

News Release Dated August 19, 2020

Company: OSAKA ORGANIC CHEMICAL INDUSTRY LTD.  
Representative: Masayuki Ando, Representative Director and CEO  
Securities code: 4187, TSE First Section  
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## **Acquisition of Hair Care Product Acrylic Resin Business**

Osaka Organic Chemical Industry Ltd. and Mitsubishi Chemical Corporation have reached an agreement and signed a contract for the sale to Osaka Organic Chemical Industry of Mitsubishi Chemical's business unit that manufactures and sells acrylic resin used in hair care products.

### 1. Summary

#### (1) Business activities

Seller: Mitsubishi Chemical Corporation  
Purchaser: OSAKA ORGANIC CHEMICAL INDUSTRY LTD.  
Business transferred: Manufacture and sale of acrylic resin for hair care products  
Product name: YUKAFORMER™, DIAFORMER™, DIASLEEK™  
Transfer price: Not to be disclosed in accordance with the contract.

#### (2) Purposes

Osaka Organic Chemical Industry started selling acrylic resin for hair care products in the 1980s. These resins have been used by more than 100 cosmetics companies, mainly in Japan, as a primary ingredient for hair spray, hair mousse, hair gel and hair wax products. Mitsubishi Chemical has been one of the leading suppliers of acrylic resin in this market category since about 1975, supplying the YUKAFORMER™ series and other types of acrylic resin worldwide.

The acquisition of Mitsubishi Chemical's acrylic resin business is expected to strengthen the specialty chemicals segment by increasing the lineup of acrylic resin sold by Osaka Organic Chemical Industry and providing sales channels outside Japan. In addition, the technologies associated with this business are expected to produce a broad range of synergies with the ongoing development activities of Osaka Organic Chemical Industry involving biocompatible materials and super-hydrophilic coating materials.

Osaka Organic Chemical Industry will continue to use its rigorous production management system for the manufacture of ingredients with outstanding quality for hair care and other personal care products. The goal of all business activities is to contribute to achieving a sustainable society by playing a role in the supply of high-quality personal care products.

Following the transfer of ownership on February 1, 2021, Osaka Organic Chemical Industry will sell YUKAFORMER™, DIAFORMER™ and DIASLEEK™ and will outsource the production of these products to Mitsubishi Chemical for the time being.

### (3) Schedule

Date of contract signing for the transfer: July 31, 2020

Date of transfer: February 1, 2021

### 2. Overview of seller

- (1) Name: Mitsubishi Chemical Corporation
- (2) Location: Palace Building, 1-1-1 Marunouchi, Chiyoda-ku, Tokyo
- (3) Representative: Masayuki Waga, President & CEO
- (4) Business: Performance products, industrial materials and others
- (5) Capital: 53.229 billion yen
- (6) Established: April 1, 2017
- (7) Net assets: 566,573 million yen (as of March 31, 2020)
- (8) Total assets: 1,449,525 million yen (as of March 31, 2020)
- (9) Major shareholder and shareholding ratio: Mitsubishi Chemical Holdings Corporation 100%
- (10) Relationship with Osaka Organic Chemical Industry
  - 1) Capital: Owns 4.45% of Osaka Organic Chemical Industry stock
  - 2) Personnel: Not applicable
  - 3) Business: Purchase of raw materials and sale of products

### 3. Overview of purchaser

- (1) Name: OSAKA ORGANIC CHEMICAL INDUSTRY LTD.
- (2) Location: 1-7-20 Azuchi-machi, Chuo-ku, Osaka
- (3) Representative: Masayuki Ando, Representative Director and CEO
- (4) Business: Production and marketing of organic chemistry industry products, organic reagents, petrochemical products and special polymers; refining and processing of solvents
- (5) Capital: 3.6 billion yen
- (6) Net sales: 28.6 billion yen (consolidated; fiscal year ended November 2019)

### 4. Effect on results of operations

The acquisition of this business will have only a negligible effect on the results of operations of Osaka Organic Chemical Industry. There is no change in the consolidated forecast for the fiscal year ending November 2020.