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Color & Comfort

Consolidated Financial Results for the Nine Months Ended September 30, 2026 (Japan GAAP)
(The fiscal year ending December 31, 2026)

November 12, 2026
Stock Exchange: Tokyo
Head Office: Tokyo
Tel: +81 (3) 6733-3000

Company Name: DIC Corporation
Listing Code Number: 4631 Dividend Payment: —
URL: https://www.dic-global.com/en/
Representative: Takashi Ikeda, Representative Director, President and Group CEO
Contact Person: Ippei Ouchi, General Manager, Accounting Department
Preparation of Supplemental Explanatory Materials: Yes
Holding of Financial Results Meeting: Yes (for security analysts and institutional investors)
(Yen amounts are rounded to the nearest million, except for per share information)

1. Consolidated Financial Results for the Nine Months Ended September 30, 2026 (January 1, 2026 – September 30, 2026)

(1) Consolidated operating results

(Percentages indicate year-on-year changes)

	Net sales		Operating income		Ordinary income		Net income attributable to owners of the parent	
	JPY (million)	%	JPY (million)	%	JPY (million)	%	JPY (million)	%
Nine months ended September 30, 2026	895,320	13.9	79,524	96.5	79,934	143.5	53,224	144.9
Nine months ended September 30, 2025	785,874	-2.7	40,473	18.9	32,829	19.1	21,731	104.4

Note: Comprehensive income (JPY million): Nine months ended September 30, 2026 50,622 (166.8%)
Nine months ended September 30, 2025 18,971 (90.8%)

	Earnings per share (basic)	Earnings per share (diluted)
	JPY	JPY
Nine months ended September 30, 2026	562.82	—
Nine months ended September 30, 2025	229.52	—

(2) Consolidated financial position

	Total assets	Net assets	Shareholders' equity ratio to total assets
	JPY (million)	JPY (million)	%
As of September 30, 2026	1,294,812	514,628	38.2
As of December 31, 2025	1,274,091	490,844	37.0

Reference: Shareholders' equity (JPY million): As of September 30, 2026 494,874 As of December 31, 2025 470,881

2. Cash Dividends

	Cash dividends per share				
(Record date)	End of 1st quarter	End of 2nd quarter	End of 3rd quarter	Year-end	Annual
	JPY	JPY	JPY	JPY	JPY
FY2025	—	50.00	—	150.00	200.00
FY2026	—	70.00	—		
FY2026 (Plan)				80.00	150.00

Note: Revision of the forecasts for the dividends payment: None

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3. Forecasts for Consolidated Operating Results for the Fiscal Year Ending December 31, 2026 (January 1, 2026 - December 31, 2026)

(Percentages indicate year-on-year changes)

	Net sales		Operating income		Ordinary income		Net income attributable to owners of the parent		Earnings per share (basic)
	JPY (million)	%	JPY (million)	%	JPY (million)	%	JPY (million)	%	JPY
FY2026	1,180,000	12.1	100,000	91.6	98,000	121.5	58,000	79.3	615.60

Notes 1. : Revision of the forecasts for the consolidated operating results: Yes
For details, please refer to "1. Analysis of Results of Operations (3) Operating Results Forecasts for Fiscal Year 2026" on page 5.

Notes 2. : The Company resolved matters related to the acquisition of treasury shares at a meeting of its Board of Directors held on August 10, 2026, “Earnings per share (basic)” in the forecast for consolidated operating results takes into account the effect of the total numbers of shares to be acquired.

Notes

(1) Significant changes in the scope of consolidation during the nine months ended September 30, 2026: None
Newly included: － (Company name) － Excluded: － (Company name) －

(2) Adoption of accounting methods which are exceptional for quarterly consolidated financial statements: Yes
For details, please refer to page 10, “3. Quarterly Consolidated Financial Statements, (3) Notes to Quarterly Consolidated Financial Statements, (Notes on Accounting Methods Which Are Exceptional for Quarterly Consolidated Financial Statements).

(3) Changes in accounting policies and accounting estimates, and restatements

1) Changes in accounting policies arising from revision of accounting standards:	None
2) Changes in accounting policies other than 1):	None
3) Changes in accounting estimates:	None
4) Restatements:	None

(4) Number of shares issued (common stock)

1) Number of shares issued at the end of the period, including treasury shares

As of September 30, 2026	95,156,904 shares,	As of December 31, 2025	95,156,904 shares

2) Number of treasury shares at the end of the period

As of September 30, 2026	1,369,153 shares,	As of December 31, 2025	476,859 shares

3) Average number of shares issued during the period, excluding treasury shares

For the nine months ended September 30, 2026	94,566,833 shares,	For the nine months ended September 30, 2025	94,681,177 shares

* The Company has introduced the Board Benefit Trust (BBT), and the shares held by the trust are included in the number of treasury shares.

