

DIC Corporation

Consolidated Financial Results
FY2022: Three Months Ended March 31

May 2022



MSCI Japan ESG
Select Leaders Index



MSCI Japan Empowering
Women Index (WIN)



DIC Corporation

Highlights

FY2022 three months results

Net sales

¥251.0billion

YoY +**31.9%**

- Consolidated net sales increased sharply, reflecting efforts to maintain firm shipments overall, as well as to adjust sales prices across all segments. In the Color & Display segment, the margin of improvement was boosted by the addition of sales from the C&E pigments business (formerly BASF SE's Colors & Effects business), which was not included in the scope of consolidation in the first quarter of fiscal year 2021. Shipments of high-value-added products, including materials for electrical and electronics equipment and automobiles, and most pigments, were firm, while shipments of materials for food packaging stagnated temporarily in the People's Republic of China (PRC), owing to the imposition of pandemic lockdowns.

Operating income

¥11.7billion

YoY -**16.1%**

- Operating income declined, as efforts to adjust sales prices for certain products in the Packaging & Graphic and Functional Products segments fell short. The C&E pigments business moved into the black, as the situation surrounding shipment delays—caused by the fact that it took some time to build a logistics configuration following the business' integration—rallied.

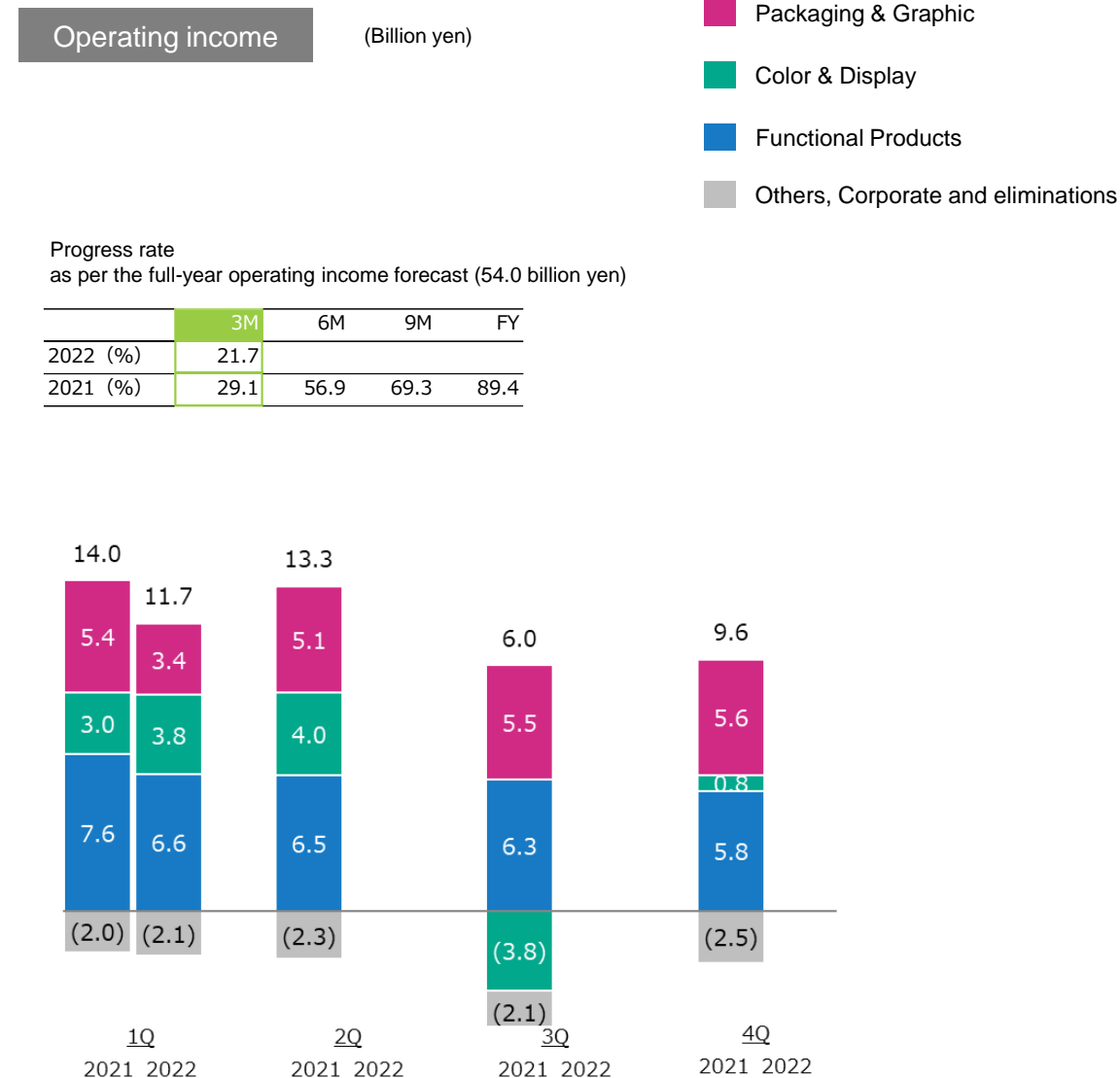
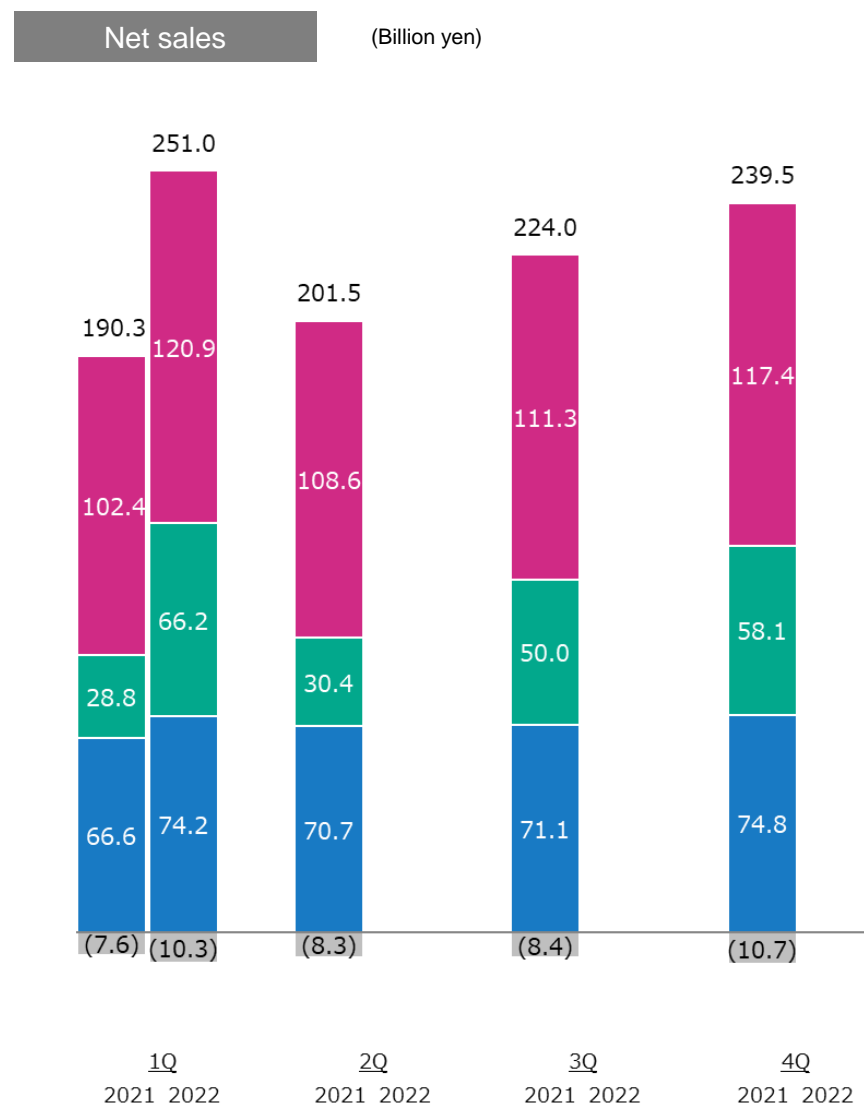
FY2022 forecasts

