

November 18, 2024

Resonac Transfers Surface Protection Film Business

Resonac Corporation (President: Hidehito Takahashi, hereinafter "Resonac") entered into an agreement with Sun A. Kaken Company, Limited (President: Takeshi Sakurada, hereinafter "Sun A. Kaken") on August 7, 2024, to transfer its surface protection film business (hereinafter "the Business") to Sun A. Kaken. The closing of this transaction (hereinafter "the Transfer") was executed on November 15, 2024. Going forward, Resonac will successively transfer the relevant contracts of the Business to Sun A. Kaken. Details are as follows:

1. Background and Purpose of the Consideration

Resonac commenced operations of the surface protection film business in 1967 during the era of the former Hitachi Chemical Co., Ltd., and has since developed, selected, and proposed protective films for various applications such as semiconductor lead frame plating protection, in response to customers' needs. However, the protective film industry is currently in a mature market phase, and due to recent macroeconomic conditions, rising raw material prices, and energy costs, it has become challenging to foresee significant future growth or synergy with other businesses within the Resonac Group.

As indicated in the Resonac Group's "Long-term Vision for Newly Integrated Company (2021-2030)", we aim to contribute to a sustainable society as a world-class functional chemical manufacturer. To achieve this, we continuously review our business portfolio to pursue sustainable growth. Based on this vision, we carefully considered all options for the surface protection film business in the context of optimal allocation of management resources and business portfolio management. Consequently, we determined that expanding the Business under Sun A. Kaken, a leading domestic plastic film processing manufacturer, would be optimal for our business partners, end consumers who use our related products daily, and other stakeholders. Thus, Resonac has decided to proceed with the Transfer. We are confident that by strategically and proactively advancing the Business in collaboration with Sun A. Kaken, which has a proven track record in the manufacturing and sales of surface protection films, we can achieve further growth and enhance competitiveness of the Business.

We anticipate that the impact of the Transfer on Resonac's performance will be insignificant.

2. Overview of the Business Transfer

- 1) Target business: surface protection film business
- 2) Objects of transfer: contracts, patent rights, technical know-how, and some equipment (employees are not included)
- 3) Transfer agreement signing date: August 7, 2024
- 4) Closing date: November 15, 2024

3. Overview of the Transferee Company

Company name	Sun A. Kaken Company, Limited
Head office	1-7-4 Nihonbashi Honcho, Chuo-ku, Tokyo
Place of business	Head office
Representative	Takeshi Sakurada, President, Representative Director
Scope of business	Manufacturing and sales of packaging-related products, including lightweight packaging materials primarily made from paper, plastic, and metal foil, release paper, base for adhesive tape, and surface protection films.
Capital	¥2,176 million
Establishment	September 2, 1942
Large shareholders	SHINSEI PULP & PAPER COMPANY LIMITED (17.8%) SHOWA PAXXS CORPORATION (11.8%)

[About the Resonac Group]

The Resonac Group is a new company established as a result of the integration of the Showa Denko Group and the Showa Denko Materials Group (former Hitachi Chemical Group) in January 2023. The Group's annual sales of semiconductor and electronic materials amount to about 340 billion yen. The Group especially has an extensive lineup of semiconductor materials for back-end process which have global top market share. The integration of the two companies has enabled the Resonac Group to design functions of materials as well as to develop them in-house, going all the way back to raw materials. The new trade name "RESONAC" was created as a combination of two English words, namely, the word of "RESONATE" and "C" as the first letter of CHEMISTRY. The Resonac Group will make the most of its co-creative platform, and accelerate technological innovation with semiconductor manufacturers, material manufacturers, and equipment manufacturers inside and outside Japan.

For detail, please refer to our Website.

Resonac Holdings Corporation: <https://www.resonac.com/>

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