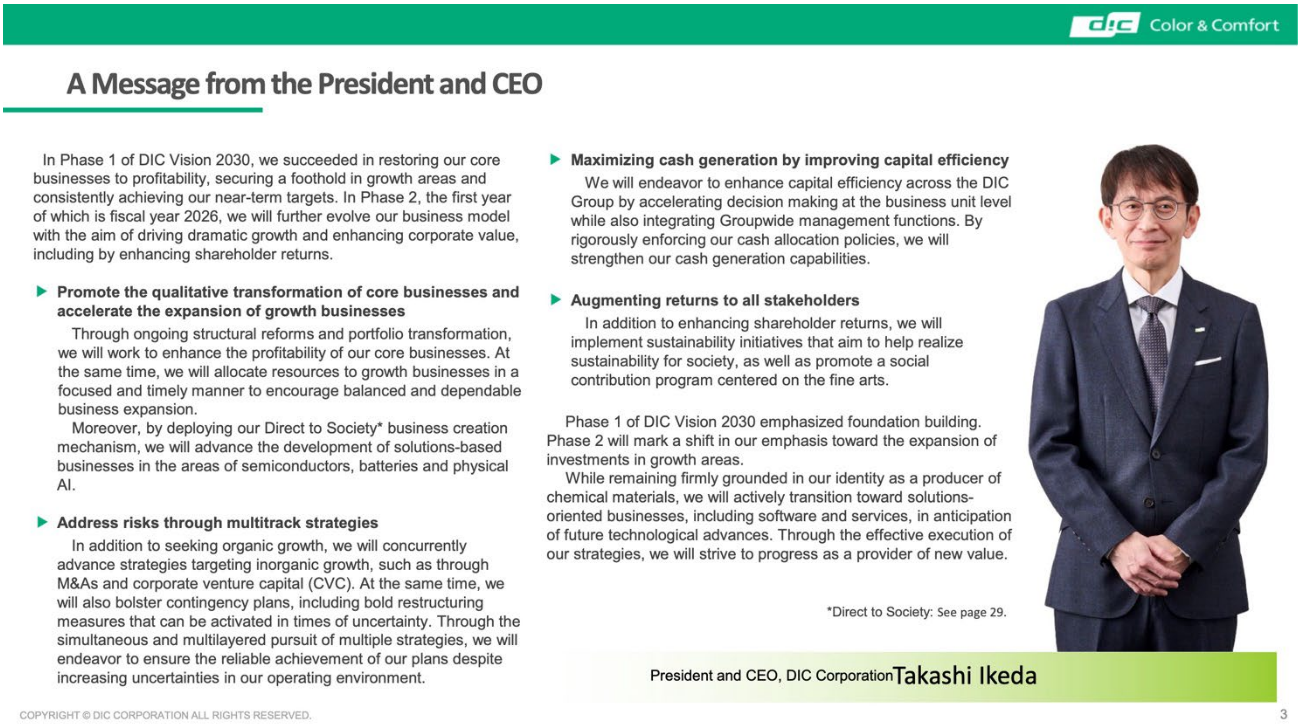
DIC Corporation

Long-Term Management Plan Phase2

February 17, 2026

Presentation



On page three, we have the message from the president. Let me first explain the overall concept. I have four points I would like to raise. As I mentioned, Phase 1 is from 2022 to 2025, and during this period, we reviewed our business structure, especially our foundation, and firmly established our earning power. Based on that, we aim to achieve growth in the latter half of the plan, which would be Phase 2.

In the case of our company, we have two major business pillars. One would be our core businesses. These are essential businesses that are extremely global in scope, have had a decent position in the industry for a long time, and can generate some steady cash flow.

The second is what we call growth businesses, which are based on the core businesses but have a variety of products and technologies that are geared toward growth areas. Our fundamental strategy is to grow through a good combination of these two pillars.

In that sense, our approach is to firmly establish a foothold in the core businesses in Phase 1 and then use that to make a big leap forward in our growth businesses in the second half of the plan.

The advantage of having both pillars is that, of course, we will be able to realize stable business operations. At the same time, though, by being able to invest the stable flow of cash that has been generated into growth businesses as and when needed, we will also be able to realize balanced capital management.

The second point is that this is a long-term plan that extends to 2030, so it is necessary to consider how to respond to various factors, especially external factors. As symbolized by the fact that the plan was reviewed in 2024 after it was first unveiled in 2022, we must respond flexibly to the external environment.

When it comes to how we aim to get to 2030 under these circumstances, we have two or several strategic options, and we will switch between them quickly depending on the situation. The other is responding to risks in the sense of responding flexibly and boldly to risks as they arise, although it is difficult to anticipate everything.

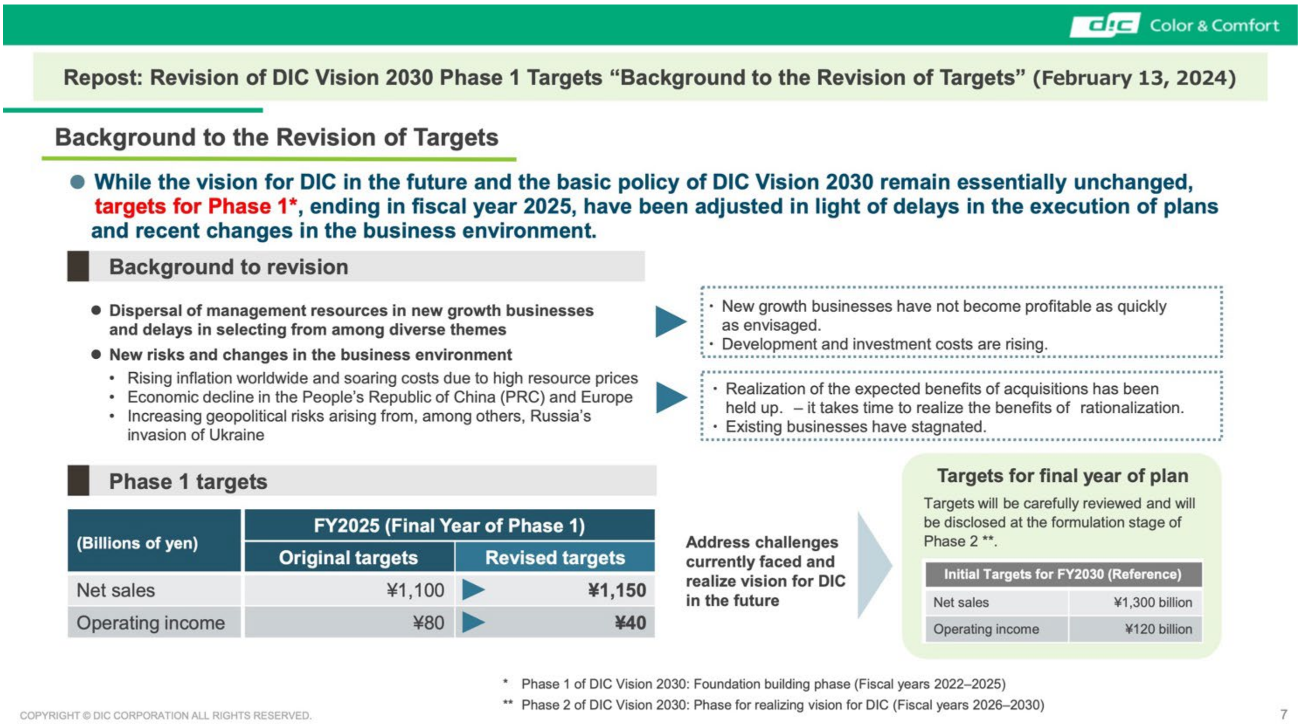
Under the Phase 2 plan for until 2030, in particular, we are considering several options for how we can add growth businesses to our core businesses, based on a solid qualitative transformation of our core businesses. We call them options, but what we are doing is diversifying our strategies. That is, we will put the organic growth of our current base businesses as the first priority. At the same time, we will pursue inorganic growth through various means such as M&A and venture capital to replace or further expand the existing base businesses.

