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February 6, 2025

## Consolidated Financial Results for the Nine Months Ended December 31, 2024 (Under Japanese GAAP)

Company name: Dai Nippon Toryo Co., Ltd.  
 Listing: Tokyo Stock Exchange  
 Securities code: 4611  
 URL: <https://www.dnt.co.jp/english/>  
 Representative: Takayuki Sato, Representative Director and President  
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 Scheduled date to commence dividend payments: —  
 Preparation of supplementary material on financial results: Yes  
 Holding of financial results briefing: None

(Yen amounts are rounded down to millions, unless otherwise noted.)

### 1. Consolidated financial results for the nine months ended December 31, 2024 (from April 1, 2024 to December 31, 2024)

#### (1) Consolidated operating results (cumulative)

(Percentages indicate year-on-year changes.)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent	
Nine months ended	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
December 31, 2024	55,107	0.6	3,957	0.7	4,439	3.9	3,713	36.1
December 31, 2023	54,782	1.2	3,931	29.5	4,271	30.1	2,728	24.9

Note: Comprehensive income For the nine months ended December 31, 2024: ¥2,503 million [(42.6)%]  
 For the nine months ended December 31, 2023: ¥4,365 million [45.0%]

	Basic earnings per share	Diluted earnings per share
Nine months ended	Yen	Yen
December 31, 2024	130.42	129.70
December 31, 2023	95.92	95.36

#### (2) Consolidated financial position

	Total assets	Net assets	Equity-to-asset ratio	Net assets per share
As of	Millions of yen	Millions of yen	%	Yen
December 31, 2024	104,072	63,897	58.4	2,134.26
March 31, 2024	101,618	62,490	58.6	2,092.10

Reference: Equity  
 As of December 31, 2024: ¥60,794 million  
 As of March 31, 2024: ¥59,550 million

## 2. Cash dividends

	Annual dividends per share				
	First quarter-end	Second quarter-end	Third quarter-end	Fiscal year-end	Total
	Yen	Yen	Yen	Yen	Yen
Fiscal year ended March 31, 2024	—	0.00	—	35.00	35.00
Fiscal year ending March 31, 2025	—	0.00	—		
Fiscal year ending March 31, 2025 (Forecast)				49.00	49.00

Note: Revisions to the forecast of cash dividends most recently announced: None

## 3. Consolidated earnings forecasts for the fiscal year ending March 31, 2025 (from April 1, 2024 to March 31, 2025)

(Percentages indicate year-on-year changes.)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent		Basic earnings per share
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Yen
Fiscal year ending March 31, 2025	74,000	2.9	4,800	(2.1)	5,000	(6.3)	4,300	(6.5)	151.07

Note: Revisions to the consolidated earnings forecasts most recently announced: None

**\* Notes**

- (1) Significant changes in the scope of consolidation during the period: Yes

Excluded: 2 companies (Japan Powder Coatings Manufacturing Co., Ltd.  
and DNT (Shanghai) Co., Ltd.)

Note: For details, see “2. Quarterly Consolidated Financial Statements and Major Notes, (3) Notes on quarterly consolidated financial statements (Significant changes in the scope of consolidation during the period)” on page 9 of the attached materials.

- (2) Adoption of accounting treatment specific to the preparation of quarterly consolidated financial statements: None

- (3) Changes in accounting policies, changes in accounting estimates, and restatement

(i) Changes in accounting policies due to revisions to accounting standards and other regulations: None

(ii) Changes in accounting policies due to other reasons: None

(iii) Changes in accounting estimates: None

(iv) Restatement: None

- (4) Number of issued shares (common shares)

- (i) Total number of issued shares at the end of the period (including treasury shares)

As of December 31, 2024	29,710,678 shares
As of March 31, 2024	29,710,678 shares

- (ii) Number of treasury shares at the end of the period

As of December 31, 2024	1,225,777 shares
As of March 31, 2024	1,246,411 shares

- (iii) Average number of shares outstanding during the period (cumulative from the beginning of the fiscal year)

Nine months ended December 31, 2024	28,472,252 shares
Nine months ended December 31, 2023	28,448,468 shares

- \* Review of the Japanese-language originals of the attached quarterly consolidated financial statements by certified public accountants or an audit corporation: None

- \* Proper use of earnings forecasts, and other special matters

The earnings forecasts and other forward-looking statements in these materials are based on information currently available to the Company and on certain assumptions deemed reasonable, and the Company does not intend to guarantee their achievement. Furthermore, actual results, etc. may differ significantly due to various factors. Please refer to “1. Summary of Business Results, Etc., (3) Explanation of forward-looking information such as consolidated earnings forecasts” on page 3 of the attached materials for the suppositions that form the assumptions for earnings forecasts and cautions concerning the use thereof.

