



Notice of Convocation

of the 126th Annual General Meeting of Shareholders

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

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

For details, please see "Livestream and Submission of Questions in Advance".

Color & Comfort

Please note that this is an unofficial English translation of the Japanese Notice of Convocation of the 126th Annual General Meeting of Shareholders, and is provided for your reference and convenience only, without any warranty as to its accuracy or otherwise. The original Japanese version of the Notice of Convocation is the sole official version.

(Securities Identification Code: 4631)

Annual General Meeting of Shareholders

Livestream and Submission of Questions in Advance

1. Livestream

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

Date and time of livestream

Thursday, March 28, 2024 10:00 a.m. (Japan time)

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

2. Submitting Questions in Advance

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

Period for submitting questions via the internet

Friday, March 1, 2024 0:00-

Monday, March 18, 2024 24:00 (Japan time)

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

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

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

<https://v.sokai.jp/4631/2024/dic/>



Access from the DIC global website is also possible.

DIC general meeting

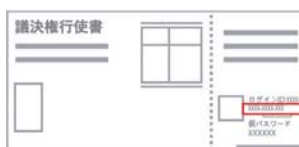
Search



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

Login ID/Password

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



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

XXXX-XXXX-XXXX-XXX

Note your shareholder number here.

□ □ □ □ - □ □ □ □

Contact for inquiries regarding how to view the livestream:

PRONEXUS Livestream Call Center
Tel: 0120-970-835

Inquiries will be accepted on Thursday, March 28, 2024 (the day of the Annual General Meeting of Shareholders) from 9:00 a.m. (Japan time) to the close of the meeting.

To Our Shareholders

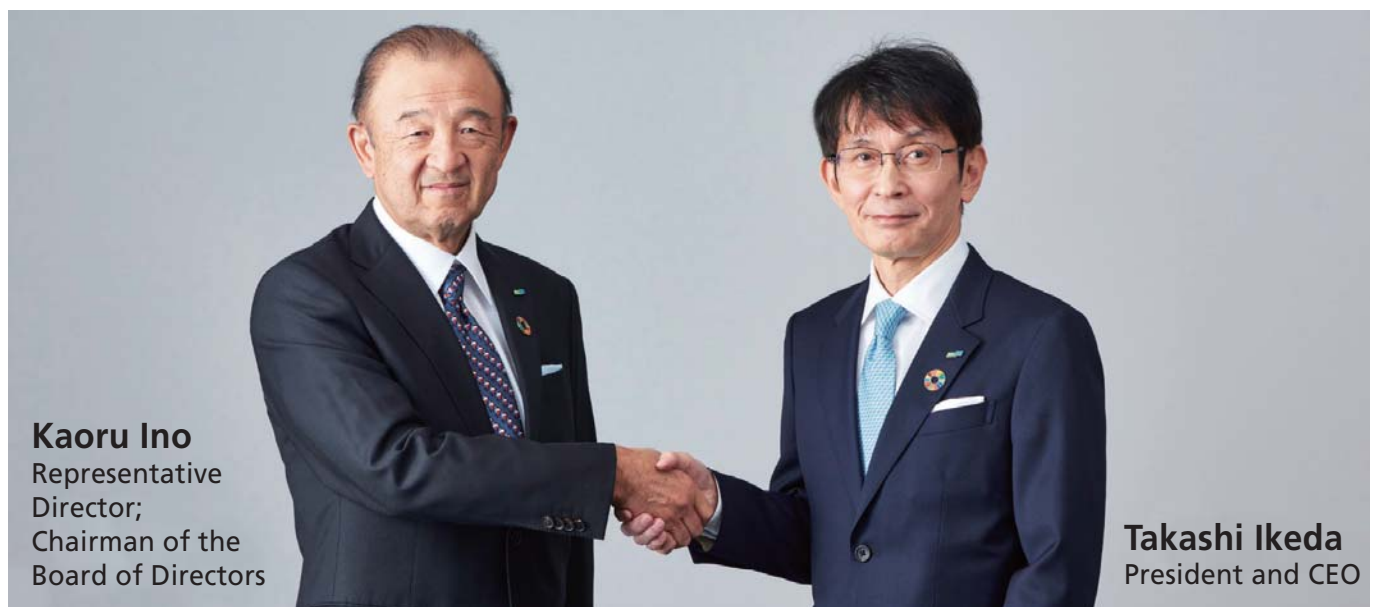
Let me begin by conveying my appreciation to shareholders for their ongoing support.

In fiscal year 2023, the second year of our DIC Vision 2030 long-term management plan, we explored extensive possibilities for transforming our business portfolio and promoted sustainability strategies aimed at contributing to the realization of a carbon-neutral society, focusing on five priority business areas. For example, in the area we call “smart living,” we have promoted a variety of initiatives, including acquiring a company in the field of materials used in semiconductor fabrication and introducing such innovative products as a surfactant containing no perfluoroalkyl and polyfluoroalkyl substances (PFASs). However, the deterioration of the business environment caused the electronics market to slump, as a consequence of which we saw a decline in sales of high-value-added products, particularly those in the Functional Products segment. Sales of pigments were also down, reflecting economic stagnation in Europe, a leading market for these products, and to the temporary suspension of operations at production sites. Our consolidated performance was thus buffeted by unprecedented challenges. As a consequence, as per the notice we issued in August, our year-end cash dividend was revised to 30.00 yen per share, as a result of which annual cash dividends for the period amounted to 80.00 yen per share.

Over the coming year, we will conduct a review of efforts to date as we seek to translate initiatives implemented to transform our business portfolio into concrete results. This effort will be under the direction of Takashi Ikeda, who was newly appointed President and CEO effective January 1, 2024. While the plan’s long-term policy remains essentially unchanged, we will shift our focus going forward to initiatives that will yield swift and reliable results, while striving to make optimal use of resources, with the goal of steadily returning to a growth trajectory. This is expected to further enhance corporate value.

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

Kaoru Ino
Representative Director



Kaoru Ino
Representative
Director;
Chairman of the
Board of Directors

Takashi Ikeda
President and CEO

Notice of Convocation

Securities Identification Code: 4631
March 11, 2024

To Our Shareholders,

(Registered Office) 35-58, Sakashita 3-chome, Itabashi-ku, Tokyo
(Corporate Headquarters) 7-20, Nihonbashi 3-chome, Chuo-ku, Tokyo

DIC Corporation

Kaoru Ino, Representative Director

Notice of Convocation of the 126th Annual General Meeting of Shareholders

The 126th Annual General Meeting of Shareholders of DIC Corporation (the "Company") will be held as described below.

In convening the 126th Annual General Meeting of Shareholders, the Company has adopted measures for the electronic provision of the information that comprises the contents of the Reference Documents for the Exercise of Voting Rights ("electronic-format materials"). Please access and review these materials, which are available on the Company's website at "Notice of Convocation of the 126th Annual General Meeting of Shareholders."

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

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

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

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

If you choose not to attend the meeting, upon review of the Reference Documents for the General Meeting of Shareholders (pages 7-18), please exercise your voting rights in advance in writing (by mail) or via the internet in accordance with the Guidance Notes on the Exercise of Voting Rights (pages 5 and 6) **by 5:15 p.m., Wednesday, March 27, 2024 (Japan time)**.

Date and Time

10:00 a.m., Thursday, March 28, 2024 (Japan time)

Place

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

Agenda of the General Meeting

Matters to be Reported:

1. Business Report, Consolidated Financial Statements and Audit Reports of the Accounting Auditor and the Audit & Supervisory Board for the Consolidated Financial Statements for the 126th Fiscal Year (January 1, 2023–December 31, 2023)
2. Non-Consolidated Financial Statements for the 126th Fiscal Year (January 1, 2023–December 31, 2023)

Matters to be Resolved:

- Proposal 1.** Appropriation of Surplus
Proposal 2. Election of 10 Directors
Proposal 3. Election of 1 Audit & Supervisory Board Member

Matters Decided upon Convocation of the General Meeting

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

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

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

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

Items Not Included in Documents Delivered

Pursuant to applicable laws and regulations and Article 15, Paragraph 2 of the Company’s Articles of Incorporation, the following items are posted on the website shown on page 3 and so are not included in the printed copy of the materials delivered to shareholders who have requested a printed copy.

- ① Basic Policy Regarding, and Operational Status of, Systems for Ensuring the Appropriate Execution of Business
- ② Consolidated Statement of Changes in Net Assets
- ③ Notes to the Consolidated Financial Statements
- ④ Non-Consolidated Statement of Changes in Net Assets
- ⑤ Notes to the Non-Consolidated Financial Statements

Accordingly, the documents delivered to shareholders who have requested a printed copy are a portion of the documents audited by the Audit & Supervisory Board and the Accounting Auditor when preparing the audit report.



Guidance Notes on the Exercise of Voting Rights

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



Attend the General Meeting of Shareholders

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

Date and time of the General Meeting of Shareholders

**Thursday, March 28, 2024
10:00 a.m. (Japan time)**



Exercise Your Voting Rights in Writing (by Mail)

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

Deadline for arrival

**Wednesday, March 27, 2024
No later than 5:15 p.m.
(Japan time)**



Exercise Your Voting Rights via the Internet

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

Deadline for voting via the internet

**Wednesday, March 27, 2024
No later than 5:15 p.m.
(Japan time)**

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

Instructions for Completing the Exercise of Voting Rights Form

議案	原案	対し	行
第1号議案	賛		否
第2号議案	賛		否
第3号議案	賛		否

Indicate your approval or disapproval of the proposals here.

Proposals 1 and 3

- Approval >>> Circle **「賛」**
- Disapproval >>> Circle **「否」**

Proposal 2

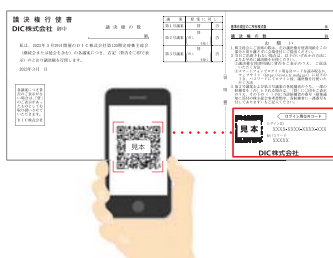
- Approval of all candidates >>> Circle **「賛」**
- Disapproval of all candidates >>> Circle **「否」**
- Approval of certain candidates only >>> Circle **「賛」** and enter the number(s) of the candidate(s) whose election you oppose.

Instructions for Exercising Your Voting Rights via the Internet

Voting via Smartphone Using the QR Code

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

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



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



Caution

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

Inquiries regarding the exercise of voting rights via the internet

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

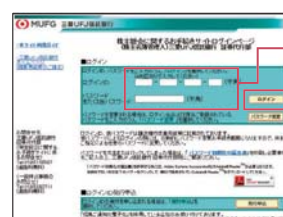
Telephone: **0120-173-027** (Toll-free within Japan)

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

Voting Using the Login ID and Temporary Password

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

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



Enter login ID and temporary password

Click "Login"

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

Note: Website voting form shown is a mockup.

Reference Documents for the General Meeting of Shareholders

Proposal 1

Appropriation of Surplus

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

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

The Company proposes the year-end dividends as follows:

1 Type of Dividend

Cash

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

30 yen per share of common stock

Total amount of dividend: 2,848,857,720 yen

The Company previously paid out 50 yen per share as an interim dividend. Accordingly, the aggregate amount of the annual dividends for the fiscal year 2023 will be 80 yen per share.

3 Effective Date of Dividend

March 29, 2024

Proposal 2

Election of 10 Directors

The term of office of all nine incumbent Directors will expire at the conclusion of the General Meeting. Accordingly, and with the aim of strengthening the management configuration, the Company proposes the election of 10 Directors.

