



May 19, 2025

To whom it may concern:

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## Notice Concerning the Dissolution (Special Liquidation) of the Consolidated Subsidiary KIMITSU ROCKWOOL CORPORATION and Debt Waiver

NICHIAS Corporation (the “Company”) hereby announces that at the meeting of the Board of Directors held today, it has resolved to dissolve the Company’s consolidated subsidiary KIMITSU ROCKWOOL CORPORATION (“KIMITSU RW”), file a petition for the commencement of the special liquidation of KIMITSU RW, and grant a debt waiver to it, based on the “Reasons and backgrounds that led to the dissolution and debt waiver” outlined in 2., below.

### 1. Overview of the consolidated subsidiary

(1)	Name	KIMITSU ROCKWOOL CORPORATION		
(2)	Head Office Address	1-6-1 Hatchobori, Chuo-ku, Tokyo		
(3)	Name and title of representative	Shoji Nakamura, President and Chief Executive Officer		
(4)	Business	Manufacture of insulation materials (rock wool products)		
(5)	Share capital	220 million yen		
(6)	Date of establishment	February 14, 1992		
(7)	Major shareholder and shareholding ratio	NICHIAS Corporation 100%		
(8)	Relationship with the Company	Capital relationship	KIMITSU RW is a wholly owned consolidated subsidiary of the Company.	
		Personal relationship	The Company’s employees serve as corporate officers of KIMITSU RW through secondment or concurrent service.	
		Business relationship	KIMITSU RW supplies the Company with rock wool products and the Company lends funds to KIMITSU RW.	
		Related party status	KIMITSU RW is a consolidated subsidiary and related party of the Company.	
(9)	Operating results and financial position of KIMITSU RW over the past three years (Millions of yen)			
	Fiscal year ended	March 31, 2023	March 31, 2024	March 31, 2025
	Net sales	2,716	2,069	(0)
	Operating income	(574)	(518)	(0)
	Ordinary income	(563)	(527)	21
	Net income	(1,736)	(750)	60
	Net income per share (yen)	(32,177.28)	(13,907.25)	1,130.41
	Total assets	839	145	119
	Net assets	(8,135)	(8,886)	(8,825)
	Net assets per share (yen)	(150,775.85)	(164,683.09)	(163,552.69)
	Dividends per share	—	—	—

## 2. Reasons and backgrounds that led to the dissolution and debt waiver

The business performance of KIMITSU RW cannot be expected to recover amid the compounding impact of factors such as soaring energy and raw materials costs in recent years. It therefore ceased production of rock wool products at the end of March 2024.

The Company has subsequently proceeded with the disposal of the production equipment and other assets owned by KIMITSU RW. This disposal is now complete, and the Company has therefore decided to dissolve KIMITSU RW, file a petition for the commencement of the special liquidation of KIMITSU RW, and grant a debt waiver to it.

## 3. Type and amount of claims held by the Company against KIMITSU RW (as of March 31, 2025)

- |     |  |                  |                   |
|-----|--|------------------|-------------------|
| (1) | Type and amount of claims:                           | Loans receivable | 8,750 million yen |
| (2) | Proportion of the Company's consolidated net assets: |                  | 4.0%              |

## 4. Schedule of dissolution and special liquidation (planned)

May 19, 2025	Resolution by the Company's Board of Directors to dissolve KIMITSU RW
Early June	Resolution to dissolve by an extraordinary General Meeting of Shareholders of KIMITSU RW
Early June	Date of dissolution
Early June	Petition to commence special liquidation
October 2025	Completion of special liquidation

## 5. Outlook

With respect to the amount of losses incurred due to the dissolution of KIMITSU RW and the amount of bad debts incurred due to the waiver of claims, the Company has provided for the full amount of expected losses in the Company's non-consolidated financial statements through the fiscal year ending March 31, 2025.

The amount of such losses is offset and eliminated in the consolidated financial statements.

The Company does not expect to incur losses that will have a material impact on its consolidated results of operations in the fiscal year ending March 31, 2026 or later.