However, rather than stacking those in a two-step tiered fashion, we will have them overlap, so that even if one plan does not work as planned, we can cover that with another inorganic strategy. When synergies are successfully generated, one plus one becomes two or more. We are taking an approach of combining and overlapping our businesses.

In addition, although we have not incorporated all of them into this plan, we have prepared restructuring measures that can be activated should the various strategies described become difficult to implement under various circumstances, as well as more drastic portfolio reshuffling measures, and cost reduction measures, among others. This way, we will be able to respond to sudden changes in circumstances and somehow achieve the target figures set forth here. That is the second point.

In addition to firmly committing to the KPIs toward 2030, we will improve capital efficiency, generate more cash, and aim to create a structure that allows us to return this cash to shareholders and other stakeholders appropriately and in abundance. At the heart of our plan is realizing this goal.

I will now provide an explanation based on the materials.

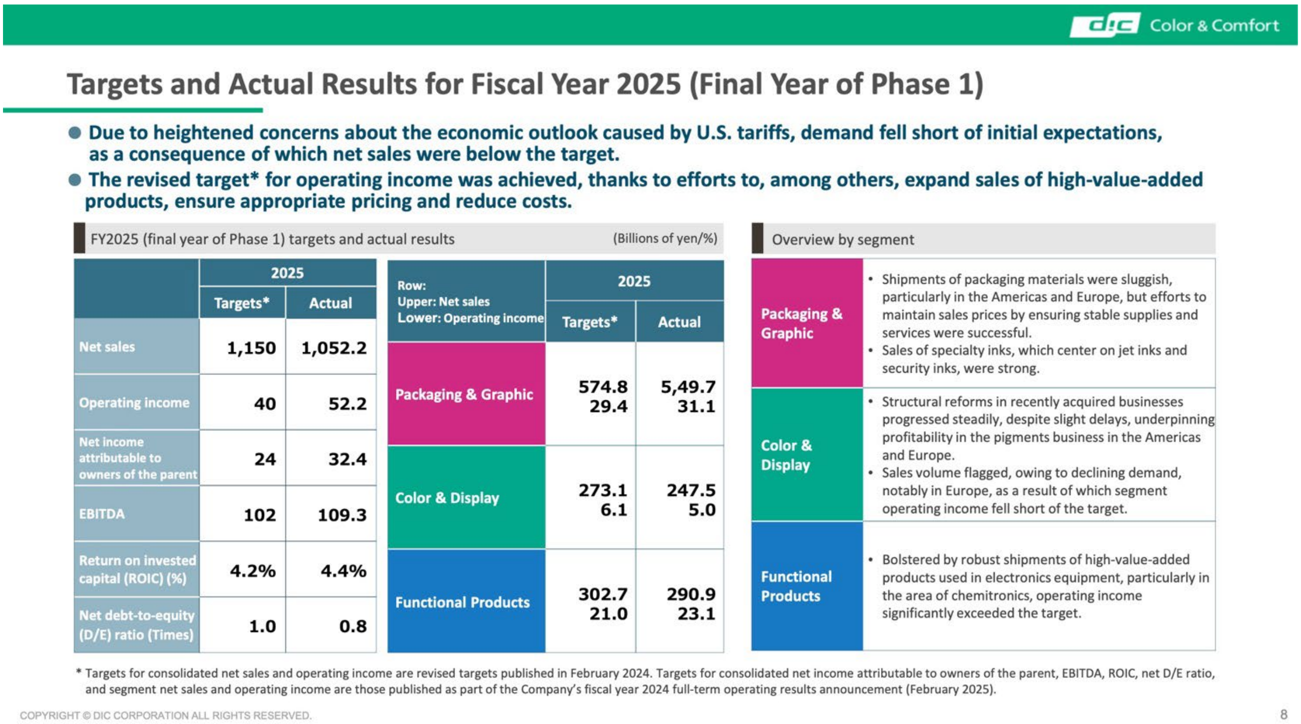


First, please turn to page seven. I won't spend too much time on this, but I would like to talk about a few things as a review of Phase 1.

As I mentioned, the Phase 1 plan was reviewed in February 2024, right at the time I became president. As you can see on the lower left section of the page, first, we reviewed the initial plan for last fiscal year, the last year under Phase 1. With regard to the background to this, as noted in the middle of the middle section of the page, during Phase 1, we explored a fairly broad range of themes as we aimed for a variety of growth possibilities. As a result, while we were able to see certain possibilities, the reality remains that it led to the dispersion of resources and the decentralization of management resources.

Another factor was the rapid changes in the external environment. In this regard, we were forced to change our plans given such reasons as the occurrence of major unexpected events such as the COVID-19 pandemic and the situation in Ukraine, as well as other unfortunate circumstances like the fact that it took a long time for the effects of the acquisitions made in Europe to take effect.

At that time, we indicated that we would announce the target figures for 2030 under Phase 2, so today, we are announcing our 2030 plan.



DIC Color & Comfort

Targets and Actual Results for Fiscal Year 2025 (Final Year of Phase 1)

- **Due to heightened concerns about the economic outlook caused by U.S. tariffs, demand fell short of initial expectations, as a consequence of which net sales were below the target.**
- **The revised target* for operating income was achieved, thanks to efforts to, among others, expand sales of high-value-added products, ensure appropriate pricing and reduce costs.**

FY2025 (final year of Phase 1) targets and actual results (Billions of yen/%)

	2025	
	Targets*	Actual
Net sales	1,150	1,052.2
Operating income	40	52.2
Net income attributable to owners of the parent	24	32.4
EBITDA	102	109.3
Return on invested capital (ROIC) (%)	4.2%	4.4%
Net debt-to-equity (D/E) ratio (Times)	1.0	0.8

Row: Upper: Net sales Lower: Operating income	2025	
	Targets*	Actual
Packaging & Graphic	574.8 29.4	5,49.7 31.1
Color & Display	273.1 6.1	247.5 5.0
Functional Products	302.7 21.0	290.9 23.1

Overview by segment

Packaging & Graphic	• Shipments of packaging materials were sluggish, particularly in the Americas and Europe, but efforts to maintain sales prices by ensuring stable supplies and services were successful. • Sales of specialty inks, which center on jet inks and security inks, were strong.
Color & Display	• Structural reforms in recently acquired businesses progressed steadily, despite slight delays, underpinning profitability in the pigments business in the Americas and Europe. • Sales volume flagged, owing to declining demand, notably in Europe, as a result of which segment operating income fell short of the target.
Functional Products	• Bolstered by robust shipments of high-value-added products used in electronics equipment, particularly in the area of chemitronics, operating income significantly exceeded the target.

* Targets for consolidated net sales and operating income are revised targets published in February 2024. Targets for consolidated net income attributable to owners of the parent, EBITDA, ROIC, net D/E ratio, and segment net sales and operating income are those published as part of the Company's fiscal year 2024 full-term operating results announcement (February 2025).

