



September 1, 2023

Company name	DIC Corporation
Representative	Kaoru Ino Representative Director President and CEO (Securities code: 4631)
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Notice Regarding Execution of Agreement Concerning Shares in Subsidiary

Today, DIC Corporation (“Company”) entered into a definitive agreement with Invisible Holdings Co., Ltd. (“Tender Offeror”), all of the outstanding shares in which are owned by Invisible Holdings, L.P. (“Carlyle Fund”), all of the interests in which are held and managed by The Carlyle Group (including its affiliates and other related entities, “Carlyle”), under which agreement (i) the Tender Offeror will carry out a tender offer for common shares of SEIKO PMC CORPORATION (“SEIKO PMC”) (a consolidated subsidiary of the Company) listed on the Prime Market of Tokyo Stock Exchange, Inc. (“Tender Offer”); (ii) the Company will not tender the shares in SEIKO PMC held by the Company in the Tender Offer; (iii) SEIKO PMC will carry out the Share Consolidation (as defined below) after the closing of the Tender Offer; and (iv) SEIKO PMC will acquire all of the shares in SEIKO PMC held by the Company from the Company through the Share Repurchase (as defined below), and the Tender Offeror will make SEIKO PMC its wholly-owned subsidiary.

The Tender Offer will be carried out by the Tender Offeror as part of a series of transactions (“Transaction”) to acquire all of the shares in SEIKO PMC (except treasury shares owned by SEIKO PMC) for the purpose of taking SEIKO PMC shares private. After the closing of the Transaction, SEIKO PMC will no longer be a consolidated subsidiary of the Company.

1. Purpose and Background of the Transaction

SEIKO PMC was established in 1968 as DIC-Hercules Corporation, a fifty-fifty joint venture between the Company (formerly known as Dainippon Ink and Chemicals, Inc.) and U.S. Hercules Incorporated, for the purpose of manufacturing and selling papermaking chemicals. In 1992, the joint venture with Hercules Incorporated was dissolved to make SEIKO PMC a 100% subsidiary of the Company, and its tradename was changed to Japan PMC Corporation (“Japan PMC”). In 1996, SEIKO PMC listed its shares on the Second Section of the Tokyo Stock Exchange and then, in 2003, it merged with Seiko Chemical Industries Co., Ltd., which had been engaged in a papermaking chemicals business and resin products business, in which merger Japan PMC was the surviving company, and it changed its tradename to SEIKO PMC CORPORATION, which is

the current company name. It was designated for the First Section of the Tokyo Stock Exchange in 2012 and has been listed on the Prime Market of the Tokyo Stock Exchange since 2022.

At present, SEIKO PMC has developed a resin products business and a chemical products business in addition to a papermaking chemicals business. It has adopted “Through the creation of new technology, we will contribute to the sustainable development of a prosperous society in which people coexist with the environment” as its corporate philosophy and “EXPLORE THE FUTURE THROUGH ECO-FRIENDLY TECHNOLOGY” as its corporate vision. It shares its willingness to contribute to the realization of a sustainable society through the provision of its own products and the development of new materials that protect the environment and enrich our future lives.

Meanwhile, in February 2022, the Company released its long-term management plan, “DIC Vision 2030,” and redefined its corporate vision as “We improve the human condition by safely delivering color and comfort for sustainable prosperity —*Color & Comfort*.” In order to achieve the corporate vision and the long-term management plan, the Company has set “Green,” “Digital” and “Quality of Life (QOL)” as the “society to which DIC contributes,” and has designated Sustainable energy, Healthcare, Smart living, Color science, and Sustainable packaging as five priority business areas to which DIC can contribute with its strengths and to which the Company concentrates its management resources with the aim of “establishing a business portfolio to achieve sustainable prosperity” and “contributing to the global environment and the realization of social sustainability.” The board of directors of the Company held many discussions on the allocation of its limited management resources to the priority business areas to achieve the foregoing and concluded that it would be desirable to transfer the shares in SEIKO PMC held by the Company to a third party and make them private as part of the Company group’s business portfolio transformation, and then pursue growth together with a new partner that can promote SEIKO PMC’s further growth and leap.

SEIKO PMC has long been a part of the group’s history, yet moving forward, the Company has determined that Carlyle, which operates its business globally, is an appropriate partner for SEIKO PMC, which aims to transform itself into a “global company that contributes to the realization of a sustainable society through eco-friendly technology” under its long-term vision, and that Carlyle is the most suitable partner for supporting SEIKO PMC in the establishment of superior business portfolios in high value-added growth areas and stable niche areas by utilizing Carlyle’s platform and accumulated knowledge.

In the Transaction, the Company began to approach several potential purchasers in June 2023 and undertook the bidding process. In early August 2023, the Company selected Carlyle as the final potential purchaser and executed the definitive agreement today. The Company will use the funds from the Transaction as funds for investment for growth.

2. Details of the Transaction

The Transaction consists of (i) the Tender Offeror carrying out the Tender Offer for all of SEIKO PMC shares (except treasury shares owned by SEIKO PMC and the shares in SEIKO PMC held by the Company), (ii) if despite the closing of the Tender Offer, Tender Offeror fails to acquire all of SEIKO PMC shares (except treasury shares owned by SEIKO PMC and the shares in SEIKO PMC held by the Company) in the Tender Offer, SEIKO PMC consolidating its common shares (“Share Consolidation”) to make the Company and the Tender Offeror the only shareholders in SEIKO PMC, and (iii) subject to the effectuation of the Share Consolidation, SEIKO PMC repurchasing the shares in SEIKO PMC held by the Company (“Share Repurchase”).

