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November 10, 2025

Consolidated Financial Results **for the Six Months Ended September 30, 2025 [JGAAP]**

Company Name: DAINICHISEIKA COLOR & CHEMICALS MFG. CO., LTD.

Stock Code: 4116

(URL: <https://www.daicolor.co.jp>)

Stock Exchange Listing: Tokyo

Representative: Koji Takahashi, Representative Director and President

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Scheduled date of filing semi-annual securities report: November 11, 2025

Scheduled date to commence dividend payments: December 9, 2025

Availability of supplementary briefing material on results: Yes

Holding of Semi-annual Results Briefing Session: Yes

(Figures are rounded down to the nearest million yen)

1. Consolidated Financial Results for the Six Months Ended September 30, 2025 (From April 1, 2025 to September 30, 2025)

(1) Consolidated Results of Operations (cumulative) (% indicates changes from the previous corresponding term)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
Six months ended September 30, 2025	61,723	(0.7)	4,104	18.1	4,489	19.7	3,764	(53.1)
Six months ended September 30, 2024	62,127	4.4	3,475	103.4	3,751	74.9	8,024	215.4

(Note) Comprehensive income: Six months ended September 30, 2025: ¥2,862 million [(75.4)%]
Six months ended September 30, 2024: ¥11,636 million [113.3%]

	Profit per share	Fully diluted profit per share
	Yen	Yen
Six months ended September 30, 2025	219.27	—
Six months ended September 30, 2024	467.67	—

(2) Consolidated Financial Position

	Total assets	Net assets	Equity ratio
	Millions of yen	Millions of yen	%
As of September 30, 2025	197,330	131,229	65.4
As of March 31, 2025	196,784	130,497	65.0

(Reference) Equity: As of September 30, 2025: ¥128,959 million
As of March 31, 2025: ¥128,008 million

2. Dividends

	Annual cash dividends per share				
	End of 1Q	End of 2Q	End of 3Q	Year-end	Annual
	Yen	Yen	Yen	Yen	Yen
Year ended March 31, 2025	—	66.00	—	90.00	156.00
Year ending March 31, 2026	—	87.00			
Year ending March 31, 2026 (Forecast)			—	87.00	174.00

(Note 1) Revisions of dividend forecast from recently announced figures: Not applicable

(Note 2) Breakdown of Interim dividend for Year ended March 31, 2025: Ordinary dividend: ¥51.00; Extraordinary dividend: ¥15.00
Breakdown of Year-end dividend for Year ended March 31, 2025: Ordinary dividend: ¥75.00; Extraordinary dividend: ¥15.00
Breakdown of Interim dividend for Year ending March 31, 2026: Ordinary dividend: ¥72.00; Extraordinary dividend: ¥15.00
Breakdown of Year-end dividend for Year ending March 31, 2026 (Forecast): Ordinary dividend: ¥72.00; Extraordinary dividend: ¥15.00

(Note 3) The Company shall conduct a stock split at a ratio of four shares for every one share of common stock held by shareholders recorded on the final shareholder register on Tuesday March 31, 2026, the record date.

The effective date of this stock split is Wednesday April 1, 2026. Consequently, the year-end dividend for the fiscal year ending Tuesday March 31, 2026, which is the record date, shall be paid based on the number of shares before the stock split.

For details, please refer to “Notice Concerning Stock Split, Related Partial Amendment to the Articles of Incorporation, and Further Revisions to the Shareholder Return Policy” announced today (November 10, 2025).

3. Earnings Forecast of Consolidated Financial Results for the Fiscal Year Ending March 31, 2026

(From April 1, 2025 to March 31, 2026)

(% indicates changes from the previous corresponding term)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent	Profit per share
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	Yen
Full year	127,300	2.0	7,200	2.8	8,200	5.6	6,900 (32.9)	404.22

(Note) Revisions of forecast of financial results from recently announced figures: Applicable

*** Notes**

- (1) Significant changes in the scope of consolidation during the six months ended September 30, 2025:

Applicable

Included: – (–)

Excluded: One company Dainichiseika Kako Hanbai Co., Ltd.

