4631.T : Tokyo Stock Exchange

DIC Corporation

Consolidated Financial Results
FY2026: Six Months Ended June 30

August 2026

ENGLISH TRANSLATION OF JAPANESE-LANGUAGE DOCUMENT
This is a translation of the original Japanese-language document and is provided for convenience only.
In all cases, the Japanese-language original shall take precedence.

Color & Comfort

DIC Corporation

Highlights

Six months ended June 30, 2026	Operating income **¥51.8 billion** YoY +**92.2**% **A new record**	• Net sales rose 13.3%, to ¥593.0 billion. • Owing to brisk demand for semiconductors, sales in the chemitronics business, a key growth business, saw a sharp increase of 25.5%. • All segments implemented prompt sales price adjustments and cost reductions in response to higher raw materials prices.
Fiscal year 2026 forecast	Operating income **¥78.0 billion** YoY +**49.4**% **A new record**	• Sales of high-value-added products were up in all segments. • Even with a reversal of the trend toward inventory stockpiling by customers concerned about the situation in the Middle East, higher raw materials prices and other downside risks factored in, operating income in fiscal year 2026 is expected to reach a record high. • The forecast for net income attributable to owners of the parent has also been revised upward, to ¥48.0 billion, a new record.
Returns to shareholders	Annual cash dividends per share **¥150.00** (Up ¥10.00 from initial forecast) **Share buybacks** **¥10.0 billion**	• With net income attributable to owners of the parent likely to significantly exceed initial forecasts, the decision was made to increase the forecast for annual cash dividends from the initial level, as well as to acquire treasury shares, in line with a policy of ensuring a total payout ratio of 40% or higher. • Calculated based on revised forecasts, the total payout ratio is expected to be 50%.

Impact of the Middle East crisis on the DIC Group’s operations

As of May 2026
(announcement of operating results for the three months ended March 31, 2026)

- Approximately 70% of raw materials used by the DIC Group are petrochemical-derived. Accordingly, the Group expects to be directly affected going forward by the deteriorating situation in the Middle East, through constraints on procurement and increases in raw material prices.
  - Risk of raw material procurement constraints: expected to be concentrated in Japan, where reliance on Middle East–sourced naphtha is particularly high.
  - Risk of raw material price increases: expected across all regions, including Japan, the Americas and Europe, and Asia.
- The Group is working as one to minimize the impact of this crisis on its operations by securing the necessary raw materials, responding to cost increases in a timely manner, and implementing additional cost-cutting measures.
  - The Group is leveraging its competitive advantage as a global organization to reduce the impact of the current situation through mutual supplies of raw materials and products among regions.
  - The Group is striving to ensure stable raw materials supplies by diversifying its procurement sources, as well as by implementing timely sales price adjustments.

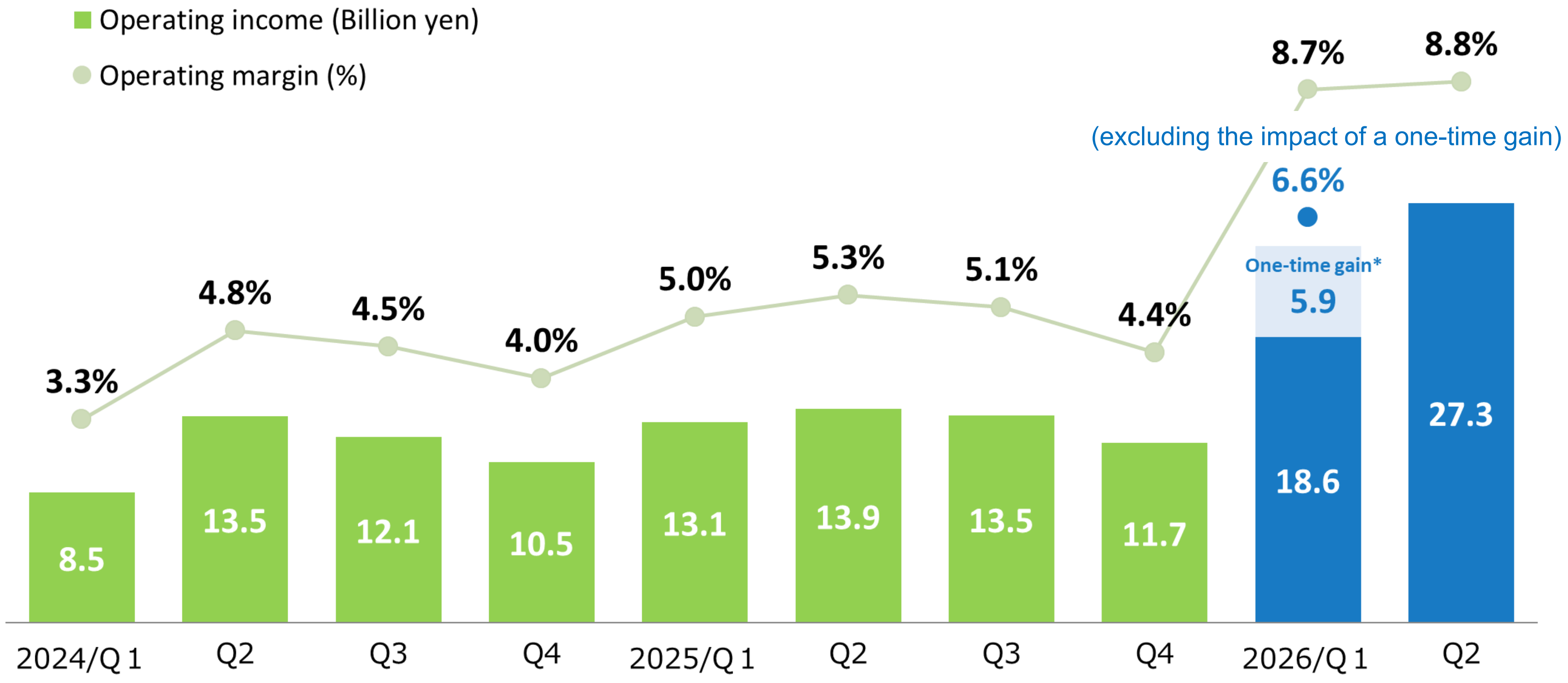
(Q1 FY2026 presentation material)

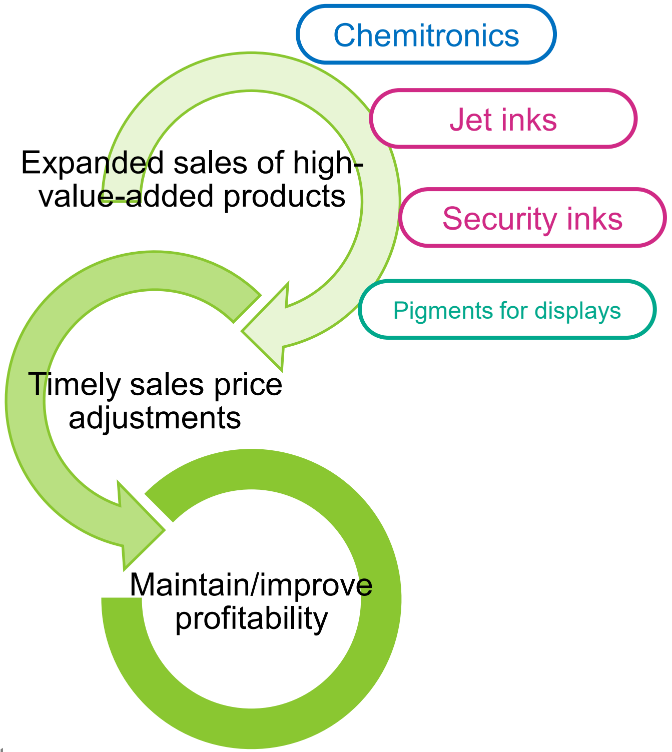
As of August 2026
(announcement of operating results for the six months ended June 30, 2026)

- While the risk of constraints on raw materials procurement has declined significantly, renewed tensions in the Middle East continue to underscore uncertainty.
- **The need for stable supplies is growing worldwide and efforts to adjust sales prices to counter higher raw materials prices are proceeding at a faster pace.**
- While spreads are expected to narrow in the second half, owing to shipments of high-cost inventories, the operating margin for the full term (after the deduction of a one-time gain) is expected to remain near the first-quarter level.

Quarterly trends in operating results

- Bolstered by increased demand for products for semiconductor-related applications, income in the chemitronics business was up sharply from the first quarter.
- The need for stable supplies growing worldwide and efforts to offset mounting raw materials costs by adjusting sales prices are progressing at a faster pace than ever before. Accordingly, despite higher rising raw materials prices, the deterioration of profitability has been averted.
- Despite being expected to decline in the second half, owing to shipments of high-cost inventories, the full-term operating margin is expected to remain at around 7%, bolstered by expanded sales of high-value-added products and rationalization in the pigments business.





* A liability for repairs that had been accrued in prior years to comply with regulatory requirements was reversed. The amount was also revised from ¥5.8 billion at Q1 to ¥5.9 billion, reflecting the update of the JPY translation rate to the average exchange rate for the first half of the year.

