

ENGLISH TRANSLATION OF JAPANESE-LANGUAGE DOCUMENT

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Color & Comfort



MEMBERSHIP

Consolidated Financial Results for the Six Months Ended June 30, 2025 (Japan GAAP) (The fiscal year ending December 31, 2025)

August 8, 2025
Stock Exchange: Tokyo
Head Office: Tokyo
Tel: +81 (3) 6733-3000

Company Name: DIC Corporation

Listing Code Number: 4631

URL: <https://www.dic-global.com/en/>

Representative: Takashi Ikeda, Representative Director, President and CEO

Contact Person: Shigeki Takata, General Manager, Accounting Department

Preparation of Supplemental Explanatory Materials: Yes

Holding of Financial Results Meeting: Yes (for security analysts and institutional investors, etc.)

Scheduled Filing Date of Semiannual Securities Report: August 8, 2025

Dividend Payment: September 1, 2025

(Yen amounts are rounded to the nearest million, except for per share information)

1. Consolidated Financial Results for the Six Months Ended June 30, 2025 (January 1, 2025 - June 30, 2025)

(1) Consolidated operating results

(Percentages indicate year-on-year changes)

| | Net sales | | Operating income | | Ordinary income | | Net income attributable to owners of the parent | |
|--------------------------------|---------------|------|------------------|-------|-----------------|-------|---|-------|
| | JPY (million) | % | JPY (million) | % | JPY (million) | % | JPY (million) | % |
| Six months ended June 30, 2025 | 523,244 | -2.9 | 26,979 | 22.9 | 20,295 | 1.3 | 13,091 | 104.0 |
| Six months ended June 30, 2024 | 538,841 | 4.6 | 21,946 | 120.3 | 20,030 | 180.4 | 6,416 | 543.7 |

Note: Comprehensive income (JPY million):
Six months ended June 30, 2025 (404) (—%)
Six months ended June 30, 2024 50,635 (29.5%)

| | Earnings per share (basic) | Earnings per share (diluted) |
|--------------------------------|----------------------------|------------------------------|
| | JPY | JPY |
| Six months ended June 30, 2025 | 138.27 | — |
| Six months ended June 30, 2024 | 67.77 | — |

(2) Consolidated financial position

| | Total assets | Net assets | Shareholders' equity ratio to total assets |
|-------------------------|---------------|---------------|--|
| | JPY (million) | JPY (million) | % |
| As of June 30, 2025 | 1,204,791 | 415,120 | 32.9 |
| As of December 31, 2024 | 1,226,433 | 420,615 | 32.7 |

Reference: Shareholders' equity (JPY million): As of June 30, 2025 396,131 As of December 31, 2024 401,420

2. Cash Dividends

| | Cash dividends per share | | | | |
|---------------|--------------------------|--------------------|--------------------|----------|--------|
| (Record date) | End of 1st quarter | End of 2nd quarter | End of 3rd quarter | Year-end | Annual |
| | JPY | JPY | JPY | JPY | JPY |
| FY2024 | — | 50.00 | — | 50.00 | 100.00 |
| FY2025 | — | 50.00 | — | — | — |
| FY2025 (Plan) | — | — | — | 150.00 | 200.00 |

Note: Revision of the forecasts for the dividends payment: Yes

For details, please refer to "Notice Regarding Revision of Year-End Dividend Forecast for Fiscal Year 2025 (Ordinary Dividend Increase and Special Dividend)" released on August 8, 2025.

3. Forecasts for Consolidated Operating Results for the Fiscal Year Ending December 31, 2025 (January 1, 2025 - December 31, 2025)

(Percentages indicate year-on-year changes)

| | Net sales | | Operating income | | Ordinary income | | Net income attributable to owners of the parent | | Earnings per share (basic) |
|--------|---------------|------|------------------|------|-----------------|-----|---|------|----------------------------|
| | JPY (million) | % | JPY (million) | % | JPY (million) | % | JPY (million) | % | JPY |
| FY2025 | 1,060,000 | -1.0 | 50,000 | 12.3 | 40,000 | 5.5 | 24,000 | 12.6 | 253.48 |

Note: Revision of the latest forecasts for the consolidated operating results: Yes

For details, please refer to "1. Analysis of Results of Operations (3) Operating Results Forecasts for Fiscal Year 2025" on page 5.

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Notes

(1) Significant changes in the scope of consolidation during the six months ended June 30, 2025: None

Newly included: — (Company name) — Excluded: — (Company name) —

(2) Adoption of accounting methods which are exceptional for interim consolidated financial statements: Yes

For details, please refer to page 13, “3. Interim Consolidated Financial Statements, (4) Notes to Interim Consolidated Financial Statements, (Notes on Accounting Methods Which Are Exceptional for Interim Consolidated Financial Statements).

(3) Changes in accounting policies and accounting estimates, and restatements

1) Changes in accounting policies arising from revision of accounting standards: Yes

2) Changes in accounting policies other than 1): None

3) Changes in accounting estimates: None

4) Restatements: None

For details, please refer to page 13, “3. Interim Consolidated Financial Statements, (4) Notes to Interim Consolidated Financial Statements, (Notes on Changes in Accounting Policies).

