

# DIC Corporation

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## Consolidated Financial Results FY2021: Nine Months Ended September 30

November 2021

Color & Comfort



## FY2021 nine months results

- Consolidated net sales advanced. The results of the C&E pigments business (formerly BASF SE's Colors & Effects business) has been included in the scope of consolidation since July 2021. Against a backdrop of buoyant digital-related demand worldwide, shipments remained robust in multiple areas, including those of high-value-added products such as materials for use in semiconductor devices and in electrical and electronics equipment. Shipments of food packaging materials stayed firm, while those of pigments for cosmetics showed signs of recovering. In materials for automotive applications, while shipments were firm overall, certain products and regions felt the impact of falling automobile production, a result of semiconductor device shortages and the imposition of lockdowns.
- Operating income was also up. This was despite the heightened impact of elevated raw materials costs and higher logistics costs in the third quarter (July–September 2021), and reflected ongoing efforts to reduce the influence of this factors by boosting shipments, particularly of high-value-added products, as well as by adjusting sales prices. Nonetheless, operating income growth was hindered by the incurrence of one-time costs associated with the integration of the C&E pigments business (due to inventory step-up\*).

\* One-time operating expenses associated with the reassessment of the fair value of inventories gained through an acquisition .

## FY2021 forecasts

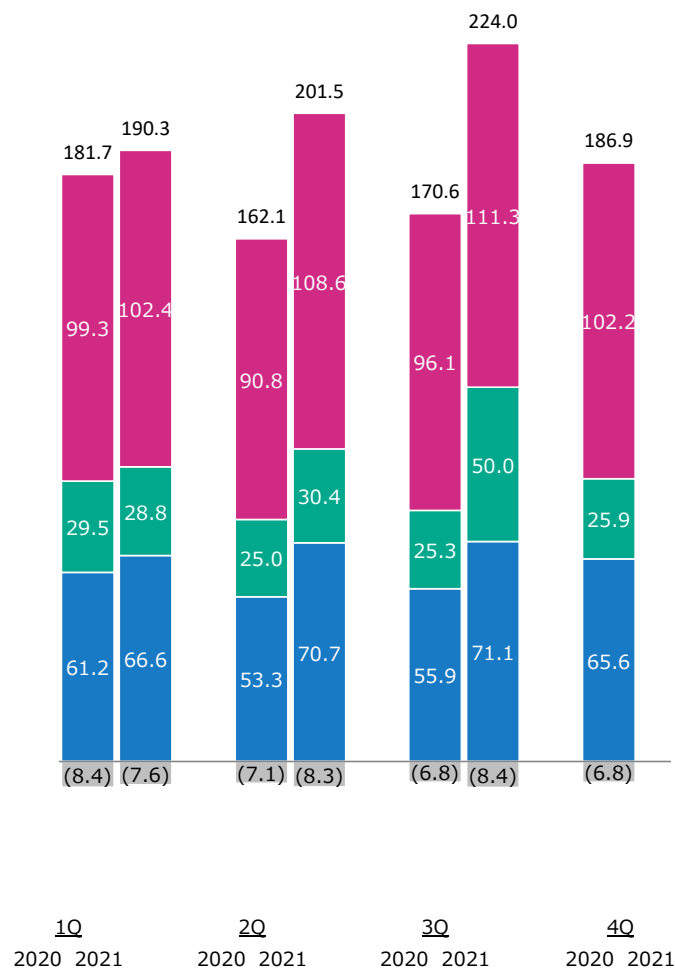
- Owing to the progress of efforts to adjust sales prices, sales are expected to increase. In light of this factor, DIC has revised its full-term net sales forecast for fiscal year 2021 upwards to ¥860.0 billion. The full-term operating income forecast has not been revised and remains ¥48.0 billion.
- The Company's annual dividend forecast of ¥100 per share has not been revised.

The fiscal year of all overseas and domestic companies in the DIC Group ends on December 31. This document presents consolidated results for the first nine months of fiscal year 2021, ended September 30, 2021.

# Quarterly trends in segment results

## Net sales

(Billion yen)



## Operating income

(Billion yen)

Progress rate as per the full year operating income forecast (48 billion yen)

	3M	6M	9M	FY
2021 (%)	29.1	56.9	69.3	
2020 (%)	28.4	51.0	73.1	113.3



■ Packaging & Graphic
 ■ Color & Display
 ■ Functional Products
 ■ Others, Corporate and eliminations

Note: The figure above each graph bar includes Others and Corporate and eliminations and thus differs from the height of the bar.

## Summary of financial results

	2020 9 Months	2021 9 Months	% Change	% Change on a local currency basis
(Billion yen)				
<b>Net sales</b>	514.3	<b>615.8</b>	+19.7%	+16.5%
[excluding C&E]	[514.3]	<b>[595.8]</b>	[+15.8%]	—
<b>Operating income</b>	25.6	<b>33.3</b>	+30.0%	+27.5%
[excluding C&E]	[25.6]	<b>[39.6]</b>	[+55.0%]	—
Operating margin	5.0%	<b>5.4%</b>	—	—
<b>Ordinary income</b>	23.0	<b>33.9</b>	+47.6%	—
<b>Net income*</b>	13.9	<b>15.3</b>	+9.9%	—
EPS (Yen)	146.99	<b>161.48</b>	—	—
<b>EBITDA**</b>	43.6	<b>51.3</b>	+17.5%	—
Average rate				
YEN/US\$	107.16	<b>108.50</b>	+1.3%	
YEN/EUR	120.49	<b>129.68</b>	+7.6%	

\* Net income attributable to owners of the parent

\*\* EBITDA: Net income attributable to owners of the parent + Total income taxes + (Interest expenses – Interest income) + Depreciation and amortization