Cumulative Cash Allocation (Fiscal Years 2026–2030)

Allocating capital in a balanced manner among maintaining financial soundness, strategic investments for business growth and earnings expansion, and shareholder returns.

Cash in	Cash out
Cash provided by operating activities ¥409 billion	Ordinary investments ¥240 billion
	Strategic investments＋CVC ¥90 billion + α
Asset sales, others ¥23 billion + α	Shareholder returns ¥78 billion＋α
	Interest-bearing debt ¥24 billion

- **Build a business portfolio that supports sustainable growth and earning power**

Invest in growth businesses (semiconductors, batteries and physical AI)

✓ A new production facility for epoxy resins used in semiconductors is under construction.

✓ A new base was established in Switzerland for strategic investments in and collaboration with promising deep tech startups.

- **Provide shareholder returns commensurate with income growth and capital optimization**

Total payout ratio of 40% or higher

✓ With first-half results having exceeded initial forecasts, the decision was made to enhance returns to shareholders by leveraging income growth to increase dividends and by purchasing treasury shares.

✓ In consideration of share price level and with a view to capital optimization, the acquisition of own shares (up to ¥10.0 billion) is also planned.

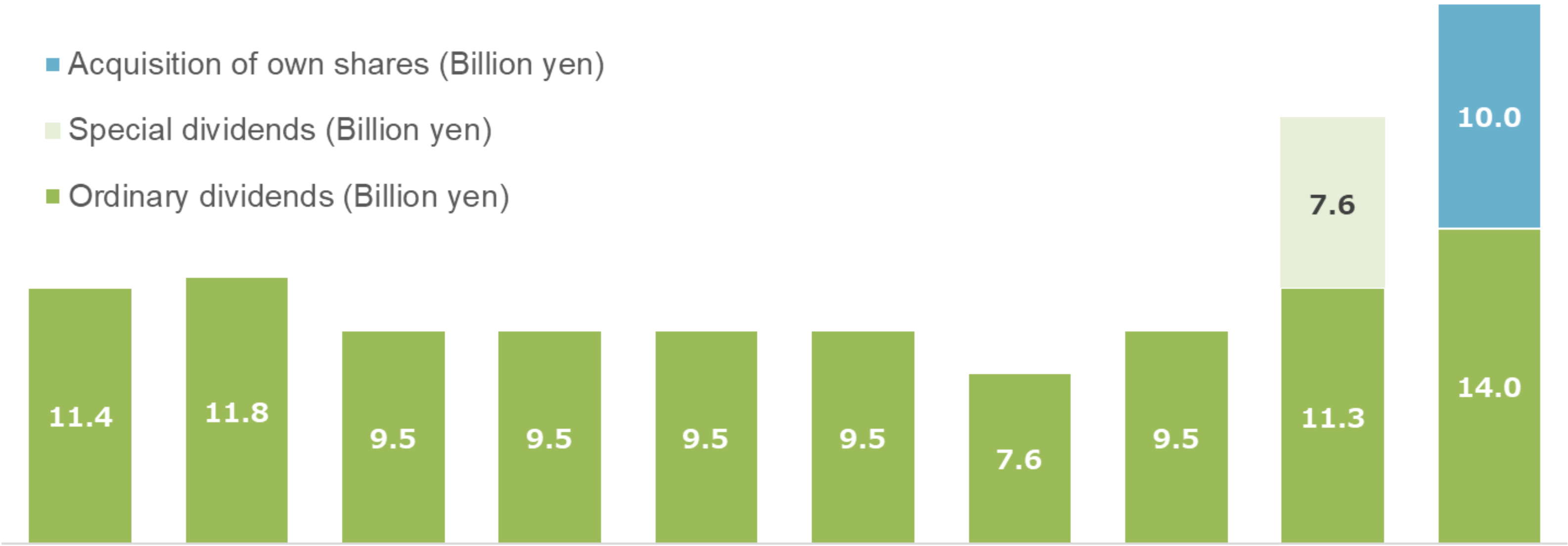
- **Ensure financial soundness**

Maintain net debt-to-equity (D/E) ratio of 0.8 times or less

✓ The net D/E ratio is expected to be 0.8 times as of December 31, 2026.

Trends in shareholder returns

- The forecast for annual dividends per share for fiscal year 2026 is ¥**150.00** (initial forecast: ¥140.00), comprising an interim dividend of ¥**70.00** (initial forecast: ¥70.00) and a year-end dividend of ¥**80.00** (initial forecast: ¥70.00).
- The acquisition of own shares at a cost of up to ¥10 billion is planned, with the acquisition period beginning August 12, 2026.



	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026 Forecast
Total payout ratio (%)	29.4	36.9	40.3	71.5	216.8	53.7	–	44.4	58.5	50.0
Dividend per share (yen)	120.00	125.00	100.00	100.00	100.00	100.00	80.00	100.00	200.00	150.00

Consolidated statement of income

■ New records were set for net sales, operating income, ordinary income and net income attributable to owners of the parent.

(Billion yen)	2025 6 Months	2026 6 Months	Change	% Change	% Change on a local currency basis
Net sales	**523.2**	**593.0**	**69.7**	+ 13.3%	+ 5.8%
Cost of sales	(406.4)	(447.8)	-41.3		
Selling, general and administrative expenses	(89.8)	(93.4)	-3.6		
Operating income	**27.0**	**51.8**	**24.9**	+ 92.2%	+ 79.8%
Operating margin	**5.2%**	**8.7%**	-		
Interest expenses	(1.8)	(1.4)	0.4		
Equity in earnings (losses) of affiliates	0.9	3.5	2.6		
Foreign exchange gains (losses)	(4.8)	(0.2)	4.7		
Other, net	(1.0)	(1.4)	-0.5		
Ordinary income	**20.3**	**52.3**	**32.0**	+ 157.7%	
Extraordinary income	2.4	3.2	0.8		
Extraordinary losses	(1.9)	(3.4)	-1.5		
Income before income taxes	20.8	52.1	31.3		
Income taxes	(7.4)	(14.0)	-6.6		
Net income	13.4	38.0	24.7		
Net income attributable to non-controlling interests	(0.3)	(0.9)	-0.6		
Net income attributable to owners of the parent	**13.1**	**37.2**	**24.1**	+ 184.1%	
EBITDA *	**49.1**	**80.9**	**31.8**	+ 64.8%	

Extraordinary income and losses	2025 6 Months	2026 6 Months
Extraordinary income		
Gain on sales of works of art	-	2.8
Subsidy income	-	0.4
Gain on sales of shares and investments in capital of subsidiaries and affiliates	1.7	-
Gain on sales of non-current assets	0.7	-
Extraordinary losses		
Severance costs	(0.4)	(0.9)
Loss on liquidation of subsidiaries and associates	-	(0.9)
Loss on disposal of non-current assets	(0.8)	(0.8)
Loss on withdrawal from business	-	(0.4)
Loss on valuation of investment securities	-	(0.3)
Loss on sales of shares and investments in capital of subsidiaries and associates	(0.5)	-
Impairment losses	(0.2)	-

■Average rate

	2025 6 Months	2026 6 Months
Yen/US$	148.58	**158.32**
Yen/EUR	162.72	**184.54**

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

Financial health

- The Company's cash allocation policies are to maintain a net debt-to-equity (D/E) ratio of 0.8 times or less, while balancing cash applied to strategic investments and to shareholder returns.

(Billion yen)	Dec 31 2025	**Jun 30 2026**	Change
Net interest-bearing debt	389.4	**382.8**	-6.6
Shareholders' equity	470.9	**510.0**	39.2
Net D/E ratio*1 (Times)	0.83	**0.75**	
Equity ratio	37.0%	**38.3%**	
BPS (Yen)	4,973.39	**5,385.05**	

