



February 26, 2026

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

Notice Regarding the Acquisition of Equity Interest (Subsidiarization) Aimed at Securing a New Production Base in China

CHUGOKU MARINE PAINTS, LTD. (hereinafter referred to as the “Company”) hereby announce as follows that company has resolved at the Board of Directors meeting held on February 26, 2026, to acquire the equity interest of DNT (Zhejiang) Co., Ltd. (hereinafter “DNT Zhejiang”), a Chinese subsidiary of Dai Nippon Toryo Co., Ltd. (Securities Code: 4611, hereinafter “Dai Nippon Toryo”), through our consolidated subsidiary CHUGOKU MARINE PAINTS (HONG KONG), LIMITED. for the purpose of securing a new production base in China, and to make DNT Zhejiang our consolidated subsidiary. Upon completion of this acquisition, DNT Zhejiang is expected to become our specified subsidiary.

1. Reasons for Equity Acquisition

The Group currently operates two factories in China, one in Shanghai and one in Foshan City, Guangdong Province where we produce coatings. In recent years, sales of our mainstay marine coatings have increased, resulting in higher operational rates of our factories and as further demand growth is anticipated, we have been exploring various options to expand production capacity in China.

Meanwhile, DNT Zhejiang, a Chinese subsidiary of Dai Nippon Toryo, is located in Pinghu City, Zhejiang Province adjacent to Shanghai, and own the latest coating manufacturing factory completed in 2021 on a site of approximately 22,000 m². Following Dai Nippon Toryo’s indication of its intention to divest all equity interests in DNT Zhejiang as part of a review of its Chinese businesses, the Group has decided to acquire DNT Zhejiang and make it a consolidated subsidiary, positioning it as a new production base in China.

Through this acquisition, we believe the Group will be able to enhance production capacity and ensure production stability in China in a shorter period and at a lower investment cost than constructing a new factory.

2. Overview of the subsidiary to be transferred

(1)	Name	DNT (Zhejiang) Co., Ltd.
(2)	Location	No. 1511, Jigang Road, Dushangang Town, Pinghu City, Jiaxing City, Zhejiang Province, People's Republic of China
(3)	Title and name of representative	President Wataru Fujie
(4)	Description of Business	Manufacturing and sales of paints
(5)	Share Capital	15 million USD
(6)	Date of Establishment	February 9,2018

(7)	Ownership and its ratios	Dai Nippon Toryo Co., Ltd. 100%		
(8)	Relationship with the company	Capital relationship	Not applicable	
		Personnel relationship	Not applicable	
		Business relationship	Our subsidiary has outsourced the production of certain paint products.	
		Status as a related party	Not applicable	
(9)	The company's operating results and financial position over the last three years			
	Fiscal year end	December 2022	December 2023	December 2024
	Total asset	167 million RMB	140 million RMB	109 million RMB
	Net asset	71 million RMB	57 million RMB	25 million RMB
	Net sales	62 million RMB	49 million RMB	46 million RMB
	Operating income	△13 million RMB	△14 million RMB	△19 million RMB
	Ordinary income	△13 million RMB	△13 million RMB	△19 million RMB
	Net income attributable to owners of parent	△13 million RMB	△13 million RMB	△32 million RMB

3. Outline of the Transfer Counterparty

(1)	Name	Dai Nippon Toryo Co., Ltd.		
(2)	Location	1-18-11 Minamisenba, Chuo-ku, Osaka		
(3)	Name and title of representative	Representative Director and President Takayuki Sato		
(4)	Description of Business	Manufacturing and sales of paints		
(5)	Share Capital	8,827 million yen		
(6)	Date of establishment	July 25, 1929		
(7)	Major shareholders and shareholding ratios (as of September 30, 2025)	The Master Trust Bank of Japan, Ltd. (Trust Account): 10.12% DNT Business Partners Shareholding Association: 4.99% Meiji Yasuda Life Insurance Company: 4.90% MUFG Bank, Ltd.: 4.30% Dainikka Co., Ltd.: 4.25%		
(8)	Relationship with the company	Capital relationship	Not applicable	
		Personnel relationship	Not applicable	
		Business relationship	Not applicable	
		Status as a related party	Not applicable	

4. Equity status before and after the acquisition

(1)	Ownership ratios before the acquisition	0.0%
(2)	Ownership ratios after the acquisition	100.0%

(Note) The acquisition price will remain undisclosed by mutual agreement between the parties. It has also been agreed that the price represents a fair and reasonable value following the discussion.

5. Schedule

(1)	Date of board resolution	February 26, 2026
(2)	Date of contract	February 26, 2026
(3)	Date of transfer of rights and obligations	June 30, 2026 (scheduled)
(4)	Execution date of equity acquisition	Late July 2026 (scheduled)

(Note) The execution of this equity transfer is subject to approval by the relevant authorities.

5. Outlook

The impact of this equity acquisition on consolidated performance for the fiscal year ending March 2026 will be minor.

And also, DNT Zhejiang has recorded losses across all profit and loss items for recent years. However, it is expected to turn profitable after becoming a subsidiary of our Group as scheduled in the fiscal year ending March 2027.

End.