

## Mitsui Chemicals Resolves to Acquire a U.S.-based Dental Materials Manufacturer—No Immediate Impact on the Rating

The following is Japan Credit Rating Agency, Ltd. (JCR)'s opinion on the announcement made by Mitsui Chemicals, Inc. (security code: 4183) on the acquisition of a U.S.-based dental materials manufacturer.

- (1) Mitsui Chemicals, Inc. (the "Company") announced on June 12 that it will acquire Ultradent Products, Inc. ("Ultradent"), which engages in the development, manufacturing and sale of dental products such as teeth whitening and dental restorative, and make the latter a wholly owned subsidiary (the "Acquisition"). The Acquisition is valued at USD 900 million and scheduled to complete in September 2026. Ultradent operates mainly in the U.S. and holds a globally strong position in the teeth whitening sector, backed by its own outstanding design, development and manufacturing technologies and direct sales channels to dental clinics.
- (2) The Company has long defined the Life & Healthcare Solutions Business Sector as one of growth areas and has been working to bolster the medical field as a third pillar of earnings after vision care and agrochemicals. In the oral care business, which is positioned as the core of the medical field, it has expanded its operations in Europe and other regions, mainly through Kulzer GmbH (acquired in 2013) having strength in prosthetic and restorative fields. The Acquisition will not only help expand the Mitsui Chemicals Group's portfolio of dental materials-related products but also will in JCR's view strengthen the business base in the U.S. market, where the Company has been underrepresented. Following the Acquisition, the Company plans to transfer the global headquarters function of the oral care business to the U.S. in order to accelerate decision-making and achieve synergies at an early stage.
- (3) The Acquisition will result in an increase in interest-bearing debt and will likely make net D/E ratio exceed the financial discipline target (0.8x) set by the Company. It is also expected to give rise to goodwill and intangible assets to a certain extent. That said, equity attributable to owners of the parent in the higher level of 800 billion yen as of the end of the fiscal year ended March 2026 ensures a reasonable level of financial resilience. The Company's performance in recent years has been robust, centering on growth areas, and generally stable earnings capacity can also be observed for Ultradent. Moreover, the Acquisition is in line with the business policies the Company has previously outlined and is deemed to be reasonable as a part of the growth strategy. Hence, JCR has concluded that there is no immediate need to review the rating because of the Acquisition. Looking ahead, in addition to the outcome of the Acquisition and the efforts to improve the financial position, attention will also be paid to see whether the Company can boost the earnings capacity of the medical field and enhance the business portfolio by realizing the benefits of the Acquisition.

Shigenobu Tonomura, Takeshi Fujita

### <Reference>

Issuer: Mitsui Chemicals, Inc.

Long-term Issuer Rating: AA-      Outlook: Stable

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