DAI NIPPON TORYO CO.,LTD.

First Quarter Ended June 30, 2026

Financial Results Briefing Materials

Securities code: 4611 TSE PRIME

August 7, 2026

Summary of This Material

DAI NIPPON TORYO

Q1 FY26 Earnings Highlights

Net sales	25,407 Million yen	vs. FY25 +13.9%	Progress Rate 26.5%
Operating profit	1,850 Million yen	vs. FY25 +162.5%	Progress Rate 33.6%
Profit attributable to owners of parent	1,211 Million yen	vs. FY25 +217.2%	Progress Rate 35.6%

FY26 Guidance（Unchanged）

Net sales	96,000 Million yen	vs. FY25 +2.4%
Operating profit	5,500 Million yen	vs. FY25 ＋42.7%
Profit attributable to owners of parent	3,400 Million yen	vs. FY25+101.4%
Forecasted Dividend	¥ 58 per share	vs. FY25±¥0

【Q1 Results】

Increased sales volume in the Coatings business absorbed various cost increases, resulting in a significant rise in profit YoY.
Despite a slump in overseas markets, the Lighting business progressed largely according to plan.

【Guidance】

From Q2 onwards, we will continue to fulfill our supply obligations by securing raw materials while focusing on cost control in light of market conditions.
As the increase in sales volume in Q1 appears to reflect some instances of demand being pulled forward, we are left our earnings forecast unchanged.

Q1 FY26 Consolidated Financial Performance

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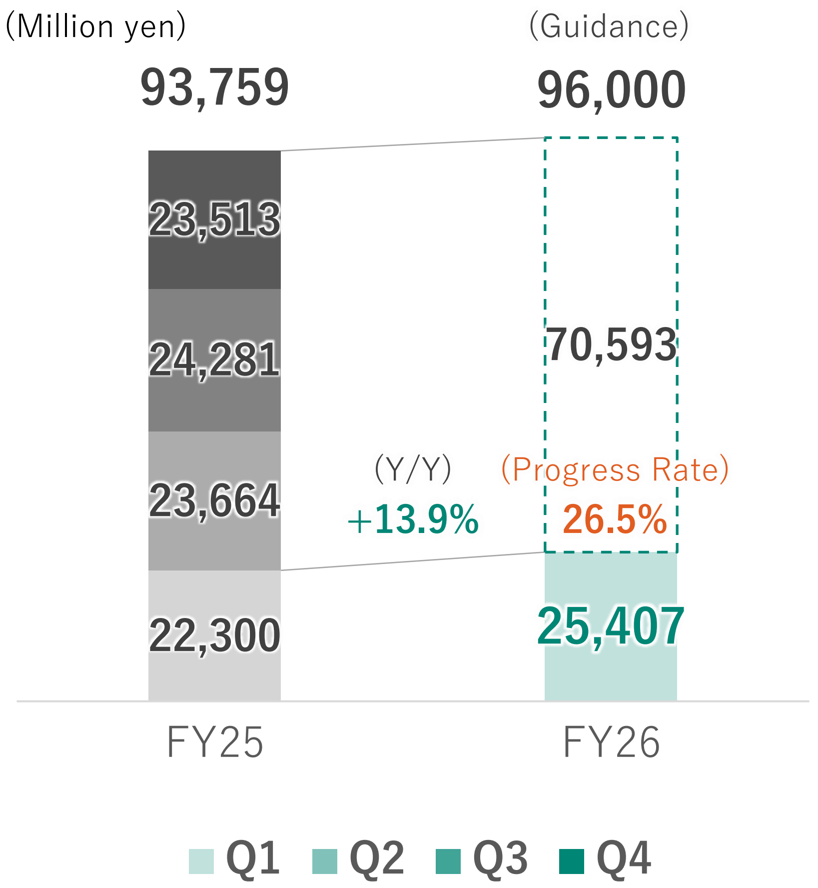
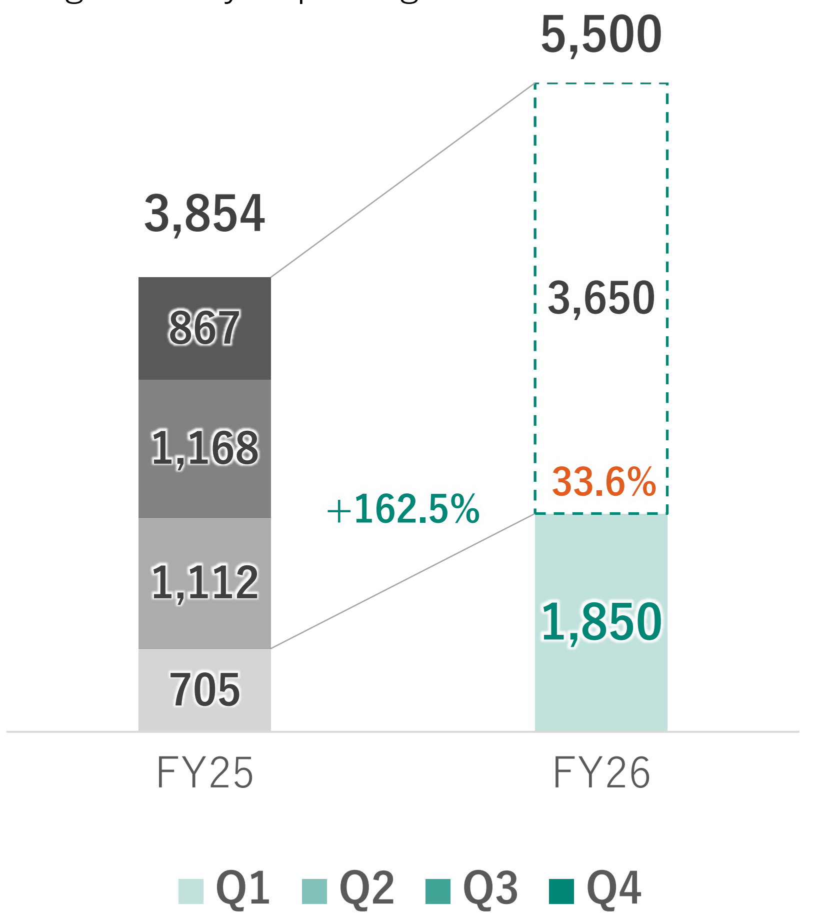
Net sales

