

June 30, 2026

For Immediate Release

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Notice Concerning Completion of Conversion of the Fourth Series Unsecured Convertible Bonds with Stock Acquisition Rights and Decision on Matters Relating to Acquisition of Treasury Shares (Acquisition of Treasury Shares Pursuant to the Articles of Incorporation under Article 459, Paragraph 1 of the Companies Act)

Sakai Chemical Industry Co., Ltd. (the “Company”) hereby announces SH1, L.P. (principal investor: IA Partners I Investment Limited Partnership), the allottee of the fourth series unsecured convertible bonds with stock acquisition rights issued by the Company in June 2023 (the “bonds with stock acquisition rights”), has submitted an exercise request covering the full principal amount of the bonds with stock acquisition rights. Conversion into common shares is expected to be complete by July 6, 2026.

In addition, at its Board of Directors meeting held on June 30, 2026, the Company resolved, pursuant to Article 459, Paragraph 1 of the Companies Act and Article 42 of the Company’s Articles of Incorporation, to acquire treasury shares. The details are set forth below.

I. Completion of Conversion of the Fourth Series Unsecured Convertible Bonds with Stock Acquisition Rights

1. Name	Sakai Chemical Industry Co., Ltd. Fourth series unsecured convertible bonds with stock acquisition rights
2. Total cumulative conversion amount	3.0 billion yen (conversion ratio: 100%)
3. Type of shares to be issued	Common shares in the Company
4. Total number of shares to be issued upon conversion	1,518,900 (9.5% of the total number of issued shares)
5. Total number of issued shares following conversion	17,518,900

Reference

1. The Company entered into a business alliance agreement with IA Partners Inc. (“IA Partners”) on May 22, 2023, and allotted the bonds with stock acquisition rights to SH1, L.P., a fund managed by IA Partners.

The business alliance was established to enhance corporate value through IA Partners’ support for the Company’s growth strategy. To date, the Company has received support aimed at

enhancing its group’s corporate value, primarily in terms of formulating medium-term management plans and examining and implementing portfolio strategies. When preparing medium-term management plans, the Company received support as it considered measures and approaches related to M&A, finance and IR, and QCD improvement, as well as customer and portfolio strategies. The Company regards its Medium-Term Management Plan “Transformation: BEYOND 2030” (FY2024–FY2026), which was formulated with this support, as a stage of transformation for the future and sets out three key initiatives: (i) business portfolio restructuring aimed at shifting to high-value-added products; (ii) achieving ROE that exceeds the cost of capital and improving PBR; and (iii) rebuilding the management foundation via materiality promotion and accelerating non-financial initiatives. Although Sakai Chemical projects operating profit for FY2026, the final year of the plan, will diverge significantly from its 9.0 billion-yen target, the Company has executed its planned exit from the pigment-grade titanium dioxide business, and efforts to strengthen the earning power of businesses considered for efficiency improvement and other businesses have produced meaningful results. Accordingly, the Company is achieving steady progress through its business portfolio transformation initiatives.

The Company has strengthened its shareholder return policy by adopting stable dividends based on a DOE guideline of 3% and a flexible approach to share buybacks.

Furthermore, the Company projects the cumulative total amount of shareholder returns over the Medium-Term Management Plan’s three-year period will substantially exceed its upwardly revised forecast of 8.0 billion yen. The Company will continue striving to improve capital efficiency while balancing growth investments with shareholder returns and focusing on achieving its ROE target of 8%.

The aforementioned business alliance agreement had a three-year term from the date of execution and has therefore expired. The Company has held ongoing discussions with IA Partners regarding the exercise and timing of the stock acquisition rights attached to the convertible bonds, and IA Partners has now requested to exercise such rights as described above.

2. Although exercise of the share acquisition rights attached to the convertible bonds will increase the Company’s number of issued shares, the Company does not intend to revise its dividend forecast (annual dividend of 160.00 yen per share) as announced on May 13, 2026.

II. Acquisition of Treasury Shares

1. Reason for the Acquisition of Treasury Shares

The Company will acquire treasury shares to enhance shareholder value per share and improve capital efficiency, while mitigating supply–demand impact on the Company’s shares resulting from exercise of share acquisition rights attached to the convertible bonds.

2. Details of the Acquisition

(1) Type of shares to be acquired	Common shares
(2) Maximum number of acquirable shares	1,520,000 (9.9% of total issued shares, excluding treasury shares)
(3) Maximum total acquisition cost	7.0 billion yen
(4) Acquisition period	From July 1, 2026 to December 31, 2026
(5) Acquisition method	Market purchases on the Tokyo Stock Exchange

Reference

1. Treasury Shares Held and Total Issued Shares as of May 30, 2026

Total number of issued shares (excluding treasury shares)	15,311,099
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Number of treasury shares held	688,901
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2. The Company plans to cancel the treasury shares to be acquired following the completion of this acquisition.

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.