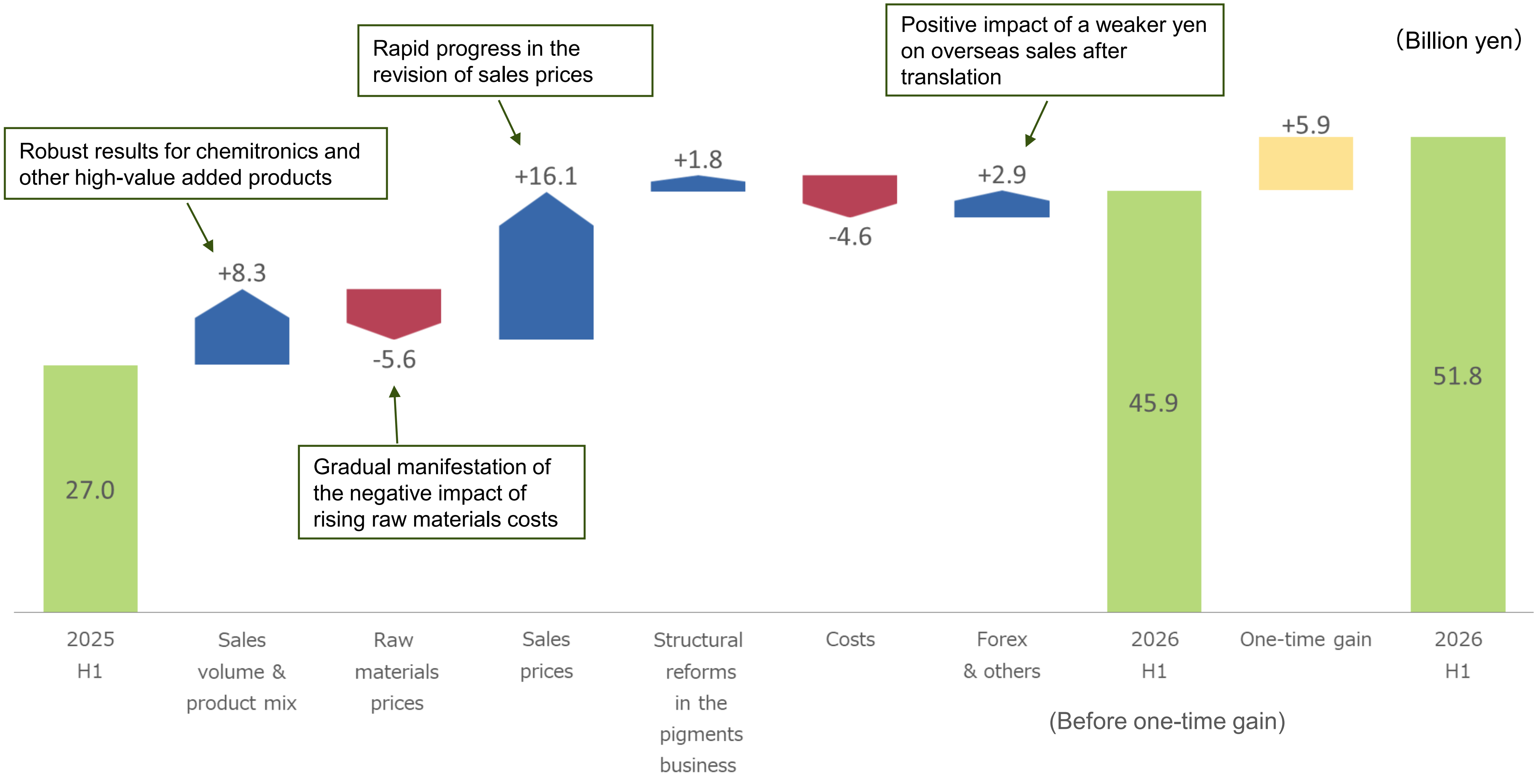
Increase in retained earnings（+¥22.9 billion）
Higher foreign currency translation adjustment, owing to a weaker yen (+¥17.7 billion）

*1 Net D/E ratio: Net Interest-bearing debt / Shareholders' equity

■Closing rate

	Dec 31 2025	**Jun 30 2026**
Yen/US$	156.60	**162.30**

Operating income variance



Segment results

(Billion yen)	Net sales 2025 6 Months	Net sales 2026 6 Months	Net sales Change	Net sales % Change	Net sales % Change on a local currency basis	Operating income 2025 6 Months	Operating income 2026 6 Months	Operating income Change	Operating income % Change	Operating income % Change on a local currency basis	Operating margin 2025 6 Months	Operating margin 2026 6 Months
Packaging & Graphic	268.8	307.2	38.4	+ 14.3%	+ 6.5%	13.4	21.7	8.4	+ 62.6%	+ 52.7%	5.0%	7.1%
Japan	62.2	67.4	5.2	+ 8.4%	+ 8.4%	2.5	4.5	2.0	+ 79.4%	+ 79.4%	4.0%	6.6%
The Americas and Europe	172.7	199.9	27.1	+ 15.7%	+ 5.3%	8.2	13.6	5.5	+ 67.0%	+ 52.9%	4.7%	6.8%
Asia and Oceania	41.0	47.9	6.9	+ 16.9%	+ 9.3%	2.6	3.7	1.0	+ 39.6%	+ 32.6%	6.4%	7.7%
Eliminations	(7.1)	(8.0)	-0.9	-	-	0.1	(0.1)	-0.1	-	-	-	-
Color & Display	131.3	142.5	11.2	+ 8.6%	+ 0.1%	5.7	12.0	6.3	2.1 times	2.0 times	4.3%	8.4%
Japan	18.0	18.2	0.2	+ 1.1%	+ 1.1%	3.1	3.0	-0.1	-3.3%	-3.3%	17.1%	16.3%
Overseas	123.4	134.5	11.1	+ 9.0%	-0.6%	2.6	9.1	6.4	3.4 times	3.0 times	2.1%	6.7%
Eliminations	(10.1)	(10.2)	-0.1	-	-	(0.1)	(0.0)	0.0	-	-	-	-
Functional Products	143.0	161.6	18.6	+ 13.0%	+ 7.6%	10.9	21.3	10.5	+ 96.4%	+ 86.8%	7.6%	13.2%
Japan	88.9	97.8	8.9	+ 10.1%	+ 10.1%	5.2	12.2	7.0	2.3 times	2.3 times	5.9%	12.4%
Overseas	69.8	83.3	13.5	+ 19.4%	+ 8.1%	5.7	9.4	3.7	+ 65.7%	+ 47.6%	8.2%	11.3%
Eliminations	(15.7)	(19.5)	-3.9	-	-	(0.0)	(0.3)	-0.2	-	-	-	-
Others, Corporate and eliminations	(19.8)	(18.3)	1.5	-	-	(2.9)	(3.2)	-0.3	-	-	-	-
Total	523.2	593.0	69.7	+ 13.3%	+ 5.8%	27.0	51.8	24.9	+ 92.2%	+ 79.8%	5.2%	8.7%
Yen/US$	148.58	158.32		+ 6.6%		148.58	158.32		+ 6.6%			
Yen/EUR	162.72	184.54		+ 13.4%		162.72	184.54		+ 13.4%			

Packaging & Graphic

Net sales

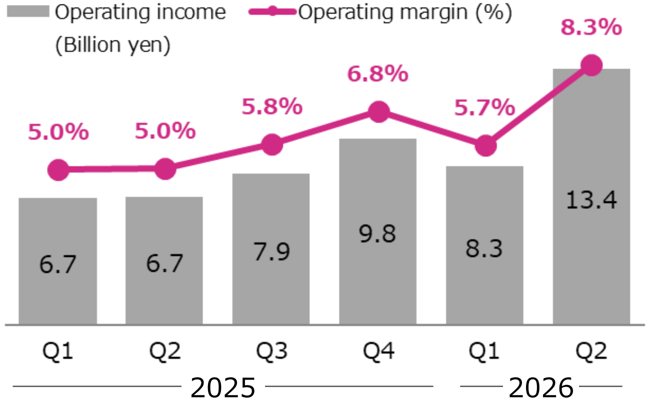
- Demand for packaging inks was weak, as elevated consumer prices led to a decrease in consumption, but certain customers brought forward procurement amid concerns surrounding the situation in the Middle East.
- Thanks to efforts to adjust sales prices, sales increased in all geographic operating regions.

Operating Income

- Steps taken to expand sales of high-value-added products, including jet inks and security inks, and to revise sales prices in response to raw materials price increases underpinned sharp operating income gains in all geographic operating regions.

(Billion yen)	Net sales					Operating income					Operating margin	
	2025 6 Months	**2026 6 Months**	Change	% Change	% Change on a local currency basis	2025 6 Months	**2026 6 Months**	Change	% Change	% Change on a local currency basis	2025 6 Months	**2026 6 Months**
Packaging & Graphic	268.8	**307.2**	38.4	+ 14.3%	+ 6.5%	13.4	**21.7**	8.4	+ 62.6%	+ 52.7%	5.0%	**7.1%**
Japan	62.2	**67.4**	5.2	+ 8.4%	+ 8.4%	2.5	**4.5**	2.0	+ 79.4%	+ 79.4%	4.0%	**6.6%**
The Americas and Europe	172.7	**199.9**	27.1	+ 15.7%	+ 5.3%	8.2	**13.6**	5.5	+ 67.0%	+ 52.9%	4.7%	**6.8%**
Asia and Oceania	41.0	**47.9**	6.9	+ 16.9%	+ 9.3%	2.6	**3.7**	1.0	+ 39.6%	+ 32.6%	6.4%	**7.7%**
Eliminations	(7.1)	**(8.0)**	-0.9	-	-	0.1	**(0.1)**	-0.1	-	-	-	**-**

Operating income/margin



Sales of principal products

	% Change	
Packaging inks*	+ 5%	Sales were up, owing to frontloaded demand and the progress of sales price revisions.
Publication inks*	+ 4%	Sales were up, owing to frontloaded demand and the progress of sales price revisions.
Jet inks	+ 8%	Sales increased, underpinned by brisk shipments.
Polystyrene	+ 12%	Sales rose, reflecting the adjustment of sales prices to counter higher raw materials prices.
Multilayer films	+ 11%	Sales rose, reflecting the adjustment of sales prices to counter higher raw materials prices.

