



September 8, 2021

To whom it may concern

Name of Listed Company: Showa Denko K.K.
Code Number: 4004 TSE First Section
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Announcement Regarding Determination of Number of New Shares to be Issued

Showa Denko K.K. (the “Company”) hereby announces that, relating to the issuance of new shares of its common stock which its board of directors resolved on August 23, 2021, the number of shares to be issued by exercise of the option to purchase additional newly issued shares of common stock granted to the International Underwriters in connection with the International Offering has been determined as set forth below:

The number of shares to be issued by exercise of the option to purchase additional newly issued shares of common stock granted to the International Underwriters in connection with the International Offering:

2,065,500 shares

Reference

1. Number of new shares to be offered by way of public offering

32,665,500 shares of common stock of the Company, the aggregate of (i) through (iii) described below:

- (i) 15,070,500 shares of common stock of the Company, issued for purchase by the Japanese Underwriters in the Japanese Public Offering;
- (ii) 15,529,500 shares of common stock of the Company, issued for purchase by the International Underwriters in the International Offering; and
- (iii) 2,065,500 shares of common stock of the Company, additionally issued for purchase by the International Underwriters upon exercise of the option in the International Offering.

2. Change in the number of issued shares as a result of this offering of new shares

Note: This press release does not constitute an offer to sell, or a solicitation of an offer to buy, securities in the United States. The securities referred to in this press release have not been, and will not be, registered under the United States Securities Act of 1933, as amended (the “Securities Act”). The securities may not be offered or sold in the United States absent registration or an exemption from registration under the Securities Act. The securities referred to above will not be publicly offered or sold in the United States.

Total number of issued shares at present: 149,711,292 shares (As of September 8, 2021)

Increase in number of shares by way of the offering of new shares: 32,665,500 shares

Total number of issued shares after the offering of new shares: 182,376,792 shares

In addition to the above, in connection with the issuance of new shares by way of Third-Party Allotment, the Company may additionally issue up to 2,524,500 shares of its common stock to a Japanese Underwriter on October 13, 2021.

3. Use of proceeds raised this time

With respect to the net proceeds from the Japanese Public Offering, the International Offering and the Third-Party Allotment, which the Company estimates to be, in total, up to 82,383,230,800 yen, the Company intends to use 5,900,000,000 yen as investment funds for manufacturing facilities for high-purity gases for electronics, etc. in chemicals segment and 5,800,000,000 yen as investment funds for manufacturing facilities for SiC power semiconductor-related materials and lithium-ion battery materials, etc. in electronics segment by the end of December 2023, with the remaining amount of approximately 70,600,000,000 yen as investment funds for production facilities for CMP slurries, copper-clad laminates, photosensitive films and rear door modules made of molded resin in Showa Denko Materials segment, as well as improvements to the Packaging Solution Center and increases to the production capacity of regenerative medicine manufacturing bases, etc. by the end of March 2024.

For more information regarding the use of proceeds, please refer to the press release “Announcement Regarding Issuance of New Shares and Secondary Offering of Shares” dated August 23, 2021.

End.

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