

Sustainability Report 2026



Color & Comfort

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A Message from the Head of the ESG Unit



Kuniko Torayama

Executive Officer
ESG Unit

“Sustainability requires us to remain consistent in our long-term direction while making sound decisions and delivering reliable execution on the ground.”

Until now, the DIC Group has provided stakeholders with an integrated report that brings together both financial and non-financial information. As the importance of sustainability-related information continues to grow globally, we see a need to communicate this information with clarity and depth. For this reason, beginning this year, we have chosen to publish a standalone Sustainability Report, separate from the integrated report.

Through this new sustainability report, we aim to present our ESG (Environmental, Social and Governance) initiatives in a more focused way and to foster deeper dialogue with our stakeholders. We hope this report offers a clearer view of the challenges we face and the steady progress we are making to address them.

Amid accelerating climate change and rising geopolitical risks, global policies and markets are evolving rapidly. Sustainability is an area that is strongly influenced by economic conditions and political decisions, and developments surrounding greenhouse gas (GHG) emissions reduction continue to shift. In Europe, there are signs of a slowdown in the pace of emissions reductions alongside economic deceleration, while in the United States policy direction remains variable. In contrast, Japan and Greater China are expected to continue making steady progress toward

decarbonization. As these regional differences become more pronounced, chemical companies—positioned at the core of global supply chains—must remain attentive to change and respond with agility. As a group operating in more than 60 countries, the DIC Group will continue to identify emerging trends, maintain a consistent long-term direction, and execute practical, on-the-ground actions.

Environment: Advancing GHG Emissions Reduction

Reducing GHG emissions remains one of our key priorities. We achieved a slight reduction of emissions in 2025, however this once again highlighted the difficulty of further reductions. To stay on track toward our goal of reducing Scope 1 and 2 emissions by 50% from 2013 levels by 2030, we are advancing a combination of business portfolio adjustments, renewable resource transitions, equipment upgrades, and energy efficiency measures. We are focusing on actions that are both effective and economically viable. Reducing Scope 3 emissions requires collaboration with stakeholders across the upstream and downstream value chain. We will continue to advance these efforts steadily through ongoing dialogue.

At the same time, we are addressing environmental issues beyond climate change, including water resources. While large-scale investments are not always feasible, we believe it is important to clearly prioritize these initiatives and make steady progress. As multiple challenges advance in parallel, we will continue to focus our efforts where we can have the greatest impact while responding with flexibility.

Social: Respect for Human Rights and Promotion of Diversity

We are advancing initiatives focused on how we support and develop our people (referred to in Japan as Human Capital Management, or HCM), with a clear emphasis on human rights and inclusion. In Japan, for example, we have encouraged increased paternity leave uptake and supported the career growth of female employees through policy changes and cultural initiatives.

Going forward, we will continue to create an environment where every employee can fully realize their potential, while strengthening the organizational foundation needed to respond to a rapidly changing business environment. This includes advancing talent development across regions and functions throughout the Group.

Governance: Responding to Global Disclosure Standards

As part of our governance initiatives, and with compliance as our foundation, we are progressing toward alignment with international disclosure standards. In particular, responding to the EU's Corporate Sustainability Reporting Directive (CSRD) is a key priority for the Group. Given our significant business presence in Europe, we are subject to these requirements, making the integration and consistency of data across our global operations essential.

We are currently building a globally aligned disclosure framework through the introduction of dedicated tools and improvements to effective data collection processes. This is a Group-wide effort, and we are working together globally to meet this challenge. As laws and regulations continue to evolve, the ability to respond with flexibility and speed will become increasingly important.

For the DIC Group, sustainability is not a peripheral initiative, but a fundamental part of our management strategy and how we create long-term value. While progress may not always be immediate, we believe that steady advancement across environmental, social and governance areas will strengthen both the sustainability of our business and our corporate value.

In a time of constant change, bringing together the expertise of our people, across countries, regions and cultures, and continuing to take on challenges together will be a source of strength for the future.

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Basis of Preparation

Reporting Scope

Unless otherwise stated, this report covers DIC Corporation and its consolidated subsidiaries worldwide (collectively, the “DIC Group” or “Group”). The reporting scope generally aligns with the Group’s financial consolidation boundary.

Regional terminology used throughout this report reflects the Group’s internal management structure:

- **DIC HQ refers to** the DIC Head Office, the headquarters of DIC Group, located in Nihonbashi, Chuo-ku, Tokyo, Japan
- **DIC Corporation (sometimes Company) refers to** the headquarters, plants, branch offices, and laboratory of DIC Corporation located in Japan
- **DIC Group in Japan refers to** DIC Corporation and subsidiaries in Japan
- **DIC Group in Greater China refers to** DIC China (located in Shanghai) and subsidiaries in the Greater China region
- **DIC Group in Asia-Pacific refers to** DIC AP (located in Singapore) and subsidiaries in the Asia–Pacific region (Asia and Oceania excluding Japan, Greater China, and South Korea)
- **Sun Chemical refers to** Sun Chemical subsidiaries, primarily operating across EMEA (Europe, Middle East and Africa), North America, and SCLA (South, Central and Latin America)

Sun Chemical also maintains a limited operational presence in parts of Asia. Where relevant, these operations are included within broader regional reporting categories depending on the reporting context.

Overseas DIC Group Companies (sometimes referred to as “Group Companies”) refer to DIC Group companies outside Japan and, depending on the context, may refer to all such companies or only those in one or more of the regions described above.

Information relating to Environment, Safety and Health (ESH) initiatives follows the operational scope defined on the DIC global website. Details regarding the scope of ESH-related reporting are available at:

https://www.dic-global.com/pdf/csr/environment/dic_report_scope_en_2026.pdf

Where the reporting boundary differs from the consolidated scope, this is indicated in the relevant disclosure.

Reporting Period

Unless otherwise indicated, the information presented in this report covers activities during fiscal year 2025 (January 1, 2025 to December 31, 2025).

Date of Publication (once a year)

July 2026

Reporting Frameworks and Guidelines Referenced

This report has been prepared with reference to internationally recognized reporting frameworks and guidance, including:

- International Organization for Standardization ISO 26000 Guidance on Social Responsibility
- Global Reporting Initiative (GRI Standards)
- Greenhouse Gas Protocol Corporate Accounting and Reporting Standard (Revised Edition, 2004) issued by the World Resources Institute and World Business Council for Sustainable Development
- The Task Force on Climate-related Financial Disclosures (TCFD) framework on reporting climate-related risks and opportunities

The report also reflects ongoing alignment with emerging international sustainability disclosure requirements, including the European Sustainability Reporting Standards (ESRS).

Greenhouse gas (GHG) Emissions refer to any CO₂eq conversions from activity data of company sites or emissions in the value chain. Activity data from DIC Group in Japan is converted with the factors published by Ministry of the Environment (MOE) which generally consider CO₂, but not CH₄ or N₂O.

Scope 1 Emissions refers to direct GHG emissions arising from facilities and business activities owned or controlled by the reporting entity.

Scope 2 Emissions refers to indirect GHG emissions associated with the consumption of purchased electricity, steam, heat, and cooling energy.

Scope 3 Emissions refers to indirect GHG emissions, excluding Scope 1 and Scope 2 emissions, that occur across the 15 upstream and downstream categories defined by the GHG Protocol.

Employee headcount figures disclosed in this Sustainability Report differ from the figures presented in the DIC Report and Annual Securities Report due to differences in reporting methodologies, including the treatment of employment types and working arrangements.

Work-related injuries refer to injuries and ill-health events.

Transition Toward ESRS Alignment

In this Sustainability Report, while continuing to build on the 13 sustainability themes that the DIC Group has addressed to date, a Double Materiality Assessment (DMA) was conducted with reference to the EU Corporate Sustainability Reporting Directive (CSRD). Based on the results of this assessment, the report structure has been developed to reflect the seven material matters identified through the DMA. Accordingly, the Group's existing 13 sustainability themes have been re-organized, and restructured in line with the DMA concept and corresponding disclosure approach, and the order of sections throughout the report has also been revised.

Disclosures related to each material matter have been prepared with reference to the concepts and structure of the ESRS, with the aim of improving comparability and enhancing the clarity of sustainability-related information provided to stakeholders.

Through this report, the aim is to communicate the DIC Group's approach to determining material sustainability matters and the derived sustainability initiatives in a clearer and more accessible manner.

Data Collection and Preparation

Environmental, social and governance data are collected from Group Companies through internal reporting systems and management processes. Unless otherwise specified, reported data correspond to the reporting period stated above.

Measurement methodologies, assumptions and estimation approaches applied to specific items are described within the respective disclosure sections where relevant. This ensures data transparency and verifiability.

Forward-Looking Statements

This report contains forward-looking statements based on information available at the time of publication. Actual results may differ materially due to changes in economic conditions, regulatory developments or other factors.

Performance Highlights: Targets and Achievements

Achievements and Progress Against 2025 Objectives

The DIC Group sets annual objectives across key functional areas and monitors progress through internal evaluation processes. The following summarizes progress against selected 2025 objectives.

Progress against objectives is internally evaluated using a three-level rating system:

★★★ Excellent

★★ Satisfactory

★ Still Needs Work

Environment and Operations

Climate Change

The Group continued progress toward its greenhouse gas reduction targets.

Scope 1 and 2 GHG emissions were reduced by 38.5% compared with the 2013 baseline, exceeding the interim target toward the 2030 goal of a 50% reduction.

★★★

Energy consumption intensity in DIC Group in Japan improved from 4.61 GJ/t to 4.54 GJ/t. It resulted in achieving a 1.5% year-on-year reduction and exceeding the target of at least 1.0% reduction compared with the previous year.

★★

Logistics (DIC Group in Japan)

DIC Group in Japan implemented measures to improve transportation efficiency, including modal shift initiatives and improvements in load efficiency.

Due to a revision in the calculation methodology to a tonne-kilometer basis, reported emissions intensity increased on a year-over-year basis. As a result, the target to reduce GHG emissions intensity by 1.23% was not achieved.

★

Waste Management

The Group manages waste through reduction, recycling, and appropriate disposal, with a focus on minimizing environmental impact and improving resource efficiency.

In the DIC Group in Japan, external landfill disposal amounted to 226 tonnes against a target of 200 tonnes. This increase was primarily due to temporary construction-related waste, including flame-retardant materials.

★

Total waste generation by the DIC Group in Japan was 37,347 tonnes, significantly below the target of 45,000 tonnes. Although it increased compared with the previous year due to the breakdown of an internal recycling facility at one site, it remained well below the target, reflecting improvements in production efficiency and waste reduction measures.



The effective utilization rate for the DIC Group in Japan reached 85.4%, exceeding the target of 80%, supported by strengthened recycling systems and improved coordination across operations.



At Sun Chemical, waste intensity was 0.063 t/t (112% relative to the 2019 baseline), indicating that further improvement is required to meet long-term reduction targets.



Globally, waste streams are managed through recycling, energy recovery, and controlled disposal, with continuous monitoring and efforts to reduce landfill dependency.

Water Resource Management

The Group completed the design of an updated water risk assessment framework aligned with ESRS requirements, with implementation planned from 2026 onwards.



Pollution Prevention (Air Emissions / VOCs)

In DIC Group in Japan, the target to maintain VOC emissions at 280 tonnes or less, equivalent to 50% of 2000 levels, was achieved in 2025 with total emissions of 168 tonnes.



Chemical and Product Safety

The Group continued to strengthen chemical substance management and regulatory compliance systems across global operations while promoting safe product stewardship across the value chain.

Systems are in place to manage chemical substances throughout their lifecycle, including regulatory compliance, risk assessment, and communication with customers.



Development of a Chemical Substance Information Management System

Operation of the new CIGNAS chemical substance management system progressed in DIC's Canadian operations and DIC Group in Asia-Pacific, including completion of migration activities from legacy systems at DIC Group in Asia-Pacific.



In DIC Group in Greater China, preparations for chemical substance management system deployment were completed; however, pre-operation activities had not commenced by year-end as originally planned.



Review of Domestic and Overseas Regulatory Compliance Workflows and Response to Regulatory Amendments

The Group continued to improve workflows for domestic and overseas regulatory compliance management through the introduction of new operational processes and system integration across DIC Group in Japan, DIC Group in Greater China, and DIC Group in Asia-Pacific.



Efforts to address the re-registration of existing chemical substances under South Korea's K-REACH regulation progressed steadily during the reporting period.



Collaboration on global regulatory compliance and chemical substance information management was continuously strengthened through information sharing and coordination.



Occupational Health and Safety (OHS)

The Group established Total Recordable Incident Rate (TRIR) targets for each region and continued efforts to prevent occupational injuries and improve workplace safety.

During the reporting period, TRIR performance was 1.9 for DIC Group in Japan (target: 1.60), 1.25 in DIC Group in Greater China (target: 1.00), 0.71 in DIC Group in Asia-Pacific (target: 1.00), and 5.13 at Sun Chemical (target: 5.30).

DIC Group in Asia-Pacific and Sun Chemical achieved their regional targets, while DIC Group in Japan and DIC Group in Greater China recorded TRIR results above target levels. The Group continues to implement safety initiatives and monitor performance indicators to reduce occupational injury risks and promote safe working environments.



Social

Human Resources Management

The Group advanced initiatives related to talent development, talent mobility, employee engagement and organizational capability enhancement, diversity, and health and productivity management. The following achievements are primarily for DIC Group in Japan.

The DIC Group strengthened global leadership development and talent mobility by expanding the Global Management Accelerator (GMA) program across all regions and promoting mobility initiatives. In addition, region-specific management training and skills development programs were expanded to strengthen employee capability development and retention.



The DIC Group in Japan promoted internal talent movement through the relaunch of its internal job posting system and the operation of internal dual-assignment arrangements. Recruitment activities were also conducted at an appropriate scale following careful review of hiring plans. In addition, the DIC Group in Japan advanced discussions on rebuilding its talent portfolio under Global Operating Model (GOM) and further enhanced succession planning for executive and management positions.



With respect to employee engagement and organizational capability enhancement, the DIC Group in Japan improved both response rates and scores for employee engagement surveys and enhanced the quality of organizational communication through initiatives to strengthen one-on-one meetings. Career development initiatives also fostered stronger dialogue between managers and employees and enabled greater ownership of individual career development.



The Group strengthened diversity promotion and career support through initiatives such as leadership development programs for women, mentoring programs, and external training opportunities. In addition, support programs for foreign employees and team-building initiatives promoted an inclusive organizational culture that leverages diversity and enhances employee engagement.



At the DIC Group in Japan, health and productivity management programs supported employee wellbeing through workplace improvement discussions based on stress check results and smoking cessation initiatives. The DIC Group in Japan also continued efforts toward certification under Japan's Health and Productivity Management Outstanding Organization Recognition Program while fostering greater health awareness across the organization.



Governance and Management Systems

Compliance

In 2025, the Group continued to strengthen its global compliance framework through training, monitoring, and system development.

Compliance e-learning programs covering the Code of Conduct, antitrust laws, and anti-bribery were implemented globally. Participation was promoted across the DIC Group, resulting in high completion rates in all regions.



The DIC Group continued to advance the development of a global compliance self-assessment and reporting framework. Reviews conducted across each region improved visibility into operational implementation.



The objective of zero material legal violations, including in relation to antitrust and anti-bribery laws, was maintained. Through training, awareness initiatives, and whistleblowing mechanisms, no material violations were identified during the reporting period.



Business Continuity Management (BCM)

The Group strengthened business continuity management through improvements in planning, training, and global deployment.

For the DIC Group in Japan, Business Continuity Plans (BCPs) were enhanced through template revisions, annual updates, and strengthened coordination across product divisions and sites. Reviews and training contributed to improved effectiveness and practical applicability.



The rollout of BCPs to Overseas DIC Group Companies progressed, particularly in DIC Group in Greater China. In parallel, training and operational improvements using the DIC BCPortal enhanced crisis response capabilities across sites and Group Companies.



Safety and Disaster Prevention in the DIC Group in Japan

The Group continued initiatives aimed at maintaining zero major accidents and strengthening process safety management at production sites in Japan.

During the reporting period, no major accidents occurred. The process incident rate was 0.239, compared with the target level of 0.110.



Process Safety and Disaster Prevention

The Group implements measures to prevent major incidents such as explosions, fires, and chemical releases.

Process safety management systems, including risk assessments and site-level controls, are applied to ensure safe and stable operations.



Information Security

The Group advanced initiatives to strengthen its global information security framework.

Third-party risk assessments and penetration tests were conducted across domestic and overseas systems to identify vulnerabilities and prioritize improvements.



Based on these assessments and lessons learned from incidents, the Information Security Roadmap 2030 was established, with initiatives launched across organizational, operational, IT, policy, and training domains.



Quality

The Group continued to strengthen quality governance and preventive risk management.

Following organizational changes, the roles of Head Office and site-level quality organizations were clarified, supporting improved coordination and operational effectiveness.



Quality audits were conducted to review processes, documentation, and records across sites, enabling the identification of potential risks and confirmation of corrective actions.



Sustainable Procurement

The Group advanced sustainable procurement initiatives, focusing on supplier engagement, emissions data collection, and responsible sourcing.

Surveys of key suppliers on GHG emissions reduction targets and Product Carbon Footprint (PCF) data were conducted, promoting the development of a Scope 3 (Category 1) emissions reduction. Supplier engagement through dialogue further strengthened collaboration on emissions reduction.



Bio-based and chemically recycled raw materials were explored in collaboration with business and technical functions, alongside support for certification schemes such as ISCC (International Sustainability and Carbon Certification) Plus.



Supplier sustainability assessments were conducted globally using tools such as EcoVadis, completing assessments for over 80% of suppliers across the Group. Improvements were also facilitated through focused engagement with suppliers who received lower evaluation results.



Globally, human rights due diligence in the supply chain was strengthened through supplier assessments, awareness initiatives, and the introduction of mechanisms to identify and exclude high-risk raw materials.



Key Data

Category	Unit	Scope / Region	2025	2024	2023	2022
Energy Consumption*	TJ	DIC Group in Japan	3,828	4,004	4,447	4,028
		DIC Group in Greater China	1,132	1,168	1,110	1,066
		DIC Group in Asia-Pacific	1,312	1,441	1,178	1,650
		Sun Chemical	6,852	6,805	6,017	7,767
		Other DIC Group Companies	106	67	48	58
		DIC Group Total	13,229	13,486	12,800	14,569
Renewable Energy Consumption	TJ	DIC Group in Japan	2,060	2,123	1,875	0
		DIC Group in Greater China	7	5	16	0
		DIC Group in Asia-Pacific	169	71	48	0
		Sun Chemical	296	84	36	0
		Other DIC Group Companies	0	0	0	0
		DIC Group Total	2,532	2,283	1,975	0
Energy Intensity	GJ/t	DIC Group in Japan	4.543	4.608	4.391	3.687
		DIC Group in Greater China	4.711	5.162	3.914	4.881
		DIC Group in Asia-Pacific	5.902	6.456	5.825	7.331
		Sun Chemical	8.027	7.54	7.557	7.603
		Other DIC Group Companies	153	314	102	111
		DIC Group Total	6.126	6.071	5.577	5.695
GHG Emissions (Total Scope 1 and 2)	t CO ₂ eq	DIC Group in Japan	93,461	99,995	136,395	208,231
		DIC Group in Greater China	66,265	73,762	71,998	62,457
		DIC Group in Asia-Pacific	80,530	97,153	83,583	127,851
		Sun Chemical	290,435	284,368	242,186	319,946
		Other DIC Group Companies	2,699	1,320	1,715	1,958
		DIC Group Total	533,391	556,598	535,875	720,444
GHG Emissions (Scope 1)	t CO ₂ eq	DIC Group in Japan	91,768	97,445	112,574	128,458
		DIC Group in Greater China	19,594	24,629	22,896	14,635
		DIC Group in Asia-Pacific	40,816	49,060	44,028	76,127
		Sun Chemical	115,535	113,461	96,267	121,361
		Other DIC Group Companies	1,438	495	944	1,029
		DIC Group Total	269,151	282,854	276,708	341,610
GHG Emissions (Scope 2)	t CO ₂ eq	DIC Group in Japan	1,694	2,549	23,821	79,773
		DIC Group in Greater China	46,672	49,133	49,102	47,822
		DIC Group in Asia-Pacific	39,714	48,094	39,555	51,725
		Sun Chemical	174,900	171,762	145,919	198,585
		Other DIC Group Companies	1,261	824	771	929
		DIC Group Total	264,240	273,744	259,167	378,834
GHG Emissions Intensity	kg/t CO ₂ eq	DIC Group in Japan	111	115	135	191
		DIC Group in Greater China	276	326	254	286
		DIC Group in Asia-Pacific	362	435	413	568
		Sun Chemical	340	315	303	313
		Other DIC Group Companies	3,901	6,151	3,616	3,731
		DIC Group Total	247	251	233	282

* From 2023, Energy Consumption includes non-fossil and renewable energy.

Topic	Indicator	Unit	Scope / Region	2025	2024	2023	2022
Occupational Safety & Health	Total Recordable Incident Rate (TRIR)	per million work hours	DIC Group in Japan	1.9	1.93	2.09	2.23
			DIC Group in Greater China	1.25	0.9	2.06	0.79
			DIC Group in Asia-Pacific	0.71	1.28	1.11	1.21
			Sun Chemical	5.13	5.70	4.56	6.33
			DIC Group Total	3.36	3.51	3.00	4.00
	Lost-Time Injury Frequency Rate	per million work hours	DIC Group in Japan	0.51	0.36	0.99	0.45
			DIC Group in Greater China	0.75	0.45	1.31	0.53
			DIC Group in Asia-Pacific	0.48	1.16	0.99	0.99
			Sun Chemical	3.34	3.35	2.49	3.36
			DIC Group Total	1.95	2.00	1.73	2.07
	Occupational Fatalities	persons	DIC Group in Japan	0	0	0	0
			DIC Group in Greater China	0	0	0	0
			DIC Group in Asia-Pacific	0	0	0	0
			Sun Chemical	0	0	0	0
			DIC Group Total	0	0	0	0
	Lost-Time Injuries	persons	DIC Group in Japan	4	3	9	4
			DIC Group in Greater China	3	2	7	2
			DIC Group in Asia-Pacific	4	10	9	9
			Sun Chemical	67	67	50	70
			DIC Group Total	79	83	76	89
	Non-Lost-Time Recordable Injuries	persons	DIC Group in Japan	11	13	10	16
			DIC Group in Greater China	2	2	4	1
			DIC Group in Asia-Pacific	2	1	1	2
			Sun Chemical	36	47	41	62
			DIC Group Total	57	63	56	83
Disaster Prevention	Process Safety Accidents	events	DIC Group in Japan	12	12	7	3
	Process Safety Incident Rate	events/200,000 work hours	DIC Group in Japan	0.239	0.229	0.124	0.050
Environmental Pollution	Volatile Organic Compounds (VOCs)	t	DIC Group in Japan	168	176	191	200
	PRTR-Designated Substances (Pollutant Release and Transfer Register)	t	DIC Group in Japan	171	179	204	234
	NO _x	t	DIC Group in Japan	138	108	133	172
	SO _x	t	DIC Group in Japan	3.0	1.8	5.0	13.3
	Chemical Oxygen Demand (COD)	t	DIC Group in Japan	658	636	768	854

Topic	Indicator	Unit	Scope / Region	2025	2024	2023	2022
Total Waste (Hazardous and Non-Hazardous)	Waste Generation	t	DIC Group in Japan	37,347	34,101	39,790	41,422
			Overseas DIC Group Companies	80,811	80,908	69,609	76,851
			DIC Group Total	118,158	115,009	109,398	118,273
	Waste Disposed by Production Facilities	t	DIC Group in Japan	29,976	27,759	30,238	31,627
			Overseas DIC Group Companies	75,355	73,821	63,166	70,756
			DIC Group Total	105,331	101,581	93,405	102,383
	Waste Recycled* ¹	t	DIC Group in Japan	17,567	15,261	15,506	16,725
			Overseas DIC Group Companies	28,022	26,051	26,039	29,589
			DIC Group Total	45,588	41,312	41,546	46,314
	Incineration with Heat Recovery	t	DIC Group in Japan	14,333	13,397	20,371	20,849
			Overseas DIC Group Companies	30,771	30,993	24,243	12,001
			DIC Group Total	45,104	44,390	44,614	32,850
	Incineration without Heat Recovery	t	DIC Group in Japan	5,222	5,244	3,745	3,675
			Overseas DIC Group Companies	10,098	9,685	7,955	18,221
			DIC Group Total	15,320	14,929	11,700	21,895
	Landfill Disposal* ²	t	DIC Group in Japan	226	199	167	173
			Overseas DIC Group Companies	10,670	13,161	11,371	17,041
			DIC Group Total	10,896	13,360	11,538	17,214
	Resource Recycling Rate	%	DIC Group in Japan	85%	84%	90%	91%
			Overseas DIC Group Companies	73%	70%	72%	54%
			DIC Group Total	77%	74%	78%	67%
Hazardous Waste	Hazardous Waste Generation	t	DIC Group in Japan	12,216	7,465	8,585	8,268
			Overseas DIC Group Companies	49,284	48,708	40,905	47,546
			DIC Group Total	61,500	56,172	49,491	55,815
	Hazardous Waste Disposed by Production Facilities	t	DIC Group in Japan	11,012	7,465	7,417	7,069
			Overseas DIC Group Companies	43,831	41,621	34,506	41,495
			DIC Group Total	54,843	49,086	41,923	48,564
	Hazardous Waste Recycled* ¹	t	DIC Group in Japan	6,362	2,962	3,084	2,945
			Overseas DIC Group Companies	17,328	14,356	14,469	18,952
			DIC Group Total	23,690	17,318	17,553	21,897
	Hazardous Waste Incineration with Heat Recovery	t	DIC Group in Japan	4,496	3,447	4,077	4,597
			Overseas DIC Group Companies	27,025	27,653	21,614	9,935
			DIC Group Total	31,521	31,100	25,691	14,532
	Hazardous Waste Incineration without Heat Recovery	t	DIC Group in Japan	1,325	1,024	1,402	707
			Overseas DIC Group Companies	3,256	3,475	2,932	15,375
			DIC Group Total	4,581	4,499	4,334	16,082
	Hazardous Waste Landfill Disposal* ²	t	DIC Group in Japan	34	32	23	19
			Overseas DIC Group Companies	2,510	2,765	1,890	3,283
			DIC Group Total	2,543	2,797	1,913	3,303

Note: Hazardous and non-hazardous waste totals and waste recovery / disposal data are collected separately. Therefore, totals may not equal the sum of the individual recovery / disposal data.

*¹ Waste Recycled includes Recycling, Preparation for Reuse and Other Recovery Operations.

*² Landfill Disposal includes Landfill Disposal and Other Disposal Operations.

Topic	Indicator	Unit	Scope / Region	2025	2024	2023	2022
Water Withdrawal	Surface Water	1,000 m³	DIC Group in Japan	21	26	8,225	9,789
			Overseas DIC Group Companies	15,533	16,367	15,372	19,699
			DIC Group Total	15,553	16,393	23,597	29,487
	Groundwater	1,000 m³	DIC Group in Japan	1,590	1,512	6,210	6,403
			Overseas DIC Group Companies	2,075	2,634	1,820	2,278
			DIC Group Total	3,665	4,146	8,030	8,681
	Rainwater	1,000 m³	DIC Group in Japan	0	0	0	0
			Overseas DIC Group Companies	106	139	117	163
			DIC Group Total	106	139	117	163
	Wastewater from Other Organizations	1,000 m³	DIC Group in Japan	0	0	0	0
			Overseas DIC Group Companies	0	0	0	0
			DIC Group Total	0	0	0	0
	Municipal and Industrial Water	1,000 m³	DIC Group in Japan	11,059	11,526	10,997	11,441
			Overseas DIC Group Companies	3,729	5,941	4,404	4,771
			DIC Group Total	14,788	17,467	15,401	16,212
	Other Sources	1,000 m³	DIC Group in Japan	14	20	18	19
			Overseas DIC Group Companies	43	50	52	47
			DIC Group Total	57	70	70	66
	Total Water Withdrawal	1,000 m³	DIC Group in Japan	12,683	13,085	25,450	27,651
			Overseas DIC Group Companies	22,585	25,016	21,765	26,957
			DIC Group Total	35,268	38,101	47,215	54,608
Wastewater Discharged	Discharge to Rivers	1,000 m³	DIC Group in Japan	1,580	1,493	14,164	15,879
			Overseas DIC Group Companies	1,792	1,854	1,418	2,067
			DIC Group Total	3,372	3,347	15,581	17,946
	Discharge to Oceans	1,000 m³	DIC Group in Japan	6,668	6,970		
			Overseas DIC Group Companies	0	0		
			DIC Group Total	6,668	6,970		
	Discharge to Wastewater Treatment Plants	1,000 m³	DIC Group in Japan	3,267	3,010	3,156	3,367
			Overseas DIC Group Companies	280	520	753	750
			DIC Group Total	3,546	3,530	3,910	4,117
	Discharge Below Ground	1,000 m³	DIC Group in Japan	0	1	1	1
			Overseas DIC Group Companies	3	3	7	7
			DIC Group Total	3	4	8	8
	Discharge to Third Parties	1,000 m³	DIC Group in Japan	0	0	0	0
			Overseas DIC Group Companies	0	0	0	0
			DIC Group Total	0	0	0	0
	Other Discharge Destinations	1,000 m³	DIC Group in Japan	0	0	0	0
			Overseas DIC Group Companies	166	19,926	17,305	22,077
			DIC Group Total	166	19,926	17,305	22,077
	Total Wastewater Discharged	1,000 m³	DIC Group in Japan	11,515	11,473	23,886	26,135
			Overseas DIC Group Companies	20,885	22,305	19,483	24,901
			DIC Group Total	32,400	33,778	43,369	51,036

Governance

Corporate Governance

Basic Approach to Corporate Governance

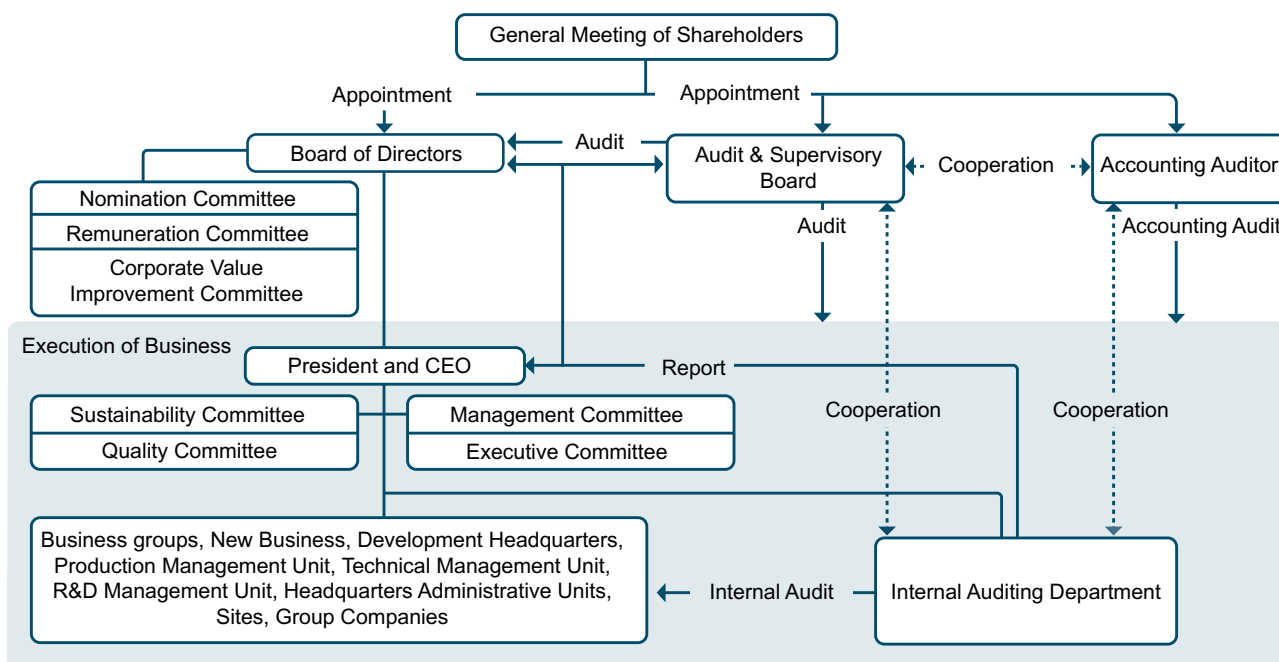
The DIC Group defines corporate governance as a mechanism to ensure effective decision making pertaining to its management policy of achieving sustainable corporate growth and expansion through sound and efficient management, while at the same time guaranteeing the appropriate monitoring and assessment 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 on the Policy on Corporate Governance, please refer to the Company's website:

https://www.dic-global.com/pdf/ir/management/governance/governance_en.pdf

Corporate Governance Structure

(As of January 1, 2026)



Executive Leadership Structure

The Company conducts business operations under the supervision of the Board of Directors and the Audit & Supervisory Board, with execution carried out through an executive officer system. The following outlines the composition of directors and officers as of April 1, 2026.

Directors

Category	Name	Title	Notes
Director	Takashi Ikeda	Representative Director	
Director	Shuji Furuta	Representative Director	
Director	Takeshi Asai	Director	
Director	Masami Fujita	Director	Outside Director
Director	Shiro Saito	Director	Outside Director
Director	Donna Costa	Director	Outside Director
Director	Shie Lundberg	Director	Outside Director

Audit & Supervisory Board Members

Category	Name	Title	Notes
Audit & Supervisory Board Member	Toshinobu Kitamura	Full-time Audit & Supervisory Board Member	
Audit & Supervisory Board Member	Hiroyuki Ninomiya	Full-time Audit & Supervisory Board Member	
Audit & Supervisory Board Member	Keita Nagura	Audit & Supervisory Board Member	Outside Audit & Supervisory Board Member
Audit & Supervisory Board Member	Keiko Kishigami	Audit & Supervisory Board Member	Outside Audit & Supervisory Board Member

Composition of the Board of Directors and the Audit & Supervisory Board

	In-house	Outside	Total	Percentage of Outside Members
Directors	3	4	7	57%
Audit & Supervisory Board members	2	2	4	50%
Total	5	6	11	55%

The latest information on directors and officers is available on the Company's website and is updated periodically: <https://www.dic-global.com/en/about/officers.html>

Corporate Governance System

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, Management Committee, Executive Committee, Sustainability Committee and Quality 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 seven Directors, four of whom are Independent Outside Directors (of whom two 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 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. Management Committee

The Management Committee, established in January 2026, advises on matters deliberated by the Executive Committee that are considered particularly important, including business withdrawals and M&As. The committee consists of executive officers and other individuals appointed by the Board of Directors. As part of the auditing process, one Audit & Supervisory Board member also attends Management Committee meetings. Details of deliberations at meetings and the results thereof are reported to the Board of Directors.

6. 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.

7. Sustainability Committee

The Sustainability Committee, which functions as an advisory body, meets four 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.

8. 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 four times annually. 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.

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 Management Committee, 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.

10. Internal Auditing Department

The Internal Auditing Department comprises local teams of employees covering Japan, the Asia-Pacific region, Greater China, and the North America, EMEA and SCLA. This department is charged with formulating annual audit plans based on quantitative and qualitative risk assessments, which are finalized by receiving approval from the President and are reported to the Audit & Supervisory Board, which provides instructions regarding key concerns, and conducts internal audits, which includes monitoring the effectiveness of internal controls.

11. Accounting Auditors

The Company has engaged Deloitte Touche Tohmatsu LLC as its independent auditors. The Company strives to ensure an environment that facilitates the accurate disclosure of information and fair auditing. The Audit & Supervisory Board Members, Accounting Auditors and Internal Auditing Department conduct audits from their respective independent positions, but also liaise periodically to facilitate close cooperation, thereby ensuring the effectiveness of audits.

Rationale Behind Current Corporate Governance System

The Company has 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 appointed four highly independent outside individuals to its Board of Directors to reinforce its monitoring of business execution. The Company also has the Nomination Committee and the Remuneration Committee, both of which include four Outside Directors, to ensure objectivity in the nomination of, and in determining remuneration for, Directors and Executive Officers. Four Audit & Supervisory Board Members, which include one attorney and one certified public accountant as outside members, conduct audits in liaison with the Accounting Auditors and the Internal Auditing Department. This structure ensures the effective functioning of the Company's corporate governance system.

System of Internal Controls and Related Matters

1. Basic Concept 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.

2. System of Internal Controls

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

- The Company shall prepare regulations for the Board of Directors and regulations for Ringi (approval by written circular) and shall clarify decision-making authority within the DIC Group.
- The Company shall appoint Outside Directors and shall work to bolster monitoring functions with regard to management.
- The Company shall work to set forth the [DIC Group Code of Business Conduct](#) as the standard regarding compliance, which Directors and employees should comply with, and to disseminate it.
- The Company shall establish an Internal Auditing Department and shall monitor the status of implementation and operation of the internal control systems of the DIC Group on a periodic basis. Important matters discovered through such monitoring, as well as the status of improvements, shall be reported to Representative Directors via internal audit reports and quarterly internal audit meetings, with those matters of particular importance also being reported to the Board of Directors. Additionally, internal audit reports shall be submitted to pertinent Executive Officers, among others, to encourage audited departments to implement corrective actions for issues cited, and the status of implementation is confirmed. The Internal Auditing Department shall further cooperate by providing copies of the internal audit reports to—and discussing the content thereof at monthly meetings with—the Accounting Auditors. The Internal Auditing Department shall also directly report results of annual internal audits to the Audit & Supervisory Board and the Board of Directors.

* 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."

- The Company shall, as 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 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 in place so that any person making a notification will not suffer any detriment.
- The Company shall sever any and all connections with antisocial elements and shall collaborate with legal counsel and the police, among others, in making resolute responses to unwarranted demands, etc., made on the DIC Group by such antisocial elements.

Outside Directors and Outside Audit & Supervisory Board Members

Number of Outside Directors and Outside Audit & Supervisory Board Members and Relationship Between Them and the Company

There are currently four Outside Directors and two Outside Audit & Supervisory Board Members.

Prior to March 2016, Outside Director Masami Fujita was a Representative Director and Vice President of Fujitsu Limited. He also served as a Representative Director and President of Fujitsu Marketing Limited (currently Fujitsu Japan Limited) from April 2016 to December 2018. The Company had system-related transactions with the two companies in the fiscal year ended December 31, 2025. However, these transactions accounted for less than 1% of the annual consolidated net sales of both the Company and these companies for the period.

In the fiscal year ended December 31, 2025, the Company purchased products from and sold products to Tokuyama Corporation, at which Outside Director Shiro Saito also serves as an Outside Director. However, these transactions accounted for less than 1% of the annual consolidated net sales of both the Company and the relevant company for the period.

In the fiscal year ended December 31, 2025, the Company purchased furniture and other items from Okamura Corporation, at which Outside Audit & Supervisory Board Member Keiko Kishigami serves as an Outside Director. In addition, the Company purchased products from, sold products to and outsourced construction work to Sumitomo Seika Chemicals Company, at which Outside Audit & Supervisory Board Member Keiko Kishigami also serves as an Outside Director. However, these transactions accounted for less than 1% of the annual consolidated net sales of both the Company and the relevant company for the period. In addition, prior to June 2019, Keiko Kishigami was a Senior Partner of Ernst & Young ShinNihon LLC. The Company had consulting-related transactions with the company in the fiscal year ended December 31, 2025. However, these transactions accounted for less than 1% of the annual consolidated net sales of both the Company and the relevant company for the period.

Except as described above, there are no personal, capital or business relationships, or other interests, between the Company and the Outside Directors or between the Company and the Outside Audit & Supervisory Board Members.

Basic Philosophy Regarding the Function/Role of, and Standards for, Judging the Independence of Outside Directors and Outside Audit & Supervisory Board Members

The four Outside Directors have been involved in corporate management for many years, and thus have extensive experience and insight in this area, which they can be expected to leverage to help strengthen management of the Company. In addition to attending meetings of the Board of Directors, the three Outside Directors serve as members of the Nomination Committee, the Remuneration Committee and the Corporate Value Improvement Committee, enabling them to supervise management from an independent point of view, thereby helping to reinforce the Company's corporate governance.

Outside Audit & Supervisory Board Member Keita Nagura is an attorney in the area of corporate legal affairs and has accumulated a wealth of specialized knowledge and experience. 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. As such, they are able to perform their duties from an expert, multifaceted and independent perspective, thereby helping to reinforce the Company's auditing function.

The Company has established standards for evaluating the independence of individuals appointed to the position of Outside Director or Outside Audit & Supervisory Board Member, which are shown below. The Company's Outside Directors and Outside Audit & Supervisory Board Members are individuals who, based on these standards, are unlikely to have conflicts of interest with ordinary shareholders and who comply with criteria for the independence of Directors/Audit & Supervisory Board Members set by the Tokyo Stock Exchange.

Independence Standards for Independent Outside Officers

The Company does not recognize individuals with the connections listed below as being independent in the appointment of Outside Directors and Outside Audit & Supervisory Board Members.

1. Individuals who are executives of 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 three years:
 - 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.
 - 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.
 - 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.
 - 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.
 - An individual who has received contributions from the DIC Group in a year that exceed 10 million yen or an individual who belongs to an entity to which this description applies.

- 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.
 - Any individual to whom the previous point 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.
 - 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 eight years.

Mutual Cooperation in the Supervision and Implementation of Audits by Outside Directors and Audit & Supervisory Board Members

Outside Directors regularly receive reports from management and the internal control department on important matters related to the Board of Directors' agenda and management of the Company, and express their own opinions, as necessary. Outside Audit & Supervisory Board Members regularly receive reports from the Accounting Auditors and the Internal Auditing Department and express their own opinions, as necessary. Outside Audit & Supervisory Board Members also attend regular quarterly meetings between Audit & Supervisory

Board Members and top management, and receive reports from the individual in charge of the internal control department, and express their own opinions, as necessary. In addition, Outside Audit & Supervisory Board Members receive reports on the results of audits conducted by other Audit & Supervisory Board Members and on interviews with the internal control department and work to share information.

Policy on Overall Capabilities and Diversity of the Board of Directors

To enable the Board of Directors to resolve major operations-related issues as well as to facilitate the effective oversight of management, the Board of Directors comprises Outside Directors, who maintain independence, and other individuals having a thorough knowledge of the businesses of the DIC Group, with consideration given to ensuring a balance among necessary knowledge, experience and capabilities. The Board is of an appropriate scale based on the presumption that authority will be delegated to management. Additionally, in light of the DIC Group's global operations and the need to manage its businesses in a manner that takes diversity into account, the Company also strives to ensure diversity in the Board's composition, including by appointing women and foreign nationals.

Skills Matrix for Directors and Audit & Supervisory Board Members

The table below is a skills matrix summarizing the capabilities of current directors and Audit & Supervisory Board members.

Name	Position	Expertise and 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	HR Labor Organization	Marketing Sales Procurement	New Business Innovation
Takashi Ikeda	Representative Director President	•	•		•		•				•
Shuji Furuta	Representative Director Executive Vice President	•	•	•	•			•			
Takeshi Asai	Director Senior Managing Executive Officer	•	•		•			•	•		
Masami Fujita	Outside Director	•		•		•			•	•	
Shiro Saito	Outside Director	•			•		•	•			•
Donna Costa	Outside Director	•		•	•	•			•		
Shie Lundberg	Outside Director		•	•	•			•			•
Toshinobu Kitamura	Audit & Supervisory Board Member (Full-time)		•		•	•		•			
Hiroyuki Ninomiya	Audit & Supervisory Board Member (Full-time)		•	•	•			•			
Keita Nagura	Audit & Supervisory Board Member (Independent)		•	•		•			•		
Keiko Kishigami	Audit & Supervisory Board Member (Independent)		•	•	•	•					
Satoshi Hiyama	Audit & Supervisory Board Member (Substitute)		•	•		•			•		

Remuneration for Directors

The Company has established an executive compensation system based on a policy for remuneration designed to secure diverse, capable human resources to facilitate the steady implementation of management plans and business strategies to ensure sustainable development and the medium- to long-term improvement of corporate value, as well as to further advance global management. Remuneration for Directors consists of basic remuneration (fixed); bonuses, which are linked to consolidated operating results and achievement of individual targets (performance based); and stock compensation, which is linked to the achievement of medium- to long-term performance targets and year-on-year percentage change in income (performance based). Directors who serve concurrently as Executive Officers are eligible for bonuses and stock compensation, while other Directors and Outside Directors are eligible for basic remuneration only. Basic remuneration for Directors is determined based on level of responsibility, with consideration given to prevailing market rates. Bonuses are linked to increases/decreases in consolidated operating income, taking into account factors such as evaluation of Company-wide or departmental performance and individual contribution, with consideration given to prevailing market rates. Stock compensation, which is awarded as non-monetary remuneration to Directors who serve concurrently as Executive Officers, is determined based on degree of achievement of targets for consolidated operating income and net income attributable to owners of the parent set forth in the medium- or long-term management plan, as well as on year-on-year percentage change in both, and granted in the form of points each fiscal year. Upon retirement, these Directors receive shares of the Company or a cash equivalent to the market value of the Company's shares commensurate with the number of points accumulated.

The Remuneration Committee was established by the Board of Directors to enhance the objectivity of procedures for determining remuneration for Directors and Executive Officers. At present, the majority of the committee's members are independent Outside Directors, while the position of committee chair is also filled by an independent Outside Director. The committee deliberates and sets policies for determining and methods used to calculate remuneration for Directors and Executive Officers.

Effective from January 2026, degree of improvement in Return On Invested Capital (ROIC) has been adopted as a metric for determining bonuses, in addition to degree of achievement of current indicators related to operating income. Also, degree of improvement in Total Shareholder Return (TSR) and Return On Equity (ROE) have been adopted as indicators for determining stock compensation, in addition to degree of improvement in consolidated operating income and net income attributable to owners of the parent.

Remuneration for Directors and Audit & Supervisory Board Members in 2025

	Total Remuneration [Millions of Yen]	Composition of Remuneration [Millions of Yen]			Number of Directors and Audit & Basic Supervisory Board Members
		Basic Remuneration	Bonuses	Stock Compensation	
Directors (Excluding Outside Directors)	462	285	104	74	6
Audit & Supervisory Board Members (Excluding Outside Audit & Supervisory Board members)	62	62			2
Outside Officers	97	97			7

Changes Implemented to Reinforce the Corporate Governance System

The Group has progressively strengthened its corporate governance system through the following measures:

Change	Year
Outside directors constitute a majority of the Board	2026
Establishment of a Management Committee to deliberate key matters related to business execution	2026
Dissolution of the WSR 2020 Committee	2025
Increase in the number of outside directors from three to four	2024
Establishment of the Corporate Value Improvement Committee	2024
Establishment of the WSR 2020 Committee	2021
Establishment of the Quality Committee	2020
Introduction of a performance-based stock compensation system	2017
Increase in the number of outside directors from two to three	2017
Formulation of the Corporate Governance Policy (including independence standards for outside directors and Audit & Supervisory Board members)	2016
Establishment of the Sustainability Committee	2014
Establishment of the Remuneration Committee and the Nomination Committee	2009
Appointment of two outside directors	2008
Establishment of a committee to determine compensation for directors and Audit & Supervisory Board members	2006
Elimination of the executive retirement allowance system	2005
Introduction of the executive officer system	2004
Reduction of the term of office for directors from two years to one year	2002

Sustainability Governance

Sustainability Governance Framework

Sustainability management within the DIC Group is conducted under the supervision of the Board of Directors of DIC Corporation, which holds overall responsibility for corporate governance, risk oversight and long-term value creation. The Board oversees sustainability-related matters through established governance bodies and executive management processes. Sustainability considerations are incorporated into corporate strategy, business planning and risk management activities. Executive management, led by the President and CEO, is responsible for advancing sustainability initiatives across the Group.

