

Date: February 17, 2022

Listed company name: Nitto Denko Corporation

Stock exchange listing: Tokyo, First Section

Code number: 6988

Company representative: Hideo Takasaki, President

Contact person: Yasuhiro Iseyama

Executive Vice President

Director of Corporate Accounting & Finance Division

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### **Regarding Acquisition of Personal Care Components Business of Mondi (to Make It a Subsidiary)**

Nitto Denko Corporation (the “Company”) hereby announces that it has agreed and signed on February 17, 2022 to acquire all outstanding shares of four companies (Mondi Gronau GmbH in Germany, Mondi Ascania GmbH in Germany, Mondi China Film Technology Co., Ltd in China and a newly established company for Personal Care Components Business<sup>(\*1)</sup> that are currently held by Mondi Jackson LLC in the U.S.) that consists of the Personal Care Components business of Mondi plc (listed on the London Stock Exchange, hereafter referred to as “Mondi”) in total acquisition price of EUR615 million (approximately JPY79,950 million), and to make these companies wholly-owned subsidiaries of the Company (the “Acquisition”). The details are described as below.

The closing of the Acquisition is subject to the completion of procedures related to antitrust clearance and regulatory authorities in Germany and other required countries, as well as other customary closing conditions.

(\*1) Personal Care Components Business: The manufacturing and sale of hygienic materials for elastic components, non-woven fabrics and functional film that are found in diapers, feminine hygiene products, wet wipes, and face masks

#### 1. Reason for acquisition of shares

Personal Care Components Business of Mondi has the core materials production capacity, top global customer base, global supply system and environment-conscious products that are essential factors to business growth.

The Company have determined that it can take its Hygiene Business, which has been operating mainly in emerging markets such as the Middle East and Africa, to a new stage, by acquiring these factors through the Acquisition and realizing synergies such as cross-selling utilizing each sales channel.

As a result, the Company will accelerate the growth of the Human Life related solutions, especially in the personal care field, which has been defined as one of the priority fields along with Next Generation

Mobility and Information Interface in our strategic mid-term plan "Nitto Beyond 2023". In addition, the Company believes that the fusion of both technologies will expand the possibility of creating new products and innovations such as environmentally friendly products, high-performance films, and multifunctional development of nonwoven fabrics.

Furthermore, the acquisition of the base with high productivity, development capabilities, quality control capabilities in Germany, one of the largest industrialized country in Europe, and the proven management personnel is considered to be of great significance for strengthening the Company's portfolio in the Europe and global manufacturing capabilities.

## 2. Overview of the subsidiaries

(1) Name	Mondi Gronau GmbH	
(2) Location	Jöbkesweg 11, 48599 Gronau, Germany	
(3) Job title and name of representative	Jürgen Schneider – Managing Director Mondi Gronau GmbH Torsten Schulze – Managing Director Mondi Gronau GmbH	
(4) Description of business	Production of films and film-based products, incl. high-quality printed solutions and films, technical films, hygiene components, laminating films, label films, decorative and flooring films as well as face masks and melt-blown nonwovens	
(5) Share capital	EUR 7.6 million	
(6) Date of establishment	July 1, 1987	
(7) Major shareholders and ownership ratios (as of December 31, 2020)	Immediate Parent: Mondi Consumer Packaging International GmbH (100%) Ultimate Parent: Mondi plc (100%)	
(8) Relationship between the Company and said company	Capital relationship	None
	Personnel relationship	None
	Business relationship	Mondi Gronau is one of the suppliers to Nitto Bento, a subsidiary of the Company

(9) Operating results and financial positions of said company for the last three years (EUR in thousands, truncated to nearest whole number)			
As of / Fiscal year ended	December 2018	December 2019	December 2020
Net assets	119,277	87,873	27,184
Total assets	237,399	221,683	172,497
Net sales	383,232	340,218	253,733
Ordinary profit (EBIT before special items)	47,164	39,644	14,169
Operating profit (EBIT after special items)	46,428	39,644	△20,407
Profit attributable to owners of parent	49,705	40,126	△16,431

(1) Name	Mondi Ascania GmbH	
(2) Location	Daimlerstrasse 8, 06449 Aschersleben, Germany	
(3) Job title and name of representative	Jürgen Schneider – Managing Director Mondi Ascania GmbH Marko Fleck – Managing Director Mondi Ascania GmbH	
(4) Description of business	Production, conversion and/or sale of nonwoven materials, nonwoven composites and staple fibre materials, as well as similar materials including export and import of these materials	
(5) Share capital	EUR 1.0 million	
(6) Date of establishment	May 14, 2009	
(7) Major shareholders and ownership ratios (as of December 31, 2020)	Immediate Parent: Mondi Holding Deutschland GmbH (100%) Ultimate Parent: Mondi plc (100%)	
(8) Relationship between the Company and said company	Capital relationship	None
	Personnel relationship	None
	Business relationship	None

(9) Operating results and financial positions of said company for the last three years (EUR in thousands, truncated to nearest whole number)			
As of / Fiscal year ended	December 2018	December 2019	December 2020
Net assets	28,894	28,859	25,182
Total assets	41,371	41,842	62,200
Net sales	54,479	58,050	55,054
Ordinary profit (EBIT before special items)	3,921	5,013	2,377
Operating profit (EBIT after special items)	3,921	5,013	2,377
Profit attributable to owners of parent	4,139	5,314	2,962

