

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 Shareholder Open Questionnaire

As announced in the "Notice regarding the opinion of the Board of Directors regarding the shareholder proposal" dated February 12, 2025 (the "Opinion of the Board of Directors"), DIC Corporation has received a shareholder proposal from OASIS INVESTMENTS II MASTER FUND LTD. and OASIS JAPAN STRATEGIC FUND LTD. (the "Proposing Shareholders") regarding the agenda for the 127th Annual General Meeting of Shareholders (the "General Meeting") scheduled to be held on March 27, 2025.

Subsequently, the Proposing Shareholders published an open questionnaire to DIC on March 3 of the same year (the "Open Questionnaire"), requesting that the Company answer it publicly by March 10 of the same year. It should be noted that this deadline for answers was not set in consultation with the Company.

The Open Questionnaire includes questions regarding matters currently in dispute between the Proposing Shareholders and DIC, as well as questions based on the Proposing Shareholder's own views and speculations regarding matters that have already been appropriately and timely disclosed by the Company.

Therefore, in order to help shareholders better understand DIC's view, the Company provides supplementary explanations regarding the matters related to the Open Questionnaire as attached.

DIC strives to disclose information in a timely and appropriate manner in accordance with laws and regulations so that shareholders and investors can understand its management policies and governance system.

DIC requests all shareholders to carefully consider the Opinion of the Board of Directors and this supplementary explanation and make a decision regarding the exercise of their voting rights.

[Reference] Timely Disclosure dated February 12, 2025

"Notice regarding the opinion of the Board of Directors regarding the shareholder proposal"

(Attachment)

Supplementary explanation regarding matters related to the Open Questionnaire

1. Reasons for nominating Kaoru Ino (currently, Chairman of the Board) as a candidate for Director

The candidates for Director, including Kaoru Ino (“Mr. Ino”), were carefully deliberated and considered by the Nomination Committee, the majority of whose members are Outside Directors. The Nomination Committee determined that it was appropriate for Mr. Ino to continue serving as a Director, and therefore the Board of Directors decided to nominate him as a candidate for Director.

DIC has positioned Chairman of the Board as a position that involves, among others, advising and supporting the President and other executives, representing the Company in external activities such as those in the business community at the request of the President, and supporting the maintenance of relationships with major customers, and has decided to appoint the position to an individual with extensive management experience, such as former President, who is suitable for such duties.

A little over a year has passed since Takashi Ikeda (“Mr. Ikeda”) was appointed President, and a management structure has been established in which Mr. Ikeda takes the lead in executing the business of the Company. However, in order to enable Mr. Ikeda to continue to focus on management in order to increase DIC’s corporate value, the Company has determined that it is appropriate for DIC’s management structure for Mr. Ino to take on the above-mentioned activities as Chairman of the Board without representative authority.

2. Reasons for appointing Yoshihisa Kawamura as Executive Advisor

Although Yoshihisa Kawamura (“Mr. Kawamura”) has made significant contributions to the management of DIC to date, in order to strengthen the monitoring function of the Board of Directors, which the Nomination Committee places importance on, and in accordance with the Company’s policy of increasing the ratio of Outside Directors and further improving governance, the Company has decided not to include Mr. Kawamura as a candidate for Director after the General Meeting. If Company Proposal No. 2 submitted to the General Meeting, “Election of 9 Directors,” is approved as proposed, four of the nine Directors will be Outside Directors (ratio of Outside Directors: 44.4%), which will increase the ratio of Outside Directors from 40% (four out of ten) before the General Meeting.

However, the Company has determined that it would be beneficial to receive advice from Mr. Kawamura based on his extensive knowledge and experience in the ink industry as well as his experience as a Director of the Company, even after his retirement. Therefore, the Company has decided to appoint him to the position of Executive Advisor, rather than to that of “Advisor” or “Consultant” as stipulated in the Articles of Incorporation.

The position of Executive Advisor is expected to involve providing advice and recommendations to the management team on business issues based on information gained from extensive experience and a wide range of personal connections. The position is unpaid, and matters to be entrusted to the position, and the term of office will be determined at the Company’s discretion. Compared to “Advisor” and “Consultant” as stipulated the Articles of Incorporation, the degree of involvement in management will be lower.

The significance of appointing Mr. Kawamura as an Executive Advisor was also deliberated and considered by the Nomination Committee.

3. Reasons for continuing related party transactions and monitoring and supervision system

As disclosed in the securities report, DIC conducts transactions with three companies, the majority of whose voting rights are held by the Company's Director and his relatives: Nissei Real Estate Co., Ltd., Dainichi Can Co., Ltd., and Nisshin Trading Co., Ltd. (the "Three Related Parties".)