The Sustainability Committee supports management oversight by reviewing sustainability strategy, monitoring progress against targets and discussing material environmental and social topics requiring management attention. The Committee meets several times annually (four times in 2025), and the outcomes of these discussions—including key risks, opportunities and progress updates—are reported to the Board of Directors to support oversight and decision-making.

The following principle issues were covered by the Sustainability Committee in 2025:

Principal Issues
Achievement report on sustainability themes
Climate Change Subcommittee proposals
GHG emissions reduction plans
Journey to CSRD compliance and DMA approval
Life Cycle Assessment (LCA) / Product Carbon Footprint (PCF) process improvements
DIC Group Sustainability Policy

Group Companies implement sustainability initiatives in alignment with Group policies and management frameworks.

As part of the DIC Group, Sun Chemical's dedicated ESG governance structures and specialist working groups support implementation and execution at the operational level and provide performance information to Group management.



Integration of Sustainability into Management Systems

Sustainability considerations are integrated into existing management systems rather than managed separately from core business operations.

Environmental, social and governance topics are incorporated into:

- Strategic planning
- Enterprise risk management
- Operational performance monitoring
- Internal control systems
- Investment decision processes.

Cross-functional committees support coordinated management of environment, safety, product stewardship, supply chain, and social initiatives across the Group, including human rights, diversity and inclusion, employee wellbeing, and workforce-related matters.

Stakeholder Engagement and Dialogue

The DIC Group engages with customers, shareholders and investors, business partners and suppliers, employees, and local communities to understand expectations related to sustainability and responsible business conduct.

Employee perspectives are incorporated through established labor relations frameworks and internal communication channels.

Stakeholder engagement outcomes inform the Group's materiality assessment process and ongoing sustainability initiatives.

Sustainability Expertise and Organizational Capabilities

The DIC Group maintains organizational capabilities necessary to manage sustainability topics relevant to its global chemical operations.

Governance bodies collectively bring expertise across international business management, manufacturing, environmental and safety management, finance, compliance and risk oversight.

Specialist teams across environment, product stewardship, procurement, human resources and compliance functions support implementation and provide technical expertise.

Where appropriate, external knowledge and industry engagement activities contribute to strengthening sustainability competencies.

Risk Management

The Group conducts risk materiality assessments to identify issues with the potential to negatively or positively affect its business performance over the medium to long term. The Group continues taking decisive and efficient steps in response to these material risks pursuant to its long-term management plan, DIC Vision 2030*, launched in 2022, working to ensure that these efforts are beneficial to the management of its businesses. The Group also undertakes risk management initiatives to address a wide range of risks. External risks and corporate risks are monitored appropriately by the Sustainability Committee, a deliberative body responsible for Group sustainability initiatives, and its subordinate entity, the Risk Management Subcommittee, while business risks are monitored appropriately by key entities such as the Management Committee and the Executive Committee, deliberative bodies

responsible for important matters related to business execution. Departments are designated for each risk to implement countermeasures and reduce the impact of that risk should they materialize.

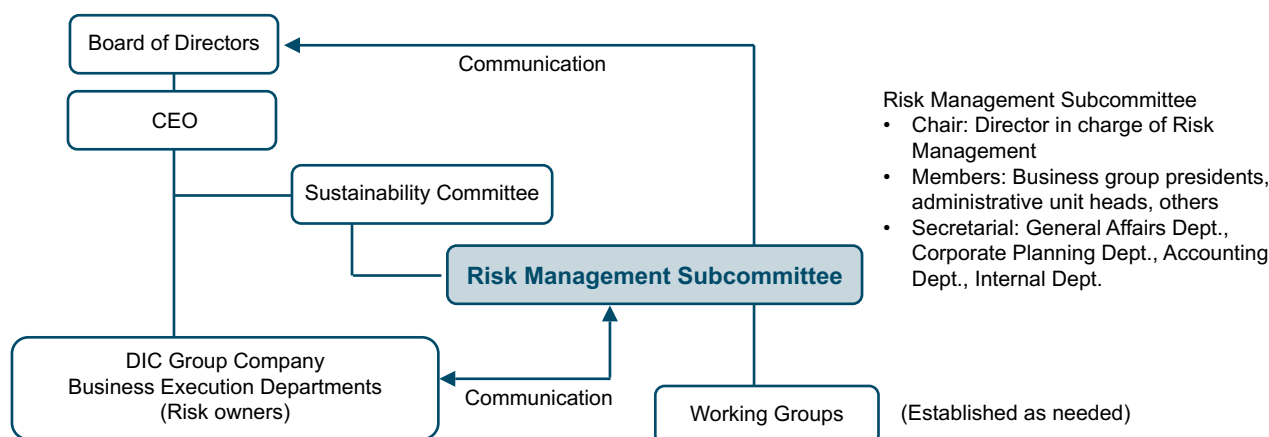
The key business risks are recognized based on the material issues identified by the Group, and the findings of a survey conducted by the Risk Management Subcommittee. The degree of impact of each risk, should it materialize, on the Group's businesses and stakeholders is categorized as high, medium or low.

Forward-looking statements herein are based on projections as of December 31, 2025, and the risks do not cover all risks that could affect the Group.

* For more information on DIC Vision 2030, please visit the DIC global website

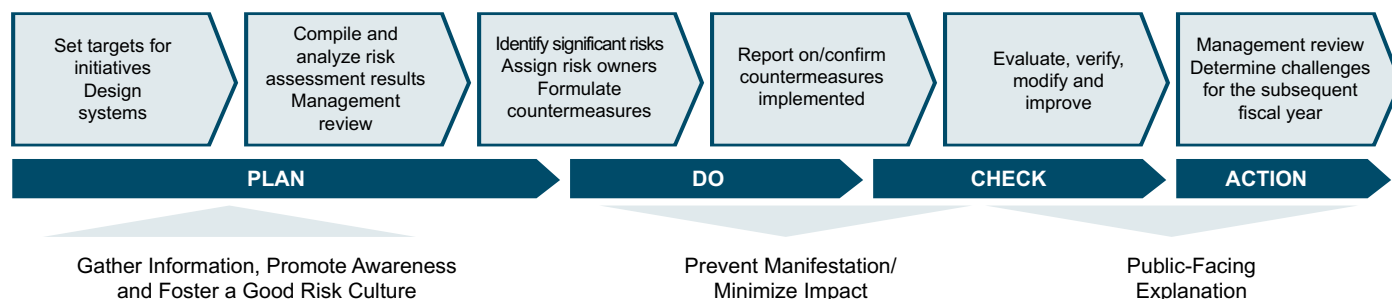
https://www.dic-global.com/pdf/ir/management/plan/DIC_Vision_2030_Phase2_en.pdf

Risk Management Structure



Overview of Risk Management

Led by the Risk Management Subcommittee, the Group uses the PDCA cycle on an annual basis to enhance effectiveness of its risk management.



Business Continuity Management (BCM) and Crisis Management (Reducing and Preventing Risks Surrounding Business Operations)

Basic Approach to BCM and Crisis Management

The DIC Group identifies risks that may disrupt business continuity, including large-scale earthquakes, typhoons, floods, infectious diseases, and incidents such as explosions, fires, and leaks at manufacturing sites, as part of its BCM scope.

These risks are comprehensively assessed based on their likelihood and potential impact on management, and countermeasures are prioritized according to their significance.

In Japan, the Group is strengthening BCM and crisis management through initiatives such as establishing a three-tier response structure consisting of a Head Office Response Headquarters, Business Response Headquarters, and Local Response Headquarters, as well as developing and updating Business Continuity Plans (BCPs) for key products.

Business Continuity Management (BCM)

BCP Proliferation Structure

Within the DIC Group in Japan, crisis management regulations for major disasters are established as Company-wide manuals, under which BCPs are developed as subordinate manuals.

Specifically, products are selected by each product division, and countermeasures are prioritized based on the most critical resources and incorporated into BCPs.

BCM has also been deployed to DIC Group in Japan with manufacturing sites. These subsidiaries formulate BCPs targeting high-priority risks under the same product division strategies as DIC Corporation.

Overseas DIC Group Companies are also promoting BCM in a phased manner under product division strategies, similar to DIC Group in Japan.

Preventing Formalization of BCPs and Enhancing Effectiveness

The DIC Group in Japan ensures that BCPs remain useful and functional tools rather than just formal checkboxes.

Each year, hearings are conducted involving executives and other members to confirm whether BCPs reflect the latest business environment and risks, and whether they are practically functional. These reviews support continuous improvement of BCPs.

Crisis Management

Emergency Response Training

In Japan, the Group conducts annual training, including:

- Head Office response headquarters exercises
- Employee safety status reporting drill
- Emergency radio communication drills between sites
- Comprehensive disaster prevention drills at each site

These activities aim to minimize damage and enable rapid recovery to maintain business continuity in the event of a disaster.

Operation of the Disaster Information Management Portal “DIC BCPortal”

In 2025, improvements were made to address operational challenges and ensure more stable use of the DIC BCPortal.

Measures included:

- Site-level training to improve rapid and accurate information sharing during incidents
- System-wide connection and access verification testing
- Revision of activation criteria
- Establishment of rules for communication closure timing

These actions contributed to building a more effective operational framework.

Regional Response in the Event of Large-Scale Disasters

Being among the nations most susceptible to seismic activity, Japan faces disaster preparedness and risk reduction as an essential societal challenge.

The DIC headquarters building, located in Nihonbashi, Chuo-ku, Tokyo, features advanced seismic isolation design and is designated as a temporary shelter for stranded individuals by the Tokyo Metropolitan Government.

In the event of a major disaster, DIC Corporation works in coordination with the local community to support stranded individuals as a member of the Chuo Ward Temporary Shelter Management Council.

Given the concentration of large commercial facilities and office buildings in the area, DIC Corporation also participates in community-based disaster prevention and mitigation activities, and comprehensive drills to contribute to local safety during large-scale disasters.

Initiatives to Ensure Information Security

Basic Approach to Information Security

The DIC Group recognizes the importance of protecting information assets used in its business operations and positions information security as a key management priority. Under its [Information Security Policy](#):

- Officers and employees manage information assets appropriately in daily operations
- Confidential information is properly handled
- Information assets are used effectively

Internal audits are conducted to identify issues and support continuous improvement in response to evolving risks.

Global Information Security Management Framework

Information security is managed based on four pillars:

- Policies and Guidelines
- Management Structure
- Information Security Infrastructure
- Employee Education and Training

Policies and Guidelines

Under the Group-wide Information Security Policy:

- DIC Group in Japan, DIC Group in Greater China and DIC Group in Asia-Pacific operate based on detailed rules such as confidentiality management regulations, information management guidelines, and IT security guidelines.
- Sun Chemical operates under a Written Information Security Program (WISP).

Policies are continuously updated to address emerging risks and evolving trends, including new technologies such as generative AI, cloud services, and control systems.

Management Structure

An Information Security Committee, led by the executive responsible for IT, is held regularly (twice annually) and as needed to update policies and guidelines and ensure Group-wide implementation.

Annual targets and initiatives are approved by the Sustainability Committee and progress is monitored accordingly.

Information Security Infrastructure

The Group conducts:

- Ongoing vulnerability assessments.
- Third-party risk assessments and penetration testing.

Based on identified risks, the Group updates its roadmap and implements measures systematically.

Incident response systems and manuals are enhanced through training, and external expert support is utilized to strengthen response capabilities.

Security for industrial control systems is also strengthened through risk analysis, audits, and effective application of guidelines.

Security platforms and tools deployed for the DIC Group in Japan are being expanded across the DIC Group in Greater China and the DIC Group in Asia-Pacific, while Sun Chemical is implementing advanced measures including penetration testing, enhanced detection and analysis capabilities, and automation.

Employee Education and Training

All employees using internal IT networks participate in annual information security e-learning.

As cyberattacks and cybercrime continue to grow in sophistication, the DIC Group conducts global training programs on an approximately quarterly basis, including phishing email simulations, to continuously strengthen employees' security awareness and response capabilities.

Through these education and training initiatives, the DIC Group continues to steadily enhance the security awareness of each employee, including in response to cyberattack emails and other cyber threats that are becoming increasingly sophisticated as generative AI continues to evolve.

Privacy and Customer Data

In 2025:

- No substantiated complaints regarding privacy breaches involving customers or employees were recorded.
- No incidents of customer data leakage or loss originating from the DIC Group were identified.

Strategy

SBM-1 Strategy, Business Model and Value Chain

Strategy

Under [DIC Vision 2030](#), the DIC Group has identified “Green,” “Digital,” and “Quality of Life (QOL)” as priority areas for contributing to society and is focusing management resources on business fields where it can maximize social and economic value through its technological strengths and global network.

The Group’s management vision, “Color & Comfort,” reflects its aim to provide value beyond the traditional boundaries of chemistry by enriching everyday life while contributing to solutions for global environmental and social challenges.

Sustainability is integrated into the Group’s strategy and decision-making processes, with particular emphasis on contributing to the transition to a carbon-neutral society. The Group promotes climate change mitigation through reductions in greenhouse gas emissions across Scope 1, 2, and 3, expansion of low-carbon and bio-based products, and collaboration with suppliers and customers to support decarbonization across the value chain.

In parallel, the Group continues efforts related to resource conservation, chemical safety, and compliance with increasingly stringent regulations in the regions where it operates.

Business Model

The DIC Group is a global chemical company providing products and solutions centered on printing inks, adhesives, pigments, and synthetic resins. Guided by its corporate philosophy of delivering “Color & Comfort,” the Group contributes to enriching people’s lives and supporting sustainable social development through materials science and innovation.

The Group’s business model is based on technological expertise, global procurement, manufacturing, and sales capabilities, and close collaboration with customers across diverse industries to create value throughout the product lifecycle.

Through continuous research and development, the DIC Group develops products and solutions that respond to evolving societal needs, including environmental considerations, resource efficiency, and product safety.

Key resources supporting the business model include:

- Advanced technological and research capabilities cultivated through continuous investment in internal and external business development.
- Global procurement, manufacturing, and sales networks enabling stable product supply.
- Technical workforce and talent expertise across regional operations
- Partnerships with customers, startups, and university research institutions that support co-development and application development.

These resources enable the Group to deliver specialized chemical solutions while maintaining competitiveness in global markets.

Value Chain

The DIC Group conducts business activities across an integrated value chain extending from raw material procurement to downstream customer industries.

• Upstream Activities

The Group procures mineral-based, petrochemical-based, and bio-derived raw materials, intermediates, and additives from global suppliers. Sustainable procurement initiatives and supplier engagement support responsible sourcing and supply chain stability.

• Own Operations

Manufacturing activities include formulation, synthesis, processing, and quality assurance conducted at production sites worldwide. Operational activities emphasize product quality, environmental management, occupational safety, and efficient resource use.

• Downstream Activities

Products are supplied to a wide range of industries, including packaging, printing, automotive, electronics, construction, cosmetics, and healthcare.

Through these products, the DIC Group supports customers' manufacturing processes and contributes to functionality, safety, and sustainability performance across end markets.

Sun Chemical comprises multiple companies within the DIC Group with a substantially aligned business model and value chain structure, contributing to global market reach and customer engagement.

The diagram on the following page illustrates DIC Group's value chain.

Value Chain Diagram

INPUT

1,607 kt

 Purchased
Raw Material

¥40.8 billion

 Annual Capital
Investment

28

R&D Facilities

10,527 patents

(Granted & Applied)

20,932

Employees

168

 Manufacturing
Sites

163 companies

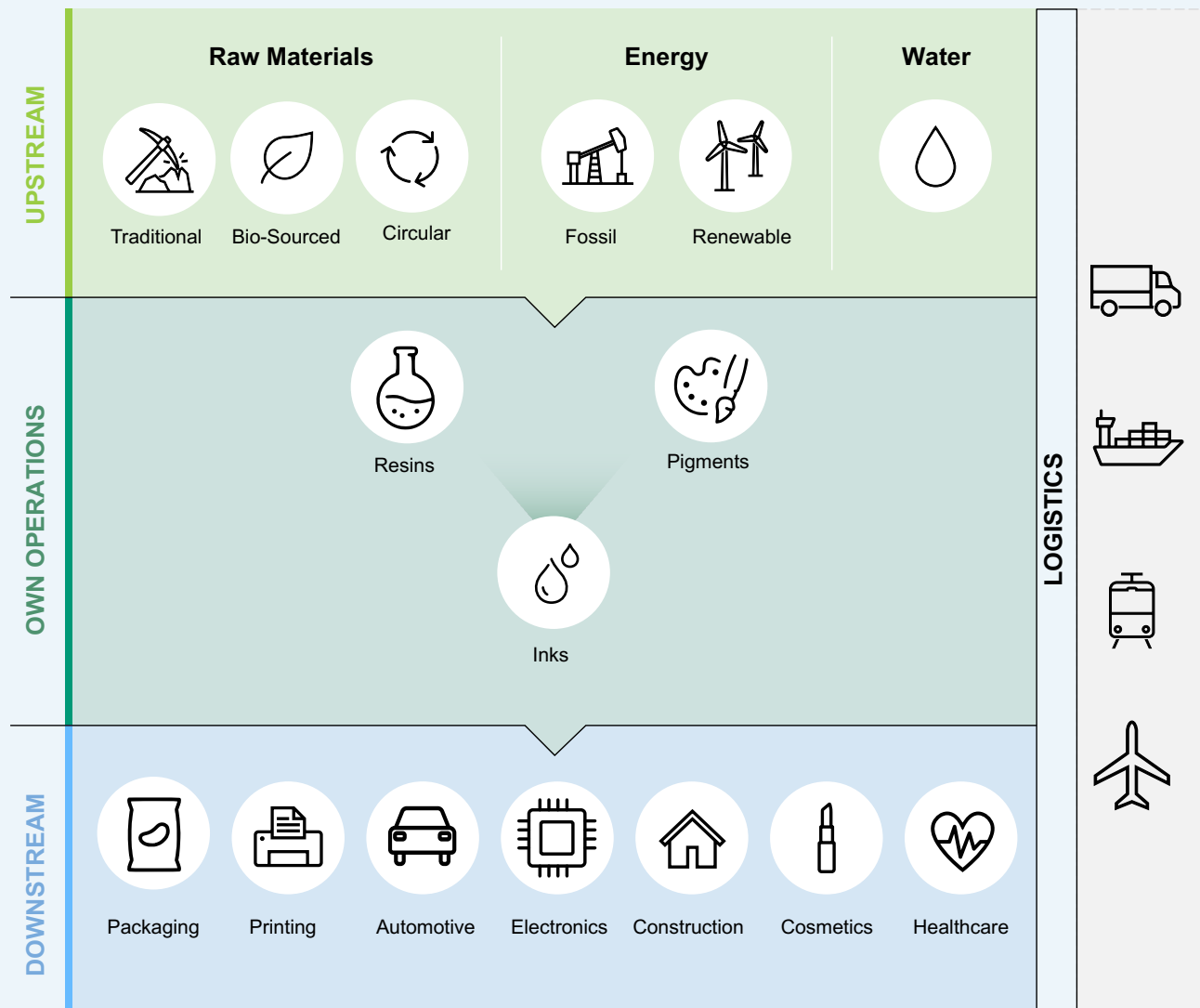
Global Network

2,646 GWh

Energy Consumed

35,268 thousand m³

Water Withdrawal



OUTPUT

¥1,052.2 billion

Consolidated net sales

533,391 t CO₂eq

Scope 1 and 2 emissions

6,035,688 t CO₂eq

 Scope 3
Category 1 emissions

118,158 t

Total waste volume generated

32,400 thousand m³

Wastewater discharge

3.36

 Persons/1,000,000 work hours
TRIR: Total Recordable Incident Rate

SBM-2 Interests and Views of Stakeholders

Stakeholder Engagement

Purpose of Stakeholder Engagement

The purpose of stakeholder engagement is to understand stakeholder expectations and concerns and reflect them in business activities and management strategy.

Examples include:

- Enhancing disclosures and capital market communication based on investor dialogue.
- Incorporating customer and supplier feedback into product development and sustainable procurement initiatives.
- Strengthening management decision-making through continuous dialogue.

Through ongoing engagement, the Group aims to build trusted relationships with stakeholders while contributing to sustainable corporate value creation and solutions to societal challenges.

Approach to Stakeholder Engagement

The DIC Group places importance on timely and appropriate information disclosure and two-way communication with stakeholders in order to ensure management transparency and fairness, as well as to build understanding and trust.

The DIC Group's approach to stakeholder disclosure and communication is set out in Article 8 of its [Corporate Governance Policy](#).

Aligned with the basic policies of its long-term management plan, [DIC Vision 2030](#), the Group conducts stakeholder engagement globally through multiple communication channels, including:

- Sustainability disclosures, and stakeholder surveys
- Exhibitions, technical seminars, and industry events
- Investor relations meetings and financial briefings
- Press releases and media engagement
- Websites, social media and digital communication platforms

Through these activities, the Group seeks to understand stakeholder expectations and concerns, and reflect them in business activities and management decision-making.

The Group's engagement approach is informed by internationally recognized concepts of stakeholder dialogue, based on principles reflected in ISO 26000.

As part of the DIC Group, Sun Chemical coordinates stakeholder engagement related to sustainability disclosures and double materiality assessment activities through a cross-functional working group involving sustainability, financial reporting, internal audit, and legal representatives.

Multi-Stakeholder Policy

The Company has established a [Multi-Stakeholder Policy](#) (Japanese only) outlining its approach to engagement and value co-creation with a broad range of internal and external stakeholder groups.

Under this policy, the Company recognizes the importance of appropriately sharing the outcomes generated through value creation and productivity improvements with stakeholders and promotes initiatives that support employees and maintain appropriate consideration for business partners across the value chain.

Key Stakeholders

The DIC Group identifies the following as its principal stakeholders who influence or are affected by its business activities:

Stakeholders considered in the Double Materiality Assessment (DMA):

- Customers
- Shareholders and Investors
- Business Partners and Suppliers
- Employees

Other relevant stakeholders:

- Local Communities
- Industry Organizations and External Institutions
- Media

Organization of Stakeholder Engagement

The Group engages with these stakeholders through ongoing dialogue and established communication channels to understand expectations, identify relevant social and business issues, and inform decision-making. Engagement with stakeholders also supports the Group's broader sustainability approach and topic-specific disclosures across environmental and social areas.

The DIC Group maintains organizational structures to manage stakeholder dialogue systematically.

- Dialogue with shareholders and investors is led by the CEO, Vice-President, CFO, CSO, the Head of Legal and General Affairs Unit, and the department responsible for investor relations. Outcomes are reported periodically to senior management and the Board of Directors to inform management decisions.
- Customer engagement is primarily conducted by business divisions.
- Supplier engagement is coordinated through procurement and supply chain management functions.
- Community engagement activities are implemented by individual operating sites.
- Employee engagement is coordinated through Human Resources functions and supported by internal communication and culture-building initiatives.

Through role sharing across functions, stakeholder engagement is promoted on a Group-wide basis.



Customers

Engagement occurs through exhibitions, technical events, online platforms, and social media direct dialogue to share product information and understand market needs.



Shareholders and Investors

Financial results briefings, individual meetings, and dialogue opportunities are conducted to explain corporate strategy and financial performance while incorporating investor feedback into management considerations.



Suppliers and Business Partners

Engagement is conducted through sustainability procurement guidelines, supplier surveys, and on-site assessments aimed at promoting responsible supply chain management.



Employees

Internal communication platforms, digital tools, and company publications support information sharing, employee engagement, and organizational alignment across the Group's global operations.

The Group promotes communication with employees through internal chat systems, intranet platforms, and other digital communication channels designed to facilitate collaboration and strengthen awareness of corporate initiatives and values.

In 2025, the Group also implemented initiatives to promote adoption of "The DIC Way" and strengthen corporate culture by recognizing employee actions aligned with Group values and sharing information (via newsletters) on strategy, operations, and organizational initiatives across headquarters and regional teams.



Local Communities

Community engagement activities, environmental education programs, local initiatives, and dialogue related to Responsible Care® activities support mutual understanding and engagement with society and stakeholders.



Media and Corporate Advertising

Press conferences, interviews, press releases, and corporate advertising activities support transparent communication regarding the Group's business activities, strategy, products, and sustainability initiatives. Through proactive information disclosure and engagement with external media, the Group aims to deepen stakeholder understanding while also strengthening internal awareness and alignment across the organization.

In 2025, the Group communicated topics including management strategy execution, new product development, collaborations, financial results, sustainability initiatives, and its long-term vision under DIC Vision 2030 through press releases, interviews, and other media opportunities. During the reporting year, the Group conducted 70 media interviews and issued 51 press releases.

Through initiatives such as the "DIC-Oka-Riho series," DIC Group in Japan also communicates its commitment to addressing social issues and contributing to a sustainable future. Digital and transit advertising are used to convey the Group's vision and growth potential.



Exhibitions

In 2025, the Group actively participated in in-person exhibitions both in Japan and overseas, while continuing to conduct online exhibitions, which have become an established format.

Exhibitions in Japan

- Exhibited an omnidirectional multicopter for the first time at **Japan Drone 2025** (June), including a live demonstration flight.
- Participated for the first time in **SEMICON Japan 2025** (December), one of the world's largest international exhibitions for the semiconductor industry.

Overseas Exhibitions

- Exhibited an omnidirectional multicopter, recipient of a CES Innovation Award, at **CES 2025** (January).
- Sun Chemical introduced new effect pigments for the cosmetics and beauty industry at **In-Cosmetics Global 2025** (April) in Amsterdam.
- Exhibited at **CHINACOAT 2025** (November) in Shanghai, showcasing resin and pigment technologies for automotive, industrial, and sustainable coatings.



Website

The Group has enhanced its websites, an important point of contact with customers and stakeholders, across its global, Greater China, and Asia-Pacific regions to ensure that information is appropriately communicated worldwide.

Website content has also been expanded to strengthen IR- and ESG-related disclosures, including sustainability policies and quantitative ESG data, while efforts to improve web accessibility continue.

The Group has also strengthened coordination between DIC and Sun Chemical websites by enhancing links to information on globally sold products and coordinating responses to customer inquiries, thereby working to improve customer satisfaction worldwide.

Social media platforms such as X (formerly Twitter), LinkedIn, Instagram, and WeChat are also utilized to enhance engagement and direct users to relevant content.

Social Contribution and Community Engagement

The DIC Group promotes social contribution activities as part of its commitment to maintaining positive relationships with local communities and contributing to sustainable societal development.

Across global locations, Group Companies engage in community-based initiatives tailored to regional needs, including environmental conservation activities, educational programs, science workshops for students, cultural initiatives, and volunteer activities conducted by employees.

These initiatives aim to foster mutual understanding with local communities, support future generations, and contribute positively to society beyond business operations.

Community engagement activities are typically organized at the site level, enabling each location to respond to local expectations while aligning with the Group's broader sustainability principles.

The DIC Group's broader social contribution initiatives are guided by the "Social Contribution Activity Guidelines," established in 2009, and aligned with the Group's management vision, "Color & Comfort."

Under these guidelines, the Group promotes initiatives across three focus areas:

- **Business Activities:** providing products and services that contribute to sustainable societal development and environmental protection.
- **Culture and Education:** supporting initiatives related to color, chemistry, culture, art, and education, including activities that contribute to the development of future generations.

- **Local Communities and Society:** supporting employee participation in voluntary contribution activities and initiatives tailored to local needs.

Color Universal Design (CUD)

The DIC Group conducts research and development in [Color Universal Design](#) (Japanese only) principles to contribute to a society where information is easily understood regardless of differences in color vision.

- **2025 Initiatives: The Japan Package Design Association (JPDA)** received support from DIC Corporation for their July 2025 seminar examining "What defines accessible design? – Understanding universal communication design." Hosted at DIC's headquarters in Nihonbashi, the event featured expertise from DIC Graphics and DIC Color Design, who delivered training on selecting color schemes that ensure readability across different color perception abilities. Additionally, participants engaged in practical workshops with the DIC Color Guide and observed live demonstrations of ink jet color sampling technology.
- **In 2024:** To enhance safety and accommodate color vision diversity, DIC Group in Japan revised electrical equipment design standards at domestic production sites. Standardization of indicator lights and wiring colors based on a Color Universal Design approach was promoted to create a safer working environment.
- **In 2023:** DIC Group in Japan began providing, free of charge, the "Lucida®" brand logotype and usage manuals for tactile paving blocks to manufacturers, supporting broader adoption.

- **In 2022:** DIC Group published an article titled “DIC’s Social Contribution through Color” on its corporate website, highlighting its initiatives to address color vision diversity and improve accessibility, incorporating perspectives from both internal and external stakeholders.
- **Since 2019:** DIC Group in Japan contributed to the development of color schemes for disaster prevention information. This included participation in validation processes for RGB values used in the Cabinet Office’s five-color alert system for heavy rainfall (announced in 2020), as well as contributions to CMYK value development in 2021, including printing validation charts.
- **Since 2018:** Based on approximately 10 years of use, the recommended color combination set for Color Universal Design was revised, and a second edition of the guidebook was published to improve usability. In addition, the revision of Japanese Industrial Standard (JIS) safety colors (JIS Z 9103) incorporated universal design principles to ensure visibility for people with diverse color vision. Furthermore, DIC Group in Japan participated in the drafting committee and contributed to the development of recommended CMYK (Cyan, Magenta, Yellow, Black) values for printing.
- **Between 2015–2017:** Collaborative research between industry and academia took place involving Chiba University, DIC Central Research Laboratory, and DIC Color Design. The investigations encompassed research on differentiating spot red inks utilized in packaging warnings and examining color pairings in printed content to enhance legibility for older adults. Findings were shared at scholarly conferences both domestically in Japan and abroad.

- **Since 2011:** In collaboration with the University of Tokyo and architect Kengo Kuma, DIC Group in Japan developed tactile paving blocks for visually impaired individuals that balance visibility and landscape harmony. The products, commercialized in 2018 as “Warm Yellow” and “Cool Yellow,” were registered under the trademark “Lucida®” and have since been installed in various buildings and railway stations.
- **Since 2007:** Working alongside the University of Tokyo, DIC Group in Japan created a "Color Pairing Collection for Inclusive Color Design" through a partnership that included the Japan Paint Manufacturers Association, the Ishikawa Industrial Research Institute, and the Color Universal Design Organization (CUDO).

Future Direction for Art-Related Initiatives

As part of its cultural contribution activities, and in keeping with its identity as a company closely associated with color, DIC Corporation has long promoted culture and the arts through museum operations.

Following the closure of the Kawamura Memorial DIC Museum of Art in March 2025, DIC Corporation began a new collaboration with the International House of Japan to carry forward and further develop the museum’s founding philosophy. Centered on the museum’s collection of 20th century art, particularly postwar American art, the initiative aims to create a new cultural hub in collaboration with the International House of Japan, using art and architecture as catalysts for cultural exchange and engagement.

As part of this collaboration, a permanent exhibition space, the Rothko Room, designed by the architectural firm SANAA, will be established within the International House of Japan's new West Wing. Seven works from Mark Rothko's Seagram Murals will be relocated and displayed there. The project aims to provide visitors with an experience that integrates art, architecture, and nature within a setting that combines historic architecture and a rich natural environment in central Tokyo.

DIC Corporation is also working to preserve and pass on cultural assets to future generations through collaboration with the Rothko Chapel and support for the activities of the International Art Conservation Center (IACC), an organization dedicated to the conservation and restoration of works of art.

Through these initiatives, DIC Corporation seeks to enrich people's lives through "Color and Comfort," demonstrate harmonious coexistence between business and society, and contribute to the creation of new value within the international community.

Science Education Programs by the DIC Group in Japan

As part of its commitment to advancing science education through social contribution, DIC Group in Japan organizes hands-on science experiment workshops. The initiative has successfully engaged roughly 3,400 participants from approximately 50 educational institutions since its inception in 2010. During 2025, at the Tohoku University Science Campus workshops, the Company delivered interactive sessions to both elementary and junior high school students, offering practical learning opportunities in areas such as printing technology, natural pigments, and functional materials. Additionally, these educational programs serve to enhance employee engagement by involving young staff members as teaching facilitators.

At an elementary school in Fujimino City, Saitama Prefecture, approximately 90 fifth-grade students participated in a recycling and environmental education program. The program provided an opportunity to learn about the proper sorting of plastic packaging and DIC Corporation's initiatives for fully closed-loop recycling of polystyrene.

At the Sakura Industrial Expo in Sakura City, Chiba Prefecture, DIC Corporation hosted a hands-on manufacturing corner offering activities such as slime-making, bath fizz creation, chemistry experiments involving acids and alkalis, color separation using paper chromatography, and pigment extraction from spirulina.

At the Children's Festival held at the Tokyo Plant, the Group conducted a DIC Color Workshop, where participants created original cards using colors from the DIC Color Guide, providing an opportunity to experience the enjoyment of color and design.

In 2023, DIC Corporation and the City of Yokkaichi entered into a comprehensive partnership agreement to promote decarbonization and sustainable industrial development. Through "Manaboni" at the Yokkaichi Plant's environmental learning facility, local students and the community continue to receive environmental education opportunities.

DIC Estate Initiatives in Japan

The DIC Estate promotes Diversity & Inclusion as a core management principle and aims to create workplaces that leverage the individuality and strengths of diverse talent within the DIC Group. In addition to actively hiring persons with disabilities, the Company supports expanded job opportunities, employee development, and inclusive workplace environments. In 2025, DIC Estate accepted interns from special needs schools (9 students from 8 schools) and hosted workplace visits for school representatives (10 participants from 8 schools), welfare organizations (51 participants from 39 organizations), and a support organization for people with hearing disabilities in Tokyo (3 staff members and 6 program participants), contributing to greater social understanding and the creation of inclusive employment opportunities.

DIC Plastics Initiatives in Japan

The DIC Plastics Initiative promotes resource circulation through activities such as the collection and recycling of plastic bottle caps. These efforts contribute to reducing GHG emissions and preventing marine pollution caused by microplastics.

DIC Group in Greater China Initiatives

At Hainan DIC Microalgae Co., Ltd., support activities are conducted for residents living near the plant as part of efforts to promote harmonious coexistence with local communities. Since 2025, the Company has provided free drinking water throughout the year to residents in surrounding areas. In addition, during the dry season in the Haikou region, irrigation water necessary for crop cultivation was supplied in response to requests from local residents.

Through these initiatives, the Company contributes to improving local living conditions and supporting sustainable agricultural activities.

DIC Group in Asia-Pacific Initiatives

At DIC Philippines, a work experience program was implemented for local high school students to support the development of future talent. From January 22 to February 5, 2025, the Company welcomed six students from Taguig Science High School and provided opportunities to gain practical workplace experience.

Through this program, DIC Philippines contributed to enhancing students' understanding of career opportunities and creating practical learning experiences, while also strengthening engagement and connections with the local community.

Sun Chemical Initiatives

Sun Chemical conducts social contribution and community engagement activities across multiple regions, including employee-led fundraising, educational support, volunteer initiatives, and environmental programs.

Examples of initiatives implemented during the reporting period include:

- **Educational and Youth Support Activities:** In the United States, employees organized school supply donation activities for Frontier Local Schools in Kansas City based on needs identified by local schools. Donations included classroom supplies and educational materials. In addition, during the U.S. NAPG Plant Managers Meeting, employees assembled and donated 80 fleece blankets and backpacks for children in foster care in Illinois.

- **STEM and Education Initiatives:** Across EMEA sites, employees and trainees participated in “Girls’ Day” activities, providing laboratory experiences and facility tours designed to encourage interest in STEM-related careers among young women. In Colombia, Sun Chemical supported early childhood development and youth education programs through donations, workshops, and community activities focused on skill development and career readiness.
- **Employee Fundraising and Community Support:** Employees in the United Kingdom participated in fundraising and charitable support activities benefiting organizations including Macmillan Cancer Support, Sporting Chance, Cancer Research UK, Conductive Education Bristol, Suicide Prevention UK, and Noah’s Charity Golf Day, supporting healthcare, mental health, hospice care, and community wellbeing initiatives.
- **Environmental and Community Activities:** At sites in Turkey, employees participated in environmental and community engagement initiatives including tree donation activities, recycling campaigns, seasonal giving programs, and employee-led fundraising and volunteer activities supporting local charitable organizations.

Through these initiatives, Sun Chemical supports local communities while encouraging employee participation in social contribution and community engagement activities.

Engaging with Local Communities on Global Safety and Environmental Activities

The Group conducts regular briefings on safety and environmental matters for residents living near its manufacturing sites.

At plants located in industrial complexes (Chiba, Kashima, Sakai, and Yokkaichi), Responsible Care® regional dialogue meetings are held every two years in collaboration with neighboring companies. At the Saitama plant, which is located in close proximity to residential areas, environmental briefings are conducted annually.

In addition, the Group promotes communication with local communities through initiatives tailored to the characteristics of each site. These include hosting experiential learning programs for junior high and high school students, participating in local disaster preparedness activities, and supporting community events such as festivals.

Each DIC site in Japan also publishes site reports on safety and environmental activities to provide information to local residents.

Sites of Overseas DIC Group Companies engage with local communities through activities such as tree-planting initiatives that contribute to climate change mitigation and biodiversity conservation

Investor Relations Activities

Policy on Constructive Dialogue with Shareholders

The DIC Group promotes constructive dialogue with shareholders to support sustainable growth and enhance medium- to long-term corporate value.

Feedback, concerns, and requests from shareholders are shared with management and appropriately reflected in the Company's operations.

Key Participants in Investor Relations Activities

Participants include the President and CEO, Executive Vice Presidents, CFO, Head of Corporate Strategy, Head of General Affairs and Legal, the investor relations function, and outside directors.

Overview of Activities

- **Financial Results Briefings: 4** (The President participates in the Q2 and Q4 briefings)
- **Small Meetings: 2**
 - President small meetings: 2
- **Individual Meetings: 141** (of which 35 were conducted by management)
 - Meetings with overseas investors: 77
 - Meetings with domestic investors: 36
 - Meetings with sell-side analysts: 12
 - SR meetings: 16
- **Online Briefings for Individual Investors (with the President as Speaker):** Including publication of CEO interview videos and business introduction videos on the website

Feedback to Management and the Board of Directors

- Dialogue with shareholders and investors is reported to the Board of Directors twice annually.
- Dialogue outcomes are also reported to senior management on a monthly basis.

Key Topics of Dialogue

- Progress of business portfolio transformation
 - Medium- to long-term outlook for improvement in the Color & Display business
 - Clarification of future growth businesses
 - Disclosure of segment-level ROIC targets
- Progress of initiatives to improve capital efficiency
- Progress of asset reviews, including art assets
- Enhancement of disclosures related to shareholder return policies
- Initiatives to strengthen corporate governance

Examples of Actions Taken

- Disclosure of progress and future direction of business portfolio transformation in Phase 2 (2026–2030) of DIC Vision 2030 (released February 16, 2026).
- Disclosure of ROE and ROIC targets and policies for improvement.
- Disclosure of segment-level ROIC targets for 2030 as reference values.
- Timely disclosure of progress in asset reviews.
- Establishment of a quantitative shareholder return policy (total payout ratio of 40% or more).
- Implementation of one-on-one meetings between institutional investors and outside directors.
- Increase in the proportion of stock-based compensation for executive directors (from January 2026).

External Evaluations

The DIC Group has received recognition from various ESG rating organizations, including through inclusion in indices adopted by the Government Pension Investment Fund (GPIF), one of the world's largest pension funds (as of December 2025). Please refer to the following link for the latest information: [DIC website](#)

Index/Rating		Description	DIC Group Evaluation/Status
MSCI Nihonkabu ESG Select Leaders Index	2025 CONSTITUENT MSCI日本株 ESGセレクト・リーダーズ指数 2025 CONSTITUENT MSCI NIHONKABU ESG SELECT LEADERS INDEX	ESG index adopted by the Government Pension Investment Fund (GPIF), developed by MSCI Inc., selecting top ESG-performing Japanese companies (approx. top 50% per GICS sector)	Selected as a constituent for nine consecutive years since 2017, including continued selection under the predecessor MSCI Japan ESG Select Leaders Index
MSCI Japan Empowering Women Index (WIN)	2025 CONSTITUENT MSCI日本株 女性活躍指数 (WIN) 2025 CONSTITUENT MSCI JAPAN EMPOWERING WOMEN INDEX (WIN)	ESG index adopted by the Government Pension Investment Fund (GPIF) that targets Japanese equities and comprises companies demonstrating strong performance in gender diversity within each industry of the parent index	Selected as a constituent of the MSCI Japan Empowering Women Index (WIN) following the November 2025 index review
FTSE4Good Index Series	 FTSE4Good	Developed by FTSE Russell to measure the performance of companies with strong ESG practices	Selected for eight consecutive years since 2018
FTSE Blossom Japan Index	 FTSE JPX Blossom Japan Index	ESG index adopted by GPIF, measuring Japanese companies with strong ESG performance	Selected for eight consecutive years since 2018
FTSE Blossom Japan Sector Relative Index	 FTSE JPX Blossom Japan Sector Relative Index	ESG index adopted by GPIF, selecting companies with relatively strong ESG performance within each sector	Selected four consecutive years since its launch in 2022
S&P/JPX Carbon Efficient Index	 S&P/JPX Carbon Efficient Index	ESG index adopted by GPIF, assessing companies based on environmental disclosure and carbon efficiency (emissions per revenue)	Rated "2," the second-highest tier out of 10 levels
Morningstar Japan ex-REIT Gender Diversity Tilt Index*2	 MORNINGSTAR GenDi J Japan ex-REIT Gender Diversity Tilt Index TOP CONSTITUENT 2025	ESG index adopted by GPIF, investing in companies with strong gender diversity practices and equal opportunity frameworks	Rated "Group 1" (highest of five levels) as of December 2025
CDP (formerly Carbon Disclosure Project)	 	International non-profit organization assessing companies on environmental performance, including climate change and water security	Rated "B" for both Climate Change and Water Security (2025) Rated "A" for Supplier Engagement (2025)
DX Certification		METI certification for companies demonstrating readiness for digital transformation in line with the Digital Governance Code	First certified in 2022; valid through September 2026 following renewal

Index/Rating	Description	DIC Group Evaluation/Status
IR Website Evaluations (Japan – Three Major Organizations) 	Recognized for excellence in IR website quality, including usability, balanced financial and non-financial disclosure, and enhanced sustainability content	Received top-tier recognition from three major organizations: - Nikko IR “All Listed Companies’ Website Ranking 2025” (Best Site Award) - Daiwa Investor Relations “Internet IR Award 2025” (Commendation Award) - Gomez IR Site Ranking 2025 (Bronze Award)
EcoVadis	A globally recognized platform for sustainability assessment that enables companies to gain objective, reliable insights into sustainability performance through expert analyst evaluations grounded in documented evidence	DIC Group scored an EcoVadis rating of 64, achieving a bronze medal Sun Chemical scored an EcoVadis rating of 73, achieving a silver medal
CyberVadis	CyberVadis brings together globally recognized best practices, expert knowledge, and leading international cybersecurity frameworks to offer uniform, standardized evaluations	Sun Chemical received a CyberVadis MATURE rating with a score of 876 out of 1000

Participation in Initiatives

The DIC Group supports the following initiatives and promotes efforts toward sustainable development:

- Endorses the Ten Principles of the United Nations Global Compact and is a signatory to the UN Global Compact.
- Supports the recommendations of the Task Force on Climate-related Financial Disclosures (TCFD).
- Achieved Science Based Targets Initiative (SBTi) validation for emissions reduction targets.
- Respects the guidelines of ISO 26000, the international standard on social responsibility (published in November 2010).
- Is a member of the Clean Ocean Material Alliance (CLOMA), established to address the issue of marine plastic waste.
- Is a member of the Human Capital Management Consortium, with Japan's Ministry of Economy, Trade and Industry and the Financial Services Agency serving as observers.
- Supports the Responsible Care® Global Charter.

United Nations Global Compact

Committed to Being a Trusted and Responsible Global Corporate Citizen

As a global chemical manufacturer, supports the United Nations Global Compact.

In December 2010, the DIC Group signed the [United Nations Global Compact and endorsed its Ten Principles](#) in order to more actively fulfill its social responsibilities within the international community.



Implementation of the Ten Principles of the United Nations Global Compact

The DIC Group's Code of Conduct is aligned with the Ten Principles of the United Nations Global Compact. The Group promotes business operations that take into account environmental protection, human rights, and other key considerations, and is committed to contributing to the sustainable development of the international community.

IRO-1 Description of the Process to Identify and Assess Material Impacts, Risks and Opportunities and Material Information to be Reported

Approach to Double Materiality

Between 2024 and 2025, DIC Group conducted a Double Materiality Assessment (DMA) to identify and evaluate sustainability-related Impacts, Risks, and Opportunities (IROs). The assessment examines:

- **Impact Materiality:** actual and potential impacts on the environment and society
- **Financial Materiality:** sustainability-related risks and opportunities that may affect financial performance and enterprise value

Where subsidiary-level materiality assessments were conducted, these results were consolidated into a DIC Group-level DMA. The DIC Group DMA was reviewed and formally adopted by the DIC Sustainability Committee in May 2025.

The DMA process was coordinated by the CSRD Core Team in collaboration with subject matter experts organized into CSRD Working Teams. These teams comprised representatives from Finance, Legal, HR, Responsible Care Department, EHS Department, Procurement, Production Planning, Operations, Business, and Sustainability across both DIC HQ and Sun Chemical.

Methodology

Identification of Potential IRO Topics

The initial universe of potential IRO topics was identified based on the sustainability matters described in ESRS 1 AR16 (version 2023). These topics formed the comprehensive list of environmental, social, and governance items considered potentially relevant to the DIC Group's activities across the value chain, including upstream, own operations, and downstream activities.

Prioritization and Materiality

Following identification, topics were evaluated through a structured prioritization and scoring process.

The assessment was conducted through cross-functional workshops coordinated by the CSRD Core Team. Representatives from relevant business divisions and corporate functions participated in validation and scoring discussions to ensure consistent interpretation of ESRS criteria and uniform application of defined scoring levels and materiality thresholds. The process incorporated financial risk considerations, regulatory developments, and relevant industry frameworks. Stakeholder perspectives were also integrated, drawing on input from suppliers, customers, investors, senior leadership, and employees through surveys and targeted questionnaires.

Consistent with ESRS methodologies:

Impact Materiality was assessed using defined severity criteria, including scale, scope, and irremediability (where applicable), together with likelihood for potential impacts.

Financial Materiality was assessed based on the likelihood of occurrence and the magnitude of potential financial effects across defined time horizons: short-term (less than 1 year), medium-term (1 to 5 years), and long-term (6 to 30 years).

The DIC Group applied ESRS assessment criteria and a streamlined scoring approach when conducting its first Group-level materiality assessment. Impacts, risks, and opportunities exceeding the defined materiality thresholds were classified as material.