*Change on a local currency basis

Color & Display

Net sales

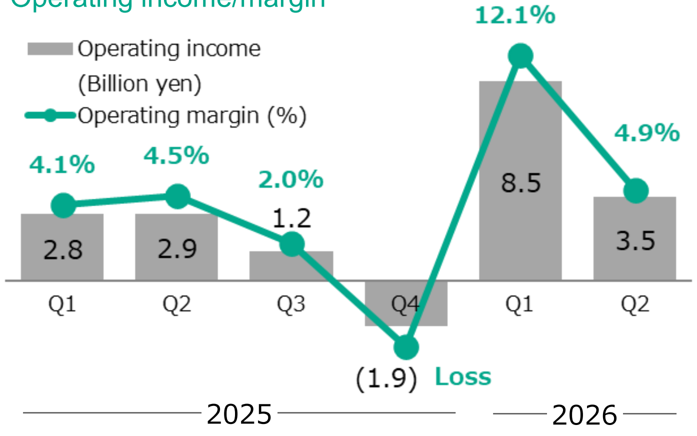
- Despite uneven demand and higher raw material costs, overall segment sales were level in local currency thanks to frontloaded demand and pricing actions. Segment sales increased, reflecting the positive impact of a weaker yen on sales overseas after translation.

Operating income

- A ¥5.9 billion reversal of a previously recorded liability for repairs, among others, led to a one-time gain in the first quarter.
- Sales price revisions and efforts to reduce costs, primarily through structural reforms, bolstered profitability, leading to a significant increase in segment operating income.

(Billion yen)	Net sales					Operating income					Operating margin	
	2025 6 Months	2026 6 Months	Change	% Change	% Change on a local currency basis	2025 6 Months	2026 6 Months	Change	% Change	% Change on a local currency basis	2025 6 Months	2026 6 Months
Color & Display	131.3	142.5	11.2	+ 8.6%	+ 0.1%	5.7	12.0	6.3	2.1 times	2.0 times	4.3%	8.4%
Japan	18.0	18.2	0.2	+ 1.1%	+ 1.1%	3.1	3.0	-0.1	-3.3%	-3.3%	17.1%	16.3%
Overseas	123.4	134.5	11.1	+ 9.0%	-0.6%	2.6	9.1	6.4	3.4 times	3.0 times	2.1%	6.7%
Eliminations	(10.1)	(10.2)	-0.1	-	-	(0.1)	(0.0)	0.0	-	-	-	-

Operating income/margin



Sales of principal products

		% Change*	
Pigments for	coatings	+ 2%	Sales were firm for Architectural and Industrial Coatings.
	plastics	+ 7%	Sales rose, bolstered by an expanded market share.
	printing inks	+ 3%	Frontloaded demand led to an increase in sales.
	cosmetics	-2%	Business stable, strategic decision to discontinue sale of low value products.
	displays	+ 8%	Sales were increased, as display manufacturers stepped up operating rates.
	specialty applications	-3%	Shipments advanced for agricultural use, but were down for other applications.

*Change on a local currency basis

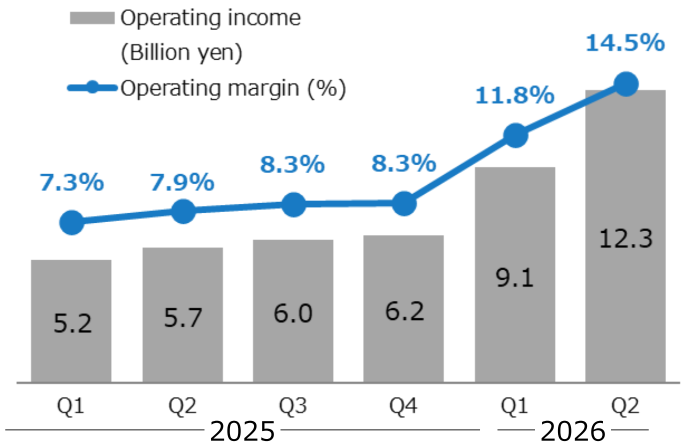
Functional Products

Net sales
- Shipments of high-value-added products for use in electronics equipment were brisk. This, together with customers bringing forward procurement of coating resins amid expectations surrounding the situation in the Middle East, boosted net sales.

Operating income
- Increased sales of high-value-added products and the progress of sales price adjustments implemented in response to rising raw materials price underpinned a sharp increase in segment operating income.

(Billion yen)	Net sales					Operating income					Operating margin	
	2025 6 Months	**2026 6 Months**	Change	% Change	% Change on a local currency basis	2025 6 Months	**2026 6 Months**	Change	% Change	% Change on a local currency basis	2025 6 Months	**2026 6 Months**
Functional Products	143.0	**161.6**	18.6	+ 13.0%	+ 7.6%	10.9	**21.3**	10.5	+ 96.4%	+ 86.8%	7.6%	**13.2%**
Japan	88.9	**97.8**	8.9	+ 10.1%	+ 10.1%	5.2	**12.2**	7.0	2.3 times	2.3 times	5.9%	**12.4%**
Overseas	69.8	**83.3**	13.5	+ 19.4%	+ 8.1%	5.7	**9.4**	3.7	+ 65.7%	+ 47.6%	8.2%	**11.3%**
Eliminations	(15.7)	**(19.5)**	-3.9	-	-	(0.0)	**(0.3)**	-0.2	-	-	-	**-**

Operating income/margin



Sales of principal products

	% Change
Epoxy resins	+ 23%
Industrial-use adhesive tapes	+ 14%
UV-curable resins	+ 26%

	% Change
Resins for coatings	+ 12%
Polyphenylene sulfide (PPS) compounds	+ 8%
Hollow-fiber membrane modules	+ 6%

In the area of digital materials, results were brisk for epoxy resins, industrial-use adhesive tapes and ultraviolet (UV)-curable resins. Shipments of polyphenylene sulfide (PPS) compounds were robust for both mobility solutions and housing equipment. Sales of resins for coatings increased, reflecting customer efforts to stockpile inventories, particularly in overseas markets.

Functional Products (Supplementary materials)

- Results for the Chemitronics Business Division (accounted for in the Functional Products segment)

Net sales

- Shipments of epoxy resins rose significantly, bolstered by higher demand for semiconductors for AI-related applications.
- Industrial-use adhesive tapes were buttressed by steady efforts to lock in demand for use in smartphones and other mobile devices, which led to broader adoption.

Operating income

- Segment operating income increased significantly, reflecting robust shipments of high-value-added products, together with the progress of efforts to adjust sales prices to counter higher raw materials prices.

(Billion yen)	Net sales				Operating income				Operating margin	
	2025 6 Months	**2026 6 Months**	Change	% Change	2025 6 Months	**2026 6 Months**	Change	% Change	2025 6 Months	**2026 6 Months**
Chemitronics Business Division	30.0	**37.6**	7.6	+ 25.5%	3.3	**8.1**	4.9	2.5 times	10.9%	**21.6%**

Principal products: Epoxy and other thermosetting resins for packaging substrates and printed circuit boards, industrial-use adhesive tapes, ultraviolet (UV)-curable resins, photoresist polymers and compounds, surfactants

FY2026 forecasts: Full-term operating results

- Even with a reversal of the trend toward inventory stockpiling by customers concerned about the situation in the Middle East, higher raw materials prices and other downside risks factored in, operating income in fiscal year 2026 is expected to reach a record high.
- Ordinary income and net income attributable to owners of the parent are also expected to set new records.

(Billion yen)

		2025	2026 Forecasts	% Change	Old forecasts
Net sales		1,052.2	**1,140.0**	+ 8.3%	1,100.0
Operating income		52.2	**78.0**	+ 49.4%	56.0
Operating margin		5.0%	**6.8%**	–	5.1%
Ordinary income		44.2	**73.0**	+ 65.0%	48.0
Net income attributable to owners of the parent		32.4	**48.0**	+ 48.4%	33.0
EPS (Yen)		341.71	**507.99** !	–	348.54
EBITDA*1		109.3	**130.0**	+ 19.0%	111.0
Capital expenditure and investment		42.6	**53.4**	+ 25.4%	53.4
Depreciation and amortization		55.0	**54.7**	-0.5%	54.7
Average rate	Yen/US$	150.08	**150.00**	-0.1%	150.00
	Yen/EUR	169.58	**175.00**	+ 3.2%	168.00

	2025	2026 Forecasts
ROIC*2	4.4%	**6.4%**
ROE	7.4%	**10.1%**
Net D/E ratio*3 (times)	0.83	**0.80**
Annual dividends per share (Yen)	200.00	**150.00**
Payout ratio	58.5%	**50.0%**

