



# NEWS RELEASE

**SHOWA DENKO K.K.**  
13-9, Shiba Daimon 1-chome  
Minato-ku Tokyo 105-8518

August 4, 2022

## **Showa Denko Decides on Absorption-type Merger & Company Split, Trade Name Change, and Partial Amendment to Articles of Incorporation to Prepare for Its Transformation into Holding Company Structure**

Showa Denko (SDK) (Tokyo: 4004) decided at its Board of Directors' meeting held today to conclude absorption-type merger and company split agreements, change trade name, and partially amend articles of incorporation to prepare for its transformation into a holding company structure. These measures are in accordance with our announcements on March 9, 2022 entitled "Showa Denko Group Starts to Consider Transformation into Holding Company Structure" (Timely Disclosure Document about Holding Company Structure) and "Showa Denko Decides Firm Name of the Newly Integrated Company" (Timely Disclosure Document about Trade Name).

In preparation for the transformation into a holding company structure, the following three agreements have been concluded today:

- (i) An absorption-type merger agreement (Absorption-type Merger Agreement) between HC Holdings K.K. (HCHD, a wholly-owned subsidiary of SDK: the Company Disappearing) and Showa Denko Materials Co., Ltd. (SDMC, a wholly-owned subsidiary of HCHD: the Company Surviving)
- (ii) An absorption-type company split agreement (Absorption-type Company Split Agreement ①) in which SDMC (Company Succeeding) will succeed to all businesses of SDK (Company Splitting)
- (iii) An absorption-type company split agreement (Absorption-type Company Split Agreement ②) in which SDK (Company Succeeding) will succeed to partial functions of SDMC (Company Splitting)

Absorption-type Company Split ① and Absorption-type Company Split ② together are hereafter referred to as "Absorption-type Company Split." All three agreements are scheduled to take effect on January 1, 2023. For details of the transformation, please refer to Timely Disclosure Document about Holding Company Structure.

Upon realization of the transformation into the holding company structure, trade names of SDK and SDMC will be changed. Thus, SDK intends to change trade name and purposes in its articles of incorporation on the date of effectuation (Effective Date) of Absorption-type Merger Agreement and Absorption-type Company Split Agreement. SDK decided at today's Board of Directors' meeting to refer partial changes in its articles of incorporation to an extraordinary meeting of shareholders scheduled to be held on September 29, 2022 (Extraordinary Meeting of Shareholders). For details of the trade name change, please refer to Timely Disclosure Document about Trade Name.

Since these Absorption-type Merger and Absorption-type Company Split will involve SDK and its wholly-owned subsidiary HCHD, as well as its indirectly-wholly-owned subsidiary SDMC, part of items and content is omitted in this disclosure.

## I. About Absorption-type Merger

### 1. Objectives

The Showa Denko Group defines its purpose as “Change society through the power of chemistry.” As a co-creation-type chemical company, we aim at becoming a world-class supplier of advanced functional materials. Thus, we are promoting our transformation to contribute toward developing a sustainable global society, working together with our stakeholders and communities.

To realize scale and profitability appropriate for a company competing in the world market, we will focus on portfolio management through prioritized allocation of resources, innovation for enhancing competitive power, and human resources development. We will therefore implement Absorption-type Merger and Absorption-type Company Split to establish an optimum organizational structure.

### 2. Outline

#### (1) Schedules

Board of Directors' meetings at SDK and SDMC for approval of Absorption-type Merger Agreement	Aug. 4, 2022
Decision by HCHD director to approve Absorption-type Merger Agreement	Aug. 4, 2022
Conclusion of the agreement	Aug. 4, 2022
Extraordinary shareholders' meetings for approval (HCHD, SDMC)	Sept. 29, 2022 (planned)
Effective date	Jan. 1, 2023 (planned)

#### (2) Method

SDMC (HCHD's wholly-owned subsidiary) will be the Company Surviving, and HCHD (SDK's wholly-owned subsidiary) will be the Company Disappearing, in the Absorption-type Merger. After approval at shareholders' meetings of SDMC and HCHD, this Absorption-type Merger is scheduled to take effect on January 1, 2023. In case Absorption-type Company Split ① is not approved by relevant shareholders' meeting, this Absorption-type Merger will not be implemented.

