



November 28, 2025

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

Notice Regarding Conclusion of Capital and Business Alliance Agreement with South Korean Paint Manufacturer

CHUGOKU MARINE PAINTS, LTD. (hereinafter referred to as the “Company”) hereby announces as follows that it was resolved, at the Board of Directors meeting held on November 28, 2025, to enter into a capital and business alliance agreement with SAMHWA PAINTS INDUSTRIAL CO., LTD. (“SPI”), a South Korean paint manufacturer.

1. Background of the Capital and Business Alliance

Founded in 1946, SPI is a listed company on the Korea Exchange and primarily manufactures and sells industrial and architectural paints in Asia, mainly in Korea. Our Korean subsidiary, CHUGOKU SAMHWA PAINTS, LTD. (“CSP”), was established as a joint venture between our company and SPI in 1988, and SPI still holds shares in CSP.

Through this relationship, the two companies have collaborated on business matters from time to time. However, in a business environment that is expected to continue to undergo various changes, both companies aim to further enhance their corporate value. Therefore, recognizing the benefits of building a stronger cooperative relationship by mutually leveraging the resources of our respective areas of expertise, specially our marine paints and SPI's industrial paints, we have agreed to enter into a capital and business alliance.

2. Details of the Capital and Business Alliance

(1) Details of the Business Alliance

The two companies will leverage their respective strengths in marine and industrial coatings to collaborate as follows:

1. Enhance R&D capabilities in basic research and new product development through joint research initiatives
2. Promote development in overseas/domestic markets through the mutual supply of specialty products
3. Expand sales through collaboration between their overseas subsidiaries
4. Strengthen production and supply structures
5. Reduce raw material procurement costs through joint purchasing and other initiatives

(2) Details of the Capital Alliance

The Company plans to acquire 1,380,000 of SPI's treasury shares, representing 5.07% of the total number of issued shares, in December 2025.

SPI plans to acquire, through market purchases on the Tokyo Stock Exchange, the Company's shares equivalent in value to the SPI shares acquired by the Company, no later than September 2026.

3. Overview of the Alliance Partner

(1)	Name	SAMHWA PAINTS INDUSTRIAL CO.,LTD.	
(2)	Location	178 Byeolmang-ro, Danwon-gu, Ansan-si, Gyeonggi-do, Republic of Korea	
(3)	Title and name of representative	Representative Director Maeng-Dal Bae (President & CEO)	
(4)	Details of business	Manufacturing and sales of paints	
(5)	Share capital	13,602 million won	
(6)	Date of establishment	April 9,1946	
(7)	Major shareholders and shareholding ratios	Jang Yeon Kim (22.76%)、 Samhwa Paints Industrial Co.,Ltd. (8.78%)、 Seok Jae Yun (6.90%)、 Seok Cheong Yun (5.52%)	
(8)	Relationship between listed company and counterparty	Capital relationship	The Company holds 1,120,000 shares of the counterparty's stock (4.12% of the total number of issued shares).
		Personnel relationship	No items to report.
		Business relationship	We purchase some paint products from this counterparty. In addition, we and this counterparty operate a joint venture in South Korea.
		Applicability to related party	Not applicable
(9)	The company's consolidated operating results and financial position for the last three years		
	Accounting period	FY ended December 2022	FY ended December 2023
			FY ended December 2024
	Consolidated net assets	299,725 million won	309,054 million won
	Consolidated total assets	587,186 million won	590,614 million won
	Consolidated sales	646,036 million won	631,381 million won
	Consolidated Operating income	19,854 million won	25,826 million won
	Current net income attributable to shareholders of the parent company	5,498 million won	16,130 million won
	Consolidated net income per share	237 won	685 won
	Dividend per share	250 won	400 won
			350 won

4. Schedule

- Date of Board of Directors Resolution: November 28, 2025
- Date of Contract Execution : November 28, 2025

5. Future Outlook

We believe this capital and business alliance will contribute to improving our corporate value over the medium to long term. However, we expect the impact on our consolidated financial results for the fiscal year ending March 31, 2026 to be minor. If any matters that need to be disclosed arise in the future, we will promptly notify you.

End.