Summary of Material Topics

The assessment identified material topics representing:

- Significant environmental or social impacts,
- Financial risks associated with regulatory, market, or operational factors
- Investment opportunities linked to innovation, product development, or market positioning
- A combination of impact and financial considerations

A consolidated overview of material topics and their classification is presented here

Environmental Sustainability*		Workforce Empowerment		Responsible Business Conduct		
Addressing Climate Change	Promoting Circularity	Developing Workforce Potential	Advancing Diversity & Inclusion	Strengthening Corporate Culture	Building Sustainable Supply Chains	Ensuring Consumer Trust through Product Safety and Reliable Information

* Biodiversity identified as important topic by Sun Chemical's external stakeholders

Integration into Governance, Strategy, and Risk Management

Assessment results were documented, consolidated at Group level, and reviewed by the CSRD Core Team and relevant functional representatives to confirm alignment with enterprise risk considerations and strategic priorities. Where appropriate, scoring adjustments were made to ensure the consistent application of evaluation criteria and thresholds across the Group and maintain comparability between business units. The identified material topics are integrated into the Group's management framework to inform sustainability strategy, target-setting, and define the scope and structure of sustainability disclosures.

The 2026 reporting year represents the first time application of the Group-wide DMA framework. The DIC Group intends to periodically refine methodologies, documentation depth, and cross-Group alignment over the coming years, with more comprehensive reviews of the framework planned on a multi-year basis.

IRO-2 Material Impacts, Risks and Opportunities and Disclosure Requirements Included in the Sustainability Statement

Outcome of the Double Materiality Assessment

Based on the Double Materiality Assessment (DMA) described in IRO-1, the DIC Group identified a set of material sustainability impacts, risks, and opportunities (IROs) forming the basis of this Sustainability Statement.

The assessment was conducted in accordance with ESRS 1 Chapter 3, considering both:

- **Impact Materiality:** reflecting the Group's actual and potential impacts on the environment and society
- **Financial Materiality:** reflecting sustainability-related risks and opportunities that may influence financial performance, cash flows, access to finance, or enterprise value

The DMA covered the Group's own operations as well as upstream and downstream value chain activities. Company-specific management issues unrelated to ESG matters were outside the scope of the assessment.

Identification of Material ESG Topics

The assessment results enabled the DIC Group to systematize its material ESG topics into a structured materiality framework representing:

- Significant environmental and social impacts
- Sustainability-related financial risks
- Strategic opportunities linked to innovation, product development, and market transition
- Topics reflecting both impact and financial materiality dimensions

A consolidated overview of material impacts, risks, and opportunities is presented in the materiality matrix and accompanying tables

Environmental Sustainability*		Workforce Empowerment		Responsible Business Conduct		
Addressing Climate Change	Promoting Circularity	Developing Workforce Potential	Advancing Diversity & Inclusion	Strengthening Corporate Culture	Building Sustainable Supply Chains	Ensuring Consumer Trust through Product Safety and Reliable Information
Climate Change Mitigation	Resource Outflows Related to Products and Services	Secure Employment	Diversity	Corporate Culture	Child Labor	Access to (Quality) Information
Climate Change Adaptation	Resource Inflows, Including Resource Use	Working Time	Gender Equality and Equal Pay for Work of Equal Value		Forced Labor	Security of a Person
Energy		Adequate Wages	Training and Skills Development		Management of Relationships with Suppliers Including Payment Practices	Protection of Children
		Social Dialogue	Employment and Inclusion of Persons with Disabilities			
		Health and Safety				
		Work-Life Balance				

* Biodiversity identified as important topic by Sun Chemical's external stakeholders

Application to Sustainability Disclosures

Following the DMA outcome, the DIC Group prepared this Sustainability Statement in accordance with:

- **ESRS 2 General Disclosures**
- **Topical ESRS Standards Identified as Material through the DMA**

General disclosures required under ESRS 2 are presented across the Governance and Strategy sections of this report, while environmental, social, and governance disclosures are provided within the respective topical ESRS sections.

Disclosure Requirements associated with topics assessed as non-material have not been included, consistent with the provisions of ESRS 1.

References to relevant sections and page numbers where applicable Disclosure Requirements are addressed are provided throughout this Sustainability Statement.

Continuous Improvement of the DMA Framework

The 2026 reporting year represents the first application of a Group-wide double materiality framework. The DIC Group intends to further refine methodologies, documentation depth, and cross-Group alignment over time as sustainability reporting practices continue to evolve.

Environmental Sustainability

Addressing Climate Change.....	59
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E1 - Addressing Climate Change

E1-1 Transition Plan for Climate Change Mitigation

The DIC Group implements its transition plan for reducing GHG emissions under a governance framework led by the Sustainability Committee. Key sustainability matters, including climate-related strategies and targets, are reviewed by the Committee, chaired by the President and CEO, and reported to the Board of Directors for oversight. Announced in 2021, the Group has established a target of achieving net zero Scope 1 and 2 emissions by 2050 under its [“DIC NET ZERO 2050”](#) commitment. This target is validated by SBTi certification obtained in January 2023.

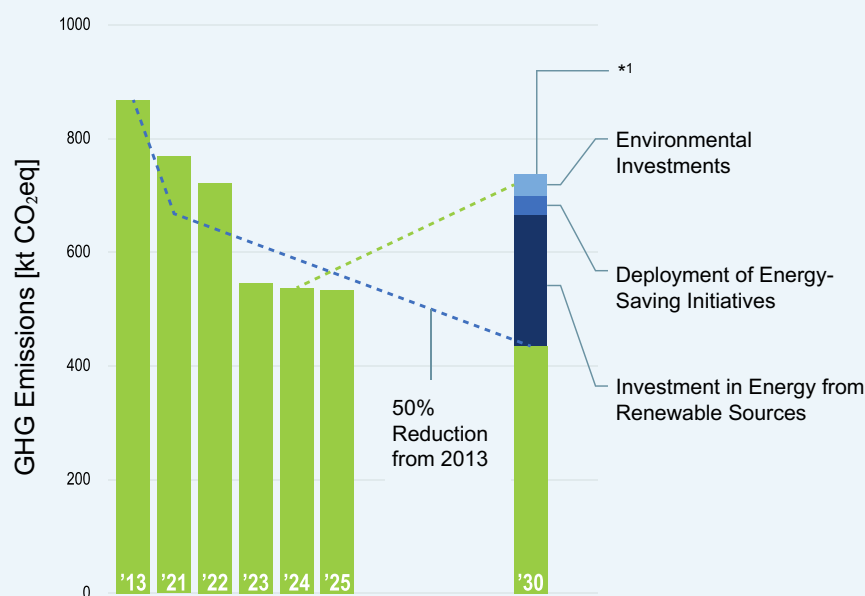
The DIC Group, consisting of 163 Group Companies operating globally across 62 countries and regions, is pursuing GHG emissions reduction initiatives aimed at achieving net zero emissions. To deliver on this transition, the Group is advancing actions across operations and the value chain, including:

- Deployment of low-carbon fuels, electrification, and energy efficiency measures
- Expansion of renewable energy, including solar and biomass
- Optimization of logistics and increased use of low-carbon and circular raw materials
- Application of internal carbon pricing in capital investment decisions

The Group is also expanding its use of product carbon footprint (PCF) calculations to support raw material procurement decisions, product design initiatives, and identification of lower-impact alternatives. PCF information is also used to communicate sustainability-related product information to customers and support customer reporting and disclosure requirements.

Sun Chemical contributes through aligned GHG emissions reduction commitments and is currently conducting a climate change risk assessment which will be extended to cover DIC Group in the future.

The DIC Group Transition Plan for Reducing GHG Emissions



*1 Estimated GHG emissions assuming no emissions reduction initiatives had been implemented and business had expanded by 3% annually since fiscal year 2024.

E1-2 Climate Related Risk and Scenario Analysis

The DIC Group identifies and assesses climate-related risks and opportunities using scenario analysis aligned with international frameworks, including TCFD recommendations.

TCFD Scenario Analysis

In 2024, the Group updated its analysis using principles described in the Intergovernmental Panel on Climate Change (IPCC) Sixth Assessment Report, and the International Energy Agency (IEA) World Energy Outlook 2023, extending the assessment horizon to 2050. Three scenarios are considered: “transition,” “adaptation,” and “limits to adaptation.”

These scenarios are used to evaluate potential financial and operational impacts, including:

- Increased costs associated with carbon pricing and regulatory requirements
- Changes in demand toward low-carbon and circular products
- Physical risks, including extreme weather events and supply chain disruptions

The results provide a basis for the Group’s understanding of medium- to long-term risks and opportunities and support strategic planning and risk management.

Results of Scenario Analysis for the Three Scenario Groups

Transition

R = Response to risks, O = Response to opportunities

	Risks	Opportunities	Countermeasures
Policies and Laws			
Implementation of carbon pricing mechanisms globally	• Implementation of policies such as emissions trading, carbon taxes, and carbon border adjustment mechanisms may increase costs. • The DIC Group’s Scope 1 and 2 emissions in 2030 are projected to reach 1,221 kt CO₂eq (financial impact: \$149 million) without countermeasures, or 461 kt CO₂eq (financial impact: \$63 million) with countermeasures.	Improvements in energy efficiency and the increased use of renewable electricity, including both purchased and on-site generation, support reductions in fossil fuel consumption	R: Apply appropriate carbon pricing assumptions in relevant regions to support emissions reduction. R: Reduce financial exposure to carbon pricing by promoting electrification and the use of renewable energy to lower Scope 1 and 2 emissions. O: Enhance product functionality and develop products that contribute to decarbonization, thereby reducing the impact of carbon pricing.
Increasing global demand for non-financial disclosure	Establishing and operating systems to respond to global disclosure requirements may result in increased administrative costs.		R: Respond to regulatory requirements, including the EU Corporate Sustainability Reporting Directive (CSRD)*, by preparing for disclosure in 2028.

* Following the Omnibus package on the CSRD issued by the European Commission on 26 February 2025, and its subsequent formal approval by the Council of the European Union in February 2026, DIC Group will continue to monitor related developments, including implementation in each Member State, and ensure compliance with applicable legal requirements.

R = Response to risks, O = Response to opportunities

	Risks	Opportunities	Countermeasures
Technological Innovations			
Shift toward a circular economy and changes in demand	• Demand for single-use plastics may decline due to global regulations. • Demand for materials that are difficult to recycle may decrease.	• Demand for recyclable and compostable plastics is expected to increase. • Regulations, taxes, and levies may promote the use of bio-based and recycled materials.	O: Advance chemical and material recycling initiatives in collaboration with customers and consumers. O: Promote the use of bio-based materials and develop sustainable materials that are easier to recycle.
Development focus on low-carbon and carbon-neutral products		Demand for products that contribute to low-carbon and carbon-negative outcomes is expected to increase, supporting reductions in emissions across customers' processes.	O: Promote products that contribute to decarbonization (e.g., low VOC emissions and reduced energy consumption).
Behavioral Changes			
Increasing demand for emissions reduction across operations and supply chains	Efforts to reduce CO ₂ emissions in line with the 1.5°C target are accelerating, and such expectations are expanding across supply chains.		R: Implement measures to reduce Scope 1 and 2 emissions by 50%, and Scope 3 emissions (Categories 2, 3, 4, 5, and 12) by 13.5%, while achieving an 80% supplier engagement rate in Scope 3 Category 1. R: Consider transitioning to science-based targets (SBTs) aligned with the 1.5°C pathway. R: Continue investments in energy efficiency and renewable energy.
Increasing need to address biodiversity across operations and supply chains	Products that do not adequately consider biodiversity may be excluded from the market.		R: Incorporate biodiversity considerations into raw material procurement and production activities.

Adaptation

R = Response to risks, O = Response to opportunities

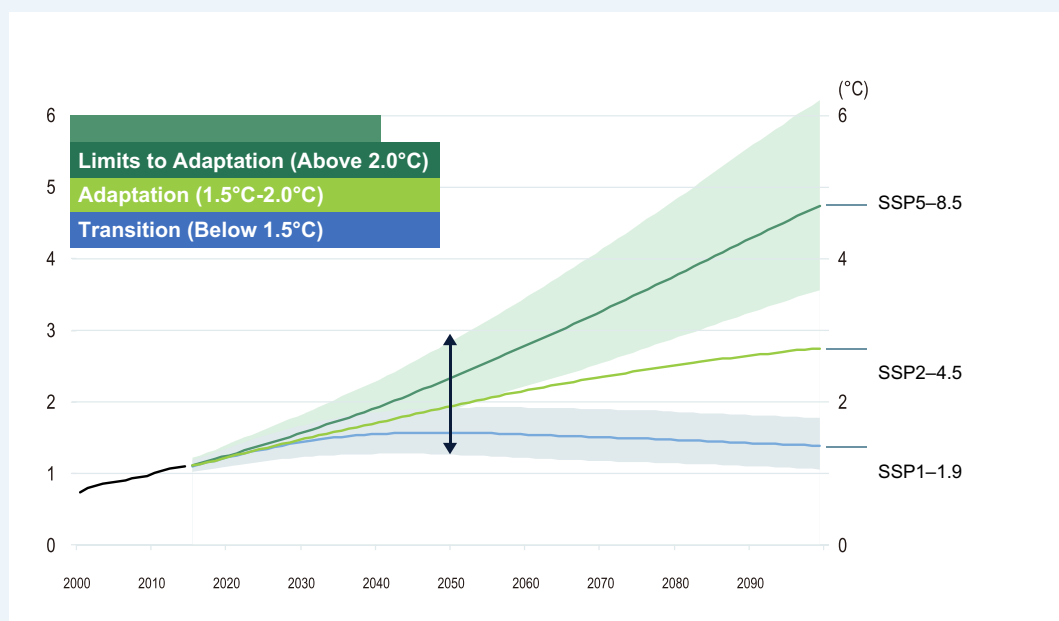
	Risks	Opportunities	Countermeasures
Acute			
Increase in the frequency of extreme climate events (from once in a century to once in a decade or annually)	• Production at suppliers' facilities may be suspended due to more frequent climate-related disasters. • Production at DIC Group facilities may be disrupted due to climate-related events and associated operational safety concerns. • Insurance premiums (non-life) may increase.		R: For key raw materials, promote dual sourcing across multiple regions and strengthen business continuity planning (BCP). R: For key products, maintain appropriate inventory levels of raw materials and finished goods. R: Establish geographically distributed production capabilities for printing inks and other products to ensure complementary capacity. R: Cooperate with external partners to mitigate impacts in the event of damage to port facilities caused by storm surges or flooding. R: Strengthen risk management measures for sites located in coastal areas.
Chronic			
Depletion of groundwater resources	Measures are required in regions where water-related risks are increasing.		R: Implement measures to address water-related risks and enhance the effectiveness of BCPs through training and preparedness activities.
Changes in lifestyles and consumption patterns due to climate change	Demand for existing products may decline as new lifestyles adapted to higher temperatures emerge.	New lifestyles adapted to higher temperatures create opportunities in areas such as coatings, packaging materials, and healthcare.	O: Develop products that respond to increased demand for insulation and heat-shielding as temperatures rise. O: Leverage changes in dietary habits to develop and expand long-life packaging for beverages and frozen food products. O: Expand business opportunities in healthcare and life sciences and support health-related solutions.
Frequent poor harvests due to loss of biodiversity	Supply of plant-derived raw materials may be disrupted as a result of reduced agricultural yields.		R: Strengthen supply chain resilience.

Limits to Adaptation

R = Response to risks, O = Response to opportunities

	Risks	Opportunities	Countermeasures
Acute			
Sudden changes in weather patterns and extreme climate events affecting public health and the environment	• Factory operations may be disrupted due to labor shortages caused by heat stress. • Extreme temperatures may result in equipment malfunction, including fire or overheating incidents.		R: Strengthen the effectiveness of business continuity plans (BCPs) through targeted training and preparedness activities.
Chronic			
Constraints on the use of food-based biomass as chemical raw materials or fuel (food security perspective)	The use of raw materials derived from food sources may become increasingly constrained.		R: Transition from food-based to non-food biomass raw materials
Amplification of non-climate risks due to climate-related instability	• Operations may be disrupted by the emergence of new pandemics associated with rising temperatures. • Business continuity may be affected by instability in food supply and housing, potentially leading to social unrest.		R: Strengthen the effectiveness of BCPs through training and preparedness activities. R: Develop comprehensive emergency response plans, including measures for operational downsizing, protection of critical assets (data and hazardous materials), evacuation procedures, and support for employees' families. R: Prepare comprehensive emergency response plans that exceed standard industry practice.

Relationship Between SSP Scenarios and the DIC Group's Scenario Groups



E1-5 Action and Resources in Relation to Climate Change

Actions and Resources Related to Climate Change Mitigation and Adaptation

	Scope Covered	GHG Emissions Reductions [t CO ₂ eq]	Target Year
Achieved GHG Emissions Reductions from Mitigation Actions	Scope 1 and 2	23,744	By 2030

Note: GHG emission reductions resulting from implemented mitigation measures are reported by Sun Chemical only.

The DIC Group implements climate-related actions across its operations and value chain to reduce emissions and strengthen resilience

Key actions include:

- **Renewable Energy:** expansion of solar generation, biomass boilers, and renewable electricity procurement
- **Energy Efficiency:** installation of high-efficiency equipment and process improvements
- **Procurement:** supplier engagement to reduce emissions and improve data transparency
- **Logistics:** optimization of transportation and promotion of more efficient logistics models
- **Product Carbon Footprint (PCF):** expansion of calculation capacity, improving methodologies and response to customer demand

The Group also applies internal carbon pricing in selected regions to support climate-related investment decision-making (see “Internal Carbon Pricing” below).

DIC Group in Japan has allocated approximately ¥1.4 billion in environmental investment (2025–2027) to support these actions.

Sun Chemical is progressing initiatives to reduce Scope 1 and 2 emissions and source renewable electricity, while engaging suppliers to target Scope 3 raw material reductions, representing the largest portion of its corporate carbon footprint.

These initiatives are managed under the Group’s governance framework, with progress reviewed by the Sustainability Committee and disclosed through public reporting.

Renewable Energy Initiatives and Regional Energy Actions

The DIC Group promotes the use of renewable energy through initiatives including solar power generation and the use of biomass energy, while also advancing energy-saving measures across its global operations.

In 2025, renewable energy initiatives contributed to avoiding 123,435 tonnes of global GHG grid emissions, driven primarily by renewable electricity and biomass energy.

DIC Group in Japan Activities

The renewable energy facilities currently in operation across the DIC Group in Japan consist of biomass boilers and solar power generation facilities. In 2025, energy generated from these facilities totaled 428 TJ (equivalent to 11,035 kL of crude oil), representing 11.2% of total energy consumption (heat and electricity) within the DIC Group in Japan. These facilities contributed to a reduction of 29,645 t CO₂eq, equivalent to 24.1% of total GHG emissions generated by the DIC Group in Japan.

Across its 15 office locations, the DIC Group in Japan continued to implement energy conservation initiatives, and energy consumption in 2025 remained at a level comparable to the previous year. At DIC HQ, for example, year-round measures included optimizing air-conditioning temperature settings through the Warm Biz and Cool Biz programs and reviewing lighting operating hours as part of an energy-saving initiative.

In addition, renewable electricity continued to be introduced at 33 DIC sites in Japan during 2025, contributing to significant reductions in GHG emissions.

As a result of these initiatives, total GHG emissions reductions reached 114,404 t CO₂eq in 2025, and GHG emissions across DIC Group in Japan decreased by 6.5% compared with the previous year. In 2026, DIC Group in Japan plans to commence full-scale operation of a biomass boiler at the Sakai Plant and solar power generation facilities at the Komaki Plant. The DIC Group will continue advancing initiatives to achieve the medium- and long-term GHG emissions reduction targets established under DIC NET ZERO 2050.

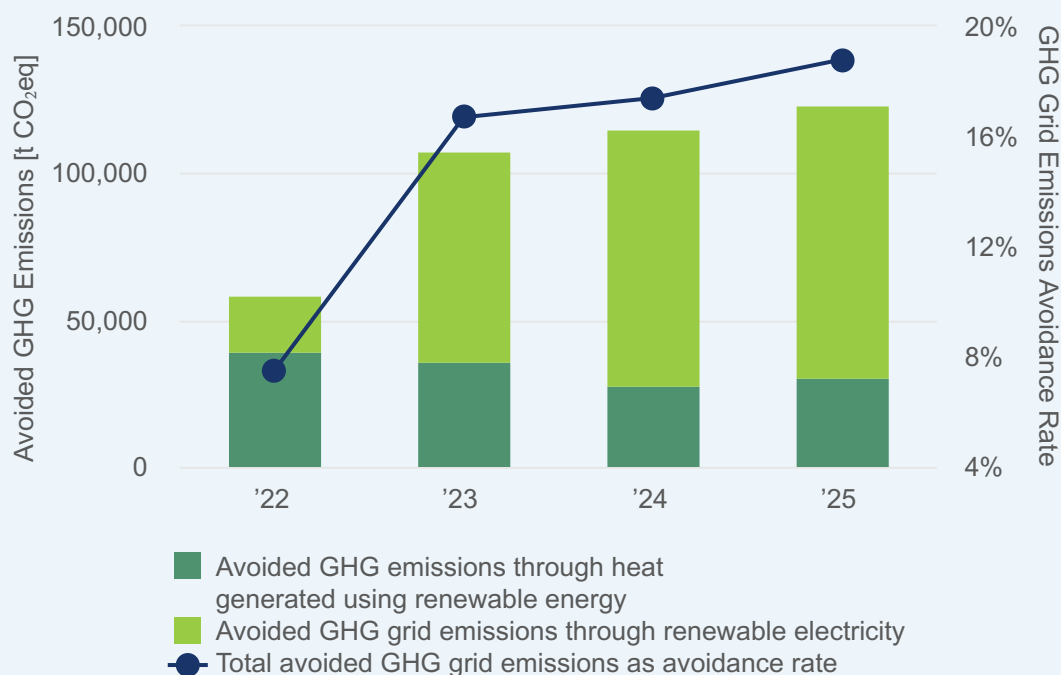
DIC Group in Asia-Pacific and DIC Group in Greater China Activities

Solar power generation facilities have been installed at DIC (MALAYSIA) SDN. BHD. in Malaysia, DIC Ideal Private Limited (Supa Plant) in India, and PT. DIC Astra Chemicals in Indonesia. These initiatives have contributed to reducing GHG emissions associated with production activities at each site.

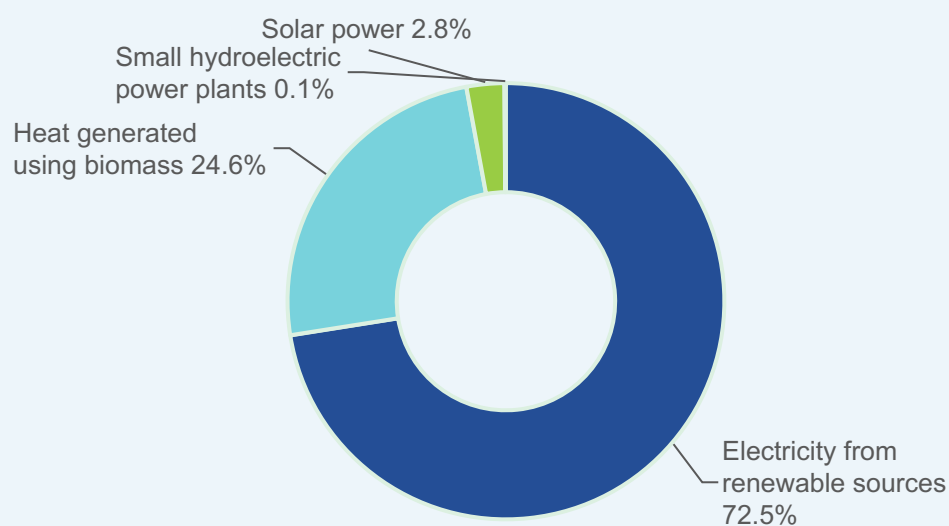
Avoided Global GHG Grid Emissions Through Renewable Energy

The breakdown of emissions avoided through renewable energy initiatives is shown in the figures below.

Annual Contribution of Avoided GHG Grid Emissions Through Renewable Energy



Breakdown of Avoided Global GHG Grid Emissions in 2025



Note: For more information on these figures, please see the table "Avoided Global GHG Grid Emissions Through Renewable Energy" below.

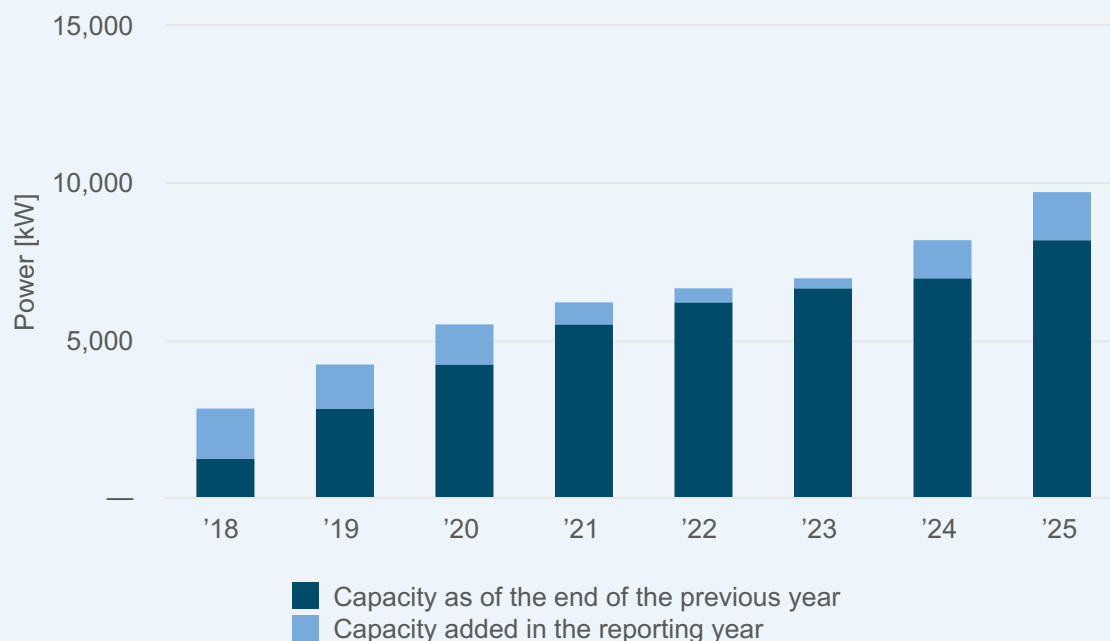
Avoided Global GHG Grid Emissions Through Renewable Energy

Avoided GHG Emissions	Unit	2025	2024	2023	2022
Biomass Heat	t CO ₂ eq	30,394	27,996	36,192	39,742
On-Site Renewable Electricity	t CO ₂ eq	3,495	2,855	6,874	12,568
Procured Renewable Electricity	t CO ₂ eq	89,546	84,637	64,554	6,009
Total Avoided GHG Emissions	t CO ₂ eq	123,435	115,488	107,620	58,319
DIC Group Scope 1 and 2 GHG Emissions	t CO ₂ eq	533,391	556,598	535,875	720,444
Scope 1 and 2 GHG Emissions without Renewable Energy Adjustments	t CO ₂ eq	656,826	672,086	643,495	778,763
Avoided GHG Emissions Rate	%	18.8%	17.2%	16.7%	7.5%
Avoided GHG Emissions through On-Site Renewable Electricity	Unit	2025	2024	2023	2022
Biomass	t CO ₂ eq	—	—	1,100	7,277
Solar	t CO ₂ eq	3,406	2,645	3,072	2,320
Wind	t CO ₂ eq	—	—	928	2,683
Hydropower	t CO ₂ eq	89	210	1,774	288
Total On-Site Renewable Electricity	t CO ₂ eq	3,495	2,855	6,874	12,568

Renewable Energy Capacity and Deployment

The DIC Group continues to expand its renewable energy capacity, particularly through solar power installations across various locations in Japan and globally.

Installation of Solar Power Facilities Across the DIC Group in Japan, Greater China, and Asia-Pacific



Initiatives to Calculate Product Carbon Footprints (PCF)

Achieving carbon neutrality requires reducing GHG emissions across the entire supply chain. This requires understanding and reducing the emissions associated with individual companies and products. The DIC Group has established Group-wide guidelines for calculating Product Carbon Footprints (PCF), drawing on guidance from Together for Sustainability (TfS), a European non-profit organization, and ISO 14067:2019, and is implementing PCF assessments accordingly. In 2025, the DIC Group's PCF calculation methodology underwent a critical review conducted by Ramboll Deutschland GmbH, which confirmed that the methodology meets the applicable standards.

Because raw materials account for the majority of PCF impacts, consideration of PCF at the product design stage is important to achieving carbon neutrality. To support this effort, the Group conducts information sessions for technical departments in Japan on developments and trends related to PCF and collaborates with technical departments to advance development of lower-carbon products, including through PCF assessments of prototype products. At Sun Chemical, efforts are also underway to evaluate opportunities to reduce PCF for key products.

To respond to increasing customer requests for PCF calculations, Sun Chemical has implemented automation of PCF calculations for ink products. The Group plans to further evaluate opportunities to improve calculation speed, including through automation for non-ink products and across DIC Group operations.

Product Contribution to Emissions Reduction (Avoided Emissions)

Avoided emissions refer to the reduction of GHG emissions enabled through the use of products. Examples include products that contribute to improved fuel efficiency through vehicle lightweighting and products that reduce heating and cooling energy demand through insulation performance.

Avoided emissions have recently gained attention as an evaluation approach for visualizing climate change mitigation achieved through corporate activities. Although further improvement is still needed in areas such as refinement of calculation methodologies and enhancement of reliability, the DIC Group will continue advancing efforts to appropriately assess and communicate product contributions to a decarbonized society across the supply chain.

Internal Carbon Pricing

The DIC Group has introduced internal carbon pricing as part of its decarbonization strategy to support investment decision-making and incentivize emissions reductions.

Currently, internal carbon pricing is applied within DIC Group in Japan, DIC Group in Greater China, and DIC Group in Asia-Pacific operations for selected capital investment projects above defined threshold (JPY ¥50 million or more).

This mechanism enables the Group to:

- Quantify climate-related financial risks
- Incorporate emissions-related costs into project evaluations
- Promote investments in low-carbon technologies

Internal carbon pricing supports the Group's transition toward its long-term GHG emissions reduction targets.

Environmental Education and Awareness

The DIC Group promotes environmental education initiatives to strengthen employee awareness and understanding of climate-related issues and support implementation of climate-related actions across the Group.

During May and June of 2025, DIC Group in Japan implemented an e-learning program to raise employee awareness of climate change-related facts and challenges, and more than 90% of employees completed the training.

At Sun Chemical, more than 97% of employees participated in environmental education programs for 2025.

Combined with these efforts, more than 65% of employees across the DIC Group have received education on environmental issues over the past two years.

Going forward, the Group will continue enhancing educational content and expanding the scope of employees covered by environmental education initiatives.

Ozone Layer Protection

Hydrofluorocarbons (HFCs), which are used widely as refrigerants in equipment and facilities, have become common alternatives to ozone-depleting substances. Although HFCs do not deplete the ozone layer, they have global warming potential ranging from approximately 100 to more than 10,000 times that of CO₂, and their cumulative impact has been estimated to contribute approximately 0.5°C of global average temperature increase by the end of this century.

Against this backdrop, in October 2016, at the 28th Meeting of the Parties to the Montreal Protocol held in Kigali, Rwanda, an amendment establishing obligations for the phased reduction of HFC production and consumption was adopted (the Kigali Amendment). In response, Japan also revised its Act on Protection of the Ozone Layer through Control of Specified Substances and Other Measures. As of 12 December 2024, the Kigali Amendment had been ratified by 163 countries, including Japan. Having met the entry-into-force requirement of ratification by at least 20 countries, it entered into force on 1 January 2019.

In Japan, following revisions to legislation governing fluorocarbon recovery and destruction, the Act on Rational Use and Proper Management of Fluorocarbons came into effect in April 2015, introducing requirements to monitor fluorocarbon leakage and report leakage exceeding specified thresholds. Further revisions took effect in April 2020, introducing direct penalties for users who fail to properly recover fluorocarbons.

In 2025, fluorocarbon leakage across the DIC Group in Japan amounted to 326 tonnes on a GHG emissions equivalent basis. (Reporting to the government is required where leakage reaches 1,000 tonnes or more per site or company.) The DIC Group in Japan has monitored fluorocarbon leakage since FY2015, when the Act came into effect, and leakage levels have remained below the reporting threshold to date.

The DIC Group in Japan was recognized for its understanding of and compliance with the Act on Rational Use and Proper Management of Fluorocarbons, its emissions calculation and inspection framework, and its environmental disclosure practices. As a result, the Group was selected for the highest A-rating for the fifth consecutive year in the JRECO Fluorocarbon Countermeasure Rating Program.

The DIC Group will continue to ensure compliance with applicable regulations while working to reduce fluorocarbon leakage through measures such as selecting non-fluorocarbon refrigerants.

E1-6 Targets Related to Climate Change

The DIC Group has established climate-related targets aligned with its long-term sustainability strategy. The Group supports the achievement of these targets through emission reduction initiatives and supplier engagement activities.

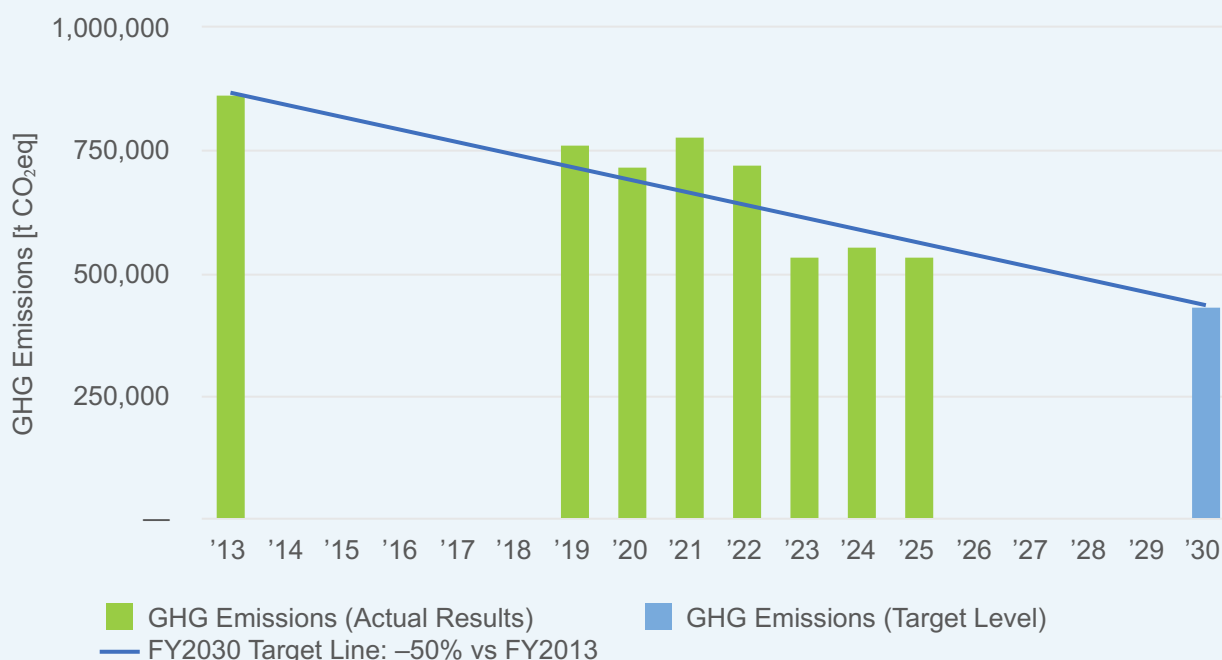
Key targets include:

- 50% reduction in Scope 1 and 2 emissions by 2030 (baseline: 2013)
- Net zero Scope 1 and 2 emissions by 2050

The Group also addresses emissions across the value chain, including Scope 3 categories such as purchased goods and services, transportation, and end-of-life treatment of products.

Progress is monitored using key performance indicators, including Scope 1 and 2 emissions, and is reviewed by the Sustainability Committee and reported to the Board of Directors.

Scope 1 and 2 Emissions: Results and Forecast for 2030

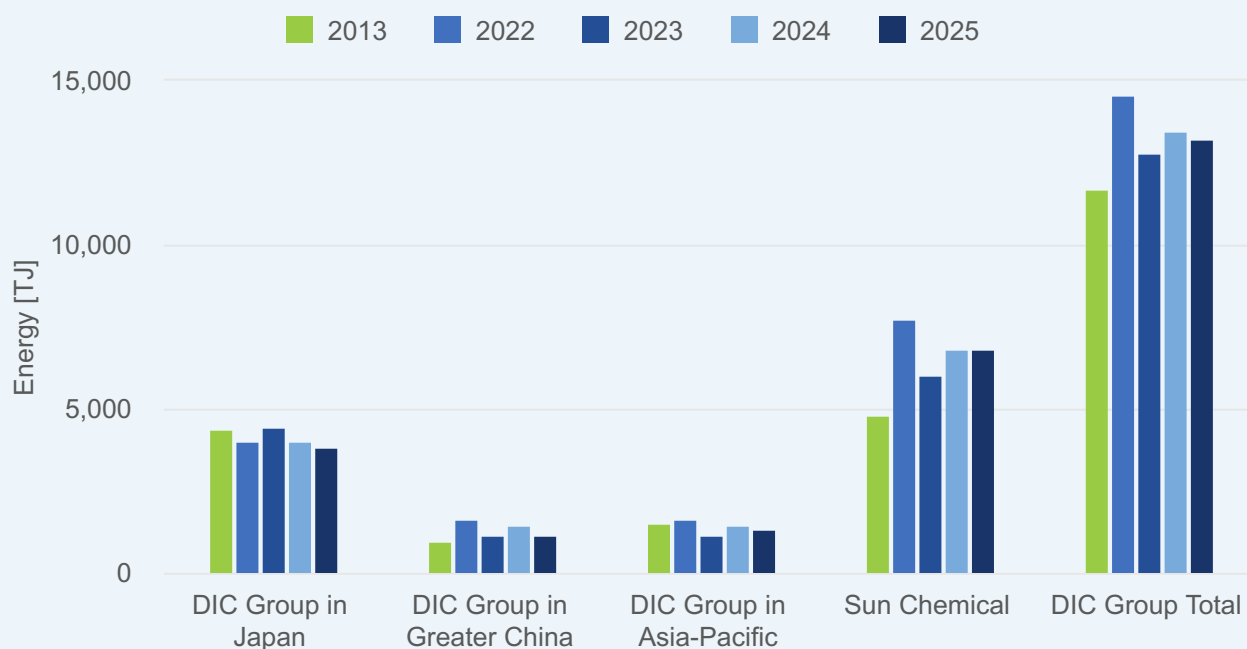


Sun Chemical contributes to the DIC Group's climate ambitions through aligned GHG emissions reduction targets.

E1-7 Energy Consumption and Mix

The DIC Group monitors energy consumption across its global operations to support efficient energy management and the transition toward lower-carbon energy sources.

Global Energy Consumption



The DIC Group's energy consumption in 2025 was 13,229 TJ. Energy consumption reflects operational activity across the Group's regional businesses and production sites with 2013 as the baseline year. The Group continues to promote energy-efficiency initiatives and expand the use of more sustainable energy sources, including purchased renewable electricity and solar power.

Energy Consumption Breakdown

Energy consumption is presented in the table below, which provides a breakdown of energy use by source, including fossil fuels and renewable energy.

This table includes:

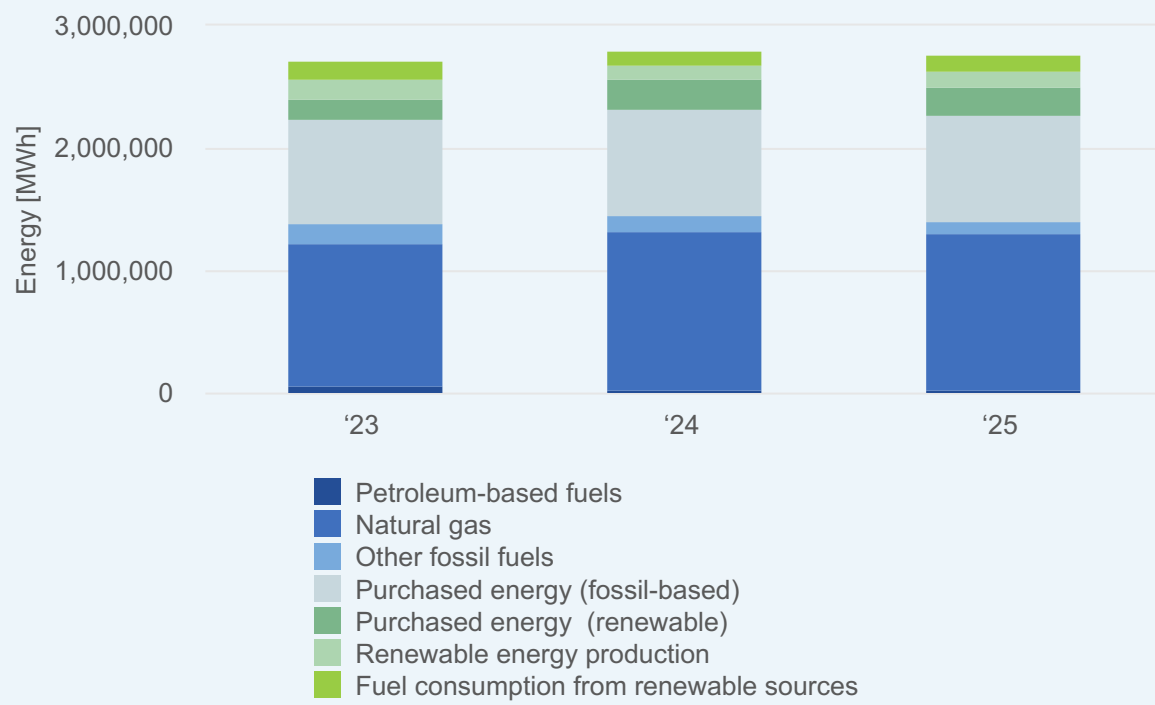
- Fuel consumption (oil, gas, other fossil sources)
- Purchased electricity, heat, steam, and cooling
- Renewable energy consumption (purchased and self-generated)
- Share of renewable vs. fossil energy

Energy Metrics [MWh]

		2025	2024	2023	YoY* Change vs 2024
Fossil-Based Energy	Crude Oil and Petroleum Product Consumption	35,733	40,524	67,061	-12%
	Natural Gas Consumption	1,275,395	1,288,554	1,168,724	-1%
	Other Fossil Fuel Consumption	101,547	130,691	163,152	-22%
	Purchased Fossil-Based Energy Consumption	860,759	876,262	841,325	-2%
	Total Fossil Energy Consumption	2,273,434	2,336,030	2,240,262	-3%
	Fossil Energy Share of Total Energy Consumption	86%	87%	87%	-1%
Renewable Energy	Purchased Renewable Energy Consumption	241,292	238,296	165,998	1%
	Renewable Fuel Consumption	121,813	112,203	149,461	9%
	Self-Generated Renewable Energy Consumption (Non-Fuel)	9,183	8,451	13,620	9%
	Total Renewable Energy Consumption	372,287	358,949	329,079	4%
	Renewable Energy Share of Total Energy Consumption	14%	13%	13%	6%
Energy Consumption and Generation by Energy Source	Energy Consumption in High Climate-Impact Sectors	2,645,721	2,694,980	2,569,341	-2%
	Renewable Energy Generation	131,164	120,849	163,296	9%
	Non-Renewable Energy Generation	26,805	27,111	28,800	-1%
	Total Energy Consumption in Own Operations	2,645,721	2,694,980	2,569,341	-2%

* YoY = Year on Year

Energy Mix of DIC Group



E1-8 Gross Scope 1, 2, 3 GHG Emissions

The DIC Group calculates GHG emissions across Scope 1, Scope 2, and Scope 3 categories in line with the GHG Protocol. Emissions data is used to track performance against internal targets and to enhance decarbonization strategies across operations and the value chain.

GHG Emissions Data

Detailed GHG emissions data is presented in the table below.

This table includes:

- Scope 1 emissions (direct emissions)
- Scope 2 emissions (indirect emissions; location-based and market-based)
- Scope 3 emissions by category (e.g., purchased goods and services, transportation, and end-of-life treatment of products)

The Group also addresses emissions across the value chain, including Scope 3 categories such as purchased goods and services, transportation, and end-of-life treatment of products.

Progress is monitored using key performance indicators, including Scope 1 and 2 emissions, and is reviewed by the Sustainability Committee and reported to the Board of Directors.

Scope 1 and Scope 2 Emissions

In 2025, total GHG emissions from Scope 1 and Scope 2 amounted to 533,391 tonnes.

The reduction in emissions compared to the previous year was supported by:

- Increased use of renewable energy sources
- Continued energy efficiency improvements
- Ongoing decarbonization initiatives

The Group has obtained third-party verification of Scope 1 and Scope 2 emissions.

Scope 3 Emissions

The DIC Group recognizes the importance of reducing emissions across its supply chain and is actively working to measure and reduce Scope 3 emissions across all relevant categories.

GHG Emissions Across the DIC Group's Supply Chains in 2025 [t CO₂eq]

	2025	2024	2023	YoY Change vs 2024
Total Market-Based GHG Emissions	9,140,891	9,631,495	10,282,157	-5%
Total Location-Based GHG Emissions	9,261,886	9,763,623	10,391,119	-5%
Gross Scope 1 GHG emissions	269,151	285,091	276,708	-6%
Scope 1 GHG Emissions Covered by Emissions Trading Schemes	1%	1%	1%	1%
Gross Location-Based Scope 2 GHG Emissions	385,236	404,490	368,129	-5%
Gross Market-Based Scope 2 GHG Emissions	264,240	272,362	259,167	-3%
Scope 2 Activity Data Covered by Unbundled Energy Attribute Claims	3%	2%	2%	15%
Scope 2 Activity Data Covered by Bundled Energy Attribute Instruments	23%	23%	18%	2%
Scope 2 Activity Data Covered by Contractual Instruments	26%	25%	19%	3%
Total Gross Indirect (Scope 3) GHG Emissions*¹	8,607,500	9,074,042	9,745,974	-5%
Scope 3 Emissions Calculated Using Primary Data* ²	17.2%	1.2%	—%	14%
1. Purchased Goods and Services	6,035,688	6,428,219	6,876,854	-6%
2. Capital Goods	131,605	161,103	211,767	-18%
3. Fuel- and Energy-Related Activities (Not Included in Scope 1 or Scope 2)	144,636	146,833	195,822	-1%
4. Upstream Transportation and Distribution	291,286	301,079	470,102	-3%
5. Waste Generated in Operations* ³	123,828	114,299	137,661	8%
6. Business Travel	7,053	8,027	6,169	-12%
7. Employee Commuting	44,097	42,948	28,773	3%
10. Processing of Sold Products	189,162	192,640	177,855	-2%
12. End-of-Life Treatment of Sold Products	1,562,062	1,598,880	1,623,345	-2%
15. Investments	78,084	80,012	17,626	-2%
Biogenic Emissions Metrics [t CO₂eq]*⁴				
Biogenic N ₂ O Emissions from Biomass Combustion and Biodegradation (Outside Scope 3)	649	902	549	-28%
Biogenic CH ₄ Emissions from Biomass Combustion and Biodegradation (Outside Scope 3)	402	521	1,713	-23%

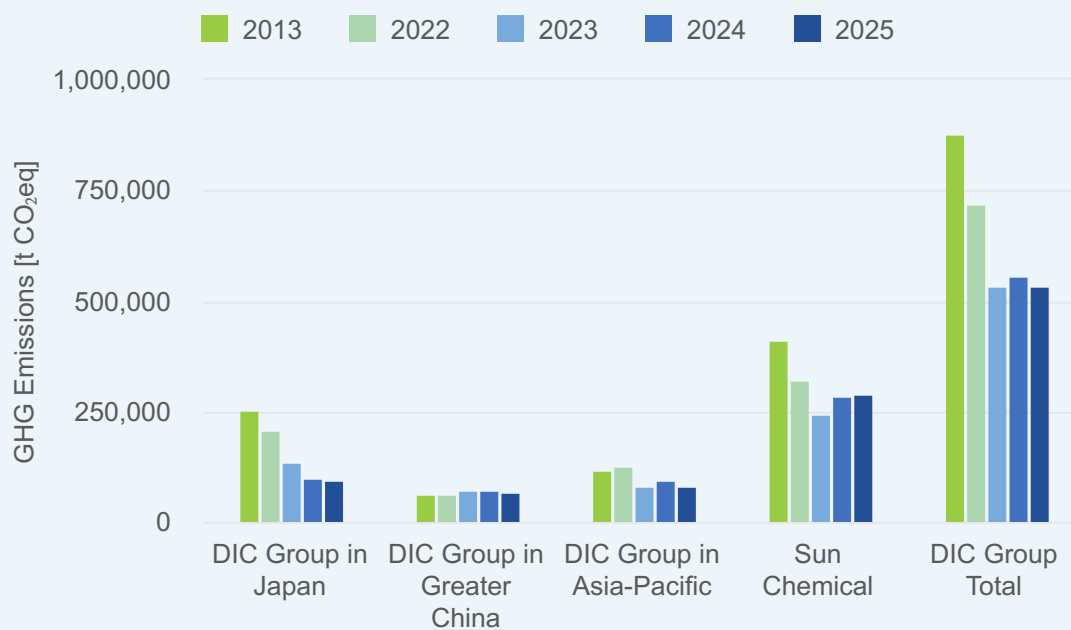
*¹ Categories 8, 9, 11, 13, and 14 have been excluded from the Scope 3 calculation, as their impact is considered immaterial and less relevant in the context of DIC Group's operations.