#### (3) Allotment

At the time of this Absorption-type Merger, SDMC, the Company Surviving, will issue 6 shares of its common stock. Of them, 3 shares will be allotted to SDK for 295,000,000,001 shares of HCHD common stock owned by SDK, as money, etc. substituting HCHD shares. The remaining 3 shares will be allotted to SDK for 275,000,000,000 shares of HCHD Type-A preferred stock owned by SDK, as money, etc. substituting HCHD Type-A preferred stock.

#### (4) Share options, and bond with share options, relating to Absorption-type Merger Not available

### 3. Outline of relevant companies

	Company Surviving	Company Disappearing
(1) Name	Showa Denko Materials Co., Ltd.	HC Holdings K.K.
(2) Address	9-2, Marunouchi 1-chome, Chiyoda-ku, Tokyo	13-9, Shiba Daimon 1-chome Minato-ku Tokyo
(3) Representative Director	Hidehito Takahashi, President	Hiroyuki Nii, President
(4) Scope of business	Production, processing, provision of services, and sale of functional materials,	Control and management of SDMC's business activities by owning shares

		advanced components and systems	
(5)	Capital stock	JPY 15,454,363,445	JPY 100,000,000
(6)	Date of incorporation	October 10, 1962	December 9, 2019
(7)	Total number of issued shares	8	Common stock 295,000,000,001 Type-A preferred stock 275,000,000,000 Total 570,000,000,001
(8)	Fiscal term	Ending December 31	Ending December 31
(9)	Major shareholder and holding ratio	HC Holdings K.K. (100%)	Showa Denko K.K. (100%)
(10)	Business results in the latest fiscal term and financial conditions		
		SDMC (Company Surviving)	
	Fiscal term	2021 (ended in December)	
	Consolidated net assets	JPY 446,075 million	
	Consolidated total assets	JPY 689,953 million	
	Consolidated net assets per share	JPY 54,612,875,000.00	
	Consolidated net sales	JPY 635,033 million	
	Consolidated operating income	JPY 24,295 million	
	Consolidated net income before tax	JPY 31,272 million	
	Net income attributable to owners of the parent	JPY 19,316 million	
	Consolidated net income per share	JPY 2,414,500,000.00	
	Dividend per share	JPY 2,375,000,000	
		HCHD (Company Disappearing)	
	Fiscal term	2021 (ended in December)	
	Net assets	JPY 584,249 million	
	Total assets	JPY 984,514 million	
	Net assets per share	JPY 1.02	
	Net sales	JPY 19,000 million	
	Operating income	JPY 19,000 million	
	Working profit	JPY 13,135 million	
	Net income	JPY 13,136 million	
	Net income per share	JPY 0.02	
	Dividend per share	JPY 0.02	

#### 4. Situation after the Absorption-type Merger

The situation of SDMC, Company Surviving, after the Absorption-type Merger, will be as shown in the table below.

(1)	Name	Resonac Corporation
(2)	Address	13-9, Shiba Daimon 1-chome, Minato-ku Tokyo
(3)	Representative Director	Hidehito Takahashi, President
(4)	Scope of business	Research, development, production, sale, and provision of services for various functional materials and chemicals, their processed products, and systems
(5)	Capital stock	JPY 15,554,363,445
(6)	Fiscal term	Ending December 31

(Note 1) SDMC will change its name to Resonac Corporation on January 1, 2023 subject to effectuation of the Absorption-type Merger and Absorption-type Company Split.

(Note 2) SDMC will move its head office on January 1, 2023 from Chiyoda-ku, Tokyo, to Minato-ku, Tokyo (the same place as SDK's head office).