# Consolidated statement of income

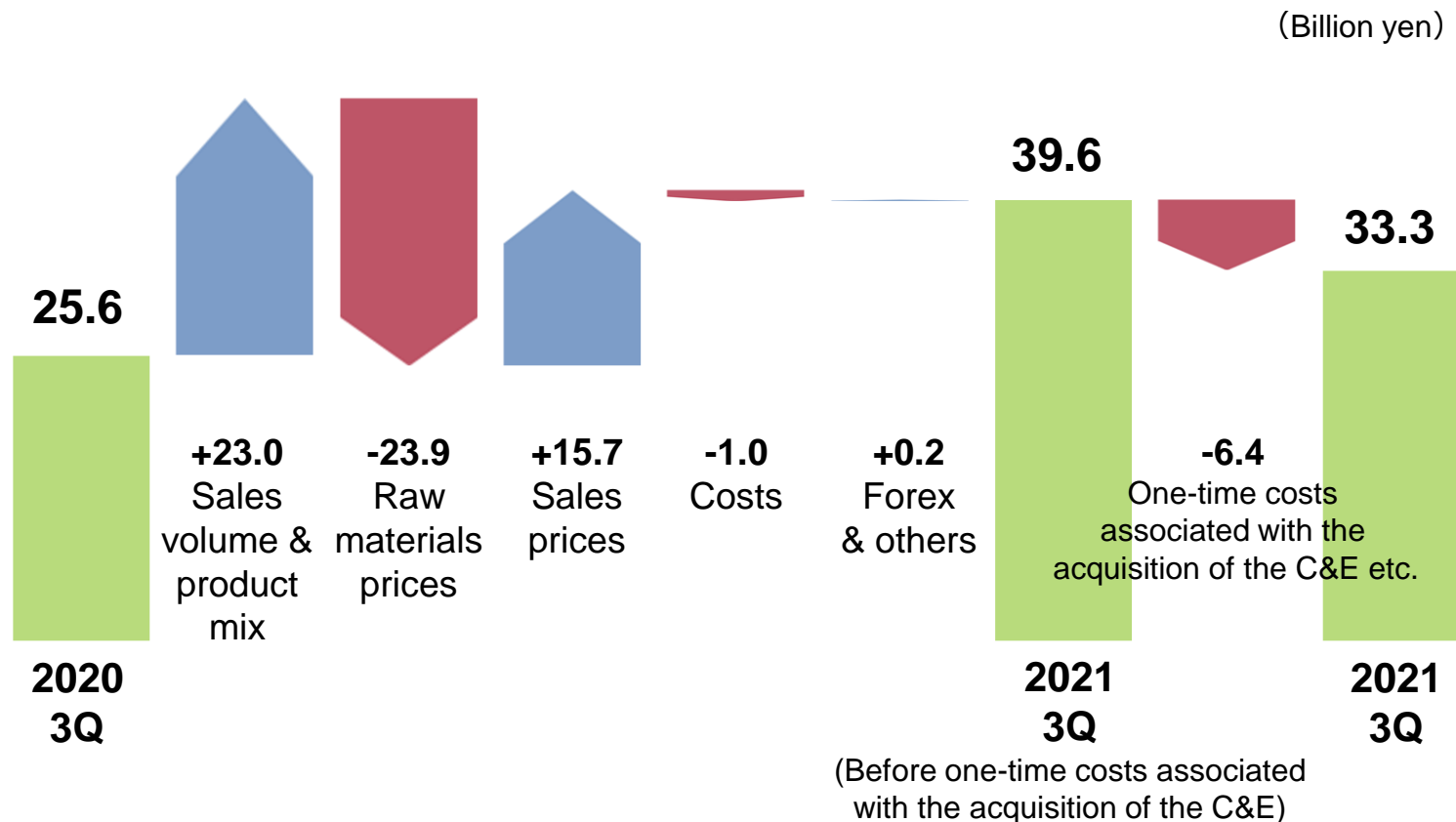
(Billion yen)	2020 9 Months	2021 9 Months	Change
<b>Net sales</b>	<b>514.3</b>	<b>615.8</b>	<b>101.5</b>
Cost of sales	(400.5)	(482.6)	-82.1
Selling, general and administrative expenses	(88.2)	(100.0)	-11.8
<b>Operating income</b>	<b>25.6</b>	<b>33.3</b>	<b>7.7</b>
Interest expenses	(0.7)	(0.6)	0.1
Equity in earnings (losses) of affiliates	0.2	1.7	1.5
Foreign exchange gains (losses)	(0.9)	0.5	1.4
Other, net	(1.1)	(0.9)	0.2
<b>Ordinary income</b>	<b>23.0</b>	<b>33.9</b>	<b>10.9</b>
Extraordinary income	3.0	1.1	-1.9
Extraordinary loss	(5.5)	(10.0)	-4.5
Income before income taxes	20.5	25.0	4.5
Income taxes	(4.9)	(8.1)	-3.2
Net income	15.6	16.9	1.3
Net income attributable to non-controlling interests	(1.7)	(1.6)	0.1
<b>Net income attributable to owners of the parent</b>	<b>13.9</b>	<b>15.3</b>	<b>1.4</b>
Average rate YEN/US\$	107.16	108.50	
YEN/EUR	120.49	129.68	

Extraordinary income and loss	2020 9 Months	2021 9 Months
<b>Extraordinary income</b>		
Gain on sales of subsidiaries' and affiliates' securities	-	0.8
Gain on sales of non-current assets	1.7	0.3
Gain on bargain purchase	1.3	-
<b>Extraordinary loss</b>		
Acquisition-related expenses*	(3.4)	(6.4)
Loss on disposal of non-current assets	(1.4)	(1.9)
Impairment loss	-	(1.3)
Severance costs	(0.8)	(0.4)

\*Acquisition of the C&E pigments business

## Operating income variance

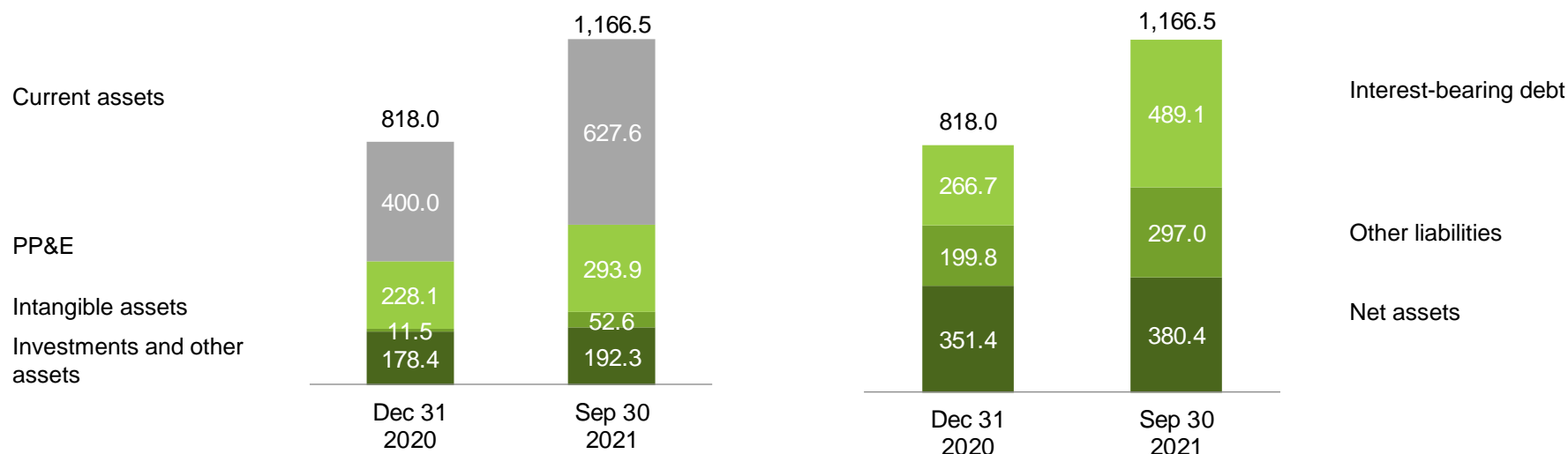
- In addition to a higher sales volume, sales of high-value-added products were brisk, resulting in an improved product mix.
- Raw materials costs continue to rise sharply in all regions, but DIC is pressing ahead with efforts to adjust sales prices.
- The C&E pigments business reported an operating loss of ¥6.4 billion, reflecting one-time costs associated with its acquisition. The business' shipments in the third quarter (July–September 2021) flagged, owing to a sharp dip in sales due to the blackout period at the time of business integration, as well as to delayed exports.