Note: Review of the attached quarterly consolidated financial statements by certified public accountants or audit firms: None

Note: **Explanation of the appropriate use of performance forecasts, and other special items**

Caution concerning forward-looking statements

The above forecasts of future performance are based on information available to the Company at the present time and are subject to potential risks and uncertainty. Accordingly, the users should be aware that actual results may differ from any expressed future performance herein due to various factors.

For information regarding the assumptions used to prepare the forecasts, please refer to page 5.

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1. Analysis of Results of Operations

(1) Overview of Operating Results

(Billions of yen)

	Nine months ended September 30, 2025	**Nine months ended September 30, 2026**	Change (%)	Change (%) 〔Local currency basis〕
Net sales	785.9	**895.3**	13.9%	7.1%
Operating income	40.5	**79.5**	96.5%	85.9%
Ordinary income	32.8	**79.9**	143.5%	—
Net income attributable to owners of the parent	21.7	**53.2**	144.9%	—
EBITDA*	77.9	**118.9**	52.6%	—
¥/US$1.00 (Average rate)	148.42	**158.56**	6.8%	—
¥/EUR1.00 (Average rate)	166.02	**184.05**	10.9%	—

* EBITDA: Net income attributable to owners of the parent + Total income taxes + (Interest expenses - Interest income) + Depreciation and amortization + Amortization of goodwill

In the nine months ended September 30, 2026, consolidated net sales rose 13.9%, to ¥895.3 billion.

- Key global economies continue to be impacted by inflationary pressures arising from persistently high crude oil prices and energy costs, a consequence of the prolonged crisis in the Middle East, which continue to hinder consumption in regions around the world. Nonetheless, the economies of the United States, Europe and Japan, were bolstered by increasing corporate capital investment in the AI and digital sectors in these markets, driven by expanding global AI-related demand.
- In this environment, operating conditions in customer industries identified as key growth areas diverged. In digital materials, used principally in electrical and electronics equipment, the semiconductor market grew, propelled mainly by brisk demand for AI semiconductors, while the display market was hampered by a decline in the operating rates of display manufacturers, owing in part to a negative rebound following a surge in replacement demand for flat-screen televisions spurred by the 2026 FIFA World Cup quadrennial international men's soccer championship, which took place in summer 2026. In industrial materials,* used primarily in mobility solutions, the market remained firm overall despite a shift in the demand structure of the automobile market away from gasoline-powered vehicles, as high gasoline prices continued to encourage sales of EVs and hybrid vehicles around the world.
- Against this backdrop, shipments varied for different products. In the area of high-value-added products for digital applications, which DIC has designated "chemitronics," shipments of epoxy resins and industrial-use adhesive tapes, among others, were robust. In contrast, shipments of pigments for color filters used in displays showed signs of slowing in the third quarter (July–September 2026). For certain printing inks and coating resins, customers, particularly in Asia, that had boosted inventories temporarily in light of the situation in the Middle East reversed course from the third quarter, although the impact of this development was less severe than expected.

Operating income climbed 96.5%, to ¥79.5 billion, a new record for the first nine months of a fiscal year. In addition to rising shipments of high-value-added products, particularly digital materials, this gain reflected ongoing efforts to shore up sales prices and implement rigorous cost management in all three segments to counter stubbornly high raw materials prices. Another contributing factor was the positive impact of a weaker yen on operating income in overseas markets.

Ordinary income, at ¥79.9 billion, was up 143.5%. This was due to a decline in foreign exchange losses associated with the application of hyperinflationary accounting.

Net income attributable to owners of the parent soared 144.9%, to ¥53.2 billion.

Earnings before interest, taxes, depreciation and amortization (EBITDA) increased 52.6%, to ¥118.9 billion.

*DIC uses the term "industrial materials" to describe products for use in mobility solutions, namely, automobiles, railroads and shipping, and for general industrial applications such as construction equipment and industrial machinery.

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(2) Segment Results

(Billions of yen)

	Net sales				Operating income (loss)			
	Nine months ended September 30, 2025	**Nine months ended September 30, 2026**	Change (%)	Change (%) 〔Local currency basis〕	Nine months ended September 30, 2025	**Nine months ended September 30, 2026**	Change (%)	Change (%) 〔Local currency basis〕
Packaging & Graphic	406.1	**467.5**	15.1%	8.2%	21.3	**36.4**	70.9%	62.4%
Color & Display	191.9	**209.9**	9.4%	1.7%	6.9	**15.8**	2.3 times	2.1 times
Functional Products	215.8	**245.5**	13.7%	8.5%	16.9	**31.8**	88.5%	80.5%
Others, Corporate and eliminations	(28.0)	**(27.6)**	—	—	(4.6)	**(4.5)**	—	—
Total	785.9	**895.3**	13.9%	7.1%	40.5	**79.5**	96.5%	85.9%

Note: In Phase 2 of the Company's long-term management plan, "DIC Vision 2030"—the first year of which is fiscal year 2026—the Company has identified "Maximizing cash generation by improving capital efficiency" as a priority theme. As one of the metrics to measure its progress toward this goal, the Company has set return on invested capital (ROIC) targets for fiscal year 2030 for each reportable segment and is working to achieve high asset and capital efficiency that exceeds the cost of capital.
Accordingly, from the first quarter of the current fiscal year, the Company has changed the way it measures segment information to more accurately reflect each reportable segment's assets and capital efficiency.
Segment information for the nine months ended September 30, 2025, has been prepared and disclosed based on the revised measurement method.

