

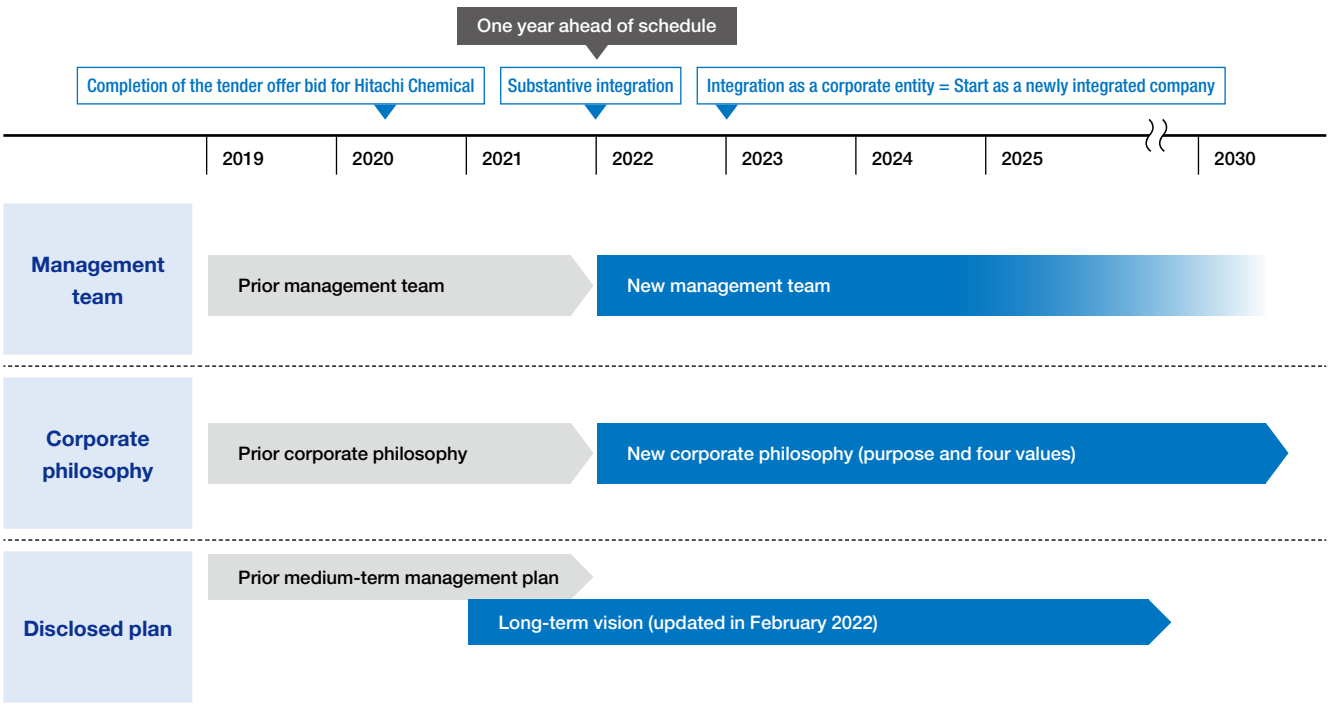
Integration Progress and New Organizational Structure

Progress of the Integration Process

Integration of Our Management Organization Completed a Year Ahead of Schedule

The process of integrating Showa Denko K.K. and Showa Denko Materials Co., Ltd., has been progressing smoothly since the acquisition of the former Hitachi Chemical Co., Ltd. (currently Showa Denko Materials), in 2019.

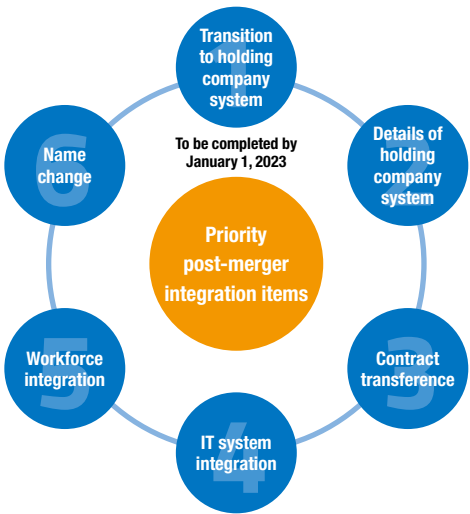
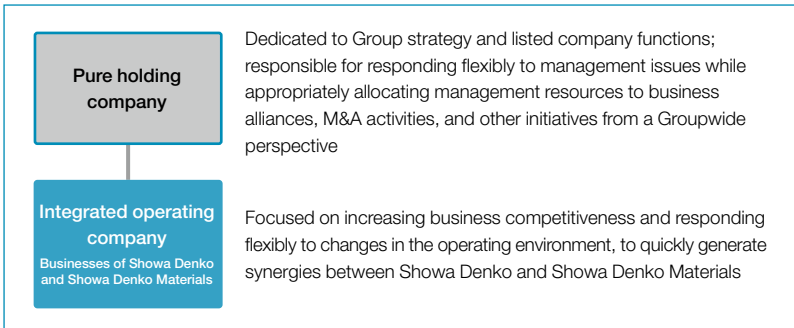
In January 2022, we integrated the management teams of the two companies, making for a substantively integrated structure with the same 12 individuals, including the president and corporate officers, managing both companies. In conjunction with the institution of the new management team and the release of our new corporate philosophy, we also updated our long-term vision in February 2022.