The candidates for Directors are as follows:

Candidate No.	Candidate Name	Current Positions and Responsibilities at the Company	Attendance at Board of Directors' Meetings
1	 Re-Nominated Kaoru Ino	Representative Director Chairman of the Board of Directors	15/15 (100%)
2	 Newly Nominated Takashi Ikeda	President and CEO	—
3	 Re-Nominated Shuji Furuta	Representative Director Executive Vice President Assistant to President and CEO Head of Corporate Strategy Unit In Charge of Kawamura Memorial DIC Museum of Art	15/15 (100%)
4	 Re-Nominated Yoshihisa Kawamura	Director	15/15 (100%)
5	 Re-Nominated Takeshi Asai	Director Senior Managing Executive Officer Head of Finance and Accounting Unit CFO	15/15 (100%)
6	 Newly Nominated Masaya Nakafuji	Senior Managing Executive Officer Head of General Affairs and Legal Unit In Charge of Risk management, Osaka Branch and Nagoya Branch	—
7	 Re-Nominated Kuniko Shoji	Outside Independent Director	15/15 (100%)
8	 Re-Nominated Masami Fujita	Outside Independent Director	11/11 (100%)
9	 Newly Nominated Shiro Saito	Outside Independent	—
10	 Newly Nominated Donna Costa	Outside Independent	—

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

Outside Outside Director Candidate Independent Independent Director Candidate

Note: Figures for attendance at Board of Directors' meetings for Masami Fujita reflect the number of meetings held subsequent to his assumption of office on March 29, 2023 until December 31, 2023.



1 Kaoru Ino [DOB: September 15, 1957]

▶ Brief Personal History, Positions and Responsibilities

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

▶ Number of the Company's
Shares Held

20,111

▶ Attendance at Board of
Directors' Meetings

15/15

▶ Reasons for Being a Candidate for Director

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



2 Takashi Ikeda [DOB: May 7, 1965]

Newly Nominated

▶ Brief Personal History, Positions and Responsibilities

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

▶ Number of the Company's
Shares Held

4,375

▶ Attendance at Board of
Directors' Meetings

—

▶ Reasons for Being a Candidate for Director

Takashi Ikeda previously served in diverse areas, from technology to business strategy, including assignments overseas, and has held key positions in multiple business groups, serving as President of the Functional Products Business Group, and currently as President and CEO. He has extensive experience, achievements and knowledge regarding the management of global businesses. Accordingly, he is a candidate for Director.



3 Shuji Furuta [DOB: June 11, 1964]

▶ Brief Personal History, Positions and Responsibilities

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

▶ Number of the Company's
Shares Held

6,452

▶ Attendance at Board of
Directors' Meetings

15/15

▶ Reasons for Being a Candidate for Director

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



4 Yoshihisa Kawamura [DOB: November 12, 1960]

▶ Brief Personal History, Positions and Responsibilities

April 1984	Joined Mitsui & Co., Ltd.
April 1991	Joined the Company
June 2004	Executive Officer; General Manager, Strategic Global Purchasing Div.
June 2007	Director; General Manager, Corporate Strategic Planning Dept.
April 2008	Director; Managing Executive Officer; President, Graphic Arts Materials Business Operations
July 2011	Director; Managing Executive Officer; President, Neo-Graphic Arts Materials Business Operations
January 2014-	Director
Present	

▶ Number of the Company's
Shares Held

85,489

▶ Attendance at Board of
Directors' Meetings

15/15

▶ Principal Concurrent Position Held at Other Organization

Chairman of the Board of Directors, DIC Graphics Corporation

▶ Reasons for Being a Candidate for Director

Yoshihisa Kawamura previously served as General Manager of the Corporate Strategic Planning Dept., President of the Graphic Arts Materials Business Operations and President of the Neo-Graphic Arts Materials Business Operations. At present, he supervises management of the DIC Group as a Director. He has extensive experience, achievements and knowledge regarding the management of global businesses. Accordingly, he is once again a candidate for Director.



5 Takeshi Asai [DOB: April 3, 1964]

▶ Brief Personal History, Positions and Responsibilities

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

▶ Number of the Company's
Shares Held

5,507

▶ Attendance at Board of
Directors' Meetings

15/15

▶ Principal Concurrent Position Held at Other Organization

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

▶ Reasons for Being a Candidate for Director

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



6 Masaya Nakafuji [DOB: December 20, 1961]

Newly Nominated

▶ Brief Personal History, Positions and Responsibilities

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

▶ Number of the Company's
Shares Held

8,796

▶ Attendance at Board of
Directors' Meetings

—

▶ Reasons for Being a Candidate for Director

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



7 Kuniko Shoji [DOB: January 8, 1954]

Outside Director Independent Director

▶ Brief Personal History, Positions and Responsibilities

April 1977	Joined Mochida Pharmaceutical Co., Ltd.
July 1986	Joined Johnson & Johnson Medical K.K.(Currently, Johnson & Johnson K.K.)
September 2002	Joined Terumo Corporation
June 2004	Executive Officer, Terumo Corporation
June 2010	Director and Senior Executive Officer, Terumo Corporation
April 2017	Director and Advisor, Terumo Corporation
June 2017	Advisor, Terumo Corporation
March 2019- Present	Outside Director, the Company

▶ Number of the Company's
Shares Held

0

▶ Attendance at Board of
Directors' Meetings

15/15

▶ Principal Concurrent Positions Held at Other Organizations

Outside Director, Nichirei Corporation
Outside Director, Medipal Holdings Corporation

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

As indicated above, Kuniko Shoji has been engaged in corporate management for many years and thus has extensive experience and insight in this area, which she can be expected to leverage to help strengthen management of the DIC Group, as well as to provide advice from a broad management perspective. In addition, as a member of the Nomination Committee, the Remuneration Committee and the Corporate Value Improvement Committee she will be able to participate in strengthening governance of the DIC Group from an objective position. Accordingly, she is once again a candidate for Outside Director.



8 Masami Fujita [DOB: September 22, 1956]

Outside Director Independent Director

▶ Brief Personal History, Positions and Responsibilities

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

▶ Number of the Company's
Shares Held

2,000

▶ Attendance at Board of
Directors' Meetings

11/11

▶ Principal Concurrent Positions Held at Other Organizations

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

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

As indicated above, Masami Fujita has been engaged in corporate management for many years and thus has extensive experience and insight in this area, which he can be expected to leverage to help strengthen management of the DIC Group, as well as to provide advice from a broad management perspective. In addition, as a member of the Nomination Committee, the Remuneration Committee and the Corporate Value Improvement Committee he will be able to participate in strengthening governance of the DIC Group from an objective position. Accordingly, he is once again a candidate for Outside Director.



9 Shiro Saito

[DOB: May 1, 1957]

Newly Nominated

Outside Director

Independent Director

▶ Brief Personal History, Positions and Responsibilities

April 1982	Joined TOSHIBA CORPORATION
June 2014	Executive Officer and Corporate Vice President, TOSHIBA CORPORATION
September 2015	Executive Officer and Corporate Senior Vice President, TOSHIBA CORPORATION
June 2018	Executive Officer and Corporate Executive Vice President, TOSHIBA CORPORATION
April 2020-	Executive Fellow, TOSHIBA CORPORATION
Present	

▶ Number of the Company's
Shares Held

0

▶ Attendance at Board of
Directors' Meetings

—

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

As indicated above, Shiro Saito has been engaged in corporate management for many years and thus has extensive experience and insight in this area, which he can be expected to leverage to help strengthen management of the DIC Group, as well as to provide advice from a broad management perspective. In addition, as a member of the Nomination Committee, the Remuneration Committee and the Corporate Value Improvement Committee he will be able to participate in strengthening governance of the DIC Group from an objective position. Accordingly, he is a candidate for Outside Director.



10 Donna Costa

[DOB: August 15, 1960]

Newly Nominated

Outside Director

Independent Director

▶ Brief Personal History, Positions and Responsibilities

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

▶ Number of the Company's
Shares Held

0

▶ Attendance at Board of
Directors' Meetings

—

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

As indicated above, Donna Costa has been engaged in corporate management for many years and thus has extensive experience and insight in this area, which she can be expected to leverage to help strengthen management of the DIC Group, as well as to provide advice from a broad management perspective. In addition, as a member of the Nomination Committee, the Remuneration Committee and the Corporate Value Improvement Committee she will be able to participate in strengthening governance of the DIC Group from an objective position. Accordingly, she is a candidate for Outside Director.

Notes:

1. Takashi Ikeda, Masaya Nakafuji, Shiro Saito and Donna Costa are newly nominated candidates for Directors.
2. There are no special interests between each candidate and the Company.
3. The number of the Company's shares held by each candidate includes the number of those to be provided for the past term of office as Executive Officer of the Company under the performance-based compensation plan, a certain proportion of which will be sold at market and provided in cash equivalent to the proceeds from the sale.
4. The Company purchases directors' and officers' (D&O) liability insurance from an insurance company as stipulated in Article 430-3, Paragraph 1, of Japan's Companies Act, for all Directors, payable to the insured individuals. The insurance premiums of the insured individuals are paid in full by the Company. The insurance covers damages, including legal expenses incurred by insured individuals in the event of a claim for damages arising from an act or acts committed in the course of performing their duties. The contract is renewed annually. Each candidate for Director whose nomination is approved will be covered by this insurance, which will be renewed during their term of office.
5. Kuniko Shoji, Masami Fujita, Shiro Saito and Donna Costa are candidates for Outside Directors. Matters to be particularly mentioned in connection therewith are as follows:
 - (1) Number of Years since the Candidates First Assumed Office of Outside Directors of the Company
At the conclusion of the General Meeting, Kuniko Shoji will have served for five years as Outside Director of the Company. At the conclusion of the General Meeting, Masami Fujita will have served one year as Outside Director of the Company.
 - (2) Summary of Liability Limitation Contracts
The Company plans to extend the contract for limitation of liability with Kuniko Shoji and Masami Fujita if they are reelected. Pursuant to the contract, if they neglect their duties and cause damages to the Company, they shall be liable for damages up to the minimum liability amount stipulated in Article 425, Paragraph 1 of the Companies Act, on the condition that they acted in good faith and were not grossly negligent in performing their duties. The Company plans to enter into a contract for limitation of liability with Shiro Saito and Donna Costa if they are elected. Pursuant to the contract, if they neglect their duties and cause damages to the Company, they shall be liable for damages up to the minimum liability amount stipulated in Article 425, Paragraph 1 of the Companies Act, on the condition that they acted in good faith and were not grossly negligent in performing their duties.
 - (3) Designation as Independent Directors
Kuniko Shoji and Masami Fujita are designated as Independent Directors pursuant to the rules of the Tokyo Stock Exchange. The Company plans to designate Shiro Saito and Donna Costa as Independent Directors pursuant to the rules of the Tokyo Stock Exchange. For the Company's Independence Standards for Independent Outside Officers, please refer to page 18.
6. 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.

Proposal 3

Election of 1 Audit & Supervisory Board Member

The term of office of Audit & Supervisory Board Member Akihiro Ikushima will expire at the conclusion of the General Meeting. Accordingly, the Company proposes the election of one Audit & Supervisory Board Member.

