



Dainichiseika

Fiscal Year Ended March 31, 2026 Financial Results Briefing

BEYOND COLOR
EXPLORE THE UNKNOWN TO REACH A BETTER FUTURE.

Dainichiseika Color & Chemicals Mfg. Co., Ltd.

June 4, 2026

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■ Summary

Summary



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Full Year Results for the Fiscal Year Ended March 31, 2026

	Results	YoY
Net sales	¥124.2 billion	(¥0.4 billion) (0.4%)
Operating profit	¥7.6 billion	+¥0.6 billion +8.6%

Earnings Forecast for the Fiscal Year Ending March 31, 2027

	Forecast	Compared to current fiscal year results
Net sales	¥126.6 billion	+¥2.3 billion +1.9%
Operating profit	¥8.4 billion	+¥0.7 billion +10.4%

Shareholder Return

	Fiscal Year Ended March 31, 2026	Forecast for the Fiscal Year Ending March 31, 2027
Annual dividend per share*	¥220 (¥190+¥30)	¥55 (¥47.5+¥7.5)
Total dividends	¥3.75 billion	¥3.75 billion

- Compounds and colorants for automotive products remained solid, while polyurethanes were sluggish due to weak sales of adopted vehicle models.
- Pigments for LCD products performed strongly driven by adoption in new products, and coating materials remained solid.
- Operating profit increased due to price revisions and a shift to high value-added products, offsetting persistently high raw material prices and decreased profit at overseas subsidiaries.

- Automotive and LCD products are expected to remain solid, continuing from fiscal year ended March 2026.
- Impacts of the Middle East situation on raw material procurement, prices, and sales trends are not factored in.

- Annual dividend of ¥220 for the fiscal year ended March 31, 2026 (+¥64 YoY)
- Annual dividend forecast of ¥55 for the fiscal year ending March 31, 2027 (essentially the same amount as in fiscal year ended March 31, 2026)
- Targeting a total payout ratio of 50% or more on the three-year average during the medium-term management plan

* On April 1, 2026, we conducted a stock split at a ratio of four shares for every one share of common stock. Dividend forecast for the fiscal year ending March 31, 2027, is stated in amounts that reflect the impact of the said stock split. Excluding the impact of the stock split, the annual dividend forecast for the fiscal year ending March 31, 2027, would be ¥220 (consisting of an ordinary dividend of ¥190 and a special dividend of ¥30). The year-end dividend for the fiscal year ended March 31, 2026, with a record date of March 31, 2026, is scheduled to be implemented based on the number of shares before the stock split.



■ Consolidated Financial Results for the Fiscal Year Ended March 31, 2026

Consolidated Financial Results for the Fiscal Year Ended March 31, 2026

Consolidated Statements of Income



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100 million yen (Truncated)	Results for the Fiscal Year Ended March 31, 2025	Results for the Fiscal Year Ended March 31, 2026	Amount of Change (YoY)	Ratio of Change (YoY)	Initial Forecast for the Fiscal Year Ended March 31, 2026 (Disclosed on Feb. 13)	Ratio of Achievement
Color & Functional Products (C&F)	673	690	+17	+2.6%	679	101.7%
Polymer & Coating Materials (P&C)	253	241	(12)	(4.8%)	239	101.0%
Graphic & Printing Materials (G&P)	320	310	(9)	(3.0%)	310	100.2%
Net Sales*1	1,247	1,242	(4)	(0.4%)	1,230	101.1%
Color & Functional Products (C&F)	31	41	+10	+32.1%	40	103.5%
Polymer & Coating Materials (P&C)	31	25	(5)	(17.7%)	26	99.5%
Graphic & Printing Materials (G&P)	7	8	+1	+19.1%	8	106.7%
Operating profit	70	76	+6	+8.6%	76	100.1%
Ordinary profit	77	84	+7	+9.4%	85	99.9%
Profit attributable to owners of parent	102	81	(21)	(21.3%)	75	108.0%
EBITDA*2	119	127	+8	+6.8%	127	100.3%
Research and development expenses*3	11(18)	10(18)	-	-	-	-
Ratio of overseas sales	27.1%	25.7%	(1.4pt)	-	-	-
Profit per share*4	¥149.91	¥118.32	(¥31.59)	-	¥109.85	-
ROA	4.0%	4.2%	+0.2pt	-	-	-
ROE	8.4%	6.1%	(2.3pt)	-	-	-
Foreign exchange rates	\$1/¥152.36	\$1/¥150.20	¥2.16 stronger	-	\$1/¥148.00	-
Naphtha price	¥75,625	¥65,200	(¥10,425)	-	¥67,000	-

*1 Amounts of materials supplied for a fee included in net sales and offset against cost of sales as a result of the adoption of the Accounting Standard for Revenue Recognition: ¥40.5 billion for the fiscal year ended March 2025, and ¥39.5 billion for the fiscal year ended March 2026.

*2 EBITDA = Operating profit + Depreciation

*3 Figures in () represent technology related expenses incurred for improvements to existing products, etc.

*4 On April 1, 2026, we conducted a stock split at a ratio of four shares for every one share of common stock. Profit per share is calculated on the assumption that the said stock split was conducted at the beginning of the previous consolidated fiscal year. 6

Consolidated Financial Results for the Fiscal Year Ended March 31, 2026

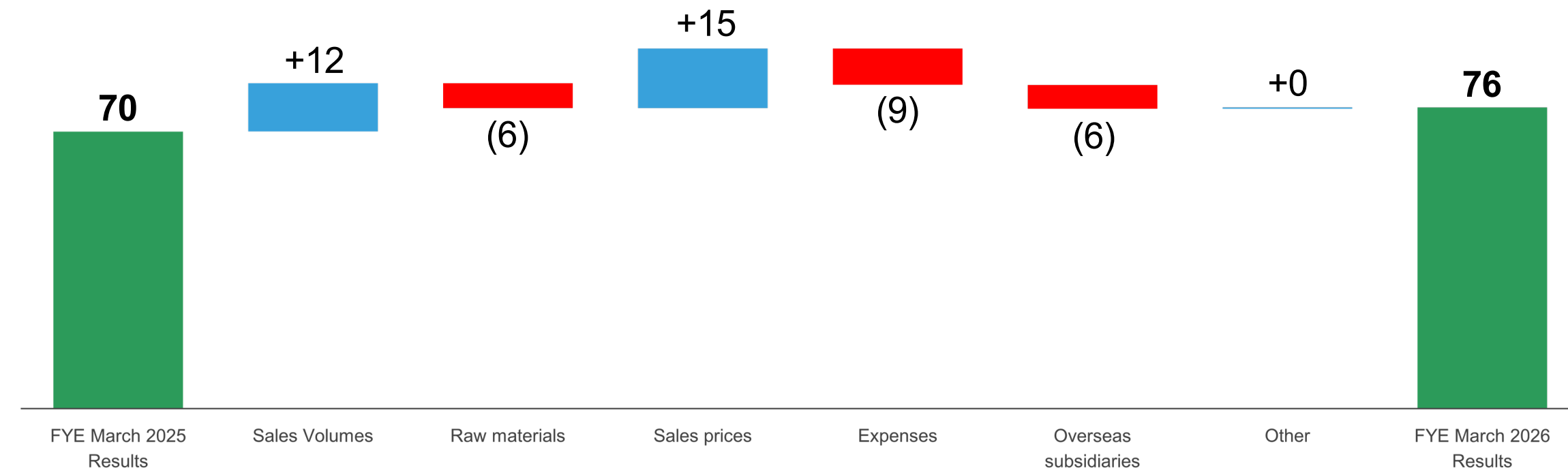
Factors for Changes (FYE March 2025 vs. FYE March 2026)



Operating profit

100 million yen

■ Increase ■ Decrease ■ Total



Sales volumes | High value-added products, including pigments for color filters, performed well.

Raw materials and sales prices | Prices of some raw materials increased, and sales prices include a +¥0.45 billion contribution from price revisions made in the previous fiscal year, effective from the beginning of the current fiscal year.


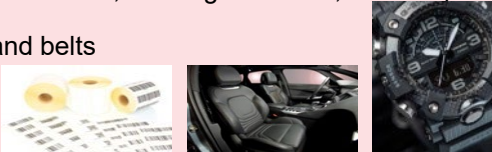






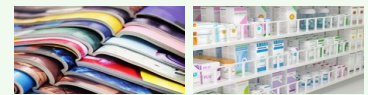
Expenses | Labor costs, depreciation expenses, and outsourcing expenses increased.

Overseas subsidiaries | Compounds and colorants performed well at overseas subsidiaries in Southeast Asia. Meanwhile, polyurethanes at the U.S. subsidiary and compounds at the local subsidiary in South China showed weak performance.

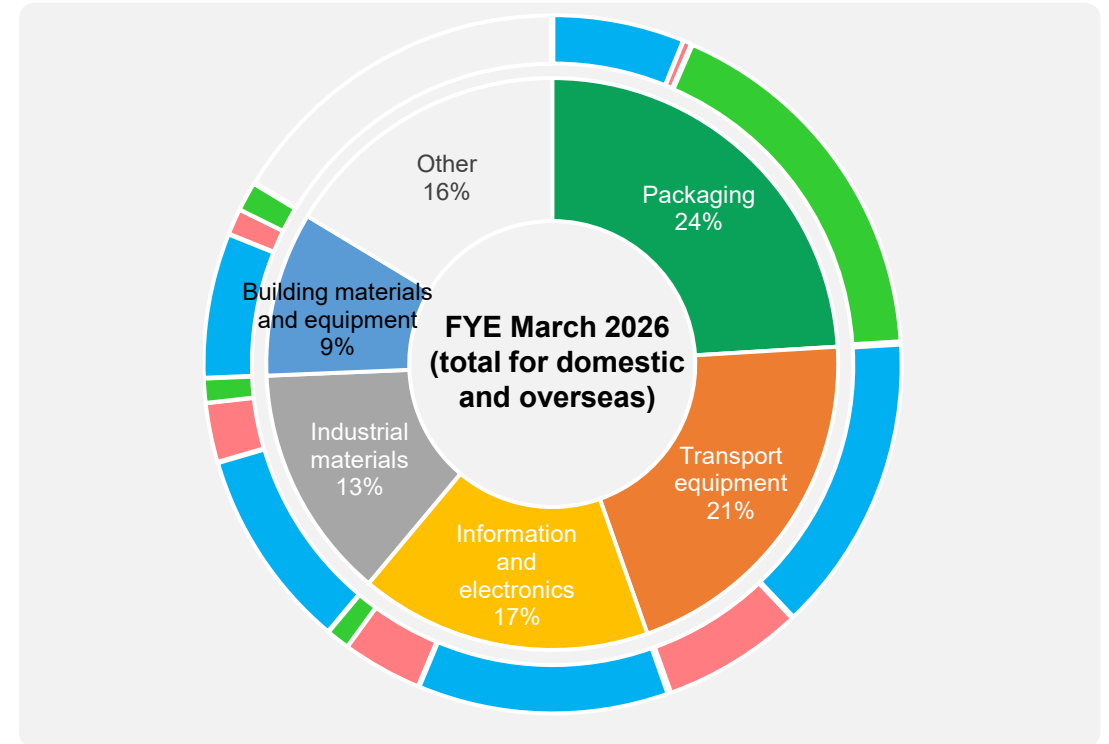
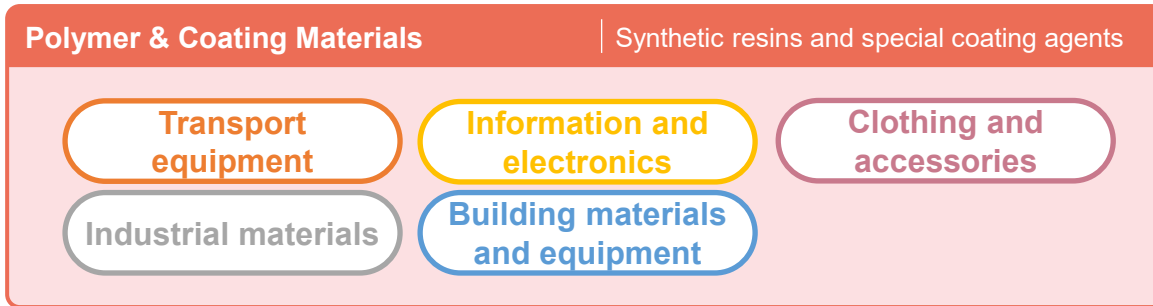
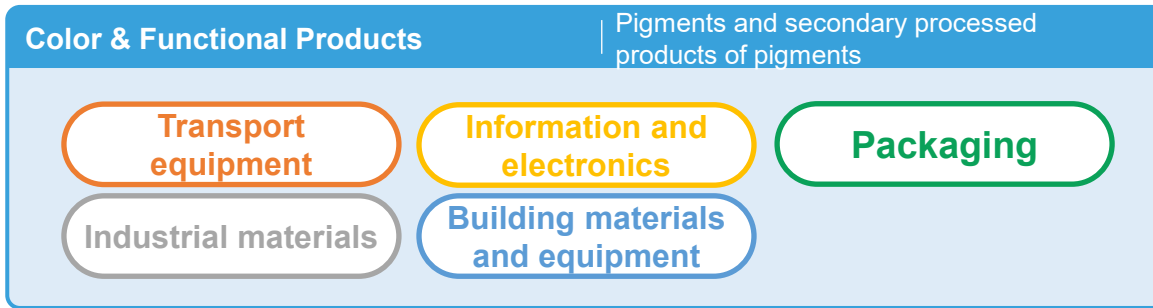
DAINICHISEIKA's Reportable Segments and Final Products



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	Color & Functional Products	Polymer & Coating Materials	Graphic & Printing Materials
	<p>Pigments and secondary processed products of pigments</p>	<p>Synthetic resins and special coating agents</p>	<p>Inks for packaging and advertising & publishing</p>
Main products	<ul style="list-style-type: none"> ● Pigments/Color bases ● Colorants and printing agents for textiles ● Colorants and functional agents for plastics 	<ul style="list-style-type: none"> ● Polyurethanes ● Coating materials ● Polymers derived from natural substances 	<ul style="list-style-type: none"> ● Gravure inks ● Flexographic inks ● Offset inks
Main use	<ul style="list-style-type: none"> • Paint and printing inks • Inks for toners and IJ printers • LCD color filters • Building materials, daily necessities, and paper products 	<ul style="list-style-type: none"> • Synthetic leather (furniture and clothing) • Vehicle interior materials, building materials, and daily necessities • Wires, cables and belts 	<ul style="list-style-type: none"> • Packaging materials for food and household goods • Food trays 
	<ul style="list-style-type: none"> • Vehicles and industrial materials • Interior fabrics • Apparel products • Paper 	<ul style="list-style-type: none"> • LCD panels • Decorating films (PC) • Building material films and flooring materials 	<ul style="list-style-type: none"> • Beverage bottle labels • Industrial materials and building materials • Cardboard and packaging materials 
	<ul style="list-style-type: none"> • Vehicles • Home appliances, daily necessities, and outdoor equipment • Industrial materials, agricultural materials, and building materials • Food packaging and toiletries 	<ul style="list-style-type: none"> • Cosmetics • Wastewater purification and water treatment 	<ul style="list-style-type: none"> • Advertisements and books • Packaging 

Providing optimal products for diverse industries as a B to B manufacturer



- Color & Functional Products
- Polymer & Coating Materials
- Graphic & Printing Materials

Consolidated Financial Results for the Fiscal Year Ended March 31, 2026

External environmental trends -Sales, external environment and results by industry-



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Industry	YoY (Net Sales)	External Environment	Results for the Fiscal Year Ended March 31, 2026
Transport equipment	(0.8%)	<ul style="list-style-type: none"> ◆ Exports to the U.S. are declining due to U.S. tariff policies, but excessive pessimism has receded. ◆ Chinese automakers are expanding their market share. 	<ul style="list-style-type: none"> ◆ The impact of automakers' production cuts subsided, and compounds and colorants recovered, mainly in the domestic market. ◆ Highly durable polyurethanes and water-based surface treatment agents (environmentally friendly polyurethanes) were weak due to sluggish sales of adopted vehicle models. ◆ Overseas, sales were weak due to sluggish sales of Japanese cars, but new themes at the Thailand subsidiary contributed positively.
Information and electronics	+3.4%	<ul style="list-style-type: none"> ◆ Utilization rates of panel manufacturers are trending downward due to sluggish sales of large TVs. • Demand is shifting from offset printing (requiring plates) to digital printing (plate-less). • Advancement in functionality and miniaturization of electronic appliances. 	<ul style="list-style-type: none"> ◆ Pigments for color filters performed well due to the ramp-up of new products. ◆ Coating materials for LCD panels and semiconductors remained solid. ◆ Pigments and dispersion liquids for inkjet inks performed strongly, driven by the expansion of the textile market and a recovery in the existing commercial printing business. ◆ Heat-resistant and high-performance resins for smartphones performed well.
Packaging	(3.8%)	<ul style="list-style-type: none"> • Domestic: Despite the impact of holding back on purchases due to high prices, the market remained solid due to extreme heat and expanded inbound consumption. • Overseas: Market expansion is expected due to steady economic growth. • Progress in plastic reduction and simplification of containers. 	<ul style="list-style-type: none"> • For gravure inks, domestic sales were on par with the previous year; overseas sales were weak, but revenue increased due to price revisions. • Sales of sustainability-contributing products, including biomass inks and water-based flexographic inks, grew.
Industrial materials	(1.4%)	<ul style="list-style-type: none"> • Thermal transfer ribbons are trending solidly, mainly for food packaging. • Power cables are expected to see firm movement due to rewiring demand and renewable energy needs. 	<ul style="list-style-type: none"> • Coating materials for thermal transfer performed well, mainly in the domestic market. • Power cables were temporarily weak, but stable demand is expected in the medium term.
Building materials and equipment	+0.9%	<ul style="list-style-type: none"> • Domestic housing starts recovered from the drop during the COVID-19 pandemic but are now trending gradually downward. • Renovation demand is decreasing temporarily but trending upward in the medium to long term. 	<ul style="list-style-type: none"> • Sales for new domestic construction remain weak, but sales for renovation are solid.