# Financial health

## Balance sheet

(Billion yen)



## Financial health

(Billion yen)	Dec 31 2020	Sep 30 2021	Change
Interest-bearing debt	266.7	489.1	222.4
Net interest-bearing debt	221.9	327.3	105.5
Net assets	351.4	380.4	29.0
D/C ratio *	43.2%	56.3%	
Net D/C ratio **	38.7%	46.3%	
Equity ratio	38.9%	29.7%	
BPS (Yen)	3,364.92	3,659.39	
Closing rate (YEN/US\$)	103.14	111.86	



Interest-bearing debt was increased due to the acquisition of the C&E pigments business.

D/C ratio as of September 30, 2021, adjusted for subordinated loan: 52.8%

Net D/C ratio as of September 30, 2021, adjusted for subordinated loan: 42.0%

\* D/C ratio: Interest-bearing debt / (Interest-bearing debt + Net assets)

\*\*Net D/C ratio: Net Interest-bearing debt / (Net Interest-bearing debt + Net assets)

# Segment results

(Billion yen)	Net sales					Operating income					Operating margin	
	2020 9 Months	2021 9 Months	Change	% Change	% Change on a local currency basis	2020 9 Months	2021 9 Months	Change	% Change	% Change on a local currency basis	2020 9 Months	2021 9 Months
<b>Packaging &amp; Graphic</b>	286.2	322.4	36.2	+ 12.6%	+ 9.5%	13.5	16.1	2.5	+ 18.5%	+ 16.9%	4.7%	5.0%
Japan	75.3	84.4	9.1	+ 12.1%	+ 12.1%	3.4	3.7	0.4	+ 10.8%	+ 10.8%	4.5%	4.4%
The Americas and Europe	174.1	194.8	20.7	+ 11.9%	+ 8.3%	7.3	10.1	2.8	+ 38.0%	+ 34.9%	4.2%	5.2%
Asia and Oceania	44.6	53.2	8.6	+ 19.2%	+ 12.8%	3.1	2.5	-0.5	-17.7%	-21.0%	6.9%	4.8%
Eliminations	(7.8)	(10.0)	-2.2	-	-	(0.2)	(0.3)	-0.1	-	-	-	-
<b>Color &amp; Display</b>	79.9	109.1	29.3	+ 36.6%	+ 32.5%	6.3	3.2	-3.1	-49.7%	-46.5%	7.9%	2.9%
Japan	20.4	23.4	2.9	+ 14.4%	+ 14.4%	4.0	5.1	1.0	+ 25.7%	+ 25.7%	19.8%	21.7%
Overseas	65.1	93.6	28.5	+ 43.7%	+ 38.3%	2.2	(1.9)	-4.2	Loss	Loss	3.4%	-
Eliminations	(5.7)	(7.8)	-2.2	-	-	0.0	0.0	0.0	-	-	-	-
<b>Functional Products</b>	170.4	208.5	38.1	+ 22.4%	+ 19.7%	11.2	20.4	9.2	+ 81.7%	+ 77.7%	6.6%	9.8%
Japan	128.0	147.8	19.8	+ 15.5%	+ 15.5%	5.6	12.7	7.1	+ 128.5%	+ 128.5%	4.3%	8.6%
Overseas	57.4	80.2	22.8	+ 39.7%	+ 31.6%	5.7	7.8	2.1	+ 37.8%	+ 29.6%	9.9%	9.7%
Eliminations	(14.9)	(19.4)	-4.5	-	-	0.0	(0.0)	-0.1	-	-	-	-
Others, Corporate and eliminations	(22.2)	(24.2)	-2.0	-	-	(5.5)	(6.4)	-0.9	-	-	-	-
<b>Total</b>	514.3	615.8	101.5	+ 19.7%	+ 16.5%	25.6	33.3	7.7	+ 30.0%	+ 27.5%	5.0%	5.4%
YEN/US\$	107.16	108.50		+ 1.3%		107.16	108.50		+ 1.3%			
YEN/EUR	120.49	129.68		+ 7.6%		120.49	129.68		+ 7.6%			

Note: The addition of three months' worth of sales of the C&E pigments business are incorporated into results for the Color & Display segment.



# Packaging & Graphic

## Net sales

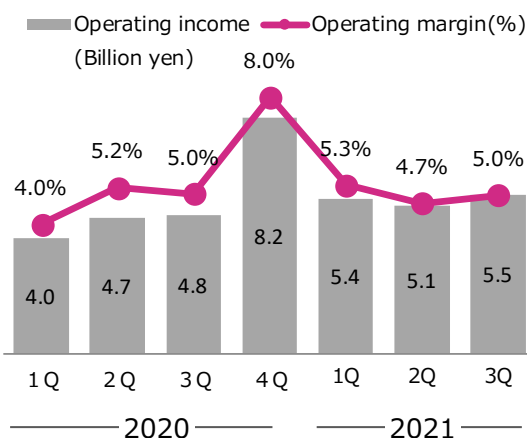
- Sales in Japan rose as the impact of state-of-emergency declarations on sales of packaging inks was limited compared with declarations in fiscal year 2020.
- Shipments of packaging inks remained firm in the Americas and Europe.

## Operating income

- Despite a sharp increase in raw materials costs, the segment's operating margin remained firm thanks to the impact of efforts to adjust sales prices. In Asia, sales price adjustments have been delayed by restrictions on the movement of people, so the benefit of these efforts is expected to emerge in the fourth quarter (October–December 2021).

(Billion yen)	Net sales					Operating income					Operating margin	
	2020 9 Months	2021 9 Months	Change	% Change	% Change on a local currency basis	2020 9 Months	2021 9 Months	Change	% Change	% Change on a local currency basis	2020 9 Months	2021 9 Months
Packaging & Graphic	286.2	322.4	36.2	+ 12.6%	+ 9.5%	13.5	16.1	2.5	+ 18.5%	+ 16.9%	4.7%	5.0%
Japan	75.3	84.4	9.1	+ 12.1%	+ 12.1%	3.4	3.7	0.4	+ 10.8%	+ 10.8%	4.5%	4.4%
The Americas and Europe	174.1	194.8	20.7	+ 11.9%	+ 8.3%	7.3	10.1	2.8	+ 38.0%	+ 34.9%	4.2%	5.2%
Asia and Oceania	44.6	53.2	8.6	+ 19.2%	+ 12.8%	3.1	2.5	-0.5	-17.7%	-21.0%	6.9%	4.8%
Eliminations	(7.8)	(10.0)	-2.2	-	-	(0.2)	(0.3)	-0.1	-	-	-	-

## Operating income/margin



## Sales of principal products

	% Change	
Packaging inks*	+ 7%	Shipments were firm in the Americas and Europe.
Publication inks*	+ 14%	Market shares rose in North America and Europe as shipments increased against a backdrop of stable supply.
Jet inks	+ 37%	Shipments were robust, bolstered by a recovery in demand for industrial applications, including outdoor signage (billboards and posters), and banners, as well as for direct mail and other commercial applications.
Polystyrene	+ 40%	Sales volume rose sharply, underpinned by healthy demand from supermarkets, among others, for use in food packaging, as well as by efforts to adjust sales prices, which boosted unit prices.
Multilayer films	+ 0%	Shipments were level with the corresponding period of the previous fiscal year, which saw an increase in demand for use in food packaging products for home use due to COVID-19.

