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August 7, 2025

Consolidated Financial Results for the Three Months Ended June 30, 2025 [JGAAP]

Company Name: DAINICHISEIKA COLOR & CHEMICALS MFG. CO., LTD.
 Stock Code: 4116
 (URL: <https://www.daicolor.co.jp>)
 Stock Exchange Listing: Tokyo
 Representative: Koji Takahashi, Representative Director and President
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 Scheduled date to commence dividend payments: –
 Availability of supplementary briefing material on results: Yes
 Holding of Results Briefing Session: None

(Figures are rounded down to the nearest million yen)

1. Consolidated Financial Results for the Three Months Ended June 30, 2025 (From April 1, 2025 to June 30, 2025)

(1) Consolidated Results of Operations (cumulative) (% indicates changes from the previous corresponding term)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
Three months ended June 30, 2025	31,709	1.1	2,493	46.8	2,745	31.2	2,495	63.6
Three months ended June 30, 2024	31,349	3.3	1,698	81.1	2,093	66.0	1,525	(3.7)

(Note) Comprehensive income: Three months ended June 30, 2025: ¥443 million [(88.1)%]
 Three months ended June 30, 2024: ¥3,729 million [47.3%]

	Profit per share	Fully diluted profit per share
	Yen	Yen
Three months ended June 30, 2025	145.43	–
Three months ended June 30, 2024	88.94	–

(2) Consolidated Financial Position

	Total assets	Net assets	Equity ratio
	Millions of yen	Millions of yen	%
As of June 30, 2025	196,867	129,318	64.5
As of March 31, 2025	196,784	130,497	65.0

(Reference) Equity: As of June 30, 2025: ¥127,003 million
 As of March 31, 2025: ¥128,008 million

2. Dividends

	Annual cash dividends per share				
	End of 1Q	End of 2Q	End of 3Q	Year-end	Annual
	Yen	Yen	Yen	Yen	Yen
Year ended March 31, 2025	–	66.00	–	90.00	156.00
Year ending March 31, 2026	–				
Year ending March 31, 2026 (Forecast)		87.00	–	87.00	174.00

(Note) Revisions of dividend forecast from recently announced figures: Not applicable

(Note) Breakdown of Interim dividend for Year ended March 31, 2025: Ordinary dividend: ¥51.00; Extraordinary dividend: ¥15.00

Breakdown of Year-end dividend for Year ended March 31, 2025: Ordinary dividend: ¥75.00; Extraordinary dividend: ¥15.00

Breakdown of Interim dividend for Year ending March 31, 2026 (Forecast): Ordinary dividend: ¥72.00; Extraordinary dividend: ¥15.00

Breakdown of Year-end dividend for Year ending March 31, 2026 (Forecast): Ordinary dividend: ¥72.00; Extraordinary dividend: ¥15.00

3. Earnings Forecast of Consolidated Financial Results for the Fiscal Year Ending March 31, 2026 (From April 1, 2025 to March 31, 2026)

(% indicates changes from the previous corresponding term)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent		Profit per share
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Yen
First half	64,200	3.3	3,600	3.6	4,200	12.0	3,200	(60.1)	186.47
Full year	127,300	2.0	7,200	2.8	8,200	5.6	6,100	(40.7)	355.45

(Note) Revisions of forecast of financial results from recently announced figures: Not applicable

*** Notes**

- (1) Significant changes in the scope of consolidation during the three months ended June 30, 2025: Not applicable
- (2) Adoption of specific accounting treatments to the preparation of quarterly consolidated financial statements: Not applicable
- (3) Changes in accounting policies, changes in accounting estimates and restatements
 - 1) Changes in accounting policies due to the revision of accounting standards: Not applicable
 - 2) Changes in accounting policies other than 1): Not applicable
 - 3) Changes in accounting estimates: Not applicable
 - 4) Restatements: Not applicable

(4) Total number of issued shares (common stock)