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




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

Candidate Name	Current Positions at the Company	Attendance at Board of Directors' Meetings	Attendance at Audit & Supervisory Board Meetings
 Newly Nominated Toshinobu Kitamura		—	—

Newly Nominated Newly Nominated Audit & Supervisory Board Member Candidate

(Reference)

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

Name	Current Positions at the Company
 Hiroyuki Ninomiya	Full-time Audit & Supervisory Board Member
 Keita Nagura	Outside Independent Audit & Supervisory Board Member
 Keiko Kishigami	Outside Independent Audit & Supervisory Board Member

Outside Outside Member Independent Independent Member



Toshinobu Kitamura

[DOB: October 24, 1964]

▶ Brief Personal History and Positions

April 1989	Joined the Company
April 2009	General Manager, Information Systems Dept.
January 2020	Deputy General Manager and CFO, DIC (CHINA) CO., LTD.
January 2023	General Manager, Packaging & Graphic Business Planning Dept.
January 2024-	Manager, Internal Control Dept.
Present	

▶ Number of the Company's Shares Held

2,834

▶ Attendance at Board of Directors' Meetings

—

▶ Attendance at Audit & Supervisory Board Meetings

—

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

After joining the Company, Toshinobu Kitamura was assigned to the Finance and Accounting Unit, after which he served as General Manager of the Information Systems Dept., Deputy General Manager and CFO of DIC (CHINA) CO., LTD., and General Manager of the Packaging & Graphic Business Planning Dept. He has expertise in finance and accounting, as well as knowledge regarding the global operations of the DIC Group. Accordingly, he is a candidate for Audit & Supervisory Board Member.

Notes:

1. Toshinobu Kitamura is a newly nominated candidate for Audit & Supervisory Board Member.
2. There are no special interests between Toshinobu Kitamura and the Company.
3. The Company purchases directors' and officers' (D&O) liability insurance from an insurance company as stipulated in Article 430-3, Paragraph 1, of Japan's Companies Act, for all Audit & Supervisory Board Members, payable to the insured individuals. The insurance premiums of the insured individuals are paid in full by the Company. The insurance covers damages, including legal expenses incurred by insured individuals in the event of a claim for damages arising from an act or acts committed in the course of performing their duties. The contract is renewed annually. The candidate for Audit & Supervisory Board Member whose nomination is approved will be covered by this insurance, which will be renewed during his term of office.

Reference

Expertise and Experience of Directors and Audit & Supervisory Board Members

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

Skills Matrix

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

Reference

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

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

2 Independence Standards for Independent Outside Officers

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

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

Business Report

(January 1, 2023 - December 31, 2023)

1 Current Conditions of the DIC Group

1 Business Progress and Achievements

In the fiscal year ended December 31, 2023, consolidated net sales edged down 1.5%, to ¥1,038.7 billion. Uncertainties persisted in the global economy, owing to such factors as the continued pursuit of inflation-curbing monetary policies in the United States and Europe, geopolitical risks attributable to the protracted crisis in Ukraine and a slowing economic recovery in the People's Republic of China (PRC) caused by a slumping real estate sector, among others, as a result of which demand for goods flagged in all regions and efforts to modify inventories were seen in various industry sectors. Against this backdrop, demand trends in core customer industries varied. In the area of digital materials, used principally in electrical and electronics equipment and in displays, demand picked up, underpinned by the completion of inventory adjustments by display manufacturers. The semiconductor market showed signs of bottoming out after a lengthy slump, but a full-scale demand revival remained elusive. In industrial materials*, used primarily in mobility solutions, an upturn in vehicle sales was seen worldwide, contributing to the resolution of surplus inventories of materials for use in automobiles across the supply chain, but demand recovery remained slow. Reflecting these trends, and notwithstanding efforts in all segments to pass on rising costs by adapting sales prices, conditions remained challenging in terms of sales volume, particularly in the Color & Display segment—which saw sagging shipments of pigments for coatings and for plastics, among others, a consequence of prolonged economic stagnation in Europe, a leading market for these products, and falling demand for consumer goods caused by rising prices in the United States—and in the Functional Products segment, where shipments of high-value-added digital materials and industrial materials declined overall.

Operating income fell 54.8%, to ¥17.9 billion. This sharp decrease was despite efforts in all segments to adjust sales prices, together with a gain in the Packaging & Graphic segment, and was largely a result of sinking shipments of pigments, mainly those for coatings and for plastics, in the Color & Display segment, and of high-value-added products, including those in the Functional Products segment. Another contributing factor was the temporary suspension of operations at certain production sites in the United States and Europe, a move aimed at paring inventories, notably those of pigments for coatings and for plastics.

Ordinary income, at ¥9.2 billion, dropped 76.9%.

Net loss attributable to owners of the parent was ¥39.9 billion. This was due to a steep increase in extraordinary losses, owing primarily to a ¥19.7 billion impairment loss on goodwill recognized in the Color & Display segment in relation to the Colors & Effects pigments business, acquired in June 2021.

Earnings before interest, taxes, depreciation and amortization (EBITDA) declined 63.9%, to ¥30.8 billion.

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

(Billions of yen)

	Fiscal Year 2022	Fiscal Year 2023	Change (%)	Change (%) [Local Currency Basis]
Net Sales	1,054.2	1,038.7	-1.5%	-5.1%
Operating Income	39.7	17.9	-54.8%	-51.0%
Ordinary Income	39.9	9.2	-76.9%	—
Net Income (Loss) Attributable to Owners of the Parent	17.6	(39.9)	Loss	—
EBITDA*	85.5	30.8	-63.9%	—
¥/US\$ 1.00 (Average Rate)	130.59	140.51	7.6%	—
¥/EUR 1.00 (Average Rate)	137.71	151.98	10.4%	—

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

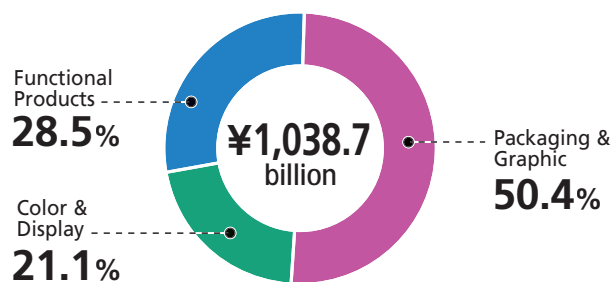
Results of operations by segment are as follows:

(Billions of yen)

Segment	Net Sales				Operating Income			
	Fiscal Year 2022	Fiscal Year 2023	Change (%)	Change (%) [Local Currency Basis]	Fiscal Year 2022	Fiscal Year 2023	Change (%)	Change (%) [Local Currency Basis]
Packaging & Graphic	533.0	541.9	1.7%	-1.9%	20.3	22.0	8.1%	11.4%
Color & Display	248.2	227.3	-8.4%	-14.1%	5.1	(8.9)	Loss	Loss
Functional Products	315.4	305.9	-3.0%	-5.0%	23.6	15.4	-34.6%	-36.4%
Others, Corporate and Eliminations	(42.4)	(36.4)	—	—	(9.4)	(10.6)	—	—
Total	1,054.2	1,038.7	-1.5%	-5.1%	39.7	17.9	-54.8%	-51.0%

Segment results in key markets are detailed on pages 21-23. Year-on-year percentage changes in squared parentheses represent increases or decreases on a local currency basis.

Breakdown of Fiscal Year 2023 Net Sales by Segment



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

Packaging & Graphic



Packaging Materials that Bring Safety and Peace of Mind

Principal Products

[Printing Materials]

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

[Packaging Materials]

Polystyrene, Packaging Adhesives, Multilayer Films

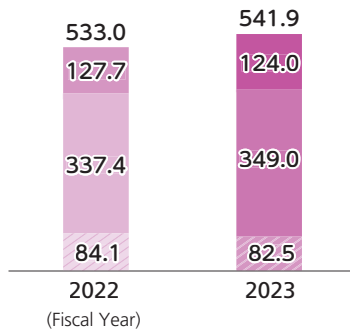
Net Sales

¥541.9 billion
Change +1.7% [-1.9%]

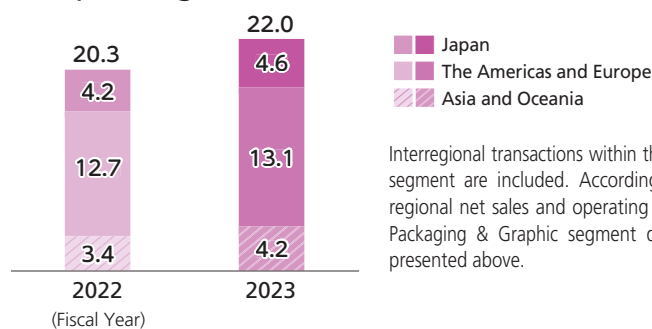
Operating
Income

¥22.0 billion
Change +8.1% [+11.4%]

● Net Sales (Billions of yen)



● Operating Income (Billions of yen)



Japan
The Americas and Europe
Asia and Oceania

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

Segment sales advanced 1.7%, to ¥541.9 billion. Shipments of packaging inks, used chiefly on packaging for food products, were up in the PRC, underpinned by efforts to cultivate new customers, but down overall as rising prices dampened demand for consumer goods in other regions. Nonetheless, sales of these products were essentially level thanks to successful efforts to adapt sales prices worldwide. Sales of publication inks, which center on inks for commercial printing and news inks, decreased, despite moves to adjust sales prices in all regions, which lifted sales in Japan, as dwindling demand, among others, pushed shipments down in the Americas and Europe, as well as in Asia. Sales of jet inks, used in digital printing, were bolstered by the positive impact of a weak yen on sales denominated in other currencies, which countered the absence of a recovery in demand, especially from overseas customers, and a decline in shipments amid inventory adjustments and other measures implemented in response to rising prices and interest rates in the United States and Europe.

Segment operating income rose 8.1%, to ¥22.0 billion. In Japan, shipments of high-value-added jet inks deteriorated, although efforts to counter higher costs in the area of packaging inks and publication inks by adapting sales prices progressed. Operating income overseas was up overall, buttressed by increased shipments of packaging inks and publication inks in the PRC, which boosted results in Asia, together with moves to maintain sales prices for packaging inks and publication inks in the Americas and Europe.

Color & Display



Color and Display Materials that Make Life Colorful

Principal Products

[Color Materials]

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

[Display Materials]

TFT Liquid Crystals, STN Liquid Crystals

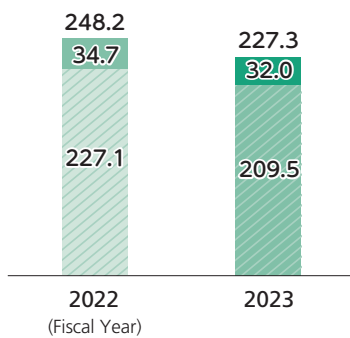
Net Sales

¥227.3 billion
Change -8.4% [-14.1%]

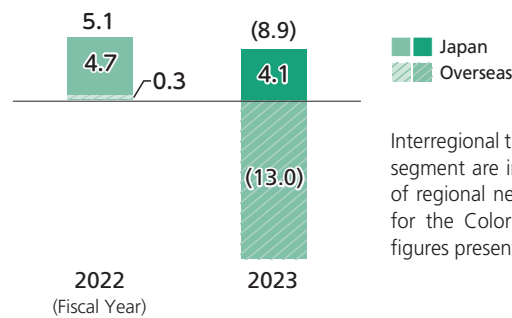
Operating
Income (Loss)

¥(8.9) billion
Change Loss [Loss]

● Net Sales (Billions of yen)



● Operating Income (Loss) (Billions of yen)



■ Japan
▨ Overseas

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

Segment sales declined 8.4%, to ¥227.3 billion. Shipments of pigments for coatings and for plastics, which account for a significant proportion of segment sales, were down overall. Factors behind this result included falling demand and ongoing moves by customers to curtail inventories, both consequences of slowing economic growth in Europe, a leading market for these products, and rising prices in the United States. Among high-value-added products, shipments of pigments for color filters, used in displays, were firm following the completion of inventory adjustments by display manufacturers. In pigments for cosmetics, sales were weak as shipments in the Americas and Europe were listless, hindered by rising prices, although demand in Asia rallied, bolstered by a delayed return to pre-COVID-19 lifestyles. In pigments for specialty applications, shipments of products for agricultural use tumbled, a consequence of inventory adjustments by customers, and shipments of pigments for use in building materials remained sluggish in Europe, a primary market for these products, owing to the protracted crisis in Ukraine.