- (2) Adoption of specific accounting treatments to the preparation of semi-annual consolidated financial statements: Not applicable

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

1) Changes in accounting policies due to the revision of accounting standards: Not applicable

2) Changes in accounting policies other than 1): Not applicable

3) Changes in accounting estimates: Not applicable

4) Restatements: Not applicable

- (4) Total number of issued shares (common stock)

1) Total number of issued shares at the end of the period (including treasury shares):	As of September 30, 2025	18,113,110 shares	As of March 31, 2025	18,113,110 shares
2) Total number of treasury shares at the end of the period:	As of September 30, 2025	1,043,090 shares	As of March 31, 2025	951,919 shares
3) Average number of shares during the period (cumulative):	Six months ended September 30, 2025	17,168,328 shares	Six months ended September 30, 2024	17,159,042 shares

- * These semi-annual financial results are outside the scope of review by certified public accountants and audit corporations.

- * Explanation for the appropriate use of performance forecasts and other special notes:

- The statements regarding forecast of financial results in this report are based on the information that is available to the Company, as well as certain assumptions that are deemed to be reasonable by management, and they are not meant to be a commitment by the Company. Therefore, there might be cases in which actual results differ materially from forecast values due to various factors. For the suppositions that form the assumptions for earnings forecasts and cautions concerning the use thereof, please refer to “1. Overview of Business Results, etc. (3) Explanation of Forecast of Consolidated Financial Results and Other Forward-Looking Information” on page 3 of this report.

- The Company plans to hold a semi-annual results briefing session as follows. We also plan to disclose and publish the documents, etc. to be distributed at this session to the Tokyo Stock Exchange and on the Company’s website by the day before the session.

Date: Thursday, December 4, 2025, 10:00 (JST)

Outline: Semi-annual results briefing session for institutional investors and analysts

Date: Tuesday, January 20, 2026, 14:00 (JST)

Outline: Semi-annual results briefing session for individual investors

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1. Overview of Business Results, etc.

(1) Overview of Business Results for the Six-month Period

Trends among the main customers of the Group in the six months ended September 30, 2025 were as follows.

Transport equipment industry	In the domestic market, sales of compounds and colorants for automobiles recovered after the impact of declining production among automobile manufacturers subsided. Sales of polyurethanes were weak due to sluggish performance of the adopted vehicle models. In overseas markets, sales to China and North America were weak.
Information-electronics industry	For LCDs products, sales of pigments were at the same level as the previous year, while coatings were weak from the second quarter onwards. Sales of pigments and colorants for OA equipment applications were weak.
Packaging materials industry	Despite unfavorable weather in the spring, sales of gravure ink for flexible packaging applications for food products and other uses were at the same level as the previous year due to special demand related to stockpiled rice, among other factors. Despite the impact of beverage price increases, sales of the ink for beverage labels were at the same level as the previous year.
Building materials industry	Sales of colorants and coatings for new construction housing were weak against the backdrop of a slowdown in the number of housing starts.

As a result of the above, net sales decreased to ¥61,723 million, down by 0.7% compared to the same period of the previous fiscal year, while operating profit increased to ¥4,104 million and ordinary profit increased to ¥4,489 million, up by 18.1% and 19.7% respectively compared with the same period of the previous fiscal year. Profit attributable to owners of parent was ¥3,764 million, down by 53.1% compared with the same period of the previous fiscal year, mainly due to recording a ¥635 million gain on sale of investment securities from the sale of shares held as cross-shareholdings as extraordinary income. This decrease was due to recording a ¥7,760 million gain on sale of non-current assets, including the former site of the Kawaguchi Production Plant, in extraordinary income in the six months ended September 30, 2024.

Operating results by reportable segment are as follows:

(Color & Functional Products)

In the Color & Functional Products segment, the Group primarily manufactures and sells pigments and related secondary processed products, including pigments, colorants for fabrics, colorants used in plastics, resin compounds, pigment dispersion and functional materials.

Net sales of pigments and dispersion for the information-electronics industry were favorable for LCD applications but weak for OA equipment applications.

Domestic sales of compounds and colorants for the transport equipment industry recovered after the impact of declining production among automobile manufacturers subsided. Overseas sales of compounds and colorants were weak overall.

