

# Notice of Convocation

## of the 127th Annual General Meeting of Shareholders

### Color & Comfort

#### **Date and Time**

10:00 a.m., Thursday, March 27, 2025 (Japan time)

Reception start time: 9:00 a.m.

#### **Place**

Nihonbashi Mitsui Hall, COREDO Muromachi 1 (Reception Desk: 4th Floor)  
2-1, Nihonbashi-Muromachi 2-chome, Chuo-ku, Tokyo

#### **Deadline of Exercise of Voting Rights by Mail and via the Internet**

5:15 p.m., Wednesday, March 26, 2025 (Japan time)

#### **Matters to be Resolved**

##### <Company Proposals>

Proposal 1. Appropriation of Surplus

Proposal 2. Election of 9 Directors

Proposal 3. Election of 1 Audit & Supervisory Board Member

##### <Shareholder Proposal>

Proposal 4. Revision of the Articles of Incorporation

The Annual General Meeting of Shareholders will be streamed live on the internet to enable shareholders to view the proceedings online.

Shareholders may also submit questions in advance via the internet, which they are encouraged to do.

Please note that this is an unofficial English translation of the Japanese Notice of Convocation of the 127th Annual General Meeting of Shareholders, and is provided for your reference and convenience only, without any warranty as to its accuracy or otherwise. The original Japanese version of the Notice of Convocation is the sole official version.

(Securities Identification Code: 4631)

## Annual General Meeting of Shareholders

# Livestream and Submission of Questions in Advance

## 1. Livestream

To encourage participation by an even greater number of shareholders, the Annual General Meeting of Shareholders will be streamed live on the internet. Shareholders not attending the meeting in person are invited to view the proceedings online.

### Date and time of livestream

**10:00 a.m., Thursday, March 27, 2025 (Japan time)**

- Participation is limited to shareholders.
- Reproduction, filming, recording, copying or distribution via SNS of livestream content is prohibited.
- Depending on the device used and internet environment, shareholders may be unable to view the livestream or experience video/audio issues. Shareholders who view the livestream will also bear any telecommunications charges incurred.
- In consideration of the privacy of shareholders attending the meeting in person, the livestream will only show the area around where the chairman and the officers are seated.
- Shareholders viewing the livestream will not be able to ask questions or exercise their voting rights on the day of the meeting. Shareholders choosing to view the livestream rather than attending the meeting in person are asked to exercise their voting rights in advance in writing (by mail) or via the internet.
- If it becomes necessary for any reason to cancel the livestream, a notice will be posted on the DIC global website.

## 2. Submitting Questions in Advance

Shareholders are welcome to submit questions in advance via the internet. The Company will respond to questions regarding matters of high interest to shareholders on the day of the meeting.

### Period for submitting questions via the internet

**0:00, Saturday, March 1, 2025-  
24:00, Monday, March 17, 2025 (Japan time)**

- Questions may only be submitted by shareholders.
- Shareholders are limited to two questions each.
- Shareholders are asked to make their questions as specific and concise as possible and to focus on content pertinent to the agenda of the Annual General Meeting of Shareholders.
- The Company does not guarantee that it will be able to respond to all questions received in advance.

### How to access the website to view the livestream and submit questions in advance

(1) Access the following website from a computer or smartphone:

<https://links-v.pdcp.jp/4631/2025/dic/>

Access from the DIC global website is also possible.

DIC general meeting

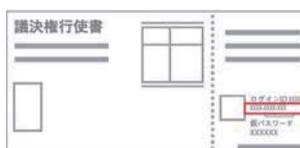
Search



(2) Enter login ID (shareholder number) and password (shareholder's registered postal code) and click "Login."

### Login ID/Password

To log in, shareholders must enter their login ID (shareholder number) and password (shareholder's registered postal code). Your shareholder number is provided on the enclosed Exercise of Voting Rights Form.



The eight digits in the middle of the 15-digit number here on the Exercise of Voting Rights Form is your shareholder number.

XXXX-XXXX-XXXX-XXX

Note your shareholder number here.

Contact for inquiries regarding how to view the livestream:

PRONEXUS Livestream Call Center  
Telephone: 0120-970-835  
Inquiries will be accepted on Thursday, March 27, 2025 (the day of the Annual General Meeting of Shareholders) from 9:00 a.m. (Japan time) to the close of the meeting.

## To Our Shareholders

Let me begin by conveying my appreciation to our shareholders for their ongoing support.

With results deviating from initial expectations and the operating environment changing rapidly, in fiscal year 2024 we revised the financial targets for fiscal year 2025, the final year of Phase 1 of our DIC Vision 2030 long-term management plan, and certain of our strategies. Thanks to efforts to focus on measures designed to yield a prompt return to profitability, including by prioritizing the balanced allocation of management resources and initiating structural reforms in acquired businesses, we succeeded in repositioning the Company on a path to recovery.

In fiscal year 2025, uncertainties in the operating environment are expected to persist, owing to a variety of factors, including increased geopolitical risk. In addition to remaining abreast of change wherever it may occur, we pledge to respond promptly to such uncertainties, as well as to relentlessly pursue ever-higher levels of operating efficiency with the aim of achieving steady results while remaining conscious of the importance of optimal resource allocation. Recognizing that what we do as a company directly or indirectly affects society, we will also work proactively to contribute to the realization of a healthier society by promoting initiatives in areas that embody the new business creation mechanism we have dubbed “Direct to Society.” To this end, we will continue striving to further bolster corporate value by encouraging employees to think and act autonomously.

For fiscal year 2024, we are proposing a year-end cash dividend of 50 yen per share, which is unchanged from our initial forecast. As a consequence, annual cash dividends for the period will amount to 100 yen per share.

In all our efforts, we look forward to the continued support and guidance of our shareholders.

**Takashi Ikeda**  
Representative Director



# Notice of Convocation

Securities Identification Code: 4631

March 11, 2025

(Electronic-format materials will be available from March 1, 2025)

To Our Shareholders,

(Registered Office) 35-58, Sakashita 3-chome, Itabashi-ku, Tokyo

(Corporate Headquarters) 7-20, Nihonbashi 3-chome, Chuo-ku, Tokyo

## DIC Corporation

Takashi Ikeda, Representative Director

### Notice of Convocation of the 127th Annual General Meeting of Shareholders

The 127th Annual General Meeting of Shareholders of DIC Corporation (the "Company") will be held as described below.

In convening the 127th Annual General Meeting of Shareholders, the Company has adopted measures for the electronic provision of the information that comprises the contents of the Reference Documents for the Exercise of Voting Rights ("electronic-format materials"). Please access and review these materials, which are available on the Company's website at "Notice of Convocation of the 127th Annual General Meeting of Shareholders."

<https://www.dic-global.com/en/ir/stocks/meeting.html>

In addition to the Company's website, these electronic-format materials are available on the website of the Tokyo Stock Exchange (TSE). To access and review these materials, please input search criteria (the Company's name or securities identification code), select "Basic Information" and then go to "Documents for public inspection/PR information."

<https://www2.jpx.co.jp/tseHpFront/JJK020010Action.do?Show=Show>

The Annual General Meeting of Shareholders will be streamed live on the internet. For details, please see "Livestream and Submission of Questions in Advance."

If you choose not to attend the meeting, upon review of the Reference Documents for the General Meeting of Shareholders (pages 7-19), please exercise your voting rights in advance in writing (by mail) or via the internet in accordance with the Guidance Notes on the Exercise of Voting Rights (pages 5 and 6) **by 5:15 p.m., Wednesday, March 26, 2025 (Japan time).**

#### Date and Time

10:00 a.m., Thursday, March 27, 2025 (Japan time)

#### Place

Nihonbashi Mitsui Hall, COREDO Muromachi 1 (Reception Desk: 4th Floor)  
2-1, Nihonbashi-Muromachi 2-chome, Chuo-ku, Tokyo

#### Agenda of the General Meeting

##### Matters to be Reported:

1. Business Report, Consolidated Financial Statements and Audit Reports of the Accounting Auditor and the Audit & Supervisory Board for the Consolidated Financial Statements for the 127th Fiscal Year (January 1, 2024–December 31, 2024)
2. Non-Consolidated Financial Statements for the 127th Fiscal Year (January 1, 2024–December 31, 2024)

##### Matters to be Resolved:

###### <Company Proposals> Proposals 1 to 3

Proposal 1. Appropriation of Surplus

Proposal 2. Election of 9 Directors

Proposal 3. Election of 1 Audit & Supervisory Board Member

###### <Shareholder Proposal> Proposal 4

Proposal 4. Revision of the Articles of Incorporation (Regarding reporting and monitoring of related-party transaction)

The Company's Board of Directors **opposes proposal 4**. Please see Reference Documents for the General Meeting of Shareholders (page 19) for the details of the opinion of the Company's Board of Directors.

## Matters Decided upon Convocation of the General Meeting

- (1) If you exercise your voting rights redundantly both by mail and via the internet or other electromagnetic means, the vote cast via the internet or other electromagnetic means shall be considered the valid vote.
- (2) If you exercise your voting rights on the same agenda more than once via the internet or other electromagnetic means, the latest vote cast shall be considered the valid vote.
- (3) If you have not indicated your approval or disapproval of any particular proposal on the Exercise of Voting Rights Form that you have submitted, you will be deemed to have voted to approve in the case of a Company proposal and to disapprove in the case of a shareholder proposal.

In the event of any revisions to the electronic-format materials, a notice to that effect will be posted on the websites shown on page 3 of this Notice of Convocation along with the relevant text before and after revision.

The Company delivers a printed copy of the electronic-format materials, excluding “Items Not Included in Documents Delivered” below, to shareholders who have requested delivery. Shareholders who have not requested document delivery but wish to do so from next year forward are asked to access the website below.

<https://www.tr.mufg.jp/daikou/denshi.html>

### Items Not Included in Documents Delivered

Pursuant to applicable laws and regulations and Article 15, Paragraph 2 of the Company’s Articles of Incorporation, the following items are posted on the websites shown on page 3 and so are not included in the printed copy of the materials delivered to shareholders who have requested a printed copy. All documents subject to audit, including those in the following items, have been audited by the Audit & Supervisory Board and the Accounting Auditor.

- ① Consolidated Statement of Changes in Net Assets
- ② Notes to the Consolidated Financial Statements
- ③ Non-Consolidated Statement of Changes in Net Assets
- ④ Notes to the Non-Consolidated Financial Statements



## Guidance Notes on the Exercise of Voting Rights

The right to vote at the General Meeting of Shareholders is an important shareholder entitlement. Please review the Reference Documents for the General Meeting of Shareholders and exercise your voting rights using one of the methods indicated below. Shareholders choosing not to attend the meeting in person are requested to exercise their voting rights in advance in writing (by mail) or via the internet.

### Attend the General Meeting of Shareholders

Please submit the enclosed Exercise of Voting Rights Form at the reception desk at the General Meeting of Shareholders on the day of the meeting.

Date and time of the General Meeting of Shareholders

Thursday, March 27, 2025  
10:00 a.m. (Japan time)

### Exercise Your Voting Rights in Writing (by Mail)

Please indicate your approval or disapproval of the proposals on the enclosed Exercise of Voting Rights Form and return the Form to the Company by mail so that it arrives by the deadline indicated.

Deadline for arrival

Wednesday, March 26, 2025  
No later than 5:15 p.m.  
(Japan time)

### Exercise Your Voting Rights via the Internet

Please indicate your approval or disapproval of the proposals in accordance with the instructions on page 6 by the deadline indicated.

Deadline for voting via the internet

Wednesday, March 26, 2025  
No later than 5:15 p.m.  
(Japan time)

Institutional investors may use the electronic voting platform operated by ICJ, Inc.

## Instructions for Completing the Exercise of Voting Rights Form

Proposal 4 is a shareholder proposal. The Board of Directors **opposes this proposal**. For details, please see pages 18-19.

### If you **approve** of the Company proposals/ the Board of Directors' opinion

#### 会社提案議案

議案	原案に対し	
第1号議案	<input checked="" type="radio"/>	<input type="radio"/>
第2号議案	(但し <input checked="" type="radio"/> を除く)	<input type="radio"/>
第3号議案	<input checked="" type="radio"/>	<input type="radio"/>

#### 株主提案議案

議案	原案に対し	
第4号議案	<input checked="" type="radio"/>	<input type="radio"/>

### If you **do not approve** of the Company proposals/ the Board of Directors' opinion

#### 会社提案議案

議案	原案に対し	
第1号議案	<input type="radio"/>	<input checked="" type="radio"/>
第2号議案	(但し <input type="radio"/> を除く)	<input checked="" type="radio"/>
第3号議案	<input type="radio"/>	<input checked="" type="radio"/>

#### 株主提案議案

議案	原案に対し	
第4号議案	<input checked="" type="radio"/>	<input type="radio"/>

## Instructions for Exercising Your Voting Rights via the Internet

### Voting via Smartphone Using the QR Code

This allows you to login without entering the login ID and temporary password provided on the Exercise of Voting Rights Form.

- 1 Scan the QR Code printed on the right side of the enclosed Exercise of Voting Rights Form.



- 2 Indicate your approval or disapproval of the proposals in accordance with the directions given.



#### Caution

- Please note that the voting website cannot be accessed between 2:30 a.m. and 4:30 a.m. daily (Japan time).
- Depending on your specific computer or smartphone settings and/or internet environment, you may not be able to use the voting website to exercise your voting rights.
- Any telecommunication charges or other costs incurred in accessing the voting website shall be borne by the individual shareholder.
- Please address any inquiries regarding the exercise of voting rights via the internet using a computer or smartphone to the help desk indicated below.

Inquiries regarding the exercise of voting rights via the internet

Stock Transfer Agency Department (Help Desk)  
Mitsubishi UFJ Trust and Banking Corporation

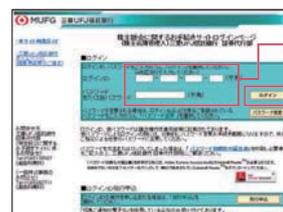
Telephone: **0120-173-027** (Toll-free within Japan)

Operating hours: 9:00 a.m.–9:00 p.m. (Japan time)

### Voting Using the Login ID and Temporary Password

Voting website: <https://evote.tr.mufg.jp/>

- 1 Access the voting website.
- 2 Enter the login ID and temporary password provided on the right side of the enclosed Exercise of Voting Rights Form.



Enter login ID and temporary password

Click "Login"

- 3 Indicate your approval or disapproval of the proposals in accordance with the directions given.

Note: Website voting form shown is a mockup.

# Reference Documents for the General Meeting of Shareholders

## <Company Proposals>

### Proposal 1 Appropriation of Surplus

The Company has a basic policy on the appropriation of retained earnings by ensuring stable management fundamentals and bringing more satisfactory profit returns to the shareholders.

The Company endeavors to maintain the internal reserves and uses those reserves effectively in order to promote the future interests of the shareholders by reinforcing the fundamentals of the Company.

The Company proposes the year-end dividends as follows:

#### 1 Type of Dividend

Cash

#### 2 Allocation of Dividend Property to Shareholders and Total Amount of Dividend

50 yen per share of common stock

Total amount of dividend: 4,747,967,800 yen

The Company previously paid out 50 yen per share as an interim dividend. Accordingly, the aggregate amount of the annual dividends for the fiscal year 2024 will be 100 yen per share.

#### 3 Effective Date of Dividend

March 28, 2025

## Proposal 2 Election of 9 Directors

The term of office of all 10 incumbent Directors will expire at the conclusion of the General Meeting. Accordingly, the Company proposes the election of 9 Directors.

The candidates for Directors are as follows:

Candidate No.	Candidate Name	Current Positions and Responsibilities at the Company	Attendance at Board of Directors' Meetings
1	 <span>Re-Nominated</span> Kaoru Ino	Director Chairman of the Board of Directors	14/14 (100%)
2	 <span>Re-Nominated</span> Takashi Ikeda	Representative Director President and CEO	10/10 (100%)
3	 <span>Re-Nominated</span> Shuji Furuta	Representative Director Executive Vice President Assistant to President and CEO	14/14 (100%)
4	 <span>Re-Nominated</span> Takeshi Asai	Director Senior Managing Executive Officer Head of Finance and Accounting Unit CFO	14/14 (100%)
5	 <span>Re-Nominated</span> Masaya Nakafuji	Director Senior Managing Executive Officer Head of General Affairs and Legal Unit In Charge of Risk management, Osaka Branch and Nagoya Branch	10/10 (100%)
6	 <span>Re-Nominated</span> Masami Fujita	<span>Outside</span> <span>Independent</span> Director	14/14 (100%)
7	 <span>Re-Nominated</span> Shiro Saito	<span>Outside</span> <span>Independent</span> Director	10/10 (100%)
8	 <span>Re-Nominated</span> Donna Costa	<span>Outside</span> <span>Independent</span> Director	10/10 (100%)
9	 <span>Newly Nominated</span> Shie Lundberg (Name as it appears on Japanese family register: Shie Saito)	<span>Outside</span> <span>Independent</span>	—

Re-Nominated Re-Nominated Director Candidate      Newly Nominated Newly Nominated Director Candidate

Outside Outside Director Candidate      Independent Independent Director Candidate

Notes:

- Figures for attendance at Board of Directors' meetings for Takashi Ikeda, Masaya Nakafuji, Shiro Saito and Donna Costa reflect the number of meetings held subsequent to these individual's assumption of office on March 28, 2024 until December 31, 2024.
- In addition to the numbers of meetings indicated in "Attendance at Board of Directors' Meetings," one resolution of the Board of Directors was deemed to have been adopted in accordance with the requirements stipulated in Article 370 of the Companies Act and Article 23 of the Company's Articles of Incorporation.



## 1 Kaoru Ino [DOB: September 15, 1957]

### ▶ Brief Personal History, Positions and Responsibilities

April 1981	Joined the Company
April 2008	General Manager, Finance Dept.
April 2011	General Manager, Purchasing and Logistics Dept.
April 2012	Executive Officer; General Manager, Corporate Planning Dept.
January 2014	Executive Officer; In Charge of Corporate Strategy Div.; General Manager, Corporate Planning Dept.
January 2016	Managing Executive Officer; In Charge of Corporate Strategy Div. and Kawamura Memorial DIC Museum of Art
March 2016	Director; Managing Executive Officer; In Charge of Corporate Strategy Div. and Kawamura Memorial DIC Museum of Art
January 2018	Representative Director; President and CEO
January 2024	Representative Director; Chairman of the Board of Directors
January 2025- Present	Director; Chairman of the Board of Directors

▶ Number of the Company's  
Shares Held

**23,773**

▶ Attendance at Board of  
Directors' Meetings

**14/14**

### ▶ Reasons for Being a Candidate for Director

Kaoru Ino previously served as General Manager of the Finance Dept., General Manager of the Purchasing and Logistics Dept., General Manager of the Corporate Planning Dept., Executive Officer in Charge of the Corporate Strategy Div. and, from fiscal years 2018 through 2023, Representative Director; President and CEO. At present, he is Director; Chairman of the Board of Directors and supervises management of the DIC Group. He has extensive experience, achievements and knowledge regarding the management of global businesses. Accordingly, he is once again a candidate for Director.