\*Change on a local currency basis

# Color & Display

## Net sales

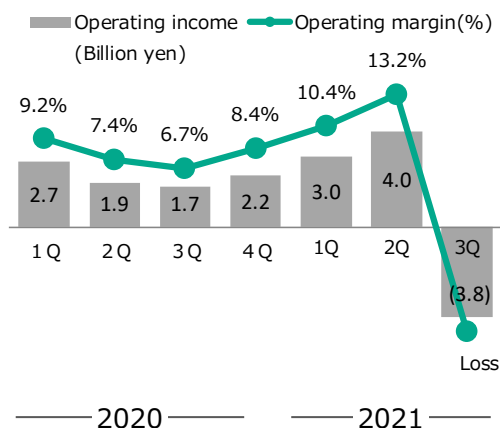
- Shipments of pigments for coatings and plastics were steady. Shipments of pigments for color filters and effect pigments, particularly for specialty applications, remained brisk.
- Sales of thin-film transistor liquid crystals (TFT LCs) fell, owing to intensified competition with manufacturers in the People's Republic of China (PRC).

## Operating income

- Operating income fell, owing to one-time costs associated with the acquisition of the C&E pigments business (due to inventory step-up).

(Billion yen)	Net sales					Operating income					Operating margin	
	2020 9 Months	2021 9 Months	Change	% Change	% Change on a local currency basis	2020 9 Months	2021 9 Months	Change	% Change	% Change on a local currency basis	2020 9 Months	2021 9 Months
Color & Display	79.9	109.1	29.3	+ 36.6%	+ 32.5%	6.3	3.2	-3.1	-49.7%	-46.5%	7.9%	2.9%
Japan	20.4	23.4	2.9	+ 14.4%	+ 14.4%	4.0	5.1	1.0	+ 25.7%	+ 25.7%	19.8%	21.7%
Overseas	65.1	93.6	28.5	+ 43.7%	+ 38.3%	2.2	(1.9)	-4.2	Loss	Loss	3.4%	-
Eliminations	(5.7)	(7.8)	-2.2	-	-	0.0	0.0	0.0	-	-	-	-

## Operating income/margin



## Sales of principal products

	% Change	
General-purpose pigments	+ 42%	Shipments of pigments for coatings and plastics rose sharply, thanks to the acquisition of the C&E pigments business.
Functional pigments	+ 30%	Shipments of pigments for color filters remained brisk. Sales of pigments for specialty applications, notably effect pigments, and pigments for cosmetics increased significantly, bolstered by the acquisition of the C&E pigments business.
Liquid crystal (LC) materials	-22%	Sales of TFT LCs declined, owing to intense competition with manufacturers in the PRC.
Health foods	+ 18%	Shipments were robust in North America and Europe.

## Color & Display (supplementary information)

Break down of 2021 nine months results for the Color & Display segment (Billion yen)

	Net sales				Operating income			
	2020 9 Months	2021 9 Months	Change	% Change	2020 9 Months	2021 9 Months	Change	% Change
Color & Display	79.9	109.1	29.3	+36.6%	6.3	3.2	-3.1	-49.7%
Existing Businesses	85.6	95.5	9.9	-	6.3	9.5	3.2	-
C&E	-	20.1	20.1	-	-	(2.2)	-2.2	-
One-time costs	-	-	-	-	-	(4.2)	-4.2	-
Eliminations	(5.7)	(6.4)	-0.8	-	0.0	0.0	0.0	-

- The C&E pigments business' shipments in the third quarter (July–September 2021) flagged, owing to a sharp dip in sales due to the blackout period at the time of business integration, as well as to delayed exports.
- Demand for pigments for automotive coatings remains on a downtrend, owing to falling automobile production, a consequence of semiconductor device shortages, but demand for pigments used in construction-use and industrial coatings and pigments for plastics is extremely strong and the backlog of orders is significant. Accordingly, shipments are expected to return to the originally anticipated level as soon as the issue of export stagnation is resolved.
- One-time costs incurred as a result of inventory step-up added ¥4.2 billion to cost of sales. Amortization was largely completed in the nine months ended September 30, 2021.

# Functional Products

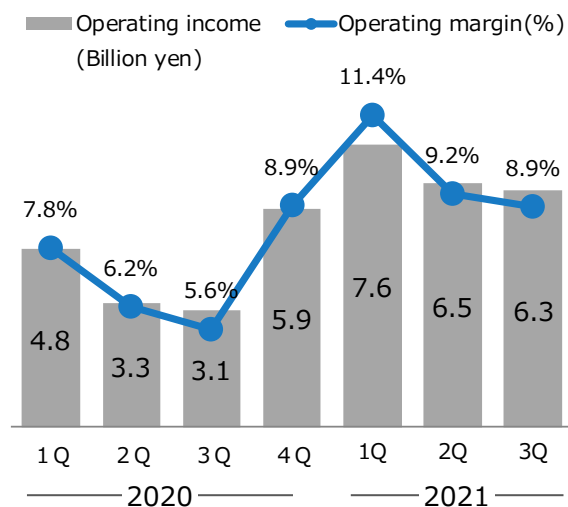
## Net sales

## Operating income

- Shipments in Asia flagged, owing to falling automobile production. In Japan, the impact of this factor was limited and shipments remained robust, led by products for use in automobiles and electronics equipment.
- Despite elevated raw materials costs worldwide, the operating margin dipped only slightly thanks to efforts to adjust sales prices. Operating income rose significantly, reflecting brisk shipments of epoxy resins and other high-value-added products.

(Billion yen)	Net sales					Operating income					Operating margin	
	2020 9 Months	2021 9 Months	Change	% Change	% Change on a local currency basis	2020 9 Months	2021 9 Months	Change	% Change	% Change on a local currency basis	2020 9 Months	2021 9 Months
Functional Products	170.4	208.5	38.1	+ 22.4%	+ 19.7%	11.2	20.4	9.2	+ 81.7%	+ 77.7%	6.6%	9.8%
Japan	128.0	147.8	19.8	+ 15.5%	+ 15.5%	5.6	12.7	7.1	+ 128.5%	+ 128.5%	4.3%	8.6%
Overseas	57.4	80.2	22.8	+ 39.7%	+ 31.6%	5.7	7.8	2.1	+ 37.8%	+ 29.6%	9.9%	9.7%
Eliminations	(14.9)	(19.4)	-4.5	-	-	0.0	(0.0)	-0.1	-	-	-	-

## Operating income/margin



## Sales of principal products

	% Change	
Environment-friendly resins*	+ 25%	The impact of falling automobile production was seen in Asia, but demand in Japan remained firm.
Epoxy resins	+ 24%	Sales were brisk for use in electronics equipment.
Polyphenylene sulfide (PPS) compounds	+ 37%	Shipments were healthy, despite concerns over the impact of a shortage of semiconductor devices.
Industrial tapes	+ 30%	Shipments for use in smartphones and other mobile devices were strong.
Hollow-fiber membrane modules	+ 41%	Shipments for use in semiconductor fabrication were healthy.

