

March 14, 2025

Company name	DIC Corporation
Representative	Takashi Ikeda Representative Director President and CEO (Securities code: 4631)
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Notice Regarding DIC's View of the Report Issued by ISS

Regarding Company Proposal No. 2, "Election of 9 Directors" to be voted on by shareholders at the 127th Annual General Meeting of Shareholders of DIC Corporation on March 27, 2025, proxy advisory firm Institutional Shareholder Services Inc. (ISS) has issued a report recommending that shareholders vote against the election of candidate No. 1, Kaoru Ino.

The Company outlines its view of this report below and asks that shareholders carefully read the notice of convocation of the aforementioned meeting of shareholders of the Company together with this notice to ensure they are appropriately informed about this proposal.

1. Particulars of the ISS recommendation

ISS stated the following as its reasons for recommending against the election of Kaoru Ino as a director.

- DIC's performance was persistently sluggish in the period during which Mr. Ino, currently Chairman of the Board of Directors, served as president (January 2018 to December 2023).
- The market value of the works of art owned by the Company is estimated at between ¥100 billion and ¥260 billion. Future applications of cash generated through the sale of these works of art remain vague and the Company has not provided shareholders with a clear explanation of its capital allocation plans.

2. The Company's view

DIC's operating performance in fiscal year 2024 showed a significant improvement from the preceding fiscal year, as shown in the table below. The Company is on track to achieve its goal of record operating income in fiscal year 2026. During his tenure as president, Kaoru Ino sought to drive a qualitative transformation of existing businesses through advance investments and, at the same time, to eradicate unprofitable businesses, thereby laying the foundation for business portfolio transformation and a significant improvement in the Company's performance. At present, Mr. Ino is Director and Chairman of

the Board of Directors and supervises management of the DIC Group. He was selected as a candidate for director after deliberation and consideration by the Nomination Committee, the majority of which are independent outside directors, with an independent outside director serving as committee chair.

The Company's Consolidated Operating Results

	FY2022 (actual)	FY2023 (actual)	FY2024 (actual)	FY2025 (forecast)
Net sales	¥1,054.2 billion	¥1,038.7 billion	¥1,071.1 billion	¥1,110.0 billion
Operating income	¥39.7 billion	¥17.9 billion	¥44.5 billion	¥48.0 billion
Net income attributable to owners of the parent	¥17.6 billion	(¥39.9 billion)	¥21.3 billion	¥24.0 billion
Return on equity (ROE)	4.8%	(10.6%)	5.6%	6.0%

In its report, ISS states that the current market value of the works of art owned by DIC is estimated at between ¥100 billion and ¥260 billion, but has not provided any clear grounds for this estimate, saying only that it is based on information from “various sources.” Having ascertained the value of these works of art, DIC’s Board of Directors is discussing the recent review conducted of its operation of the Kawamura Memorial DIC Museum of Art. However, given the unique characteristics and uncertainties of the global art market, the Company has determined that it is inappropriate to publish a specific figure for the value for the works of arts it owns and has thus not done so. Nevertheless, believing it necessary to provide shareholders and other stakeholders with qualitative information regarding currently anticipated changes to its operation, the Company has announced its intention to reduce the number of works of art it owns to approximately one-quarter of the current level and to begin selling those works that it does not intend to keep, with the aim of generating a total of at least ¥10 billion in cash by the end of fiscal year 2025. The Company will determine applications for cash—including cash inflow expected from the sale of works of art—in line with the policies for cash allocation it announced in February 2024, which include enhancing returns to shareholders.

Disclosures made by DIC regarding its policies for cash allocation and the review of its operation of the Kawamura Memorial DIC Museum of Art are as indicated below. Going forward, the Company will continue to disclose management policies for the DIC Group in a timely and appropriate manner to ensure the understanding and trust of its stakeholders.

Disclosures Regarding Policies for Cash Allocation and Review of Operation of the Kawamura Memorial DIC Museum of Art

February 13, 2024	Publishes release titled “ Notice Regarding the Revision of DIC Vision 2030 ,” announcing policies for cash allocation for fiscal years 2024–2026
April 26, 2024	Publishes release titled “ Notice Regarding the Establishment and Commencement of Activities of the Corporate Value Improvement Committee ,” announcing plans for the Corporate Value Improvement Committee to conduct a review of operation of the Kawamura Memorial DIC Museum of Art
August 27, 2024	Publishes release titled “ Interim Report on Advice from the Corporate Value Improvement Committee Regarding Operation of the Kawamura Memorial DIC Museum of Art, Matters Discussed by the Board of Directors and the Board’s Future Actions ,” announcing recommendations made by the Corporate Value Improvement Committee

	to the Board of Directors based on the outcome of its deliberations, as well as future actions subsequently discussed and determined by the Board
September 27, 2024	Uploaded " Dialogue between Outside Directors and Shareholders (Institutional Investors) ," summarizing a presentation by four outside directors for shareholders (institutional investors) explaining the deliberations of the Corporate Value Improvement Committee regarding operation of the Kawamura Memorial DIC Museum of Art, to the DIC global website
December 26, 2024	Publishes release titled " Final Report on the Results of the Review of Operation of the Kawamura Memorial DIC Museum of Art and Policy on Future Operation ," announcing the ultimate policy determined by the Board of Directors
February 12, 2025	Publishes " Consolidated Financial Results FY2024: Full-Term Ended December 31 " presentation materials outlining plans for the application of cash inflow from the sale of works of art it owns
March 12, 2025	Publishes release titled " DIC and the International House of Japan Agree to Collaborate in Various Fields, Beginning with the Visual Arts and Architecture ," announcing the relocation of the Kawamura Memorial DIC Museum of Art to the International House of Japan in Tokyo's Roppongi district

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