*² Scope 3 Emissions Calculated Using Primary data not calculated for 2023 due to methodology change for primary data

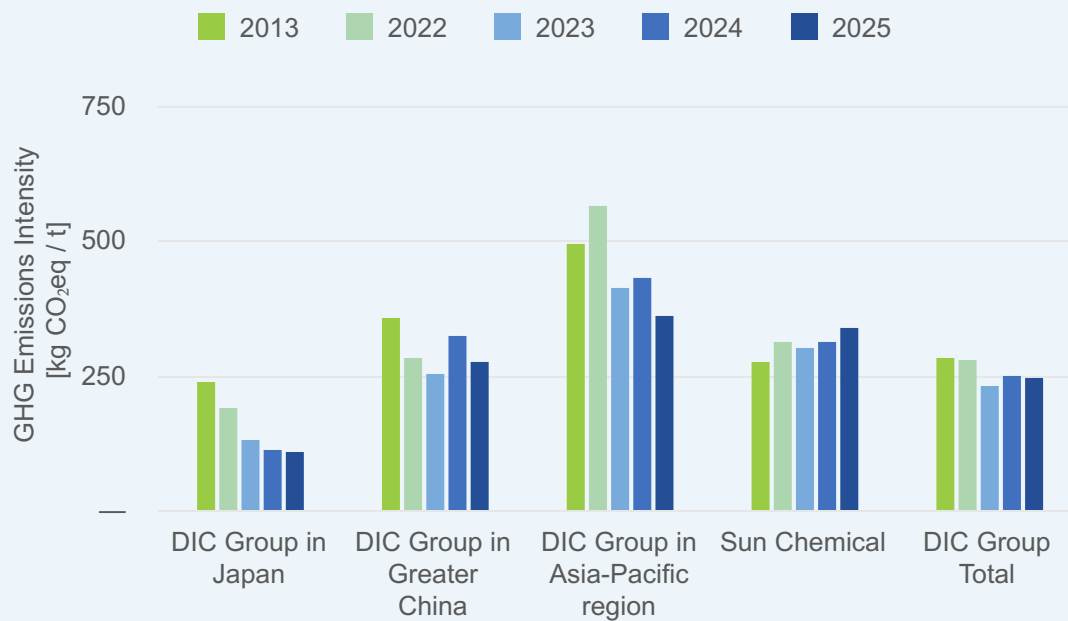
*³ Category 5 data for 2023 and 2024 differs from the verified data by a third-party organization of those years due to system changes and historic data corrections.

*⁴ Biogenic N₂O and CH₄ emissions apply to DIC Group in Japan only.

Global Scope 1 and 2 GHG Emissions



Global Scope 1 and 2 GHG Emissions Intensity



Performance Drivers and Emissions Trends

Key factors contributing to changes in emissions:

- Production volume changes and business portfolio adjustments
- Shifts to renewable energy
- Energy-saving initiatives

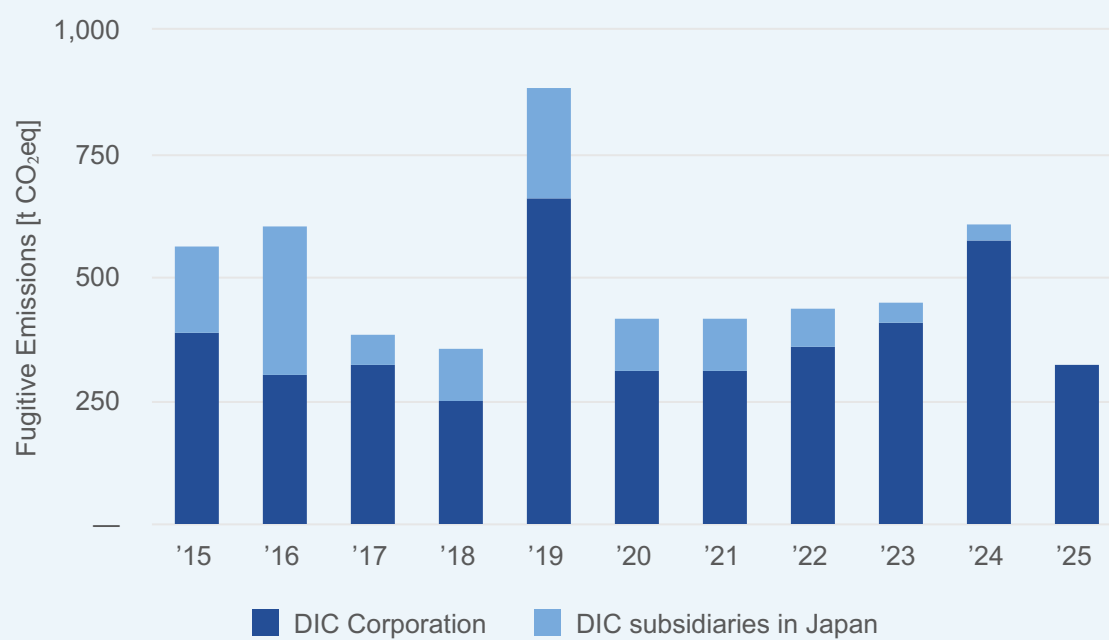
Factors Contributing to Change in Global GHG Emissions

	Factor	Impact on GHG Emissions [t CO ₂ eq]		Percentage Reduction [%]
DIC Group in Japan	Site Energy Efficiency Improvements	-3,268	-6,533	1.2
	Business Divestitures	-1,078		
	Other Factors (Including Reduced Production Volume)	-2,187		
DIC Group in Asia-Pacific	Facility Upgrades and Energy-Saving Initiatives	-2,424	-16,623	3.0
	Energy Mix Changes	-6,990		
	Renewable Electricity Transition	-3,887		
	Other Factors (Including Changes in Reporting Boundaries, Reduced Production Volume)	-3,322		
DIC Group in Greater China	Site Energy Efficiency Improvements	-504	-7,497	
	Reduced Production Volumes	-2,910		
	Site Restructuring	-3,013		
	Other Factors (Including Energy Mix Changes)	-1,070		
Sun Chemical	Energy Mix Changes and Other Factors	6,067	6,067	
Other DIC Group Companies	Resumption of Production Activities	1,379	1,379	
	Change in Scope 1 and 2 GHG Emissions	-23,207		4.2
	Global Scope 1 and 2 GHG Emissions in 2024	556,598		
	Global Scope 1 and 2 GHG Emissions in 2025	533,391		

This table provides a breakdown of emissions increases and reductions across regions and operational drivers.

Fugitive Emissions

Leaked Fluorocarbons by DIC Group in Japan (as CO₂eq)



Note: Leakage amounts may fluctuate from year to year due to factors such as equipment upgrades and the timing of refrigerant replenishment. The DIC Group in Japan appropriately manages leakage and has consistently remained below the regulatory reporting threshold.

E5 - Promoting Circularity

E5-1 Policies Related to Resource Use and Circular Economy

Overall Approach

The DIC Group positions the transition to a circular economy as a core element of its sustainability strategy, integrating resource efficiency, waste reduction, and sustainable sourcing across the value chain—from raw material procurement through production to product end-of-life.

Resource Inflows

The DIC Group promotes sustainable procurement practices aimed at improving resource efficiency and reducing environmental impacts across the supply chain. This includes increasing the use of bio-based, renewable, and recycled raw materials, while working with suppliers to enhance transparency and reduce the environmental footprint of procured resources. The percentage of Scope 3 GHG emissions calculated using primary data increased to 17.2% in 2025, compared to 1.2% in 2024.

Resource Outflows (Products)

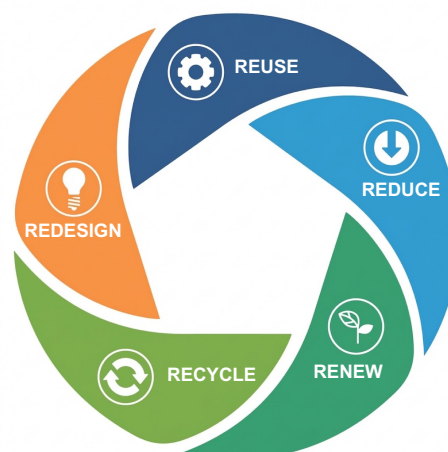
The DIC Group promotes the development of products that contribute to a circular economy, guided by its [Circular Economy \(CE\) statement](#) and DIC Group-developed 5R approach (Reuse, Reduce, Renew, Recycle, and Redesign). Examples of initiatives implemented under the 5R framework include reducing reliance on virgin materials, expanding the use of renewable and recycled inputs, and improving resource efficiency across product design and development.

In addition, Sun Chemical has established a [Product End-of-Life Policy](#) that integrates circularity principles across product design, manufacturing, and post-use stages. This includes designing products to support reuse, recycling, and compatibility with existing recycling systems, as well as increasing the use of bio-based, renewable, and recycled raw materials where feasible. These efforts are supported by broader Group policies and frameworks, including sustainable procurement requirements, supplier evaluation processes, and the 5R framework, and contribute to reducing reliance on virgin resources while enabling improved end-of-life outcomes across key product applications.

Resource Outflows (Waste)

The DIC Group promotes the effective use of resources in its manufacturing processes and strives to reduce environmental impacts in waste treatment.

The Group focuses on improving production efficiency, minimizing waste generation, and ensuring appropriate management of industrial waste from generation through to final disposal, in accordance with applicable regulations.



E5-2 Actions and Resources Related to Resource Use and Circular Economy

Sustainable Procurement and Raw Materials

In upstream activities, circularity is embedded through procurement frameworks and supplier engagement. The Group promotes the use of bio-based, renewable, and recycled raw materials, while working with suppliers to reduce environmental impacts across the supply chain.

Product Design and Circular Solutions

Circular economy principles are integrated into product and technology development across the DIC Group.

Initiatives guided by the 5R framework include reducing virgin material use, improving recyclability, supporting composting and recycling systems, and incorporating renewable and recycled raw materials into products and packaging solutions.

The Group also works to strengthen circularity across the value chain through sustainable procurement initiatives, raw-material assessments, and collaboration between procurement and technical functions to support product design improvements. These activities include initiatives related to sustainable packaging and polystyrene (PS) recycling.

Product development efforts additionally focus on improving compatibility with recycling processes and supporting better end-of-life outcomes for finished products and packaging in which DIC Group products are used, enabling higher-quality recycle and more effective material recovery.

Sun Chemical supports these broader Group circular economy initiatives through increased use of sustainably sourced bio-based feedstocks, including bioethanol and water-based acrylic inks containing significant bio-based content.

According to Sun Chemical's internal portfolio management process, approximately 25% of research and development full-time equivalent (FTE) resources are allocated to sustainability-related new product development projects that support circular material flows and improved product recyclability.

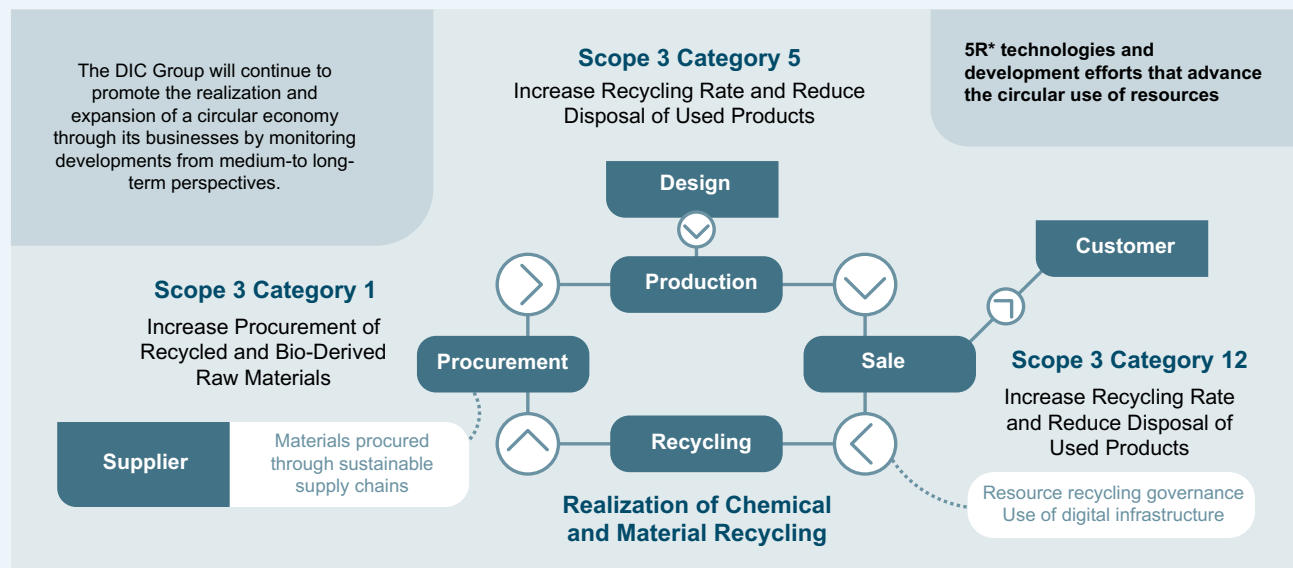
Production and Waste Management

Within its own operations, the Group focuses on improving production efficiency and minimizing waste generation. Industrial waste is managed through a comprehensive system that ensures proper handling from generation through to final disposal, supported by tracking and control mechanisms aligned with local regulatory requirements.

The DIC Group works to effectively manage industrial waste at its production facilities worldwide, from generation and on-site discharge through intermediate treatment and final disposal. The Group maintains visibility across all stages of waste handling, enabling it to monitor performance and identify opportunities for improvement. Efforts to reduce waste and improve resource efficiency include increasing production yield, expanding recycling and recovery processes, reducing landfill volumes, and promoting energy recovery through the utilization of waste heat.

A representative example of these efforts is the initiative at PT. DIC Graphics Pulogadung (Indonesia), where used raw material containers and packaging collected from customers are cleaned and reused as product containers and in production processes. Contaminated solvents generated during operations are recovered through a solvent recovery system and reused in processes such as cleaning activities. Dedicated equipment, representing a leading practice in the AP region, has also been introduced to improve cleaning efficiency and enhance workplace safety.

The DIC Group's Efforts to Drive the Realization and Expansion of a Circular Economy



* Reuse, Reduce, Renew, Recycle and Redesign

E5-3 Targets Related to Resource Use and Circular Economy

The DIC Group has established targets to improve resource efficiency and reduce waste, particularly within its operations in Japan.

The DIC Group in Japan has long promoted Zero Emissions initiatives under a target to reduce external final landfill disposal by 95% compared with 2000 levels. The target was achieved in 2010, and landfill disposal is currently maintained at 200 tonnes, equivalent to 5% of 2000 levels.

Key targets include:

- **Landfill Disposal** of less than 200 tonnes per year
- **Total Waste Generation** of less than 45,000 tonnes per year
- **Effective Utilization Rate** of 80% or more

In 2025, total industrial waste generated by the DIC Group in Japan was 37,347 tonnes, representing an increase compared with the previous year due to the breakdown of an internal waste recycling facility at one site. Landfill disposal totaled 226 tonnes, exceeding both the previous year and the established target. The increase was primarily attributable to temporary operational factors, including changes to production activities and facility renovation work at several sites.

Sun Chemical targets a 10% decrease in waste intensity by 2030, using 2019 as the baseline year.

E5-4 Resource Inflow (including Resource Use)

Resource Inflows

The DIC Group focuses on improving material efficiency and supporting the transition towards circular material flows. This includes increasing the use of bio-based, renewable, and recycled raw materials, as well as enhancing visibility into the environmental impact of procured inputs through supplier engagement and data collection.

The adoption of these lower-impact alternatives is supported by procurement policies and supplier collaboration.

These efforts support the Group's broader circular economy approach by contributing to reduced reliance on virgin materials and more sustainable product design and development.

The Group's 5R framework (Reuse, Reduce, Renew, Recycle and Redesign) also provides an overarching framework for circularity initiatives across the value chain.

E5-5 Resource Outflows Related to Products and Services

Resource Outflows

The DIC Group manages resource outflows through a comprehensive approach to waste reduction, recycling, and responsible disposal across its global operations. These efforts aim to minimize environmental impact while improving resource efficiency and supporting circular economy outcomes.

Product Durability and Shelf Life

In addition to waste management, the Group's approach to resource outflows also considers products placed on the market, with a focus on supporting the recyclability of finished products and packaging in which DIC Group products are used, thereby enabling circular material flows, as described in E5-2 and E5-4.

In addition to supporting circularity through the recyclability of products and packaging, the DIC Group also seeks to reduce waste through the effective management of product shelf life. This is achieved through established quality management systems, helping to reduce product waste and improve resource efficiency across the value chain. Shelf life is defined at the product level based on product characteristics and recommended storage conditions and is communicated through technical documentation and product quality information. For example, shelf life is specified through technical documentation and Certificates of Analysis, enabling customers to manage product use appropriately and minimize unnecessary waste. Through these practices, the Group seeks to maintain product performance and support efficient use of materials throughout the product lifecycle.

To support these efforts, Sun Chemical maintains procedures for evaluating and, where appropriate, extending product shelf life for materials stored in Company-controlled warehouses based on retained reference samples and internal testing. Returned and expired materials are segregated and managed in accordance with documented quality and risk-management procedures.

Waste Management Approach

Within its operations, the Group focuses on reducing waste generation and ensuring proper management of industrial waste from generation through to final disposal.

The Group prioritizes recycling and recovery over landfill disposal, including material recycling, chemical recycling, and energy recovery through waste treatment processes.

Waste Streams and Treatment

Industrial waste is categorized and managed across multiple streams, including waste oil, paper, sludge, and packaging waste in accordance with regulatory requirements.

The Group utilizes a combination of recycling, recovery, and controlled disposal methods, resulting in a high proportion of waste being diverted from landfill.

The accompanying table provides a consolidated overview of waste generation and treatment across DIC Group operations, including Sun Chemical.

Waste Generation [t]

	2025		2024		2023	
	Hazardous Waste	Non-Hazardous Waste	Hazardous Waste	Non-Hazardous Waste	Hazardous Waste	Non-Hazardous Waste
Waste Recovered						
Recycling	21,026	21,755	17,267	23,888	17,553	23,993
Incineration with Energy Recovery	31,521	13,583	31,100	13,291	25,691	18,923
Preparation for Reuse	2,664	131	52	81	0	0
Other Recovery Operations	0	12	0	25	0	0
Waste Disposed						
Landfill Disposal	1,883	6,260	2,390	10,495	1,913	9,625
Incineration without Energy Recovery	4,581	10,739	4,499	10,430	4,334	7,366
Other Disposal Operations	661	2,093	407	69	0	0
Total Waste Generation	61,500	56,658	56,172	58,837	49,491	59,907
Overall Waste Generation	118,158		115,009		109,398	
Non-Recycled Waste	26,216		28,290		23,238	
Percentage of Non-Recycled Waste	22%		25%		21%	

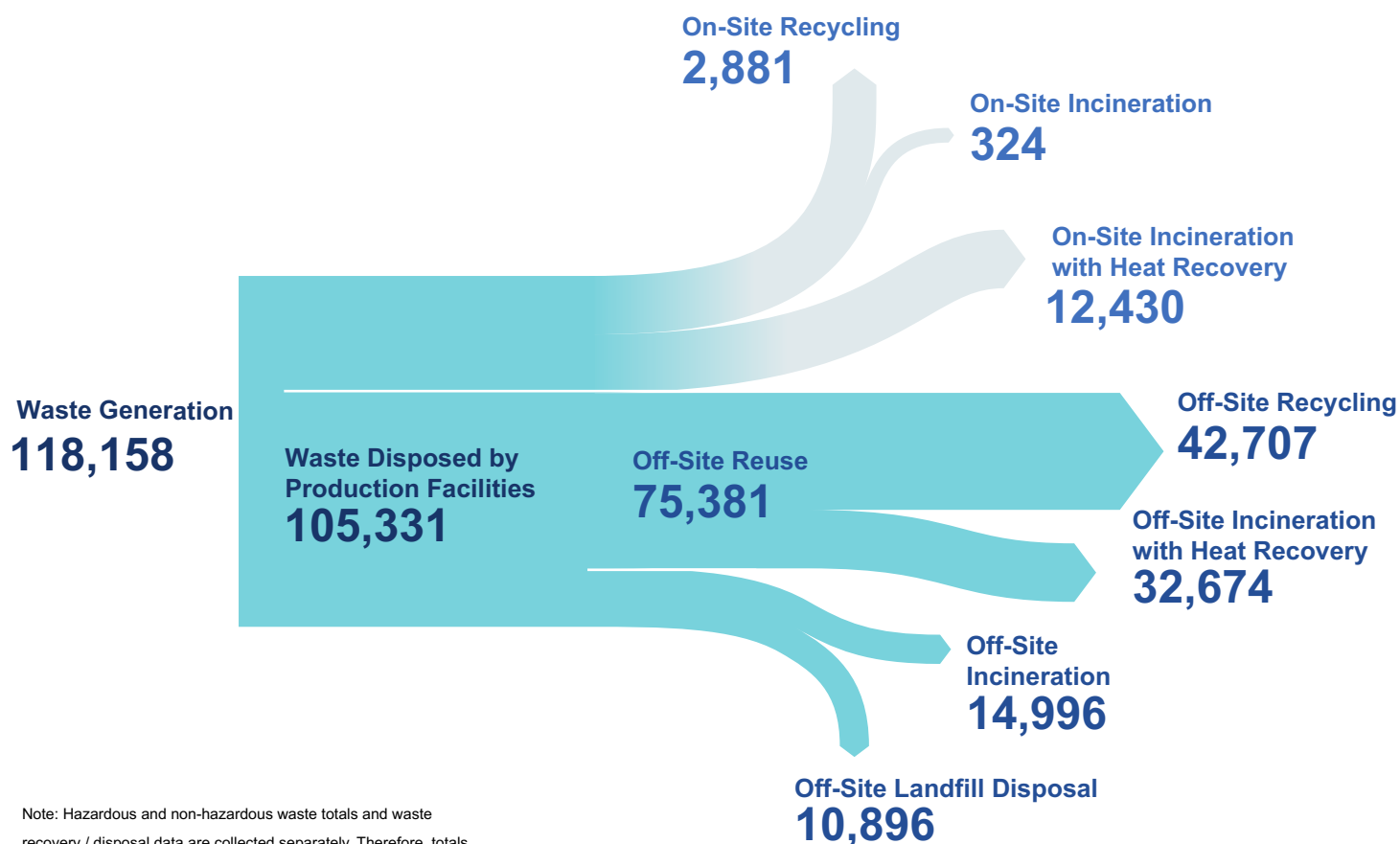
Note: Hazardous and non-hazardous waste totals and waste recovery / disposal data are collected separately. Therefore, totals may not equal the sum of the individual recovery / disposal data.

It presents total waste volumes, breakdowns by waste type, and treatment methods, including recycling, recovery (such as energy recovery), and disposal.

The data distinguishes between hazardous and non-hazardous waste and provides visibility into how waste is managed across different treatment pathways. This supports a more detailed understanding of waste management practices across global operations.

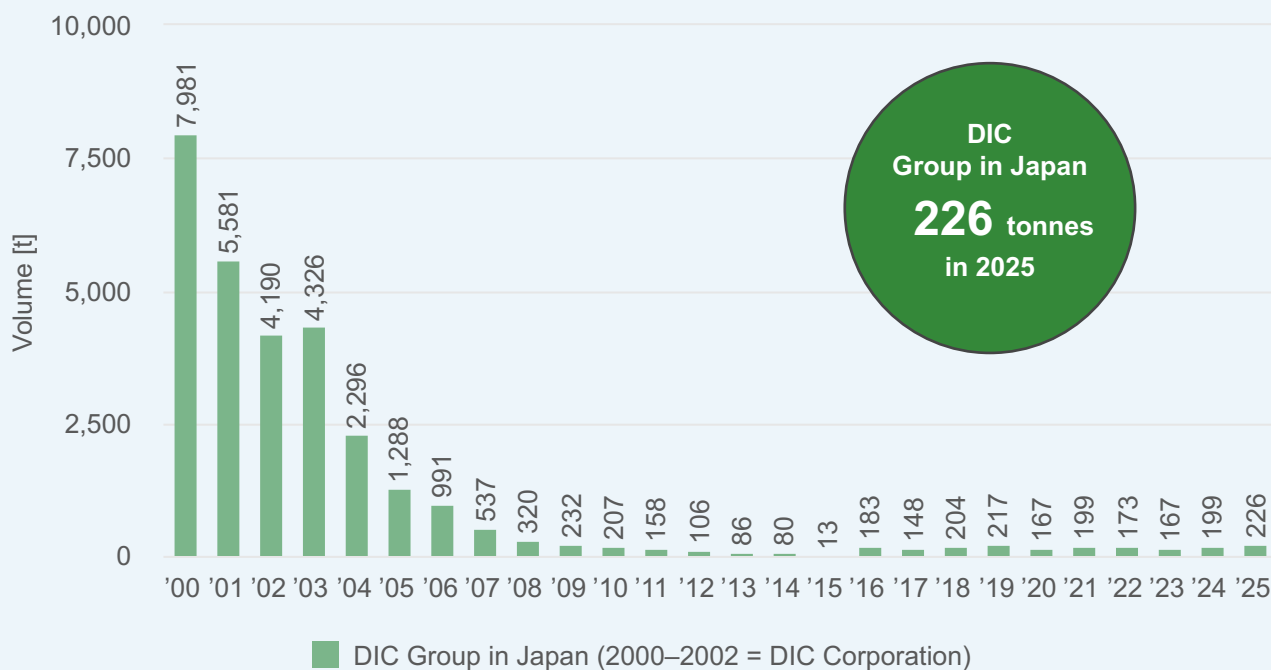
Overall, the data indicates that a significant share of waste is diverted from landfill through recycling and recovery processes, supporting the Group's objective of improving resource efficiency and advancing circular economy practices.

Industrial Waste Generation and Disposal by DIC Group in 2025 [t]



Note: Hazardous and non-hazardous waste totals and waste recovery / disposal data are collected separately. Therefore, totals may not equal the sum of the individual recovery / disposal data.

Industrial Waste Disposed of as Landfill



Industrial Waste Generation by Waste Type in the DIC Group in Japan (2025)

Waste Type	Waste Generation [t]
Cinders	876
Sludge	7,372
Waste Oil	6,617
Waste Acid	321
Waste Alkali	2,363
Waste Plastics	1,701
Waste Plastics (Outside the Scope of the Plastics Resource Circulation Act)	2,873
Scrap Rubber	0
Scrap Metal	1,754
Waste Glass, Concrete, and Ceramics	49
Slag	0
Debris	0
Dust	30
Waste Paper	601
Wood Chips	556
Fiber Waste	0
Animal and Plant Residues	17
Unwanted Animal Solid Matter	0
Livestock Excreta	0
Animal Carcasses	0
Mercury-Containing Industrial Waste	1
Specially Controlled Industrial Waste	12,216
Total Industrial Waste	37,347

Specific Initiatives

The Group has promoted initiatives to ensure the proper disposal of equipment containing polychlorinated biphenyls (PCBs), and the disposal of PCB-containing waste was completed by the end of 2023.

Plastic Resource Circulation in Japan

In response to Japan's Act on Promotion of Resource Circulation for Plastics (effective April 2022), the DIC Group is working to reduce plastic waste and expand recycling across the product life cycle.

The Group has disclosed plastic waste generation and recycling data for its operations in Japan since 2023 in line with regulatory requirements and continues to strengthen these initiatives.

Plastic Recycling and Resource Recycling Rates (Waste, Waste and Valuable Materials)

DIC Group in Japan	Waste			Waste and Valuable Materials		
	Waste Volume [t]	Recycling Rate [%]	Resource Recycling Rate [%]	Waste and Valuable Materials Volume [t]	Recycling Rate [%]	Resource Recycling Rate [%]
DIC Corporation	1,414	67.2	91.1	2,459	81.1	94.9
DIC Graphics Corporation	234	54.5	73.4	244	56.3	74.5
DIC EP Corp.	30	32.6	93.7	30	32.6	93.7
DIC Kitanihon Polymer Co., Ltd.	34	22.2	47.4	34	22.2	47.4
DIC Kyushu Polymer Co., Ltd.	13	57.6	100	13	58.3	100
DIC Plastics, Inc.	22	48.1	92.8	89	87.1	98.2

Global Operations Outside of Japan

Production facilities outside of Japan work to minimize waste through recycling and reuse while ensuring compliance with national and regional laws and regulations.

In 2025, waste generated at production sites outside of Japan totaled 80,811 tonnes, while landfill disposal amounted to 10,670 tonnes.

Compared with the previous year, total industrial waste generation remained broadly stable, while landfill disposal decreased significantly, partly reflecting improvements in data verification processes at Sun Chemical.

Regional headquarters will continue to focus on strengthening compliance and reducing both waste generation and landfill disposal.

Metrics and Additional Information

For the current reporting year, disclosures related to resource use and circular economy are primarily focused on waste generation, recycling, and landfill performance as presented above.

The DIC Group will continue to enhance its disclosures over time as data availability and reporting processes evolve.

Workforce Empowerment

Developing Workforce Potential and Advancing Diversity & Inclusion 90



S1 - Developing Workforce Potential and Advancing Diversity & Inclusion

S1-1 Policies Related to Own Workforce

DIC Group has adopted a series of policies centered on the [DIC Group Code of Business Conduct](#) to appropriately manage material impacts, risks, and opportunities related to its own workforce. The Code of Conduct applies to all employees of DIC Group, including full-time employees, non-regular employees, temporary workers, and executives, and is intended to ensure respect, dignity, safety, and fair treatment.

In addition, the DIC Group has established the [DIC Group Human Rights Policy](#) to support respect for the human rights of all stakeholders involved in its business activities. This policy is aligned with internationally recognized frameworks, including:

- The UN Guiding Principles on Business and Human Rights
- The International Labor Organization (ILO) Declaration on Fundamental Principles and Rights at Work
- The UN Global Compact

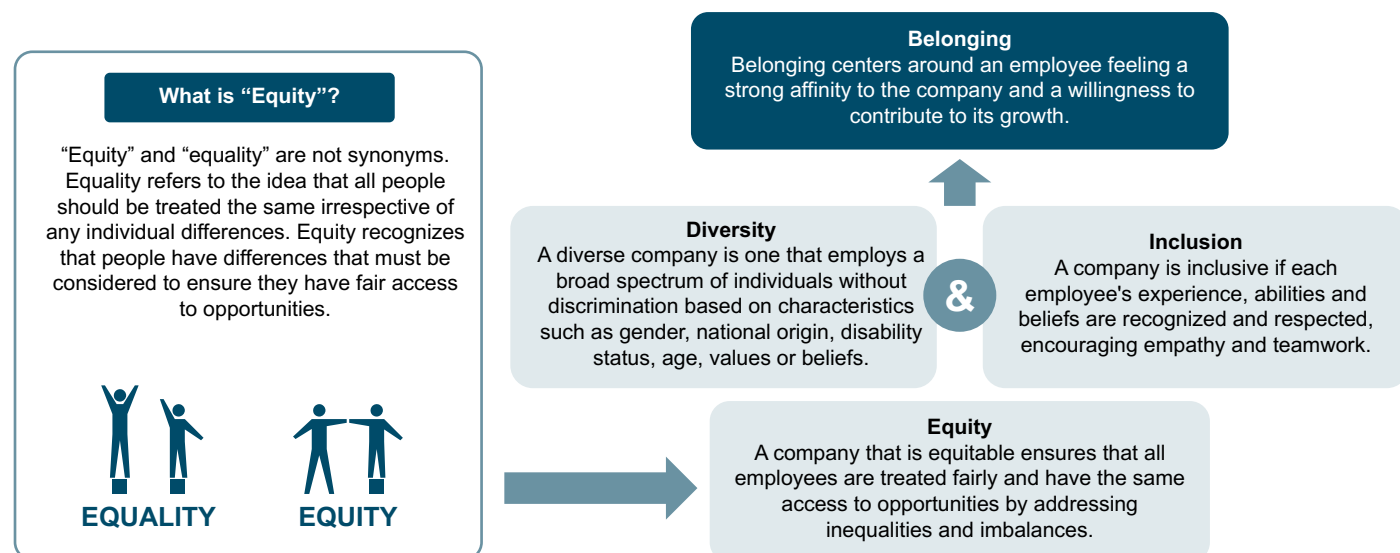
With respect to employee human rights, the Group addresses these matters through the policies and frameworks described above.

Policy Content

Non-Discrimination, Equal Opportunity, and Inclusion

The Group prohibits discrimination and ensures equal opportunity across all employment practices, including recruitment, assignment, promotion, compensation, training, and working conditions. Discrimination based on characteristics such as race, nationality, gender, age, religion, social status, sexual orientation, or physical or mental disability is not permitted.

These principles are embedded into human resource management processes and supported through training, awareness initiatives, and internal policies. Based on the DIC Group Human Rights Policy and Code of Conduct, the Group recognizes that certain employees may be at greater risk of disadvantage due to factors such as gender, age, disability, nationality, or employment status. The Group promotes an organizational culture in which diverse talent, including these employees, can continue to contribute and develop sustainably.



Prevention of Discrimination, Harassment, and Retaliation

The DIC Group maintains a zero-tolerance approach to discrimination, harassment, bullying, and retaliation. Procedures are in place to prevent, detect, and address such conduct.

Prohibition of Forced Labor and Child Labor

The Group prohibits all forms of forced or compulsory labor, human trafficking, and child labor. This includes any work performed under coercion, threat, debt bondage, or restriction of personal freedom.

The Group complies with applicable laws on minimum working age and aligns with international standards, including ILO conventions. These principles apply to all employees and are embedded in employment management practices.

Respect for Fundamental Labor Rights and Working Conditions

The Group respects freedom of association and the right to collective bargaining in accordance with applicable laws. It also promotes fair compensation, appropriate working hours, and safe and healthy working conditions.

Workplace safety and health are supported through dedicated policies and management systems, including commitments to continuous improvement, legal compliance, and employee training in environment, safety, and health practices.

Human Rights Due Diligence, Grievance Mechanisms, and Remediation

The DIC Group has established a human rights due diligence framework to identify, assess, and address actual and potential impacts on its workforce.

Where adverse impacts are identified or caused, the Group implements appropriate corrective and remedial actions. Grievance mechanisms, including independent reporting systems, are available to employees to enable confidential reporting. Reported concerns are handled in accordance with internal procedures and applicable legal requirements, supported by training and management oversight.

Communication, Training, and Employee Engagement

Workforce-related policies are communicated through the DIC Group Code of Business Conduct, internal policies, and employee handbooks. The Group conducts training, including human rights and compliance training, to ensure awareness and effective implementation.

The Group also engages with employees through dialogue mechanisms, such as labor-management consultations and employee representatives, to identify workplace concerns and inform continuous improvement.

Governance, Oversight, and Scope

Responsibility for implementing and overseeing workforce-related policies is embedded within established management and governance structures, including human resources and compliance functions. Implementation is supported through internal monitoring, audits, and reporting processes.

These policies apply to all employees under the Group's direct control across all regions and functions. While primarily focused on the Group's own workforce, broader human rights commitments extend to business partners through separate supplier-related policies and guidelines.

S1-2 Engagement with Own Workforce and Workers' Representatives, Existence of Channels for Own Workforce to Raise Concerns or Needs and Approaches to Remedy

DIC Group engages with its own workforce to understand employee perspectives and to inform decision-making related to workforce impacts, risks, and opportunities. Engagement is conducted through a combination of direct interaction with employees and engagement through workers' representatives.

Approach to Workforce Engagement

The Group uses a combination of engagement methods to reflect workforce perspectives in decision-making and activities related to the management of actual and potential impacts. In the DIC Group in Japan and Greater China, employee engagement surveys are conducted regularly for all employees to collect quantitative data on employee awareness and workplace conditions. In Japan, the Group also conducts dialogue at the department and workplace level, one-on-one meetings between managers and employees, and small meetings between management and employees. In other regions, efforts are made to secure opportunities for dialogue with employees and collect employee feedback in accordance with local circumstances and systems. Through these initiatives, the Group gathers both qualitative and quantitative information related to workplace environment, management practices, employee development, and the extent to which employee perspectives are reflected in decision-making.

In addition, engagement takes place through representative structures, including labor-management dialogue and workplace-level forums. While the Group does not have a Global Framework Agreement with workers' representatives, it supports internationally recognized labor standards and engages with employees and their representatives in accordance with applicable laws and practices from where it operates.

At present, the Group does not have a dedicated mechanism specifically designed to directly collect input from potentially vulnerable or marginalized groups within its workforce. However, as part of its human rights due diligence efforts, the Group identifies and assesses workforce-related human rights risks, including those affecting potentially vulnerable employees.

The Group also implements initiatives to better understand the perspectives and challenges of employees in specific roles and positions. Throughout the DIC Group in Japan, network meetings for foreign employees are held every six months to gather feedback on workplace conditions and operational challenges, while also supporting communication and network-building among participants. Interviews are also conducted with female employees, including managers and employees being considered for managerial positions, to better understand perspectives related to career development, skills development, and workplace environment.

Engagement Mechanisms and Frequency

Workforce engagement is conducted on an ongoing and periodic basis.

- **Engagement surveys** are conducted in specific regions to assess employee perceptions across topics such as workplace environment, relationships with supervisors, development opportunities, and inclusion.
- **Regular dialogue and one-on-one meetings** between managers and employees provide continuous opportunities to understand individual concerns, performance, and development needs.
- **Workplace-level discussions and briefings** enable departments to review survey results and identify actions tailored to their specific circumstances.
- **Health and Safety committees and other forums** provide additional channels for dialogue at the site level.

These mechanisms allow the Group to capture both broad trends through structured surveys and more detailed insights through direct interaction.

Use of Workforce Feedback in Decision-Making

Feedback collected through engagement activities is reviewed by the human resources function and relevant management teams and is used to support workplace improvements, employee development initiatives, and organizational management practices.

Survey results are reviewed at the departmental level and used to support dialogue, strengthen feedback practices by managers, and identify and implement improvement actions.

Insights from ongoing engagement, including one-on-one meetings and workplace discussions, are also incorporated into human resource management and workplace improvement initiatives.

Through these processes, employee perspectives are reflected in areas such as workplace environment, management practices, and employee development.

Governance and Responsibilities

Operational responsibility for workforce engagement lies with the human resources function. Engagement activities and the use of their outcomes have been overseen through internal structures, including cross-functional management forums involving senior leadership.

Historically, engagement programs at DIC Corporation were promoted and tracked via an enterprise-wide committee system that incorporated senior executives. Despite this system concluding its work in 2025, the responsibility for staff engagement and executive oversight remains active through current administrative and governance channels, including human resources departments and leadership gatherings. Governance has shifted away from a specialized committee model toward a more seamless, operationally integrated approach to workforce engagement.

Assessment of Effectiveness

The effectiveness of workforce engagement is assessed primarily through the extent to which employee feedback leads to concrete actions and improvements at the organizational and departmental levels.

Engagement survey results are tracked over time, and recent surveys have shown improvements in overall engagement scores. At the same time, the Group has not yet established a unified quantitative framework to directly link engagement outcomes to the management of specific workforce-related impacts and risks.

Processes to Remediate Negative Impacts and Channels for Own Workforce to Raise Concerns

DIC Group has established processes to address and remediate negative impacts on its own workforce, supported by grievance mechanisms and compliance frameworks based on the DIC Group Code of Conduct.

Information on reporting channels is communicated to employees through internal policies, training, and other communication tools.

Grievance Mechanisms and Reporting Channels

The Group provides multiple channels for employees to raise concerns related to compliance, workplace conduct, and labor-related issues. These include internal reporting lines as well as independent reporting mechanisms, such as an external ethics hotline.

The reporting system is designed to be accessible globally, including through external channels capable of supporting multiple languages, and operates independently from normal business reporting lines. Employees can raise concerns regarding potential violations of laws, internal policies, or workplace-related issues, including harassment and other labor concerns.

Handling of Reports and Investigation Processes

Reports received through grievance mechanisms are handled in accordance with established internal procedures. The Group reviews reported concerns and conducts investigations as appropriate, taking into account both internal and external input where necessary.

Investigations are conducted to ensure the fair and appropriate handling of each case. Depending on the nature of the issue, matters may be escalated to relevant functions, including the establishment of a dedicated investigation team where necessary.

Remediation and Corrective Actions

Where violations or inappropriate conduct are identified, the Group takes corrective actions in line with internal rules and procedures. These actions may include disciplinary measures, as well as steps aimed at preventing recurrence.

Through these processes, the Group seeks to address identified issues and support improvements in workplace practices and compliance.

Non-Retaliation

The DIC Group prohibits retaliation against individuals who raise concerns or participate in investigations. Measures are in place to ensure that employees can report issues without fear of disadvantage, and this principle is incorporated into the operation of grievance mechanisms.

Oversight and Monitoring

Information on reported concerns and their handling is shared with senior management and, where appropriate, reported to the Board of Directors. This supports oversight of compliance-related matters and contributes to ongoing monitoring of workforce-related issues.

The Group continues to utilize its reporting mechanisms to support the early identification and resolution of issues, and to strengthen its overall compliance framework.

S1-3 Actions and Resources Related to Own Workforce

The DIC Group implements a range of initiatives to create positive impacts and opportunities for its workforce while reducing negative impacts and risks. These initiatives are led primarily by the Human Resources function.

Approach to Managing Workforce-Related Impacts, Risks, and Opportunities

The DIC Group manages material impacts, risks, and opportunities related to its own workforce in an integrated manner, promoting initiatives that both create positive impacts and opportunities and reduce negative impacts and risks. These initiatives are managed primarily through the Human Resources function and are continuously reviewed and improved based on issues and needs identified through dialogue and other forms of engagement with employees. Guided by this management approach, the Group implements a range of measures to address workforce-related impacts, risks, and opportunities.

Actions to Enhance Positive Impacts and Opportunities

The DIC Group positions its workforce as an important source of value creation and seeks to enhance medium- to long-term corporate performance and maximize value provided to employees through initiatives focused on improving employee engagement, human resource development and capability building, workplace environment enhancement, and the advancement of employees of diverse backgrounds.

Employee Engagement and Organizational Improvement

The Group conducts regular employee engagement surveys across its workforce. Survey results are analyzed at the departmental level and used to identify workplace issues, strengthen management practices, and develop and implement action plans aimed at improving communication and organizational effectiveness. Ongoing dialogue, including manager–employee interactions, complements survey insights and supports continuous improvement in workplace conditions.

Talent Development and Capability Building

The Group promotes employee development through a range of training and development initiatives, including leadership development, functional skill enhancement, and other various re-skilling programs. These initiatives are aligned with business strategy and are designed to support employees' autonomous career development while strengthening organizational competitiveness.

Work Environment and Work-Style Initiatives

The Group is advancing initiatives to improve working conditions and workplace environments. These include efforts to promote flexible working arrangements, review operational processes, and support employee wellbeing.

Initiatives in Japan to Expand Career Opportunities for Women

DIC Group in Japan continues to promote a wide range of initiatives to expand career opportunities for women with the aim of becoming an organization in which women can play an active role.

Diversity KPIs in the DIC Group in Japan

	DIC Group in Japan	Achievement		Target (2030)	
1	Women and Foreign Nationals as a Percentage of Directors and Audit & Supervisory Board Members	January 2026	23.1%	January 2031	30.0%
	Women as a Percentage of Directors and Audit & Supervisory Board Members		23.1%		30.0%
2	Women and Foreign Nationals as a Percentage of Executive Officers		19.0%		30.0%
	Women as a Percentage of Executive Officers		4.8%		5.0%
3	Women in Management Positions		9.0%		12.0%
4	Foreign Nationals among New Hires	2025	5.3%	2030	5.0%
5	Women among New Graduate Hires		36.7%		30.0%
6	Women among Mid-Career Hires		21.6%		20.0%
7	Male Childcare Leave Utilization Rate		106.7%		100.0%
	Leave to Assist with Parenting Utilization Rate				
8	Employment Rate of Individuals with Disabilities		2.7%		Above the legally required level
9	Gender Pay Gap (Female Pay as a Percentage of Male Pay)				Currently, only actual results are reported; KPIs will be established in the future.
	Regular Employees (Full-Time, Indefinite-Term)		76.7%		
	Non-Regular Employees (Part-Time, Fixed-Term)		63.1%		
	All Employees		70.9%		

Highlights of Women's Advancement Initiatives in the DIC Group in Japan

Transform Corporate Culture and Mindset	Messages from the President
	Introduction of gender-neutral uniforms
	Unconscious bias training
Enhance Motivation Among Female Employees	External leadership development programs
	Joint leadership development program with companies in other industries
	Mentoring program with internal executives serving as mentors
	Mentoring programs led by female managers
Expand Career Opportunities for Female Employees	Assignment of female employees to production, sales, and other external-facing roles
	Inclusion of female employees in standard transfer, reassignment, and job rotation programs
Support Work-Life Balance and Childcare	Expansion of systems supporting the balance of childcare and career development
	Training for employees returning from childcare leave
	E-learning programs for male employees on taking childcare leave
	Informal discussion sessions for male employees who have taken or are considering childcare leave
Create a More Flexible and Supportive Work Environment	Introduction of a system allowing management-level employees to limit transfer locations
	Expansion of flexible working hour systems
	Promotion of telework and hybrid working styles

Work-Life Balance Initiatives in the DIC Group in Japan

Childcare Leave Program	Employees may take childcare leave until a child reaches two years and six months of age, extending six months beyond the statutory leave period. In addition to regular childcare leave, employees may take up to four weeks (28 days) of childcare leave (postpartum paternity leave) within the first eight weeks after the child's birth, which includes five days of paid leave under the Parenting Support Leave Program. Employees on childcare leave may work within defined limits if desired.
Paid Leave Programs for Pregnancy and Childcare	Outpatient Care Leave: Employees can take leave for outpatient care, including regular medical examinations and health guidance.
	Special Maternity Protection Leave: Female employees may take up to 10 days of special leave during pregnancy or within one year after childbirth to protect the health of both mother and child.
	Parenting Support Leave Program: Male employees may take five consecutive days of paid leave during the eight weeks following childbirth to support parenting responsibilities.
	Child Nursing Care Leave: Employees may take leave to care for a child until the end of the child's third year of elementary school. This includes paid leave of up to five days per year for one child, 10 days for two children, or 15 days for three or more children, exceeding statutory requirements.
Childcare While Working Program	Employees may shorten working hours, stagger working hours, and be exempt from overtime work until the end of a child's third year of elementary school.
Economic Support System	Employees on unpaid childcare leave may receive loans to support expenses such as fertility treatment or childcare facility fees or obtain advance access to a portion of bonus payments to support expenses such as childcare facility fees.
Return to Previous (or Equivalent) Position	Employees returning from childcare leave are guaranteed reinstatement to their previous position or an equivalent role.
Information Sharing to Promote Program Participation	Information on work-life balance support systems, available programs, application procedures, and consultation services related to pregnancy, childbirth, childcare, and nursing is provided through Company websites and the intranet.
Family Caregiver Leave System	Employees may take caregiver leave for up to one year, exceeding the statutory maximum of 93 days. Leave may also be divided into a maximum of six separate periods.
Family Caregiver Support While Working	Employees who are providing care while continuing to work may shorten working hours by up to three hours per day for a maximum of three years and may request exemption from overtime work.
Leave to Accompany Spouse Overseas	Employees may take leave to accompany a spouse assigned overseas for more than one year. Leave may be taken for up to three years and may be used once during an employee's career.
Limited Work Scope System for Employees Unable to Relocate	Regular employees and managers with responsibilities such as childbirth, childcare, or elder care that prevent them from accepting a relocation transfer may be eligible for a position with a restricted work area.
System to Support Employees Balancing Medical Treatment and Work	Employees undergoing medical treatment while continuing to work may receive workplace accommodations and other necessary support measures.
Half-Day and Hourly Annual Paid Leave System	Employees may take annual paid leave in half-day units and may also use up to five days of annual paid leave per year in one-hour increments.
Saved Paid Leave System	Unused annual paid leave may be accumulated for up to 30 days and used for purposes including illness or injury, nursing and childcare, fertility treatment, volunteer activities, and disaster recovery support activities.