Consolidated Financial Results for the Fiscal Year Ended March 31, 2026

Overview by Segment -Color & Functional Products-



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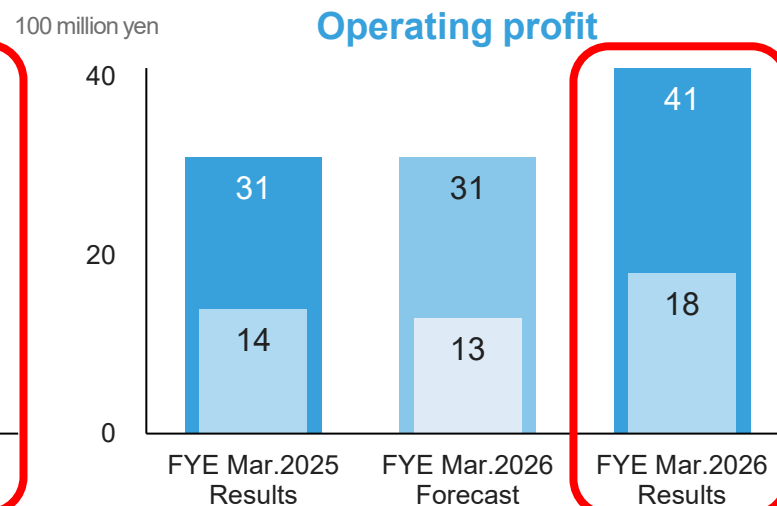
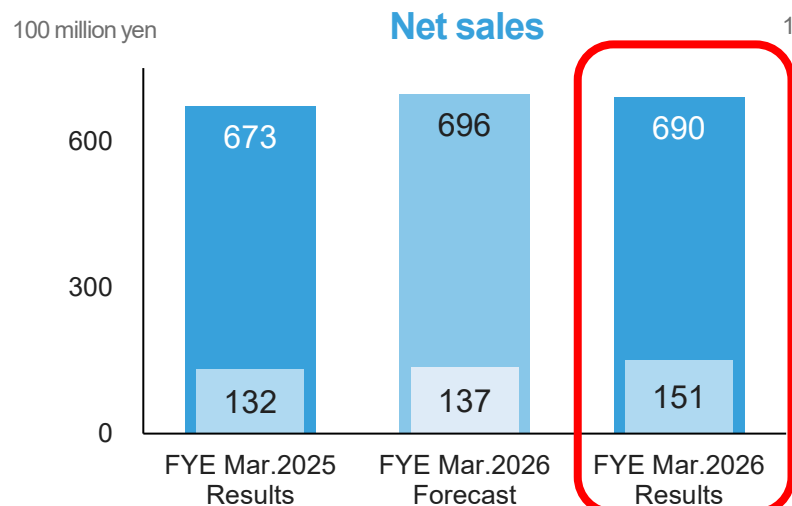
Color & Functional Products

Pigments and secondary processed products of pigments

Net Sales | Strategic products for the information and electronics industry and the transport equipment industry performed strongly, and CNT (carbon nanotube) dispersions were newly adopted for semiconductor-related materials.

Operating profit | Secured profit growth by revising sales prices to improve profitability, offsetting partial spikes in raw material costs.

	Strategic products	YoY (Net sales)	Compared with forecast (Net sales)	Remarks on results for the Fiscal Year Ended March 31, 2026
Information and electronics	Pigments and dispersion liquids for inkjet inks	+11.2%	+8.2%	Growth was driven by expansion in textile applications and a recovery in existing commercial printing products.
Information and electronics	Pigments for color filters	+19.0%	+15.4%	In addition to steady trends in the panel industry, the acquisition of new projects contributed significantly to growth.
Transport equipment	Compounds and colorants for automotives	+12.2%	+11.1%	With the impact of automakers' production cuts fading, sales performed strongly both in Japan and overseas, driven by rising demand, primarily for HEVs.
Information and electronics	Functional materials	+83.5%	+42.3%	Alongside a recovery in coatings for semiconductors, the adoption of CNT dispersions for semiconductor-related materials made steady progress.



EBITDA・R&D expenses

100 million yen

	FYE Mar.2025 Results	FYE Mar.2026 Results
EBITDA *1	59	71
R&D expenses *2	6(8)	5(7)

*1 EBITDA = Operating profit + Depreciation
 *2 Figures in () represent technology-related expenses incurred for improvements to existing products, etc.

Bar graphs for each fiscal year – Inner: Strategic products, Outer: Entire segment

Consolidated Financial Results for the Fiscal Year Ended March 31, 2026

Overview by Segment -Polymer & Coating Materials-



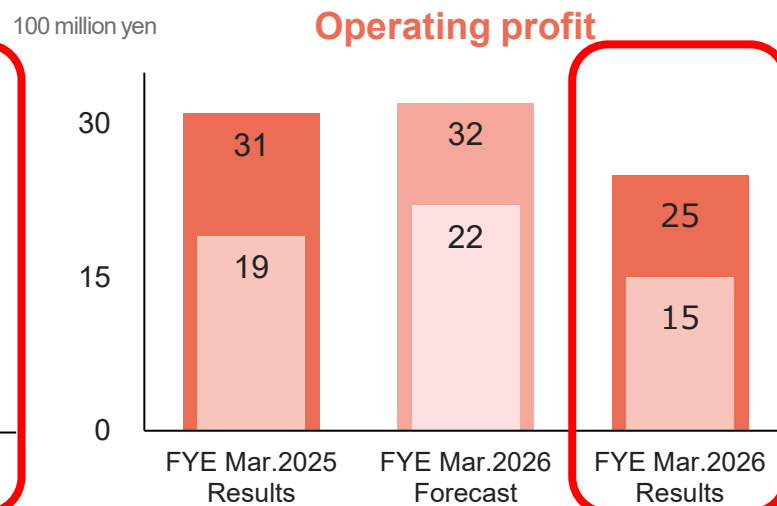
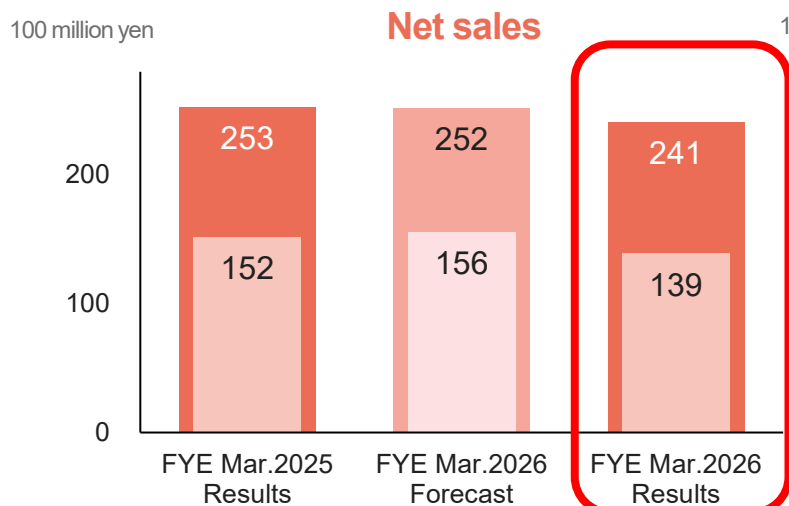
Polymer & Coating Materials

Synthetic resins and special coating materials

Net Sales | The segment as a whole fell short of the previous year's results due to sluggish performance in the transport equipment industry, despite strong trends in the information and electronics industry.

Operating profit | Earnings declined due to a slump in the transport equipment industry, despite securing a certain level of profit from the information and electronics industry.

Strategic products	YoY (Net sales)	Compared with forecast (Net sales)	Remarks on results for the Fiscal Year Ended March 31, 2026
Transport equipment Highly durable polyurethanes	(11.4%)	(12.8%)	Although products for transportation equipment were sluggish due to weak sales of adopted vehicle models, products for apparel applications remained steady.
Transport equipment Environmentally friendly polyurethanes	(4.3%)	(5.1%)	Sales to the Chinese market expanded, but water-based surface treatment agents remained sluggish due to weak sales of adopted vehicle models.
Information and electronics Heat-resistant and high-performance resins	+19.5%	(3.6%)	Products for increasingly high-functional smartphones performed well.
Information and electronics Coating materials for the information/electronics industry	+0.3%	(4.8%)	Products for LCD panels and semiconductors performed steadily.



EBITDA・R&D expenses

100 million yen

	FYE Mar.2025 Results	FYE Mar.2026 Results
EBITDA *1	45	40
R&D expenses *2	3(6)	3(9)

*1 EBITDA = Operating profit + Depreciation
*2 Figures in () represent technology-related expenses incurred for improvements to existing products, etc.

Bar graphs for each fiscal year – Inner: Strategic products, Outer: Entire segment

Consolidated Financial Results for the Fiscal Year Ended March 31, 2026

Overview by Segment -Graphic & Printing Materials-



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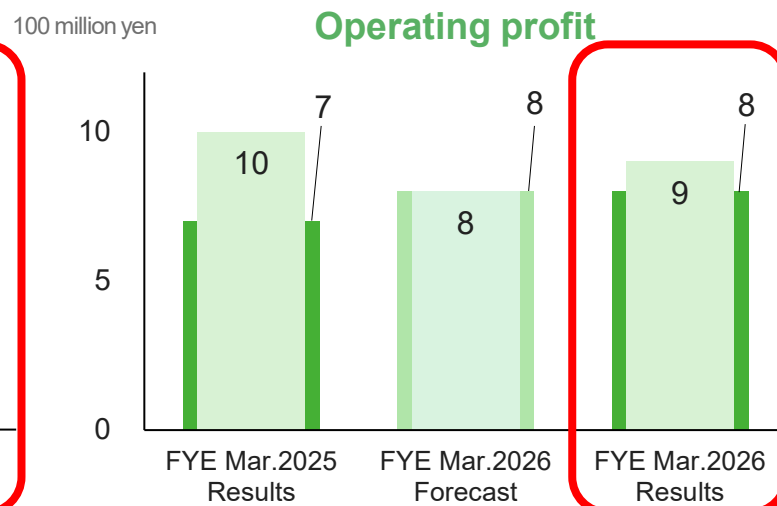
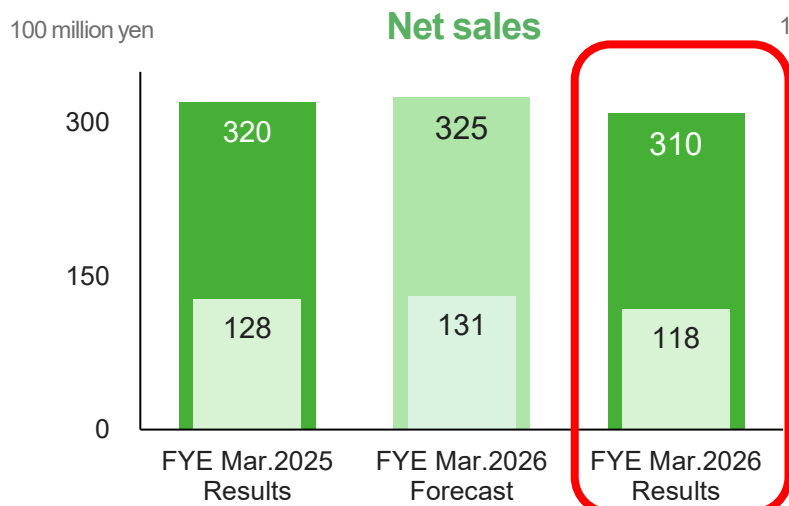
Graphic & Printing Materials

Inks for packaging, advertising and publishing

Net Sales | Net sales remained flat year-on-year in Japan, as increased shipments of label inks and water-based flexographic inks offset the impact of consumer purchasing restraint caused by rising prices. Meanwhile, overseas sales decreased due to the impact of lost business.

Operating profit | Secured profit growth by making progress in sales price revisions.

Strategic products	YoY (Net sales)	Compared with forecast (Net sales)	Remarks on results for the Fiscal Year Ended March 31, 2026
Packaging Label inks and water-based flexographic inks	+2.4%	+3.7%	Sales of label inks remained steady, driven by the intense summer heat and expanding inbound tourism, while water-based flexographic inks also showed steady trends.
Information and electronics Products actively marketed to growing sectors	(16.4%)	+2.0%	The temporary special demand for smartphone products in China subsided, resulting in a year-on-year decline.
Packaging Inks for Asia	(10.4%)	(15.2%)	In Indonesia, business was regained through technical support, despite a temporary loss due to the entry of foreign competitors.



EBITDA・R&D expenses

100 million yen

	FYE Mar.2025 Results	FYE Mar.2026 Results
EBITDA *1	13	15
R&D expenses *2	1(2)	1(1)

*1 EBITDA = Operating profit + Depreciation

*2 Figures in () represent technology-related expenses incurred for improvements to existing products, etc.

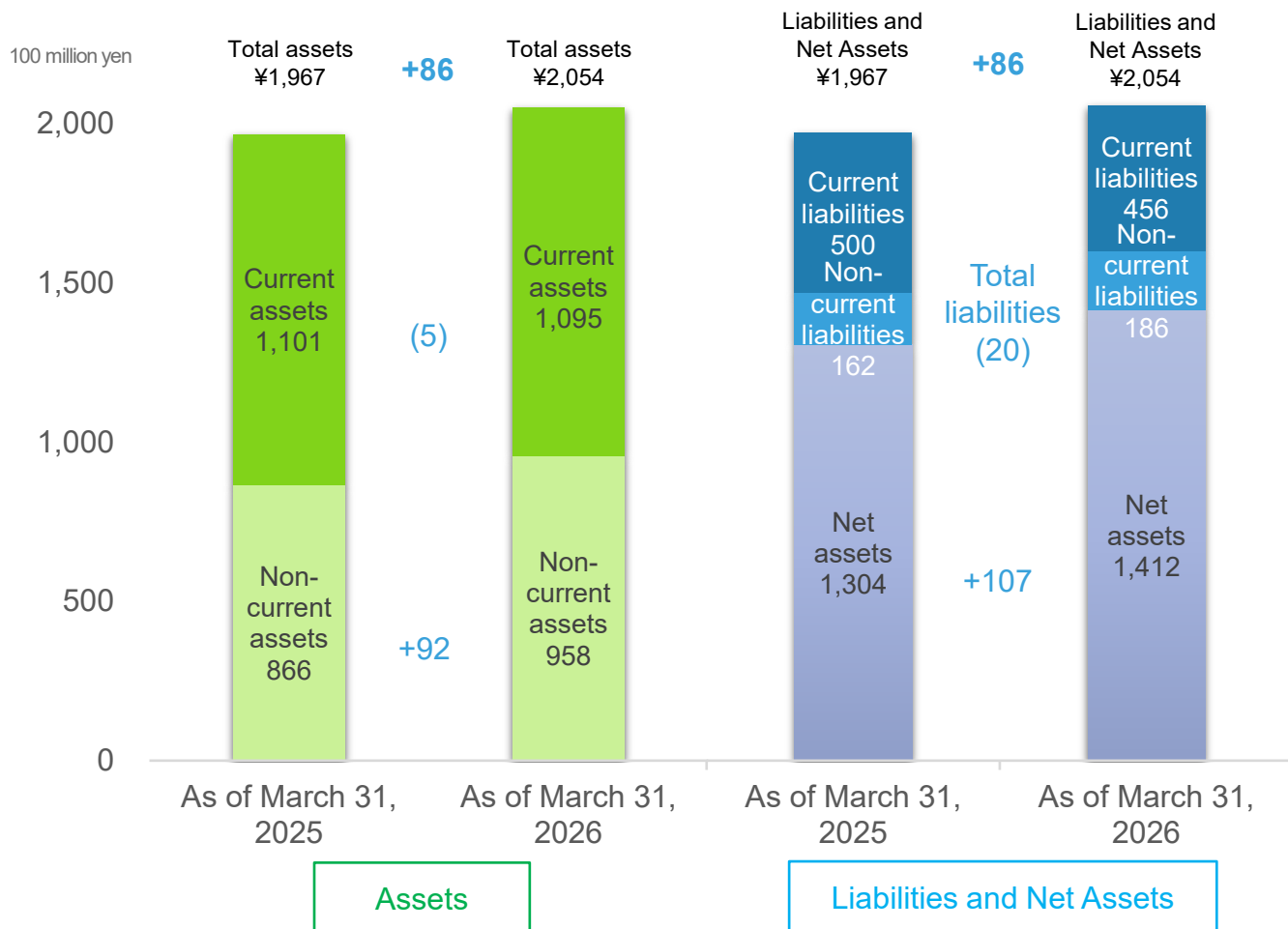
Bar graphs for each fiscal year – Inner: Strategic products, Outer: Entire segment

Consolidated Financial Results for the Fiscal Year Ended March 31, 2026

Consolidated Balance Sheets



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	As of March 31, 2025	As of March 31, 2026	Amount of Change
Interest-bearing debt	¥21.0 billion	¥18.7 billion	(¥2.3 billion)
DE ratio	0.16	0.13	(0.03)
Equity ratio	65.0%	67.5%	+2.5pt
Net assets per share*1	¥1,864.79	¥2,030.85	+¥166.06

*1 On April 1, 2026, we conducted a stock split at a ratio of four shares for every one share of common stock. Net assets per share is calculated on the assumption that the said stock split was conducted at the beginning of the previous consolidated fiscal year.