Packaging & Graphic

	Nine months ended September 30, 2025	**Nine months ended September 30, 2026**	Change (%)	Change (%) 〔Local currency basis〕
Net sales	¥406.1 billion	**¥467.5 billion**	15.1%	8.2%
Operating income	¥21.3 billion	**¥36.4 billion**	70.9%	62.4%

Segment sales increased 15.1%, to ¥467.5 billion. In the area of packaging inks, used chiefly on packaging for food products, shipments in Japan were sluggish, as elevated consumer prices led to a decrease in spending on food and daily necessities, but sales expanded thanks to efforts to adjust sales prices in response to rising raw materials prices. Sales of these products were also up in the Americas and Europe, owing to stable shipments and sales price revisions. In Asia and elsewhere, sales of packaging inks remained on an uptrend, despite an about-turn by customers, mainly in the People's Republic of China (PRC), among others, that had built up inventories in light of the Middle East crisis, as the impact of this development was less severe than expected. Notwithstanding a downward trend in shipments in Japan, as well as in the Americas and Europe, a consequence of ongoing structural declines in publishing-related demand worldwide, overall sales of publication inks, which center on inks for commercial printing and news inks, were up, supported by efforts to revise sales prices to offset escalating raw materials prices. In Asia and elsewhere, shipments of these products rose, although customers that had been stockpiling inventories, concerned over the situation in the Middle East, reversed course. Sales of jet inks, used in digital printing, advanced overall, bolstered by rising overall demand. Sales of polystyrene, applications for which include food trays, were brisk, boosted by efforts to modify sales prices to counter higher raw materials prices.

Segment operating income climbed 70.9%, to ¥36.4 billion. Shipments were stable for all types of printing inks, reflecting integrated global supply and customer service capabilities. For high-value-added products, such as jet inks and security inks, sales price revisions in response to rising raw materials prices, underpinned gains in all geographic operating regions.

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Color & Display

	Nine months ended September 30, 2025	**Nine months ended September 30, 2026**	Change (%)	Change (%) 〔Local currency basis〕
Net sales	¥191.9 billion	**¥209.9 billion**	9.4%	1.7%
Operating income	¥6.9 billion	**¥15.8 billion**	2.3 times	2.1 times

Segment sales advanced 9.4%, to ¥209.9 billion. Sales of pigments for coatings, which account for a significant share of sales, increased, particularly in Europe—the principal market for these products—thanks to the revision of sales prices for products for automotive, construction and industrial applications. Shipments of pigments for plastics rose steadily. Among high-value-added products, shipments of pigments for color filters used in displays were hindered from the third quarter by a negative rebound following a surge in replacement demand for flat-screen televisions spurred by the 2026 FIFA World Cup, which took place in the summer. Pigments for cosmetics were affected by the strategic decision to discontinue sales of certain products with low added value, but sales were up, owing to stable shipments of core products. In pigments for specialty applications, sales decreased, with causes including a softening of demand from certain customers in the agricultural sector and changes in the product mix. Segment sales also reflected the positive impact of a weaker yen on sales in overseas markets after translation.

Segment operating income soared 2.3 times, to ¥15.8 billion, bolstered by the increase in sales, as well as by efforts to reduce costs, primarily through structural reforms. Another contributing factor was a one-time gain in the first quarter (January–March 2026) stemming from the determination, based on the judgment of a third-party organization, that the recording of a liability for repairs at a pigments production facility in Germany, which had been legally required, was no longer necessary, resulting in a ¥5.9 billion reversal of the liability.

Functional Products

	Nine months ended September 30, 2025	**Nine months ended September 30, 2026**	Change (%)	Change (%) 〔Local currency basis〕
Net sales	¥215.8 billion	**¥245.5 billion**	13.7%	8.5%
Operating income	¥16.9 billion	**¥31.8 billion**	88.5%	80.5%

Segment sales rose 13.7%, to ¥245.5 billion. In the area of digital materials, sales of epoxy resins, the foremost application for which is semiconductor packaging substrates and encapsulants, increased, backed by firm demand for AI semiconductors and persistently brisk shipments of active ester curing agents and other products used in insulating materials. Sales of industrial-use adhesive tapes, used mainly in smartphones and other mobile devices, were bolstered by broader adoption, primarily for high-end models, and steady efforts to lock in demand. Sales of hollow-fiber membrane modules, used for the degasification and aeration of liquids, were also up, underpinned by strong shipments, particularly to semiconductor manufacturers for use in antistatic devices, among others, as were sales of industrial materials, reflecting robust shipments of mainstay polyphenylene sulfide (PPS) compounds for both mobility solutions and housing equipment. Sales of coating resins advanced, thanks to efforts to adjust sales prices, which offset the impact on shipments of an about-turn by customers, particularly in overseas markets, that had been building up inventories in response to the Middle East crisis.

