



Dainichiseika

Six Months Ended September 30, 2025 Supplemental Materials of Financial Results



Dainichiseika Color & Chemicals Mfg. Co., Ltd.

November 10, 2025

Consolidated Financial Results for the Six Months Ended September 30, 2025

Consolidated Statements of Income



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Net sales

Automotive compounds and colorants have recovered as the impact of production cuts by automobile manufacturers has dissipated. Polyurethane resins performed weakly due to poor sales of vehicle models adopted. For LCDs, pigments performed at the same level as the previous year, while coating materials performed weakly from the second quarter onward.

Operating profit

Domestically, profit increased due to growth in sales volume and progress in revising selling prices. Internationally, the subsidiaries in South China and the United States performed weakly.

Profit attributable to owners of parent

A gain on sale of investment securities totaling 600 million yen was recorded as an extraordinary gain.

100 million yen (Truncated)	Results for the Six Months Ended September 30, 2024	Results for the Six Months Ended September 30, 2025	Amount of Change (YoY)	Ratio of Change (YoY)	Initial Forecast for Six Months Ended September 30, 2025 (Disclosed on May 15)	Ratio of achievement
Net Sales*1	621	617	(4)	(0.7%)	642	96.1%
Operating profit	34	41	6	18.1%	36	114.0%
Ordinary profit	37	44	7	19.7%	42	106.9%
Profit attributable to owners of parent	80	37	(42)	(53.1%)	32	117.6%
EBITDA*2	58	66	7	12.9%	60	109.6%
Research and development expenses*3	5	5	-	-	-	-
Ratio of overseas sales	27.0%	25.2%	(1.8%)	-	-	-
Profit per share	¥467.67	¥219.27	(¥248.40)	-	186.47	-
Foreign exchange rates	\$1/¥153.68 €1/¥163.94	\$1/¥146.16 €1/¥164.11	¥7.52 stronger ¥0.17 weaker	-	\$1/¥148.00 €1/¥159.00	-
Naphtha price	¥77,950	¥64,750	(¥13,200)	-	¥67,000	-

*1 Amounts of materials supplied for a fee included in net sales and offset against cost of sales as a result of the adoption of the Accounting Standard for Revenue Recognition:

¥19.6 billion for the six months ended Sept. 30, 2024 and ¥19.5 billion for the six months ended Sept. 30, 2025

*2 EBITDA = Operating profit + Depreciation

*3 Other technology-related expenses incurred from improvements to existing products, etc: ¥0.9 billion for the six months ended Sept. 30, 2024 and ¥0.8 billion for the six months ended Sept. 30, 2025

Consolidated Financial Results for the Six Months Ended September 30, 2025

Consolidated Statements of Income by Segments



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Net sales

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Polyurethane resins performed weakly due to poor sales of vehicle models adopted.
For LCDs, pigments performed at the same level as the previous year, while coating materials performed weakly from the second quarter onward.

Operating profit

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Profit attributable to owners of parent