As a result, net sales in the segment stood at ¥33,999 million, up by 1.5% compared with the same period of the previous fiscal year, while operating profit was ¥2,209 million, up by 47.1% compared with the same period of the previous fiscal year.

(Polymer & Coating Materials)

In the Polymer & Coating Materials segment, the Group primarily manufactures and sells synthetic resins and specialty coatings, including polyurethanes, polymers derived from natural substances, and UV and EB coating materials.

Sales of polyurethanes were weak overall due to sluggish performance of the adopted vehicle models. Sales for outdoor clothing applications in the clothing and accessories industry, as well as thermal-recording coating materials for industrial materials industry and coating materials for the information-electronics industry, were steady.

As a result, net sales in the segment stood at ¥12,167 million, down by 3.2% compared with the same period of the previous fiscal year, while operating profit was ¥1,372 million, down by 18.5% compared with the same period of the previous fiscal year.

(Graphic & Printing Materials)

In the Graphic & Printing Materials segment, the Group primarily develops, manufactures, and sells inks for packaging, advertising, and publishing, including a wide range of gravure, flexographic, and offset printing inks for various applications.

Sales of gravure ink for the packaging materials industry, as well as gravure ink for flexible packaging applications for food products, and beverage label applications, were at the same level as the previous year. Sales of offset printing ink were weak. Overseas, at a local subsidiary in Indonesia, sales were weak due to increasingly intense competition and other factors, but operating profit was favorable as efforts to improve revenue were advanced, among other factors.

As a result, net sales in the segment decreased to ¥15,535 million, down by 3.1% compared with the same period of the previous fiscal year, while operating profit increased to ¥508 million, up by 74.6% compared with the same period of the previous fiscal year.

(2) Overview of Financial Position for the Six-month Period

(Assets)

Total assets as of September 30, 2025 increased by ¥545 million compared with the end of the previous fiscal year to ¥197,330 million. This was mainly due to an increase in “investment securities,” despite a decrease in “cash and deposits.”

(Liabilities)

Total liabilities as of September 30, 2025 decreased by ¥185 million compared with the end of the previous fiscal year to ¥66,100 million. This was mainly due to a decrease in “notes and accounts payable - trade.”

(Net assets)

Total net assets as of September 30, 2025 increased by ¥731 million compared with the end of the previous fiscal year to ¥131,229 million. This was mainly due to a net increase in “retained earnings,” as a result of an increase in “retained earnings” due to recording “profit attributable to owners of parent” and a decrease in “retained earnings” due to the payment of dividends to shareholders among other factors, despite a decrease in “foreign currency translation adjustment.”

(3) Explanation of Forecast of Consolidated Financial Results and Other Forward-Looking Information

The Group has revised the forecast of financial results announced on May 15, 2025, in light of the results for the six months ended September 30, 2025 and the future outlook.

For details, please refer to the “Notice Concerning the Recording of Gain on Sale of Investment Securities (Extraordinary Income) and Revision of Earnings Forecast of Consolidated Financial Results” announced today (November 10, 2025).

2. Semi-annual Consolidated Financial Statements and Principal Notes

(1) Semi-annual Consolidated Balance Sheets

(Millions of yen)

	As of March 31, 2025	As of September 30, 2025
Assets		
Current assets		
Cash and deposits	24,251	21,380
Notes and accounts receivable - trade	51,565	51,765
Inventories	32,596	33,290
Other	1,838	2,091
Allowance for doubtful accounts	(104)	(101)
Total current assets	110,147	108,426
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	20,540	19,896
Land	13,222	13,194
Other, net	15,188	14,734
Total property, plant and equipment	48,952	47,825
Intangible assets		
Other	1,241	1,920
Total intangible assets	1,241	1,920
Investments and other assets		
Investment securities	18,514	20,639
Retirement benefit asset	15,753	15,915
Other	2,189	2,617
Allowance for doubtful accounts	(15)	(14)
Total investments and other assets	36,442	39,157
Total non-current assets	86,636	88,903
Total assets	196,784	197,330
Liabilities		
Current liabilities		
Notes and accounts payable - trade	28,430	27,031
Short-term borrowings	10,521	11,375
Current portion of long-term borrowings	2,796	1,909
Income taxes payable	1,158	714
Provision for bonuses	1,826	1,926
Other	5,336	4,560
Total current liabilities	50,069	47,518
Non-current liabilities		
Long-term borrowings	7,526	8,325
Retirement benefit liability	3,357	3,386
Deferred tax liabilities	4,724	6,276
Other	608	593
Total non-current liabilities	16,217	18,582
Total liabilities	66,286	66,100