(1) Name	Mondi China Film Technology Co., Ltd
(2) Location	No 29 Xinggang Road, Taicang Port Economic and Technological Development Zone, People Republic of China
(3) Job title and name of representative	Hong Lim Choi – Legal Representative Jürgen Schneider – Chairman/Director Angelika Hofer-Orgonyi – Director Matthias Florian – Director Kris Jozef Ketels – Director Wei Liu (刘伟) – Sole Supervisor
(4) Description of business	Production and sale of non-woven and multi-functional industrial textiles (elastic non-woven material), import and export of film, paper and elastic non-woven products, as well as provision of related technical consultancy and support services
(5) Share capital	EUR 8.3 million
(6) Date of establishment	August 15, 2011
(7) Major shareholders and ownership ratios (as of December 31, 2020)	Immediate Parent: Mondi Consumer Packaging International GmbH (100%) Ultimate Parent: Mondi plc (100%)

(8) Relationship between the Company and said company	Capital relationship	None	
	Personnel relationship	None	
	Business relationship	None	
(9) Operating results and financial positions of said company for the last three years (CNY in millions, truncated to nearest whole number)			
As of / Fiscal year ended	December 2018	December 2019	December 2020
Net assets	81	94	79
Total assets	213	218	157
Net sales	134	215	147
Ordinary profit (EBIT before special items)	10	21	10
Operating profit (EBIT after special items)	5	21	10
Profit attributable to owners of parent	1	13	6

(1) Name	Newly established company for Personal Care Components Business that are currently held by Mondy Jackson LLC in the U.S.	
(2) Location	N.N. since company not yet established	
(3) Job title and name of representative	N.N. since company not yet established	
(4) Description of business	N.N. since company not yet established	
(5) Share capital	N.N. since company not yet established	
(6) Date of establishment	N.N. since company not yet established	
(7) Major shareholders and ownership ratios	N.N. since company not yet established	
(8) Relationship between the Company and said company	Capital relationship	None
	Personnel relationship	None
	Business relationship	None

(9) Operating results and financial positions of said company for the last three years	None because it is a company yet to be newly established between Signing and Closing
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### 3. Overview of the counterparty to the acquisition of shares

(1) Name	Mondi plc	
(2) Location	Ground Floor, Building 5, The Heights Brooklands, Weybridge, Surrey KT13 0NY, United Kingdom	
(3) Job title and name of representative	Andrew King (Group CEO), Mike Powell (Group CFO)	
(4) Description of business	A global leader in packaging and paper, operating across the value chain	
(5) Share capital (as of December 31, 2020)	EUR 97 million	
(6) Date of establishment	2007	
(7) Net assets (as of December 31, 2020)	EUR 4,382 million	
(8) Total assets (as of December 31, 2020)	EUR 8,367 million	
(9) Major shareholders and ownership ratios (as of December 31, 2020)	Public Investment Corporation Limited	5.91%
	BlackRock, Inc	5.86%
	Investec Asset Management Limited	4.99%
	AXA S.A	4.69%
	Standard Life Investments Limited	4.49%
	Old Mutual plc	3.26%
	Sanlam Investment Management Proprietary Limited	3.00%
(10) Relationship between the Company and said company	Capital relationship	None
	Personnel relationship	None
	Business relationship	Mondi Gronau is one of the suppliers to Nitto Bento, a subsidiary of the Company
	Related party relationship	None

4. Number of shares acquired, acquisition costs, and shareholding before and after acquisition

	Mondi Gronau GmbH	Mondi Ascania GmbH	Mondi China Film Technology Co., Ltd	Newly established company for Personal Care Components Business that are currently held by Mondi Jackson LLC in the U.S.	
(1)	Ratio of equity interests held before acquisition	0.0%	0.0%	0.0%	0.0%
(2)	Ratio of equity interests to be acquired	100.0%	100.0%	100.0%	100.0%
(3)	Acquisition price <sup>(*)2</sup>	Total Acquisition Price <sup>(*)3</sup> Advisory Fee (Estimated) Total (Estimated)		EUR615 million (JPY79,950 million) JPY450 million JPY80,400 million	
(4)	Ratio of equity interests held after acquisition	100.0%	100.0%	100.0%	100.0%

(\*)2 Exchange rate: EUR1=JPY130

(\*)3 Total Acquisition Price includes loans owned by the subsidiaries. Consideration to the subject shares will be determined based on financial figures of the subsidiaries on the date of commencement of share transfer.

5. Timetable (JST)

(1)	Date of CEO approval	February 17, 2022
(2)	Date of conclusion of the agreement	February 17, 2022
(3)	Date of commencement of share transfer	Middle of 2022 (Plan) The closing of the Acquisition is subject to the completion of procedures related to antitrust clearance and regulatory authorities in Germany and other required countries, as well as other customary closing conditions

## 6. Future outlook

There shall be no material impact due to the Acquisition on the consolidated financial outlook of the Company for fiscal year 2021 (April 1, 2021 through March 31, 2022). The impact for fiscal year 2022 is under consideration and will be announced if there would be a material impact.