1) Total number of issued shares at the end of the period (including treasury shares):	As of June 30, 2025	18,113,110 shares	As of March 31, 2025	18,113,110 shares
2) Total number of treasury shares at the end of the period:	As of June 30, 2025	951,939 shares	As of March 31, 2025	951,919 shares
3) Average number of shares during the period (cumulative):	Three months ended June 30, 2025	17,161,171 shares	Three months ended June 30, 2024	17,156,649 shares

* Review of the Japanese-language originals of the attached quarterly consolidated financial statements by certified public accountants and audit corporations: Not applicable

* Explanation for the appropriate use of performance forecasts and other special notes:

- The statements regarding forecast of financial results in this report are based on the information that is available to the Company, as well as certain assumptions that are deemed to be reasonable by management, and they are not meant to be a commitment by the Company. Therefore, there might be cases in which actual results differ materially from forecast values due to various factors. For the suppositions that form the assumptions for earnings forecasts and cautions concerning the use thereof, please refer to “1. Overview of Business Results, etc. (3) Explanation of Forecast of Consolidated Financial Results and Other Forward-Looking Information” on page 3 of this report.

Table of Contents of Appendix

1. Overview of Business Results, etc.	2
(1) Overview of Business Results for the Three-month Period	2
(2) Overview of Financial Position for the Three-month Period	3
(3) Explanation of Forecast of Consolidated Financial Results and Other Forward-Looking Information	3
2. Quarterly Consolidated Financial Statements and Principal Notes	4
(1) Quarterly Consolidated Balance Sheets	4
(2) Quarterly Consolidated Statements of Income and Comprehensive Income	6
(Quarterly Consolidated Statements of Income)	6
(Quarterly Consolidated Statements of Comprehensive Income)	7
(3) Notes to Quarterly Consolidated Financial Statements	8
(Notes to Going Concern Assumption)	8
(Notes to Significant Changes in the Amount of Shareholders' Equity)	8
(Notes to Quarterly Consolidated Statements of Cash Flows)	8
(Notes to Segment Information, etc.)	8
(Notes Related to Revenue Recognition)	10
(Significant Subsequent Events)	11

1. Overview of Business Results, etc.

(1) Overview of Business Results for the Three-month Period

Trends among the main customers of the Group in the three months ended June 30, 2025 were as follows.

Transport equipment industry	In the domestic market, sales of compounds and colorants for automobiles were steady. Sales of polyurethanes were weak due to sluggish performance of the adopted vehicle models. In overseas markets, sales to both China and North America were weak.
Information-electronics industry	For LCDs products, sales of pigments were steady, and coatings were favorable.
Packaging materials industry	Sales of pigments and colorants for OA equipment applications were weak. Sales of gravure ink for flexible packaging applications for food products and other uses were somewhat weak due to unfavorable weather in the spring. Sales of the ink for beverage labels remained steady due to the impact of intense heat as well as strong demand from inbound tourists.
Building materials industry	Sales of colorants and coatings for new construction housing were weak against the backdrop of a slowdown in the number of housing starts. Sales of colorants and coatings for use in renovations were steady.

As a result, net sales increased to ¥31,709 million, up by 1.1% compared with the same period of the previous fiscal year. Operating profit increased to ¥2,493 million and ordinary profit increased to ¥2,745 million, up by 46.8% and 31.2% respectively compared with the same period of the previous fiscal year. Profit attributable to owners of parent increased to ¥2,495 million, up by 63.6% compared with the same period of the previous fiscal year, due to the recording of a gain on sale of businesses of ¥450 million as extraordinary income resulting from the transfer of the insurance agency business operated by a subsidiary of the Company.

Operating results by reportable segment are as follows:

(Color & Functional Products)

In the Color & Functional Products segment, focused on pigments and related secondary processed products, the Group manufactures and sells pigments, colorants for fabrics, colorants used in plastics, resin compounds, pigment dispersion and functional materials.

Net sales of pigments and dispersion for the information-electronics industry were steady for LCD applications but weak for OA equipment applications. Domestic sales of compounds and colorants for the transport equipment industry were steady.

Overseas sales of compounds and colorants were steady overall.

As a result, net sales in the segment stood at ¥17,431 million, up by 1.8% compared with the same period of the previous fiscal year, while operating profit was ¥1,397 million, up by 52.9% compared with the same period of the previous fiscal year.

