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May 15, 2026

## Consolidated Financial Results for the Fiscal Year Ended March 31, 2026 [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 Annual General Meeting of Shareholders: June 26, 2026

Scheduled date to commence dividend payments: June 29, 2026

Scheduled date to submit the Annual Securities Report: June 25, 2026

Availability of supplementary briefing material on annual results: Yes

Holding of Annual Results Briefing Session: Yes (for institutional investors and analysts)

(Figures are rounded down to the nearest million yen)

### 1. Consolidated Financial Results for the Fiscal Year Ended March 31, 2026 (From April 1, 2025 to March 31, 2026)

#### (1) Consolidated Results of Operations

(% 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	%
Year ended March 31, 2026	124,294	(0.4)	7,610	8.6	8,490	9.4	8,101	(21.3)
Year ended March 31, 2025	124,760	4.1	7,004	53.9	7,764	55.2	10,289	181.1

(Note) Comprehensive income: Year ended March 31, 2026: ¥14,329 million [2.3%]  
Year ended March 31, 2025: ¥14,007 million [51.6%]

	Profit per share	Fully diluted profit per share	Rate of return on equity	Ordinary profit to total assets	Operating profit to net sales
	Yen	Yen	%	%	%
Year ended March 31, 2026	118.32	–	6.1	4.2	6.1
Year ended March 31, 2025	149.91	–	8.4	4.0	5.6

(Reference) Equity in earnings of affiliated companies: Year ended March 31, 2026: ¥252 million  
Year ended March 31, 2025: ¥99 million

(Note) The Company conducted a stock split on April 1, 2026, whereby each share of common stock was split into four shares. “Profit per share” is calculated on the assumption that the stock split was conducted at the beginning of year ended March 31, 2025.

#### (2) Consolidated Financial Position

	Total assets	Net assets	Equity ratio	Net assets per share
	Millions of yen	Millions of yen	%	Yen
As of March 31, 2026	205,444	141,210	67.5	2,030.85
As of March 31, 2025	196,784	130,497	65.0	1,864.79

(Reference) Equity: As of March 31, 2026: ¥138,629 million  
As of March 31, 2025: ¥128,008 million

(Note) The Company conducted a stock split on April 1, 2026, whereby each share of common stock was split into four shares. “Net assets per share” is calculated on the assumption that the stock split was conducted at the beginning of year ended March 31, 2025.

### (3) Consolidated Cash Flows

	Net cash provided by (used in) operating activities	Net cash provided by (used in) investing activities	Net cash provided by (used in) financing activities	Cash and cash equivalents at end of period
	Millions of yen	Millions of yen	Millions of yen	Millions of yen
Year ended March 31, 2026	9,045	(2,062)	(6,740)	21,990
Year ended March 31, 2025	4,165	1,415	(7,000)	21,696

### 2. Dividends

	Annual cash dividends per share					Total dividends paid (annual)	Payout ratio (consolidated)	Dividends to net assets (consolidated)
	End of 1Q	End of 2Q	End of 3Q	Year-end	Annual			
	Yen	Yen	Yen	Yen	Yen	Millions of yen	%	%
Year ended March 31, 2025	–	66.00	–	90.00	156.00	2,677	26.0	2.2
Year ended March 31, 2026	–	87.00	–	133.00	220.00	3,754	46.5	2.8
Year ending March 31, 2027 (Forecast)	–	27.50	–	27.50	55.00		56.9	

(Note 1) Breakdown of interim dividend for Year ended March 31, 2025: Ordinary dividend: ¥51.00; Special dividend: ¥15.00  
Breakdown of Year-end dividend for Year ended March 31, 2025: Ordinary dividend: ¥75.00; Special dividend: ¥15.00  
Breakdown of interim dividend for Year ended March 31, 2026: Ordinary dividend: ¥72.00; Special dividend: ¥15.00  
Breakdown of Year-end dividend for Year ended March 31, 2026: Ordinary dividend: ¥118.00; Special dividend: ¥15.00  
Breakdown of interim dividend for Year ending March 31, 2027 (Forecast): Ordinary dividend: ¥23.75; Special dividend: ¥3.75  
Breakdown of Year-end dividend for Year ending March 31, 2027 (Forecast): Ordinary dividend: ¥23.75; Special dividend: ¥3.75

(Note 2) The Company conducted a stock split on April 1, 2026, whereby each share of common stock was split into four shares. However, for the years ended March 31, 2025 and March 31, 2026, the actual dividend amounts before the stock split are presented.  
The dividend amounts presented for the year ending March 31, 2027 (forecast) are the amounts based on the number of shares after the stock split.