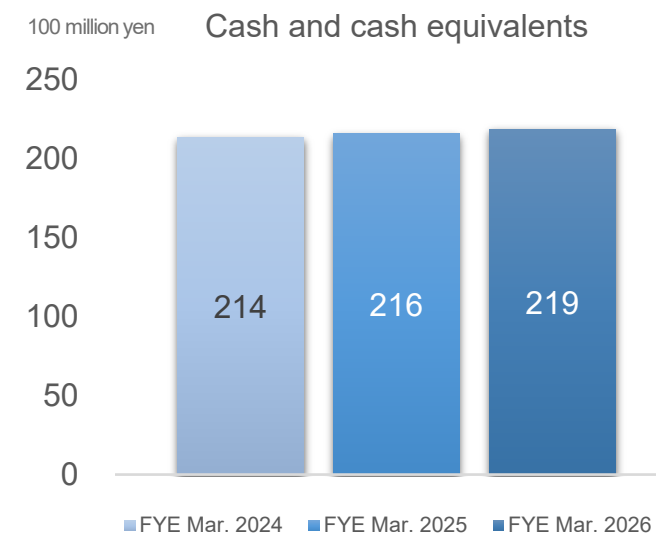
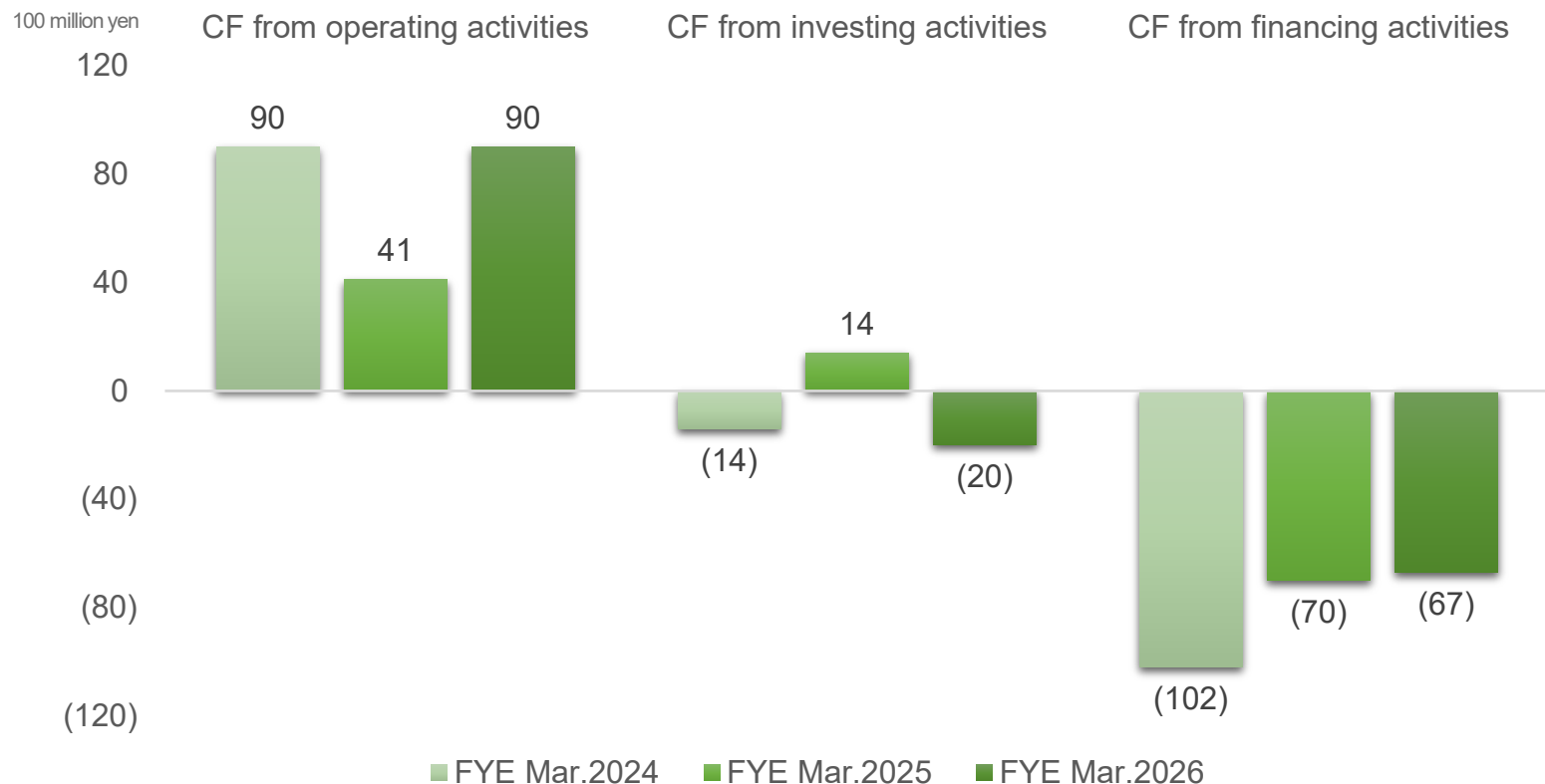
- Assets** | Total assets: +¥8.6 billion ("Asset for retirement benefits": Due to recording of actuarial gains +¥5.9 billion; "Investment securities": Accompanying the rise in stock prices +¥1.8 billion; "Intangible assets": Due to the acquisition of land leasehold rights by the Indonesian local subsidiary +¥0.9 billion)
- Liabilities** | Total liabilities: -¥2.0 billion ("Deferred tax liabilities": Due to valuation gains on stocks and recording of actuarial gains on retirement benefits +¥3.0 billion; "Interest-bearing debt": -¥2.3 billion; "Notes and accounts payable": -¥1.5 billion)
- Net assets** | Net assets: +¥10.7 billion ("Retained earnings": Due to profit and payment of dividends +¥5.0 billion; "Accumulated other comprehensive income": +¥5.9 billion)

Consolidated Financial Results for the Fiscal Year Ended March 31, 2026

Consolidated Statements of Cash Flows



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	As of March 31, 2024	As of March 31, 2025	As of March 31, 2026
Debt repayment period *1	2.8 years	5.1 years	2.1 years
Interest coverage ratio *2	32.4	16.7	29.7

*1 Debt repayment period = Interest-bearing debt / CF from operating activities
 *2 Interest coverage ratio = CF from operating activities / Interest expense

CF from operating activities	Profit before income taxes +¥11.5 billion; Depreciation +¥5.1 billion; Working capital (accounts receivable, inventories, accounts payable, and others) -¥1.6 billion
CF from investing activities	Capital expenditures -¥6.6 billion; Sale of investment securities +¥3.4 billion
CF from financing activities	Long-term and short-term loans -¥2.3 billion; Payment of dividends -¥3.0 billion; Acquisition of treasury shares -¥1.1 billion



■ Consolidated Earnings Forecasts for the Fiscal Year Ending March 31, 2027

Reference: Consolidated Earnings Forecast for the Fiscal Year Ending March 31, 2027

Assumptions

- ✓ While the following impacts from the situation in the Middle East are anticipated, it is difficult to reasonably estimate them at present. Therefore, they are not factored into the financial forecasts for fiscal year ending March 31, 2027 at this stage.
- ✓ Any specific impact on future earnings will be promptly disclosed as soon as it becomes clear.
- ✓ The impact of the initiatives outlined in the "Notice Concerning the Implementation of Business Structural Reform" disclosed May 15, 2026, namely, (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., remains undetermined.

Anticipated impacts and countermeasures due to the deteriorating situation in the Middle East

Key Anticipated Factors	Expected impact on consolidated earnings	Countermeasures
<ul style="list-style-type: none"> • Procurement constraints for raw materials, etc. 	The impact on Q1 fiscal year ending March 31, 2027 results is expected to be minimal.	<ul style="list-style-type: none"> • Promoting hedging measures such as diversifying suppliers and utilizing alternative materials. • Even if delays in sales timing occur, we will respond steadily once the supply chain recovers.
<ul style="list-style-type: none"> • Rising prices of raw materials, utility costs, etc. (including naphtha price) 	Although the impact is being calculated based on information from suppliers, it remains difficult to reasonably estimate at this stage.	<ul style="list-style-type: none"> • As a general rule, costs will be covered through price pass-through. • Aiming to improve profit margins and earnings by shifting to high-performance products.
<ul style="list-style-type: none"> • Decline in sales due to cautious spending, reduced customer operations, deteriorating consumer sentiment, etc. 	While a potential impact is anticipated, it remains difficult to reasonably estimate at this stage.	—



Consolidated Earnings Forecast for the Fiscal Year Ending March 31, 2027

100 million yen (Truncated)	Results for the Fiscal Year Ended March 31, 2026	Forecast for the Fiscal Year Ending March 31, 2027	Amount of Change (YoY)	Ratio of Change (YoY)
Color & Functional Products (C&F)	690	703	+12	+1.8%
Polymer & Coating Materials (P&C)	241	244	+2	+1.1%
Graphic & Printing Materials (G&P)	310	318	+7	+2.4%
Net Sales	1,242	1,266	+23	+1.9%
Color & Functional Products (C&F)	41	41	(0)	(1.0%)
Polymer & Coating Materials (P&C)	25	31	+5	+19.8%
Graphic & Printing Materials (G&P)	8	11	+2	+28.8%
Operating profit	76	84	+7	+10.4%
Ordinary profit	84	95	+10	+11.9%
Profit attributable to owners of parent	81	66	(15)	(18.5%)
EBITDA*1	127	137	+10	+8.2%
Profit per share*2	¥118.32	¥96.69	(¥21.63)	-
Foreign exchange rates	\$1/¥150.20	\$1/¥148.00	¥2.20 stronger	-
Naphtha price	¥65,200	-	-	-

*1 EBITDA = Operating profit + Depreciation

*2 On April 1, 2026, we conducted a stock split at a ratio of four shares for every one share of common stock. Profit per share is calculated on the assumption that the said stock split was conducted at the beginning of the previous consolidated fiscal year.

Consolidated Earnings Forecast for the Fiscal Year Ending March 31, 2027

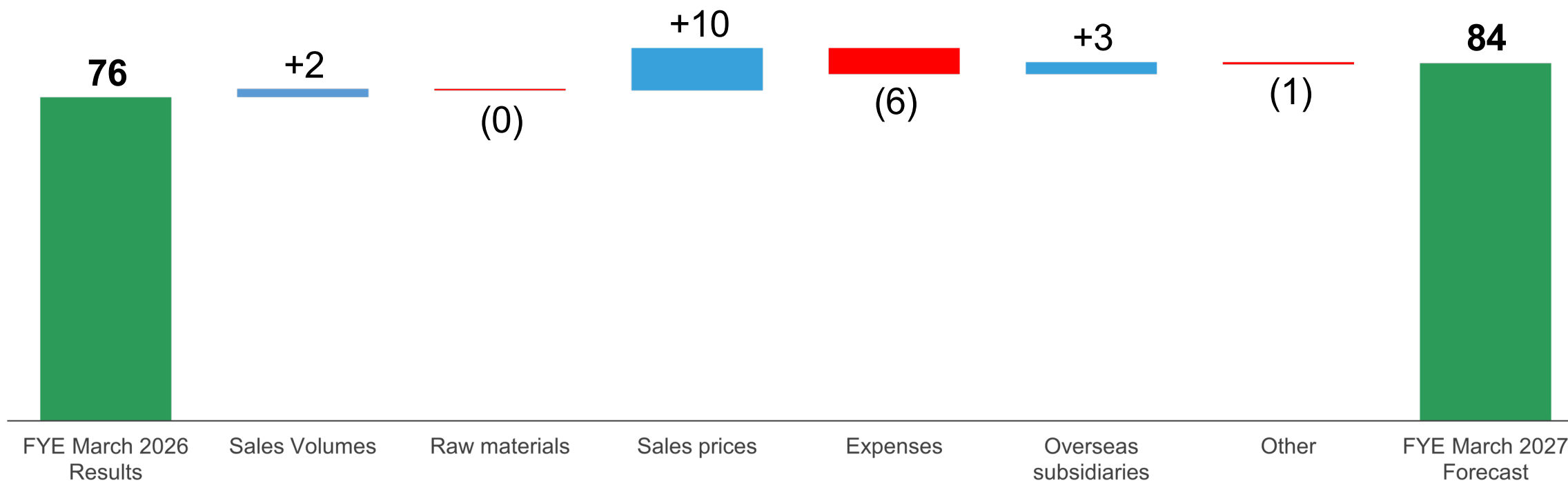
Factors for Changes (FYE March 2026 Results vs. FYE March 2027 Forecast)



Operating profit

100 million yen

■ Increase ■ Decrease ■ Total



- Sales volumes** | Sales of products for LCDs are expected to remain strong, while products for automobiles are projected to be on par with the previous fiscal year.
- Raw materials and sales prices** | Sales prices include a +¥0.3 billion contribution from price revisions implemented in the FYE March 2026, contributing from the beginning of the FYE March 2027.
- Expenses** | Labor costs and other expenses are expected to increase.
- Overseas subsidiaries** | Be expected to remain roughly on par with the previous fiscal year.

Consolidated Earnings Forecast for the Fiscal Year Ending March 31, 2027

Overview by Segment -Color & Functional Products-



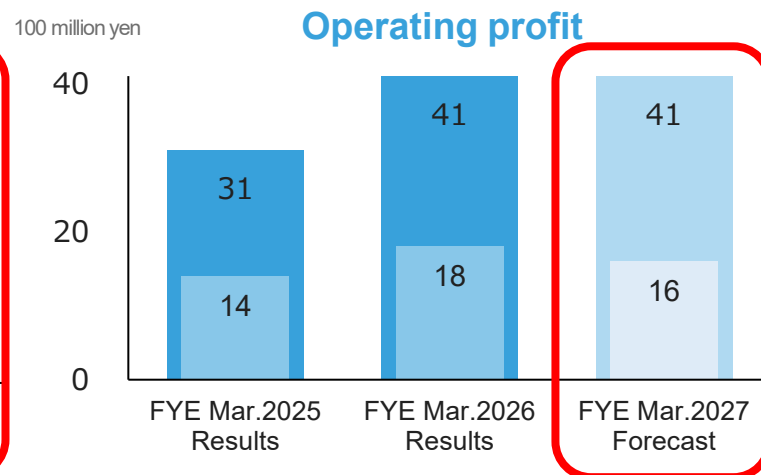
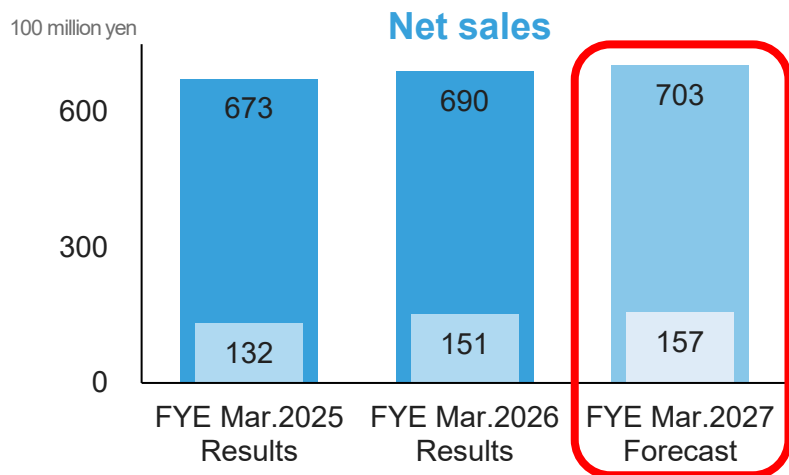
Color & Functional Products

Pigments and secondary processed products of pigments

Net sales | Strategic products, including pigments and dispersion liquids for inkjet inks, pigments for color filters, compounds and colorants for automobiles, and functional materials, are expected to perform well.

Operating profit | Continue efforts from the previous fiscal year to pass on increased costs—including raw materials, logistics, and labor—and revise prices for unprofitable products.

