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KIZUNA Bonds Our Future Lives



March 2, 2026

Company Name: ARAKAWA CHEMICAL INDUSTRIES, LTD.
Representative: Nobuyuki Takagi,
Representative Director and President
(Securities code: 4968, Tokyo Stock Exchange Prime Market)
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Notice Regarding Acquisition of Microalgae Business from SoPros Co., Ltd.

ARAKAWA CHEMICAL INDUSTRIES, LTD. (the "Company") hereby announces that its Board of Directors, at a meeting held on February 27, 2026, resolved to acquire the microalgae "Aurantiochytrium" business from SoPros Co., Ltd. (the "SoPros"), a startup originated from the University of Tsukuba, in which the Company has held an equity stake and conducted joint development since 2024.

While this acquisition does not fall under the timely disclosure standards of the Tokyo Stock Exchange, the Company is disclosing this information voluntarily as it deems it useful for investors.

1. Reason for the Business Transfer

Under its 5th Medium-Term Management Plan (FY2022-FY2026Mar), the Arakawa Chemical Group has been promoting the creation of new businesses in the life sciences field (healthcare, agriculture, and cosmetics) as future growth drivers.

Since acquiring an equity stake in SoPros in January 2024, the Company has jointly worked on the development and market exploration of "AURA'n," a microalgae powder utilizing SoPros' unique proprietary strains. As a result of confirming the high potential of this business, the Company has decided to integrate the advanced breeding and cultivation expertise cultivated by SoPros into its own operations.

Through this transfer, the Company will conclude the "exploration and joint research" phase and transition to the "commercialization and social implementation" phase, leveraging its strengths in production technology and quality control systems. The Company aims to establish a stable supply system for functional ingredients such as DPA and DHA, positioning the life sciences business as a core pillar for early earnings contribution.

2. Overview of the Business to be Transferred

The entire business related to the microalgae "Aurantiochytrium" owned by SoPros (including patent rights, know-how, cultivation equipment, and the research algae strain library related to said business).

3. Overview of the Counterparty of the Business Transfer

(1)	Name	SoPros Co., Ltd.
(2)	Location	2-1-6 Sengen, Tsukuba-shi, Ibaraki, Japan
(3)	Title and Name of Representative	Shoichi Ikemizu, Representative Director and CEO
(4)	Business Description	R&D, manufacturing, and sale of products based on the microalgae <i>Aurantiochytrium</i> ; operation of the healthcare brand "SO+"
(5)	Capital	10 million yen
(6)	Date of Establishment	May 1, 2018

4. Schedule

(1)	Date of Board of Directors resolution	February 27, 2026
(2)	Date of agreement execution	February 27, 2026
(3)	Date of business transfer execution	March 23, 2026 (Planned)

6. Future Outlook

The acquisition costs and related expenses for this business transfer will be recorded as expenses rather than capitalized, as they consist largely of research and development elements. Consequently, the Company expects to record a loss on liquidation of subsidiaries and associates as an extraordinary loss for the fiscal year ending March 31, 2026. However, as the impact on the consolidated business results for the full year is expected to be immaterial, there are no changes to the earnings forecast. The Company will promptly announce any matters that require disclosure in the future.

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