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Color & Comfort

FASF MEMBERSHIP

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

August 10, 2026
Stock Exchange: Tokyo
Head Office: Tokyo
Tel: +81 (3) 6733-3000

Company Name: DIC Corporation
Listing Code Number: 4631
URL: https://www.dic-global.com/en/
Representative: Takashi Ikeda, Representative Director, President and Group CEO
Contact Person: Ippei Ouchi, General Manager, Accounting Department

Scheduled Filing Date of Semiannual Securities Report: August 10, 2026
Dividend Payment: September 1, 2026
Preparation of Supplemental Explanatory Materials: Yes
Holding of Financial Results Meeting: Yes (for security analysts and institutional investors)

(Yen amounts are rounded to the nearest million, except for per share information)

1. Consolidated Financial Results for the Six Months Ended June 30, 2026 (January 1, 2026 - June 30, 2026)

(1) Consolidated operating results

(Percentages indicate year-on-year changes)

	Net sales		Operating income		Ordinary income		Net income attributable to owners of the parent	
	JPY (million)	%	JPY (million)	%	JPY (million)	%	JPY (million)	%
Six months ended June 30, 2026	592,983	13.3	51,850	92.2	52,308	157.7	37,187	184.1
Six months ended June 30, 2025	523,244	-2.9	26,979	22.9	20,295	1.3	13,091	104.0

Note: Comprehensive income (JPY million): Six months ended June 30, 2026 54,222 (－%)
Six months ended June 30, 2025 (404) (－%)

	Earnings per share (basic)	Earnings per share (diluted)
	JPY	JPY
Six months ended June 30, 2026	392.69	－
Six months ended June 30, 2025	138.27	－

(2) Consolidated financial position

	Total assets	Net assets	Shareholders' equity ratio to total assets
	JPY (million)	JPY (million)	%
As of June 30, 2026	1,330,726	529,817	38.3
As of December 31, 2025	1,274,091	490,844	37.0

Reference: Shareholders' equity (JPY million): As of June 30, 2026 510,034 As of December 31, 2025 470,881

2. Cash Dividends

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

Note: Revision of the latest forecasts for the dividends payment: Yes
For details, please refer to "Notice Regarding Revision (Increase) of the Year-End Dividend Forecast for Fiscal Year 2026" released on August 10, 2026.

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

(Percentages indicate year-on-year changes)

	Net sales		Operating income		Ordinary income		Net income attributable to owners of the parent		Earnings per share (basic)
	JPY (million)	%	JPY (million)	%	JPY (million)	%	JPY (million)	%	JPY
FY2026	1,140,000	8.3	78,000	49.4	73,000	65.0	48,000	48.4	507.99

Notes 1. : Revision of the latest forecasts for the consolidated operating results: Yes

For details, please refer to "1. Analysis of Results of Operations (3) Operating Results Forecasts for Fiscal Year 2026" on page 5.

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

For details, please refer to “Notice Regarding Determination of Matters Related to the Acquisition of Treasury Shares” released on August 10, 2026.

Notes

(1) Significant changes in the scope of consolidation during the six months ended June 30, 2026: None

Newly included: ― (Company name) ― Excluded: ― (Company name) ―

(2) Adoption of accounting methods which are exceptional for interim consolidated financial statements: Yes

For details, please refer to page 13, “3. Interim Consolidated Financial Statements, (4) Notes to Interim Consolidated Financial Statements, (Notes on Accounting Methods Which Are Exceptional for Interim Consolidated Financial Statements).

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

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

(4) Number of shares issued (common stock)

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

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

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

As of June 30, 2026	443,861 shares,	As of December 31, 2025	476,859 shares

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

For the six months ended June 30, 2026	94,697,239 shares,	For the six months ended June 30, 2025	94,681,416 shares

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

Note: **Interim consolidated financial results in this report are not subject to interim review procedures conducted by certified public accountants or audit firms.**

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

Caution concerning forward-looking statements

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

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

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Table of Contents for Attached Materials

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1. Analysis of Results of Operations

(1) Overview of Operating Results

(Billions of yen)

	Six months ended June 30, 2025	**Six months ended June 30, 2026**	Change (%)	Change (%) 〔Local currency basis〕
Net sales	523.2	**593.0**	13.3%	5.8%
Operating income	27.0	**51.8**	92.2%	79.8%
Ordinary income	20.3	**52.3**	157.7%	―
Net income attributable to owners of the parent	13.1	**37.2**	184.1%	―
EBITDA *	49.1	**80.9**	64.8%	―
¥/US$1.00 (Average rate)	148.58	**158.32**	6.6%	―
¥/EUR1.00 (Average rate)	162.72	**184.54**	13.4%	―

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

In the six months ended June 30, 2026, consolidated net sales rose 13.3%, to ¥593.0 billion.