Segment operating income climbed 88.5%, to ¥31.8 billion. Factors behind this steep gain included the expansion sales of high-value-added products, notably digital materials, from the first half (January–June 2026), as well as efforts to modify sales prices to counter to higher raw materials prices, a consequence of the situation in the Middle East.

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(3) Operating Results Forecasts for Fiscal Year 2026

DIC has revised its operating results forecasts, published on August 10, 2026, as indicated below.

(Billions of yen)

	FY2025	**FY2026**	Change (%)
Net sales	1,052.2	**1,180.0 [1,140.0]**	12.1%
Operating income	52.2	**100.0 [78.0]**	91.6%
Ordinary income	44.2	**98.0 [73.0]**	121.5%
Net income attributable to owners of the parent	32.4	**58.0 [48.0]**	79.3%
EBITDA	109.3	**145.0 [130.0]**	32.7%
¥/US$1.00 (Average rate)	150.08	**156.00**	3.9%
¥/EUR1.00 (Average rate)	169.58	**181.00**	6.7%

Note: Forecasts in squared parentheses are those published on August 10, 2026.

Reasons for Revision of Operating Results Forecasts

Consolidated net sales and operating income for the nine months ended September 30, 2026, exceeded expectations, driven by higher sales of high-value-added products, notably epoxy resins and other chemitronics offerings, and by the adjustment of sales prices in response to rising raw materials costs, and decisive cost-cutting measures. In light of a recalculation of full-term performance expectations based on these results, as well as on anticipated business risks and other factors, the decision was made to revise operating results forecasts upward, with operating income, ordinary income and net income attributable to owners of the parent now expected to reach record-high levels.

Disclaimer Regarding Forward-Looking Statements

Statements herein, other than those of historical fact, are forward-looking statements that reflect management's projections based on information available as of the publication date. These forward-looking statements are subject to risks and uncertainties that could cause actual results to differ from such statements. These risks and uncertainties include, but are not limited to, economic conditions in Japan and overseas, market trends, raw materials prices, interest rate trends, currency exchange rates, conflicts, litigations, disasters and accidents, as well as the possibility the Company will incur special losses related to the restructuring of its operations.

2. Analysis of Financial Position

(Analysis of assets, liabilities and net assets)

Total assets increased by ¥20.7 billion from the end of the previous consolidated fiscal year, to ¥1,294.8 billion, mainly due to increases in trade receivables and inventories, despite the impact of a decrease in yen equivalent caused by exchange rate fluctuations. Total liabilities decreased by ¥3.1 billion from the end of the previous consolidated fiscal year, to ¥780.2 billion, mainly due to a decrease in interest-bearing liabilities, despite an increase in trade payables. In addition, net assets increased by ¥23.8 billion from the end of the previous consolidated fiscal year, to ¥514.6 billion, mainly due to an increase in retained earnings caused by recording net income attributable to owners of parent.

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3. Quarterly Consolidated Financial Statements

(1) Quarterly Consolidated Balance Sheet

(Millions of yen)

	Previous Fiscal Year as of December 31, 2025	Third Quarter of Current Fiscal Year as of September 30, 2026
Assets		
Current assets		
Cash and deposits	68,909	65,262
Notes and accounts receivable - trade	231,445	254,734
Merchandise and finished goods	189,295	193,597
Work in process	11,275	12,599
Raw materials and supplies	96,996	105,869
Other	34,521	33,058
Allowance for doubtful accounts	(4,890)	(5,260)
Total current assets	627,550	659,858
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	138,898	138,512
Machinery, equipment and vehicles, net	140,317	133,870
Tools, furniture and fixtures, net	14,057	12,373
Land	57,151	56,112
Construction in progress	20,671	23,575
Total property, plant and equipment	371,094	364,442
Intangible assets		
Goodwill	17,140	16,410
Software	11,108	11,418
Customer-related assets	10,735	10,019
Other	23,157	21,499
Total intangible assets	62,140	59,347
Investments and other assets		
Investment securities	63,320	67,470
Net defined benefit asset	116,409	116,847
Other	33,642	27,059
Allowance for doubtful accounts	(64)	(210)
Total investments and other assets	213,307	211,166
Total non-current assets	646,541	634,954
Total assets	1,274,091	1,294,812

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(Millions of yen)