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## **1. Summary of Business Results, Etc.**

### **(1) Summary of business results for current period**

In the first nine months of the fiscal year ending March 31, 2025, the Japanese economy was on a gradual recovery trend due to factors such as improved employment and income conditions, as well as the recovery of inbound spending. However, the outlook remained uncertain due to factors such as the rise in energy prices and raw material prices triggered by the prolonged situation in Ukraine and the unstable political situation in the Middle East, as well as the depreciation of the yen.

In response to the inappropriate act related to some of our products that was announced in the fiscal year ended March 31, 2024, the Group has been working to promote measures to prevent recurrence of such act and ensure thorough compliance. However, amid our promotion of such activities, a new inappropriate act has been identified. Our response to this new finding was to voluntarily pause shipments of the JIS certified products falling under the scope of this incident, and then effective November 29, 2024, our permission to display the JIS mark on these products was temporarily suspended. As for the Group's business results, net sales were ¥55,107 million (a 0.6% year-on-year increase), operating profit was ¥3,957 million (a ¥26 million year-on-year increase), and ordinary profit was ¥4,439 million (a ¥168 million year-on-year increase), thanks to a firm performance of the lighting business. Profit attributable to owners of parent was ¥3,713 million (a ¥984 million year-on-year increase) due to recording a gain on sale of investment securities resulting from a reduction in cross-shareholdings.

The business results by segment were as follows.

#### **[Domestic coatings business]**

In the general-use field, the effect of a decrease in demand owing to the issue of the inappropriate act, net sales decreased year on year. In the industrial-use field, net sales were higher year on year as there were a partial recovery in market conditions and a gradual progress in price adjustments which started a few years earlier.

As a result, net sales were ¥39,089 million (a 0.2% year-on-year increase). Operating profit was ¥1,854 million (a ¥125 million year-on-year decrease) due to an increase in personnel expenses and other expenses, despite efforts to implement price adjustments.

#### **[Overseas coatings business]**

In Southeast Asia, net sales decreased year on year due to decreases in automobile production volume and in demand for coatings for building materials. In Mexico, net sales increased year on year due to an increase in automobile production volume and an increase in demand for new transactions. In China, net sales decreased year on year due to the continued impact of the slowdown among Japanese automobile manufacturers.

As a result, net sales were ¥6,190 million (a 3.5% year-on-year decrease). Operating profit was ¥257 million (a ¥4 million year-on-year increase) due to an increase in demand in Mexico and efforts to reduce expenses in the China business.

#### **[Lighting business]**

In the commercial LED lighting field, net sales increased year on year due to firm demand, primarily for commercial facilities and accommodation facilities against the backdrop of strong demand from inbound tourism and urban redevelopment, as well as due to progress in improving selling prices. In the UV lamp field, net sales decreased year on year due to demand for some products declined, despite a firm demand for UV disinfection applications. In the fluorescent lamp field, net sales increased year on year due to efforts to improve selling prices, despite a decline in demand caused by market contraction.

As a result, net sales were ¥7,550 million (an 8.1% year-on-year increase), and operating profit was ¥1,504 million (a ¥140 million year-on-year increase).

#### **[Fluorescent color material business]**

In the pigments field, net sales increased year on year due to recovery in demand from overseas, such as the EU region. In the processed products field, net sales decreased year on year due to demand for tape products declined, despite a strong demand for coatings for safety applications.

As a result, net sales were ¥846 million (a 5.5% year-on-year decrease). Operating profit was ¥39 million (a ¥18 million year-on-year increase) due to the improved product mix and cost containment.

#### **[Other businesses]**

In the logistics business, net sales decreased year on year due to a decrease in the volume of cargo handled, despite efforts to improve unit prices in response to various cost increases in the logistics industry. In the painting business, net sales decreased year on year as orders for work declined.