- Key global economies continue to be impacted by logistics and supply chain disruptions arising from the escalating tensions in the Middle East, leading to soaring crude oil prices and energy costs, as well as to apprehension regarding supplies of naphtha-derived petrochemicals. Although the situation is gradually easing, an uncertain outlook lingers for both corporate entities and consumers.
- In this environment, operating conditions in customer industries identified as key growth areas diverged. In digital materials, used principally in electrical and electronics equipment, the semiconductor market remained on an upswing, propelled mainly by brisk demand for AI semiconductors, while the display market benefited from an increase in the operating rates of display manufacturers accompanying a surge in demand for flat-screen televisions spurred by the 2026 FIFA World Cup quadrennial international men's soccer championship, which took place in summer 2026. In industrial materials,* used primarily in mobility solutions, sales remained firm overall despite changes in the demand structure of the automobile market, as sales of EVs were up sharply in European countries, surpassing those of gasoline-powered vehicles on a half-year basis for the first time.
- Against this backdrop, results varied for different products. Shipments of epoxy resins, industrial-use adhesive tapes, ultraviolet (UV)-curable resins and other high-value-added products for digital applications were robust. In the Color & Display segment, shipments of pigments for color filters used in displays also advanced. For certain printing inks and coating resins, customers, particularly in overseas markets, moved to boost inventories amid expectations of a prolonged Middle East crisis.

Operating income climbed 92.2%, to ¥51.8 billion, a new first-half record. In addition to increased shipments of high-value-added products, particularly digital materials, this reflected relentless efforts to promptly revise sales prices and implement rigorous cost management in all three segments to counter higher raw materials prices. Another contributing factor was the positive impact of a weaker yen on operating income in overseas markets.

Ordinary income, at ¥52.3 billion, was up 157.7%. This was due to a decline in foreign exchange losses associated with the application of hyperinflationary accounting in emerging economies.

Net income attributable to owners of the parent soared 184.1%, to ¥37.2 billion.

Earnings before interest, taxes, depreciation and amortization (EBITDA) rose 64.8%, to ¥80.9 billion.

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

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(2) Segment Results

(Billions of yen)

	Net sales				Operating income (loss)			
	Six months ended June 30, 2025	**Six months ended June 30, 2026**	Change (%)	Change (%) 〔Local currency basis〕	Six months ended June 30, 2025	**Six months ended June 30, 2026**	Change (%)	Change (%) 〔Local currency basis〕
Packaging & Graphic	268.8	**307.2**	14.3%	6.5%	13.4	**21.7**	62.6%	52.7%
Color & Display	131.3	**142.5**	8.6%	0.1%	5.7	**12.0**	2.1 times	2.0 times
Functional Products	143.0	**161.6**	13.0%	7.6%	10.9	**21.3**	96.4%	86.8%
Others, Corporate and eliminations	(19.8)	**(18.3)**	—	—	(2.9)	**(3.2)**	—	—
Total	523.2	**593.0**	13.3%	5.8%	27.0	**51.8**	92.2%	79.8%

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

Packaging & Graphic

	Six months ended June 30, 2025	**Six months ended June 30, 2026**	Change (%)	Change (%) 〔Local currency basis〕
Net sales	¥268.8 billion	**¥307.2 billion**	14.3%	6.5%
Operating income	¥13.4 billion	**¥21.7 billion**	62.6%	52.7%