(4) Number of shares issued (common stock)

1) Number of shares issued at the end of the period, including treasury shares

| | | | |
|---------------------|--------------------|-------------------------|-------------------|
| As of June 30, 2025 | 95,156,904 shares, | As of December 31, 2024 | 95,156,904 shares |
|---------------------|--------------------|-------------------------|-------------------|

2) Number of treasury shares at the end of the period

| | | | |
|---------------------|-----------------|-------------------------|----------------|
| As of June 30, 2025 | 475,950 shares, | As of December 31, 2024 | 474,948 shares |
|---------------------|-----------------|-------------------------|----------------|

3) Average number of shares issued during the period, excluding treasury shares

| | | | |
|--|--------------------|--|-------------------|
| For the six months ended June 30, 2025 | 94,681,416 shares, | For the six months ended June 30, 2024 | 94,674,633 shares |
|--|--------------------|--|-------------------|

* The Company has introduced the Board Benefit Trust (BBT), and the shares held by the trust are included in the number of treasury shares.

Note: **Interim consolidated financial results in this report are not subject to interim review procedures conducted by certified public accountants or audit firms.**

Note: **Explanation of the appropriate use of performance forecasts, and other special items**

Caution concerning forward-looking statements

The above forecasts of future performance are based on information available to the Company at the present time and are subject to potential risks and uncertainty. Accordingly, the users should be aware that actual results may differ from any expressed future performance herein due to various factors.

For information regarding the assumptions used to prepare the forecasts, please refer to page 5.

Table of Contents for Attached Materials

| | |
|---|----|
| 1. Analysis of Results of Operations..... | 2 |
| (1) Overview of Operating Results | 2 |
| (2) Segment Results | 3 |
| (3) Operating Results Forecasts for Fiscal Year 2025 | 5 |
| 2. Analysis of Financial Position | 6 |
| 3. Interim Consolidated Financial Statements | 7 |
| (1) Interim Consolidated Balance Sheet | 7 |
| (2) Interim Consolidated Statement of Income and Interim Consolidated Statement of Comprehensive Income | 9 |
| Interim Consolidated Statement of Income | 9 |
| Interim Consolidated Statement of Comprehensive Income | 10 |
| (3) Interim Consolidated Statement of Cash Flows | 11 |
| (4) Notes to Interim Consolidated Financial Statements | 13 |
| (Notes on Going Concern Assumption) | 13 |
| (Notes on Significant Changes in Shareholder's Equity) | 13 |
| (Notes on Accounting Methods Which Are Exceptional for Interim Consolidated Financial Statements) | 13 |
| (Notes on Changes in Accounting Policies)..... | 13 |
| (Additional Information) | 14 |
| (Notes on Segment Information, etc) | 15 |

1. Analysis of Results of Operations

(1) Overview of Operating Results

(Billions of yen)

| | Six months ended June 30, 2024 | Six months ended June 30, 2025 | Change (%) | Change (%) [Local currency basis] |
|--|-----------------------------------|-----------------------------------|---------------|--------------------------------------|
| Net sales | 538.8 | 523.2 | -2.9% | -0.5% |
| Operating income | 21.9 | 27.0 | 22.9% | 27.9% |
| Ordinary income | 20.0 | 20.3 | 1.3% | — |
| Net income attributable to owners of the parent | 6.4 | 13.1 | 104.0% | — |
| EBITDA * | 43.8 | 49.1 | 12.0% | — |
| ¥/US\$1.00 (Average rate) | 152.13 | 148.58 | -2.3% | — |
| ¥/EUR1.00 (Average rate) | 164.43 | 162.72 | -1.0% | — |

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

In the six months ended June 30, 2025, consolidated net sales slipped 2.9%, to ¥523.2 billion.

- Looking at key global economies in recent months, attention remained focused on the progress of negotiations among countries and regions following the United States' announcement of a reciprocal tariffs policy. Corporate and consumer behavior varied, reflecting an increasing wariness attributable to the uncertain economic outlook, with pre-tariff demand surges seen in some areas and tariff-induced buying restraint in others.
- In this environment, demand trends in core customer industries diverged. In the area of digital materials, used principally in electrical and electronics equipment and in displays, the display market saw a slight decline in operating rates among display manufacturers, but the semiconductor market was firm, propelled by growing demand for use in AI and semiconductor devices, among others. In industrial materials,* used primarily in mobility solutions, the potential impact of the U.S. tariff policy continued to be a cause of anxiety in the automobile market, but sales benefited from a temporary demand surge ahead of tariff imposition, as a result of which no sudden shift was seen.
- Against this backdrop, results varied for different products. The Packaging & Graphic segment reported a year-on-year decrease in overall sales of inks from the second quarter (April–June 2025) forward. Sales in the Color & Display segment also trended downward, particularly of pigments for coatings and for plastics. In the Functional Products segment, sales of high-value-added products for use in electronics equipment, including epoxy resins and industrial-use adhesive tapes, remained solid, while sales of polyphenylene sulfide (PPS) compounds and other products for mobility solutions were steady.

Operating income advanced 22.9%, to ¥27.0 billion. This was due mainly in the Color & Display segment, bolstered by sales price revisions implemented to boost margins, and to a return to profitability overseas after an operating loss in the corresponding period of the previous fiscal year, thanks to ongoing structural reforms in the pigments business in the United States and Europe, which pushed down costs.