- In the Domestic coatings business, the impact of quality issues eased, and sales recovered significantly, particularly in structural coatings.
- Amid the situation in the Middle East, solid demand from a broad customer base and price pass-through of higher raw material costs contributed to sales.



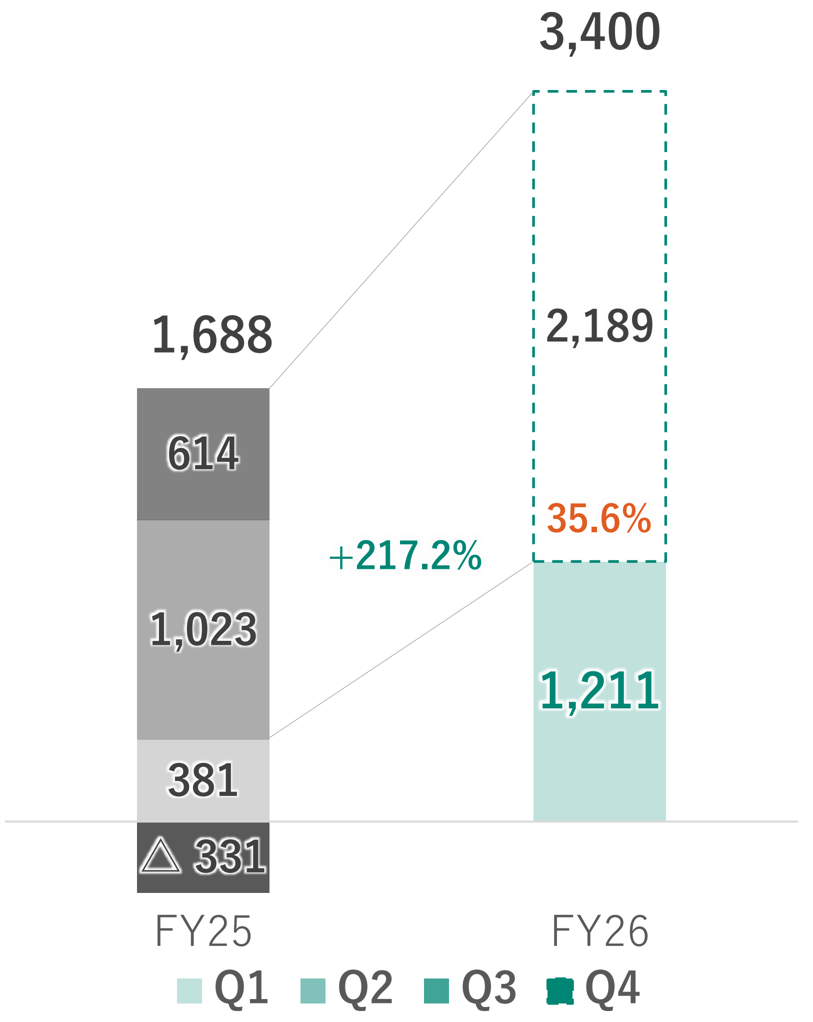
Operating profit

- Operating profits increased due to higher sales volumes in the Domestic coatings and the resulting improvement in profitability.
- • The recovery in structural coatings, one of our key strengths, also contributed significantly to profit growth.



Profit attributable to owners of parent

- Reflecting the significant increase in operating profit, profit attributable to owners of parent also increased.



Q1 FY26 Profit and Loss Status: Domestic Coatings

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Sales volume increased due to a recovery in demand following the lifting of the JIS-related suspension and moves to secure inventory in response to the situation in the Middle East.
Profits rose significantly YoY, supported by improved production efficiency resulting from higher sales volume.