## 5. Future prospect

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

## II. About Absorption-type Company Split

### 1. Objectives

This Absorption-type Company Split is part of our efforts to transform SDK into a holding company structure. As for the purpose and meaning of the transformation, please refer to I. 1. above.

### 2. Outline

#### (1) Schedules

Record date for SDK's extraordinary shareholders' meeting	June 30, 2022
Board of Directors' meetings at SDK and SDMC for approval of Absorption-type Company Split Agreement	Aug. 4, 2022
Conclusion of Absorption-type Company Split Agreements ① and ②	Aug. 4, 2022
Extraordinary shareholders' meeting of SDK for approval of Absorption-type Company Split ①	Sept. 29, 2022 (planned)
Effective date	Jan. 1, 2023 (planned)

(Note) Absorption-type Company Split ② meets the requirements of Simplified Absorption-type Company Split prescribed in Article 796, paragraph (2), of the Companies Act for SDK, and meets the requirements of Summary Absorption-type Company Split prescribed in Article 784, paragraph (1), of the Companies Act for SDMC. Thus, this company split will not be referred to general meetings of shareholders of SDK and SDMC.

#### (2) Method

In Absorption-type Company Split ①, SDK will be the Company Splitting, and SDMC (SDK's indirectly-wholly-owned subsidiary at present, and SDK's wholly-owned subsidiary after effectuation of Absorption-type Merger) will be the Company Succeeding. In Absorption-type Company Split ②, SDMC (SDK's indirectly-wholly-owned subsidiary at present, and SDK's wholly-owned subsidiary after effectuation of Absorption-type Merger) will be the Company Splitting, and SDK will be the Company Succeeding.

Absorption-type Company Split ① is scheduled to take effect on January 1, 2023 after approval at general meetings of shareholders of SDK and SDMC.

Absorption-type Company Split ① is subject to effectuation of Absorption-type Merger and an absorption-type company split based on the agreement dated August 4, 2022 between SDK and its wholly-owned subsidiary Shinshu Showa K.K. [Absorption-type Company Split (Shinshu)]. Provided, however, in case Absorption-type Company Split (Shinshu) does not take effect on January 1, 2023, Absorption-type Company Split ① will be subject only to effectuation of Absorption-type Merger. For details of Absorption-type Company Split (Shinshu), please refer to today's news release entitled "Showa Denko Signs Agreement on Simplified Absorption-type Company Split for Graphite Electrode Business."

Absorption-type Company Split ② will be subject to effectuation of Absorption-type Merger and Absorption-type Company Split ①.

In case Absorption-type Company Split ① is not approved by the shareholders' meeting, Absorption-type Company Split ② will not be implemented.

(3) Allotment

At the time of Absorption-type Company Split ①, SDMC, the Company Succeeding, will issue 4 shares of its common stock. All of them will be allotted to SDK, the Company Splitting. In Absorption-type Company Split ②, SDK, the Company Succeeding, will not allot shares or pay compensation.

(4) Share options, and bond with share options, relating to Absorption-type Company Split  
Not available

(5) Increase/decrease in capital stock, relating to Absorption-type Company Split  
There will be no increase/ decrease in SDK's capital stock.

(6) Rights and obligations that the Company Succeeding succeeds to

In Absorption-type Company Split ①, out of SDK's assets, liabilities, contracts, and other rights and obligations (including contractual status) in all business areas (including businesses being conducted as of the date of conclusion of the Absorption-type Company Split Agreement ① and businesses conducted before the date) but except SDK's Group management and the graphite electrode business that Shinshu Showa is to take over subject to effectuation of Absorption-type Company Split (Shinshu), SDMC will succeed to rights and obligations prescribed in the Absorption-type Company Split Agreement ①. As for assumption of obligations, a multiple debt assumption method will be used.