Ordinary income, at ¥20.3 billion, was up 1.3%. Owing to the application of hyperinflationary accounting and other factors, including the rapid appreciation of the yen, foreign exchange losses mounted.

Net income attributable to owners of the parent climbed 104.0%, to ¥13.1 billion. This was a consequence of multiple factors, including a steep decrease in extraordinary losses compared with the six months ended June 30, 2024, when escalating severance costs arising from restructuring measures, together with a loss on sale of shares and investment in capital of subsidiaries and affiliates, caused extraordinary losses to soar.

Earnings before interest, taxes, depreciation and amortization (EBITDA) rose 12.0%, to ¥49.1 billion.

*DIC uses the term “industrial materials” to describe products for use in mobility solutions, namely, automobiles, railroads and shipping, and for general industrial applications such as construction equipment and industrial machinery.

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(2) Segment Results

(Billions of yen)

| | Net sales | | | | Operating income (loss) | | | |
|------------------------------------|-----------------------------------|-----------------------------------|------------|--------------------------------------|-----------------------------------|-----------------------------------|------------|--------------------------------------|
| | Six months ended June 30, 2024 | Six months ended June 30, 2025 | Change (%) | Change (%) [Local currency basis] | Six months ended June 30, 2024 | Six months ended June 30, 2025 | Change (%) | Change (%) [Local currency basis] |
| Packaging & Graphic | 280.8 | 268.8 | -4.3% | -1.1% | 15.2 | 13.4 | -11.9% | -5.2% |
| Color & Display | 134.3 | 132.0 | -1.7% | 0.5% | 0.4 | 5.7 | 13.1 times | 8.0 times |
| Functional Products | 144.7 | 143.0 | -1.2% | -0.4% | 10.8 | 10.9 | 0.8% | 1.3% |
| Others, Corporate and eliminations | (20.9) | (20.5) | — | — | (4.5) | (3.0) | — | — |
| Total | 538.8 | 523.2 | -2.9% | -0.5% | 21.9 | 27.0 | 22.9% | 27.9% |

Note: Effective from the six months ended June 30, 2025, the Group revised its segment classification for certain net sales and operating income in “Packaging & Graphic”, “Functional Products” and “Others, Corporate and eliminations”.

Accordingly, certain figures for the six months ended June 30, 2024 have been restated.

Packaging & Graphic

| | Six months ended June 30, 2024 | Six months ended June 30, 2025 | Change (%) | Change (%) [Local currency basis] |
|------------------|-----------------------------------|-----------------------------------|------------|--------------------------------------|
| Net sales | ¥280.8 billion | ¥268.8 billion | -4.3% | -1.1% |
| Operating income | ¥15.2 billion | ¥13.4 billion | -11.9% | -5.2% |

Segment sales declined 4.3%, to ¥268.8 billion. In the area of packaging inks, used chiefly on packaging for food products, shipments deteriorated in Japan, and in the Americas and Europe—the former due to rising prices, which dampened consumption, and the latter reflecting concerns regarding tariffs—but sales were up, bolstered by ongoing efforts to adjust sales prices. Shipments and sales prices in Asia and Oceania were buffeted by flagging market conditions and sales price competition, as a result of which sales waned everywhere except in the People’s Republic of China (PRC), which reported an increase attributable to initiatives aimed at fostering new customers and expanded marketing. Sales of publication inks, which center on inks for commercial printing and news inks, decreased, with dwindling demand pushing down shipments, notably in the Americas and Europe. Sales of jet inks, used in digital printing, rose, as shipments remained firm. Sales of polystyrene, applications for which include food trays, were sluggish, hampered by customer buying restraint.

Segment operating income fell 11.9%, to ¥13.4 billion. Operating income in Japan decreased, as steps taken to modify sales prices for packaging inks and publication inks were insufficient to counter elevated costs. Operating income overseas was also down, falling in Asia and Oceania, where sales flagged, as well as in the Americas and Europe, where falling shipments and exchange rate fluctuations arising from the depreciation of emerging market currencies, among others, undermined ongoing efforts to maintain sales prices by ensuring stable supplies and services. On a local currency basis, however, operating income in the Americas and Europe was up 1.6%.

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Color & Display

| | Six months ended June 30, 2024 | Six months ended June 30, 2025 | Change (%) | Change (%) [Local currency basis] |
|------------------|--------------------------------------|--------------------------------------|------------|--------------------------------------|
| Net sales | ¥134.3 billion | ¥132.0 billion | -1.7% | 0.5% |
| Operating income | ¥0.4 billion | ¥5.7 billion | 13.1 times | 8.0 times |

Segment sales edged down 1.7%, to ¥132.0 billion. On a local currency basis, however, segment sales were up 0.5%. Although shipments of pigments for coatings and for plastics decreased in the Americas and Europe, as concerns regarding U.S. tariff-driven inflation prompted temporary buying restraint, sales of these products expanded, underpinned by ongoing efforts to revise sales prices. Among high-value-added products, pigments for color filters, used in displays, advanced, notwithstanding a slight decline in operating rates among display manufacturers and shipments remaining flat, thanks to sales price adjustments. Sales of pigments for cosmetics fell, hindered by listless demand from cosmetics manufacturers in the Americas and Europe, the principal customers for these products, and other factors. Sales of pigments for specialty applications rose, despite slowing shipments of products used in building materials, as shipments of products for agricultural use continued to recover following the completion of inventory adjustments. Lower segment sales were also due to the absence of sales of liquid crystal materials as a result of withdrawal from this business.