(Polymer & Coating Materials)

In the Polymer & Coating Materials segment, focused on synthetic resins and specialty coatings, the Group manufactures and sells polyurethanes, polymers derived from natural substances, and UV and EB coating materials.

Sales of polyurethanes were weak overall due to sluggish performance of the adopted vehicle models. Sales for outdoor clothing applications in the clothing and accessories industry were also weak for the period under review. On the other hand, sales of thermal-recording coating materials for industrial materials industry and coating materials for the information-electronics industry were favorable.

As a result, net sales in the segment stood at ¥6,180 million, up by 0.1% compared with the same period of the previous fiscal year, while operating profit was ¥713 million, down by 0.6% compared with the same period of the previous fiscal year.

(Graphic & Printing Materials)

In the Graphic & Printing Materials segment, focused on inks for packaging, advertising, and publishing, the Group develops, manufactures, and sells a wide range of gravure, flexographic, and offset printing inks for various applications.

Sales of gravure ink for the packaging materials industry were steady, primarily for flexible packaging applications for food products, and beverage label applications. Sales of offset printing ink were at the same level as the previous year.

As a result, net sales in the segment stood at ¥8,086 million, up by 0.7% compared with the same period of the previous fiscal year, while operating profit was ¥372 million, up by 457.1% compared with the same period of the previous fiscal year.

(2) Overview of Financial Position for the Three-month Period

(Assets)

Total assets as of June 30, 2025 increased by ¥83 million compared with the end of the previous fiscal year to ¥196,867 million. This was mainly due to increases in “notes and accounts receivable - trade” and “inventories,” despite a decrease in “cash and deposits.”

(Liabilities)

Total liabilities as of June 30, 2025 increased by ¥1,262 million compared with the end of the previous fiscal year to ¥67,549 million. This was mainly due to an increase in “provision for bonuses.”

(Net assets)

Total net assets as of June 30, 2025 decreased by ¥1,179 million compared with the end of the previous fiscal year to ¥129,318 million. This was mainly due to a decrease in “foreign currency translation adjustment,” despite an increase in “retained earnings” resulting from recording “profit attributable to owners of parent” and the payment of dividends to shareholders.

(3) Explanation of Forecast of Consolidated Financial Results and Other Forward-Looking Information

The first half and full-year forecasts of consolidated financial results for the fiscal year ending March 31, 2026 are unchanged from the forecast announced on May 15, 2025.

2. Quarterly Consolidated Financial Statements and Principal Notes

(1) Quarterly Consolidated Balance Sheets

(Millions of yen)

	As of March 31, 2025	As of June 30, 2025
Assets		
Current assets		
Cash and deposits	24,251	22,451
Notes and accounts receivable - trade	51,565	52,891
Inventories	32,596	33,656
Other	1,838	1,383
Allowance for doubtful accounts	(104)	(100)
Total current assets	110,147	110,282
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	20,540	20,212
Land	13,222	13,191
Other, net	15,188	15,259
Total property, plant and equipment	48,952	48,663
Intangible assets		
Other	1,241	1,276
Total intangible assets	1,241	1,276
Investments and other assets		
Investment securities	18,514	18,554
Retirement benefit asset	15,753	15,858
Other	2,189	2,245
Allowance for doubtful accounts	(15)	(14)
Total investments and other assets	36,442	36,644
Total non-current assets	86,636	86,584
Total assets	196,784	196,867
Liabilities		
Current liabilities		
Notes and accounts payable - trade	28,430	28,909
Short-term borrowings	10,521	10,489
Current portion of long-term borrowings	2,796	2,232
Income taxes payable	1,158	629
Provision for bonuses	1,826	2,713
Other	5,336	5,482
Total current liabilities	50,069	50,456
Non-current liabilities		
Long-term borrowings	7,526	8,112
Retirement benefit liability	3,357	3,392
Other	5,333	5,587
Total non-current liabilities	16,217	17,092
Total liabilities	66,286	67,549

(Millions of yen)