\* DIC uses the term "Environment-friendly resins" to describe strategic resins designed to improve both environmental performance and functionality. These include waterborne, UV-curable, polyester, acrylic and polyurethane resins.

# Consolidated balance sheet

(Billion yen)	Dec 31 2020	Sep 30 2021	Change
Current assets	400.0	627.6	227.6
Property, plant and equipment	228.1	293.9	65.9
Intangible assets	11.5	52.6	41.1
Investments and other assets	178.4	192.3	13.9
<b>Total assets</b>	<b>818.0</b>	<b>1,166.5</b>	<b>348.5</b>
Current liabilities	197.2	385.3	188.2
Non-current liabilities	269.4	400.8	131.3
<b>Total liabilities</b>	<b>466.6</b>	<b>786.1</b>	<b>319.5</b>
Shareholders' equity	409.0	414.8	5.8
Accumulated other comprehensive income	(90.5)	(68.4)	22.1
[Foreign currency translation adjustment]	[(82.3)]	[(59.9)]	[22.4]
Non-controlling interests	32.9	34.0	1.1
<b>Total net assets</b>	<b>351.4</b>	<b>380.4</b>	<b>29.0</b>
<b>Total liabilities and net assets</b>	<b>818.0</b>	<b>1,166.5</b>	<b>348.5</b>
Closing rate (YEN/US\$)	103.14	111.86	
Shareholders' equity to total assets	38.9%	29.7%	
Interest-bearing debt	266.7	489.1	222.4
Cash and deposits	44.9	161.8	116.9

# Consolidated statement of cash flows

(Billion yen)	2020 9 Months	2021 9 Months	Change
Cash flows from operating activities	43.0	48.3	5.3
Cash flows from investing activities	(29.2)	(139.5)	-110.3
Cash flows from financing activities	75.7	207.0	131.3
Cash and cash equivalents at end of the period	104.7	161.3	56.6
<b>Free cash flow</b>	<b>13.8</b>	<b>(91.2)</b>	<b>-105.0</b>
Increase (decrease) in working capital	9.1	(2.7)	-11.8
Capital expenditure and investment	26.7	155.3	128.6
Depreciation and amortization	24.0	27.0	2.9

! The acquisition of the C&E business.

Note: Consolidated statement of cash flows fall outside the scope of required disclosure. Accordingly, these figures are provided for reference only.

## FY2021 forecasts: Full-term operating

DIC has revised its forecasts, published on August 10, 2021, as indicated below.

(Billion yen)	2020	2021 Forecast	% Change	% Change on a local currency basis
<b>Net sales</b>	701.2	<b>860.0</b>	+22.6%	+18.9%
<b>Operating income</b>	39.7	<b>48.0</b>	+21.0%	+18.8%
Operating margin	5.7%	<b>5.6%</b>	—	—
Ordinary income	36.5	<b>47.5</b>	+30.3%	—
<b>Net income*</b>	13.2	<b>22.0</b>	+66.3%	—
EPS (Yen)	139.81	<b>232.42</b>	—	—
<b>EBITDA**</b>	55.6	<b>73.0</b>	+31.3%	—
Capital expenditure and investment	37.1	<b>172.0</b>	+363.5%	
Depreciation and amortization	32.6	<b>38.0</b>	+16.6%	
Average rate				
YEN/US\$	106.37	<b>109.00</b>	+2.5%	
YEN/EUR	121.43	<b>131.00</b>	+7.9%	
ROE	4.2%	<b>6.6%</b>		
D/C ratio ***	43.2%	<b>49.5%</b>	D/C ratio forecast adjusted for subordinated loan: 45.5%	
Annual dividends per share (Yen)	100.0	<b>100.0</b>		
Payout ratio	71.5%	<b>43.0%</b>		

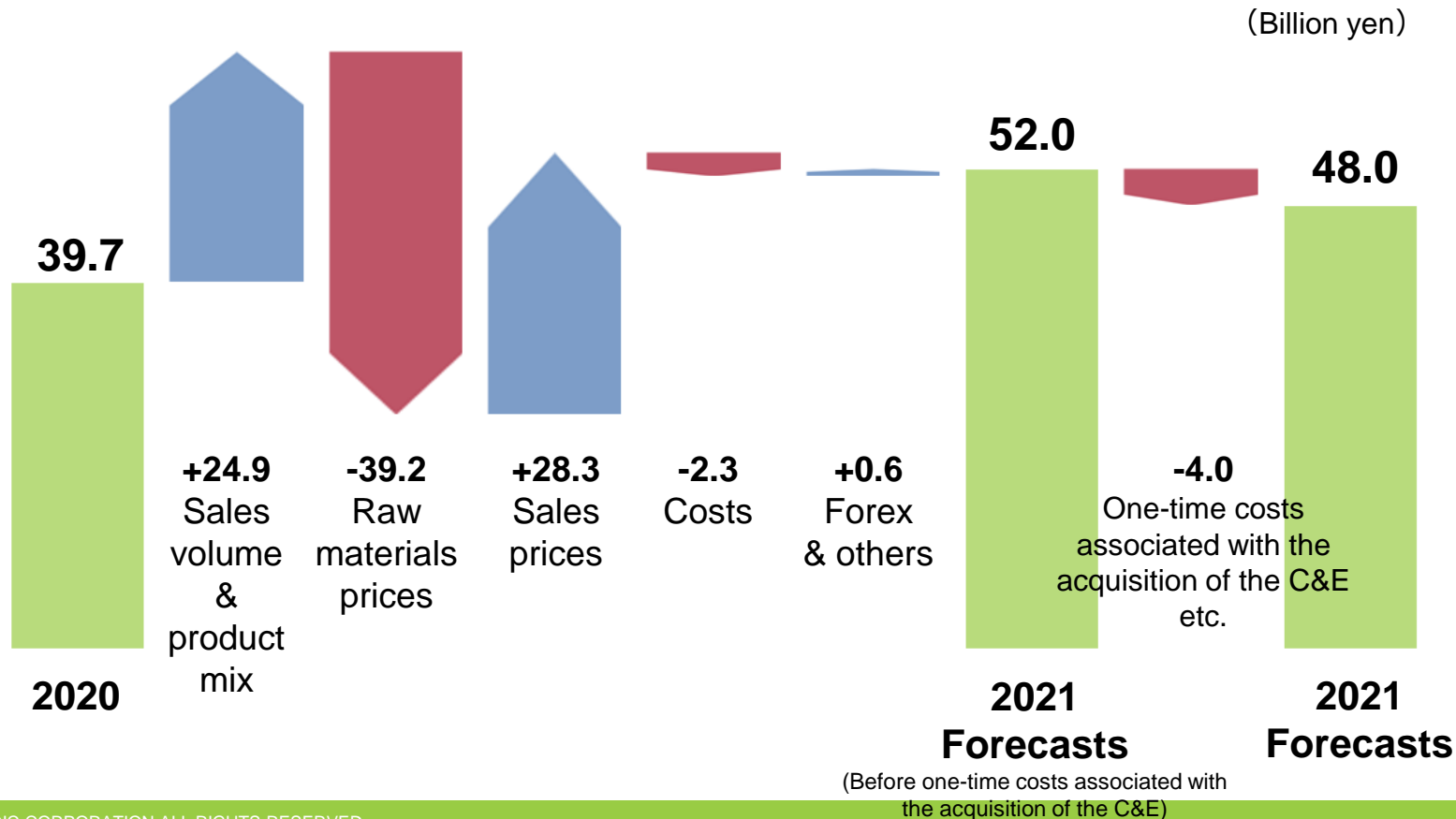
\* Net income attributable to owners of the parent