## 2 Takashi Ikeda [DOB: May 7, 1965]

### ▶ Brief Personal History, Positions and Responsibilities

April 1990	Joined the Company
January 2019	General Manager, Functional Products Business Planning Dept.
January 2020	Executive Officer; General Manager, Composite Material Products Div.
January 2021	Executive Officer; President, Functional Products Business Group; General Manager, Composite Material Products Div.
January 2022	Managing Executive Officer; President, Functional Products Business Group; General Manager, Composite Material Products Div.
January 2024	President and CEO
March 2024- Present	Representative Director; President and CEO

▶ Number of the Company's  
Shares Held

**5,733**

▶ Attendance at Board of  
Directors' Meetings

**10/10**

### ▶ Reasons for Being a Candidate for Director

Takashi Ikeda was previously involved in diverse areas, ranging from technology to business strategy, and has served as President of the Functional Products Business Group and, beginning in fiscal year 2024, as Representative Director; President and CEO of the Company. He has extensive experience, achievements and knowledge regarding the management of global businesses. Accordingly, he is once again a candidate for Director.



### 3 Shuji Furuta [DOB: June 11, 1964]

#### ▶ Brief Personal History, Positions and Responsibilities

April 1987	Joined the Company
January 2016	General Manager, Finance Dept.
January 2019	Executive Officer; Head of Finance and Accounting Unit
January 2020	Executive Officer; Head of Finance and Accounting Unit; CFO
March 2021	Director; Executive Officer; Head of Finance and Accounting Unit; CFO
January 2022	Director; Managing Executive Officer; Head of Finance and Accounting Unit; CFO
January 2024	Representative Director; Executive Vice President; Assistant to President and CEO; Head of Corporate Strategy Unit; In Charge of Kawamura Memorial DIC Museum of Art
January 2025- Present	Representative Director; Executive Vice President; Assistant to President and CEO

▶ Number of the Company's  
Shares Held

**7,810**

▶ Attendance at Board of  
Directors' Meetings

**14/14**

#### ▶ Reasons for Being a Candidate for Director

Since joining the Company, Shuji Furuta has been involved primarily in accounting. He previously served as Head of Finance and Accounting Unit. At present, he assists the President and CEO as Representative Director and Executive Vice President. He has extensive experience and achievements in finance and accounting, as well as knowledge regarding the management of global businesses. Accordingly, he is once again a candidate for Director.



### 4 Takeshi Asai [DOB: April 3, 1964]

#### ▶ Brief Personal History, Positions and Responsibilities

April 1988	Joined the Company
May 2008	Director, Sun Chemical Corporation
October 2010	Managing Director, DIC Europe GmbH
January 2016	General Manager, Business Performance Control Dept.
January 2018	Executive Officer; General Manager, Corporate Planning Dept.; In Charge of Osaka Branch and Nagoya Branch
January 2021	Executive Officer; Head of Corporate Strategy Unit; In Charge of Kawamura Memorial DIC Museum of Art
March 2021	Director; Executive Officer; Head of Corporate Strategy Unit; In Charge of Kawamura Memorial DIC Museum of Art
January 2022	Director; Managing Executive Officer; Head of Corporate Strategy Unit; In Charge of Kawamura Memorial DIC Museum of Art
January 2024- Present	Director; Senior Managing Executive Officer; Head of Finance and Accounting Unit; CFO

▶ Number of the Company's  
Shares Held

**6,865**

▶ Attendance at Board of  
Directors' Meetings

**14/14**

#### ▶ Principal Concurrent Position Held at Other Organization

Representative Member, DIC INVESTMENTS JAPAN, LLC.  
Chairman of the Supervisory Board, Sun Chemical Group Coöperatief U.A.

#### ▶ Reasons for Being a Candidate for Director

Since joining the Company, Takeshi Asai has been involved primarily in accounting and corporate planning. He previously served as managing director of a subsidiary in Europe, General Manager of the Business Performance Control Dept. and Head of the Corporate Strategy Unit. At present, he is Head of the Finance and Accounting Unit; CFO. He has extensive experience and achievements in finance, accounting and corporate strategy, as well as knowledge regarding the management of global businesses. Accordingly, he is once again a candidate for Director.



## 5 Masaya Nakafuji

[DOB: December 20, 1961]

### ▶ Number of the Company's Shares Held

**10,584**

### ▶ Attendance at Board of Directors' Meetings

**10/10**

### ▶ Brief Personal History, Positions and Responsibilities

April 1984	Joined The Fuji Bank, Limited (Currently, Mizuho Bank, Ltd.)
April 2011	Executive Officer and General Manager, Corporate Banking Department No. 11, Mizuho Corporate Bank, Ltd. (Currently, Mizuho Bank, Ltd.)
April 2013	Executive Officer; General Manager, Overseas Business Coordination Dept., the Company
January 2014	Executive Officer; General Manager, Corporate Business Administration Dept.; General Manager, Corporate Marketing Dept.
January 2015	Executive Officer; General Manager, Corporate Planning Dept.
January 2018	Managing Executive Officer; Head of General Affairs and Legal Unit; Head of ESG Unit; In Charge of Diversity
January 2023	Senior Managing Executive Officer; Head of General Affairs and Legal Unit; In Charge of Risk management, Osaka Branch and Nagoya Branch
March 2024-Present	Director; Senior Managing Executive Officer; Head of General Affairs and Legal Unit; In Charge of Risk management, Osaka Branch and Nagoya Branch

### ▶ Reasons for Being a Candidate for Director

In addition to his extensive experience and achievements in the finance industry prior to joining the Company, Masaya Nakafuji has served as General Manager of the Overseas Business Coordination Dept. and General Manager of the Corporate Planning Dept. At present, he serves as Head of General Affairs and Legal Unit and is in charge of risk management. He has extensive knowledge regarding the management of global businesses and provides recommendations to top management and executives as a pivotal member of the Company's administration. Accordingly, he is once again a candidate for Director.



## 6 Masami Fujita

[DOB: September 22, 1956]

Outside Director Independent Director

### ▶ Number of the Company's Shares Held

**2,000**

### ▶ Attendance at Board of Directors' Meetings

**14/14**

### ▶ Brief Personal History, Positions and Responsibilities

April 1980	Joined Fujitsu Limited
June 2012	Representative Director and Vice President, Fujitsu Limited
April 2016	Representative Director and President, Fujitsu Marketing Limited (Currently, Fujitsu Japan Limited)
January 2019	Advisor, Fujitsu Marketing Limited (Currently, Fujitsu Japan Limited)
April 2019	Executive Vice President, SHINKO ELECTRIC INDUSTRIES CO., LTD.
June 2019	Representative Director of Board and President, SHINKO ELECTRIC INDUSTRIES CO., LTD.
June 2021-Present	Representative Director of Board and Chairperson, SHINKO ELECTRIC INDUSTRIES CO., LTD.
March 2023-Present	Outside Director, the Company

### ▶ Principal Concurrent Positions Held at Other Organizations

Representative Director of Board and Chairperson, SHINKO ELECTRIC INDUSTRIES CO., LTD.  
Outside Director, HAZAMA ANDO CORPORATION

### ▶ Reasons for Being a Candidate for Outside Director and Expected Roles

Masami Fujita served as an executive officer overseeing all management departments, including human resources, at Fujitsu Limited, and as a representative director for a number of Fujitsu subsidiaries, including a marketing firm, and thus has extensive experience and insight in the area of corporate management. He can thus be expected to leverage these, together with outstanding know-how regarding human resources strategies, to help strengthen supervision and governance of the DIC Group. Accordingly, he is once again a candidate for Outside Director.



## 7 Shiro Saito

[DOB: May 1, 1957]

Outside Director

Independent Director

### ▶ Brief Personal History, Positions and Responsibilities

April 1982	Joined Tokyo Shibaura Electric Co., Ltd. (Currently, TOSHIBA CORPORATION)
June 2014	Executive Officer and Corporate Vice President, TOSHIBA CORPORATION
September 2015	Executive Officer and Corporate Senior Vice President, TOSHIBA CORPORATION
June 2018	Executive Officer and Corporate Executive Vice President, TOSHIBA CORPORATION
April 2020	Executive Fellow, TOSHIBA CORPORATION
March 2024- Present	Outside Director, the Company

▶ Number of the Company's  
Shares Held

0

▶ Attendance at Board of  
Directors' Meetings

10/10

### ▶ Reasons for Being a Candidate for Outside Director and Expected Roles

In addition to a long career in R&D at TOSHIBA CORPORATION, Shiro Saito has been involved in corporate management for many years, serving as head of R&D and production, and thus has extensive experience and insight as an executive. He can be expected to leverage his highly specialized experience and broad understanding to advise and provide recommendations in such areas as research, technology and production, as well as to help strengthen supervision and governance of the DIC Group. Accordingly, he is once again a candidate for Outside Director.



## 8 Donna Costa

[DOB: August 15, 1960]

Outside Director

Independent Director

### ▶ Brief Personal History, Positions and Responsibilities

August 1987	Joined Cleary Gottlieb Steen & Hamilton LLP
February 1996	General Counsel, Mitsubishi Chemical America, Inc.
April 2015	President, Mitsubishi Chemical Holdings America, Inc. (Currently, Mitsubishi Chemical America, Inc.)
April 2017	President, Mitsubishi Chemical Holdings Europe GmbH (Currently, Mitsubishi Chemical Europe GmbH)
April 2017	Executive Officer, Mitsubishi Chemical Holdings Corporation (Currently, Mitsubishi Chemical Group Corporation)
October 2020	Director, Gelest, Inc.
March 2024- Present	Outside Director, the Company

▶ Number of the Company's  
Shares Held

0

▶ Attendance at Board of  
Directors' Meetings

10/10

### ▶ Reasons for Being a Candidate for Outside Director and Expected Roles

Donna Costa has been engaged in corporate management at multiple global companies, serving primarily in legal and governance-related capacities, for many years, and thus has extensive experience in the area of corporate management, which she can be expected to leverage, together with outstanding expertise in M&As and risk management, to help strengthen supervision and governance of the DIC Group. Accordingly, she is once again a candidate for Outside Director.



## 9 Shie Lundberg [DOB: October 11, 1973] Newly Nominated Outside Director Independent Director

(Name as it appears on Japanese family register: Shie Saito)

### ▶ Brief Personal History, Positions and Responsibilities

April 1996	Joined Booz-Allen & Hamilton Co., Ltd. (Currently, PwC Consulting LLC)
September 2001	Joined Merrill Lynch Japan Securities Co., Ltd. (Currently, BofA Securities Japan Co., Ltd.)
February 2005	Director, VIZ Media, LLC
January 2008	Senior Director, VIZ Media, LLC
February 2012	Senior Director, Nextag, Inc.
June 2016- Present	Director, Google Inc. (Currently, Google LLC)
June 2022- Present	Outside Director, Resona Bank, Limited

### ▶ Number of the Company's Shares Held

0

### ▶ Attendance at Board of Directors' Meetings

—

### ▶ Reasons for Being a Candidate for Outside Director and Expected Roles

Shie Lundberg has experience and achievements in the area of finance, as well as extensive know-how as an executive at multiple global companies, which she can be expected to leverage, together with exceptional expertise and competencies cultivated through involvement in startups and in the capital market, to help strengthen supervision and governance of the DIC Group. Accordingly, she is a candidate for Outside Director.

#### Notes:

- Shie Lundberg is a newly nominated candidate for Director.
- There are no special interests between each candidate and the Company.
- The number of the Company's shares held by each candidate includes the number of those to be provided for the past term of office as Executive Officer of the Company under the performance-based compensation plan, a certain proportion of which will be sold at market and provided in cash equivalent to the proceeds from the sale.
- The Company purchases directors' and officers' (D&O) liability insurance from an insurance company as stipulated in Article 430-3, Paragraph 1, of Japan's Companies Act, for all Directors, payable to the insured individuals. The insurance premiums of the insured individuals are paid in full by the Company. The insurance covers damages, including legal expenses incurred by insured individuals in the event of a claim for damages arising from an act or acts committed in the course of performing their duties. The contract is renewed annually. Each candidate for Director whose nomination is approved will be covered by this insurance, which will be renewed during their term of office.
- Masami Fujita, Shiro Saito, Donna Costa and Shie Lundberg are candidates for Outside Directors. Matters to be particularly mentioned in connection therewith are as follows:

#### (1) Number of Years since the Candidates First Assumed Office of Outside Directors of the Company

At the conclusion of the General Meeting, Masami Fujita will have served for two years as Outside Director of the Company. At the conclusion of the General Meeting, Shiro Saito and Donna Costa will have served one year as Outside Director of the Company.

#### (2) Summary of Liability Limitation Contracts

The Company plans to extend the contract for limitation of liability with Masami Fujita, Shiro Saito and Donna Costa if they are reelected. Pursuant to the contract, if they neglect their duties and cause damages to the Company, they shall be liable for damages up to the minimum liability amount stipulated in Article 425, Paragraph 1 of the Companies Act, on the condition that they acted in good faith and were not grossly negligent in performing their duties. The Company plans to enter into a contract for limitation of liability with Shie Lundberg if she is elected. Pursuant to the contract, if she neglects her duties and causes damages to the Company, she shall be liable for damages up to the minimum liability amount stipulated in Article 425, Paragraph 1 of the Companies Act, on the condition that she acted in good faith and were not grossly negligent in performing her duties.

#### (3) Designation as Independent Directors

Masami Fujita, Shiro Saito and Donna Costa are designated as Independent Directors pursuant to the rules of the Tokyo Stock Exchange. The Company plans to designate Shie Lundberg as Independent Director pursuant to the rules of the Tokyo Stock Exchange. For the Company's Independence Standards for Independent Outside Officers, please refer to page 17.

## Proposal 3 Election of 1 Audit & Supervisory Board Member

The term of office of Audit & Supervisory Board Member Keita Nagura will expire at the conclusion of the General Meeting. Accordingly, the Company proposes the election of 1 Audit & Supervisory Board Member.

This proposal has received the consent of the Audit & Supervisory Board.

The candidate for Audit & Supervisory Board Member is as follows:

Candidate Name	Current Positions at the Company	Attendance at Board of Directors' Meetings	Attendance at Audit & Supervisory Board Meetings
 <div style="display: inline-block; border: 1px solid black; padding: 2px;">Re-Nominated</div> <div style="display: inline-block; border: 1px solid black; padding: 2px; margin-left: 10px;">Outside</div> Keita Nagura <div style="display: inline-block; border: 1px solid black; padding: 2px; margin-left: 10px;">Independent</div>	Audit & Supervisory Board Member	14/14 (100%)	16/16 (100%)

Re-Nominated

 Re-Nominated Audit & Supervisory Board Member Candidate

Outside

 Outside Audit & Supervisory Board Member Candidate

Independent

 Independent Audit & Supervisory Board Member Candidate

Note: In addition to the numbers of meetings indicated in "Attendance at Board of Directors' Meetings," one resolution of the Board of Directors was deemed to have been adopted in accordance with the requirements stipulated in Article 370 of the Companies Act and Article 23 of the Company's Articles of Incorporation.

(Reference)

Audit & Supervisory Board Members who will remain as Members after the conclusion of the General Meeting are as follows:

Name	Current Positions at the Company
 Hiroyuki Ninomiya	Full-time Audit & Supervisory Board Member
 Toshinobu Kitamura	Full-time Audit & Supervisory Board Member
 Keiko Kishigami <div style="display: inline-block; border: 1px solid black; padding: 2px; margin-left: 10px;">Outside</div> <div style="display: inline-block; border: 1px solid black; padding: 2px; margin-left: 10px;">Independent</div>	Audit & Supervisory Board Member

Outside

 Outside Member 

Independent

 Independent Member



# Keita Nagura

[DOB: January 11, 1971]

Outside Member Independent Member

## ▶ Brief Personal History and Positions

- April 1998- Present Registered as an attorney (Osaka Bar Association)  
Joined Yodoyabashi Godo Law Office (Currently, Yodoyabashi & Yamagami Legal Professional Corporation)
- February 2002- Present Changed registration as an attorney (Dai-Ichi Tokyo Bar Association)
- March 2021- Present Audit & Supervisory Board Member, the Company

### ▶ Number of the Company's Shares Held

0

### ▶ Attendance at Board of Directors' Meetings

14/14

### ▶ Attendance at Audit & Supervisory Board Meetings

16/16

## ▶ Principal Concurrent Position Held at Other Organization

Outside Director, Helios Techno Holding Co., Ltd.

## ▶ Reasons for Being a Candidate for Outside Audit & Supervisory Board Member

As an attorney in the area of corporate legal affairs, Keita Nagura has accumulated a wealth of specialized knowledge and experience. As such, he is seen as able to perform his duties as an Outside Audit & Supervisory Board Member from a professional, multifaceted and independent perspective. Accordingly, he is once again a candidate for Outside Audit & Supervisory Board Member.

### Notes:

1. There are no special interests between Keita Nagura and the Company.
2. The Company purchases directors' and officers' (D&O) liability insurance from an insurance company as stipulated in Article 430-3, Paragraph 1, of Japan's Companies Act, for all Audit & Supervisory Board Members, payable to the insured individuals. The insurance premiums of the insured individuals are paid in full by the Company. The insurance covers damages, including legal expenses incurred by insured individuals in the event of a claim for damages arising from an act or acts committed in the course of performing their duties. The contract is renewed annually. The candidate for Audit & Supervisory Board Member whose nomination is approved will be covered by this insurance, which will be renewed during his term of office.
3. Keita Nagura is a candidate for Outside Audit & Supervisory Board Member. Matters to be particularly mentioned in connection therewith are as follows:
  - (1) Number of Years since the Candidate First Assumed Office of Outside Audit & Supervisory Board Member of the Company  
At the conclusion of the General Meeting, he will have served for four years as Outside Audit & Supervisory Board Member of the Company.
  - (2) Summary of Liability Limitation Contracts  
The Company plans to extend the contract for limitation of liability with him if he is reelected. Pursuant to the contract, if he neglects his duties and causes damages to the Company, he shall be liable for damages up to the minimum liability amount stipulated in Article 425, Paragraph 1 of the Companies Act, on the condition that he acted in good faith and was not grossly negligent in performing his duties.
  - (3) Designation as Independent Audit & Supervisory Board Member  
He is designated as Independent Audit & Supervisory Board Member pursuant to the rules of the Tokyo Stock Exchange. For the Company's Independence Standards for Independent Outside Officers, please refer to page 17.

## Reference

## Expertise and Experience of Directors and Audit & Supervisory Board Members

(Assuming the Election of All Candidates at the Annual General Meeting of Shareholders)

### Skills Matrix

Name	Position	Expertise/Experience									
		Corporate Management	Finance/Accounting/Investment/M&A	Legal Affairs/Risk Management/Governance	International Experience	Sustainability/ESG/CSR	Technology/R&D/Production/Quality	IT/DX	Personnel/Labor/Organization	Marketing/Sales/Purchasing	New Business/Innovation
Kaoru Ino	Director Chairman of the Board of Directors	●	●		●	●				●	
Takashi Ikeda	Representative Director President and CEO	●	●		●		●				●
Shuji Furuta	Representative Director Executive Vice President	●	●	●	●			●			
Takeshi Asai	Director Senior Managing Executive Officer	●	●		●			●	●		
Masaya Nakafuji	Director Senior Managing Executive Officer	●	●	●			●		●		
Masami Fujita	Outside Director	●		●		●			●	●	
Shiro Saito	Outside Director	●			●		●	●			●
Donna Costa	Outside Director	●		●	●	●			●		
Shie Lundberg	Outside Director		●	●	●			●			●
Hiroyuki Ninomiya	Audit & Supervisory Board Member (Full-time)		●	●	●			●			
Toshinobu Kitamura	Audit & Supervisory Board Member (Full-time)		●		●	●		●			
Keita Nagura	Audit & Supervisory Board Member (Independent)		●	●		●			●		
Keiko Kishigami	Audit & Supervisory Board Member (Independent)		●	●	●	●					

**Reference****1 Policy for Nominating Director and Audit & Supervisory Board Member Candidates**

The Company's policy is to nominate Director and Audit & Supervisory Board Member candidates who have high ethical standards and who have the knowledge, experience and ability to perform their duties as delegated by shareholders in a manner that will contribute to sustainable growth and increased corporate value for the DIC Group as a whole.

