



## News Releases

### Showa Denko Acquires GMM Group, Non-stick Coatings Manufacturer

Showa Denko K.K.

November 21, 2016

Showa Denko K.K. (SDK) (Tokyo: 4004) announces that it has decided to acquire all shares of the GMM Group (GMM), a specialty non-stick coating chemicals manufacturing company headquartered in Hong Kong, China, and concluded a stock purchase and sale agreement with GMM.

Non-stick coating chemicals are materials to be coated on consumer goods including cookware, bakeware, and a variety of home electrical appliances, and on industrial goods including automotive parts and other industrial equipment, in order to prevent burning on, fouling, and soiling. The global market for non-stick coating chemicals is put at about ¥120 billion a year (SDK's estimate for 2016).

GMM operates non-stick coating chemicals business mainly in the field of consumer goods including cookware, bakeware, and various home electrical appliances. Its major customers are the leading cookware manufacturing companies in the US. GMM has been steadily increasing sales by making the most of the superb properties of its products and the power of the differentiated brands promoted jointly with GMM's customers. GMM operates two manufacturing units in China and India, and can deliver its highly sophisticated engineering coatings directly to the local cookware manufacturing companies which are entrusted by major cookware makers to manufacture cookware to be sold in the US market. Cookware coated with GMM's coatings is distributed via top US retailers. It has been estimated that approximately 40 million American families use cookware with GMM's products on a daily basis.

In line with its ongoing medium-term business plan "Project 2020+" which started at the beginning of 2016, SDK aims to reform its own business structure to have more stable revenue streams, through creation of individualized businesses and increase in the ratio of its overseas sales.

SDK's acquisition of all shares of GMM of this time is a part of its strategic actions aiming to establish new individualized businesses through extension of the Showa Denko Group's value chain into downstream markets and the sphere of its technologies, which form the foundation of the Group's business activities. SDK very highly appreciates the capabilities of Mr. Ravin Gandhi, CEO of GMM, Mr. Raymond Chung, Co-founder & General Manager of GMM, and all employees who work for GMM. Together with all executives and employees of GMM, SDK will aim to gain the position of the leading company in the non-stick coatings industry.

[Outline of the GMM Group]

- 1)Member companies: GMM Development Limited, and three other companies
- 2)Scope of business: Manufacturing and sale of non-stick coating chemicals applicable to consumer goods including cookware and home electrical appliances
- 3)Establishment: September 2007 (GMM Development Limited)
- 4)Head office: Hong Kong, China
- 5) Representatives: Mr. Ravin Gandhi, CEO  
Mr. Raymond Chung, Co-founder & General Manager
- 6)Production bases: Zhuhai, China; Ahmadabad, India

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