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May 15, 2025

To Whom It May Concern,

Company name : DAINICHISEIKA COLOR & CHEMICALS MFG. CO., LTD.
Representative : Koji Takahashi, Representative Director and President
(Code number: 4116, Tokyo Stock Exchange Prime Market)
Contact : Tatsuhiko Komada
Senior Managing Executive Officer, Chief Financial Officer
(TEL +81-3-3662-1638)

Notice Concerning Change in Shareholder Return Policy

DAINICHISEIKA COLOR & CHEMICALS MFG. CO., LTD. (the "Company") hereby announces that, at the Board of Directors meeting held today, the Company resolved to change the shareholder return policy scheduled to be implemented during the three-year medium-term management plan "TRANSFORMATION for TOMORROW 2027," ("the Medium-Term Management Plan") announced in June 2024, as detailed below.

1. Change in Shareholder Return Policy during the Medium-Term Management Plan Period

(1) Overview

The Company had previously announced its shareholder return policy for the Medium-Term Management Plan period, consisting of "ordinary dividends with a total payout ratio of 40-50% or an annual dividend of at least ¥100 per share" and a "special dividend" resulting from the sale of the former site of the Kawaguchi Production Plant. However, from the perspective of aiming for sustainable growth and enhancement of shareholder value, we have reviewed this policy and decided to make the following changes.

(2) Details of change (Underlined portions indicate changes.)

		Before revision	After revision
Shareholder return policy		Ordinary dividends with a total payout ratio of 40-50% or an annual dividend of at least ¥100 per share	Ordinary dividends with a total payout ratio of 50% or more on a three-year average during the Medium-Term Management Plan or an annual dividend of at least ¥100 per share
Breakdown of total payout ratio	① Ordinary dividends※	Dividend payout ratio of 40-50%	Dividend payout ratio of 40% or more
	② Share buyback	Conduct in a timely manner whenever necessary	Conduct in a timely manner whenever necessary
Special dividend plan (no changes)		The Company will pay a special dividend of ¥30 per share in each fiscal year (total amounting to approximately 2 billion yen) over the four periods from the fiscal year ending March 2024 to March 2027 using the extraordinary income arising from the transfer of former site of the Kawaguchi Production Plant of the Company (after income taxes).	

※For fiscal year ended March 2025, the Company will pay ordinary dividends by excluding the extraordinary income arising from the transfer of former site of the Kawaguchi Production Plant of the Company from the source of dividends.

(3) Applicable period

The change to the shareholder return policy, as described above, shall remain applicable for the duration of the current Medium-Term Management Plan and is designated for review at the conclusion of the aforementioned plan period.

It should be noted that, during the course of the current Medium-Term Management Plan, the Company may revise this policy should incidents arise, including but not limited to natural disasters or economic crises, which have a significant adverse impact on the Company's business management.

2. Dividend Forecast for the fiscal year ending March 2026

(1) Details of dividend forecast

	Dividend per share		
	Second quarter end	Fiscal year end	Total
Current forecast	¥87.00 (Ordinary ¥72.00) (Extraordinary ¥15.00)	¥87.00 (Ordinary ¥72.00) (Extraordinary ¥15.00)	¥174.00 (Ordinary ¥144.00) (Extraordinary ¥30.00)
(Reference) Previous fiscal year results (fiscal year ended March 2025)	¥66.00 (Ordinary ¥51.00) (Extraordinary ¥15.00)	※¥90.00 (Ordinary ¥75.00) (Extraordinary ¥15.00)	※¥156.00 (Ordinary ¥126.00) (Extraordinary ¥30.00)

※This is scheduled to be implemented following the resolution at the 122nd Annual General Meeting of Shareholders to be held on June 27, 2025.

(2) Explanation of dividend forecast

As described in section 1. (2) above, due to the change in our shareholder return policy, the dividend forecast for the fiscal year ending March 2026 will be as stated above.

(Note) The performance forecasts and other forward-looking statements contained in this document are calculated based on currently available information, and actual results may differ depending on various factors in the future.

End