**2 Independence Standards for Independent Outside Officers**

The Company does not recognize individuals with the connections listed below as being independent in the appointment of Independent Outside Officers.

- 1) Individuals who are executives of the Company or one of its consolidated subsidiaries (collectively, the "DIC Group") at present or have been in the preceding 10 years.
- 2) Individuals to whom any of the following items has applied in the preceding 3 years:
  - ① A principal business partner of the DIC Group (a business partner with which transactions in a single fiscal year exceed 3% of the DIC Group's consolidated net sales in that year) or an executive of a business partner to which this description applies
  - ② An individual for which the DIC Group is a principal business partner (a business partner with which transactions in a single fiscal year exceed 3% of the partner's consolidated net sales in that year) or an executive of an entity to which this description applies
  - ③ A shareholder who holds 5% or more of the voting rights of the Company or an executive of a said shareholder to which this description applies
  - ④ A principal lender to the DIC Group (a lender from which loans in a single fiscal year exceed 3% of the DIC Group's total assets in that year) or an executive of a said lender to which this description applies
  - ⑤ An individual who has received contributions from the DIC Group in a year that exceed more than 10 million yen or an individual who belongs to an entity to which this description applies
  - ⑥ An accountant who serves as an accounting auditor or accounting advisor for the DIC Group or an individual who is an employee, partner or associate of an audit firm to which this description applies
  - ⑦ Any individual to whom item ⑥ does not apply but has received remuneration from the DIC Group that exceeds 10 million yen in a year, excluding remuneration received as a director or corporate officer of the DIC Group, as a provider of professional services, such as consulting, accounting or legal services, or an individual of an organization that received remuneration in excess of 3% of its consolidated net sales in a fiscal year as compensation for professional services
  - ⑧ An executive of another company, in the event that an executive of the Company is appointed to an outside officer position at that company
- 3) Spouses and relatives within the second degree of kinship of individuals listed in 1) or 2) above.
- 4) An individual whose term as an outside officer of the Company exceeds 8 years.

## <Shareholder Proposal>

Proposal 4 was submitted by two shareholders (OASIS INVESTMENTS II MASTER FUND LTD. and OASIS JAPAN STRATEGIC FUND LTD.).

The specifics of and reasons for this proposal are as they appear in document submitted by the proposing shareholders, although the Company has made superficial amendments, including the deletion/addition of the proposal number and standardization of phrasing.

**The Board of Directors opposes proposal 4.**

Please review the opinion of the Board of Directors and exercise your voting rights.

### Proposal 4

## Revision of the Articles of Incorporation (Regarding reporting and monitoring of related-party transaction)

### (1) Summary of the proposal

(underlined parts show the changes)

Current AOI	Proposed changes
(Newly added)	<p><u>Chapter 8 Monitoring related-party transactions</u>  <u>(Reporting and Monitoring of related-party transactions)</u>  <u>Article 42 The Board of Directors shall monitor transactions with related-parties of the DIC Group, following the receipt of a report that the conditions of such transactions are fair and reasonable, thorough designated procedures such as the comparison of these terms with those of transactions with independent third parties, and confirm their reasonableness through board resolutions, at the point the transaction is initiated and every quarter. Further, any retied directors, their relatives, and companies and entities that are effectively controlled by them shall be considered a related-party for this purpose.</u></p>

### (2) Reasons for the Proposal

As the Proposing Shareholders had doubts about the fairness of the related-party transactions with Dainichi Can and Nissin Trading disclosed in the Company's annual securities report, the Proposing Shareholders filed a court claim seeking to make copies and inspect the minutes of the meetings of the board of directors regarding the relevant related-party transactions.

Despite the Company's corporate governance report stating, "[t]he Board of Directors monitors transactions with related parties of the DIC Group, following the receipt of a report that the conditions of such transactions are fair and reasonable, through designated procedures such as comparison with the terms with those of transactions with independent third parties, at the point the transaction is initiated and at periodic intervals thereafter.", the Company argued that there are no such board minutes regarding the related-party transactions with the said companies, which reveals that there is a concern that no appropriate monitoring has been conducted by the board.

There are risks with related-party transactions since they could profit the related parties at the cost of the Company's own interests. Therefore, the Proposing Shareholders make this Proposal with the aim to ensure appropriate monitoring of these types of transactions.

## <Opinion of the Company's Board of Directors>

The Company's Board of Directors **opposes Proposal 4**. The reasons for opposition are as below.

This proposal calls for the Board of Directors of the Company to make a resolution to receive reports on transactions between the Group and related parties at the time the transactions commence and on a quarterly basis, to appropriately monitor the transactions, and to confirm their appropriateness. The proposal also calls for the Articles of Incorporation to stipulate that "related parties" in this provision shall include persons who have retired as directors of the Company and their associates ("retired directors, etc.").

With regard to transactions with "related parties" as defined in Article 112, Paragraph 4 of the Corporate Accounting Regulations, the department in charge carefully investigates the appropriateness of the transaction terms by researching neighboring market prices, comparing the transaction terms with those of the related parties' competitors, and analyzing the factors behind price fluctuations. Audits are also conducted by the internal auditing department and the Audit & Supervisory Board Members. In addition, the results of the verification of related party transactions are reported to the Board of Directors once a year, and appropriate monitoring and supervision of related party transactions is already being carried out. Taking this reality into account, the securities report states that the "transaction terms and policies for determining transaction terms, etc." for related party transactions are conducted on general transaction terms that take into account local market prices or are similar to those for transactions between independent third parties. In addition, the corporate governance report states that "we receive reports to confirm that transactions are being conducted on fair and reasonable terms, following prescribed procedures such as comparing the transaction terms with those with independent third parties at the time the transaction begins and on a regular basis, and monitor the transaction."

As such, with regard to related party transactions, by having the relevant department review transaction content, among other measures, the Company already conducts reporting to the Board of Directors and appropriate monitoring and supervision by the Board of Directors. Therefore, there is no need to stipulate obligations such as those proposed in the Articles of Incorporation, which are the fundamental rules of the Company.

Regarding the section requiring the inclusion of retired directors, etc. in the scope of "related parties," the scope of "related parties" is clearly stipulated in the Corporate Accounting Rules, which are stipulated in accordance with Article 8, Paragraph 17 of the Rules on Terminology, Forms and Preparation Methods of Financial Statements, etc., and there is no need to deliberately expand the meaning of related parties to a scope that differs from the provisions of these rules. The proposing shareholders' reasons for the proposal also do not mention anything about the need to expand the scope of related parties.

In addition, in its reasons for the proposal, the proposing shareholders state that the Company has asserted in the court proceedings that there are no minutes of the related party transactions with both Dainichi Can and Nisshin Trading. However, the minutes of the board of directors meeting that the proposing shareholders are requesting to disclose are the "portion relating to discussions and decisions" regarding the transactions with the two companies mentioned above, i.e., disclosure of the approval details for those transactions. However, the scale and content of those transactions did not require individual approval, and therefore the Company has simply responded that there are no minutes. On the other hand, since there were other cases in which approval was given, the Company acknowledged the existence of the minutes during the court proceedings.

The Company will continue to respond appropriately to the court proceedings filed by the proposing shareholders and will assert the validity and legitimacy of its claims in court.

Therefore, the Board of Directors of the Company **opposes** this proposal.

# Business Report

(January 1, 2024 - December 31, 2024)

## 1 Current Conditions of the DIC Group

### 1 Business Progress and Achievements

In the fiscal year ended December 31, 2024, consolidated net sales increased 3.1%, to ¥1,071.1 billion. On a local currency basis, however, consolidated net sales edged down 0.1%. Looking at key global economies, the Americas and Europe saw changes in monetary policy in response to the easing of inflationary pressures, including decisions by central banks to reverse course and lower interest rates. In contrast, in the People's Republic of China (PRC) the economic outlook remained unclear, owing to a persistently sluggish real estate market, waning domestic demand and other factors. Against this backdrop, demand trends in core customer industries varied. In the area of digital materials, used principally in electrical and electronics equipment and in displays, demand in the display market remained firm for the most part, mirroring display manufacturers' production levels, and picked up in the semiconductor market, driven by growth sectors such as generative AI, although a full-scale revival in demand for general-purpose products remained elusive. In industrial materials,\* used primarily in mobility solutions, demand for materials for use in automobiles was steady as vehicle sales remained solid worldwide. In this environment, shipments in the Functional Products segment rallied, led by high-value-added offerings for use in electronics equipment and in mobility solutions. In the Packaging & Graphic segment, shipments of jet inks and of packaging inks in overseas markets advanced, underpinned by firm demand. In the Color & Display segment, sales of high-value-added pigments for color filters were firm, while sales of pigments for coatings and for plastics rallied from the sharp declines seen in the fiscal year ended December 31, 2023, thanks to ongoing moves by customers to replenish inventories. Higher net sales also reflected the positive impact of a weak yen on sales denominated in other currencies after translation. Net sales were negatively affected by withdrawals, including through divestiture, from noncore businesses—chiefly in the Functional Products segment—implemented to drive business portfolio transformation, which resulted in the exclusion of the sales of these businesses, including SEIKO PMC CORPORATION, from consolidated results.

Operating income climbed 148.1%, to ¥44.5 billion. The Packaging & Graphic and Functional Products segments saw steep gains, buttressed by a revival in shipments of high-value-added products and an improved product mix, and by efforts to revise sales prices in response to specific regional and product characteristics. In addition, a recovery in shipments of pigments for coatings and for plastics combined with structural reforms aimed at, among others, optimizing production configurations—particularly in the United States and Europe—and efforts to lower costs to significantly reduce the loss in the Color & Display segment.

Ordinary income soared 311.3%, to ¥37.9 billion.

Net income attributable to owners of the parent was ¥21.3 billion, compared with a net loss in the preceding period. This reflected an increase in total extraordinary income, the result of a gain on sales of non-current assets stemming from the transfer of intellectual property related to the liquid crystal (LC) materials business, and a higher gain on sales of investment securities arising from the reduction of strategic shareholdings, as well as a steep decline in total extraordinary losses due to the absence of ¥33.5 billion in impairment losses recorded in the preceding period.

Earnings before interest, taxes, depreciation and amortization (EBITDA) rose 210.3%, to ¥95.7 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.

(Billions of yen)

	Fiscal Year 2023	Fiscal Year 2024	Change (%)	Change (%) [Local Currency Basis]
Net Sales	1,038.7	1,071.1	3.1%	-0.1%
Operating Income	17.9	44.5	148.1%	155.8%
Ordinary Income	9.2	37.9	311.3%	—
Net Income (Loss) Attributable to Owners of the Parent	(39.9)	21.3	Into the black	—
EBITDA*	30.8	95.7	210.3%	—
¥/US\$1.00 (Average Rate)	140.51	151.04	7.5%	—
¥/EUR1.00 (Average Rate)	151.98	163.34	7.5%	—

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

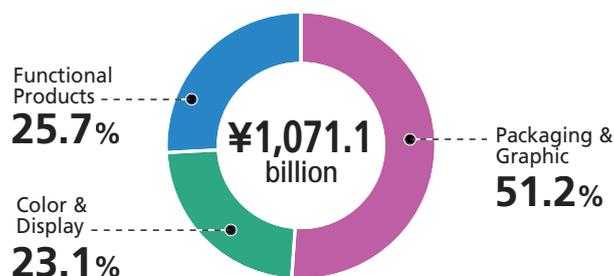
Results of operations by segment are as follows:

(Billions of yen)

Segment	Net Sales				Operating Income			
	Fiscal Year 2023	Fiscal Year 2024	Change (%)	Change (%) [ Local Currency Basis ]	Fiscal Year 2023	Fiscal Year 2024	Change (%)	Change (%) [ Local Currency Basis ]
Packaging & Graphic	541.9	569.8	5.1%	2.4%	22.0	33.6	52.8%	58.7%
Color & Display	227.3	257.0	13.1%	6.9%	(8.9)	(0.3)	Pared loss	Pared loss
Functional Products	305.9	286.3	-6.4%	-8.9%	15.4	21.0	36.0%	31.6%
Others, Corporate and Eliminations	(36.4)	(41.9)	—	—	(10.6)	(9.8)	—	—
Total	1,038.7	1,071.1	3.1%	-0.1%	17.9	44.5	148.1%	155.8%

Segment results in key markets are detailed on pages 22-24. Year-on-year percentage changes in squared parentheses represent increases or decreases on a local currency basis.

Breakdown of Fiscal Year 2024 Net Sales by Segment



Note: Percentages are calculated by adding back others, corporate and eliminations.

# Packaging & Graphic



## Packaging Materials that Bring Safety and Peace of Mind

### Principal Products

#### [Printing Materials]

Gravure Inks, Flexo Inks, Offset Inks, News Inks, Jet Inks, Metal Decorative Inks, Printing Plates, Security Inks

#### [Packaging Materials]

Polystyrene, Packaging Adhesives, Multilayer Films

Net Sales

**¥569.8 billion**  
Change **+5.1%** [+2.4%]

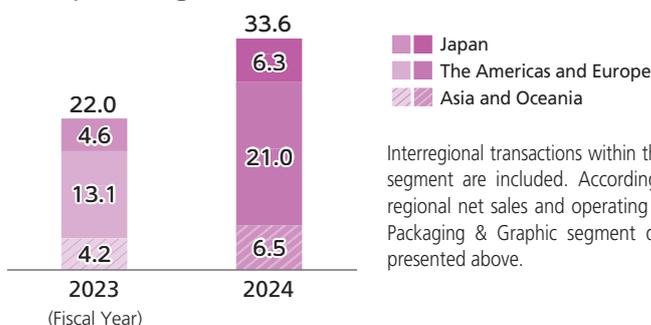
Operating Income

**¥33.6 billion**  
Change **+52.8%** [+58.7%]

### ● Net Sales (Billions of yen)



### ● Operating Income (Billions of yen)



■ Japan  
■ The Americas and Europe  
■ Asia and Oceania

Interregional transactions within the Packaging & Graphic segment are included. Accordingly, the aggregates of regional net sales and operating income figures for the Packaging & Graphic segment differ from the figures presented above.

Segment sales advanced 5.1%, to ¥569.8 billion. In the area of packaging inks, used chiefly on packaging for food products, shipments in Japan declined, as rising prices continued to dampen demand for consumer goods, but sales were buoyed by efforts to pass on elevated costs by adjusting sales prices, and by increased sales overseas, underpinned by a revival in demand for consumer goods in the Americas and Europe, as well as by efforts to cultivate customers in Asia, which boosted shipments. Despite expanded shipments in Asia, owing to the cultivation of customers and other factors, sales of publication inks, which center on inks for commercial printing and news inks, fell as dwindling demand pushed shipments down in Japan, as well as in the Americas and Europe. Sales of jet inks, used in digital printing, climbed sharply as customers completed measures to resolve surplus inventories, spurring brisk demand and elevated shipments.

Segment operating income rose 52.8%, to ¥33.6 billion. In Japan, shipments of high-value-added jet inks were robust, while moves to counter elevated costs in packaging inks and publication inks by modifying sales prices progressed. Operating income was also up sharply worldwide, buttressed by higher shipments of packaging inks and publication inks in Asia, together with efforts to maintain sales prices for packaging inks and publication inks in the Americas and Europe amid falling raw materials prices by ensuring stable supplies and services.

### Focus: Development of New Technologies

## Notable Achievements Include the Adoption of a Waterborne Coating Varnish Approved as a Food Contact Material

Newly developed printing inks included a next-generation ink for paper containers, which was introduced at Tokyo International Packaging Exhibition 2024 (TOKYO PACK 2024). The Company also announced that a waterborne coating varnish approved as a food contact material and achieves outstanding water and oil resistance, while at the same time containing no perfluoroalkyl or polyfluoroalkyl substances (PFASs), had been adopted for use in paper food cups manufactured without plastic film.

In the area of packaging materials, the Company inaugurated a proprietary polystyrene dissolution and separation facility, a significant step toward achieving the packaging materials industry's first-ever closed-loop recycling system for colored and patterned polystyrene foam food trays that deploys material recycling.

Overseas, a drinkable water-based printing ink that meets recyclability standards for shrink labels used on high-density polyethylene containers, as well as a biorenewable low-migration ink for high-temperature food labels have been developed.



New PFAS-free varnish is oil-resistant and helps reduce CO<sub>2</sub> emissions and plastic use.

Laminated packaging material coated with water- and oil-resistant HYDRECT varnish

# Color & Display



## Color and Display Materials that Make Life Colorful

### Principal Products

#### [Color Materials]

Pigments for Coatings, Pigments for Plastics, Pigments for Printing Inks, Pigments for Specialty Applications, Pigments for Color Filters, Pigments for Cosmetics, Health Foods

#### [Display Materials]

TFT Liquid Crystals, STN Liquid Crystals

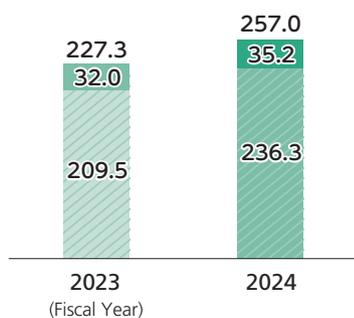
Net Sales

¥257.0 billion  
Change +13.1% [+6.9%]

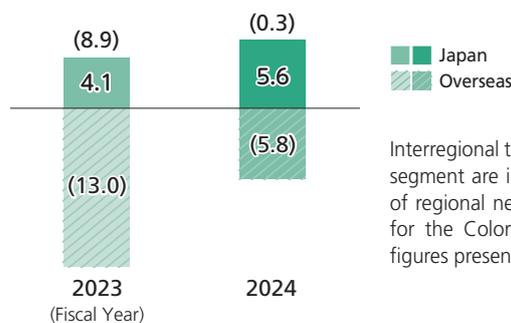
Operating  
Income (Loss)

¥(0.3) billion  
Change Pared loss [Pared loss]

### ● Net Sales (Billions of yen)



### ● Operating Income (Loss) (Billions of yen)



■ Japan  
▨ Overseas

Interregional transactions within the Color & Display segment are included. Accordingly, the aggregates of regional net sales and operating income figures for the Color & Display segment differ from the figures presented above.

Segment sales, at ¥257.0 billion, were up 13.1%. While demand for pigments for coatings and for plastics failed to recover fully in Europe, a leading market for these products, reflecting a delayed economic revival, notably in Germany, shipments recovered following the completion of inventory adjustments by customers, thanks to ongoing moves to replenish inventories, particularly of pigments for use in building materials and for industrial applications. Among high-value-added products, shipments of pigments for color filters used in displays outpaced the previous fiscal year, as demand remained steady, mirroring display manufacturers' production levels. Shipments of pigments for cosmetics were down, hindered by listless demand as cosmetics manufacturers in the Americas and Europe, key customers for these products, continued to adjust inventories. In pigments for specialty applications, shipments for agricultural use declined, a consequence of protracted customer inventory adjustments, but shipments for use in building materials recovered, bolstered by various factors, including a revival in demand from the construction industry in Europe and efforts to cultivate new customers in Asia.