As it seeks to maximize corporate value in pursuit of its vision, the Showa Denko Group will accelerate business portfolio management aimed at facilitating the ongoing creation of value through the resolution of global social issues. We are currently preparing for the transition to a holding company structure, which is deemed to be the optimal structure for accomplishing these objectives.

The post-merger integration process, for which we have defined six priority management measures, is moving ahead smoothly and, in September 2022, we aim to formally announce a transition to a holding company structure, comprised of a holding company and an operating company, to be undertaken in January 2023.

Note: The transition to a holding company structure and associated change in the Company's name are subject to approval at the extraordinary general shareholders' meetings to be held for both companies in late September 2022.

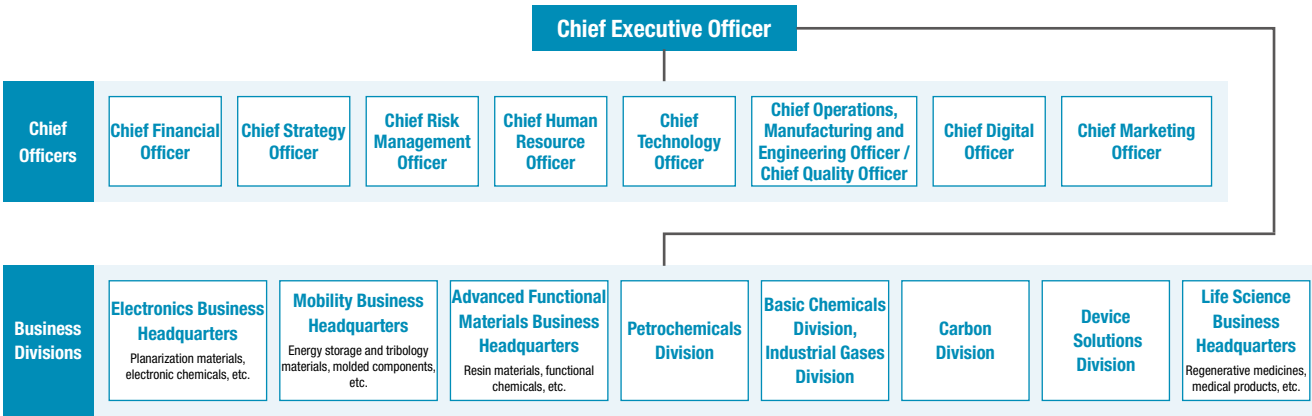


Transition to the New Organizational Structure

Presently, corporate officers serve concurrently at both Showa Denko and Showa Denko Materials, and chief officers have been appointed to oversee their respective functions. We also intend to establish headquarters for electronics, mobility, advanced functional materials, and the life science business in January 2023. The substantive integration of business divisions and sites is being advanced by the respective preparation officers.

Moreover, the Company looks to transition to a holding company structure in January 2023. Preparations for this transition are moving forward, through a concerted effort by Group companies overseen by business division heads and other leaders.

Management Structure in Preparation for 2023



Note: The future business headquarters are currently acting in the form of preparation offices.

Second Founding in January 2023



As part of our departure on our journey as a newly integrated company, we have decided to change our name to Resonac Corporation.

This change in name will be emblematic of our symbolic second founding, which will position us to contribute to the sustainable development of the global society by creating the functions required of the times as an advanced material partner. These contributions will be made through co-creation with a range of stakeholders, both inside and outside of the Group and the chemical industry.

Desire Encapsulated in the New Company Name and Logo

The name "Resonac" was created by combining the word "resonate" with the "c" of "chemistry." This name encapsulates our desire to attract new partners and transform society by creating a movement toward the future that resonates with people, through the combination of our wide range of advanced material technologies and the technical prowess and ideas of our partners.

This desire is also expressed through the Resonac logo, with the two-line design of the "R" symbolizing the co-creation born from this feeling of resonance and representing our stance toward shaping the future with an increasingly wide range of partners.

Holding Company

Resonac Holdings Corporation

Newly Integrated Company (Operating Company)

Resonac Corporation