Segment sales increased 14.3%, to ¥307.2 billion. In the area of packaging inks, used chiefly on packaging for food products, shipments in Japan were sluggish, as elevated consumer prices led to a decrease in consumption, but sales expanded thanks to efforts to adjust sales prices in response to rising raw materials prices. Sales of these products also rose in the Americas and Europe, thanks to robust shipments in North America, as well as to sales price revisions. In Asia and elsewhere, sales of packaging inks were boosted by a recovery in market conditions since the beginning of the year, as well as by an inventory buildup by customers in multiple countries in anticipation of a prolonged Middle East crisis, which pushed up shipments. Notwithstanding a downward trend in shipments in Japan, as well as in the Americas and Europe, owing to ongoing structural declines in publishing-related demand worldwide, overall sales of publication inks, which center on inks for commercial printing and news inks, were bolstered by efforts to revise sales prices to counter higher raw materials prices. In Asia and elsewhere, shipments of these products rose as customers stockpiled inventories in anticipation of a protracted Middle East conflict. Sales of jet inks, used in digital printing, advanced, as the impact of one-time customer inventory adjustments subsided and shipments remained firm. Sales of polystyrene, applications for which include food trays, were up, thanks to efforts to modify sales prices in response to raw materials price increases.

Segment operating income rose 62.6%, to ¥21.7 billion. While customers around the world stockpiled inventories of a broad range of products, concerned over the situation in the Middle East, steps taken to expand sales of high-value-added products and implement prompt sales price revisions underpinned gains in all geographic operating regions.

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Color & Display

	Six months ended June 30, 2025	**Six months ended June 30, 2026**	Change (%)	Change (%) 〔Local currency basis〕
Net sales	¥131.3 billion	**¥142.5 billion**	8.6%	0.1%
Operating income	¥5.7 billion	**¥12.0 billion**	2.1 times	2.0 times

Segment sales increased 8.6%, to ¥142.5 billion. Shipments of pigments for coatings, which account for a significant share of sales, rose, particularly in Europe—the principal market for these products—for architectural and industrial applications. Shipments of pigments for plastics rose steadily in Europe, as well as in North America and Asia. Among high-value-added products, shipments of pigments for color filters used in displays advanced as display manufacturers increased operating rates accompanying a surge in demand for flat-screen televisions spurred by the 2026 FIFA World Cup, which took place in the summer. Sales of pigments for cosmetics were down, owing to the strategic decision to discontinue sales of certain products with low added value. In pigments for specialty applications, shipments of products for agricultural use were up, but sales decreased, with causes including product mix. Higher segment sales also reflected the positive impact of a weaker yen on sales in overseas markets after translation.

Segment operating income soared 2.1 times, to ¥12.0 billion, bolstered by the increase in sales, as well as by efforts to reduce costs, primarily through structural reforms. Another contributing factor was a one-time gain in the first quarter stemming from the determination, based on the judgment of a third-party organization, that the recording of a liability for repairs at a pigments production facility in Germany, which had been legally required, was no longer necessary, resulting in a ¥5.9 billion reversal of the liability.

Functional Products

	Six months ended June 30, 2025	**Six months ended June 30, 2026**	Change (%)	Change (%) 〔Local currency basis〕
Net sales	¥143.0 billion	**¥161.6 billion**	13.0%	7.6%
Operating income	¥10.9 billion	**¥21.3 billion**	96.4%	86.8%

Segment sales rose 13.0%, to ¥161.6 billion. In the area of digital materials, sales of epoxy resins, the foremost application for which is semiconductor packaging substrates and encapsulants, increased, backed by firm demand for AI semiconductors, which led to brisk shipments of active ester curing agents used in insulating materials. Despite concerns over the impact of memory shortages on market conditions, sales of industrial-use adhesive tapes—used mainly in smartphones and other mobile devices—were bolstered by broader adoption, primarily for high-end models, and steady efforts to lock in demand. Sales of industrial materials were also up, underpinned by robust shipments of mainstay polyphenylene sulfide (PPS) compounds for both mobility solutions and architectural interior materials. Shipments of certain coating resins advanced as customers, particularly in overseas markets, moved to boost inventories amid expectations of a prolonged Middle East crisis.

Segment operating income climbed 96.4%, to ¥21.3 billion. Factors behind this included robust shipments overall, as well as expanded sales of high-value-added products, notably digital materials. This steep gain was also due to efforts to adjust sales prices in response to rising raw materials prices, a consequence of the situation in the Middle East.