Forecast for net sales has been revised upward

- Owing to the progress of efforts to adjust sales prices to counter elevated costs for raw materials, DIC has revised its forecast for full-term consolidated net sales upward, to ¥1,040.0 billion.
- The Company's forecast for full-term operating income remains unchanged at ¥54.0 billion.

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 quarter of fiscal year 2022, ended March 31, 2022.

Quarterly trends in segment results



Consolidated statement of income

(Billion yen)	2021 3 Months	2022 3 Months	Change	% Change	% Change on a local currency basis
Net sales	190.3	251.0	60.7	+31.9%	+27.7%
Cost of sales	(145.0)	(200.0)	-55.0		
Selling, general and administrative expenses	(31.3)	(39.3)	-8.0		
Operating income	14.0	11.7	-2.2	-16.1%	-13.3%
Operating margin	7.3%	4.7%	-		
Interest expenses	(0.2)	(0.4)	-0.2		
Equity in earnings (losses) of affiliates	0.2	0.2	-0.1		
Foreign exchange gains (losses)	0.4	0.8	0.4		
Other, net	0.4	0.1	-0.3		
Ordinary income	14.8	12.4	-2.4	-16.2%	—
Extraordinary income	0.8	-	-0.8		
Extraordinary losses	(1.7)	(0.4)	1.3		
Income before income taxes	13.9	12.0	-1.9		
Income taxes	(2.9)	(4.2)	-1.3		
Net income	11.0	7.8	-3.2		
Net income attributable to non-controlling interests	(0.8)	(0.4)	0.4		
Net income attributable to owners of the parent	10.2	7.4	-2.8	-27.4%	—
EBITDA*1	21.4	23.3	1.9	+8.8%	—

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

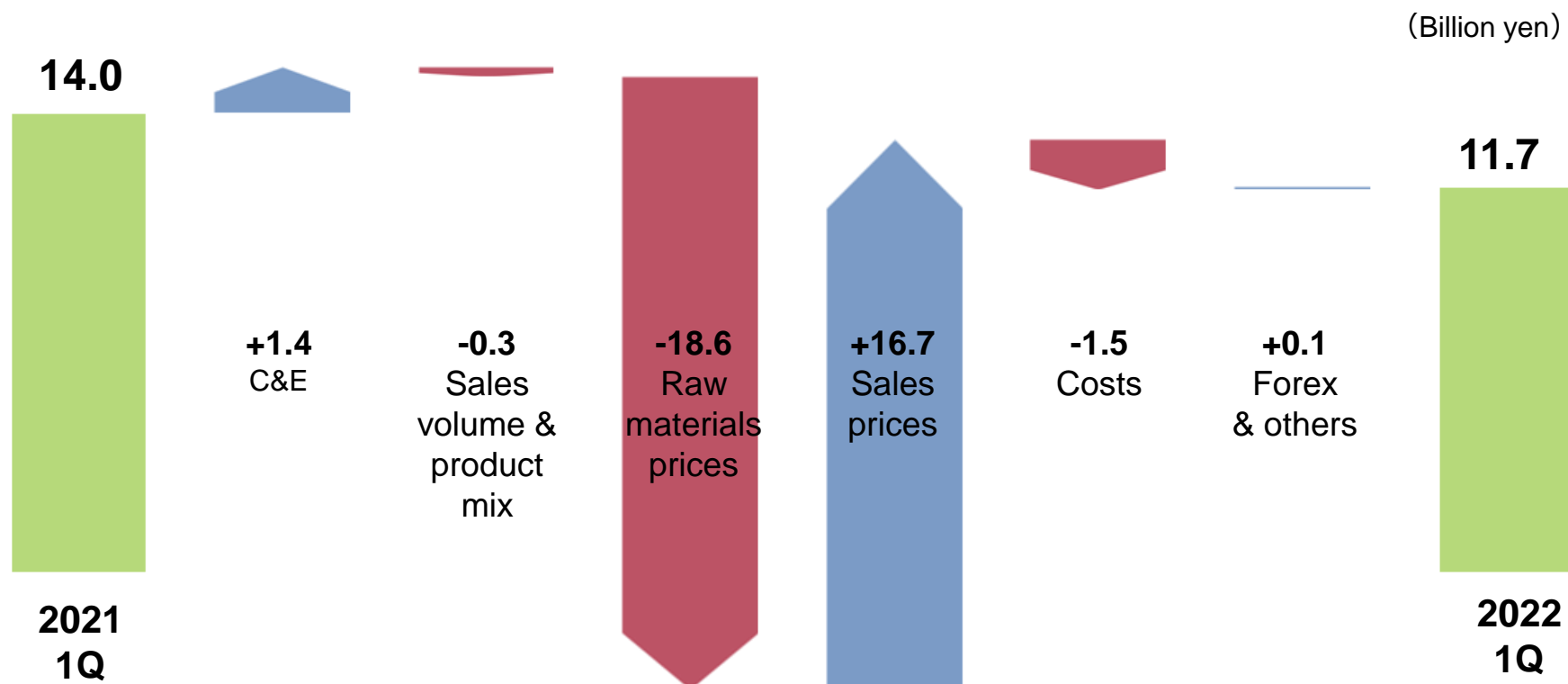
	2021 3 Months	2022 3 Months
Extraordinary income and loss		
Extraordinary income		
Gain on sales of subsidiaries' and affiliates' securities	0.8	-
Extraordinary losses		
Loss on disposal of non-current assets	(0.5)	(0.3)
Severance costs	(0.0)	(0.1)
Acquisition-related expenses*2	(1.2)	-

*2Acquisition of the C&E pigments business

	2021 3 Months	2022 3 Months
■Average rate		
YEN/US\$	106.17	117.03
YEN/EUR	127.88	131.32

Operating income variance

- The C&E pigments business moved into the black, as the situation surrounding shipment delays rallied.
- Overall shipments were down from the first quarter of fiscal year 2021, which saw a sharp year-on-year rebound as the impact of COVID-19 waned. However, the influence of this factor on the decline in operating income was minimal, thanks to firm shipments of high-value-added products.
- Despite ongoing efforts to adjust sales prices with the aim of passing on raw materials, logistics and energy costs, such attempts struggled to keep pace.