(Million yen)	FY25 Q1	**FY26 Q1**	vs. FY25 Change	vs. FY25 % Change	Notes
Net sales	**17,287**	**20,286**	**＋ 2,998**	**＋ 17.3%**	
General-Use	4,999	6,904	＋ 1,904	＋ 38.1%	• Sales recovered following the lifting of the JIS-related suspension and progress on recurrence prevention measures. • Procurement concerns amid the situation in the Middle East pulled forward demand, mainly for structural coatings.
Industrial-Use	4,437	5,111	＋ 673	＋ 15.2%	• The top priority was to fulfill supply responsibilities to customers, and demand in each application remained strong.
Ink & Dispersion Technologies, Other	1,017	993	△ 23	△ 2.4%	• Demand declined due to the impact of inventory adjustments by major customers.
Subsidiaries/Adjustments	1,904	2,326	＋ 422	＋ 22.2%	• Sales increased due to strong performance of sales subsidiaries.
SPC	4,927	4,950	＋ 22	＋ 0.5%	• Industrial coatings remained solid. Although some coating work was postponed, new orders for protective coatings amid Middle East tensions contributed to higher sales.
Operating profit	**149**	**1,334**	**＋ 1,185**	**＋ 794.8%**	• Operating profit increased significantly YoY, driven by higher sales volume from demand recovery, and improved profitability due to higher production efficiency.
Operating Profit Margin	0.9%	6.6%	＋ 5.7p	-	

Q1 FY26 Profit and Loss Status: Overseas Coatings

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Although export sales volume increased in Southeast Asia, profitability declined YoY due to lower sales volume in Mexico.

- Decided on the equity transfer of the local subsidiary in Feb 2026 as a fundamental structural reform; exiting proprietary manufacturing within FY26 to accelerate the profitability turnaround of the overseas coatings business.

(Million yen)	FY25 Q1	**FY26 Q1**	vs. FY25 Change	vs. FY25 % Change	Notes
Net sales	**2,034**	**2,155**	**+ 120**	**+ 5.9%**	
Southeast Asia	1,373	1,556	+ 183	+ 13.3%	• Although demand for automotive components within the region remained sluggish, increased export sales resulted in an increase.
Mexico	471	365	△ 105	△ 22.4%	• Net sales decreased due to reduced production at major customers.
China	190	233	+ 43	+ 22.7%	• While working with business partners following our withdrawal, we captured transition-related demand, resulting in higher net sales.
Operating profit	**112**	**75**	**△ 37**	**△ 33.0%**	• Decreased YoY due to a decline in sales volume in Mexico, which entailed deterioration in profitability.
Operating Profit Margin	5.5%	3.5%	△ 2.0p	-	
Operating profit (excluding China)	**172**	**122**	**△ 50**	**△ 29.1%**	
Operating Profit Margin (excluding China)	9.4%	6.4%	△ 3.0p	-	

Q1 FY26 Profit and Loss Status: Lighting

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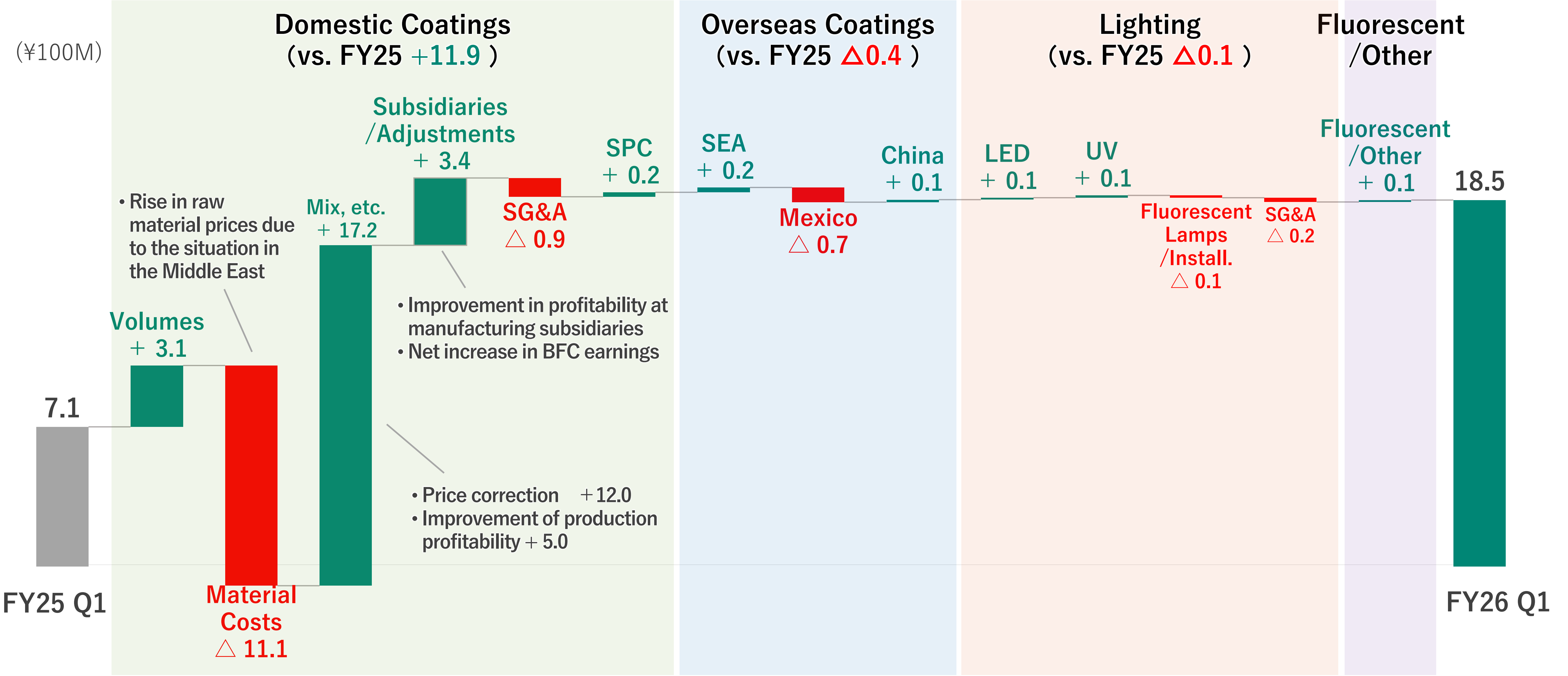
Decreased profit YoY due to rising costs, while efforts to improve product profitability through pricing strategies steadily progressed.