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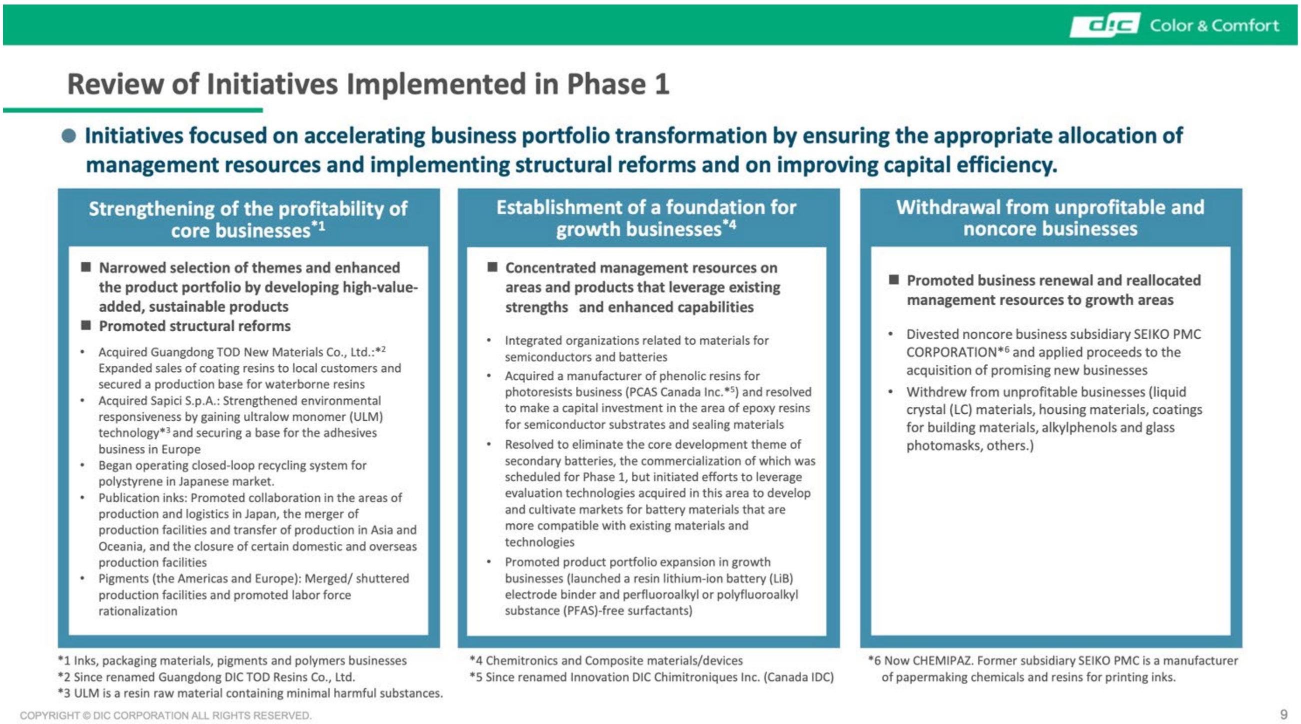
Continuing on, please turn to page eight. I will make this brief, but as explained earlier in the announcement of our financial results, the operating income in FY2025, in particular, greatly exceeded the revised target of JPY40 billion under Phase 1 in 2024.

From that perspective, I think we have achieved the base set forth in Phase 1.

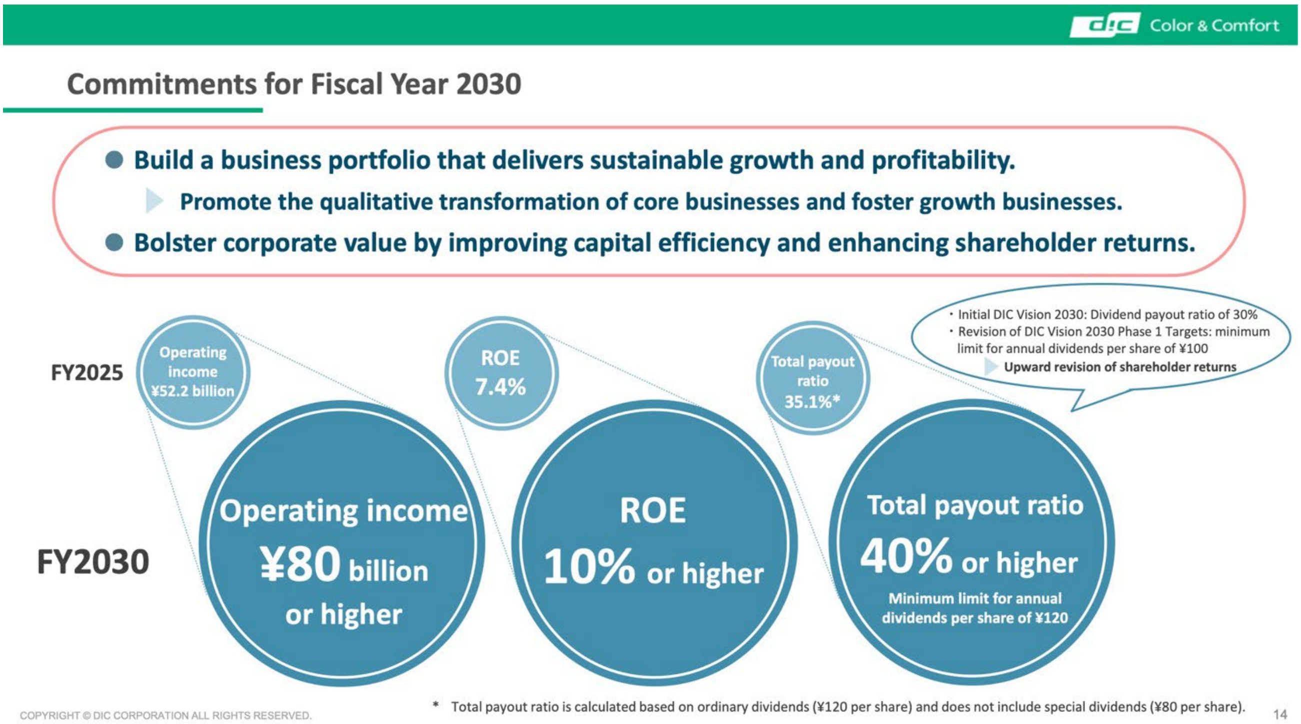


Let me explain that in more detail with the help of page nine. As mentioned at the beginning, we have achieved qualitative changes in both our core and growth businesses.

First of all, when it comes to our core businesses, especially the representative pigment business, we said earlier that they are in a very difficult situation. However, we were able to steadily reinforce our earnings base by consolidating and eliminating production bases and streamlining our workforce. In terms of growth businesses, we have also narrowed down several potential fields. With regard to semiconductors and battery materials, in particular, we consolidated them into a single organization called Chemitronics, and within that entity, we decided to expand the epoxy resin business, which has particularly strong growth potential. With this, we believe we have firmly established our foundation for growth.

At the same time, we have been gradually withdrawing from unprofitable and non-core businesses, as we pulled out from SEIKO PMC, liquid crystal materials, housing materials, and alkylphenols during this period. By doing that, I think we were able to transform our system into a leaner and more solid organization.

Now, based on the results of Phase 1, I would like to talk about the concept of Phase 2.

