NEWS RELEASE

Resonac Holdings Corporation
Tokyo Shiodome Bldg., 1-9-1, Higashi-Shimbashi
Minato-ku, Tokyo 105-7325

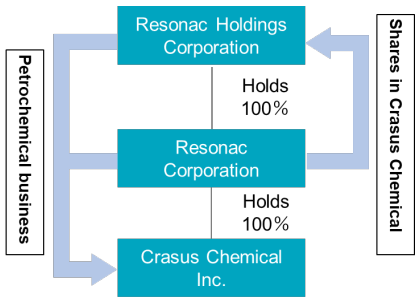
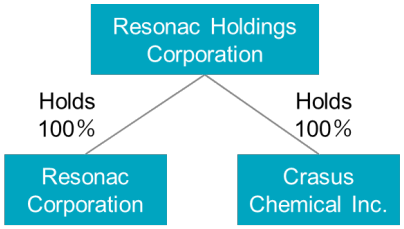
October 22, 2024

Resonac Announces Group Organizational Restructuring for Partial Spin-Off of Petrochemical Business (Simplified Absorption-Type Company Split and In-Kind Dividend)

Regarding the announcement made on February 14, 2024, “Resonac Starts the Assessment of Partial Spin-off of Petrochemical Business” and on July 23, 2024, “Resonac Announces Establishment of a Petrochemical Business Subsidiary Preparing for Company Split,” we are pleased to announce that at the Board of Directors Meeting of Resonac Holdings Corporation (hereinafter referred to as “REH”) held today, a resolution was passed to implement a group organizational restructuring (hereinafter referred to as the "Organizational Restructuring") involving REH, Resonac Corporation (hereinafter referred to as "REC"), and Crasus Chemical Inc. (hereinafter referred to as "Crasus Chemical"). Details are as follows. Please note that as this is a simplified organizational restructuring involving REH and its wholly owned subsidiaries, some disclosure items and content have been omitted.

1. Overview of the Group Organizational Restructuring

Effective on January 1, 2025, Crasus Chemical, a wholly owned subsidiary of REC, will absorb the petrochemical business split from REH and REC (hereinafter referred to as the "Absorption-Type Company Split"). On the same day, REC will distribute the whole shares it holds in Crasus Chemical to REH as an in-kind dividend (hereinafter referred to as the "In-Kind Dividend").

The Absorption-Type Company Split and the In-Kind Dividend	After the Organizational Restructuring
	

2. Schedule of the Group Organizational Restructuring

Resolution at the Board of Directors Meeting	October 22, 2024
Conclusion of the Absorption-Type Company Split Contract	October 22, 2024
Resolution at the General Meeting of Shareholders to give official approval to the Absorption-Type Company Split (Crasus Chemical)	October 22, 2024
Resolution at the General Meeting of Shareholders to give official approval to the execution of the In-Kind Dividend (REC)	October 22, 2024
Effective date of the Absorption-Type Company Split	January 1, 2025 (planned)
Effective date of the distribution of the In-Kind Dividend	January 1, 2025 (planned)

*Notes:
1. As the Absorption-Type Company Split falls under the simplified absorption-type company split as defined in Article 784, Paragraph 2 of the Companies Act for both REH and REC, it will be conducted without the approval of the Absorption-Type Company Split Contract by the shareholders' meetings of REH and REC.
2. The In-Kind Dividend by REC to REH, as it does not grant a monetary distribution claim as defined in Article 309, Paragraph 2 of the Companies Act, will require a special resolution at the General Meeting of Shareholders of REC.

3. Details of the Absorption-Type Company Split

(1) Summary of the Absorption-Type Company Split

1) Method of the Absorption-Type Company Split

REH and REC will be the splitting companies, and Crasus Chemical will be the successor company.

2) Allocation related to the Absorption-Type Company Split

Crasus Chemical will issue 1,000 common shares to REH and 1,000 common shares to REC upon the Absorption-Type Company Split.

3) Treatment of stock acquisition rights and bonds with stock acquisition rights

There will be no changes to the stock acquisition rights and bonds with stock acquisition rights issued by REH due to the Absorption-Type Company Split. REC has not issued stock acquisition rights or bonds with stock acquisition rights.

4) Changes in capital due to the Absorption-Type Company Split

There are no applicable items.

5) Rights and Obligations to be Succeeded by the Successor Company

Crasus Chemical will succeed to the assets, liabilities, contracts, and other rights and obligations related to the petrochemical business of REH and REC as specified in the Absorption-Type Company Split Contract.

6) Prospect of fulfillment of obligations

We have determined that there are no issues with the prospect of fulfilling obligations that Crasus Chemical will assume after the effective date of this absorption-type company split.

