



NEWS RELEASE

Resonac Holdings Corporation

*Tokyo Shiodome Bldg., 1-9-1, Higashi-Shimbashi
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July 23, 2024

Resonac Announces Establishment of a Petrochemical Business Subsidiary Preparing for Company Split

Regarding the news release “Resonac Starts the Assessment of Partial Spin-off of Petrochemical Business” which was announced on February 14, 2024, Resonac Holdings Corporation (Tokyo: 4004, President: Hidehito Takahashi, hereinafter “REH”) resolved at the Board of Directors’ Meeting held today that REH will establish Crasus Chemical Inc. as a wholly owned subsidiary of Resonac Corporation (a wholly owned subsidiary of REH headquartered in Minato-ku, Tokyo; hereinafter “REC”) preparing for company split concerning REC’s petrochemical business. Details of our plans for this matter are as in the following.

1. The background and purpose of the decision

As we referred in the news release “Resonac Starts the Assessment of Partial Spin-off of Petrochemical Business” dated February 14, 2023, Resonac Group’s petrochemical business is one of core businesses of the Group, accounting for approximately 20% of consolidated net sales and is positioned as a “Stable Earnings” business. The petrochemical business has a public aspect that serves as Japan’s social infrastructure, and it is necessary to ensure the sustainable and stable operation of the business into the future. REH believes it is necessary for its petrochemical business to utilize the spin-off, which is under investigation, for accelerating the green transformation of the petrochemical business as an independent listed company, with the aim of achieving further profit growth and strengthening competitiveness.

To achieve this purpose, REH and REC will establish Crasus Chemical Inc., and start to make the new company prepare for succession to the petrochemical business of REH and REC.

2. How the company split will be conducted

We plan to conduct absorption-type company split in which REC will be the splitting company and Crasus Chemical Inc. will be the successor company (hereinafter “this absorption-type company split”). For REH and REC, this absorption-type company split comes under Article 784, Section 2 of Companies Act and, as a result, it is regarded as simple absorption-type company split. Therefore, REH and REC plan to conduct this absorption-type company split without resolution for approval at general meetings of shareholders of the two companies.

3. Future schedule (planned)

Establishment of the company preparing for company split	August 1, 2024
Resolution at the Board of Directors’ Meetings to approve this absorption-type company split	October 2024 (planned)
Conclusion of absorption-type company split agreement	October 2024 (planned)
Effective date of this absorption-type company split	January 1, 2025 (planned)

4. Outline of the company preparing for company split

(1)	Company name	Crasus Chemical Inc.	
(2)	Address (Flagship office) (Head office)	2 Ohaza Nakanosu, Oita-city, Oita Prefecture 1-9-1, Higashi-Shimbashi, Minato-ku, Tokyo	
(3)	Representative	Hirotsugu Fukuda, Representative Director	
(4)	Scope of business	Manufacture and sale of basic petrochemical products including	
(5)	Capital	¥1	
(6)	Date of establishment	August 1, 2024	
(7)	Outstanding shares	One share	
(8)	End of fiscal year	December 31	
(9)	Shareholder	Resonac Corporation (100%)	
(10)	Relationship between the listed company and the new company	Capital	The new company is planned to be established as a wholly owned subsidiary of Resonac Corporation
		Personnel	Directors and Auditors will be on assignment from REH and REC
		Business	No business relationship between the new company and the listed company because the new company has not started its business operation

5. Future outlook

Crasus Chemical Inc., which is the company preparing for company split and will succeed the Resonac Group's petrochemical business through this absorption-type company split, will be a wholly owned subsidiary of a wholly owned subsidiary of REH. Therefore, we expect the impact of this absorption-type company split on the consolidated financial results of REH will be insignificant. We will announce the details of this absorption-type company split as soon as they are decided.

We are proceeding with our assessment of partial spin-off of petrochemical business and giving consideration to executing this spin-off within the next two to three years. This assessment will include selection of the listing market and the possibility of satisfying relevant countries' tax-qualification conditions including those of Japan and the United States. Execution of this spin-off is subject to approval and authorization from stakeholders and relevant authorities including stock exchanges.

If there are any material developments regarding this spin-off resulting from the assessment, REH will disclose such developments in a timely manner.

6. About the name of the new company

(1) The name of the new company: Crasus Chemical Inc.

(2) Our thought put into the name of the new company

"Crasus" is a coined word. "Cras" is a Latin word meaning "tomorrow." In addition, we put two meanings into the part "sus." One meaning is "sustainable," and the other meaning is "sustain people's daily life." Into the name of the new company, we put our hope that Crasus Chemical will lead pursuit of carbon-neutrality and construction of recycling-oriented society and contribute to realization of sustainable society in the petrochemical industry which is indispensable for people's daily life.

For further information, contact:

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