

February 19, 2018

To whom it may concern:

Company name: OSAKA SODA CO, LTD.
Securities code: 4046 First Section, Tokyo Stock Exchange
Representative: Kenshi Terada
Representative Director, Chief Operating Officer
For inquiry: Takeharu Hanasaki
General Manager, Corporate Planning Department, Corporate
Strategy Division
Tel: +81-(0)6-6110-1560

Acquisition of NITTO KAKO Co., Ltd. Shares

Osaka Soda Co., Ltd. (The "Company") today announced that the Company agreed to acquire 31.3% of the voting rights for shares in NITTO KAKO Co., Ltd., ("NITTO KAKO") held by Mitsubishi Chemical Co., Ltd. which holds 36.3% of its shares with voting rights, effective February 19, 2018.

1. Reasons for the acquisition of shares

NITTO KAKO is a manufacturer of the rubber compounds for vehicle application and the molded products such as rubber sheets or rubber mats for construction and gains high customer appreciation through technological abilities.

The Company and its affiliated companies are expanding business according to our mid-term management plan "NEXT FRONTIER-100" in which "new products and new businesses" and "expansion of global business" are positioned as growth engine.

The Company boosted downstream expansion of compound business, especially, focusing on "Epichlorohydrin Rubber" for office automation equipment which features a superior heat-resistance, oil-resistance, and electrical conduction and on "Synthetic Rubber" such as acrylic rubber for vehicle which features a superior heat-resistance and oil-resistance.

As a result of this acquisition, the Company merges the synthetic rubber technology the Company owns with the rubber compounding technology and molding technologies NITTO KAKO owns. The Company creates new products and develops new applications using compounding technology. NITTO KAKO accelerates business expansion by developing molded rubber products utilizing special synthetic rubber in addition to molded rubber products utilizing general purpose rubber.

2. Outline of acquired company

(1)	Name:	NITTO KAKO Co., Ltd.		
(2)	Address:	1-3, Ichinomiya 6-Chome, Samukawa-cho, Kouzagon, Kanagawa, Japan		
(3)	Name and title of representative	Ryohei Arakawa Representative Director and President		
(4)	Outline of business	Production and sale of rubber products (rubber compounds, sheet, mat, molded product etc.) and resin products (high-performance resin compounds, resin cleaning agents etc.)		
(5)	Stated capital	1,920 million yen		
(6)	Date of incorporation	July 1, 1949		
(7)	Major shareholders and percentage of voting rights	Mitsubishi Chemical Co., Ltd. 36.3% AICHI TIRE INDUSTRY CO., LTD. 5.3%		
(8)	There is no capital, personnel, or business relationship between the Company and NITTO KAKO.			
(9)	Financial results and Financial positions for the last three years (Unit: million yen)			
		For the fiscal year ended Mar. 31, 2015	For the fiscal year ended Mar. 31, 2016	For the fiscal year ended Mar. 31, 2017
	Net assets	2,158	2,034	2,366
	Total assets	7,367	6,754	6,142
	Net Sales	10,186	9,217	7,949
	Operating profit	-96	163	315
	Ordinary profit	-106	150	304
	Net profit	-103	-120	330

3. Mitsubishi Chemical Co., Ltd.

The Company acquires the shares of NITTO KAKO Co., Ltd. from Mitsubishi Chemical Co., Ltd. There is no capital or personnel relationship between Mitsubishi Chemical Co., Ltd. and the Company.

4. Number of shares to be acquired and share ownership before and after acquisition

- | | |
|----------------------------------------------|--------------------------------------|
| (1) Number of shares held before acquisition | 0 shares |
| | (Percentage of voting rights: 0%) |
| (2) Number of shares to be acquired | 1,200,000 shares |
| (3) Number of shares held after acquisition | 1,200,000 shares |
| | (Percentage of voting rights: 31.3%) |

5. Schedule

- | | |
|--------------------------------------------|-------------------|
| (1) Execution of share purchase agreements | February 19, 2018 |
| (2) Date of acquisition of shares | March 23, 2018 |

6. Outlook

According to this acquisition of shares, NITTO KAKO is scheduled to become an equity method affiliate of the Company. The impact on the Company's financial results for the fiscal year ended March 31, 2018 is expected to be minimal.