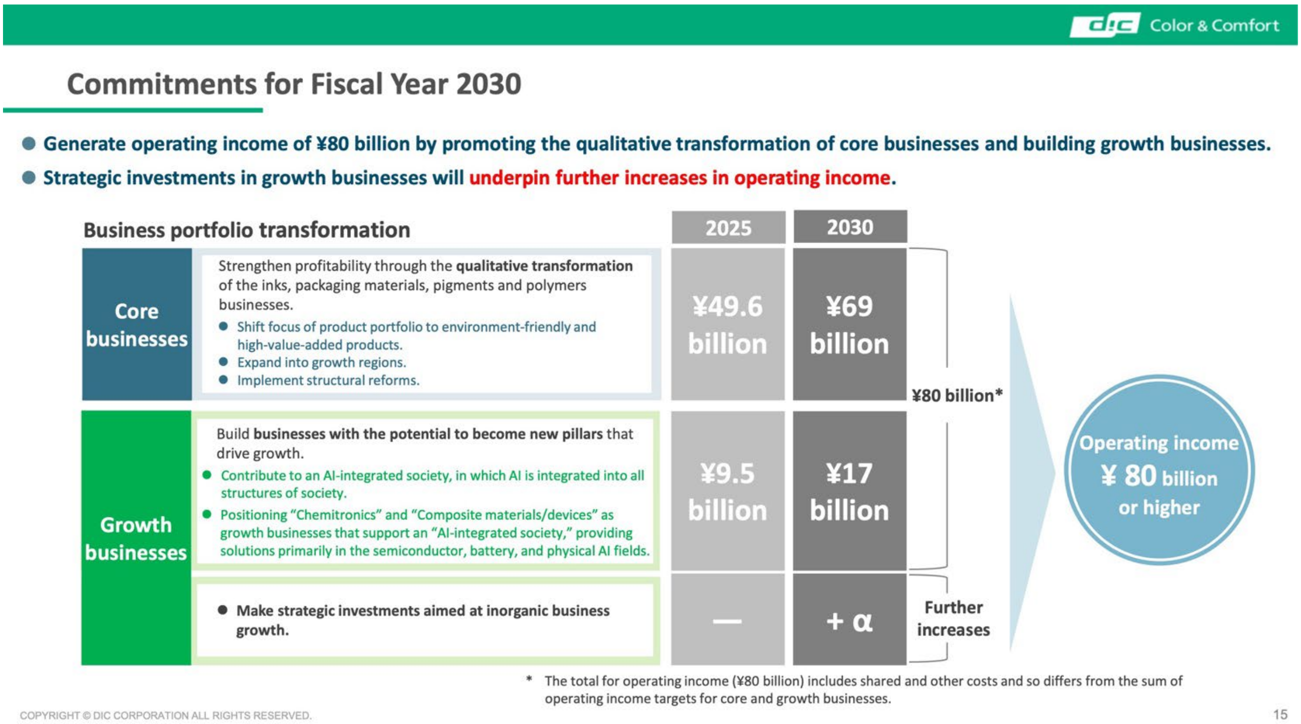


Please turn to page 14. First, we have summed up and listed here our three commitments for 2030.

First, in 2030, as our first indicator, we would like to aim for operating income, or profit derived from our businesses, of JPY80 billion or more. Again, we see this as a business base that can be realized through the successful combination of core and growth businesses.

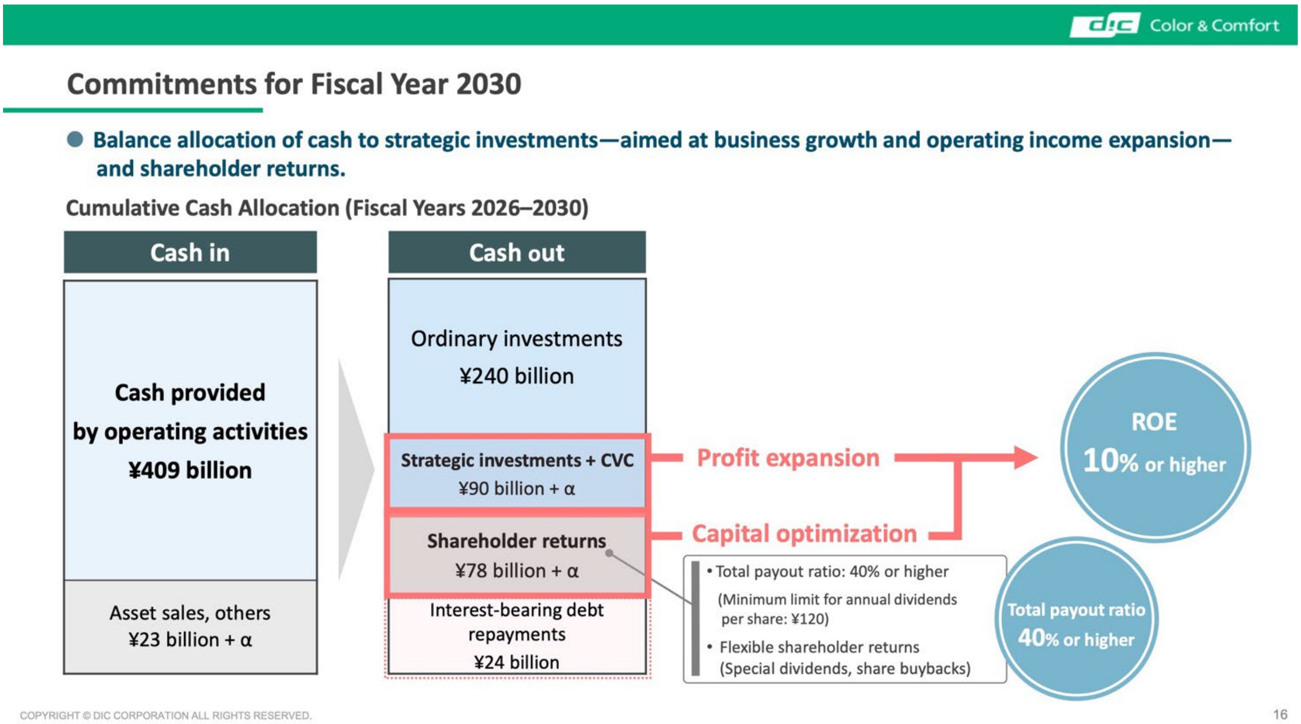
Meanwhile, management recognizes that our current ROE of around 7% is far from satisfactory. We commit to raising that ROE to at least 10% by further improving capital efficiency.

In addition, as mentioned earlier in the presentation of our financial results, we have set a policy of total payout ratio not only for FY2026 but also for the years thereafter, up to 2030, and we will return profits to shareholders in accordance with this policy.



Please turn to the next page. Allow me to break down these current commitments a little bit, beginning with the business aspect. We have here JPY80 billion, and its breakdown is as shown here for the core and growth businesses. As will be explained in more detail later, our core businesses are the group of businesses that are extremely global in nature that serve as foundation of our business. The growth businesses may be a new business pillar, but they are not businesses that will be built in entirely new and isolated areas. Rather, they are product groups that leverage our existing business foundations, and with the surrounding areas as starting point, expand those product groups into a group of businesses.

Their combined total of JPY80 billion will be the base, and we have a number of other measures in addition to these, as shown at the bottom. In line with the diversification of our strategies, we will take a variety of initiatives aimed at inorganic growth. Furthermore, these are not just on an as-needed basis, as we are already planning some of these, and together with our plans for further restructuring and other initiatives, we will rack up more than JPY80 billion. We have not assigned specific figures for these because, as mentioned at the beginning, the idea is that we must first commit to JPY80 billion by assembling a multi-layered structure, while making every effort to further increase that amount.



Continuing on, please turn to the next page. Under Phase 1, we announced our cash allocation for 2024, 2025 and 2026 two years ago. This time, we have presented our cash allocation plan for Phase 2, covering 2026 through 2030.