	As of March 31, 2025	As of June 30, 2025
Net assets		
Shareholders' equity		
Share capital	10,039	10,039
Capital surplus	9,768	9,768
Retained earnings	90,910	91,862
Treasury shares	(2,046)	(2,046)
Total shareholders' equity	108,673	109,624
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	6,758	6,944
Foreign currency translation adjustment	8,255	6,215
Remeasurements of defined benefit plans	4,321	4,219
Total accumulated other comprehensive income	19,334	17,378
Non-controlling interests	2,489	2,315
Total net assets	130,497	129,318
Total liabilities and net assets	196,784	196,867

(2) Quarterly Consolidated Statements of Income and Comprehensive Income
(Quarterly Consolidated Statements of Income)

(Millions of yen)

	Three months ended June 30, 2024	Three months ended June 30, 2025
Net sales	31,349	31,709
Cost of sales	25,125	24,728
Gross profit	6,224	6,981
Selling, general and administrative expenses	4,525	4,488
Operating profit	1,698	2,493
Non-operating income		
Interest income	105	92
Dividend income	160	188
Share of profit of entities accounted for using equity method	27	55
Foreign exchange gains	99	–
Other	112	153
Total non-operating income	505	491
Non-operating expenses		
Interest expenses	61	67
Foreign exchange losses	–	78
Rental expenses on non-current assets	15	22
Loss on compensation of claims	5	59
Other	28	10
Total non-operating expenses	110	238
Ordinary profit	2,093	2,745
Extraordinary income		
Gain on sale of non-current assets	13	3
Gain on sale of businesses	–	450
Other	30	18
Total extraordinary income	43	472
Extraordinary losses		
Loss on sale of non-current assets	0	4
Loss on retirement of non-current assets	41	16
Loss on sale of investment securities	29	–
Loss on closing of plant	43	–
Other	–	1
Total extraordinary losses	115	22
Profit before income taxes	2,021	3,195
Income taxes - current	801	451
Income taxes - deferred	(346)	209
Total income taxes	454	661
Profit	1,566	2,534
Profit attributable to non-controlling interests	40	38
Profit attributable to owners of parent	1,525	2,495

(Quarterly Consolidated Statements of Comprehensive Income)

(Millions of yen)

	Three months ended June 30, 2024	Three months ended June 30, 2025
Profit	1,566	2,534
Other comprehensive income		
Valuation difference on available-for-sale securities	461	186
Foreign currency translation adjustment	1,676	(1,974)
Remeasurements of defined benefit plans, net of tax	(77)	(101)
Share of other comprehensive income of entities accounted for using equity method	102	(201)
Total other comprehensive income	2,163	(2,090)
Comprehensive income	3,729	443
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	3,576	539
Comprehensive income attributable to non-controlling interests	152	(96)

(3) Notes to Quarterly Consolidated Financial Statements

(Notes to Going Concern Assumption)

Not applicable.

(Notes to Significant Changes in the Amount of Shareholders' Equity)

Not applicable.

(Notes to Quarterly Consolidated Statements of Cash Flows)

Quarterly consolidated statements of cash flows are not prepared for the three months ended June 30, 2025.

The amounts of depreciation (including amortization of intangible assets) for the three months ended June 30, 2024 and three months ended June 30, 2025 are as follows:

(Millions of yen)

	Three months ended June 30, 2024	Three months ended June 30, 2025
Depreciation	1,178	1,260

(Notes to Segment Information, etc.)

I. For the three months ended June 30, 2024 (From April 1, 2024 to June 30, 2024)

1. Information regarding net sales and operating profit or loss by the reportable segments

(Millions of yen)

	Reportable segments				Other	Posted amount to the quarterly consolidated statements of income
	Color & Functional Products	Polymer & Coating Materials	Graphic & Printing Materials	Total		
Net sales						
(1) Net sales to external customers	17,127	6,174	8,031	31,333	15	31,349
(2) Intersegment net sales and transfer	30	110	60	200	(200)	–
Total	17,157	6,285	8,092	31,534	(185)	31,349
Segment profit [Operating profit] (loss)	913	718	66	1,698	(0)	1,698

Note: The “Other” category comprises adjusted amounts and business that is not included in reportable segments, including real estate leasing, non-life insurance agency businesses, and other insurance intermediary agency businesses.

