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Mitsui Chemicals, Inc.
Mitsui Chemicals Agro, Inc.

Mitsui Chemicals Agro to Acquire Meiji Seika Pharma's Agrochemicals Business

Mitsui Chemicals, Inc. (Tokyo: 4183; President & CEO: HASHIMOTO Osamu) today announced that its wholly owned subsidiary Mitsui Chemicals Agro, Inc. (Tokyo; President & CEO: OZAWA Satoshi) has agreed to acquire the agrochemicals business of Meiji Seika Pharma Co., Ltd. (Tokyo; President and Representative Director: KOBAYASHI Daikichiro).

1. Background and objectives of the acquisition

The Mitsui Chemicals Group is engaged in efforts to resolve social issues via its business activities and has positioned the agrochemicals business as a targeted business domain, aiming with this to help solve food problems, which pose a global challenge.

As the core enterprise in the Mitsui Chemicals Group's agrochemicals business, Mitsui Chemicals Agro is leveraging proprietary active ingredients created on the back of its organic synthesis capabilities, pursuing here a growth strategy that calls for agrochemicals business expansion both within Japan and overseas via region-specific strategies, as well as for the extended reach of its professional pest management business. Through this strategy, Mitsui Chemicals Agro seeks to become an R&D-driven company with a global presence in the agrochemicals field by promoting sustainable agriculture and helping to improve quality of life.

As a business with a strong emphasis on R&D, Meiji Seika Pharma's agrochemicals business has set out a vision to help solve global food problems by supplying agrochemicals designed with the environment in mind and by improving agricultural productivity. Meiji Seika Pharma's agrochemicals business possesses tremendous R&D capabilities in this realm, highlighted by unique agrochemicals that include probenazole, the world's first systemic acquired resistance type fungicide; glufosinate-P, a distinctive non-selective herbicide; and flupyrimin, an insecticide designed with environmental impacts on bees and other pollinators in mind, sales of which are being promoted worldwide.

The deal will see Meiji Seika Pharma's agrochemicals business portfolio of active ingredients, domestic and international customer base and drug discovery, formulation and natural product technologies integrated with that of Mitsui Chemicals Agro, thereby enabling the Mitsui Chemicals subsidiary to enhance its presence in the Japanese market and speed up its expansion into agrochemical markets overseas, where future growth is anticipated. The move will also help bolster Mitsui Chemicals Agro's ongoing creation of new active ingredients along with its development of products that meet the needs of the market, promising then to accelerate the fulfillment of Mitsui Chemicals Agro's growth strategy and, more broadly, Mitsui Chemicals' Long-Term Business Plan.

2. Business acquisition scheme

Meiji Seika Pharma will establish a new company and carry out an absorption-type split by transferring all shares in its agrochemicals business and related subsidiaries to this new company. Mitsui Chemicals Agro will then acquire all shares issued by the new company and make it a wholly owned subsidiary. While the new company will be operated as a subsidiary of Mitsui Chemicals Agro for the time being after acquisition, Mitsui Chemicals plans eventually to merge Mitsui Chemicals Agro with the new company in aim of achieving further business growth through the creation of synergies.

3. Overview of the business to be acquired

- (1) Business R&D, manufacture, sale, export and import of agrochemicals
- (2) Branch offices Sapporo, Sendai, Tokyo, Nagoya, Osaka, Kumamoto
- (3) Research Odawara Field Center (Personnel, equipment, etc.)
- (4) Subsidiaries Manufacturing subsidiary Meiji Agrochemical Co., Ltd. (Iwate)
Sales subsidiary Meiji Pharma Korea Co., Ltd.
- (5) Employees Approximately 110 on a consolidated basis

4. Outlook

As the impact of this deal on the financial performance of the Mitsui Chemicals Group will be minor, there is no change to the earnings forecast.

Reference

Overview of Mitsui Chemicals Agro

- (1) Name Mitsui Chemicals Agro, Inc.
- (2) Head office Nihonbashi Dia Building, 1-19-1 Nihonbashi, Chuo-ku, Tokyo
- (3) Business Research, development, manufacture, sale, and export and import of agrochemicals and fertilizer; manufacture and sale of non-agricultural pesticides; environmental management such as wood preservation against termites
- (4) Stated capital 350 million yen
- (5) Established April 1, 2003
- (6) Shareholder Wholly owned by Mitsui Chemicals, Inc.
- (7) Employees 594 on a consolidated basis (as of the end of March 2021)

Overview of Meiji Seika Pharma

- (1) Name Meiji Seika Pharma Co., Ltd.
- (2) Head office 2-4-16 Kyobashi, Chuo-ku, Tokyo
- (3) Business Manufacture and sale of ethical pharmaceuticals, agrochemicals and veterinary drugs
- (4) Stated capital 28.36 billion yen
- (5) Established October 9, 1916
- (6) Shareholder Wholly owned by Meiji Holdings Co., Ltd.
- (7) Employees 5,951 on a consolidated basis (as of the end of March 2021)