	Strategic products	YoY (Net sales)	Remarks on forecast for the fiscal year ending March 31, 2027
Information and electronics	Pigments and dispersion liquids for inkjet inks	+2.4%	As the shift to digital printing further advances, demand for industrial and commercial printing applications is expanding.
Information and electronics	Pigments for color filters	+2.2%	With the trend towards larger TVs and LCD monitors, demand on an area basis is expected to expand globally.
Transport equipment	Compounds and colorants for automotive	+3.4%	Driven by the electrification of vehicles, demand for connectors and wire harnesses is growing, primarily overseas.
Information and electronics	Functional materials	+32.6%	Expect new adoptions of distinctive, high value-added functional products.



Strategic Actions from the FYE March 2027

- Continue to implement price revisions to address rising costs, including raw materials, logistics, and labor expenses, as well as unprofitable products.
- Strengthening the existing business structure by maintaining market share and promoting efficiency.
- Promote the development and sales expansion of strategic products (compounds and colorants for automobiles, pigments and dispersion liquids for inkjet inks, pigments for color filters, thermal management materials, and functional materials).
- In overseas markets, continue to focus on expanding sales of high-performance colorants and functional products primarily in Asia, developing new customers in the information and electronics sectors in Europe and the Americas, and acquiring high value-added projects for compounds.

Bar graphs for each fiscal year – Inner: Strategic products, Outer: Entire segment

Consolidated Earnings Forecast for the Fiscal Year Ending March 31, 2027

Overview by Segment -Polymer & Coating Materials-



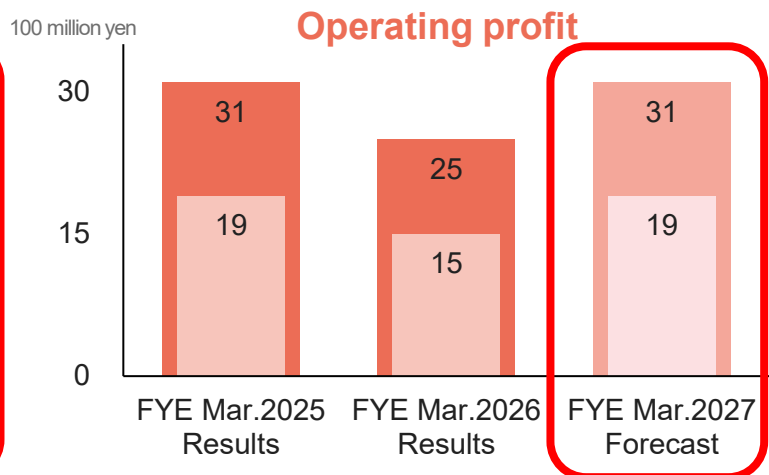
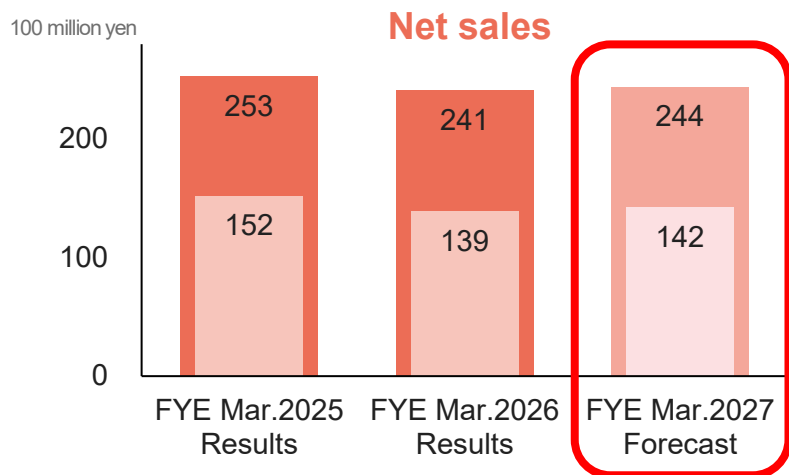
Polymer & Coating Materials

Synthetic resins and special coating materials

Net sales | While products for the transportation equipment industry are expected to remain sluggish, performance for the information/electronics, apparel, and industrial materials industries are expected to remain solid.

Operating profit | Aim to improve profitability by implementing price revisions for unprofitable products, primarily in the domestic market.

Strategic products	YoY (Net sales)	Remarks on forecast for the fiscal year ending March 31, 2027
Transport equipment Highly durable polyurethanes	(0.1%)	While products for the transportation equipment industry are expected to remain sluggish, performance for the information/electronics, apparel, and industrial materials industries are expected to remain solid.
Transport equipment Environmentally friendly polyurethanes	+4.6%	Focus on achieving new product adoptions for items such as water-based surface treatment agents and high-solid water-based polyurethanes.
Information and electronics Heat-resistant and high-performance resins	+10.9%	Sales of products for increasingly high-functional smartphones are expected to continue to grow.
Information and electronics Coating materials for information/electronics industry	+3.7%	Performance is expected to remain solid for products for LCD panels, driven by the trend towards larger TVs, and for semiconductors, which continue to perform strongly.



Strategic Actions from the FYE March 2027

- Continue to implement price revisions to address rising costs, including raw materials, logistics, and labor expenses, as well as unprofitable products.
- The supply of products tailored to each region in response to the global expansion of seat manufacturers.
- Expanding the lineup of high-value-added products in India.
- Advance the development and sales expansion of strategic products, including heat-resistant and high-performance resins, and environmentally friendly polyurethanes (water-based surface treatment agents, water-based urethane resins, hot-melts, etc.).

Bar graphs for each fiscal year – Inner: Strategic products, Outer: Entire segment

Consolidated Earnings Forecast for the Fiscal Year Ending March 31, 2027

Overview by Segment -Graphic & Printing Materials-



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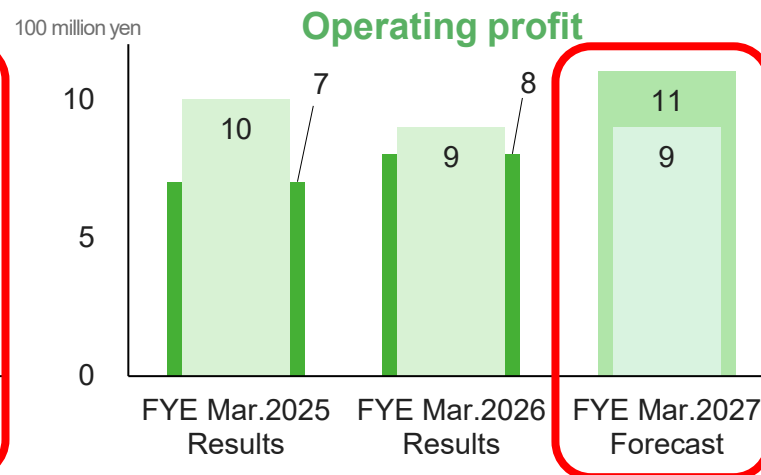
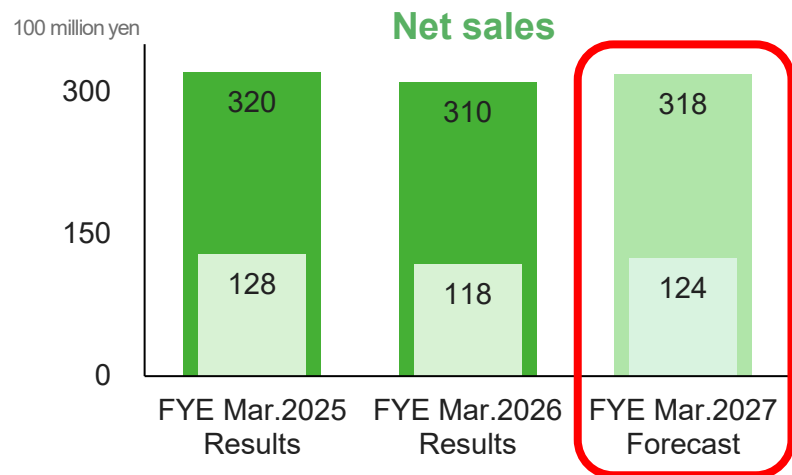
Graphic & Printing Materials

Inks for packaging, advertising and publishing

Net sales | In the domestic market, sales are expected to grow due to the expansion of water-based flexographic inks. In overseas markets, despite a challenging market environment, sales are expected to expand by focusing on strengthening technological capabilities.

Operating profit | Continue efforts from the previous fiscal year to pass on increased costs—including raw materials, logistics, and labor—and revise prices for unprofitable products.

Strategic products	YoY (Net sales)	Remarks on forecast for the fiscal year ending March 31, 2027
Packaging Label inks and water-based flexographic inks	+5.4%	Expect the sales expansion of water-based flexographic inks for labels and flexographic inks for markets such as Taiwan.
Information and electronics Sales expansion to growth areas	(2.9%)	While the temporary special demand in China subsided, resulting in a year-on-year decline, other areas are expected to remain solid.
Packaging Inks for Asia	+7.1%	Aim to expand sales by implementing cost reductions and providing technical support in response to aggressive pricing from overseas manufacturers.



Strategic Actions from the FYE March 2027

- Implement price revisions to address rising costs, including raw materials, logistics, and labor expenses, as well as unprofitable products.
- Strengthening the existing business structure by maintaining market share and promoting efficiency.
- Aiming to improve profitability by developing new markets in the information/electronics and industrial materials sectors, in addition to food packaging.
- Sales expansion of sustainability-contributing products, such as biomass inks and water-based flexographic inks.
- Consider further measures, such as capacity expansion investments and strengthening technological capabilities, in the Indonesian market, where high growth is expected.

Bar graphs for each fiscal year – Inner: Strategic products, Outer: Entire segment

■ Shareholder Return

Dividend (Increase)

- **Year-end dividend of the FYE March 2026**
 - Increase of ¥12 in the ordinary dividend from the year-end dividend forecast disclosed on February 13, 2026
 - ¥133 per share (ordinary dividend:¥118 + special dividend:¥15)
- **Annual dividend of the FYE March 2026**
 - ¥220 annual dividends per share (ordinary dividend:¥190 + special dividend:¥30)

Stock split

- **Purpose**
 - To expand our investor base and enhance the liquidity of our 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
- **Ratio**
 - Four shares for every one share of common stock
- **Effective date**
 - Wednesday, April 1, 2026

	Feb. 13, 2026 Disclosed forecast	May 15, 2026 Disclosed revised forecast	Post-split basis (Reference)
Interim Dividend (yen)	87	87	21.75
Year-end Dividend (yen)	121	133	33.25
Total (yen)	208	220	55

Shareholder Return②



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Dividend strategy The Company, based on the perspective of sustainable growth and enhancement of medium- to long-term corporate values, makes it a principle to continuously pursue a dividend policy in which the return of profits to shareholders is regarded as an important management priority, yet with broader consideration to matters such as business development in the future, reinforcement of its operating basis, and enrichment of internal reserves.

Dividend policy ■ Shareholder return policy for the three-year medium-term management plan period (until the FYE March 2027)

(The underlined parts reflect the impact of the stock split. There is no substantial change in the policy.)

- Targeting a total payout ratio of 50% or more on the three-year average during the medium-term management plan
- Dividend payout ratio of 40% or more (excluding special dividend)
- Annual dividends of at least ¥100 (¥25) per share (excluding special dividend)
- Special dividends of ¥30 per share annually until the FYE March 2026, and ¥7.50 per share for the FYE March 2027
- Implementing treasury share repurchase in a timely manner

Before the split
¥190+¥30

→After the split

■ Special dividend
■ Ordinary dividend

45

80

80

30
80

30
126*2

Before the split←
30
190

7.5
47.5

	FYE Mar. 2021	FYE Mar. 2022	FYE Mar. 2023	FYE Mar. 2024	FYE Mar. 2025	FYE Mar. 2026 Forecast	FYE Mar. 2027 Forecast
Annual dividend per share (yen) ^{*1}	45	80	80	110	156	220	55
Dividend payout ratio (excluding special dividend)	13.2%	24.0%	73.7%	38.5%	21.0% ^{*2}	40.1%	49.1% ^{*3}
Dividend payout ratio (including special dividend)	13.2%	24.0%	73.7%	52.9%	26.0%	46.5%	56.9% ^{*3}
Treasury share repurchase (millions of yen)	220	0	0	2,864	1	1,114	Implementing in a timely manner
Total payout ratio	16.6%	24.0%	73.7%	129.8%	50% or more on the three-year average		

*1 On April 1, 2026, we conducted a stock split at a ratio of four shares for every one share of common stock. For the fiscal year ended March 31, 2026 and prior years, the actual dividend amounts prior to the stock split are presented.

*2 The ordinary dividends of ¥126 for the FYE March 2025 represents a dividend payout ratio of approximately 45% based on profit attributable to owners of the parent, excluding the gain on the sale of the Kawaguchi Production Plant (net of corporate income tax).

*3 This represents the expected payout ratio against the forecast profit per share of ¥96.69 for the FYE March 2027.

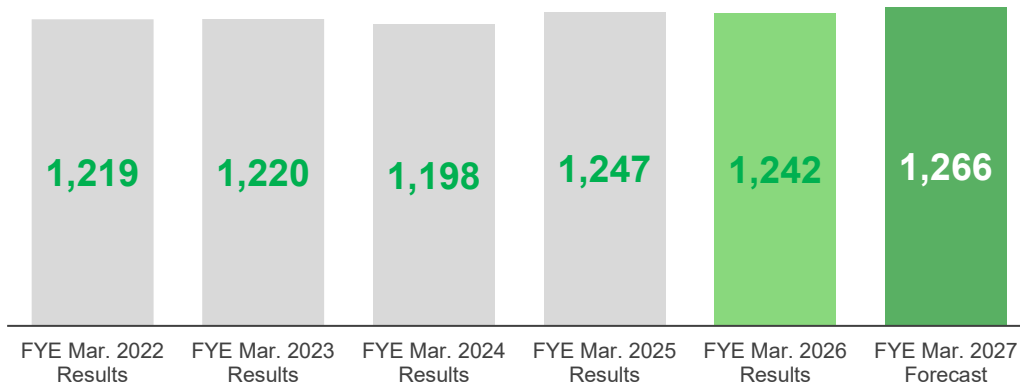
■ Consolidated Performance Trends

Consolidated Performance Trends

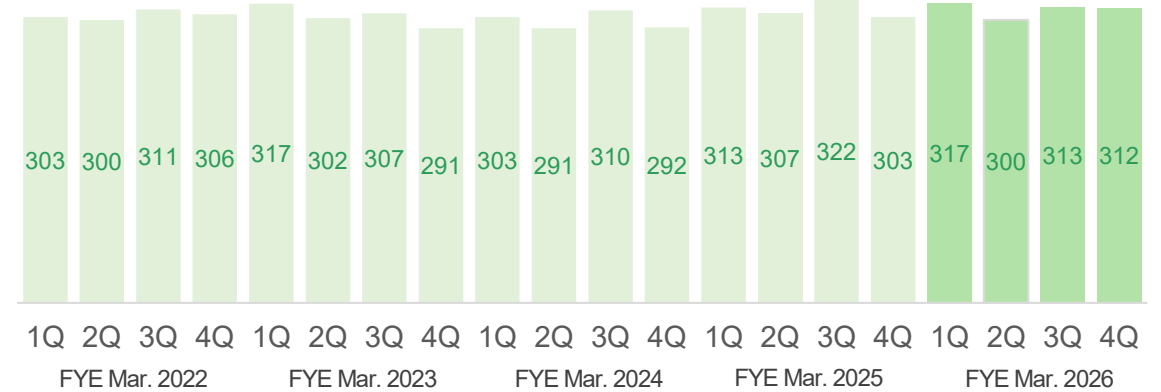


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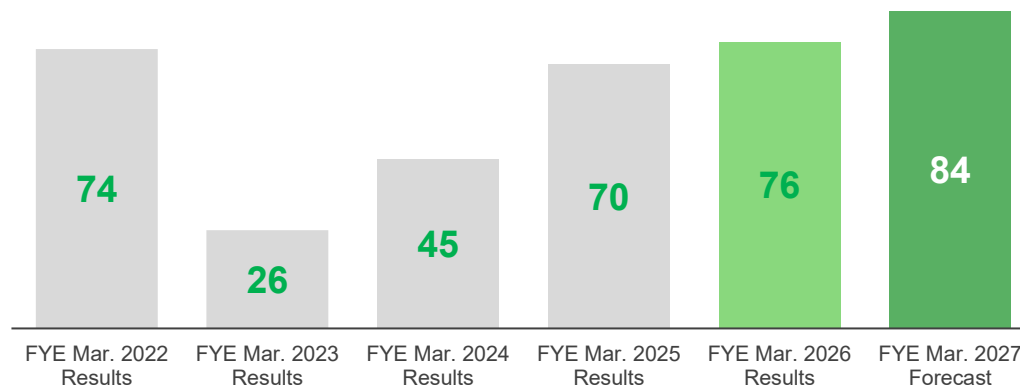
Net sales: Full year (100 million yen)



