



September 10, 2021

Name of Company: Meiji Holdings Co., Ltd.
Name of Representative: Kazuo Kawamura, CEO, President and Representative Director
Code Number: 2269, 1st Section, Tokyo Stock Exchange

Notice regarding Company Split (Absorption-Type Company Split) and Transfer of Agricultural Chemicals Manufacturing and Sales Business (Change of Second-Generation Subsidiary)

Meiji Holdings Co., Ltd. (hereinafter referred to as the "Company") hereby announces that Meiji Seika Pharma Co., Ltd. (hereinafter referred to as "MSP"), the Company's consolidated subsidiary, has determined by its board of directors today that (i) MSP shall have a newly established, wholly owned subsidiary of it named MMAG Co., Ltd. (hereinafter referred to as "NewCo") succeed the Agricultural Chemicals Manufacturing and Sales Business (hereinafter referred to as the "Business"; the assets include all shares of Meiji Agro Chemical Co., Ltd. and Meiji Pharma Korea Co., Ltd. which are wholly owned subsidiaries of MSP.) through an absorption-type company split (hereinafter referred to as the "Company Split"), thereafter, (ii) MSP shall transfer all shares of NewCo to Mitsui Chemicals Agro, Inc. which is wholly owned subsidiaries of Mitsui Chemicals, Inc. (hereinafter referred to as "Mitsui Chemicals Agro", and together with Mitsui Chemicals, Inc., hereinafter referred to as the "Mitsui Chemicals Group") (such transfer hereinafter referred to as the "Share Transfer" and, collectively with the Company Split, the "Transaction").

The Transaction is subject to the completion of the acquisition of licenses and permits.

Because the Company Split spins off a wholly owned subsidiary of MSP (the Company's consolidated subsidiary), some disclosure items and details have been omitted from this announcement.

1. Purpose of the Transaction

The Meiji Group's business in this field has a proven track record in sales of the fungicide *ORYZEMATE*, the herbicide *ZAXA*, and other products. We are aiming to expand our overseas business with four promising, in-house developed, agricultural chemicals, and accelerated investment is now essential for further growth. On the other hand, as COVID-19 pandemic shows no signs of ending, various governmental measures are being taken to combat the pandemic. As a leading manufacturer in the field of infectious diseases, we urgently need to focus its management resources on strengthening its business foundation and developing new drugs in the ethical pharmaceuticals business.

Considering such circumstances, we reached the conclusion that the transfer of the Business to the Mitsui Chemicals Group, which has an extensive track record and management resources in the agricultural chemicals field, would provide an opportunity to strengthen the domestic agricultural

chemicals industry and accelerate global business growth. We are confident that this transaction will be the best option for both companies, as well as for all stakeholders, including business partners in the Business and producers of agricultural products.

2. Outline of the Company Split

(1) Outline of the Company Split

(i) Schedule for the Transaction, including the Company Split

| | |
|---|----------------------------|
| Date of Board's resolution to approve the company split agreement | September 10, 2021 |
| SPA (share purchase agreement for the Transaction) Execution Date | September 10, 2021 |
| Date of Incorporation of NewCo | September 2021 (Expected) |
| Company Split Agreement Execution Date | November 2021 (Expected) |
| Company Split Effective Date | January 4, 2022 (Expected) |
| Date of Share Transfer | January 4, 2022 (Expected) |

(Note) The Corporate Split is a simple absorption-type split for the Company based on the provisions of Article 784 paragraph 2 of the Companies Act. The Corporate Split is an abbreviated-type split based on Article 796 paragraph 1 of the Companies Act. Accordingly, the Corporate Split will go ahead without either company holding a general meeting of shareholders.

(ii) Company Split Method

Method shall be company split, where MSP shall be the splitting company and NewCo shall be the successor company.

(iii) Details of Allocations in relation to the Company Split

No share or other money will be allocated from NewCo to MSP due to the Company Split.

(iv) Handling of Stock Acquisition Rights and Corporate Bonds with Stock Acquisition Rights in conjunction with the Company Split

Not applicable.

(v) Share Capital to be Increased/Decreased due to the Company Split

Share capital of MSP will not change due to the Company Split.

(vi) Rights and Obligations of the Successor Company

NewCo shall succeed to the assets, liabilities, contractual positions, and other rights and obligations relating to the Business of MSP on the effective date of the Company Split.

