



NEWS RELEASE

Resonac Holdings Corporation
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March 31, 2023

Resonac Corporation Signs Contract to Transfer Shares of Diagnostic Reagent Subsidiaries in Japan, China and the United States

Resonac Holdings Corporation (hereinafter called “REH”; Tokyo: 4004; President & CEO: Hidehito Takahashi) announces that, today, its consolidated subsidiary, Resonac Corporation (hereinafter called “REC”), concluded a stock transfer agreement with Canon Medical Systems Corporation (hereinafter called “Canon Medical Systems”) to transfer all of issued shares in Minaris Medical Co., Ltd. (hereinafter called “MMC”) and Minaris Medical America, Inc. (hereinafter called “MMA”, and MMC and MMA collectively called “Minaris Medical”), which are currently held by REC directly or indirectly, to Canon Medical Systems (hereinafter called “this deal”).

1. Background of giving full consideration to this deal and its purpose

REC is a manufacturing company organized through integration of Showa Denko K.K. and Showa Denko Materials Co., Ltd. In 2018, former Hitachi Chemical Company, Ltd. (hereinafter called “former Hitachi Chemical”), which is the predecessor of Showa Denko Materials Co., Ltd., acquired Kyowa Medex Co., Ltd. (hereinafter called “former Kyowa Medex”), which had firm position in the market for lipids tests, aiming to strengthen the company’s foundation for in-vitro diagnostics (IVD) business. At the time of the acquisition, former Hitachi Chemical’s key products consisted of diagnostic reagents and instruments for allergy testing. Former Kyowa Medex had a complementary product portfolio consisting of in-vitro diagnostics reagent for use in the fields of clinical chemistry and immunology. The acquisition of former Kyowa Medex contributed to the expansion of former Hitachi Chemical’s product lineup. The acquisition made it possible for former Kyowa Medex to utilize former Hitachi Chemical’s global sales network and promote marketing of its products worldwide. The acquisition brought synergies to MMC business overall. The domestic market for clinical testing had reached maturity, and some of other global IVD manufacturers had expanded their market shares. It had become challenging for Minaris Medical to formulate growth strategies based on the current product lines to achieve rapid growth through the unfavorable macroeconomic environment. Thus, it has become difficult for the Resonac Group to expect further synergies between Minaris Medical’s business and other Group companies’ businesses.

As we have stated in the “Long-term Vision for Newly Integrated Company (2021~2030)”, the Resonac Group aims to contribute to the realization of sustainable society as a whole by becoming a “A world-class manufacturer of functional chemical materials”. To achieve this target, the Group aims to realize steadfast growth by continuously reworking its business portfolio. The Group thought carefully about all alternatives concerning Minaris Medical’s future, while simultaneously reworking allocation of management resources and managing the business portfolio in an effort to optimize them. As a result, the management of REC concluded that it is in the best interest of all stakeholders of Minaris Medical, including its business partners, employees, and end-users of Minaris Medical’s products, to transfer

ownership of Minaris Medical from REC to Canon Medical Systems, a leading medical equipment manufacturer. Canon Medical Systems is expected to support Minaris Medical's growth as the best owner due to synergies in business strategy. Thus, the management of REC decided to promote this deal with Canon Medical Systems.

The IVD market is now facing drastic changes in the competitive environment inside and outside of Japan. The management of REC concluded that Canon Medical Systems, a leading medical equipment manufacturer in Japan, can produce synergies between their automated analysis equipment technologies and Minaris Medical's products lineup of diagnostic reagents, thereby creating added value. Canon Medical Systems has placed a high value on Minaris Medical's technical capabilities, product appeal, and customer base, all of which have been amassed through many years of operation.

The Resonac Group firmly believes the execution of this deal will enable Minaris Medical in conjunction with Canon Medical Systems to operate its business aggressively and strategically; strengthen its competitiveness; and realize further growth.

After the execution of this deal, Minaris Medical will be unconsolidated from REH.