As a result, net sales were ¥1,430 million (a 2.3% year-on-year decrease), and operating profit was ¥59 million (a ¥51 million year-on-year decrease).

### **(2) Summary of financial position for current period**

Total assets at the end of the third quarter of the fiscal year ending March 31, 2025 were ¥104,072 million, an increase of ¥2,454 million from the end of the previous fiscal year. Current assets totaled ¥42,045 million, an increase of ¥1,846 million from the end of the previous fiscal year, mainly due to an increase in cash and deposits of ¥336 million, a decrease in notes and accounts receivable - trade, and contract assets of ¥254 million, an increase in electronically recorded monetary claims - operating of ¥945 million, an increase in inventories of ¥469 million, and other increases of ¥351 million. Non-current assets totaled ¥62,027 million, an increase of ¥607 million from the end of the previous fiscal year, due to an increase in property, plant and equipment of ¥1,288 million, an increase in intangible assets of ¥529 million, and a decrease in investments and other assets of ¥1,209 million.

Liabilities totaled ¥40,175 million, an increase of ¥1,047 million from the end of the previous fiscal year. Current liabilities totaled ¥28,979 million, an increase of ¥286 million from the end of the previous fiscal year, mainly due to an increase of ¥818 million in notes and accounts payable - trade, an increase in short-term borrowings of ¥200 million, and a decrease in income taxes payable of ¥613 million. Non-current liabilities were ¥11,195 million, an increase from the end of the previous fiscal year of ¥760 million. The main factors in this were an increase of long-term borrowings of ¥1,000 million, a decrease in lease liabilities of ¥114 million, and a decrease in deferred tax liabilities of ¥136 million.

Net assets were ¥63,897 million, an increase of ¥1,407 million from the end of the previous fiscal year. The main reasons for this were an increase in retained earnings of ¥2,730 million, a decrease in valuation difference on available-for-sale securities of ¥974 million, an increase in foreign currency translation adjustment of ¥135 million, a decrease in remeasurements of defined benefit plans of ¥658 million, and an increase in non-controlling interests of ¥170 million.

### **(3) Explanation of forward-looking information such as consolidated earnings forecasts**

The consolidated earnings forecasts for the fiscal year ending March 31, 2025 is unchanged from the forecasts announced on November 8, 2024.

Note that as stated in “Notice Regarding Voluntary Pause on Shipment on Certain JIS Certified Products” announced on November 25, 2024 and “Notice Regarding Temporary Suspension of JIS Mark labels” announced on November 29, 2024, the Company judged there to have been an inappropriate act regarding violation of internal rules in connection with outsourcing management and

voluntarily paused shipment of such products as products with JIS mark display, and on November 29, 2024, the Company received a notice of temporary suspension on using the JIS mark display from the Japan Paint Inspection and testing Association (JPIA). Going forward, if a critical reason is discovered, the Group's financial position, operating results, and cash flows may be affected. However, at this time we have decided not to revise the forecast already announced.

## 2. Quarterly Consolidated Financial Statements and Major Notes

### (1) Quarterly consolidated balance sheet

(Millions of yen)

	As of March 31, 2024	As of December 31, 2024
<b>Assets</b>		
Current assets		
Cash and deposits	8,429	8,766
Notes and accounts receivable - trade, and contract assets	12,137	11,883
Electronically recorded monetary claims - operating	6,701	7,647
Merchandise and finished goods	6,262	6,351
Work in process	991	989
Raw materials and supplies	4,038	4,420
Other	1,649	2,001
Allowance for doubtful accounts	(12)	(13)
Total current assets	40,198	42,045
Non-current assets		
Property, plant and equipment		
Buildings and structures	23,509	24,405
Accumulated depreciation	(15,686)	(14,821)
Buildings and structures, net	7,823	9,583
Machinery, equipment and vehicles	24,302	24,732
Accumulated depreciation	(20,668)	(20,946)
Machinery, equipment and vehicles, net	3,633	3,786
Land	11,100	10,346
Leased assets	1,592	1,527
Accumulated depreciation	(1,183)	(1,271)
Leased assets, net	408	255
Construction in progress	1,766	1,851
Other	7,612	7,955
Accumulated depreciation	(6,022)	(6,169)
Other, net	1,589	1,785
Total property, plant and equipment	26,321	27,609
Intangible assets		
Leased assets	32	10
Other	865	1,416
Total intangible assets	898	1,427
Investments and other assets		
Investment securities	10,216	8,518
Deferred tax assets	1,549	1,403
Retirement benefit asset	21,798	22,494
Other	659	591
Allowance for doubtful accounts	(24)	(18)
Total investments and other assets	34,200	32,990
Total non-current assets	61,419	62,027
<b>Total assets</b>	<b>101,618</b>	<b>104,072</b>