	Previous Fiscal Year as of December 31, 2025	Third Quarter of Current Fiscal Year as of September 30, 2026
Liabilities		
Current liabilities		
Notes and accounts payable - trade	127,763	147,501
Short-term loans payable	126,247	65,901
Commercial papers	15,000	23,000
Current portion of bonds payable	5,000	20,000
Income taxes payable	4,384	9,021
Provision for bonuses	6,232	6,657
Other	101,919	104,000
Total current liabilities	386,545	376,081
Non-current liabilities		
Bonds payable	95,000	75,000
Long-term loans payable	198,909	227,288
Net defined benefit liability	31,624	28,568
Asset retirement obligations	10,518	10,298
Other	60,650	62,950
Total non-current liabilities	396,702	404,104
Total liabilities	783,247	780,185
Net assets		
Shareholders' equity		
Capital stock	96,557	96,557
Capital surplus	94,234	94,234
Retained earnings	209,865	242,198
Treasury shares	(1,505)	(6,039)
Total shareholders’ equity	399,151	426,951
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	3,886	4,114
Deferred gains or losses on hedges	334	(48)
Foreign currency translation adjustment	64,151	62,214
Remeasurements of defined benefit plans	3,358	1,644
Total accumulated other comprehensive income	71,729	67,923
Non-controlling interests	19,963	19,754
Total net assets	490,844	514,628
Total liabilities and net assets	1,274,091	1,294,812

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(2) Quarterly Consolidated Statement of Income and Quarterly Consolidated Statement of Comprehensive Income

Quarterly Consolidated Statement of Income

(Millions of yen)

	Nine Months Ended September 30, 2025	Nine Months Ended September 30, 2026
Net sales	785,874	895,320
Cost of sales	611,808	675,403
Gross profit	174,065	219,917
Selling, general and administrative expenses		
Employees' salaries and allowances	51,556	56,652
Provision of allowance for doubtful accounts	740	633
Provision for bonuses	3,398	4,047
Retirement benefit expenses	254	(603)
Other	77,645	79,664
Total selling, general and administrative expenses	133,592	140,393
Operating income	40,473	79,524
Non-operating income		
Interest income	2,088	2,085
Dividends income	248	261
Equity in earnings of affiliates	2,375	5,916
Other	967	1,139
Total non-operating income	5,679	9,401
Non-operating expenses		
Interest expenses	4,816	4,297
Foreign exchange losses	5,114	1,535
Other	3,393	3,159
Total non-operating expenses	13,323	8,992
Ordinary income	32,829	79,934
Extraordinary income		
Gain on sales of works of art	—	2,261
Subsidy income	—	421
Gain on sales of shares and investments in capital of subsidiaries and affiliates	4,813	—
Insurance claim income	1,158	—
Gain on sales of non-current assets	1,035	—
Gain on sales of investment securities	380	—
Total extraordinary income	7,386	2,683
Extraordinary losses		
Impairment losses	225	1,854
Loss on disposal of non-current assets	1,465	1,700
Severance costs	1,680	1,672
Loss on liquidation of subsidiaries and associates	—	990
Loss on withdrawal from business	—	365
Loss on valuation of investment securities	—	328
Provision for environmental measures	1,083	—
Loss on sales of shares and investments in capital of subsidiaries and affiliates	506	—
Total extraordinary losses	4,960	6,909
Income before income taxes	35,255	75,707
Income taxes	12,980	21,145
Net income	22,274	54,561
Net income attributable to non-controlling interests	543	1,337
Net income attributable to owners of the parent	21,731	53,224

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Quarterly Consolidated Statement of Comprehensive Income

(Millions of yen)

	Nine Months Ended September 30, 2025	Nine Months Ended September 30, 2026
Net income	22,274	54,561
Other comprehensive income		
Valuation difference on available-for-sale securities	27	70
Deferred gains or losses on hedges	(175)	(382)
Foreign currency translation adjustment	(3,950)	(915)
Remeasurements of defined benefit plans	(257)	(1,710)
Share of other comprehensive income of affiliates accounted for using equity method	1,051	(1,002)
Total other comprehensive income	(3,303)	(3,940)
Comprehensive income	18,971	50,622
Comprehensive income attributable to		
Comprehensive income attributable to owners of the parent	18,587	49,418
Comprehensive income attributable to non-controlling interests	385	1,203

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(3) Notes to Quarterly Consolidated Financial Statements

(Notes on Going Concern Assumption)

Not applicable

(Notes on Significant Changes in Shareholder's Equity)

The Company acquired 924,800 treasury shares based on a resolution at its Board of Directors held on August 10, 2026. As a result of the above and others, treasury shares increased by ¥4,534 million in the nine months ended September 30, 2026, to ¥6,039 million as of September 30, 2026.

(Notes on Accounting Methods Which Are Exceptional for Quarterly Consolidated Financial Statements)

Calculation of Tax Expenses

Regarding tax expenses for some consolidated subsidiaries, the tax expenses are calculated by reasonably estimating the effective tax rate after the application of tax effect accounting to income before income taxes for the fiscal year including the nine months ended September 30, 2026, and multiplying income before income taxes by this estimated effective tax rate.