Financial health

(Billion yen)	Dec 31 2021	Mar 31 2022	Change
Net interest-bearing debt	346.0	397.0	51.1
Shareholder's equity	345.9	366.8	20.9
Net D/E ratio * ¹ (times)	1.0	1.1	
[Net D/C ratio * ²]	[47.6%]	[49.8%]	
Equity ratio	32.3%	29.5%	
BPS (Yen)	3,654.61	3,875.55	



Increase attributable to a change in accounting standards requiring lease obligations to be included on the balance sheet: ¥11.1 billion

■ Closing rate

	Dec 31 2021	Mar 31 2022
YEN/US\$	115.10	122.06

*¹ Net D/E ratio: Net Interest-bearing debt / Shareholder's equity

*² Net D/C ratio: Net Interest-bearing debt / (Net Interest-bearing debt + Net assets)

Segment results

(Billion yen)	Net sales					Operating income					Operating margin	
	2021 3 Months	2022 3 Months	Change	% Change	% Change on a local currency basis	2021 3 Months	2022 3 Months	Change	% Change	% Change on a local currency basis	2021 3 Months	2022 3 Months
Packaging & Graphic	102.4	120.9	18.5	+ 18.0%	+ 15.7%	5.4	3.4	-2.0	-36.2%	-25.0%	5.3%	2.9%
Japan	26.4	29.8	3.4	+ 12.9%	+ 12.9%	1.4	0.8	-0.6	-44.0%	-44.0%	5.1%	2.5%
The Americas and Europe	62.5	75.3	12.8	+ 20.5%	+ 18.7%	3.2	2.1	-1.1	-35.0%	-15.7%	5.2%	2.8%
Asia and Oceania	16.9	19.5	2.5	+ 15.0%	+ 6.1%	0.9	0.6	-0.4	-40.1%	-44.8%	5.6%	2.9%
Eliminations	(3.4)	(3.7)	-0.3	-	-	(0.1)	0.0	0.1	-	-	-	-
Color & Display	28.8	66.2	37.5	+ 130.2%	+ 115.8%	3.0	3.8	0.9	+ 28.7%	+ 28.0%	10.4%	5.8%
Japan	6.4	9.1	2.7	+ 42.3%	+ 42.3%	1.5	1.5	0.0	+ 0.1%	+ 0.1%	23.4%	16.4%
Overseas	24.1	61.0	36.9	+ 153.3%	+ 135.0%	1.5	2.4	0.9	+ 62.0%	+ 59.5%	6.1%	3.9%
Eliminations	(1.7)	(3.8)	-2.1	-	-	0.0	(0.1)	-0.1	-	-	-	-
Functional Products	66.6	74.2	7.5	+ 11.3%	+ 8.0%	7.6	6.6	-1.0	-12.9%	-15.2%	11.4%	8.9%
Japan	47.9	52.0	4.1	+ 8.5%	+ 8.5%	4.7	4.3	-0.4	-8.6%	-8.6%	9.9%	8.3%
Overseas	25.5	29.5	3.9	+ 15.5%	+ 6.6%	3.0	2.3	-0.7	-23.6%	-29.2%	11.6%	7.7%
Eliminations	(6.8)	(7.3)	-0.5	-	-	(0.1)	0.0	0.1	-	-	-	-
Others, Corporate and eliminations	(7.6)	(10.3)	-2.8	-	-	(2.0)	(2.1)	-0.2	-	-	-	-
Total	190.3	251.0	60.7	+ 31.9%	+ 27.7%	14.0	11.7	-2.2	-16.1%	-13.3%	7.3%	4.7%
YEN/US\$	106.17	117.03		+ 10.2%		106.17	117.03		+ 10.2%			
YEN/EUR	127.88	131.32		+ 2.7%		127.88	131.32		+ 2.7%			

Note: The C&E pigments business is incorporated into results for the Color & Display segment.

Packaging & Graphic

Net sales

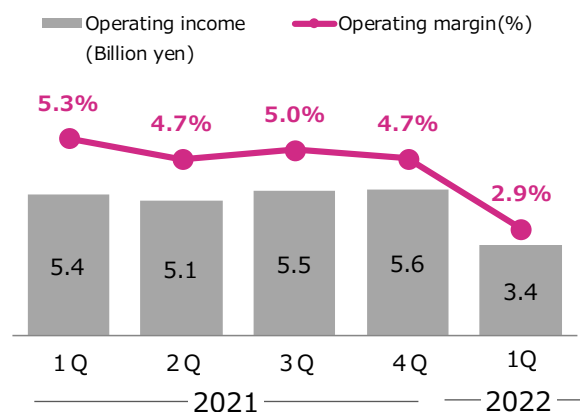
- Segment sales rose, bolstered by sales price adjustments implemented to counter elevated raw materials costs. Sales of packaging inks, which account for approximately 70% of DIC's printing inks portfolio, were up in volume terms.

Operating income

- Segment operating income declined, as efforts to adjust sales prices to pass on elevated raw materials costs struggled to keep pace.

(Billion yen)	Net sales					Operating income					Operating margin	
	2021 3 Months	2022 3 Months	Change	% Change	% Change on a local currency basis	2021 3 Months	2022 3 Months	Change	% Change	% Change on a local currency basis	2021 3 Months	2022 3 Months
Packaging & Graphic	102.4	120.9	18.5	+ 18.0%	+ 15.7%	5.4	3.4	-2.0	-36.2%	-25.0%	5.3%	2.9%
Japan	26.4	29.8	3.4	+ 12.9%	+ 12.9%	1.4	0.8	-0.6	-44.0%	-44.0%	5.1%	2.5%
The Americas and Europe	62.5	75.3	12.8	+ 20.5%	+ 18.7%	3.2	2.1	-1.1	-35.0%	-15.7%	5.2%	2.8%
Asia and Oceania	16.9	19.5	2.5	+ 15.0%	+ 6.1%	0.9	0.6	-0.4	-40.1%	-44.8%	5.6%	2.9%
Eliminations	(3.4)	(3.7)	-0.3	-	-	(0.1)	0.0	0.1	-	-	-	-

Operating income/margin



Sales of principal products

	% Change	
Packaging inks*	+ 18%	Sales increased, bolstered by sales price adjustments on a global scale, although sales in the PRC decreased in volume terms as pandemic lockdowns caused shipments to stagnate.
Publication inks*	+ 10%	Sales in Japan declined as a sixth wave of COVID-19 infections caused domestic demand to languish. Nonetheless, efforts to adjust sales prices lifted global sales.
Jet inks	+ 11%	Shipments were brisk for industrial applications, including outdoor signage (billboards and posters) and banners, as well as for commercial printing applications such as direct mail.
Polystyrene	+ 38%	Sales rose sharply, despite dwindling demand from supermarkets for use in food packaging, as efforts to adjust sales prices boosted unit prices.
Multilayer films	+ 14%	Sales volume was level, but sales rose, underpinned by efforts to adjust sales prices.

