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### Notice of Commencement of Consideration on Changes in Consolidated Subsidiary (Equity Transfer)

Sanyo Chemical Industries, Ltd. (“we” or “the Company”) hereby announces that the Company has started considering the transfer of all the equity interests of San-Dia Polymers (Nantong) Co., Ltd. (“SDN”), a wholly owned by its consolidated subsidiary SDP Global Co., Ltd. (“SDP”) to a Chinese company, Nantong Jiangtian Chemical Co., Ltd. (“Jiangtian Chemical”), with regard to the “Notice of Withdrawal from Business of Subsidiary and Recording of Extraordinary Loss” disclosed today.

#### 1. Reason for Considering Equity Transfer

As described in the “Notice of Withdrawal from Business of Subsidiary and Recording of Extraordinary Loss”, the Company has resolved to withdraw from the superabsorbent polymer business and the production business in Nantong, Jiangsu Province, China. Upon received a proposal from Jiangtian Chemical, a chemical manufacturer based in Nantong, Jiangsu Province, China, to acquire all the equity interests of SDN. The Company has resolved to consider the transfer of all of SDP’s equity interests in SDN.

The Company and Jiangtian Chemical will conduct due diligence and other studies toward the equity transfer, there are many uncertainties as to whether the transaction will ultimately be implemented.

#### 2. Outline of the Subsidiary Subject to Equity Transfer

(1) Name	San-Dia Polymers (Nantong) Co., Ltd.
(2) Location	No.5 Xinkai Road South, Nantong Economic & Technological Development Area, Jiangsu, 226009, China
(3) Title and name of representative	Yutaka Imaizumi, Chairman
(4) Description of business	Manufacture and sales of superabsorbent polymers
(5) Capital	64.9 million US\$

(6) Incorporated on	June 24, 2003		
(7) Number of employees	174		
(8) Major equity holders and their equity holding ratio	SDP Global Co., Ltd. 100%		
(9) Relationship between the Companies			
Capital ties	Sanyo Chemical owns 100% of the total number of issued share of SDP, who is the parent company of SDN.		
Personnel ties	The Chairman is also an Executive Officer of Sanyo Chemical. 4 employees of Sanyo Chemical are seconded to SDN (3 of whom are appointed as directors).		
Trade ties	Sanyo Chemical licenses the technology.		
Status applicable to the parties	SDN is a consolidated subsidiary and a related party of Sanyo Chemical		
(10) Results of operations and financial conditions for the past three years (Unit: million yen)			
Settlement of account	Fiscal year ended December 2020	Fiscal year ended December 2021	Fiscal year ended December 2022
Total assets	16,113	16,791	13,999
Net assets	12,882	13,707	11,824
Sales	21,901	19,600	17,982
Operating profit	1,234	638	302
Ordinary profit	1,200	654	356
Net profit	895	474	255

### 3. Details of SDN Equity Transfer

#### (1) Outline of the Transfer Counterparty

(1) Name	Nantong Jiangtian Chemical Co., Ltd.
(2) Location	No.16 Zhongyang Road, Economic & Technological Development Zone, Nantong, Jiangsu Province, P. R. China
(3) Title and name of representative	Hui Zhu, Chairman
(4) Description of business	Manufacture and sale of paraformaldehyde, etc.
(5) Capital	144.36 million CNY
(6) Incorporated on	November 4, 1999
(7) Total assets	637.013 million CNY
(8) Net assets	794.275 million CNY
(9) Major shareholders and their	Nantong Industries Holding Group Co., Ltd. 37.53%

shareholding ratio	
(10) Relationship between the Companies	
Capital ties	None
Personnel ties	None
Trade ties	None
Status applicable to the parties	None

(2) Equity Subject to Transfer, Transfer Price, and Status of the Equity Before and After the Transfer

(1) Percentage of equity before the transfer	100%
(2) Percentage of equity to be transferred	100%
(3) Transfer price	The transfer price will be determined by the date of the equity transfer agreement.
(4) Percentage of equity after the transfer	0%

(3) Schedule for Equity Transfer

The Company will consider the transfer (Equity Transfer) within the fiscal year 2024.

4. Outlook for the Future

We will continue to proceed with considerations for the equity transfer, including conducting due diligence in the future. However, it should be noted that there are many uncertainties regarding whether the transaction will ultimately be completed. In the event of any new material facts arising or decisions being made, we will promptly disclose them in accordance with timely disclosure requirements.