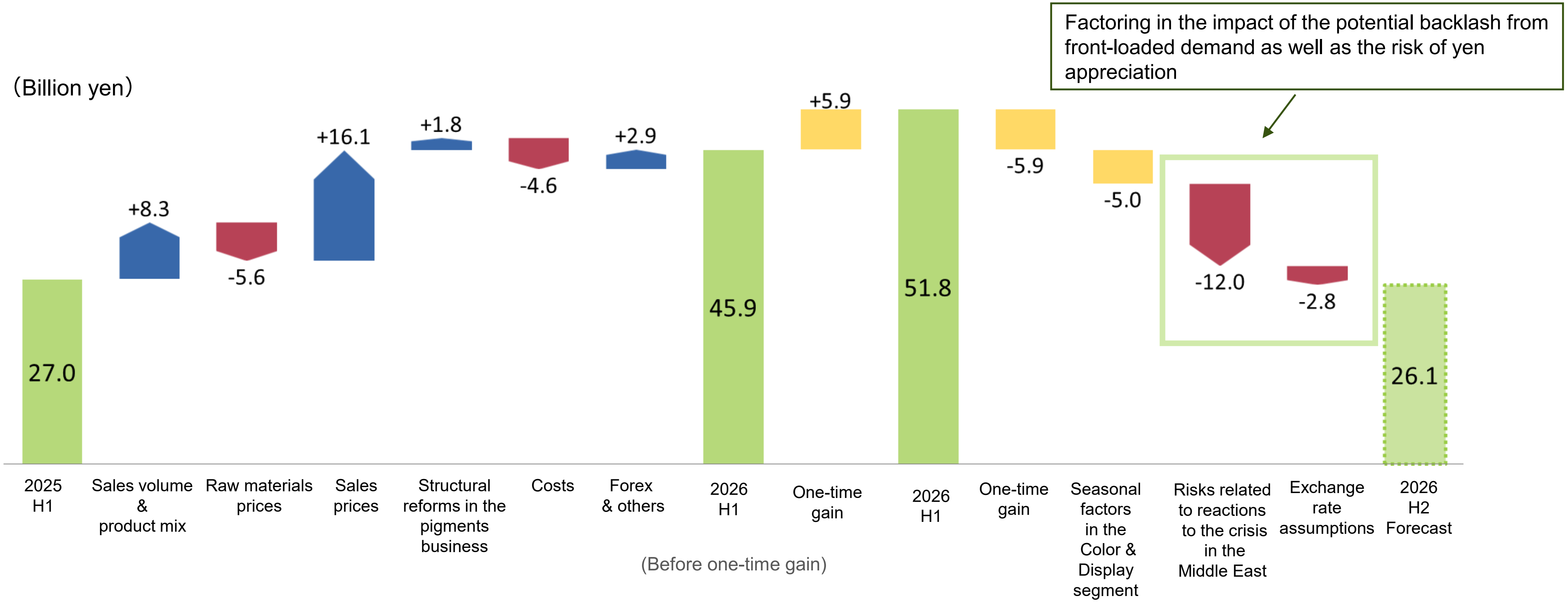
! Takes into account the impact of the purchase of treasury share

*2 ROIC: Operating income x (1 – tax rate 28%) / (Net interest-bearing debt + Net assets)
*3 Net D/E ratio: Net interest-bearing debt / Shareholders' equity

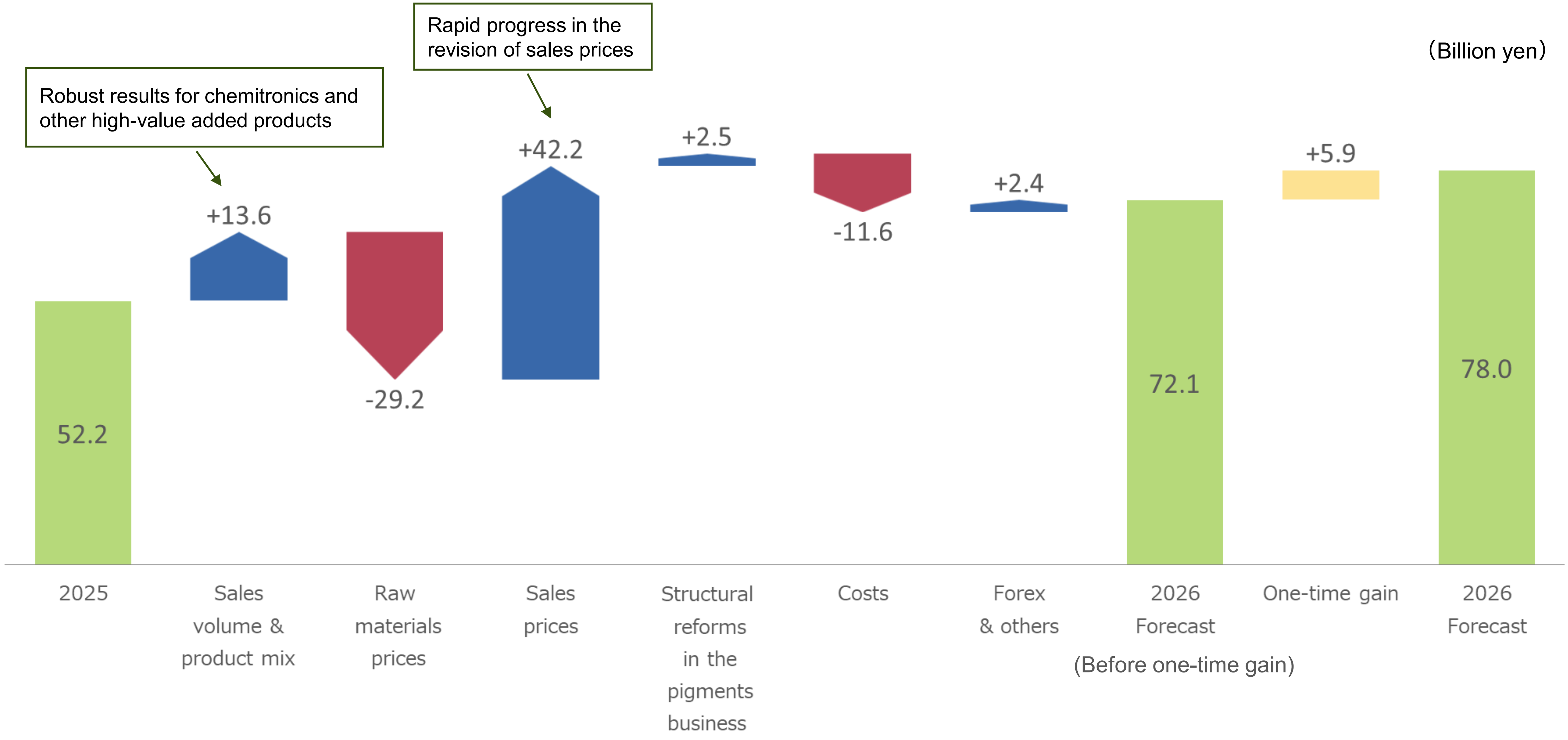
*1 EBITDA: Net income attributable to owners of the parent + Total income taxes + (Interest expenses – Interest income) + Depreciation and amortization + Amortization of goodwill

Forecast for changes in operating income in the second half of fiscal year 2026

- Owing to the absence of a one-time gain, as well as to seasonal factors in the Color & Display segment, operating income in the second half is expected to be lower than in the first half.
- Even factoring in a conservative estimate of downside risks in the second half, operating income for the full term is expected to reach a record high.



Operating income variance



FY2026 forecasts: Full-term segment results

(Billion yen)	Net sales				Operating income				Operating margin		Old Forecasts	
	2025	2026 Forecast	Change	% Change	2025	2026 Forecast	Change	% Change	2025	2026 Forecast	2026 Net Sales	2026 Operating income
Packaging & Graphic	549.7	591.7	42.1	+ 7.7%	31.1	37.5	6.4	+ 20.7%	5.7%	6.3%	577.0	30.0
Japan	125.5	127.7	2.2	+ 1.8%	5.8	7.7	1.9	+ 32.1%	4.6%	6.0%	128.0	6.0
The Americas and Europe	353.0	386.3	33.3	+ 9.4%	18.6	23.0	4.4	+ 23.4%	5.3%	5.9%	373.0	17.5
Asia and Oceania	85.0	91.6	6.7	+ 7.8%	6.5	6.9	0.4	+ 6.7%	7.6%	7.5%	88.0	6.5
Eliminations	(13.8)	(13.9)	-0.2	-	0.2	(0.1)	-0.2	-	-	-	(12.0)	0.0
Color & Display	246.4	266.1	19.7	+ 8.0%	5.0	13.9	8.9	2.8 times	2.0%	5.2%	255.0	8.5
Japan	34.4	35.9	1.5	+ 4.3%	4.9	6.1	1.2	+ 24.4%	14.3%	17.0%	36.0	6.1
Overseas	230.3	248.2	17.9	+ 7.8%	0.1	7.8	7.7	85.7 times	0.0%	3.1%	236.0	2.4
Eliminations	(18.4)	(18.1)	0.3	-	(0.0)	(0.0)	0.0	-	-	-	(17.0)	0.0
Functional Products	290.9	314.9	24.0	+ 8.3%	23.1	34.1	11.0	+ 47.5%	7.9%	10.8%	298.0	24.5
Japan	179.7	192.8	13.1	+ 7.3%	10.8	18.5	7.7	+ 71.4%	6.0%	9.6%	181.0	11.4
Overseas	143.1	157.0	13.8	+ 9.7%	12.3	15.8	3.5	+ 28.9%	8.6%	10.1%	147.0	13.1
Eliminations	(32.0)	(34.9)	-2.9	-	0.0	(0.3)	-0.3	-	-	-	(30.0)	0.0
Others, Corporate and eliminations	(34.7)	(32.6)	2.0	-	(6.9)	(7.4)	-0.5	-	-	-	(30.0)	(7.0)
Total	1,052.2	1,140.0	87.8	+ 8.3%	52.2	78.0	25.8	+ 49.4%	5.0%	6.8%	1,100.0	56.0
Yen/US$	150.08	150.00		-0.1%	150.08	150.00		-0.1%			150.00	150.00
Yen/EUR	169.58	175.00		+ 3.2%	169.58	175.00		+ 3.2%			168.00	168.00

Functional Products (Supplementary materials)

- While spreads are expected to narrow in the second half, owing to shipments of high-cost inventories, efforts to lock in demand for products for semiconductor-related applications are expected to support high growth.