Color & Display

Net sales

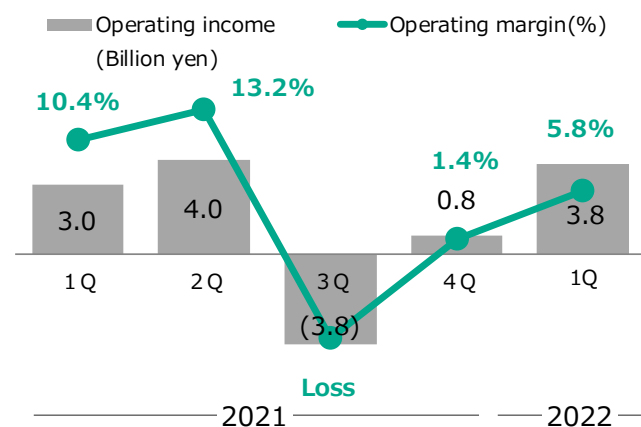
- Segment sales soared, owing to the addition of sales from the C&E pigments business, which resulted in a sharp increase in sales of pigments for coatings, plastics and cosmetics.

Operating income

- Segment operating income rose steeply. In addition to the fact that the C&E pigments business reported a profit, owing to an improvement in the situation surrounding shipment delays arising from the protracted process of building a logistics configuration following the business' integration, this reflected efforts to adjust sales prices on a global scale.

(Billion yen)	Net sales					Operating income					Operating margin	
	2021 3 Months	2022 3 Months	Change	% Change	% Change on a local currency basis	2021 3 Months	2022 3 Months	Change	% Change	% Change on a local currency basis	2021 3 Months	2022 3 Months
Color & Display	28.8	66.2	37.5	+ 130.2%	+ 115.8%	3.0	3.8	0.9	+ 28.7%	+ 28.0%	10.4%	5.8%
Japan	6.4	9.1	2.7	+ 42.3%	+ 42.3%	1.5	1.5	0.0	+ 0.1%	+ 0.1%	23.4%	16.4%
Overseas	24.1	61.0	36.9	+ 153.3%	+ 135.0%	1.5	2.4	0.9	+ 62.0%	+ 59.5%	6.1%	3.9%
Eliminations	(1.7)	(3.8)	-2.1	-	-	0.0	(0.1)	-0.1	-	-	-	-

Operating income/margin



Sales of principal products

	% Change	
Pigments for coatings	+ 270%	Sales increased, owing to the addition of sales from the C&E pigments business. Shipments were firm, led by pigments for automotive coatings.
plastics	+ 360%	The addition of sales from the C&E pigments business boosted sales.
printing inks	+ 49%	Sales rose, reflecting the addition of sales from the C&E pigments business. Pigments for packaging inks were steady.
cosmetics	+ 246%	Sales increased, owing to the addition of sales from the C&E pigments business. A recovery in demand was seen in the Americas and Europe, as well as in Asia.
displays	-1%	Customer inventory adjustments prompted a temporary lull in shipments.
specialty applications	+ 59%	The addition of sales from the C&E pigments business boosted sales.
Health food	-29%	Although turnover in Japan picked up, export delays pushed sales down.

Color & Display (supplementary information)

Break down of 2022 three months results for the Color & Display segment (Billion yen)

	Net sales				Operating income			
	2021 3M	2022 3M	Change	% Change	2021 3M	2022 3M	Change	% Change
Color & Display	28.8	66.2	37.5	+130.2%	3.0	3.8	0.9	+28.7%
Existing Businesses	28.8	30.5	1.7	-	3.0	2.4	-0.6	-
C&E	-	35.8	35.8	-	-	1.4	1.4	-

- Sales in the C&E pigments business exceeded predictions, thanks to an improvement in the situation surrounding shipment delays arising from the protracted process of building a logistics configuration and the elimination of the business' order backlog.
- Efforts in the Color & Display segment to adjust sales prices to pass on elevated raw materials cost are proceeding apace.
- The assessment of surcharges to reflect increases in energy and logistics costs in sales prices was adopted. The system came into effect worldwide on April 1, 2022.

Functional Products

Net sales

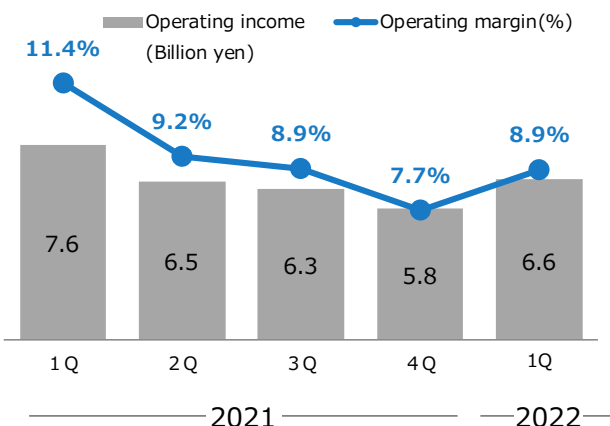
- A resurgence of COVID-19 in the PRC impacted shipments of certain items, but those of products for automotive and digital applications remained firm.

Operating income

- Segment operating income decreased, as ongoing efforts to adjust sales prices to pass on energy, logistics and raw materials cost increases fell short.

(Billion yen)	Net sales					Operating income					Operating margin	
	2021 3 Months	2022 3 Months	Change	% Change	% Change on a local currency basis	2021 3 Months	2022 3 Months	Change	% Change	% Change on a local currency basis	2021 3 Months	2022 3 Months
Functional Products	66.6	74.2	7.5	+ 11.3%	+ 8.0%	7.6	6.6	-1.0	-12.9%	-15.2%	11.4%	8.9%
Japan	47.9	52.0	4.1	+ 8.5%	+ 8.5%	4.7	4.3	-0.4	-8.6%	-8.6%	9.9%	8.3%
Overseas	25.5	29.5	3.9	+ 15.5%	+ 6.6%	3.0	2.3	-0.7	-23.6%	-29.2%	11.6%	7.7%
Eliminations	(6.8)	(7.3)	-0.5	-	-	(0.1)	0.0	0.1	-	-	-	-

Operating income/margin



Sales of principal products

	% Change		% Change
Epoxy resins	+ 9%	Polyphenylene sulfide	+ 1%
Urethane resins	+ 7%	Industrial tapes	+ 2%
Acrylic resins	+ 15%	Hollow-fiber membrane	+ 23%
Waterborne resins	+ 17%		
Polyester resins	+ 19%		
UV-curable resins	+ 14%		

In digital materials, sales of ultraviolet (UV)-curable resins, industrial-use tapes and hollow-fiber membrane modules were robust. Sales of products for automotive applications were impacted by a slowdown in automobile production, but sales overall were firm.

FY2022 forecasts: Full-term operating results

- Owing to the progress of efforts to adjust sales prices to counter elevated costs for raw materials, DIC has revised its forecast for full-term consolidated net sales upward. The Company's forecast for full-term operating income remains unchanged.