The segment reported an operating loss of ¥8.9 billion. This was despite steady shipments of pigments for color filters and for cosmetics, and was attributable to a decrease in shipments of pigments for coatings and for plastics, particularly in Europe, combined with stagnant shipments of high-value-added pigments for specialty applications. The segment loss was also due to the temporary suspension of operations at certain production sites in the United States and Europe, a move aimed at paring inventories, notably those of pigments for coatings and for plastics.

Functional Products



Functional Products that Add Comfort

Principal Products

[Performance Materials]

Synthetic Resins for Inks and Coatings, Molded Products, Adhesives and Textiles (Polyester Resins, Epoxy Resins, Polyurethane, Acrylic Resins, Plasticizers, Phenolic Resins), Papermaking Chemicals, Sulphur Chemicals, Fiber and Textile Colorants, Metal Carboxylates, Surfactant for Electronics Equipment

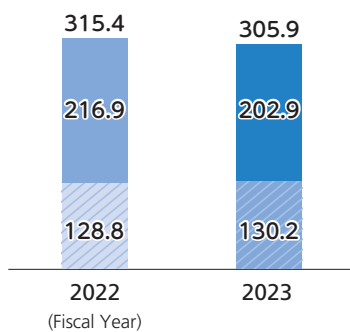
[Composite Materials]

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

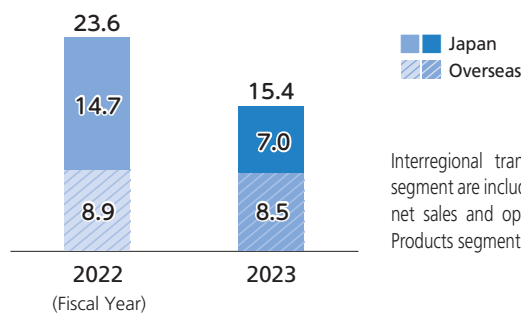
Net Sales **¥305.9 billion**
Change **-3.0%** [-5.0%]

Operating Income **¥15.4 billion**
Change **-34.6%** [-36.4%]

● Net Sales (Billions of yen)



● Operating Income (Billions of yen)



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

Segment sales dipped 3.0%, to ¥305.9 billion. Sales of digital materials, used principally in electrical and electronics equipment and in displays, were down as shipments of epoxy resins—the foremost application for which is semiconductors—failed to fully recover, despite signs that the market had bottomed out. Sales of industrial-use adhesive tapes, used mainly in smartphones and other mobile devices, were boosted by steady efforts to lock in demand. Sales of industrial materials, used primarily in mobility solutions, rose. This was despite a slower-than-expected recovery in shipments of materials for use in automobiles as the resolution of surplus inventories across the supply chain progressed, and was thanks to the addition of the sales of Guangdong DIC TOD Resins Co., Ltd., a coating resins manufacturer in the PRC acquired in July 2022. Sales of polyphenylene sulfide (PPS) compounds advanced, despite shipments for use in automobiles remaining in recovery mode, bolstered by the positive impact of factors such as sales price adjustments.

Segment operating income fell 34.6%, to ¥15.4 billion. This substantial decrease was despite efforts to adapt sales prices for all products to pass on cost increases and reflected a decline in shipments of high-value-added products used in electrical and electronics equipment and in mobility solutions.

2 Operating Results and Financial Position

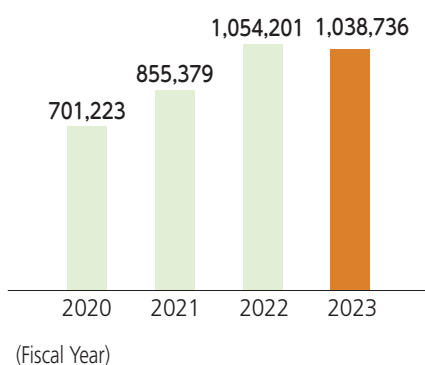
Consolidated operating results and financial position are as follows:

	Fiscal Year 2020 (January 1, 2020– December 31, 2020)	Fiscal Year 2021 (January 1, 2021– December 31, 2021)	Fiscal Year 2022 (January 1, 2022– December 31, 2022)	Fiscal Year 2023 (January 1, 2023– December 31, 2023)
Net Sales (Millions of yen)	701,223	855,379	1,054,201	1,038,736
Operating Income (Millions of yen)	39,663	42,893	39,682	17,943
Operating Margin (%)	5.7	5.0	3.8	1.7
Ordinary Income (Millions of yen)	36,452	43,758	39,946	9,216
Net Income (Loss) Attributable to Owners of the Parent (Millions of yen)	13,233	4,365	17,610	(39,857)
Earnings Per Share (Yen)	139.81	46.12	186.05	(421.06)
Net Assets (millions of yen)	351,364	381,008	421,088	399,267
Total Assets (millions of yen)	817,950	1,071,481	1,261,637	1,244,889

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

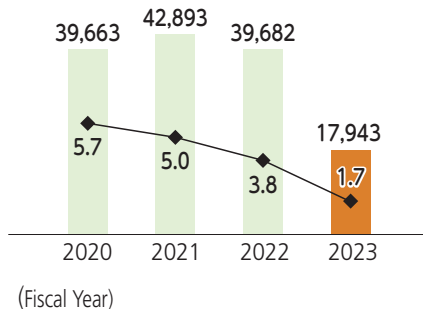
Net Sales

(Millions of yen)



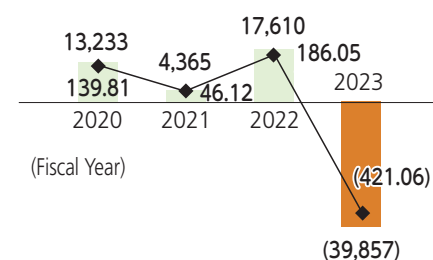
Operating Income/Operating Margin

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



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

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



3 Challenges to be Addressed

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

1 Business Portfolio Transformation

1) Five Priority Business Areas

Designate and focus the allocation of management resources in five priority business areas: Sustainable energy, Healthcare, Smart living, Color science, Sustainable packaging

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

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

2 Sustainability Strategies

- 1) Expand sustainable products
- 2) Reduce CO₂ emissions
- 3) Respond to a circular economy

DIC in the Future



Special Topic

1

Revision of the DIC Vision 2030 Long-Term Management Plan

DIC announced its DIC Vision 2030 long-term management plan in February 2022, positioning the four years from fiscal year 2022 through fiscal year 2025 as Phase 1, a period for foundation building to facilitate realization of the Company's vision for itself in the future. During this phase, the Company has been exploring numerous possible new businesses by investing in multiple R&D themes and making acquisitions.

While some of these efforts have thus far met with success, because of the resulting dispersal of management resources and delays in selecting from among diverse themes, new businesses have not become profitable as quickly as envisaged for Phase 1 and results have therefore deviated from initial expectations.

Furthermore, rapid changes in the business environment, including increasing geopolitical risks and rising inflation worldwide, subsequent to the formulation of DIC Vision 2030 have made the achievement of Phase 1 goals very challenging.

In light of these factors, the Company took the decision to revise its targets for Phase 1 to more realistic levels, as well as to promote measures that yield swift and consistent results. Targets for fiscal year 2030, the final year of the plan, will be given careful consideration and will be disclosed at the formulation stage of Phase 2, which will begin in fiscal year 2026.

1 Revised Targets of the Final Year of Phase 1 (Fiscal Year 2025)

Net sales in fiscal year 2025 are expected to exceed the initial target, owing to successful efforts to pass the impact of rising raw materials prices and inflation on by raising sales prices.

Synergies with newly acquired businesses and the benefits of structural reforms are expected to manifest beginning in fiscal year 2026, the first year of Phase 2. Accordingly, the operating income target for fiscal year 2025 has been revised downward substantially. In fiscal year 2026, efforts will center on achieving record-level operating income, as well as on realizing a sound financial balance and enhancing returns to shareholders.

	Original target	Revised target
Net sales	¥1,100 billion	¥1,150 billion
Operating income	¥80 billion	¥40 billion

2 Promoting Measures that Yield Swift and Consistent Results

Taking into account the dispersal of management resources and delays in selecting business development themes, DIC has positioned "smart living," one of five previously identified priority business areas, as its principal focus. Looking ahead, the Company will emphasize measures that will yield swift and consistent results and prioritize the balanced allocation of management resources, focusing particularly on strengthening its capabilities in the area of electronics materials and pursuing synergies with a newly acquired business of materials used in semiconductor photolithography (PCAS Canada Inc.).

In the remaining four priority business areas (sustainable energy, healthcare, color science and sustainable packaging), efforts will focus on further rationalizing and pursuing synergies with newly acquired businesses, as well as on identifying targets in which to concentrate investments, with the aim of swiftly achieving profitability.

Priority business area to be emphasized in Phase 1

Smart living



From the perspective of potential to swiftly achieve viability and profitability, concentrate the allocation of management resources in Phase 1 on the area of smart living.

Emphasize reinforcing capabilities in electronics materials

- Establish the Chemitronics Business Division.
- Add depth to core business and strengthen peripheral businesses.

Fully leverage synergies with newly acquired businesses

- Uncover synergies with PCAS Canada.

Focus on appropriate investment targets in other priority business areas

- Identify investment targets to be given precedence in Phase 1 and strive to realize profitability.
- New strategic investments will be implemented in Phase 2 or later, when profits are expected to improve.

Sustainable energy



Be bold in selecting targets.
Withdraw from businesses in which demonstrating competitive strengths is determined to be difficult.

Healthcare



Select and discard diffused targets.
Choose and focus investments on businesses that are expected to swiftly achieve viability and profitability.

Sustainable packaging



Color science



Promote rationalization efforts to **improve profitability** in the Colors & Effects pigments business.

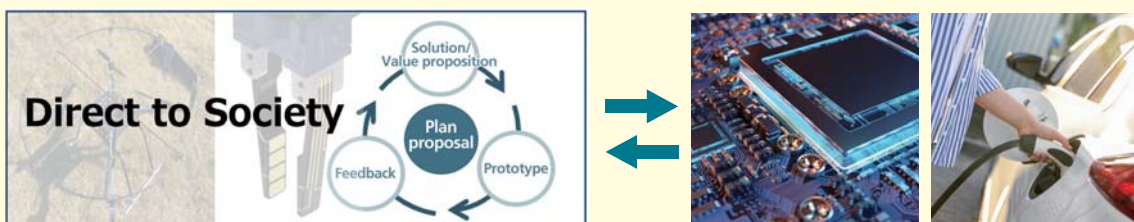
3 Expanding and Adding Depth to the Chemitronics Business

In line with its focus on strengthening its capabilities in the area of electronics materials, DIC has designated businesses centered on chemicals and materials for electronics applications “chemitronics” and in January 2024 established the Chemitronics Business Division.

With an organizational structure that integrates manufacturing, sales and technical development, the new division will accelerate decision making, facilitating the expansion of the Company’s presence in electronics materials, an area of swift technological innovation that demands timely responses.

DIC has also adopted “Direct to Society,” a new mechanism focused on creating new businesses by envisaging future needs and providing society with solutions and value (materials, devices and services), and will capitalize on this approach to focus management resources on expanding the chemitronics business.