The segment reported an operating loss of ¥0.3 billion, a significant improvement from the preceding period. This was despite inconsistent trends in shipments of high-value-added products and resulted from higher shipments of pigments for coatings and for plastics, as well as to the progress of structural reforms aimed at, among others, optimizing production configurations—mainly in the United States and Europe—and efforts to lower costs. The production of LC materials, from which withdrawal was announced in the period under review, concluded as scheduled in December 2024.

## Focus: Development of New Technologies

### Effect Pigments that Deliver Both Vividness and Pearlescent Luster Are Among Recent Technological Achievements

In addition to developing pigments for color filters used in displays, efforts emphasized the launch of effect pigments for use in cosmetics with unique colors and sustainability features. In pigments for inkjet inks, the Company launched water-based pigment dispersions compatible with nonabsorbent media such as food packaging, polyvinyl chloride (PVC) wallpaper and labels.

Overseas, the expansion of the lineup of high-performance, design-friendly solar heat-suppressing black pigments, as well as a launch of a new line of effect pigments for automotive coatings that deliver highly saturated color and shine have been carried out.

Effect pigment that combines dazzling rose gold with luminous gold



Sun Chemical's *INTENZA Hana Rose Gold* effect pigment for use in cosmetics

# Functional Products



## Functional Products that Add Comfort

### Principal Products

#### [Performance Materials]

Synthetic Resins for Inks and Coatings, Molded Products, Adhesives and Textiles (Polyester Resins, Polyurethane, Acrylic Resins, Plasticizers), Sulfur Chemicals, Metal Carboxylates

#### [Composite Materials]

PPS Compounds, Plastic Colorants, Hollow-Fiber Membranes and Modules, Medical Diagnostic Products

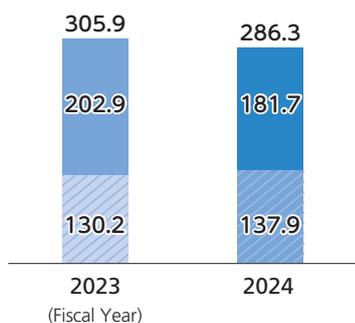
#### [Chemitronics]

Epoxy Resins, Industrial Adhesive Tapes, UV-curable Resins, Surfactant for Electronics Equipment, Photoresist Polymers

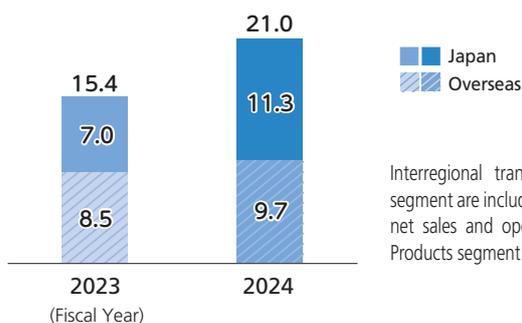
**Net Sales** **¥286.3 billion**  
Change **-6.4%** [-8.9%]

**Operating Income** **¥21.0 billion**  
Change **+36.0%** [+31.6%]

● Net Sales (Billions of yen)



● Operating Income (Billions of yen)



Interregional transactions within the Functional Products segment are included. Accordingly, the aggregates of regional net sales and operating income figures for the Functional Products segment differ from the figures presented above.

Segment sales decreased 6.4%, to ¥286.3 billion. If the impact of business withdrawals, including the divestiture of SEIKO PMC CORPORATION, was discounted, segment sales would have been up 7.8%. In digital materials, sales of epoxy resins—the foremost application for which is electronics equipment, notably semiconductors—advanced, owing to an improvement in the product mix attributable to, among others, a resurgence in demand for use in AI servers, computers and smartphones, which pushed up shipments of related products. Sales of industrial-use adhesive tapes, used mainly in smartphones and other mobile devices, were boosted by steady efforts to lock in demand. In the area of industrial materials, products for use in mobility solutions remained solid, bolstered by an upturn in shipments of polyphenylene sulfide (PPS) compounds, notably in Japan, which was due to firm vehicle sales worldwide.

Segment operating income increased 36.0%, to ¥21.0 billion. Excluding the impact of business withdrawals, segment operating income would have risen 65.9%. Factors behind this significant gain included a recovery in shipments of high-value-added products for use in electronics equipment and in mobility solutions, which contributed to an improved product mix, as well as successful efforts to revise sales prices for all products.

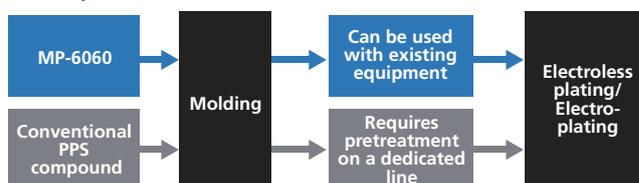
### Focus: Development of New Technologies

## Highlights Include the Development of PPS Compound that Can Be Plated Using Existing Plating Equipment

Highlights in the area of synthetic resins include commencing mass production of low dielectric resins for electronic circuit boards for next-generation 5G/6G-enabled communications devices. The Company also developed an epoxy resin designated to facilitate easy disassembly, as well as a heat-resistant epoxy resin curing agent that can withstand temperatures up to over 200°C and is recyclable. In surfactants, the Company developed and promoted the expansion of its lineup of PFAS-free antifoaming agents for lubricating oils for electric vehicles that boast excellent antifoaming properties, thermal stability and durability.

Working with several plating manufacturers, the Company developed a new polyphenylene sulfide (PPS) compound that can be plated onto metals using existing plastic plating lines. In the area of automotive components, the move toward electrification is spurring the increased use of plastics for electronic device housings. This new PPS compound imparts electromagnetic shielding properties tailored to specific frequency bands.

#### Newly developed PPS compound



Process for plating newly developed PPS compound

## 2 Operating Results and Financial Position

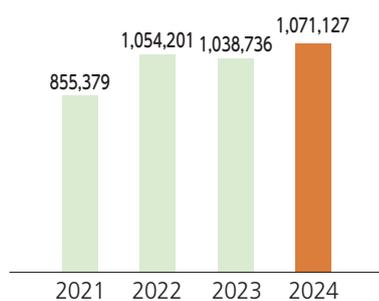
Consolidated operating results and financial position are as follows:

	Fiscal Year 2021 (January 1, 2021– December 31, 2021)	Fiscal Year 2022 (January 1, 2022– December 31, 2022)	Fiscal Year 2023 (January 1, 2023– December 31, 2023)	Fiscal Year 2024 (January 1, 2024– December 31, 2024)
Net Sales (Millions of yen)	855,379	1,054,201	1,038,736	1,071,127
Operating Income (Millions of yen)	42,893	39,682	17,943	44,521
Operating Margin (%)	5.0	3.8	1.7	4.2
Ordinary Income (Millions of yen)	43,758	39,946	9,216	37,905
Net Income (Loss) Attributable to Owners of the Parent (Millions of yen)	4,365	17,610	(39,857)	21,313
Earnings Per Share (Yen)	46.12	186.05	(421.06)	225.11
Net Assets (millions of yen)	381,008	421,088	399,267	420,615
Total Assets (millions of yen)	1,071,481	1,261,637	1,244,889	1,226,433

Note: Since the fiscal year 2017, the Company has introduced the Board Benefit Trust (BBT). The shares held by the trust are recorded under net assets as treasury shares. The number of treasury shares excluded from the weighted-average number of shares issued during the fiscal year used for the calculation of earnings per share includes the number of shares held by the trust.

### Net Sales

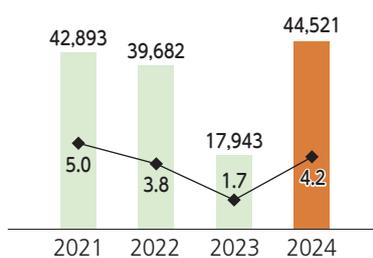
(Millions of yen)



(Fiscal Year)

### Operating Income/Operating Margin

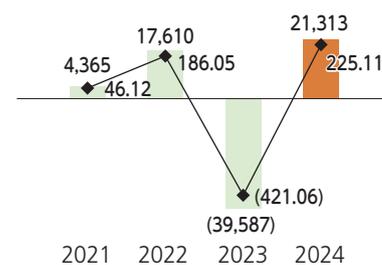
■ Operating Income (Millions of yen)  
◆ Operating Margin (%)



(Fiscal Year)

### Net Income (Loss) Attributable to Owners of the Parent/Earnings Per Share

■ Net Income (Loss) Attributable to Owners of the Parent (Millions of yen)  
◆ Earnings Per Share (yen)



(Fiscal Year)

### 3 Challenges to be Addressed

Looking ahead to fiscal year 2030, the DIC Group has identified and will focus its allocation of management resources in five priority business areas to contribute to a society that is increasingly green, digital and Quality of Life (QOL)-oriented. To this end, the Group will promote five strategies outlined in DIC Vision 2030 with the aim of building a business portfolio that contributes to sustainable prosperity for society and helping achieve sustainability for the global environment and for society.

#### 1 Business Portfolio Transformation

##### 1) Five Priority Business Areas

Sustainable energy, Healthcare, Smart living, Color science, Sustainable packaging

DIC has positioned "smart living," one of five previously identified priority business areas, as its principal focus. Looking ahead, the Company will focus particularly on strengthening its capabilities in the area of electronics materials and is uniquely positioned to provide solutions in the promising areas of materials for semiconductor packaging, including high performance polymers used in the fabrication of power semiconductors and state-of-the-art polymers for photoresists used in semiconductor photolithography, and materials for electronics components, notably low dielectric resins for 5G/6G-enabled devices and bonding materials for next-generation batteries.

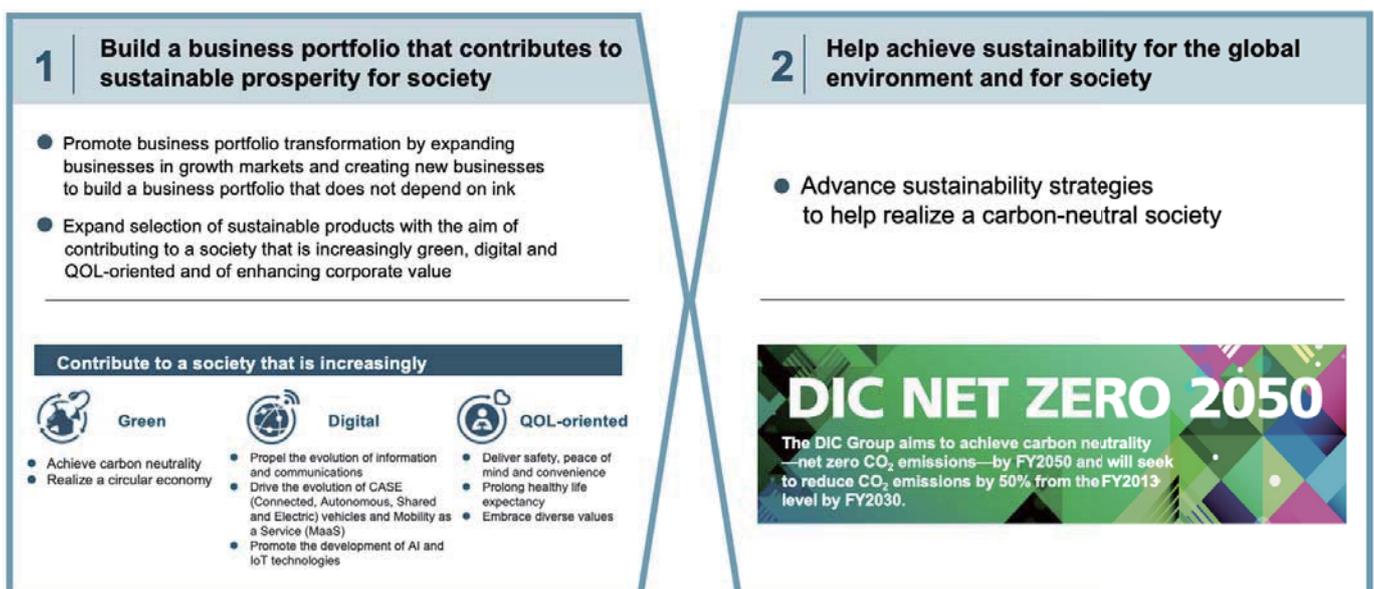
##### 2) Five Strategies for Transforming the DIC Group's Business Portfolio

- ① Reinforce management of human capital
- ② Make strategic investments
- ③ Enhance the technology platform
- ④ Establish a more global management configuration
- ⑤ Promote IT and DX

#### 2 Sustainability Strategies

- 1) Expand sustainable products
- 2) Reduce CO<sub>2</sub> emissions
- 3) Respond to a circular economy

## DIC in the Future



Special Topic

1

## Plans for Operation of the Kawamura Memorial DIC Museum of Art

**1** As announced in the press release published on December 26, 2024, the Kawamura Memorial DIC Museum of Art—a Company-owned facility in Sakura, Chiba—will close, with March 31, 2025, as its last business day. The museum, which brings together fine art, architecture and nature, has operated as part of the Company's program of social contribution initiatives that benefit the local community and is also an embodiment of the Company's "Color & Comfort" vision statement. The museum has earned high praise for its extensive collection, which ranges from 17th-century paintings to modern Western art and contemporary art, and its beautiful gardens and natural setting, welcoming a cumulative total of more than 2.74 million visitors as of the end of 2024. In addition to exhibiting high-caliber works of art and opening its gardens to the public, the museum has held a variety of special exhibitions, as well as staged exhibition-related concerts and events. The Company is grateful to stakeholders for their support of the Kawamura Memorial DIC Museum of Art over the years.



Rembrandt van Rijn, Portrait of a Man in a Broad-Brimmed Hat, 1635

**2** The Company has resolved the downsizing and relocation of the museum with the goal of continuing operation. Specific strategies going forward are as follows:

- Relocation

Negotiations are being conducted with a highly public organization operating a facility identified as suitable to house the museum with the aim of relocating the museum to a facility that is accessible to many stakeholders and where the works of art can be more easily exhibited to the public.

- Sale of works of art

The Company will reduce the number of works it owns to approximately one-quarter of the current level, retaining those works that particularly embody its identity. In selling works of art, key codes of conduct and ethics observed in the art world will be referenced and given due consideration to ensure the transparency and acceptability of transactions. Cash generated through the sale of works of art will be applied to returns to shareholders, investments in growth, and costs associated with relocation and operation of the museum.

For more information on the Company's policy and plans regarding future operation of the museum, please refer to the aforementioned press release.

<https://pdf.irpocket.com/C4631/Rhyn/DBJg/mwVM.pdf>



Photograph: Manami Takahashi

Special Topic

2

## Participation in Leading Technology Trade Show CES 2025

CES Innovation Awards®\* 2025 Honoree *HAGAMOSphere™*  
Concept-Model Omnidirectional Multicopter is Unveiled

In January 2025, the DIC Group participated in CES 2025, one of the world's leading technology trade shows for the consumer electronics industry, in Las Vegas, in the U.S. state of Nevada. At this event, the Group showcased a prototype of its new *HAGAMOSphere™* omnidirectional multicopter, a concept model that embodies the Group's "Direct to Society" business creation mechanism. Garnering praise from judges for its innovative design and engineering features, this prototype earned DIC designation as a CES Innovation Awards®\* 2025 Honoree in the Drones category.



Presentation at CES 2025 in Las Vegas, Nevada  
by Representative Director, President and CEO  
Takashi Ikeda



*HAGAMOSphere™* omnidirectional multicopter

\* The CES Innovation Awards® program is an annual competition sponsored by the Consumer Technology Association (CTA) that takes place in advance of CES, a premier global technology trade show held every January in Las Vegas, Nevada. This program recognizes digital technologies and technology products from a variety of perspectives, including technological, design and engineering excellence. More than 3,400 applications were received for the 2025 awards, a new record.

*HAGAMOSphere™* is a spherical drone with eight propellers mounted on a cubic frame, allowing it to move forward, backward, left and right without tilting. A brand-new of multicopter drone, this device is housed in a spherical drone guard consisting of a combination of geometric shapes using unique technology that enables it to rotate on the ground. Such capabilities are expected to lead to expanded applications both on land and in the air.

Guided by its "Direct to Society" concept, the DIC Group seeks to transcend the traditional constraints of chemicals manufacturing to offer new value and create diverse businesses in an ecosystem that straddles multiple sectors and industries. Capitalizing on its participation in CES 2025, the Group will continue to promote its advanced technologies and solutions to relevant industries, explore new business partners, and provide new and extending unprecedented value.

The DIC Group's "Direct to Society" mechanism focuses on creating new businesses by envisaging future needs and providing solutions and value directly to society. This involves working with society to discover latent needs and updating offerings regularly in accordance with those needs, thereby enabling the Group to provide new value.

## 4 Financing Activities

### 1) Methods of Financing

During the fiscal year 2024, the DIC Group raised necessary funds through borrowing from financial institutions, issuing bonds and commercial papers.

As a consequence, as of December 31, 2024, the total interest-bearing debt amounted to 484.3 billion yen (including leases), a decrease of 44.6 billion yen from the previous fiscal year end, owing to asset sales and deduction of cash and deposits.

### 2) Principal Borrowings (as of December 31, 2024)

Lender	Balance of Borrowings (Millions of yen)
MUFG Bank, Ltd.	120,458
Mizuho Bank, Ltd.	49,204
Sumitomo Mitsui Banking Corporation	34,499

### 3) Investment in Facilities

In addition to placing a high priority on product development and research themes that promise long-term growth, the DIC Group invests in labor efficiency, rationalization, conservation and environmental safety.

In fiscal year 2024, the DIC Group invested 45.3 billion yen in facilities. Principal investments to update or expand existing facilities, by segment, were as follows:

Segment	Investment	Details
Packaging & Graphic	Construction of packaging materials production facilities	Investments to build a new material recycling facility for polystyrene used in packaging materials and a high-efficiency production facility in the People's Republic of China (PRC) in conjunction with the realignment of the local printing inks production network
Color & Display	Update of pigments production facilities	Investments to update production facilities for pigments for coatings, functional pigments and other products to bolster production efficiency and to install environment-friendly equipment at outdoor algae cultivation facilities
Functional Products	Expansion of synthetic resins production facilities	Investments to reinforce production facilities to expand operations in the area of synthetic resins for electronics applications and to expand production facilities for waterborne resins, for which demand is increasing as a result of growing awareness of the benefits of environment-friendly products
Others and Corporate	Update of information systems	Investments to shift to new information systems capable of supporting digital transformation (DX)



Material recycling facility for polystyrene (Japan)



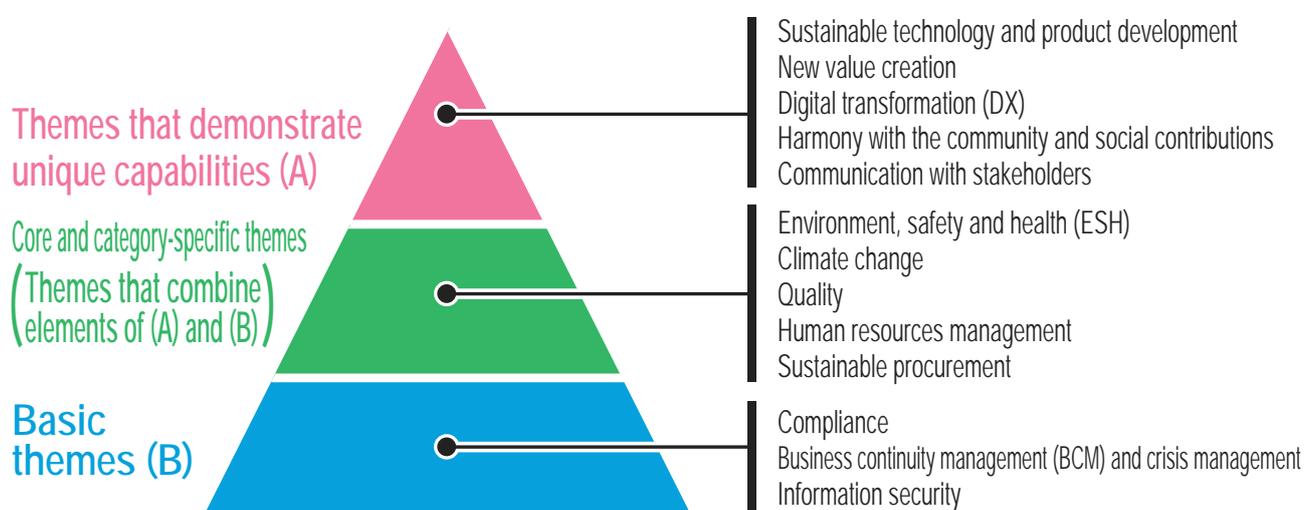
Production base for synthetic resins (Canada)

## 5 Sustainability Initiatives

The Company has established the ESG Unit, a specialized department, with the aim of further expanding DIC Group environmental, social and governance (ESG) initiatives worldwide.

