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September 15, 2026

To Whom It May Concern,

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(Code number: 4116, Tokyo Stock Exchange Prime Market)

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(Update on Disclosed Matters)

Notice Concerning the Implementation of Business Structural Reform

DAINICHISEIKA COLOR & CHEMICALS MFG. CO., LTD. (the "Company") hereby announces that, at the Board of Directors meeting held today, the Company resolved the specific initiatives regarding the implementation of the company-wide business structural reform (the "Business Structural Reform"), which was announced in the timely disclosure dated May 15, 2026, titled "Notice Concerning the Implementation of Business Structural Reform," as detailed below.

1. Background to the Implementation of the Business Structural Reform

Under the three-year medium-term management plan, "TRANSFORMATION for TOMORROW 2027," (the "Medium-Term Management Plan"), which has been underway since April 2024, the Company has succeeded the previous medium-term management plan and established medium- to long-term management targets of 9% for ROE (Return on Equity) and 5% for ROA (Return on Assets). Furthermore, as milestones toward these goals, the Company has set targets of "ROE of 5% or higher" and "ROA of 4.3%" for the fiscal year ending March 2027, the final year of the Medium-Term Management Plan.

To achieve the medium- to long-term management targets set forth in the Medium-Term Management Plan, the Company has determined that it is necessary to further increase capital investment and concentrate the allocation of human resources to strategic products, such as growth businesses and new/developing businesses. Accordingly, the Company has decided to implement the Business Structural Reform.

2. Specific Initiatives for the Business Structural Reform

Through the Business Structural Reform, the Company aims to ensure profitable and sustainable sales growth for the Group, achieve medium- to long-term enhancement of corporate value, and transform into a company with a highly profitable and lean earnings structure. To this end, the Company will implement measures including (1) reviewing the business portfolio and (2) domestic measures regarding the reorganization of business sites, and the streamlining of production, sales, and administrative operations.

(1) Reviewing the Business Portfolio

In order to focus management resources on strategic products, such as growth businesses and new/developing businesses, the Company will withdraw from or downsize certain product groups classified as restructuring businesses, thereby advancing the optimization of its business portfolio targeted for completion by the end of March 2029. The specific initiatives are as detailed below.

- i. Withdrawal (Offset Ink Business and Chitosan Business) and Downsizing (Certain Businesses other than the above)

The Company will withdraw from the offset ink business and the chitosan business, where demand has continued to decline in recent years.

Regarding certain other businesses, while the Company will not completely withdraw from them entirely, the Company will conduct a review of individual product groups. The Company will scale down product groups for which future market expansion or profitability improvement cannot be expected, even after implementing cost reductions and other measures.

The targeted businesses and product groups account for approximately 5% of consolidated net sales for the fiscal year ended March 2026, and regarding the specific timing for withdrawing from or downsizing each targeted business and each product group, the Company plans to contact business partners individually.

- ii. Expansion (Growth businesses and new/developing businesses)

The Company will continue to consider business expansion as part of its portfolio review, and will advance new product development, the cultivation of new markets including overseas, and M&A etc., with a focus on target domains such as functional materials for IT and electronics, and mobility.

(2) Domestic Measures Regarding the Reorganization of Business Sites, and the Streamlining of Production, Sales, and Administrative Operations

In conjunction with the review of the business portfolio, the Company will implement domestic measures to reorganize business sites and streamline production, sales, and administrative operations. The specific initiatives are as detailed below.

- i. Reorganization of Business Sites

In connection with the measures described in (1) above, the Company will implement site closures for the purpose of consolidating its production bases.

Site Name	Osaka Production Plant	Hokkaido Branch
Location	3-2-39 Nishikounoike-cho, Higashiosaka-shi, Osaka	4-1-70 Akebononijo, Teine-ku, Sapporo-shi, Hokkaido
Business Activities	Manufacture of colorants	Manufacture and sales of offset inks, etc.
Scheduled Date of Production Discontinuance	End of September 2028	End of December 2026
Scheduled Date of Closure	End of March 2029	End of March 2027

A portion of the product groups manufactured at the sites to be closed is scheduled to be transferred to other bases within the Group. Furthermore, for employees working at the sites to be closed and related facilities, the Company plans to provide career support suited to each individual's circumstances, including reassignment to other bases (including within the Group) and a career transition support program.

ii. Streamlining of Domestic Production, Sales, and Administrative Operations

The Company will establish a new "SSC (Shared Services Center) Division" within the Company to consolidate and streamline administrative operations, including general affairs, human resources, and accounting across the Group in Japan.

3. Impact of the Implementation of the Business Structural Reform on Financial Results and Future Outlook

Due to the execution of the Business Structural Reform, the Company expects to record "business structural reform expenses" as costs associated with the reorganization of business sites and other initiatives; however, as the specific amount remains undetermined at present, it has not been factored into the consolidated earnings forecasts for the six months ending September 30, 2026 and the fiscal year ending March 31, 2027.

Therefore, the Company will promptly announce any matters requiring disclosure as soon as they become clear.

Furthermore, the medium- to long-term impact on the Group's financial performance resulting from the implementation of the Business Structural Reform is scheduled to be announced in the next three-year medium-term management plan, which is slated for release in June 2027.

(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.

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