The Company is uniquely positioned to provide solutions in the promising areas of materials for semiconductor packaging, including high performance polymers used in the fabrication of power semiconductors and state-of-the-art polymers for photoresists used in semiconductor photolithography, and materials for electronics components, notably easily removable industrial tapes, low dielectric resins for 5G-6G enabled devices and bonding materials for next-generation batteries.



4 Financing Activities

1) Methods of Financing

During the fiscal year 2023, the DIC Group raised necessary funds through borrowing from financial institutions, issuing bonds and commercial papers.

As a consequence, as of December 31, 2023, the total interest-bearing debt amounted to 529.0 billion yen (including leases), an increase of 19.6 billion yen from the previous fiscal year end, owing to acquisitions of companies and increase in cash and deposit.

2) Principal Borrowings (as of December 31, 2023)

Lender	Balance of Borrowings (Millions of yen)
MUFG Bank, Ltd.	129,871
Mizuho Bank, Ltd.	51,838
Sumitomo Mitsui Banking Corporation	34,506

3) Investment in Facilities

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

In fiscal year 2023, the DIC Group invested 56.3 billion yen in facilities. Principal investments to update or expand existing facilities, by segment, were as follows:

Segment	Investment	Details
Packaging & Graphic	Update of printing materials production facilities	Investments to reinforce production facilities, particularly for packaging inks and other environment-friendly products, and to implement updates aimed at improving production efficiency
Color & Display	Update of pigments production facilities	Investments to update production facilities for pigments for coatings, functional pigments and other products to bolster production efficiency
Functional Products	Expansion of synthetic resins production facilities	Investments to reinforce production facilities for synthetic resins in high-growth markets and to expand production facilities for waterborne resins, for which demand is increasing as a result of growing awareness of the benefits of environment-friendly products
Others and Corporate	Update of information systems	Investments to shift to new information systems capable of supporting digital transformation (DX)



Printing inks production facility (India)



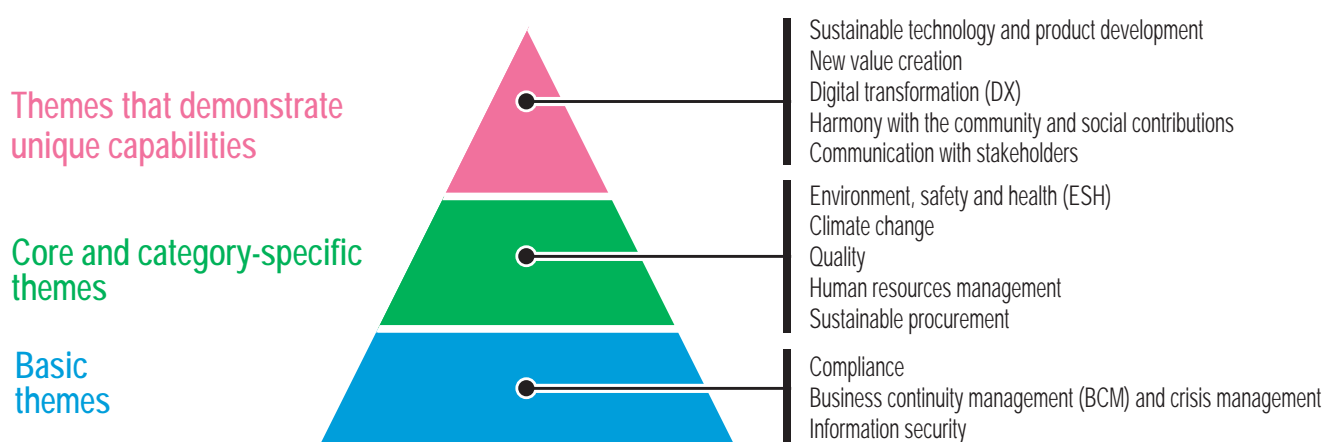
Waterborne resins production facility (Japan)

5 Sustainability Initiatives

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

The Company's DIC Vision 2030 long-term management plan outlines two crucial objectives, namely, build a business portfolio that contributes to sustainable prosperity for society and help achieve sustainability for the global environment and for society. The DIC Group will work to achieve these objectives while promoting initiatives in line with the five key concepts of its basic sustainability policy: 1) preserving safety and health, 2) managing risks, 3) ensuring fair business practices and respect for diversity and human rights, 4) maintaining harmony with the environment and advancing its protection and 5) creating value for society through innovation and contributing to ongoing economic growth.

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



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

Special Topic

2

Development of Sustainable Solutions in the Packaging Business

Recycling of Polystyrene and Achieving Carbon Neutrality

With the goal of expanding polystyrene recycling and helping realize carbon neutrality, the DIC Group has for several years collaborated with FP Corporation (FPCO) to establish a closed-loop recycling system for polystyrene food trays. In fiscal year 2024, the Group will further accelerate initiatives across its supply chains designed to contribute to carbon neutrality and a circular economy.

1 DIC Enters into Comprehensive Partnership Agreement with the City of Yokkaichi, Mie Prefecture (July 2023)

The Company has entered into a comprehensive partnership agreement with the city of Yokkaichi, Mie Prefecture, aimed at promoting decarbonization and the ongoing advance of industry. Under the agreement, the Company and the city will exchange information and views regarding decarbonization, circular resource use, environmental education, industrial stimulus measures and the local economy, and will work together to implement initiatives seen as likely to benefit from collaboration. In the period under review, the partners set up collection boxes for polystyrene food trays and other items at Yokkaichi's city hall and conducted verification testing to scrutinize the type, quantity and quality of collected items.



Signing ceremony for comprehensive partnership agreement attended by Mayor of Yokkaichi Tomohiro Mori (left) and then-President and CEO of DIC Kaoru Ito



Collection boxes for polystyrene food trays installed at Yokkaichi's city hall

2 DIC Group Earns ISCC Plus Certification (October 2023)

The Group earned certification under ISCC Plus, a global certification scheme for sustainable products that is administered by International Sustainability and Carbon Certification GmbH. This certification verifies that recycled raw materials and biomass-derived raw materials are managed appropriately across supply chains, including at the manufacturing stage. This certification has also made it possible for the Group to adopt the mass balance approach* for some polystyrene products.

*The mass balance approach is a chain of custody model used when combining multiple raw materials (e.g., petroleum- and biomass-derived raw materials). This approach makes it possible to attribute the sustainability of the pertinent raw materials (in this case, the biomass-derived raw materials), based on input volume, to the final products.

3 DIC Commences Production and Sale of Polystyrene in Collaboration with Idemitsu Kosan (December 2023)

The Company and Idemitsu Kosan Co., Ltd., collaborated to build a new biomass plastics supply chain and commence joint production and sale of polystyrene. The two companies originally reached an agreement to build the new supply chain as a way to help Japan's plastics industry achieve its target for reducing CO₂ emissions. This collaboration will enable the Company to further strengthen cooperation with customers and suppliers to achieve carbon neutrality across its supply chains and contribute to the realization of a circular economy.

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

1) The Company

Corporate Headquarters

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

Branch Offices

Osaka Branch (Osaka) Nagoya Branch (Aichi)

Plants and R&D Facilities

Tokyo Plant (Tokyo)

Sakai Plant (Osaka)

Komaki Plant (Aichi)

Shiga Plant (Shiga)

Chiba Plant (Chiba)

Kashima Plant (Ibaraki)

Saitama Plant (Saitama)

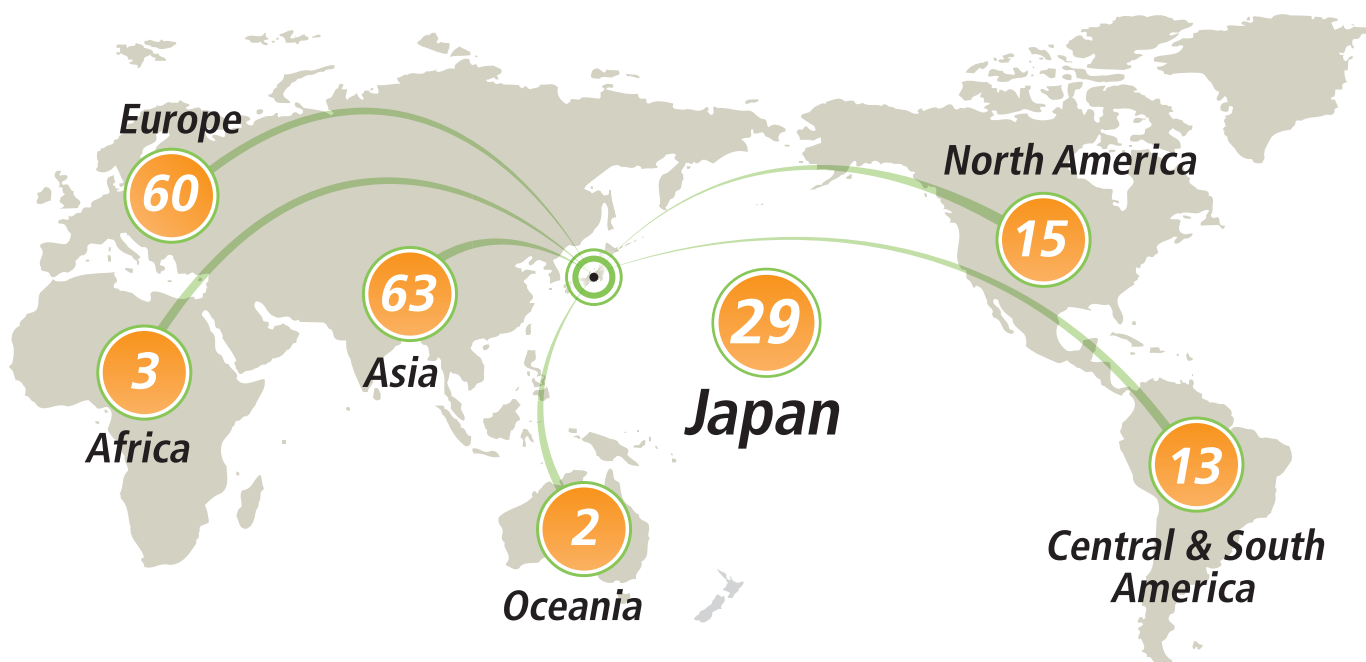
Central Research Laboratories (Chiba)

Hokuriku Plant (Ishikawa)

Yokkaichi Plant (Mie)

Tatebayashi Plant (Gunma)

Global Network (185 companies in 62 countries and territories)



2) Subsidiaries and Affiliates

Packaging & Graphic (110 companies)

DIC Graphics Corporation (Tokyo, Japan)
Sun Chemical Group Coöperatief U.A. (Netherlands)
PT. DIC GRAPHICS (Indonesia)
Nantong DIC Color Co., Ltd. (PRC)
DIC India Limited (India)
DIC Graphics (Dongguan) Co., Ltd. (PRC)
DIC Graphics (Thailand) Co., Ltd. (Thailand)
DIC (MALAYSIA) SDN. BHD. (Malaysia)
and 102 other companies

Color & Display (24 companies)

Colors & Effects USA LLC (USA)
Sun Chemical Colors & Effects GmbH (Germany)
Qingdao DIC Finechemicals CO., LTD. (PRC)
Earthrise Nutritionals LLC (USA)
and 20 other companies

Functional Products (40 companies)