\*\* EBITDA: Net income attributable to owners of the parent + Total income taxes + (Interest expenses – Interest income) + Depreciation and amortization

\*\*\*D/C ratio: Interest-bearing debt / (Interest-bearing debt + Net assets)

# Operating income variance

- Owing to the progress of efforts to adjust sales prices in all markets, DIC has revised its full-term net sales forecast upwards.
- Regarding the forecast of the C&E pigments business, demand for pigments for automotive coatings remains on a downtrend, owing to falling automobile production, a consequence of semiconductor device shortages, but demand for pigments used in construction-use and industrial coatings and pigments for plastics is extremely strong and the backlog of orders is significant. Accordingly, shipments are expected to return to the originally anticipated level as soon as the issue of export stagnation is resolved.





## FY2021 forecasts: Full-term segment results

DIC has revised its forecasts, published on August 10, 2021, as indicated below.

(Billion yen)	Net sales					Operating income					Operating margin	
	2020	2021 Forecast	Change	% Change	% Change on a local currency basis	2020	2021 Forecast	Change	% Change	% Change on a local currency basis	2020	2021 Forecast
<b>Packaging &amp; Graphic</b>	388.4	<b>440.2</b>	51.8	+ 13.3%	+ 9.1%	21.8	<b>21.7</b>	-0.1	-0.3%	-3.3%	5.6%	<b>4.9%</b>
Japan	102.3	<b>114.4</b>	12.1	+ 11.8%	+ 11.8%	5.3	<b>5.2</b>	-0.1	-1.0%	-1.0%	5.2%	<b>4.6%</b>
The Americas and Europe	235.4	<b>266.6</b>	31.2	+ 13.2%	+ 7.8%	12.2	<b>12.8</b>	0.7	+ 5.3%	+ 1.3%	5.2%	<b>4.8%</b>
Asia and Oceania	62.0	<b>72.4</b>	10.4	+ 16.7%	+ 10.2%	4.4	<b>4.0</b>	-0.5	-10.3%	-14.7%	7.1%	<b>5.5%</b>
Eliminations	(11.4)	<b>(13.2)</b>	-1.8	-	-	(0.1)	<b>(0.4)</b>	-0.2	-	-	-	-
<b>Color &amp; Display</b>	105.8	<b>172.2</b>	66.4	+ 62.8%	+ 58.4%	8.4	<b>8.4</b>	-0.1	-1.1%	+ 4.0%	8.0%	<b>4.8%</b>
Japan	27.9	<b>32.9</b>	5.0	+ 17.8%	+ 17.8%	5.6	<b>6.8</b>	1.2	+ 20.8%	+ 20.8%	20.0%	<b>20.5%</b>
Overseas	85.2	<b>150.8</b>	65.6	+ 76.9%	+ 71.0%	2.8	<b>1.6</b>	-1.2	-43.9%	-26.9%	3.3%	<b>1.1%</b>
Eliminations	(7.4)	<b>(11.5)</b>	-4.1	-	-	0.0	<b>0.0</b>	-0.0	-	-	-	-
<b>Functional Products</b>	236.0	<b>280.9</b>	44.9	+ 19.0%	+ 16.7%	17.1	<b>26.4</b>	9.3	+ 54.2%	+ 51.7%	7.2%	<b>9.4%</b>
Japan	176.1	<b>198.1</b>	22.0	+ 12.5%	+ 12.5%	8.3	<b>16.4</b>	8.1	+ 96.7%	+ 96.7%	4.7%	<b>8.3%</b>
Overseas	80.9	<b>106.1</b>	25.2	+ 31.2%	+ 24.4%	8.7	<b>10.0</b>	1.3	+ 14.5%	+ 9.1%	10.8%	<b>9.4%</b>
Eliminations	(21.0)	<b>(23.3)</b>	-2.3	-	-	0.1	<b>0.0</b>	-0.0	-	-	-	-
Others, Corporate and eliminations	(29.0)	<b>(33.3)</b>	-4.3	-	-	(7.6)	<b>(8.4)</b>	-0.8	-	-	-	-
<b>Total</b>	<b>701.2</b>	<b>860.0</b>	<b>158.8</b>	<b>+ 22.6%</b>	<b>+ 18.9%</b>	<b>39.7</b>	<b>48.0</b>	<b>8.3</b>	<b>+ 21.0%</b>	<b>+ 18.8%</b>	<b>5.7%</b>	<b>5.6%</b>
YEN/US\$	106.37	<b>109.00</b>		+ 2.5%		106.37	<b>109.00</b>		+ 2.5%			
YEN/EUR	121.43	<b>131.00</b>		+ 7.9%		121.43	<b>131.00</b>		+ 7.9%			

Note: The addition of six months' worth of sales of the C&E pigments business are incorporated into forecast for the Color & Display segment.

## FY2021 forecasts: Full-term segment results (supplementary information)

Break down of 2021 full-term forecast for the Color & Display segment (Billion yen)

	Net sales				Operating income			
	2020	2021 Forecast	Change	% Change	2020	2021 Forecast	Change	% Change
Color & Display	105.8	172.2	66.4	+62.8%	8.4	8.4	-0.1	-1.1%
Existing Businesses	113.2	125.2	12.0	-	8.4	12.4	3.9	-
C&E	-	55.0	55.0	-	-	0.2	0.2	-
One-time costs	-	-	-	-	-	(4.2)	-4.2	-
Eliminations	(7.4)	(8.0)	-0.6	-	0.0	0.0	-0.0	-

- The addition of six months' worth of sales of the C&E pigments business are incorporated into the fiscal year 2021 full-term forecast for the Color & Display segment.
- Forecasts for the net sales and operating income, including amortization of goodwill, among others, of the C&E pigments business have been revised to ¥55 billion and ¥0.2 billion, respectively. Because demand in advance of the blackout period at the time of business integration was brought forward to the first half, and because seasonal factors mean sales—and thus operating income—in pigments businesses tends to be lower in the second half than in the first, DIC does not expect the C&E pigments business to begin contributing fully to consolidated operating results until fiscal year 2022.
- DIC expects to incur one-time costs (an increase in cost of sales due to the inventory step-up) of ¥4.2 billion in the second half. This will be amortized completely in fiscal year 2021, so will not affect results in fiscal year 2022 or beyond.

