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MC Signs Agreement to Tender Shares in Consolidated Subsidiary

Mitsubishi Corporation (MC) is pleased to announce that it has signed an agreement today with SENKO Group Holdings Co., Ltd. (Senko) to tender its shares of consolidated MC subsidiary Chuo Kagaku Co., Ltd. (Chuo Kagaku) in response to Senko's tender offer. Upon completion of the tender offer, Chuo Kagaku will become an equity-method affiliate of MC.

1. Aims and Background of Tender Offer Agreement

Chuo Kagaku, founded as a food-packaging manufacturer in 1957, is a listed company on the Tokyo Stock Exchange's standard market. From planning and R&D to manufacturing and sales, the company provides end-to-end solutions in the food packaging industry, serving a wide range of customers. Its main clients include supermarkets, convenience stores, and speciality retailers of bento and side dishes.

Chuo Kagaku became an MC subsidiary following the latter's tender offer for its shares in September 2011. The purpose of this acquisition was to achieve two objectives set down under the strategy MC had devised at the time to strengthen its plastics value chain through investments in the chemicals industry's midstream and downstream processing operations, namely to rebuild Chuo Kagaku for the sake of growing both ancillary and consolidated earnings, and to leverage Chuo Kagaku's activities in China to expand and develop MC's plastics operations in that country.

With losses at Chuo Kagaku beginning to mount in 2017, MC underwrote preferred stock in the company in July 2018 to provide it with capital assistance, and between fiscal years 2018 and 2020, MC also extended management support to Chuo Kagaku via structural reforms. As a result, Chuo Kagaku has managed to turn a profit in each of the last four years.

However, MC has now determined that the best strategy for Chuo Kagaku's future is to have it work with a new partner that may be better equipped to take it to its next stage of growth, which is why MC has decided to transfer its shares in the company. This decision has also been made in accordance with MC's Midterm corporate strategy 2024 that took effect in 2022.

One of the main objectives of "Midterm Corporate Strategy 2024: Creating MC Shared Value" is to accelerate work on a cyclical growth model capable of adapting to the rapidly changing business environment. MC's plan is for this model to guide it in managing its diverse operations, improving its capital efficiency, and setting targets for the appropriate rebalancing of its portfolio.

MC's aim is to grow its quality-of-life-related operations in ways that will help to create more convenient societies and contribute to higher standards of living for consumers. To achieve this aim, the company plans on taking full advantage of its collective capabilities in developing its logistics operations and a broad scope of other activities as well, including trade and support for lifestyles and other businesses.

Transferring its shares of Chuo Kagaku to Senko will put MC in a better position to promote this, and with Senko driven by a policy to branch out from wholesaling to manufacturing, it is the perfect recipient

and an ideal new partner for a company engaged in the production of food packaging. Senko should also be able to provide Chuo Kagaku with the kind of frontline support that can enhance its logistics, sales and productivity.

Considering the potential for synergies with Senko to boost Chuo Kagaku's corporate value, MC believes that transferring ownership to the former is the rational and right thing to do for Chuo Kagaku, even with MC tendering its shares in the latter at below their market value.

MC has come to this decision because it will improve Senko's chances of enhancing Chuo Kagaku's corporate value and ensure a smooth transference of its management, however, MC is planning to reacquire a 40% share in Chuo Kagaku after the squeeze out has been completed by Senko. Furthermore, MC has no plans to change its business dealings with Chuo Kagaku following the transference of its shares to Senko.

For more information on this tender offer, please see the announcements made today by both Senko and Chuo Kagaku.

2. Mitsubishi Corporation

Headquarters	: 2-3-1 Marunouchi, Chiyoda-ku, Tokyo, Japan
Main Operations	: MC engages in a wide range of businesses spanning multiple industries and overseen by its Industry DX Group and 10 industry-specific Business Groups: Natural Gas, Industrial Materials, Petroleum & Chemicals Solution, Mineral Resources, Industrial Infrastructure, Automotive & Mobility, Food Industry, Consumer Industry, Power Solution, and Urban Development.
Representative	: President & CEO Katsuya Nakanishi
Establishment	: 1954 (Founded 1950)

3. Chuo Kagaku

Headquarters	: 3-5-1 Miyaji, Konosu City, Saitama Prefecture, Japan
Main Operations	: Manufacture and sale of disposable plastic food container and related products
Representative	: President Yukio Hayasawa
Establishment	: 1961 (Founded 1957)

4. Senko

Headquarters	: 2-8-10 Shiomi, Koto-ku, Tokyo, Japan
Main Operations	: Logistics, Trading & Commerce, Living Support and Business support.
Representative	: President Yasuhisa Fukuda
Establishment	: 1916 (Founded 1946)

5. Number of Shares to be Tendered, Transfer Cost and Owned Shares Prior to and Following Tender Offer

(1) MC's Owned Shares Prior to Tender Offer

- a. Common Stock: 12,207,700 shares carrying 122,077 voting rights (60.58% of ownership voting rights)¹
- b. Class A Preferred Stock: 2,000 shares carrying no voting rights²
 1. Percentage of MC's voting rights at Chuo Kagaku's general meeting of shareholders as of March 31st, 2022 (as stated in the latter's 62nd securities report submitted on June 28th, 2022).
 2. Once this tender period has commenced, MC plans to immediately exercise a put option on all of its Class A Preferred Shares in Chuo Kagaku, the consideration for which will be the latter's common stock.

(2) Number of MC's Shares to be Tendered

19,109,011 shares carrying 191,090 voting rights (70.64% of ownership voting rights)³

3. Sum of a. above (12,207,700 shares of common stock carrying 122,077 voting rights) and b. above (6,901,311 shares of common stock carrying 69,013 voting rights issued through the exercising of a put option, the consideration for which are common stock converted from Class A Preferred Shares). Used as the denominator for determining the ratio of ownership voting rights is the number of voting rights (270,501) carried by 27,050,171 shares, which is the number of shares remaining after deducting Chuo Kagaku's 891,140 own shares (as stated in its 2023 third-quarter consolidated financial statement) from 27,941,311 shares, which according to its 63rd first-quarter report submitted on August 10th 2022, is the sum of Chuo Kagaku's 21,040,000 outstanding shares of common stock as of June 30th, 2022 and the aforementioned common stock following conversion from Class A Preferred Shares.

(3) Transfer Cost

Approx. 3.7 billion yen (195 yen per share)⁴

4. Assumes completion of tender offer and transference to Senko of all of MC's shares in Chuo Kagaku.

(4) MC's Owned Shares Following Tender Offer

0 shares carrying 0 voting rights (0.00% of ownership voting rights)^{5,6}

5. Assumes completion of tender offer and transference to Senko of all of MC's shares in Chuo Kagaku.

6. MC plans to reinvest in Chuo Kagaku following completion of the tender offer, so that it can provide temporary assistance to ensure a smooth transition of management to Senko.

6. Schedule for Tender Offer

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| (1) Signing of Tender Offer Agreement: | November 14 th , 2022 |
| (2) Tender Offer Period: | November 15 th to December 13 th , 2022 |
| (3) Announcement of Tender Offer Results: | December 14 th , 2022 |
| (4) Settlement of Tender Offer: | December 20 th , 2022 |

7. Performance Forecasts

As Chuo Kagaku shall no longer be a consolidated subsidiary of MC and will become an equity-method affiliates upon completion of this tender offer, MC is currently investigating how this may impact its consolidated operations and shall immediately disclose any and all information necessitating any future revisions to the company's performance forecasts.