

For immediate release



August 1, 2025

Company: Sanyo Chemical Industries, Ltd.

Representative: Akinori Higuchi, President & CEO

(Code Number: 4471, Prime Section, Tokyo Stock Exchange)

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Head of General Affairs

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Notice Regarding the Absorption-Type Merger of a Consolidated Subsidiary (Simplified and Short-Form Merger)

Sanyo Chemical Industries, Ltd. (“we” or the “Company”) hereby announces that, at a meeting of its Board of Directors held today, we resolved to conduct an absorption-type merger, effective November 1, 2025, whereby our wholly owned subsidiary, Sanyo Chemical Logistics Co., Ltd. (“Sanyo Logistics”), will be merged into the Company. As this merger with a wholly owned subsidiary, specific disclosure items and details have been omitted.

1. Purpose of the Merger

The Company previously announced¹ that it had entered into a Lead Logistics Partner agreement with DHL Supply Chain Ltd. (“DSC”), effective April 1, 2025, under which the Company’s domestic logistics functions previously handled by Sanyo Logistics would be transferred to DSC.

In light of the planned transfer of employees of Sanyo Logistics to DSC on October 1, 2025 under this agreement, we have decided to dissolve the Company through an absorption-type merger, with a view to optimizing group-wide operations.

¹ Press Release dated April 1, 2025: <https://www.sanyo-chemical.co.jp/wp/wp-content/uploads/2025/04/k20250331.pdf>

2. Outline of the Merger

(1) Schedule

- | | |
|--|------------------------------|
| • Date of resolution by the Board of Directors | August 1, 2025 (today) |
| • Date of execution of the merger agreement | August 1, 2025 (today) |
| • Effective date of the Merger | November 1, 2025 (scheduled) |

(Note) As this Merger constitutes a simplified merger for the Company under Article 796, Paragraph 2 of the Companies Act of Japan and a short-form merger for Sanyo Logistics under Article 784, Paragraph 1 of the same Act, it will be carried out without obtaining approval of the merger agreement at the general meetings of shareholders of either company.

(2) Method of Merger

The merger will be conducted as an absorption-type merger, with the Company as the surviving entity and Sanyo Logistics to be dissolved.

(3) Allotment of Shares in the Merger

Since this is an absorption-type merger with a wholly owned subsidiary, no new shares will be issued, nor will any cash or other consideration be allotted in connection with the merger.

(4) Treatment of Share Acquisition Rights and Convertible Bonds with Share Acquisition Rights of the Absorbed Company

Not applicable.

3. Overview of the Parties to the Merger (as of March 31, 2025)

| | Surviving Company | Absorbed Company |
|--|--|--|
| (1) Name | Sanyo Chemical Industries, Ltd. | Sanyo Chemical Logistics Co., Ltd. |
| (2) Location | 11-1 Ikkyo Nomoto-cho, Higashiyama-ku, Kyoto 605-0995, Japan | 31-1 Shinpō-cho, Tokai-shi, Aichi 476-0005, Japan |
| (3) Title and name of representative | President & CEO: Akinori Higuchi | President & CEO: Toshihiro Koga |
| (4) Description of business | Manufacture and sale of functional chemicals | Freight forwarding and warehousing |
| (5) Capital | JPY 13,051 million | JPY 30 million |
| (6) Incorporated on | 1 November 1949 | 1 April 2020 |
| (7) Major equity holders and their equity holding ratio | Toyoda Tsusho Corp. 19.24 % Toray Industries, Inc. 17.18 % | Sanyo Chemical Industries, Ltd. 100 % |
| (8) Financial conditions and results of operations for the most recent fiscal year (Unit: million yen) | | |
| Settlement of account | Sanyo Chemical Industries, Ltd. | Sanyo Chemical Logistics Co., Ltd. |
| | Fiscal year ended March 2025 (Consolidated) | Fiscal year ended March 2025 (Non-consolidated) |
| Total assets | 1,76,366 | 1,421 |
| Net assets | 138,302 | 825 |
| Net Assets per share | ¥ 6,119.90 | ¥ 275,038.45 |
| Sales | 142,258 | 4,530 |
| Operating profit | 8,439 | 177 |
| Ordinary profit | 9,670 | 202 |
| Net profit | 4,906 | 130 |
| Profit attributable to owners of parent | 4,151 | - |
| Earnings per share | ¥ 187.79 | ¥ 43,658.14 |

4. Post-Merger Status

After the Merger, there will be no change to the Company's corporate name, registered head office, titles and names of its representatives, business description, share capital, or fiscal year-end.

5. Future Outlook

As this merger involves a wholly owned subsidiary of the Company, the impact on the Company's consolidated financial results is expected to be immaterial.