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March 26, 2025

To Whom It May Concern,

Company name : DAINICHISEIKA COLOR & CHEMICALS MFG. CO., LTD.

Representative : Koji Takahashi, Representative Director and President

(Code number: 4116, Tokyo Stock Exchange Prime Market)

Contact : Takahiro Shoda

Managing Executive Officer, Business Structure Administrator

(TEL +81-3-3662-1638)

Notice Concerning Change in Equity Method Affiliate (Transfer of Investment Interests)

DAINICHISEIKA COLOR & CHEMICALS MFG. CO., LTD. (the "Company") hereby announces that, at the Board of Directors meeting held today, the Company has resolved to transfer all investment interests held by our equity method affiliate, Plalloy MTD B.V. (hereinafter referred to as "Plalloy"), to KISCO Ltd. (hereinafter referred to as "KISCO") (hereinafter referred to as the "Investment Transfer").

In addition, the Company would like to inform you that as a result of the Investment Transfer, Plalloy will be removed from our equity method affiliates.

1. Reasons for the Investment Transfer

In its three-year medium-term management plan "Transformation for Tomorrow 2027," announced in June 2024, the Company has set "expanding overseas business to strengthen its business foundation" as one of its basic strategies. In order to concentrate management resources in Asia in general, including India, which the Company has set as a "priority strategic region," the Company has resolved to transfer all of its shares in Plalloy to KISCO.

2. Overview of equity method affiliates to be transferred

(1) Company Name	Plalloy MTD B.V.
(2) Location	Mercuriusstraat 2, 6468ER Kerkrade, THE NETHERLANDS
(3) Representative's title and Name	President Yoshiki Imai
(4) Business Contents	Contract processing of various resin compounds
(5) Capital	26,260,483 EUR (As of 31 March, 2024)
(6) Date of Establishment	25 January, 1989
(7) Major shareholders and shareholding ratio	Mitsui & Co., Ltd. 60%, DAINICHISEIKA COLOR & CHEMICALS MFG. CO., LTD 40%

(8)	Relationship between the listed company and the Company	Capital Relationship	Our company holds a 40% investment.		
		Personnel Relationship	The three directors of the company are employees of the Company.		
		Business Relationship	There is nothing worth mentioning.		
		Applicable circumstances for related parties	The company is an equity method affiliate of the Company.		
(9)	Operating results and financial condition for the past three years				
	Accounting period	Ended March 31, 2022	Ended March 31, 2023	Ended March 31, 2024	
	Net Assets	8,058,175 EUR	2,632,368 EUR	13,870,460 EUR	
	Total Assets	22,243,714 EUR	24,484,649 EUR	22,865,027 EUR	
	Net Sales	14,181,533 EUR	15,628,490 EUR	12,451,809 EUR	
	Operating Loss (△)	△1,735,097 EUR	△5,155,662 EUR	△6,781,911 EUR	
	Ordinary Loss (△)	△1,807,701 EUR	△5,420,459 EUR	△7,761,908 EUR	
	Net Loss (△)	△1,355,776 EUR	△5,425,807 EUR	△7,761,908 EUR	

3. Overview of the Company to whom the Equity Interests will be Transferred

(1) Company Name	KISCO Ltd.		
(2) Location	3-3-7 Fushimimachi, Chuo-ku, Osaka		
(3) Representative's title and Name	President Takekazu Kishimoto		
(4) Business Contents	Manufacture, sale, and import/export of chemicals, synthetic resins, synthetic rubber, electronic materials, electronic equipment, various machines, other chemical products, and related products		
(5) Business Contents	600 million yen		
(6) Date of Establishment	1 October, 1921		
(7) Net Assets	22,577 million yen		
(8) Total Assets	88,245 million yen		
(9) Major shareholders and shareholding ratio	Kishimoto Co., Ltd. 39.7%、Takekazu Kishimoto 20.3%		
(10) Relationship between the listed company and the Company	Capital Relationship	There is nothing worth mentioning.	
	Personnel Relationship	There is nothing worth mentioning.	
	Business Relationship	There is nothing worth mentioning.	
	Applicable circumstances for related parties	There is nothing worth mentioning.	

4. Number of voting rights before and after the transfer and transfer price

(1) Number of voting rights before transfer	Number of voting rights : 6,400 (Voting Rights Ownership : 40%)
(2) Number of voting rights to be transferred	Number of voting rights : 6,400 (Voting Rights Ownership : 40%)
(3) Transfer price	1 million EUR
(4) Number of voting rights after transfer	Number of voting rights : 0 (Voting Rights Ownership : 0%)

5. Schedule

(1)	Date of Board of Directors Resolution	26 March, 2025
(2)	Date of conclusion of the investment transfer agreement	26 March, 2025
(3)	Equity transfer date (planned date)	11 April, 2025

6. Future outlook

As a result of this Investment Transfer, Plalloy will no longer be an equity method affiliate of the Company. In addition, as a result of this Investment Transfer, the Company expects to record a "Loss on Sale of Investments in Capital of Subsidiaries and Associates" in the fourth quarter of the fiscal year ending March 2025.

For details, please refer to the "Notice Concerning Recording of Loss on Sale of Investments in Capital of Subsidiaries and Associates and Revision of Earnings Forecast of Consolidated Financial Results" separately disclosed today.

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