(vii) Prospect of Fulfilment of Debts

No issues in the payment of debts borne by NewCo after the effective date of the Company Split have been assessed.

(2) Overview of the Parties to the Company Split (as of September 10, 2021)

| | Splitting Company | Successor Company (Note 1) |
|--|--|---|
| (1) Name | Meiji Seika Pharma Co., Ltd. | MMAG Co., Ltd. |
| (2) Address | 2-4-16, Kyobashi, Chuo-ku, Tokyo | 2-4-16, Kyobashi, Chuo-ku, Tokyo |
| (3) Position and Name of Representative | Daikichiro Kobayashi, President & Representative Director | Hiromasa Takizawa, President & Representative Director |
| (4) Business Descriptions | Manufacture and sales of ethical pharmaceuticals, agricultural chemicals, veterinary drugs, etc. | Manufacture and sale of agricultural chemicals |
| (5) Capital | JPY 28,363 million | JPY 100 million |
| (6) Date of Establishment | October 9, 1916 | September 2021 (Expected) |
| (7) Number of Issued Shares | 379,072,000 shares | 100 shares |
| (8) Fiscal Year-End | March 31 | March 31 |
| (9) Number of Employees (Note 2) | 5,951 employees | 0 employees |
| (10) Major Customers | Alfresa Corporation, SUZUKEN CO., Ltd., Toho Pharmaceutical CO., Ltd., Mediceo CO., Ltd. | Undetermined |
| (11) Main Bank | Mizuho Bank, Ltd. | Undetermined |
| (12) Major Shareholders and Shareholding Ratio | Meiji Holdings Co., Ltd. 100% | Meiji Seika Pharma Co., Ltd. 100% |
| (13) Relationships with the Company | | |
| Capital Relationships | The Company holds 100% of the shares. | MSP, a consolidated subsidiary of the Company, holds 100% of the shares. |
| Personal Relationships | Three directors of the Company have been appointed to the Board of Directors of MSP. Three directors of MSP have been appointed as directors of the Company. | Not applicable. |
| Business Relationships | The Company has a business management agreement. The Company leases offices and other facilities. The Company provides loans or entrusts with funds. | No business relationship with the Company since the business is yet to commence. |
| Status of Related Parties | The Splitting Company is our consolidated subsidiary and constitutes a related party. | The Successor Company is a wholly owned subsidiary of our consolidated subsidiary and |

| | | | |
|---|-------------------------------------|-------------------------------------|-------------------------------------|
| | | | constitutes a related party. |
| (14) Financial Status and Operating Results of the Splitting Company over the Last Three Years (Consolidated) | | | |
| | Fiscal Year Ended March 31, 2019 | Fiscal Year Ended March 31, 2020 | Fiscal Year Ended March 31, 2021 |
| Net Assets | JPY 88,168 million | JPY 86,195 million | JPY 90,900 million |
| Total Assets | JPY 210,946 million | JPY 206,533 million | JPY 208,452 million |
| Net Assets Per Share | JPY 219.59 | JPY 214.08 | JPY 225.69 |
| Net Sales | JPY 171,691 million | JPY 185,336 million | JPY 174,659 million |
| Operating Profits | JPY 12,068 million | JPY 12,410 million | JPY 9,960 million |
| Ordinary Profits | JPY 14,107 million | JPY 11,373 million | JPY 10,844 million |
| Profit attributable to owners of parent | JPY -3,870 million | JPY 5,197 million | JPY 5,065 million |
| Profit per share | JPY -10.21 | JPY 13.71 | JPY 13.36 |

(Note1) Expected to be established on September 2021. All of the above items are current projections.

(Note2) The number of employees is indicated as of March 31, 2021, including MSP and its consolidated group companies.

(3) Overview of the Business Division Subject to Split

(i) Business Operated by the Splitting Division

Manufacture and sale of agricultural chemicals

(ii) Operating Results of the Splitting Division

| | |
|-------|---|
| | Results of the Fiscal Year Ended March 31, 2021 |
| Sales | JPY 5,410 million |

(iii) Assets and Liabilities Subject to Split (as of March 31, 2021)

| Assets | | Liabilities | |
|--------------------|-------------------|-------------------------|-------------------|
| Item | Amount | Item | Amount |
| Current Assets | JPY 6,855 million | Current Liabilities | JPY 494 million |
| Non-current Assets | JPY 2,881 million | Non-current Liabilities | JPY 869 million |
| Total | JPY 9,737 million | Total | JPY 1,364 million |

(Note) The above amounts are calculated based on the balance sheet as of March 31, 2021. The actual amounts of assets and liabilities succeeded may vary from the above amounts after increases and decreases occurring before the effective date of the Company Split are reflected.

