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**Interim Report on Advice from the Corporate Value Improvement Committee
Regarding Operation of the Kawamura Memorial DIC Museum of Art,
Matters Discussed by the Board of Directors and the Board's Future Actions**

In April 2024, DIC Corporation established the Corporate Value Improvement Committee to advise the Board of Directors from a third-party perspective regarding the improvement of corporate value over the long term. The first theme taken up for focused deliberation by the committee was operation of the Kawamura Memorial DIC Museum of Art—a DIC Group entity—located in Sakura, Chiba Prefecture. The committee recently provided advice to the Board of Directors based on the outcome of those deliberations. The Board of Directors subsequently discussed this advice in depth. As a consequence, at the Board's meeting today it was resolved that the matters outlined below will be explored with a view to reaching a final conclusion regarding operation of the museum going forward. Accordingly, the Company presents this as an interim report on that theme.

1. Issues related to operation of the museum

- (1) DIC has operated the Kawamura Memorial DIC Museum of Art in Sakura, Chiba Prefecture, since 1990. The museum has a collection of 754 works of art, of which 384 are owned by the Company. As of June 30, 2024, the total value of the works of art owned by the Company, based on book value, amounted to approximately ¥11.2 billion. The Company also owns the museum building and the land upon which it is built.
- (2) The museum has operated for a considerable time as part of the Company's program of social contribution initiatives that benefit the local community and is also an embodiment of the Company's "Color & Comfort" vision statement. Many visitors have praised both the content and the format of the museum's exhibits.
- (3) The Board of Directors has discussed the Company's policy regarding operation of the museum extensively to date. If one regards the museum simply as an owned asset, it is clear that it is not necessarily being used effectively, particularly from the perspective of capital efficiency. Having

identified the improvement of capital efficiency as an urgent management challenge, the Company believes the time has come to reconsider the positioning of the museum's operation in terms of both social and economic value.

- (4) The above issues having been acknowledged, operation of the museum was selected as a theme for deliberation by the Corporate Value Improvement Committee.

2. Deliberative process employed by the Corporate Value Improvement Committee

- (1) DIC established the Corporate Value Improvement Committee to explore the role of a company in society from a high-level, broad viewpoint and to advise the Board of Directors from a third-party perspective regarding the improvement of corporate value over the long term.
- (2) Underscoring an emphasis on independence and objectivity, the committee consists entirely of outside directors, with external experts invited to serve as advisors depending on the theme. At present, all four of the Company's current outside directors are members, one of whom serves as committee chair.
- (3) Deliberations on operation of the museum were conducted over six meetings held between April and July 2024, with an external expert invited to participate in the fourth meeting to provide advice from the perspectives of both corporate management and museum operation. In addition, the committee commissioned several external organizations to analyze the museum's cost structure, provide advice on revenue and expenditure projections for alternative plans to be considered, and prepare a report on the potential value of the works of art in its possession, all of which were used as reference points for discussions. This enabled the committee to confirm the current status of the museum, after which it examined how the museum should be run henceforth. Based on the outcome of these deliberations, the committee compiled its advice for the Board of Directors and submitted it in advance of the Board of Directors' meeting held on August 9, 2024.

3. Advice on operation of the museum provided by the Corporate Value Improvement Committee

- (1) The advice on operation of the museum provided by the Corporate Value Improvement Committee is summarized in the following three points.
 - (a) To continue operating the museum, it is crucial for DIC to clarify the value of the museum's existence, as well as its purpose and philosophy, and—of particular importance—to ensure accountability to shareholders.
 - (b) Regarding the future operation of the museum, three options can be considered, namely, (i) maintain the status quo, (ii) downsize and relocate, and (iii) discontinue.
 - (c) Given DIC's current performance levels, the positioning of the museum in relation to the Company's management and businesses, and opinions expressed by investors, continued operation of the museum under the current arrangement is not considered practicable. Additionally, from the perspective of operating costs, the two viable proposals that should be considered in detail are downsize and relocate, assuming a relocation to Tokyo, or discontinue.

- (2) Given these conclusions, the committee advised the Board of Directors to conduct a careful review of the proposals described in (1) (c) above, along with relevant notes.

4. Summary of matters discussed and suggested future actions by the Board of Directors

- (1) The Board of Directors accepted and discussed the advice provided by the Corporate Value Improvement Committee, based on which it reviewed the museum's existence, purpose and philosophy, and clarified the significance of continuing to operate the museum based on the following policies.
- (a) Pigments and inks—DIC's main products—have long been used, respectively, in painting and publishing, and DIC has grown and evolved as an organization that contributes to the arts and culture.
- (b) DIC positions operation of the museum and works of art as follows:
- They are part of the Company's corporate identity that symbolizes its history of development.
 - They strengthen "color" in the Company's vision statement and differentiate the Company from other entities.
 - In addition to being the Company's responsibility as a holder of cultural assets, activities related to the exhibition, preservation management and the passing on of such assets to future generations embody the Company's core values and code of business conduct.
- (c) At the same time, DIC will review its museum operations from the perspectives of scale, operation and asset utilization with the aim of adapting to the times.
- (d) In reviewing the museum's operations, DIC will focus on works of art that symbolize its identity, and will seek to advance its businesses by enhancing the brand value of "color," as well as to promote efficient and effective cultural contributions through partnerships with the local community and supporting companies.
- (2) Despite the Board of Directors' best efforts, a final conclusion regarding operation of the museum was not reached. The Board has resolved to implement the following future actions based on recognition of the significance of continuing to operate the museum.
- (a) Give consideration to downsizing and relocating as a concrete option for improving the museum's operating efficiency, and reach a firm conclusion by December 2024.
- (b) While maintaining the above as a basic policy, comprehensively examine, among others, the feasibility of downsizing and relocating, effectiveness of such a move in terms of improving brand value, and the economic value of selling works of art, and conduct a detailed study without excluding the possibility of discontinuing.
- (c) Temporarily close the current museum from late January 2025, in order to promptly implement whatever decision is reached in December 2024 regarding the museum's future operation.
- (d) Publish a list of principal works of art at the museum owned by the Company as shown in Attachment, to improve the transparency of disclosure regarding the museum.