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(3) Operating Results Forecasts for Fiscal Year 2026

DIC has revised its operating results forecasts, published on May 15, 2026, as indicated below.

(Billions of yen)

	FY2025	**FY2026**	Change (%)
Net sales	1,052.2	**1,140.0** **[1,100.0]**	8.3%
Operating income	52.2	**78.0** **[56.0]**	49.4%
Ordinary income	44.2	**73.0** **[48.0]**	65.0%
Net income attributable to owners of the parent	32.4	**48.0** **[33.0]**	48.4%
EBITDA	109.3	**130.0** **[111.0]**	19.0%
¥/US$1.00 (Average rate)	150.08	**150.00**	-0.1%
¥/EUR1.00 (Average rate)	169.58	**175.00**	3.2%

Note: Forecasts in squared parentheses are those published on May 15, 2026.

Reasons for Revision of Operating Results Forecasts
Although there is currently no prospect of resolution to the crisis in the Middle East, crude oil and naphtha prices have stabilized after a period of sharp increases, while concerns regarding stockpiling and raw materials supplies resulting from supply chain disruptions are subsiding. Nonetheless, downside risks are anticipated in the second half of fiscal year 2026, including a decline in demand for certain products caused by a reversal of the trend toward inventory stockpiling by customers and the impact of higher raw materials prices on costs. In light of a recalculation of full-term expectations based on results in the six months ended June 30, 2026, and on business risks expected in the second half, operating results forecasts for fiscal year 2026 have been revised upward, with net sales, operating income, ordinary income and net income attributable to owners of the parent now expected to reach record-high levels.

Additionally, at a meeting of the Board of Directors held today, a resolution was approved to raise the forecast for the fiscal year 2026 year-end dividend to ¥80.00, from the initial forecast of ¥70.00. (For more information, please see the timely disclosure issued today titled “Notice Regarding Revision (Increase) of the Year-End Dividend Forecast for Fiscal Year 2026.”)

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

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2. Analysis of Financial Position

(Analysis of assets, liabilities and net assets)

Total assets increased ¥56.6 billion from the end of the previous consolidated fiscal year, to ¥1,330.7 billion, due to an increase in trade receivables and inventories, as well as the effect of an increase in yen equivalent caused by exchange rate fluctuations. Total liabilities increased ¥17.7 billion from the end of the previous consolidated fiscal year, to ¥800.9 billion, due to an increase in trade payables. In addition, net assets increased ¥39.0 billion from the end of the previous consolidated fiscal year, to ¥529.8 billion, due to an increase in retained earnings from recording interim net income attributable to owners of the parent, as well as an increase in foreign currency translation adjustments accompanying the exchange rate fluctuations.

(Analysis of cash flow)

[Net cash provided by (used in) operating activities] Six months ended June 30, 2026, ¥42.1 billion
(¥21.5 billion for the six months ended June 30, 2025)

In the six months ended June 30, 2026, income before income taxes was ¥52.1 billion and depreciation was ¥27.7 billion. Income tax of ¥7.2 billion was paid and ¥18.5 billion was used in working capital. As a result, net cash provided by operating activities amounted to ¥42.1 billion.

[Net cash provided by (used in) investing activities] Six months ended June 30, 2026, ¥(17.9) billion
(¥(15.5) billion for the six months ended June 30, 2025)

In the six months ended June 30, 2026, while ¥5.5 billion was provided by proceeds from the sales of works of art, ¥22.9 billion was used for the purchase of property, plant and equipment and intangible assets. As a result, net cash used in investing activities was ¥17.9 billion.

[Net cash provided by (used in) financing activities] Six months ended June 30, 2026, ¥(27.5) billion
(¥(3.8) billion for the six months ended June 30, 2025)

In the six months ended June 30, 2026, ¥14.2 billion dividend payments from surplus were made, and ¥8.6 billion was used for repayment of borrowings. As a result, net cash used in financing activities amounted to ¥27.5 billion.

