



2023.12.12

Mitsui Chemicals, Inc.

Notice Regarding Investment in a Special-Purpose Company for the Acquisition of Shares of SHINKO ELECTRIC INDUSTRIES CO., LTD. (Securities Code: 6967)

Mitsui Chemicals, Inc. (head office: Chuo, Tokyo; President & CEO: HASHIMOTO Osamu; securities code: 4183; “Mitsui Chemicals”) announced today that it will work with funds managed and operated by JIC Capital, Ltd. (head office: Minato, Tokyo; President and CEO: IKEUCHI Shogo; “JICC”)(the “JICC Funds”, including a fund in which Hachijuni Sustainability No. 1 Fund (general partner: Hachijuni Investment Co., Ltd.) (“Hachijuni Investment”) will invest), as well as with Dai Nippon Printing Co., Ltd. (head office: Shinjuku, Tokyo; President: KITAJIMA Yoshinari; securities code: 7912; “DNP”), to invest in JICC-04, Ltd. (the “Tender Offeror”).

The Tender Offeror is a stock company established on September 29, 2023, whose main business is to acquire and own share certificates of SHINKO ELECTRIC INDUSTRIES CO., LTD. (head office: Nagano, Nagano Prefecture; Representative Director of Board and President: KURASHIMA Susumu; securities code: 6967; the “Target”) and, once the acquisition of shares of common stock of the Target (the “Target Shares”) through a tender offer under the Financial Instruments and Exchange Act of Japan (the “Tender Offer”) has been completed, to control and manage the Target’s business activities.

In the event that the Tender Offer is completed, Mitsui Chemicals will accept the common shares and preferred shares (non-voting shares) of the Tender Offeror through third-party allotment by the time the Tender Offer is settled. Mitsui Chemicals plans to hold 5% of the voting rights of the Tender Offeror, and the total amount of this investment is planned of approximately 35 billion yen.

The investment in the Tender Offeror is scheduled to take place in the fiscal year ending March 2025, and the impact of this investment on the financial performance of Mitsui Chemicals in the fiscal year ending March 2025 is expected to be minor.

■ Overview of the Tender Offer

① Target

Name	SHINKO ELECTRIC INDUSTRIES CO., LTD.	
Head office	80, Oshimada-machi, Nagano, Nagano Prefecture	
Representative	KURASHIMA Susumu Representative Director of Board and President	
Business	Development, manufacture and sale of products based on semiconductor assembly technologies	
Capital	24.223 billion yen (as of September 30, 2023)	
Employees	4,946 (consolidated: 5,713; as of September 30, 2023)	
Establishment	September 12, 1946	
Major shareholders and percentage of shareholding (as of September 30, 2023)	Fujitsu Limited (“Fujitsu”)	50.02%
	The Master Trust Bank of Japan, Ltd. (Trust Account)	9.48%
	Custody Bank of Japan, Ltd. (Trust Account)	6.14%

	MSIP CLIENT SECURITIES (Standing proxy: Morgan Stanley MUFG Securities Co., Ltd.)	2.23%
	GOLDMAN SACHS INTERNATIONAL (Standing proxy: Goldman Sachs Japan Co., Ltd.)	1.59%
	Nomura Securities Co., Ltd.	1.58%
	JPMorgan Securities Japan Co., Ltd.	1.36%
	The Hachijuni Bank, Ltd.	1.36%
	CGML PB CLIENT ACCOUNT/COLLATERAL (Standing proxy: Citibank, N.A., Tokyo Branch)	1.23%
	BOFAS INC SEGREGATION ACCOUNT (Standing proxy: BofA Securities Japan Co., Ltd.)	1.01%

② The Tender Offer

Tender Offeror	JICC-04, Ltd.
Tender Offer price	5,920 yen per share of common stock
Number of share certificates to be purchased	67,530,448 shares of common stock (obtained by deducting the (54,430) treasury shares owned by the Target and the (67,587,024) shares owned by Fujitsu (the “Fujitsu Holding Shares”) as of September 30, 2023 from the total number of issued shares of the Target (135,171,942 as of September 30, 2023))
Total amount of purchase price (planned)	Approximately 399.8 billion yen
Minimum number to be purchased	22,491,400 shares (shareholding ratio (Note): 16.65%)
Tender Offer period	20 business days