The Company's DIC Vision 2030 long-term management plan outlines two crucial objectives, namely, build a business portfolio that contributes to sustainable prosperity for society and help achieve sustainability for the global environment and for society. The DIC Group will work to achieve these objectives while promoting initiatives in line with the five key concepts of its basic policy on sustainability: 1) ensuring safety of employees and our local communities, 2) risk management, 3) fair business practices and respect for human rights and diversity, 4) environmental harmony and conservation and 5) creating social value and achieving sustainable growth through innovation.

The DIC Group has organized its sustainability initiatives into a framework comprising 13 themes, as shown below.



In light of accelerated global efforts to decarbonize and increasing requirements for Japanese companies to disclose sustainability-related information in their annual securities report, the DIC Group remains committed to effective compliance, recognizing issues related to the environment, safety and health (ESH), as well as to quality, as fundamental to its existence as a manufacturer of fine chemicals. By empowering employees to fully exercise their abilities, the Group will work to reinforce its management of human capital, thereby leading to improved organizational cohesiveness. Group employees will continue working as one to address key social imperatives, in line with the sustainability strategy set forth in DIC Vision 2030, with the aim of responding to the expectations of stakeholders and evolving as a trusted global company.

## 6 Principal Facilities (Principal Offices, Plants and R&D Facilities)

### 1) The Company

#### Corporate Headquarters

7-20, Nihonbashi 3-chome, Chuo-ku, Tokyo

#### Branch Offices

Osaka Branch (Osaka)    Nagoya Branch (Aichi)

#### Plants and R&D Facilities

Tokyo Plant (Tokyo)

Sakai Plant (Osaka)

Komaki Plant (Aichi)

Shiga Plant (Shiga)

Chiba Plant (Chiba)

Kashima Plant (Ibaraki)

Saitama Plant (Saitama)

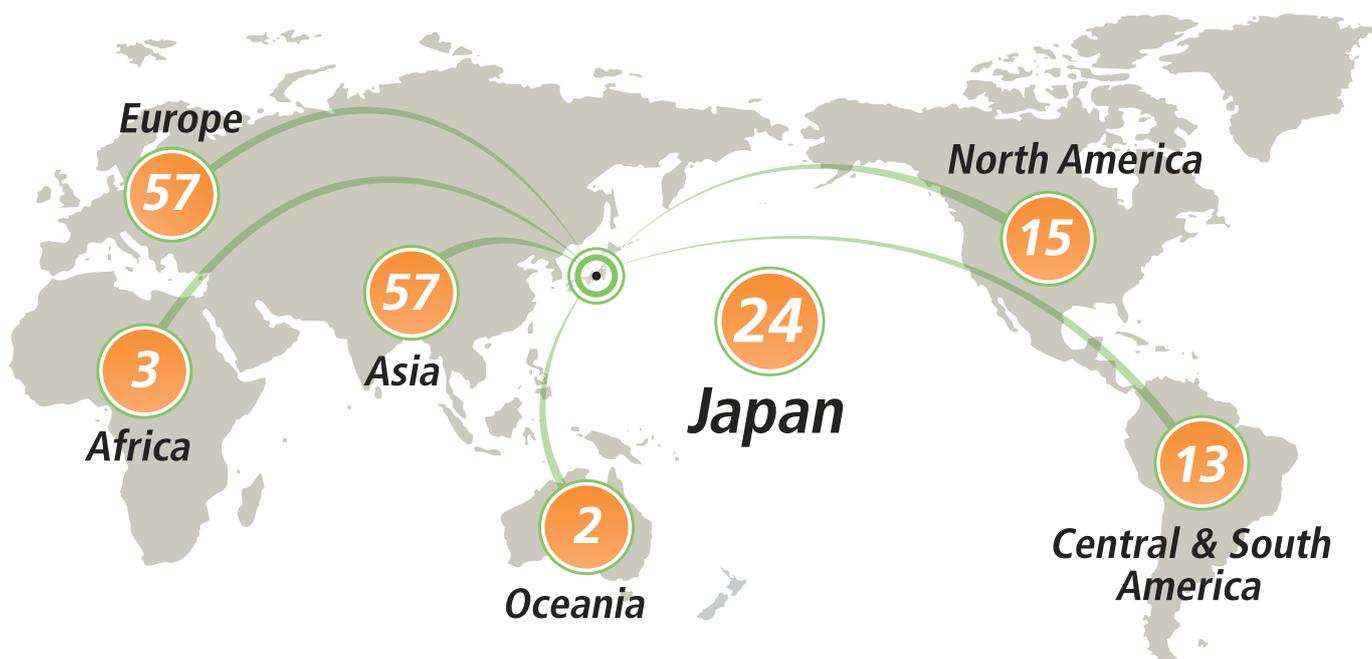
Central Research Laboratories (Chiba)

Hokuriku Plant (Ishikawa)

Yokkaichi Plant (Mie)

Tatebayashi Plant (Gunma)

### Global Network (171 companies in 62 countries and territories)



## 2) Subsidiaries and Affiliates

### Packaging & Graphic (104 companies)

DIC Graphics Corporation (Tokyo, Japan)  
 Sun Chemical Group Coöperatief U.A. (Netherlands)  
 Nantong DIC Color Co., Ltd. (PRC)  
 PT. DIC GRAPHICS (Indonesia)  
 DIC Graphics (Dongguan) Co., Ltd. (PRC)  
 DIC India Limited (India)  
 DIC Graphics (Thailand) Co., Ltd. (Thailand)  
 and 97 other companies

### Color & Display (22 companies)

Colors & Effects USA LLC (USA)  
 Sun Chemical Colors & Effects GmbH (Germany)  
 Earthrise Nutritionals LLC (USA)  
 Qingdao DIC Finechemicals CO., LTD. (PRC)  
 and 18 other companies

### Functional Products (32 companies)

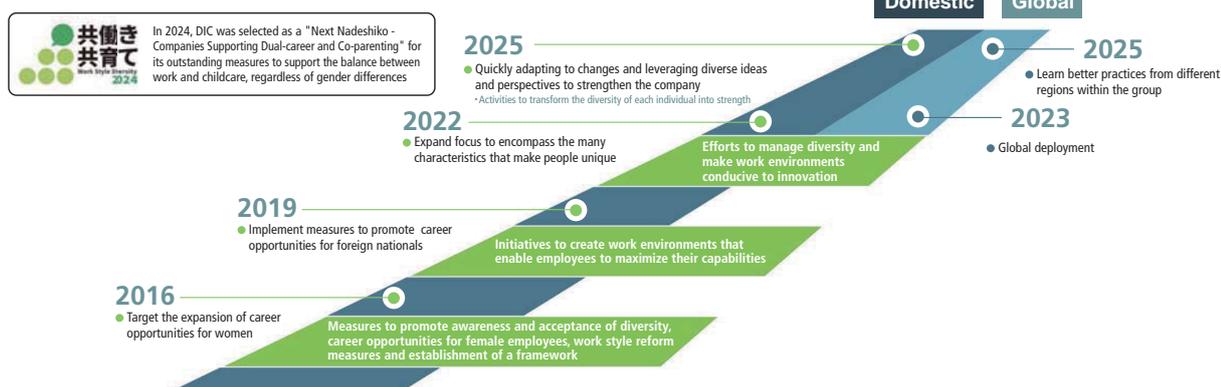
DIC EP Corporation (Chiba, Japan)  
 DIC PLASTICS Inc. (Saitama, Japan)  
 DIC Material Inc. (Tokyo, Japan)  
 DIC Kitanihon Polymer Co., Ltd. (Miyagi, Japan)  
 DIC Decor, Inc. (Saitama, Japan)  
 DIC Zhangjiagang Chemicals Co., Ltd. (PRC)  
 DIC Siam Chemical Industry Co., Ltd. (Thailand)  
 Guangdong DIC TOD Resins Co., Ltd. (PRC)  
 Changzhou Huari New Material Co., Ltd. (PRC)  
 DIC SYNTHETIC RESINS (ZHONGSHAN) CO., LTD. (PRC)  
 and 22 other companies

### Others (12 companies)

DIC (CHINA) CO., LTD. (PRC)  
 DIC Asia Pacific Pte Ltd (Singapore)  
 and 10 other companies

## (Reference) Diversity and Inclusion of DIC

We will promote diversity activities that draws the diversified knowledge and experiences from personnel with various attributes and backgrounds. By transforming differences in ideas and perspectives, which arise from differences in attributes and positions such as gender, nationality and working environments like parenting, into strengths, we aim to improve our corporate value.



## 7 Principal Subsidiaries and Affiliates

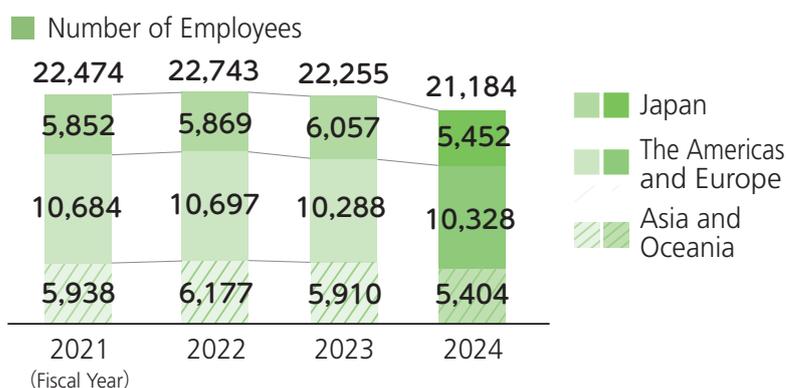
Company Name	Location	Capital	Ownership of Voting Rights	Principal Business
Sun Chemical Group Coöperatief U.A.	Netherlands	€2,469,852 thousand	100.0%	Investment in and financing for Sun Chemical Group companies
DIC Asia Pacific Pte Ltd	Singapore	S\$310,161 thousand	100.0%	Investment in and financing for DIC Group companies in the Asia and Oceania regions, and manufacture and sale of DIC products
DIC (CHINA) CO., LTD.	PRC	RMB2,335,469 thousand	100.0%	Investment in and financing for DIC Group companies in the PRC
Colors & Effects USA LLC	USA	\$484,602 thousand	100.0%	Manufacture and sale of pigments and related products
DIC Graphics Corporation	Tokyo, Japan	¥500 million	66.6%	Manufacture and sale of printing inks and supplies
DIC INVESTMENTS JAPAN, LLC.	Tokyo, Japan	¥91 million	100.0%	Investment in and financing for DIC Group companies
TAIYO HOLDINGS CO., LTD.	Saitama, Japan	¥10,032 million	20.1%	Setting the group's broad strategic direction, managing subsidiaries, and research and development for Taiyo Group companies

Notes:

- The figures for capital of Sun Chemical Group Coöperatief U.A. and Colors & Effects USA LLC are equivalent to the companies' capital surplus since the companies have no figure equivalent to the capital.
- Ownership of voting rights includes indirect investments.

## 8 Workforce Statistics

Segment	Number of Employees
Packaging & Graphic	10,220
Color & Display	3,985
Functional Products	5,006
Others	489
Corporate (Shared)	1,484
<b>Total</b>	<b>21,184</b>



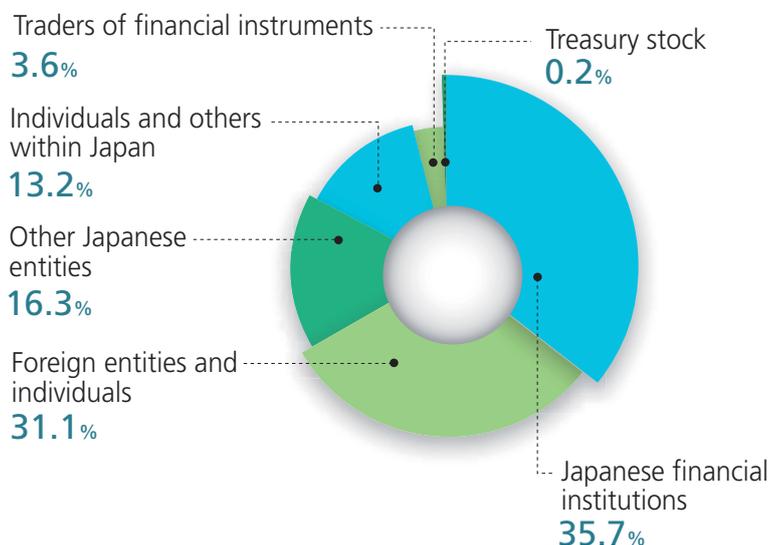
## 2 Stock Information

**1 Total Number of Shares Authorized**  
150,000,000

**2 Total Number of Shares Issued**  
95,156,904

**3 Number of Shareholders**  
41,416

**■ Distribution of Shareholders by Investor Type**



### 4 Major Shareholders

Name of Shareholder	Number of Shares Owned	Shareholding Percentage (%)
SHOEI INC.	12,694,386	13.37
The Master Trust Bank of Japan, Ltd. (Trust Account)	10,527,900	11.09
Custody Bank of Japan, Ltd. (Trust Account)	5,954,400	6.27
OASIS JAPAN STRATEGIC FUND LTD.	5,792,408	6.10
The Dai-ichi Life Insurance Company, Limited	3,500,009	3.69
OASIS INVESTMENTS II MASTER FUND LTD.	2,783,918	2.93
OASIS JAPAN STRATEGIC FUND Y LTD.	2,442,916	2.57
Aioi Nissay Dowa Insurance Co., Ltd.	2,020,859	2.13
NIPPON LIFE INSURANCE COMPANY	1,900,075	2.00
BNYMSANV AS AGENT/CLIENTS LUX UCITS NON TREATY 1	1,853,200	1.95

Notes:

- The above table lists the top 10 shareholders.
- The shareholding percentage is calculated by subtracting the number of treasury shares (197,548 shares) from the total number of shares issued. The number of treasury shares does not include shares held by Custody Bank of Japan, Ltd. (277,400 shares) as trustee of the Company's board benefit trust (BBT).

### 5 Stock Provided to Directors and Audit & Supervisory Board Members as Compensation for the Performance of Duties in Fiscal Year 2024

	Number of Shares	Number of Recipients
Directors (Excluding Outside Directors)	13,400	2
Outside Directors	—	—
Audit & Supervisory Board Members	—	—

Note: Shares were bestowed on Directors or Audit & Supervisory Board Members as performance-based remuneration upon retirement.

## 3 Matters Concerning Directors and Audit & Supervisory Board Members

### 1 Directors and Audit & Supervisory Board Members

#### 1) Directors

Position	Name	Responsibilities at the Company and Principal Concurrent Positions at Other Organizations	Attendance at Board of Directors' Meetings
Representative Director Chairman of the Board of Directors	Kaoru Ino		14/14 (100%)
Representative Director President and CEO	Takashi Ikeda		10/10 (100%)
Representative Director Executive Vice President	Shuji Furuta	Assistant to the President and CEO Head of Corporate Strategy Unit In charge of Kawamura Memorial DIC Museum of Art	14/14 (100%)
Director	Yoshihisa Kawamura	Chairman of the Board of Directors, DIC Graphics Corporation	14/14 (100%)
Director Senior Managing Executive Officer	Takeshi Asai	Head of Finance and Accounting Unit CFO Representative Member, DIC INVESTMENTS JAPAN, LLC. Chairman of the Supervisory Board, Sun Chemical Group Coöperatief U.A.	14/14 (100%)
Director Senior Managing Executive Officer	Masaya Nakafuji	Head of General Affairs and Legal Unit In Charge of Risk management, Osaka Branch and Nagoya Branch	10/10 (100%)
<b>Outside</b> Independent Director	Kuniko Shoji	Outside Director, Medipal Holdings Corporation	14/14 (100%)
<b>Outside</b> Independent Director	Masami Fujita	Representative Director of Board and Chairperson, SHINKO ELECTRIC INDUSTRIES CO., LTD. Outside Director, HAZAMA ANDO CORPORATION	14/14 (100%)
<b>Outside</b> Independent Director	Shiro Saito		10/10 (100%)
<b>Outside</b> Independent Director	Donna Costa		10/10 (100%)

#### 2) Audit & Supervisory Board Members

Position	Name	Responsibilities at the Company and Principal Concurrent Positions at Other Organizations	Attendance at Board of Directors' Meetings	Attendance at Audit & Supervisory Board Meetings
Full-time Audit & Supervisory Board Member	Hiroyuki Ninomiya		14/14 (100%)	16/16 (100%)
Full-time Audit & Supervisory Board Member	Toshinobu Kitamura		10/10 (100%)	11/11 (100%)
<b>Outside</b> Independent Audit & Supervisory Board Member	Keita Nagura	Attorney Outside Director, Helios Techno Holding Co., Ltd.	14/14 (100%)	16/16 (100%)
<b>Outside</b> Independent Audit & Supervisory Board Member	Keiko Kishigami	Certified public accountant Outside Audit & Supervisory Board Member, Okamura Corporation Outside Director and Audit Committee Member, Sony Group Corporation Outside Director and Audit & Supervisory Committee Member, Sumitomo Seika Chemicals Company, Limited	13/14 (93%)	16/16 (100%)

## Notes:

- Directors Kuniko Shoji, Masami Fujita, Shiro Saito and Donna Costa are Outside Directors.
- Audit & Supervisory Board Members Keita Nagura and Keiko Kishigami are Outside Members.
- Audit & Supervisory Board Member Hiroyuki Ninomiya oversaw corporate accounts at the Company for many years, was the General Manager of Accounting Dept. and Head of Finance and Accounting Unit, and has extensive expertise in finance and accounting.
- Audit & Supervisory Board Member Toshinobu Kitamura oversaw corporate accounts at the Company for many years and has extensive expertise in finance and accounting.
- In addition to providing expertise in corporate law, Outside Audit & Supervisory Board Member Keita Nagura provides tax accounting services pursuant to Article 51 of the Certified Public Tax Accountant Act and has extensive expertise in finance and accounting.
- Outside Audit & Supervisory Board Member Keiko Kishigami is qualified as a certified public accountant, has engaged in the audit of companies for many years, and has extensive expertise in finance and accounting.
- Outside Directors Kuniko Shoji, Masami Fujita, Shiro Saito and Donna Costa and Outside Audit & Supervisory Board Members Keita Nagura and Keiko Kishigami are designated as Independent Directors/Members in accordance with the rules of the Tokyo Stock Exchange.
- Directors Takashi Ikeda, Masaya Nakafuji, Shiro Saito and Donna Costa and Audit & Supervisory Board Member Toshinobu Kitamura were newly elected and assumed office at the 126th Annual General Meeting of Shareholders held on March 28, 2024.
- At the conclusion of the 126th Annual General Meeting of Shareholders held on March 28, 2024, Directors Masayuki Saito, Toshifumi Tamaki and Yoshiaki Tamura and Audit & Supervisory Board Member Akihiro Ikushima retired from their positions.
- In June 2024, Outside Director Kuniko Shoji retired from her position as Outside Director of Nichirei Corporation.
- Figures for attendance at Board of Directors' meetings for Directors Takashi Ikeda, Masaya Nakafuji, Shiro Saito and Donna Costa and figures for attendance at Board of Directors' meetings and Audit & Supervisory Board meetings for Audit & Supervisory Board Member Toshinobu Kitamura reflect the number of meetings held subsequent to these individuals' assumption of office on March 28, 2024 until December 31, 2024.
- In addition to the number of Board of Directors' meetings held as shown above, one resolution was adopted that was deemed to be a resolution of the Board of Directors in accordance with Article 370 of the Companies Act and Article 23 of the Company's Articles of Incorporation.
- The Company executed the contract for limitation of liability with all of the Outside Directors and Outside Audit & Supervisory Board Members. Pursuant to the contract, if they neglect their duties and cause damages to the Company, they shall be liable for damages up to the minimum liability amount stipulated in Article 425, Paragraph 1 of the Companies Act, on the condition that they acted in good faith and were not grossly negligent in performing their duties.
- As of January 1, 2025, certain Directors' positions and responsibilities at the Company were amended as shown below.