5. Schedule for temporary closure of the museum

- (1) As noted above, the Kawamura Memorial DIC Museum of Art will be temporarily closed from late January 2025. Specific closure dates will be published promptly on DIC's global website and the museum's website once they have been finalized.
- (2) Shareholders in DIC receive postcards annually with complimentary admission tickets to the Kawamura Memorial DIC Museum of Art. Information regarding the use of these admission tickets after the museum is temporarily closed will be published as soon as a decision has been reached.

– Ends –

Attachment

Principal Works of Art Owned by the Company

Principal works of art owned by the Company (in alphabetical order)

Artist	Title	Year
ALBERS, Josef	<i>Homage to the Square</i>	1952
BONNARD, Pierre	<i>Nude in the Bathroom</i>	1907
BRANCUSI, Constantin	<i>Sleeping Muse II</i>	1922/76
CALDER, Alexander	<i>The T Tree</i>	1940
CALDER, Alexander	<i>Black Foliage, Red Branch</i>	1945
CHAGALL, Marc	<i>The Red Sun</i>	1949
CHAGALL, Marc	<i>King David's Dream</i>	1966
CLEMENTE, Francesco	<i>Not the Death of Heraclitus</i>	1980
CORNELL, Joseph	<i>Circe and Her Lovers (Dosso Dossi)</i>	1961–66
CORNELL, Joseph	<i>Untitled (André Breton)</i>	1966
ERNST, Max	<i>Enter, Exit</i>	1923
ERNST, Max	<i>Petrified Forest</i>	1927
FOUJITA, Tsuguharu (FOUJITA, Léonard)	<i>Two Friends</i>	1929
FRANCIS, Sam	<i>One Ocean, One Cup</i>	1974
KELLY, Ellsworth	<i>Black Curve</i>	1994
LEE, Ufan	<i>From Line</i>	1983
LEE, Ufan	<i>From Winds</i>	1986
LOUIS, Morris	<i>Gimel</i>	1958
MATISSE, Henri	<i>Nude in an Armchair</i>	1920
McLAUGHLIN, John	<i>Untitled (1953)</i>	1953
McLAUGHLIN, John	<i>Untitled (1956)</i>	1956
McLAUGHLIN, John	<i>X-1958</i>	1958
McLAUGHLIN, John	<i>#16-1960</i>	1960
McLAUGHLIN, John	<i>#18-1960</i>	1960
McLAUGHLIN, John	<i>#12-1973 (Diptych)</i>	1973
MONET, Claude	<i>Waterlilies</i>	1907
MOORE, Henry	<i>Bronze Figure</i>	1985–86
PICASSO, Pablo	<i>Sylvette</i>	1954
POLLOCK, Jackson	<i>Composition on Green, Black and Tan</i>	1951
RAUSCHENBERG, Robert	<i>Artesian Gusher (Urban Bourbon Series)</i>	1988
RENOIR, Pierre Auguste	<i>Bather</i>	1891

Artist	Title	Year
ROTHKO, Mark	<i>Sketch for "Mural No. 1"</i>	1958
ROTHKO, Mark	<i>Sketch for "Mural No. 4"</i>	1958
ROTHKO, Mark	<i>Untitled</i>	1958
ROTHKO, Mark	<i>Mural Sketch</i>	1958
ROTHKO, Mark	<i>Mural Sketch</i>	1959
ROTHKO, Mark	<i>Mural, Section 1</i>	1959
ROTHKO, Mark	<i>Untitled</i>	1959
RYMAN, Robert	<i>Assistant</i>	1990
SEGAL, George	<i>Gertrude (Double Portrait)</i>	1972
SHAPIRO, Joel	<i>Untitled</i>	1988–89
SMITH, David	<i>Voltri II</i>	1962
SMITH, David	<i>Voltri-Bolton IV</i>	1962
STELLA, Frank	<i>Tomlinson Court Park (second version)</i>	1959
STELLA, Frank	<i>Marquis de Portago (second version)</i>	1960
STELLA, Frank	<i>Tampa</i>	1963
STELLA, Frank	<i>Hiraqla III</i>	1968
STELLA, Frank	<i>Shāma 5.5X</i>	1979
STELLA, Frank	<i>Mosport 4.75X</i>	1981
STELLA, Frank	<i>Lo Sciocco senza Paura, 3.8X</i>	1985
STELLA, Frank	<i>Merry Christmas 3X (third version)</i>	1987
STELLA, Frank	<i>The Sphynx 1.875X</i>	1988
STELLA, Frank	<i>Lunéville</i>	1994
TWOMBLY, Cy	<i>Untitled</i>	1968
TWOMBLY, Cy	<i>Untitled</i>	1990
UTRILLO, Maurice	<i>Village of Maxie (Maurthe-et-Moselle)</i>	1924
WOLS	<i>The Red Pomegranate</i>	1940/41–48

Note: The works of art listed above are among a total of 384 owned by the Company. How to handle these assets will be given consideration going forward as part of the Company's review of museum operations.