### 3. Earnings Forecast of Consolidated Financial Results for the Fiscal Year Ending March 31, 2027 (From April 1, 2026 to March 31, 2027)

(% 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
First half	62,800	1.7	3,900	(5.0)	4,500	0.2	3,100	(17.7)	45.41
Full year	126,600	1.9	8,400	10.4	9,500	11.9	6,600	(18.5)	96.69

(Note) The Company conducted a stock split on April 1, 2026, whereby each share of common stock was split into four shares. “Profit per share” for the earnings forecast of consolidated financial results for the fiscal year ending March 31, 2027 takes into account the impact of the stock split.

**\* Notes**

- (1) Significant changes in the scope of consolidation during the fiscal year ended March 31, 2026: Applicable  
 Included: – (–)  
 Excluded: Two companies Dainichiseika Kako Hanbai Co., Ltd., Dainichiseika Insurance Services Co., Ltd.
- (2) 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

(3) Total number of issued shares (common stock)

1) Total number of issued shares at the end of the period (including treasury shares):	As of March 31, 2026	72,452,440 shares	As of March 31, 2025	72,452,440 shares
2) Total number of treasury shares at the end of the period:	As of March 31, 2026	4,190,600 shares	As of March 31, 2025	3,807,676 shares
3) Average number of shares during the period:	Year ended March 31, 2026	68,472,916 shares	Year ended March 31, 2025	68,640,623 shares

(Note) The Company conducted a stock split on April 1, 2026, whereby each share of common stock was split into four shares. “Total number of issued shares at the end of the period,” “Total number of treasury shares at the end of the period,” and “Average number of shares during the period” have been calculated on the assumption that the stock split was conducted at the beginning of the year ended March 31, 2025.

(Reference) Summary of the Non-consolidated Financial Results

**Non-consolidated Financial Results for the Fiscal Year Ended March 31, 2026 (From April 1, 2025 to March 31, 2026)**

(1) Non-consolidated Results of Operations

(% indicates changes from the previous corresponding term)

	Net sales		Operating profit		Ordinary profit		Profit	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
Year ended March 31, 2026	100,631	1.0	3,880	50.7	8,397	23.1	8,904	(32.5)
Year ended March 31, 2025	99,605	2.2	2,574	370.3	6,820	136.9	13,182	554.4

	Profit per share		Fully diluted profit per share	
	Yen		Yen	
Year ended March 31, 2026	130.04		—	
Year ended March 31, 2025	192.05		—	

(Note) The Company conducted a stock split on April 1, 2026, whereby each share of common stock was split into four shares. “Profit per share” is calculated on the assumption that the stock split was conducted at the beginning of year ended March 31, 2025.

(2) Non-consolidated Financial Position

	Total assets		Net assets		Equity ratio		Net assets per share	
	Millions of yen		Millions of yen		%		Yen	
As of March 31, 2026	140,193		78,445		56.0		1,149.18	
As of March 31, 2025	135,201		72,157		53.4		1,051.17	

(Reference) Equity: As of March 31, 2026: ¥78,445 million  
As of March 31, 2025: ¥72,157 million

(Note) The Company conducted a stock split on April 1, 2026, whereby each share of common stock was split into four shares. “Net assets per share” is calculated on the assumption that the stock split was conducted at the beginning of year ended March 31, 2025.

\* These consolidated financial results are outside the scope of audit 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. (4) Future Outlook” on page 4 of this report.

- The Company plans to hold 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, June 4, 2026 at 1:00 p.m.

Outline: Annual results briefing session for institutional investors and analysts

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## 1. Overview of Business Results, etc.

### (1) Overview of Business Results for the Current Fiscal Year

Trends among the main customers of the Group in the fiscal year ended March 31, 2026 were as follows.

Transport equipment industry	In the domestic market, sales of compounds and colorants for automobiles were steady after the impact of declining production among automobile manufacturers subsided. On the other hand, sales of polyurethanes were weak due to sluggish performance of vehicle models adopting them. In overseas markets, sales to China and North America were weak, while sales of local subsidiaries in Thailand, India, and Taiwan were favorable.
Information-electronics industry	For LCDs products, sales of pigments were favorable due to an increase in sales of new products. Sales of coatings were steady. Sales of pigments and colorants for office equipment and commercial printing were favorable.
Packaging materials industry	Sales of gravure ink for both flexible packaging applications for food products and beverage label applications were at the same level as the previous year, although they were partially impacted by conservative spending due to inflation. Overseas, sales of a local subsidiary in Indonesia were weak due to increasingly intense competition and other factors in the second quarter, but they showed recovery and were steady from the third quarter onwards.
Building materials industry	Sales of colorants and coatings for new construction housing are supported by demand for renovations amid a slowdown in the number of housing starts.

