



October 7, 2026

To whom it may concern:

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Notice Regarding Withdrawal from the LAWTER New Zealand Business

Harima Chemicals Group, Inc. (the “Company”) hereby announces that its Board of Directors resolved at a meeting held on October 7, 2026, to withdraw from the business of LAWTER (N.Z.) Limited (“LAWTER N.Z.”), the Company's consolidated subsidiary incorporated in New Zealand.

LAWTER N.Z. serves as the Oceania base of LAWTER, the overseas division of the Company's Pine Chemicals Business, and manufactures and sells terpene derivatives (fragrance ingredients), tall oil fatty acids, and tall oil rosin. However, in recent years, its business performance has been adversely affected by intensified price competition in export markets such as Asia, rising manufacturing costs in New Zealand, and instability in raw material procurement. Although the Company has implemented various measures over the past several years to improve profitability, these efforts have not produced sufficient results. Given the expectation that the challenging business environment will continue, the Company has concluded that a recovery in LAWTER N.Z.'s performance is unlikely and has therefore decided to withdraw from the business.

1. Overview of LAWTER (N.Z.) Limited

Company Name	LAWTER (N.Z.) Limited			
Location	Mount Maunganui, New Zealand			
Representative	Director Luigi VILLELLA			
Business Activities	Manufacture and sale of tall oil fatty acids, tall oil rosin and terpene derivatives			
Capital	USD 23.4 million			
Established	2010			
Net Assets	USD 0.7 million (as of fiscal year-end 2025)			
Total Assets	USD 39.6 million (as of fiscal year-end 2025)			
Major Shareholder and Ownership Ratio	Harima Chemicals Group, Inc.: 97.68% (indirect ownership)			
Relationship with the company	Capital Relationship	97.68% indirectly owned by the Company		
	Personnel Relationship	None		
	Business Relationship	None		
Financial Performance Trend (USD million)		2023	2024	2025
	Net Sales	19.9	20.0	20.9
	Operating Loss	(6.3)	(2.5)	(3.9)

2. Schedule for business withdrawal

LAWTER N.Z. plans to cease production activities on June 30, 2027. Thereafter, the site will be temporarily utilized as a logistics hub within the Group, and the plant is scheduled to be closed in May 2028.

3. Future forecast

Based on the Company's current preliminary estimate, the withdrawal is expected to result in an extraordinary loss of approximately JPY 2.8 billion in the third quarter of the fiscal year ending March 31, 2027, primarily consisting of impairment losses on fixed assets and one-time expenses related to the withdrawal. The Company will continue to assess the impact and will promptly disclose any matters that require further announcement.

In addition, the gain on the sale of shares of SunPine AB, amounting to approximately JPY 3.7 billion as disclosed in the “Notice Regarding completion of the sale of shares in SunPine AB” dated July 10, 2026, is also expected to be recorded in the third quarter of the fiscal year ending March 31, 2027.

Note: This document has been translated in part from the Japanese original for reference purposes only.
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