SEIKO PMC CORPORATION (Tokyo, Japan)
DIC EP Corporation (Chiba, Japan)
DIC Decor, Inc. (Saitama, Japan)
DIC Material Inc. (Tokyo, Japan)
DIC PLASTICS Inc. (Saitama, Japan)
DIC Zhangjiagang Chemicals Co., Ltd. (PRC)
Siam Chemical Industry Co., Ltd. (Thailand)
Guangdong DIC TOD Resins Co., Ltd. (PRC)
Changzhou Huari New Material Co., Ltd. (PRC)
DIC SYNTHETIC RESINS (ZHONGSHAN) CO., LTD. (PRC)
LIDYE CHEMICAL CO., LTD. (Taiwan)
and 29 other companies

Others (10 companies)

DIC (CHINA) CO., LTD. (PRC)
DIC Asia Pacific Pte Ltd (Singapore)
and 8 other companies

7 Principal Subsidiaries and Affiliates

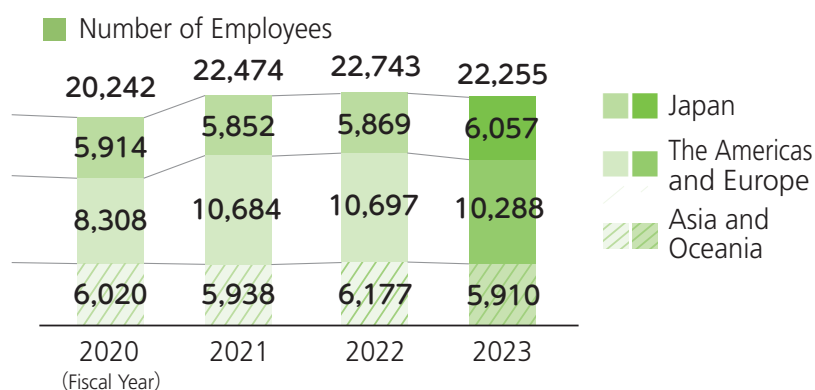
Company Name	Location	Capital	Ownership of Voting Rights	Principal Business
Sun Chemical Group Coöperatief U.A.	Netherlands	€2,469,852 thousand	100.0%	Investment in and financing for Sun Chemical Group companies
DIC Asia Pacific Pte Ltd	Singapore	S\$310,161 thousand	100.0%	Investment in and financing for DIC Group companies in the Asia and Oceania regions, and manufacture and sale of DIC products
DIC (CHINA) CO., LTD.	PRC	RMB2,335,469 thousand	100.0%	Investment in and financing for DIC Group companies in the PRC
Colors & Effects USA LLC	USA	\$484,602 thousand	100.0%	Manufacture and sale of pigments and related products
DIC Graphics Corporation	Tokyo, Japan	¥500 million	66.6%	Manufacture and sale of printing inks and supplies
SEIKO PMC CORPORATION	Tokyo, Japan	¥2,000 million	54.5%	Manufacture and sale of papermaking chemicals and resins for printing inks and imaging and reprographic products
DIC INVESTMENTS JAPAN, LLC.	Tokyo, Japan	¥91 million	100.0%	Investment in and financing for DIC Group companies
TAIYO HOLDINGS CO., LTD.	Saitama, Japan	¥9,903 million	20.1%	Setting the group's broad strategic direction, managing subsidiaries, and research and development for Taiyo Group companies

Notes:

1. The figures for capital of Sun Chemical Group Coöperatief U.A. and Colors & Effects USA LLC are equivalent to the companies' capital surplus since the companies have no figure equivalent to the capital.
2. Ownership of voting rights includes indirect investments.
3. SEIKO PMC CORPORATION has acquired all of the shares in SEIKO PMC held by the Company from the Company through the share repurchase, and was no longer a consolidated subsidiary of the Company after the transaction.

8 Workforce Statistics

Segment	Number of Employees
Packaging & Graphic	10,320
Color & Display	4,309
Functional Products	5,623
Others	485
Corporate (Shared)	1,518
Total	22,255



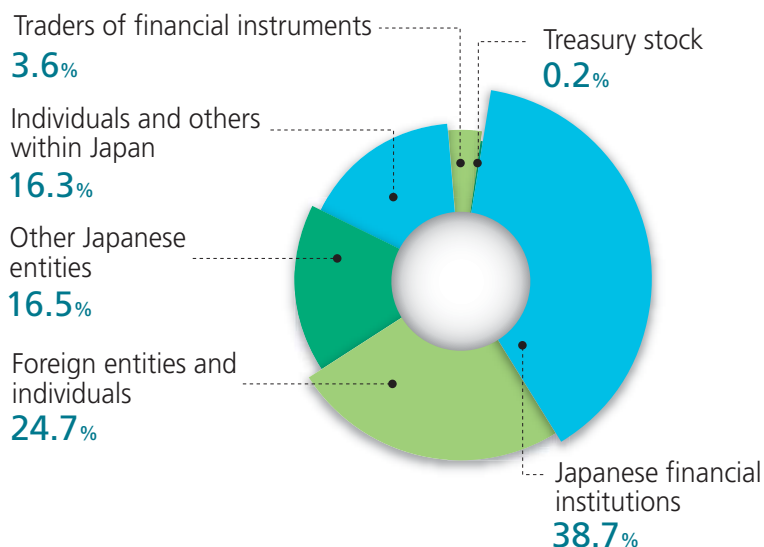
2 Stock Information

1 Total Number of Shares Authorized
150,000,000

2 Total Number of Shares Issued
95,156,904

3 Number of Shareholders
49,159

■ Distribution of Shareholders by Investor Type



4 Major Shareholders

Name of Shareholder	Number of Shares Owned	Shareholding Percentage (%)
The Master Trust Bank of Japan, Ltd. (Trust Account)	13,916,200	14.65
SHOEI INC.	12,694,386	13.37
Custody Bank of Japan, Ltd. (Trust Account)	6,785,318	7.15
OASIS JAPAN STRATEGIC FUND LTD.	4,767,905	5.02
The Dai-ichi Life Insurance Company, Limited	3,500,009	3.69
BNYMSANV AS AGENT/CLIENTS LUX UCITS NON TREATY 1	3,112,200	3.28
Custody Bank of Japan, Ltd. (Trust Account 4)	2,165,000	2.28
Aioi Nissay Dowa Insurance Co., Ltd.	2,020,859	2.13
NIPPON LIFE INSURANCE COMPANY	1,900,075	2.00
JPMorgan Securities Japan Co., Ltd.	1,243,908	1.31

Notes:

- The above table lists the top 10 shareholders.
- The shareholding percentage is calculated by subtracting the number of treasury shares (194,980 shares) from the total number of shares issued. The number of treasury shares does not include shares held by Custody Bank of Japan, Ltd. (302,700 shares) as trustee of the Company's board benefit trust (BBT).

5 Stock Provided to Directors and Audit & Supervisory Board Members as Compensation for the Performance of Duties in Fiscal Year 2023

	Number of Shares	Number of Recipients
Directors (Excluding Outside Directors)	—	—
Outside Directors	—	—
Audit & Supervisory Board Members	—	—

Note: No shares were bestowed on Directors or Audit & Supervisory Board Members as performance-based remuneration upon retirement.

3 Matters Concerning Directors and Audit & Supervisory Board Members

1 Directors and Audit & Supervisory Board Members

1) Directors

Position	Name	Responsibilities at the Company and Principal Concurrent Positions at Other Organizations	Attendance at Board of Directors' Meetings
Chairman of the Board of Directors	Masayuki Saito	Chairman of the Supervisory Board, Sun Chemical Group Coöperatief U.A. Outside Director and Audit & Supervisory Committee Member, Mitsubishi HC Capital Inc.	15/15 (100%)
Representative Director President and CEO	Kaoru Ino		15/15 (100%)
Representative Director Executive Vice President	Toshifumi Tamaki	Assistant to the President and CEO	15/15 (100%)
Director	Yoshihisa Kawamura	Chairman of the Board of Directors, DIC Graphics Corporation	15/15 (100%)
Director Managing Executive Officer	Takeshi Asai	Head of Corporate Strategy Unit In charge of Kawamura Memorial DIC Museum of Art	15/15 (100%)
Director Managing Executive Officer	Shuji Furuta	Head of Finance and Accounting Unit CFO Representative Member, DIC INVESTMENTS JAPAN, LLC.	15/15 (100%)
Outside Independent Director	Yoshiaki Tamura	Outside Director, Dai Nippon Printing Co., Ltd.	15/15 (100%)
Outside Independent Director	Kuniko Shoji	Outside Director, Nichirei Corporation Outside Director, Medipal Holdings Corporation	15/15 (100%)
Outside Independent Director	Masami Fujita	Representative Director of Board and Chairperson, SHINKO ELECTRIC INDUSTRIES CO., LTD. Outside Director, HAZAMA ANDO CORPORATION	11/11 (100%)

2) Audit & Supervisory Board Members

Position	Name	Responsibilities at the Company and Principal Concurrent Positions at Other Organizations	Attendance at Board of Directors' Meetings	Attendance at Audit & Supervisory Board Meetings
Full-time Audit & Supervisory Board Member	Akihiro Ikushima		15/15 (100%)	16/16 (100%)
Full-time Audit & Supervisory Board Member	Hiroyuki Ninomiya		15/15 (100%)	16/16 (100%)
Outside Independent Audit & Supervisory Board Member	Keita Nagura	Attorney Outside Director, Helios Techno Holding Co., Ltd.	15/15 (100%)	16/16 (100%)
Outside Independent Audit & Supervisory Board Member	Keiko Kishigami	Certified public accountant Outside Audit & Supervisory Board Member, Okamura Corporation Outside Director and Audit Committee Member, Sony Group Corporation Outside Director and Audit & Supervisory Committee Member, Sumitomo Seika Chemicals Company, Limited	11/11 (100%)	11/11 (100%)

Notes:

- Directors Yoshiaki Tamura, Kuniko Shoji and Masami Fujita are Outside Directors.
- Audit & Supervisory Board Members Keita Nagura and Keiko Kishigami are Outside Members.
- Audit & Supervisory Board Member Hiroyuki Ninomiya oversaw corporate accounts at the Company for many years, was the General Manager of Accounting Dept. and Head of Finance and Accounting Unit, and has extensive expertise in finance and accounting.
- In addition to providing expertise in corporate law, Outside Audit & Supervisory Board Member Keita Nagura provides tax accounting services pursuant to Article 51 of the Certified Public Tax Accountant Act and has extensive expertise in finance and accounting.
- Outside Audit & Supervisory Board Member Keiko Kishigami is qualified as a certified public accountant, has engaged in the audit of companies for many years, and has extensive expertise in finance and accounting.
- Outside Directors Yoshiaki Tamura, Kuniko Shoji and Masami Fujita and Outside Audit & Supervisory Board Members Keita Nagura and Keiko Kishigami are designated as Independent Directors/Members in accordance with the rules of the Tokyo Stock Exchange.
- Director Masami Fujita and Audit & Supervisory Board Member Keiko Kishigami were newly elected and assumed office at the 125th Annual General Meeting of Shareholders held on March 29, 2023.

Notes:

8. At the conclusion of the 125th Annual General Meeting of Shareholders held on March 29, 2023, Director Kazuo Tsukahara and Audit & Supervisory Board Member Michiko Chiba retired from their positions.
9. Figures for attendance at Board of Directors' meetings for Director Masami Fujita and figures for attendance at Board of Directors' meetings and Audit & Supervisory Board meetings for Audit & Supervisory Board Member Keiko Kishigami reflect the number of meetings held subsequent to these individuals' assumption of office on March 29, 2023 until December 31, 2023.
10. The Company executed the contract for limitation of liability with all of the Outside Directors and Outside Audit & Supervisory Board Members. Pursuant to the contract, if they neglect their duties and cause damages to the Company, they shall be liable for damages up to the minimum liability amount stipulated in Article 425, Paragraph 1 of the Companies Act, on the condition that they acted in good faith and were not grossly negligent in performing their duties.
11. As of January 1, 2024, certain Directors' positions and responsibilities at the Company were amended as shown below.