As a result of the above, net sales decreased to ¥124,294 million, down by 0.4% compared with the same period of the previous fiscal year. However, operating profit increased to ¥7,610 million and ordinary profit increased to ¥8,490 million, up by 8.6% and 9.4% respectively compared with the same period of the previous fiscal year, securing profit growth, mainly due to efforts to improve profitability. Profit attributable to owners of parent was ¥8,101 million, down by 21.3% compared with the same period of the previous fiscal year. This year-on-year decrease was due to the effect of having recorded ¥7,761 million as a gain on sale of non-current assets, including the former site of the Kawaguchi Production Plant, in extraordinary income in the previous fiscal year, despite a ¥2,812 million gain on sale of investment securities as a result of systematically proceeding with the sale of shares held as cross-shareholdings, which was recorded in extraordinary income in the current fiscal year.

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.

Sales of pigments and dispersion for the information-electronics industry were favorable for LCD products and office equipment applications. Sales of compounds and colorants for the transport equipment industry showed a recovery trend due to the upturn in domestic automobile production. Overseas, sales to China and North America were weak, but sales of local subsidiaries mainly in Thailand, India, and Taiwan were favorable.

As a result, net sales in the segment stood at ¥69,050 million, up by 2.6% compared with the same period of the previous fiscal year, while operating profit was ¥4,140 million, up by 32.1% 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 polyurethane for applications in semiconductors and electronic devices in the information-electronics

industry, as well as for thermal-recording coating materials for industrial materials industry were steady. However, sales for the transport equipment industry were weak in Japan and overseas due to the impact of sluggish performance of major vehicle models adopting them. Although sales of LCD coating materials for the information-electronics industry were steady, they fell short of supporting the overall segment.

As a result, net sales in the segment stood at ¥24,132 million, down by 4.8% compared with the same period of the previous fiscal year, while operating profit was ¥2,587 million, down by 17.7% 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.

Domestic sales of gravure ink remained solid, mainly for flexible packaging applications and beverage label applications, although they were partially impacted by conservative spending due to inflation.

On the other hand, sales of offset printing ink were weak.

Overseas, sales of a local subsidiary in Indonesia were weak due to increasingly intense competition and other factors in the second quarter, but they showed recovery and were steady from the third quarter onwards.

As a result, net sales in the segment decreased to ¥31,065 million, down by 3.0% compared with the same period of the previous fiscal year. However, operating profit increased to ¥853 million, up by 19.1% compared with the same period of the previous fiscal year.

### (2) Overview of Financial Position for the Current Fiscal Year

#### (Assets)

Total assets as of March 31, 2026 increased by ¥8,660 million compared with the end of the previous fiscal year to ¥205,444 million.

This was mainly due to an increase in “retirement benefit asset” due to a decrease in retirement benefit obligations, etc., as well as an increase in “investment securities” as the fair value of shares held rose while there was the sale of shares held as cross-shareholdings.

#### (Liabilities)

Total liabilities as of March 31, 2026 decreased by ¥2,052 million compared with the end of the previous fiscal year to ¥64,233 million.

This was mainly due to decreases in interest-bearing debt, including “short-term borrowings” and “long-term borrowings,” as well as “retirement benefit liability,” despite an increase in “deferred tax liabilities.”

#### (Net assets)

Total net assets as of March 31, 2026 increased by ¥10,713 million compared with the end of the previous fiscal year to ¥141,210 million. This was mainly due to increases in “retained earnings” and “accumulated other comprehensive income,” such as “remeasurements of defined benefit plans” and “valuation difference on available-for-sale securities,” despite the purchase of “treasury shares” being a negative factor in this increase.

### (3) Overview of Cash Flows for the Current Fiscal Year

Cash and cash equivalents (hereinafter referred to as “net cash”) as of March 31, 2026 increased by ¥294 million compared with the end of the previous fiscal year to ¥21,990 million.

Net cash provided by (used in) respective activities during the fiscal year ended March 31, 2026 are as follows:

#### (Net cash provided by (used in) operating activities)

Net cash provided by operating activities was ¥9,045 million, up by 117.2% compared with the same period of the previous fiscal year. This was mainly due to increases in net cash resulting from the recording of “profit before income taxes” and the recording of “depreciation,” as a non-cash expense, despite an outflow of net cash

due to an increase in working capital.

(Net cash provided by (used in) investing activities)

Net cash used in investing activities was ¥2,062 million (compared with net cash provided of ¥1,415 million for the same period of the previous fiscal year). This was mainly due to a decrease in net cash from “purchase of property, plant and equipment,” despite an increase in net cash from “proceeds from sale of investment securities.”

(Net cash provided by (used in) financing activities)

Net cash used in financing activities was ¥6,740 million, down by 3.7% compared with the same period of the previous fiscal year. This was mainly due to decreases in net cash from repayments of borrowings, “dividends paid,” and “purchase of treasury shares,” etc.