Position	Name	Responsibilities at the Company and Principal Concurrent Positions at Other Organizations
Director Chairman of the Board of Directors	Kaoru Ino	
Representative Director Executive Vice President	Shuji Furuta	Assistant to President and CEO

### 3) Outline of D&O Liability Insurance

The Company purchases directors' and officers' (D&O) liability insurance from an insurance company, as stipulated in Article 430-3, Paragraph 1, of the Companies Act, for all Directors, Audit & Supervisory Board Members, Executive Officers and other individuals designated as important employees under the Companies Act (including those who have already retired) of the Company and of its domestic subsidiaries, payable to the insured individuals. The insurance premiums of the insured persons are paid in full by the Company.

This insurance covers damages, including legal expenses incurred by insured individuals in the event of a claim for damages arising from an act or acts committed in the course of performing their duties. This contract is renewed annually.

#### (Reference)

The Company has adopted an Executive Officer system in order to facilitate the prompt execution of operations and better clarify responsibilities. As of January 1, 2025, Executive Officers who do not concurrently serve as Directors are as shown below.

Position	Name	Responsibilities at the Company
Managing Executive Officer	Masamichi Sota	President, Packaging & Graphic Business Group General Manager, Printing Material Products Div.
Managing Executive Officer	Kiyofumi Takano	General Manager, New Business Development Headquarters

Position	Name	Responsibilities at the Company
Managing Executive Officer	Yoshinari Akiyama	President, Color & Display Business Group General Manager, Color Material Products Div.
Managing Executive Officer	Myron Petruch	President and CEO, Sun Chemical Corporation
Managing Executive Officer	Koji Asada	Head of IT Strategy Unit
Managing Executive Officer	Toshiro Ariga	In Charge of Technical Management Unit and R&D Management Unit General Manager, Technical Management Unit
Managing Executive Officer	Yuji Kikuchi	President, Functional Products Business Group General Manager, Performance Material Products Div.
Managing Executive Officer	Tomoyuki Tanaka	Head of Corporate Strategy Unit General Manager, Corporate Planning Dept. In Charge of Kawamura Memorial DIC Museum of Art
Executive Officer	Paul Koek	Managing Director, DIC Asia Pacific Pte Ltd
Executive Officer	Masahiro Kikuchi	Chairman, DIC (CHINA) CO., LTD. Chairman, DIC (Shanghai) Co., Ltd.
Executive Officer	Yuji Morinaga	General Manager, Packaging Material Products Div.
Executive Officer	Kuniko Torayama	Head of ESG Unit General Manager, Sustainability Strategy Dept. In Charge of Diversity
Executive Officer	Masaaki Kusaka	General Manager, Legal Dept.
Executive Officer	Takao Iribe	Head of SCM Unit General Manager, Corporate Supply Chain Dept.
Executive Officer	Yoshiharu Ootoshi	General Manager, Production Management Unit
Executive Officer	Kevin Michaelson	Vice President and Chief Financial Officer, Sun Chemical Corporation
Executive Officer	Hisashi Komoto	General Manager, Composite Material Products Div.

## 2 Remuneration for Directors and Audit & Supervisory Board Members

### 1) Policies on and Other Matters Concerning the Determination of Remuneration for Directors

At the Board of Directors' meeting held on May 15, 2017, the Company revised the Executive Regulations, adopting a resolution on policies for determining remuneration for individual Directors. Prior to adopting this resolution, the Board of Directors consulted with the Remuneration Committee and received a report on the content thereof.

In addition, the Board of Directors has confirmed that the method used to determine remuneration and remuneration thus determined are consistent with the policies decided by the Board of Directors and has judged that remuneration for each individual Director for fiscal year 2024 is in accordance with the policy.

The details of the policies for determining remuneration, etc., for individual Directors are as follows:

① Policy on Basic Remuneration

Remuneration for Directors, including bonuses, is determined by the Remuneration Committee, which has been entrusted with this responsibility by the Board of Directors, within the limit for total remuneration decided by resolution at the Annual General Meeting of Shareholders, with consideration given to individual responsibilities, ability to perform duties, actual performance of duties, the Company's operating results, a management compensation database offered by an external research organization, and balance with employee salaries.

② Policy on Performance-Based Remuneration

The Company pays performance-based remuneration to Directors who serve concurrently as Executive Officers, consisting of bonuses, which are linked to performance of duties as Executive Officer and commensurate with the Company's operating results. Individual performance-based remuneration is determined by the Remuneration Committee, which has been entrusted with this responsibility by the Board of Directors.

③ Policy on Non-Monetary Remuneration

The Company provides non-monetary remuneration to Directors who concurrently serve as Executive Officers with the objective of strengthening 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. Individual points granted are calculated using the method stipulated in the Rules of Officer Share Benefit.

④ Policy on Composition of Remuneration

The composition of remuneration provided by the Company, that is, the weighting of basic remuneration (fixed) and performance-based remuneration, is determined by the Remuneration Committee in accordance with the policy for determination stipulated in the Executive Regulations. In making this determination, the Company verifies the appropriateness of compensation levels by referring to a management compensation database offered by an external research organization and benchmarks total remuneration and the composition thereof for each position. The composition of remuneration by position is as follows:

Representative Director: Basic remuneration: 55% / Bonus: 30% / Stock compensation: 15% (Fixed remuneration: 55% / Performance-based remuneration: 45%)

Director: Basic remuneration: 60% / Bonus: 25% / Stock compensation: 15% (Fixed remuneration: 60% / Performance-based remuneration: 40%)

⑤ Policy on the Timing and Conditions for the Payment of Remuneration

Basic remuneration is paid on the day on which an employee's salary is paid. Performance-based remuneration and non-monetary remuneration are paid and points are granted after the Annual General Meeting of Shareholders.

⑥ Matters Concerning the Delegation of Authority for Determining Remuneration

By resolution of the Board of Directors, authority for determining remuneration for Directors is entrusted to the Remuneration Committee.

● Members of the Remuneration Committee

Chairman: Kuniko Shoji / Outside Director

Members: Kaoru Ino / Director; Chairman of the Board of Directors      Takashi Ikeda / Representative Director; President and CEO

Masami Fujita / Outside Director

Shiro Saito / Outside Director

Donna Costa / Outside Director

● Authority delegated

Matters concerning the determination of remuneration for individual Directors

● Reasons for entrusting authority

Authority is entrusted because the Company believes that objectively evaluating each Director while taking into consideration the Company's overall business performance and other factors is not a matter suited to consideration by Directors, but rather is more appropriately discussed and deliberated by the Remuneration Committee, which in fiscal year 2024 consisted of the Representative Director; Chairman of the Board of Directors (currently the Director; Chairman of the Board of Directors) and the Representative Director; President and CEO, who have an overall view of the Company, and Outside Directors, who are in a position to increase transparency and fairness. To ensure the appropriate exercise of delegated authority, the Compensation Committee is chaired by an Outside Director and the majority of the members are Outside Directors.

## 2) Policies on and Other Matters Concerning the Determination of Remuneration for Audit & Supervisory Board Members

Remuneration for Audit & Supervisory Board Members is determined through discussion involving all Audit & Supervisory Board Members, in accordance with internal rules established by the Audit & Supervisory Board, within the limit of the total remuneration determined by resolution of the Annual General Meeting of Shareholders, with consideration given to ensuring a balance with remuneration for Directors and to prevailing market rates.

### 3) Total Amount of Remuneration in Fiscal Year 2024

Category	Total Amount (Millions of yen)	Composition of Remuneration (Millions of yen)			Number of Directors and Audit & Supervisory Board Members
		Basic Remuneration (Fixed)	Performance-Based Remuneration		
			Bonus	Stock Compensation	
Directors (Portion of the above paid to Outside Directors)	508 60	341 60	93 —	74 —	13 5
Audit & Supervisory Board Members (Portion of the above paid to Outside Audit & Supervisory Board Members)	91 31	91 31	— —	— —	5 2
Total (Portion of the above paid to Outside Directors and Outside Audit & Supervisory Board Members)	599 91	432 91	93 —	74 —	18 7

#### Notes:

- The above data includes three Directors, one of which is an Outside Director, and one Audit & Supervisory Board Member who retired at the conclusion of the 126th Annual General Meeting of Shareholders held on March 28, 2024.
- The key performance indicator (KPI) for calculating the bonus of performance-based remuneration is consolidated operating income, which was 44,521 million yen. The standard component of performance-based remuneration, which is commensurate with position, is calculated by multiplying position-specific basic bonus by degree of achievement of the target for consolidated operating income in the fiscal year at the time the standard component is determined, taking into account evaluation of department performance and individual contribution, with the limit for increases and decreases set at 30%.  
Non-monetary remuneration consists of stock compensation, conditions for the allotment of which are as described in “1) Policies on and Other Matters Concerning the Determination of Remuneration for Directors” above, which is performance based and calculated using the method stipulated in the Rules of Officer Share Benefit. The KPIs used are degree of achievement of targets for consolidated operating income and net income attributable to owners of the parent set forth in the long-term management plan, as well as year-on-year percentage change in both. The percentages of achievement of targets have been 130% for the long-term management plan and 118% for the year-on-year percentage. By using those KPIs, stock compensation is granted in the form of points.  
The KPIs used were chosen because consolidated operating income represents the quality of the core business of corporate activities and net income attributable to owners of the parent represents an increase in corporate value. This is to clarify the linkage between the remuneration of the subject Directors and the Company’s business performance and stock value.
- Monetary remuneration for Directors was resolved at the 109th Annual General Meeting of Shareholders, held on June 27, 2007, to not exceed 700 million yen per year (not including that for the job of Executive Officer for Directors who serve concurrently in this position). The number of Directors at the conclusion of the 109th Annual General Meeting of Shareholders was 13, none of which were Outside Directors. At the 123rd Annual General Meeting of Shareholders, held on March 30, 2021, the Company resolved that the amount of stock compensation shall not exceed 250 million yen per three fiscal years and the maximum number of shares shall not exceed 46,000 points per year (Directors who do not concurrently serve as Executive Officers and Outside Directors are not eligible). The number of Directors (not including Directors who do not concurrently serve as Executive Officers and Outside Directors) at the conclusion of the 123rd Annual General Meeting of Shareholders was four.
- Monetary remuneration for Audit & Supervisory Board Members was resolved at the 107th Annual General Meeting of Shareholders, held on June 28, 2005, to not exceed 100 million yen per year. The number of Audit & Supervisory Board Members at the conclusion of the 107th Annual General Meeting of Shareholders was four.

### 3 Outside Directors and Audit & Supervisory Board Members

#### 1) Relationship between the Company and Organizations in which Outside Directors and Outside Audit & Supervisory Board Members Concurrently Hold Principal Positions

The Company has transactions involving the sale and purchase of products with Sumitomo Seika Chemicals Company, Limited, and Okamura Corporation, in which Audit & Supervisory Board Member Keiko Kishigami concurrently holds principal positions. These transactions account for less than 0.1% of the DIC Group’s annual consolidated net sales.

There are no other special interests between the Company and the organizations in which Outside Directors and Audit & Supervisory Board Members concurrently hold principal positions.

## 2) Principal Activities of Outside Directors and Outside Audit &amp; Supervisory Board Members for Fiscal Year 2024

Position	Name	Attendance at Board of Directors' Meetings	Attendance at Audit & Supervisory Board Meetings	Statements at Meetings and Outline of Performance of Expected Duties as Outside Director
Director	Kuniko Shoji	14/14 (100%)	—	Proactively made statements on proposed resolutions based on extensive experience and expertise in corporate management, particularly in the areas of R&D and quality assurance, and played an important role in strengthening the Group's management oversight functions and decision making; as a member of the Nomination Committee, the Remuneration Committee and the Corporate Value Improvement Committee, participated in the selection of candidates for Director, the determination of remuneration for Directors and the improvement of corporate value over the long term from an objective position.
	Masami Fujita	14/14 (100%)	—	Proactively made statements on proposed resolutions from diverse perspectives based on extensive and comprehensive experience and expertise in corporate management gained as an executive officer overseeing all management departments, including human resources, and as a representative officer, and played an important role in strengthening the Group's management oversight functions and decision making; as a member of the Nomination Committee, the Remuneration Committee and the Corporate Value Improvement Committee, participated in the selection of candidates for Director, the determination of remuneration for Directors and the improvement of corporate value over the long term from an objective position.
	Shiro Saito	10/10 (100%)	—	Proactively made statements on proposed resolutions based on highly specialized and wide-ranging experience and expertise in corporate management gained as an executive officer overseeing R&D and production departments, and played an important role in strengthening the Group's management oversight functions and decision making by providing advice and making recommendations on challenges in the areas of research, technological development and production; as a member of the Nomination Committee, the Remuneration Committee and the Corporate Value Improvement Committee, participated in the selection of candidates for Director, the determination of remuneration for Directors and the improvement of corporate value over the long term from an objective position.
	Donna Costa	10/10 (100%)	—	Proactively made statements on proposed resolutions based on extensive experience and expertise in corporate management at multiple global companies, primarily in legal and governance-related capacities, as well as in M&As and risk management, and played an important role in strengthening the Group's management oversight functions and decision making; as a member of the Nomination Committee, the Remuneration Committee and the Corporate Value Improvement Committee, participated in the selection of candidates for Director, the determination of remuneration for Directors and the improvement of corporate value over the long term from an objective position.
Audit & Supervisory Board Member	Keita Nagura	14/14 (100%)	16/16 (100%)	Proactively made statements on proposed resolutions from his perspective as an attorney with specialized expertise.
	Keiko Kishigami	13/14 (93%)	16/16 (100%)	Proactively made statements on proposed resolutions from her perspective as a certified public accountant with specialized expertise.

## Notes:

- Figures for attendance at Board of Directors' meetings for Directors Shiro Saito and Donna Costa reflect the number of meetings held subsequent to these individuals' assumption of office on March 28, 2024 until December 31, 2024.
- In addition to the number of Board of Directors' meetings indicated in "Attendance at Board of Directors' Meetings," one resolution of the Board of Directors was deemed to have been adopted in accordance with the requirements stipulated in Article 370 of the Companies Act and Article 23 of the Company's Articles of Incorporation.

## 4 Matters Concerning the Accounting Auditor

### 1 Name of Audit Firm

Deloitte Touche Tohmatsu LLC

### 2 Remuneration and Other Payments for the Accounting Auditor

	Total Amount (Millions of yen)
Amount of Remuneration and Other Payments Paid by the Company	166
Total Amount of Money and Other Property Benefits to be Paid by the Company and its Subsidiaries	208

Notes:

- The audit agreement entered into by the Company and its Accounting Auditor does not distinguish clearly between the amount derived from the audit under the Companies Act and the amount derived from the audit under the Financial Instruments and Exchange Act and the two amounts cannot be substantially distinguished from each other. Consequently, both are included in the amount of remuneration to be paid by the Company.
- The accounts of principal overseas subsidiaries are audited by firms other than the firm named above (accounting auditor, public accountants or other individuals or firms that hold a certification equivalent to that of accounting auditor in Japan) in conformity with the requirements of laws in their respective countries of domicile that correspond to the Companies Act or Financial Instruments and Exchange Act.
- The Audit & Supervisory Board received briefings about the audit performance for the past fiscal years done by the Accounting Auditor, quality of audit, audit plans for fiscal year 2024 and the calculation basis of remuneration estimate from Directors and senior executives in the Company and the Accounting Auditor, and reviewed said briefings accordingly. As a result, remuneration and other payments for the Accounting Auditor were approved by the Audit & Supervisory Board because it was deemed appropriate to conduct the planned audit and align the standard to maintain audit quality.
- In addition to the above, the Company paid additional remuneration of 23 million yen for audit for fiscal year 2023.

### 3 Non-Audit Services

The Company provides remuneration to the Accounting Auditor for non-audit services which are services other than those listed in Article 2, Paragraph 1 of the Certified Public Accountants Act. These include preparation of comfort letters.

### 4 Policy on Decisions Concerning Dismissal or Non-Reappointment of the Accounting Auditor

The Audit & Supervisory Board shall dismiss the Accounting Auditor with the Audit & Supervisory Board Members' unanimous consent if it determines that any act or circumstance of the Accounting Auditor falls under any of the events set forth in Article 340, Paragraph 1 of the Companies Act. When the Accounting Auditor is dismissed pursuant to the above mentioned provisions, an Audit & Supervisory Board Member elected mutually among all the Members shall report such fact and the reason for the dismissal at the first General Meeting of Shareholders after the dismissal.

In such case that impairs the Accounting Auditor's competence or independence, thus making it difficult for the Accounting Auditor to conduct an appropriate audit, the Audit & Supervisory Board has the right to determine the contents of a proposal for dismissal or non-reappointment of the Accounting Auditor to be submitted to the General Meeting of Shareholders by the Board of Directors.

## 5 Summary of Resolutions Regarding, and the Operational Status of, Systems for Ensuring That the Performance of Duties by Directors Complies with Laws, Regulations and the Company's Articles of Incorporation and Other Systems for Ensuring the Appropriateness of Other Operations

The following is a summary of resolutions of the Board of Directors regarding, and the operational status of, the aforementioned systems.

### I . Basic Concepts Regarding Internal Controls

In striving to conduct its operations in accordance with The DIC Way, the DIC Group has prepared and operates a system of internal controls based on the Companies Act of Japan to ensure the appropriateness of its operations.

Note: The DIC Way was formulated to represent the DIC Group's fundamental management philosophy and includes the Group's mission: "We create enhanced value and utilize innovation to introduce socially responsible and sustainable products."

