

To whom it may concern,

Company Name: T&K TOKA CO., LTD.
 Representative: Akihiro Takamizawa, President
 (Code Number: 4636 TSE Prime Market)
 Contact: Hideaki Sekine Managing Director,
 Chief of Management Headquarters
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Announcement Regarding Sale of Certain Shares of an Equity-Method Affiliate

At the meeting of the Board of Directors held today, we decided to sell a portion of the shares of our equity-method affiliate HANGZHOU TOKA INK CO., LTD. (hereinafter "HANGZHOU TOKA INK"), which is announced as follows.

Even after the completion of the sale of the shares, HANGZHOU TOKA INK will continue to be our equity-method affiliate.

Notice

1. Reasons for sale of the shares

As stated in "Announcement Regarding Planned Commencement of Tender Offer for T&K TOKA CO., LTD. (Securities Code: 4636) by K.K. BCJ-74" and "Announcement of Opinion in Support of and Recommendation to Tender in Scheduled Tender Offer for the Company's Share Certificates, Etc. by K.K. BCJ-74" announced on August 17, 2023, in the event that K.K. BCJ-74 acquires control of us through Tender Offer, K.K. BCJ-74 will have to conduct tender offer the shares of HANGZHOU TOKA INK in China based on Chinese tender offer regulation. Because of K.K. BCJ-74 will be assumed have effectively acquired more than 30% of the HANGZHOU TOKA INK shares, since we have 33.50% of the HANGZHOU TOKA INK shares that are listed on the STAR Market of the Shanghai Stock Exchange. To avoid this, we sell a portion of the shares of HANGZHOU TOKA INK.

2. Overview of equity-method affiliate regarding the sale of shares

(1)Name	HANGZHOU TOKA INK CO., LTD.	
(2)Address	Main Road No. 5 (South) No. 2, Baiyang Road, Hangzhou Economy and Technology Development Area, Hangzhou City, Zhejiang Province, People's Republic of China	
(3)Title and name of representative	Chairman Qiu Kejia	
(4)Description of Businesses	Manufacturing and sales of printing ink	
(5)Amount of share capital	RMB416,000 thousand	
(6)Date of Establishment	December 5, 1988	
(7)Shareholders and the shareholding ratio	Hangzhou Industrial Investment Group Co., Ltd. (37.50%) T&K TOKA CO., LTD. (33.50%) Hangzhou Xiefeng Touzi Guanli Hehuo Qiye (Youxianhehuo) (4.00%) Other common shareholders (25.00%)	
(8)Relationship between the listed company and this company	Capital relationship	An equity-method affiliate. Our share ratio is 33.50%
	Human relations	Our one director and our one employee are directors of this company.
	Business relationship	We sell products and raw materials to this company.

(9)Results of operations and financial position for the past 3 years about this company			
	Year ended December 31, 2020	Year ended December 31, 2021	Year ended December 31, 2022
Net assets	RMB1,312,327 thousand (JPY20,747 million)	RMB1,381,426 thousand (JPY24,962 million)	RMB1,400,393 thousand (JPY26,635 million)
Total assets	RMB1,659,380 thousand (JPY26,234 million)	RMB1,789,777 thousand (JPY32,341 million)	RMB1,766,651 thousand (JPY33,601 million)
Net sales	RMB987,054 thousand (JPY15,605 million)	RMB1,148,662 thousand (JPY20,756 million)	RMB1,139,480 thousand (JPY21,672 million)
Operating profit	RMB125,537 thousand (JPY1,984 million)	RMB128,171 thousand (JPY2,316 million)	RMB86,684 thousand (JPY1,648 million)
Net income	RMB109,265 thousand (JPY1,727 million)	RMB112,913 thousand (JPY2,040 million)	RMB79,573 thousand (JPY1,513 million)
Exchange rate	JPY15.81	JPY18.07	JPY19.02

3.Overview of transaction

The shares of HANGZHOU TOKA INK are listed on the STAR Market of the Shanghai Stock Exchange. We will entrust the implementation of Inquiry Transfer and Placement for our shares of HANGZHOU TOKA INK to China International Capital Corporation.

Shares transferred by the Inquiry Transfer and Placement will not be transferred within 6 months after the transfer.

4.Number of shares to be sold, sales price, and number of shares held before and after the sale

(1)Number of shares held before the sale	139,370thousand shares (shareholding ratio 33.50%)
(2)Number of shares to be sold (maximum)	14,976 thousand shares (shareholding ratio 3.60%)
(3)Number of shares held after the sale	124,394 thousand shares (shareholding ratio 29.90%)
(4)Sale price of shares	Undetermined due to bidding

(Note 1) Due to market trend and other factors, some or all of the sales may not be conducted.

5.Scheduled date of sale

November 24, 2023

6.Future outlook

As a result of the sale of the shares, gain on sale of shares of subsidiaries and associates (extraordinary income) is expected in our consolidated and non-consolidated financial statements. In the future, we will promptly disclose any matters that should be disclosed regarding the sale of the shares.

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