The segment reported operating income of ¥5.7 billion, up 13.1 times, bolstered by price revisions aimed at improving margins and by ongoing structural reforms in the pigments business in the United States and Europe, which helped trim costs, underpinning a return to profitability overseas.

Functional Products

| | Six months ended June 30, 2024 | Six months ended June 30, 2025 | Change (%) | Change (%) [Local currency basis] |
|------------------|--------------------------------------|--------------------------------------|------------|--------------------------------------|
| Net sales | ¥144.7 billion | ¥143.0 billion | -1.2% | -0.4% |
| Operating income | ¥10.8 billion | ¥10.9 billion | 0.8% | 1.3% |

Segment sales slipped 1.2%, to ¥143.0 billion. In the area of digital materials, sales of epoxy resins, the foremost application for which is electronics equipment—including semiconductors—increased, as demand for semiconductors fueled firm shipments. Sales of industrial-use adhesive tapes, used mainly in smartphones and other mobile devices, rose owing to efforts to lock in demand, among others, which led to broader adoption. In the area of industrial materials, sales of materials for mobility solutions, including polyphenylene sulfide (PPS) compounds, remained solid, thanks to a last-minute demand rush in the automobile market ahead of the U.S. tariffs.

Segment operating income, at ¥10.9 billion, was up 0.8%. This was despite an increase in costs due to advance investments in the area of chemitronics, and reflected factors such as the progress of efforts to expand marketing of high-value-added products for use in electronics equipment and in mobility solutions and successful efforts to maintain sales prices for all products.

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(3) Operating Results Forecasts for Fiscal Year 2025

DIC has revised its operating results forecasts, published on May 15, 2025, as indicated below.

(Billions of yen)

| | FY2024 | FY2025 | Change (%) |
|---|---------|-----------------------------|------------|
| Net sales | 1,071.1 | 1,060.0 [1,110.0] | -1.0% |
| Operating income | 44.5 | 50.0 [48.0] | 12.3% |
| Ordinary income | 37.9 | 40.0 [44.0] | 5.5% |
| Net income attributable to owners of the parent | 21.3 | 24.0 | 12.6% |
| EBITDA | 95.7 | 99.0 [102.0] | 3.5% |
| ¥/US\$1.00 (Average rate) | 151.04 | 145.00 | -4.0% |
| ¥/EUR1.00 (Average rate) | 163.34 | 158.00 | -3.3% |

Note: Forecasts in squared parentheses are those published on May 15, 2025.

Reasons for Revision of Operating Results Forecasts

The outlook for the global economy is expected to remain uncertain for the foreseeable future, given the current status of the U.S. tariffs and the outcome of trade deal negotiations. In this environment, with demand failing to meet expectations in the automotive and other markets, shipments are expected to decline, even in key customer industries. As a result, net sales are now expected to fall short of initial forecasts.

Operating income is expected to exceed initial forecasts thanks to efforts to expand sales of high-value-added products, adjust sales prices and reduce costs, among others. However, ordinary income is likely to be lower than anticipated, owing to the application of hyperinflationary accounting and other factors, including the rapid appreciation of the yen, which are expected to push up foreign exchange losses.

In light of these circumstances, forecasts for net sales, operating income and ordinary income have been revised. The forecast for net income attributable to owners of the parent remains unchanged.

At a meeting of the Board of Directors held earlier today, DIC resolved to revise its year-end dividend forecast for fiscal year 2025 to ¥150.00 (comprising an ordinary dividend of ¥70.00 and a special dividend of ¥80.00), up from its initial forecast of ¥50.00. (For more information, please see the press release published today titled “Notice Regarding Revision of Year-End Dividend Forecast for Fiscal Year 2025.”)

Disclaimer Regarding Forward-Looking Statements

Statements herein, other than those of historical fact, are forward-looking statements that reflect management’s projections based on information available as of the publication date. These forward-looking statements are subject to risks and uncertainties that could cause actual results to differ from such statements. These risks and uncertainties include, but are not limited to, economic conditions in Japan and overseas, market trends, raw materials prices, interest rate trends, currency exchange rates, conflicts, litigations, disasters and accidents, as well as the possibility the Company will incur special losses related to the restructuring of its operations.

2. Analysis of Financial Position

(Analysis of assets, liabilities and net assets)

Total assets decreased ¥21.6 billion from the end of the previous consolidated fiscal year, to ¥1,204.8 billion, due to an impact of decrease in the yen-converted value of assets resulting from the exchange rate fluctuations as well as progress in depreciation and amortization of property, plant and equipment and intangible assets, despite increase in inventory. Total liabilities decreased ¥16.1 billion from the end of the previous consolidated fiscal year, to ¥789.7 billion, due to a decrease in the yen-converted value of liabilities resulting from the exchange rate fluctuations, a decrease in facility-related current liability, and others. In addition, net assets decreased ¥5.5 billion from the end of the previous consolidated fiscal year, to ¥415.1 billion, due to an increase in retained earnings caused by recording net income attributable to owners of parent and others, while a decrease in foreign currency translation adjustments accompanying the exchange rate fluctuations.