(Millions of yen)

	As of March 31, 2024	As of December 31, 2024
<b>Liabilities</b>		
Current liabilities		
Notes and accounts payable - trade	16,651	17,469
Short-term borrowings	5,100	5,300
Lease liabilities	452	354
Income taxes payable	959	346
Provision for bonuses for directors (and other officers)	58	—
Provision for product warranties	164	205
Other	5,306	5,303
Total current liabilities	28,693	28,979
Non-current liabilities		
Long-term borrowings	—	1,000
Lease liabilities	544	430
Deferred tax liabilities	7,652	7,515
Deferred tax liabilities for land revaluation	1,189	1,181
Retirement benefit liability	982	1,024
Other	66	43
Total non-current liabilities	10,434	11,195
Total liabilities	39,128	40,175
<b>Net assets</b>		
Shareholders' equity		
Share capital	8,827	8,827
Capital surplus	2,440	2,440
Retained earnings	36,191	38,921
Treasury shares	(1,431)	(1,408)
Total shareholders' equity	46,026	48,781
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	5,279	4,304
Revaluation reserve for land	1,717	1,704
Foreign currency translation adjustment	1,346	1,482
Remeasurements of defined benefit plans	5,179	4,521
Total accumulated other comprehensive income	13,523	12,012
Share acquisition rights	155	148
Non-controlling interests	2,784	2,954
Total net assets	62,490	63,897
Total liabilities and net assets	101,618	104,072

**(2) Quarterly consolidated statement of income and consolidated statement of comprehensive income**  
**Quarterly consolidated statement of income (cumulative)**

(Millions of yen)

	Nine months ended December 31, 2023	Nine months ended December 31, 2024
Net sales	54,782	55,107
Cost of sales	38,123	37,976
Gross profit	16,659	17,131
Selling, general and administrative expenses	12,727	13,173
Operating profit	3,931	3,957
Non-operating income		
Interest income	34	82
Dividend income	249	244
Foreign exchange gains	14	163
Other	177	207
Total non-operating income	475	697
Non-operating expenses		
Interest expenses	56	55
Provision for product warranties	–	73
Other	80	85
Total non-operating expenses	136	215
Ordinary profit	4,271	4,439
Extraordinary income		
Gain on sale of investment securities	178	980
Gain on sale of shares of subsidiaries	–	273
Other	–	57
Total extraordinary income	178	1,311
Extraordinary losses		
Loss on disposal of non-current assets	75	185
Other	0	89
Total extraordinary losses	75	275
Profit before income taxes	4,374	5,476
Income taxes - current	792	889
Income taxes - deferred	711	714
Total income taxes	1,503	1,603
Profit	2,871	3,872
Profit attributable to non-controlling interests	142	158
Profit attributable to owners of parent	2,728	3,713

# Quarterly consolidated statement of comprehensive income (cumulative)

(Millions of yen)

	Nine months ended December 31, 2023	Nine months ended December 31, 2024
Profit	2,871	3,872
Other comprehensive income		
Valuation difference on available-for-sale securities	995	(974)
Foreign currency translation adjustment	1,147	264
Remeasurements of defined benefit plans, net of tax	(649)	(658)
Share of other comprehensive income of entities accounted for using equity method	0	–
Total other comprehensive income	1,493	(1,368)
Comprehensive income	4,365	2,503
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	3,995	2,216
Comprehensive income attributable to non-controlling interests	369	287

### (3) Notes on quarterly consolidated financial statements

#### (Significant changes in the scope of consolidation during the period)

During the first quarter of the fiscal year ending March 31, 2025, Japan Powder Coatings Manufacturing Co., Ltd., a consolidated subsidiary of the Company, conducted an absorption-type merger on April 1, 2024, with the Company as the surviving company and Japan Powder Coatings Manufacturing Co., Ltd. as the dissolved company, and the Company excluded the dissolved company Japan Powder Coatings Manufacturing Co., Ltd. from the scope of consolidation. In addition, DNT (Shanghai) Co., Ltd., a consolidated subsidiary, was excluded from the scope of consolidation because all shares were sold.