(Millions of yen)

	As of March 31, 2025	As of September 30, 2025
Net assets		
Shareholders' equity		
Share capital	10,039	10,039
Capital surplus	9,768	9,974
Retained earnings	90,910	93,131
Treasury shares	(2,046)	(2,676)
Total shareholders' equity	108,673	110,469
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	6,758	8,364
Foreign currency translation adjustment	8,255	6,006
Remeasurements of defined benefit plans	4,321	4,117
Total accumulated other comprehensive income	19,334	18,489
Non-controlling interests	2,489	2,270
Total net assets	130,497	131,229
Total liabilities and net assets	196,784	197,330

(2) Semi-annual Consolidated Statements of Income and Comprehensive Income
(Semi-annual Consolidated Statements of Income)

(Millions of yen)

	Six months ended September 30, 2024	Six months ended September 30, 2025
Net sales	62,127	61,723
Cost of sales	49,620	48,564
Gross profit	12,507	13,159
Selling, general and administrative expenses	9,032	9,054
Operating profit	3,475	4,104
Non-operating income		
Interest income	234	185
Dividend income	216	248
Share of profit of entities accounted for using equity method	42	99
Other	406	287
Total non-operating income	898	821
Non-operating expenses		
Interest expenses	124	139
Foreign exchange losses	207	88
Rental expenses on non-current assets	32	44
Loss on compensation of claims	196	59
Other	60	103
Total non-operating expenses	622	436
Ordinary profit	3,751	4,489
Extraordinary income		
Gain on sale of non-current assets	7,760	4
Gain on sale of investment securities	68	635
Gain on sale of businesses	—	450
Other	—	3
Total extraordinary income	7,829	1,093
Extraordinary losses		
Loss on sale of non-current assets	0	6
Loss on retirement of non-current assets	83	55
Loss on sale of investment securities	29	—
Loss on closing of plant	79	—
Other	1	1
Total extraordinary losses	194	63
Profit before income taxes	11,386	5,519
Income taxes - current	2,245	716
Income taxes - deferred	1,035	958
Total income taxes	3,280	1,674
Profit	8,106	3,845
Profit attributable to non-controlling interests	81	80
Profit attributable to owners of parent	8,024	3,764

(Semi-annual Consolidated Statements of Comprehensive Income)

(Millions of yen)

	Six months ended September 30, 2024	Six months ended September 30, 2025
Profit	8,106	3,845
Other comprehensive income		
Valuation difference on available-for-sale securities	124	1,606
Foreign currency translation adjustment	3,278	(2,399)
Remeasurements of defined benefit plans, net of tax	(154)	(203)
Share of other comprehensive income of entities accounted for using equity method	281	13
Total other comprehensive income	3,529	(983)
Comprehensive income	11,636	2,862
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	11,312	2,918
Comprehensive income attributable to non-controlling interests	324	(56)

(3) Notes to Semi-annual Consolidated Financial Statements

(Notes to Going Concern Assumption)

Not applicable.

(Notes to Significant Changes in the Amount of Shareholders' Equity)

Based on a resolution of the Board of Directors held on February 14, 2025, the Company disposed of 219,780 treasury shares on July 1, 2025, as restricted share incentives for the employee shareholding association. In addition, based on a resolution of the Board of Directors held on June 27, 2025, the Company disposed of 5,441 treasury shares on July 25, 2025, as restricted share-based remuneration. As a result of these disposals, treasury shares decreased by 225,221 shares.

In addition, based on a resolution of the Board of Directors held on August 7, 2025, the Company acquired 315,300 treasury shares on August 8, 2025.

As a result, including acquisition through the purchase of shares of less than one unit, during the six months ended September 30, 2025, capital surplus increased by ¥206 million and treasury shares increased by ¥629 million, resulting in capital surplus of ¥9,974 million and treasury shares of ¥2,676 million.

(Notes to Segment Information, etc.)