(Analysis of cash flow)

[Net cash provided by (used in) operating activities] Six months ended June 30, 2025, ¥21.5 billion

(¥14.5 billion for the six months ended June 30, 2024)

In the six months ended June 30, 2025, income before income taxes was ¥20.8 billion and depreciation was ¥26.2 billion. Income tax of ¥7.4 billion was paid and ¥19.0 billion was used in working capital. As a result, net cash provided by operating activities amounted to ¥21.5 billion.

[Net cash provided by (used in) investing activities] Six months ended June 30, 2025, ¥(15.5) billion

(¥(7.2) billion for the six months ended June 30, 2024)

In the six months ended June 30, 2025, while ¥3.4 billion was provided by the sales of shares and investments of subsidiaries and affiliates and ¥1.6 billion was provided by the sales of property, plant and equipment, ¥20.5 billion was used for the purchase of property, plant and equipment and intangible assets. As a result, net cash used in investing activities was ¥15.5 billion.

[Net cash provided by (used in) financing activities] Six months ended June 30, 2025, ¥(3.8) billion

(¥18.5 billion for the six months ended June 30, 2024)

In the six months ended June 30, 2025, while ¥2.6 billion lease payments were made and ¥4.7 billion dividend payments from surplus, ¥3.9 billion was procured through borrowings, etc. As a result, net cash used in financing activities amounted to ¥3.8 billion.

3. Interim Consolidated Financial Statements

(1) Interim Consolidated Balance Sheet

(Millions of yen)

| | Previous Fiscal Year as of December 31, 2024 | First Half of Current Fiscal Year as of June 30, 2025 |
|--|---|---|
| Assets | | |
| Current assets | | |
| Cash and deposits | 61,869 | 57,354 |
| Notes and accounts receivable - trade | 229,744 | 227,322 |
| Merchandise and finished goods | 169,546 | 183,080 |
| Work in process | 11,819 | 12,468 |
| Raw materials and supplies | 99,218 | 98,455 |
| Other | 40,229 | 33,308 |
| Allowance for doubtful accounts | (4,919) | (4,969) |
| Total current assets | 607,506 | 607,019 |
| Non-current assets | | |
| Property, plant and equipment | | |
| Buildings and structures, net | 133,918 | 128,203 |
| Machinery, equipment and vehicles, net | 135,666 | 129,486 |
| Tools, furniture and fixtures, net | 16,446 | 14,542 |
| Land | 57,780 | 56,641 |
| Construction in progress | 20,330 | 22,194 |
| Total property, plant and equipment | 364,141 | 351,065 |
| Intangible assets | | |
| Goodwill | 17,394 | 16,290 |
| Software | 14,142 | 12,696 |
| Customer-related assets | 10,676 | 10,217 |
| Other | 25,281 | 22,366 |
| Total intangible assets | 67,494 | 61,570 |
| Investments and other assets | | |
| Investment securities | 60,085 | 58,764 |
| Net defined benefit asset | 88,774 | 89,622 |
| Other | 38,499 | 36,816 |
| Allowance for doubtful accounts | (65) | (65) |
| Total investments and other assets | 187,293 | 185,137 |
| Total non-current assets | 618,927 | 597,773 |
| Total assets | 1,226,433 | 1,204,791 |

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(Millions of yen)

| | Previous Fiscal Year as of December 31, 2024 | First Half of Current Fiscal Year as of June 30, 2025 |
|---|---|---|
| Liabilities | | |
| Current liabilities | | |
| Notes and accounts payable - trade | 138,448 | 133,701 |
| Short-term loans payable | 81,253 | 88,691 |
| Commercial papers | — | 10,000 |
| Current portion of bonds payable | 10,000 | 10,000 |
| Income taxes payable | 4,485 | 2,764 |
| Provision for bonuses | 5,510 | 5,335 |
| Other | 93,375 | 85,271 |
| Total current liabilities | 333,071 | 335,762 |
| Non-current liabilities | | |
| Bonds payable | 100,000 | 100,000 |
| Long-term loans payable | 277,617 | 258,735 |
| Net defined benefit liability | 32,898 | 33,365 |
| Asset retirement obligations | 9,618 | 9,647 |
| Other | 52,614 | 52,164 |
| Total non-current liabilities | 472,748 | 453,910 |
| Total liabilities | 805,819 | 789,672 |
| Net assets | | |
| Shareholders' equity | | |
| Capital stock | 96,557 | 96,557 |
| Capital surplus | 94,234 | 94,234 |
| Retained earnings | 187,008 | 195,352 |
| Treasury shares | (1,498) | (1,501) |
| Total shareholders' equity | 376,301 | 384,641 |
| Accumulated other comprehensive income | | |
| Valuation difference on available-for-sale securities | 3,924 | 3,700 |
| Deferred gains or losses on hedges | 515 | 494 |
| Foreign currency translation adjustment | 34,587 | 20,746 |
| Remeasurements of defined benefit plans | (13,907) | (13,449) |
| Total accumulated other comprehensive income | 25,119 | 11,490 |
| Non-controlling interests | 19,194 | 18,988 |
| Total net assets | 420,615 | 415,120 |
| Total liabilities and net assets | 1,226,433 | 1,204,791 |