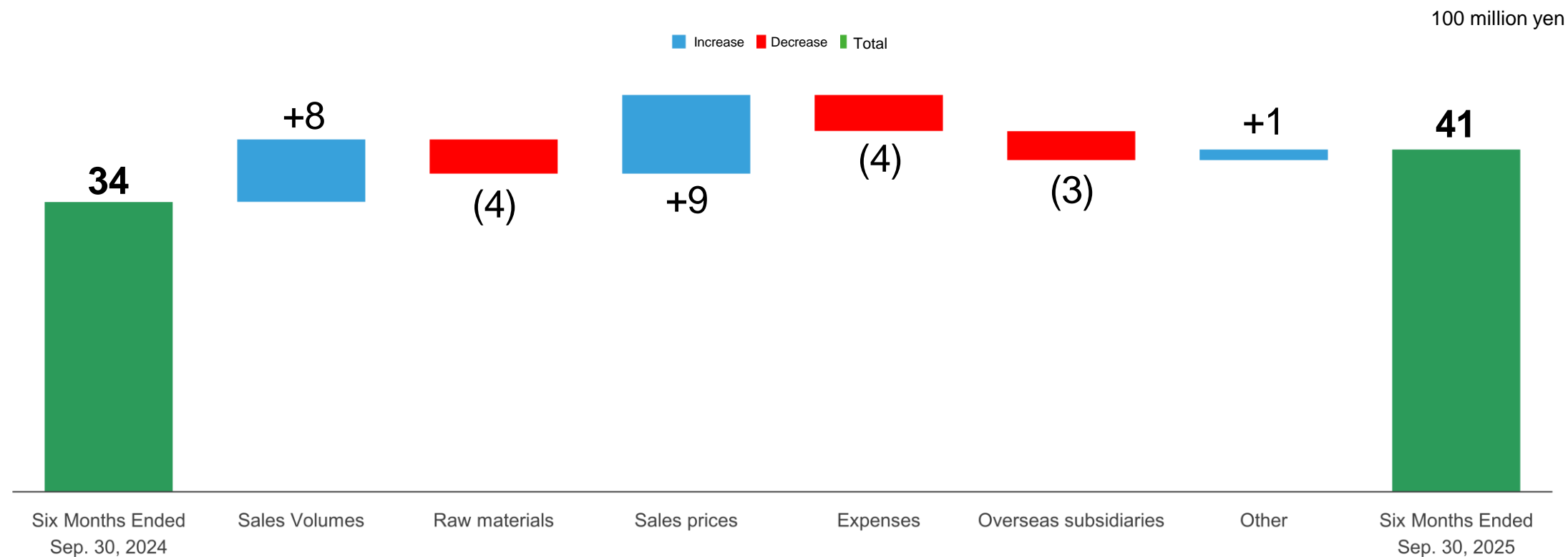
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100 million yen (Truncated)		Results for the Six Months Ended September 30, 2024	Results for the Six Months Ended September 30, 2025	Amount of Change (YoY)	Ratio of Change (YoY)	Initial Forecast for Six Months Ended September 30, 2025 (Disclosed on May 15)	Ratio of achievement
	Color & Functional Products (C&F)	334	339	5	1.5%	351	96.9%
	Polymer & Coating Materials (P&C)	125	121	(4)	(3.2%)	127	95.8%
	Graphic & Printing Materials (G&P)	160	155	(4)	(3.1%)	164	94.7%
Sales		621	617	(4)	(0.7%)	642	96.1%
	Color & Functional Products (C&F)	15	22	7	47.1%	15	147.3%
	Polymer & Coating Materials (P&C)	16	13	(3)	(18.5%)	17	80.8%
	Graphic & Printing Materials (G&P)	2	5	2	74.6%	4	127.0%
Operating profit		34	41	6	18.1%	36	114.0%
Ordinary profit		37	44	7	19.7%	42	106.9%
Profit attributable to owners of parent		80	37	(42)	(53.1%)	32	117.6%

Consolidated Financial Results for the Six Months Ended September 30, 2025

Factors for Changes in Consolidated Operating Profit

- Sales volumes** | Automotive compounds and colorants have recovered as the impact of production cuts by automobile manufacturers has dissipated. Polyurethane resins performed weakly due to poor sales of vehicle models adopted. For LCDs, pigments performed at the same level as the previous year, while coating materials performed weakly from the second quarter onward.
- Raw materials and sales prices** | Selling prices were revised to reflect the hike in raw material costs since the previous period.
- Expenses** | Labor costs and depreciation expenses due to capital investment increased.
- Overseas subsidiaries** | Local subsidiaries in the South China region and the United States performed weakly.



Consolidated Financial Results for the Six Months Ended September 30, 2025

Consolidated Balance Sheets



- Assets** | Total Assets Increased: Although "Accounts Receivable and Notes Receivable" and "Inventories" increased due to strong business performance, "Cash and Deposits" decreased due to dividend payments, etc.
- Liabilities** | Total Liabilities Decreased Slightly: "Notes Payable and Accounts Payable" decreased.
- Net assets** | Net Assets Increased: "Retained Earnings" increased (due to an increase from Net Income and a decrease from dividend payments), but "Foreign Currency Translation Adjustments" decreased.