- Results for the Chemitronics Business Division (accounted for in the Functional Products segment)

(Billion yen)	Net sales				Operating income				Operating margin	
	2025	**2026 Forecast**	Change	% Change	2025	**2026 Forecast**	Change	% Change	2025	**2026 Forecast**
Chemitronics Business Division	65.3	**78.1**	12.8	+ 19.7%	7.8	**14.1**	6.3	+ 80.6%	12.0%	**18.1%**

Attachments

Major topics (May 2026 to August 2026)

News release 2026
https://www.dic-global.com/en/news/2026/

May	DIC establishes investment management subsidiary DIC D2S ventures in European deep tech hub
Jun	DIC earns the highest rating in the CDP's 2025 Supplier Engagement Assessment for the first time
Jun	DIC receives the Minister of Economy, Trade and Industry Award in the 25th Green Sustainable Chemistry (GSC) Awards for its commercialization of an active ester epoxy resin curing agent.
Jul	DIC holds international physical AI innovation summit in Switzerland
Jul	DIC publishes the DIC Report 2026 integrated report Japanese Version English version: Scheduled for release in August-September 2026 Separating this report from the sustainability report has reinforced the disclosure of information that communicates DIC's medium- to long-term corporate value
Jul	DIC publishes the DIC Sustainability Report 2026, its first-ever standalone sustainability report Separating this report from the integrated report has enhanced the comprehensiveness of its environment, social and governance (ESG) information and strengthened global disclosure

Business segments and principal products

Note: Fiscal year 2025 actual

Value provided

Packaging & Graphic

Sales ratio	Net sales	Operating income	Operating margin
	¥549.7 bn	¥31.1 bn	5.7%

Packaging materials that bring safety and peace of mind

Color & Display

Sales ratio	Net sales	Operating income	Operating margin
	¥246.4 bn	¥5.0 bn	2.0%

Color and display materials that make life colorful

Functional Products

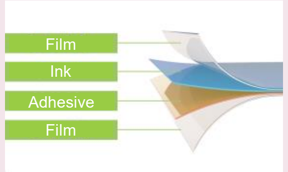
Sales ratio	Net sales	Operating income	Operating margin
	¥290.9 bn	¥23.1 bn	7.9%

Functional products that add comfort

Principal products

Packaging & Graphic

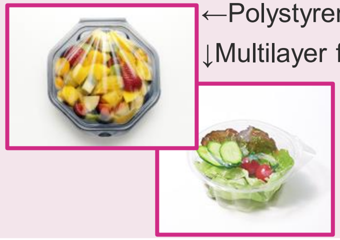
Packaging inks



Packaging materials

←Polystyrene

↓Multilayer films



Packaging adhesives

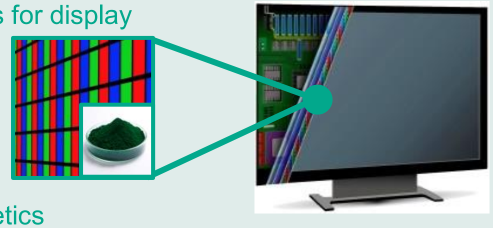
Jet inks

Security inks
(for anti-counterfeiting purposes)

For Deposit Return Schemes, etc.

Color & Display

Pigments for display



Pigments for cosmetics

Pigments for specialty applications

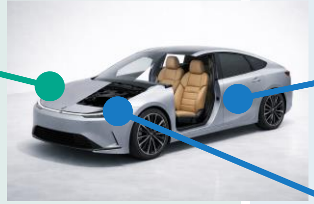
Agriculture

Building materials

Pigments for coatings

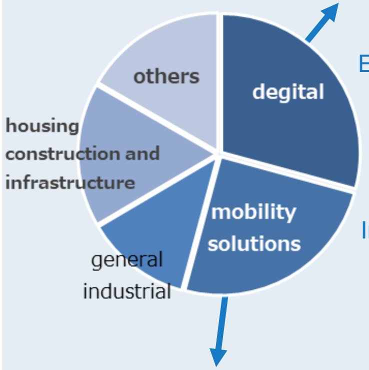
Pigments for plastics

Pigments for inks



Functional Products

Breakdown of Segment Sales by Demand Industry (Reference)



◆ **Digital materials** (used principally in electrical and electronics equipment and displays)◆

Epoxy resins

UV-curable resins

Industrial tapes

Hollow-fiber membrane modules

◆ **Industrial materials** (used primarily in mobility solutions (vehicles, etc.))◆

Automotive exterior and interior coatings:

Waterborne resins　Polyurethane resins

Acrylic resins　Polyester resins

Automotive components: PPS compounds

Regarding partial changes to disclosure of segment information

(Billion yen)	2025 Net sales			2025 Operating income		
	Before	Change	After	Before	Change	After
Packaging & Graphic	549.7		549.7	31.1	0.0	31.1
Japan	125.5		125.5	5.8		5.8
The Americas and Europe	353.0		353.0	18.6		18.6
Asia and Oceania	85.0		85.0	6.5		6.5
Eliminations	(13.8)		(13.8)	0.2	0.0	0.2
Color & Display	247.5	-1.1	246.4	5.0	0.0	5.0
Japan	34.4		34.4	4.9		4.9
Overseas	230.3		230.3	0.1		0.1
Eliminations	(17.3)	-1.1	(18.4)	(0.0)	0.0	(0.0)
Functional Products	290.9		290.9	23.1	0.0	23.1
Japan	179.7		179.7	10.8		10.8
Overseas	143.1		143.1	12.3		12.3
Eliminations	(32.0)		(32.0)	0.0	0.0	0.0
Others, Corporate and eliminations	(35.8)	1.1	(34.7)	(7.0)	0.1	(6.9)
Total	1,052.2	0.0	1,052.2	52.2	0.0	52.2

Results for the Chemitronics Business Division (accounted for in the Functional Products segment)

Chemitronics Business Division	65.3		65.3	7.8	0.0	7.8

- In Phase 2 of its DIC Vision 2030 long-term management plan, which commences in fiscal year 2026, DIC has identified “Maximizing cash generation by improving capital efficiency” as a priority theme. As a metric to measure its progress toward this goal, the Company has set return on invested capital (ROIC) targets for fiscal year 2030 for each segment and is working to achieve high asset and capital efficiency that exceeds its cost of capital.
- Accordingly, effective from fiscal year 2026 the Company has changed the way it measures segment information to more accurately reflect each segment’s asset and capital efficiency.
- Segment information for the FY 2025 in this presentation material has been recalculated using the new method.
- The impact of this change on operating income is expected to be negligible.