(2) Interim Consolidated Statement of Income and Interim Consolidated Statement of Comprehensive Income

Interim Consolidated Statement of Income

(Millions of yen)

| | Six Months Ended June 30, 2024 | Six Months Ended June 30, 2025 |
|--|-----------------------------------|-----------------------------------|
| Net sales | 538,841 | 523,244 |
| Cost of sales | 425,716 | 406,446 |
| Gross profit | 113,125 | 116,798 |
| Selling, general and administrative expenses | | |
| Employees' salaries and allowances | 34,923 | 34,254 |
| Provision of allowance for doubtful accounts | 565 | 298 |
| Provision for bonuses | 2,055 | 2,232 |
| Retirement benefit expenses | 203 | 129 |
| Other | 53,433 | 52,906 |
| Total selling, general and administrative expenses | 91,180 | 89,820 |
| Operating income | 21,946 | 26,979 |
| Non-operating income | | |
| Interest income | 2,262 | 1,390 |
| Dividends income | 360 | 206 |
| Foreign exchange gains | 288 | — |
| Equity in earnings of affiliates | 1,024 | 871 |
| Other | 984 | 776 |
| Total non-operating income | 4,917 | 3,243 |
| Non-operating expenses | | |
| Interest expenses | 4,913 | 3,181 |
| Foreign exchange losses | — | 4,813 |
| Other | 1,920 | 1,933 |
| Total non-operating expenses | 6,833 | 9,927 |
| Ordinary income | 20,030 | 20,295 |
| Extraordinary income | | |
| Gain on sales of shares and investments in capital of subsidiaries and affiliates | 939 | 1,725 |
| Gain on sales of non-current assets | 3,857 | 651 |
| Total extraordinary income | 4,796 | 2,377 |
| Extraordinary losses | | |
| Loss on disposal of non-current assets | 1,210 | 757 |
| Loss on sales of shares and investments in capital of subsidiaries and affiliates | 4,513 | 506 |
| Severance costs | 3,245 | 384 |
| Impairment losses | 175 | 225 |
| Total extraordinary losses | 9,143 | 1,872 |
| Income before income taxes | 15,683 | 20,799 |
| Income taxes | 8,677 | 7,444 |
| Net income | 7,006 | 13,355 |
| Net income attributable to non-controlling interests | 590 | 264 |
| Net income attributable to owners of the parent | 6,416 | 13,091 |

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Interim Consolidated Statement of Comprehensive Income

(Millions of yen)

| | Six Months Ended June 30, 2024 | Six Months Ended June 30, 2025 |
|--|-----------------------------------|-----------------------------------|
| Net income | 7,006 | 13,355 |
| Other comprehensive income | | |
| Valuation difference on available-for-sale securities | 1,901 | (207) |
| Deferred gains or losses on hedges | 177 | (21) |
| Foreign currency translation adjustment | 46,267 | (15,068) |
| Remeasurements of defined benefit plans | (4,900) | 470 |
| Share of other comprehensive income of affiliates accounted for using equity method | 184 | 1,067 |
| Total other comprehensive income | 43,629 | (13,759) |
| Comprehensive income | 50,635 | (404) |
| Comprehensive income attributable to | | |
| Comprehensive income attributable to owners of the parent | 49,421 | (538) |
| Comprehensive income attributable to non-controlling interests | 1,214 | 134 |

(3) Interim Consolidated Statement of Cash Flows

(Millions of yen)

| | Six Months Ended June 30, 2024 | Six Months Ended June 30, 2025 |
|---|-----------------------------------|-----------------------------------|
| Net cash provided by (used in) operating activities | | |
| Income before income taxes | 15,683 | 20,799 |
| Depreciation and amortization | 25,470 | 26,173 |
| Amortization of goodwill | 593 | 572 |
| Increase (decrease) in allowance for doubtful accounts | 787 | (183) |
| Increase (decrease) in provision for bonuses | 216 | (64) |
| Interest and dividends income | (2,622) | (1,596) |
| Equity in (earnings) losses of affiliates | (1,024) | (871) |
| Interest expenses | 4,913 | 3,181 |
| Loss (gain) on sales and retirement of non-current assets | (2,647) | 106 |
| Impairment losses | 175 | 225 |
| Loss (gain) on sales of shares and investments in capital of subsidiaries and affiliates | 3,574 | (1,219) |
| Decrease (increase) in notes and accounts receivable - trade | (31,317) | (415) |
| Decrease (increase) in inventories | (329) | (17,823) |
| Increase (decrease) in notes and accounts payable - trade | 13,362 | (720) |
| Other, net | (3,865) | 231 |
| Subtotal | 22,969 | 28,395 |
| Interest and dividends income received | 3,508 | 3,541 |
| Interest expenses paid | (4,783) | (2,983) |
| Income taxes paid | (7,154) | (7,411) |
| Net cash provided by (used in) operating activities | 14,540 | 21,542 |
| Net cash provided by (used in) investing activities | | |
| Payments into time deposits | (668) | (237) |
| Proceeds from withdrawal of time deposits | 907 | 238 |
| Purchase of property, plant and equipment | (20,888) | (20,220) |
| Proceeds from sales of property, plant and equipment | 364 | 1,579 |
| Purchase of intangible assets | (3,455) | (280) |
| Proceeds from sales of intangible assets | 4,117 | — |
| Purchase of shares and investments in capital of subsidiaries resulting in change in scope of consolidation | (24) | — |
| Proceeds from sales of shares and investments in capital of subsidiaries resulting in change in scope of consolidation | 11,353 | 3,349 |
| Proceeds from sales of shares and investments in capital of subsidiaries resulting in change in scope of consolidation | — | 56 |
| Purchase of investment securities | (4) | (160) |
| Proceeds from sales and redemption of investment securities | 14 | 150 |
| Other, net | 1,035 | 13 |
| Net cash provided by (used in) investing activities | (7,249) | (15,511) |

