

June 2, 2022

To whom it may concern:

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Harima Chemicals Group, Inc. completes acquisition of commercial rights, assets, etc. related to the solder materials business of Henkel AG & Co. KGaA

Since concluding on December 16, 2021 an agreement with Henkel AG & Co. KGaA (Henkel) on acquisition of commercial rights, assets, etc. related to its solder materials business, Harima Chemicals Group, Inc. has proceeded with procedures related to this acquisition. Following enhancement of the contractual preconditions of the purchase agreement after obtaining authorization following a delay, the acquisition procedures were completed on June 1, 2022 (June 2 Japan time).

The Company's organization includes four business companies: Resins and Tall Oil Products, Paper Chemicals, Electronic Materials, and Lawter. The commercial rights, assets, etc. acquired from Henkel will be integrated with the solder materials business of the Electronic Materials Company, with the aims of growing the business in scale and implementing more efficient management.

The Company's Electronic Materials Company has production and sales facilities in Japan (Kakogawa, Hyogo Prefecture), the United States, the Czech Republic, Malaysia, and China. With this acquisition, in addition to acquisition of one plant in Malaysia the new company Harima UK Ltd. has been established in the United Kingdom to absorb development and technical sales staff transferred from Henkel. Furthermore, a contract also has been concluded on receiving support from Henkel in various fields related to launching the business after acquisition, as part of efforts to reduce risks involved in business integration after the acquisition.

The launch of the solder materials business acquired through this acquisition is considered a priority measure under New Harima 2026, the new medium-term management plan launched this fiscal year. Plans call for leveraging the line of products acquired from Henkel, including highly durable lead-free solder paste and solder paste storable over the long term at room temperature, along with our customer bases in the automotive, industrial machinery, and telecommunications equipment industries in regions including Europe, North America, and China, to advance business expansion in global markets.

For more details, see the December 16, 2021 press release "Notice Concerning Acquisition of Assets of Solder Materials Business of Henkel AG & Co. KGaA"

(https://www.harima.co.jp/news_release/pdf/news211216_1.pdf) and the June 2, 2022 news release

"Harima Chemicals Group, Inc. completes acquisition of commercial rights, assets, etc. related to the solder materials business of Henkel AG & Co. KGaA (supplemental materials)."