(Million yen)	FY25 Q1	**FY26 Q1**	vs. FY25 Change	vs. FY25 % Change	Notes
Net sales	**2,274**	**2,310**	**+ 36**	**+ 1.6%**	
LED lighting	1,785	1,834	+ 49	+ 2.7%	• Demand from commercial facilities, luxury brand stores, and redevelopment projects continued, resulting in an increase in net sales.
UV lamp	171	189	+ 17	+ 10.5%	• Net sales increased as inventory adjustments by major customers for sterilization applications were completed.
Fluorescent Lamps / Installation / Other	317	286	△ 30	△ 9.6%	• Demand decreased due to market contraction, and net sales decreased.
Operating profit	**344**	**331**	**△ 12**	**△ 3.6%**	• Profitability improved as a result of factors such as price revisions. • Decreased due to increased advertising and personnel expenses associated with sales promotion activities.
Operating Profit Margin	15.1%	14.3%	△ 0.8p	-	

Factors Affecting Consolidated Operating Profit (Q1 FY26 vs. Q1 FY25)

Operating profit increased due to a recovery in sales following quality issues in the Domestic coatings business and improved profitability resulting from higher production efficiency.



Balance Sheet Overview

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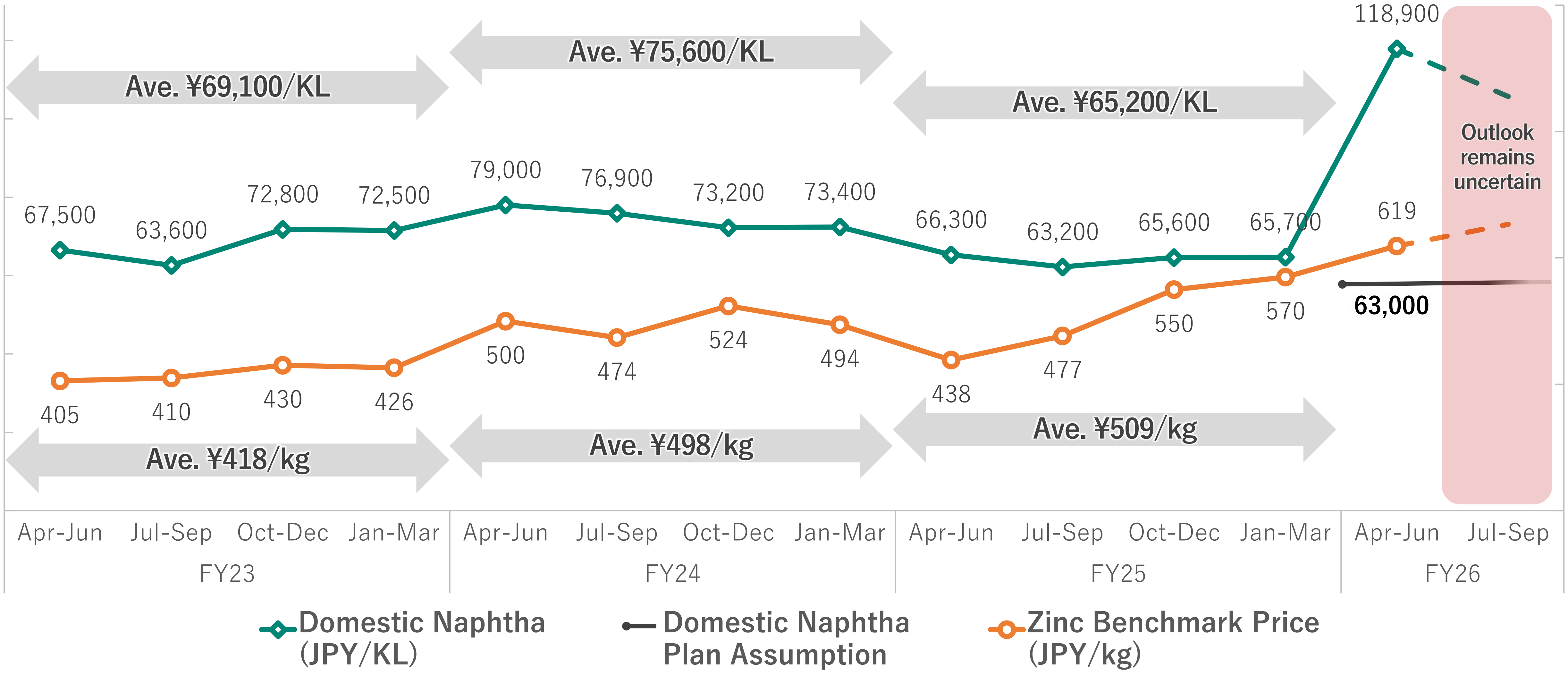
We will aggressively pursue capital investment by reducing strategic shareholdings and leveraging borrowings.