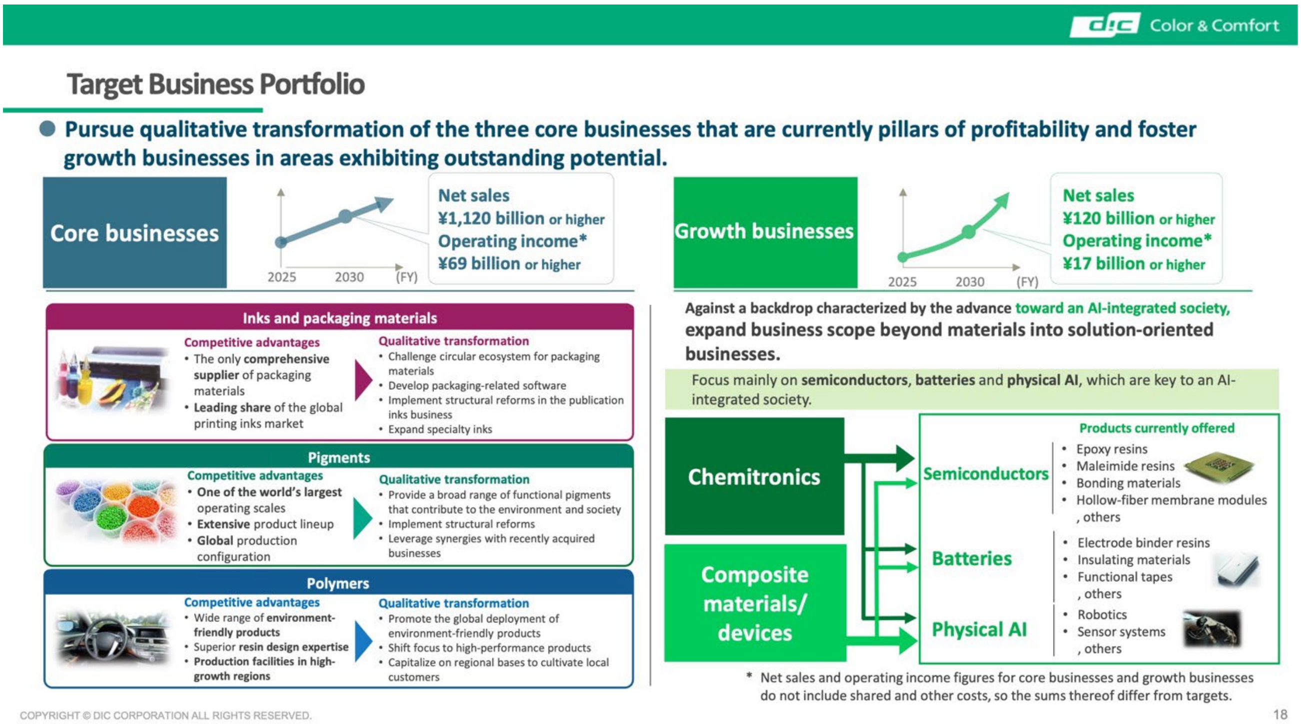
In terms of cash in, the idea is that if we further sell various assets in addition to operating cash flow, we will use the cash generated for strategic investments, shareholder returns, and reduction of interest-bearing debt, in addition to ordinary investments, as shown on the right.

The point here is that we have set the strategic investment amount for Phase 1, covering 2024, 2025, and 2026 at about JPY20 billion. The reason for this is that we made major strategic investments and M&As especially in 2021 and 2022, prior to Phase 1, and we have been in a period of reaping the rewards of these investments for the past several years.

We are thinking of investing aggressively for growth from 2026 to 2030, so the JPY90 billion and then some that we have set is based on the idea that if further gains are generated through asset sales and so on, they will be allocated here. That is how we view the JPY90 billion and then some.

With respect to shareholder returns, as we have said repeatedly, the base would be a total payout ratio of 40% or higher and a minimum dividend of JPY120 per share. Now, when there is additional income, and similarly, when there is cash in, we intend to flexibly return them to shareholders.

The plan from a cash perspective is to target an ROE of 10% or higher through these measures, which are capital optimization and earnings growth.



Please turn to page 18. Let me explain each business a little more. We will expand our core and growth businesses. Our approach will be different for each. First, our core businesses are packaging inks, pigments, and polymers. All of these products are either globally deployed as a strength of our business or have potential for global deployment.

The common denominator for each of these is that we will be making a qualitative shift in them. The reason why they have been able to contribute to earnings growth over the past two years, in 2024 and 2025, is that these businesses have been able to make a solid profit base, despite the various external conditions. In this context, we have been pursuing a rather bold qualitative shift, or structural reform, particularly with regard to pigments.

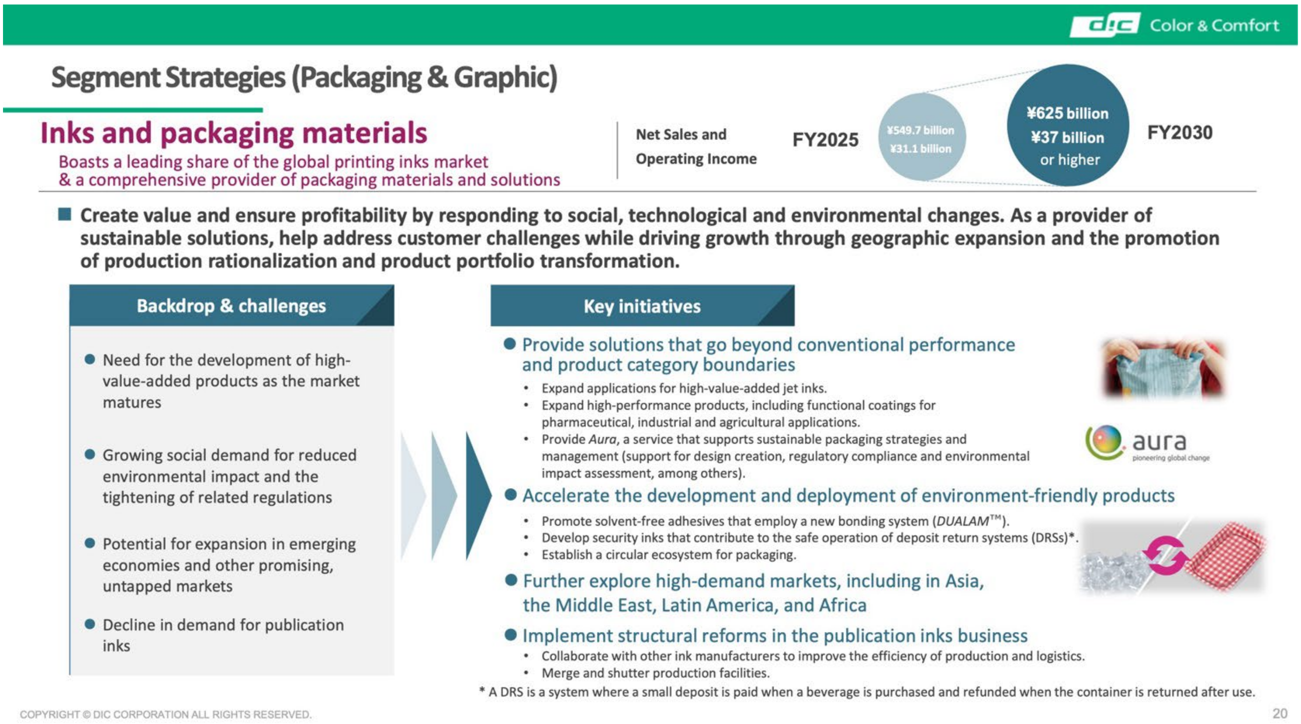
We are aware that a qualitative change is necessary to further stabilize this business, so we will embark on even bolder structural reforms, which will serve as the foundation for continued business operations and further expand our earnings.

At the same time, we will strive for sustainability, a shift to more sophisticated products, and a qualitative change in our product portfolio in order to achieve growth and generate stable operating income.

The growth businesses on the right are our chemitronics and composites/devices, which are mainly product groups in the Functional Products segment, and we intend to further develop these and expand our business beyond materials. In line with that, we have identified semiconductors, batteries, and physical AI as key areas where we can expand.

We have a number of unique products, and by combining them into areas with growth potential, we hope to achieve even more dramatic growth not only in 2030 but beyond, as shown in the graph on the upper right.

Let me explain our approach to each business a little more. I will begin with the core businesses.



Please turn to page 20, packaging inks. As stated earlier, our basic approach is to pursue qualitative transformation of products and so on, in parallel with structural reforms. There is a comment on the business environment on the left, but we are not necessarily optimistic about the situation we are in. Many regions have mature markets, with price competition intensifying. And, in light of the global geopolitical risks, it is quite difficult to expect stable economic growth.

The question is how we can ensure stable operations under such circumstances. On the right side of the page, we have listed a few, including providing high-performance solutions that are not bound by product boundaries, and developing environmentally friendly products. We believe that the most important thing is to secure a position in this field and within this product group in which we, as a business, is chosen by the customers.

Despite various environmental changes, they remain indispensable materials for life and society. With food packaging, in particular, it has become indispensable in every region and country, and we are certain that demand will arise in developing regions in the future.