(Note) “Shareholding ratio” refers to the ratio (rounded to the second decimal place) to the number of the Target’s shares (135,117,512 shares) obtained by deducting the number of treasury shares owned by the Target as of September 30, 2023 (54,430 shares) from the total number of issued shares of the Target as of September 30, 2023 (135,171,942 shares), as stated in the “Consolidated Financial Results for the Six Months Ended September 2023 (Japanese GAAP)” submitted by the Target on October 26, 2023. The same applies to shareholding ratio calculations below.

■ Background and purpose of the Tender Offer

Based on its VISION 2030 Long-Term Business Plan, the Mitsui Chemicals Group (the “Group”) aims to create and expand a unique ICT Solutions business, with the objective of establishing it as a high-growth, high-profitability global specialty chemicals business. Mitsui Chemicals’ ICT Solutions business strategy defines four business areas that the Group is working to bolster: semiconductor & assembly solutions, imaging solutions, battery material solutions and converting solutions. In the area of semiconductor & assembly solutions, the Group aims to align its business strategies with technology roadmaps drawn up by customers, and to create new businesses and products that contribute to semiconductor and assembly process innovations. In order for the Group to strengthen semiconductor & assembly solutions business, we need to adapt new materials created from our core molecular design and synthesis technologies to suitability assessments that satisfy our customers’ next-generation semiconductor packages and assembly processes.

There is no agreement regarding collaboration with the Target at this stage and it is not a condition of the Group’s investment in the Tender Offeror. However, through the investment in the Tender Offeror, the Target will strengthen and maintain its market competitiveness in the field of next-generation semiconductor package substrates by linking the Target’s semiconductor package substrate technology with the material technology of the Group in the future. We believe that this will enable us to strengthen our ability to provide solutions to

our customers.

As well as developing stronger tie-ups with external partners in the semiconductor field, the Group is collaborating with startups and world-class research institutions such as imec. In 2024, the Group plans to open a facility “Creative Integration Lab.™” at its Nagoya Works for co-creation with customers in the ICT realm, which will be furnished with equipment for customer process compatibility evaluation. The Group intends through these activities to strengthen its business in the area of next-generation semiconductor & assembly solutions.

