October 31, 2025

Company Name: CHUGOKU MARINE PAINTS, LTD.
Representative: Kenshi Date, President & CEO
(Prime Market of the Tokyo Stock Exchange, Code No. 4617)

Notice on Absorption-Type Merger (Simplified / Short-Form merger) of Wholly-Owned Subsidiary

CHUGOKU MARINE PAINTS, LTD. (the “Company”) hereby announces that it was resolved, at the Board of Directors meeting held on October 31, 2025, to absorb and merge (the "Merger") its wholly-owned subsidiary, BUNSEI TRADING CO., LTD.("Bunsei"), with an effective date of July 1, 2026 as following.

As the Merger is a simplified absorption-type merger involving a wholly-owned subsidiary, some disclosure items and details have been omitted.

1. The purpose of the Merger

Bunsei is a sales subsidiary of our company whose main business areas are Yamaguchi and Fukuoka prefectures. We have decided to merge Bunsei with our company in order to unify our sales channels, streamline group management, and improve business efficiency.

2. Transaction overview

1) Schedule

Date on Merger Approval by Board of Directors Meeting	October 31, 2025
Execution Date	October 31, 2025
Planned Merger Date (Effective Date of Merger)	July 1, 2026 (planned)

※This will be a simple absorption-type merger executed by the Company pursuant to Paragraph 2 Article 796 of the Companies Act, and by Bunsei pursuant to Paragraph 1 Article 784 of the said Act, and therefore, neither party is required to convene a general meeting of shareholders to obtain approval for entering into the Agreement.

2) Transaction method

Our company will be the surviving company in an absorption-type merger with Bunsei, which will be dissolved as of the effective date of the merger.

3) Share allotment

The Company owns all of the issued shares of Bunsei, and therefore, there will be no allotment of shares or a payment in the form of cash or other kinds.

4) Stock acquisition rights or bonds with stock acquisition rights issued in connection with the Merger.

Not applicable.

3. Corporate profiles of the parties involved in the Merger:

		Acquiring Company	Acquired Company
1)	Name	Chugoku Marine Paint Co., Ltd.	Bunsei Trading Co., Ltd.
2)	Location	1-7 Meiji Shingai, Otake City, Hiroshima	1-6-18 Enoura-cho, Hikoshima, Shimonoseki City, Yamaguchi

3)	Name and Title of Representative	Kenshi Date President and CEO	Hiroyasu Okano President and CEO
4)	Main Business Activities	Manufacturing and sales of Paint	Sales of Paint
5)	Capital	11,626 million yen	10 million yen
6)	Date of Establishment	May 1917	September 1951
7)	Number of Shares Issued	55,000,000	8,000
8)	Fiscal Year End	March 31	December 31
9)	Major Shareholders and Shareholding Ratio(executing Treasury Stock)	The Master Trust Bank of Japan, Ltd. (Trust Account) 13.39% Custody Bank of Japan, Ltd. (Trust Account) 8.20% Hiroshima Bank, Ltd. 4.90% Meiji Yasuda Life Insurance Company 4.03% Imabari Shipbuilding Co., Ltd. 3.65% MUFG Bank, Ltd. 3.13% Shoei Kisen Kaisha, Ltd. 2.62% Chugoku Paint Suppliers' Shareholding Association 2.60% Mizuho Bank, Ltd. 2.02% THE BANK OF NEW YORK 133612 1.83%	Chugoku Marine Paint Co., Ltd. 100.0%
10)	Financial position and business result at the end of the fiscal year ended		
	Fiscal Year End:	March 31, 2025(Consolidated)	December 31, 2024 (Unconsolidated)
	Net Assets:	¥89,435 million	¥1,110 million
	Total Assets	¥144,777 million	Total Assets: ¥1,489 million
	Net Assets per Share	¥1,684.84	¥138,784.24
	Sales	¥131,152 million	¥1,289 million
	Operating Income	¥15,381 million	¥71 million
	Ordinary Income	¥16,481 million	¥115 million
	Net Income Attributable to Parent Company	¥13,721 million	¥87 million
	Net Income per Share	¥276.78	¥10,931.69

4. Status after the Merger

There will be no changes to the conditions and/or the status of the Company including, but not limited to its name, address, the name and title of its Representative, nature of the business, capital structure, or a fiscal year accounting period as a result of the Merger.

5. Future Outlook

As this merger is with a wholly owned subsidiary, the impact on the Company's consolidated business results is expected to be minor.

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