#### (4) Future Outlook

The Group is positioned as a midstream business in the chemical industry that supplies products to the transport equipment, information-electronics, packaging materials, building materials and various other industries.

Our projections by industry are as follows.

Transport equipment industry	Sales of compounds and colorants for automobiles are expected to remain firm, while sales of polyurethanes are expected to decrease slightly due to sluggish performance of vehicle models adopting them.
Information-electronics industry	Sales of pigments and coatings for LCDs are expected to remain favorable due to the customers newly adopting them in the previous fiscal year. Sales of pigment and colorant for applications in toner for office equipment are expected to continue declining; however, sales of ink jet printing pigments and dispersion liquids for use in industrial and commercial printing are expected to grow due to the advance of digitalization.
Packaging materials industry	Sales of gravure printing ink are expected to be firm due to an increase in environmentally friendly water-based flexographic inks, although the impact by conservative spending due to inflation is recognized.
Building materials industry	Sales of colorants and coatings are projected to see firm demand for renovation, despite a slowdown in the number of housing starts.

As a result, we forecast the following consolidated financial results for the next fiscal year.

(% 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 ending September 30, 2026	62,800	1.7	3,900	(5.0)	4,500	0.2	3,100	(17.7)
Fiscal year ending March 31, 2027	126,600	1.9	8,400	10.4	9,500	11.9	6,600	(18.5)

Due to the deteriorating situation in the Middle East, it is currently difficult to rationally estimate the trends in raw material procurement and prices, as well as sales to each industry. Moreover, the impacts of (1) reviewing the business portfolio and (2) domestic measures for the streamlining of production, sales, and administrative operations, and the reorganization of business plants, etc., which were disclosed in “Notice Concerning the Implementation of Business Structural Reform,” today (May 15, 2026), are yet to be determined, and therefore neither of these factors has been factored into the forecast of consolidated financial results for the next fiscal year.

(5) Basic Policy on the Distribution of Profits and Dividend Payment for the Current and Next Fiscal Years  
 In the three-year Medium-Term Management Plan “TRANSFORMATION for TOMORROW 2027” (the “Medium-Term Management Plan”), which began in April 2024, the Company set out a shareholder return policy (partially revised as resolved at a meeting of the Board of Directors held on May 15, 2025) for the period of the Medium-Term Management Plan with the following elements:

1. Total payout ratio of 50% or more on a three-year average during the Medium-Term Management Plan
2. Dividend payout ratio of 40% or more (excluding special dividend), with an annual ordinary dividend of at least ¥100 per share
3. In addition to 2., a special dividend of ¥30 per share shall be paid each year over four years from the fiscal year ended March 31, 2024  
 (funded by the gain on transfer of the Company’s former Kawaguchi Production Plant)
4. Flexible purchase of treasury shares

In connection with the 4-for-1 stock split of common stock effective as of April 1, 2026, the Company has further revised the shareholder return policy. 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 year-end dividend for the fiscal year ended 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.

(Underlined portions indicate changes)

	Before stock split	After stock split
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 with an annual ordinary 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 with an annual ordinary dividend of at least <u>¥25</u> per share
Breakdown of total payout ratio	Ordinary dividends*	Dividend payout ratio of 40% or more
	Share buyback	Conduct in a timely manner whenever necessary
Special dividend plan	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 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 approximately 2 billion yen) 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.

## 2. Basic Approach in Choosing Accounting Standard

With consideration given to comparability of consolidated financial statements among periods and companies, the Group has a policy to apply Japanese GAAP for the preparation of consolidated financial statements for the near fiscal years.

The Group will respond appropriately concerning the application of the International Financial Reporting Standards (IFRS) upon consideration of various factors in Japan and overseas.

### 3. Consolidated Financial Statements and Principal Notes

#### (1) Consolidated Balance Sheets

(Millions of yen)

	As of March 31, 2025	As of March 31, 2026
<b>Assets</b>		
Current assets		
Cash and deposits	24,251	23,436
Notes receivable - trade	11,184	10,904
Accounts receivable - trade	40,381	41,265
Merchandise and finished goods	20,438	20,941
Work in process	1,215	1,317
Raw materials and supplies	10,942	10,464
Other	1,838	1,351
Allowance for doubtful accounts	(104)	(106)
<b>Total current assets</b>	<b>110,147</b>	<b>109,573</b>
Non-current assets		
Property, plant and equipment		
Buildings and structures	53,186	54,328
Accumulated depreciation	(32,645)	(34,307)
Buildings and structures, net	20,540	20,021
Machinery, equipment and vehicles	62,913	65,117
Accumulated depreciation	(51,531)	(53,176)
Machinery, equipment and vehicles, net	11,381	11,940
Tools, furniture and fixtures	13,228	14,053
Accumulated depreciation	(10,866)	(11,241)
Tools, furniture and fixtures, net	2,362	2,812
Land	13,222	13,237
Leased assets	564	521
Accumulated depreciation	(481)	(376)
Leased assets, net	82	144
Construction in progress	1,362	719
<b>Total property, plant and equipment</b>	<b>48,952</b>	<b>48,875</b>
Intangible assets		
Other	1,241	2,164
<b>Total intangible assets</b>	<b>1,241</b>	<b>2,164</b>
Investments and other assets		
Investment securities	18,514	20,630
Investments in capital	61	69
Deferred tax assets	309	266
Retirement benefit asset	15,753	21,711
Other	1,818	2,167
Allowance for doubtful accounts	(15)	(15)
<b>Total investments and other assets</b>	<b>36,442</b>	<b>44,830</b>
<b>Total non-current assets</b>	<b>86,636</b>	<b>95,870</b>
<b>Total assets</b>	<b>196,784</b>	<b>205,444</b>

