

Dissolution of a Joint Venture (an Affiliate not Accounted for Using the Equity Method) and Acquisition of its Shares to Form a Specified Subsidiary

Pilot Corporation (hereinafter “the Company”) announces that at a meeting of the Board of Directors held on November 7, 2023, the Company has resolved to terminate its joint venture agreement with PT PILOTINDO PRIMA (hereinafter “PIP”) and acquire all shares of PT Pilot Pen Indonesia (hereinafter “PPI”), which is currently a joint venture between the Company and PIP. PPI is currently an affiliate of the Company that is not accounted for using the equity method. After the acquisition, PPI will become a wholly owned subsidiary of the Company. Details are as follows.

1. Reason for the termination of the joint venture agreement

In 1991, the Company and PIP established PPI in the Republic of Indonesia to manufacture products primarily for the local market. PPI has been specializing in producing writing instruments and other goods. The Company and Pilot Group are striving to strengthen their operations and secure the top spot in the global market for writing instruments. As a part of this endeavor, the Company has decided to terminate its joint venture agreement with PIP and acquire all shares of PPI, making it a wholly owned subsidiary of the Company. By doing so, the Company will work to improve its manufacturing capabilities in the country.

2. Description of the termination of the joint venture agreement and the acquisition of the shares of the joint venture

The Company will terminate the joint venture agreement with PIP and acquire all shares of PPI owned by PIP (50% of the shares outstanding). As a result, PPI will become a wholly owned subsidiary (specified subsidiary) of the Company.

3. Outlook

The impact of the acquisition of the shares on the Company’s consolidated results will be minor at this time. The Company will promptly disclose any future material developments on this matter.