## Major topics (July to September 2021)

Jul

### DIC Publishes DIC Report 2021 Integrated Report



DIC publishes an annual integrated report, titled DIC Report, which provides vital financial information, including on the Company's management strategies, as well as extensive nonfinancial information.

The complete version of DIC Report 2021, which contains extensive detailed information on the DIC Group's sustainability initiatives and is available only as a PDF, can be downloaded from DIC's global website.

[Home page > Sustainability > DIC Report \(Integrated Report\)](https://www.dic-global.com/en/csr/annual/)  
<https://www.dic-global.com/en/csr/annual/>



Jul

DIC, Seiren and Fukui Prefecture to begin providing samples of innovative carbon fiber–reinforced prepreg

Jul

DIC, Debut Biotech team up to develop and bio-manufacture natural pigments for more sustainable food colorants and cosmetics

Aug

DIC Lifetec commences sales of DHA ORIGINS™-510 microalgae-derived oils

Aug

FINART® BM, Japan's first biomass gravure ink for reverse printing, obtains OK compost INDUSTRIAL and OK compost HOME certification

News Releases  
<https://www.dic-global.com/en/news/2021/>



# Business segments and principal products

## Packaging & Graphic



Net sales  
¥388.4 bn



Operating income /Margin  
¥21.8 bn  
5.6%

Packaging materials that bring safety and peace of mind

## Color & Display



Net sales  
¥105.8 bn



Operating income /Margin  
¥8.4 bn  
8.0%

Color and display materials that make life colorful

## Functional Products



Net sales  
¥236.0 bn



Operating income /Margin  
¥17.1 bn  
7.2%

Functional products that add comfort



Packaging inks  
Packaging adhesives  
Packaging materials

Polystyrene  
Multilayer films



Security inks



Jet inks



Publication inks

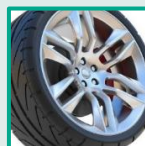
### Functional pigments



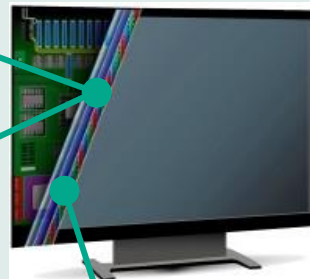
Pigments  
for color filters



Pigments  
for cosmetics



Effect pigments



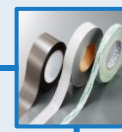
Liquid  
crystal  
materials



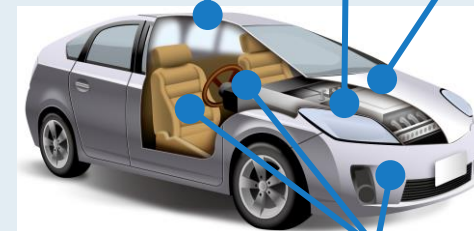
Natural  
colorants



Industrial tapes



PPS compounds



Environment-friendly products\*



Epoxy resins



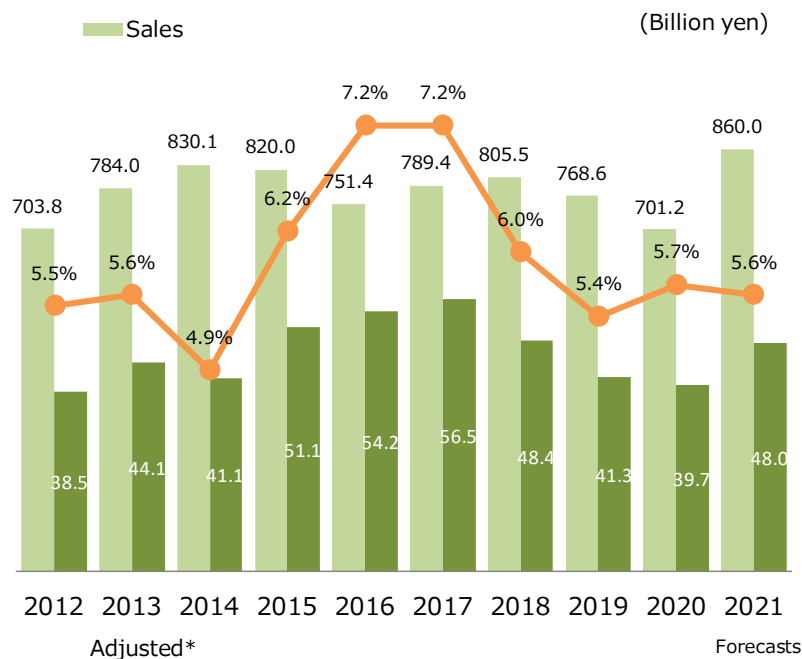
Hollow-fiber  
membrane  
modules

Note: Fiscal year 2020 actual

\*Waterborne resins, UV-curable resins, Polyester resins, Acrylic resins, Urethane resins

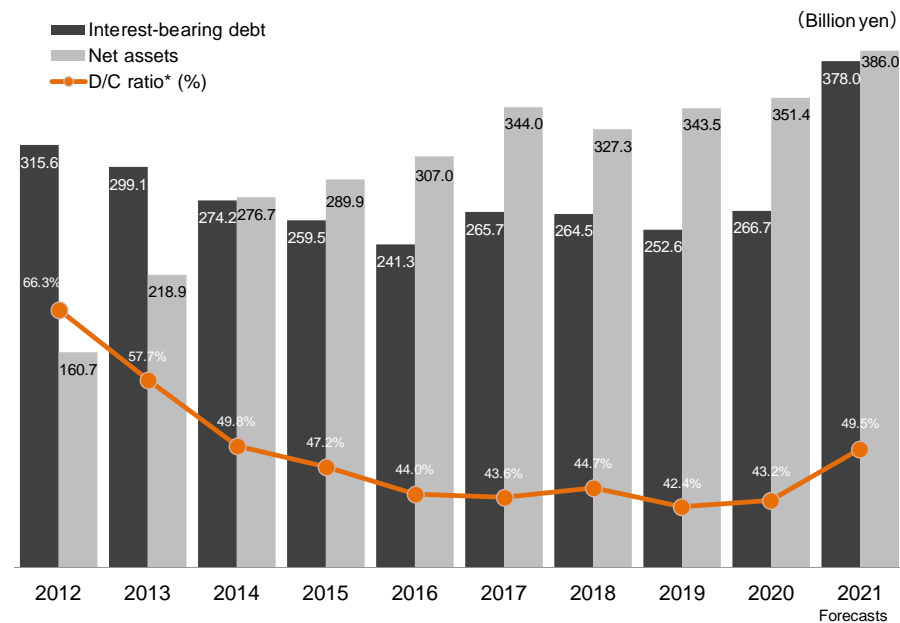
# Historical performance data (Reference)