(Additional Information)

Board Benefit Trust (BBT)

With regard to the compensation for executive officers, as well as directors who concurrently serve as executive officers (the "Target Officers"), the Company introduced a new performance-based stock compensation plan called Board Benefit Trust (BBT) (the "Plan") from the fiscal year ended December 31, 2017. The purpose of the Plan is to further clarify the linkage between the compensation of the Target Officers, and corporate performance and value of the Company's shares. The intended result is strengthening the Executive Officers' awareness of the importance of contributing to the medium- to long-term improvement of operating results, as well as to the enhancement of corporate value, and of sharing the same objectives as shareholders.

Accounting treatment related to the trust agreement is in accordance with "Practical Solution on Transactions of Delivering the Company's Own Stock to Employees, etc., through Trusts" (Practical Issue Task Force ("PITF") No. 30, March 26, 2015).

(1) Outline of the transactions

The trust established under the Plan acquires the Company's shares by cash contributed by the Company. The trust provides shares of the Company and the cash equivalent to the market price of the shares of the Company (the "Company's Shares and Cash Benefits") to the Target Officers, in accordance with the Rules of Officer Share Benefit established by the Company. The Target Officers shall in principle receive the Company's Shares and Cash Benefits upon their retirement.

(2) The Company's shares remaining in the trust

The shares remaining in the trust are recorded under net assets as treasury shares at the book value in the trust (excluding incidental costs). The book value and number of such treasury shares are 829 million and 277 thousand as of December 31, 2025, respectively, and 721 million and 244 thousand as of September 30, 2026, respectively.

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Conclusion of the Agreements Regarding Shares of Affiliate and Planned Transfer of Equity-Method Affiliate

DIC Corporation ("DIC" or the "Company") on March 31, 2026, entered into a basic agreement (the "Basic Agreement") with KJ005 Co., Ltd.(the "Tender Offeror"), which was established on February 12, 2026 with the primary business of acquisition and possession of TAIYO HOLDINGS CO., LTD. (the "Target Company"; Hitoshi Saito, President, CEO), and which is a wholly owned subsidiary of KJ005HD Co., Ltd., the outstanding shares of which are held in full by KJ005 Investment L.P., a limited partnership established on January 30, 2026, pursuant to the laws of Ontario Province, Canada, that is indirectly operated by Kohlberg Kravis Roberts & Co. L.P. (including affiliates and related funds, "KKR"). Pursuant to the Basic Agreement regarding a series of transactions (the "Transactions") with the purpose of making Tender Offeror the sole shareholder of the Target Company and delisting the Target Company's shares: (i) the Tender Offeror will conduct a tender offer (the "Tender Offer") for the common shares of the Target Company, which is an equity-method affiliate of DIC; (ii) DIC will not tender the shares of the Target Company that it holds (the "DIC-Owned Company Shares") in the Tender Offer (the "Non-Tender"); (iii) if the Tender Offer is consummated but the Tender Offeror is unable to acquire all of the Target Company's shares in the Tender Offer (excluding the treasury shares held by the Target Company, the shares of the Target Company held by Kowa Co., Ltd. ("Kowa") (the "Kowa-Owned Company Shares"), and the DIC-Owned Company Shares), the Target Company will conduct a consolidation of its common shares (the "Share Consolidation"); (iv) the Tender Offeror will provide funding to the Target Company and will reduce the Target Company's stated capital and capital reserves (the "Capital Changes"); and (v) the Target Company will acquire all of the Kowa-Owned Company Shares and the DIC-Owned Company Shares through share buyback (the "Share Buyback"), and the Tender Offeror will delist the Target Company's shares.

The Tender Offer will be conducted by the Tender Offeror as part of the Transactions for the purpose of making Tender Offeror the sole shareholder of the Target Company and delisting the Target Company's shares. Upon consummation of the Transactions, the Target Company is expected to cease to be an equity-method affiliate of DIC.

Further, as announced in its January 25, 2017 press release titled "Notice Concerning a Capital and Business Alliance with TAIYO HOLDINGS CO., LTD., which would Become an Equity-Method Affiliate," DIC entered into a capital and business alliance agreement with the Target Company (the "Capital and Business Alliance Agreement") and has maintained a capital and business alliance (the "Capital and Business Alliance"), as a result of which the Target Company became an equity-method affiliate of DIC. Upon consummation of the Transactions, the Capital and Business Alliance Agreement will terminate, resulting in the termination of the Capital and Business Alliance, as outlined below.

1. Reasons for entering into the Basic Agreement and for termination of the Capital and Business Alliance

The Target Company and DIC entered into the Capital and Business Alliance Agreement with the aim of generating synergies in the area of electronics and have built a collaborative relationship as our equity-method affiliate of DIC. However, as announced in its June 3, 2025 press release titled "Notice Regarding the Planned Exercise of Voting Rights on the Proposal for the Election of Board Directors (Proposal 2) at the 79th Ordinary General Shareholders' Meeting of TAIYO HOLDINGS," owing to changes in the operating environment in the electronics sector, as well as changes in the Target Company's business portfolio, including the expansion of its medical and pharmaceuticals business, DIC has determined that further business expansion through synergies with the Target Company is limited. Further, given the policy DIC has outlined in its priority business area of Smart living to concentrate management resources on businesses expected to generate profits swiftly and reliably, the Company has reached the conclusion that continued investment of capital in the Target Company will not necessarily contribute to the improvement of its own corporate value over the medium to long term.