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3. Interim Consolidated Financial Statements

(1) Interim Consolidated Balance Sheet

(Millions of yen)

	Previous Fiscal Year as of December 31, 2025	First Half of Current Fiscal Year as of June 30, 2026
Assets		
Current assets		
Cash and deposits	68,909	70,687
Notes and accounts receivable - trade	231,445	266,284
Merchandise and finished goods	189,295	194,399
Work in process	11,275	11,969
Raw materials and supplies	96,996	108,035
Other	34,521	32,894
Allowance for doubtful accounts	(4,890)	(5,232)
Total current assets	627,550	679,035
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	138,898	144,445
Machinery, equipment and vehicles, net	140,317	138,567
Tools, furniture and fixtures, net	14,057	12,982
Land	57,151	57,507
Construction in progress	20,671	21,324
Total property, plant and equipment	371,094	374,826
Intangible assets		
Goodwill	17,140	17,110
Software	11,108	10,779
Customer-related assets	10,735	10,561
Other	23,157	22,813
Total intangible assets	62,140	61,262
Investments and other assets		
Investment securities	63,320	67,693
Net defined benefit asset	116,409	117,238
Other	33,642	30,884
Allowance for doubtful accounts	(64)	(212)
Total investments and other assets	213,307	215,602
Total non-current assets	646,541	651,690
Total assets	1,274,091	1,330,726

(Millions of yen)

	Previous Fiscal Year as of December 31, 2025	First Half of Current Fiscal Year as of June 30, 2026
Liabilities		
Current liabilities		
Notes and accounts payable - trade	127,763	152,513
Short-term loans payable	126,247	95,181
Commercial papers	15,000	13,000
Current portion of bonds payable	5,000	25,000
Income taxes payable	4,384	8,378
Provision for bonuses	6,232	6,136
Other	101,919	93,107
Total current liabilities	386,545	393,314
Non-current liabilities		
Bonds payable	95,000	75,000
Long-term loans payable	198,909	225,632
Net defined benefit liability	31,624	30,531
Asset retirement obligations	10,518	10,712
Other	60,650	65,719
Total non-current liabilities	396,702	407,595
Total liabilities	783,247	800,909
Net assets		
Shareholders' equity		
Capital stock	96,557	96,557
Capital surplus	94,234	94,234
Retained earnings	209,865	232,808
Treasury shares	(1,505)	(1,400)
Total shareholders’ equity	399,151	422,199
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	3,886	4,406
Deferred gains or losses on hedges	334	219
Foreign currency translation adjustment	64,151	81,809
Remeasurements of defined benefit plans	3,358	1,402
Total accumulated other comprehensive income	71,729	87,835
Non-controlling interests	19,963	19,782
Total net assets	490,844	529,817
Total liabilities and net assets	1,274,091	1,330,726

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

Interim Consolidated Statement of Income

(Millions of yen)

	Six Months Ended June 30, 2025	Six Months Ended June 30, 2026
Net sales	523,244	592,983
Cost of sales	406,446	447,754
Gross profit	116,798	145,228
Selling, general and administrative expenses		
Employees' salaries and allowances	34,254	38,101
Provision of allowance for doubtful accounts	298	288
Provision for bonuses	2,232	2,523
Retirement benefit expenses	129	(399)
Other	52,906	52,866
Total selling, general and administrative expenses	89,820	93,379
Operating income	26,979	51,850
Non-operating income		
Interest income	1,390	1,463
Dividends income	206	222
Equity in earnings of affiliates	871	3,491
Other	776	713
Total non-operating income	3,243	5,888
Non-operating expenses		
Interest expenses	3,181	2,897
Foreign exchange losses	4,813	163
Other	1,933	2,370
Total non-operating expenses	9,927	5,430
Ordinary income	20,295	52,308
Extraordinary income		
Gain on sales of works of art	—	2,759
Subsidy income	—	419
Gain on sales of shares and investments in capital of subsidiaries and affiliates	1,725	—
Gain on sales of non-current assets	651	—
Total extraordinary income	2,377	3,178
Extraordinary losses		
Severance costs	384	950
Loss on liquidation of subsidiaries and associates	—	901
Loss on disposal of non-current assets	757	848
Loss on withdrawal from business	—	366
Loss on valuation of investment securities	—	328
Loss on sales of shares and investments in capital of subsidiaries and affiliates	506	—
Impairment losses	225	—
Total extraordinary losses	1,872	3,393
Income before income taxes	20,799	52,093
Income taxes	7,444	14,049
Net income	13,355	38,044
Net income attributable to non-controlling interests	264	857
Net income attributable to owners of the parent	13,091	37,187