## Operating results



\* Adjusted to reflect the impact of the changes in the fiscal year-end

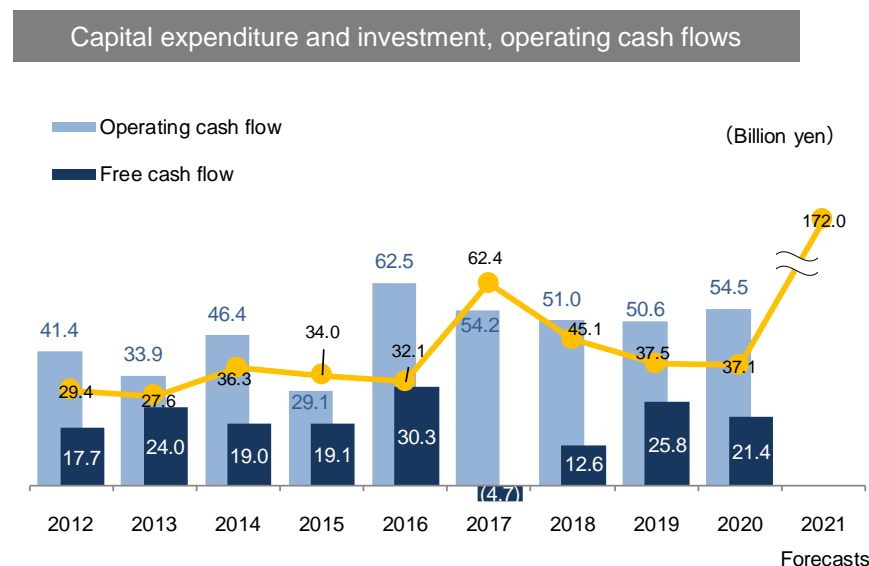
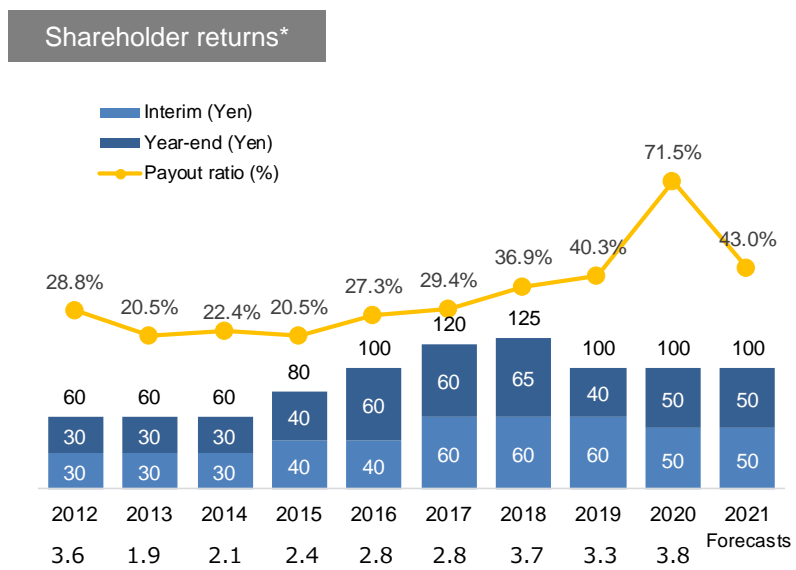
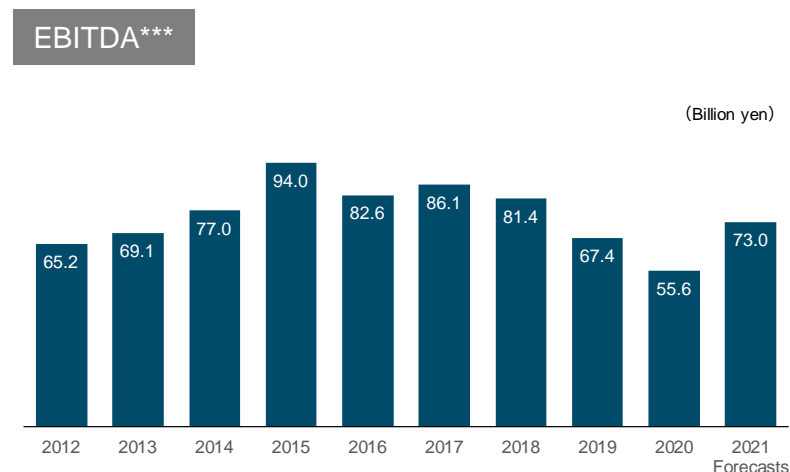
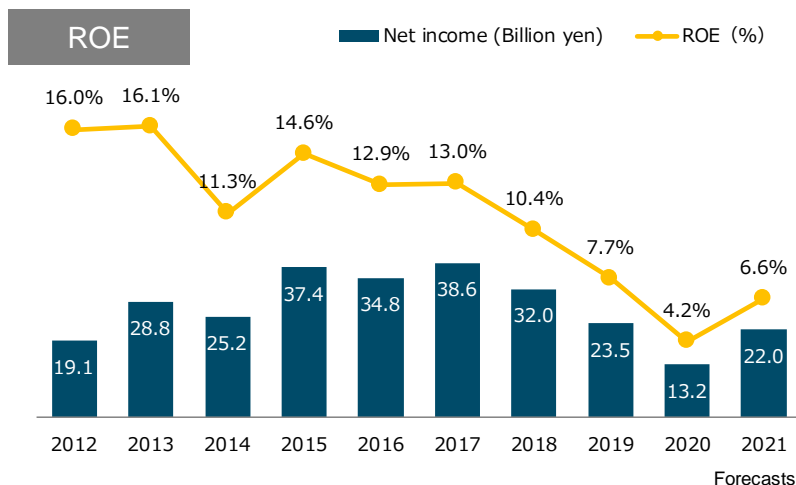
## Financial health



D/C ratio forecast adjusted for subordinated loan: 45.5%

\* D/C ratio: Interest-bearing debt / (Interest-bearing debt + Net assets)

# Historical performance data (Reference)



\* Adjusted to reflect the impact of the consolidation of shares of common stock

\*\* Dividend yield: Annual dividends / Closing price per share at fiscal year-end

\*\*\* EBITDA: Net income attributable to owners of the parent + Total income taxes + (Interest expenses – Interest income) + Depreciation and amortization

## ESG External Assessments (Reference)

ESG investment indices in which DIC is included



MSCI Japan Empowering  
Women Index (WIN)



MSCI Japan ESG  
Select Leaders Index



FTSE Blossom  
Japan

Member of  
**Dow Jones  
Sustainability Indices**

Powered by the S&P Global CSA

**S&P/JPX  
Carbon  
Efficient  
Index**





# Color & Comfort

## **Disclaimer Regarding Forward-Looking Statements**

Statements herein, other than those of historical fact, are forward-looking statements that reflect management's projections based on information available as of the publication date. These forward-looking statements are subject to risks and uncertainties that could cause actual results to differ materially from such statements. These risks and uncertainties include, but are not limited to, economic conditions in Japan and overseas, market trends, raw materials prices, interest rate trends, currency exchange rates, conflicts, litigations, disasters and accidents, as well as the possibility the Company will incur special losses related to the restructuring of its operations.