In Absorption-type Company Split ②, out of SDMC's assets and liabilities, SDK will succeed to rights and obligations prescribed in the Absorption-type Company Split Agreement ②. As for assumption of obligations, a hold-harmless method will be used.

(7) Prospect of performance of obligations

After the Absorption-type Company Split, SDK's and SDMC's assets are expected to exceed their obligations. As for earnings forecast after the Absorption-type Company Split, there is currently no prediction of a situation that may affect SDK's or SDMC's performance of obligations. Thus, we consider that there will be no problem with the prospect of SDK's or SDMC's performance of obligations after the Absorption-type Company Split.

### 3. Outline of relevant companies

(1) Absorption-type Company Split ①

	Company Splitting	Company Succeeding
(1) Name	Showa Denko K.K.	Showa Denko Materials Co., Ltd.
(2) Address	13-9, Shiba Daimon 1-chome, Minato-ku Tokyo	9-2, Marunouchi 1-chome, Chiyoda-ku, Tokyo
(3) Representative Director	Hidehito Takahashi	Hidehito Takahashi
(4) Scope of business	Research, development, production and sale of petrochemicals, organic/inorganic chemicals, gases, ceramics, electronic materials, aluminum, carbon, metals, etc.	Production, processing, provision of services, and sale of functional materials, advanced components and systems
(5) Capital stock	JPY 182,146,130,384	JPY 15,454,363,445
(6) Date of incorporation	June 1, 1939	October 10, 1962
(7) Number of issued shares	184,901,292	8
(8) Fiscal term	Ending December 31	Ending December 31
(9) Major shareholders and their holding ratios	The Master Trust Bank of Japan Ltd. (Trust Account) (16.38%)	HC Holdings K.K. (100%) (Note)

	KOREA SECURITIES DEPOSITORY-SAMSUNG (5.00%) Custody Bank of Japan, Ltd. (Trust Account) (4.89%) BNY GCM CLIENT ACCOUNT JPRD AC ISG (FE-AC) (3.06%) STATE STREET BANK AND TRUST COMPANY 510312 (2.70%)		
(10) Business results in the past three years and financial condition			
Fiscal term (ended in December)	SDK (Company Splitting)		
	2019	2020	2021
Consolidated net assets	JPY 519,433 million	JPY 718,080 million	JPY 818,452 million
Consolidated total assets	JPY 1,076,381 million	JPY 2,203,606 million	JPY 2,142,390 million
Consolidated net assets per share	JPY 3,423.25	JPY 2,782.79	JPY 2,838.51
Consolidated net sales	JPY 906,454 million	JPY 973,700 million	JPY 1,419,635 million
Consolidated operating income	JPY 120,798 million	- JPY 19,449 million	JPY 87,198 million
Consolidated ordinary income	JPY 119,293 million	- JPY 43,971 million	JPY 86,861 million
Net income attributable to owners of the parent	JPY 73,088 million	- JPY 76,304 million	- JPY 12,094 million
Consolidated net income per share	JPY 501.03	- JPY 523.06	- JPY 77.40
Dividend per share	JPY 130	JPY 65	JPY 65
Fiscal term	SDMC (Company succeeding)		
	2020 (ended in Mar.)	2020 (ended in Dec.)	2021 (ended in Dec.)
Consolidated net assets	JPY 432,614 million	JPY 416,413 million	JPY 446,075 million
Consolidated total assets	JPY 704,425 million	JPY 670,204 million	JPY 689,953 million
Consolidated net assets per share	JPY 52,929,000,000.00	JPY 51,005,875,000.00	JPY 54,612,875,000.00
Consolidated net sales	JPY 631,433 million	JPY 429,238 million	JPY 635,033 million
Consolidated operating income	JPY 23,126 million	JPY 12,510 million	JPY 24,295 million
Net income before tax	JPY 23,960 million	JPY 14,821 million	JPY 31,272 million
Net income attributable to owners of the parent	JPY 16,401 million	JPY 7,321 million	JPY 19,316 million
Consolidated net income per share	JPY 2,050,125,000.00	JPY 915,125,000.00	JPY 2,414,500,000.00
Dividend per share	JPY 30.00	JPY 3,750,000,000	JPY 2,375,000,000

(Note 1) HCHD is scheduled to be dissolved on January 1, 2023 following the Absorption-type Merger. As a result, after effectuation of the Absorption-type Merger, SDK will hold 100% of SDMC shares.

