



December 25, 2012

Acquisition of the Qualicaps Co., Ltd. from Carlyle Group

Mitsubishi Chemical Holdings Corporation

Mitsubishi Chemical Holdings Corporation (Head office: Chiyoda-ku, Tokyo; Chief Executive Officer: Yoshimitsu Kobayashi; "we" or "MCHC") is pleased to announce that it has entered into a Share Sale Agreement with Carlyle Group, controlling shareholders of Qualicaps Co., Ltd. (Head office: Yamatokoriyama, Nara; Chief Executive Officer: Bernd Brust; "Qualicaps"), to acquire all outstanding shares of Qualicaps, as described below.

1) Purpose of the Acquisition

Qualicaps is a Japan-based, global company engaged in the development, manufacturing and distribution of capsules for pharmaceutical and health & nutrition products. Its products include hard gelatin capsules ("HGC"), non-gelatin hypromellose capsules ("HPMC") and pharmaceutical processing equipment ("PPE"). It was established in 1965 and has operations in Japan, the U.S. and Europe with overseas sales accounting for 64% of 2011 consolidated revenue.

Since the Carlyle Group sponsored its management buyout in 2005, Qualicaps has implemented an overseas expansion strategy including the establishment of a global management system, closer cooperation among regions and bolt-on acquisitions.

Qualicaps has established a strong position in the capsule market by offering a "total approach" model to customers, providing high-quality, high-function hard capsules as well as the design, development, manufacture, installation and technical services for PPE, using know-how in capsule manufacturing technology that has been cultivated over many years.

The global capsule market has an estimated market size of approximately JPY 100 billion with stable single-digit growth in recent years. Qualicaps has a strong position with over 20% market share in the pharma-grade capsules segment, which accounts for the majority of the total capsule market. Qualicaps has established a dominant position in the HPMC market with its quality and proprietary technology, which is expected to experience double-digit market growth for coming years. Qualicaps is also highly regarded in the PPE market with its superior technology and credibility with pharmaceutical customers.

We believe that the proposed transaction will strength the existing businesses of both MCHC and Qualicaps. Qualicaps' global customer base is highly complementary to MCHC's existing healthcare solutions and API businesses. In addition, our proprietary technology platform and expertise, including chemical materials development, process control technology, resin processing, cellulose-based materials, combined with Qualicaps' in-house capsule manufacturing know-how, will enable Qualicaps to provide higher value-added capsule products to pharmaceutical customers.

2) Overview of the Business

(1) Company Name	Qualicaps Co., Ltd.							
(2) Address	321-5, Ikezawacho, Yamatokoriyama, Nara, Japan							
(3) Name and Title of Representative	Bernd Brust, Chief Executive Officer (Group CEO)							
(4) Business Description	Development, manufacturing and distribution of capsules for pharmaceutical and health & nutrition and pharmaceutical related equipment							
(5) Paid-in Capital	JPY 2,834 million							
(6) Date of Incorporation	April 26, 1965							
(7) Major Shareholders and Shareholding Ratio	<table border="0"> <tr> <td>Carlyle Japan Partners, L.P.</td> <td style="text-align: right;">71.1%</td> </tr> <tr> <td>Carlyle Qualicaps Partners, L.P.</td> <td style="text-align: right;">21.5%</td> </tr> <tr> <td>CJP Co-Investment, L.P.</td> <td style="text-align: right;">4.1%</td> </tr> </table>		Carlyle Japan Partners, L.P.	71.1%	Carlyle Qualicaps Partners, L.P.	21.5%	CJP Co-Investment, L.P.	4.1%
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Carlyle Qualicaps Partners, L.P.	21.5%							
CJP Co-Investment, L.P.	4.1%							
(8) Relationship between the Parties to the Share Exchange	No notable capital, personal and transactional relationship between MCHC and Qualicaps.							
(9) Financial Conditions and Business Results for the Most Recent Fiscal Years and Prospects (Note 1)								
Fiscal Year End	Year ended December 2011 (Actual Results)	Year ended December 2012 (Prospects)						
Total Assets	JPY 21.2 billion	-						
Sales	JPY 17.6 billion	JPY 19.1 billion						
Operating Income	JPY 3.0 billion	-						

(Note 1) Solely based on the figure projected by Qualicaps; any impact in relation to this transaction is not considered.

3) Overview of the Transaction

MCHC intends to acquire all of the outstanding shares (both common shares and preferred shares) of Qualicaps from Carlyle Group⁽¹⁾. Total value for the acquisition is JPY 55.8 billion which is subject to customary net debt and other price adjustments⁽²⁾.

(Note 1) MCHC intends to establish newly incorporated subsidiary for the acquisition. The capital ratio of the company is to be determined.

(Note 2) Value for the acquisition is subject to customary price adjustment of working capital, cash and cash equivalent and interest-bearing debt etc. as of the closing date.

4) Overview of the Sellers

(1) Names of Sellers	Carlyle Japan Partners, L.P. Carlyle Qualicaps Partners, L.P. CJP Co-Investment, L.P.
(2) Address	Intertrust Corporate Services (Cayman) Limited, 87 Mary Street, George Town, Grand Cayman KY1-9005, Cayman Islands
(3) Form of Incorporation	A limited partnership incorporated in the Cayman Islands (Limited Partnership)
(4) Relationship between MCHC and the Sellers	No notable capital, personal and transactional relationship between MCHC and the Sellers.

5) Transaction Schedule

(1) Conclusion of Share Sale Agreement	December 25, 2012
(2) Closing	March 2013 (estimated)

6) Future Prospect

Goodwill is expected to be incurred as a result of this transaction, however, the amount is subject to Purchase Price Allocation and not yet determined.

Qualicaps will become a consolidated subsidiary of MCHC upon closing, but it will not materially impact MCHC's consolidated financials for fiscal year ending March 2013.

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