(Millions of yen)

	As of March 31, 2025	As of March 31, 2026
<b>Liabilities</b>		
Current liabilities		
Notes and accounts payable - trade	28,430	26,908
Short-term borrowings	10,521	9,022
Current portion of long-term borrowings	2,796	1,723
Lease liabilities	124	85
Income taxes payable	1,158	1,516
Provision for bonuses	1,826	1,918
Other	5,211	4,457
Total current liabilities	50,069	45,631
Non-current liabilities		
Long-term borrowings	7,526	7,772
Lease liabilities	75	102
Deferred tax liabilities	4,724	7,802
Retirement benefit liability	3,357	2,383
Other	533	541
Total non-current liabilities	16,217	18,602
Total liabilities	66,286	64,233
<b>Net assets</b>		
Shareholders' equity		
Share capital	10,039	10,039
Capital surplus	9,768	9,974
Retained earnings	90,910	95,983
Treasury shares	(2,046)	(2,676)
Total shareholders' equity	108,673	113,321
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	6,758	8,413
Foreign currency translation adjustment	8,255	8,716
Remeasurements of defined benefit plans	4,321	8,178
Total accumulated other comprehensive income	19,334	25,308
Non-controlling interests	2,489	2,580
Total net assets	130,497	141,210
<b>Total liabilities and net assets</b>	<b>196,784</b>	<b>205,444</b>

(2) Consolidated Statements of Income and Comprehensive Income  
(Consolidated Statements of Income)

(Millions of yen)

	Fiscal year ended March 31, 2025	Fiscal year ended March 31, 2026
Net sales	124,760	124,294
Cost of sales	99,539	98,254
Gross profit	25,221	26,040
Selling, general and administrative expenses		
Transportation costs	3,129	3,097
Provision of allowance for doubtful accounts	12	(1)
Salaries and allowances	5,719	5,895
Provision for bonuses	720	785
Retirement benefit expenses	170	103
Other	8,464	8,548
Total selling, general and administrative expenses	18,217	18,430
Operating profit	7,004	7,610
Non-operating income		
Interest income	456	350
Dividend income	428	501
Share of profit of entities accounted for using equity method	99	252
Other	730	545
Total non-operating income	1,715	1,650
Non-operating expenses		
Interest expenses	248	304
Foreign exchange losses	234	52
Rental expenses on non-current assets	72	90
Loss on compensation of claims	208	102
Other	191	219
Total non-operating expenses	956	770
Ordinary profit	7,764	8,490
Extraordinary income		
Gain on sale of non-current assets	7,761	7
Gain on sale of investment securities	157	2,812
Gain on sale of businesses	60	450
Other	134	3
Total extraordinary income	8,113	3,273
Extraordinary losses		
Impairment losses	8	25
Loss on sale of non-current assets	1	15
Loss on retirement of non-current assets	190	173
Loss on sale of investment securities	29	–
Loss on sale of investments in capital of subsidiaries and associates	1,193	–
Loss on closing of plant	79	–
Other	1	1
Total extraordinary losses	1,504	216
Profit before income taxes	14,372	11,546
Income taxes - current	2,025	2,616
Income taxes - deferred	1,857	629
Total income taxes	3,882	3,245
Profit	10,489	8,300
Profit attributable to non-controlling interests	200	198
Profit attributable to owners of parent	10,289	8,101

(Consolidated Statements of Comprehensive Income)

(Millions of yen)

	Fiscal year ended March 31, 2025	Fiscal year ended March 31, 2026
Profit	10,489	8,300
Other comprehensive income		
Valuation difference on available-for-sale securities	(280)	1,656
Foreign currency translation adjustment	3,040	426
Remeasurements of defined benefit plans, net of tax	718	3,857
Share of other comprehensive income of entities accounted for using equity method	39	88
Total other comprehensive income	3,517	6,028
Comprehensive income	14,007	14,329
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	13,578	14,075
Comprehensive income attributable to non-controlling interests	429	253