Quarterly trends in segment results

(Billion yen)	Net sales						Operating income					
	2025 Jan-Mar	2025 Apr-Jun	2025 Jul-Sep	2025 Oct-Dec	2026 Jan-Mar	**2026 Apr-Jun**	2025 Jan-Mar	2025 Apr-Jun	2025 Jul-Sep	2025 Oct-Dec	2026 Jan-Mar	**2026 Apr-Jun**
Packaging & Graphic	134.0	134.8	137.3	143.6	145.2	**161.9**	6.7	6.7	7.9	9.8	8.3	**13.4**
Japan	30.7	31.5	31.2	32.1	30.7	**36.7**	1.0	1.5	1.7	1.6	1.2	**3.3**
The Americas and Europe	86.4	86.3	87.7	92.6	95.7	**104.2**	4.4	3.8	4.6	5.8	5.5	**8.1**
Asia and Oceania	20.5	20.4	21.7	22.3	22.6	**25.3**	1.3	1.4	1.6	2.3	1.6	**2.1**
Eliminations	(3.6)	(3.5)	(3.3)	(3.4)	(3.7)	**(4.3)**	(0.0)	0.1	0.0	0.0	(0.0)	**(0.0)**
Color & Display	68.6	62.7	60.6	54.4	69.7	**72.9**	2.8	2.9	1.2	(1.9)	8.5	**3.5**
Japan	8.9	9.2	8.2	8.1	8.3	**9.9**	1.3	1.7	1.0	0.8	0.9	**2.1**
Overseas	65.1	58.3	56.4	50.5	66.4	**68.1**	1.6	1.0	0.2	(2.7)	7.5	**1.5**
Eliminations	(5.4)	(4.8)	(4.1)	(4.2)	(5.0)	**(5.2)**	(0.2)	0.1	(0.0)	0.0	0.0	**(0.0)**
Functional Products	70.8	72.1	72.9	75.0	76.7	**84.8**	5.2	5.7	6.0	6.2	9.1	**12.3**
Japan	43.8	45.1	43.4	47.4	46.5	**51.4**	2.5	2.8	2.7	2.9	5.0	**7.2**
Overseas	34.6	35.1	37.4	36.0	39.9	**43.4**	2.7	2.9	3.3	3.3	4.2	**5.3**
Eliminations	(7.6)	(8.1)	(7.9)	(8.4)	(9.6)	**(9.9)**	(0.0)	0.0	0.1	0.0	(0.1)	**(0.1)**
Others, Corporate and eliminations	(11.3)	(8.5)	(8.2)	(6.7)	(9.1)	**(9.2)**	(1.6)	(1.3)	(1.7)	(2.3)	(1.3)	**(1.9)**
Total	262.1	261.1	262.6	266.3	282.5	**310.5**	13.1	13.9	13.5	11.7	24.5	**27.3**

Consolidated balance sheet

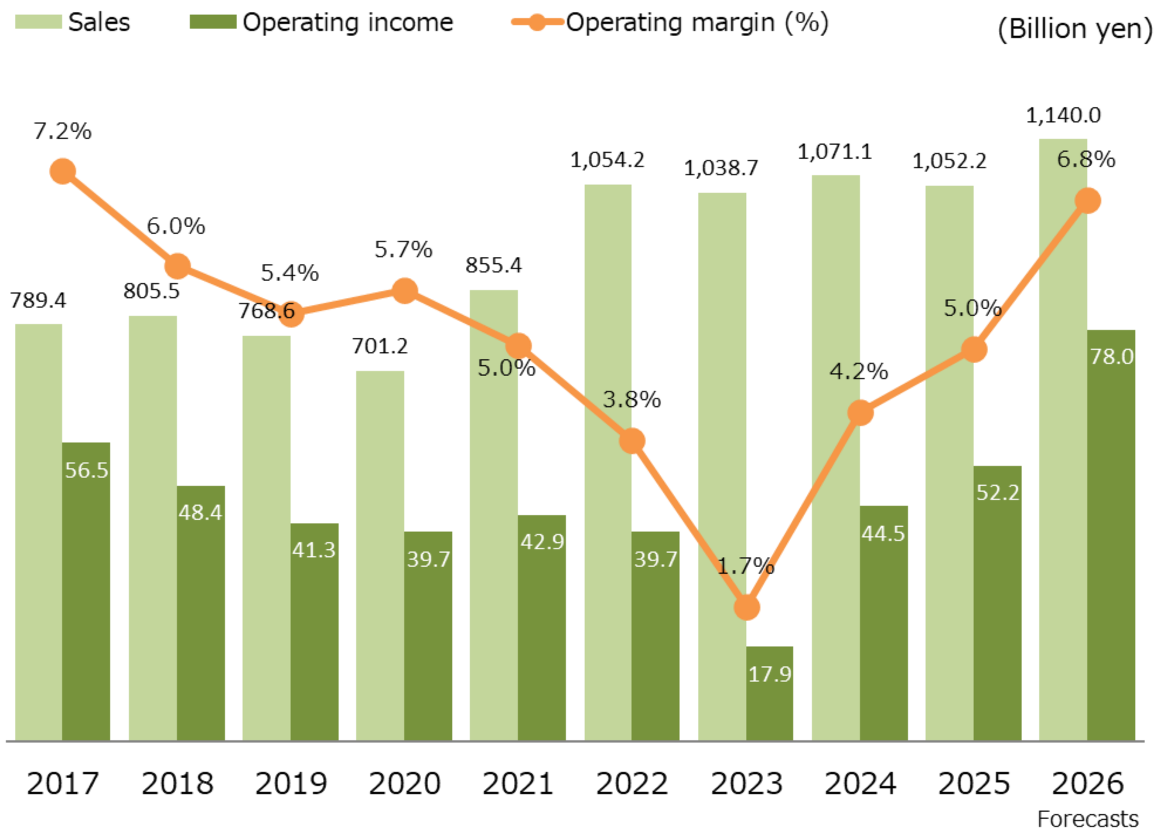
(Billion yen)	Dec 31 2025	Jun 30 2026	Change
Current assets	627.5	679.0	51.5
Property, plant and equipment	371.1	374.8	3.7
Intangible assets	62.1	61.3	-0.9
Investments and other assets	213.3	215.6	2.3
Total assets	**1,274.1**	**1,330.7**	**56.6**
Current liabilities	386.5	393.3	6.8
Non-current liabilities	396.7	407.6	10.9
Total liabilities	**783.2**	**800.9**	**17.7**
Shareholders' equity	399.2	422.2	23.0
Accumulated other comprehensive income	71.7	87.8	16.1
[Foreign currency translation adjustment]	[64.2]	[81.8]	[17.7]
Non-controlling interests	20.0	19.8	-0.2
Total net assets	**490.8**	**529.8**	**39.0**
Total liabilities and net assets	**1,274.1**	**1,330.7**	**56.6**
Interest-bearing debt	458.3	453.5	-4.8
Cash and deposits	68.9	70.7	1.8
Net interest-bearing debt	389.4	382.8	-6.6

Consolidated statement of cash flows

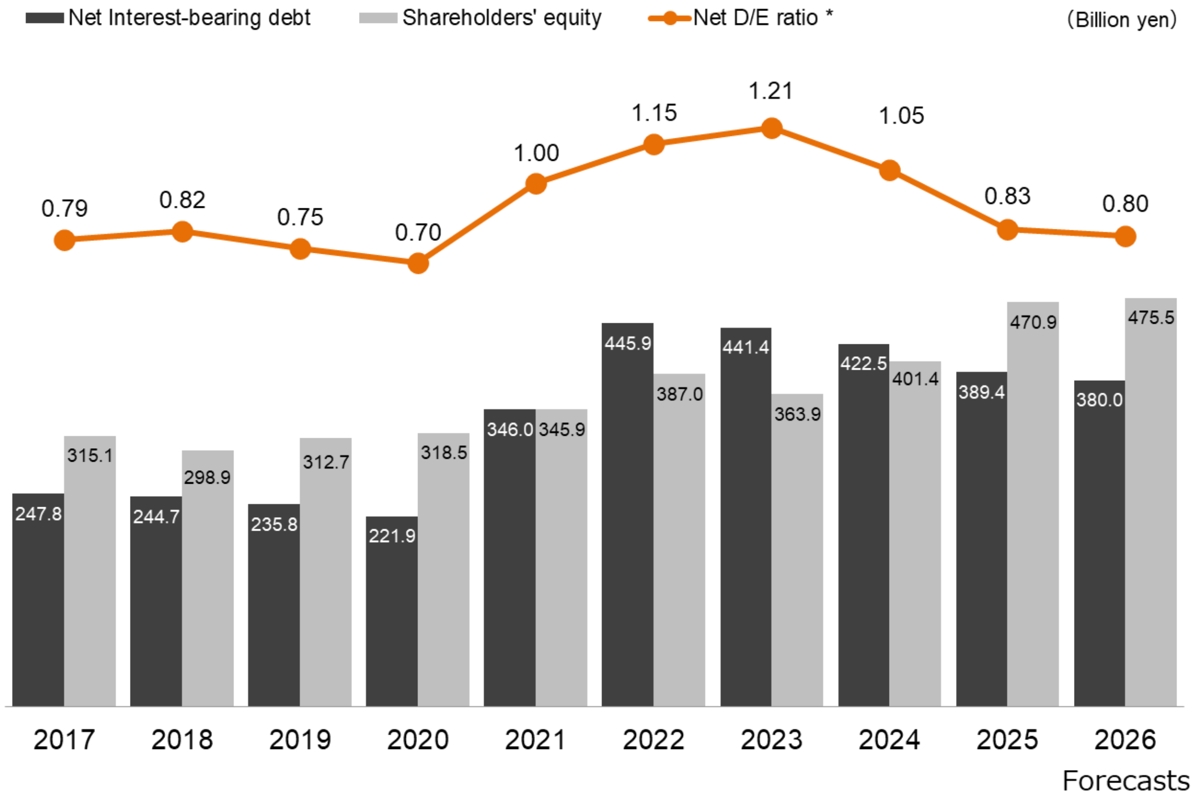
(Billion yen)	2025 6 Months	2026 6 Months	Change
Cash flows from operating activities	21.5	42.1	20.5
Cash flows from investing activities	(15.5)	(17.9)	-2.4
Cash flows from financing activities	(3.8)	(27.5)	-23.7
Cash and cash equivalents at end of the period	56.4	68.2	11.8
Free cash flow	**6.0**	**24.1**	**18.1**
Increase (decrease) in working capital	(19.0)	(18.5)	0.5
Capital expenditure and investment	20.7	23.0	2.3
Depreciation and amortization, Amortization of goodwill	26.7	28.2	1.5