2. Information on disaggregation of revenue from contracts with customers

<By region> <By contract>

(Millions of yen)

	Reportable segments				Other	Posted amount to the quarterly consolidated statements of income
	Color & Functional Products	Polymer & Coating Materials	Graphic & Printing Materials	Total		
Japan	13,303	4,087	5,773	23,164	15	23,179
Asia (excluding Japan)	3,107	1,334	2,117	6,558	–	6,558
Other	716	753	140	1,610	–	1,610
Total	17,127	6,174	8,031	31,333	15	31,349
Revenue from contracts with customers	17,127	6,174	8,031	31,333	10	31,344
Other revenue	–	–	–	–	4	4
Net sales to external customers	17,127	6,174	8,031	31,333	15	31,349

<Impact of subcontract processing with charged receipt on net sales>

(Millions of yen)

	Reportable segments				Other	Posted amount to the quarterly consolidated statements of income
	Color & Functional Products	Polymer & Coating Materials	Graphic & Printing Materials	Total		
Gross sales to external customers	27,191	6,191	8,032	41,415	15	41,430
Amount of sales offset due to subcontract processing with charged receipt	(10,064)	(16)	(0)	(10,081)	–	(10,081)
Net sales to external customers	17,127	6,174	8,031	31,333	15	31,349

II. For the three months ended June 30, 2025 (From April 1, 2025 to June 30, 2025)

1. Information regarding net sales and operating profit or loss by the reportable segments

(Millions of yen)

	Reportable segments				Other	Posted amount to the quarterly consolidated statements of income
	Color & Functional Products	Polymer & Coating Materials	Graphic & Printing Materials	Total		
Net sales						
(1) Net sales to external customers	17,431	6,180	8,086	31,697	11	31,709
(2) Intersegment net sales and transfer	36	105	68	209	(209)	–
Total	17,467	6,285	8,154	31,907	(198)	31,709
Segment profit [Operating profit]	1,397	713	372	2,483	9	2,493

Note: The “Other” category comprises adjusted amounts and business that is not included in reportable segments, including real estate leasing.

2. Information on disaggregation of revenue from contracts with customers

<By region> <By contract>

(Millions of yen)

	Reportable segments				Other	Posted amount to the quarterly consolidated statements of income
	Color & Functional Products	Polymer & Coating Materials	Graphic & Printing Materials	Total		
Japan	13,582	4,164	5,832	23,580	11	23,591
Asia (excluding Japan)	2,866	1,282	2,024	6,173	–	6,173
Other	981	732	228	1,943	–	1,943
Total	17,431	6,180	8,086	31,697	11	31,709
Revenue from contracts with customers	17,431	6,180	8,086	31,697	11	31,709
Other revenue	–	–	–	–	0	0
Net sales to external customers	17,431	6,180	8,086	31,697	11	31,709

<Impact of subcontract processing with charged receipt on net sales>

(Millions of yen)

	Reportable segments				Other	Posted amount to the quarterly consolidated statements of income
	Color & Functional Products	Polymer & Coating Materials	Graphic & Printing Materials	Total		
Gross sales to external customers	27,628	6,196	8,086	41,910	11	41,922
Amount of sales offset due to subcontract processing with charged receipt	(10,196)	(15)	(0)	(10,213)	–	(10,213)
Net sales to external customers	17,431	6,180	8,086	31,697	11	31,709

(Notes Related to Revenue Recognition)

Information on disaggregation of revenue from contracts with customers is presented in “(3) Notes to Quarterly Consolidated Financial Statements (Notes to Segment Information, etc.).”

(Significant Subsequent Events)

(Disposal of Treasury Shares as Restricted Share Incentives for the Employee Shareholding Association)

At the Board of Directors meeting held on February 14, 2025, the Company resolved to introduce a restricted share-based remuneration plan for the Employee Shareholding Association (the “Plan”), which will grant restricted shares to employees of the Company and its domestic subsidiaries (the “Group”) through the Dainichiseika Employee Shareholding Association (the “ESA”). The Company also resolved to dispose of treasury shares (the “Disposal of Treasury Shares”) to the ESA as restricted share-based remuneration, and implemented the Disposal of Treasury Shares on July 1, 2025.