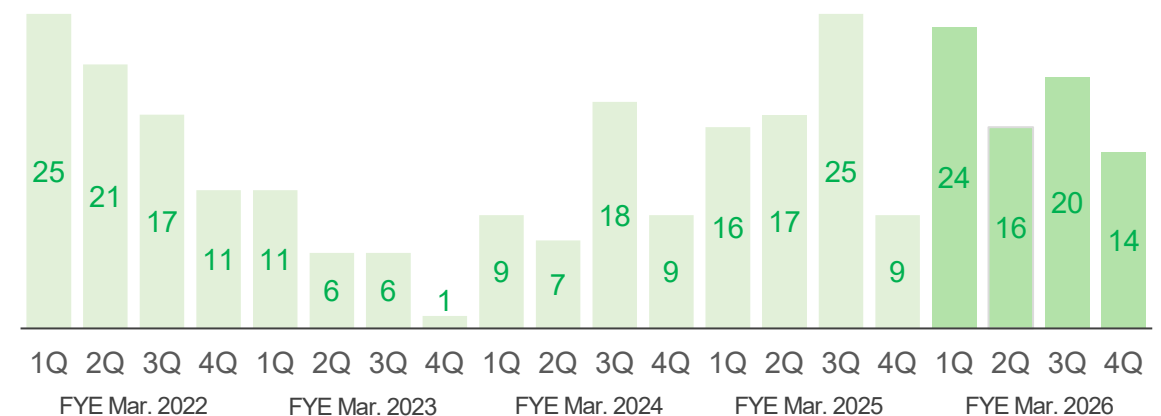
Net sales: Quarterly (100 million yen)



Operating profit: Full year (100 million yen)



Operating profit: Quarterly (100 million yen)





■ Action to Implement Management That is Conscious of Cost of Capital and Stock Price

Action to Implement Management That is Conscious of Cost of Capital and Stock Price

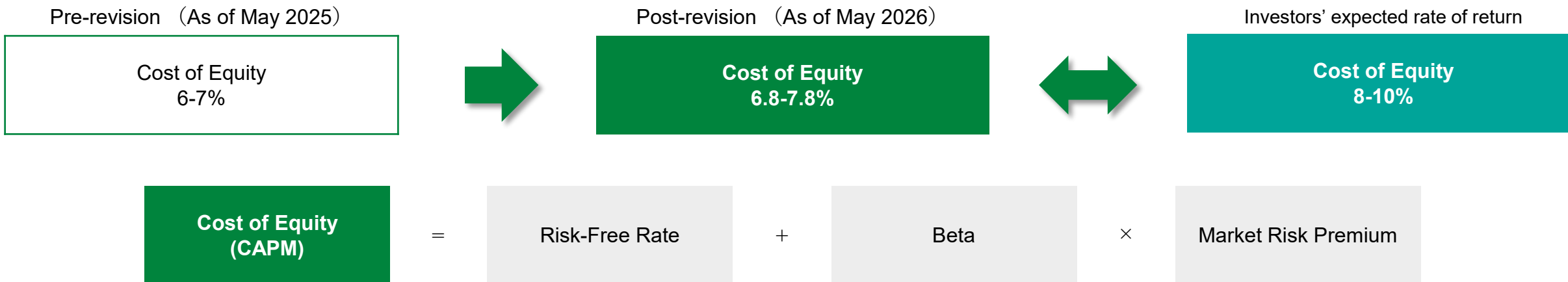


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① Review of Cost of Equity

Review of Cost of Equity

- ✓ Previously, we recognized our cost of equity at 6-7% (CAPM basis).
- ✓ Reflecting the increase in the risk-free rate and as a result of reviewing the risk premium through dialogue with investors, **our cost of equity has been revised to 6.8-7.8% (CAPM basis).**
- ✓ A gap still remains, as the expected rate of return we have heard through meetings with institutional investors is 8-10%.



Premises of Cost of Equity

Risk-Free Rate	<ul style="list-style-type: none"> ✓ Applied the 10-year government bond yield ✓ Increased from approx. 1.5% (pre-revision) to approx. 2.3% (as of the end of March 2026)
Beta	<ul style="list-style-type: none"> ✓ The value tended to be low due to the low liquidity of our stock. ✓ The value approached 1.0 from pre- to post-revision, driven by an increase in trading volume (approx. 19% annual increase) following our earnings recovery, dividend increases, and the announcement of a stock split.
Market Risk Premium	<ul style="list-style-type: none"> ✓ Assumed to be 6% or higher (historical method) ✓ Reflects factors such as the rise in market interest rates

Action to Implement Management That is Conscious of Cost of Capital and Stock Price

② Current Status Analysis (1/2)



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Assessment of the current status

✓ We have not consistently achieved an ROE exceeding the cost of equity (which we assess as 6.8-7.8% based on CAPM), and consequently, our PBR is below 1.0x.

Factor analysis① Current ROE

1. A key characteristic of our business is a diverse customer base across various industries, which has enabled us to maintain stable financial performance resilient to economic fluctuations.
2. Although momentum slowed in recent years due to external factors and trends in certain customer sectors, our performance has been on a recovery trend since the FYE March 2025.
3. We are currently advancing strategic investments in new fields and overseas expansion to broaden our revenue opportunities. Supported by these investments and a revision of our shareholder return policy, our ROE is on an improving trend.
4. Our HR strategies and DX promotion are also progressing. We are enhancing operational efficiency and competitiveness by introducing a new personnel system, granting RS (restricted share) to the employee shareholding association, and utilizing generative AI and no-code tools.

	FYE March 2017	FYE March 2018	FYE March 2019	FYE March 2020	FYE March 2021	FYE March 2022	FYE March 2023	FYE March 2024	FYE March 2025	FYE March 2026
Net sales ^{*1}	¥157.1 billion	¥167.4 billion	¥170.3 billion	¥155.1 billion	¥138.4 billion	¥121.9 billion (¥168.0 billion)	¥122.0 billion (¥169.2 billion)	¥119.8 billion (¥160.9 billion)	¥124.7 billion (¥165.3 billion)	¥124.2 billion (¥163.8 billion)
Operating profit	¥11.9 billion	¥13.0 billion	¥8.7 billion	¥4.8 billion	¥4.9 billion	¥7.4 billion	¥2.6 billion	¥4.5 billion	¥7.0 billion	¥7.6 billion
Profit	¥9.9 billion	¥8.3 billion	¥3.8 billion	¥3.9 billion	¥6.3 billion	¥6.1 billion	¥2.0 billion	¥3.6 billion	¥10.2 billion	¥8.1 billion
Net assets	¥88.4 billion	¥97.0 billion	¥96.0 billion	¥95.6 billion	¥103.6 billion	¥110.4 billion	¥114.3 billion	¥119.1 billion	¥130.4 billion	¥141.2 billion
Equity ratio	45.9%	47.3%	49.3%	50.1%	51.5%	55.1%	58.1%	59.9%	65.0%	67.5%
ROE	12.5%	9.2%	4.1%	4.2%	6.5%	5.9%	1.8%	3.2%	8.4%	6.1%
Period-end stock price ^{*2}	¥941.25	¥1,097.5	¥755	¥589.75	¥617.75	¥515	¥445.75	¥746.25	¥751.25	¥1,078
PBR	0.80x	0.85x	0.59x	0.46x	0.44x	0.35x	0.29x	0.44x	0.40x	0.53x

*1 We have adopted the 'Accounting Standard for Revenue Recognition' starting from the FYE March 2022. Since this adoption has resulted in an average decrease in sales revenue of approximately ¥40 billion, we also state the pre adoption sales revenue figures in parentheses.

*2 On October 1, 2017, we conducted a stock consolidation at a ratio of one share for every five shares of common stock. Furthermore, as of April 1, 2026, we conducted a stock split at a ratio of four shares for every one share of common stock. The period-end stock prices are presented on the assumption that the said stock consolidation and stock split were conducted at the beginning of the fiscal year ended March 31, 2017.

Action to Implement Management That is Conscious of Cost of Capital and Stock Price



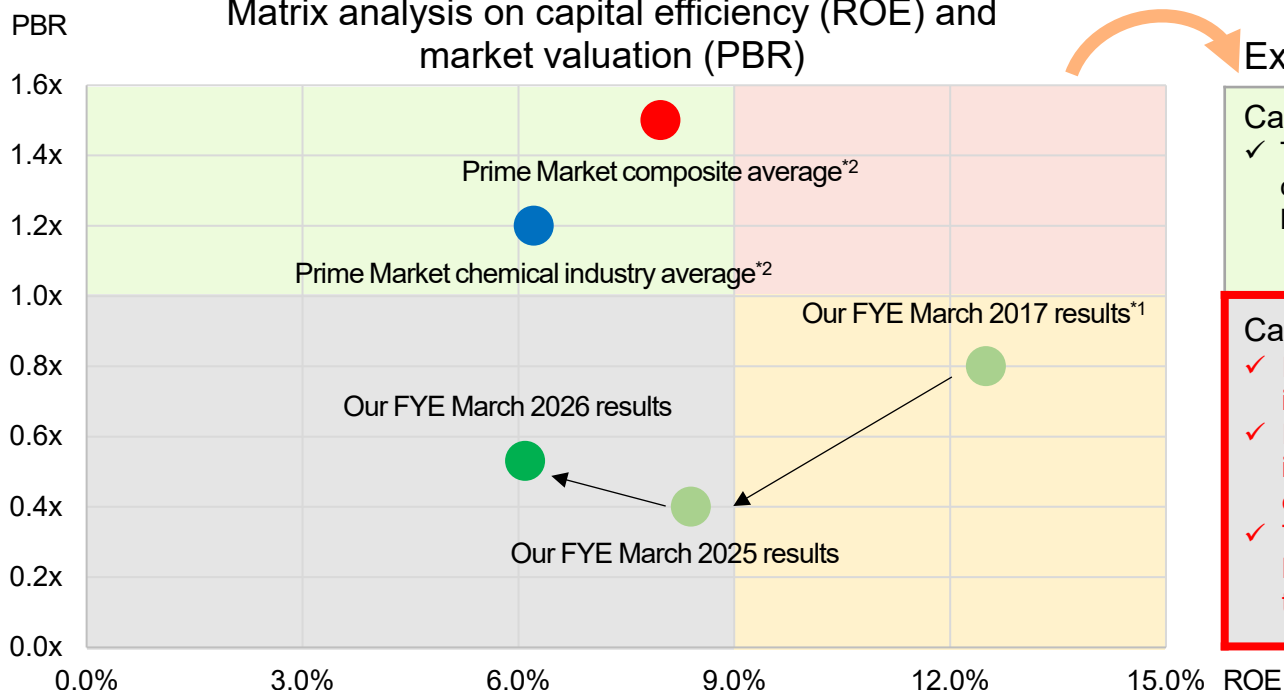
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② Current Status Analysis (2/2)

Factor analysis② Current market valuation

5. Even during periods (from FYE March 2017 to FYE March 2018) when we achieved an ROE exceeding our cost of equity, our PBR remained below 1.0x, suggesting the existence of a company-specific risk premium.
 - While our company's recognized cost of equity is 6.8-7.8% (CAPM), the expected rate of return we have heard through IR and meetings with institutional investors is 8-10%, indicating a gap.
 - From the investors' perspective, the main opinions we received regarding our company's specific risk premium are as follows:
 - ① While our diverse customer base across various industries enables us to maintain stable performance, the lack of clear growth-driving products makes it difficult to foresee future opportunities for revenue expansion.
 - ② While our equity ratio remains high, the roadmap toward achieving our ROE target of 9%, by improving profitability and efficiency in line with our equity levels, remains unclear.

Matrix analysis on capital efficiency (ROE) and market valuation (PBR)



Explanation of matrix analysis

<p>Capital Efficiency Low Market Valuation High</p> <ul style="list-style-type: none"> ✓ The average of the chemical industry and the composite in the Prime Market fall into this position. Market valuation is high. 	<p>Capital Efficiency High Market Valuation High</p> <ul style="list-style-type: none"> ✓ We aim to achieve this position in the medium to long term.
<p>Capital Efficiency Low Market Valuation Low</p> <ul style="list-style-type: none"> ✓ In the most recent fiscal period, we continued to fall into this position. ✓ In the FYE March 2026, both ROE and PBR improved compared to the FYE March 2025, excluding the impact of extraordinary income. ✓ These metrics are lower than the average for the Prime Market chemical industry and we recognize this as an issue specific to our company. 	<p>Capital Efficiency High Market Valuation Low</p> <ul style="list-style-type: none"> ✓ Even when our ROE was at its highest in the past 10 years, the PBR remained low. ✓ Our company's specific risk premium is depressing the market valuation, and this needs to be resolved.

*1 Our highest ROE in the last 10 years

*2 (Source) Created by our company based on Tokyo Stock Exchange "Average PER and PBR by Size and Types of Industry" end of March 2026 average data (Consolidated)

Action to Implement Management That is Conscious of Cost of Capital and Stock Price



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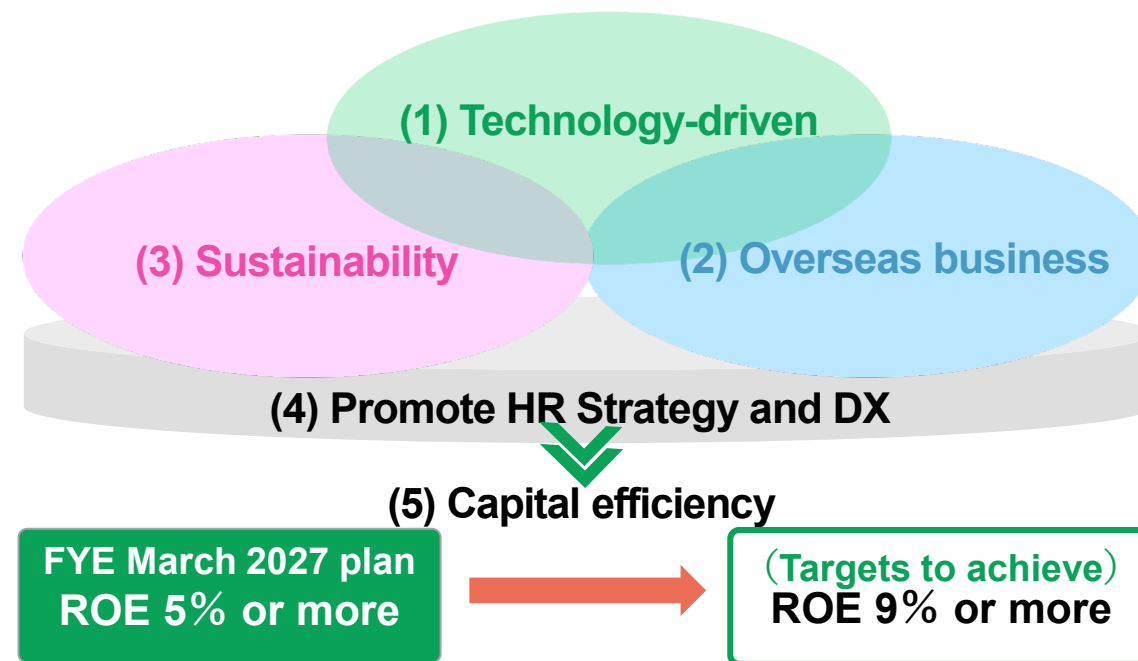
③ Progress of Medium-Term Management Plan

Actions towards consistently realizing an ROE that surpasses the cost of shareholders' equity and a PBR of 1.0x or higher

Short term	<ul style="list-style-type: none"> ✓ By steadily implementing the various strategies and measures set forth in this document, in addition to those outlined in the medium-term management plan, we will achieve an ROE of 5% or more in the final year of the medium-term management plan. ✓ We aim for an average total payout ratio of 50% or more over the three years of the medium-term management plan and will endeavor to further enhance shareholder returns.
Medium to long term	<ul style="list-style-type: none"> ✓ Amidst an uncertain business environment driven by factors such as geopolitical risks, the slowdown of the Chinese economy, and raw material trends, we will continue to promote growth investments including M&A, strategic investments and structural reform to build a business portfolio that is less susceptible to external factors. In addition, we will actively implement dividend distributions and share buybacks, aiming for an ROE of 9% or more.

