



# NEWS RELEASE

**SHOWA DENKO K.K.**

13-9, Shiba Daimon 1-chome  
Minato-ku Tokyo 105-8518

March 9, 2022

## **Showa Denko Group Starts to Consider Transformation into Holding Company Structure**

Showa Denko K.K. (SDK) (TOKYO: 4004) announces that it was resolved at the Board of Directors meeting held today that, regarding a plan for transformation from current company structure to holding company structure, the Company will start to consider the plan and prepare for execution of the plan. Execution of the plan is subject to adoption of relevant resolutions by shareholders at an extraordinary general meeting of shareholders, which is planned to be held in late September 2022, and is also subject to approval and authorization by the appropriate authorities. We will announce details of the plan as soon as they are decided.

### 1. Background and purpose of the consideration

As we stated in “Our Policy toward Realization of ‘Co-Creative Chemical Company’,” which was announced on February 14, 2022, the Showa Denko Group aims to change the Group into “Company that can compete on the world stage,” “Company that contributes to sustainable global society,” and “Company that develops talent that represents Japan’s manufacturing industry,” thereby making the Group “Global Top-Level Functional Chemical Manufacturer from Japan,” which is the ideal state of the Co-Creative Chemical Company.

Into the Purpose of the Showa Denko Group, which is “Change society through the power of chemistry,” we put our will to have global top-level competence as a chemical manufacturer, to think beyond the conventional boundaries of our individual business activities, and to co-create better society with stakeholders and communities who share a high aim and ideal with us. This is the essence of Co-Creative Chemical Company that we aim to be. Through realization of the Purpose, the Showa Denko Group will continue reforming itself, aiming to become the Global Top-Level Functional Chemical Manufacturer.

In the process to realize the ideal state, the Showa Denko Group will commit itself to realize scale and profitability of the Company which are prerequisites to become a company that can compete on the world stage, execute business portfolio management focusing on strategic allocation of management resources, while maintaining integrity, promoting innovations that bear competitive advantage, and executing personnel strategy focusing on human resource development based on Purpose and Four Values, which are the Showa Denko Group’s new Corporate Philosophy.

To become Global Top-Level Functional Chemical Manufacturer, which is our ideal state, and to maximize our corporate value, we will accelerate business portfolio management which enable us to solve global social issues and create sustainable corporate value. Aiming to

establish organizational structure optimum for realization of the ideal state, we will consider specific procedures for transformation into a holding company structure.

If the Group transforms itself into a holding company structure, the holding company will specialize in formulating and executing group strategy and functioning as a company listed on the stock exchange. The holding company will cope with management issues quickly and flexibly, and realize appropriate allocation of management resources group-wide from bird's-eye viewpoint, including formation of business alliance and M&A. The newly integrated company (a company involved in manufacturing) will focus on strengthening competitiveness of each business of the Company in order to realize synergy of integration of Showa Denko and Showa Denko Materials as soon as possible, and operate businesses in a quick and flexible manner corresponding to the surrounding environment, thereby enhancing corporate value of the entire Group.

## 2. Planned process for transformation into holding company structure

The planned process for transformation from current company structure to holding company structure is as follows. We will set the current Showa Denko K.K. as a company to be split, execute the company split, make Showa Denko Materials Co., Ltd. (SDMC), which is a wholly owned subsidiary of HC Holdings K.K. (HCHD), in which SDK holds 100% of voting rights, succeed all businesses currently operated by SDK, and merge HCHD into SDMC. Then we will set SDMC as a company to be split, execute the company split, and make SDK succeed a part of SDMC's assets and liabilities. We will announce the detail of this process as soon as it is decided in the future.

## 3. Plan for the future

|                  |                                                                                                                                                                             |
|------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| End of June 2022 | Record Date to fix shareholders who can execute voting rights at the extraordinary general meeting of shareholders concerning transformation into holding company structure |
| August 2022      | Board of Directors' meeting concerning transformation into holding company structure                                                                                        |
| September 2022   | Extraordinary general meeting of shareholders concerning transformation into holding company structure                                                                      |
| January 2023     | Transformation into a holding company structure                                                                                                                             |

For further information, contact:

Public Relations Group, Brand Communication Department (Phone: 81-3-5470-3235)