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Notice Concerning Recording of Extraordinary Income (Gain on Negative Goodwill) and Revisions to Consolidated Financial Forecasts

Dai Nippon Toryo Co., Ltd. (the “Company”) hereby announces the recording of extraordinary income (gain on negative goodwill) for the fiscal year ended March 31, 2025. As a result, the Company has revised its consolidated financial earnings forecasts for the fiscal year ended March 31, 2025, which was announced on November 8, 2024, as follows.

1. Recording of extraordinary income (gain on negative goodwill)

The Company acquired 50.1% of the common stock of SHINTO PAINT CO., LTD. by March 18, 2025, and made it a consolidated subsidiary on March 18, 2025, as stated in the “Notice Regarding results of Tender Offer for SHINTO PAINT CO., LTD. (Code No. 4615) and Change in Subsidiary” announced on March 11, 2025. Subsequently, as a result of the market valuation of assets and liabilities on the date of acquisition, the amount calculated by deducting non-controlling interests from the capital amount exceeded the acquisition cost, and therefore, ¥5,205 million was recorded as extraordinary income as negative goodwill in the fiscal year ended March 31, 2025. This amount is a provisional calculation and will be finalized in the future accounting procedures.

2. Revisions to consolidated financial results forecasts for the fiscal year ended March 31, 2025

(1) Revisions to consolidated financial results forecasts figures for the fiscal year ended March 31, 2025
 (April 1, 2024 through March 31, 2025)

	Net sales	Operating profit	Ordinary profit	Profit attributable to owners of parent	Basic earnings per share
	(Millions of yen)	(Millions of yen)	(Millions of yen)	(Millions of yen)	(Yen)
Previously announced forecasts (A)	74,000	4,800	5,000	4,300	151.07
Revised forecasts (B)	72,510	4,710	5,190	9,430	331.29
Change (B–A)	-1,490	-90	+190	5,130	
Change (%)	-2.0%	-1.9%	+3.8%	+119.3%	
(Reference) Actual consolidated results for the fiscal year ended March 31, 2024	71,940	4,901	5,336	4,600	161.70

(2) Reason for revision

Net sales and operating profit are expected to fall below the previous forecast due to a decline in shipments in the Domestic coatings business resulting in the temporary suspension of JIS mark certification and a decline in demand in the Overseas coatings business due to sluggish sales of Japanese automobile manufacturers in the Southeast Asian and Chinese markets. On the other hand, ordinary profit is expected to exceed the previous forecast due to foreign exchange gains. Profit attributable to owners of parent is expected to exceed the previous forecast due to the recording of above-mentioned negative goodwill.

The consolidated financial results for the fiscal year ended March 31, 2025 include the assets and liabilities of SHINTO PAINT CO., LTD. in the consolidated balance sheet, but they will be excluded from the consolidated statement of income.

(Note 1) The above forecasts and other forward-looking statements in this document are based on information available as of the date of this document and may differ from actual results due to various factors. If we determine that a revision of our forecasts is necessary, we will disclose such revision promptly.

(Note 2) 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.