Position	Name	Responsibilities at the Company and Principal Concurrent Positions at Other Organizations
Director	Masayuki Saito	Outside Director and Audit & Supervisory Committee Member, Mitsubishi HC Capital Inc.
Representative Director Chairman of the Board of Directors	Kaoru Ino	
Director	Toshifumi Tamaki	
Director Senior Managing Executive Officer	Takeshi Asai	Head of Financing and Accounting Unit CFO Representative Member, DIC INVESTMENTS JAPAN, LLC. Chairman of the Supervisory Board, Sun Chemical Group Coöperatief U.A.
Representative Director Executive Vice President	Shuji Furuta	Assistant to President and CEO Head of Corporate Strategy Unit In Charge of Kawamura Memorial DIC Museum of Art

3) Outline of D&O Liability Insurance

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

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

(Reference)

The Company has adopted an Executive Officer system in order to facilitate the prompt execution of operations and better clarify responsibilities. As of January 1, 2024, Executive Officers who do not concurrently serve as Directors are as shown below.

Position	Name	Responsibilities at the Company
President and CEO	Takashi Ikeda	
Senior Managing Executive Officer	Masaya Nakafuji	Head of General Affairs and Legal Unit In Charge of Risk Management, Osaka Branch and Nagoya Branch
Managing Executive Officer	Masamichi Sota	President, Packaging & Graphic Business Group General Manager, Printing Material Products Div.

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

2 Remuneration for Directors and Audit & Supervisory Board Members

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

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

In addition, the Board of Directors has confirmed that the method used to determine remuneration and remuneration thus determined are consistent with the policy decided by the Board of Directors and has judged that remuneration for each individual Director for fiscal year 2023 is in accordance with the policy.

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

① Policy on Basic Remuneration

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

② Policy on Performance-Based Remuneration

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

③ Policy on Non-Monetary Remuneration

The Company provides non-monetary remuneration to Directors who concurrently serve as Executive Officers with the objective of strengthening Executive Officers' awareness of the importance of contributing to the medium- to long-term improvement of operating results, as well as to the enhancement of corporate value, and of sharing the same objectives as shareholders. Individual points granted are calculated using the method stipulated in the Rules of Officer Share Benefit.

④ Policy on Composition of Remuneration

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

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

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

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

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

⑥ Matters Concerning the Delegation of Authority for Determining Remuneration

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

● Members of the Remuneration Committee

Chairman: Kuniko Shoji Outside Director

Members: Masayuki Saito Director

Yoshiaki Tamura Outside Director

Kaoru Ino

Representative Director; Chairman of the Board of Directors

Masami Fujita Outside Director

● Authority delegated

Matters concerning the determination of remuneration for individual Directors

● Reasons for entrusting authority

Authority is entrusted because the Company believes that objectively evaluating each Director while taking into consideration the Company's overall business performance and other factors is not a matter suited to consideration by Directors, but rather is more appropriately discussed and deliberated by the Remuneration Committee, which in fiscal year 2023 consisted of the Chairman of the Board of Directors (currently a Director) and the President and CEO (currently the Chairman of the Board of Directors), who have an overall view of the Company, and Outside Directors, who are in a position to increase transparency and fairness. To ensure the appropriate exercise of delegated authority, the Compensation Committee is chaired by an Outside Director and the majority of the members are Outside Directors.

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

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

3) Total Amount of Remuneration in Fiscal Year 2023

Category	Total Amount (Millions of yen)	Composition of Remuneration (Millions of yen)			Number of Directors and Audit & Supervisory Board Members
		Basic Remuneration (Fixed)	Performance-Based Remuneration		
			Bonus	Stock Compensation	
Directors (Portion of the above paid to Outside Directors)	336 46	311 46	4 —	21 —	10 4
Audit & Supervisory Board Members (Portion of the above paid to Outside Audit & Supervisory Board Members)	91 31	91 31	— —	— —	5 3
Total (Portion of the above paid to Outside Directors and Outside Audit & Supervisory Board Members)	427 77	402 77	4 —	21 —	15 7

Notes:

- The above data includes one Outside Director and one Outside Audit & Supervisory Board Member who retired at the conclusion of the 125th Annual General Meeting of Shareholders held on March 29, 2023.
- The key performance indicator (KPI) for calculating performance-based remuneration is consolidated operating income, which was 17,943 million yen. The standard component of performance-based remuneration, which is commensurate with position, is calculated by multiplying position-specific basic bonus by degree of achievement of the target for consolidated operating income in the fiscal year at the time the standard component is determined, taking into account evaluation of department performance and individual contribution, with the limit for increases and decreases set at 30%. The KPI used was chosen because it is representative of the quality of core businesses and the most important indicator for formulation of the Company's strategies.
In view of management's responsibility for the significant loss in net income attributable to owners of the parent in fiscal year 2023, the decision was made to withhold payment of bonuses for directors serving concurrently as Executive Officers as of December 31, 2023, with 100% withheld for the President and CEO and the Executive Vice President and 50% withheld for other Executive Officers.
- Non-monetary remuneration consists of stock compensation, conditions for the allotment of which are as described in "1) Policies on and Other Matters Concerning the Determination of Remuneration for Directors" above, which is performance based and calculated using the method stipulated in the Rules of Officer Share Benefit. The KPIs used are degree of achievement of targets for consolidated operating income and net income attributable to owners of the parent set forth in the management plan, as well as year-on-year percentage change in both. Stock compensation is granted in the form of points.
- Monetary remuneration for Directors was resolved at the 109th Annual General Meeting of Shareholders, held on June 27, 2007, to not exceed 700 million yen per year (not including that for the job of Executive Officer for Directors who serve concurrently in this position). The number of Directors at the conclusion of the 109th Annual General Meeting of Shareholders was 13, none of which were Outside Directors. At the 123rd Annual General Meeting of Shareholders, held on March 30, 2021, the Company resolved that the amount of stock compensation shall not exceed 250 million yen per three fiscal years and the maximum number of shares shall not exceed 46,000 points per year (Directors who do not concurrently serve as Executive Officers and Outside Directors are not eligible). The number of Directors (not including Directors who do not concurrently serve as Executive Officers and Outside Directors) at the conclusion of the 123rd Annual General Meeting of Shareholders was four.
- Monetary remuneration for Audit & Supervisory Board Members was resolved at the 107th Annual General Meeting of Shareholders, held on June 28, 2005, to not exceed 100 million yen per year. The number of Audit & Supervisory Board Members at the conclusion of the 107th Annual General Meeting of Shareholders was four.

3 Outside Directors and Audit & Supervisory Board Members

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

The Company has transactions involving the sale and purchase of products with Dai Nippon Printing Co., Ltd., in which Outside Director Yoshiaki Tamura concurrently holds a principal position. The Company also has transactions involving the sale and purchase of products with Sumitomo Seika Chemicals Company, Limited, and Okamura Corporation, in which Auditor Keiko Kishigami concurrently holds a principal position. These transactions account for less than 0.2% of the DIC Group's annual consolidated net sales.

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

2) Principal Activities of Outside Directors and Outside Audit & Supervisory Board Members for Fiscal Year 2023

Position	Name	Attendance at Board of Directors' Meetings	Attendance at Audit & Supervisory Board Meetings	Statements at Meetings and Outline of Performance of Expected Duties as Outside Director/ Outside Audit & Supervisory Board Member
Director	Yoshiaki Tamura	15/15 (100%)	—	Proactively made statements on proposed resolutions based on extensive experience and expertise in corporate management and played an important role in strengthening the Group management oversight functions and decision making; as a member of the Nomination Committee and the Remuneration Committee, participated in both the selection of candidates for Director and the determination of remuneration for Directors from an objective position.
	Kuniko Shoji	15/15 (100%)	—	Proactively made statements on proposed resolutions based on extensive experience and expertise in corporate management and played an important role in strengthening the Group management oversight functions and decision making; as a member of the Nomination Committee and the Remuneration Committee, participated in both the selection of candidates for Director and the determination of remuneration for Directors from an objective position.
	Masami Fujita	11/11 (100%)	—	Proactively made statements on proposed resolutions based on extensive experience and expertise in corporate management and played an important role in strengthening the Group management oversight functions and decision making; as a member of the Nomination Committee and the Remuneration Committee, participated in both the selection of candidates for Director and the determination of remuneration for Directors from an objective position.
Audit & Supervisory Board Member	Keita Nagura	15/15 (100%)	16/16 (100%)	Proactively made statements on proposed resolutions from his perspective as an attorney with specialized expertise.
	Keiko Kishigami	11/11 (100%)	11/11 (100%)	Proactively made statements on proposed resolutions from her perspective as a certified public accountant with specialized expertise.

Note: Figures for attendance at Board of Directors' meetings for Director Masami Fujita and figures for attendance at Board of Directors' meetings and Audit & Supervisory Board meetings for Audit & Supervisory Board Member Keiko Kishigami reflect the number of meetings held subsequent to these individuals' assumption of office on March 29, 2023 until December 31, 2023.

4 Matters Concerning the Accounting Auditor

1 Name of Audit Firm

Deloitte Touche Tohmatsu LLC

2 Remuneration and Other Payments for the Accounting Auditor

	Total Amount (Millions of yen)
Amount of Remuneration and Other Payments Paid by the Company	155
Total Amount of Money and Other Property Benefits to be Paid by the Company and its Subsidiaries	250

Notes:

- The audit agreement entered into by the Company and its Accounting Auditor does not distinguish clearly between the amount derived from the audit under the Companies Act and the amount derived from the audit under the Financial Instruments and Exchange Act and the two amounts cannot be substantially distinguished from each other. Consequently, both are included in the amount of remuneration to be paid by the Company.
- The accounts of principal overseas subsidiaries are audited by firms other than the firm named above (accounting auditor, public accountants or other individuals or firms that hold a certification equivalent to that of accounting auditor in Japan) in conformity with the requirements of laws in their respective countries of domicile that correspond to the Companies Act or Financial Instruments and Exchange Act.
- The Audit & Supervisory Board received briefings about the audit performance for the past fiscal years done by the Accounting Auditor, quality of audit, audit plans for fiscal year 2023 and the calculation basis of remuneration estimate from Directors and senior executives in the Company and the Accounting Auditor, and reviewed said briefings accordingly. As a result, remuneration and other payments for the Accounting Auditor were approved by the Audit & Supervisory Board because it was deemed appropriate to conduct the planned audit and align the standard to maintain audit quality.
- In addition to the above, the Company paid additional remuneration of 19 million yen for audit for fiscal year 2022.