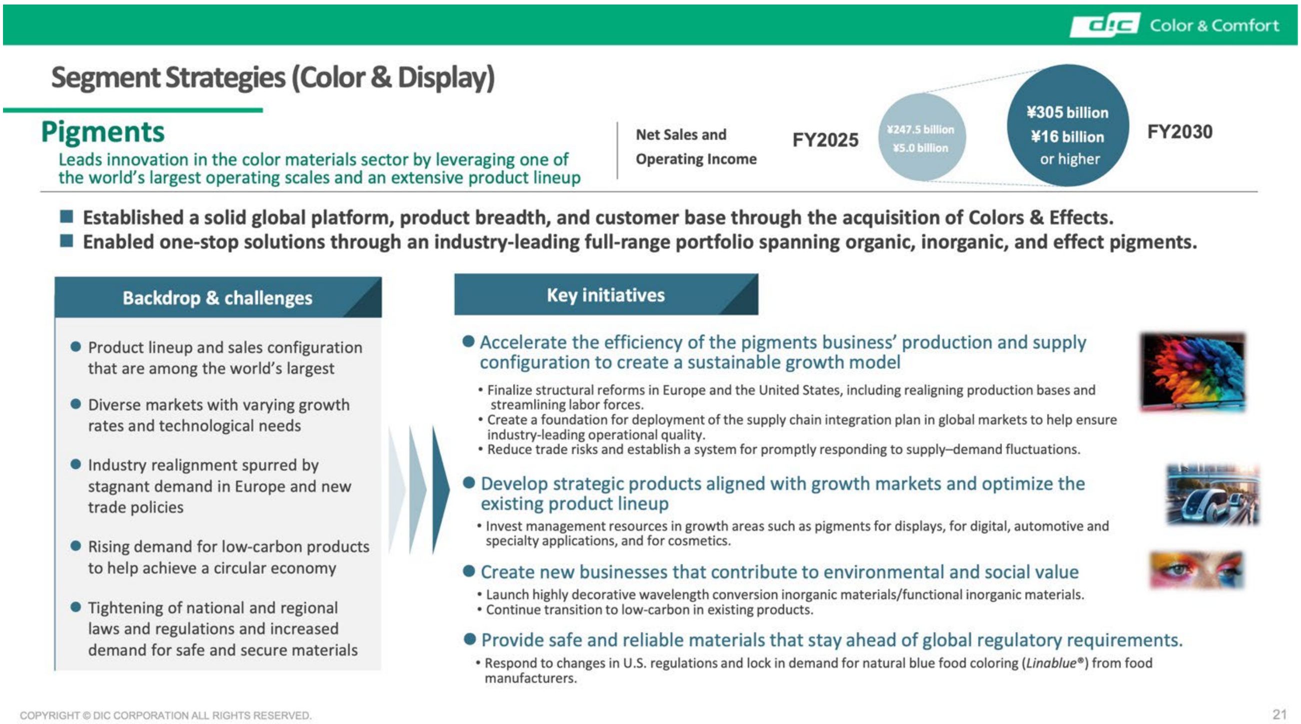
There will be ups and downs depending on the situation, and in a competitive environment, competition may intensify. Being chosen by customers then depends on whether or not we can offer a wide range of solutions. By solutions, we mean not only our product lineup of adhesives and coatings on top of inks, but also to our ability to respond to various customers, which is if we are able to provide whatever kind of solution for the present and in the future. More than anything, customers choose after evaluating this range of solutions.

Business restructuring is happening not only in our company, but also in our industry, as well as in our customers' industries. With that happening, companies that can supply stronger and a broader range of products will be in demand. So, addressing that demand is our first and foremost priority.

Meanwhile, there are still areas with potential for growth. We believe that there is still room for demand expansion in Asia, the Middle East, Latin America and Africa, not only until 2030, but beyond that.

If we continue to produce the same products in the same manner as before, that will not necessarily result in cost competitiveness or optimal timing. So, we believe that we need various plans and ideas to determine how best to boost our business. With these in mind, we will work to build a new foundation.

Meanwhile, in terms of restructuring or building our foundation, in the case of printing inks, we have both for packaging and for publishing. In the area of publishing inks, we will go about the business while pushing for the appropriate rightsizing in response to declining or disappearing demand. In some cases, we are considering slimming down our earnings base once again by implementing more daring structural reforms.



Continuing on, we have the Color and Display segment, which is mainly engaged in pigments. Noteworthy structural reforms are now progressing in this segment. As mentioned in the presentation of our financial results earlier, we are well aware that as a stand-alone business, we are not necessarily at a satisfactory level in terms of profitability, for example, in terms of such indicators as ROIC.

Once again, in that sense, I believe that we need to work on improving production efficiency and capital efficiency in the true sense of the word. In this context, this calls for the further compression and integration of the supply chain. In the case of our company, this means that together with those efficiencies, there is still a lot of room to pursue such initiatives in light of our overall footprint, production bases and other factors.

Now, from the perspective of ROIC, we believe there is much room for improvement in various areas of cash management, including working capital. Therefore, we will continue to improve not only our operating income, but also our cash position.

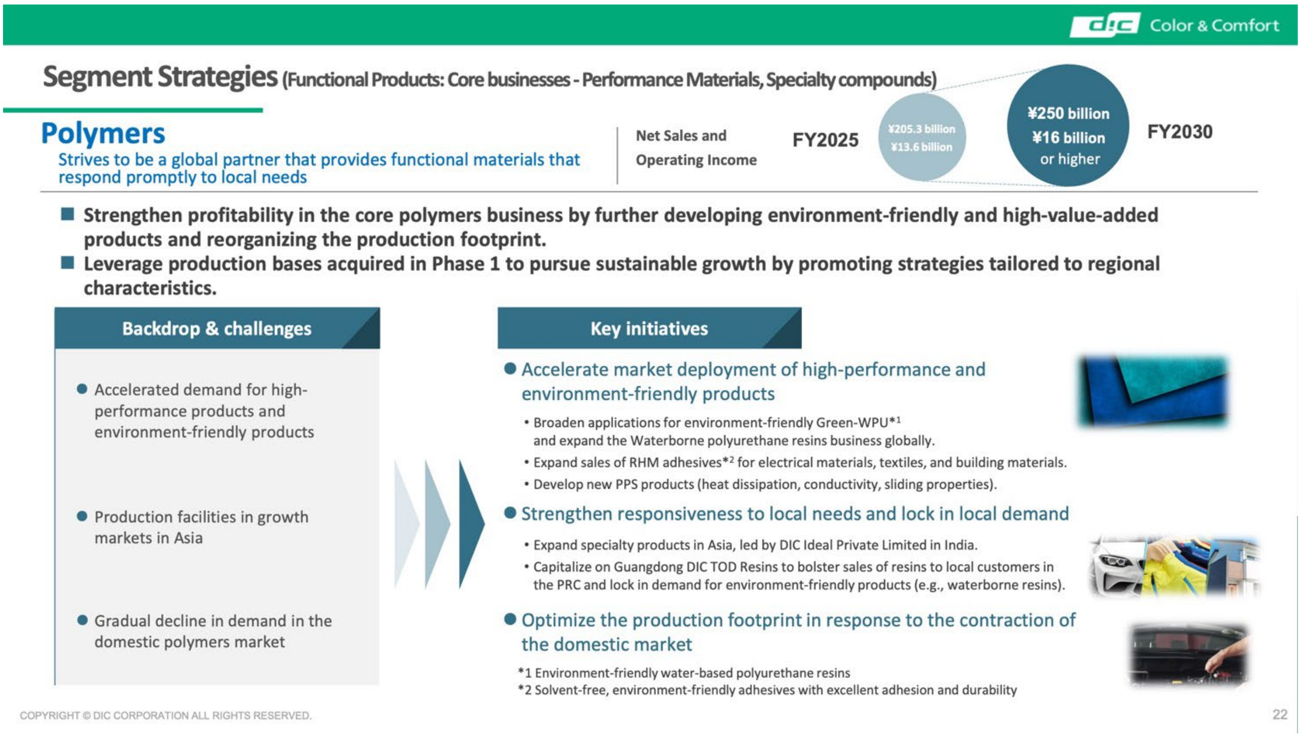
The environment in our industry and in our customers' markets is similar to that of the ink business. Consolidation is occurring among companies in the same industry, as well as on the customer and demand sides.