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Interim Consolidated Statement of Comprehensive Income

(Millions of yen)

	Six Months Ended June 30, 2025	Six Months Ended June 30, 2026
Net income	13,355	38,044
Other comprehensive income		
Valuation difference on available-for-sale securities	(207)	96
Deferred gains or losses on hedges	(21)	(116)
Foreign currency translation adjustment	(15,068)	17,650
Remeasurements of defined benefit plans	470	(1,951)
Share of other comprehensive income of affiliates accounted for using equity method	1,067	498
Total other comprehensive income	(13,759)	16,178
Comprehensive income	(404)	54,222
Comprehensive income attributable to		
Comprehensive income attributable to owners of the parent	(538)	53,293
Comprehensive income attributable to non-controlling interests	134	930

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(3) Interim Consolidated Statement of Cash Flows

(Millions of yen)

	Six Months Ended June 30, 2025	Six Months Ended June 30, 2026
Net cash provided by (used in) operating activities		
Income before income taxes	20,799	52,093
Depreciation and amortization	26,173	27,692
Amortization of goodwill	572	521
Increase (decrease) in allowance for doubtful accounts	(183)	451
Increase (decrease) in provision for bonuses	(64)	(96)
Interest and dividends income	(1,596)	(1,685)
Equity in (earnings) losses of affiliates	(871)	(3,491)
Interest expenses	3,181	2,897
Gain on sales of works of art	—	(2,759)
Loss (gain) on sales and retirement of non-current assets	106	848
Impairment losses	225	—
Loss (gain) on sales of shares and investments in capital of subsidiaries and affiliates	(1,219)	—
Decrease (increase) in notes and accounts receivable - trade	(415)	(31,285)
Decrease (increase) in inventories	(17,823)	(11,726)
Increase (decrease) in notes and accounts payable - trade	(720)	24,521
Other, net	231	(7,858)
Subtotal	28,395	50,123
Interest and dividends income received	3,541	1,975
Interest expenses paid	(2,983)	(2,820)
Income taxes paid	(7,411)	(7,207)
Net cash provided by (used in) operating activities	21,542	42,071
Net cash provided by (used in) investing activities		
Payments into time deposits	(237)	(982)
Proceeds from withdrawal of time deposits	238	171
Purchase of property, plant and equipment	(20,220)	(21,625)
Proceeds from sales of property, plant and equipment	1,579	77
Purchase of intangible assets	(280)	(1,282)
Proceeds from sales of shares and investments in capital of subsidiaries resulting in change in scope of consolidation	3,349	—
Proceeds from sales of shares and investments in capital of subsidiaries and affiliates	56	81
Purchase of investment securities	(160)	(2)
Proceeds from sales and redemption of investment securities	150	128
Proceeds from sales of businesses	—	12
Proceeds from sales of works of art	—	5,515
Other, net	13	(25)
Net cash provided by (used in) investing activities	(15,511)	(17,932)

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	Six Months Ended June 30, 2025	Six Months Ended June 30, 2026
Net cash provided by (used in) financing activities		
Net increase (decrease) in short-term loans payable	(15,281)	(2,824)
Net increase (decrease) in commercial papers	10,000	(2,000)
Proceeds from long-term loans payable	30,732	4,142
Repayment of long-term loans payable	(21,542)	(7,917)
Cash dividends paid	(4,748)	(14,244)
Cash dividends paid to non-controlling interests	(371)	(1,190)
Net decrease (increase) in treasury shares	(3)	105
Repayments of lease liabilities	(2,600)	(3,143)
Other, net	(0)	(431)
Net cash provided by (used in) financing activities	(3,813)	(27,502)
Effect of exchange rate change on cash and cash equivalents	(6,732)	4,287
Net increase (decrease) in cash and cash equivalents	(4,513)	924
Cash and cash equivalents at beginning of the period	60,940	67,310
Cash and cash equivalents at end of the period	56,427	68,233

(4) Notes to Interim Consolidated Financial Statements

(Notes on Going Concern Assumption)

Not applicable

(Notes on Significant Changes in Shareholder's Equity)