Group targets

	FYE March 2026 Initial Forecast→Results	FYE March 2027 Initial Medium-Term Management Plan Forecast→Current Forecast
Net sales	¥127.3 billion→¥124.2 billion	¥130.0 billion→¥126.6 billion
Operating profit	¥7.2 billion→¥7.6 billion	¥7.8 billion→¥8.4 billion
Ordinary profit	¥8.2 billion→¥8.4 billion	¥8.4 billion→¥9.5 billion
Profit	¥6.1 billion→¥8.1 billion	¥5.8 billion→¥6.6 billion
ROE	6.1%	5% or more



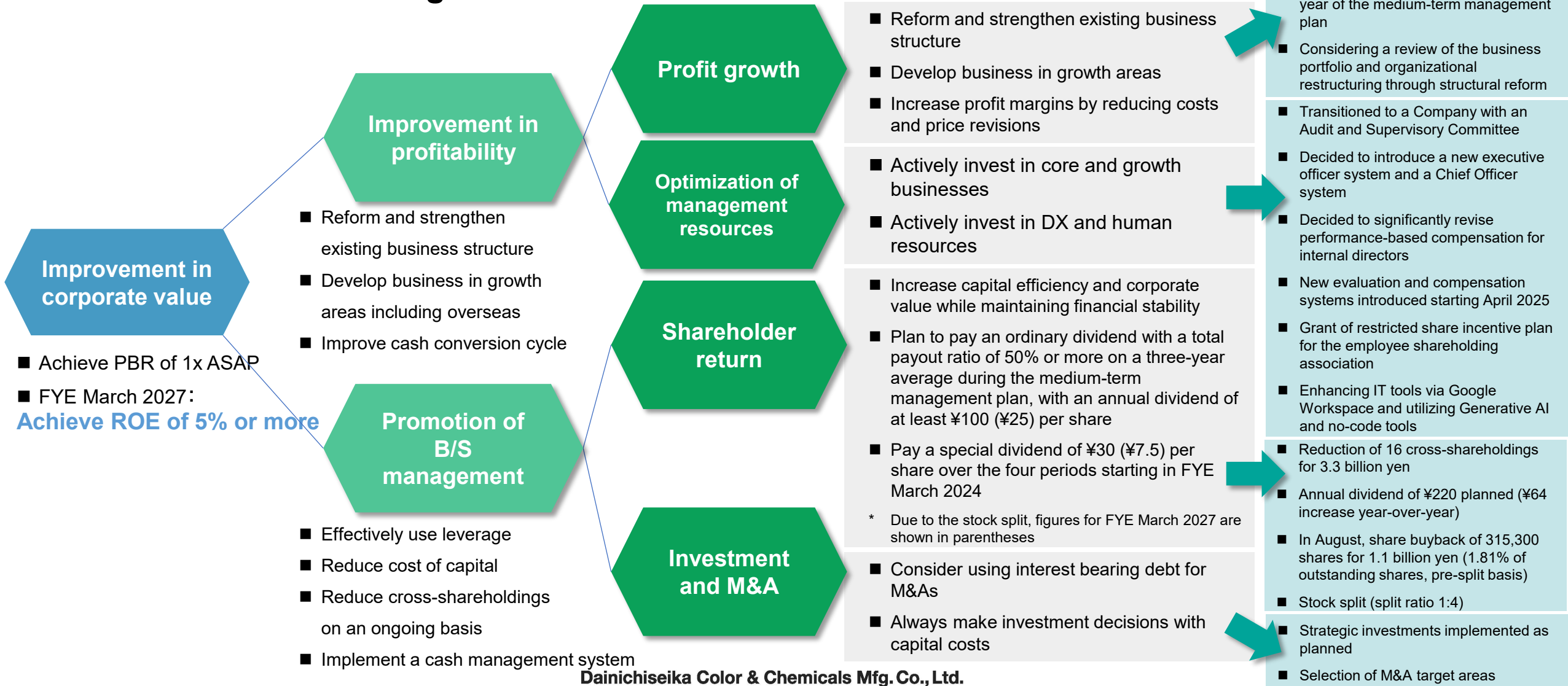
Action to Implement Management That is Conscious of Cost of Capital and Stock Price

④ Initiatives to Improve ROE



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Implement management with the need to improve ROE while taking into account our financial health



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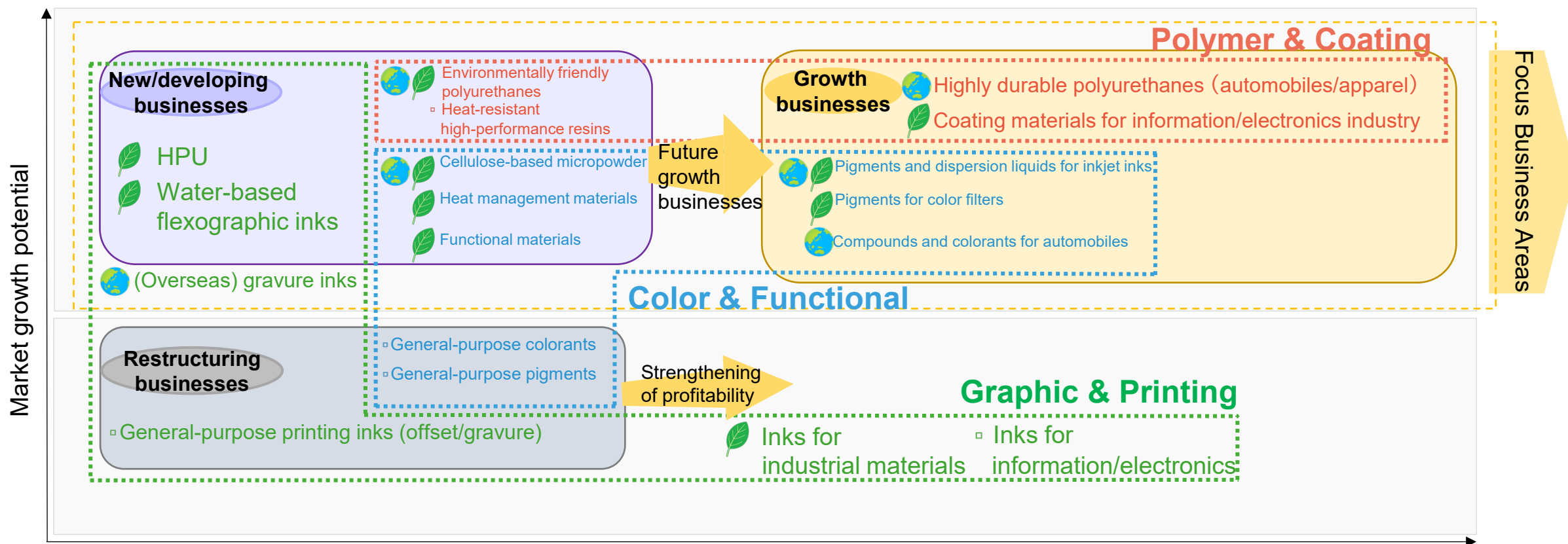


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⑤ Business Portfolio and Positioning of Each Segment

- ✓ At the Board of Directors meeting held on May 15, 2026, we resolved to implement company-wide business structural reform, including a review of the business portfolio. The objective is to improve profitability and growth potential in order to further enhance corporate value.
- ✓ Specific details are scheduled to be announced around autumn 2026.

- Products for overseas expansion focus
- Sustainable products



Action to Implement Management That is Conscious of Cost of Capital and Stock Price



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⑥ Financial Strategies and Cash Allocation

Financial strategies

- ✓ Increase efficiency of assets and capital to give back to shareholders, generate cash for growth and capital investment, and at the same time improve ROE/ROA and PBR (Estimated cost of equity at 6.8-7.8%)
- ✓ Use leverage to reduce cost of capital

Promotion of B/S management

● Cross-shareholdings

- Medium-term management plan target: Reduce 15% or more from the balance at the end of March 2024
- FYE March 2026 result: Increased approx. 9% from the balance at the end of March 2024 (due to a rise in stock prices)*
- * Reduced by approx. 14% based on the market value at the end of March 2024

● Cash and deposits

- Implement a cash management system
- Achieved optimization of domestic group funds

Measures to increase capital efficiency

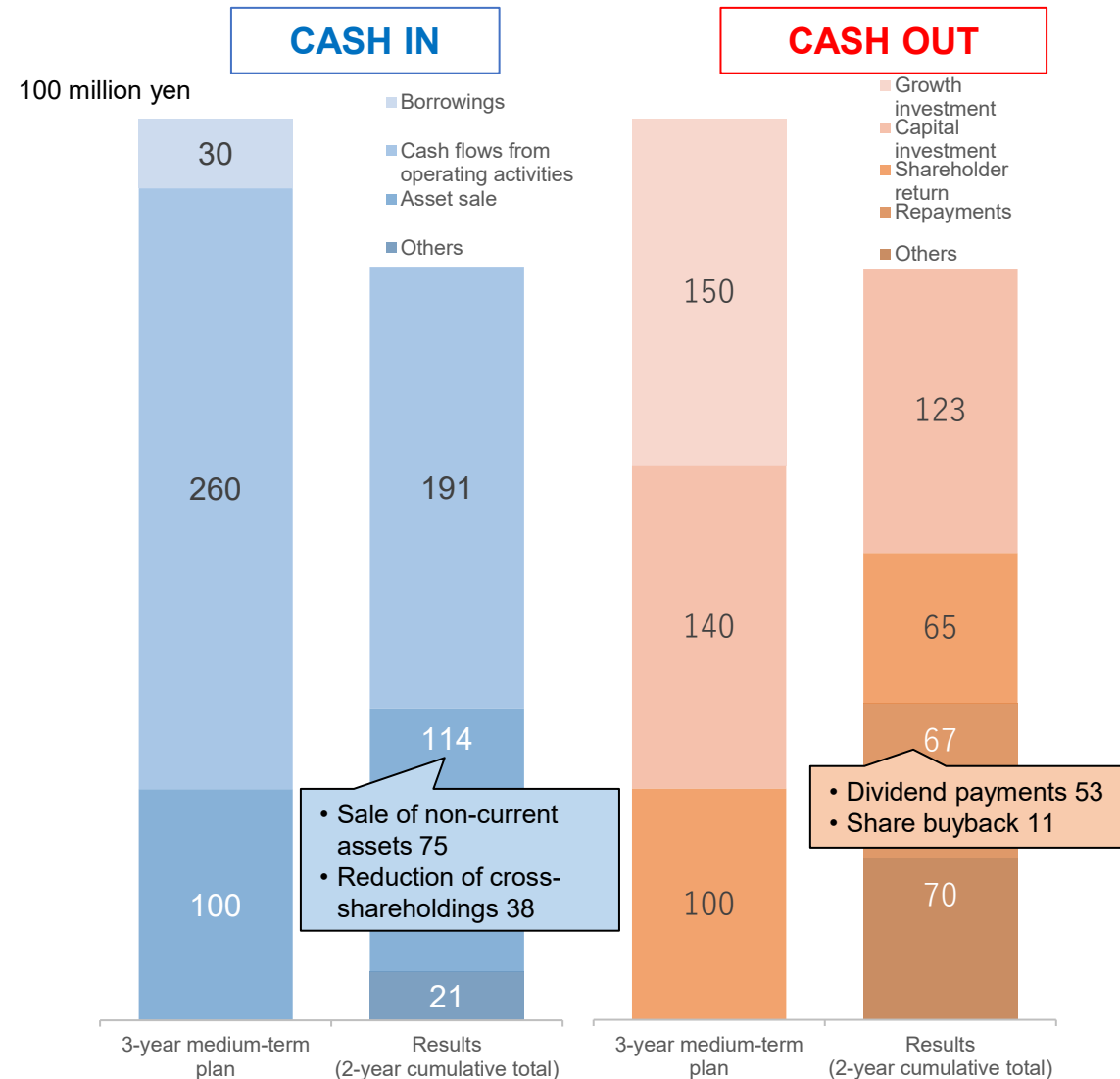
● Cash conversion cycle

- Currently considering the securitization of accounts receivable, etc.

● Increase efficiency of other assets

- Sell assets in connection with the relocation of the Kawaguchi Production Plant (a gain of ¥7.7 billion)
- Sale completed in August 2024

Cash allocation for the current medium-term management plan (3-year cumulative total) and results (2-year cumulative total)



Action to Implement Management That is Conscious of Cost of Capital and Stock Price



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⑦ Dialogue with Shareholders and Investors

Company briefing / Financial results briefing			
Date	Type	Participating institutional investors, etc.	
June 2025	Financial results briefing	Domestic investors	3 companies
		Securities companies	4 companies
		Others	9 companies
December 2025	Second quarter financial results briefing	Domestic investors	3 companies
		Securities companies	11 companies
		Others	7 companies
January 2026	Individual investor briefing	Individual investors	139 participants (previous year 58 participants)

Meetings with individual institutional investors			
Period covered	Number of meetings (total)	Number of participating institutional investors (total)	
From April 2025 to March 2026	24 times	Overseas investors	5 companies
		Domestic investors	18 companies
		Securities companies	1 company

Factors for the increase in individual investor briefing participants

- ✓ Included a question about this briefing in the December 2025 shareholder survey
- ✓ Advance distribution of invitations and promotional videos
- ✓ Track record of the past two events

As a B2B manufacturer, we recognize the challenge of raising awareness among retail investors. We will continue our efforts to expand our investor base and enhance stock liquidity.

Main feedbacks received during the dialogue	Our response
<ul style="list-style-type: none"> ✓ Review of the business portfolio ✓ Early implementation of measures to secure stable earnings (including profit improvement measures) 	<ul style="list-style-type: none"> ➢ Generate capital through structural reform (business portfolio reviews and organizational restructuring) to execute strategic investments, M&A, and other growth initiatives.
<ul style="list-style-type: none"> ✓ Strengthening the implementation of PBR improvement measures 	<ul style="list-style-type: none"> ➢ Upwardly revised the shareholder return policy to a 3-year average total return ratio of 50% or more during the current Medium-Term Management Plan period and a dividend payout ratio of 40% or more. ➢ Upwardly revised the Medium-Term Management Plan ROE target to 5% or more.
<ul style="list-style-type: none"> ✓ Promoting sales price revisions 	<ul style="list-style-type: none"> ➢ FYE March 2026: ¥1.5 billion increase in operating profit resulting from sales price revisions. <p>* Refer to page 7, "Consolidated Financial Results for the Fiscal Year Ended March 31, 2026 - Factors for Changes".</p>

Our Company's IR Structure

- ✓ We appoint a director or a titled executive officer responsible for IR. In addition, departments such as the Office of the President, Corporate Finance & Accounting Division, Corporate Planning & Control Division, Personnel & General Affairs Division, Public Relations Division, and the CSR/ESG Promotion Group Headquarters collaborate to conduct IR activities actively.
- ✓ Feedbacks from shareholders and investors are shared with our management at the board of directors meeting etc.



■ Medium-Term Management Plan “TRANSFORMATION for TOMORROW 2027” -Review of the Second Year-

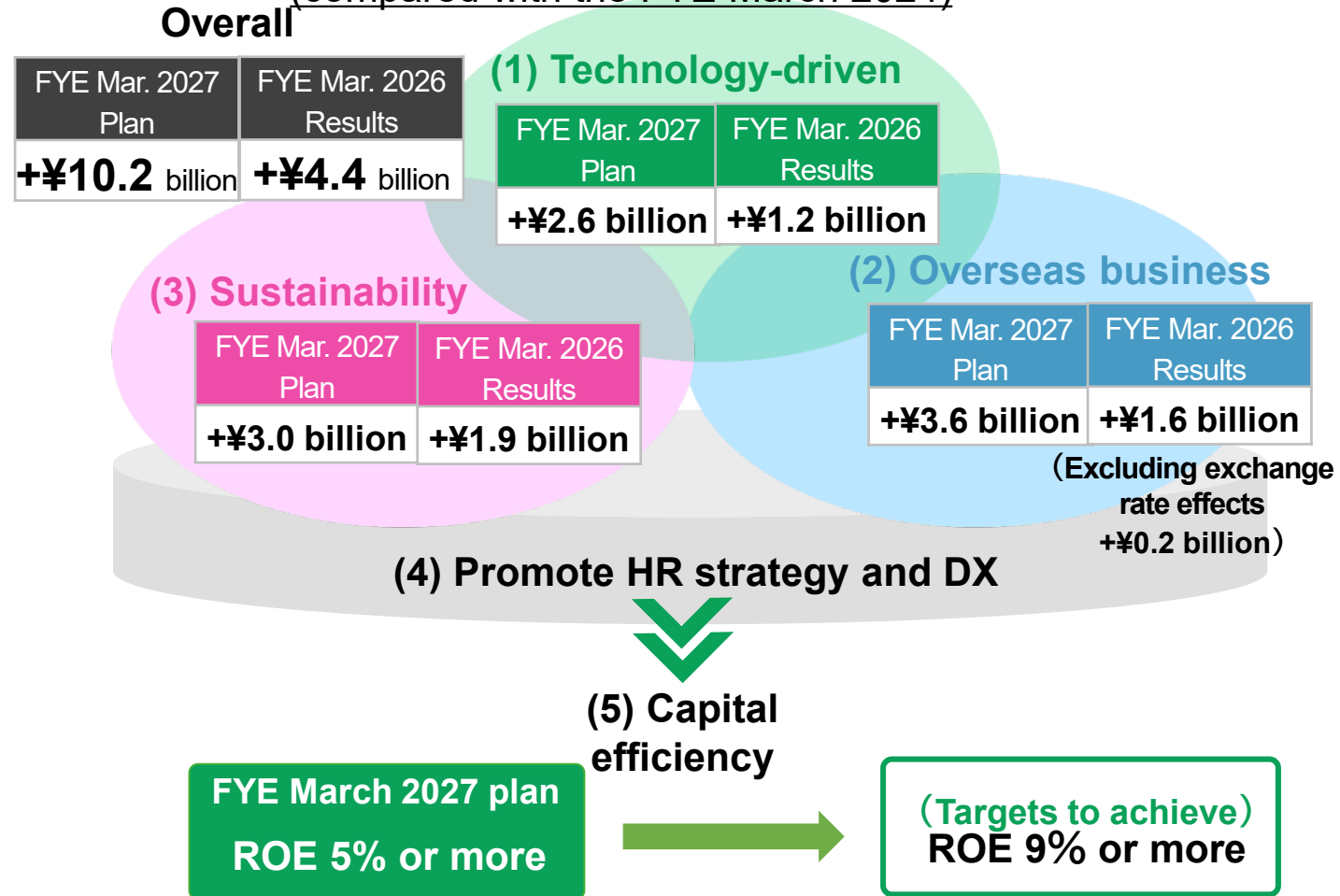
Basic strategy to get to where we want to be in 10 years