(Note 2) SDK made SDMC its consolidated subsidiary and included SDMC's net sales and profit/loss in SDK's financial statements in and after the third quarter of 2020.

(Note 3) SDMC changed its month of account settlement to December in 2020. Its business results in the fiscal term 2020 ended December covers results for nine months.

## (2) Absorption-type Company Split ②

		Company Splitting	Company Succeeding	
(1)	Name	Showa Denko Materials Co., Ltd.	Showa Denko K.K.	
(2)	Address	9-2, Marunouchi 1-chome, Chiyoda-ku, Tokyo	13-9, Shiba Daimon 1-chome, Minato-ku Tokyo	
(3)	Representative Director	Hidehito Takahashi, President	Hidehito Takahashi, President	
(4)	Scope of business	Production, processing, provision of services, and sale of functional materials, advanced components and systems	Research, development, production and sale of petrochemicals, organic/inorganic chemicals, gases, ceramics, electronic materials, aluminum, carbon, metals, etc.	
(5)	Capital stock	JPY 15,454,363,445	JPY 182,146,130,384	
(6)	Date of incorporation	October 10, 1962	June 1, 1939	
(7)	Number of issued shares	8	184,901,292	
(8)	Fiscal term	Ending December 31	Ending December 31	
(9)	Major shareholders and their holding ratios	HC Holdings K.K. (100%) (Note)	The Master Trust Bank of Japan Ltd. (Trust Account) (16.38%) KOREA SECURITIES DEPOSITORY-SAMSUNG (5.00%) Custody Bank of Japan, Ltd. (Trust Account) (4.89%) BNY GCM CLIENT ACCOUNT JPRD AC ISG (FE-AC) (3.06%) STATE STREET BANK AND TRUST COMPANY 510312 (2.70%)	
(10)	Relationship between parties concerned	Capital relationship	SDK will own 100% of SDMC's issued shares at the time of effectuation of Absorption-type Company Split ②, becoming its parent company.	
		Personal relationship	Three of SDK's directors are concurrently serving as SDMC's directors.	
		Business relationship	SDK sells products to SDMC, while purchasing raw materials from SDMC.	
		Related parties	SDMC is a consolidated subsidiary of SDK. SDK and SDMC mutually fall in the category of related parties.	
(11)	Business results in the past three years and financial condition			
Fiscal term	SDMC (Company Splitting)			
	2020 (ended in Mar.)	2020 (ended in Dec.)	2021 (ended in Dec.)	
	Consolidated net assets	JPY 432,614 million	JPY 416,413 million	JPY 446,075 million
	Consolidated total assets	JPY 704,425 million	JPY 670,204 million	JPY 689,953 million
	Consolidated net assets per share	JPY 52,929,000,000.00	JPY 51,005,875,000.00	JPY 54,612,875,000.00
	Consolidated net sales	JPY 631,433 million	JPY 429,238 million	JPY 635,033 million
	Consolidated operating income	JPY 23,126 million	JPY 12,510 million	JPY 24,295 million
	Net income before tax	JPY 23,960 million	JPY 14,821 million	JPY 31,272 million
	Net income attributable to owners of the parent	JPY 16,401 million	JPY 7,321 million	JPY 19,316 million
	Consolidated net income per share	JPY 2,050,125,000.00	JPY 915,125,000.00	JPY 2,414,500,000.00
	Dividend per share	JPY 30.00	JPY 3,750,000,000	JPY 2,375,000,000
Fiscal term	SDK (Company Succeeding)			
	2019 (ended in Dec.)	2020 (ended in Dec.)	2021 (ended in Dec.)	
	Consolidated net assets	JPY 519,433 million	JPY 718,080 million	JPY 818,452 million
	Consolidated total assets	JPY 1,076,381 million	JPY 2,203,606 million	JPY 2,142,390 million
	Consolidated net assets per	JPY 3,423.25	JPY 2,782.79	JPY 2,838.51

