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November 12, 2024

Notice regarding Withdrawal from Bookstore Business

Nippon Chemical Industrial Co., Ltd., (the Company) announces that the withdrawal from the bookstore business included in Other Business of the Company was resolved at the board of directors' meeting held on November 12, 2024.

Particulars

1. Reasons for the withdrawal

The Company entered into a franchise agreement with K.K. Miyawaki Culture Space and started the bookstore business as Miyawaki Shoten Tokuyama Store at the Company's owned site in Shunan-shi, Yamaguchi, in 1997. Two stores, including the Ube Store, in addition to the Tokuyama Store, are now being operated. However, the bookstore business suffers from deteriorated business results under a severe business environment surrounding the bookstore sector in recent years, and the resolution was adopted to cancel the franchise agreement and exit the bookstore business based on the determination that it is difficult to achieve recovery and expansion of business results.

2. Summary of the business to exit

(1) Name	Miyawaki Shoten Tokuyama Store	Miyawaki Shoten Ube Store
(2) Location	1-2-23 Syuyo, Shunan-shi, Yamaguchi, Japan	3-17-7 Higashi Kajigaeshi, Ube-shi, Yamaguchi, Japan
(3) Business activities	Bookselling	Bookselling
(4) Net sales for last three years (total in stores)		
FY 2022/3	FY 2023/3	FY 2024/3
619 million yen	549 million yen	508 million yen

3. Schedule regarding exit of the business

Schedule regarding closure of the stores operated by the Company

- Tokuyama Store: January 31, 2025
- Ube Store: February 28, 2025

After the closure, both stores will reopen as the company-owned store of K.K. Miyawaki Shoten (Tokuyama Store: to be reopened in March 2025, Ube store: to be reopened in April 2025).

4. Outlook

While additional expenses are expected in relation to the withdrawal from the business, the Company forecasts that the impact of the exit will be insignificant on the consolidated business results for the fiscal year ending March 31, 2025. Any matters to be announced would be immediately disclosed.