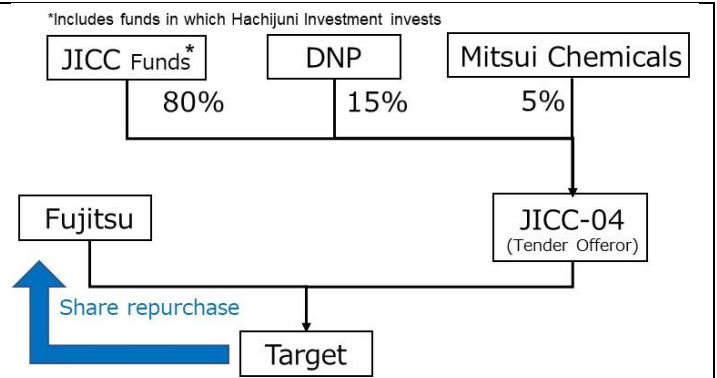
■ Procedure for the Tender Offer

<p><u>Before the implementation of the Tender Offer (current situation)</u></p> <p>As of December 12, 2023, Fujitsu holds 67,587,024 Target Shares (ownership percentage: 50.02%) and other shareholders (excluding the Target) hold the remaining 67,530,488 shares (ownership percentage: 49.98%).</p>	<pre> graph TD Fujitsu -- 50.02% --> Target OtherShareholders[Other shareholders] -- 49.98% --> Target </pre>
<p><u>The Tender Offer by the Tender Offeror</u></p> <p>The Tender Offeror will conduct the Tender Offer for all of the Target Shares (excluding the Fujitsu Holding Shares and the treasury shares held by the Target).</p> <p>*Investment limited partnerships included in the JICC Funds include those in which Hachijuni Investment will invest as a limited partner. The same shall apply hereinafter.</p>	<p>*Includes funds in which Hachijuni Investment invests</p> <p>Fujitsu will not tender its shares in the Tender Offer</p> <p>Tender Offer for a minimum of 16.65%</p> <p>After the Tender Offer, the combined equity interest of the Tender Offeror and Fujitsu will be two thirds or more</p>
<p><u>Squeeze-out procedures through share consolidation by the Tender Offeror</u></p> <p>If the Tender Offer has been successfully completed, but the Tender Offeror is unable to acquire all of the Target Shares (excluding the Fujitsu Holding Shares and the treasury shares held by the Target) in the Tender Offer, then the Tender Offeror intends to request the Target to conduct share consolidation and carry out procedures for making the Tender Offeror and Fujitsu the only shareholders of the Target.</p>	<p>*Includes funds in which Hachijuni Investment invests</p> <p>Implementation of squeeze-out transaction</p> <p>33.33% or less → 0%</p>
<p><u>Financing and capital decrease, etc. to be conducted for the purpose of procuring funds for share repurchase and a distributable amount</u></p> <p>After the Target Shares are delisted and the share consolidation takes effect, the Tender Offeror will provide financing to the Target, and the Target will conduct capital decrease, etc. in order to procure funds required for share repurchase and a distributable amount.</p>	<p>*Includes funds in which Hachijuni Investment invests</p> <p>Capital decrease, etc.</p> <p>Financing</p>

The Share repurchase from Fujitsu by the Target

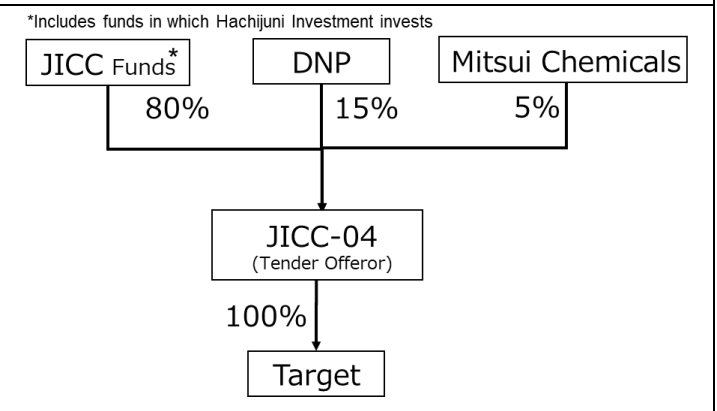
After the capital decrease, etc. has been completed, the Target Company will use the funds and distributable amount procured by the financing and capital decrease, etc. to conduct the share repurchase to acquire all of the Fujitsu Holding Shares.

While there is a possibility that the share repurchase will be conducted after the share consolidation prior to the approval of the exemption from the obligation to file an annual securities report, the share repurchase is intended to be conducted after the delisting of the Target Shares. As the delisted shares will not constitute “listed share certificates, etc.” (Article 24-6, Paragraph 1 of the Act and Article 4-3 of the Order for Enforcement of the Financial Instruments and Exchange Act (Cabinet Order No. 321 of 1965, as amended)), which would be subject to a tender offer of treasury shares (Article 27-22-2 of the Act), a tender offer of treasury shares is not planned to be conducted upon the execution of the share repurchase.



After the transactions

After the transactions, the Tender Offeror intends to hold all issued shares of the Target (excluding treasury shares held by the Target).



***Disclaimer**

The financial advisors to Mitsui Chemicals, JICC, the JICC Funds, DNP, the Tender Offeror and Target as well as the tender offer agent (including their respective affiliates) may, within their ordinary course of business, engage during the tender offer period in the purchase of, or an arrangement to purchase, Target’s shares for their own account or for their customers’ accounts outside the Tender Offer in accordance with Rule 14e-5(b) of the U.S. Securities Exchange Act of 1934, to the extent permitted under Japanese securities regulations and other applicable laws and regulations. Such purchases, etc. may be made at the market price through market transactions or at a price determined by negotiation outside of the market. In the event that information regarding such purchases, etc. is disclosed in Japan, such information will also be disclosed in a similar manner in the U.S.