Actions to Address Workforce-Related Risks

The DIC Group recognizes that talent acquisition and retention, as well as the physical and mental health and safety of employees, are important sustainability-related issues that may affect business continuity. The Group also recognizes that insufficient responses to these issues may lead to potential negative impacts on employees. To mitigate these risks and impacts, the Group works to maintain and improve safe and supportive working environments.

Talent Acquisition and Retention

The Group recognizes risks related to the availability and retention of talent, particularly in the context of demographic changes and increasing competition for skilled employees. To address these risks, the Group is strengthening recruitment activities, including employer branding and diversification of hiring channels such as mid-career hiring, referral recruitment, and alumni networks. Compensation structures and employment frameworks are also being reviewed to enhance competitiveness and attract diverse talent. Retention efforts include continued use and refinement of engagement surveys and related improvement actions.

Health, Safety, and Wellbeing

As a chemical manufacturer, the DIC Group recognizes employee health and safety as a significant sustainability-related risk. In response, the Group prioritizes safe operations and works to prevent workplace incidents through the operation of safety management systems, risk assessments, operational controls, and employee training. In addition, targeted safety initiatives are implemented to address high-risk activities. Specifically at Sun Chemical, this includes global safety frameworks such as the Life Saving Commitments (see S1-13), which focus on activities with the highest potential for serious incidents and support the prevention of major accidents. The Group also promotes employee health and wellbeing through initiatives such as mental health support and workplace health programs, recognizing that employee wellbeing is essential to maintaining a healthy, safe, and productive work environment.

Health and Productivity Management Initiatives in DIC Group in Japan

The DIC Group views employee health as a critical strategic priority for achieving sustainable corporate growth. In Japan, reflecting this commitment, top management has personally issued a formal declaration on health and productivity management.

Under this guiding policy, health management initiatives are driven through a dedicated organizational structure led by the Representative Director, President and CEO as the chief executive officer in charge of health and productivity management. Furthermore, workplace environments where employees can work in optimal physical and mental health are actively cultivated. Concurrently, highly effective initiatives are deployed through labor-management collaboration, working in close partnership with health insurance associations and other relevant organizations.

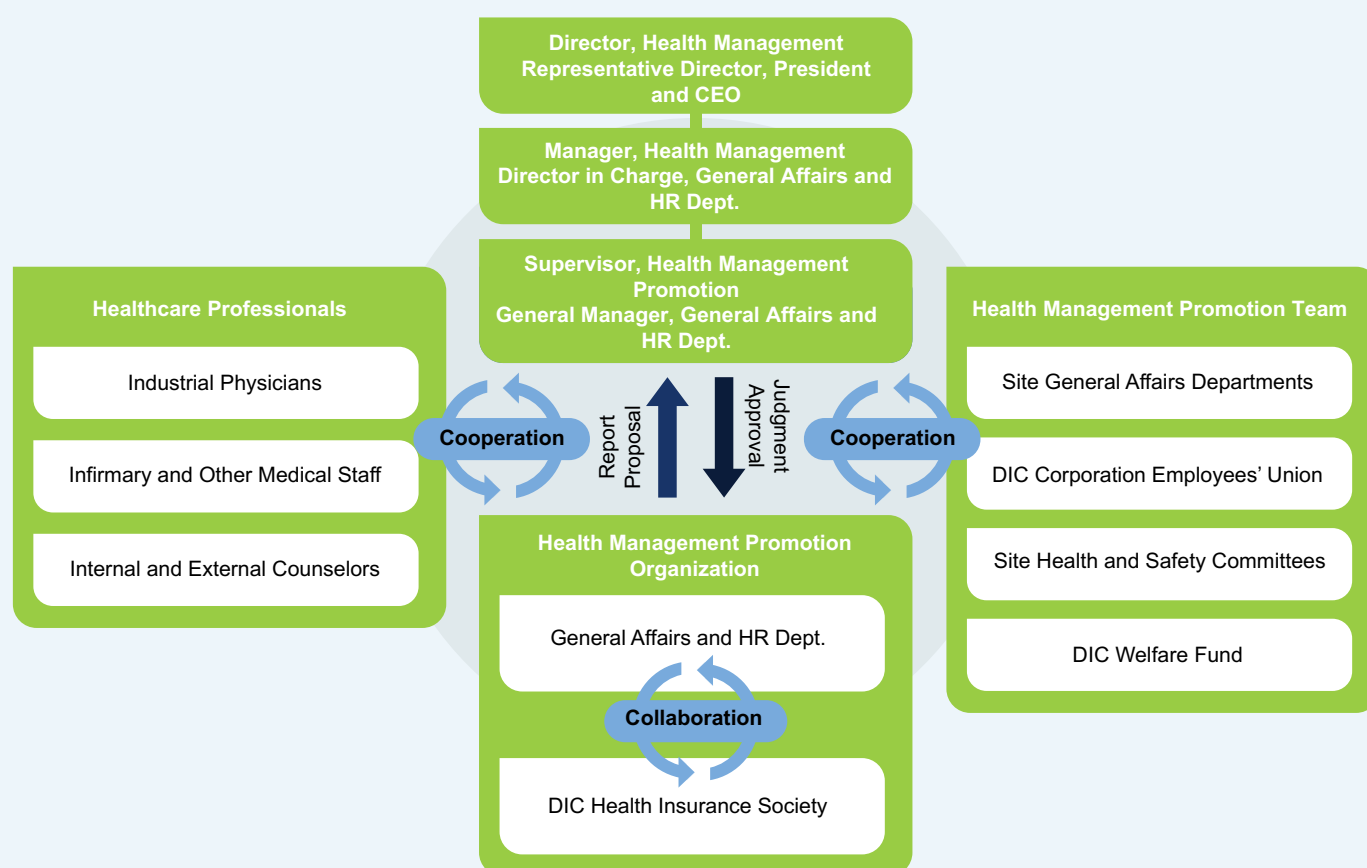
Health Management Declaration

The DIC Group recognizes that the achievement of its mission to create enhanced value and utilize innovation to introduce socially responsible and sustainable products depends on the creation of working environments conducive to the physical and mental health of the employees responsible for the implementation of related initiatives.

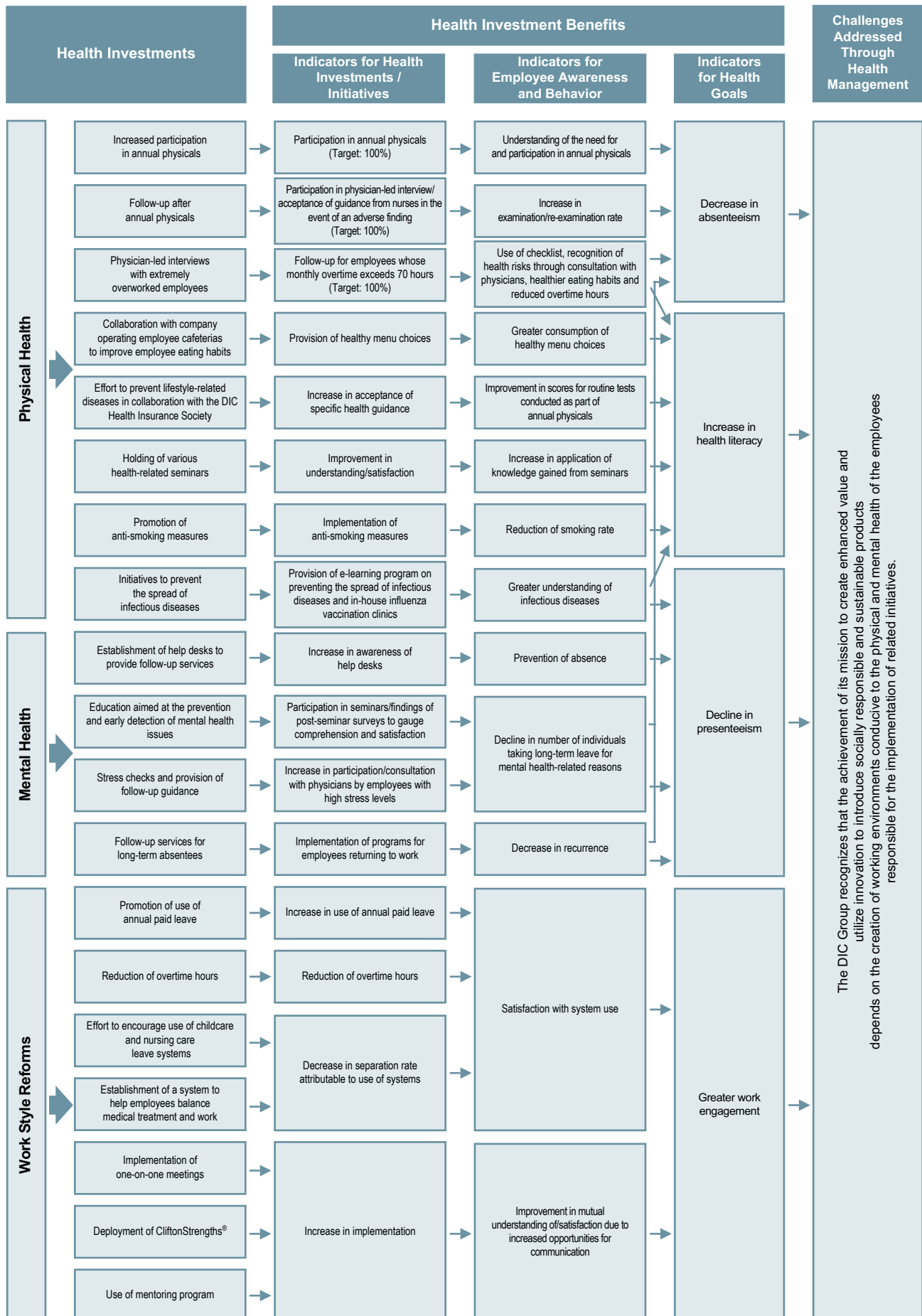
The DIC Group declares that it will work as one to maintain or improve the health of its employees, as well as to create a work environment conducive to job satisfaction.

Representative Director, President and CEO
DIC Corporation
Takashi Ikeda

Framework



Health Management Strategy Map of DIC Corporation



Key Health Management Initiatives in DIC Corporation

Category	No.	Initiative	Goal	Details
Physical Health	1	Increased Participation in Annual Physicals	Prevention of Serious Illness Through Early Detection	Annual physicals help medical staff diagnose changes in physical condition and provide appropriate medical advice and lifestyle guidance. Target for percentage of employees participating in annual physicals: 100% 2024: 100%, 2023: 100%
	2	Follow-Up After Annual Physicals	Prevention of Serious Illness Through Early Detection	Based on the results of annual health checkups, industrial physicians and nursing staff systematically provide health guidance to employees with findings, encourage medical consultations, and deliver preventive guidance on lifestyle-related diseases. Target for percentage of employees undergoing thorough examinations: 100% 2024: 68.7%, 2023: 74.9%
	3	Support for Employees Returning After Taking Leave Due to Illness	Prevention of Prolongation, Recurrence and Job Separation	Attending physician, industrial physicians, nurses, workplace colleagues and HR staff work together to support a smooth return to work for employees from leave. Target for percentage of employees taking leave again: 0% 2024: 1.7%, 2023: 3.6%
	4	Physician-Led Interviews with Extremely Overworked Employees	Reduction of Overwork and Management of Health Risks	Efforts are ongoing to prevent the onset of brain and heart disorders by implementing more stringent management of employee working hours than is called for in standards governing long working hours set forth in Japan's Industrial Safety and Health Act, namely, by setting the threshold for overtime to be considered overwork at 70 hours/month, and by encouraging early consultation with physicians. Percentage of employee overtime exceeding 80 hours/month 2024: 0%, 2023: 0%
	5	Collaboration with Company Operating Employee Cafeterias to Improve Employee Eating Habits	Prevention of Lifestyle-Related Diseases	Active efforts are made to support employee health by offering healthy menu choices and providing dietary education, including information on improving eating habits. Target for percentage of employees with HbA1c levels above 5.6%: below 20% 2024: 26.5%, 2023: 21.0%
	6	Efforts to Prevent Lifestyle-Related Diseases in Collaboration with the DIC Health Insurance Society	Awareness of Health Risks and Prevention of Chronic Illness	Based on the results of annual employee physicals, the DIC Health Insurance Society and DIC Corporation collaborate to make recommendations to those requiring guidance.
	7	Holding of Various Health-Related Seminars	Improvement of Productivity Through the Maintenance and Improvement of Health	Efforts focus on promoting employees' health awareness, including for their families, through the monthly organization of seminars on common health issues (such as lifestyle habits, women's health issues, smoking cessation, and refreshment), webcasts of past seminars, as well as on women's health management. Percentage of employees participating 2024: 105% YoY, 2023: 209% YoY Average rate of satisfaction: 2024: 79.7% 2023: 87.4%
	8	Staging of Various Events	Promoting Communication and Enhancing Productivity Through the Maintenance and Improvement of Employee Health	Various events are staged to promote health maintenance and improvement, including sports tournaments, vascular age measurement events, walks and family site tours.
	9	Efforts to Encourage Regular Exercise	Improvement of Productivity Through Maintenance and Enhancement of Physical Fitness	Various activities are encouraged, including radio calisthenics, exercises to reduce lower back pain and stretching exercises, before starting work and during the day. Percentage of employees participating 2024: 69.8%, 2023: 70.0%
	10	Promotion of Smoking Cessation	Prevention of Damage to Health and Loss of Productivity due to Smoking	Anti-smoking measures seek to prevent exposure to secondhand smoke, promote awareness of the risks of smoking and support employee efforts to quit smoking with the goal of reducing the percentage of employees who are smokers. Target for percentage of employees who are smokers: 12% 2024: 20.0%, 2023: 20.7%
	11	Initiatives to Prevent the Spread of Infectious Diseases	Improvement of Productivity Through Realization of Comfortable Work Environments; Prevention of Mental Health Issues	Efforts are ongoing to prevent the spread of infectious diseases through the implementation of mass influenza vaccination clinics at all business sites and the development and dissemination of infectious disease prevention guidelines.
	12	Dissemination of Health-Related Information Through Health-Focused Newsletter	Improvement of Productivity Through Realization of Comfortable Work Environments; Prevention of Mental Health Issues	Nursing staff from DIC Corporation's Healthcare Office and infirmary issue health-related newsletters and work to disseminate health management information that reflects the unique characteristics of each site.

Category	No.	Initiative	Goal	Details
Mental Health	13	Education Aimed at the Prevention and Early Detection of Mental Health Issues	Helping Ensure the Happiness of Employees and their Families; Improvement of Productivity Through the Maintenance and Improvement of Health	Industrial physicians actively conduct rank-specific and self-care training designed to prevent and swiftly detect mental health issues. Target for percentage of employees taking leave*: Below 0.5% 2024: 0.7%, 2023: 1.1%
	14	Stress Checks and Provision of Follow-Up Guidance	Improvement of Productivity Through Realization of Comfortable Work Environments; Prevention of Mental Health Issues	Stress checks are conducted even at Group Companies not legally required to do so. Following checks, individuals discovered to have a high level of stress meet with doctors and where appropriate participate in training provided by industrial physicians specializing in mental health, among others. Target for percentage of employees undergoing stress checks: 95% or higher 2024: 96.7%, 2023: 97.2% Target for percentage of employees with high stress levels: 10% or lower 2024: 11.9%, 2023: 11.7%
Work Style Reforms	15	Promotion of Use of Annual Paid Leave	Improvement of Productivity Through Realization of Comfortable Work Environments; Prevention of Mental Health Issues	Efforts are ongoing to create an environment that makes it easy for employees to take paid leave, and include recommending appropriate timing for leave and having employees plan leave dates. Average number of days of annual leave taken/employee FY2024: 14.4, FY2023: 13.8
	16	Creation of Work Environments that Enable Employees to Choose Flexible Working Styles	Reduction of mental and Physical Stress and Improvement of Productivity	Flexible and efficient working styles leveraging flextime and telework were promoted to curb overtime work. Average monthly hours of overtime/employee 2024: 12.3, 2023: 12.0
	17	Efforts to Encourage Use of Childcare and Nursing Care Leave Systems	Prevention of Job Separation because of Childcare or Nursing Care Responsibilities	To promote the utilization of support systems, initiatives for childcare include consultation sessions to support the balance between work and childcare and efforts to promote the uptake of paternity leave. For caregiving, a work–caregiving balance support handbook has been issued, and both internal and external consultation services have been established.
	18	Establishment of a System to Help Employees Balance Medical Treatment and Work	Prevention of Job Separation because of Medical Treatment	A system has been established to support employees undergoing medical treatment who wish to continue working, along with guidelines for use of the system. Dedicated help desks have been set up at sites to provide individual consultations.
	19	Implementation of Surveys to Facilitate Management of Indicators	Improvement of Employee Contentment and Productivity Through Greater Opportunities for Communication and Job Satisfaction	Surveys are conducted regularly at DIC Group in Japan to support the management of employee engagement and other indicators and inform the development of relevant initiatives. Engagement 2025 results: up 0.07 points year on year*1 Presenteeism 2024 results: up 2.3 points year on year*2 *1 Based on the average score of key survey items *2 Based on the University of Tokyo single-item method
Other	20	Establishment of Help Desks to Provide Follow-Up Services	Improvement of Productivity Through Realization of Comfortable Work Environments	Permanent internal and external help desks have been set up that enable employees to report or seek advice on mental health, harassment or other issues and actively follow up on reported matters.

* Absenteeism is managed using the absence rate as an indicator.

S1-5 Characteristics of Employees in Own Workforce

DIC Group discloses workforce-related metrics to monitor the composition, stability, and characteristics of its workforce, as well as to support the management of workforce-related impacts, risks, and opportunities.

Methodology and Basis of Preparation

Employee data is reported on a headcount basis, representing the number of employees employed by the Group at the end of the reporting period. The data includes employees within the consolidated scope of the Group and reflects active employees as of the reporting date.

The Group does not currently apply full-time equivalent (FTE) calculations due to differences in employment structures, including part-time and non-regular employees, and limitations in current human resource systems. As a result, headcount is used to ensure consistency and comparability.

Employee data is compiled based on internal human resource systems and reflects actual reported figures rather than estimates. Changes in employee numbers may occur due to recruitment, turnover, restructuring, or changes in business operations across different regions.

Workforce Composition

Geographic Distribution of Employees

- Number of employees by region
- Employees in countries with 50 or more employees

Number of Employees by Region and Employment Type (Headcount)

Region	2025		
	Permanent Employees	Temporary Employees	Non-Guaranteed
DIC Group in Japan	5,594	0	0
DIC Group in Greater China	1,939	0	0
DIC Group in Asia-Pacific	2,996	0	0
Other DIC Group Companies	165	0	0
Sun Chemical EMEA	5,269	232	0
Sun Chemical NA	2,680	13	0
Sun Chemical SCLA	1,548	25	0
Sun Chemical Asia	416	55	0
DIC Group Total	20,607	325	0

Note: Permanent Employee Data for DIC Group in Japan, DIC Group in Greater China and DIC Group in Asia-Pacific includes all contract types.

The Group operates across multiple countries and regions, with employee distribution varying based on business presence and operational requirements.

Key workforce concentrations by country:

- Japan: 5,594 employees
- United States: 2,576 employees
- China: 1,935 employees
- Germany: 1,852 employees

Number of Employees in Top 10 Countries with 50 or More Employees

Countries	2025	2024	2023
Japan	5,594	5,452	6,057
United States	2,576	2,499	2,482
China	1,935	2,115	2,403
Germany	1,852	1,920	1,992
Indonesia	1,018	1,030	1,063
United Kingdom	788	788	777
India	686	600	627
Thailand	545	575	560
Malaysia	544	566	597
Spain	513	488	480

Other regions have smaller employee populations, reflecting differences in business scale and organizational structure.

Employee distribution may fluctuate due to business expansion, restructuring, or operational changes, and should be interpreted within the context of the Group's global footprint.

Total Number of Employees by Employment Type and Gender

As of the end of the reporting period, the Group employed 20,932 employees on a headcount basis.

The majority of employees are classified as permanent employees. Temporary and non-guaranteed employment categories are limited or not reported in the current dataset.

The gender composition of the workforce is as follows:

- Male: 16,476 (78.7%)
- Female: 4,455 (21.3%)
- Other / not reported: 1 (0.005%)

These figures reflect the current structure of the workforce and are influenced by regional labor markets and the nature of roles across the Group's operations.

Number of Employees by Employment Type and Gender (Headcount)

Employment Type	2025			
	Male	Female	Other	Total
Permanent Employees	16,246	4,360	1	20,607
Temporary Employees	230	95	0	325
Non-Guaranteed Employees	0	0	0	0

Workforce Stability and Turnover

	2025	2024	2023
Number of Employees Leaving the Company	2,241	2,493	2,493
Employee Turnover Rate	10.7%	11.8%	10.3%

The Group monitors workforce stability through indicators such as employee turnover and the number of employees leaving the organization.

- Number of employees who left: 2,241
- Employee turnover rate: 10.7%

In contrast to the global turnover rates mentioned above, the turnover rate at DIC Corporation was 3.7%, and the average length of service was 16.8 years. (See “Basic Personnel Statistics (DIC Corporation)”)

These indicators are used to understand workforce retention trends and inform human resource management practices. Variations may reflect changes in labor markets, business conditions, or workforce composition.

Basic Personnel Statistics (DIC Corporation)

Category	Gender	2025	2024	2023
Number of Employees	Male	2,663	2,751	2,798
	Female	738	756	759
	Overall	3,401	3,507	3,557
Average Age [Years]	Male	42.5	42.2	42.4
	Female	41.9	42.0	42.2
	Overall	42.3	42.2	42.3
Average Years of Employment	Male	16.6	16.5	18.3
	Female	17.4	17.7	19.2
	Overall	16.8	16.7	18.5
New Graduates Hired [Persons]	Male	38	73	59
	Female	22	26	28
	Overall	60	99	87

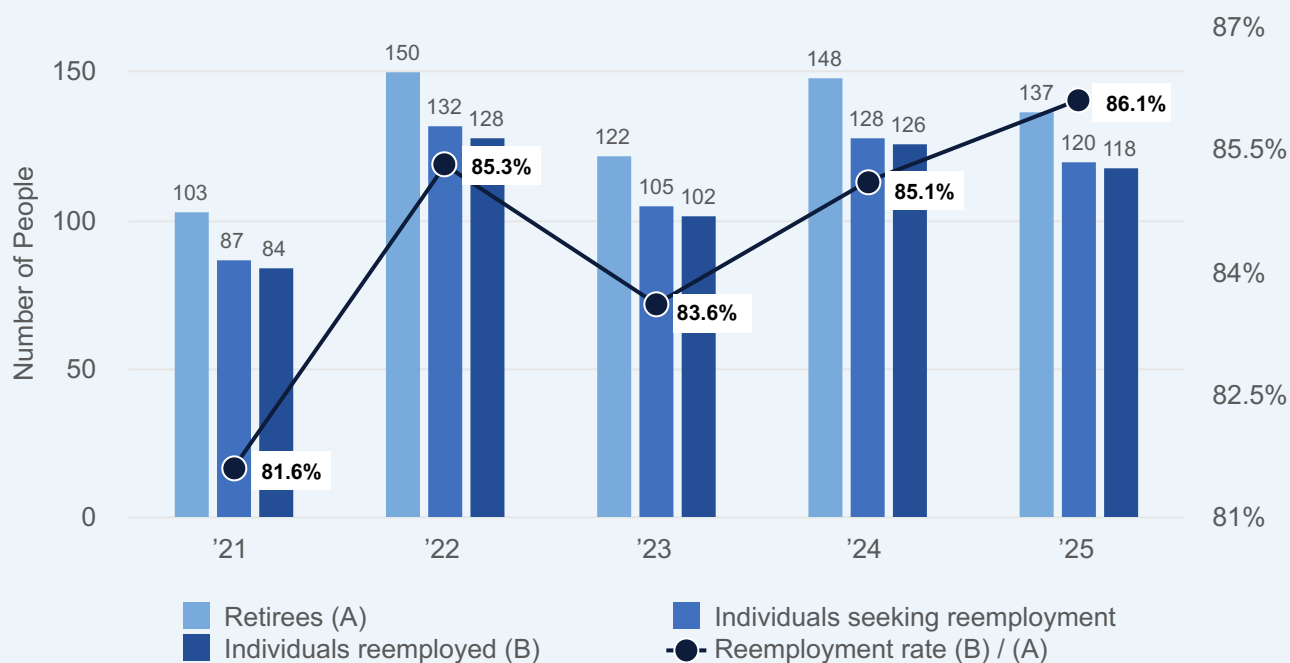
Note: The number of employees refers to individuals registered as employees of DIC Corporation and thus differs from the figure in the annual securities report.

Category	Gender	2025	2024	2023
		(2022 Hires)	(2021 Hires)	(2020 Hires)
Three-Year Retention Rate	Male	81%	88%	92%
	Female	67%	89%	73%
	Overall	76%	88%	86%
Mid-Career Hires [Persons]	Male	56	67	218
	Female	16	15	53
	Overall	72	82	271
Voluntary Separations [Persons]	Male	99	80	57
	Female	27	25	13
	Overall	126	105	70
Voluntary Separation Rate	Male	3.7%	2.9%	2.0%
	Female	3.7%	3.3%	1.7%
	Overall	3.7%	3.0%	2.0%

Retiree Reemployment (DIC Corporation)

The number of reemployed employees includes employees seconded to DIC Group Companies.

Retiree Reemployment Trends (DIC Corporation)



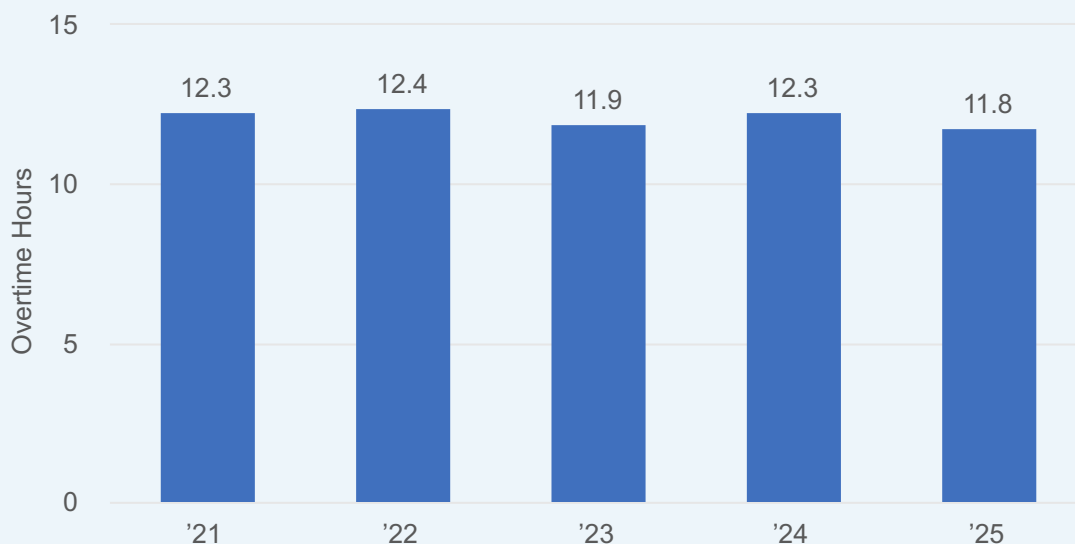
DIC Corporation tracks the reemployment of retirees as part of its approach to workforce continuity and knowledge retention.

These results indicate a continued effort to retain experienced talent and support flexible employment practices following retirement.

Over the reporting period:

- The number of retirees ranged from approximately 103 to 137 individuals annually
- The number of individuals reemployed ranged from 84 to 118
- The reemployment rate ranged from 81.6% to 86.1%

Overtime Hours Worked at DIC Corporation



DIC Corporation monitors average monthly overtime hours as an indicator of working conditions and workload management.

Over the reported period:

- Average monthly overtime ranged from approximately 11.8 to 12.4 hours
- Recent years show relatively stable levels, with minor fluctuations year to year

This indicator is used to support efforts to manage working hours, promote work-life balance, and reduce excessive workloads.

S1-6 Characteristics of Non-Employees in Own Workforce

Methodology for Reporting Non-Employee Workforce

The Group reports information on non-employees in its own workforce using a headcount methodology, representing the number of non-employee workers engaged at the end of the reporting period.

Non-employees include individuals such as contractors, agency workers, and other third-party personnel who perform work under the Group's operational control.

Data on non-employees is compiled based on available information from internal systems and, where applicable, third-party service providers. Depending on the nature of the engagement, data may be sourced from procurement records, human resources systems, or site-level reporting.

The reported figures represent a point-in-time headcount and are not converted into full-time equivalents (FTEs).

Data Availability and Limitations

At present, the Group's ability to comprehensively capture and consolidate data on non-employees is limited. As a result:

- Data availability varies by region and type of engagement
- Certain categories of non-employees may not be fully captured in existing systems
- No consistent global methodology for estimating non-employee workforce has been fully implemented

The Group continues to assess opportunities to improve data collection and reporting processes for non-employee workforce categories.

For 2025, the Group reported 622 non-employee workers provided by employment agencies, primarily relating to Sun Chemical operations. Other categories of non-employee workers are not currently consolidated at Group level due to limitations in data availability and reporting methodologies.

Measurement Approach

Non-employee workforce figures are reported on a headcount basis. No full-time equivalent (FTE) methodology is applied due to the variability in working arrangements, contract types, and duration of engagement.

Where data is available, it reflects active non-employee workers at the reporting date. Where data is unavailable, no estimation methodology has been applied.

S1-7 Collective Bargaining Coverage and Social Dialogue

Collective Bargaining Coverage

The Group reports the proportion of its employees covered by collective bargaining agreements. As of the reporting period, approximately 64% of the Group's employees are covered by collective bargaining agreements globally.

Regional coverage varies as follows:

Region	Collective Bargaining Coverage
DIC Group in Japan	100%
DIC Group in Greater China	100%
DIC Group in Asia-Pacific	25%
Sun Chemical EMEA	73%
Sun Chemical NA	15%
Sun Chemical Asia	33%
Sun Chemical SCLA	55%
DIC Group Total	64%

These differences reflect variations in legal frameworks, labor market practices, and industrial relations systems across regions.

Worker Representation and Dialogue Structures

The Group engages with employees and their representatives through mechanisms consistent with local legal and regulatory requirements.

In certain regions, employees are represented through formal structures such as works councils or labor unions, while in others, engagement occurs through alternative employee representation or direct dialogue mechanisms.

European Works Council (EWC)

The Group does not have an agreement with its employees for representation through:

- A European Works Council (EWC)
- A Societas Europaea (SE) Works Council
- A Societas Cooperativa Europaea (SCE) Works Council

Scope and Limitations

Coverage percentages are based on available data and may reflect differences in reporting practices across regions.

S1-8 Diversity Metrics

DIC Group discloses diversity-related workforce data to provide transparency on the composition of its employees and to support monitoring of diversity within its workforce.

Age Distribution of Employees

	2025
Employees Aged Over 50 [Persons]	7,790
Employees Aged 30–50 [Persons]	10,511
Employees Aged Under 30 [Persons]	2,631
Employees Aged Over 50	37%
Employees Aged 30–50	50%
Employees Aged Under 30	13%

The Group reports the distribution of employees by age group, including employees aged under 30, between 30 and 50, and over 50 years of age. As of the reporting period:

- **Employees aged under 30:** 2,631 (13%)
- **Employees aged between 30 and 50:** 10,511 (50%)
- **Employees aged over 50:** 7,790 (37%)

This distribution reflects the Group's workforce structure across different regions, job types, and business operations.

Age composition may vary depending on local labor market conditions, hiring practices, and the nature of roles within each region.

Diversity at Top Management Level

	2025			
	Male	Female	Other	Total
Top Management Employees [Persons]	191	15	0	206
Percentage of Top Management Employees	93%	7%	—%	100%

The Group discloses gender representation at the top management level to provide visibility into diversity within leadership positions. As of the reporting period:

- **Male:** 191 (93%)
- **Female:** 15 (7%)
- **Other:** 0

These figures represent employees in top management positions across the Group's operations.

Data Scope and Limitations

Diversity data is reported based on information available in the Group's human resource systems at the end of the reporting period. At present:

- Diversity metrics are primarily limited to age and gender-related indicators
- Other diversity characteristics are not consistently collected or disclosed across all regions

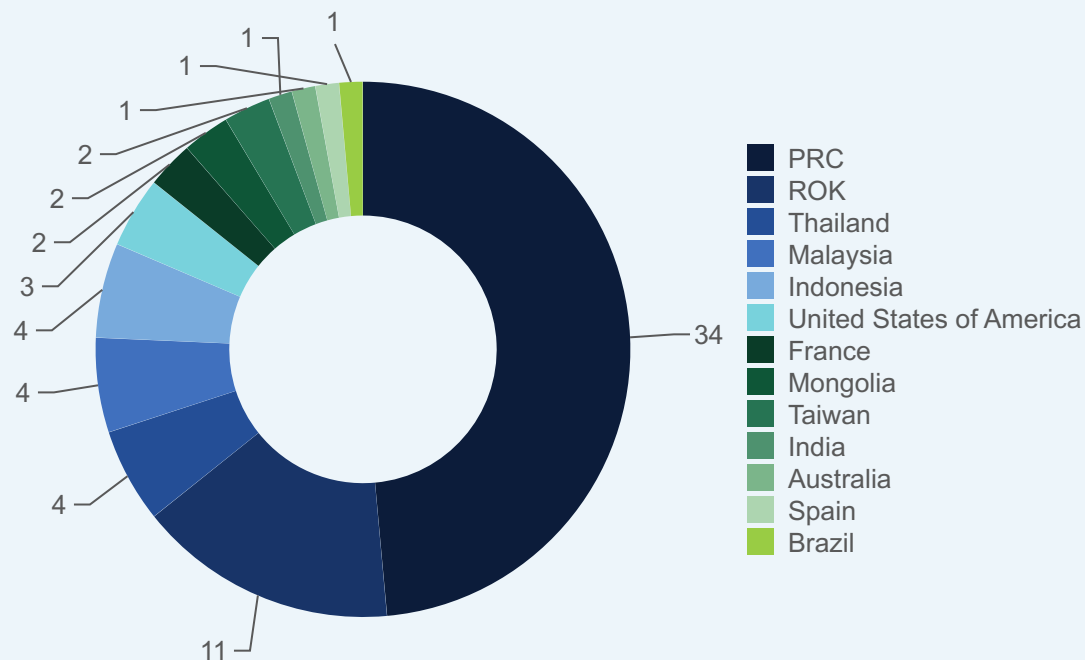
The Group continues to assess opportunities to enhance the scope and consistency of diversity-related data collection.

Diversity Metrics in Japan

Number of Non-Japanese Employees Currently Employed at DIC Corporation

Sales Positions	Technical Positions	Department/ Division Administration	Posted Overseas	Production	Total
5	33	18	4	10	70

Nationalities of Non-Japanese Employees (Full-Time, Part Time and Temporary) at DIC Corporation



Number of Female Employees at Manufacturing Bases in Japan

Site	Production Group	Utility Control Group
Chiba Plant	8	1
Saitama Plant	10	1
Sakai Plant	2	1
Hokuriku Plant	0	2
Yokkaichi Plant	3	0
Total	23	5

The initiative to expand opportunities for female employees in manufacturing operations began in 2008 with four female employees assigned at one production site in Japan. Ten years later, in 2018, the number had increased to eight female employees across two sites. As of December 31, 2025, a total of 28 female employees were working across five DIC production sites in Japan, including 23 employees in production groups and five employees in utility control groups.

S1-9 Adequate Wages

DIC Group provides information on employee compensation in relation to applicable wage benchmarks to support transparency on fair pay practices across its operations.

Approach to Adequate Wages

The Group manages employee compensation through established human resource policies and practices, taking into account local labor laws, market conditions, and internal compensation frameworks.

Compensation practices are designed to align with applicable legal requirements, including minimum wage regulations, and are supported through compensation governance processes and market benchmarking to promote fair and competitive pay.

Wage levels are determined based on factors such as role, experience, and performance, as well as local market conditions.

Methodology

The assessment of adequate wages is based on a comparison between employee compensation and applicable wage benchmarks in each country.

Benchmarks may include:

- Statutory minimum wages
- Collectively agreed wages
- Other recognized local wage standards

Employee data is assessed on a headcount basis at the end of the reporting period.

Data Availability and Limitations

At present, the Group does not have a fully standardized global methodology for assessing and consolidating adequate wage data across all countries. As a result:

- Data availability varies by country
- In some cases, adequate wage benchmarks are not clearly defined or consistently applied

The Group continues to assess opportunities to improve the consistency and coverage of wage-related data.

S1-11 Persons with Disabilities

DIC Group discloses information related to the employment of persons with disabilities to provide transparency on workforce composition and to support monitoring of inclusion within its workforce.

Legal Context and Approach

Requirements related to the employment of persons with disabilities vary across jurisdictions and may include statutory employment quotas and restrictions on the collection and disclosure of disability-related data.

The Group promotes employment opportunities for persons with disabilities through organizational structures and workforce management practices while complying with applicable legal and regulatory requirements. Within the DIC Group in Japan, this includes initiatives such as the use of specialized Group entities to support employment opportunities.

The DIC Group in Japan complies with Japan's statutory employment rate requirements for persons with disabilities and maintained a disability employment rate of 2.55% during the reporting period, exceeding the legally required threshold.

Due to legal and regulatory restrictions in certain jurisdictions, disability-related data may not be available or comparable across all regions.

Data Availability and Limitations

The Group's approach to disability-related data is influenced by:

- Legal restrictions on the collection of sensitive personal data
- Differences in definitions and reporting standards across countries
- Reliance on self-identification in certain jurisdictions

The Group continues to assess opportunities to improve data collection and reporting, while ensuring compliance with applicable privacy and data protection requirements.

S1-12 Training and Skills Development Metrics

DIC Group discloses information on employee training and development to provide transparency on workforce capability building and access to development opportunities.

Approach to Training and Skills Development

The Group provides training and development opportunities to support employee growth, capability building, and alignment with business strategy. Training initiatives typically include:

- Leadership development programs
- Functional and technical skill training
- Re-skilling and upskilling initiatives
- Career development support

These programs are designed to support both individual career progression and organizational capability development.

Role of Performance and Development Processes

Performance management and career development processes are used to:

- Align individual goals with business priorities
- Provide ongoing feedback and performance evaluation
- Identify development needs
- Support career progression and a performance-driven culture

High participation rates in these processes indicate broad employee engagement with performance and development-related activities.

Participation in Training and Development

	2025	2024	2023
Participation in Performance and Career Development Reviews	87%		
Average Annual Training Hours per Employee	9.89	1.56	2.06

Note: Average Annual Training Hours per Employee data only available from Sun Chemical.

Participation Performance

The Group reports participation in performance and career development processes across its workforce. For the reporting period:

- **Participation in performance and career development reviews: 87%**

These figures indicate that the majority of employees participate in performance evaluation and career development processes.

Training Hours

The Group tracks average training hours per employee as an indicator of investment in employee development.

- **Average Annual Training Hours per Employee: 9.89 hours**

Data Availability and Limitations

At present:

- Training metrics are limited to selected indicators, such as participation in development processes and average training hours
- Data may not yet be fully standardized across all regions
- Certain metrics are still under development or subject to refinement

Safety Training Target Audience and Formats (DIC Group in Japan)

Target Audience	Format
New Graduates	Classroom Instruction and Hands-On Safety Training
Mid-Career Hires	Classroom Instruction
Newly Promoted Regular Employees	Classroom Instruction
Newly Promoted Management-Level Employees	Classroom Instruction
Newly Appointed CEOs of Group Companies	Classroom Instruction
Employees Newly Assigned to Overseas Posts	Classroom Instruction
Interns from Technical Colleges	Classroom Instruction

S1-13 Health and Safety Metrics

The DIC Group recognizes occupational safety and health as a core management priority and fundamental to its business activities. Based on its [Group Environment, Safety and Health \(ESH\) Policy](#), the Group promotes occupational safety and health, process safety, security, and disaster prevention measures to foster a “Safety First” approach across global operations.

Incident findings and operational learnings are shared across relevant sites and functions to support preventive actions, strengthen risk awareness, and promote continuous improvement in occupational safety practices.

Developed from analyses of past incidents, the DIC Basic Safety Operations framework establishes standardized protocols to prevent operational accidents. The guidelines were updated to a fifth edition in 2019 and distributed in Japanese, English and Chinese to guarantee uniform compliance across all Group entities. As of 2026, compilation of a revised sixth edition is actively underway to incorporate and address contemporary accident trends.

Health and Safety Performance

For the reporting period:

- **Number of occupational fatalities (own workforce): 0**
- **Number of occupational fatalities (other workers on site): 0**
- **Number of recordable work-related injuries (employees): 137**
- **Number of days lost due to work-related injuries: 2,573**

These indicators reflect the Group’s ongoing monitoring of occupational health and safety performance across its operations.

Workplace Safety Posters



Health and Safety Metrics

	Employees	Non-Employees	Value Chain Workers on Employer's Sites	Total
2025				
Total Recordable Incident Rate (TRIR)	3.36	0.00	0.00	3.36
Days Lost Due to Work-Related Injuries [Days]	2,573	0	0	2,573
Recordable Work-Related Injuries [Cases]	137	0	0	137
Number of Occupational Fatalities	0	0	0	0
2024				
Total Recordable Incident Rate (TRIR)	3.53	0.00	0.00	3.53
Days Lost Due to Work-Related Injuries [Days]	2,927	0	0	2,927
Recordable Work-Related Injuries [Cases]	147	3	0	150
Number of Occupational Fatalities	0	0	0	0
2023				
Total Recordable Incident Rate (TRIR)	3.01	0.00	0.00	3.01
Days Lost Due to Work-Related Injuries [Days]	2,533	0	0	2,533
Recordable Work-Related Injuries [Cases]	131	0	0	131
Number of Occupational Fatalities	0	0	0	0

Note: Employee data includes Non-Employees.

TRIR and Work-related Injuries by Region

		2025	2024	2023
DIC Group in Japan	TRIR	1.90	1.93	2.09
	Lost-Time Injuries	4	3	9
	Non-Lost-Time Recordable Injuries	11	13	10
DIC Group in Greater China	TRIR	1.25	0.90	2.06
	Lost-Time Injuries	3	2	7
	Non-Lost-Time Recordable Injuries	2	2	4
DIC Group in Asia-Pacific	TRIR	0.71	1.28	1.11
	Lost-Time Injuries	4	10	9
	Non-Lost-Time Recordable Injuries	2	1	1
Sun Chemical	TRIR	5.13	5.70	4.56
	Lost-Time Injuries	67	67	50
	Non-Lost-Time Recordable Injuries	36	47	41

The Group monitors occupational safety performance across regions to identify trends, assess operational risks, and support continuous improvement in workplace safety practices. Occupational safety and health data and accident learnings are shared across sites, and accident analyses are conducted to identify root causes and implement preventive measures aimed at preventing recurrence.

Occupational Safety Targets

The Group has established targets related to occupational safety, including the reduction of TRIR across regions and region-specific safety targets covering DIC Group operations in all regions.

As part of safety performance management, these targets are reviewed on a monthly basis at minimum and revised each year based on prior years' performance outcomes. To support continuous improvement in occupational safety, the Group conducts risk assessments, safety training, emergency response drills, and regular analysis of accidents to identify root causes and implement preventive measures. Findings are shared across sites to support the prevention of recurrence and strengthen safety awareness globally.

Accident Rates and Safety Indicators

The Group tracks occupational safety performance using recognized methodologies and indicators, including Total Recordable Incident Rate (TRIR), which is used as a key indicator of workplace safety performance.

- **TRIR:** 3.36

TRIR is calculated based on the number of work-related injuries per million work hours and includes both cases resulting in lost workdays and cases not resulting in lost workdays.

The Group monitors occupational safety data across its operations in all regions. Injury data is analyzed by region and by accident severity, including cases resulting in lost workdays and those not resulting in lost workdays, to support the identification of trends and areas requiring improvement.

These indicators support ongoing monitoring of occupational safety performance and risk trends across the Group.

Health and Safety Management Systems

The Group operates health and safety management systems across its operations in accordance with applicable legal requirements and internal ESH management standards.

These systems support the implementation of structured health and safety practices and continuous improvement across the Group.

Outline of ESH Audits in 2025

In 2025, the DIC Group conducted a total of 108 ESH audits globally to monitor compliance with environment, health, and safety requirements and support continuous improvement in ESH management practices. Refer to the table below for the regional and organizational breakdown of audits.

