



April 16, 2021

To whom it may concern

Name of Listed Company Showa Denko K.K.
Code Number 4004 TSE First Section
Name of Representative Kohei Morikawa, President & CEO
Contact Yunia Kagawa
General Manager
CSR & Corporate Communication Office
TEL (03) 5470-3235

Notice regarding Share Transfer with Change in Subsidiary

As stated in “Notice of Execution of Basic Agreement regarding Tender Offer over Subsidiary” as of March 4, 2021, Showa Denko K.K. (hereinafter referred to as the “**Company**”) entered into a basic agreement setting forth among others, the application for 3,160,306 shares (hereinafter referred to as the “**Applied Shares**”) of SHOKO CO., LTD. (Code number 8090, listed on the First Section of Tokyo Stock Exchange; hereinafter referred to as “**SHOKO**”), the Company's consolidated subsidiary, among the shares of SHOKO owned by the Company, in a tender offer (hereinafter referred to as the “**Tender Offer**”) for the common shares issued by SHOKO (hereinafter referred to as the “**SHOKO Shares**”) with the Tender Offer being made by SKT Holdings Ltd., (hereinafter referred to as “**SKTHD**”), a wholly-owned subsidiary of iSigma Business Advancement Fund III Investment LLP managed and operated by iSigma Capital Corporation (hereinafter referred to as “**iSigma Capital**”).

Thereafter, the Company had applied the Applied Shares for the Tender Offer in accordance with the basic agreement above and the Tender Offer successfully ended on April 15, 2021.

The Company hereby announces that ,as a result of the Tender Offer, the Company will transfer the Applied Shares (3,160,306 SHOKO Shares) to SKTHD.

Notes

1. Number of shares transferred, transfer price, status of owned shares prior to and after the transfer

(1) Number of shares owned prior to the transfer	4,790,153 shares (Number of voting rights: 47,901) (Ratio of voting rights owned: 44.00%*)
(2) Number of shares to be transferred	3,160,306 shares (Number of voting rights: 31,603)
(3) Transfer price	2,515,603,576 Yen (796 Yen per share)

(4) Number of shares owned after the transfer	1,629,847 shares (Number of voting rights: 16,298) (Ratio of voting rights owned: 14.97%*)
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*The ratio of voting rights owned sets forth the ratio compared to the number of voting rights (108,857) as of December 31, 2020, as published in the Annual Securities Report for the 101st Term submitted by SHOKO on March 30, 2021.

2. Overview of Subsidiary to be Changed.

(1) Name	Shoko Co., Ltd.	
(2) Address	4-1, Shiba Koen 2-Chome, Minato-ku, Tokyo	
(3) Title and name of representative	Representative Director & President Junichi Inaizumi	
(4) Business description	Sale of chemicals, resins, metals and other industrial materials	
(5) Capital amount	8,021 million yen (as of December 31, 2020)	
(6) Date of incorporation	May 28, 1947	
(7) Major shareholders and shareholding ratio*	Showa Denko K.K.	43.79%
	The Master Trust Bank of Japan, Ltd. (Trust Account)	3.49%
	Custody Bank of Japan, Ltd. (Trust Account)	1.67%
	Shoko Co., Ltd. Employees Shareholding Association	1.38%
	Custody Bank of Japan, Ltd. (Trust Account 5)	0.99%
	Sompo Japan Insurance Inc.	0.93%
	Mizuho Bank, Ltd.	0.86%
	Takako Nakama	0.84%
	Custody Bank of Japan, Ltd. (Trust Account 6)	0.82%
	Custody Bank of Japan, Ltd. (Trust Account 1)	0.78%
(8) Relationship between the Company and this Company	Capital relationship	The Company holds 43.79%** of the shares outstanding (excluding treasury shares) of SHOKO.
	Personnel relationship	The Company's employees are seconded to SHOKO.
	Business relationship	The Company currently provides a loan to SHOKO. Furthermore, the Company and SHOKO are involved in the sale and purchase of chemicals, light metal and ceramic materials.
	Status as related party	SHOKO is a consolidated subsidiary of the Company, and therefore, SHOKO is regarded as a related party of the Company.

(9) Consolidated results of operations and financial position of the Target			
Fiscal year	Ended December 2018	Ended December 2019	Ended December 2020
Net assets (million yen)	8,878	10,842	13,433
Total assets (million yen)	60,979	58,141	56,113
Net assets per share (yen)	789.04	965.34	1,198.74
Revenue (million yen)	130,502	119,960	100,726
Operating profit (million yen)	1,882	2,149	1,297
Ordinary profit (million yen)	2,060	2,484	1,625
Net profit attributable to the shareholders of the parent (million yen)	1,527	1,814	2,585
Net profit per share (yen)	139.59	165.85	236.38
Dividend per share (yen)	0.00	0.00	0.00

* The shareholding ratio is based on the shares outstanding (excluding treasury shares) as of December 31, 2020, as stated in the Annual Securities Report for the 101st Term submitted by SHOKO on March 30, 2021.

** The shareholding ratio is based on the net shares outstanding (10,938,470 shares), whereby the treasury shares held by SHOKO (332,998 shares) have been subtracted from the total shares outstanding (11,271,468 shares) as of December 31, 2020, as stated in the Annual Securities Report for the 101st Term submitted by SHOKO on March 30, 2021. Please note that the ratio has been rounded off to two decimal places.

3. Outline of SKT Holdings Ltd.,

(1) Name	SKT Holdings Ltd.,
(2) Address	5-1, Otemachi 1-Chome, Chiyoda-ku, Tokyo
(3) Title and name of representative	CEO and Representative Director Akihiko Watanabe
(4) Business descriptions	1. Acquisition, holding, administration and disposition of shares 2. Providing services ancillary to the above
(5) Capital	10,000 yen
(6) Date of incorporation	October 16, 2020

(7)	Major shareholders and shareholding ratio	iSigma Business Advancement Fund III Investment LLP	100%
(8)	Relationship between the Company and this company	Capital relationship	N/A
		Personnel relationship	N/A
		Business relationship	N/A
		Status as related parties	N/A

4. Date of Change

April 22, 2021 (Commencement Date of Settlement for the Tender Offer)

5. Future outlook

As a result of successful completion of the Tender Offer, SHOKO will no longer be a consolidated subsidiary of the Company.

While the effect on the Company's results for this term is expected to be minor, an announcement will be made promptly in the case that it becomes clear going forward that there will be a material effect.

End.