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(Millions of yen)

| | Six Months Ended June 30, 2024 | Six Months Ended June 30, 2025 |
|---|-----------------------------------|-----------------------------------|
| Net cash provided by (used in) financing activities | | |
| Net increase (decrease) in short-term loans payable | 5,176 | (15,281) |
| Net increase (decrease) in commercial papers | — | 10,000 |
| Proceeds from long-term loans payable | 15,011 | 30,732 |
| Repayment of long-term loans payable | — | (21,542) |
| Proceeds from issuance of bonds | 15,000 | — |
| Redemption of bonds | (10,000) | — |
| Cash dividends paid | (2,849) | (4,748) |
| Cash dividends paid to non-controlling interests | (757) | (371) |
| Net decrease (increase) in treasury shares | 92 | (3) |
| Repayments of lease liabilities | (3,074) | (2,600) |
| Other, net | (71) | (0) |
| Net cash provided by (used in) financing activities | 18,527 | (3,813) |
| Effect of exchange rate change on cash and cash equivalents | 9,519 | (6,732) |
| Net increase (decrease) in cash and cash equivalents | 35,337 | (4,513) |
| Cash and cash equivalents at beginning of the period | 84,642 | 60,940 |
| Cash and cash equivalents at end of the period | 119,979 | 56,427 |

(4) Notes to Interim Consolidated Financial Statements

(Notes on Going Concern Assumption)

Not applicable

(Notes on Significant Changes in Shareholder's Equity)

Not applicable

(Notes on Accounting Methods Which Are Exceptional for Interim Consolidated Financial Statements)

Calculation of Tax Expenses

Regarding tax expenses for some consolidated subsidiaries, the tax expenses are calculated by reasonably estimating the effective tax rate after the application of tax effect accounting to income before income taxes for the fiscal year including the six months ended June 30, 2025, and multiplying income before income taxes by this estimated effective tax rate.

(Notes on Changes in Accounting Policies)

Adoption of Accounting Standard for Current Income Taxes, etc.

The Group has adopted the Accounting Standard for Current Income Taxes (ASBJ Statement No. 27, October 28, 2022, hereinafter referred to as the Revised Accounting Standard of 2022) and relevant ASBJ regulations effective as of the beginning of the first half of the current fiscal year.

Revisions related to the accounting classification of income taxes (taxation on other comprehensive income) are in accordance with the transitional treatment set forth in the proviso to paragraph 20-3 of the Revised Accounting Standard of 2022 and the transitional treatment set forth in the proviso to paragraph 65-2 (2) of the Guidance on Accounting Standard for Tax Effect Accounting (ASBJ Guidance No. 28, October 28, 2022, hereinafter referred to as the Revised Implementation Guidance of 2022). The change in accounting policy has no effect on the interim consolidated financial statements.

The Group has also adopted the Revised Implementation Guidance of 2022 effective as of the beginning of the first half of the current fiscal year for revisions related to the change in the treatment in consolidated financial statements when deferring, for tax purposes, gains or losses on sales of shares of subsidiaries and other securities arising from sales between consolidated companies. The change in accounting policy has been applied retrospectively, and the interim consolidated financial statements for the previous first half and the consolidated financial statements for the previous fiscal year are presented on a retrospective basis. The change in accounting policy has no effect on the interim consolidated financial statements of the previous fiscal year and the consolidated financial statements of the previous fiscal year.

Adoption of Accounting for and Disclosure of Current Taxes Related to the Global Minimum Tax Rules

The Group has adopted the Accounting for and Disclosure of Current Taxes Related to the Global Minimum Tax Rules (ASBJ Practical Solution No. 46, March 22, 2024, hereinafter referred to as Practical Solution No. 46) effective as of the beginning of the first half of the current fiscal year.

Due to the adoption of paragraph 7 of Practical Solution No. 46, the interim consolidated financial statements do not include income taxes related to the global minimum tax rules.

(Additional Information)

Board Benefit Trust (BBT)

With regard to the compensation for executive officers, as well as directors who concurrently serve as executive officers (the “Target Officers”), the Company introduced a new performance-based stock compensation plan called Board Benefit Trust (BBT) (the “Plan”) from the fiscal year ended December 31, 2017. The purpose of the Plan is to further clarify the linkage between the compensation of the Target Officers, and corporate performance and value of the Company’s shares. The intended result is strengthening the Executive Officers’ awareness of the importance of contributing to the medium- to long-term improvement of operating results, as well as to the enhancement of corporate value, and of sharing the same objectives as shareholders.