	Sub-Region / Entity	Number of Audits
DIC Group in Japan	DIC Corporation	8
	DIC Graphics	2
	Other DIC Group Companies in Japan	9
	Total	19
Overseas DIC Group Companies	DIC Group in Greater China	9
	DIC Group in Asia-Pacific	7
	Total	16
Sun Chemical	EMEA / Asia	37
	NA	27
	SCLA	9
	Total	73
DIC Group	Total	108

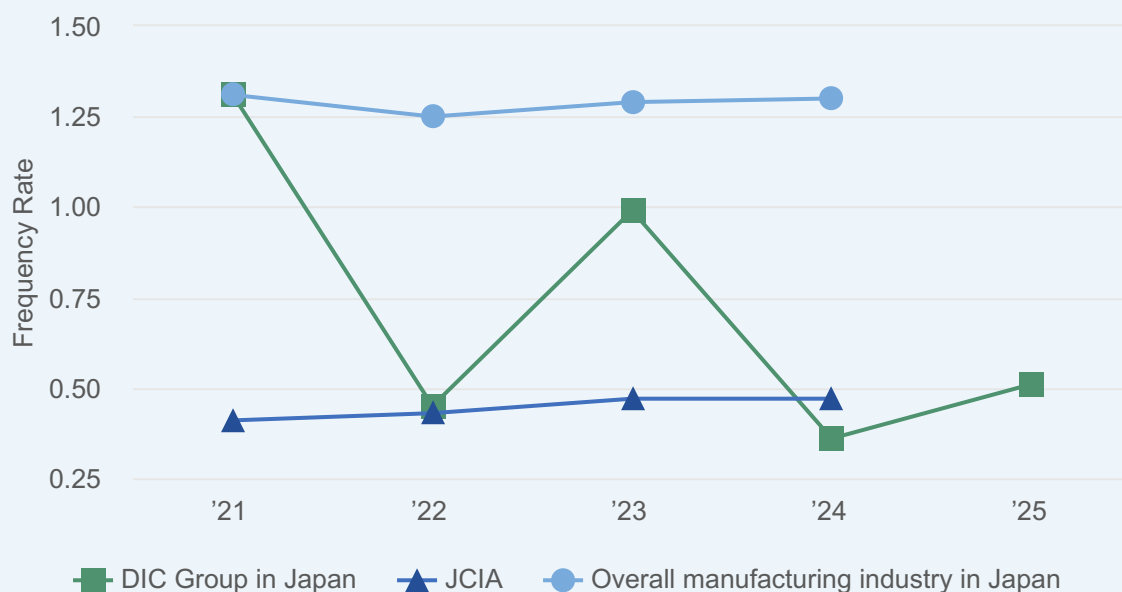
Occupational Health and Safety Risk Assessments

The DIC Group identifies occupational health and safety hazards and risks and implements preventive measures to avoid accidents and occupational injuries.

Within DIC Group in Japan, risk assessment methodologies have been strengthened to further reduce risks associated with chemical substances and prevent health impacts on employees. The Group systematically conducts risk assessments for chemical substances covered under Japan's Industrial Safety and Health Act, implementing targeted risk reduction measures including equipment upgrades and optimized handling

procedures based on the findings. In 2025, these efforts were heavily scaled in response to the expansion of legally designated chemical substances. Moving forward into 2026, the Group will continue to systematically advance these risk assessments by progressively broadening the scope of target substances across its operating sites.

Frequency Rate of Lost-Time Injuries in DIC Group in Japan



Note: The frequency rate expresses the frequency of accidents resulting in workdays lost in a year, calculated as the number of fatalities or injuries per million work hours.

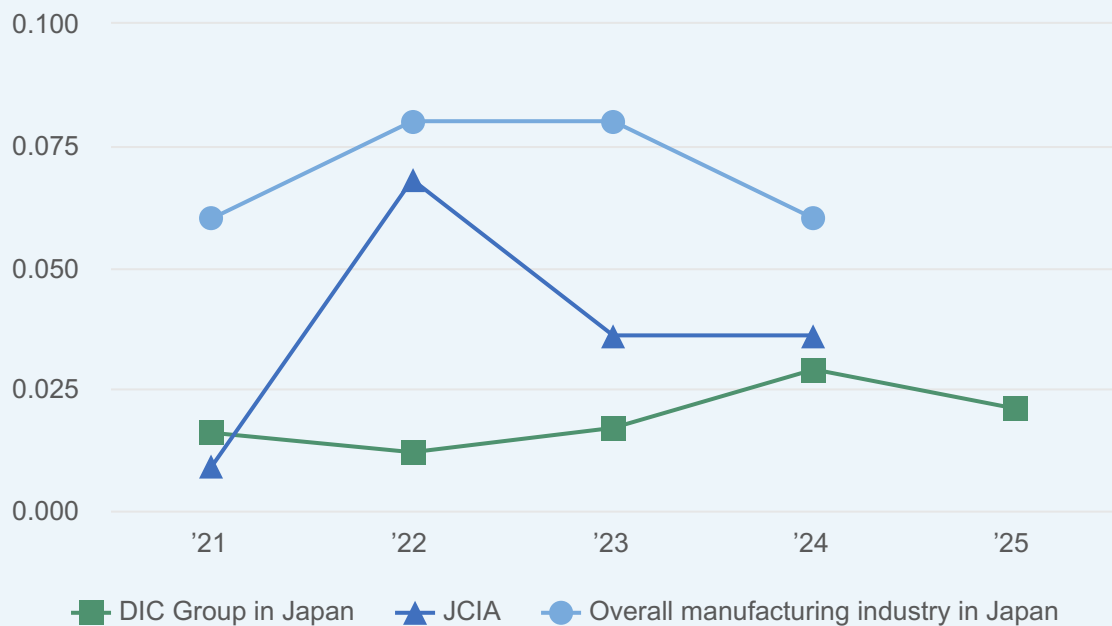
Frequency rate = (Number of fatalities or injuries due to occupational accidents ÷ Total work hours) × 1,000,000

A frequency rate of 1.00 means one occupational accident resulting in workdays lost in one year at a site with 500 employees.

Notes:

- The number of employees used in this calculation includes direct regular, part-time and contract employees.
- Collection of data for JCIA and domestic manufacturing for fiscal year 2025 is currently in progress.

Lost Time Injury Severity Rate in DIC Group in Japan



Note: The severity rate expresses the number of workdays lost due to occupational accidents per thousand work hours.

Severity rate = (Total number of workdays lost due to occupational accidents ÷ Total work hours) × 1,000

A severity rate of 0.10 means 100 workdays lost in one year at a site with 500 employees.

Note: Collection of data for JCIA and overall manufacturing industry in Japan for fiscal year 2025 is currently in progress.

Process Safety and Disaster Prevention

Process Safety Accidents

In 2017, the International Council of Chemical Associations (ICCA) established reporting criteria for chemical process incidents. In 2018, the DIC Group began reporting process safety accidents for DIC Group in Japan in line with these standards. Since 2022, the Group has set targets based on results for the immediately preceding three years and implements measures to ensure their achievement.

In 2025, the DIC Group in Japan reported 12 process safety accidents. The process safety accident frequency rate—the number of such accidents per 200,000 work hours—was 0.239, falling short of the DIC Group in Japan's target of 0.110. The principal reason for the suboptimal performance was the leakage of chemicals, which happened several times. Looking ahead, the DIC Group in Japan will continuously assess risks associated with production processes and make necessary improvements.

Indicator	2025	2024	2023	2022	2021
ICCA Process Safety Accidents [Cases]	12	12	7	3	7
Process Safety Accident Frequency Rate [per 200,000 work hours]	0.239	0.229	0.124	0.055	0.128

Note: In Japan, a process safety accident requires reporting if the four criteria listed below are met. (These apply primarily to fires, explosions and the leakage of hazardous substances related to manufacturing processes.)

- (1) The accident was related directly to a chemical substance or a chemical process.
- (2) The accident involved production, logistics, storage, utilities or pilot plants.
- (3) The accident caused the release of material or energy (e.g., a fire, explosion or implosion) from a process unit.
- (4) The accident resulted in any of the following events: Occupational accident, equipment damage, evacuation or the release of substances included in the Globally Harmonized System of Classification and Labelling of Chemicals (GHS).

Risk Assessments at Chemicals Production Facilities

The DIC Group in Japan's production facilities have an array of application-specific equipment, ranging from units where chemical reactions are conducted to machine presses and other processing equipment. In 2013, the DIC Group in Japan formulated the DIC Process Risk Management (PRM) Guidelines, which it uses to conduct systematic risk assessments at individual sites. These guidelines outline timetables and implementation frameworks for assessing risks associated with chemical substances handled, production processes, production formulas, machinery and work practices. Since 2020, the DIC Group in Japan has also used hazard and operability (HAZOP) studies developed to assess the risk of accidents such as the leakage of hazardous substances, fire or explosions at chemicals production facilities. The DIC Group in Japan has conducted HAZOP facilitator training at plants with chemical reaction processes, including the Yokkaichi, Chiba, Kashima, Sakai, and Hokuriku facilities. The establishment of common domestic guidelines is planned for 2026.

The DIC Business Continuity (BC) Portal

Because of its location, topography and climate, Japan is vulnerable to a variety of natural disasters, including typhoons, heavy rains, floods, earthquakes and tsunamis. An accident at, for example, a chemicals production facility involving a fire, explosion or the leakage of hazardous substances, can also have a significant impact on local communities. In such a situation, it is necessary to collect, comprehend and share accurate information to facilitate appropriate decision making and prompt action. DIC Group in Japan has introduced the DIC BC Portal Crisis Management System, a web-based system facilitating the collection and sharing of information when an accident or disaster occurs.

The DIC BC Portal has allowed the Company to create a system for sharing information swiftly and exactly, positioning it better to make effective decisions.

Emergency Response Drills

In addition to daily security patrols and periodic equipment checks, the DIC Group in Japan conducts regular emergency response drills based on business continuity plans (BCPs) at production sites.

Data Availability and Scope

Health and safety data is reported for the Group's own workforce and, where applicable, other workers present on the Group's sites.

Certain indicators, such as accident rates and system coverage, may be subject to differences in data availability or methodology across regions.

Initiatives within the DIC Group in Japan

In 2014, DIC Group in Japan established the Saitama Safety Experience Training Center as a dedicated training facility and continues to utilize it for new employee orientation and role-based training programs.

At DIC Corporation and DIC Graphics Corporation, Safety Experience Training and Hazard Prediction Training (KYT) are mandatory components of new employee training, with the objective of eliminating injuries among less-experienced employees.

Production sites in Chiba, Sakai, Hokuriku, Tokyo, and Kashima have also developed site-specific safety training equipment and programs to strengthen safety culture.

In 2015, six compact safety experience training devices were developed for mobile use and made available to domestic sites. In addition, the Responsible Care Department established an Instructor Licensing Program to enable multiple employees at each site to serve as training instructors and support the development of qualified trainers across the Group.

In recent years, the Chiba, Hokuriku, and Kashima plants have introduced virtual reality (VR) technology for immersive safety experience training.

E-Learning Programs for Plant Safety and Environmental Protection

Continuous improvement in occupational safety, process safety, and disaster prevention requires employees to develop broad knowledge of chemical substances, manufacturing processes, and applicable regulations.

As part of these efforts, DIC Group in Japan introduced a web-based e-learning program in 2016. Training subjects initially focused on key Japanese regulations affecting plant operations, including the Fire Service Act, Air Pollution Control Act, and High Pressure Gas Safety Act. Additional topics, including static electricity, were subsequently added.

The effectiveness of training materials is reviewed by Responsible Care personnel, site safety and environmental representatives, and manufacturing personnel. The program currently consists of up to 16 courses, with participant competency confirmed through testing. In 2025, 185 employees completed the program.

Since 2022, DIC Group in Japan has also utilized occupational health and safety training services provided by LaKeel Corporation, including the distribution of safety training videos.

Incident Calendar

Since 2022, DIC Group in Japan has continuously maintained an internal Incident Calendar on its corporate portal, accessible to all employees.

The calendar summarizes past incidents by date and includes information such as the site where the incident occurred, the type of incident (including heat illness and chemical burns), and the severity of the outcome. Employees can access detailed information describing incident circumstances and corrective measures.

By presenting incidents in a monthly calendar format, the system enables employees to visualize trends and learn from past events. The initiative supports greater safety and disaster prevention awareness throughout the Group.

Safety Experience Training

The DIC Group conducts Safety Experience Training across Japan, Greater China, and Asia-Pacific.

This program uses simulated experiences to improve hazard awareness and reduce risk acceptance behavior. Following the introduction of Safety Experience Training within DIC Group in Japan in 2012, the program was expanded across Greater China and the AP region as part of broader safety initiatives.

These efforts have contributed to significant improvements in safety performance, including a reduction of approximately 50% in the frequency rate within DIC Group in Japan compared with previous levels.

Training scenarios simulate incidents commonly encountered in manufacturing environments, including entanglement in powered equipment, caught-in accidents, falls from height, and cuts caused by utility knives. Through these experiences, employees are encouraged to develop greater awareness of potential hazards and adopt the mindset of proactively thinking, acting, and protecting themselves and their colleagues.

SunCare® Life Saving Commitments

Addressing High-Risk Activities Across Operations

As part of DIC Group's approach to preventing serious injuries and fatalities, Sun Chemical has implemented the SunCare® Life Saving Commitments, a global safety framework focused on high-risk activities.

The Life Saving Commitments define ten non-negotiable safety expectations covering activities with the greatest potential for severe incidents, including confined space entry, working at height, energy isolation, line-of-fire risks, fire and explosion hazards, hazardous substances, and driving.

The commitments are based on analysis of historical serious incidents and are embedded within Sun Chemical's global safety management system. They are aligned with applicable regulatory requirements and industry practices.

The framework emphasizes critical behaviors and safe working conditions. Implementation is supported through start-work risk checks, Stop Work Authority, and defined leadership and supervisory responsibilities. Employees and contractors are expected to take action when unsafe conditions are identified.

Implementation

The program was rolled out globally in 2025 through a structured approach across Sun Chemical sites. Implementation includes:

- Training for employees and contractors
- Integration into site procedures and permit-to-work systems
- Incorporation into contractor management and onboarding processes

A global safety stand-down supported site-level engagement and practical application of the commitments.

Ongoing Integration

The Life Saving Commitments are being incorporated into daily operations through procedures, training, and communication tools. Senior leadership oversight supports consistent implementation and reinforces expectations related to safe behavior and intervention.

The framework contributes to DIC Group's broader efforts to reduce serious incidents and strengthen safety performance across its operations.

S1-14 Work-Life Balance Metrics

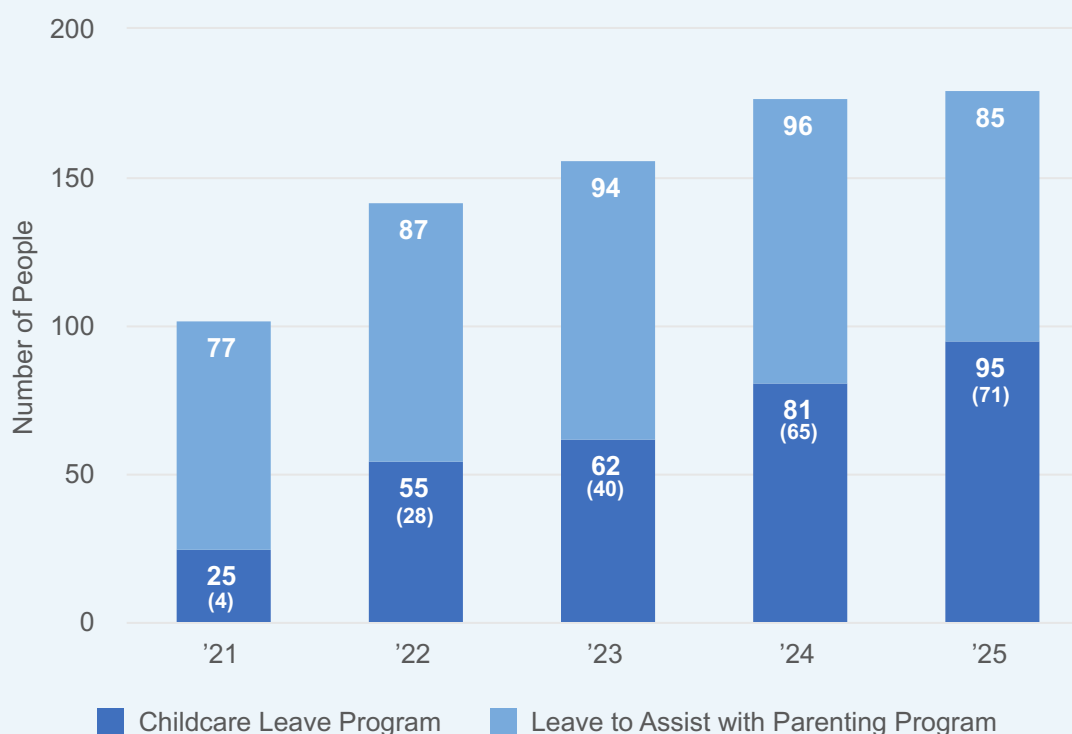
DIC Group discloses information related to work-life balance, including access to and use of family-related leave, to support transparency on working conditions and employee wellbeing.

DIC Group views a healthy work-life balance as essential to both employee wellbeing and sustainable corporate growth. The Group promotes initiatives to enable employees to balance professional responsibilities with personal and family needs, recognizing employees as important corporate assets.

Family-Related Leave

Family-related leave is available to 100% of DIC Group employees and may include childcare leave, nursing care leave, and other support systems provided in accordance with internal policies and applicable legal requirements to support employees in balancing work and family responsibilities.

Number of Employees at DIC Corporation Using Childcare Leave and Leave to Assist with Parenting Programs



Note: Figures in parentheses are the number of male employees included in the total number of employees using the Childcare Leave Program. Figures are aggregates.

Use of Paid Leave per Employee at DIC Corporation



Approach to Supporting Work-Life Balance

The Group has introduced various systems to support flexible working arrangements and improve work-life balance. These include initiatives to support childcare and caregiving responsibilities, flexible working arrangements such as flextime systems, and programs that enable employees to balance medical treatment and work.

The percentage of employees returning to work after taking childcare leave has reached a total of 79.6% (100% for female, 71.2% for male) at DIC Corporation, reflecting the effectiveness of these support systems.

Data Availability and Limitations

Data related to work-life balance is currently limited to selected indicators, such as access to and use of family-related leave.

- Data may vary across regions due to differences in legal frameworks and reporting practices
- Certain indicators are under development or not yet consistently collected across all operations

S1-16 Incidents of Discrimination and Other Human Rights Incidents

DIC Group discloses information on incidents of discrimination and other human rights-related matters to provide transparency on the occurrence and management of workforce-related risks.

Severe Human Rights Incidents

No severe human rights incidents connected to the Group's own workforce were reported during the reporting period. Severe human rights incidents include, but are not limited to:

- Forced labor
- Human trafficking
- Child labor
- Serious harassment or discrimination

In addition, no cases of non-compliance with the following internationally recognized frameworks were identified during the reporting period:

- The UN Guiding Principles on Business and Human Rights (UNGPR)
- The ILO Declaration on Fundamental Principles and Rights at Work
- The OECD Guidelines for Multinational Enterprises

Complaints and Grievance Channels

The Group reports the number of complaints raised through formal channels:

- **Complaints filed to OECD National Contact Points: 0**
- **Complaints raised through own workforce grievance channels: 79**

These figures reflect reported concerns and do not necessarily indicate confirmed violations.

Incidents of Discrimination by Type

The Group assesses reported incidents of discrimination and harassment across categories such as:

- Age
- Disability
- Ethnic origin
- Gender
- Nationality
- Religion or belief
- Sexual orientation
- Other

In 2025, the Group received 79 complaints raised through its grievance channels of which 30 were related to discrimination and harassment.

Fines, Incidents, and Compensation

During the reporting period:

- No social or human rights-related fines were reported
- No severe human rights incidents requiring remediation were identified
- No fines or compensation related to severe human rights incidents were recorded

Where human rights-related concerns are reported, the Group reviews the content through internal reporting mechanisms and takes corrective and remedial actions as necessary. During the reporting period, no cases requiring corrective action, sanctions, fines, or compensation related to severe human rights incidents were identified.

Data Availability and Interpretation

Reported data reflects incidents identified through internal reporting systems and formal external channels.

- Reported cases may include allegations or concerns that are subject to review
- Data availability may vary depending on reporting practices and jurisdictions

Responsible Business Conduct

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Strengthening Corporate Culture

G1-1 Business Conduct Policies and Corporate Culture

Policy and Commitment

Compliance at DIC Group goes beyond adherence to laws and regulations. It includes alignment with social norms and the expectations of the Group's stakeholders (customers, employees, suppliers, and local communities).

To ensure fair, transparent, and sustainable business operations, the Group maintains the [DIC Group Code of Business Conduct](#) (last revised March 2026).

Adherence to this Code is the foundation of its compliance program, and all employees are expected to conduct business accordingly.

All employees are encouraged to “do the right thing,” acting with integrity and common sense in accordance with these principles.

Compliance Framework and Related Initiatives

- **Regional Compliance Organization:** Compliance officers are appointed at each regional headquarters—DIC Corporation, Sun Chemical Corporation, DIC (China) Co., Ltd., and DIC Asia Pacific Pte. Ltd.—to coordinate and lead global compliance efforts.
- **Board Oversight:** The content of reports and the outcomes of the corresponding responses are reported to the Board of Directors.
- **Priority of the Code:** Whenever business interests conflict with the DIC Group Code of Business Conduct, the DIC Group will unhesitatingly follow the Code, respect social norms as a member of society, and act with sound social judgment.

Ten Principles of the DIC Group Code of Business Conduct

1. Your Rights as an Employee: Respect, Dignity, Privacy
2. Environment, Health, and Safety
3. Your Responsibility to Avoid Potential Conflicts of Interest and to Protect Group Property
4. Anti-Corruption and Anti-Bribery Policy
5. Your Relationships with Governments and Government Officials
6. Your Relationships with Customers, Suppliers, and External Third Parties
7. Money Laundering and Anti-Terrorism
8. Forced Labor, Child Labor, Conflict Minerals
9. Insider Trading
10. Proper Accounting and Internal Controls Relating to Financial Reporting

Compliance with Antitrust Laws and Prevention of Bribery

The DIC Group established its Basic Policy on Compliance with Antitrust Laws in February 2006 and has worked to ensure fair transactions across the Group.

The DIC Group Code of Business Conduct strictly stipulates compliance with antitrust laws and the prohibition of bribery. These topics are also included in annual e-learning programs to enhance understanding and ensure thorough awareness among employees across the Group.

Training and Awareness

Targeted compliance education is provided at key moments—onboarding, promotion, and prior to overseas assignments—and ongoing e-learning is offered globally to reinforce the topic of compliance and its Code of Business Conduct.

Relevant E-Learning Topics (2020–2025):

- DIC Group Code of Business Conduct (general)
- Quality-Specific Compliance
- Anti-Harassment and Anti-Discrimination
- Insider Trading
- Trademarks and Copyright/Intellectual Property
- Information Security, Personal Data Protection, and Japan's Act on the Protection of Personal Information
- Antitrust/Competition Law and Anti-Bribery/Corruption
- DIC Group Grievance and Whistleblowing Systems

Grievance and Whistleblower Systems

The Group operates a multi-channel grievance system independent of business reporting lines, including an external hotline available in 160+ languages. Systems strictly prohibit retaliation to ensure that reporters do not experience adverse consequences.

Case handling is taken seriously, and reports are handled swiftly, lawfully, and appropriately, incorporating internal and external expertise where needed. Any confirmed violations may result in disciplinary action. Summaries of these reports and outcomes are provided to the Board of Directors. We continue to use this system to detect and remediate concerns at an early stage.

In 2025, 79 reports were received on compliance issues and labor-related matters such as power harassment and discrimination, but none were judged to be severe. The substance of these reports was conveyed to the Board of Directors.

Due Diligence in the Value Chain

The DIC Group maintains a comprehensive framework for human rights due diligence to ensure ethical integrity across its global value chain. This commitment mandates rigorous oversight to prevent any complicity in child labor, forced labor, or the funding of armed groups. To maintain global compliance, the Group's sourcing strategies strictly align with international standards for Conflict-Affected and High-Risk Areas (CAHRAs)—regions characterized by fragile governance, armed conflict, or systematic violations of human rights.

Japan-Specific Governance and Compliance Initiatives

The following initiatives, policies, and legal compliance measures relate specifically to operations of DIC Group in Japan and reflect applicable Japanese laws, regulations, and administrative guidelines.

Prevention of Misconduct in Research Activities Using Public Funds and Improper Use of Such Funds

The DIC Group in Japan is promoting initiatives to prevent misconduct in research activities using public funds (such as fabrication, falsification, and plagiarism) and the improper use of such funds (such as fictitious billing, fictitious transactions, and use for unintended purposes), based on the Guidelines for Responding to Misconduct in Research Activities (adopted by the Minister of Education, Culture, Sports, Science and Technology on August 26, 2014) and the Guidelines for the Management and Audit of Public Research Funds in Research Institutions (Implementation Standards) (revised on February 1, 2021, by the Minister of Education, Culture, Sports, Science and Technology).

The DIC Group in Japan's basic policy regarding these initiatives is set out in the "[Basic Approach to the Prevention of Misuse of Public Research Funds](#)."

Promoting Understanding of the Act on Ensuring Fair Transactions for Subcontractors (Subcontract Act)

In Japan, to ensure fair and appropriate small and medium-sized contract transactions, and to promote internal understanding and compliance with applicable laws, the Legal Department conducts explanatory sessions on revisions to the Subcontract Act for procurement departments within the DIC Group in Japan, incorporating case studies.

In addition, e-learning programs on the Subcontract Act are provided mainly to employees engaged in small and medium-sized subcontracting transactions. The Group has also established the DIC Group Subcontract Act Internal Audit Manual, which standardizes internal audit procedures to enable more effective audits.

Furthermore, employees involved in relevant operations are encouraged to participate in external seminars, including the Proper Transactions Act Compliance Workshops organized by the Japan Fair Trade Commission and the Small and Medium Enterprise Agency.

Initiatives to Ensure Fair Transactions with Freelancers

Based on the Act on Ensuring Proper Transactions Involving Specified Entrusted Business Operators (Act No. 25 of 2023), the DIC Group is working to ensure fair transactions with freelancers and to improve their working conditions.

In accordance with this law, the Group has established a consultation channel for freelancers to report harassment concerns. Freelancers in Japan who have business relationships with the DIC Group and wish to raise such concerns may contact the organization through dedicated consultation channels.

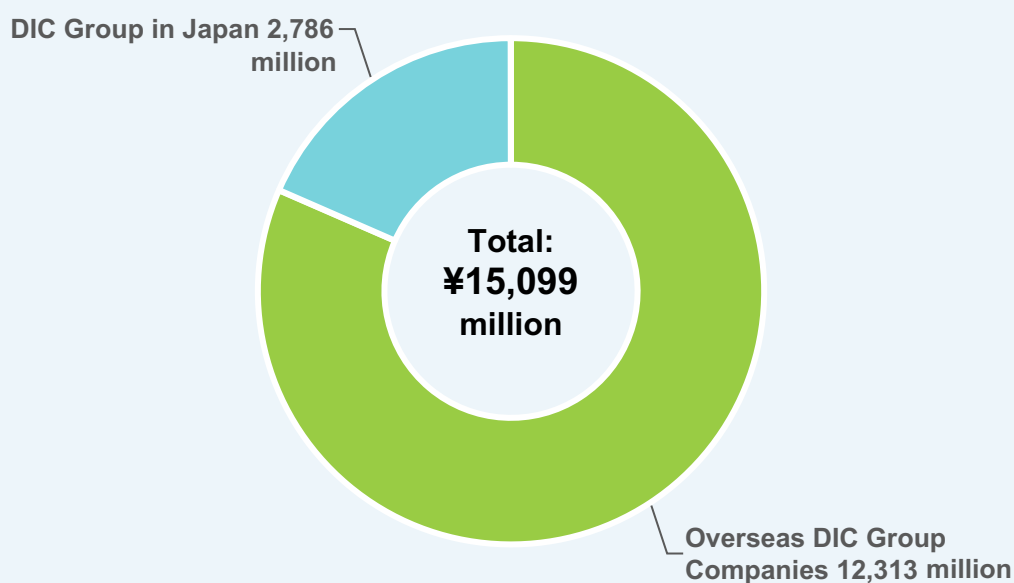
Approach to Taxation

The DIC Group established its [Tax Policy](#) in November 2017 and conducts fair and appropriate tax planning that reflects its business activities as it operates globally.

The Group also properly recognizes tax risks related to transfer pricing and tax havens and ensures appropriate tax payments in the jurisdictions where business activities are conducted.

In 2025, corporate tax expenses amounted to ¥2,786 million domestically and ¥12,313 million overseas, for a total of ¥15,099 million.

Corporate Taxes in 2025



G1-2 Management of Relationships with Suppliers

The DIC Group maintains ethical and transparent relationships with its global supplier base by integrating sustainability criteria into its procurement and management processes.

Basic Approach to Sustainable Procurement

Recognizing growing societal expectations for companies to address a wide range of issues related to sustainable procurement—including compliance with laws and regulations, adherence to social norms, environmental stewardship, and respect for human rights—the DIC Group has established the [DIC Group Global Universal Purchasing Policy](#) and promotes these initiatives globally.

In addition, based on this policy, the Group has established the [DIC Group Sustainable Procurement Guidelines](#), through which it requests suppliers to undertake activities that support sustainable procurement. The Group also conducts surveys of supplier activities and awareness-raising initiatives, thereby promoting sustainability throughout the supply chain.

Supplier Selection and Onboarding

Suppliers are subject to pre-contract due diligence to confirm compliance with regulatory, safety, and sustainability requirements. At the raw material onboarding stage, suppliers are required to submit standardized documentation, including:

- Raw Material Survey Form (regulatory and composition data)
- Safety Data Sheets (SDS)
- Chemical information SHaring and Exchange under Reporting PArtnership in the supply chain (chemSHERPA data)

- Reporting Templates of the Responsible Minerals Initiative: Conflict Minerals Reporting Template (CMRT), Extended Minerals Reporting Template (EMRT), and Additional Minerals Reporting Template (AMRT) as needed

The DIC Group communicates sustainability requirements to suppliers through contractual agreements, the DIC Group Sustainable Procurement Guidelines, supplier assessments such as EcoVadis, and other relevant engagement processes and tools.

In Japan, human rights expectations are addressed through the Group's sustainable procurement frameworks, supplier assessments, and due diligence processes.

Supplier Expectations

Under the DIC Group Sustainable Procurement Guidelines, suppliers are expected to uphold fundamental labor and environmental standards, including:

- Non-discrimination and equal opportunity
- Prohibition of forced and child labor
- Prevention of harassment
- Fair wages and appropriate working hours
- Respect for freedom of association and collective bargaining
- Compliance with environmental regulations and chemical substance information management requirements

Regionally, suppliers are additionally requested to acknowledge and implement the DIC Group Human Rights Policy and submit formal declarations.

Supplier Assessment and Risk Management

The Group evaluates supplier sustainability performance using:

- **Performance Ratings and Benchmarking**

(EcoVadis): EcoVadis is a globally recognized sustainability assessment platform. Evaluations are conducted by expert analysts based on documented evidence, enabling the Group to obtain objective and reliable assessments of suppliers' sustainability performance. The assessment methodology is aligned with the Responsible Business Alliance (RBA) Code of Conduct. Since 2023, the DIC Group has expanded global use of the platform across the organization and works collaboratively with business partners to enhance sustainability performance by sharing assessment results.

- **Risk Screening and Identification of High-Risk Suppliers (EcoVadis IQ Plus):**

The Group utilizes EcoVadis IQ Plus as a supplier risk screening tool to identify potential sustainability risks across the supply chain based on country, industry, and company-level risk factors. The tool supports the identification and prioritization of suppliers that may require enhanced due diligence or additional engagement related to environmental, labor and human rights, ethics, and sustainable procurement topics.

- **Self-Assessment and Engagement Tools (The DIC Group Sustainable Procurement Guidebook):**

In Japan, Greater China, and Asia-Pacific, the Guidebook communicates the DIC Group Sustainable Procurement Guidelines as requirements for business partners and includes a questionnaire to assess suppliers' sustainability activities. The questionnaire was developed with reference to the Responsible Business Alliance (RBA) Code of Conduct. Assessment results are shared with responding companies, and follow-up

actions, including on-site visits where necessary, are conducted to support continuous improvement in supplier sustainability performance. The Guidebook also includes the DIC Group Green Procurement Guidelines, which require manufacturers to implement chemical substance management, comply with applicable laws and regulations, and reduce environmental impacts. The questionnaire is used periodically to confirm implementation status and determine necessary follow-up actions.

Key Indicators and 2025 Performance

The following indicators summarize supplier engagement, risk assessment, and performance outcomes achieved during 2025. No quantitative Group-wide targets have been established for these indicators.

Supplier Due Diligence Coverage

- **Supplier Assessment Coverage:** >80% of global procurement spend.
- **DIC Group in Japan:** Completed assessments covering over 90% of suppliers based on raw material procurement spend. Conducted eight targeted individual interviews since 2024 and 102 on-site inspections since 2011. Extended evaluation scopes to include upstream manufacturers whenever trading companies act as the primary commercial partner. Furthermore, basic transaction agreements include provisions on legal compliance, respect for human rights, and adherence to the DIC Group's Sustainable Procurement Guidelines. These principles are reinforced through supplier engagement activities.
- **DIC Group in Greater China and DIC Group in Asia-Pacific:** Conducted full-scale supplier evaluations since 2024, as well as carried out three additional individual interviews.

- **Sun Chemical Supplier Coverage:** >80% coverage, with continued expansion through IQ Plus.

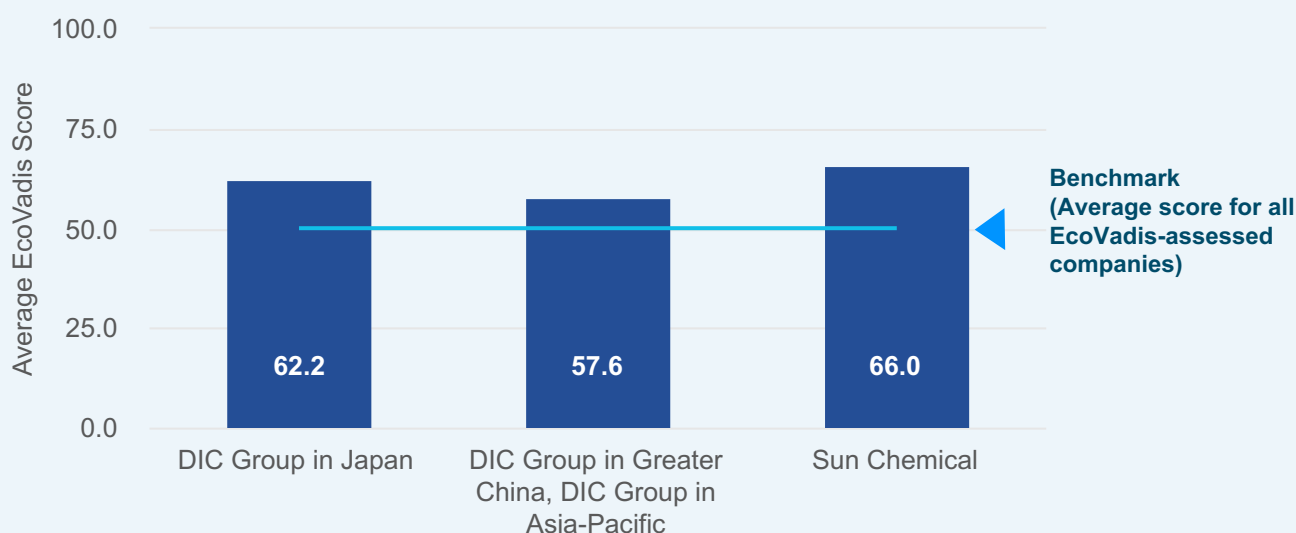
Risk Assessment and Performance

- **Risk Identification:** IQ Plus deployed to support prioritization of high-risk suppliers.
- **External Performance Ratings:** EcoVadis regional scores exceeded global averages; DIC Group scored 76 in EcoVadis' Sustainable Sourcing category and achieved an A rating in CDP's Supplier Engagement Assessment (SEA).

The Average Supplier EcoVadis Scores

- **DIC Group in Japan:** 62.2
- **DIC Group in Greater China, DIC Group in Asia-Pacific:** 57.6
- **Sun Chemical:** 66.0
- **Benchmark (Average score for all EcoVadis-assessed companies):** 50.0

Average EcoVadis Score for Suppliers in Each of the DIC Group's Geographic Operating Regions



Performance Monitoring and Continuous Improvement

The Group applies a PDCA (plan–do–check–act) approach to supplier management:

- **Plan:** Select targeted suppliers and establish assessment schedules
- **Do:** Request targeted suppliers to undergo assessments (e.g., EcoVadis), which are then completed by the suppliers
- **Check:** Review supplier assessment results and determine corrective action methods based on their scores
- **Act:** Request corrective actions from suppliers and plan subsequent re-assessments

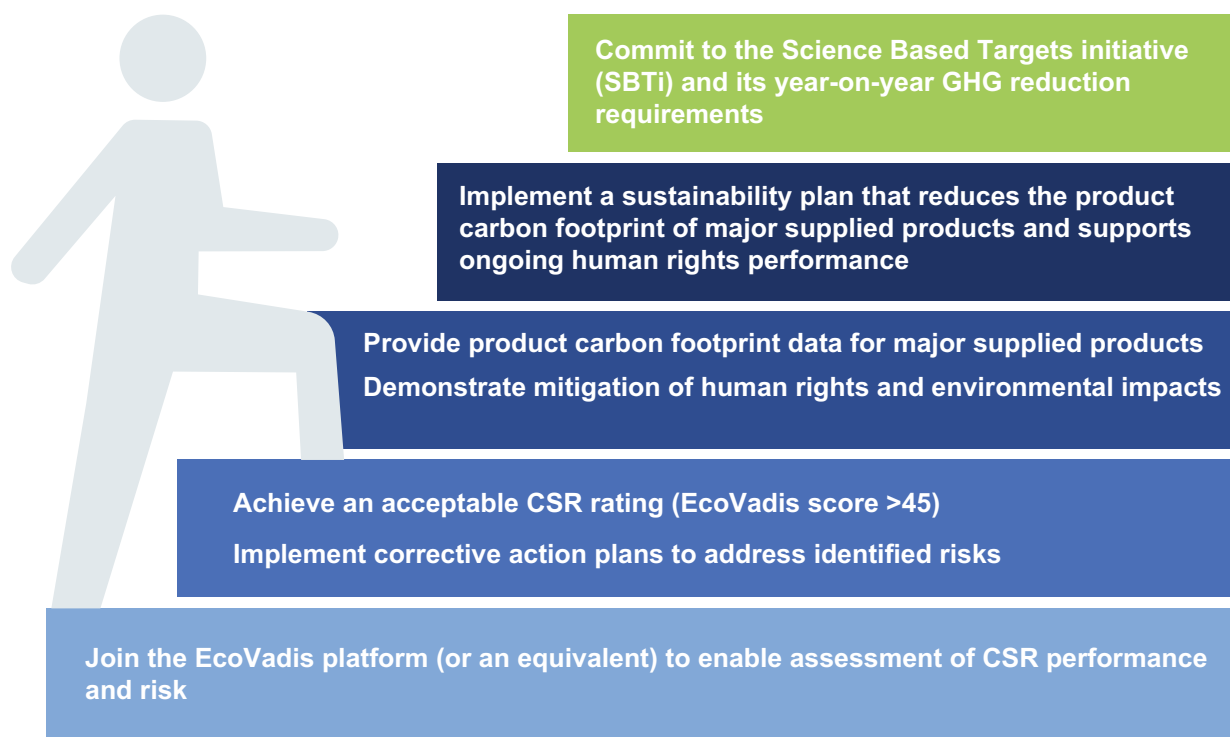
Targeted interventions are conducted for suppliers below minimum standards. DIC Group in Japan encouraged suppliers who did not meet the minimum standards to make improvements through meetings. Since 2024, DIC Group in Japan has

conducted supplier interviews with eight companies and on-site inspections at 102 companies, with both figures representing cumulative activity through 2025.

Specifically, Sun Chemical applies similar practices using EcoVadis and IQ Plus to assess sustainability risks and support supplier improvement. Under its sustainable procurement approach, suppliers are evaluated using a defined five-step framework and EcoVadis assessment thresholds. Where suppliers do not meet required standards or score levels, Sun Chemical conducts additional engagement and follow-up actions to encourage improvement and strengthen sustainability performance.

Suppliers that fail to meet legal compliance or human rights requirements may be subject to a review or termination of the business relationship.

Sustainable Procurement - Sun Chemical Supplier Expectation Staircase



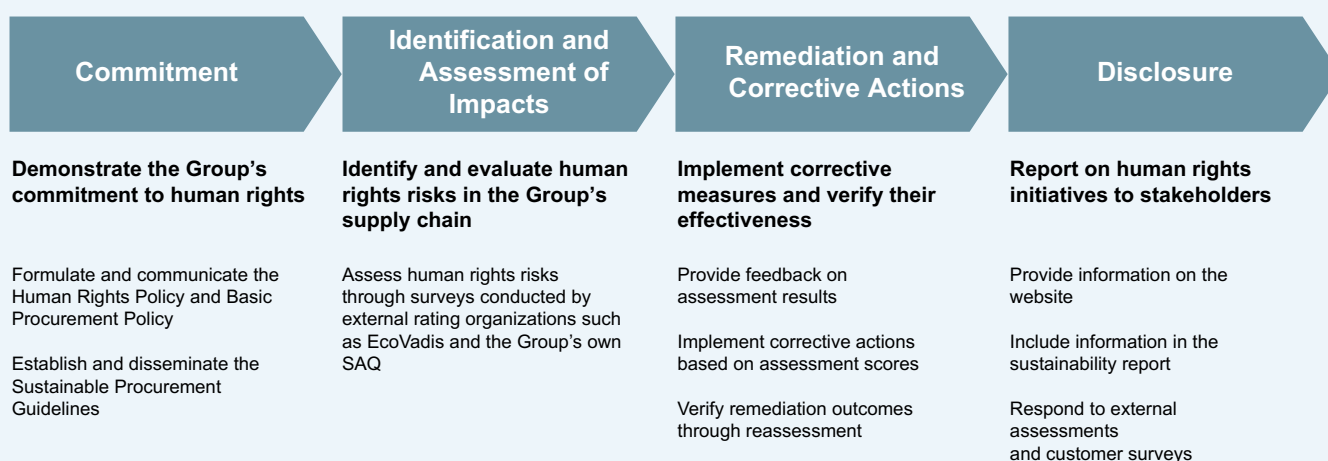
Responsible Sourcing and Supply Chain Due Diligence

The Group conducts ongoing due diligence on supply chain risks, including responsible sourcing of minerals.

Suppliers are surveyed using CMRT, EMRT, and AMRT templates to assess risks related to conflict-affected and high-risk areas. If risks are identified, corrective actions are taken.

Human rights due diligence is integrated into supplier assessments and procurement processes, supported by internal training and product-level checkpoints to identify potential risks at the development stage.

Human Rights Due Diligence Steps



Corrective Actions

Where adverse impacts or risks are identified, the Group implements corrective measures, including:

- Supplier corrective action requests (SCARs)
- Direct engagement and remediation planning
- Follow-up monitoring and reassessment

Procurement teams also address supplier-related impacts on product quality and customer results, ensuring remediation and compensation when necessary.

Business Conduct and Compliance

The DIC Group promotes fair and transparent business practices through its Code of Business Conduct, which includes strict requirements on compliance with antitrust laws and anti-corruption measures. These topics are reinforced through regular internal training and e-learning.

The Group also promotes compliance with legislation related to timely payment to subcontractors, supported by internal training, audit frameworks, and participation in industry programs.

Payment Terms and Practices

Supplier payment practices are governed by internal procurement processes and applicable legal frameworks. While no standalone Group-wide policy on payment terms is currently formalized, the Group is strengthening governance in this area through internal controls, training, and audit mechanisms.

Governance and Oversight

Supplier management is overseen at the Group level through standardized policies, tools, and KPIs.

These frameworks are implemented regionally including reporting on supplier coverage, risk identification, and remediation activities.

Initiatives to Reduce Environmental Impact in Raw Material Procurement

The DIC Group is driving medium- to long-term initiatives to reduce GHG emissions within the raw material procurement process.

To meet its SBTi aligned Scope 3 targets, the Group works with suppliers to reduce GHG emissions associated with purchased raw materials. These efforts include engagement with major suppliers to confirm or encourage the establishment of medium- and long-term emission reduction targets. The Group also conducts surveys on GHG emissions from purchased materials to support product carbon footprint (PCF) calculations in response to customer and societal expectations.

To further reduce environmental impact, the Group adopts plant-derived bio-based materials, mass-balance bio materials, and chemically recycled raw materials. Leveraging its global supply chain, DIC Group conducts raw material assessments and shares findings with technical functions to support product design improvements and reduced environmental impact.

G1-3 Targets Related to Business Conduct

The DIC Group promotes ethical business conduct through its Code of Business Conduct, which establishes the foundation for integrity, compliance, and responsible decision-making across all operations.

The Code of Business Conduct requires employees to comply with applicable laws and regulations, act with honesty and integrity, and avoid misconduct including bribery, corruption, conflicts of interest, and improper financial practices. It also prohibits improper payments and illegal contributions to public groups or figures.

At present, the Group manages business conduct primarily through policy implementation, internal controls, and oversight mechanisms, rather than through publicly disclosed quantitative targets.

The Group continues to reinforce compliance through:

- Ongoing communication of the Code of Business Conduct
- Training and integration of ethical standards into daily operations and decision-making
- Monitoring internal controls and reporting mechanisms

Anti-corruption and anti-bribery training is provided to all employees across relevant functions, as part of the Group's compliance framework and efforts to prevent misconduct.

G1-4 Metrics Related to Corruption or Bribery

The DIC Group monitors the development and operation status of its internal control systems.

Employees are required to report suspected violations, and concerns are addressed through established internal procedures in line with the Group's compliance framework.

For the reporting period, the number of incidents for fines for corruption and bribery, as well as for convictions for corruption and bribery, can be found in the summary table below:

Number of Incidents Related to Corruption and Bribery

	2025	2024	2023
Fines for Corruption and Bribery	0	0	0
Convictions for Corruption and Bribery	0	0	0

Additionally, for the reporting period no contracts with business partners were terminated or not renewed due to corruption-related issues.

The Group continues to strengthen its monitoring and compliance processes to support the prevention and detection of misconduct.

G1-5 Political Influence and Lobbying Activities

Basic Approach

The DIC Group conducts its business in an ethical and impartial manner and does not engage in activities intended to improperly influence public decision-making.

Where the DIC Group participates in industry associations or external initiatives, it does so in compliance with applicable laws and regulations.

The DIC Group Code of Business Conduct further reinforces this approach, including provisions that prohibit improper payments and illegal contributions to public groups or figures.

Donations and External Engagement

In 2025, total donations amounted to approximately ¥66 million. In Japan, this included approximately ¥10 million in designated donations, such as support for education and research, and approximately ¥7 million for contributions to certified public-interest organizations and other social contribution activities.

No donations were made to political organizations during 2025.

Participation in Industry Associations

As a chemical company, the DIC Group participates in a wide range of industry associations and external organizations, contributing expertise, conducting research activities, and gathering information.

In Japan, major organizations include the Japan Chemical Industry Association, Keidanren, the Japan Chemical Industry Association for Chemical Products, the Japan Plastics Industry Federation, the Printing Ink Manufacturers Association, and the Global Compact Network Japan.

Total expenditures related to participation in external organizations amounted to approximately ¥160 million in 2025.

G1-6 Metrics Related to Payment Practices

Basic Approach to Payment Practices

The DIC Group is committed to fair and transparent payment practices in its relationships with suppliers, supporting responsible supply chain management as described in G1-2.

Particularly within DIC Group in Japan, strict compliance is ensured with legal requirements for transactions that fall under the scope of the Proper Transactions Act, which include Small and Medium Entrusted Businesses.