(Billion yen)	2021	2022 Forecasts	% Change	% Change on a local currency basis	Old forecasts
Net sales	855.4	1,040.0	+21.6%	+16.4%	950.0
Operating income	42.9	54.0	+25.9%	+23.0%	54.0
Operating margin	5.0%	5.2%	—	—	5.7%
Ordinary income	43.8	53.5	+22.3%		53.5
Net income attributable to owners of the parent	4.4	28.0	+541.4%		28.0
EPS (Yen)	46.12	295.81	—		295.81
EBITDA ^{*1}	69.0	88.0	+27.5%		88.0
Capital expenditure and investment	168.2	83.0	-50.6%		83.0
Depreciation and amortization	38.1	44.0	+15.6%		44.0
Average rate					
YEN/US\$	109.75	121.00	+10.3%		110.00
YEN/EUR	129.73	137.00	+5.6%		130.00

	2021	2022 Forecasts
ROIC ^{*2}	4.8%	5.1%
Net D/E ratio ^{*3} (times)	1.0	1.0
[Net D/C ratio ^{*4}]	[47.6%]	[48.7%]
Annual dividends per share (Yen)	100.0	100.0
Payout ratio	216.8%	33.8%

^{*2} Operating income x (1–tax rate 28%) / (Net interest-bearing debt + Net assets)

^{*3} Net D/E ratio: Interest-bearing debt / Shareholder's equity

^{*4} Net D/C ratio: Interest-bearing debt / (Interest-bearing debt + Net assets)

^{*1} EBITDA: Net income attributable to owners of the parent + Total income taxes + (Interest expenses – Interest income) + Depreciation and amortization

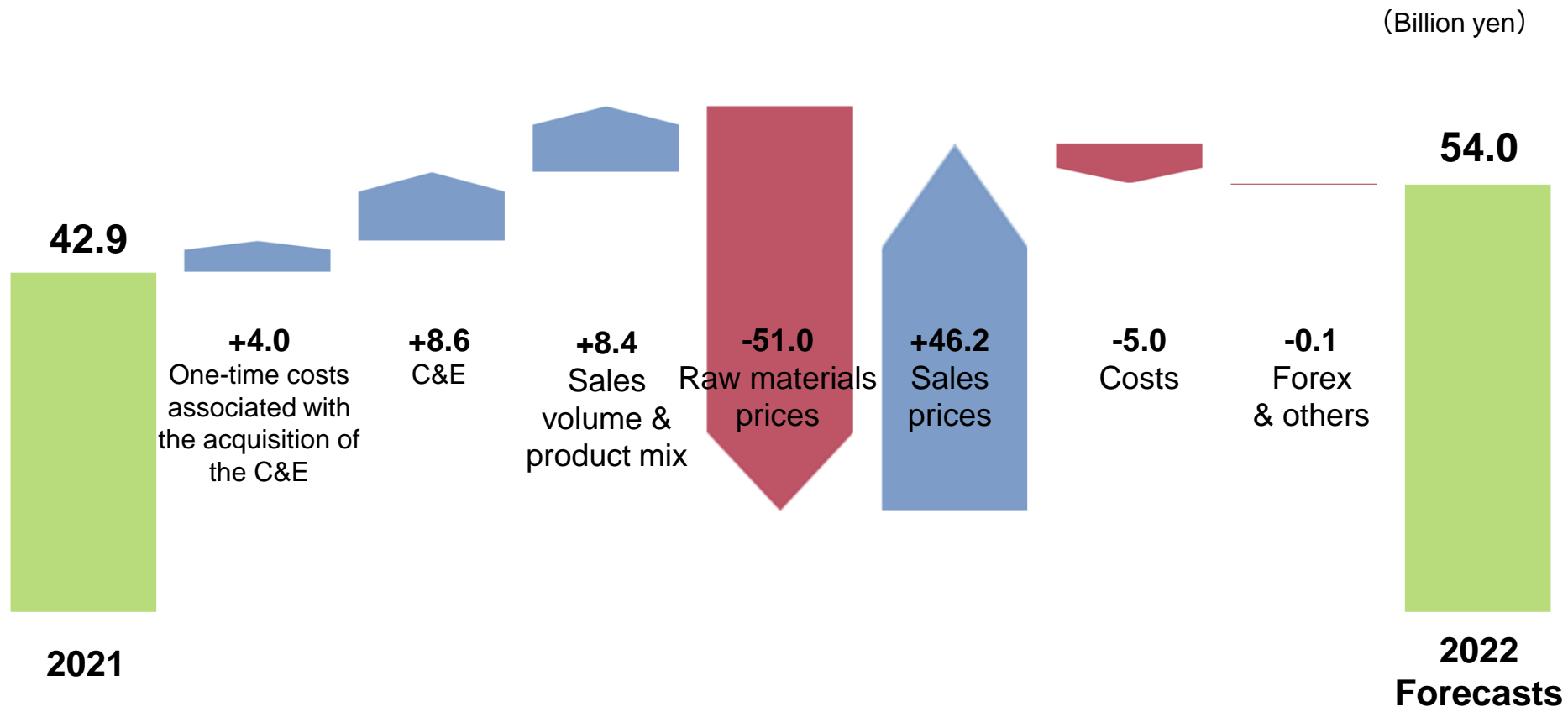
FY2022 forecasts: First half operating results

- Owing to the progress of efforts to adjust sales prices to counter elevated costs for raw materials, DIC has revised its forecast for first half consolidated net sales upward. The Company's forecast for first half operating income remains unchanged.

(Billion yen)		2021 1st Half	2022 1st Half Forecasts	% Change	Old forecasts
Net sales		391.8	510.0	+30.2%	465.0
Operating income		27.3	26.0	-4.8%	26.0
Operating margin		7.0%	5.1%	—	5.6%
Ordinary income		28.2	25.5	-9.7%	25.5
Net income attributable to owners of the parent		16.0	14.0	-12.7%	14.0
EPS (Yen)		169.33	147.91	—	147.91
Average rate	YEN/US\$	107.68	119.00	+10.5%	110.00
	YEN/EUR	129.63	135.00	+4.1%	130.00

FY2022 forecasts : Operating income variance

- Forecasts for the C&E pigments business are net sales of ¥132.0 billion and operating income of ¥3.2billion, with contributing factors including the realization of new synergies.
- Forecasts published on May 16, 2022, assume a West Texas Intermediate (WTI) price for crude oil of US\$100.00-plus/barrel. Although further increases in raw materials costs are expected, efforts to respond by adjusting sales prices will continue. Accordingly, the forecast for operating income remains unchanged.



FY2022 forecasts: Full-term segment results

- Owing to the progress of efforts to adjust sales prices to counter elevated costs for raw materials, DIC has revised its forecast for full-term consolidated net sales upward. The Company's forecast for full-term operating income remains unchanged.