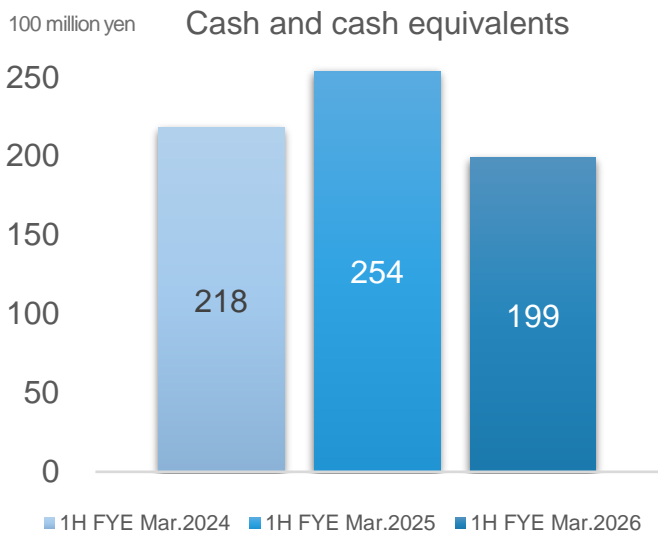
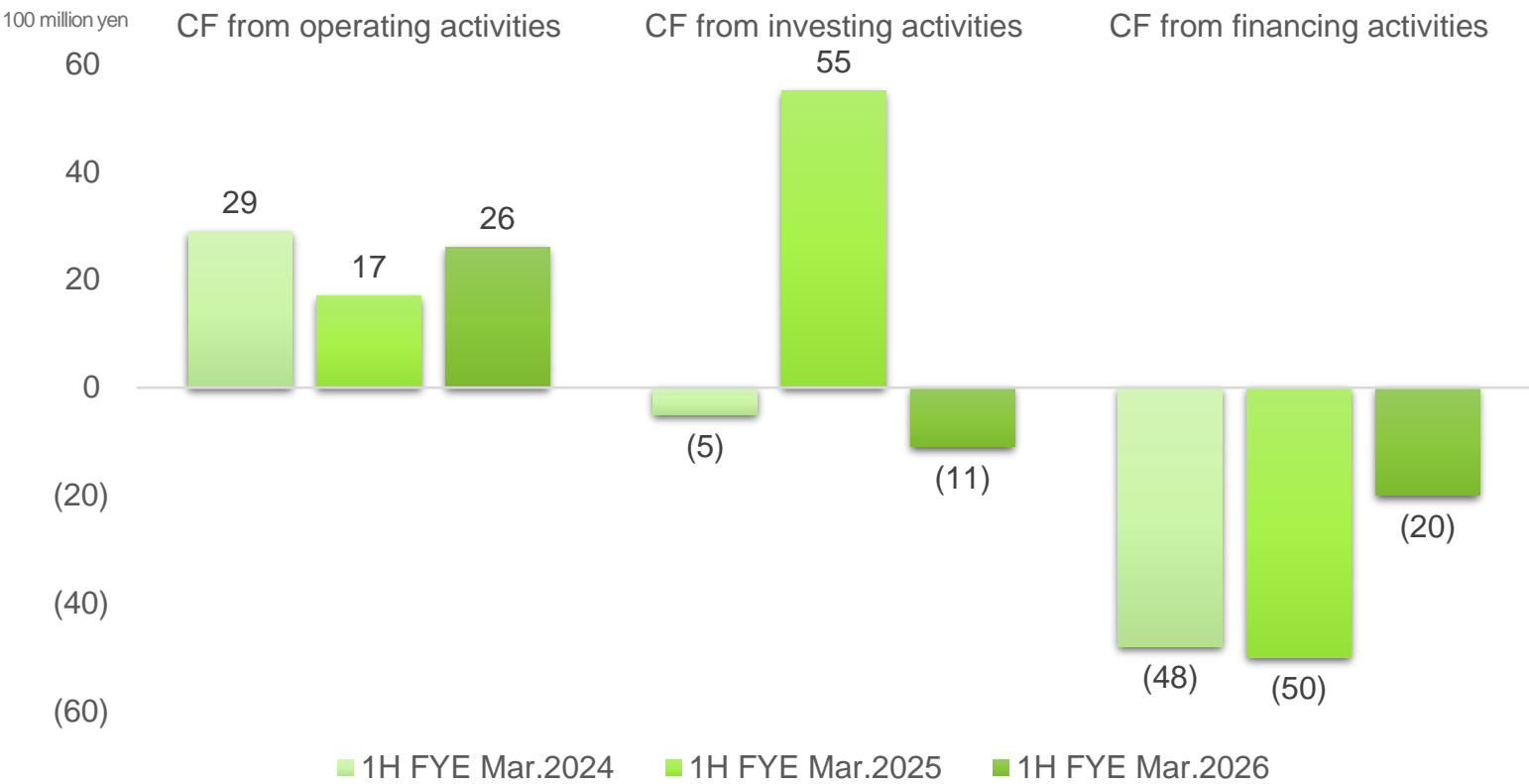
	As of March 31, 2025	As of September 30, 2025	Amount of Change
Interest-bearing debt	¥21.0 billion	¥21.7 billion	+¥0.7 billion
DE ratio	0.16	0.17	+0.01
Equity ratio	65.0%	65.4%	+0.4
Net assets per share	¥7,459.16	¥7,554.71	+95.55