The reasons for conducting transactions with the Three Related Parties is that DIC has determined that they are competitive after taking into consideration, among others, their technological capabilities, prices, warehouse locations, and service quality. Conversely, the Company has not conducted transactions with the Three Related Parties for goods or services that it has determined to be uncompetitive. To supplement the above explanation, first, with regard to the rebuilding of the head office building, the Proposing Shareholders seem to be only isolating the increase in the unit price per unit area of the head office building and taking issue with it. However, the Company has consistently explained, even during the court proceedings, that "by leasing the entire building after the rebuilding at the increased unit price per unit area compared to the old head office building, the Company has been able to achieve a significant increase in office space in terms of total floor space." In other words, when making decision to rebuild the head office building, the Company chose to do so because it believed that by renting the entire building, it would be able to significantly increase office space and improve convenience, even if the unit price per unit area increased. Therefore, there is no fact that the Company has carried out a transaction that was disadvantageous to it on the grounds that a related party is the owner of the land and building. Second, regarding the sale of the Saitama Land, the Company asked multiple intermediaries, including trust banks, to submit bids and sold the property to the bidder offering the best terms, thus following a fair and reasonable sales process.

As stated in the Opinion of the Board of Directors, with regard to transactions with "related parties" as defined in Article 112, Paragraph 4 of the Corporate Accounting Regulations, the relevant department carefully researches neighbouring market prices, compares transaction terms with those of the related parties' competitors, analyzes factors behind price fluctuations, and carefully verifies the appropriateness of the transaction terms. Audits are also conducted by the Internal Audit Department and Audit & Supervisory Board Members. The results of the verification of related party transactions are reported to the Board of Directors once a year, and related party transactions are appropriately monitored and supervised.

In addition, the minutes of the Board of Directors that the Proposing Shareholders is seeking to be disclosed in the court proceedings are the "portion relating to discussions and decisions" regarding the transactions with Dainichi Can Co., Ltd. and Nisshin Trading Co., Ltd., that is, disclosure of the approval details for those transactions. However, the transactions between the Company and these two companies did not require individual approval from the Board of Directors due to their scale and content and therefore the Company simply responded that no relevant minutes exist. Regarding related party transactions that require approval by the Board of Directors, the Company properly submits such transactions to the Board of Directors in accordance with the Company's internal rules and obtains their approval.

4. Review of the operation of the Kawamura Memorial DIC Museum of Art

For more than three decades since 1990, DIC has operated the Kawamura Memorial DIC Museum of Art (the "Museum") and has worked to contribute to the development of art and culture in Japan. Based on the deliberations and advice of the Corporate Value Improvement Committee, which was

established in April 2024 and is composed entirely of independent outside directors, the Company have been considering how to operate the Museum, and in the interim report dated August 27, 2024 (the "Interim Report"), announcement was made that after a decision on the future operation of the Museum is made by the end of 2024, the Museum will be closed from late January 2025 (subsequently, in light of the significant increase in visitors to the Museum, the closure of the Museum was postponed to late March 2025 in a timely disclosure dated September 30, 2024). Subsequently, in the final report dated December 26, 2024, the Company announced that after detailed consideration by the Board of Directors, it would reduce the number of art works owned by the Company to approximately one-quarter and relocate the Museum to a location within Tokyo where the art works can be open to the public, as well as work to significantly improve income and expenditure relating to the operation of the Museum. Then, after proceeding with consideration of the site for the relocation in accordance with the policy outlined in the final report, as announced in the press release dated March 12, 2025, entitled "DIC and the International House of Japan Agree to Collaborate in Various Fields, Beginning with the Visual Arts and Architecture—Architectural firm SANAA will design a new Rothko Room—," the Company have come to an agreement with the International House of Japan (President: Kondo Masaakira James; "IHJ") to relocate its collection of 20th century art, primarily post-war American art, including Mark Rothko's Seagram Murals, to the IHJ.

When considering reviewing operation of the Museum, DIC received over 50,000 signatures, statements, and petitions calling on the Company to keep the Museum where it is, and recognized that there was a strong demand from society for the Company to continue operating the Museum. Also recognized was that DIC's social contribution activities in the field of art and fine arts through the operation of the Museum over many years have been highly regarded by society, further enhancing the Company's social value, such as its brand value and corporate value, and also forming a part of the Company's identity.

On the other hand, as described in the Interim Report, when viewed from the perspective of owned assets, the Museums is not necessarily being utilized effectively, particularly in terms of capital efficiency. Therefore, as a company that has set improving capital efficiency as an important management issue, DIC was of the view that it was necessary to consider the economic value that could be gained by downsizing or ceasing operations.

The Corporate Value Improvement Committee deliberated on how to operate the Museum, taking into account the opinions and evaluations of external experts and multiple external organizations. The Committee's advice that the Company should give detailed consideration to either "downsizing and relocation" or "ceasing operation of the Museum" was then carefully considered by the Board of Directors. As a result, as described above, the Company have decided to review the operation of the Museum through a "downsizing and relocation" policy, which involves reducing the number of artworks in possession to approximately one-quarter, in line with a redefinition of the artworks that symbolize DIC's identity, and relocating the Museum to a location within Tokyo, which will be more easily accessible to many stakeholders.

Furthermore, it appears that the Proposing Shareholders believe that economic value and social value cannot coexist, but the Company does not believe that the asset value of the artworks will be lost if they are not promptly disposed of all at once. For this reason, at this time, DIC has chosen to continue to hold and utilize approximately one-quarter of the artworks in order to enhance its social and brand value.