3. Outline of SEIKO PMC

(1)	Name	SEIKO PMC CORPORATION	
(2)	Location	3-3-6, Nihonbashi Honcho, Chuo-ku, Tokyo	
(3)	Title and Name of Representative	Seido Kan, Representative Director, President & CEO	
(4)	Description of Business	Manufacture and sale of papermaking chemicals Manufacture and sale of resin products	
(5)	Capital	2,000 million yen (as of June 30, 2023)	
(6)	Date of Incorporation	January 23, 1968	
(7)	Major Shareholders and Shareholding Ratio (as of June 30, 2023) (Note)	DIC Corporation	54.51%
		Custody Bank of Japan, Ltd. (re-entrusted to Resona Bank; Hokuetsu Corporation Retirement Benefit Trust Account)	4.16%
		The Master Trust Bank of Japan, Ltd. (Trust Account)	2.83%
		Nippon Paper Industries Co., Ltd.	2.08%
		Seiko PMC Employee Stock Ownership Plan	1.61%
		Custody Bank of Japan, Ltd. (Trust Account 4)	1.01%
		Custody Bank of Japan, Ltd. (Trust Account)	0.87%
		Atsuo Norigoe	0.83%
		Rakuten Securities, Inc.	0.55%
Kanichiro Otsuka	0.54%		

(8) Relationship Between SEIKO PMC and the Company	
Capital relationship	The Company owns 54.51% of the outstanding common shares of SEIKO PMC (except treasury shares).
Personnel relationship	One executive officer of the Company has been appointed as a director at SEIKO PMC.
Business relationship	SEIKO PMC sells printing ink materials to the Company.
Applicability to related parties	SEIKO PMC is a consolidated subsidiary of the Company; hence it falls under a related party

(9) Consolidated Operating Results and Consolidated Financial Position for the Most Recent 3 Years (thousand yen)

Fiscal year	Ended in December 2020	Ended in December 2021	Ended in December 2022
Net assets	28,451,848	31,593,432	31,108,954
Total assets	37,069,633	41,882,436	46,557,863
Net assets per share (yen)	885.19	979.59	1,015.10
Net sales	26,046,096	31,032,944	32,418,829
Operating profit	2,612,452	2,867,336	1,884,270
Ordinary profit	2,667,686	3,139,980	2,394,667
Profit attributable to owners of parent	1,685,517	2,082,692	1,647,234
Net income per share (yen)	55.59	68.69	54.33
Dividend per share (yen)	16.00	16.00	16.00

(Note) “(7) Major Shareholders and Shareholding Ratio (as of June 30, 2023)” are based on the information set out in “Status of Major Shareholders” in the “Second Quarter Report for the 57th Business Term” submitted by SEIKO PMC on August 10, 2023.

4. Outline of the Tender Offeror

(1)	Name	Invisible Holdings Co., Ltd.
(2)	Location	1-5-1, Marunouchi, Chiyoda-ku, Tokyo
(3)	Title and Name of Representative	Genta Saito, Representative Director

(4)	Description of Business	Acquisition and ownership of SEIKO PMC shares, and after the closing of the Tender Offer, control and management of SEIKO PMC's business	
(5)	Capital	25,000 yen	
(6)	Date of Incorporation	July 25, 2023	
(7)	Major Shareholders and Shareholding Ratio	Invisible Holdings, L.P.	100.00%
(8) Relationship between the Tender Offeror and the Company			
	Capital relationship	N/A	
	Personnel relationship	N/A	
	Business relationship	N/A	
	Applicability to related parties	N/A	

5. Number of Shares to Be Transferred through Transaction, Transaction Price, and Number of Shares Owned Before and After Transaction

(1)	Number of Shares Owned Before Transaction	16,527,446 shares (Number of voting rights: 165,274 units) (Percentage of voting rights held: 54.54%) (Note 1)
(2)	Number of Shares to Be Transferred through Transaction	16,527,446 shares (Note 2) (Number of voting rights: 165,274 units) (Percentage of voting rights held: 54.54%)
(3)	Transaction Price (planned)	Approximately 13.2 billion yen (Note 3) (799 yen per share)
(4)	Number of Shares Owned After Transaction	0 shares (Number of voting rights: 0 units) (Percentage of voting rights held: 0.00%)

(Note 1) The percentage of voting rights held is the percentage to the number of voting rights in SEIKO PMC as of June 30, 2023 (303,052 units) which is set out in the "Second Quarter Report for 57th Business Term" submitted by SEIKO PMC on August 10, 2023.

(Note 2) The number of shares to be transferred in the Share Repurchase will be the number of shares to be sold by the Company less the number of shares to be purchased by the Tender Offeror as fractional shares as a result of the Share Consolidation.

(Note 3) The aggregate transaction price in the Share Repurchase will be the price per SEIKO PMC share as

at the time immediately before the effectuation of the Share Consolidation multiplied by the number of SEIKO PMC shares as at the same time (except the shares corresponding to fractions less than one share resulting from the Share Consolidation, if any). Please note that the amount stated in the table above is a reference value calculated by multiplying the transaction price per share by the number of shares in SEIKO PMC held by the Company.

6. Schedule of the Transaction

(1) Execution of definitive agreement	September 1, 2023
(2) Tender offer period	From September 4, 2023 until October 17, 2023
(3) Announcement of result of tender offer	October 18, 2023
(4) Share Consolidation	After the Payment subject to the Tender Offer (planned)
(5) Share Repurchase	Subject to the effectuation of the Share Consolidation (planned)

7. Company's Consolidated Earnings Forecast as a Result of Transaction

The Company is currently assessing the impact of the Transaction on its consolidated earnings and will promptly disclose any revision to its earnings forecast once such revision becomes necessary.

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