#### (Notes on segment information, etc.)

[Segment information]

#### I First nine months of the fiscal year ended March 31, 2024 (April 1, 2023 to December 31, 2023)

##### 1. Information on net sales and the amount of profit or loss by reportable segment

(Millions of yen)

	Reportable segments				
	Domestic coatings	Overseas coatings	Lighting	Fluorescent color materials	Total
Net sales					
Net sales to external customers	39,019	6,416	6,987	895	53,319
Intersegment internal net sales or transfers	801	0	29	71	902
Total	39,821	6,417	7,016	967	54,221
Segment profit	1,979	252	1,364	20	3,617

	Other <sup>1</sup>	Total	Amount of adjustment <sup>2</sup>	Quarterly consolidated statement of income <sup>3</sup>
Net sales				
Net sales to external customers	1,463	54,782	—	54,782
Intersegment internal net sales or transfers	1,762	2,665	(2,665)	—
Total	3,225	57,447	(2,665)	54,782
Segment profit	110	3,727	203	3,931

- (Notes) 1. “Other” refers to business segments not included in the reportable segments, such as the painting business and logistics business.
2. The adjustment of segment profit of ¥203 million refers to the elimination of intersegment transactions.
3. Segment profit is adjusted to be consistent with operating profit shown on the quarterly consolidated statement of income.

##### 2. Information on impairment losses or goodwill, etc. of non-current assets for each reportable segment

During the first nine months of the fiscal year ended March 31, 2024, there was no recognition of significant impairment losses on non-current assets, no significant fluctuations in the amount of goodwill, and no recognition of significant gain on bargain purchase.

II First nine months of the fiscal year ending March 31, 2025 (April 1, 2024 to December 31, 2024)

1. Information on net sales and the amount of profit or loss by reportable segment

(Millions of yen)

	Reportable segments				
	Domestic coatings	Overseas coatings	Lighting	Fluorescent color materials	Total
Net sales					
Net sales to external customers	39,089	6,190	7,550	846	53,677
Intersegment internal net sales or transfers	895	6	29	70	1,001
Total	39,984	6,196	7,579	917	54,678
Segment profit	1,854	257	1,504	39	3,655

	Other <sup>1</sup>	Total	Amount of adjustment <sup>2</sup>	Quarterly consolidated statement of income <sup>3</sup>
Net sales				
Net sales to external customers	1,430	55,107	—	55,107
Intersegment internal net sales or transfers	1,813	2,815	(2,815)	—
Total	3,244	57,922	(2,815)	55,107
Segment profit	59	3,714	243	3,957

- (Notes) 1. “Other” refers to business segments not included in the reportable segments, such as the painting business and logistics business.
2. The adjustment of segment profit of ¥243 million refers to the elimination of intersegment transactions.
3. Segment profit is adjusted to be consistent with operating profit shown on the quarterly consolidated statement of income.

2. Information on impairment losses or goodwill, etc. of non-current assets for each reportable segment

During the first nine months of the fiscal year ending March 31, 2025, there was no recognition of significant impairment losses on non-current assets, no significant fluctuations in the amount of goodwill, and no recognition of significant gain on bargain purchase.

**(Note when there is a significant change in the amount of shareholders' equity)**

The Company has disposed of 12,740 of its own treasury shares as restricted stock compensation, based on the resolution passed at the Board of Directors meeting held on June 27, 2024. Moreover, we disposed of 8,000 treasury shares in connection with the exercise of stock option rights. As a result, during the first nine months of the fiscal year ending March 31, 2025, treasury shares decreased by ¥23 million to ¥1,408 million at the end of the third quarter of the fiscal year ending March 31, 2025.

**(Notes on the premise of a going concern)**

Not applicable.

**(Notes on quarterly consolidated statement of cash flows)**

Quarterly consolidated statement of cash flows has not been prepared for the nine months ended December 31, 2024. Depreciation (including amortization related to intangible assets) for the first nine months of the fiscal year, is as follows.