Consolidated Financial Results for the Six Months Ended September 30, 2025

Consolidated Statements of Cash Flows



- CF from operating activities** | Net Assets Decreased: "Retained Earnings" increased (due to an increase from Net Income and a decrease from dividend payments), but "Foreign Currency Translation Adjustments" decreased.
- CF from investing activities** | Capital expenditures -¥3.2 billion, Proceeds from sale of investment securities +¥0.9 billion, Withdrawal of time deposits +¥1.1 billion
- CF from financing activities** | Increase in borrowings +¥0.8 billion, Payment of dividends -¥1.5 billion, Acquisition of treasury stock -¥1.1 billion



Dividend strategy The Company, based on the perspective of sustainable growth and enhancement of medium- to long-term corporate values, makes it a principle to continuously pursue a dividend policy in which the return of profits to shareholders is regarded as an important management priority, yet with broader consideration to matters such as business development in the future, reinforcement of its operating basis, and enrichment of internal reserves.

Stock split

■ Purpose

- To expand our investor base and enhance the liquidity of our shares by lowering the investment unit price of the Company's stock, thereby creating an environment that is more accessible for a wider range of investors

■ Ratio

- Four shares for every one share of common stock

■ Effective date

- Wednesday, April 1, 2026 (scheduled)

Dividend policy

■ Interim dividend of the FYE March 2026

- ¥87 per share (ordinary dividend:¥72 + special dividend:¥15)
*¥174 annual dividends per share (forecast) (ordinary dividend:¥144 + special dividend:¥30)

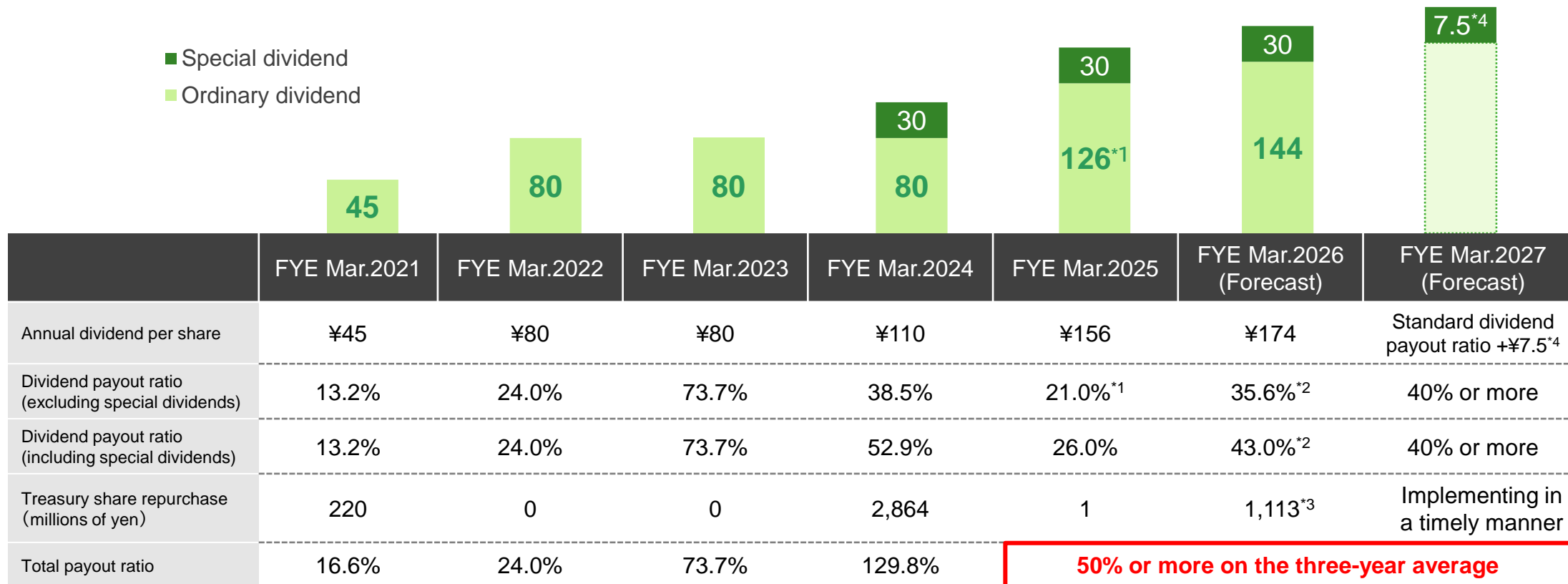
■ Shareholder return policy for the three-year medium-term management plan period (until the FYE March 2027)