(3) Consolidated Statements of Changes in Net Assets  
Fiscal year ended March 31, 2025

(Millions of yen)

	Shareholders' equity				
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of period	10,039	9,768	84,023	(3,130)	100,701
Changes during period					
Dividends of surplus			(2,333)		(2,333)
Profit attributable to owners of parent			10,289		10,289
Purchase of treasury shares				(1)	(1)
Disposal of treasury shares		6		10	16
Cancellation of treasury shares		(6)	(1,068)	1,074	–
Net changes in items other than shareholders' equity					
Total changes during period	–	–	6,887	1,084	7,971
Balance at end of period	10,039	9,768	90,910	(2,046)	108,673

	Accumulated other comprehensive income				Non-controlling interests	Total net assets
	Valuation difference on available-for-sale securities	Foreign currency translation adjustment	Remeasurements of defined benefit plans	Total accumulated other comprehensive income		
Balance at beginning of period	7,044	5,399	3,601	16,046	2,418	119,166
Changes during period						
Dividends of surplus						(2,333)
Profit attributable to owners of parent						10,289
Purchase of treasury shares						(1)
Disposal of treasury shares						16
Cancellation of treasury shares						–
Net changes in items other than shareholders' equity	(286)	2,855	719	3,288	70	3,359
Total changes during period	(286)	2,855	719	3,288	70	11,330
Balance at end of period	6,758	8,255	4,321	19,334	2,489	130,497

Fiscal year ended March 31, 2026

(Millions of yen)

	Shareholders' equity				
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of period	10,039	9,768	90,910	(2,046)	108,673
Changes during period					
Dividends of surplus			(3,029)		(3,029)
Profit attributable to owners of parent			8,101		8,101
Purchase of treasury shares				(1,114)	(1,114)
Disposal of treasury shares		206		484	690
Net changes in items other than shareholders' equity					
Total changes during period	–	206	5,072	(630)	4,648
Balance at end of period	10,039	9,974	95,983	(2,676)	113,321

	Accumulated other comprehensive income				Non-controlling interests	Total net assets
	Valuation difference on available-for-sale securities	Foreign currency translation adjustment	Remeasurements of defined benefit plans	Total accumulated other comprehensive income		
Balance at beginning of period	6,758	8,255	4,321	19,334	2,489	130,497
Changes during period						
Dividends of surplus						(3,029)
Profit attributable to owners of parent						8,101
Purchase of treasury shares						(1,114)
Disposal of treasury shares						690
Net changes in items other than shareholders' equity	1,655	460	3,857	5,973	91	6,065
Total changes during period	1,655	460	3,857	5,973	91	10,713
Balance at end of period	8,413	8,716	8,178	25,308	2,580	141,210

## (4) Consolidated Statements of Cash Flows

(Millions of yen)

	Fiscal year ended March 31, 2025	Fiscal year ended March 31, 2026
<b>Cash flows from operating activities</b>		
Profit before income taxes	14,372	11,546
Depreciation	4,912	5,120
Impairment losses	8	25
Share-based payment expenses	17	132
Increase (decrease) in provision for bonuses	19	94
Increase (decrease) in allowance for doubtful accounts	8	(3)
Increase (decrease) in retirement benefit liability	(4,254)	(1,314)
Interest and dividend income	(885)	(852)
Interest expenses	248	304
Foreign exchange losses (gains)	(96)	19
Share of loss (profit) of entities accounted for using equity method	(99)	(252)
Dividends received from entities accounted for using equity method	73	90
Loss (gain) on sale of investment securities	1,065	(2,812)
Loss (gain) on sale of non-current assets	(7,760)	8
Loss on retirement of non-current assets	190	173
Decrease (increase) in trade receivables	2,442	(532)
Decrease (increase) in inventories	(266)	(43)
Increase (decrease) in trade payables	(1,241)	(1,555)
Other, net	(3,198)	477
<b>Subtotal</b>	<b>5,556</b>	<b>10,627</b>
Interest and dividends received	885	853
Interest paid	(262)	(304)
Income taxes paid	(2,013)	(2,130)
<b>Net cash provided by (used in) operating activities</b>	<b>4,165</b>	<b>9,045</b>
<b>Cash flows from investing activities</b>		
Payments into time deposits	(2,554)	(1,445)
Proceeds from withdrawal of time deposits	2,154	2,554
Purchase of property, plant and equipment	(5,437)	(5,590)
Proceeds from sale of property, plant and equipment	7,530	19
Purchase of intangible assets	(232)	(1,081)
Purchase of investment securities	(543)	(34)
Proceeds from sale of investment securities	429	3,408
Proceeds from sale of investments in capital of subsidiaries and associates	–	85
Loan advances	(20)	(9)
Proceeds from collection of loans receivable	18	6
Other, net	72	24
<b>Net cash provided by (used in) investing activities</b>	<b>1,415</b>	<b>(2,062)</b>

