Note: This document has been translated from the Japanese original for reference purposes only. In the event of any discrepancy between this translated document and the Japanese original, the original shall prevail.

October 27, 2026

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Name of representative: Takayuki Sato
Representative Director and President
(Securities code: 4611 TSE PRIME)
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Notice of Completion of Equity Transfer of a Consolidated Subsidiary and Recognition of Extraordinary Income (Progress of a Previously Disclosed Matter)

Dai Nippon Toryo Co., Ltd. (the "Company") previously announced in the "Notice of Revision to FY2026 Consolidated Earnings Forecasts Following Equity Transfer and Extraordinary Loss on Group Restructuring" dated February 26, 2026, that it planned to transfer all of its equity interests in DNT (Zhejiang) Co., Ltd., a consolidated subsidiary of the Company.

The Company hereby announces that the transfer of all equity interests in the subsidiary has been completed and that, in connection with the subsidiary's exclusion from the scope of consolidation, the Company expects to recognize extraordinary income as a result of the related accounting treatment, as described below.

1. Completion of the Equity Transfer

The Company has proceeded with the necessary procedures pursuant to the equity transfer agreement announced on February 26, 2026. The transfer of the rights and obligations relating to the equity transfer and the procedures for registration of the change in ownership have now been completed, and the transfer consideration has been finalized.

Accordingly, the subsidiary is expected to be excluded from the Company's scope of consolidation as of September 30, 2026.

2. Recognition of Extraordinary Income (Gain on Sale of Shares of Subsidiaries and Associates)

In connection with the subsidiary's exclusion from the scope of consolidation, the Company expects to recognize approximately ¥410 million as extraordinary income for the six-month period ended September 30, 2026, representing a gain on sale of shares of subsidiaries and associates arising from factors including the reclassification of the foreign currency translation adjustment.

3. Outlook

For the impact of this matter on the Company's consolidated financial results for the fiscal year ending March 31, 2027, please refer to the "Notice of Revision to Earnings Forecasts" released today.

Note: The forward-looking statements contained in this document are based on information available as of the date of its publication. Actual results may differ due to various factors that may arise in the future.