Accounting treatment related to the trust agreement is in accordance with “Practical Solution on Transactions of Delivering the Company’s Own Stock to Employees, etc., through Trusts” (Practical Issue Task Force (“PITF”) No. 30, March 26, 2015).

(1) Outline of the transactions

The trust established under the Plan acquires the Company’s shares by cash contributed by the Company. The trust provides shares of the Company and the cash equivalent to the market price of the shares of the Company (the “Company’s Shares and Cash Benefits”) to the Target Officers, in accordance with the Rules of Officer Share Benefit established by the Company. The Target Officers shall in principle receive the Company’s Shares and Cash Benefits upon their retirement.

(2) The Company’s shares remaining in the trust

The shares remaining in the trust are recorded under net assets as treasury shares at the book value in the trust (excluding incidental costs). The book value and number of such treasury shares are ¥829 million and 277 thousand as of December 31, 2024, respectively, and ¥829 million and 277 thousand as of June 30, 2025, respectively.

(Notes on Segment Information, etc.)

[Segment Information]

I. Six months ended June 30, 2024 (From January 1, 2024 to June 30, 2024)

(1) Information about sales and profit (loss) for each reportable segment

(Millions of yen)

| | Reportable segments | | | | Others | Total |
|----------------------------------|---------------------|-----------------|---------------------|---------|--------|---------|
| | Packaging & Graphic | Color & Display | Functional Products | Total | | |
| Net sales: | | | | | | |
| Sales to external customers | 280,794 | 114,828 | 142,896 | 538,519 | 322 | 538,841 |
| Intersegment sales and transfers | — | 19,442 | 1,825 | 21,267 | — | 21,267 |
| Total | 280,794 | 134,270 | 144,722 | 559,786 | 322 | 560,108 |
| Segment profit | 15,193 | 433 | 10,805 | 26,431 | 188 | 26,619 |

(2) Information about assets by reportable segments

The Company transferred all shares held in consolidated subsidiary SEIKO PMC CORPORATION through the purchase of treasury stock by the latter in the first half (January-June 2024), and SEIKO PMC CORPORATION and seven other companies were excluded from the scope of consolidation. In line with this, the amount of segment assets of Functional Products has decreased by ¥50,298 million from the end of the previous fiscal year.

(3) Differences between total profit (loss) for reportable segments and operating income reported in the interim consolidated statement of income, and the breakdown of the main factors underlying these differences (note on adjusting for differences)

(Millions of yen)

| Profit | Amount |
|---|---------|
| Total reportable segments | 26,431 |
| Profit in “Others” | 188 |
| Corporate expenses | (4,673) |
| Operating income reported in the interim consolidated statement of income | 21,946 |

(Note) Corporate expenses substantially consist of expenses incurred by new businesses and the DIC Central Research Laboratories, which are not included in any reportable segment.

(4) Information about impairment losses on non-current assets and goodwill by reportable segment

(Material impairment losses on non-current assets)

In the six months ended June 30, 2024, the Company recorded impairment losses of ¥112 million in the Packaging & Graphic segment and ¥63 million in the Color & Display segment respectively.

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II. Six months ended June 30, 2025 (From January 1, 2025 to June 30, 2025)

(1) Information about sales and profit (loss) for each reportable segment

(Millions of yen)

| | Reportable segments | | | | Others | Total |
|----------------------------------|---------------------|-----------------|---------------------|---------|--------|---------|
| | Packaging & Graphic | Color & Display | Functional Products | Total | | |
| Net sales: | | | | | | |
| Sales to external customers | 268,764 | 113,260 | 140,908 | 522,931 | 313 | 523,244 |
| Intersegment sales and transfers | — | 18,733 | 2,049 | 20,782 | — | 20,782 |
| Total | 268,764 | 131,992 | 142,957 | 543,713 | 313 | 544,026 |
| Segment profit | 13,389 | 5,668 | 10,893 | 29,950 | 100 | 30,050 |

(2) Differences between total profit (loss) for reportable segments and operating income reported in the interim consolidated statement of income, and the breakdown of the main factors underlying these differences (note on adjusting for differences)

(Millions of yen)

| Profit | Amount |
|---|---------|
| Total reportable segments | 29,950 |
| Profit in “Others” | 100 |
| Corporate expenses | (3,072) |
| Operating income reported in the interim consolidated statement of income | 26,979 |

(Note) Corporate expenses substantially consist of expenses incurred by new businesses and the DIC Central Research Laboratories, which are not included in any reportable segment.

(3) Information about impairment losses on non-current assets and goodwill by reportable segment

(Material impairment losses on non-current assets)

In the six months ended June 30, 2025, the Company recorded impairment losses of ¥157 million in the “Others” segment and ¥68 million in the “Corporate” segment respectively.

(4) Matters Related to Changes, etc. in Reportable Segments

Beginning from the six months ended June 30, 2025, certain segments of a consolidated subsidiary previously included in “Packaging & Graphic” segment were recategorized into “Functional Products” segment in accordance with a partial review of management classifications within the Group. In addition, certain expenses previously included in “Corporate expenses” that did not belong to any reportable segment were recategorized into “Packaging & Graphic” segment and “Functional Products” segment.

Segment information for the six months ended June 30, 2024 has been prepared and disclosed based on the revised measurement method.