(Billion yen)	Net sales					Operating income					Operating margin	
	2021	2022 Forecast	Change	% Change	% Change on a local currency basis	2021	2022 Forecast	Change	% Change	% Change on a local currency basis	2021	2022 Forecast
Packaging & Graphic	439.8	505.4	65.6	+ 14.9%	+ 11.9%	21.6	24.0	2.4	+ 11.0%	+ 14.1%	4.9%	4.7%
Japan	114.7	128.0	13.4	+ 11.7%	+ 11.7%	4.8	5.7	0.9	+ 17.6%	+ 17.6%	4.2%	4.5%
The Americas and Europe	265.1	305.2	40.2	+ 15.1%	+ 12.4%	13.2	13.8	0.6	+ 4.6%	+ 12.0%	5.0%	4.5%
Asia and Oceania	73.1	86.5	13.4	+ 18.3%	+ 9.1%	3.8	4.5	0.7	+ 19.2%	+ 10.9%	5.2%	5.2%
Eliminations	(13.0)	(14.4)	-1.3	-	-	(0.2)	(0.1)	0.2	-	-	-	-
Color & Display	167.2	258.4	91.2	+ 54.6%	+ 41.9%	4.0	16.0	12.1	+ 305.1%	+ 283.2%	2.4%	6.2%
Japan	32.6	36.5	3.8	+ 11.7%	+ 11.7%	6.9	7.2	0.3	+ 4.4%	+ 4.4%	21.1%	19.7%
Overseas	145.7	238.2	92.4	+ 63.4%	+ 48.3%	(2.8)	8.8	11.6	Into the black	Into the black	-	3.7%
Eliminations	(11.2)	(16.2)	-5.0	-	-	(0.2)	0.0	0.2	-	-	-	-
Functional Products	283.3	320.2	36.9	+ 13.0%	+ 8.7%	26.2	25.0	-1.2	-4.6%	-8.5%	9.2%	7.8%
Japan	201.3	213.3	12.0	+ 6.0%	+ 6.0%	16.1	14.4	-1.7	-10.7%	-10.7%	8.0%	6.8%
Overseas	108.3	133.6	25.2	+ 23.3%	+ 11.8%	10.1	10.6	0.6	+ 5.5%	-4.8%	9.3%	7.9%
Eliminations	(26.3)	(26.7)	-0.4	-	-	0.0	(0.0)	-0.0	-	-	-	-
Others, Corporate and eliminations	(34.9)	(44.1)	-9.1	-	-	(8.9)	(11.0)	-2.1	-	-	-	-
Total	855.4	1,040.0	184.6	+ 21.6%	+ 16.4%	42.9	54.0	11.1	+ 25.9%	+ 23.0%	5.0%	5.2%
YEN/US\$	109.75	121.00		+ 10.3%		109.75	121.00		+ 10.3%			
YEN/EUR	129.73	137.00		+ 5.6%		129.73	137.00		+ 5.6%			

Major topics (January to March 2022)

News Releases
<https://www.dic-global.com/en/news/2022/>

Jan

DIC group acquires Italian adhesives and polymers manufacturer SAPICI S.p.A. and its holding company

Feb

DIC Kyushu Polymer Co., Ltd., completes new solar-powered zero energy building (ZEB) to house its offices

Feb

DIC announces new vision statement and DIC Vision 2030 long-term management plan

Mar

DIC adopts system for levying surcharges on pigment products; the system is scheduled to come into effect worldwide on April 1, 2022

- System reflects the fact that transport and energy costs have increased beyond the point where independent efforts alone are sufficient
- Shipping surcharges (levied in response to haulage cost increases) and energy surcharges (levied in response to energy price increases) will be reviewed quarterly

Mar

DIC earns White 500 certification for the fifth consecutive year

Mar

DIC declares support for the Ministry of Economy, Trade and Industry's GX League Basic Concept

Mar

DIC is recognized as a Nadeshiko Brand for the fourth consecutive year

Mar

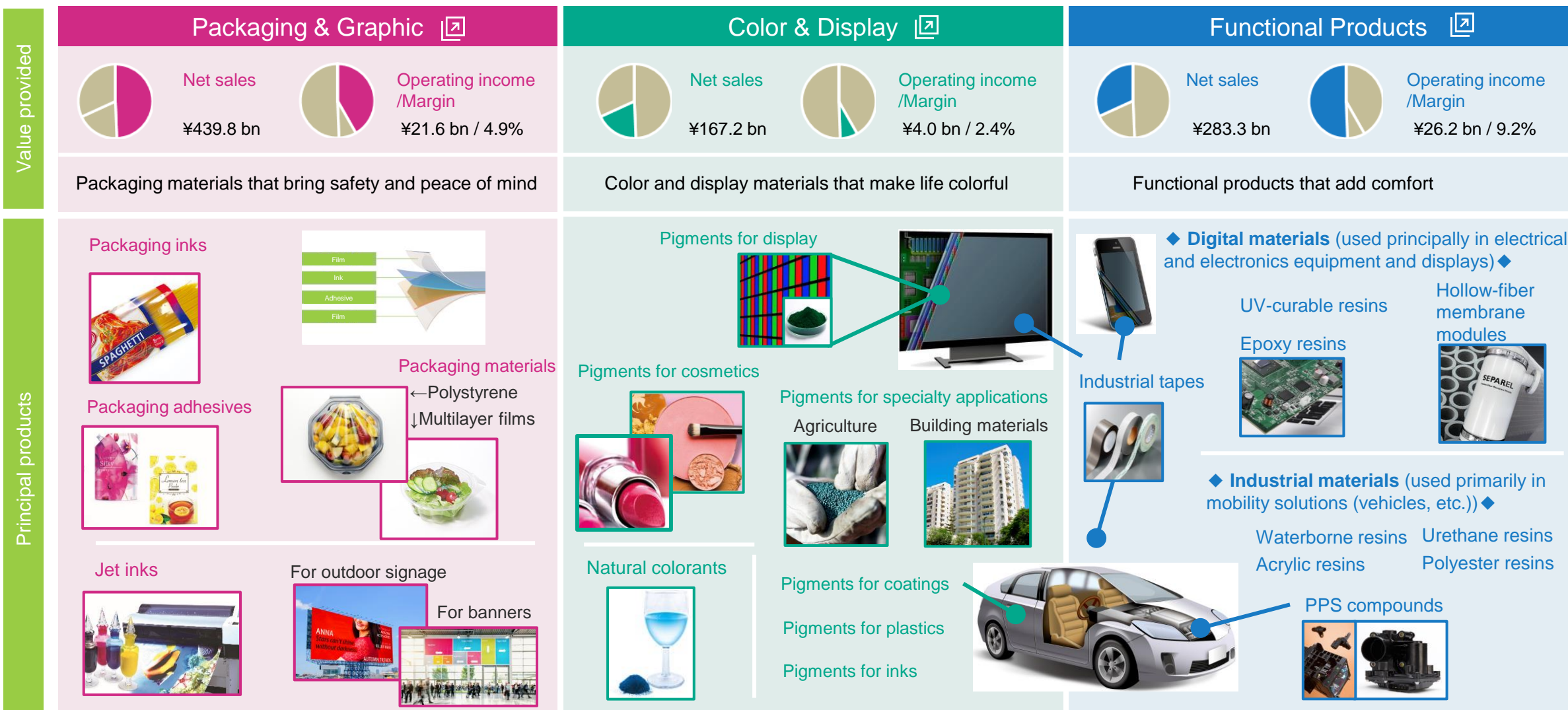
DIC concludes positive impact finance agreement

Mar

DIC expands lineup of mono-material products for use in recyclable packaging materials

