



**MITSUI CHEMICALS, INC.**

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April 4, 2013

Mitsui Chemicals, Inc.

## **Notice of Acquisition of Dental Business from Heraeus Holding GmbH**

At the extraordinary board meeting on April 4th 2013, Mitsui Chemicals, Inc. resolved to acquire the dental business of Heraeus Holding GmbH (the "Heraeus Dental"). On the same date, the Company will conclude a Sale and Purchase Agreement of the Heraeus Dental with Heraeus Holding GmbH.

### **1. Reasons for acquisition**

In the FY2011 Mid-term Business Plan, Mitsui Chemicals targets growth of its healthcare business under the Functional Chemicals segment.

Dental business is resilient to changing economic conditions and significant growth is expected leveraged by the increase in aging of world-wide populations.

Heraeus Dental of Heraeus Holding GmbH is characterized by:

1. Extensive knowledge of the dental business based on a long history in the field
2. Strong brand strength of the Heraeus Dental in the dental materials market
3. Global sales network with sales offices in over 20 countries around the world and global management knowledge

On the other hand, Mitsui Chemicals' subsidiary Sun Medical Co., Ltd. has been involved in the dental materials business for over 30 years and has a strong market presence on the Japanese domestic market. To bolster future growth, the Company seeks to expand into the global market. In addition, materials in the dental materials market have shifted from precious metals to other materials including resins. The acquisition of the Heraeus Dental, which main strength is in precious metals processing, by Mitsui Chemicals, which has a good track record in chemical areas such as polymer technology, is expected to accelerate future growth in the dental materials segment.

The acquisition of the Heraeus Dental will provide the Mitsui Chemicals Group with a global platform for its dental materials business, in which it targets expansion and growth as a core business, into the growing overseas dental materials market that is expected to significantly grow in the future. In addition, the Group expects to be able to respond to customer needs by the synergy of Mitsui Chemicals' rich R&D resources and knowledge of chemical areas such as polymer technology and the Heraeus Dental's strong product development capabilities.

Mitsui Chemicals will leverage Heraeus Dental's global business platform to further expand and bolster growth in the dental materials market, in addition to accelerating restructuring of its business portfolio to expand and strengthen businesses resilient to changes in the economic environment such as its healthcare segment, which includes products such as lens monomers and nonwovens.

## 2. Structuring & Valuation

Mitsui Chemicals will acquire all the shares and assets which belong to the Heraeus Dental from Heraeus Holding GmbH. A 100% holding company will be established to conjoin and manage the shares and assets.

Mitsui Chemicals and Heraeus Holding came to agreement with the valuation amount of 450 million Euro (54.3 billion yen). Heraeus Dental's interest bearing debt is included in the valuation amount. The valuation amount will be adjusted based on the increase / decrease in working capital and cash equivalent, etc. on the closing date.

\* Above amount in yen currency is based on the currency exchange rate as of March 31, 2013.

## 3. The items to be reported

|     |  |   |   |                |
|-----|--|---|---|----------------|
| (1) | Trade name                               | Heraeus Dental  |   |                |
| (2) | Location of the headquarters             | Europe: Heraeus Kulzer GmbH and 13 entities (Located in Germany, Holland, Sweden etc)<br>Americas: Heraeus Kulzer LLC and 2 entities (Located in USA, Mexico, Brazil)<br>Asia / Oceania: Heraeus Kulzer Japan Co. Ltd and 8 entities (Located in Japan, China, Australia etc)<br>The entities for share deal: 17 entities<br>The entities for asset deal: 9 entities<br>26 entities |   |                |
| (3) | CEO                                      | Managing Director Dr. Martin Haase (Representative of Heraeus Dental)   |   |                |
| (4) | Type of business                         | Production, sales and marketing of dental related products (e.g restoratives)   |   |                |
| (5) | Major shareholder and shareholding ratio | Heraeus: 100%<br>*Heraeus affiliated company is the direct share holder for this business   |   |                |
| (6) | Relationship between our company         | Capital relationships   | No special capital relationships between our company / our affiliated companies |                |
|     |  | Human relationships   | No special human relationships between our company / our affiliated companies   |                |
|     |  | Trade relationships   | No special trade relationships between our company / our affiliated companies   |                |
| (7) | Amount of net asset※                     | 57.5 mil. euro (As of Dec. 31, 2012)  |   |                |
| (8) | Amount of gross asset※                   | 165.3 mil. euro (As of Dec. 31, 2012)   |   |                |
| (9) | Financial performance in recent 3 years  |   |   |                |
|     | (Consolidated)                           | Dec. 2010   | Dec. 2011   | Dec. 2012      |
|     | Revenue※                                 | 357.5 mil euro  | 364.7 mil euro  | 353.6 mil euro |
|     | Operating income※                        | 18.5 mil euro   | 15.9 mil euro   | 16.2 mil euro  |

※ Above sales figures are only the simple add ups of dental entities and are not audited. And operative incomes are calculated by EBIT minus extra ordinary loss and gain. The information of each entity is currently under search and it will be disclosed once clarified

#### 4. The seller's information

|   |  |   |
|---|--|---|
| (1) Company name                                  | Heraeus Holding GmbH   |   |
| (2) Location                                      | Hanau, Germany   |   |
| (3) Chairman of the board                         | Chairman of the Board of Management Dr. Frank Heinrich   |   |
| (4) Type of business                              | Sales of precious metals for industrial use, production and sales of catalyst and films based on precious metal processing technologies, sales of sensor systems related to production process of the metals |   |
| (5) Amount of capital                             | 210 million euro   |   |
| (6) The year of establishment                     | 1851   |   |
| (7) Consolidated net asset                        | 2,247.2 mil. euro (As of Dec. 31, 2011)  |   |
| (8) Consolidated gross asset                      | 4,072.9 mil. euro (As of Dec. 31, 2011)  |   |
| (9) Major shareholders & their shareholding ratio | Heraeus Family 100%  |   |
| (10) Relationship between Mitsui Chemicals Group  | Capital relationships  | No notable capital relationships between Mitsui Chemicals / Mitsui Chemicals affiliated companies               |
|   | Human relationships  | No notable human relationships between Mitsui Chemicals / Mitsui Chemicals affiliated companies                 |
|   | Trade relationships  | No notable trade relationships between Mitsui Chemicals / Mitsui Chemicals affiliated companies                 |
|   | Relationships with related party   | This company / this company's affiliated companies are not considered as an related party with Mitsui Chemicals |

#### 5. Schedules

|                              |                                     |
|------------------------------|-------------------------------------|
| (1) Board meeting resolution | April 4, 2013                       |
| (2) Share delivery date※1    | June 30, 2013 (estimated schedules) |

※1 Share acquisition is scheduled to be completed after share transfer of the respective affiliated companies to our holding company and after necessary authorizations for anti-trust and investment related regulatory in the related countries for this transaction are done

#### 6. Further outlook

There would be no impact for our FY2012 financial performance due to this transaction.

The impact to FY 2013 is currently under estimation and there are no estimated figures at this moment.

(Reference) Consolidated Financial performance outlook for FY2012 (announced at Feb 5, 2013) and result for FY2011

|  | Net Sales | Operating Income | Ordinary Income | Net Income (Loss) |
|--|-----------|------------------|-----------------|-------------------|
| Outlook for FY2012<br>(April 1,2011-March 31,2012) | 1,390.0   | 5.0              | 3.0             | △10.0             |
| Result for FY2011<br>(April 1,2011-March 31,2012)  | 1,454.0   | 21.6             | 22.9            | △1.0              |