	(Millions of yen)	
	Nine months ended December 31, 2023	Nine months ended December 31, 2024
Depreciation	1,779	1,819

**(Significant subsequent events)**

(Execution of a tender offer for SHINTO PAINT CO., LTD. and subscription of new shares to be issued by SHINTO PAINT CO., LTD. with the Company as the allottee)

The Company resolved at a Board of Directors meeting held on February 6, 2025 to acquire the common shares of SHINTO PAINT CO., LTD. (securities code: 4615, Tokyo Stock Exchange, Inc. (hereinafter the “Tokyo Stock Exchange”) Standard Market; hereinafter the “Target Company”) by a tender offer in accordance with the Financial Instruments and Exchange Act (Act No. 25 of 1948; including subsequent revisions).

Furthermore, on February 6, 2025, the Company concluded a memorandum of understanding with the Target Company regarding the execution of the tender offer, etc., in which the Target Company agreed to conduct a resolution of its Board of Directors approving the tender offer (while remaining neutral regarding the subscription to the tender offer by the Target Company’s shareholders), and agreeing to announce the details of the resolution and conduct a capital increase through third-party allotment if the tender offer is successful. In connection with the tender offer, the tender offeror reached an agreement with SUMITOMO CHEMICAL COMPANY, LIMITED (hereinafter the “Shareholder Agreeing to Tender”) on February 6, 2025 that the Shareholder Agreeing to Tender itself will tender its shares and that the Shareholder Agreeing to Tender will make every effort within reason to have its subsidiaries tender for the tender offer.

The Company and the Target Company have a policy of continuing to maintain the listing of the Target Company’s shares, even if the tender offer succeeds. Therefore, in the tender offer, an upper limit on the number of shares planned to be acquired has been set at 15,520,000 (ownership ratio before the capital increase: 50.10%; ownership ratio after the capital increase: 45.58%). Furthermore, when the tender offer and the capital increase through third-party allotment are executed, the Company’s ownership ratio of the Target Company will be 50.10%, and the Target Company will become a consolidated subsidiary of the Company.

The content of the tender offer and the capital increase through third-party allotment is described below. For further details regarding the tender offer and the capital increase through third-party allotment, please refer to the press release “Notice Regarding Commencement of a Tender Offer for SHINTO PAINT CO., LTD. (Securities Code 4615)” released today.

Purpose and background of the tender offer and subscription to the capital increase through third-party allotment

The Company announced Medium-Term Management Plan 2026 (2024 - 2026) on May 16, 2024, with financial targets for consolidated net sales of ¥80.0 billion and consolidated operating profit of ¥8.0 billion, and it has been promoting business activities toward achieving these targets. In its medium-term management plan, the Company has expressed a basic policy of internal growth and acquisition and utilization of external resources to expand the coatings business. The Company announced Vision 2029 on May 16, 2024, aiming to achieved consolidated net sales of ¥100.0 billion and consolidated operating profit of ¥10.0 billion by FY2029, the Company's 100th founding anniversary. If the Company acquires the Target Company, it will contribute to achieving this Vision 2029 by generating business synergies between the Company and the Target Company in the form of business opportunity expansion and cost reduction through the linking of the two companies' coating businesses, and by increasing productivity through new capital investment. In consideration of this, the Company decided to acquire the shares.

Overview of the Target Company in the tender offer

(i)	Name	SHINTO PAINT CO., LTD.
(ii)	Location	6-10-73 Minamitsukaguchi-cho, Amagasaki-shi, Hyogo
(iii)	Title and name of representative	President and Representative Director Ichiro Kosaka
(iv)	Details of business	<ol style="list-style-type: none"> <li>1. Manufacture, processing, and trading in the following products <ol style="list-style-type: none"> <li>(1) Paints, adhesives, pigments, synthetic resins, fats and oils, and various other chemicals</li> <li>(2) Medicines, Quasi-drugs, veterinary drugs, veterinary quasi-drugs, industrial chemicals, cosmetics, household sundry goods and feed additives</li> <li>(3) Insecticide, industrial disinfectant, herbicide, and agrochemicals</li> <li>(4) Electronic equipment, optical communication equipment, magnetic equipment and parts, and their materials</li> <li>(5) Painting facilities and related machinery, tools, and equipment, and materials</li> <li>(6) Civil engineering and construction materials and housing materials</li> <li>(7) Printing materials</li> <li>(8) Automotive chemical products</li> <li>(9) Systems related to the aforementioned products</li> <li>(10) Processed products of each of the above items</li> </ol> </li> <li>2. Export and import of the above products</li> <li>3. Design, execution, and management of painting work or various other construction work, and related technical guidance</li> <li>4. Contract installation work for painting facilities and related machinery, tools, and equipment, and design and supervision thereof</li> <li>5. Sale and purchase, renting, and management of real estate</li> <li>6. All businesses that are incidental to those mentioned in the preceding items</li> </ol>
(v)	Share capital	¥2,255,000 thousand
(vi)	Date of establishment	April 17, 1933