(Millions of yen)

	Fiscal year ended March 31, 2025	Fiscal year ended March 31, 2026
<b>Cash flows from financing activities</b>		
Proceeds from short-term borrowings	3,617	6,132
Repayments of short-term borrowings	(4,834)	(7,604)
Proceeds from long-term borrowings	1,198	1,600
Repayments of long-term borrowings	(4,134)	(2,432)
Repayments of lease liabilities	(154)	(128)
Purchase of treasury shares	(1)	(1,114)
Dividends paid	(2,333)	(3,029)
Dividends paid to non-controlling interests	(358)	(163)
Other, net	–	1
Net cash provided by (used in) financing activities	(7,000)	(6,740)
Effect of exchange rate change on cash and cash equivalents	1,690	51
Net increase (decrease) in cash and cash equivalents	271	294
Cash and cash equivalents at beginning of period	21,425	21,696
Cash and cash equivalents at end of period	21,696	21,990

(5) Notes to Consolidated Financial Statements

(Notes to Going Concern Assumption)

Not applicable.

(Notes to Segment Information, etc.)

1. Outline of reportable segments

Reportable segments of the Group are the organizational units for which separated financial information is available, and these segments are periodically examined by the Board of Directors for the purpose of deciding the allocation of business resources and evaluating the operating results.

As a comprehensive high-tech and color science manufacturer, the Group deals in manufacturing and sales of various products related to coloring inside and outside of Japan, as well as conducting business related to coloring.

For this reason, the Group has listed three reportable segments by product types, namely “Color & Functional Products,” “Polymer & Coating Materials,” and “Graphic & Printing Materials.”

The main products/services in each reportable segment are as follows:

Reportable segments	Main Products/Services
Color & Functional Products	Manufacture and sale of primarily pigments and related secondary processed products, including pigments, colorants for fabrics, colorants used in plastics, resin compounds, pigment dispersion and functional materials
Polymer & Coating Materials	Manufacture and sale of primarily synthetic resins and specialty coatings, including polyurethanes, polymers derived from natural substances, and UV and EB coating materials
Graphic & Printing Materials	Development, manufacture, and sale of primarily inks for packaging, advertising, and publishing, including a wide range of gravure, flexographic, and offset printing inks for various applications

2. Calculation method for net sales, operating profit or loss, assets, liabilities, and other items by the reportable segments

The method of accounting treatments for reportable segments is in accordance with the accounting policies adopted for preparation of the Consolidated Financial Statements.

Profit of reportable segments is the amount based on operating profit.

Intersegment net sales and transfer are based on prevailing market prices.

3. Information regarding net sales, operating profit or loss, assets, liabilities, and other items by the reportable segments

Fiscal year ended March 31, 2025

(Millions of yen)

	Reportable segments				Other	Posted amount to the consolidated financial statements
	Color & Functional Products	Polymer & Coating Materials	Graphic & Printing Materials	Total		
Net sales						
(1) Net sales to external customers	67,325	25,342	32,023	124,691	69	124,760
(2) Intersegment net sales and transfer	114	465	289	868	(868)	–
Total	67,439	25,807	32,312	125,560	(799)	124,760
Segment profit [Operating profit]	3,134	3,145	716	6,996	7	7,004
Segment assets	113,864	41,542	33,956	189,363	7,420	196,784
Other items						
Depreciation	2,798	1,437	676	4,912	–	4,912
Increases in property, plant and equipment and intangible assets	4,185	1,363	358	5,906	0	5,907

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.

Fiscal year ended March 31, 2026

(Millions of yen)

	Reportable segments				Other	Posted amount to the consolidated financial statements
	Color & Functional Products	Polymer & Coating Materials	Graphic & Printing Materials	Total		
Net sales						
(1) Net sales to external customers	69,050	24,132	31,065	124,248	45	124,294
(2) Intersegment net sales and transfer	105	415	289	811	(811)	–
Total	69,156	24,548	31,355	125,060	(765)	124,294
Segment profit [Operating profit]	4,140	2,587	853	7,581	28	7,610
Segment assets	118,123	42,581	35,911	196,616	8,828	205,444
Other items						
Depreciation	2,969	1,487	663	5,120	–	5,120
Increases in property, plant and equipment and intangible assets	3,234	1,341	1,358	5,934	–	5,934

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

#### 4. Information on disaggregation of revenue from contracts with customers

<By region> <By contract>

Fiscal year ended March 31, 2025

(Millions of yen)