3 Non-Audit Services

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

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

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

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

Consolidated Financial Statements

Consolidated Balance Sheet

(Millions of yen)

Accounts	Current Fiscal Year As of December 31, 2023	Previous Fiscal Year As of December 31, 2022 (Reference)	Accounts	Current Fiscal Year As of December 31, 2023	Previous Fiscal Year As of December 31, 2022 (Reference)
(Assets)			(Liabilities)		
I Current assets	620,188	659,967	I Current liabilities	348,749	389,892
Cash and deposits	87,533	63,380	Notes and accounts payable - trade	140,089	154,964
Notes and accounts receivable - trade	225,148	247,520	Short-term loans payable	12,405	26,056
Merchandise and finished goods	167,427	182,572	Commercial papers	33,000	30,000
Work in process	11,250	11,656	Current portion of bonds payable	30,000	30,000
Raw materials and supplies	94,157	116,522	Current portion of long-term loans payable	33,897	35,928
Other	38,623	42,432	Lease obligations	4,656	4,607
Allowance for doubtful accounts	(3,951)	(4,116)	Income taxes payable	2,870	5,650
			Provision for bonuses	5,037	5,555
II Non-current assets	624,701	601,671	Other	86,794	97,133
Property, plant and equipment	373,892	353,536	II Non-current liabilities	496,873	450,657
Buildings and structures	133,062	128,742	Bonds payable	95,000	110,000
Machinery, equipment and vehicles	128,613	119,110	Long-term loans payable	308,231	260,259
Tools, furniture and fixtures	17,822	17,089	Lease obligations	11,769	12,479
Land	66,488	66,353	Deferred tax liabilities	19,351	14,443
Construction in progress	27,907	22,242	Net defined benefit liability	36,056	28,742
			Asset retirement obligations	9,480	8,449
Intangible assets	68,916	78,764	Other	16,986	16,286
Goodwill	17,782	33,641	Total liabilities	845,622	840,549
Software	14,298	10,277	(Net assets)		
Customer-related assets	11,639	9,609	I Shareholders' equity	362,497	411,802
Other	25,198	25,238	Capital stock	96,557	96,557
			Capital surplus	94,234	94,234
Investments and other assets	181,893	169,371	Retained earnings	173,292	222,796
Investment securities	63,071	63,819	Treasury shares	(1,586)	(1,785)
Deferred tax assets	16,593	16,419	II Accumulated other comprehensive income	1,440	(24,805)
Net defined benefit asset	78,961	64,383	Valuation difference on available-for-sale securities	5,542	5,360
Other	23,366	24,849	Deferred gains or losses on hedges	248	694
Allowance for doubtful accounts	(98)	(98)	Foreign currency translation adjustment	12,559	(17,286)
			Remeasurements of defined benefit plans	(16,910)	(13,573)
Total assets	1,244,889	1,261,637	III Non-controlling interests	35,330	34,091
			Total net assets	399,267	421,088
			Total liabilities and net assets	1,244,889	1,261,637

Consolidated Statement of Income

(Millions of yen)

Accounts	Current Fiscal Year Ended December 31, 2023	Previous Fiscal Year Ended December 31, 2022 (Reference)
I Net sales	1,038,736	1,054,201
II Cost of sales	852,360	854,979
Gross profit	186,376	199,221
III Selling, general and administrative expenses	168,433	159,539
Operating income	17,943	39,682
IV Non-operating income	10,996	7,774
Interest income	6,078	1,968
Dividends income	503	465
Foreign exchange gains	—	750
Equity in earnings of affiliates	2,734	2,368
Other	1,680	2,223
V Non-operating expenses	19,723	7,510
Interest expenses	11,274	4,512
Foreign exchange losses	4,188	—
Other	4,261	2,998
Ordinary income	9,216	39,946
VI Extraordinary income	4,886	2,819
Gain on sales of investment securities	2,688	445
Gain on sales of non-current assets	1,858	957
Insurance income	340	340
Settlement income	—	1,077
VII Extraordinary losses	40,570	7,586
Impairment losses	33,537	1,107
Severance costs	4,268	3,514
Loss on disposal of non-current assets	2,571	2,407
Provision for loss on withdrawal from business	194	—
Loss on withdrawal from business	—	559
Income (loss) before income taxes	(26,468)	35,179
Income taxes - current	10,065	12,449
Income taxes - deferred	2,328	4,081
Net income (loss)	(38,861)	18,649
Net income attributable to non-controlling interests	996	1,039
Net income (loss) attributable to owners of the parent	(39,857)	17,610

Non-Consolidated Financial Statements

Non-Consolidated Balance Sheet

(Millions of yen)

Accounts	Current Fiscal Year As of December 31, 2023	Previous Fiscal Year As of December 31, 2022 (Reference)	Accounts	Current Fiscal Year As of December 31, 2023	Previous Fiscal Year As of December 31, 2022 (Reference)
(Assets)			(Liabilities)		
I Current assets	176,261	181,999	I Current liabilities	248,291	234,636
Cash and deposits	29,386	16,433	Electronically recorded obligations	10,515	10,633
Notes receivable - trade	2,461	3,032	Accounts payable - trade	66,147	70,263
Electronically recorded monetary claims	5,079	5,254	Short-term loans payable	80,720	64,067
Accounts receivable - trade	53,347	68,955	Commercial papers	33,000	30,000
Merchandise and finished goods	29,165	29,431	Current portion of bonds payable	30,000	30,000
Work in process	5,221	5,134	Accounts payable - other	20,828	24,730
Raw materials and supplies	10,804	12,141	Income taxes payable	314	49
Advance payments - trade	1,291	1,509	Provision for bonuses	3,469	3,811
Prepaid expenses	2,256	2,112	Provision for directors' bonuses	4	56
Short-term loans receivable	10,259	7,882	Provision for environmental measures	22	14
Accounts receivable - other	26,484	29,017	Provision for loss on withdrawal from business	194	—
Other	514	1,107	Accrued expenses	440	382
Allowance for doubtful accounts	(6)	(8)	Advances received	146	138
			Deposits received	182	58
			Other	2,311	435
II Non-current assets	710,234	698,586	II Non-current liabilities	338,000	327,803
Property, plant and equipment	97,616	100,911	Bonds payable	95,000	110,000
Buildings	31,692	32,959	Long-term loans payable	236,800	209,300
Structures	6,929	6,678	Provision for retirement benefits	26	24
Machinery and equipment	23,655	22,547	Provision for stock payments	471	436
Vehicles	97	116	Provision for loss on business of subsidiaries and affiliates	164	21
Tools, furniture and fixtures	5,773	5,748	Provision for environmental measures	147	168
Land	25,648	27,526	Asset retirement obligations	797	638
Construction in progress	3,821	5,336	Deferred tax liabilities	1,599	3,852
			Other	2,995	3,364
Intangible assets	15,178	10,121	Total liabilities	586,292	562,438
Goodwill	1,142	—			
Software	13,696	9,752	(Net assets)		
Other	340	369	I Shareholders' equity	305,188	317,975
			Capital stock	96,557	96,557
Investments and other assets	597,441	587,554	Capital surplus	94,156	94,156
Investment securities	11,553	14,558	Legal capital surplus	94,156	94,156
Stocks of subsidiaries and affiliates	496,475	485,564	Retained earnings	116,062	129,048
Investments in capital of subsidiaries and affiliates	32,246	32,246	Other retained earnings		
Long-term loans receivable	5	5	Reserve for tax deferral of subsidies	64	86
Prepaid pension cost	39,688	35,836	Reserve for tax deferral of insurance gains	143	150
Other	17,620	19,491	Reserve for tax deferral of capital gains from eminent domain	773	793
Allowance for doubtful accounts	(146)	(146)	Reserve for reduction entry of replaced property	3,679	3,916
			Retained earnings brought forward	111,404	124,103
			Treasury shares	(1,586)	(1,785)
			II Valuation and translation adjustments	(4,985)	172
			Valuation difference on available-for- sale securities	4,797	5,039
			Deferred gains or losses on hedges	(9,782)	(4,867)
			Total net assets	300,203	318,147
Total assets	886,495	880,585	Total liabilities and net assets	886,495	880,585

Non-Consolidated Statement of Income

(Millions of yen)

Accounts	Current Fiscal Year Ended December 31, 2023	Previous Fiscal Year Ended December 31, 2022 (Reference)
I Net sales	239,771	246,495
II Cost of sales	202,391	202,314
Gross profit	37,380	44,182
III Selling, general and administrative expenses	38,663	36,004
Operating income (loss)	(1,284)	8,178
IV Non-operating income	6,307	8,666
Interest income	169	80
Dividends income	5,474	5,806
Foreign exchange gains	361	1,507
Other	303	1,273
V Non-operating expenses	3,294	3,124
Interest expenses	1,817	2,208
Other	1,477	916
Ordinary income	1,729	13,720
VI Extraordinary income	3,245	440
Gain on sales of investment securities	2,679	440
Gain on extinguishment of tie-in shares	566	—
VII Extraordinary losses	8,274	1,317
Loss on disposal of non-current assets	809	807
Impairment losses	7,270	510
Provision for loss on withdrawal from business	194	—
Income (loss) before income taxes	(3,300)	12,843
Income taxes - current	(74)	(760)
Income taxes - deferred	112	3,316
Net income (loss)	(3,338)	10,287

Audit Reports

Audit Report of the Accounting Auditor for the Consolidated Financial Statements

(TRANSLATION)

INDEPENDENT AUDITOR'S REPORT

February 28, 2024

To the Board of Directors of
DIC Corporation:

Deloitte Touche Tohmatsu LLC
Tokyo office

Designated Engagement Partner,
Certified Public Accountant:

Takaya Otake

Designated Engagement Partner,
Certified Public Accountant:

Teppeï Yamamoto

Opinion

Pursuant to the fourth paragraph of Article 444 of the Companies Act, we have audited the consolidated financial statements of DIC Corporation and its consolidated subsidiaries (the "Group"), namely, the consolidated balance sheet as of December 31, 2023, and the consolidated statement of income and consolidated statement of changes in equity for the fiscal year from January 1, 2023 to December 31, 2023, and the related notes.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Group as of December 31, 2023, and its consolidated financial performance for the year then ended in accordance with accounting principles generally accepted in Japan.

Basis for Opinion

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

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

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

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

(TRANSLATION)

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

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

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

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

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

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

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

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

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

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

(TRANSLATION)

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

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

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

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

Notes to the Readers of Independent Auditor's Report

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

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

(TRANSLATION)

INDEPENDENT AUDITOR'S REPORT

February 28, 2024

To the Board of Directors of
DIC Corporation:

Deloitte Touche Tohmatsu LLC
Tokyo office

Designated Engagement Partner,
Certified Public Accountant:

Takaya Otake

Designated Engagement Partner,
Certified Public Accountant:

Teppei Yamamoto

Opinion

Pursuant to the first item, second paragraph of Article 436 of the Companies Act, we have audited the nonconsolidated financial statements of DIC Corporation (the "Company"), namely, the nonconsolidated balance sheet as of December 31, 2023, and the nonconsolidated statement of income and nonconsolidated statement of changes in equity for the 126th fiscal year from January 1, 2023 to December 31, 2023, and the related notes and the accompanying supplemental schedules.

In our opinion, the accompanying nonconsolidated financial statements present fairly, in all material respects, the financial position of the Company as of December 31, 2023, and its financial performance for the year then ended in accordance with accounting principles generally accepted in Japan.

Basis for Opinion

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

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

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

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

(TRANSLATION)

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

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

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

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

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

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

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

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

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

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

(TRANSLATION)

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

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

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

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

Notes to the Readers of Independent Auditor's Report

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

Audit Report of the Audit & Supervisory Board

AUDIT REPORT

The Audit & Supervisory Board has prepared this audit report following deliberations based on the audit reports prepared by each Audit & Supervisory Board Member pertaining to the conduct of the Directors in the performance of their duties during the 126th fiscal year from January 1, 2023 to December 31, 2023 and hereby reports as follows:

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

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

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

2. Results of Audit

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

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

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

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

(3) Results of Audit of Consolidated Financial Statements

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

February 28, 2024

The Audit & Supervisory Board of DIC Corporation

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



1 Audit & Supervisory Board Member (Full-time)

Akihiro Ikushima

2 Audit & Supervisory Board Member (Full-time)

Hiroyuki Ninomiya

3 Audit & Supervisory Board Member (Independent)

Keita Nagura

4 Audit & Supervisory Board Member (Independent)

Keiko Kishigami