Business segments and principal products

Note: Fiscal year 2021 actual

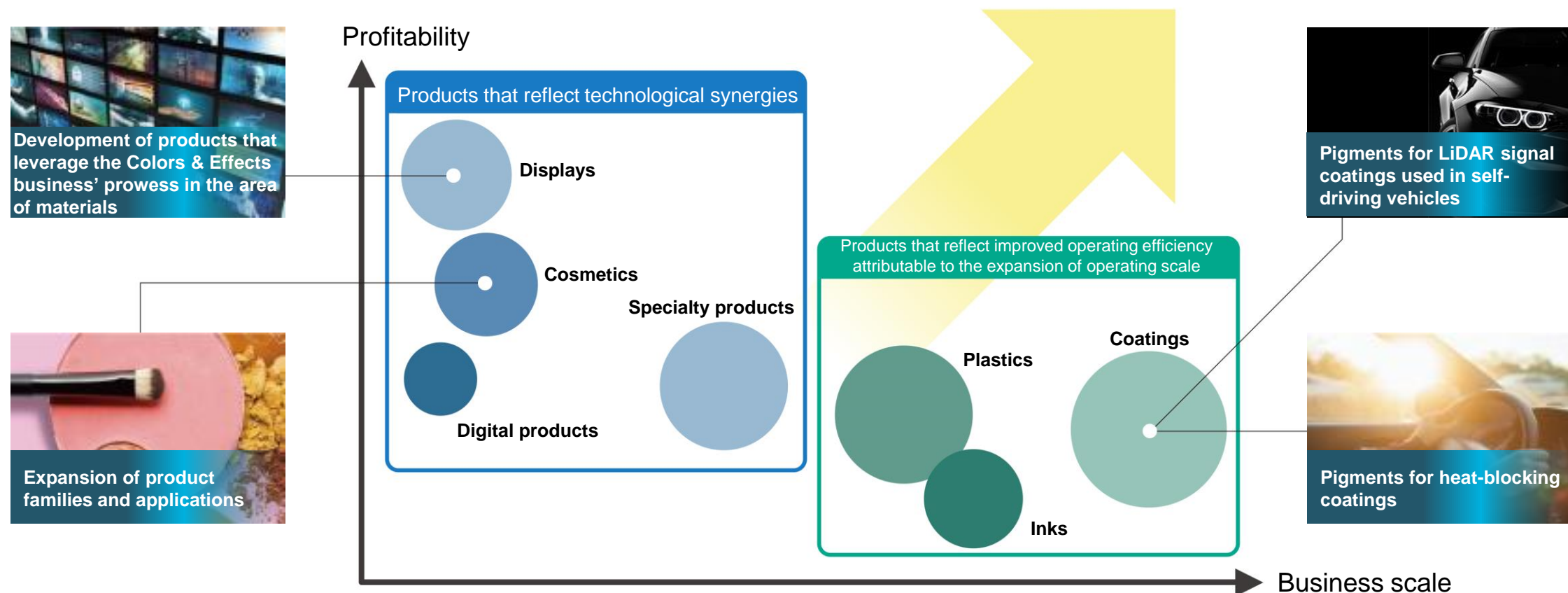


Integrate Colors & Effects Business (Reference)

■ Expedite Value Transformation by realizing synergies

- Capitalize on unparalleled development capabilities arising from the fusion of the two companies' technology and intellectual property
- Improve operating efficiency through the expansion of operating scale

Business Scale and Profitability by Application



Consolidated balance sheet (Reference)

(Billion yen)	Dec 31 2021	Mar 31 2022	Change
Current assets	542.1	676.5	134.4
Property, plant and equipment	307.7	335.4	27.7
Intangible assets	52.3	60.7	8.4
Investments and other assets	169.4	171.8	2.4
Total assets	1,071.5	1,244.4	173.0
Current liabilities	305.6	405.6	100.0
Non-current liabilities	384.9	438.3	53.4
Total liabilities	690.5	843.9	153.4
Shareholders' equity	403.9	406.3	2.4
Accumulated other comprehensive income	(58.0)	(39.5)	18.5
[Foreign currency translation adjustment]	[(55.5)]	[(34.6)]	[20.9]
Non-controlling interests	35.1	33.7	-1.4
Total net assets	381.0	400.5	19.5
Total liabilities and net assets	1,071.5	1,244.4	173.0
Interest-bearing debt	384.2	520.5	136.3
Cash and deposits	38.3	123.4	85.2
Net interest-bearing debt	346.0	397.0	51.1

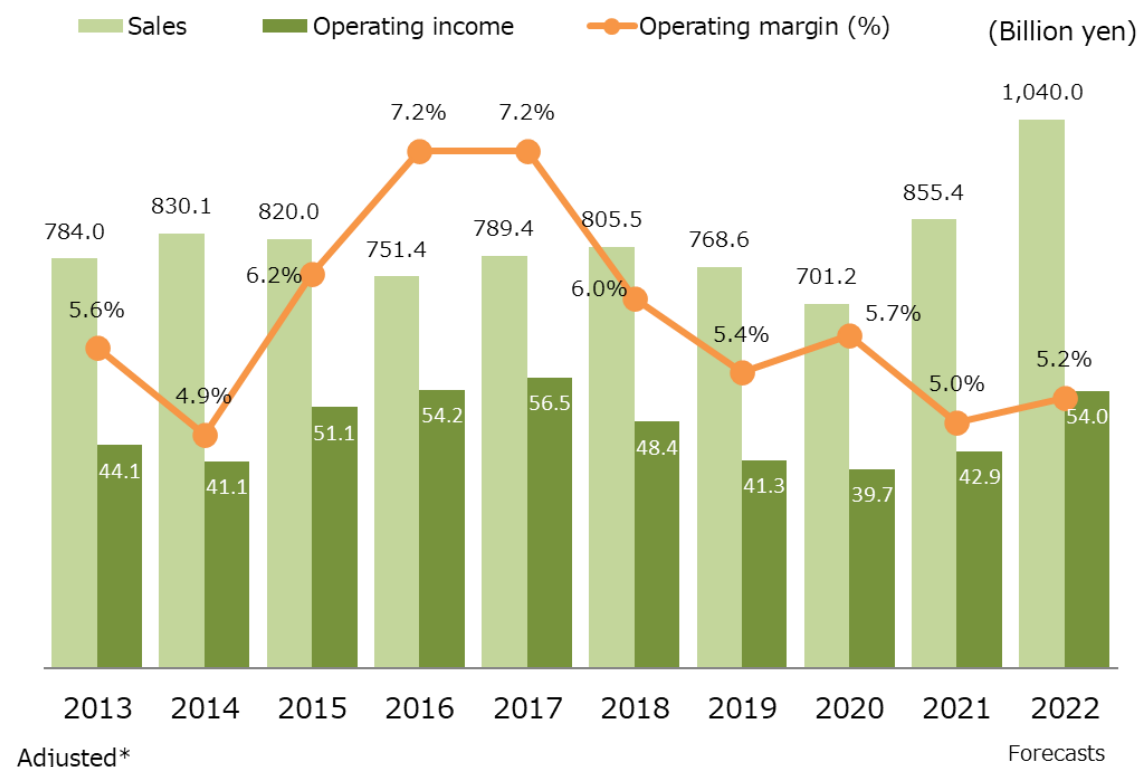
Consolidated statement of cash flows (Reference)

(Billion yen)	2021 3 Months	2022 3 Months	Change
Cash flows from operating activities	19.8	(8.0)	-27.8
Cash flows from investing activities	3.5	(20.5)	-24.0
Cash flows from financing activities	99.5	109.8	10.2
Cash and cash equivalents at end of the period	167.1	122.6	-44.5
Free cash flow	23.3	(28.5)	-51.8
Increase (decrease) in working capital	6.8	(23.1)	-29.9
Capital expenditure and investment	8.6	24.7	16.2
Depreciation and amortization	8.1	11.3	3.2

