



May 14, 2020
Mitsui Chemicals, Inc.

Regarding Execution of Share Exchange Agreement Concerning ARRK Corporation Becoming A Wholly-Owned Subsidiary of Mitsui Chemicals

Mitsui Chemicals, Inc. (Minato-ku, Tokyo; President & CEO: HASHIMOTO Osamu; “Mitsui Chemicals”) and ARRK Corporation (Chuo-ku, Osaka; President & CEO: KOMORIYA Atsushi, “ARRK”) resolved at the meetings of their respective boards of directors held today to conduct a share exchange (the “Share Exchange”) through which Mitsui Chemicals will become the wholly-owning parent company of ARRK, and ARRK will become the wholly-owned subsidiary of Mitsui Chemicals, and a share exchange agreement (the “Share Exchange Agreement”) has been executed today between the two companies.

ARRK, since its founding in 1948, has been a development support company that provides a wide range of services, such as product planning and design; product engineering; analytical engineering; prototyping; tooling design, manufacturing, and maintenance; and production and marketing of small-lot moldings in the automobile industry and many others. Based on the awareness that Mitsui Chemicals and ARRK could expand their businesses both domestically and overseas by combining their strengths, Mitsui Chemicals established MC Investment 01 and conducted a tender offer on ARRK through MC Investment 01, making ARRK a consolidated subsidiary of Mitsui Chemicals on January 24, 2018.

Thereafter, Mitsui Chemicals and ARRK have collaborated in the belief that combining the companies’ areas of expertise, namely Mitsui Chemicals’ knowledge of materials and ARRK’s understanding of automotive development support, and utilizing the channels and technologies of both companies will enable them to provide solutions that make use of their combined strength and to further expand the customer bases of both companies and create new related businesses, thereby enabling them to achieve sustainable growth together. However, in order to quickly respond to ever-changing customer needs amid the rapid market environment changes that are shaking the entire automobile manufacturing industry, Mitsui Chemicals believes that stronger ties between the companies are necessary and that it is desirable to transition to a structure that enables the prompt and smooth provision of solutions utilizing the strength of the entire group.

Subsequently, after repeated discussions, Mitsui Chemicals and ARRK reached the conclusion that ARRK becoming a wholly-owned subsidiary of Mitsui Chemicals would be beneficial not only for increasing the corporate value of Mitsui Chemicals but also for increasing the corporate value of ARRK through such means as enabling flexible decision-making as a unified group based on Mitsui Chemicals’ mid- to long-term perspective, efficient allocation of human and financial management resources, and the promotion of cooperation through close communication between the companies.



■ Summary of Share Exchange

Record date for annual shareholders meeting to determine approval of Share Exchange Agreement (ARRK)	March 31, 2020
Date of board of directors resolutions concerning execution of Share Exchange Agreement (both companies)	May 14, 2020
Share Exchange Agreement execution date (both companies)	May 14, 2020
Date of annual shareholders meeting to determine approval of Share Exchange Agreement (ARRK)	June 26, 2020 (scheduled)
Final trading date (ARRK)	July 29, 2020 (scheduled)
Delisting date (ARRK)	July 30, 2020 (scheduled)
Effective date of Share Exchange	August 1, 2020 (scheduled)

■ Details of Allotments Pertaining to Share Exchange

	Mitsui Chemicals (Wholly-owning parent company resulting from share exchange)	ARRK (Wholly-owned subsidiary resulting from share exchange)
Allotment ratio of Share Exchange	1	0.0511
Number of shares to be delivered through Share Exchange	Common shares of Mitsui Chemicals: 5,299,076 shares (planned)	

Note 1: Share allotment ratio

For each common share of ARRK, 0.0511 common shares of Mitsui Chemicals (“Mitsui Chemicals Shares”) will be allotted and delivered. However, no allotment of shares through the Share Exchange will be made for ARRK Shares held by Mitsui Chemicals (at present, 301,326,396 shares*). The allotment ratio for the Share Exchange stated above may be changed upon consultation and agreement between Mitsui Chemicals and ARRK if a material change occurs in the share price, financial condition or business condition of Mitsui Chemicals or ARRK, circumstances that materially obstruct the performance of the Share Exchange occur or are identified, or it otherwise becomes difficult to achieve the purpose of the Share Exchange Agreement due to natural disasters or other reasons from the execution date of the Share Exchange Agreement until the effective date of the Share Exchange.

*At present, the direct holder of the ARRK Shares is MC Investment 01, a wholly-owned subsidiary of Mitsui Chemicals, however, the board of directors meeting of Mitsui Chemicals held today resolved to conduct an absorption-type merger (the “Merger”) in which Mitsui Chemicals will be the surviving company and MC Investment 01 will be the disappearing company with an effective date of July 31, 2020, in advance of the effective date of the Share Exchange. It is planned that Mitsui Chemicals will directly hold the ARRK Shares on the effective date of the Share Exchange.

■ Summary of Companies Party to Share Exchange (as of March 31, 2020)

	Wholly-owning parent company resulting from share exchange	Wholly-owned subsidiary resulting from share exchange
Name	Mitsui Chemicals, Inc.	ARRK Corporation
Address	1-5-2 Higashi-Shinbashi, Minato-ku, Tokyo	2-2-9 Minami Honmachi, Chuo-ku, Osaka
Name and title of representative	TANNOVA Tsutomu, President & CEO	KOMORIYA Atsushi, President & CEO
Description of business	Production, processing, and sale of chemical products, businesses incidental or related thereto, and other businesses	Comprehensive services relating to new product development
Capital	125,298 million yen	2,000 million yen
Date of incorporation	July 1, 1955	December 10, 1968
Number of employees	17,979 (consolidated)	3,883 (consolidated)
Major shareholders and their shareholding ratios	Japan Trustee Services Bank, Ltd. (Trust Account), The Master Trust Bank of Japan, Ltd. (Trust Account)	MC Investment 01 Corporation, OPI 11 Corporation, MSIP CLIENT SECURITIES, The Master Trust Bank of Japan, Ltd. (Trust Account), Japan Trustee Services Bank, Ltd. (Trust Account)

For details on the Share Exchange, please see the attached “Notice Regarding Simplified Share Exchange to Make ARRK Corporation A Wholly-Owned Subsidiary of Mitsui Chemicals, Inc. and Absorption-Type Merger (Simplified Merger / Short-Form Merger) by Mitsui Chemicals, Inc. of Wholly-Owned Subsidiary MC Investment 01 Corporation”