share			
Consolidated net sales	JPY 906,454 million	JPY 973,700 million	JPY 1,419,635 million
Consolidated operating income	JPY 120,798 million	-¥19,449 million	JPY 87,198 million
Consolidated ordinary income	JPY 119,293 million	- JPY 43,971 million	JPY 86,861 million
Net income attributable to owners of the parent	JPY 73,088 million	- JPY 76,304 million	-JPY 12,094 million
Consolidated net income per share	JPY 501.03	- JPY 523.06	- JPY 77.40
Dividend per share	JPY 130	JPY 65	JPY 65

(Note 1) HCHD is scheduled to be dissolved on January 1, 2023 following the Absorption-type Merger. As a result, after effectuation of the Absorption-type Merger, SDK will hold 100% of SDMC shares.

(Note 2) SDMC changed its month of account settlement to December in 2020. Its business results in the fiscal term 2020 ended December covers results for nine months.

(Note 3) SDK made SDMC its consolidated subsidiary and included SDMC's net sales and profit/loss in SDK's financial statements in and after the third quarter of 2020.

#### 4. Outline of the business sector to be split

##### (1) Absorption-type Company Split ①

###### (i) Scope of business of the sector to be split

All SDK businesses (except Group management and the graphite electrode business that Shinshu Showa is to take over subject to effectuation of Absorption-type Company Split (Shinshu).

###### (ii) Business results of the sector to be split (fiscal 2021 ended in December; in millions of yen)

	Business to be succeeded to (a)	Company Splitting (unconsolidated) (b)	Ratio (a/b)
Net sales	535,649	535,649	100%
Operating income	35,848	35,848	100%
Ordinary income	49,314	49,314	100%

###### (iii) Item and amount of assets and liabilities to be split (As of December 2021; in millions of yen)

Assets		Liabilities	
Item	Book value	Item	Book value
Current assets	295,828	Current liabilities	128,295
Fixed assets	276,360	Fixed liabilities	11,538
Total	572,188	Total	139,833

(Note) Figures in the above table have been calculated based on the balance sheet as of December 31, 2021. Actual figures will reflect changes up to the effective date.

##### (2) Absorption-type Company Split ②

###### (i) Scope of business of the sector to be split

This does not involve transfer of business.

###### (ii) Business results of the sector to be split

There is no applicable business.



(iii) Item and amount of assets and liabilities to be split (As of December 2021; in millions of yen)

Assets		Liabilities	
Item	Book value	Item	Book value
Current assets	27,551	Current liabilities	7,551
Fixed assets	0	Fixed liabilities	20,000
Total	27,551	Total	27,551

(Note) Figures in the above table have been calculated based on the balance sheet as of December 31, 2021. Actual figures will reflect changes up to the effective date.

## 5. Situation after the Absorption-type Company Split

As for the outline of SDK, the Company Splitting, after the Absorption-type Company Split, please refer to “Outline of relevant companies” in 3. above. The outline of the Company Succeeding, after the Absorption-type Company Split, is as shown below.

