



# NEWS RELEASE

**SHOWA DENKO K.K.**

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## **Showa Denko to Consider Simplified Absorption-type Company Split**

Showa Denko (SDK) (Tokyo: 4004) decided at its Board of Directors' meeting today to consider and prepare for a company split concerning its graphite electrode business. Under the plan, Shinshu Showa K.K., a consolidated subsidiary of SDK located in Omachi City, Nagano Prefecture, will succeed to SDK's graphite electrode business in or around January 2023. This company split will be subject to relevant authorities' approval. Details will be announced later as soon as they are decided.

### 1. Background and objectives

SDK's graphite electrode business is conducted through a virtual global-scale controlling organization as well as a regional control system involving North/South America, Europe/Middle East/Africa, and Asia. Each regional unit assumes responsibility for earnings. Furthermore, SDK is working to establish common ground for global operations.

Shinshu Showa is an important subsidiary playing a central role in our graphite electrode manufacturing. Through the company split and use of common ground for global operations, Shinshu Showa will serve as a globalized controlling company. This will enable us to increase the speed of decision-making, stabilize, optimize, and further strengthen our graphite electrode business.

### 2. Method of company split

SDK will be the Company Splitting, and Shinshu Showa will be the Company Succeeding, in the Absorption-type Split. This company split, to take place between SDK and its wholly-owned subsidiary, will fall into the category of Simplified Absorption-type Company Split prescribed in Article 784, paragraph (2), of the Companies Act. Thus, this company split will not be referred to SDK's general meeting of shareholders. Details will be announced later as soon as they are decided.

### 3. Schedules

August 2022 (planned)	Board of Directors' resolution on the company split; conclusion of an Absorption-type Company Split Agreement
January 2023 (planned)	Implementation of the company split

### 4. Influence on business results

Since this company split will take place between SDK and its wholly-owned subsidiary, the influence on SDK's consolidated business results will be minimal.

5. Others

Details of this company split, situations after the split, and future prospect will be announced as soon as they are decided.

For further information, contact:

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