



January 30, 2025

To whom it may concern

Company name: ORGANO CORPORATION
Representative name: Masayuki Yamada
Representative Director and President
(Securities Code: 6368, Stock Exchange: TSE Prime Market)
Inquiries: Shojiro Koike
General Manager of Corporate Strategy and Planning
Dept., Corporate Management and Planning
(TEL: +81-3-5635-5111)

Notice Regarding the Transfer of Shares in a Consolidated Subsidiarity

ORGANO CORPORATION (the “Company”) hereby announces that it resolved at the Board of Directors meeting held on November 29, 2024, to transfer part of its shareholding in the consolidated subsidiary PT Lautan Organo Water (domiciled in Jakarta, Indonesia; “LOW”) to PT Lautan Air Indonesia (“LAI”), a subsidiary of PT Lautan Luas Tbk (“LTL”) that is the Company’s partner in the joint venture LOW, as detailed below; and that the Company concluded a share transfer agreement with the LTL Group on January 24, 2025.

Please be informed that the announcement was made today, on January 30, because of an arrangement with LTL.

1. Reason for the share transfer

In 2012, the Company acquired 51% of the issued shares in LOW, which was LTL’s subsidiary under the name of PT Hydro Hitech Optima at the time. Through this joint venture with LTL, the Company has since engaged in the water treatment business targeting both Japanese and Indonesian clients. The business has maintained solid performance but has been growing at a slower pace than initially anticipated.

LTL, meanwhile, has been expanding its water treatment business through LAI, a group company that conducts the business with focus on water treatment chemicals. Based on the consideration that the best way to boost LOW’s water treatment business in Indonesia would be to enhance the synergy with the LTL Group, the Company came to the conclusion that transferring part of its shareholding to LAI should lead to synergy creation.

Going forward, the Company will continue to engage in the water treatment business in Indonesia through this joint venture with the LTL Group, while always being mindful of optimizing the business portfolio.

2. Outline of the joint venture (LOW)

(1) Name	PT Lautan Organo Water	
(2) Address	Graha Indramas 5th Floor, Jl. AIP II K.S. Tubun Raya, No. 77, Jakarta 11410, Indonesia	
(3) Name and job title of representative	Kenji Oikawa, president director	
(4) Description of business	Water treatment engineering	
(5) Share capital	18,000 million Indonesian rupiah (approximately 174 million yen)	
(6) Date of incorporation	November 7, 1994	
(7) Net assets	48,601 million Indonesian rupiah (approximately 471 million yen) Note: As of December 31, 2023.	
(8) Total assets	87,852 million Indonesian rupiah (approximately 852 million yen) Note: As of December 31, 2023.	
(9) Major shareholders and ownership ratios	ORGANO CORPORATION: 51% PT Lautan Luas Tbk: 49%	
(10) Relationship between the Company and the joint venture	Capital relationship	The joint venture is a subsidiary in which the Company has a 51% stake.
	Personnel relationship	An executive officer of the Company concurrently serves as the subsidiary's executive.
	Business relationship	Not applicable

Note: One Indonesian rupiah is equal to 0.0097 yen (as of December 30, 2024).

3. Outline of the company to which the shares will be transferred (LAI)

(1) Name	PT Lautan Air Indonesia	
(2) Address	Jl. Manis II No. 9, Zona Industri Manis KM 8,5 Tangerang, Banten 15810, Indonesia	
(3) Name and job title of representative	Danny Suryadi Adenan, president director	
(4) Description of business	Water treatment	
(5) Share capital	4,000 million Indonesian rupiah (approximately 38 million yen)	
(6) Date of incorporation	February 21, 1984	
(7) Net assets	125,995 million Indonesian rupiah (approximately 1,222 million yen) Note: As of December 31, 2023.	
(8) Total assets	180,807 million Indonesian rupiah (approximately 1,753 million yen) Note: As of December 31, 2023.	
(9) Major shareholders and ownership ratios	PT Lautan Luas Tbk: 99.98% Executive of PT Lautan Luas Tbk: 0.02%	
(10) Relationship between the Company and said company	Capital relationship	Not applicable
	Personnel relationship	Not applicable
	Business relationship	Not applicable

4. Number of shares to be transferred and status of shareholding before and after the transfer

(1) Number of shares held before the transfer	9,180 (ownership ratio: 51.0%)
(2) Number of shares to be transferred	3,780
(3) Number of shares to be held after the transfer	5,400 (ownership ratio: 30.0%)

5. Schedule

Resolution at the Board of Directors meeting:	November 29, 2024
Date of conclusion of the share transfer agreement:	January 24, 2025
Scheduled date of share transfer:	Early March 2025

6. Looking ahead

Upon completion of the share transfer, LOW will cease to be a consolidated subsidiary, and become an equity-method affiliate, of the Company. The impact of the share transfer on the Company's consolidated financial results for the fiscal year ending March 31, 2025, will be insignificant.