



February 7, 2022

Company name	<b>DIC Corporation</b>
Representative	Kaoru Ino Representative Director President and CEO (Securities code: 4631)
Contact	Masaaki Nakagawa General Manager Corporate Communications Department (Tel: +81-3-6733-3033)

## Notice Regarding Revision of Consolidated Operating Results Forecasts for Fiscal Year 2021 and Reversal of Deferred Tax Assets

DIC Corporation hereby announces that it has revised its consolidated operating results forecasts for fiscal year 2021, ended December 31, 2021, announced November 12, 2021, and that it will reverse deferred tax assets for the period. There has been no attendant change to the dividend forecast.

### 1. Revised Consolidated Operating Results Forecasts for Fiscal Year 2021

DIC has revised its operating results forecasts for fiscal year 2021, ended December 31, 2021, as follows:

	Net sales	Operating income	Ordinary income	Net income attributable to owners of the parent	Earnings per share
	Billions of yen	Billions of yen	Billions of yen	Billions of yen	Yen
Previous forecast (A)	860.0	48.0	47.5	22.0	232.42
Revised forecast (B)	850.0	43.0	43.0	4.0	42.26
Change (B–A)	–10.0	–5.0	–4.5	–18.0	
Change (%)	–1.2	–10.4	–9.5	–81.8	
(Reference) FY2020	701.2	39.7	36.5	13.2	139.81

### 2. Reasons for Revision and Reversal of Deferred Tax Assets

- (1) Net sales are expected to be lower than the previous forecast, as fourth quarter sales in the C&E pigments business (formerly BASF SE's Colors&Effects business)—included in the scope of consolidation since July 2021—are likely to be below predictions, due to delay shipment owing to a tight supply–demand situation in the area of maritime shipping arising from a global container shortage, as well as to the fact that it took some time to build a logistics configuration following the integration of the new business.
- (2) Operating income and ordinary income are expected to fall short of the previous forecast due to the decline in sales in the C&E pigments business, combined with a temporary increase in operating expenses related to logistics issues in this business.

- (3) Following careful consideration of the recoverability of deferred tax assets in the United States, which has a tax consolidation regime, in view of the weaker results in the C&E pigments business, DIC has resolved to reverse these deferred tax assets, totaling ¥14.3 billion, and to record this amount as income taxes—deferred.
- (4) Net income attributable to owners of the parent is expected to be significantly lower than the previous forecast as a consequence of the decline in ordinary income and a sharp increase in income taxes.

In light of these factors, the Company has revised its consolidated results forecasts for fiscal year 2021. In businesses other than the C&E pigments business, results were largely in line with expectations as shipments of core products overall, both in Japan and overseas, were supported by strong demand, while active efforts to adjust sales prices were successful in offsetting the impact of elevated raw materials costs. The Company is currently working to address the issue of shipping delays originating in the C&E pigments business' logistics configuration and to ensure its resolution.

### **3. Dividend Forecast**

Despite this revision of its consolidated results forecasts, DIC's dividend forecast for fiscal year 2021 remains unchanged. The Company expects to pay a full-term dividend of ¥100.00, comprising an interim dividend of ¥50.00, already implemented, and a year-end dividend of ¥50.00.

– Ends –