

For Immediate Release

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 Toshiyuki Yagura
 (TSE Prime Market, Stock code: 4078)
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Notice Regarding the Transfer of Fixed Assets

Sakai Chemical Industry Co., Ltd. (the “Company”) hereby announces that, at a meeting of its Board of Directors held on March 23, 2026, it resolved to transfer fixed assets as described below.

1. Reason for the transfer

As a chemical manufacturer, we have owned and operated an industrial waste final disposal site based on the principle that waste generated from the manufacture of chemical products should be returned to nature under our own responsibility. Furthermore, we have identified “protecting the global environment” as one of the Group’s key issues (materiality), and are reviewing our business structure and production processes with the aim of achieving a 50% reduction in industrial waste emissions by fiscal 2030 compared with fiscal 2021.

As announced in the “Notice Regarding Structural Reforms for a HighProfitability Structure” released on May 13, 2024, we will terminate the pigment-grade titanium dioxide business in the fiscal year ending March 31, 2026. With the termination of this business, the generation of industrial waste will decrease significantly, and we believe that the purpose of owning an industrial waste final disposal site has been achieved to a certain extent. Accordingly, we have decided to transfer it to a third party that can make more effective use of it.

In order to advance our management mission of “Chemistry for a Friendly Future,” we will continue to focus on waste reduction initiatives and strive to conduct our business with due consideration for the global environment.

2. Outline of the asset to be transferred

(1) Details of the asset	Land 437,093.00 m ² Building: 248.62 m ² , etc.
(2) Location	18-1 Aza Tenjinmae, Tanabe, Watanabe-machi, Iwaki-shi, Fukushima Prefecture (and other locations)
(3) Gain on transfer	Approx. 1 billion yen
(4) Current status	Currently used as a controlled industrial waste final disposal site

3. Overview of the transferee

(1) Name	Daiei Kankyo Co., Ltd.
(2) Location	2-3-28 Techno Stage, Izumi-shi, Osaka Prefecture
(3) Name and title of representative	Fumio Kaneko, President and Representative Director

(4) Business	Waste-related business, valuable resource recycling business, sports promotion business	
(5) Capital	5,907 million yen	
(6) Date of establishment	October 17, 1979	
(7) Net assets	94,681 million yen (as of March 31, 2025)	
(8) Total assets	184,905 million yen (as of March 31, 2025)	
(9) Major shareholders and shareholding ratios (as of September 30, 2025)	Wing Towa K.K.	62.31%
	The Master Trust Bank of Japan, Ltd. (Trust account)	6.86%
	STATE STREET BANK AND TRUST COMPANY 505001 (Permanent agent: Mizuho Bank, Ltd., Settlement & Clearing Services Department)	2.58%
	Custody Bank of Japan, Ltd. (Trust account)	1.93%
	RBC IST 15 PCT NON LENDING ACCOUNT-CLIENT ACCOUNT (Permanent agent: Citibank, N.A., Tokyo Branch)	1.92%

There are no capital or personnel relationships between the transferee and the Company, and the transferee does not fall under a related party of the Company.

4. Transfer schedule

(1) Date of Board resolution	March 23, 2026
(2) Date of transfer agreement	March 24, 2026
(3) Date of handover	April 2026 (planned)

5. Outlook

The gain on transfer arising from this transaction is scheduled to be recorded as extraordinary income under “gain on sale of fixed assets” in the consolidated financial statements for the fiscal year ending March 31, 2027.

The earnings forecast for the fiscal year ending March 31, 2027, including the impact of this transfer, is scheduled to be announced at the same time as the financial results for the fiscal year ending March 31, 2026.

Note : This document has been translated from the Japanese original for reference purposes only. In the event of any discrepancy between this translated document and the Japanese original, the original shall prevail.