	As of March 31, 2026	**As of June 30, 2026**	Y/Y Change	Notes
Total assets	**137,490**	**140,343**	**＋ 2,853**	
Current assets	51,258	53,145	＋ 1,886	• Increase in trade receivables due to higher sales +1,517 • Increase in inventories due to inventory buildup to ensure stable supply: +1,201
Property, plant and equipment	48,270	48,706	＋ 435	
Intangible assets	1,492	1,470	△ 22	
Investments and other assets	36,468	37,022	＋ 553	
Total liabilities	**60,813**	**64,020**	**＋ 3,206**	
(Of which, Borrowings)	(14,500)	(16,149)	(＋ 1,649)	• Working capital financing
Total net assets	**76,676**	**76,323**	**△ 353**	
(Of which, Shareholders’ equity)	(54,883)	(54,439)	(△ 444)	
Total liabilities and net assets	**137,490**	**140,343**	**＋ 2,853**	
Equity (Shareholders' equity + Accumulated other comprehensive income)	66,773	66,439	△ 333	
Equity ratio	48.6%	47.3%	△ 1.2p	

Trends in Key Raw Material Prices

The raw material procurement environment has deteriorated sharply since late February 2026 amid geopolitical uncertainty in the Middle East. Domestic naphtha prices are at record-high levels.

○ Trends in Domestic Naphtha Price and Zinc Benchmark Price



Procurement and Demand Impacts of the Middle East Situation and Our Response

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Raw material procurement costs rose sharply in the Domestic coatings, mainly for naphtha-derived materials.
We will monitor profitability impacts, mainly in the Domestic coatings and Overseas coatings, and mitigate them through procurement diversification and formulation optimization.

○ Impact Matrix by Segment

Segment	Impact on procurement	Impact on demand	Notes
Domestic Coatings	High	↑	• Prices of key naphtha-derived materials, including solvents and resins, rose sharply. • Supply was maintained through alternative sourcing despite procurement difficulties. • Demand increased partly due to pulled-forward purchasing; trends require close monitoring.
Overseas Coatings	Low	→	• Minimal impact, as Q1 for the Overseas coatings covers Jan.–Mar. • Rising raw material prices since Apr. addressed through price adjustments.
Lighting	Low	→	• Limited procurement impact despite some exposure to naphtha price increases. • Some product launches were postponed, slightly affecting sales.
Fluorescent	Medium	→	• Naphtha-derived raw material prices rose, but related items have a lower raw material cost ratio than the Coatings business. • EU exports declined, while domestic demand increased.
Other (Logistics/ Painting work)	Medium	→	• Transportation costs remained elevated due to higher crude oil prices. • Concerns remain over potential construction delays due to material shortages.

○ Impact pathway

Impact on procurement
- Rising raw material costs
- Difficulty in procuring certain items
- Logistics constraints

Impact on demand
- Demand pulled forward by inventory-building
- Customer production adjustments
- Capex restraint

○ Key countermeasures

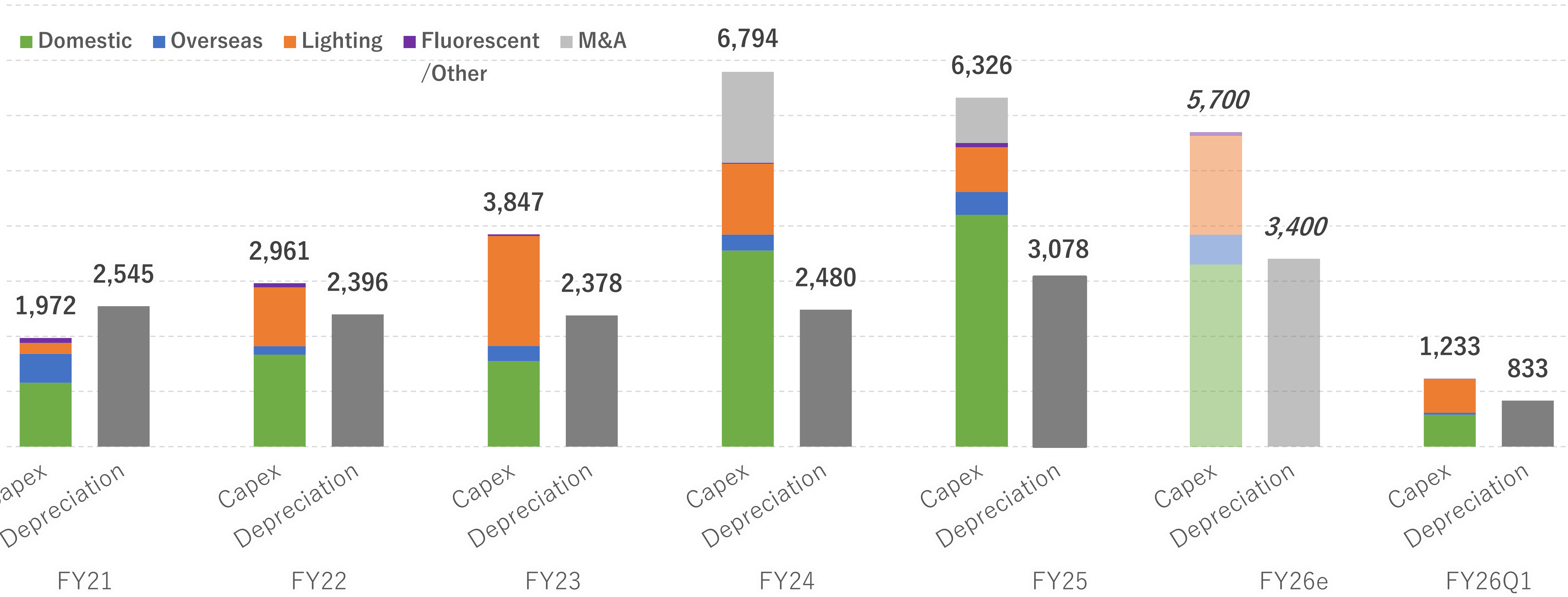
① Diversify procurement sources
② Optimize raw material and product inventories
③ Pass through cost increases to prices
④ Adjust supply terms with customers
⑤ Control SG&A and other expenses