Just like with inks, in terms of what is required, it is not just the fluctuations in apparent demand and price movements in a competitive environment. What will be required going forward, especially toward the future, is the ability to make proposals that contribute to the environment and social value.

In conjunction with this, given the various changing global laws and regulations, pigments, in particular, are a business that must be operated under extremely strict controls. Rather than simply addressing these regulations, though, we must anticipate them, and as an industry leader, take the lead in providing safe and secure materials. In the same way, we will continue our efforts to become a manufacturer and supplier of choice. By doing that, we hope to maintain our position in an increasingly competitive environment.

Not only that, but we are also targeting growth. We possess groups of high-margin products with growth potential, especially in terms of pigments for displays, digital and specialty applications, so we aim to raise our profit margin by focusing on and expanding our product lineup.

Although it is still difficult to foresee an immediate recovery in demand in Europe, even now, we are still making efforts to effectively avoid the impact of tariffs. In the US, we are taking advantage of the Buy American policy by producing in the US, and although we would not say that we are the only one doing it, this is a huge advantage. Therefore, we believe that we can still compete in such a changing external environment by implementing measures that leverage our strengths.



Continuing on, let me discuss the Functional Products segment. Within this segment, I would like to talk about polymers, which are positioned as a core business. We have a wide variety of environmentally friendly and high-value-added products here.

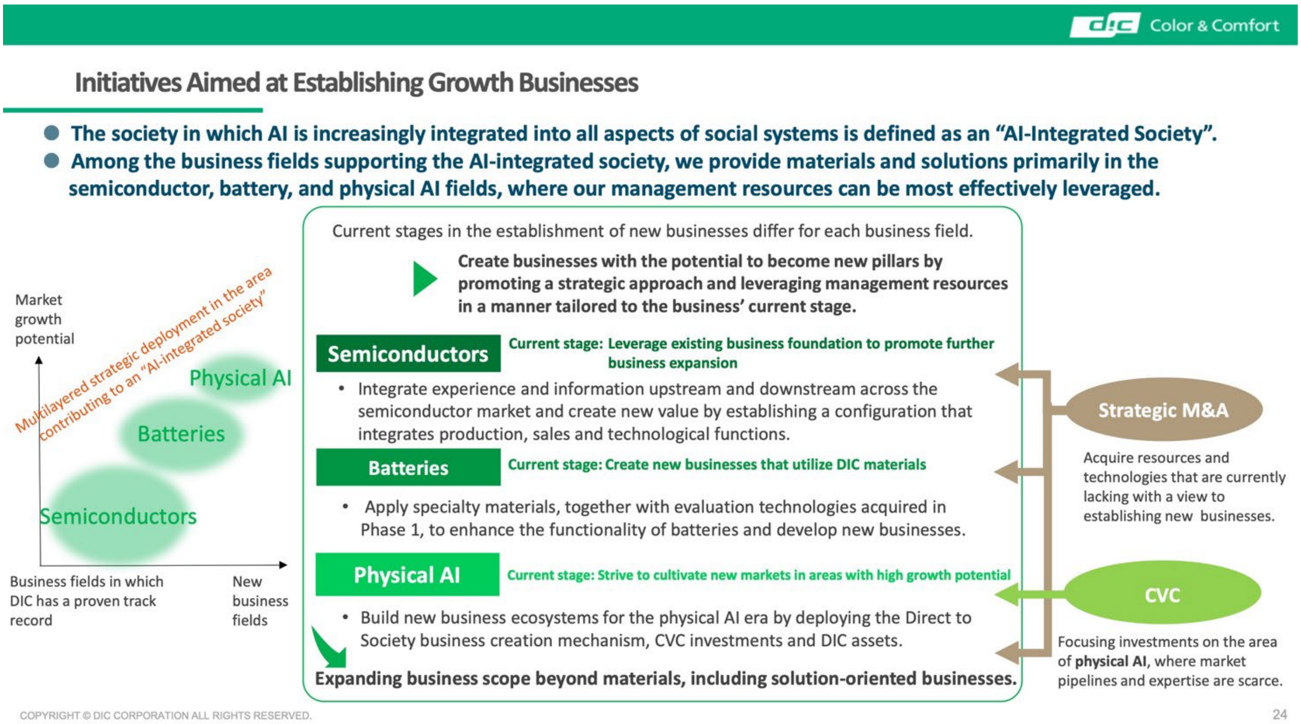
In particular, we have been investing in Asia, China, and India as growth regions. The first pillar of our efforts will be to capture the robust local demand, especially in the area of environmentally friendly products, and to ensure that we get hold of growth in this region.

We also possess a number of highly functional and environmentally friendly products, and we aim to meet the right demand at the right time. In the case of the environment, in particular, where there are ups and downs in the market, we aim to build a track record, primarily in Europe, where environmental initiatives are more advanced, and then gradually expand our business worldwide.

In addition, in terms of demand areas and markets, as we assess the growth areas and mature markets, we believe that restructuring, especially production optimization, would be inevitable here. Therefore, we intend to implement these measures gradually until 2030.

Those are our measures for our core businesses.

Finally, I would like to discuss our growth businesses.



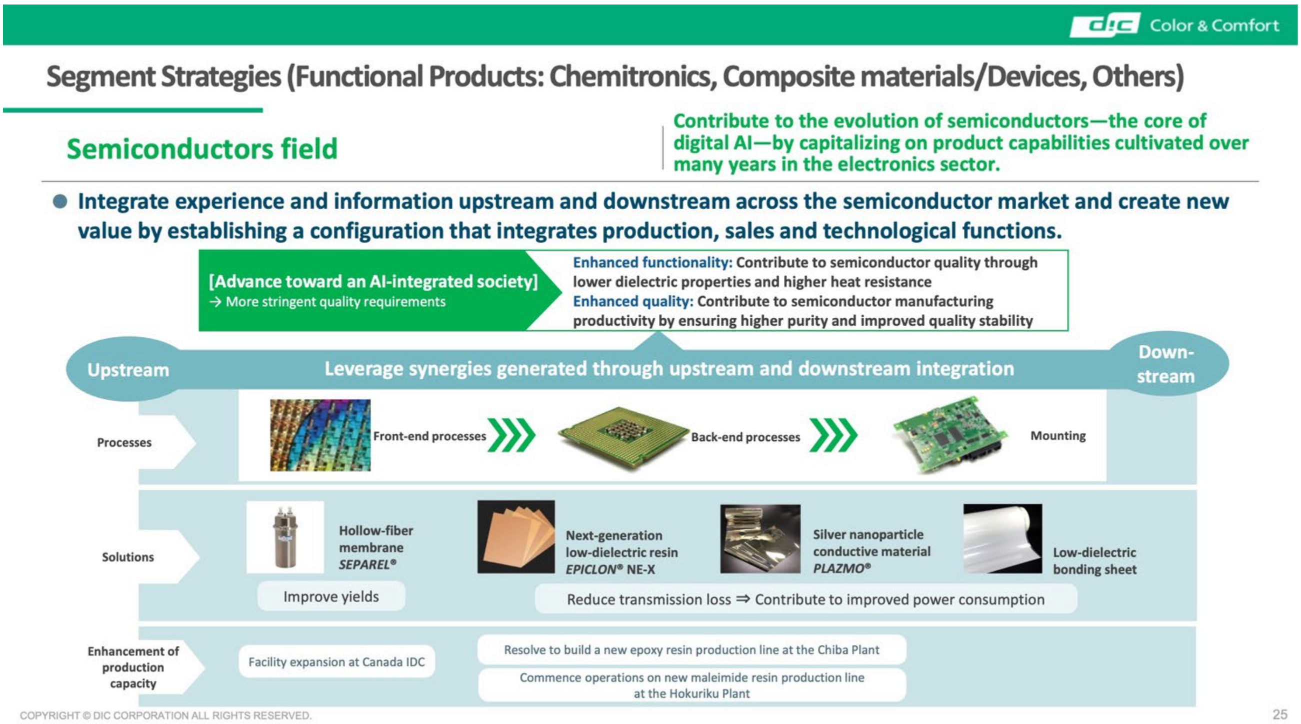
First, please turn to page 24. Let me discuss our basic approach. As you can see in the picture on the left, the core of these growth businesses will be the various product groups that we already have, centering on materials for semiconductor applications.

