ENGLISH TRANSLATION OF JAPANESE-LANGUAGE DOCUMENT
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Color & Comfort

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Notice Regarding the Disposal of Treasury Shares in through Third-Party Allotment under an Incentive Plan (Special Incentive Scheme) for the Employee Shareholding Association

DIC Corporation announced today that, at the meeting of its Board of Directors held today, it resolved to introduce an incentive plan (special incentive scheme) for the Employee Shareholding Association (the "Scheme"). The Company also resolved to dispose of its treasury shares (the "Disposal of Treasury Shares") under the Scheme, as described below, with the DIC Employee Shareholding Association (the "Shareholding Association") as the intended allottee.

1. Overview of the Disposal of Treasury Shares

(1) Payment date	May 31, 2027
(2) Class and Number of shares to be disposed of	181,630 shares of common stock of the Company*note
(3) Disposal Price	¥4,783 per share
(4) Total Disposal Amount	¥868,736,290
(5) Planned allottee	Third-party allotment (DIC Employee Shareholding Association)
(6) Other	The Disposal of Treasury Shares is subject to the securities registration statement filed pursuant to the Financial Instruments and Exchange Act becoming effective.

*note: The "Number of Shares to Be Disposed of" and the "Total Disposal Amount" represent the maximum amounts. The actual number of shares to be disposed of and the total disposal amount will be determined based on the number of employees of the Company and its subsidiaries who are eligible for membership in the Shareholding Association and agree to participate in the Scheme (the "Eligible Employees"). The Company will promptly announce the "Number of Shares to Be Disposed of" and the "Total Disposal Amount" once they have been finalized.

2. Purpose and Reasons for the Disposal

At the meeting of the Board of Directors held today, the Company resolved to introduce the Scheme, under which Eligible Employees will be provided with an opportunity to acquire shares of the Company's common stock with the aim of enhancing employee engagement, fostering a sense of ownership, and improving employee benefits. Under the Scheme, the Company will provide Eligible Employees with a special incentive for the acquisition of shares of the Company's common stock (the "Special Incentive"), and shares of the Company's common stock will be allotted to the Shareholding Association using the Special Incentive contributed by the Eligible Employees. The Company also resolved, pursuant to the Scheme, to dispose of up to 181,630 shares of treasury stock currently held by the Company to the Shareholding Association.

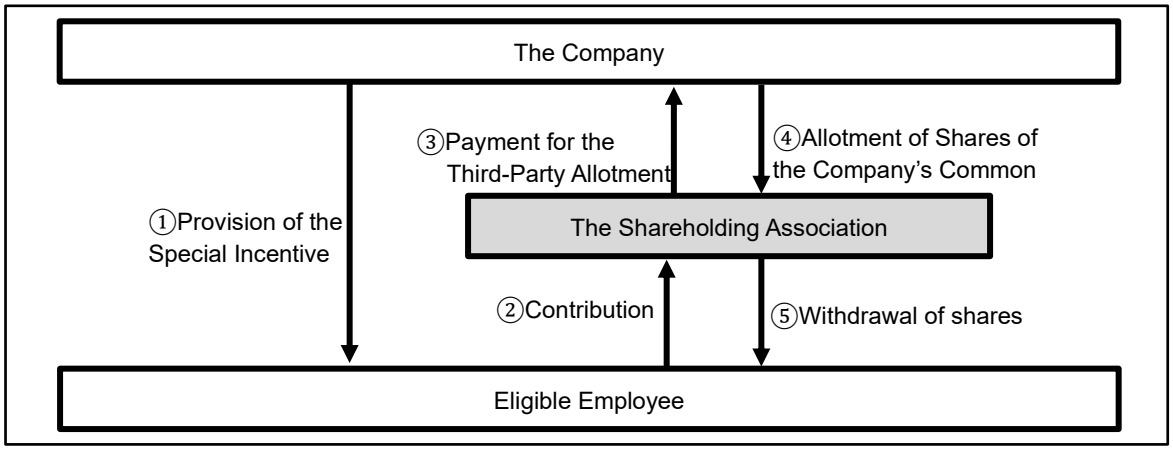
Under the Scheme, the Company will provide the Special Incentive to Eligible Employees, and shares of the Company's common stock will be allotted to the Shareholding Association using the Special Incentive contributed by the Eligible Employees. As stated in the Note to "1. Overview of the Disposal," the Company plans to dispose of up to 181,630 shares to the Shareholding Association.

The resulting dilution will be immaterial, representing 0.19% of the 95,156,904 shares issued and outstanding as of June 30, 2026, and 0.19% of the 947,490 total voting rights as of the same date (both percentages are rounded to the second decimal place). Accordingly, the Company believes that the Disposal of Treasury Shares is reasonable in light of the purpose of the Scheme.

3. Overview of the Scheme

Under the Scheme, the Company and its subsidiaries will provide the Special Incentive to Eligible Employees who are members of the Shareholding Association, and the Eligible Employees will contribute the Special Incentive to the Shareholding Association. The Shareholding Association will aggregate the Special Incentive contributed by the Eligible Employees and make payment to the Company, in exchange for which the Shareholding Association will receive shares of the Company's common stock through the Disposal of Treasury Shares.

The Scheme is structured as follows.



*The Company's subsidiaries are omitted from the diagram.

4. Basis for Calculation of the Payment Amount and Specific Details Thereof

The disposal price for the Disposal of Treasury Shares has been set at ¥4,783, which is the closing price of the Company's common stock on the Tokyo Stock Exchange on November 11, 2026, the business day immediately preceding the date of the resolution by the Company's Board of Directors, in order to ensure that the price is determined objectively. The Company considers this price to be reasonable as it reflects the market price immediately preceding the date of the Board of Directors' resolution.

The disposal price represents a deviation of 1.97% (rounded to the second decimal place; the same shall apply to the calculation of deviation rates hereinafter) from ¥4,879, the simple average of the closing prices of the Company's common stock on the Tokyo Stock Exchange for the one-month period from October 12, 2026 to November 11, 2026 (rounded down to the nearest yen; the same shall apply to simple averages of closing prices hereinafter); a deviation of 3.55% from ¥4,959, the simple average of the closing prices for the three-month period from August 12, 2026 to November 11, 2026; and a deviation of 0.93% from ¥4,828, the simple average of the closing prices for the six-month period from May 12, 2026 to November 11, 2026. Accordingly, the Company has determined that the disposal price does not constitute a particularly favorable price.

All four Audit & Supervisory Board Members (including two Outside Audit & Supervisory Board Members) who attended the meeting of the Company's Board of Directors held today expressed the opinion that, in light of the fact that the Disposal of Treasury Shares is intended to facilitate the introduction of the Scheme and that the payment amount is based on the closing price on the business day immediately preceding the date of the Board of Directors' resolution regarding the Disposal of Treasury Shares, the process by which the Company determined that the payment amount does not constitute a particularly favorable payment amount for the Shareholding Association, the intended allottee, is reasonable, and that such determination is lawful.

5. Matters Concerning Procedures under the Corporate Code of Conduct

The Disposal of Treasury Shares does not require the Company to obtain an opinion from an independent third party or undertake procedures to confirm shareholders' intentions as stipulated in Article 432 of the Securities Listing Regulations of the Tokyo Stock Exchange, because (i) the dilution ratio is less than 25% and (ii) the Disposal of Treasury Shares will not result in a change in the controlling shareholder.

– Ends –