Trends and progress of investment (Capex, M&A) and Depreciation

Continue proactive capital investment in line with the cash allocation policy.

○ **Major investment Plans for FY2026**

Domestic Head office relocation (Environmental improvement) ¥0.4B、Plants (Efficiency, Capacity expansion, Safety, Renewal) ¥2.4B
Lighting Factory expansion and renovation (Efficiency & Capacity expansion) ¥1.8B



Shareholder Returns （Repost）

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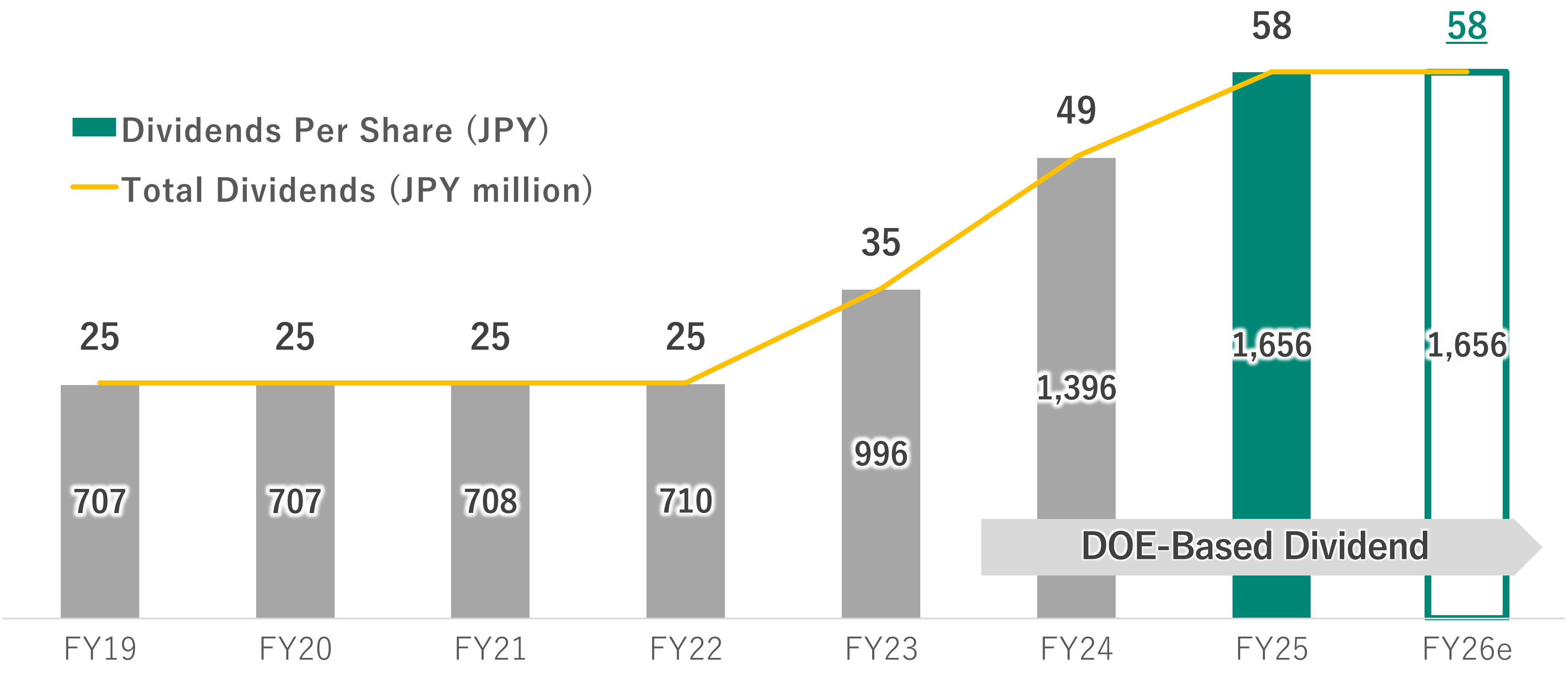
We plan proactive shareholder returns in FY26, based on a DOE of 3.0%.



FY25 (Proposed)

Dividends per share: **¥58**

vs. FY25 ＋**¥9** （＋**18%**）

FY26 (Forecast)

Dividends per share: **¥58**

vs. FY25 ±**¥0**

Proactive and stable shareholder returns to curb excessive capital accumulation.