### II . The DIC Group's System of Internal Controls

#### 1 Systems for Ensuring that the Performance of Duties by Directors and Employees of the DIC Group Complies with Laws, Regulations and the Company's Articles of Incorporation

- 1) The Company shall prepare regulations for meetings of the Board of Directors and regulations for *Ringi* (approval by written circular) and shall clarify decision-making authority within the DIC Group.
- 2) The Company shall appoint Outside Directors and shall work to bolster monitoring functions with regard to management.
- 3) The Company shall work to set forth the DIC Group Code of Business Conduct as the standard regarding compliance, which Directors and employees of the DIC Group should comply with, and to disseminate it.
- 4) The Company shall establish an internal auditing department and shall monitor the status of the implementation and operation of internal control systems of the DIC Group on a periodic basis. Important matters that are discovered through such monitoring and the status of improvements shall be reported to Representative Directors on a periodic basis, and those matters of particular importance are to be reported to the Board of Directors. Additionally, subsequent to the end of each fiscal year the internal auditing department shall report the results of monitoring during that year to the Board of Directors and the Audit & Supervisory Board.
- 5) The Company shall, as a part of its compliance activities, establish an internal notification system as a channel available for the employees of the DIC Group and set up multiple notification channels independent from channels for communication used in the execution of business, thereby creating a structure that can quickly respond to domestic and international notifications. In addition, a system shall be put into place so that any person making a notification will not suffer any detriment.
- 6) The Company shall sever any and all connections with antisocial elements and shall collaborate with legal counsel and the police, among others, in making firm responses to unwarranted demands, etc., made on the DIC Group by such antisocial elements.

#### 【Operational Status】

The Company has clarified decision-making authority within the DIC Group via the Articles of Incorporation, regulations for meetings of the Board of Directors, regulations for *Ringi* and regulations for authorization, etc., in order to ensure the performance of duties and enhancement of supervisory functions, all of which it reviews on an ongoing basis.

The Company has nominated four individuals to serve as Independent Outside Directors, and the ratio of Independent Outside Directors to the total number of Directors has been one-third or more.

In April 2024, the Company established the Corporate Value Improvement Committee, which consists of four Independent Outside Directors, to advise the Board of Directors from a third-party perspective. In the period under review, this Committee provided advice regarding the operation of the museum.

In the fiscal year 2024, e-learning programs on the DIC Group Code of Business Conduct, antitrust, anti-bribery and anti-corruption and quality compliance were conducted for DIC Group companies.

The Company's internal audit function monitored the status of implementation and operation of the system of internal controls system and reported to the Representative Directors regarding important matters discovered through this process, as well as on the status of improvements. Audit results were reported directly to the Board of Directors in line with its basic policy on internal control and internal audit regulations.

The Company handled internal claims appropriately by conducting investigations and interviews.

## 2 Systems for Ensuring that the Duties of Directors of the DIC Group Are Performed Efficiently

- 1) In order to ensure the duties of Directors are performed properly and efficiently within the DIC Group, the Company shall establish regulations regarding company organization and authority.
- 2) In order to expedite the conduct of business and clarify responsibilities, the Company shall introduce an executive officer system. In addition to resolving important business affairs of the DIC Group in accordance with the Articles of Incorporation and regulations for the Board of Directors, the Board of Directors shall also supervise the status of Executive Officers' business conduct.
- 3) The Company shall formulate management plans and annual budgets based on management policies and management strategies of the DIC Group and, through dissemination of the same, ensure common goals are shared within the DIC Group. The Company shall make progress reports to the Board of Directors.

### 【Operational Status】

The Company made decisions regarding the performance of important duties in accordance with the regulations for the Board of Directors, regulations for *Ringi* and other regulations.

The executive officer system facilitated efficient decision making, while the Board of Directors supervised the executive officers' performance of their duties through the preparation of performance reports.

The Executive Committee meets twice monthly in principle to deliberate important matters related to the execution of the DIC Group's business. Individuals responsible for overseas regional headquarters also attend committee meetings in the event matters deliberated have the potential to significantly impact the Group's management, thus calling for the sharing of information across the global DIC Group.

The Company seeks to ensure the appropriate and efficient execution of duties in accordance with decision-making authority.

In February 2024, the Board of Directors resolved to review targets set for fiscal year 2025, the final year of Phase 1 of the DIC Vision 2030 long-term management plan. This review involved taking steps to enhance awareness, including holding in-house briefings and posting related information on the internal portal site, to share information with Group employees. Of note, the revised operating income target for Phase 1 of the plan (¥40.0 billion) was achieved in fiscal year 2024, a full year ahead of schedule.

Regarding the annual budget, steps were taken to enhance awareness, including holding in-house briefings and posting related information on the Company's internal portal site, in addition to the monthly progress reports that were made available to the Board of Directors.

The WSR 2020 Committee, which is charged with working to boost employee job satisfaction and productivity, identified issues and needed improvements in the ways employees currently work and promoted recurring discussions regarding the Group's vision of itself going forward and the direction of measures.

## 3 Systems for the Preservation and Management of Information Pertaining to the Performance of Duties by Directors

- 1) Information pertaining to the performance of duties by Directors, such as the minutes of meetings of the Board of Directors and *Ringi* documents, shall be recorded, retained and managed appropriately based on the regulations for document management.

- 2) The Company shall establish regulations for systems of information management and shall prepare a system for preventing leakage of confidential information of the DIC Group.

#### **【Operational Status】**

Information related to the performance of duties by Directors is documented in a printed or electronic form and, together with related materials used in management decision making, retained for the period of time stipulated in the regulations for document management. Following the implementation of information security measures, such information was managed rigorously in accordance with the regulations for confidential information management and other related regulations.

Information on the performance of duties by Directors is retained in a manner that ensures it can be made available promptly for review if a request is received from a Director, Audit & Supervisory Board Member or other pertinent individual.

### **4 Regulations and Other Systems Relating to the Management of Risk of Loss to the DIC Group**

- 1) The Company shall formulate a risk management policy and shall identify, assess, prioritize and address any risks that may have a significant impact on management of the DIC Group.
- 2) The Company shall establish a risk management system for the DIC Group and shall ensure its effectiveness by repeating the plan–do–check–act (PDCA) cycle.

#### **【Operational Status】**

The DIC Group has identified material issues, that is, issues with the potential to significantly affect its performance over the medium to long term. Steps taken to address these issues continue to underpin the Group's efforts to grow its businesses, guided by the DIC Vision 2030 long-term management plan. Based on the DIC Group's risk management policy, in fiscal year 2024 the Risk Management Working Group, which was created in fiscal year 2023 as a subordinate entity of the Sustainability Committee, identified risks with the potential to significantly affect the Group's performance over the medium to long term in line with the growth scenario set forth in the DIC Vision 2030 long-term management plan, as well as formulated and implemented measures to minimize the impact of latent risks on the DIC Group's business should such risks manifest. Such measures were reviewed regularly to ensure that their implementation was proceeding as planned. The results of these reviews were reported to the Board of Directors.

In Japan, as part of its BCM program, scheduled annual updates of product division business continuity plans (BCPs) were implemented. Based on these BCPs, the headquarters task force conducted training that addressed all aspects of BCM in the event of a disaster, including both initial responses and measures to ensure business continuity.

### **5 Other Systems for Ensuring Proper Operations of the DIC Group**

- 1) The Company shall determine an administrative department for each subsidiary from the standpoints of business execution and management and shall supervise business affairs by dispatching a director to each subsidiary.
- 2) The Company shall clarify important matters, including those pertaining to subsidiaries, that must be approved by or reported to the Company.

#### **【Operational Status】**

In addition to dispatching a director to each subsidiary, the Company receives regular reports from subsidiaries on business plans and operating conditions, while corporate headquarters' administrative departments and other related departments collaborate to supervise subsidiaries under their jurisdiction.

The Company has established regulations regarding authority within the DIC Group pertaining to matters that must be approved by or reported to the Company.

The Company has formulated Group company management regulations and clarified its management support structure for Group companies.

## 6 Systems for Ensuring that Audits by Audit & Supervisory Board Members are Conducted Effectively

- 1) In addition to attending meetings of the Board of Directors and other important meetings, Audit & Supervisory Board Members may inspect the contents of *Ringi* approvals at any time.
- 2) In addition to meeting with Representative Directors on a periodic basis to exchange information and opinions, Audit & Supervisory Board Members shall strive to foster close cooperation by holding liaison meetings on a periodic basis with the internal auditing department, the Accounting Auditor and the Audit & Supervisory Board Members of subsidiaries.
- 3) Directors and employees of the DIC Group shall report facts that could cause substantial damage to the Company and matters designated by the Audit & Supervisory Board as "Matters to be Reported to Audit & Supervisory Board Members or the Audit & Supervisory Board" to Audit & Supervisory Board Members or the Audit & Supervisory Board.
- 4) The DIC Group shall not treat persons who report to Audit & Supervisory Board Members unfavorably because they have made a report.
- 5) The Company shall establish an Audit & Supervisory Board Members' Office and shall assign dedicated personnel to assist Audit & Supervisory Board Members in their duties. Such personnel shall obey only the directions and orders of the Audit & Supervisory Board Members. Evaluations shall be conducted by Audit & Supervisory Board Members and matters such as personnel changes and disciplinary actions will require the prior consent of Audit & Supervisory Board Members.
- 6) The Company shall pay the costs and fees that Audit & Supervisory Board Members need to perform their duties.

### **【Operational Status】**

Audit & Supervisory Board Members attended important meetings, including those of the Board of Directors and the Executive Committee, and reviewed the contents of *Ringi* approvals as necessary.

Audit & Supervisory Board Members held liaison meetings on a periodic basis with Representative Directors, the internal auditing department and the Accounting Auditor to exchange opinions.

Directors and employees reported on matters designated by the Audit & Supervisory Board, as well as on other important matters.

Audit & Supervisory Board Members met on a periodic basis with the Audit & Supervisory Board Members of subsidiaries. Overseas, Audit & Supervisory Board Members attended meetings of the Board of Directors of regional headquarters. Taking into account materiality and risk, Audit & Supervisory Board Members conducted on-site audits.

## Reference Corporate Governance

### 1 Basic Approach to Corporate Governance

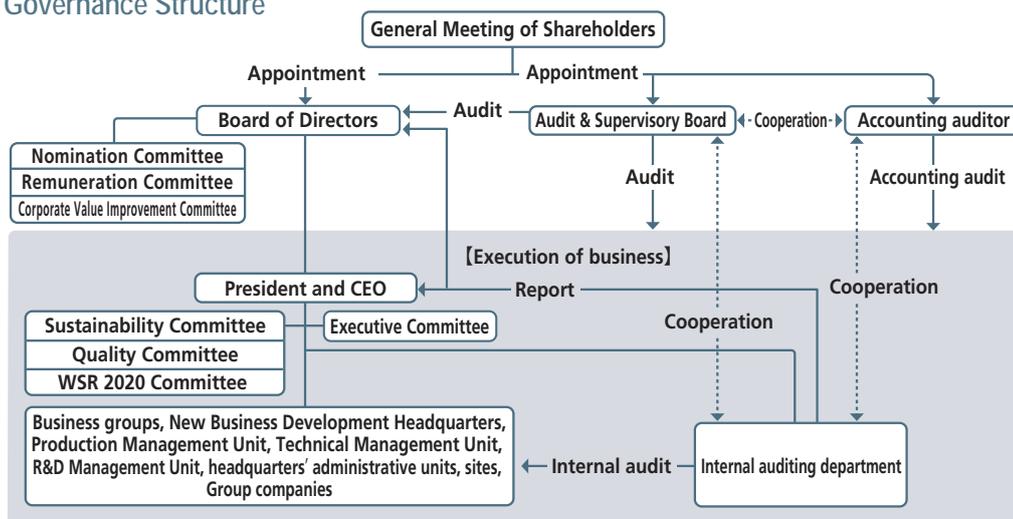
The DIC Group defines corporate governance as a mechanism to ensure effective decision making pertaining to its management policy of achieving sustainable corporate growth and expansion through sound and efficient management, while at the same time guaranteeing the appropriate monitoring and assessment of and motivation for management's execution of business activities. With the aim of achieving a higher level of trust with our shareholders, customers and other stakeholders and enhancing corporate value, the DIC Group also promotes ongoing measures to reinforce its management system and ensure effective monitoring thereof.

The Company has prepared and disclosed a Policy on Corporate Governance to explain its basic approach to corporate governance.

For more information of the Policy on Corporate Governance, please refer to the Company's website:  
[https://www.dic-global.com/pdf/ir/management/governance/governance\\_en.pdf](https://www.dic-global.com/pdf/ir/management/governance/governance_en.pdf)

### 2 Outline of the Company's Corporate Governance

#### Corporate Governance Structure



As a company with Audit & Supervisory Board Members, the Company has a Board of Directors and an Audit & Supervisory Board. It has also instituted an executive officer system, a move aimed at separating decision making and implementation and thereby accelerating business execution and clarifying responsibilities. The Company has also established a Nomination Committee, Remuneration Committee, Corporate Value Improvement Committee, Executive Committee, Sustainability Committee, Quality Committee and WSR 2020 Committee.

#### 1) Board of Directors

From the perspective of making business decisions in a timely manner and reinforcing corporate governance, the Board of Directors consists of ten Directors, four of whom are Outside Directors (two of whom are female). The Board of Directors typically meets once a month to make decisions on matters delegated to it under the Companies Act and on important business matters stated in the regulations for meetings of the Board of Directors, as well as to receive status reports on the execution of business operations and supervise the execution of the business.

## 2) Nomination Committee

To ensure objectivity in the nomination of Directors, Audit & Supervisory Board Members and Executive Officers, among others, the Company has established a Nomination Committee, which provides recommendations to the Board of Directors regarding the appointment and dismissal of Directors, Audit & Supervisory Board Members and Executive Officers. The Nomination Committee consists of six Directors, four of whom are Independent Outside Directors, with an Independent Outside Director serving as Chairman.

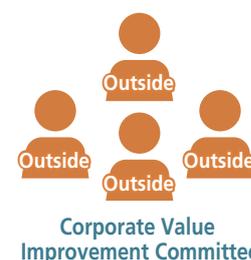


## 3) Remuneration Committee

To ensure objectivity in the determination of remuneration for Directors and Executive Officers, the Company has established a Remuneration Committee, which has been entrusted with responsibility for determining remuneration, among others, for Directors and Executive Officers. The Remuneration Committee consists of six Directors, four of whom are Independent Outside Directors, with an Independent Outside Director serving as Chairman.

## 4) Corporate Value Improvement Committee

The Corporate Value Improvement Committee was established in April 2024 to explore the role of companies in society from a high-level, broad viewpoint and advise the Board of Directors from a third-party perspective regarding the improvement of corporate value over the long term. The committee consists of four Outside Directors and depending on the theme invites external experts to serve as advisors.



## 5) Executive Committee

Established as a body to advise on important matters related to the execution of business, the Executive Committee meets twice monthly in principle. The Executive Committee consists of Executive Officers and others appointed by the Board of Directors. As part of the auditing process, one Audit & Supervisory Board Member also attends Executive Committee meetings. Details of deliberations at meetings and the results thereof are reported to the Board of Directors.

## 6) Sustainability Committee

The Sustainability Committee, which functions as an advisory body, meets several times annually to formulate sustainability policies and activity plans, as well as to evaluate and promote sustainability initiatives. The Sustainability Committee consists of Executive Officers and others designated by the Board of Directors. As part of the auditing process, one Audit & Supervisory Board Member also attends Sustainability Committee meetings. Details of deliberations at meetings and the results thereof are reported to the Board of Directors.

## 7) Quality Committee

In addition to reporting on the status and progress of quality management, the Quality Committee functions as a deliberative body for the DIC Group's quality policies, principal initiatives and important issues. In principle, the Committee meets once quarterly. The Quality Committee consists of Executive Officers and others designated by the Board of Directors. As part of the auditing process, one Audit & Supervisory Board Member also attends Quality Committee meetings. Details of deliberations at meetings and the results thereof are reported to the Board of Directors.

## 8) WSR 2020 Committee

The Work Style Revolution (WSR) 2020 Committee was established to deliberate work style reform-related measures and investment plans, among others, with the aim of enhancing Group employee job satisfaction and productivity. In principle, the WSR 2020 Committee meets once quarterly. The WSR 2020 Committee consists of Executive Officers and others designated by the Board of Directors. Details of important deliberations at meetings and the results thereof are reported to the Board of Directors.

## 9) Audit & Supervisory Board

The Audit & Supervisory Board comprises four members, including two Outside Members (one of whom is female). In principle, the Audit & Supervisory Board meets once monthly. Board activities include debating and determining auditing policies and auditing plans. Members also report on the results of audits conducted, as well as attend important meetings, including those of the Board of Directors, the Executive Committee and the Sustainability Committee, meet with Representative Directors on a periodic basis to exchange information and opinions, and collect business reports from Directors, Executive Officers and employees. In addition, the Company has established an Audit & Supervisory Board Members' Office, to which it assigns dedicated personnel to assist the Audit & Supervisory Board Members in their duties.