In other regions, including Sun Chemical operations:

- Payment terms are defined contractually and vary by region and supplier relationship
- Practices may differ depending on factors such as supplier size and local market conditions

S2 - Building Sustainable Supply Chains

S2-1 Policies Related to Value Chain Workers

The [DIC Group Human Rights Policy](#) reflects the Group's commitment to respect the human rights of all stakeholders across its business activities and value chain.

As described in S1-1, the policy is aligned with internationally recognized human rights frameworks and applies across the Group's operations and business relationships, including value chain workers.

Supplier Standards and Contractual Requirements

Supplier labor and human rights expectations are defined in the [DIC Group Sustainable Procurement Guidelines](#) and related supplier management frameworks described in G1-2.

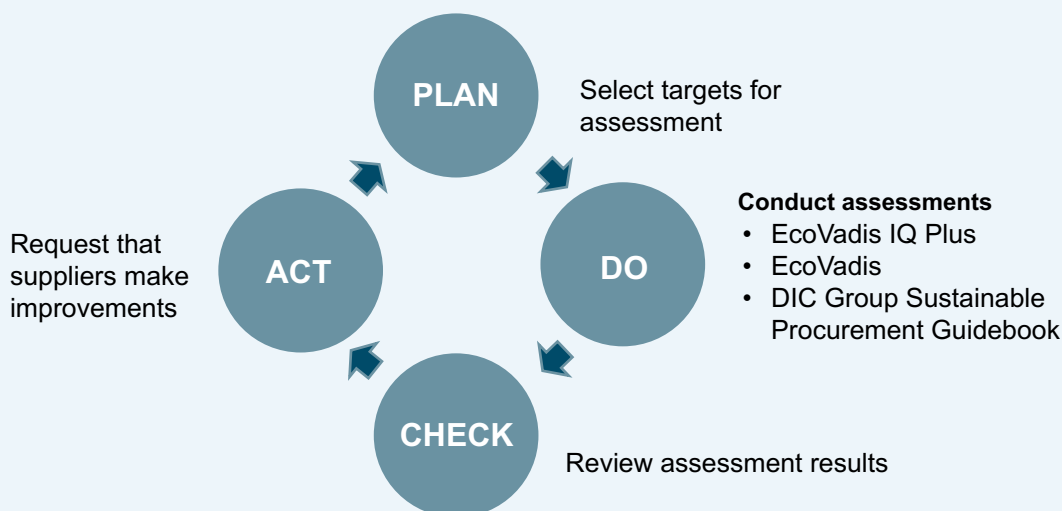
Additional regional implementation measures related to supplier acknowledgment and implementation of the DIC Group Human Rights Policy are described in G1-2 and S2-4.

Supplier Assessment and Monitoring

The DIC Group assesses suppliers' sustainability and human-rights performance using:

- EcoVadis IQ Plus for systematic supplier risk screening
- the [DIC Group Sustainable Procurement Guidebook](#) (including a self-evaluation sheet)
- EcoVadis (evidence-based, third-party ratings)
- Topic-specific questionnaires

Use of the PDCA Cycle in Assessing Suppliers' Sustainability Performance



Group-level Coverage and Progress

- By end of 2025, assessments using EcoVadis, EcoVadis IQ Plus and/or the Procurement Guidebook covered suppliers representing 80% of total procurement spend.
- Results are shared with suppliers, with remediation and improvement recommendations.
- The Group applies a PDCA (Plan-Do-Check-Act) cycle to track implementation of improvements and strengthen supply chain performance.
- Average EcoVadis scores for suppliers in each operating region are higher than the EcoVadis global average.
- EcoVadis IQ Plus has been introduced to screen out high-risk suppliers.

Regional Implementation

- **DIC Group in Japan:** In 2025, evaluations were collected for suppliers representing >90% of domestic procurement spend using EcoVadis and the Procurement Guidebook. For trading companies, additional surveys targeted the actual producers, as and when needed. Feedback was provided to all respondents, with direct interviews initiated for eight suppliers that fell below the minimum standard since 2024. On-site inquiries have been conducted for a total of 102 companies since 2011.
- **DIC Group in Greater China, DIC Group in Asia-Pacific:** Beginning in 2024, assessments were introduced for key suppliers using both EcoVadis and the Guidebook framework. Based on the assessment results, targeted improvement initiatives were implemented with business partners, which have been carried out for three suppliers to date.

- **Sun Chemical:** EcoVadis has been used since 2020 to evaluate sustainability and promote supplier initiatives, with assessments completed for suppliers representing >80% of procurement spend. Looking ahead, Sun Chemical will further expand coverage and deploy EcoVadis IQ Plus more broadly for risk screening.

Human Rights Due Diligence in the Supply Chain

The Group transforms its policy commitments into measurable actions through regional initiatives and data-driven monitoring.

- **Global Assessment:** The Group leverages supplier assessment data to identify compliance gaps and drive proactive human rights improvements.
- **Operational Integration (DIC Group in Japan):** Procurement and technical teams undergo specialized training to identify human rights risks during the product development stage, ensuring ethical standards are met from the start of a product's lifecycle.
- **Compliance Enforcement (Asia):** Suppliers in Asia are required to provide formal, signed documentation confirming their adherence to the DIC Group Human Rights Policy.

Child Labor and Forced Labor

The DIC Group strictly prohibits child and forced labor across its operations and supply chain, adhering to all applicable minimum age and fair compensation laws and unequivocally rejecting any form of modern slavery, including indentured or compulsory labor.

Responsible Mineral Sourcing

The DIC Group has established the [Basic Approach to the Responsible Procurement of Minerals](#) to promote the ethical sourcing of critical minerals. Under this framework, and with reference to the OECD Due Diligence Guidance for Responsible Supply Chains of Minerals from Conflict-Affected and High-Risk Areas, the Group conducts supply chain surveys covering tin, tantalum, tungsten, and gold (3TG), as well as other relevant mineral supply chains identified in Responsible Minerals Initiative (RMI) reporting templates, where applicable. Where minerals linked to conflict or human rights risks are identified, the Group's Basic Approach requires prompt corrective action to support a transparent and conflict-free supply chain.

Application Across the Group

- **DIC Group:** Sets policy, guidelines, assessment frameworks, and performance tracking
- **DIC Group in Japan, DIC Group in Greater China, DIC Group in Asia-Pacific:** Implements Group policies, embeds sustainability clauses in contracts, and conducts evaluations via EcoVadis, guidebooks, and on-site inquiries
- **Sun Chemical:** Operates under the Group Human Rights Policy; utilizes EcoVadis and EcoVadis IQ Plus for advanced supplier risk screening and assessment expansion

S2-2 Processes for Engaging with Value Chain Workers About Impacts

Operational Responsibility

Operational responsibility for supplier engagement and human rights due diligence rests with the Procurement Department, supported and advised by the Sustainability team. This team coordinates global activities and reports through the Group's governance structure to ensure that sustainability KPIs and assessment results inform our procurement strategy.

Engagement Channels and Worker Voice

The Group currently engages with the value chain primarily through structured supplier assessments and grievance mechanisms. Supplier engagement and monitoring are conducted using the assessment and risk-screening frameworks described in G1-2, including EcoVadis, EcoVadis IQ Plus, and the DIC Group Sustainable Procurement Guidebook.

While the DIC Group manages these interactions through established procurement and compliance frameworks, the Group has not yet adopted a universal process for direct, face-to-face engagement across all regions. The Group continues to evaluate and refine its methods to further integrate worker perspectives into long-term sustainability decision-making.

Mitigating Risks for Vulnerable Workers

- **Risk-based screening:** EcoVadis IQ Plus is used to identify high-risk supplier segments, enabling targeted monitoring of areas where workers may be most vulnerable to human rights impacts.
- **On-site verification:** In Japan and other regions, on-site inquiries and targeted interviews are conducted with suppliers, particularly those performing below established standards, to verify working conditions and encourage corrective actions.
- **Continuous supplier monitoring:** Suppliers are re-evaluated at defined cadences based on their initial risk scores to ensure continuous oversight of their labor practices.

S2-3 Processes to Remediate Negative Impacts and Channels for Value Chain Workers to Raise Concerns

Direct Reporting Channels

The DIC Group operates **EthicsPoint**, a secure, confidential grievance hotline independent of business reporting lines. This system features external hotlines available in over 160 languages, providing value chain workers and relevant external stakeholders, including suppliers, customers, and local communities, a direct mechanism to raise concerns regarding potential legal violations, Group policies, or ethical standards.

Trust and Accessibility

- **Protection Against Retaliation:** In accordance with the DIC Group Code of Business Conduct, a strict non-retaliation policy is maintained. Any individual using EthicsPoint or other reporting channels is ensured protection from any disadvantage, penalty or adverse consequence.
- **Awareness and Effectiveness:** These channels are communicated to partners through the DIC Group's Human Rights Policy.

Monitoring and Oversight

All grievance and whistleblower activity is formally logged, investigated, and monitored by regional Compliance personnel. Summaries of reports and outcomes are provided to the Board of Directors to ensure system transparency and accountability.

For the reporting period, no significant human rights complaints related to value chain workers were reported through these channels.

S2-4 Taking Action on Material Impacts on Value Chain Workers, and Approaches to Managing Material Risks and Pursuing Material Opportunities Related to Value Chain Workers, and Effectiveness of Those Actions

The DIC Group promotes respect for human rights across its value chain through its sustainable procurement frameworks, supplier engagement activities, and due diligence processes.

Supplier Standards

Supplier labor and human rights standards are defined in the DIC Group Sustainable Procurement Guidelines and related frameworks described in S2-1 and G1-2.

Due Diligence and Supplier Assessment

The Group conducts human rights due diligence through EcoVadis assessments and its internal guidebook, providing visibility into supplier performance.

Specifically, Sun Chemical complements this approach using EcoVadis and IQ Plus to assess direct suppliers, including labor and human rights risk scores.

Where supplier performance falls short of Group requirements, corrective and remedial measures are implemented through the supplier engagement and monitoring processes described in G1-2.

Monitoring and Responsible Sourcing

Supply chain risks are monitored through supplier assessments and raw material due diligence.

The DIC Group has established its Basic Principles for Responsible Minerals Procurement and conducts various surveys and other activities to promote appropriate mineral sourcing.

Basic Approach to Responsible Minerals Procurement

The DIC Group promotes responsible minerals procurement throughout its supply chain by conducting surveys relating to tin, tantalum, tungsten, and gold (3TG), with the aim of ensuring that it does not contribute to the financing of armed groups, child labor, or other human rights abuses in conflict-affected areas and high-risk regions*, including the Democratic Republic of the Congo and its neighboring countries.

If the use of mineral resources associated with such conflicts or human rights abuses is identified, the Group will promptly implement corrective measures.

The Group uses the Responsible Minerals Initiative's reporting templates to assess mineral sourcing risks and support responsible sourcing practices.

Additionally, Sun Chemical supports responsible sourcing through initiatives such as the Responsible Mica Initiative, addressing child labor and working conditions in mica supply chains.

* High-risk regions are defined in accordance with the EU Conflict Minerals Regulation and include areas affected by armed conflict, post-conflict fragile regions, and areas where governance or security is weak or absent and widespread, systematic violations of international law, including human rights abuses, occur.

Corrective Actions

Where adverse impacts or supplier performance issues are identified, the Group implements corrective and remedial measures through supplier engagement, corrective action requests, and follow-up monitoring processes as described in G1-2.

Current Status

No significant human rights issues have been identified in the value chain. The Group continues to strengthen due diligence and supplier engagement to mitigate risks and support continuous improvement.

Grievance Mechanisms

The Group operates the EthicsPoint reporting system, enabling confidential and anonymous reporting of legal or policy concerns by employees and stakeholders.

Internal Capability

A dedicated procurement team manages sustainable procurement and related KPIs.

Training programs are implemented for purchasing and technical personnel, with full completion by procurement staff in DIC Group in Japan and Company-wide e-learning to strengthen human rights awareness.

Sun Chemical is further enhancing internal processes, including policy development and supplier evaluation through IQ Plus.

S4 - Ensuring Consumer Trust through Product Safety and Reliable Information

S4-1 Policies Related to Consumers and End-Users

The DIC Group ensures that its products are safe, sustainable, and compliant with applicable regulations, while also providing customers with product safety information.

Product Stewardship

Policy Framework and Governance

The Group's approach is anchored in its [DIC Group Sustainability Policy](#), including the [ESH Policy](#) and product stewardship commitments, which require that products are safe and compliant, while also ensuring that customers are provided with product safety information.

Under this framework, Responsible Care® activities are implemented across business units, manufacturing sites, and research and development functions.

Alignment with International Standards

The Group's policies align with internationally recognized frameworks and regulatory expectations, including:

- The Globally Harmonized System of Classification and Labelling of Chemicals (GHS)
- Applicable chemical substance information management regulations in key markets and geographies
- Industry best practices promoted through global and regional industry associations

These frameworks guide the Group's approach to hazard communication, safe use of products, and regulatory compliance across markets. This approach to chemical substance management is also shaped by global policy developments, including national and international efforts to minimize the impact of chemicals on human health and the environment.

Commitment to Product Stewardship

Product stewardship is defined as an approach to protecting stakeholder safety, the environment, and health by assessing risks across the full product lifecycle, from chemical development, procurement, manufacturing, transportation, and sales through to product use and disposal or recycling, and by ensuring appropriate management and disclosure of safety and risk information.

The Group is committed to:

- Providing customers with appropriate product safety and regulatory information
- Supporting the safe handling and use of products
- Ensuring compliance with applicable laws and regulations in all markets and geographies where DIC Group does business
- Continuously improving product sustainability and safety performance

This policy framework establishes the foundation for the actions, systems, and processes described in S4-4.

Quality (Enhancing Product and Service Quality and Pursuing Customer Satisfaction)

Basic Approach

Based on The DIC Way and the Basic Policy on Sustainability, the DIC Group provides products, services, and information that meet the needs of customers and society under its Quality Policy, thereby contributing to a sustainable society.

Quality Policy

Contribute to the prosperity of customers and society by consistently providing reliable products and services. (Updated in January 2026)

Governance Structure

DIC Corporation's quality organization is positioned under the Production Management Unit.

The Deputy General Manager (Head of Quality) serves as the top authority for quality, and quality activities are promoted under the following structure:

- Site-level quality assurance groups are positioned directly under site managers and focus on protecting product quality.
- The Head Office Quality Assurance Department and Quality Control Department identify issues faced by sites and business divisions and ensure appropriate operation of quality governance.

These departments actively participate in the following committees to address issues promptly and appropriately and to promote improvements in product and operational quality:

- **Quality Committee (chaired by the President):** Oversees quality management from a DIC Group-wide perspective. The Committee formulates quality policies and priority measures, with implementation status reported by division heads and department heads. Outcomes are reported to the Board of Directors for oversight.
- **Company-Wide Quality Meeting (Chaired by the Head of Quality):** Translates Group policies into concrete actions, oversees implementation, and shares monthly quality reports.
- **Business Division Quality Meetings:** Enhance customer satisfaction and respond to customer needs, including BCM and change management.
- **Site Quality Meetings:** Ensure proper operation of the Quality Management System (QMS), investigate root causes of nonconformities, and implement corrective, preventive, and recurrence prevention measures.

Activities for Quality Assurance and Improvement

The Quality Assurance Department:

- Develops and deploys Group-wide quality policies and measures
- Supports activities to improve quality and customer satisfaction
- Establishes, supports, and oversees quality assurance systems
- Provides direction on major quality incidents (complaints, claims, misconduct, and inappropriate cases)

The Quality Control Department:

- Develops and deploys policies for quality control and inspection
- Improves overall quality control standards
- Enhances reliability of quality inspections
- Plans and implements training and education related to quality

The DIC Group ensures that high-quality products are consistently delivered across all processes, from product planning and development to procurement, manufacturing, storage, and sales, meeting customer requirements and continuously improving quality.

Regular quality audits and internal site audits are conducted to ensure compliance with QMS operations and to strengthen mechanisms and procedures that enhance customer trust. These efforts improve operational efficiency, quality, and prevention of human error.

Compliance-Focused Activities

The Group recognizes compliance as a top priority and emphasizes a corporate culture in which every employee acts as a responsible stakeholder in maintaining quality.

Training programs, including top management training and quality compliance e-learning, use practical case studies to reinforce the importance of acting with accountability for quality, even for employees not directly involved in production.

Global Collaboration

The DIC Group in Japan continues to:

- Strengthen coordination with DIC Group in Greater China and DIC Group in Asia-Pacific
- Gather information with a view towards strengthening global quality collaboration, including future alignment with Sun Chemical

S4-4 Taking Action on Material Impacts on Consumers and End-Users, and Approaches to Managing Material Risks and Pursuing Material Opportunities Related to Consumers and End-Users, and Effectiveness of Those Actions

The DIC Group implements structured processes and information systems to operationalize its product stewardship commitments, ensure that products are safe, sustainable, and compliant with applicable regulations, and provide customers with product safety information.

Chemical Substance Management and Product Safety

The Group manages chemical substance risks through globally coordinated information systems and processes that support regulatory compliance and hazard communication. These efforts are aligned with the Globally Harmonized System of Classification and Labelling of Chemicals (GHS), originally developed under the United Nations framework, which the Group adopted early in response to regulatory developments, including implementation of GHS under Japan's Industrial Safety and Health Act in 2006.

The DIC Group provides information to assure the safety of their products for end-use applications through a structured product stewardship approach that is fully integrated into the DIC Group's Environmental, Safety and Health (ESH) governance system. Product safety is addressed across the full product life cycle, from research and development through raw material selection, manufacturing, customer use, and end-of-life assessment. This approach is supported by systematic hazard and risk assessments, global regulatory compliance management, and robust chemical information systems.

In line with leading chemical industry practice, the DIC Group ensures compliance with applicable chemicals, food-contact, and product safety regulations in all markets in which it operates. Transparent safety information, including Safety

Data Sheets (SDS), labeling, application guidance, and use-specific compliance statements, is provided throughout the value chain to support customers in the safe handling and application of products.

Beyond regulatory compliance, the DIC Group actively designs products with improved human health and environmental profiles, including the substitution or elimination of substances of concern where technically feasible. The Company continuously monitors developments in toxicology, exposure science, and risk assessment methodologies, together with ongoing regulatory surveillance, enabling timely adaptation of formulations, intended uses, and product stewardship measures.

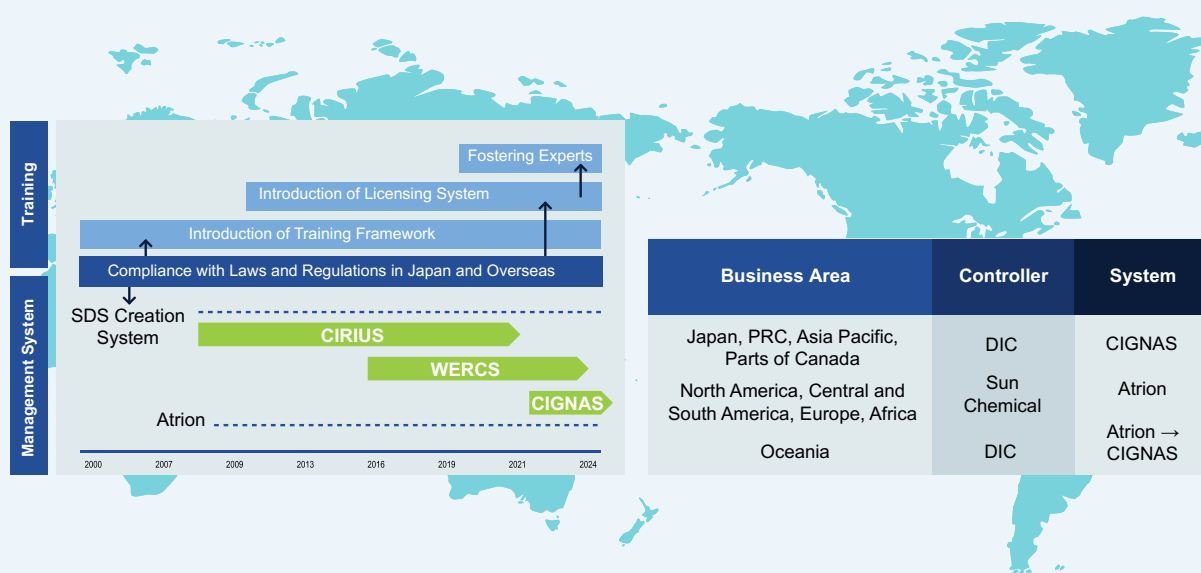
This product stewardship framework aligns with the International Council of Chemical Associations (ICCA) Responsible Care® principles and supports customers in safely deploying DIC Group products in consumer-facing applications such as packaging, printing inks, coatings, electronics, and automotive materials.

Key systems include:

- CIGNAS (Chemicals Information Global Network Access System), deployed across DIC Group in Japan, DIC Group in Greater China, DIC Group in Asia-Pacific, and parts of DIC's Canadian operations
- Atrion, used by Sun Chemical to manage chemical and regulatory information

These systems enable the generation and distribution of Safety Data Sheets (SDS) and product labeling aligned with GHS.

The DIC Group's Global Chemical Substance Information Management Systems



CIGNAS System Development and Governance

In designing and developing CIGNAS, the Group incorporated the knowledge, experience, and operational know-how cultivated through the design, development, and operation of legacy systems, with a focus on improving operational efficiency. To support this objective, mechanisms were also established to enable data linkage with internal systems, including core business systems.

CIGNAS was designed to support not only chemical substance management specialists, but also broader operational users across the organization. Interfaces were developed to allow employees to efficiently extract and utilize chemical substance

information for operational purposes, and the system is widely used across DIC Group in Japan, DIC Group in Greater China and DIC Group in Asia-Pacific.

Because CIGNAS stores confidential information, including product and raw material composition data, the system is designed, developed, and operated with strict attention to information security. The Group also established working groups to continuously improve and refine CIGNAS functionality and operations following deployment.

Global Support Structure

The Group recognizes that chemical substance information management methods and operational quality vary across countries and business sites, and that organizational measures are necessary to respond to increasingly complex regulatory requirements and changes in handled products.

To strengthen governance and support implementation of the new system, the Group established coordination structures to support chemical substance information management globally. DIC HQ launched a dedicated coordination structure in 2019, followed by activities in the DIC Group in Greater China beginning in 2020. In January 2023, a Global Coordination Group was established to strengthen centralized management, standardize operations, support compliance activities originating at business sites, and deploy operational know-how developed in the DIC Group in Japan to the DIC Group in Asia-Pacific and other regions across the Group.

Regulatory Compliance and Customer Support

The Group ensures compliance with applicable chemical regulations across all regions in which it operates, including frameworks such as the Registration, Evaluation, Authorization and Restriction of Chemicals (REACH) in the European Union, related chemical regulatory frameworks in the United Kingdom, Turkey, and South Korea, and the Toxic Substances Control Act (TSCA) in the United States. Customers are provided with product safety and regulatory information tailored to specific legal requirements, product applications, and geographic markets.

Where required, additional information is provided to support customer compliance processes, particularly for regulated applications such as food packaging, toys, and cosmetics.

The DIC Group complements this approach by supporting customers in regulatory assessments

and participating in industry associations to anticipate and respond to regulatory developments.

Monitoring and Continuous Improvement

The Group continuously enhances its chemical substance information management framework through:

- Ongoing global deployment and integration of chemical substance information management systems
- Alignment with enterprise systems and internal databases
- Central coordination of chemical substance information management

The Group's dedicated teams of regulatory experts, product stewards, data managers, and toxicologists monitor progress through internal evaluations and system performance to improve data quality, strengthen compliance, and enhance operational efficiency.

Response to Domestic and Overseas Regulations

Within the DIC Group, compliance with laws and regulations is regarded as a fundamental element of risk management. To support reliable regulatory compliance, the Group promotes centralized management through chemical substance information management systems, establishes operational guidelines based on information gathering and analysis, and strengthens communication with Group Companies and customers. The Group also works with local consultants, external experts, and internal experts to monitor global regulatory developments and implement appropriate compliance measures.

The DIC Group works closely with customers to address product-specific regulatory requirements for applications requiring particularly careful compliance management, including food packaging applications.

Based on product risks and application-specific requirements, the Group evaluates and implements additional compliance measures as appropriate. These measures may include additional considerations during product design, application of Good Manufacturing Practices (GMP) during production, and the provision of product-related documentation and information, including Statements of Composition (SoC). Through ongoing monitoring of chemical regulatory developments and prompt responses to regulatory changes across jurisdictions, no violations related to chemical substance registration or notification requirements were identified during 2025.

Within the DIC Group in Japan, compliance activities cover a wide range of regulatory requirements, including notifications for new chemical substances under the Chemical Substances Control Law (CSCL) and the Industrial Safety and Health Law (ISHL), as well as registration management and recordkeeping obligations related to the manufacture, import, and sale of substances regulated under the Poisonous and Deleterious Substances Control Act. The Group continues to ensure compliance with these requirements.

The amended Food Sanitation Act introduced a positive-list system for food utensils, containers, and packaging materials, with the transition period ending in May 2025. The Group continues to collect information and work with industry organizations regarding polymers and raw materials used in food packaging applications, including inks and related materials. The DIC Group in Japan continues activities related to EU REACH registrations and participates in industry activities through the Japan Chemical Industry Association (JCIA), including submission of industry opinions and engagement with regulatory authorities.

Outside Japan, the Group continued activities related to compliance with chemical substance regulations in major jurisdictions,

including the European Union, United Kingdom, China, and South Korea. In Turkey, pre-registration activities under Turkey REACH (KKDIK) were completed during 2025.

Main Initiatives for 2026

The Group will continue to respond to evolving chemical substance information management regulations in Japan and overseas.

In Japan, amendments to the Industrial Safety and Health Act are being implemented sequentially, including strengthened requirements related to autonomous chemical substance information management, hazard communication, label disclosure, and Safety Data Sheet (SDS) distribution. Additional substances will become subject to disclosure and exposure management requirements beginning in 2026, and the DIC Group in Japan will continue updating labels and SDSs to comply with revised requirements.

The Group will also respond to revised waste management requirements related to disposal of waste containing designated chemical substances and continue monitoring how the Global Framework on Chemicals will be reflected in future policies and regulations.

Outside Japan, the Group will continue preparations for upcoming registration deadlines under South Korea K-REACH and advance compliance activities related to Turkey REACH (KKDIK) and newly developing chemical substance registration systems in other regions. Regulatory developments are also being monitored in countries including Thailand, Vietnam, and parts of Central and South America, where chemical substance registration systems are being introduced or strengthened. The DIC Group will continue to gather regulatory information, submit industry opinions and recommendations through industry associations, and implement the necessary compliance measures globally.

Capability Building and Licensing

To support effective implementation, the Group conducts training programs on chemical substance management and regulatory compliance.

The DIC Group in Japan conducts structured training and capability-building initiatives related to chemical substance management and regulatory compliance.

Since 2014, the DIC Group in Japan has conducted education programs related to chemical substance regulations and regulatory compliance. Beginning in 2021, training programs transitioned to online delivery, and from 2022 participation was expanded to include employees across DIC Group in Japan. Additional practical training aligned with chemical regulatory operations was introduced from 2023 and is repeated annually.

The DIC Group in Japan also operates a licensing system for employees engaged in chemical import and export operations. Employees are required to complete mandatory legal and regulatory training and pass examinations prior to certification. Export personnel receive specialized training related to the Foreign Exchange and Foreign Trade Act, while import personnel receive training related to the Chemical Substances Control Law, Industrial Safety and Health Act, Poisonous and Deleterious Substances Control Act, and related regulations.

Licenses are valid for two years for export operations and three years for import operations, and renewal requires retraining and re-examination. In 2025, all training programs and examinations were conducted online.

As of December 31, 2025, the DIC Group in Japan maintained 477 import licenses, 190 Class B export licenses, 1,486 Class A export licenses, and 110 advanced export certifications. In addition, 142 employees held certifications related to rules of origin administration under economic partnership agreements.

The DIC Group in Japan continues to strengthen training content in response to evolving export control requirements, sanctions measures, and international trade agreements.

Export Licenses Held by Employees of DIC Group in Japan as of December 31, 2025

	Number of Employees
Advanced Licenses	110
Class A Licenses	1,486
Class B Licenses	190
FTA-Related Licenses	142
Import Licenses	477

Risk Management and Emerging Issues

The Group manages and works to reduce risks that may impact consumers and end-users through its broader risk management framework, including:

- Product safety and regulatory compliance risks
- Information security risks, including cyber threats

Approach to Animal Testing

The DIC Group follows the principles of the 3Rs (Replacement: substituting methods that do not use animals; Reduction: reducing the number of animals used in testing; and Refinement: minimizing pain and distress through improvements in testing methods). Based on these principles, the Group promotes the use of non-animal alternative methods and safety assessments using Quantitative Structure–Activity Relationships (QSAR).

Phase-Out of Hazardous Substances

The DIC Group in Japan participates in numerous committees and working groups related to domestic and international regulations through industry organizations such as the Japan Chemical Industry Association (JCIA) and other industry associations. In addition, as a representative of these groups, DIC participates in discussions with government authorities, including serving as a member of the Ministry of Health, Labour and Welfare's Study Group on the Management of Chemical Substances in the Workplace Related to Revisions to the Industrial Safety and Health Act.

Through these activities, the Group seeks to identify regulatory trends in advance, including restrictions on the manufacture and import of substances in Japan and overseas, and develops phase-out plans accordingly. Where appropriate, the Group implements measures such as restrictions or

prohibitions on use in advance of regulatory requirements.

To support these measures, the DIC Group has established the DIC Group Green Procurement Guidelines, under which only raw materials meeting the following requirements may be used, thereby excluding hazardous substances from procurement:

- They do not contain substances whose manufacture or use is prohibited under Article 55 of Japan's Industrial Safety and Health Act.
- They do not contain Class I Specified Chemical Substances designated under the Act on the Regulation of Manufacture and Evaluation of Chemical Substances (CSCL), except where use is legally permitted.
- They do not contain Monitoring Chemical Substances designated under the CSCL, except in the case of catalysts.
- They do not contain specified chemical substances whose manufacture has already been prohibited under the Act on the Protection of the Ozone Layer through Control of Specified Substances and Other Measures.
- They do not contain Specified Dust Substances designated under the Air Pollution Control Act.
- They do not contain Specified Toxic Substances designated under the Poisonous and Deleterious Substances Control Act.
- They do not contain substances designated for elimination under Annex A of the Stockholm Convention on Persistent Organic Pollutants (POPs).

Innovation and Positive Impacts

The Group also advances product innovation to improve outcomes for consumers and end-users. This includes the development of products and technologies that support recyclability, circular material flows, and the use of more sustainable raw materials.

Specifically, Sun Chemical is increasing the use of sustainably sourced bio-based feedstocks and directing a portion of its research and development activities toward sustainability-related innovation, including products designed to support improved recyclability and circular economy outcomes. Further information on circular economy initiatives and product innovation is provided in E5-2.

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E2 - Pollution

E2-1 Policies Related to Pollution

The DIC Group manages pollution-related impacts through its **ESH Policy**, which establishes pollution prevention, control, and continuous improvement as core elements of its management approach. Based on this policy, the Group identifies environmental impacts associated with its business activities, systematically reduces them through planned measures, and works to prevent environmental pollution.

ESH Policy

As a responsible corporate citizen and a manufacturer of chemical substances, the Group recognizes that protecting the environment, alongside safety and health, is fundamental to its business operations. The Group is dedicated to sustainable development, supporting global environmental health and biodiversity through its products and technologies.

Under this policy, the Group:

1. Takes responsibility for environmental, safety, and health impacts across the full product life cycle.
2. Establishes objectives and targets to drive continuous improvement.
3. Complies with applicable environmental laws, regulations, and agreements; in jurisdictions where regulatory frameworks are less developed, prioritizes safe operations and environmental protection.
4. Provides systematic education and training on environmental, safety, and health topics.
5. Maintains organizational structures and conducts internal audits to ensure effective implementation.

This policy is disclosed both internally and externally, and all DIC Group Companies are expected to comply with it. As used above, the term "safety" includes process safety and disaster prevention.

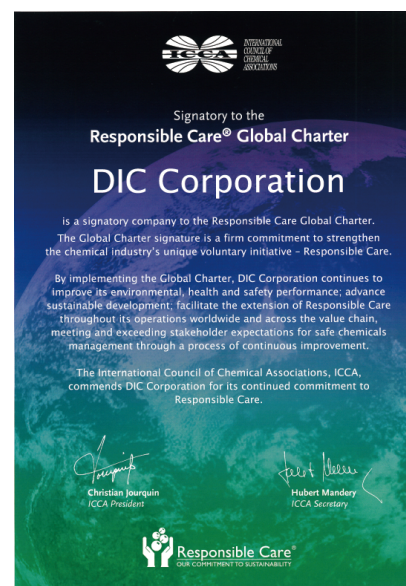
In addition, the Group implements its **Responsible Care® program***, which provides a comprehensive framework for managing pollution and broader ESH impacts across seven areas: occupational safety and health, disaster prevention, environmental protection, logistics safety, chemical and product safety, engagement with local communities, and integrated management systems. Environmental protection activities under this framework include the continuous reduction of emissions of chemical substances and the reduction of waste generation.

Pollution prevention is further embedded in the Group's environmental management systems, including certifications under ISO 14001 at a significant proportion of production sites globally. These systems support the identification, monitoring, and management of emissions to air, water, and soil, as well as the handling of chemical substances across global operations.

Specifically at Sun Chemical, these principles are implemented through the **SunCare®** Environment, Health and Safety management system, which has been in place for more than 20 years. SunCare® follows a Plan-Do-Check-Act (PDCA) cycle and aligns with the structure of ISO 14001 and ISO 45001. Independent audits are conducted regularly to identify gaps and drive continuous improvement in environmental performance, including pollution prevention.

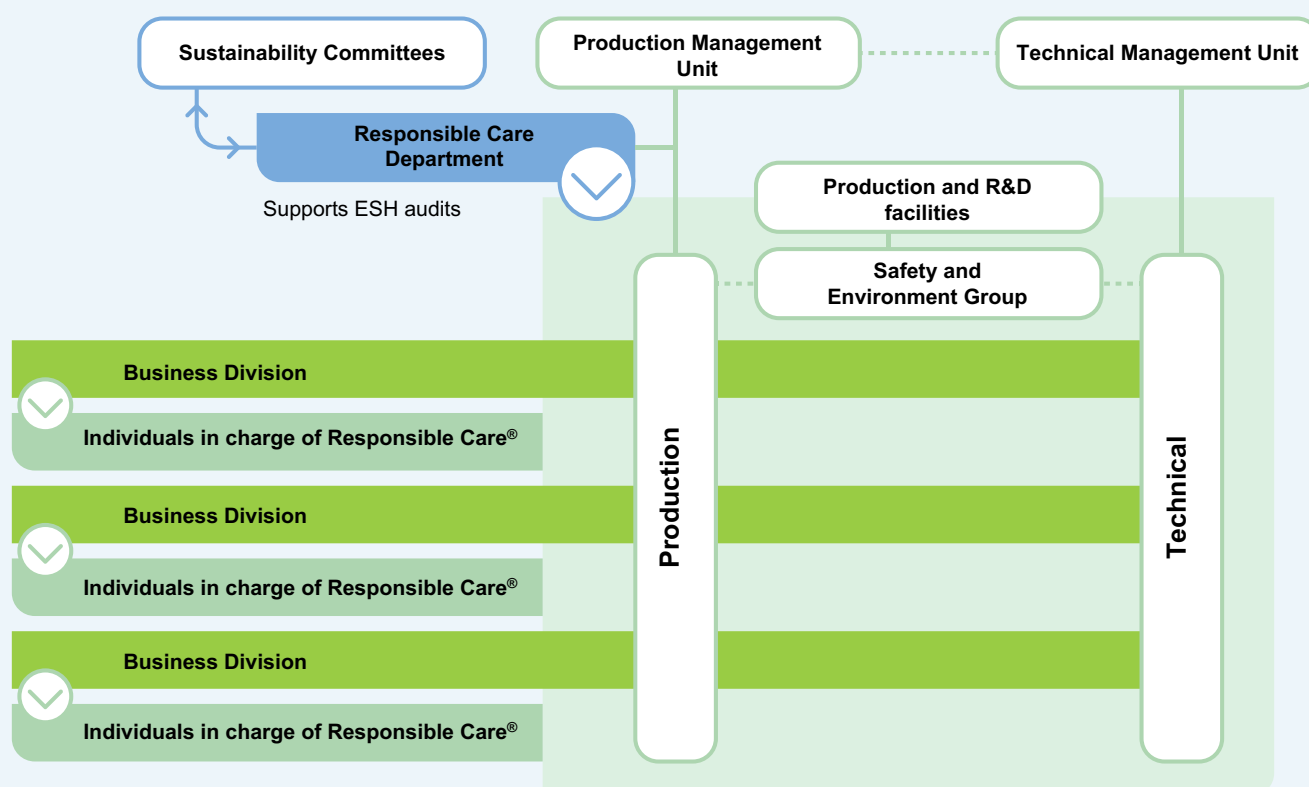
* Responsible Care® describes voluntary management initiatives undertaken by companies that manufacture or otherwise handle chemical substances, in line with the principles of autonomous action and self-assessment, pledging in their management policies to protecting the environment and ensuring health and safety across the entire life cycle of products, from development to manufacturing, distribution, use, recycling and end-of-life disposal, as well as to disclosing related information and promoting improvements.

Together, these policies and management systems support the management of pollution-related impacts, risks, and opportunities across its global operations. Product stewardship and chemical compliance management systems supporting pollution prevention and safe product use are described in S4-4.



Note: Responsible Care® Global Charter issued by the International Council of Chemical Associations (ICCA).

Framework for Promoting Responsible Care®



E2-2 Actions and Resources Related to Pollution

The DIC Group implements a range of actions to prevent and reduce pollution across its operations, including emissions associated with manufacturing activities and the transportation of chemical products. Particular focus is placed on emissions of air pollutants, including volatile organic compounds (VOCs), as well as emissions to water and soil.

Air Emissions and VOC Management

As and when required, the Group monitors VOC emissions across its operations. DIC Group in Japan has implemented long-standing initiatives to reduce VOC emissions in line with both regulatory requirements and voluntary industry frameworks, including substances covered under the Pollutant Release and Transfer Register (PRTR). Since 2005, the DIC Group in Japan has implemented voluntary monitoring and reduction activities for substances subject to the PRTR system and the Japan Chemical Industry Association (JCIA) voluntary management initiative.

The DIC Group in Greater China and other regions continues to enhance emissions management practices, including upgrading equipment and strengthening monitoring systems in response to increasingly stringent environmental regulations.

Data Collection and Monitoring Systems

The DIC Group utilizes integrated environmental data management systems to support the collection, monitoring, and management of emissions data across its operations.

Environmental data relating to emissions to air, water, and soil are centrally managed across the DIC Group in Japan, Greater China, and in Asia-Pacific, supporting improved data accuracy, operational efficiency, and readiness for third-party assurance.

Beginning in fiscal year 2025, the Group has also expanded the use of Workiva as a global reporting and data management platform to support the consolidation, governance, and reporting of sustainability-related information across regions and business units.

Sun Chemical manages ESH data through regional reporting systems and operational monitoring processes across its operations in EMEA and the Americas. While certain facilities collect VOC and other emissions data in accordance with local regulatory requirements, this information has historically not been consolidated consistently at the global level.

The Group is continuing to strengthen global environmental data collection and oversight processes to support more comprehensive monitoring of emissions associated with manufacturing activities, including solvent-based products.

Environmental Management and Operational Controls

Pollution prevention actions are integrated into broader environmental management systems and operational practices. These include:

- Implementation of emission control technologies and process optimization
- Wastewater treatment and monitoring prior to discharge
- Management of chemical substances to minimize releases to the environment
- Compliance with applicable environmental regulations in all jurisdictions of operation

The scope of these actions primarily covers the Group's direct operations.

Audits, Training, and Continuous Improvement

The Group conducts regular ESH audits across its global operations to assess compliance, identify risks, and drive improvements in pollution prevention and control. These audits cover management systems, operational practices, and regulatory compliance, and are conducted by ESH personnel, including internal and external regional specialists and experts.

In addition, education and training programs are implemented to ensure employees understand pollution-related risks and management practices. These programs are provided at onboarding and through ongoing training aligned with employee roles and responsibilities.

Through these actions, supported by dedicated operational and capital resources, the Group seeks to continuously improve its pollution performance and maintain compliance with evolving regulatory requirements.

Logistics Safety and Chemical Transport

Basic Approach

The DIC Group works to ensure the safe transportation of chemical products by providing necessary information and collaborating with logistics partners to reduce risks and GHG emissions during transport.

Policy and Framework

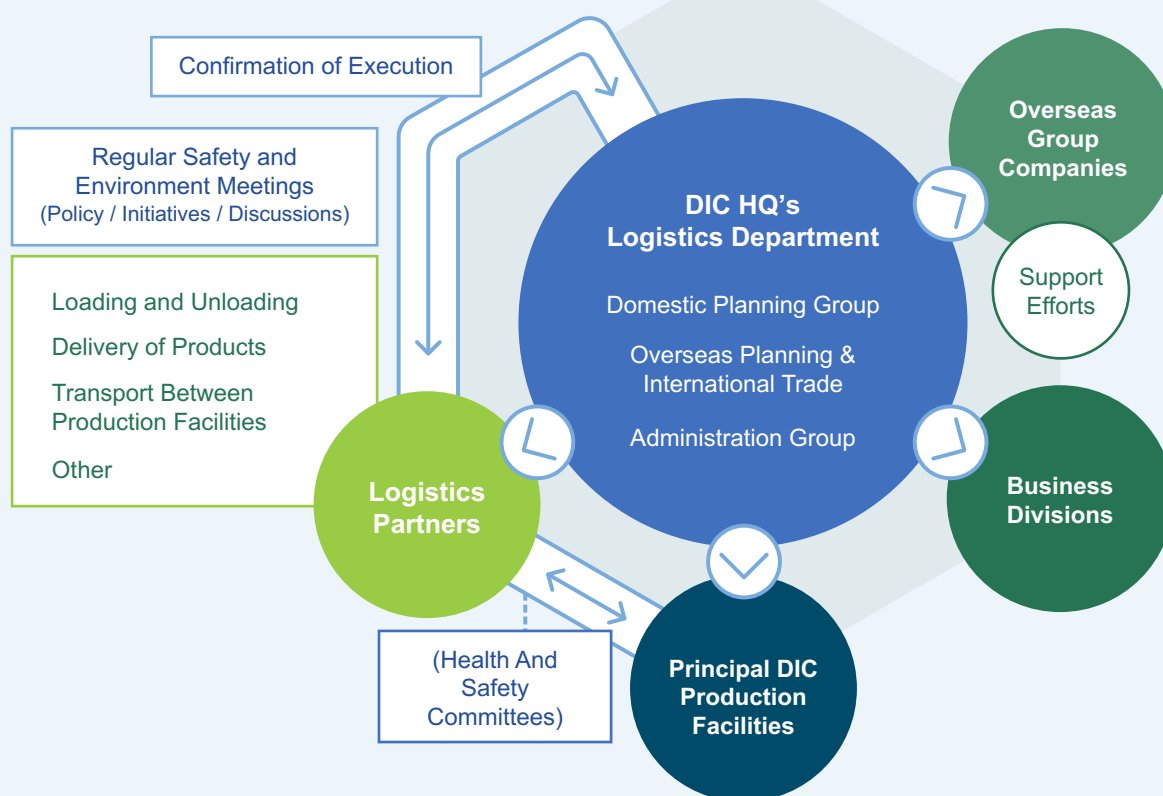
As part of its Responsible Care® activities, the DIC Group identifies the reduction of GHG emissions during product transportation as an important theme and sets annual targets to support continuous improvement.

The logistics department of DIC HQ consists of two main groups:

- A logistics strategy group responsible for planning and promoting logistics optimization strategies in Japan and across Asia
- A trade and logistics management group responsible for trade control in accordance with applicable regulations, promoting the use of free trade agreements (FTAs), and proposing measures to reduce trade-related costs

Through these functions, the Group works to improve logistics safety and reduce environmental impact.

DIC HQ's Logistics Configuration



Transport Safety Management Initiatives

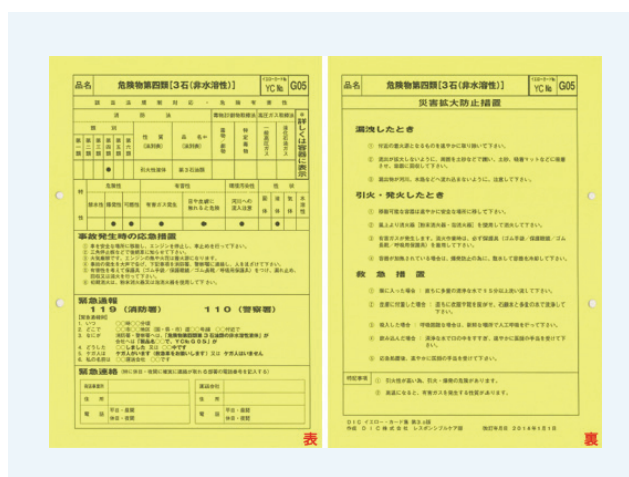
For the transportation of chemical products, the DIC Group uses transport containers that comply with applicable transportation laws and regulations, including the Fire Service Act and United Nations (UN) standards. In addition, the Group ensures the provision of appropriate information for safe transportation by implementing Globally Harmonized System of Classification and Labelling of Chemicals (GHS)-compliant labeling and providing Safety Data Sheets (SDS), both in Japan and overseas.

For products classified under UN numbers (hazardous materials), the Group also shares relevant information, including precautionary guidance, to support safe maritime and air transportation.

For domestic operations, the logistics department and logistics partners work collaboratively to improve loading operations and transportation safety. The two parties hold regular joint meetings, during which transportation quality issues that may affect customers, such as leakage, non-delivery, and misdelivery, are designated as “priority management incidents.” Targets are established for incident reduction, and steady improvements are achieved through investigation of root causes and development of preventive measures. The Group also continues ongoing activities to prevent past incidents from being repeated and conducts regular awareness campaigns as part of its continuous improvement efforts. In addition, representatives from both the Group and its logistics partners participate in site safety and health committees at manufacturing facilities and in nationwide meetings of logistics partner site managers to promote safe operations within facilities.

The logistics department also reviews the performance of logistics partner personnel working at major DIC Group sites in Japan. In 2025, logistics safety-related issues were identified and improvement measures were implemented at three locations.

To prepare for transportation emergencies, DIC Group in Japan requires transport operators to carry Yellow Cards*¹ and continues this initiative to help prevent the spread of damage in the event of an accident.



Reduction of Environmental Impact and Logistics Efficiency Act*²

The logistics environment in Japan is facing challenges, including the increase in e-commerce and a shortage of drivers due to regulations on maximum working hours. In addition, the reduction of greenhouse gas emissions has become an urgent issue.

Under these circumstances, DIC Group in Japan is promoting a modal shift in domestic transportation in Japan to reduce GHG emissions and lower environmental impact. In response to the Logistics Efficiency Act, the DIC Group in Japan is also working to improve truck loading efficiency, shorten waiting times, and reduce loading and unloading times, thereby contributing to the reduction of truck driver working hours.

At Overseas DIC Group Companies, initiatives to reduce environmental impact are also being promoted, including the review of logistics bases to shorten transportation distances and the monitoring of GHG emissions.

*¹ The Yellow Card is a voluntary initiative recommended by the Japan Chemical Industry Association. The card provides information on emergency response measures and contact details to enable transport operators, fire departments, and police to respond appropriately in the event of a chemical transportation accident.