Shareholder Return Policy

- Aim for long-term stable dividends, using **DOE (Dividend on Equity)** as a key return metric.
- The FY26 Mid-term Plan (FY25-FY26) is based on a **DOE of 3.0%,** with a goal to reach 5.0% by FY29 (the final year of the next Mid-term Plan). Shareholders' equity is based on the previous fiscal year-end.
- Conduct share repurchases as needed, considering market conditions and capital efficiency.

Consolidated statement of income（Annual Trend）

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(Million yen)	FY14	FY15	FY16	FY17	FY18	FY19	FY20	FY21	FY22	FY23	FY25	FY25
Net sales	**73,005**	**76,388**	**72,789**	**74,119**	**73,743**	**72,709**	**63,160**	**66,948**	**72,849**	**71,940**	**72,511**	**93,759**
Y/Y % Change	0.5	4.6	△ 4.7	1.8	△ 0.5	△ 1.4	△ 13.1	6.0	8.8	△ 1.2	0.8	29.3
Domestic Coatings	53,045	55,508	53,498	53,374	52,972	51,861	47,232	49,622	53,250	50,551	50,921	71,870
Overseas Coatings	7,464	7,467	7,019	7,960	8,063	7,290	5,486	6,939	8,066	8,529	8,133	8,590
Lighting	9,131	9,694	9,092	9,470	9,377	10,135	7,239	7,656	8,557	9,686	10,418	10,425
Fluorescent color material	1,401	1,432	1,377	1,275	1,287	1,337	1,117	1,223	1,154	1,175	1,158	1,088
Other businesses	1,961	2,284	1,801	2,038	2,041	2,084	2,084	1,507	1,820	1,997	1,879	1,785
Gross profit	20,040	21,906	22,649	22,813	21,833	21,800	19,165	19,658	20,616	21,804	22,463	25,878
Gross Profit Margin (%)	27.5	28.7	31.1	30.8	29.6	30.0	30.3	29.4	28.3	30.3	31.0	27.6
Selling, General and Administrative Expenses	15,612	16,047	16,115	16,225	15,794	16,252	16,336	16,474	16,670	16,902	17,747	22,025
SG&A Ratio (%)	21.4	21.0	22.1	21.9	21.4	22.4	25.9	25.6	22.9	23.5	25.5	23.5
Operating profit	**4,428**	**5,858**	**6,533**	**6,588**	**6,039**	**5,547**	**2,828**	**3,183**	**3,946**	**4,901**	**4,716**	**3,854**
Y/Y % Change	3.6	32.3	11.5	0.8	△ 8.3	△ 8.1	△ 49.0	12.5	25.0	25.2	△ 3.8	△ 18.3
Operating Profit Margin (%)	6.1	7.7	9.0	8.9	8.2	7.6	4.5	4.8	5.4	6.8	6.5	4.1
Domestic Coatings	2,353	3,785	3,886	3,466	2,934	2,464	1,631	1,990	1,986	2,200	1,968	1,231
Overseas Coatings	763	775	1,186	1,405	1,190	843	221	236	203	416	238	368
Lighting	785	688	931	1,146	1,238	1,639	479	577	1,285	1,890	2,063	1,928
Fluorescent color material	154	171	135	119	74	116	54	46	71	28	59	64
Other businesses	177	202	158	213	315	217	257	114	159	138	79	△ 37
Intersegment Adjustments	194	235	234	236	285	266	183	218	238	227	305	298
Ordinary profit	4,498	5,559	6,600	6,392	6,210	5,786	3,268	3,465	4,316	5,336	5,199	4,479
Profit attributable to owners of parent	2,756	3,614	5,199	4,573	3,604	3,662	1,968	2,031	3,458	4,600	9,437	1,688

* For management indicators since FY20, figures are presented in accordance with Accounting Standard for Revenue Recognition (ASBJ Statement No. 29, March 31, 2020).