Against this backdrop, DIC has engaged in careful discussions with KKR regarding the Transactions and has reached the conclusion that the Transactions would contribute to the improvement of the Target Company's corporate value, and that it would provide an economic rationale for DIC and deliver benefit to DIC and its shareholders. Accordingly, the Company has decided to enter into the Basic Agreement.

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Following consummation of the Transactions, the Target Company will cease to be an equity-method affiliate of DIC, and the Capital and Business Alliance Agreement will terminate, resulting in the termination of the Capital and Business Alliance. Notwithstanding the foregoing, the Target Company and DIC intend to continue their stable business relationship as before the Transactions.

2. Details of the Transactions

The Transactions consist of (i) the Tender Offer, (ii) the Non-Tender, (iii) the Share Consolidation, (iv) the Capital Changes, and (v) the Share Buyback.

3. Profile of the counterparty to the Capital and Business Alliance to be terminated and the equity-method affiliate to be transferred

(1) Company name		TAIYO HOLDINGS CO., LTD.
(2) Principal business		Development of TAIYO Group management strategies, management guidance to its subsidiaries, research and development, etc.
(3) Relationship with DIC		
	Capital relationships	DIC holds 20.19% (Note) of the Target Company's outstanding common shares (excluding treasury shares).
	Personal relationships	None
	Business relationships	DIC supplies raw materials for solder resist to the Target Company.
	Related party status	The Target Company is an equity-method affiliate of DIC and falls under the category of a related party.

(Note) The ownership percentage is calculated by dividing the number of shares held by DIC by the total number of shares outstanding as of June 30, 2026 (116,839,616 shares), as reported in the Summary of Consolidated Financial Results for the First Three Months of the Fiscal Year Ended March 31, 2027 <under Japanese GAAP> published by the Target Company on July 31, 2026, less treasury shares as of that date (5,564,832 shares), i.e., 111,274,784 shares (the "Adjusted Total Number of Issued and Outstanding Company Shares"). Please note that figures are rounded to two decimal places.

4. Number of shares to be transferred in the Transactions, price of transfer and number of shares held before and after the Transactions

(1) Number of shares held before the Transactions	22,469,200 shares (Number of voting rights: 224,692) (20.19% of voting rights) (Note 1)
(2) Number of shares to be transferred in the Transactions	22,469,200 shares (Note 2) (Number of voting rights: 224,692) (20.19% of voting rights) (Note 1)
(3) Expected price of transfer	Approximately 82.6 billion yen
(4) Number of shares held after the Transactions	0 shares (Number of voting rights: 0) (0.00% of voting rights)

(Notes)

1. The percentage of voting rights held is calculated by dividing the number of voting rights held by DIC by the number of voting rights concerning the Adjusted Total Number of Issued and Outstanding Company Shares (1,112,747).
2. The number of shares before the Share Consolidation is stated. The actual number of shares to be transferred in the Share Buyback will be calculated by subtracting the number of fractional shares that will be purchased by the Tender Offeror or the Target Company as a result of the Share Consolidation from the number of shares the Company intends to sell.

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5. Schedule of the Transactions

In its press release dated March 31, 2026, "Notice Regarding Plans to Commence a Tender Offer for the Shares of Taiyo Holdings Co., Ltd. (Stock Code: 4626)" (the "March 31 Tender Offeror Press Release"), the Tender Offeror announced that it aimed to commence the Tender Offer in early October 2026, subject to the satisfaction of certain conditions, including the completion of all necessary procedures and steps required under domestic and foreign competition laws as well as domestic and foreign laws and regulations regulating investments (Note). On October 9, 2026, the Tender Offeror issued a press release titled "Notice Regarding Progress Towards Implementation of a Tender Offer for the Shares of Taiyo Holdings Co., Ltd. (Stock Code: 4626)" noting that the Tender Offeror has been conducting the procedures and steps required under domestic and foreign competition laws and domestic and foreign laws and regulations regulating investments for the purpose of implementing the Tender Offer and the procedures and steps required under competition laws in Japan, Taiwan, Germany, Tunisia and Vietnam, and the procedures and steps required under laws and regulations regulating investments in the United States, have been completed as of October 9, 2026. However, as of October 9, 2026, the procedures and steps required under competition laws in China and the procedures and steps required under laws and regulations regulating investments in Japan have not yet been completed. The Tender Offeror will commence the Tender Offer once those procedures and steps are completed or are reasonably expected to be completed, and the conditions for commencement of the Tender Offer are satisfied. As of October 9, 2026, the Tender Offeror aims to complete those procedures and steps in November 2026 and to commence the Tender Offer around late November 2026. Furthermore, the Tender Offeror commented that if the conditions for commencing the Tender Offer are satisfied and the Tender Offer is to be commenced, or if there is any change in the anticipated timing of the commencement of the Tender Offer, the Tender Offeror will promptly make an announcement to that effect.