# Consolidated Financial Statements

## Consolidated Balance Sheet

(Millions of yen)

Accounts	Current Fiscal Year As of December 31, 2024	Previous Fiscal Year As of December 31, 2023 (Reference)	Accounts	Current Fiscal Year As of December 31, 2024	Previous Fiscal Year As of December 31, 2023 (Reference)
<b>(Assets)</b>			<b>(Liabilities)</b>		
<b>I Current assets</b>	<b>607,506</b>	<b>620,188</b>	<b>I Current liabilities</b>	<b>333,071</b>	<b>348,749</b>
Cash and deposits	61,869	87,533	Notes and accounts payable - trade	138,448	140,089
Notes and accounts receivable - trade	229,744	225,148	Short-term loans payable	26,732	12,405
Merchandise and finished goods	169,546	167,427	Commercial papers	—	33,000
Work in process	11,819	11,250	Current portion of bonds payable	10,000	30,000
Raw materials and supplies	99,218	94,157	Current portion of long-term loans payable	54,521	33,897
Other	40,229	38,623	Lease obligations	5,161	4,656
Allowance for doubtful accounts	(4,919)	(3,951)	Income taxes payable	4,485	2,870
			Provision for bonuses	5,510	5,037
<b>II Non-current assets</b>	<b>618,927</b>	<b>624,701</b>	Other	88,214	86,794
<b>Property, plant and equipment</b>	<b>364,141</b>	<b>373,892</b>	<b>II Non-current liabilities</b>	<b>472,748</b>	<b>496,873</b>
Buildings and structures	133,918	133,062	Bonds payable	100,000	95,000
Machinery, equipment and vehicles	135,666	128,613	Long-term loans payable	277,617	308,231
Tools, furniture and fixtures	16,446	17,822	Lease obligations	10,301	11,769
Land	57,780	66,488	Deferred tax liabilities	20,474	19,351
Construction in progress	20,330	27,907	Net defined benefit liability	32,898	36,056
			Asset retirement obligations	9,618	9,480
<b>Intangible assets</b>	<b>67,494</b>	<b>68,916</b>	Other	21,839	16,986
Goodwill	17,394	17,782	<b>Total liabilities</b>	<b>805,819</b>	<b>845,622</b>
Software	14,142	14,298	<b>(Net assets)</b>		
Customer-related assets	10,676	11,639	<b>I Shareholders' equity</b>	<b>376,301</b>	<b>362,497</b>
Other	25,281	25,198	Capital stock	96,557	96,557
			Capital surplus	94,234	94,234
<b>Investments and other assets</b>	<b>187,293</b>	<b>181,893</b>	Retained earnings	187,008	173,292
Investment securities	60,085	63,071	Treasury shares	(1,498)	(1,586)
Deferred tax assets	16,160	16,593	<b>II Accumulated other comprehensive income</b>	<b>25,119</b>	<b>1,440</b>
Net defined benefit asset	88,774	78,961	Valuation difference on available-for-sale securities	3,924	5,542
Other	22,339	23,366	Deferred gains or losses on hedges	515	248
Allowance for doubtful accounts	(65)	(98)	Foreign currency translation adjustment	34,587	12,559
			Remeasurements of defined benefit plans	(13,907)	(16,910)
<b>Total assets</b>	<b>1,226,433</b>	<b>1,244,889</b>	<b>III Non-controlling interests</b>	<b>19,194</b>	<b>35,330</b>
			<b>Total net assets</b>	<b>420,615</b>	<b>399,267</b>
			<b>Total liabilities and net assets</b>	<b>1,226,433</b>	<b>1,244,889</b>

# Consolidated Statement of Income

(Millions of yen)

Accounts	Current Fiscal Year Ended December 31, 2024	Previous Fiscal Year Ended December 31, 2023 (Reference)
I Net sales	1,071,127	1,038,736
II Cost of sales	848,929	852,360
Gross profit	222,198	186,376
III Selling, general and administrative expenses	177,677	168,433
Operating income	44,521	17,943
IV Non-operating income	9,017	10,996
Interest income	3,491	6,078
Dividends income	627	503
Equity in earnings of affiliates	3,257	2,734
Other	1,642	1,680
V Non-operating expenses	15,633	19,723
Interest expenses	8,481	11,274
Foreign exchange losses	2,859	4,188
Other	4,293	4,261
Ordinary income	37,905	9,216
VI Extraordinary income	12,407	4,886
Gain on sales of non-current assets	7,001	1,858
Gain on sales of investment securities	4,127	2,688
Gain on sales of shares and investments in capital of subsidiaries and affiliates	1,279	—
Insurance claim income	—	340
VII Extraordinary losses	12,635	40,570
Loss on sales of shares and investments in capital of subsidiaries and affiliates	4,513	—
Severance costs	3,886	4,268
Loss on disposal of non-current assets	3,242	2,571
Loss on withdrawal from business	486	—
Provision for product warranties	315	—
Impairment losses	194	33,537
Provision for loss on withdrawal from business	—	194
Income (loss) before income taxes	37,677	(26,468)
Income taxes - current	13,807	10,065
Income taxes - deferred	1,630	2,328
Net income (loss)	22,240	(38,861)
Net income attributable to non-controlling interests	926	996
Net income (loss) attributable to owners of the parent	21,313	(39,857)

# Non-Consolidated Financial Statements

## Non-Consolidated Balance Sheet

(Millions of yen)

Accounts	Current Fiscal Year As of December 31, 2024	Previous Fiscal Year As of December 31, 2023 (Reference)	Accounts	Current Fiscal Year As of December 31, 2024	Previous Fiscal Year As of December 31, 2023 (Reference)
<b>(Assets)</b>			<b>(Liabilities)</b>		
<b>I Current assets</b>	<b>163,440</b>	<b>176,261</b>	<b>I Current liabilities</b>	<b>233,721</b>	<b>248,291</b>
Cash and deposits	13,460	29,386	Electronically recorded obligations	10,327	10,515
Notes receivable - trade	2,442	2,461	Accounts payable - trade	71,676	66,147
Electronically recorded monetary claims	4,965	5,079	Short-term loans payable	116,031	80,720
Accounts receivable - trade	57,675	53,347	Commercial papers	—	33,000
Merchandise and finished goods	30,508	29,165	Current portion of bonds payable	10,000	30,000
Work in process	6,087	5,221	Accounts payable - other	17,751	20,828
Raw materials and supplies	11,564	10,804	Income taxes payable	566	314
Advance payments - trade	1,607	1,291	Provision for bonuses	4,288	3,469
Prepaid expenses	2,232	2,256	Provision for directors' bonuses	83	4
Short-term loans receivable	5,010	10,259	Provision for environmental measures	1	22
Accounts receivable - other	27,139	26,484	Provision for product warranties	124	—
Other	757	514	Provision for loss on withdrawal from business	—	194
Allowance for doubtful accounts	(6)	(6)	Accrued expenses	582	440
			Advances received	117	146
<b>II Non-current assets</b>	<b>708,722</b>	<b>710,234</b>	Deposits received	175	182
<b>Property, plant and equipment</b>	<b>96,499</b>	<b>97,616</b>	Asset retirement obligations	136	—
Buildings	31,130	31,692	Other	1,865	2,311
Structures	7,251	6,929	<b>II Non-current liabilities</b>	<b>314,888</b>	<b>338,000</b>
Machinery and equipment	26,348	23,655	Bonds payable	100,000	95,000
Vehicles	82	97	Long-term loans payable	209,800	236,800
Tools, furniture and fixtures	5,376	5,773	Provision for retirement benefits	33	26
Land	25,384	25,648	Provision for stock payments	568	471
Construction in progress	928	3,821	Provision for loss on business of subsidiaries and affiliates	192	164
			Provision for environmental measures	146	147
<b>Intangible assets</b>	<b>14,972</b>	<b>15,178</b>	Asset retirement obligations	638	797
Goodwill	1,077	1,142	Deferred tax liabilities	933	1,599
Software	13,626	13,696	Other	2,578	2,995
Other	270	340	<b>Total liabilities</b>	<b>548,609</b>	<b>586,292</b>
<b>Investments and other assets</b>	<b>597,251</b>	<b>597,441</b>	<b>(Net assets)</b>		
Investment securities	7,127	11,553	<b>I Shareholders' equity</b>	<b>333,856</b>	<b>305,188</b>
Stocks of subsidiaries and affiliates	492,464	496,475	<b>Capital stock</b>	<b>96,557</b>	<b>96,557</b>
Investments in capital of subsidiaries and affiliates	32,246	32,246	<b>Capital surplus</b>	<b>94,156</b>	<b>94,156</b>
Long-term loans receivable	3,925	5	Legal capital surplus	94,156	94,156
Prepaid pension cost	44,400	39,688	<b>Retained earnings</b>	<b>144,642</b>	<b>116,062</b>
Other	17,236	17,620	Other retained earnings		
Allowance for doubtful accounts	(146)	(146)	Reserve for tax deferral of subsidies	53	64
			Reserve for tax deferral of insurance gains	136	143
<b>Total assets</b>	<b>872,162</b>	<b>886,495</b>	Reserve for tax deferral of capital gains from eminent domain	753	773
			Reserve for reduction entry of replaced property	3,296	3,679
			Retained earnings brought forward	140,403	111,404
			<b>Treasury shares</b>	<b>(1,498)</b>	<b>(1,586)</b>
			<b>II Valuation and translation adjustments</b>	<b>(10,302)</b>	<b>(4,985)</b>
			Valuation difference on available-for- sale securities	3,424	4,797
			Deferred gains or losses on hedges	(13,726)	(9,782)
			<b>Total net assets</b>	<b>323,553</b>	<b>300,203</b>
			<b>Total liabilities and net assets</b>	<b>872,162</b>	<b>886,495</b>

## Non-Consolidated Statement of Income

(Millions of yen)

Accounts	Current Fiscal Year Ended December 31, 2024	Previous Fiscal Year Ended December 31, 2023 (Reference)
I Net sales	258,390	239,771
II Cost of sales	209,939	202,391
Gross profit	48,451	37,380
III Selling, general and administrative expenses	40,004	38,663
Operating income (loss)	8,448	(1,284)
IV Non-operating income	17,151	6,307
Interest income	393	169
Dividends income	15,662	5,474
Foreign exchange gains	432	361
Other	664	303
V Non-operating expenses	3,806	3,294
Interest expenses	2,210	1,817
Other	1,596	1,477
Ordinary income	21,792	1,729
VI Extraordinary income	17,020	3,245
Gain on sales of non-current assets	3,954	—
Gain on sales of shares and investments in capital of subsidiaries and affiliates	8,939	—
Gain on sales of investment securities	4,127	2,679
Gain on extinguishment of tie-in shares	—	566
VII Extraordinary losses	1,045	8,274
Loss on disposal of non-current assets	1,017	809
Impairment losses	28	7,270
Provision for loss on withdrawal from business	—	194
Income (loss) before income taxes	37,767	(3,300)
Income taxes - current	(12)	(74)
Income taxes - deferred	1,602	112
Net income (loss)	36,176	(3,338)

# Audit Reports

## Audit Report of the Accounting Auditor for the Consolidated Financial Statements

(TRANSLATION)

### INDEPENDENT AUDITOR'S REPORT

February 27, 2025

To the Board of Directors of  
DIC Corporation:

Deloitte Touche Tohmatsu LLC  
Tokyo office

Designated Engagement Partner,  
Certified Public Accountant:

Takaya Otake

Designated Engagement Partner,  
Certified Public Accountant:

Yuichi Asai

#### Opinion

Pursuant to the fourth paragraph of Article 444 of the Companies Act, we have audited the consolidated financial statements of DIC Corporation and its consolidated subsidiaries (the "Group"), namely, the consolidated balance sheet as of December 31, 2024, and the consolidated statement of income and consolidated statement of changes in equity for the fiscal year from January 1, 2024 to December 31, 2024, and the related notes.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Group as of December 31, 2024, and its consolidated financial performance for the year then ended in accordance with accounting principles generally accepted in Japan.

#### Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in Japan. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Group in accordance with the provisions of the Code of Professional Ethics in Japan, and we have fulfilled our other ethical responsibilities as auditors. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

#### Information Other than the Financial Statements and Auditor's Report Thereon

Management is responsible for the other information. Audit & Supervisory Board members and the Audit & Supervisory Board are responsible for overseeing the Directors' execution of duties relating to the design and operating effectiveness of the controls over the other information. The other information comprises the information included in the Business Report and the accompanying supplemental schedules.

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

## (TRANSLATION)

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

### **Responsibilities of Management and Audit & Supervisory Board Members and the Audit & Supervisory Board for the Consolidated Financial Statements**

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with accounting principles generally accepted in Japan, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern in accordance with accounting principles generally accepted in Japan.

Audit & Supervisory Board members and the Audit & Supervisory Board are responsible for overseeing the Directors' execution of duties relating to the design and operating effectiveness of the controls over the Group's financial reporting process.

### **Auditor's Responsibilities for the Audit of the Consolidated Financial Statements**

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with auditing standards generally accepted in Japan, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks. The procedures selected depend on the auditor's judgment. In addition, we obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion.
- Obtain, when performing risk assessment procedures, an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate whether the overall presentation and disclosures of the consolidated financial statements are in accordance with accounting principles generally accepted in Japan, as well as the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

**(TRANSLATION)**

We communicate with Audit & Supervisory Board members and the Audit & Supervisory Board regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide Audit & Supervisory Board members and the Audit & Supervisory Board with a statement that we have complied with relevant ethical requirements regarding independence, and communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

**Interest Required to Be Disclosed by the Certified Public Accountants Act of Japan**

Our firm and its designated engagement partners do not have any interest in the Group which is required to be disclosed pursuant to the provisions of the Certified Public Accountants Act of Japan.

Notes to the Readers of Independent Auditor's Report

This is an English translation of the independent auditor's report as required by the Companies Act of Japan for the conveniences of the reader. The other information in "the Business Report and the accompanying supplemental schedules" referred to in the "Information Other than the Financial Statements and Auditor's Report Thereon" section of this English translation is not translated.

## Audit Report of the Accounting Auditor for the Non-Consolidated Financial Statements

(TRANSLATION)

### INDEPENDENT AUDITOR'S REPORT

February 27, 2025

To the Board of Directors of  
DIC Corporation:

Deloitte Touche Tohmatsu LLC  
Tokyo office

Designated Engagement Partner,  
Certified Public Accountant:

Takaya Otake

Designated Engagement Partner,  
Certified Public Accountant:

Yuichi Asai

#### Opinion

Pursuant to the first item, second paragraph of Article 436 of the Companies Act, we have audited the nonconsolidated financial statements of DIC Corporation (the "Company"), namely, the nonconsolidated balance sheet as of December 31, 2024, and the nonconsolidated statement of income and nonconsolidated statement of changes in equity for the 127th fiscal year from January 1, 2024 to December 31, 2024, and the related notes and the accompanying supplemental schedules.

In our opinion, the accompanying nonconsolidated financial statements present fairly, in all material respects, the financial position of the Company as of December 31, 2024, and its financial performance for the year then ended in accordance with accounting principles generally accepted in Japan.

#### Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in Japan. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Nonconsolidated Financial Statements section of our report. We are independent of the Company in accordance with the provisions of the Code of Professional Ethics in Japan, and we have fulfilled our other ethical responsibilities as auditors. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

#### Information Other than the Financial Statements and Auditor's Report Thereon

Management is responsible for the other information. Audit & Supervisory Board members and the Audit & Supervisory Board are responsible for overseeing the Directors' execution of duties relating to the design and operating effectiveness of the controls over the other information. The other information comprises the information included in the Business Report and the accompanying supplemental schedules.

Our opinion on the nonconsolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

## (TRANSLATION)

In connection with our audit of the nonconsolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the nonconsolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

### **Responsibilities of Management and Audit & Supervisory Board Members and the Audit & Supervisory Board for the Nonconsolidated Financial Statements**

Management is responsible for the preparation and fair presentation of the nonconsolidated financial statements in accordance with accounting principles generally accepted in Japan, and for such internal control as management determines is necessary to enable the preparation of nonconsolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the nonconsolidated financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern in accordance with accounting principles generally accepted in Japan.

Audit & Supervisory Board members and the Audit & Supervisory Board are responsible for overseeing the Directors' execution of duties relating to the design and operating effectiveness of the controls over the Company's financial reporting process.

### **Auditor's Responsibilities for the Audit of the Nonconsolidated Financial Statements**

Our objectives are to obtain reasonable assurance about whether the nonconsolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these nonconsolidated financial statements.

As part of an audit in accordance with auditing standards generally accepted in Japan, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the nonconsolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks. The procedures selected depend on the auditor's judgment. In addition, we obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion.
- Obtain, when performing risk assessment procedures, an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the nonconsolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate whether the overall presentation and disclosures of the nonconsolidated financial statements are in accordance with accounting principles generally accepted in Japan, as well as the overall presentation, structure and content of the nonconsolidated financial statements, including the disclosures, and whether the nonconsolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

**(TRANSLATION)**

We communicate with Audit & Supervisory Board members and the Audit & Supervisory Board regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide Audit & Supervisory Board members and the Audit & Supervisory Board with a statement that we have complied with relevant ethical requirements regarding independence, and communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

**Interest Required to Be Disclosed by the Certified Public Accountants Act of Japan**

Our firm and its designated engagement partners do not have any interest in the Company which is required to be disclosed pursuant to the provisions of the Certified Public Accountants Act of Japan.

Notes to the Readers of Independent Auditor's Report

This is an English translation of the independent auditor's report as required by the Companies Act of Japan for the conveniences of the reader. "The accompanying supplemental schedules" referred to in this report are not included in the attached financial documents. In addition, the other information in "the Business Report and the accompanying supplemental schedules" referred to in the "Information Other than the Financial Statements and Auditor's Report Thereon" section of this English translation is not translated.

## Audit Report of the Audit & Supervisory Board

### AUDIT REPORT

The Audit & Supervisory Board has prepared this audit report following deliberations based on the audit reports prepared by each Audit & Supervisory Board Member pertaining to the conduct of the Directors in the performance of their duties during the 127th fiscal year from January 1, 2024 to December 31, 2024 and hereby reports as follows:

1. Methods and Contents of the Audit by the Audit & Supervisory Board Members and the Audit & Supervisory Board

- (1) The Audit & Supervisory Board established the audit policies, the audit plan and other matters, and received reports from each Audit & Supervisory Board Member regarding the status of audits and results thereof. In addition, the Audit & Supervisory Board has received reports from the Directors and senior executives and the Accounting Auditor regarding the performance of their duties and requested explanations as necessary.
- (2) In conformity with the Audit & Supervisory Board Member's auditing standards established by the Audit & Supervisory Board, and in accordance with the audit policies and audit plans, each Audit & Supervisory Board Member endeavored to communicate with the Directors, internal audit departments and other relevant employees, endeavored to collect information and maintain and improve the audit environment and conducted audit with the methods described below;
  - ① Each Audit & Supervisory Board Member attended the meetings of the Board of Directors and other important meetings, received reports on the status of performance of duties from the Directors and relevant employees, requested explanations as necessary, examined important documents regarding decisions and approvals made and inspected the status of the operations and property at the head office and other principal business locations. With respect to subsidiaries, each Audit & Supervisory Board Member endeavored to communicate with and exchanged information with the Directors, the Audit & Supervisory Board Members and relevant employees of the subsidiary, received reports on their business, and investigated the status of their operations and property as necessary.
  - ② In order to ensure the adequacy of establishment and maintenance of an internal control system that is set forth in the Companies Act of Japan, each Audit & Supervisory Board Member received reports of the Board of Directors' resolution and the status of establishment and operation of the system from the Directors and relevant employees, requested explanations as necessary and expressed opinions. On internal controls of the DIC Group consisting of DIC Corporation and its subsidiaries, each Audit & Supervisory Board Member received reports from the Directors and relevant employees of the subsidiaries and requested explanations as necessary.
  - ③ Each Audit & Supervisory Board Member monitored and verified whether the Accounting Auditor maintained its independence and properly conducted its audits, received reports from the Accounting Auditor on the status of its performance of duties, and requested explanations as necessary. Each Audit & Supervisory Board Member was notified by the Accounting Auditor that it had established "a system to ensure that the performance of the duties of the Accounting Auditor" provided by the Companies Act is being properly conducted in accordance with the "Quality Control Standards for Audits" constituted by the Business Accounting Council, and requested explanations as necessary.

Based on the above-described methods, each Audit & Supervisory Board Member examined the business report and the accompanying supplementary schedules, the non-consolidated financial statements and the annexed detailed statements as well as the consolidated financial statements, for the fiscal year under consideration.

## 2. Results of Audit

### (1) Results of Audit of the Business Report and Other Relevant Documents

- ① We acknowledge that the business report and the accompanying supplemental schedules fairly present the status of the Company in conformity with the applicable laws and regulations and the Articles of Incorporation of the Company.
- ② We acknowledge that no misconduct or material fact constituting a violation of any law or regulation or the Articles of Incorporation of the Company was found in connection with the Directors' performance of their duties.
- ③ We acknowledge that the Board of Directors' resolutions with respect to the internal control system are appropriate. We did not find any matter to be mentioned with respect to the description in the business report and the Directors' performance of their duties concerning the internal control system.

### (2) Results of Audit of Non-Consolidated Financial Statements and Annexed Detailed Statement

We acknowledge that the methods and results of the audit performed by the Accounting Auditor, Deloitte Touche Tohmatsu LLC are appropriate.

### (3) Results of Audit of Consolidated Financial Statements

We acknowledge that the methods and results of the audit performed by the Accounting Auditor, Deloitte Touche Tohmatsu LLC are appropriate.

February 27, 2025

The Audit & Supervisory Board of DIC Corporation

Hiroyuki Ninomiya	Audit & Supervisory Board Member (Full-time)	[Seal]
Toshinobu Kitamura	Audit & Supervisory Board Member (Full-time)	[Seal]
Keita Nagura	Audit & Supervisory Board Member (Independent)	[Seal]
Keiko Kishigami	Audit & Supervisory Board Member (Independent)	[Seal]



**1** Audit & Supervisory Board Member (Full-time)

**Hiroyuki Ninomiya**

**2** Audit & Supervisory Board Member (Full-time)

**Toshinobu Kitamura**

**3** Audit & Supervisory Board Member (Independent)

**Keita Nagura**

**4** Audit & Supervisory Board Member (Independent)

**Keiko Kishigami**