Consolidated statement of income（Quarterly Trend）

(Million yen)	FY23				FY25				FY25				FY26
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1
Net sales	**17,814**	**18,556**	**18,411**	**17,158**	**17,483**	**18,652**	**18,972**	**17,403**	**22,300**	**23,664**	**25,281**	**23,513**	**25,407**
Q/Q % Change	△ 4.9	4.2	△ 0.8	△ 6.8	1.9	6.7	1.7	△ 8.3	28.1	6.1	2.6	△ 3.2	8.1
Domestic Coatings	12,701	13,233	13,084	11,531	12,404	13,197	13,486	11,832	17,287	18,179	18,682	17,721	20,286
Overseas Coatings	2,127	2,111	2,176	2,113	1,965	2,156	2,068	1,942	2,034	2,121	2,190	2,254	2,155
Lighting	2,253	2,425	2,308	2,699	2,366	2,566	2,616	2,868	2,274	2,603	2,655	2,891	2,310
Fluorescent color material	280	337	278	279	292	267	286	311	279	259	262	286	278
Other businesses	451	448	563	534	454	463	513	448	425	501	490	368	377
Gross profit	5,471	5,668	5,519	5,145	5,400	5,749	5,981	5,331	6,172	6,454	6,556	6,695	7,645
Gross Profit Margin (%)	30.7	30.5	30.0	30.0	30.9	30.8	31.5	30.6	27.7	27.3	27.0	28.5	30.1
Selling, General and Administrative Expenses	4,269	4,154	4,303	4,175	4,309	4,316	4,548	4,573	5,467	5,341	5,388	5,827	5,794
SG&A Ratio (%)	25.0	22.4	23.4	25.3	25.6	23.1	25.0	26.3	25.5	22.6	22.2	25.8	22.8
Operating profit	**1,201**	**1,513**	**1,215**	**969**	**1,091**	**1,433**	**1,433**	**758**	**705**	**1,112**	**1,168**	**867**	**1,850**
Q/Q % Change	32.0	26.0	△ 19.7	△ 20.2	12.5	31.3	0.0	△ 47.1	△ 7.0	57.9	5.0	△ 25.8	113.3
Operating Profit Margin (%)	6.7	8.2	6.6	5.7	6.2	7.7	7.6	4.4	3.2	4.7	4.8	3.7	7.3
Domestic Coatings	586	765	627	221	436	692	725	114	149	393	490	199	1,334
Overseas Coatings	105	136	10	163	75	78	103	△ 18	112	127	53	74	75
Lighting	423	490	449	526	467	563	474	558	344	500	505	578	331
Fluorescent color material	7	6	6	7	13	18	6	20	12	5	22	23	29
Other businesses	18	26	64	27	16	0	42	20	18	9	30	△ 96	3
Intersegment Adjustments	58	87	57	23	80	81	81	62	67	76	65	88	76
Ordinary profit	1,362	1,598	1,310	1,065	1,382	1,382	1,675	759	848	1,276	1,295	1,059	2,194
Profit attributable to owners of parent	910	1,046	772	1,871	1,162	1,553	996	5,723	381	1,023	614	△ 331	1,211

Other Consolidated Management Indicators

(Million yen)	FY14	FY15	FY16	FY17	FY18	FY19	FY20	FY21	FY22	FY23	FY25	FY25
Balance Sheet												
Total Assets	69,252	67,732	70,374	76,155	78,880	76,817	85,765	87,705	92,805	101,618	133,344	137,490
Total Liabilities	40,811	37,112	34,055	32,806	33,796	32,138	34,900	35,713	37,594	39,128	57,173	60,813
Total net assets	28,441	30,620	36,319	43,349	45,083	44,679	50,865	51,991	55,210	62,490	76,170	76,676
Shareholders' Equity	20,455	23,382	27,777	31,385	33,868	36,491	37,754	39,101	42,112	46,026	54,515	54,883
Equity (Shareholders' equity + Accumulated other comprehensive income)	26,474	28,647	34,103	40,747	42,275	41,762	48,069	49,015	52,033	59,550	65,027	66,773
Cash Flow												
Operating Activities	4,783	5,785	6,133	5,315	4,358	4,434	3,641	3,364	1,282	3,463	3,570	3,011
Investing Activities	△ 1,838	△ 718	637	△ 398	△ 2,470	△ 4,425	△ 2,325	△ 966	△ 1,449	△ 772	△ 364	△ 3,397
Financing Activities	△ 2,977	△ 4,317	△ 5,808	△ 4,747	△ 351	△ 742	499	△ 2,841	△ 473	△ 1,657	△ 75	△ 189
Cash and Cash Equivalents at End of Period	2,444	3,072	3,953	4,256	5,704	5,064	6,736	6,479	6,340	7,867	11,469	10,913
Other Indicators												
Total number of issued shares at the end of the period	29,710	29,710	29,710	29,710	29,710	29,710	29,710	29,710	29,710	29,710	29,710	29,710
Number of treasury shares at the end of the period	13	310	610	819	1,115	1,408	1,405	1,377	1,273	1,256	1,213	1,148
EPS (Earnings Per Share)	92.83	122.38	178.06	157.70	125.61	128.96	69.55	71.74	121.78	161.70	331.40	59.16
BPS (Book-Value Per Share)	891.46	974.38	1,171.93	1,410.38	1,478.43	1,475.59	1,698.23	1,730.00	1,829.75	2,092.10	2,281.92	2,337.80
Dividend Per Share	15.00	17.50	20.00	25.00	25.00	25.00	25.00	25.00	25.00	35.00	49.00	58.00
Total Dividends	445	514	582	722	714	707	707	708	710	996	1,396	1,656
DOE (Dividend on Equity*)	2.4%	2.5%	2.5%	2.6%	2.3%	2.1%	1.9%	1.9%	1.8%	2.4%	3.0%	3.0%
Equity Ratio	38.2%	42.3%	48.5%	53.3%	53.6%	54.4%	56.0%	55.9%	56.1%	58.6%	48.8%	48.6%
ROE	11.4%	13.1%	16.6%	12.2%	8.7%	8.7%	4.4%	4.2%	6.8%	8.2%	15.2%	2.6%
NOPAT-ROE	12.7%	14.8%	14.5%	12.2%	10.1%	9.2%	4.4%	4.6%	5.4%	6.1%	5.3%	4.1%

*On October 1, 2017, our company conducted a 1-for-5 reverse stock split of its common shares. The figures above for periods prior to the split have been restated to reflect the post-split number of shares.

*Dividend on Equity (DOE) is calculated based on shareholders' equity at the end of the previous fiscal year.

○ Corporate Information

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