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

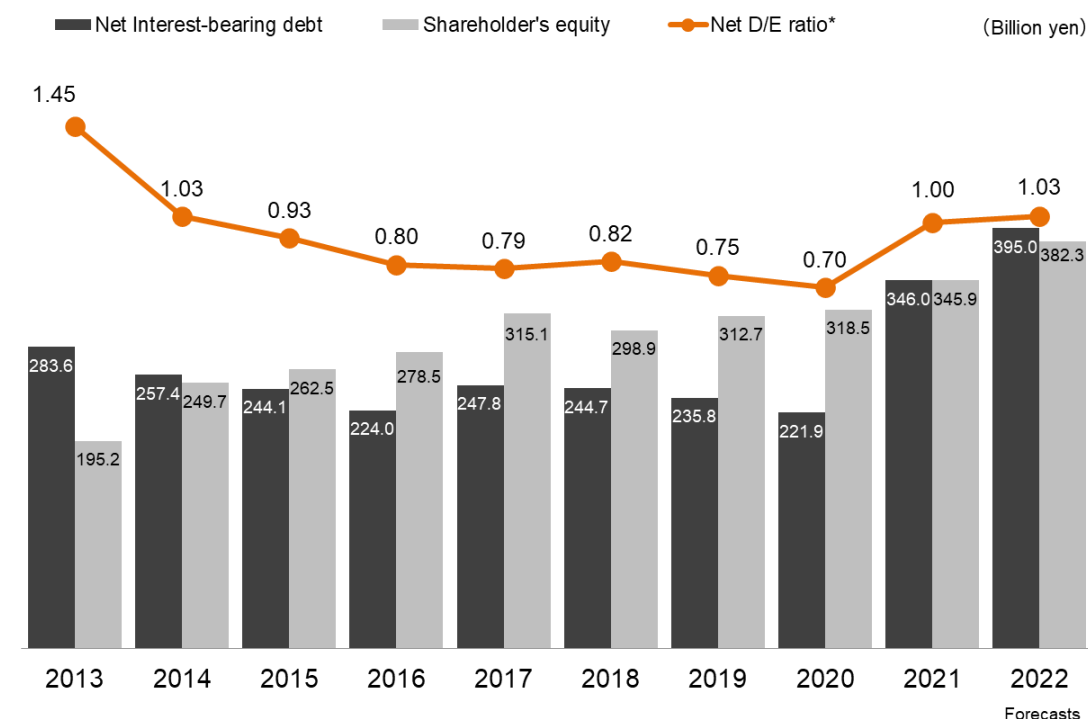
Historical performance data (Reference)

Operating results



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

Financial health

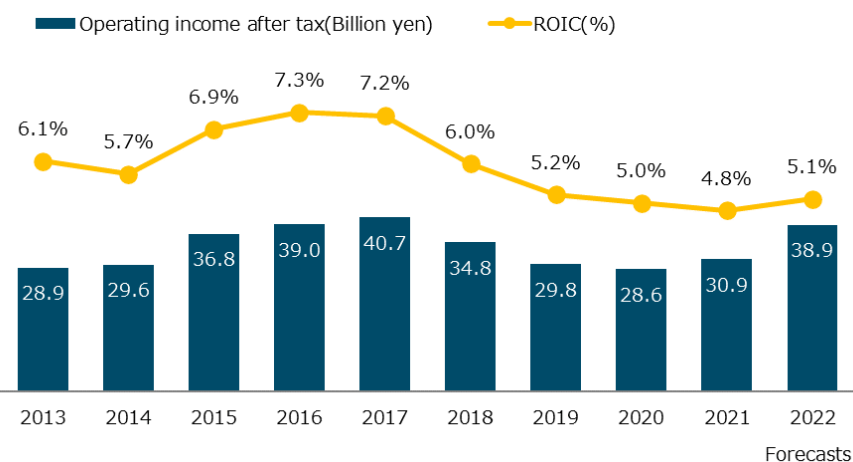


* Net D/E ratio: Interest-bearing debt / Shareholder's equity

Historical performance data (Reference)

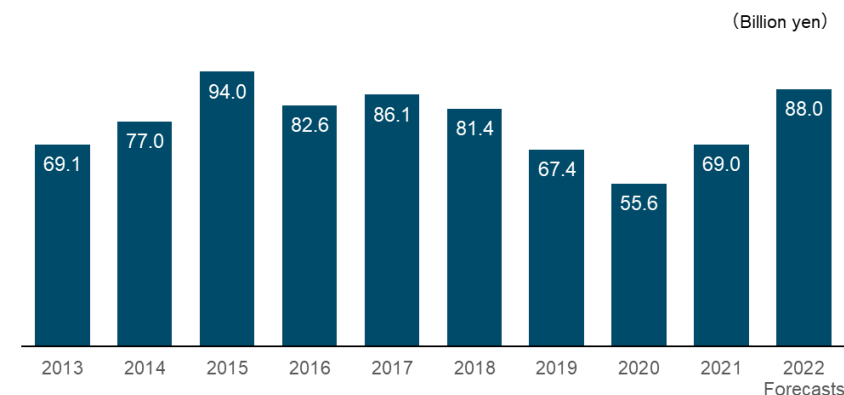
ROIC*

* Operating income x (1–tax rate 28%) / (Net interest-bearing debt + Net assets)

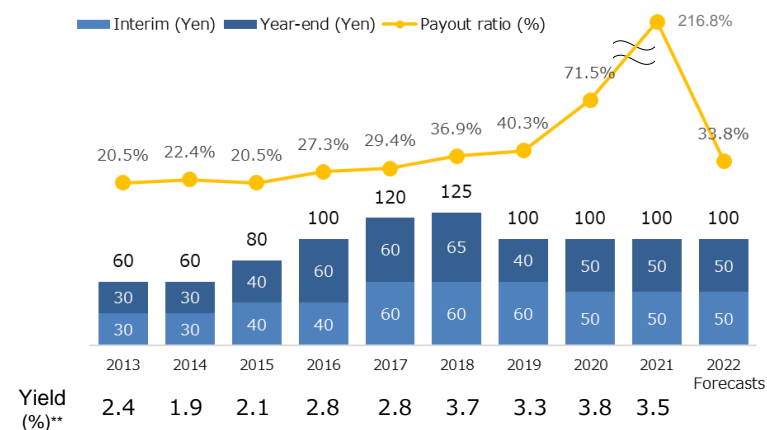


EBITDA*

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



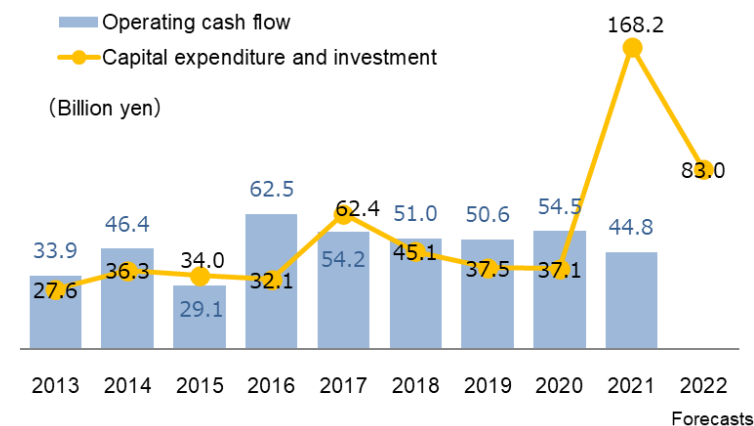
Shareholder returns*



* 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

Capital expenditure and investment, operating cash flows



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.



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