	SDK	SDMC
(1) Name	Resonac Holdings Corporation	Resonac Corporation
(2) Address	13-9, Shiba Daimon 1-chome, Minato-ku Tokyo	13-9, Shiba Daimon 1-chome, Minato-ku Tokyo
(3) Representative Director	Hidehito Takahashi, President	Hidehito Takahashi, President
(4) Scope of business	Development of Group strategy; overall supervision and management of the Group	Research, development, production, sale, and provision of services for various functional materials and chemicals, their processed products, and systems
(5) Capital stock	JPY 182,146,130,384	JPY 15,554,363,445
(6) Fiscal term	Ending December 31	Ending December 31

(Note 1) SDK will change its name to Resonac Holdings Corporation on January 1, 2023 subject to effectuation of the Absorption-type Merger and Absorption-type Company Split.

(Note 2) SDMC will change its name to Resonac Corporation on January 1, 2023 subject to effectuation of the Absorption-type Merger and Absorption-type Company Split.

(Note 3) SDMC will move its head office on January 1, 2023 from Chiyoda-ku, Tokyo, to Minato-ku, Tokyo (the same place as SDK’s head office).

## 6. Outline of accounting process

Absorption-type Company Split ② will be a transaction between a parent company and its wholly-owned subsidiary at the time of effectuation. Thus, it falls under the category of a common control transaction prescribed in Accounting Standard for Business Combination (Corporate Accounting Standards No. 21) and Application Guideline for Business Combination and Business Divestitures Accounting Standards (Corporate Accounting Standards Application Guideline No. 10). As a result, there will be no goodwill or negative goodwill following this transaction.

## 7. Future prospect

Since this Absorption-type Company Split will take place between the parent company and its wholly-owned subsidiary, the influence on SDK’s consolidated business results will be minimal.

## III About changes in trade names

### 1. Reasons for the change

As announced in Timely Disclosure Document about Trade Name, SDK and SDMC will change their trade names on the Effective Date subject to effectuation of Absorption-type Merger and Absorption-type Company Split. This is in accordance with the transformation into a holding company structure.

## 2. New trade names

SDK: Resonac Holdings Corporation  
SDMC: Resonac Corporation

## 3. Date of change

January 1, 2023

## IV. About partial amendment to Articles of Incorporation

### 1. Reasons

#### ① Changes in trade name and purposes (Articles 1 and 3)

As announced in Timely Disclosure Document about Holding Company Structure, SDK is going to transform itself into a holding company structure through Absorption-type Merger and Absorption-type Company Split. In this connection, SDK will change its trade name to Resonac Holdings Corporation, and change its purpose to a holding company. Also, the purposes of companies under the holding company will reflect the integration of businesses of SDK and SDMC. SDK's Articles of Incorporation will be amended accordingly.

Changes in trade name and purposes will take effect on January 1, 2023 (Effective Date) subject to effectuation of Absorption-type Merger and Absorption-type Company Split. In this connection, a supplementary provision will be created

#### ② Addition of provisions regarding the upper limit of the number of directors and auditors (Articles 18 and 29)

To maintain the scale and functions of the Board of Directors and the Audit & Supervisory Board at appropriate levels, we will add provisions to set upper limit to the numbers of directors and auditors at 12 and 6, respectively.

### 2. Content of amendments

(The underlined parts represent changes.)

Present	Planned amendments
(Name) Article 1 The name of this corporation shall be <u>Showa Denko K.K.</u>	(Name) Article 1 The name of this corporation shall be <u>Resonac Holdings Corporation.</u>
(Objects and Purposes) Article 3 The objects and purposes of this corporation shall be to <u>engage in the following businesses:</u>	(Objects and Purposes) Article 3 The objects and purposes of this corporation shall be to <u>control the management of companies and foreign companies engaged in the following businesses by owning their shares or equity interest:</u>
1. Manufacturing, selling, buying, exporting and importing related to the following: (1) <u>Synthetic resin, synthetic rubber, synthetic fiber, and other high polymer products as well as materials therefor</u>	1. Manufacturing, selling, buying, exporting and importing related to the following: (1) <u>Semiconductors, electronic materials, recording media, as well as other electronic components, devices and electronic circuits</u>
(2) <u>Inorganic and organic industrial chemicals, and gas products</u>	(2) <u>Organic industrial chemicals, inorganic industrial chemicals, pharmaceuticals, industrial gases, chemical fertilizers, agricultural chemicals, and other industrial chemical products</u>
(3) <u>Chemical fertilizers, agricultural</u>	(3) <u>Plastic products</u>