Segment information

I. For the six months ended September 30, 2024 (From April 1, 2024 to September 30, 2024)

1. Information regarding net sales and operating profit or loss by the reportable segments

(Millions of yen)

	Reportable segments				Other	Posted amount to the semi-annual consolidated statements of income
	Color & Functional Products	Polymer & Coating Materials	Graphic & Printing Materials	Total		
Net sales						
(1) Net sales to external customers	33,498	12,574	16,026	62,099	28	62,127
(2) Intersegment net sales and transfer	52	218	136	408	(408)	—
Total	33,550	12,793	16,163	62,507	(379)	62,127
Segment profit [Operating profit] (loss)	1,501	1,684	291	3,477	(2)	3,475

Note: The “Other” category comprises adjusted amounts and business that is not included in reportable segments, including real estate leasing, non-life insurance agency businesses, and other insurance intermediary agency businesses.

2. Information on disaggregation of revenue from contracts with customers

<By region> <By contract>

(Millions of yen)

	Reportable segments				Other	Posted amount to the semi-annual consolidated statements of income
	Color & Functional Products	Polymer & Coating Materials	Graphic & Printing Materials	Total		
Japan	25,666	8,189	11,471	45,327	28	45,356
Asia (excluding Japan)	5,949	2,760	4,183	12,893	—	12,893
Other	1,881	1,624	372	3,877	—	3,877
Total	33,498	12,574	16,026	62,099	28	62,127
Revenue from contracts with customers	33,498	12,574	16,026	62,099	20	62,120
Other revenue	—	—	—	—	7	7
Net sales to external customers	33,498	12,574	16,026	62,099	28	62,127

<Impact of subcontract processing with charged receipt on net sales>

(Millions of yen)

	Reportable segments				Other	Posted amount to the semi-annual consolidated statements of income
	Color & Functional Products	Polymer & Coating Materials	Graphic & Printing Materials	Total		
Gross sales to external customers	53,139	12,607	16,028	81,775	28	81,804
Amount of sales offset due to subcontract processing with charged receipt	(19,641)	(32)	(1)	(19,676)	—	(19,676)
Net sales to external customers	33,498	12,574	16,026	62,099	28	62,127

II. For the six months ended September 30, 2025 (From April 1, 2025 to September 30, 2025)

1. Information regarding net sales and operating profit or loss by the reportable segments

(Millions of yen)

	Reportable segments				Other	Posted amount to the semi-annual consolidated statements of income
	Color & Functional Products	Polymer & Coating Materials	Graphic & Printing Materials	Total		
Net sales						
(1) Net sales to external customers	33,999	12,167	15,535	61,702	21	61,723
(2) Intersegment net sales and transfer	60	204	141	407	(407)	—
Total	34,060	12,372	15,677	62,109	(385)	61,723
Segment profit [Operating profit]	2,209	1,372	508	4,089	14	4,104

Note: The “Other” category comprises adjusted amounts and business that is not included in reportable segments, including real estate leasing.

2. Information on disaggregation of revenue from contracts with customers

<By region> <By contract>

(Millions of yen)

	Reportable segments				Other	Posted amount to the semi-annual consolidated statements of income
	Color & Functional Products	Polymer & Coating Materials	Graphic & Printing Materials	Total		
Japan	26,515	8,182	11,451	46,148	21	46,169
Asia (excluding Japan)	5,665	2,629	3,654	11,949	—	11,949
Other	1,818	1,356	429	3,604	—	3,604
Total	33,999	12,167	15,535	61,702	21	61,723
Revenue from contracts with customers	33,999	12,167	15,535	61,702	20	61,723
Other revenue	—	—	—	—	0	0
Net sales to external customers	33,999	12,167	15,535	61,702	21	61,723

<Impact of subcontract processing with charged receipt on net sales>

(Millions of yen)

	Reportable segments				Other	Posted amount to the semi-annual consolidated statements of income
	Color & Functional Products	Polymer & Coating Materials	Graphic & Printing Materials	Total		
Gross sales to external customers	53,559	12,200	15,536	81,297	21	81,318
Amount of sales offset due to subcontract processing with charged receipt	(19,560)	(33)	(1)	(19,594)	–	(19,594)
Net sales to external customers	33,999	12,167	15,535	61,702	21	61,723

(Notes Related to Revenue Recognition)

Information on disaggregation of revenue from contracts with customers is presented in “Notes to Consolidated Financial Statements (Notes to Segment Information, etc.).”