(Note) The March 31 Tender Offeror Press Release stated that it was believed that advance procedures would be needed under competition laws in Spain, Israel, and South Korea. However, after the announcement date of the March 31 Tender Offeror Press Release, based on discussions with local law firms, the Tender Offeror confirmed that it would not be necessary to conduct procedures under competition laws in Spain and Israel, and it would be necessary to take post-closing procedures, rather than advance procedures, under competition laws in South Korea. Therefore, the Tender Offeror has not conducted advance procedures under competition laws in those countries.

(Notes on Quarterly Consolidated Statement of Cash Flows)

Quarterly consolidated statement of cash flows is not prepared in the nine months ended September 30, 2026. Depreciation and amortization (including amortization related to intangible assets apart from goodwill) and amortization of goodwill are as follows:

	Nine months ended September 30, 2025 (From January 1, 2025 to September 30, 2025)	Nine months ended September 30, 2026 (From January 1,2026 to September 30, 2026)
Depreciation and amortization	¥39,616 million	¥41,544 million
Amortization of goodwill	844	786

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(Notes on Segment Information, etc.)

[Segment Information]

I. Nine months ended September 30, 2025 (From January 1, 2025 to September 30, 2025)

(1) Information about sales and profit (loss) for each reportable segment

(Millions of yen)

	Reportable segments				Others	Total
	Packaging & Graphic	Color & Display	Functional Products	Total		
Net sales:						
Sales to external customers	406,082	166,589	212,804	785,475	399	785,874
Intersegment sales and transfers	—	25,325	3,043	28,368	—	28,368
Total	406,082	191,914	215,847	813,843	399	814,243
Segment profit	21,295	6,893	16,887	45,075	47	45,123

(2) Differences between total profit (loss) for reportable segments and operating income reported in the quarterly consolidated statement of income, and the breakdown of the main factors underlying these differences (note on adjusting for differences)

(Millions of yen)

Profit	Amount
Total reportable segments	45,075
Profit in “Others”	47
Corporate expenses	(4,650)
Operating income reported in the quarterly consolidated statement of income	40,473

(Note) Corporate expenses substantially consist of expenses incurred by new businesses and the DIC Central Research Laboratories, which are not included in any reportable segment.

(3) Information about impairment losses on non-current assets and goodwill by reportable segment

(Material impairment losses on non-current assets)

In the nine months ended September 30, 2025, the Company recorded impairment losses of ¥157 million in the “Others” segment and ¥68 million in the “Corporate” segment respectively.

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II. Nine months ended September 30, 2026 (From January 1, 2026 to September 30, 2026)

(1) Information about sales and profit (loss) for each reportable segment

(Millions of yen)

	Reportable segments				Others	Total
	Packaging & Graphic	Color & Display	Functional Products	Total		
Net sales:						
Sales to external customers	467,535	185,308	242,104	894,948	372	895,320
Intersegment sales and transfers	—	24,607	3,364	27,972	—	27,972
Total	467,535	209,915	245,469	922,919	372	923,292
Segment profit	36,387	15,837	31,834	84,057	194	84,251

(2) Differences between total profit (loss) for reportable segments and operating income reported in the quarterly consolidated statement of income, and the breakdown of the main factors underlying these differences (note on adjusting for differences)

(Millions of yen)

Profit	Amount
Total reportable segments	84,057
Profit in “Others”	194
Corporate expenses	(4,728)
Operating income reported in the quarterly consolidated statement of income	79,524

(Note) Corporate expenses substantially consist of expenses incurred by new businesses and the DIC Central Research Laboratories, which are not included in any reportable segment.

(3) Information about impairment losses on non-current assets and goodwill by reportable segment

(Material impairment losses on non-current assets)

In the nine months ended September 30, 2026, the Company recorded impairment losses of ¥1,854 million in the “Corporate” segment.

(4) Matters Related to Changes, etc. in Reportable Segments

In Phase 2 of the Company’s long-term management plan, “DIC Vision 2030”—the first year of which is fiscal year 2026—the Company has identified “Maximizing cash generation by improving capital efficiency” as a priority theme. As one of the metrics to measure its progress toward this goal, the Company has set return on invested capital (ROIC) targets for fiscal year 2030 for each reportable segment and is working to achieve high asset and capital efficiency that exceeds the cost of capital. Accordingly, beginning from the first quarter of the current fiscal year, the Company has changed the way it measures segment information to more accurately reflect each reportable segment’s assets and capital efficiency.

Segment information for the nine months ended September 30, 2025, has been prepared and disclosed based on the revised measurement method.