<p><u>chemicals, feed band feed additives</u></p> <p>(4) <u>Pharmaceuticals, quasi-pharmaceuticals, animal health products and medical equipment</u></p> <p>(5) <u>Food, food additives, enzymes and amino acids</u></p> <p>(6) <u>Semiconductors and other electronic industrial materials</u></p> <p>(7) <u>Light metals, ferroalloys and other kinds of metals and their alloys</u></p> <p>(8) <u>Carbonaceous products, abrasives, refractories and ceramics</u> (New)</p> <p>(9) <u>Civil engineering and architectural materials, housing materials and agricultural materials</u></p> <p>(10) <u>Facilities, systems, machinery and equipment, and precision machinery and equipment for the chemical and energy-related industries and environmental protection.</u></p> <p>(11) <u>Products manufactured by processing any of the above-mentioned products and products related to those mentioned above.</u></p> <p>2. ~5. (Omitted)</p> <p>6. <u>Construction work</u></p> <p>7. ~10. (Omitted)</p> <p>11. <u>Designing and technical guidance related to the above items</u></p> <p>12. (Omitted)</p> <p>(New)</p> <p>(New)</p>	<p>(4) <u>Non-ferrous metal and metal products</u></p> <p>(5) <u>Electrical machinery and equipment</u></p> <p>(6) <u>Food additives, enzymes, amino acids, other food articles as well as feed and feed additives</u></p> <p>(7) <u>Carbon and graphite products as well as other ceramics and soil/stone products</u></p> <p>(8) <u>Regenerative medicine and other pharmaceuticals-related products</u></p> <p>(9) <u>Medical equipment and other machinery and equipment for professional use</u></p> <p>(10) <u>Civil engineering and architectural materials, housing materials and agricultural materials</u></p> <p>(11) <u>Facilities, systems, machinery and equipment, and precision machinery and equipment for industrial use and environmental protection.</u></p> <p>(12) <u>Products manufactured by processing any of the above-mentioned products, application products, and products related to those mentioned above.</u></p> <p>2. ~5. (No change)</p> <p>6. <u>Designing, execution, supervision and undertaking of electrical work, electrical communication work, installation of machinery and equipment, civil engineering, steel structures work, and other types of construction work</u></p> <p>7. ~10. (No change)</p> <p>11. <u>Designing, technical guidance, and provision of other services related to the above items</u></p> <p>12. (Mo change)</p> <p>② <u>This corporation may engage in all businesses incidental or related to the preceding paragraph.</u></p> <p><u>(Number of directors)</u> Article 18 <u>The number of directors of this corporation shall not exceed 12.</u></p>
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<p>Articles <u>18~27</u> (Omitted)</p> <p>(New)</p>	<p>Articles <u>19~28</u> (No change)</p> <p><u>(Number of auditors)</u>  Article <u>29</u> <u>The number of the Audit &amp; Supervisory Board members of this corporation shall not exceed 6.</u></p>
<p>Articles <u>28~41</u> (Omitted)</p> <p>(New)</p>	<p>Articles <u>30~43</u> (No change)</p> <p><u>Supplementary Provision</u>  <u>Amendments to Articles 1 and 3 shall take effect on January 1, 2023. After effectuation, this Supplementary Provision shall be deleted.</u></p>

**3. Schedules for revision of the Articles of Incorporation**

Extraordinary meeting of shareholders	September 29, 2022 (Planned)
Effectuation of changes in Article 18 and after	September 29, 2022 (Planned)
Effectuation of changes in Articles 1 and 3	January 1, 2023 (Planned)

For further information, contact:

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