- (1) Secure a competitive advantage through technology initiatives
- (2) Expand overseas business to strengthen business foundation
- (3) Promote ESG-focused management to realize a sustainable society
- (4) Promote HR strategy and DX
- (5) Implement capital-efficiency-oriented management



Excellent company in the field of functional materials

Medium-Term Management Plan -- Increase sales (compared with the FYE March 2024)



Review of the Second Year of the Medium-Term Management Plan

(1) Secure a Competitive Advantage Through Technology Initiatives -Technology-Driven Sales-




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Target domain in the medium-term management plan

New development markets

Functional Materials for IT and Electronics

- Combine material development with formulation and dispersion processing technology to realize an IT and electronics-driven society where life is easy
- Enrich people's lives through products that pave the way to next-generation communications infrastructure (5G/6G)
- Contribute to a sustainable society through energy management materials



Specific examples
Secondary battery materials, conductive materials, heat management materials, functional polymers, and high value-added pigments and dispersions

FYE March 2026 results: +¥0.8 billion
-Semiconductor-related materials, high value-added pigments and dispersions, and functional polymers
Expected to be realized by FYE March 2027
-Sales expansion of semiconductor-related materials, thermal management materials, pigments for IT applications

Life Science & Personal Care

- Provide high value-added products derived from natural sources
- Contribute to a sustainable society with safe and reliable products



Specific examples
Biodegradable microparticles and naturally derived cosmetic raw materials

FYE March 2026 results: Slightly increased
Development projects by FYE March 2027
-Biodegradable materials, upcycled materials

Ongoing development markets

Mobility

- Create comfortable interior spaces with high-performance products
- Contribute to a sustainable society with a variety of materials geared to CASE and other changes



Specific examples
Urethane/acrylic/silicone polymers, lightweight, high-strength resin compounds, and decorating films

FYE March 2026 results: +¥0.15 billion
-Urethane/acrylic/silicone polymers
Expected to be realized by FYE March 2027
-Functional colorants

Environmentally Friendly Packaging

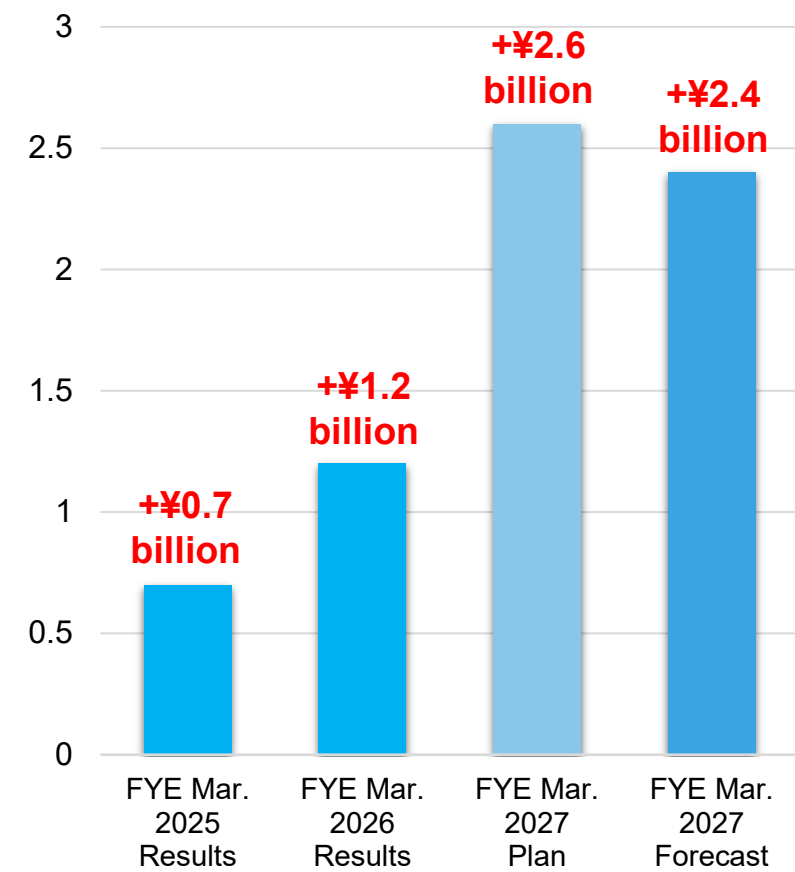
- Provide completely solvent-free, environmentally friendly inks
- Provide gas barrier materials made from CO₂
- Contribute to a sustainable society with environmentally friendly products



Specific examples
Water-based flexographic inks, gas barrier coating materials, environmentally friendly adhesives, and highly durable inks

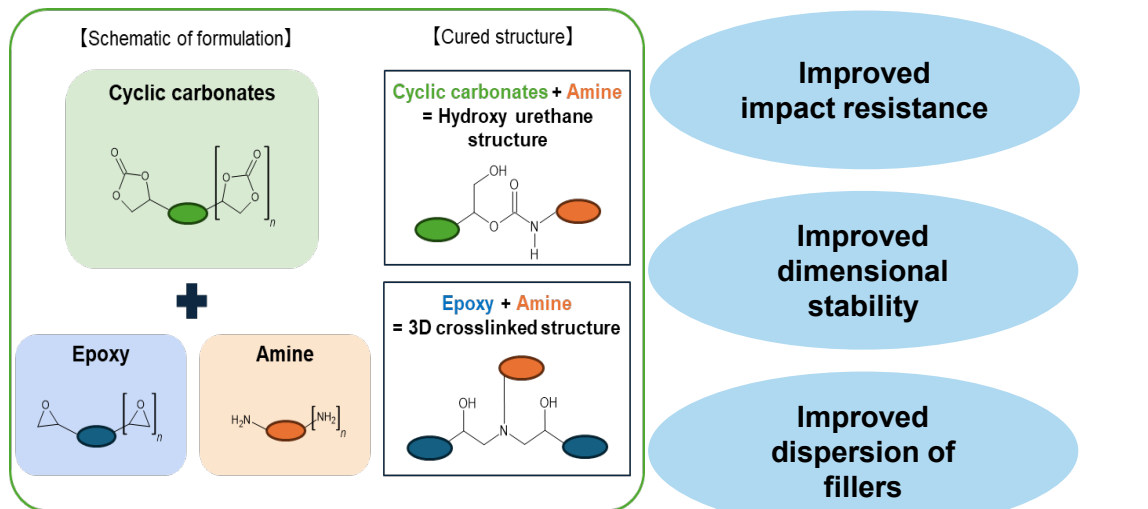
FYE March 2026 results: +¥0.16 billion
-Water-based flexographic inks, coating materials and inks for specialty packaging
Expected to be realized by FYE March 2027
-Highly durable inks

Billion yen Increase in technology-driven sales (Compared to results for FYE March 2024)



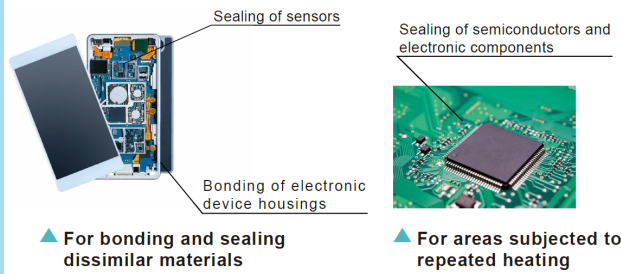
Cyclic carbonates (monomer for HPU*)

Imparting toughness while maintaining the rigidity of epoxy resins



<Target fields>

- Automotive applications: Bonding of parts subjected to vibration and impact
- Electronics / Precision** devices: Bonding and sealing of dissimilar materials
- Semiconductor**-related: Bonding and sealing of areas exposed to continuous heat



FYE March 2026: Pilot plant commenced operations

* Environmentally friendly polyurethane made from CO2

HPU features an excellent gas barrier property, metal adhesiveness, and post curing characteristic (durability). Possible applications include binders, additives, and barrier coatings.

Conductive-related products

To meet the increasingly advanced and complex functional requirements for conductive materials, we engage in solution-oriented product design.

- Our proprietary dispersion processing and surface treatment technologies
- Dispersion technology for CNT (carbon nanotube) and nanofillers
- Control design for optimal resistance values

Market expansion
Sophistication and complexity of functions

Next-generation markets
Providing new value

- Semiconductors
- Mobility
- Electronic equipment
- Related components, etc.

- Next-generation mobility
- Next-generation high-speed communications
- Printed electronics
- Clean energy
- Related components, etc.

Under the current medium-term management plan, CNT dispersions are newly adopted, primarily for **semiconductor-related components**.



FYE March 2027: Pilot plant for liquid dispersions scheduled to start operations

Review of the Second Year of the Medium-Term Management Plan

(2) Expand Overseas Business to Strengthen Business Foundation

* Figures are simple aggregates before consolidation adjustments. Figures in () represent the difference excluding the impact of foreign exchange.

Overview and Progress of Overseas Strategy

Net sales* (billion yen)

Color & Functional Products

- For high-performance colorants and functional products, we established a sales track record for cable applications, primarily in Asia.
- For dispersion liquids and pigments for inkjet inks, our customer development efforts led to new adoptions in North America and other regions.
- Sales of compounds were sluggish due to weak sales of Japanese-brand vehicles in Southeast Asia and China, as well as the economic slowdown in China. However, operating profit was secured at the initially planned level as a result of launching new high-value-added products in Thailand and thoroughly implementing profit-oriented measures, including price revisions for unprofitable products.

-Future initiatives-

- In India, where robust demand continues, our newly expanded production line has commenced operations. We will continue to meet the needs for local production for local consumption.
- We will continue to focus on expanding sales of high-performance colorants and functional products primarily in Asia, acquiring new customers for the information and electronics fields in Europe and the Americas, and capturing high-value-added projects for compounds.

Polymer & Coating Materials

- In North America, despite sluggish sales of surface treatment agents for seats due to weak sales by automakers, we are advancing the shift to local production and focusing on expanding sales.
- In China, sales of polyurethanes for sports apparel, which had been performing well, declined due to voluntary industry regulations in Europe; however, sales of water-based surface treatment agents expanded.

-Future initiatives-

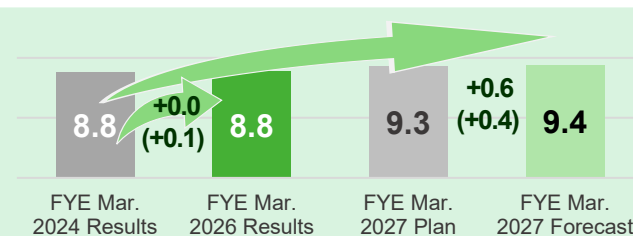
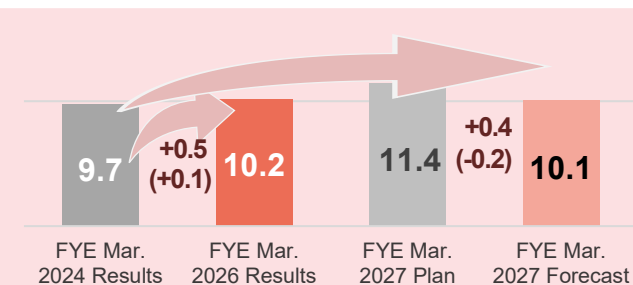
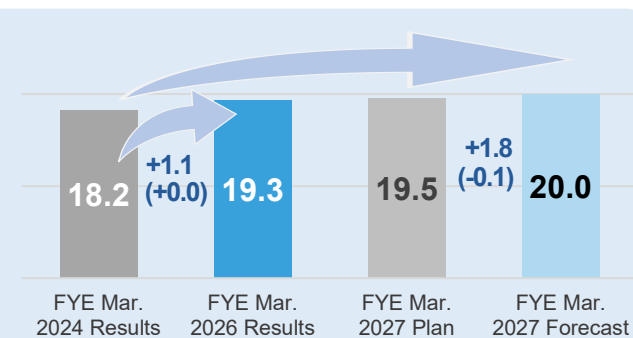
- In India, the adhesives business has steadily expanded its track record, and we are focusing on application-specific product development and sales expansion.
- We are accelerating market development for sustainability-contributing products, such as water-based surface treatment agents and solvent-free products.
- In response to the global expansion of seat manufacturers, we are advancing the supply of regionally tailored products.

Graphic & Printing Materials

- In Indonesia, despite losing orders in the first half of the fiscal year due to the entry of overseas competitors, we regained the business in the second half through the implementation of various rationalization measures, as well as timely technical improvements and product development.

-Future initiatives-

- To increase added value in a growing market, we are considering further measures, including investments in capacity expansion and the enhancement of our technological capabilities.
- In Taiwan and Southeast Asia, the shift toward VOC-free operations without the use of organic solvents is progressing, and we are focusing on expanding sales of water-based flexographic inks, which are sustainability-contributing products.



Review of the Second Year of the Medium-Term Management Plan

(3) Promote ESG-Focused Management to Realize a Sustainable Society



Dainichiseika

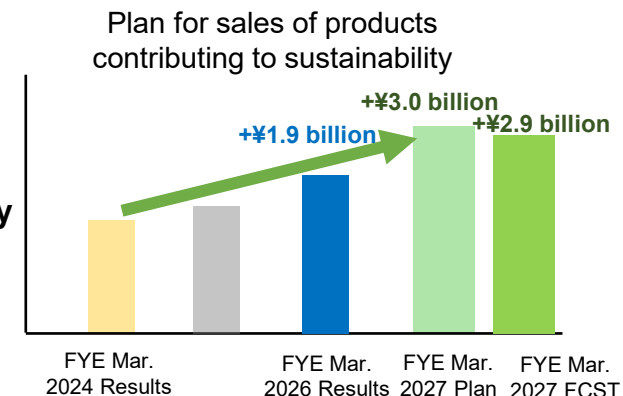
Expansion of sustainable products

Indicators

Sales of products contributing to sustainability

Mid-term plan ¥3.0 billion increase from FYE March 2024 by FYE March 2027
Results ¥1.9 billion increase from FYE March 2024 as of FYE March 2026

- **Response to climate change (CO₂ reduction), etc.**
 - For the mobility market: Lightweight and high-strength resin compounds, materials for rechargeable batteries
 - For the packaging market: Biomass inks, water-based flexographic inks
- **Sustainable society: Food loss reduction, products for the social infrastructure industry**
 - For the packaging market: Gas barrier coating materials made from CO₂



Climate change measures CO₂ emissions reductions

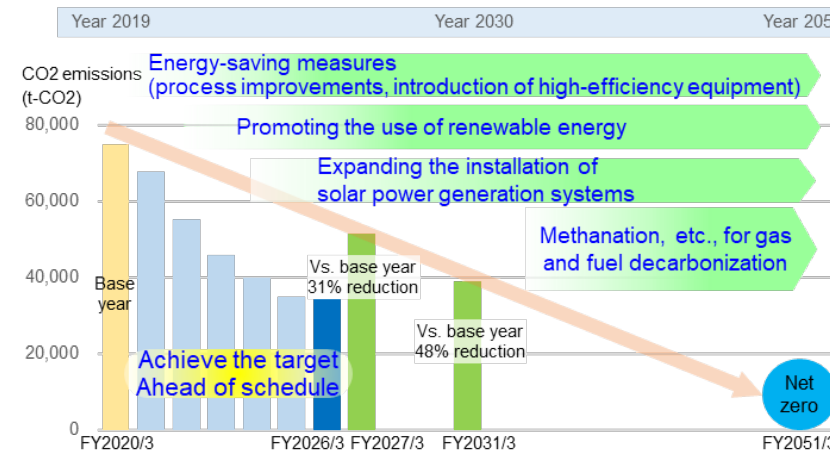
Indicators

CO₂ emissions reduction rate of the Group (Scope 1 + Scope 2 [market-based])

Long-term target 48% reduction from FYE March 2020 by FYE March 2031
Mid-term plan 31% reduction from FYE March 2020 by FYE March 2027
Results 54% reduction from FYE March 2020 as of FYE March 2026

“2050 Carbon Neutrality” Transition Plan

- **Main reduction plan**
 - Implement energy conservation measures by improving production processes and equipment
 - Introduce renewable energy
 - Roll out measures that have been proven to reduce costs in Japan to overseas locations