## Outline of the tender offer

### (1) Schedule, etc.

#### (i) Schedule

Date of resolution by the Board of Directors	Thursday, February 6, 2025
Public notice date of commencement of the tender offer	Friday, February 7, 2025
Name of newspaper in which the public notice is to be made	The Company will provide electronic public notice and publish it in the Nihon Keizai Shimbun (Electronic notification address: <a href="https://disclosure2.edinet-fsa.go.jp/">https://disclosure2.edinet-fsa.go.jp/</a> )
Submission date of tender offer statement	Friday February 7, 2025

#### (ii) Initially notified period of the purchase, etc.

From Friday, February 7, 2025 to Monday, March 10, 2025 (20 business days)

#### (iii) Possibility of extension at the request of the Target Company

Under the provision of Article 27-10, paragraph (3) of the Financial Instruments and Exchange Act, if a position statement is submitted bearing a request for an extension of the tender offer period, the tender offer period will be extended to 30 business days, until Tuesday, March 25, 2025.

### (2) Price of the purchase, etc.

¥90 per common share

### (3) Rational for calculation of the price of the purchase, etc.

The tender offer price of ¥90 is the closing price of the Target Company's shares on the Tokyo Stock Exchange Standard Market on February 5, 2025, which is the business day preceding the date of announcement of the execution of the tender offer, of ¥141 discounted by 36.17%, the simple average of the closing prices for the past one month (January 6, 2025 to February 5, 2025) (rounded to the nearest whole number; hereinafter the same for calculation of simple averages of closing prices) of ¥133 discounted by 32.33%, the simple average of the closing prices for the past three months (November 6, 2024 to February 5, 2025) of ¥132 discounted by 31.82%, and the simple average of the closing prices for the past six months (August 6, 2024 to February 5, 2025) of ¥132 discounted by 31.82%.

Furthermore, since the tender offeror has decided on the tender offer price through consultation and negotiation with the Shareholder Agreeing to Tender, it has not taken measures such as seeking a third-party opinion regarding the calculation of the tender offer price.

### (4) Number of shares planned to be purchased

Class of shares, etc.	Number planned to be purchased	Minimum number planned to be purchased	Maximum number planned to be purchased
Common shares	15,520,000 shares	13,989,000 shares	15,520,000 shares
Total	15,520,000 shares	13,989,000 shares	15,520,000 shares

(Notes) 1. If the total number of tendered shares, etc., does not meet the minimum number planned to be purchased (13,989,000), the tender offeror will not purchase, etc., any of the tendered shares, etc. If the total number of tendered shares, etc., exceeds the maximum number planned to be purchased (15,520,000), the tender offeror will not purchase all or part of the shares in excess of the number planned to be purchased, and delivery and other settlement pertaining to the purchase, etc. of the shares, etc., shall be conducted by the pro rata method stipulated in Article 27-13, paragraph (5) of the Financial Instruments and Exchange Act and Article 32 of the Cabinet Office Order.



2. Shares less than one unit are also subject to the tender offer. Moreover, if a shareholder exercises the right to request purchase of shares less than one unit in accordance with the Companies Act, the Target Company may purchase its own shares during the tender offer period in accordance with the procedure set out in laws and regulations.
3. The tender offeror does not plan to acquire the treasury shares held by the Target Company through the tender offer.

(5) Purchase price

¥1,396,800,000

(Note) The purchase price is the amount obtained by multiplying the number planned to be purchased (15,520,000 shares) in the tender offer by the tender offer price (¥90).

