



NEWS RELEASE

Resonac Holdings Corporation

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Resonac Starts the Assessment of Partial Spin-off of Petrochemical Business

Resonac Holdings Corporation (Tokyo: 4004, President: Hidehito Takahashi, hereinafter REH) announces that the company has started the assessment of partial spin-off*¹ of the Resonac Group's petrochemical business (hereinafter "this spin-off"), which is presently owned and operated by Resonac Corporation (hereinafter REC), a consolidated subsidiary of REH, as one workable option aimed at sustainable growth of the Group's petrochemical business.

1. Background of this assessment

As stated in the "Long-term Vision for Newly Integrated Company (2021~2030)," which we announced on December 10, 2020, the Resonac Group aims to contribute to the sustainable growth of global society as a global top-level functional chemical manufacturer. To achieve this goal, REH has continuously reviewed the Group's business portfolio, concentrated management resources on the Group's semiconductor and electronic materials, and accelerated growth of the Group.

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 has therefore decided to use this spin-off for accelerating the green transformation of the petrochemical business as an independent listed company, with the aim of achieving further growth and strengthening competitiveness.

*1: A method in which REH and REC will split off their petrochemical business as a new company. Then REH will hold a portion (less than 20%) of its shares in the new company while distributing the remaining shares to REH's shareholders as dividends in kind (non-cash dividends). REH intends that shares of the new company would be listed on the Tokyo Stock Exchange immediately after the distribution of the shares.

2. Overview of the Resonac Group's petrochemical business (Approximate figures as of December 31, 2023)

Net sales	¥316.3 billion
Operating income	¥8.7 billion
Main products	olefins, organic chemicals (vinyl acetate monomer, ethyl acetate, allyl alcohol, etc.
Business premises	Oita Complex
Affiliated companies	8 companies in Japan

3. Future outlook

The timing of the execution of this spin-off has not been determined; however, REH will proceed with its assessment by the end of this year, 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.

This announcement is not intended for inviting any party to sell securities, inviting any party to buy securities nor to file application to buy securities. This announcement is intended to disclose that the Resonac Group including REH has started an assessment of partial spin-off of the Group's petrochemical business, but this announcement is not intended to suggest, recommend or encourage any party to invest. In the United States, any party cannot induce other parties to buy or sell securities without registration of securities or exemption from registration of securities under the provisions of US Securities Act of 1933.

For further information, contact:

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