Historical performance data

Operating results



Financial health

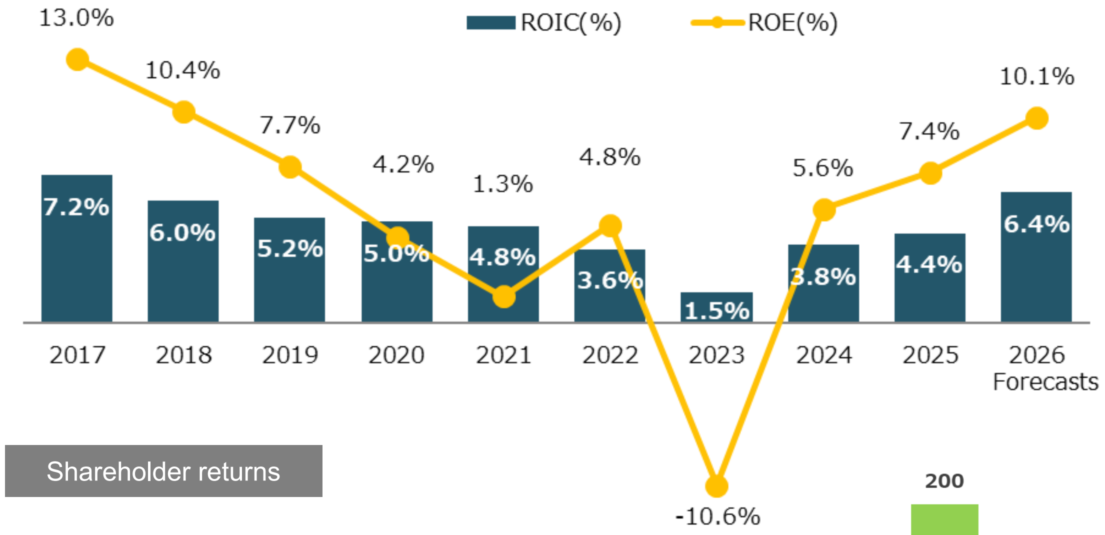


* Net D/E ratio: Net interest-bearing debt / Shareholders' equity

Historical performance data

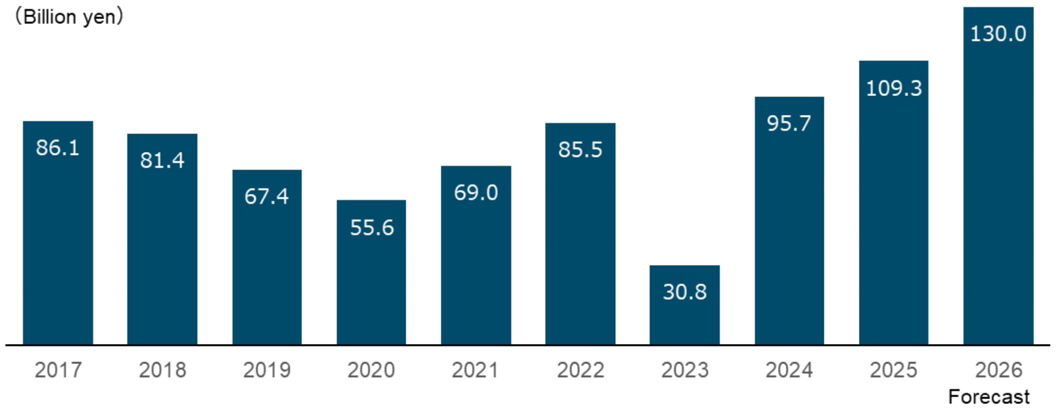
ROE, ROIC*

* Operating income x (1 – tax rate 28%) / (Net interest-bearing debt + Net assets)

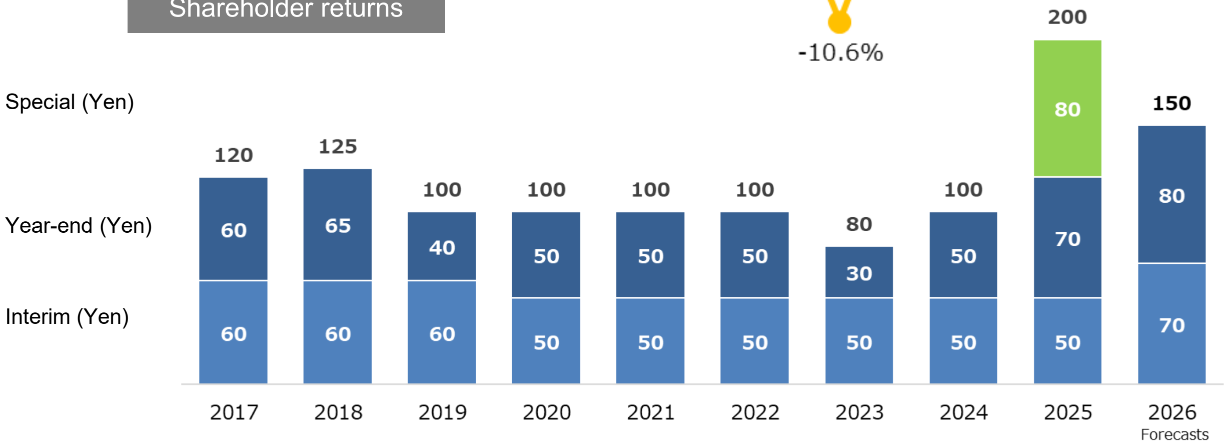


EBITDA*

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

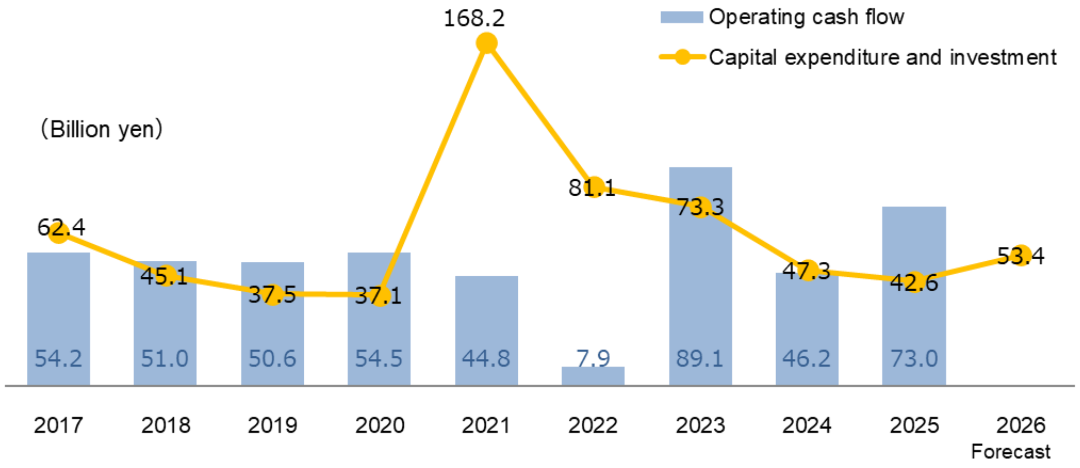


Shareholder returns



	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026 Forecasts
Payout ratio (%)	29.4%	36.9%	40.3%	71.5%	216.8%	53.7%	-	44.4%	58.5%	50.0%
Acquisition of own shares (Billion yen)										10.0

Capital expenditure and investment, operating cash flows



Assumptions used in the preparation of this document

【FX rate】	2025				2026		2026 Assumptions	Previous assumptions
	Jan-Mar	Jan-Jun	Jan-Sep	Jan-Dec	Jan-Mar	Jan-Jun	H2	Jan-Dec
Yen/US$ average rate	152.46	148.58	148.42	150.08	156.49	158.32	**150.00**	150.00
Yen/US$ closing rate	149.05	143.91	148.29	156.60	159.62	162.30	**150.00**	150.00

【Raw materials】	2025				2026		2026 Assumptions	Previous assumptions
	Jan-Mar	Apr-Jun	Jul-Sep	Oct-Dec	Jan-Mar	Apr-Jun	H2	Jan-Dec
Crude oil (West Texas Intermediate) (US$/bbl)	71.40	63.70	64.90	59.10	71.90	92.80	**75.00**	65.00
oduced in Japan (¥/kl)	73,400	66,300	63,200	65,600	65,700	118,000	**85,500**	65,000

【Fiscal year】

The fiscal year of all overseas and domestic companies in the DIC Group ends on December 31. This document presents consolidated results for the first six months of fiscal year 2026, ended June 30, 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 materially 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 the restructuring of its operations.

Color & Comfort

DIC Corporation