(6) Date of commencement of settlement

Monday, March 17, 2025

(Note) Under the provision of Article 27-10 paragraph (3) of the Financial Instruments and Exchange Act, if the Target Company submits a position statement stating a request to extend the tender offer period, the date of commencement of settlement shall be Tuesday, April 1, 2025.

Overview of the subscription to the capital increase through third-party allotment

(1) Conditions of the subscription to the capital increase through third-party allotment

Number of target shares to be subscribed to in the capital increase through third-party allotment	[3,070,000] shares (Ownership ratio after capital increase: [9.02]%)
Subscriber	Dai Nippon Toryo Co., Ltd.
Issue price per share	¥127
Total issue amount	¥389,890,000
Payment period	From March 18, 2025 to April 30, 2025
Use of proceeds from the capital increase through third-party allotment	Production equipment for improving productivity of electrodeposition coatings

- (Notes)
1. “Ownership ratio after capital increase” is the ratio to the number of shares (34,047,096 shares, hereinafter the “standard number of shares after the capital increase”) obtained by subtracting the number of treasury shares held by the Target Company (22,904 shares) as of December 31, 2024 as stated in the financial results report of the Target Company from the number of shares (34,070,000 shares) obtained by adding the total number of issued shares (31,000,000 shares) as of the same date as stated in the financial results report of the Target Company, to the number of target shares (3,070,000) that the tender offeror plans to subscribe for in the capital increase through third-party allotment.
  2. 3,070,000 shares is the number of shares necessary for the tender offeror to hold the equivalent of 50.10% of the shares as the ownership ratio after the capital increase in the event that the subsidiaries of the Shareholder Agreeing to Tender do not tender any of the target shares that they hold for the tender offer. Accordingly, if the subsidiaries of the Shareholder Agreeing to Tender tender their target shares for the tender offer, the Target Company will reduce the number of Target Company shares issued to the tender offeror to 3,060,000 shares.
  3. The issue price per share of the capital increase through third-party allotment is the closing price of the target shares on the Tokyo Stock Exchange Standard Market on February 5, 2025, which is the business day preceding the date of the Board of Directors resolution of the Target Company (February 6, 2025) regarding the capital increase through third-party allotment, of ¥141 discounted by 10.00% (rounded to the second decimal place; hereinafter the same for discount calculations) [and rounded up to the nearest yen] (¥127). It is a higher amount than the price of the purchase, etc., per share of the Target Company related to the tender offer (¥90; hereinafter the “Tender Offer Price”).
  4. The planned payment date for the capital increase through third-part allotment is March 18, 2025; however, if the purchase period of the tender offer (hereinafter, the “Tender Offer Period”) is extended, the payment date may also be delayed accordingly. Therefore, a payment period has been set rather than a payment date (even if the Tender Offer Period is extended and the payment date delayed, the payment date after the

extension is planned to be the business day following the starting date of settlement related to the tender offer). Additionally, according to the Target Company, if a resolution of the General Meeting of Shareholders is required pursuant to the provisions of Article 206-2 of the Companies Act, the Target Company plans to resolve the payment period separately.

(2) Issue price per share of the capital increase through third-party allotment

Regarding the issue price per share of the capital increase through third-party allotment, the tender offeror received two written requests, on November 7 and December 22, 2024, from a special committee of the Target Company, requesting that a price be proposed that is not lower than the closing price of the Target Company shares on the trading day immediately preceding the date of announcement of the transaction so as to prevent dilution of the Target Company shares. In response to both requests, on November 22, 2024 and January 10, 2025 the tender offeror responded by expressing its view as the tender offeror with regard to the issue price per share in the capital increase through third-party allotment that it would be preferable to subscribe at a price of ¥90 per share, which is the same amount as the Tender Offer Price, and that it would like to have an issue price in accordance with the stipulation of the Japan Securities Dealers Association's "Guidelines Concerning Treatment of Capital Increase Through Third-Party Allotment" (April 1, 2010). (an amount obtained by multiplying the closing price of the Target Company shares on the trading day immediately preceding the date of announcement of the transaction by 90%). The tender offeror received communication from the Target Company on January 15, 2025 indicating that it consents to the amount obtained by multiplying the closing price of the Target Company shares on the trading day immediately preceding the date of announcement of the transaction by 90%.