Not applicable

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

Calculation of Tax Expenses

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

(Additional Information)

Board Benefit Trust (BBT)

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

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

(1) Outline of the transactions

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

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

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

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

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

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

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

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

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

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

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

2. Details of the Transactions

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

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

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

(Note) The ownership percentage is calculated by dividing the number of shares held by DIC by the total number of shares outstanding as of March 31, 2026 (116,839,616 shares), as reported in the Annual Securities Report for the fiscal year ended March 31, 2026 (the 80th fiscal year) published by the Target Company on June 16, 2026, less treasury shares as of that date (5,562,934 shares), i.e., 111,276,682 shares (the "Adjusted Total Number of Issued and Outstanding Company Shares"). Please note that figures are rounded to two decimal places.

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

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

(Notes)

1. The percentage of voting rights held is calculated by dividing the number of voting rights held by DIC by the number of voting rights concerning the Adjusted Total Number of Issued and Outstanding Company Shares (1,112,766).
2. The number of shares before the Share Consolidation is stated. The actual number of shares to be transferred in the Share Buyback will be calculated by subtracting the number of fractional shares that will be purchased by the Tender Offeror or the Target Company as a result of the Share Consolidation from the number of shares the Company intends to sell.

5. Schedule of the Transactions

(1) Conclusion of the Basic Agreement	March 31, 2026
(2) Tender Offer	The Tender Offeror aims to commence the Tender Offer around early October 2026, taking into account consultations with local counsel regarding the procedures and clearances required under applicable domestic and foreign competition laws and investment control laws (the “Clearances”). However, as it is difficult to precisely predict the time required for the procedures before the domestic and foreign authorities responsible for the Clearances, the Tender Offeror will promptly announce the detailed schedule for the Tender Offer as soon as it is determined. The tender offer period for the Tender Offer is expected to be 21 business days.
(3) Share Consolidation	Mid-November 2026 to late January 2027 (scheduled)
(4) Share Buyback	Early February 2027 to early March 2027 (scheduled)
(5) Termination of the Capital and Business Alliance	After the consummation of the Share Buyback (scheduled)

(Notes on Segment Information, etc.)

[Segment Information]

I. Six months ended June 30, 2025 (From January 1, 2025 to June 30, 2025)

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

(Millions of yen)

	Reportable segments				Others	Total
	Packaging & Graphic	Color & Display	Functional Products	Total		
Net sales:						
Sales to external customers	268,764	113,260	140,908	522,931	313	523,244
Intersegment sales and transfers	—	18,050	2,049	20,100	—	20,100
Total	268,764	131,310	142,957	543,031	313	543,344
Segment profit	13,366	5,665	10,868	29,899	100	29,999

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

(Millions of yen)

Profit	Amount
Total reportable segments	29,899
Profit in “Others”	100
Corporate expenses	(3,021)
Operating income reported in the interim consolidated statement of income	26,979

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

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

(Material impairment losses on non-current assets)

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

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II. Six months ended June 30, 2026 (From January 1, 2026 to June 30, 2026)

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

(Millions of yen)

	Reportable segments				Others	Total
	Packaging & Graphic	Color & Display	Functional Products	Total		
Net sales:						
Sales to external customers	307,159	126,176	159,376	592,711	272	592,983
Intersegment sales and transfers	—	16,371	2,183	18,553	—	18,553
Total	307,159	142,546	161,559	611,264	272	611,536
Segment profit	21,730	12,009	21,349	55,088	123	55,211

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

(Millions of yen)

Profit	Amount
Total reportable segments	55,088
Profit in “Others”	123
Corporate expenses	(3,361)
Operating income reported in the interim consolidated statement of income	51,850

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

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

In Phase 2 of the Company’s long-term management plan, “DIC Vision 2030”—the first year of which is fiscal year 2026—the Company has identified “Maximizing cash generation by improving capital efficiency” as a priority theme. As one of the metrics to measure its progress toward this goal, the Company has set return on invested capital (ROIC) targets for fiscal year 2030 for each reportable segment and is working to achieve high asset and capital efficiency that exceeds the cost of capital. Accordingly, beginning from the six months ended June 30, 2026, the Company has changed the way it measures segment information to more accurately reflect each reportable segment’s assets and capital efficiency.

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