2. Outline of transferred subsidiary of a subsidiary of REH (Minaris Medical Co., Ltd.)

(1) Corporate name	Minaris Medical Co., Ltd.		
(2) Address	X-4F Harumi Triton Square, 1-8-10 Harumi, Chuo-ku Tokyo, Japan		
(3) Representative	President and Managing Director / Naoki Kanenari		
(4) Business lineup	Development, manufacturing, and sale of in-vitro diagnostic reagent Development, manufacturing, and sale of automatic analysis equipment		
(5) Capital	¥450 million		
(6) Year of foundation	1981		
(7) Shareholder	Resonac Corporation (100%)		
(8) Relationship between the listed company (REH) and the transferred companies	Capital relationship	N/A	
	Human relationship	N/A	
	Business relationship	N/A	
(9) Business performance and financial condition of Minaris Medical Co., Ltd. for the last three fiscal years			
Fiscal year	Ending in Dec. 2020	Ending in Dec. 2021	Ending in Dec. 2022
Net assets	¥3,177 million	¥3,521million	¥4,576 million
Total assets	¥10,070 million	¥10,701million	¥11,829 million
Net assets per share	¥5,971	¥6,618	¥8,602
Net sales	¥8,571 million	¥12,285 million	¥12,772 million
Operating income	¥167 million	¥481 million	¥1,482 million
Ordinary income	¥161 million	¥448 million	¥1,446 million
Net income attributable to owners of the parent	¥114 million	¥344 million	¥1,055 million
Net income attributable to owners of the parent per share	¥215	¥647	¥1,984

(Note) Numbers for the fiscal year ending in December 2020 were those for nine months period, from April to December 2020, due to a change in the period of fiscal year.

(Reference) Outline of transferred subsidiary of a subsidiary of a subsidiary of REH
(Minaris Medical America, Inc.)

(1) Corporate name	Minaris Medical America, Inc.
(2) Address	630 Clyde Ct., Mountain View, CA, US
(3) Representative	President and Chief Executive Officer / Mitsutaka Shimabe
(4) Business lineup	Development, manufacturing, and sale of in-vitro diagnostic reagent Manufacturing and sale of automatic analysis equipment
(5) Capital	US\$ 11.8 million
(6) Year of foundation	1979
(7) Shareholder	Resonac America, Inc. (100%), which is a wholly owned subsidiary of REC

(Reference) Outline of transferred subsidiary of a subsidiary of a subsidiary of REH
(Minaris Medical (Shanghai) Co., Ltd.)

(1) Corporate name	Minaris Medical (Shanghai) Co., Ltd.
(2) Address	Suite 30 E1, Junyao International Plaza 789, Shanghai, China
(3) Representative	Managing Director / Kamon Matsuzawa
(4) Business lineup	Import and sale of in-vitro diagnostic reagent
(5) Capital	RMB 5.7 million
(6) Year of foundation	2011
(7) Shareholder	Minaris Medical Co., Ltd. (100%)

3. Outline of the transferee of shares (Canon Medical Systems Corporation)

(1) Corporate name	Canon Medical Systems Corporation	
(2) Address	1385 Shimoishigami, Otawara-shi, Tochigi, Japan	
(3) Representative	President / Toshio Takiguchi	
(4) Business lineup	Development, manufacturing, and sale of medical equipment, and provision of technical services for medical equipment	
(5) Capital	¥20.7 billion	
(6) Year of foundation	1930	
(7) Shareholder	Canon Inc. (100%)	
(8) Relationship between the listed company (REH) and Transferee	Capital relationship	N/A
	Human relationship	N/A
	Business relationship	N/A

4. Future outlook

After the execution of this deal, Minaris Medical will be unconsolidated from REH. REH anticipates recognizing some amount of extraordinary income in fiscal 2023 as a gain on business transfer resulting from the execution of this deal. We are scrutinizing the amount of gain now.

For further information, contact:

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