(The underlined parts reflect the impact in FYE March 2027 of the stock split. There is no substantial change in the policy.)

- Targeting a total payout ratio of 50% or more on the three-year average during the medium-term management plan
- Dividend payout ratio of 40% or more (excluding special dividend)
- Annual dividends of at least ¥100 (¥25) per share (excluding special dividend)
- Special dividends of ¥30 per share annually until the FYE March 2026, and ¥7.50 per share for the FYE March 2027.
- Implementing treasury share repurchase in a timely manner

Shareholder Return

■ Special dividend
■ Ordinary dividend



^{*1} The ordinary dividends of ¥126 for the FYE March 2025 represents a dividend payout ratio of approximately 45% based on profit attributable to owners of the parent, excluding the gain on the sale of the Kawaguchi Production Plant (net of corporate income tax).

^{*2} This represents the expected payout ratio against the forecast profit per share of ¥404.22 for the FYE March 2026.

^{*3} This is the amount repurchased by the six months ended September 30, 2025.

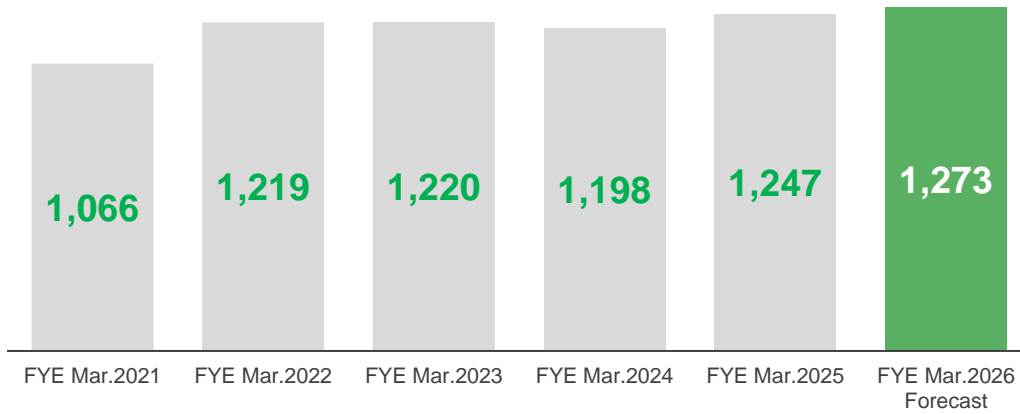
^{*4} The figures are adjusted for the impact of the stock split.

Performance Trends (Full year/Quarterly)

