July 31, 2026

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, KOBE PAINTS, LTD.("Kobe"), with an effective date of April 1, 2027 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

Kobe is a paint manufacturer whose core business, like ours, is marine coatings. It joined our group in December 1994 and has been a wholly-owned subsidiary of the Company since December 1999. We have decided to merge with Kobe in order to integrate the business operations of both companies across various areas, including production, product brands and sales channels, with a view to streamlining group management and improving operational efficiency.

2. Transaction overview

1) Schedule

Date on Merger Approval by Board of Directors Meeting	July 31, 2026
Execution Date	July 31, 2026
Planned Merger Date (Effective Date of Merger)	April 1, 2027 (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 Kobe 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 Kobe, which will be dissolved as of the effective date of the merger.

3) Share allotment

The Company owns all of the issued shares of Kobe, 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.	KOBE PAINTS, LTD..
2)	Location	1-7 Meiji Shingai, Otake City, Hiroshima	1321-1, Rokubuichi Aza Hyakuchobu, Inami-Cho, Kako-Gun, Hyogo
3)	Name and Title of Representative	Kenshi Date President and CEO	Noboru Osaki President and CEO
4)	Main Business Activities	Manufacturing and sales of Paint	Manufacturing and sales of Paint
5)	Capital	11,626 million yen	400 million yen
6)	Date of Establishment	May 1917	July 1966
7)	Number of Shares Issued	55,000,000	40,000
8)	Fiscal Year End	March 31	March 31
9)	Major Shareholders and Shareholding Ratio(executing Treasury Stock)	The Master Trust Bank of Japan, Ltd. (Trust Account) 12.58% Custody Bank of Japan, Ltd. (Trust Account) 5.65% Hiroshima Bank, Ltd. 4.90% Imabari Shipbuilding Co., Ltd. 4.69% STATE STREET BANK AND TRUST COMPANY 505001 4.53% Meiji Yasuda Life Insurance Company 4.03% Shoei Kisen Kaisha, Ltd. 3.67% Chugoku Paint Suppliers' Shareholding Association 2.53% NORTHERN TRUST CO. (AVFC) RE FIDELITY FUNDS 2.42% Mizuho Bank, Ltd. 2.02%	Chugoku Marine Paint Co., Ltd. 100.0%
10)	Financial position and business results at the end of the fiscal year ended		
	Fiscal Year End:	March 31, 2026(Consolidated)	March 31, 2026 (Unconsolidated)
	Net Assets:	¥101,780million	¥2,035million
	Total Assets	¥157,760 million	¥2,832million
	Net Assets per Share	¥1924.33	¥50,879.93

Sales	¥139,364 million	¥5,668 million
Operating Income	¥17,437 million	¥348 million
Ordinary Income	¥17,840 million	¥450 million
Net Income Attributable to Parent Company	¥10,995million	¥320 million
Net Income per Share	¥221.66	¥8,000.44

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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