



May 26, 2020

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Notice Regarding Disposition of Treasury Shares as Equity Compensation in the Form of Restricted Shares

Mitsubishi Chemical Holdings Corporation (MCHC) hereby announces that it has decided to dispose of treasury shares as equity compensation in the form of restricted shares (“Treasury Share Disposition”) at the meeting of the Corporate Executive Officers Committee held today based on a delegation from the Board of Directors.

1. Outline of disposition

(1) Payment date	June 25, 2020
(2) Type and number of shares for disposition	102,189 common shares of MCHC
(3) Disposition price	604.5 yen per share
(4) Total value of disposition	61,773,251 yen
(5) Intended allottees	7 (seven) corporate executive officers
(6) Other	A securities notice pursuant to the Financial Instruments and Exchange Act has been submitted for the Treasury Share Disposition.

2. Purpose and reason for disposition

MCHC has decided at a meeting of its Compensation Committee held on February 28, 2020, to introduce a new program involving equity compensation in the form of restricted shares (“the Program”) for corporate executive officers for the purpose of providing an incentive for the continuous improvement of MCHC’s corporate value and shareholder value over the medium to long term to enhance retention as well as share further value with shareholders.

MCHC also decided at a meeting of its Compensation Committee held on May 25, 2020, to grant 102,189 common shares of MCHC (“Allotted Shares”) to seven corporate executive officers (“Target Corporate Executive Officers”) by having them contribute in kind monetary remuneration totaling

61,773,251 yen granted to them in accordance with the Program and in consideration of the purpose of the Program, the business performance of MCHC, the scope of responsibilities of each Target Corporate Officer, and other miscellaneous matters.

Under the Program, the Target Corporate Executive Officers will pay all monetary remuneration paid to them by MCHC in accordance with the Program as contributed assets and receive issuance or disposition of common shares of MCHC. The amount of monetary remuneration paid to each Target Corporate Executive Officer has been decided by the Compensation Committee.

Outline of the restricted share allotment agreement

In conducting the Treasury Share Disposition, MCHC and the Target Corporate Executive Officers will individually enter into a restricted share allotment agreement, the outline of which is as follows:

(1) Transfer restriction period

The Target Corporate Executive Officers may not transfer, attach a security interest, or dispose of in any other way the Allotted Shares from the payment date of June 25, 2020, until they resign from their position of director, corporate executive officer, or executive officer of MCHC or its subsidiary.

(2) Condition subsequent of transfer restrictions

The transfer restrictions will be lifted for all Allotted Shares at the expiry of the transfer restriction period on the condition that Target Corporate Executive Officers remain in a position of director, corporate executive officer, or executive officer of MCHC or its subsidiary between April 1 immediately prior to the payment date and March 31 of the following year ("Service Period"). However, if a Target Corporate Executive Officer resigns from the position of director, corporate executive officer, or executive officer of MCHC or its subsidiary during the Service Period, the transfer restrictions will be lifted at the expiry of the transfer restriction period for the following number of Allotted Shares in each of the following situations:

(i) Mandatory retirement, death, or incapacity due to disability

All Allotted Shares

(ii) Personnel changes or other reasons deemed justifiable by MCHC's Compensation Committee

Calculated by the number of months from the month that includes the commencement date of the Service Period and the month that includes the resignation date divided by 12 and multiplied by the number of Allotted Shares. (Any fractions of less than one share derived from the calculation are rounded down.)

(3) Acquisition without consideration by MCHC

MCHC will reasonably acquire the Allotted Shares for which transfer restrictions have not been lifted at the expiry of the transfer restriction period.

(4) Management of shares

The Allotted Shares will be managed in a dedicated account for restricted shares opened with Daiwa Securities Co., Ltd., by the Target Corporate Executive Officers during the transfer restriction period so as to prevent transfers of, attachment of a security interest to, or disposition in any other way of the Allotted Shares during the period.

(5) Treatment upon reorganization, etc.

If a merger agreement in which MCHC is the merged company, a share exchange agreement or an

equity transfer plan under which MCHC becomes a wholly owned subsidiary, or any other matter concerning reorganization is approved at MCHC's general meeting of shareholders (or a meeting of MCHC's Board of Directors if an approval of MCHC's general meeting of shareholders is not required for said reorganization), the transfer restrictions will be lifted for all Allotted Shares as of immediately before the business day prior to the effective date of the reorganization, by a resolution of the Compensation Committee.

3. Calculation basis for payment amount and specific details

The Treasury Share Disposition will be carried out with the monetary remuneration paid to the intended allottees based on the Program as the contribution in kind. The payment amount will be 604.5 yen, the closing price of MCHC's common shares on the Tokyo Stock Exchange on May 25, 2020, (the business day immediately prior to the date of resolution by the Corporate Executive Officers Committee) to eliminate arbitrariness. This is the market price immediately prior to the date of the resolution by the Corporate Executive Officers Committee and we believe it is a reasonable price that appropriately reflects MCHC's corporate value in a situation where there are no special circumstances indicating that the latest share price cannot be relied upon and it does not fall under an especially advantageous price for the Target Corporate Executive Officers.