When it comes to new business areas, we will expand the field by combining batteries, which are a peripheral area that leverages this strength, with devices and solutions. We will also target the physical AI field, which is expected to further grow in the future.

As we go through these steps that are going up, shown in the upper right portion, we will change the way we invest our funds. In terms of semiconductors, batteries, and physical AI, basically, with bolt-on M&A at the core, we will steadily expand our products, while also venturing into organic capital investment.

In addition, as we announced yesterday, we would like to operate our own fund and together with promising startups, we hope to take advantage of the growth of physical AI from the perspective of market development and social implementation. In this regard, our idea is to aggressively invest our funds.

I will explain our progress in this area a little more starting on page 25.

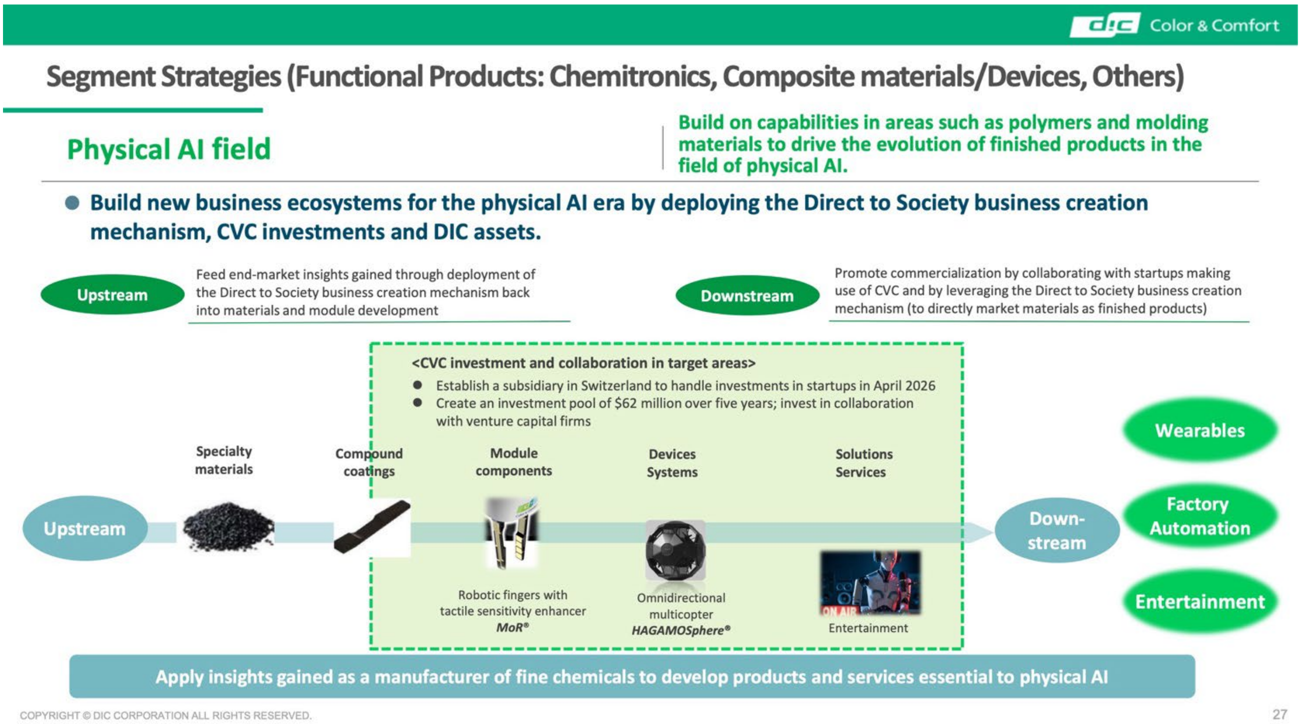


Page 25 here shows the status of the businesses we now possess, mainly chemitronics and composites.

In the semiconductor field, in particular, we supply products to a wide range of areas, from upstream front-end processes to downstream mounting processes. We will enhance the level of each of these solutions. In particular, as shown in the right side in the middle, we aim to increase the degree of processing from the back-end processes to mounting. We also want to develop new product lines by introducing new products and new functions. The basis for this will be to reduce transmission loss, and to expand the so-called high-speed communication capability by taking advantage of our strengths.

Meanwhile, in the front-end process, we are very strong in the area of hollow fiber membranes and resist resins, and we will strive for growth by taking advantage of the superiority of our products in areas that require very strict control, especially in terms of high quality, high purity, and quality stability.

We have a similar approach in the area of batteries, shown in the next page. We already have several products, but we would like to offer products that meet specifications of batteries that will go through various changes in the future by combining them or creating devices with them.



On page 27, we present some ideas regarding the physical AI area. These are our ideas on development in this field and business expansion, but I should note that it is still difficult to foresee how this field will develop.

On the right, we have listed the areas of application that we are currently targeting. As for our general approach, although physical AI is now widely talked about, software, including AI, and semiconductors are advancing rapidly ahead of other areas.

As has been said, these developments will be implemented in society in various ways. There will be more and more of them around us. And the more this social implementation advances, the more we will need materials and substances that we can actually touch. In anticipation of this, we hope to secure an indispensable position as a materials supplier.

However, when we think about how to keep up with the various forms of implementation that I just mentioned, we need to be at the forefront of this implementation. We must be directly involved in those developments. Through our "Direct to Society" approach—to directly market materials as finished products—we aim to identify and even create such opportunities ourselves. By doing so, we intend to establish ourselves as an indispensable provider of materials and modules.

We have already developed some, and we would like to expand our businesses in this area, including through investments in startups in the future.

That concludes our approach to growth toward 2030 for our core and growth businesses.

On page 29, we list the various measures and structures that support the Phase 2 strategy. What is particularly important is to work from the perspective of Direct to Society, as I mentioned earlier, and to support this with human capital management and the enhancement of human capital, as well as the global management system called the global operating model, which we started this year as our management system. With these, we aim to allocate the necessary resources to where they are needed globally across regions and achieve growth.

Color & Comfort

Consolidated Results Targets (Fiscal Years 2026–2030)

(Billions of yen/%)		2025 Actual	2026 Targets	2030 Targets
Net sales		1,052.2	1,100	1,240 or higher
Operating income		52.2	56	80 or higher
Net income attributable to owners of the parent		32.4	33	-
EBITDA		109.3	111	134 or higher
ROIC (%)	Total	4.4%	4.7%	6.0% or higher
	(Reference) Packaging & Graphic	7.2%	6.6%	8.0% or higher
	Color & Display	1.3%	2.2%	5.0% or higher
	Functional Products / Growth businesses	7.9%	8.3%	11.0% or higher
Return on equity (ROE) (%)		7.4%	7.1%	10.0% or higher
Net D/E ratio (Times)		0.8	0.8	0.8 or less

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On page 31, we show the consolidated plan figures based on these measures, as well as some KPIs. We are aiming for sales of JPY1,240 billion or more and operating income of JPY80 billion or more. We have put the possibility of higher figures in all aspects because, as we have said before, these are firm commitments, and by combining these measures in a multi-layered manner, we aim to achieve those higher figures.

With regard to ROIC, although we have not yet decided on target figures for each division, we are aiming for 6% or higher for the entire company, ROE of 10% or higher, and as for the D/E ratio, we are already seeing a ratio of 0.8 times this fiscal year, so we are aiming to lower it to below 0.8 times.

This has been a long presentation, but that is all from me.

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.