

Notice of Change in Equity Method Affiliate (Partial Transfer of Shares)

Sanyo Chemical Industries Ltd. announces that it has resolved to transfer a portion of its shares in APB Corporation (Head Office: Chiyoda-ku, Tokyo; Representative director: Hideaki Horie; hereinafter called "APB"), an equity method affiliate, to TRIPLE-1, Inc. (Head Office: Hakata-ku, Fukuoka City, Fukuoka; President and CEO: Takuya Yamaguchi; hereinafter called "TRIPLE-1"), and has entered into a share transfer agreement.

As a result, APB will no longer be our affiliates accounted for using the equity method.

We will focus on research and development of functional materials for the battery industry, including polymer coated active materials, and contribute to the realization of a sustainable society by contributing to carbon neutrality through the supply of performance chemicals.

APB is a start-up company that researches, develops, manufactures, and sells all polymer batteries, which are bipolar laminated next-generation lithium-ion batteries, and Sanyo Chemical supplies APB with polymer coated active materials, which are key materials for all polymer batteries.

Since APB had insufficient management resources during the initial development phase of the all polymer batteries, we had been supporting APB's management while collaborating with the company to develop the all polymer batteries.

After the completion of the development phase, we concentrated on the development of polymer coated active materials, the key material for all polymer batteries, and the establishment of a supply system, while APB steadily improved its management structure by establishing a Takefu factory and expanding its workforce, leading to its full responsibility for the mass production and product realization phase, as well as APB was looking for a new partner company for future business growth. TRIPLE-1 made an offer to APB to acquire a portion of our shares in APB, and we received the offer through APB.

TRIPLE-1* is engaged in the design and development of semiconductors and the construction of digital infrastructure utilizing cutting-edge technologies, and has a proven track record in the development of cutting-edge processes. We believe that the transfer of APB's shares will accelerate APB's technological development and contribute to future business growth, and is also in line with our policy of focusing on the development and supply of polymer coated active materials.

Based on the above, we have resolved to transfer a portion of our APB shares to TRIPLE-1 and have entered into a share transfer agreement. With the conclusion of this share transfer agreement, we will transfer 34.2% of its outstanding shares in APB, bringing our ownership of voting rights in APB to 10%.

The impact of this share transfer on the consolidated business results for the fiscal year ending March 31, 2023 is expected to be negligible.

*APB's new partner, TRIPLE-1, is a unicorn company (unlisted start-up company with a valuation of over \$1 billion) engaged in the development of advanced semiconductors, and is also partnering with overseas technology-related companies.

For more information, please visit the company's website at <https://triple-1.com/>.

Contact

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