	Reportable segments				Other	Posted amount to the consolidated statements of income
	Color & Functional Products	Polymer & Coating Materials	Graphic & Printing Materials	Total		
Japan	51,430	16,714	22,731	90,876	69	90,946
Asia (excluding Japan)	12,338	5,617	8,532	26,489	–	26,489
Other	3,556	3,010	758	7,325	–	7,325
Total	67,325	25,342	32,023	124,691	69	124,760
Revenue from contracts with customers	67,325	25,342	32,023	124,691	44	124,735
Other revenue	–	–	–	–	25	25
Net sales to external customers	67,325	25,342	32,023	124,691	69	124,760

Fiscal year ended March 31, 2026

(Millions of yen)

	Reportable segments				Other	Posted amount to the consolidated statements of income
	Color & Functional Products	Polymer & Coating Materials	Graphic & Printing Materials	Total		
Japan	53,487	16,139	22,669	92,297	45	92,343
Asia (excluding Japan)	11,897	5,428	7,762	25,088	–	25,088
Other	3,665	2,564	632	6,862	–	6,862
Total	69,050	24,132	31,065	124,248	45	124,294
Revenue from contracts with customers	69,050	24,132	31,065	124,248	45	124,294
Other revenue	–	–	–	–	0	0
Net sales to external customers	69,050	24,132	31,065	124,248	45	124,294

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

Fiscal year ended March 31, 2025

(Millions of yen)

	Reportable segments				Other	Posted amount to the consolidated statements of income
	Color & Functional Products	Polymer & Coating Materials	Graphic & Printing Materials	Total		
Gross sales to external customers	107,831	25,406	32,026	165,264	69	165,334
Amount of sales offset due to subcontract processing with charged receipt	(40,505)	(64)	(3)	(40,573)	–	(40,573)
Net sales to external customers	67,325	25,342	32,023	124,691	69	124,760

Fiscal year ended March 31, 2026

(Millions of yen)

	Reportable segments				Other	Posted amount to the consolidated statements of income
	Color & Functional Products	Polymer & Coating Materials	Graphic & Printing Materials	Total		
Gross sales to external customers	108,512	24,199	31,068	163,780	45	163,826
Amount of sales offset due to subcontract processing with charged receipt	(39,462)	(67)	(2)	(39,531)	–	(39,531)
Net sales to external customers	69,050	24,132	31,065	124,248	45	124,294

5. Information related to impairment losses on non-current assets or goodwill, etc. by the reportable segments  
Fiscal year ended March 31, 2025

Descriptions are omitted, as the value is immaterial.

Fiscal year ended March 31, 2026

Descriptions are omitted, as the value is immaterial.

(Notes Related to Revenue Recognition)

Information on disaggregation of revenue from contracts with customers is presented in “(5) Notes to Consolidated Financial Statements (Notes to Segment Information, etc.).”

(Per Share Information)

Fiscal year ended March 31, 2025		Fiscal year ended March 31, 2026	
Net assets per share	¥1,864.79	Net assets per share	¥2,030.85
Profit per share	¥149.91	Profit per share	¥118.32

Notes: 1. Fully diluted profit per share is not stated since the Company does not have residual securities.

2. The Company conducted a stock split on April 1, 2026, whereby each share of common stock was split into four shares. “Net assets per share” and “profit per share” are calculated on the assumption that the stock split was conducted at the beginning of year ended March 31, 2025.

3. The basis for calculation of net assets per share is as follows:

(Millions of yen unless otherwise stated)

	As of March 31, 2025	As of March 31, 2026
Total net assets	130,497	141,210
Amount deducted from the total net assets	2,489	2,580
(Non-controlling interests included in the above)	(2,489)	(2,580)
Amount of net assets related to common stock as of the end of the fiscal year	128,008	138,629
Number of shares of common stock used in the calculation of net assets per share as of the end of the fiscal year	68,644 thousand shares	68,261 thousand shares

4. The basis for calculation of profit per share is as follows:

(Millions of yen unless otherwise stated)

	Fiscal year ended March 31, 2025	Fiscal year ended March 31, 2026
Profit attributable to owners of parent	10,289	8,101
Profit not attributable to common shareholders	—	—
Profit related to common stock attributable to owners of parent	10,289	8,101
Average number of shares of common stock outstanding during the fiscal year	68,640 thousand shares	68,472 thousand shares

(Significant Subsequent Events)

(Stock Split and Related Partial Amendment to the Articles of Incorporation)

Based on the resolution at a meeting of the Board of Directors held on November 10, 2025, the Company implemented a stock split and made a partial amendment to the Articles of Incorporation accompanying the stock split effective as of April 1, 2026.

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 was 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	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 is Wednesday, April 1, 2026. The year-end dividend for the fiscal year ended 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 does 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 stock split, the total number of authorized shares stipulated in Article 6 of the Company’s Articles of Incorporation was 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	Wednesday, April 1, 2026
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