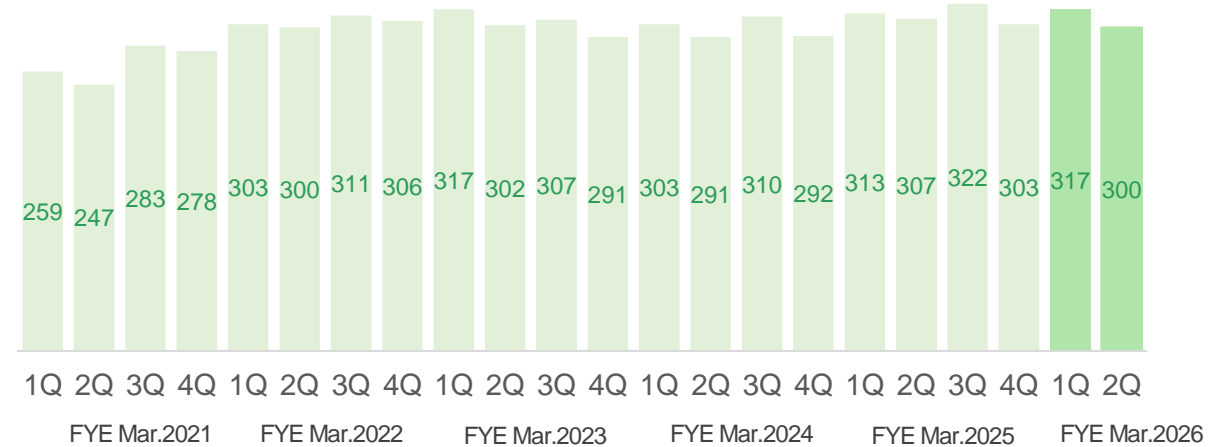


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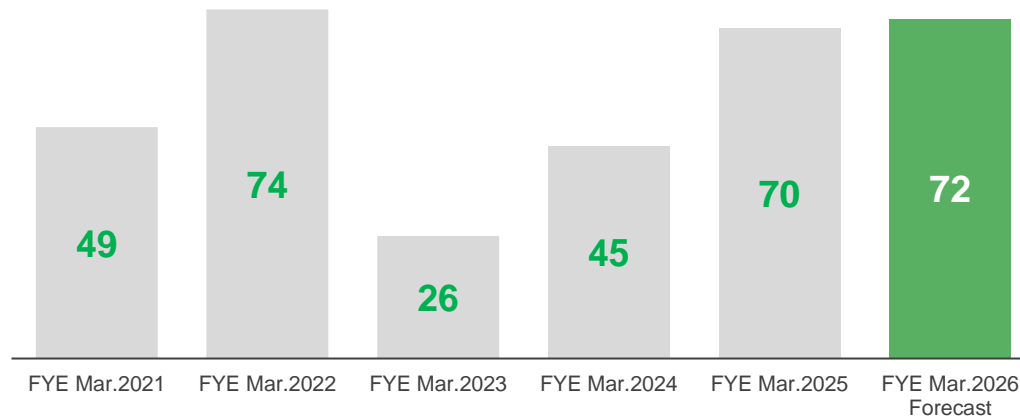
Net sales: Full year (100 million yen)



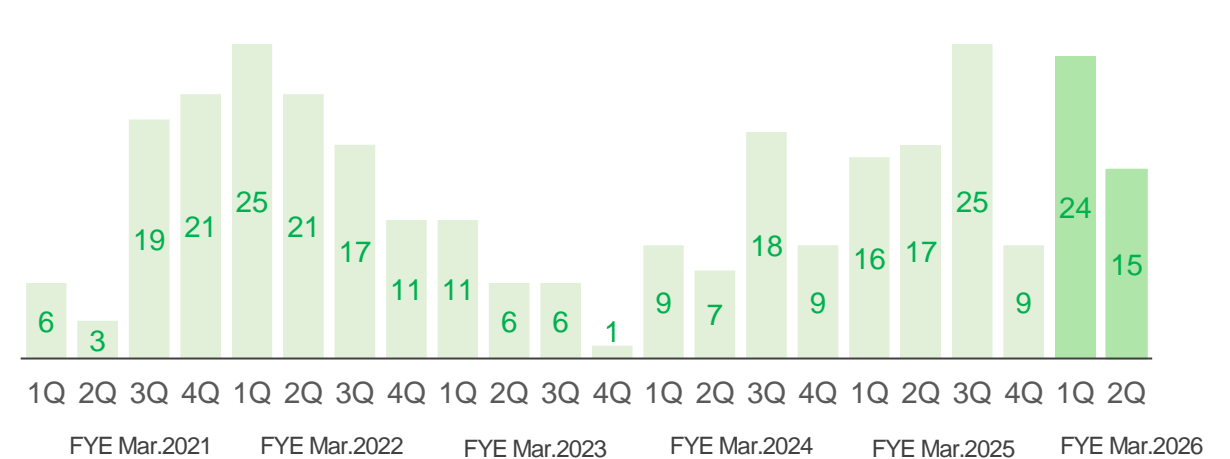
Net sales: Quarterly (100 million yen)



Operating profit: Full year (100 million yen)



Operating profit: Quarterly (100 million yen)



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