(2) Outline of the parties involved in the Absorption-Type Company Split

		Splitting company	Splitting company
(1)	Company name	Resonac Holdings Corporation	Resonac Corporation
(2)	Address	1-9-1, Higashi-Shimbashi Minato-ku, Tokyo	1-9-1, Higashi-Shimbashi Minato-ku, Tokyo
(3)	Representative	Hidehito Takahashi, Representative Director	Hidehito Takahashi, Representative Director
(4)	Scope of business	Works out group strategy and manages the whole group	Research, development, manufacturing, and sales of semiconductor and electronic materials, mobility components, functional materials, chemicals, etc.
(5)	Capital	¥182,146 million	¥15,554 million
(6)	Date of establishment	June 1, 1939	October 10, 1962
(7)	Outstanding shares	184,901,292 shares	18 shares
(8)	End of fiscal year	December 31	December 31
(9)	Major shareholders and their shareholding ratios	The Master Trust Bank of Japan, Ltd. (Trust account) (17.56%) Custody Bank of Japan, Ltd. (Trust account) (5.72%) KOREA SECURITIES DEPOSITORY SAMSUNG (5.00%) J.P. Morgan Securities Japan Co., Ltd. (3.29%) STATE STREET BANK AND TRUST COMPANY 505223 (3.08%)	Resonac Holdings Corporation (100%)
(10)	Net asset	¥2,031,953 million	¥263,103 million
(11)	Total asset	¥578,668 million	¥853,264 million
(12)	Net asset per share	¥3,052.07	¥26,310,348,714.3
(13)	Net sales	¥1,288,869 million	¥664,886 million
(14)	Operating income	(¥3,764 million)	(¥985 million)
(15)	Ordinary income	(¥14,773 million)	¥20,875 million
(16)	Net income attributable to owners of the parent	(¥18,955 million)	¥22,905 million
(17)	Earnings per share	(¥104.65)	¥2,290,488,541.1

		Successor company (at the time of establishment)
(1)	Company name	Crasus Chemical Inc.
(2)	Address	2 Ohaza Nakanosu, Oita-city, Oita Prefecture
(3)	Representative	Hirotsugu Fukuda, Representative Director
(4)	Scope of business	Establishment of a Business Structure for the Manufacturing and Sales of Basic Petrochemical Products, Organic Chemical Products, and Synthetic Resin Products
(5)	Capital	¥1
(6)	Date of establishment	August 1, 2024
(7)	Outstanding shares	One share
(8)	End of fiscal year	December 31
(9)	Major shareholders and their shareholding ratios	Resonac Corporation (100%)

(3) Overview of the business sector to be split

1) Overview of the business sector to be split

The petrochemical business, which focuses on the manufacturing and sales of petrochemical products, organic chemical products, and synthetic resin products.

2) Business Performance of the business sector to be split (Consolidated)

Net sales: ¥320.2 billion (Fiscal year ending in December 2023)

3) Items and amounts of assets and liabilities to be split (Forecast as of January 1, 2025)

Section	Content	Amount (billion yen)
Current assets	Accounts receivable, inventory, etc.	111
Fixed assets	Land, machines, equipment, etc.	72
Current liabilities	Accounts payable, short-term loans payable, etc.	102
Non-current liabilities	Deferred tax liabilities, provision for periodic repairs, etc.	11

4. Status of REH after the Absorption-Type Company Split

There will be no changes to REH's company name, location, representative's title and name, scope of business, capital, or fiscal year due to this absorption-type company split.

5. Status of the successor company after the Absorption-Type Company Split

(1)	Company name	Crasus Chemical Inc.
(2)	Address	2 Ohaza Nakanosu, Oita-city, Oita Prefecture
(3)	Representative	Hirotsugu Fukuda, Representative Director
(4)	Scope of business	● Manufacturing and sales of basic petrochemical products such as ethylene and propylene ● Manufacturing and sales of organic chemical products using acetic acid as the main raw material ● Manufacturing and sales of synthetic resin products, etc.
(5)	Capital	¥110 million
(6)	Date of establishment	August 1, 2024
(7)	Outstanding shares	2,001 shares
(8)	End of fiscal year	December 31
(9)	Major shareholders and their shareholding ratios	Resonac Holdings Corporation (100%)

6. Future outlook

Since the Absorption-Type Company Split involves REH and its consolidated subsidiaries as the parties, the impact on REH's consolidated business performance is expected to be insignificant.

For further information, contact:
Media Relations Group, Brand Communication Department (Phone: 81-3-6263-8002)