1. Outline of the Disposal

(1) Date of disposal	July 1, 2025
(2) Class and number of shares to be disposed	219,780 shares of common stock of the Company
(3) Disposal price	¥3,065 per share
(4) Total value of disposal	¥673,625,700
(5) Disposal method and designated allottee	Third-party allotment (Dainichiseika Employee Shareholding Association: 219,780 shares)
(6) Other	An Extraordinary Report has been submitted for the Disposal of Treasury Shares in accordance with the Financial Instruments and Exchange Act.

2. Purpose and Reason for the Disposal

In our three-year Medium-Term Management Plan “TRANSFORMATION for TOMORROW 2027,” which began in the fiscal year ending March 2025, we have formulated an “HR Strategy” as a new basic strategy, with the goal of “creating a corporate culture full of vitality where innovation can flourish.”

In order to achieve this goal, at the meeting of the Company’s Board of Directors held on February 14, 2025, it was decided to provide the Group employees who join the ESA and agree to the Incentive Plan (the “Eligible Employees”) with the opportunity to acquire common stock of the Company as restricted shares that the Company will dispose of through the ESA, as a measure to improve employee engagement and promote the active participation of human resources. In addition to helping the Eligible Employees to build up their assets, this is also intended to raise awareness of the Group’s business performance and share price, thereby promoting the sharing of value with shareholders and increasing motivation towards the medium- to long-term improvement of corporate value.

(Disposal of Treasury Shares as Restricted Share-Based Remuneration)

At a meeting of the Board of Directors held on June 27, 2025, the Company resolved to dispose of treasury shares as restricted share-based remuneration (the “Disposal of Treasury Shares”), and implemented the Disposal of Treasury Shares on July 25, 2025.

1. Outline of the Disposal

(1) Date of disposal	July 25, 2025
(2) Class and number of shares to be disposed	5,441 shares of common stock of the Company
(3) Disposal price	¥3,100 per share
(4) Total value of disposal	¥16,867,100
(5) Disposal method	Allotment of specified restricted shares
(6) Method of performance of contributions	Due to the contribution of monetary remuneration claims in kind
(7) Allottees, number thereof and number of shares to be disposed of	Directors of the Company (excluding Directors who are Audit and Supervisory Committee Members and Outside Directors) 4 people 4,153 shares Titled Executive Officers of the Company (excluding those who concurrently serve as Directors) 3 people 1,288 shares

2. Purpose and Reason for the Disposal

At a meeting of the Board of Directors held on March 24, 2021, the Company resolved to introduce a restricted share-based remuneration plan (the “Plan”). The purpose of the Plan is to provide an incentive to the Company’s Directors (excluding Outside Directors) and its Titled Executive Officers (excluding Executive Officers who concurrently serve as Directors) to sustainably increase the Company’s corporate value, and to further share value with its shareholders.

Furthermore, at the 118th Annual General Meeting of Shareholders held on June 29, 2021, approval was granted to provide monetary compensation claims of up to 50 million yen annually (this amount does not include their salaries as employees) to the Company’s Directors (excluding Outside Directors) as the property to be contributed for the acquisition of restricted shares under the Plan, and for the number of shares to be issued or disposed of under the Plan to be a maximum of 30,000 shares per year.

This is to announce that at the Company’s 122nd Annual General Meeting of Shareholders held on June 27, 2025, shareholders approved the Company’s transition to a “Company with an Audit and Supervisory Committee,” and in connection with this transition, have also approved the abolishment of the previous provisions of the Plan and the establishment of a new Plan to grant monetary remuneration claims of up to 50 million yen annually (exclusive of employee salaries), and to limit the number of shares to be issued or disposed of under the Plan to be a maximum of 30,000 shares per year to the Company’s Directors (excluding Directors who are Audit and Supervisory Committee Members and Outside Directors).