that fiscal year, (i) TNSC's adjusted consolidated net debt to shareholders' equity ratio is 1.00x or lower. (ii) The amount of consolidated shareholders' equity has increased by ¥100.0 billion or more compared with the amount of consolidated shareholders' equity as of the end of the second quarter of the fiscal year ending March 31, 2019.	
(7) Optional suspension of interest payment	TNSC may defer all or part of interest payments at its discretion.	
(8) Subordination	In terms of the order of repayment, the subordinated bonds are subordinate to TNSC's ordinary debt but have a higher priority than its ordinary shares.	
(9) Ratings	BBB (Rating and Investment Information, Inc.) A- (Japan Credit Rating Agency, Ltd.)	
(10) Assessment of equity credit	"Class 3 - Equity Credit 50" (Rating and Investment Information, Inc.) "Middle" or "50" (Japan Credit Rating Agency, Ltd.)	
(11) Method of issue	Public issue in Japan	
(12) Underwriters	Mizuho Securities Co., Ltd. (book runner), Mitsubishi UFJ Morgan Stanley Securities Co., Ltd. (co-lead managing underwriter), Nomura Securities Co., Ltd. (co-lead managing underwriter)	Mizuho Securities Co., Ltd. (book runner), Mitsubishi UFJ Morgan Stanley Securities Co., Ltd. (co-lead managing underwriter)
(13) Book-entry transfer institution	Japan Securities Depository Center, Inc.	
(14) Fiscal, issue and payment agent	Mizuho Bank, Ltd.	

Notes

1. A fixed interest rate from the day following January 29, 2019 to January 29, 2024 and a variable interest rate from the day following January 29, 2024 (with a step-up in the interest rate scheduled for January 30, 2024).
2. A fixed interest rate from the day following January 29, 2019 to January 29, 2029 and a variable interest rate from the day following January 29, 2029 (with a step-up in the interest rate scheduled for January 30, 2029).
3. If the 2nd Series Deferrable Interest and Callable Unsecured Subordinated Bonds are redeemed early, TNSC expects to raise funds through the issuance of replacement securities, etc., within the 12-month period preceding the date of early redemption, etc. However, if the date of the early redemption, etc., falls on or after January 29, 2029, TNSC may forgo the issuance of such replacement securities, etc., provided that TNSC meets both of the following requirements (i) and (ii):
 - (i) TNSC's adjusted consolidated net debt to shareholders' equity ratio is 1.00x or lower.

- (ii) The amount of consolidated shareholders' equity has increased by an amount greater than or equal to the amount of funds raised from hybrid securities through March 2019, compared with the amount of consolidated shareholders' equity at the end of the second quarter of the fiscal year ending March 31, 2019.

This document is intended to announce to the public TSNC's issuance of hybrid bonds (subordinated bonds), rather than solicit investments or perform any similar act. Nor does this document constitute an investment solicitation for any securities for sale within the United States under the U.S. Securities Act of 1933. TSNC has not registered any of its bonds of common stock under the U.S. Securities Act of 1933, nor does it plan to do so. No offer of securities for sale in the United States will be made unless registered under the U.S. Securities Act, or exempted from such registration. This document is concerned with TSNC's issue of hybrid bonds in Japan, and in this context does not solicit securities or sell them in the United States.