(iv) Status after Company Split (January 4, 2022 (Expected))

| | Splitting Company | Successor Company (Note) |
|---|--|--|
| (1) Name | Meiji Seika Pharma Co., Ltd. | MMAG Co., Ltd. |
| (2) Address | 2-4-16, Kyobashi, Chuo-ku, Tokyo | 2-4-16, Kyobashi, Chuo-ku, Tokyo |
| (3) Position and Name of Representative | Daikichiro Kobayashi, President and Representative Director | Hiromasa Takizawa, President and Representative Director |
| (4) Business Descriptions | Manufacture and sales of ethical pharmaceuticals, agricultural | Manufacture and sale of agricultural chemicals |

| | | |
|---------------------|-----------------------------------|-----------------|
| | chemicals, veterinary drugs, etc. | |
| (5) Capital | JPY 28,363 million | JPY 100 million |
| (6) Fiscal Year-End | March 31 | March 31 |

(Note) NewCo, which is the Successor Company, will operate the succeeded Business after the Company Split. Subject to the Company Split taking effect, all issued and outstanding shares of NewCo will be transferred to Mitsui Chemicals Agro.

3. Outline of the Share Transfer

(1) Overview of the Second-Generation Subsidiary to be Transferred

Second-Generation Subsidiary (NewCo)

Please see “Successor Company” in “2(2) Overview of the Parties to the Company Split” above.

(2) Outline of Share Transferee

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|---|--|
| (1) Name | Mitsui Chemicals Agro, Inc. |
| (2) Address | Nihonbashi Dia Building, 19-1, Nihonbashi 1-chome, Chuo-ku, Tokyo |
| (3) Title and Name of Representative | Satoshi Ozawa, President & Representative Director |
| (4) Business | Research, development, manufacture, sale, import and export of agricultural chemicals and fertilizers, and manufacture and sale of non-agricultural pesticides |
| (5) Capital Amount | JPY 350 million |
| (6) Date of Establishment | April 1, 2003 |
| (7) Net Assets of the Immediately Preceding Fiscal Year | JPY 46,016 million (as of the end of March 2021) |
| (8) Total Assets of the Immediately Preceding Fiscal Year | JPY 60,486 million (as of the end of March 2021) |
| (9) Major Shareholders and Shareholding Ratio | Mitsui Chemicals, Inc. 100% |
| (10) Relationship Between the Company and Transferee | There is no capital, personal, or business relationship between the Company and the transferee. |

(3) Number of Shares Transferred and Status of Shares Held Before and After the Transfer

Second-Generation Subsidiary (NewCo)

| | |
|--|---|
| (1) Shares Held before the Transfer | 100 Shares (percentage of voting rights: 100.00%) |
| (2) Number of Shares Transferred | 100 Shares (percentage of voting rights: 100.00%) |
| (3) Transfer Price | JPY 46,700 million (approximation) |
| (4) Number of Shares Held after the Transfer | 0 Shares (percentage of voting rights: 0.00%) |

(Note) The final transfer price of the shares in the Transaction is expected to be determined after price adjustments,

including working capital for the business agreed in advance with Mitsui Chemicals Agro to the transfer price in (3).

4. Future Prospects

Regarding the impact of the Transaction on the consolidated operations results, please refer to the "Notice concerning Recording Extraordinary Profit and Revisions to Financial Forecasts for the Fiscal Year Ending March 31, 2022" disclosed today simultaneously.

Reference: Overview of Mitsui Chemicals Agro

Mitsui Chemicals Agro, Inc. is an agricultural chemicals manufacturer operating one of the core businesses of the Mitsui Chemicals Group, which was established in 2009 through the integration of the agricultural chemicals business of Mitsui Chemicals, Inc. and Sankyo Agro Co. Mitsui Chemicals Agro has been striving to contribute to the sustainable development of agriculture and the improvement of QoL (Quality of Life) by expanding its agricultural chemical business in Japan and overseas based on its regional strategies and by expanding its PPM (Professional Pest Management) business, based on its innovative agricultural chemical created based on its chemical synthesis capabilities. Through these strategies, it aims to become an R&D-driven company with a global presence in the field of agricultural chemicals.

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