(Significant Subsequent Events)

(Stock Split, Related Partial Amendment to the Articles of Incorporation, and Further Revisions to the Shareholder Return Policy)

At a meeting of the Board of Directors held on November 10, 2025, the Company resolved to implement a stock split, make a partial amendment to the Articles of Incorporation accompanying the stock split, and further revise 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”), which was announced in June 2024.

1. Stock split

(1) Purpose of the stock split

The purpose of the stock split is to expand the Company’s investor base and enhance the liquidity of its shares by lowering the investment unit price of the Company’s stock, thereby creating an environment that is more accessible for a wider range of investors.

(2) Overview of the stock split

(i) Method of the stock split

Each share of common stock owned by shareholders recorded in the closing register of shareholders on the record date of Tuesday, March 31, 2026 will be split into four shares.

(ii) Number of shares to be increased by the stock split

Total number of issued shares prior to the stock split	18,113,110 shares
Number of shares to be increased by the stock split	54,339,330 shares
Total number of issued shares after the stock split	72,452,440 shares
Total number of authorized shares after the stock split	200,000,000 shares

(iii) Schedule of the stock split

Public notice of the record date (scheduled)	Friday, March 13, 2026
Record date	Tuesday, March 31, 2026
Effective date	Wednesday, April 1, 2026

(iv) Other

The effective date of this stock split will be Wednesday, April 1, 2026. The year-end dividend for the fiscal year ending March 2026 (based on the record date of Tuesday, March 31, 2026) will be implemented based on the number of shares held before the stock split.

The stock split will not result in any change in the amount of share capital.

2. Partial amendment to the Articles of Incorporation

(1) Reason for the amendment

In connection with the upcoming stock split, the total number of authorized shares stipulated in Article 6 of the Company's Articles of Incorporation will be amended as follows, effective on Wednesday, April 1, 2026, pursuant to the provisions of Article 184, Paragraph 2 of the Companies Act.

(2) Details of the amendment

(Underlined portions indicate changes)

Current Articles of Incorporation	Articles of Incorporation after amendment
Article 6 (Total Number of Authorized Shares) The total number of shares authorized to be issued by the Company shall be <u>50,000,000</u> .	Article 6 (Total Number of Authorized Shares) The total number of shares authorized to be issued by the Company shall be <u>200,000,000</u> .

(3) Schedule of the amendment

Effective date of the amendment to the Articles of Incorporation: Wednesday, April 1, 2026 (scheduled)

3. Further revisions to the shareholder return policy

(1) Reason for further revisions

In connection with the upcoming stock split, the Company will change the shareholder return policy, which is scheduled to be implemented during the Medium-Term Management Plan, as follows. However, this change is merely an adjustment due to the implementation of the stock split and does not constitute a substantial change from the original policy.

The revised policy will be applied starting from the fiscal year ending March 2027, from which point the number of shares post-stock split will serve as the basis for the shareholder return.

(2) Details of further revisions

(Underlined portions indicate changes)

	Before revision	After revision
Shareholder return policy	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 <u>¥100</u> 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 <u>¥25</u> per share
Breakdown of total payout ratio	(i) Ordinary dividends*	Dividend payout ratio of 40% or more
	(ii) Share buyback	Conduct in a timely manner whenever necessary
Special dividend plan	The Company will pay a special dividend of ¥30 per share <u>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</u> using the extraordinary income arising from the transfer of the former site of the Kawaguchi Production Plant of the Company (after income taxes).	The Company will pay a special dividend of ¥30 per share <u>for each three fiscal years from March 2024 to March 2026, and ¥7.50 per share for the fiscal year ending March 2027</u> (total amounting to <u>approximately 2 billion yen</u>) using the extraordinary income arising from the transfer of the former site of the Kawaguchi Production Plant of the Company (after income taxes).

* For the fiscal year ended March 2025, the extraordinary income arising from the transfer of the Company's former Kawaguchi Production Plant site is excluded from the source of ordinary dividends.

(3) Period of application

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.