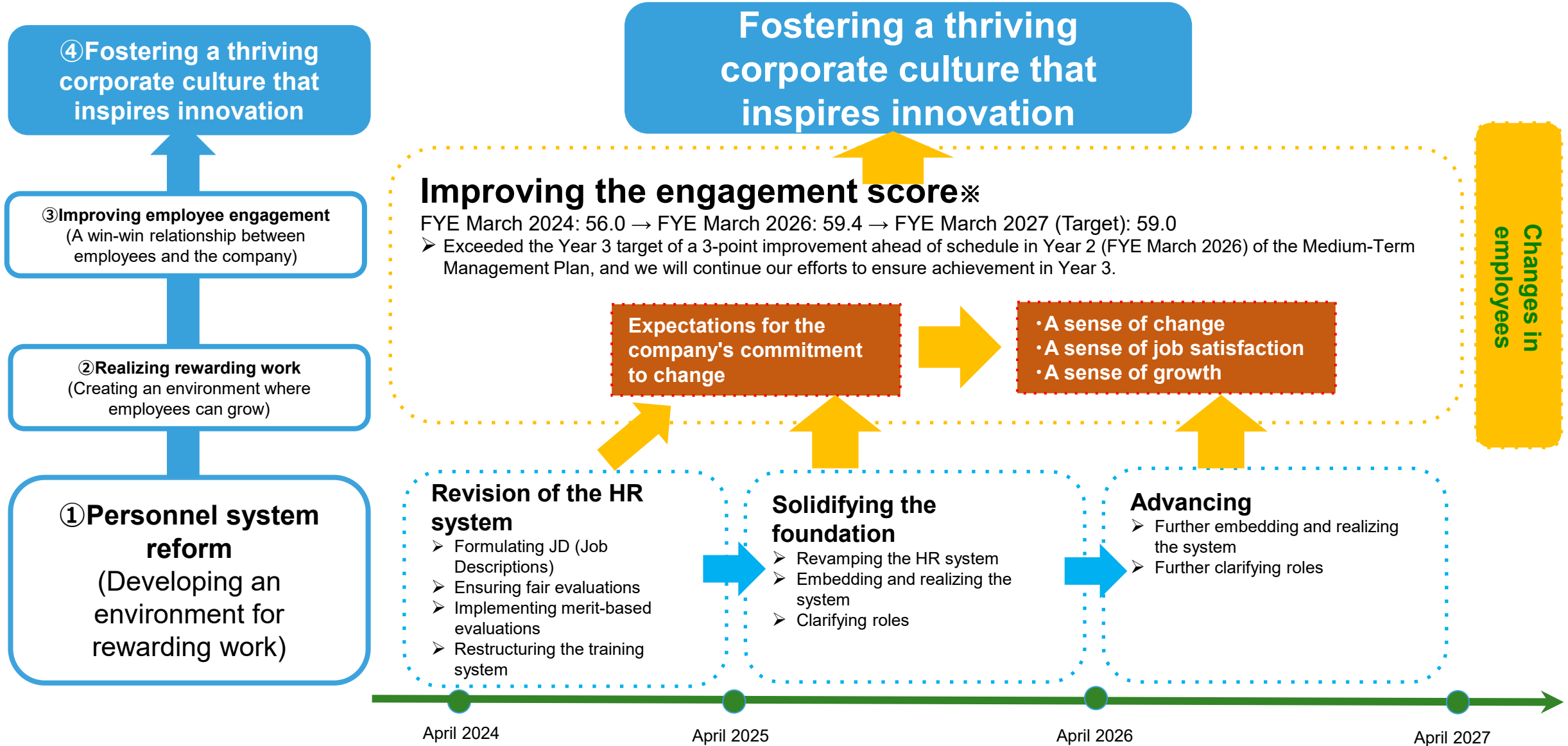


Review of the Second Year of the Medium-Term Management Plan

(4) HR Strategy and DX Promotion



Dainichiseika



Planned initiatives



First-Year Progress

Second-Year Progress

Third-Year Plans

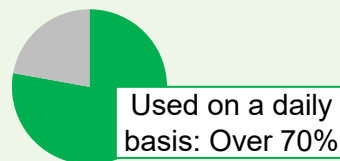
Initiatives for the Second Year of the Medium-Term Management Plan

● Implementing DX education

- Building a foundation for autonomous business transformation

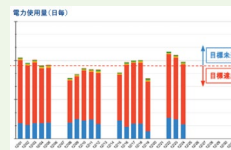
● Generative AI adoption

- Over 70% of employees utilizing AI on a regular basis



● Data accumulation via no-code tools

- Over 100 applications currently in operation



Initiatives for the Third Year of the Medium-Term Management Plan

● Enhancing DX self-reliance

- Strengthening educational programs

● Expanding the use of generative AI and strengthening data accumulation

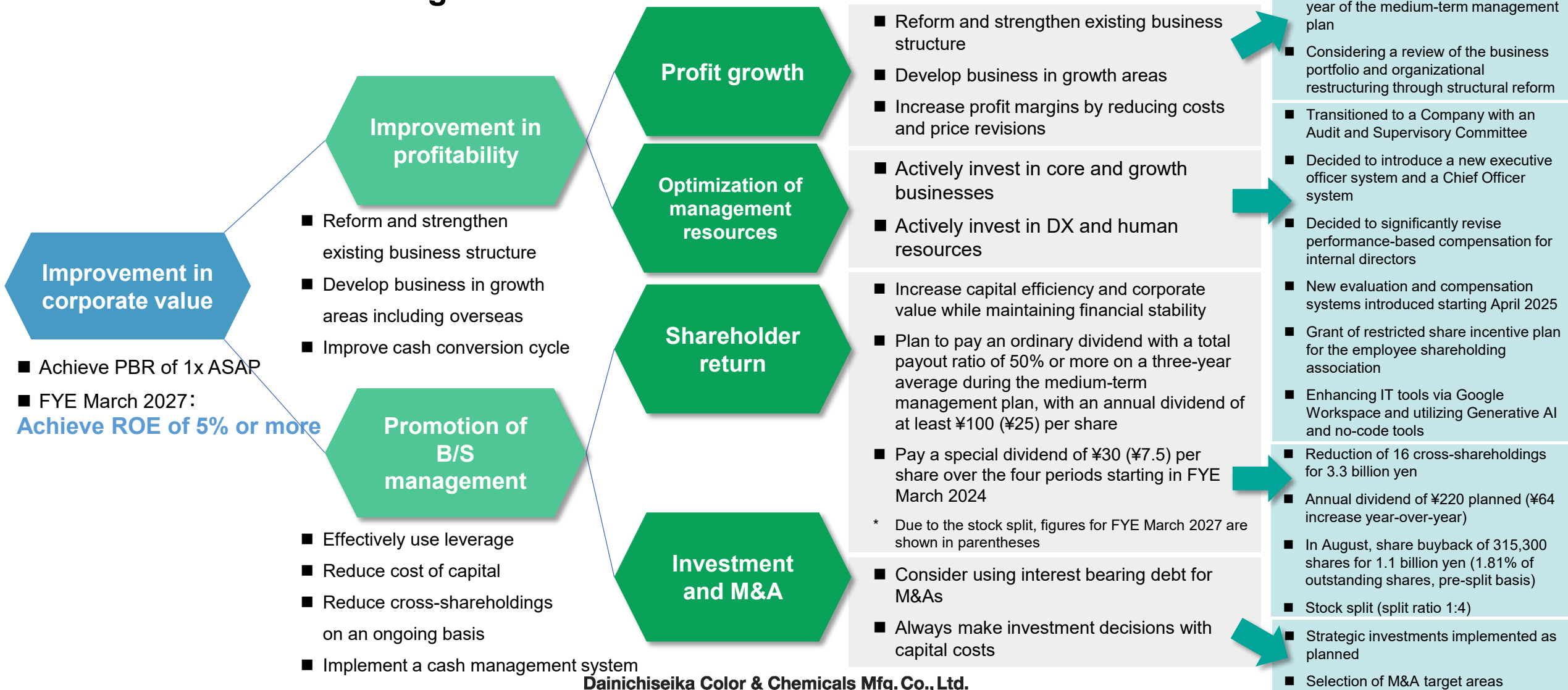
- Integrating generative AI into business processes
- Building a platform for accumulating operational improvement data

● Reducing workload at manufacturing sites

- Formulating a concept for digitizing and visualizing process information



Implement management with the need to improve ROE while taking into account our financial health



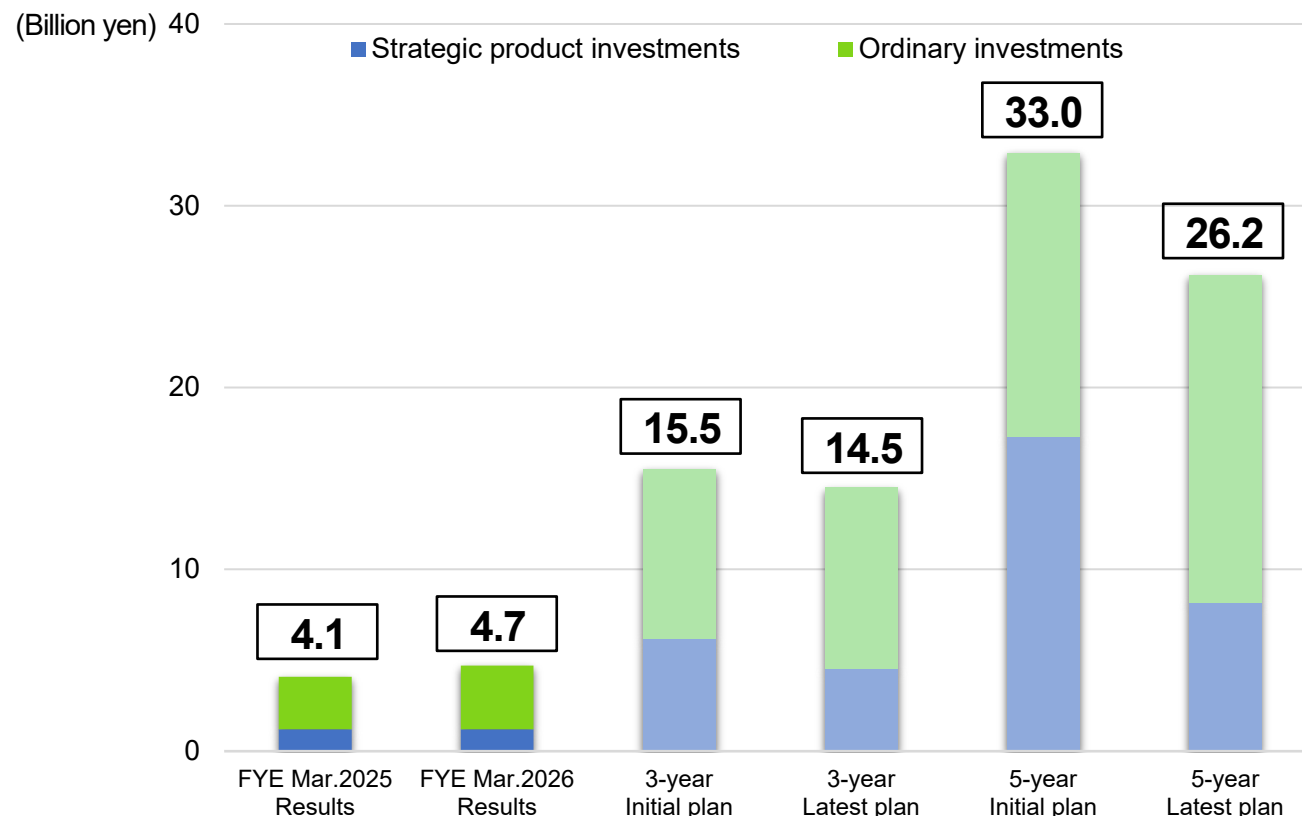
Review of the Second Year of the Medium-Term Management Plan

Progress of Medium-Term Investment Plan -Capital Expenditure-



Dainichiseika

	FYE March 2025 Results	FYE March 2026 Results	3-year Initial Plan	3-year Latest plan	5-year Initial plan	5-year Latest plan
Strategic product Investments	¥1.2 billion	¥1.2 billion	¥6.2 billion	¥4.5 billion	¥17.3 billion	¥8.2 billion
Ordinary investments	¥2.9 billion	¥3.5 billion	¥9.3 billion	¥10.0 billion	¥15.6 billion	¥18.0 billion
Total	¥4.1 billion	¥4.7 billion	¥15.5 billion	¥14.5 billion	¥33.0 billion	¥26.2 billion



- FYE March 2026 Results
 - Strategic product investments were implemented, including the establishment of a pilot plant for a new HPU (hydroxy polyurethane) production method, capacity expansion at the local subsidiary in Thai, and the introduction of new production facilities for functional pastes.
- Latest 3-Year and 5-Year plan
 - "Construction of the New R&D Building": The plan has been temporarily postponed due to the restructuring of our R&D system and the renewal of our R&D environment utilizing the latest DX technologies. (-¥5.0 billion)
 - "Construction of a New Plant in Asia": The investment timing has been deferred to optimize it in accordance with the medium- to long-term growth of the market environment. (-¥4.0 billion)

Positioning of M&A projects in the Medium-Term Management Plan

Medium-Term Management Plan (FYE March 2025 to FYE March 2027)
- Growth Investment - (released in June 2024, excerpt)

Total investment expected to be around ¥15 billion

Execute while carefully examining the return on investment, including synergies with current business

M&A

Area: Overseas

Industry/domain: Transportation equipment and information / electronics

Scheduled completion: FYE March 2027

Total investment: ¥4.0 to 10.0 billion

M&A / capital alliance

Area: Japan

Industry/domain: Transportation equipment and information / electronics

Scheduled completion: FYE March 2027

Total investment: ¥3.0 billion



Review and outlook for the third year of the Medium-Term Management Plan

- Investment philosophy
 - Target areas, industries, domains, and investment amounts for M&A are being examined in line with the Medium-Term Management Plan
 - The policy is to invest in highly profitable companies while monitoring invested capital in order to contribute to the ROE targets of the Medium-Term Management Plan
- Review of the second year of the Medium-Term Management Plan
 - Evaluated shortlisted companies by FYE March 2025, as well as deals proposed by external parties
- Initiatives and outlook for the third year of the Medium-Term Management Plan
 - Continuing to evaluate multiple potential deals
 - Broadening the scope of M&A investment in the process of reviewing the business portfolio and advancing R&D to source new deals

■ Reference

Corporate philosophy

“Have an interest in **people**”
 “Have an interest in **something new**”
 “Have an interest in **the future**”

Company name	DAINICHISEIKA COLOR & CHEMICALS MFG. CO., LTD.
	Dainichiseika Color & Chemicals Mfg. Co., Ltd.
Head Office location	1-7-6 Nihonbashi Bakuro-cho, Chuo-ku, Tokyo
Founded	October 16, 1931
Representative	Koji Takahashi, Representative Director and President
Capital	¥10,039 million (Tokyo Stock Exchange, Prime Market)
Number of employees	Consolidated: 3,514 (as of March 31, 2026)
Consolidated net sales	¥124,294 million (fiscal year ended March 31, 2026)
Group companies	Japan: 7 companies, overseas: 17 companies

1931 Company Founded

Concerned with Japan's overreliance on imported pigments, the founder started the Company with the aim of producing pigments domestically.



Yoshihiro Takahashi, Founder

Core technologies

- ① Pigment synthesis and surface treatment
- ② Formulation and dispersion processing
- ③ Resin synthesis

1938 Started producing pigments



1940s Expansion into the field of pigment processing

- 1944 Launched printing inks as secondary processed products of pigments
- 1948 Launched vinyl toner, colorants for polyvinyl chloride (PVC)
- 1950 Launched gravure inks for PVC
- 1953 Launched mass colorant for synthetic fiber and pigment printing agents/colorants
- 1955 Developed and launched colorants for various types of resins

1960s Full-scale expansion into overseas markets

- 1962 Opened a sales base in Hong Kong, and others in Manila, Seoul, and New York
- 1968 Opened the Tokai Production Plant
- 1974 Established a production base in Taiwan
- 1984 Opened a sales base in Milan

Expansion of business beyond the realm of colorants

- 1967 Entered the polyurethane market with launch of liquid polyurethanes for synthetic leather
- 1970 Developed and launched gravure inks for food packaging films
- 1975 Released Japan's first computer color matching system
- 1976 Expanded into the ultraviolet curable coating business
- 1977 Launched thermoplastic polyurethane elastomer



1980s Strengthening overseas production bases

- 1988 Established a production base in the U.S.
- 1989 Established a production base in Thailand
- 1995 Established a production base in Indonesia and Dongguan
- 2003 Established a manufacturing complex in Shanghai
- 2006 Established a production base in Vietnam
- 2008 Established a production base in India

Development of environmentally friendly products

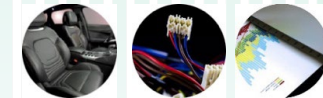
- 1980 Launched quinacridone pigments
- 1985 Silicones/polyurethanes
- 1985 Naturally derived polymer chitin/chitosan
- 1986 Colorant for soft and hard PVC (used with CCM)
- 1998 Easy-to-remove gravure inks for PET bottles
- 1998 High-concentration masterbatch for non-PVC

2000s Expansion into new fields and development of core businesses

- 2013 Established a production base in Mexico
- 2015 Increased production capacity in Indonesia
- 2017 Increased production capacity in India
- 2019 Increased production capacity at the Sakura Production Plant as well as in the U.S. and Thailand

Increase of environmentally friendly products

- 1998 Developed IJ dispersion
- 2003 Started full-scale sale of pigments for CF
- 2005 Water-based flexographic inks for films
- 2011 Polyurethanes made from CO₂
- 2013 Biomass TPU
- 2016 Biomass gravure inks
- 2018 Barrier coating materials and adhesives
- 2021 Biodegradable microparticles



- 2021
- Bando Production Plant
- Sakura Technology Innovation Center

(100 million yen)

2,000

1,500

1,000

500

0

FY1940

FY1960

FY1980

FY2000

FY2020

Company
Founded

Core technologies established

Developing

Expanding

Advancing

*Since FY2021, the application of the "Accounting Standard for Revenue Recognition" has resulted in a decrease in net sales of approximately 40 billion yen.



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