*² Logistics Efficiency Act: Enforced in April 2025. This law requires all shippers and logistics operators to make efforts to improve logistics efficiency. From April 2026, shippers handling 90,000 tonnes or more annually will be required to (1) submit notification as a specified shipper, (2) appoint a logistics management supervisor, (3) submit a medium- to long-term logistics efficiency plan, and (4) provide periodic reports.

E2-3 Targets Related to Pollution

The DIC Group manages emissions to air and water in accordance with applicable laws, regulations, and operating permit requirements in the regions where it operates.

Pollution-related targets and monitoring activities differ across the Group's operations and reflect the operational characteristics of its chemical manufacturing activities.

Air Emissions Targets DIC Group in Japan

The DIC Group in Japan has established long-standing voluntary targets related to volatile organic compound (VOC) emissions. Continuous monitoring of VOC emissions is conducted, and performance is tracked annually.

DIC Group in Japan achieved its voluntary target of reducing VOC emissions into the atmosphere by 50% in 2007 compared with levels in 2000; and has maintained performance at or below this level through continuous operational improvements and emission management initiatives. These targets apply to DIC Group in Japan's direct operations, with performance assessed annually to enable year-on-year comparison.

In addition to VOC management, DIC Group in Japan continues efforts to reduce emissions of environmental load substances, including nitrogen oxides (NO_x), sulfur oxides (SO_x), particulate matter, and chemical oxygen demand (COD) in wastewater, in accordance with regional regulatory requirements and internal environmental objectives.

Water Emissions Monitoring DIC Group in Japan

The DIC Group collects environmental data and manages it in accordance with local regulations in

each country. The DIC Group in Japan additionally monitors emissions of Class I designated chemical substances under the Pollutant Release and Transfer Register (PRTR) framework as well as COD and BOD.

These indicators support the Group's broader objective of systematically understanding environmental impacts arising from operations and implementing planned reduction measures to prevent environmental pollution.

Sun Chemical Approach

As part of the DIC Group, Sun Chemical has historically collected pollution-related emissions data only at facilities where required by local regulations, and global consolidation of emissions to air and water has not yet been fully implemented. As a result:

- While certain sites or regions may have local pollution objectives, Sun Chemical has not yet established a harmonized quantitative pollution target covering all operations.
- Sun Chemical is expanding data collection through its environmental reporting systems to enable consistent global monitoring.

Once sufficient data coverage is achieved, Sun Chemical intends to assess materiality and determine whether formal pollution reduction targets should be introduced, including consideration of emissions associated with solvent-based ink products.

E2-4 Pollution of Air and Water

The DIC Group monitors pollution-related emissions using a combination of direct measurement and estimation methodologies, depending on pollutant type, operational process, and regulatory requirements.

Measurement and Data Collection Methodologies

Pollution data are collected using:

- Continuous monitoring systems
- Periodic sampling measurements
- Estimation methods derived from operational parameters where direct measurement is not feasible

Measurements are conducted in accordance with applicable national and regional environmental regulations or internal standards designed to meet or exceed legal requirements.

Environmental performance data are centrally managed through integrated environmental reporting systems that support emissions tracking, performance monitoring, management review, and sustainability reporting processes.

The Group collects data including:

- NO_x and SO_x emissions to air
- COD, BOD emissions to water
- Releases of PRTR-designated chemical substances to air, water, and soil in Japan

The DIC Group in Japan also responds to potential risks associated with asbestos during demolition activities and equipment retrofitting in accordance with the Ordinance on the Prevention of Health Impairment due to Asbestos and the revised Air Pollution Control Law.

These processes support regulatory compliance, internal environmental performance management, and preparation for third-party assurance.

Sun Chemical Monitoring Approach

At Sun Chemical, pollution-related data are collected primarily at the site level in accordance with operating permits and local regulatory obligations. Non-conformances identified through monitoring or inspections are reported to corporate environmental experts for evaluation and corrective action.

The Group continues to strengthen standardized environmental reporting processes to support broader consolidation and oversight of emissions-related data across Sun Chemical operations.

Emission Data for the DIC Group in Japan

The emission data presented in this section cover 540 targeted chemical substances, including substances designated under Japan's Pollutant Release and Transfer Register (PRTR) system and one substance group identified by the Japan Chemical Industry Association (JCIA).

JCIA is one of Japan's major chemical industry organizations and a member of the International Council of Chemical Associations (ICCA).

The scope comprises 515 PRTR Class I designated chemical substances, and 25 JCIA-voluntary survey substances.

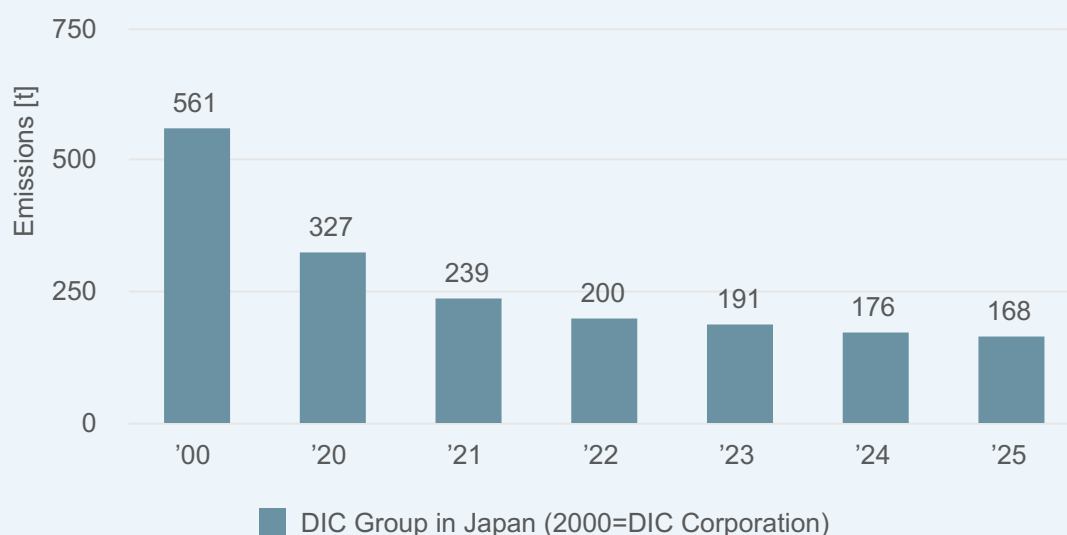
The PRTR system is used to assess, aggregate, and disclose information on the release and transfer of designated chemical substances from industrial facilities and waste management sites.

Emissions data include releases to air, water, and soil from operations within the DIC Group in Japan.

Environmental Emissions of Surveyed Substances by DIC Group in Japan in 2025

	Emissions [t]
Air	168
Water	3
Soil	0
Total	171

Environmental VOC Emissions by DIC Group in Japan

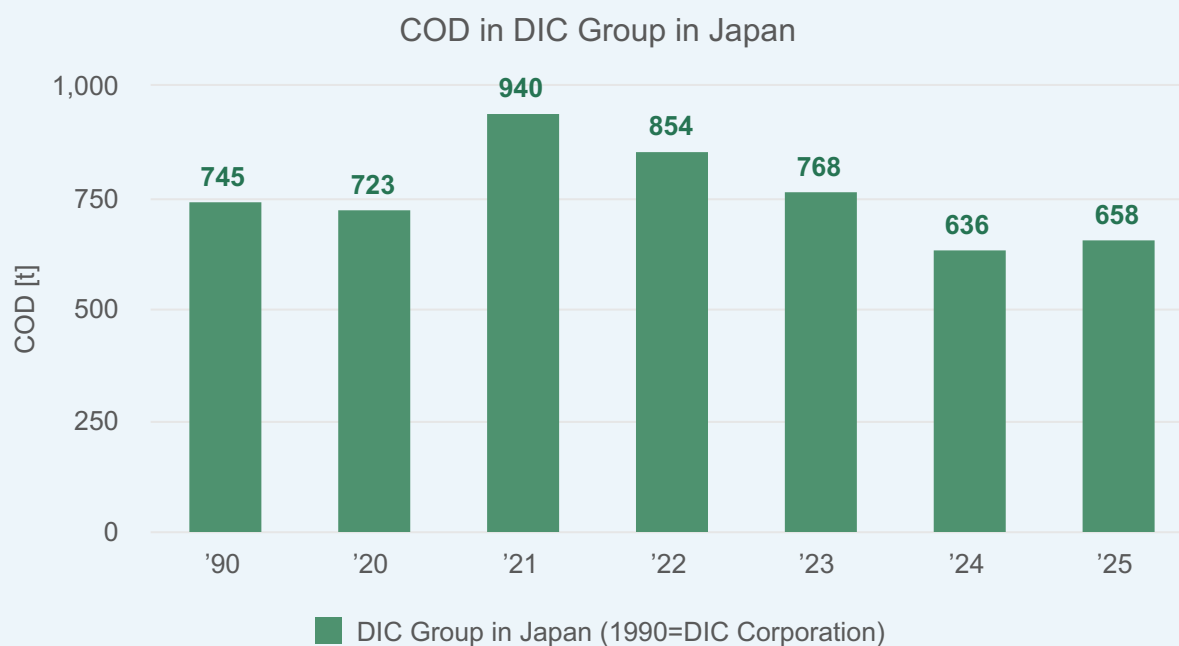
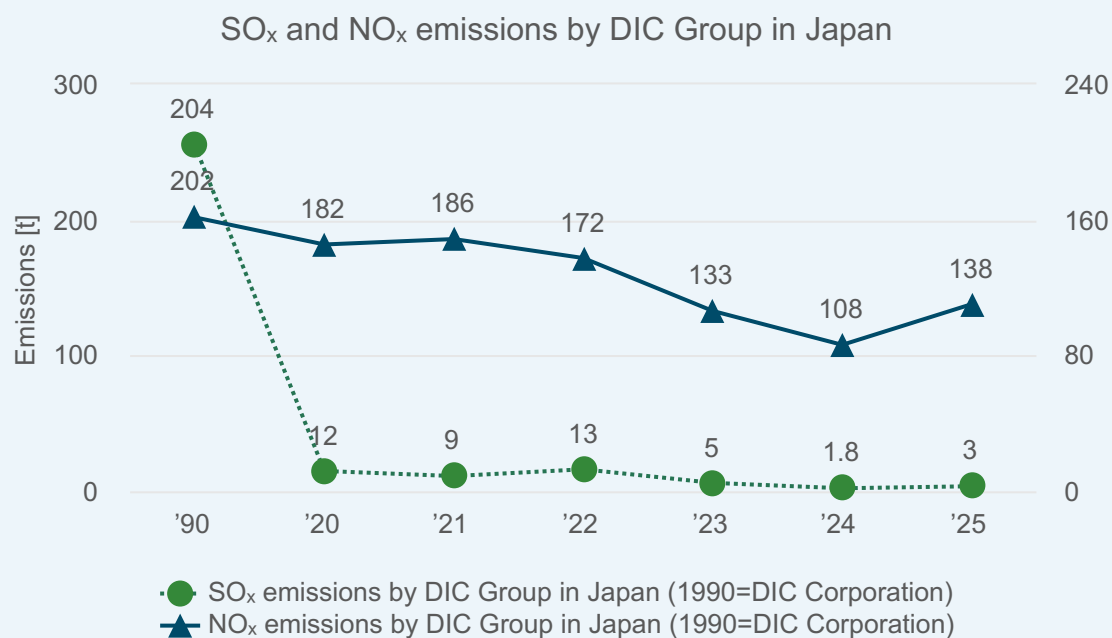


Targeted Chemical Substances for Which Emissions Exceeded 10 Tonnes in 2025

Substance	DIC Group in Japan
	Total Environmental Emissions [t]
Ethyl acetate	67
Toluene	24
Methyl ethyl ketone	19

In 2025, the DIC Group in Japan surveyed 462 Class I Designated Chemical Substances under the PRTR system, 89 substances subject to the Japan Chemical Industry Association survey, excluding Class I Designated Chemical Substances, and one substance group consisting of chain hydrocarbons with four to eight carbon atoms. Of these, 113 substances were subject to survey within the DIC Group in Japan.

Reducing SO_x, NO_x and COD



Complying with Regulations Governing Emissions of Dioxins in Japan

Dioxin Concentrations in Waste Gas and Wastewater Emissions for Incinerators of DIC Group in Japan in 2025

Site	Waste Gas				Wastewater			
	Standard [ng TEQ/m ³]	Emissions [pg TEQ/m ³]			Standard [ng TEQ/L]	Emissions [pg TEQ/L]		
		2025	2024	2023		2025	2024	2023
Chiba Plant (DIC Corporation)	5	880	740	190	10	0.036	0.021	0.036
	0	0	0	0	10	2.1	3.5	2.7
Hokuriku Plant (DIC Corporation)	5	0.00036	0.0024	0	10	0.0078	0.00038	0.0027
Sakai Plant (DIC Corporation)	5	0.0009	0.0024	0.00051	NA	0	0	
Sakai Plant (DIC Material Inc.)	5	0.00087	0.0042	0.00063	NA	0	0	
Hokkaido Plant (DIC Kitanihon Polymer Co., Ltd.)	10	0	0		NA	0	0	
Tohoku Plant (DIC Kitanihon Polymer Co., Ltd.)	10	0	14	3	NA	0	0	

E2-5 Substances of Concern and Substances of Very High Concern

The DIC Group manages chemical substances in accordance with regulatory requirements and industry initiatives aimed at minimizing risks to human health and the environment.

Through its Responsible Care® program and chemical substance information management systems, the Group identifies, evaluates, and manages substances of concern across the product life cycle, including manufacturing, handling, transportation, use, and disposal stages.

Management measures include:

- Compliance with applicable chemical regulations in operating jurisdictions
- Monitoring of substances subject to PRTR and comparable regulatory schemes
- Risk assessment procedures for hazardous chemical handling
- Operational controls designed to prevent environmental releases

The Group's chemical substance information management framework supports responsible substitution, safe handling practices, and reduction of environmental emissions associated with hazardous substances.

The tables below present aggregated information regarding substances of concern (SoC) and substances of very high concern (SVHC) present in raw materials and in products placed on the market. In certain applications, some substances of concern are used as reactive substances or processing components during manufacturing and are subsequently transformed or fully reacted as part of the production process. As a result, the characteristics and concentrations present in final products may differ from those of the original input substances, and reported volumes in products placed on the market are generally lower than those present in raw materials. In some cases, including certain lamination adhesive applications, SoC and SVHC may be present in the product as supplied but are designed to react during use and are not intentionally present in the final article with which the end consumer interacts. The Group manages these substances through its product stewardship and chemical substance management processes, with the objective of providing products that are safe for their intended use while complying with applicable regulatory requirements.

Note: Quantitative disclosures related to SoC and SVHC will be expanded as global data consolidation progresses.

Substances of Concern (SoC)

Information about Substances of Concern (SoC) - Total Volumes (Aggregated) from Upstream User [t/a]

Hazard Class	2025	2024	2023
Carcinogenicity Category 1	2,374	2,537	1,694
Carcinogenicity Category 2	9,152	10,711	8,665
Chronic Hazard to the Aquatic Environmental Category 1	6,180	7,228	5,570
Chronic Hazard to the Aquatic Environmental Category 2	10,139	10,464	8,520
Chronic Hazard to the Aquatic Environmental Category 3	14,701	15,287	12,670
Chronic Hazard to the Aquatic Environmental Category 4	1,905	2,256	1,871
Endocrine Disruption for the Environment	0	0	0
Endocrine Disruption for Human Health	0	0	0
Germ Cell Mutagenicity Category 1	61	48	48
Germ Cell Mutagenicity Category 2	2,227	1,907	1,393
Specific Target Organ Toxicity, Single Exposure Category 1	542	490	427
Specific Target Organ Toxicity, Single Exposure Category 2	0	0	0
Specific Target Organ Toxicity, Repeated Exposure Category 1	2,091	2,176	1,498
Specific Target Organ Toxicity, Repeated Exposure Category 2	8,723	10,413	7,872
Hazardous to the Ozone Layer	0	0	0
Persistent, Bioaccumulative and Toxic or Very Persistent, Very Bioaccumulative Properties	0	0	0
Persistent, Mobile and Toxic or Very Persistent, Very Mobile Properties	0	0	0
Reproductive Toxicity Category 1	1,138	1,066	853
Reproductive Toxicity Category 2	3,951	5,025	3,202
Respiratory Sensitisation Category 1	11,153	12,554	11,884
Skin Sensitisation Category 1	30,514	34,304	28,428

Note: This information is based exclusively on data provided by Sun Chemical.

Information about Substances of Concern (SoC) - Total Volumes (Aggregated) to Downstream User [t/a]

Hazard Class	2025	2024	2023
Carcinogenicity Category 1	189	238	267
Carcinogenicity Category 2	1,324	1,640	1,656
Chronic Hazard to the Aquatic Environmental Category 1	2,231	3,011	3,325
Chronic Hazard to the Aquatic Environmental Category 2	8,158	8,141	8,544
Chronic Hazard to the Aquatic Environmental Category 3	5,047	4,735	4,727
Chronic Hazard to the Aquatic Environmental Category 4	2,290	2,359	2,566
Endocrine Disruption for the Environment	0	0	0
Endocrine Disruption for Human Health	0	0	0
Germ Cell Mutagenicity Category 1	1	1	1
Germ Cell Mutagenicity Category 2	69	69	54
Specific Target Organ Toxicity, Single Exposure Category 1	27	27	36
Specific Target Organ Toxicity, Single Exposure Category 2	0	0	0
Specific Target Organ Toxicity, Repeated Exposure Category 1	933	789	663
Specific Target Organ Toxicity, Repeated Exposure Category 2	3,598	5,710	8,839
Hazardous to the Ozone Layer	0	0	0
Persistent, Bioaccumulative and Toxic or Very Persistent, Very Bioaccumulative Properties	0	0	0
Persistent, Mobile and Toxic or Very Persistent, Very Mobile Properties	0	0	0
Reproductive Toxicity Category 1	307	307	303
Reproductive Toxicity Category 2	1,638	3,698	6,813
Respiratory Sensitisation Category 1	828	807	708
Skin Sensitisation Category 1	22,245	23,669	23,053

Note: This information is based exclusively on data provided by Sun Chemical.

Substances of Very High Concern (SVHC)

Information on Substances of Very High Concern (SVHC)

Total Volumes (Aggregated) from Upstream User [t/a]

Hazard Class	2025	2024	2023
Carcinogenic Substances	890	648	588
Substances with Endocrine-Disrupting Properties for the Environment	710	978	640
Substances with Endocrine-Disrupting Properties for Human Health	0	105	1
Substances of Equivalent Concern for the Environment	8	10	3
Substances of Equivalent Concern for Human Health	121	105	56
Mutagenic Substances	0	0	0
Persistent, Bioaccumulative and Toxic (PBT) Substances	3	4	3
Substances Toxic to Reproduction	271	241	208
Very Persistent and Very Bioaccumulative (vPvB) Substances	6	5	3

Note: This information is based exclusively on data provided by Sun Chemical.

Information on Substances of Very High Concern (SVHC)

Total Volumes (Aggregated) to Downstream User [t/a]

Hazard Class	2025	2024	2023
Carcinogenic Substances	129	156	158
Substances with Endocrine-Disrupting Properties for the Environment	131	383	621
Substances with Endocrine-Disrupting Properties for Human Health	2	2	2
Substances of Equivalent Concern for the Environment	16	15	16
Substances of Equivalent Concern for Human Health	15	14	14
Mutagenic Substances	0	0	0
Persistent, Bioaccumulative and Toxic (PBT) Substances	3	3	3
Substances Toxic to Reproduction	186	196	196
Very Persistent and Very Bioaccumulative (vPvB) Substances	4	4	5

Note: This information is based exclusively on data provided by Sun Chemical.

E2-6 Anticipated Financial Effects From Material Pollution-Related Risks and Opportunities

Financial Effects of Pollution Incidents

The DIC Group manages environmental risks, including those related to pollution and contamination, through monitoring, compliance with applicable regulations, and site-level management practices.

The DIC Group continuously assesses potential risks arising from past operations, changes in land use, and evolving regulatory requirements, and works to reduce associated financial risks.

Specifically, Sun Chemical manages potential soil and groundwater contamination risks through its Environment, Health and Safety policy framework. Environmental releases or non-conformances identified at the site level are managed in accordance with internal procedures and applicable local regulations.

Environmental management activities, including monitoring and compliance measures, may result in ongoing operational costs. The Group continues to monitor regulatory developments and site conditions to manage potential financial risks associated with environmental impacts.

E3 - Water

E3-1 Policies Related to Water

The DIC Group manages water impacts under its **ESH Policy**, and works to identify water-related risks associated with its business activities while promoting the effective use of water resources.

Water resource management is recognized as a global sustainability priority for the Group's manufacturing operations. Water is withdrawn from multiple sources and used primarily for production processes, including equipment cooling, cleaning operations, and product manufacturing. Wastewater generated from operations is treated prior to discharge in accordance with internal standards that meet or exceed applicable legal requirements in each jurisdiction of operation.

The Group's water management approach includes:

- Assessing water-related risks at production sites worldwide
- Promoting efficient use of water resources through operational controls and recycling measures
- Preventing adverse impacts on receiving water bodies through advanced wastewater treatment
- Ensuring compliance with local regulations and voluntary internal standards

Water stewardship is integrated into broader environmental management systems, including ISO 14001 certified environmental management systems at a significant proportion of production sites.

More specifically at Sun Chemical, water management commitments are implemented through the **SunCare®** Environment, Health and Safety management system, which integrates environmental protection, occupational health, and safety objectives. Under this framework, senior leadership is responsible for setting and reviewing ESH objectives, prioritizing risk mitigation, and promoting best practices for reducing emissions to air, water, and land while conserving natural resources.

Together, these policies form the foundation for managing the Group's material impacts, risks, and opportunities related to water and marine resources.

E3-2 Actions and Resources Related to Water

Water Risk Assessment

The DIC Group conducts structured water risk assessments across its global operations. Water risks are classified into categories including:

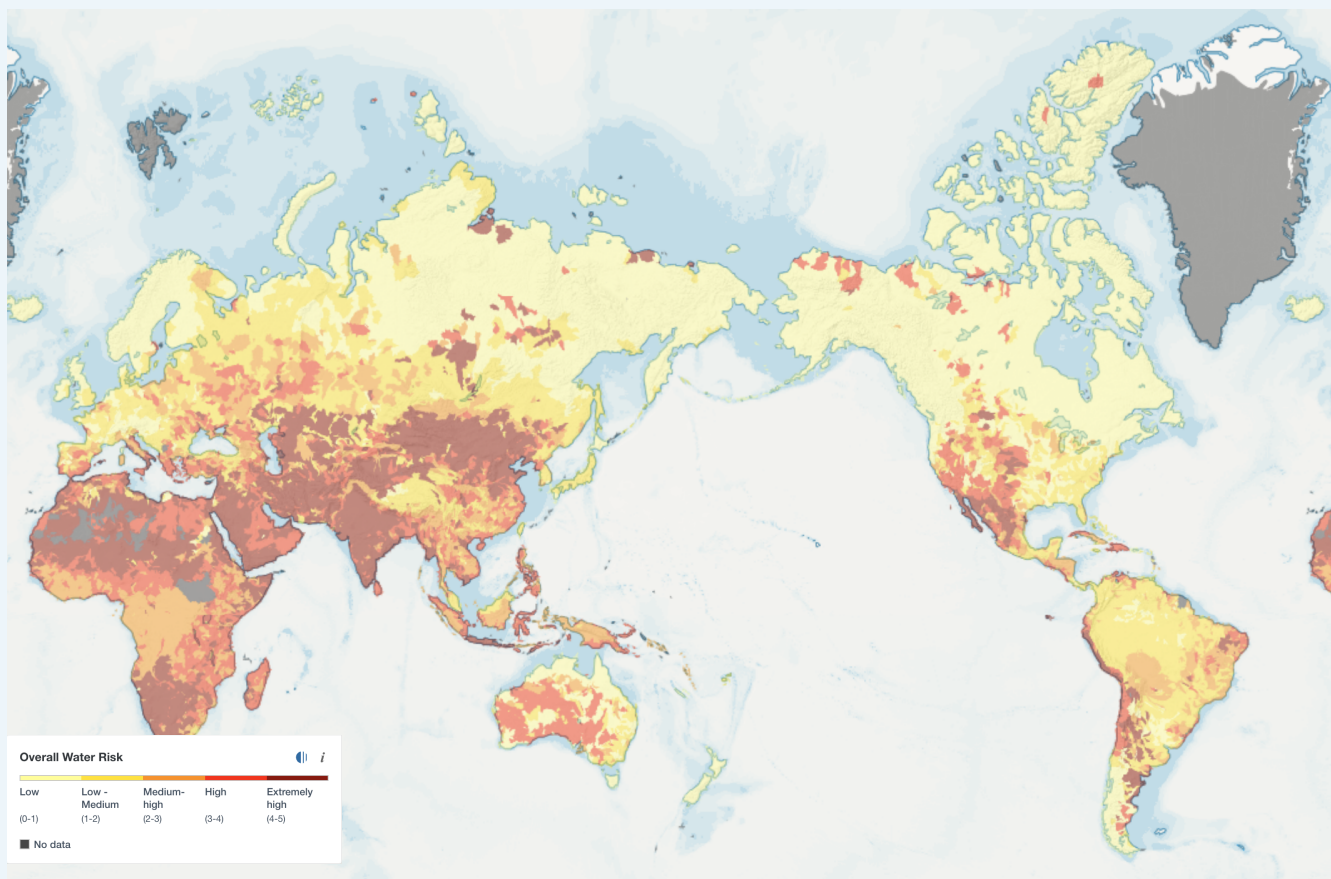
- Drought and water scarcity
- Flood risk
- Water quality risk

Each production site is evaluated using two assessment dimensions:

1. Regional water risk, assessed using the Aqueduct Water Risk Atlas
2. Operational water risk, evaluated through an internally developed questionnaire

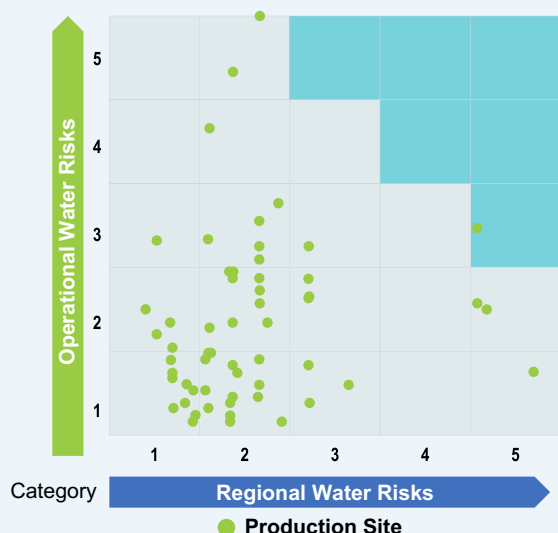
Sites scoring high on both dimensions are classified as high-risk locations.

Assessment of Regional Water Risks Using Aqueduct



Source: WRI Aqueduct, accessed on July 1, 2026, <https://www.wri.org/aqueduct/faq>

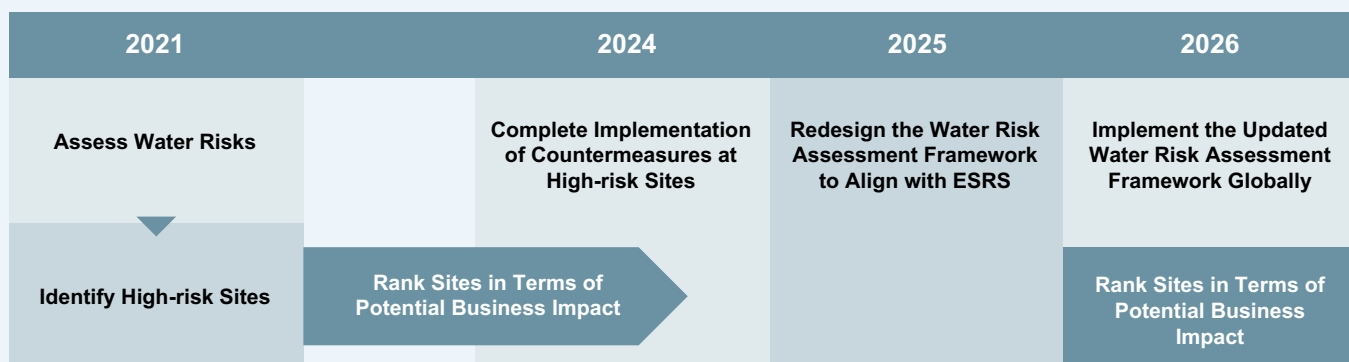
Mapping of Regional and Operational Water Risks



This assessment identified 16 potentially high-risk sites. Countermeasures aimed at reducing water-related risk levels were implemented progressively between 2021 and 2024, with all planned measures completed during this period. As a result of these measures, water risk ratings at the identified sites improved. Implementation progress served as a key internal performance target and in the current evaluation period, no facilities have been identified as high-risk across the Group.

Based on the DIC Group-wide assessment results, no Sun Chemical sites were identified as high-risk under the existing assessment methodology.

Water Risk Assessment Road Map (Fiscal Years 2021-2026)



From 2026 onwards, the Group plans to introduce an updated water risk assessment framework aligned with ESRS requirements.

Operational Water Management Actions

To manage water consumption and wastewater-related risks, the Group implements the following actions:

- Use of cooling towers and recycling systems to reduce freshwater withdrawals
- Continuous monitoring and purification of wastewater prior to discharge
- Process improvements to improve water efficiency
- Regular environmental audits and monitoring under ESH management systems

Most water used by the Group supports equipment cooling and industrial processes. Recycling systems are applied where feasible to minimize freshwater demand.

Wastewater generated from production activities is treated to quality levels meeting or exceeding regulatory discharge standards, reducing potential impacts on local water environments.

At production facilities, wastewater generated from manufacturing processes undergoes treatment processes appropriate to the characteristics of the wastewater, including oil–water separation, activated sludge treatment, cooling, and activated carbon treatment where required prior to discharge.

Examples of operational initiatives include wastewater recycling and reuse activities at DIC Siam Chemical Industry (Thailand) and DIC General Research Laboratory (Chiba Prefecture, Japan).

At DIC Siam Chemical Industry, wastewater treatment and recycling measures have contributed to zero wastewater emissions from operations. At DIC General Research Laboratory, approximately 60 m³ per day of industrial water supplied from groundwater is treated through an on-site closed-loop treatment process, supporting reductions in freshwater intake and more effective utilization of water resources. The Group is also proceeding with plans to introduce ultrapure water equipment to improve reclaimed water quality and further reduce future water intake requirements.

External Assessment and Continuous Improvement

The DIC Group participates in external environmental disclosure initiatives, including CDP's Water Security program, in which the Group received a score of B for the reporting year. These assessments support benchmarking against global peers and contribute to the continuous improvement of water risk management and water stewardship practices.

E3-3 Targets Related to Water

The DIC Group establishes voluntary water management targets while ensuring full compliance with applicable water-related regulations in all countries of operation.

Targets focus on:

- Continuous improvement in water use efficiency
- Reduction of operational water consumption where technically feasible
- Implementation of countermeasures at sites identified through water risk assessments

Water-related objectives are reviewed periodically within the ESH management framework and supported by site-level operational initiatives.

Additionally, Sun Chemical maintains voluntary water-related performance objectives under the SunCare® framework, including a target to reduce water intensity by 10% by 2030 from a 2019 baseline, aligned with the Group's broader environmental performance goals.

E3-4 Water Metrics

The DIC Group collects and manages water data in accordance with internationally recognized reporting standards, including alignment with GRI methodologies.

Water intake and discharge volumes are primarily monitored as follows:

Water Intake

- Direct metering systems
- Utility invoices and verified operational records.

Water Discharge

- Direct metering systems
- Utility invoices and verified operational records
- Estimates based on calculation formulas.

The DIC Group continues to enhance its global data collection systems to improve data comparability and reporting accuracy in alignment with ESRS requirements.

The reduction in total water intake in 2025 reflects ongoing operational optimization and efficiency improvements across production sites. The absence of reported water intake in areas classified as water risk in 2025 reflects changes in operational scope and site classification following earlier risk mitigation activities. Water intake and discharge volumes are primarily determined using metered measurements or supplier invoice data, while water storage volumes are measured or estimated depending on site configuration. Where estimation methods are applied, documented assumptions are maintained at site level to support data consistency and reliability.

Water Withdrawal [1,000m³]

Region	Surface water	Groundwater	Rainwater	Wastewater generated by other organizations	Tap water/ industrial water	Others	Total
2025							
DIC Group in Japan	21	1,590	0	0	11,059	14	12,684
DIC Group in Greater China	3	90	101	0	416	0	610
DIC Group in Asia-Pacific	1,467	77	4	0	595	43	2,186
Other DIC Group Companies	1,098	0	0	0	43	0	1,141
Sun Chemical NA	0	863	0	0	2,377	0	3,239
Sun Chemical EMEA	11,930	1,034	0	0	289	1,072	14,324
Sun Chemical Asia	1,035	5	0	0	9	0	1,049
Sun Chemical SCLA	0	7	0	0	27	0	34
DIC Group Total	15,554	3,665	106	0	14,815	1,129	35,268
2024							
DIC Group in Japan	26	1,512	0	0	11,526	20	13,084
DIC Group in Greater China	6	99	135	0	702	0	942
DIC Group in Asia-Pacific	1,726	88	4	0	666	50	2,534
Other DIC Group Companies	161	0	0	0	46	0	207
Sun Chemical NA	0	813	0	0	2,492	0	3,305
Sun Chemical EMEA	13,375	1,500	0	0	415	0	15,290
Sun Chemical Asia	1,099	7	0	0	14	0	1,120
Sun Chemical SCLA	0	1	0	0	39	0	40
DIC Group Total	16,393	4,019	139	0	15,900	70	36,521

E4 - Biodiversity and Ecosystems

E4-2 Policies Related to Biodiversity and Ecosystems

The DIC Group has formulated the [DIC Group Biodiversity Policy](#). This policy outlines the Group's responsibilities, goals and metrics for preserving biodiversity and was established in 2023 with the aim of contributing actively to the conservation and protection of biodiversity while also minimizing the Group's impact on the environment.

Policy Framework and Core Elements

This policy is implemented based on the following three elements:

- **Impact assessment:** Regular assessment of operational and value chain impacts on biodiversity, ensuring results are integrated into evolving mitigation strategies.
- **Operational integrity:** Minimization of environmental impacts through reduced emissions, waste, and hazardous substance releases, with operational practices designed to limit physical disturbance to local habitats.
- **Local engagement:** Collaboration with local communities to support biodiversity conservation and incorporate local ecological perspectives.

This policy framework guides the identification, management, and mitigation of biodiversity-related impacts across the Group.

Key Policy Commitments

The biodiversity policy establishes specific commitments across multiple areas:

- **Impact Assessment:** Assess biodiversity impacts, including those linked to upstream raw materials, and mitigate them.

- **Local Ecosystems:** Conduct operations in ways that avoid damage to local habitats.
- **Sustainable Procurement & Traceability:** Source materials in a way that minimizes biodiversity impacts and enhance traceability using supplier assessments (e.g., questionnaires, and the DIC Group Sustainable Procurement and Green Procurement Guidelines.)
- **Pollution Prevention & Circularity:** Minimize pollutant releases and reduce environmental impacts through the Group's 5R framework to improve recyclability and reduce virgin material reliance.
- **Innovation, Training and Community Engagement:** Promote biodiversity-friendly products and services, educate employees, and work with local communities on biodiversity initiatives.

Governance and Reporting

The biodiversity policy is supported by broader Group initiatives related to circular economy, waste management, and sustainable procurement.

During the reporting year, the DIC Group conducted desktop assessments covering global production facilities and R&D centers to evaluate proximity to biodiversity-sensitive areas and assess potential operational impacts on nearby ecosystems. The Group plans to further review these assessment results to identify sites with elevated biodiversity-related risks and implement appropriate measures to address these risks where necessary.

The Group also integrates biodiversity considerations into broader circular economy, waste management, and sustainable procurement initiatives. Through its 5R framework, the DIC Group promotes reduction of virgin-material use, improved recyclability, resource circulation, and waste reduction across the value chain, including raw material procurement, product design, manufacturing, logistics, and post-use recovery and reuse activities.

In addition, as part of the DIC Group, Sun Chemical continues to promote the use of sustainably sourced bio-based raw materials and develops products designed to support recycling and improve end-of-life outcomes. Biodiversity-related considerations are also incorporated into supplier engagement activities, including sustainability questionnaires and raw material assessments conducted through the Group’s sustainable procurement frameworks.

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GRI Standards

Statement of Use

In this report, DIC Corporation presents information with reference to the GRI Standards for fiscal year 2025 (January 1, 2025 - December 31, 2025). The report also contains some information from before and after fiscal year 2025.

GRI 1 Used

GRI 1: Foundation 2021

Applicable GRI Sector Standards The Company complies with applicable sector standards as soon as they are made public.

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Standard - GRI 1: Foundation 2021			
Standard - GRI 2: General Disclosures 2021			
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2-25	Processes to remediate negative impacts	G1-1 Business Conduct Policies and Corporate Culture Policy and Commitment	P132-133
		S1-2 Engagement with Own Workforce and Workers' Representatives, Existence of Channels for Own Workforce to Raise Concerns or Needs and Approaches to Remedy	P92-95
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2-26	Mechanisms for seeking advice and raising concerns	G1-1 Business Conduct Policies and Corporate Culture Policy and Commitment (Grievance and Whistleblower Systems)	P133
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3-2	List of material topics	IRO-2 Material Impacts, Risks and Opportunities and Disclosure Requirements Included in the Sustainability Statement	P56-57
3-3	Management of material topics	IRO-2 Material Impacts, Risks and Opportunities and Disclosure Requirements Included in the Sustainability Statement, Pages Related to Each Materiality Topic	P56-57
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201-2	Financial implications and other risks and opportunities due to climate change	E1-2 Climate Related Risk and Scenario Analysis	P60-63
201-3	Defined benefit plan obligations and other retirement plans	Annual Securities Report	P139-140
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Standard - GRI 202: Market Presence 2016			
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Standard - GRI 203: Indirect Economic Impacts 2016			
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Standard - GRI 204: Procurement Practices 2016			
204-1	Proportion of spending on local suppliers	—	
Standard - GRI 205: Anti-corruption 2016			
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205-2	Communication and training about anti-corruption policies and procedures	G1-1 Business Conduct Policies and Corporate Culture Policy and Commitment (Training and Awareness)	P133

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207-3	Stakeholder engagement and management of concerns related to tax	G1-1 Business Conduct Policies and Corporate Culture Policy and Commitment (Approach to Taxation)	P135
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Standard - GRI 303: Water and Effluents 2018			
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Standard - GRI 304: Biodiversity 2016			
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304-4	IUCN Red List species and national conservation list species with habitats in areas affected by operations	—	
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		S2-4 Taking Action on Material Impacts on Value Chain Workers, and Approaches to Managing Material Risks and Pursuing Material Opportunities Related to Value Chain Workers, and Effectiveness of Those Actions	P150-151
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Standard - GRI 401: Employment 2016			
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402-1	Minimum notice periods regarding operational changes	—	
Standard - GRI 403: Occupational Health and Safety 2018			
403-1	Occupational health and safety management system	S1-13 Health and Safety Metrics	P117-126
403-2	Hazard identification, risk assessment, and incident investigation	S1-13 Health and Safety Metrics	P117-126
403-3	Occupational health services	S1-3 Actions and Resources Related to Own Workforce (Health and Productivity Management Initiatives in DIC Group in Japan)	P100-103
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403-8	Workers covered by an occupational health and safety management system	S1-13 Health and Safety Metrics	P117

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		S1-13 Health and Safety Metrics (Frequency Rate of Lost-Time Injuries in DIC Group in Japan)	P121-125
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Standard - GRI 404: Training and Education 2016			
404-1	Average hours of training per year per employee	S1-12 Training and Skills Development Metrics	P115
404-2	Programs for upgrading employee skills and transition assistance programs	S1-3 Actions and Resources Related to Own Workforce	P96
404-3	Percentage of employees receiving regular performance and career development reviews	S1-12 Training and Skills Development Metrics	P115-116
Standard - GRI 405: Diversity and Equal Opportunity 2016			
405-1	Diversity of governance bodies and employees	S1-8 Diversity Metrics	P111-112
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405-2	Ratio of basic salary and remuneration of women to men	—	
Standard - GRI 406: Non-discrimination 2016			
406-1	Incidents of discrimination and corrective actions taken	S1-16 Incidents of Discrimination and Other Human Rights Incidents	P129-130
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407-1	Operations and suppliers in which the right to freedom of association and collective bargaining may be at risk	S1-7 Collective Bargaining Coverage and Social Dialogue	P110
Standard - GRI 408: Child Labor 2016			
408-1	Operations and suppliers at significant risk for incidents of child labor	S2 - Building Sustainable Supply Chains (Human Rights Due Diligence in the Supply Chain)	P146
		G1-2 Management of Relationships with Suppliers	P136-141
Standard - GRI 409: Forced or Compulsory Labor 2016			
409-1	Operations and suppliers at significant risk for incidents of forced or compulsory labor	S2 - Building Sustainable Supply Chains	P146
		G1-2 Management of Relationships with Suppliers	P136-141
Standard - GRI 410: Security Practices 2016			
410-1	Security personnel trained in human rights policies or procedures	—	
Standard - GRI 411: Rights of Indigenous Peoples 2016			
411-1	Incidents of violations involving rights of indigenous peoples	—	
Standard - GRI 413: Local Communities 2016			
413-1	Operations with local community engagement, impact assessments, and development programs	SBM-2 Interests and Views of Stakeholders (Social Contribution and Community Engagement)	P45-49
413-2	Operations with significant actual and potential negative impacts on local communities	—	
Standard - GRI 414: Supplier Social Assessment 2016			
414-1	New suppliers that were screened using social criteria	G1-2 Management of Relationships with Suppliers	P136-141
		S2 - Building Sustainable Supply Chains	P145-147
414-2	Negative social impacts in the supply chain and actions taken	G1-2 Management of Relationships with Suppliers	P136-141
		S2-4 Taking Action on Material Impacts on Value Chain Workers, and Approaches to Managing Material Risks and Pursuing Material Opportunities Related to Value Chain Workers, and Effectiveness of Those Actions	P150-151
Standard - GRI 415: Public Policy 2016			
415-1	Political contributions	G1-5 Political Influence and Lobbying Activities	P143
Standard - GRI 416: Customer Health and Safety 2016			
416-1	Assessment of the health and safety impacts of product and service categories	S4-4 Taking Action on Material Impacts on Consumers and End-Users, and Approaches to Managing Material Risks and Pursuing Material Opportunities Related to Consumers and End-Users, and Effectiveness of Those Actions	P155-161

	Disclosures	Relevant Disclosure	Page(s)
416-2	Incidents of non-compliance concerning the health and safety impacts of products and services	—	
Standard - GRI 417: Marketing and Labeling 2016			
417-1	Requirements for product and service information and labeling	S4-4 Taking Action on Material Impacts on Consumers and End-Users, and Approaches to Managing Material Risks and Pursuing Material Opportunities Related to Consumers and End-Users, and Effectiveness of Those Actions	P155-161
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417-2	Incidents of non-compliance concerning product and service information and labeling	—	
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Standard - GRI 418: Customer Privacy 2016			
418-1	Substantial complaints concerning breaches of customer privacy and losses of customer data	Initiatives to Ensure Information Security (Privacy and Customer Data)	P36-37

Verification Opinion

Verification Opinion



20 May 2026
Opinion No : SGS26/007

Mr. Takashi Ikeda
Representative Director, President and CEO
DIC Corporation
DIC Building, 7-20, Nihonbashi 3-chome, Chuo-ku, Tokyo, Japan

Objective

SGS Japan Inc. (hereinafter referred to as "SGS") was commissioned by DIC Corporation (hereinafter referred to as "the Organization") to conduct independent verification based on Criteria of Verification (ISO14064-3: 2019 and the SGS verification protocol) regarding the data prepared by the Organization on the scope of verification (hereinafter referred to as "the Statement"). The objective of this verification is to confirm that the Statement in the Organization's applicable scope has been correctly calculated and reported in the Statement in conformance with the criteria, and to express our views as a third party. The Organization is responsible for the preparation and fair presentation of the Statement.

Scope

The scope of verification is Scope 1 emissions, Scope 2 emissions, Scope 3 emissions, amount of water, waste amount and the data of female managers.

The period subject to report is from 1 January 2025 to 31 December 2025.

Refer to the attached sheet for the detailed scope of verification.

Procedure of Verification

The Statement was verified in accordance with Criteria of Verification, and the following processes were implemented at a limited level of assurance:

- Verification of the calculation system: Interviews on the measurement, tabulation, calculation, and reporting methods employed by the Organization as well as review of related documents and records
- Verification of the Statement: On-site verification and voucher review conducted at the Hokuriku Plant and the Saitama Plant, and analytical procedures and interviews for the other sites in the scope of verification carried out at the head office

The criteria for this review are based on "GHG Emissions Calculation and Reporting Manual Ver. 6.0", "Basic Guidelines on Accounting for Greenhouse Gas Emissions throughout the Supply Chain, Ver. 2.7" and "the protocol specified by the Organization".

Conclusion

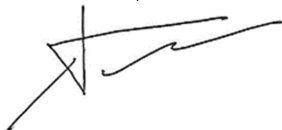
Within the scope of the verification activities employing the methodologies mentioned above, nothing has come to our attention that caused us to believe that the Organization's Statement was not calculated and reported in conformance with the criteria.

SGS Japan Inc. affirms our independence from the Organization, being free from bias and conflicts of interest with the Organization.

For and on behalf of SGS Japan Inc.

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Business Assurance
Head of Certification/Accreditation

Yuji Takeuchi



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Attached file

20 May 2026

Opinion No : SGS26/007

The details of the scope of verification

The Scope		The Boundary	The Statement
1	The performance data Scope1 and 2 limited CO ₂	The DIC Group *The consolidated subsidiaries in the securities report *excluding non-energy CO ₂ at Sun Chemical Corporation	Scope1 : 269,151 t-CO ₂ Scope2 : 264,240 t-CO ₂
2	Scope 3 (Category5)	The DIC Group *The consolidated subsidiaries in the securities report Limited to production and laboratory sites	123,828 t-CO ₂
3	Amount of hazardous waste *including valuables	DIC Corporation and Japanese consolidated companies Production and laboratory sites (9 companies 24sites)	Generation amount:12,216 t Emission amount from facilities: 11,012 t Recycled amount: 6,362 t Energy recovery incineration amount: 4,496 t Simple incineration amount (including neutralization): 1,325 t landfill amount: 34 t
4	Amount of non-hazardous waste *including generals and valuables	DIC Corporation and Japanese consolidated companies Production and laboratory sites (9 companies 24sites)	Generation amount: 25,130 t Emission amount from facilities: 18,964 t Recycled amount: 11,204 t Energy recovery incineration amount: 9,837 t Simple incineration amount (including neutralization): 3,897 t landfill amount: 192 t
5	Amount of water	DIC Corporation and Japanese consolidated companies Production and laboratory sites (9 companies 24sites)	Surface water: 21 thousand m ³ Ground water: 1,590 thousand m ³ Municipal water: 155 thousand m ³ Industrial water: 10,903 thousand m ³ Other: 14 thousand m ³ Total: 12,682 thousand m ³
6	The number and rate of female managers	DIC Corporation 31 December 2025	Number: 78 Rate: 8.64%

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