July 25, 2025

Company name: Kyokuto Boeki Kaisha, Ltd.
Representative: Yoshiya Okada, Representative Director President and Chief Executive Officer
(Code number: 8093; TSE Prime)
Inquiries: Yasuhiro Sonoda, General Manager, Corporate Planning Dept.
(Telephone: +81-3-3244-3516)

Notice Regarding Dissolution and Liquidation of Two Equity-method Affiliates Due to Consolidation of Offices

Kyokuto Boeki Kaisha, Ltd. ("the Company") hereby announces that it has agreed to resolve at a meeting of its Board of Directors held today to dissolve two equity-method affiliates, Fujikura Kasei Coating (Tianjin) Co., Ltd. ("Fujikura Kasei Coating（Tianjin)") and Fujikura Kasei (Foshan) Coating Co., Ltd. ("Fujikura Kasei (Foshan) Coating"), as follows.

1. Reason for Dissolution

In China, the Company has mainly developed their business in the area of coating for local Japanese automobile manufacturers, through three joint venture companies: Fujikura Kasei Coating (Tianjin), Fujikura Kasei (Foshan) Coating, and Shanghai Fujikura Kasei Coating Co., Ltd. ("Shanghai Fujikura Kasei Coating")—joint ventures between the Company, Fujikura Kasei Co., Ltd. and Shanghai Huayi Fine Chemical Co., Ltd.,—, as well as KYOKUTO TRADING (SHANGHAI) CO., LTD., a wholly owned subsidiary of the Company.

However, due to changes in the environment of the Chinese automotive market such as the rapid spread of EVs since the COVID-19 pandemic, demand from Japanese automobiles decelerated, making it necessary to review and rationalize the business.

Under these circumstances, following meticulous deliberations among the three joint investment companies, it has determined that the most pragmatic approach is to dissolve and liquidate Fujikura Kasei Coating (Tianjin) and Fujikura Kasei (Foshan) Coating and to consolidate management resources to Shanghai Fujikura Kasei Coating.

2. Future Expansion of Coating Operations in China

Following its consolidation, Shanghai Fujikura Kasei Coating will establish branches in Tianjin and

Foshan to maintain the same supply system for existing customers of Fujikura Kasei Coating (Tianjin) and Fujikura Kasei (Foshan) Coating. In addition, efforts to develop new customers and expand order opportunities will be strengthened to further improve profitability.

3. Overview of the Equity-method Affiliates to be Dissolved and Liquidated

(1) Name	Fujikura Kasei Coating (Tianjin) Co., Ltd.	Fujikura Kasei (Foshan) Coating Co., Ltd.
(2) Location	No.200 MuNing Road TEDA Tianjin China 300457	No.6 Shunyuan Nan Rd, Wusha section, Daliang Town, Shunde of Foshan, Guangdong Province, China 528333
(3) Positions and names of representatives	Chairman: Hitoshi Kawaguchi	Same as on the left
(4) Operation details	Manufacturing and sales of coatings, etc.	Same as on the left
(5) Share capital	RMB 8,600,000	RMB 13,999,000
(6) Date of founding	July 28, 2004	July 8, 2005
(7) Shareholders and percentage of shareholding	Fujikura Kasei Co., Ltd. 40% Shanghai Huayi Fine Chemical Co., Ltd. 30% The Company 30%	Same as on the left

4. Dissolution and Liquidation Schedule

	Fujikura Kasei Coating (Tianjin) Co., Ltd.	Fujikura Kasei (Foshan) Coating Co., Ltd.
Start of liquidation process (scheduled)	From April 2026	From July 2026
Completion of company liquidation (scheduled)	During fiscal year 2026	During fiscal year 2027

5. Effects on Business Results and Forecasts

The Company is carefully examining the effects of this matter on its consolidated business results for the fiscal year ending March 31, 2026. The Company will promptly report any matters that should be disclosed in the future.