

# DIC Corporation

Consolidated Financial Results  
FY2022: Nine Months Ended September 30

November 2022



MSCI Japan ESG  
Select Leaders Index



MSCI Japan Empowering  
Women Index (WIN)



DIC Corporation

# Highlights

## FY2022 nine months results

Net sales

**¥795.2billion**

YoY +**29.1%**

Operating income

**¥32.9billion**

YoY -**1.2%**

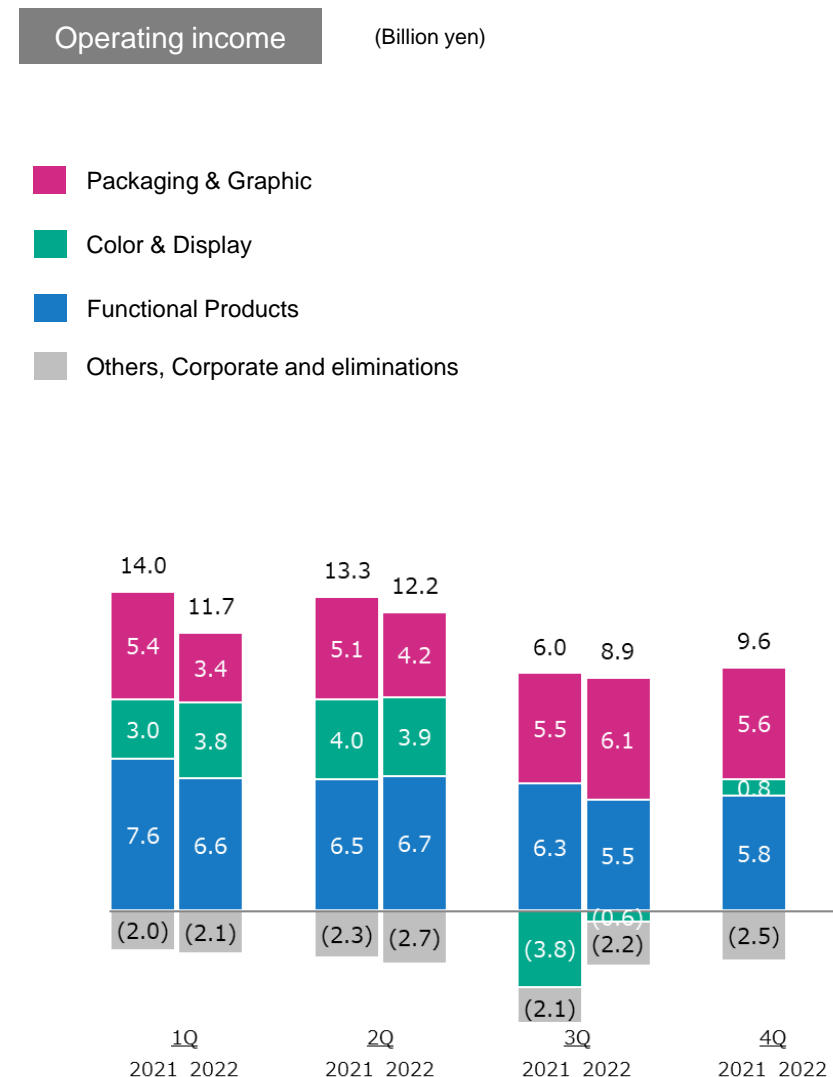
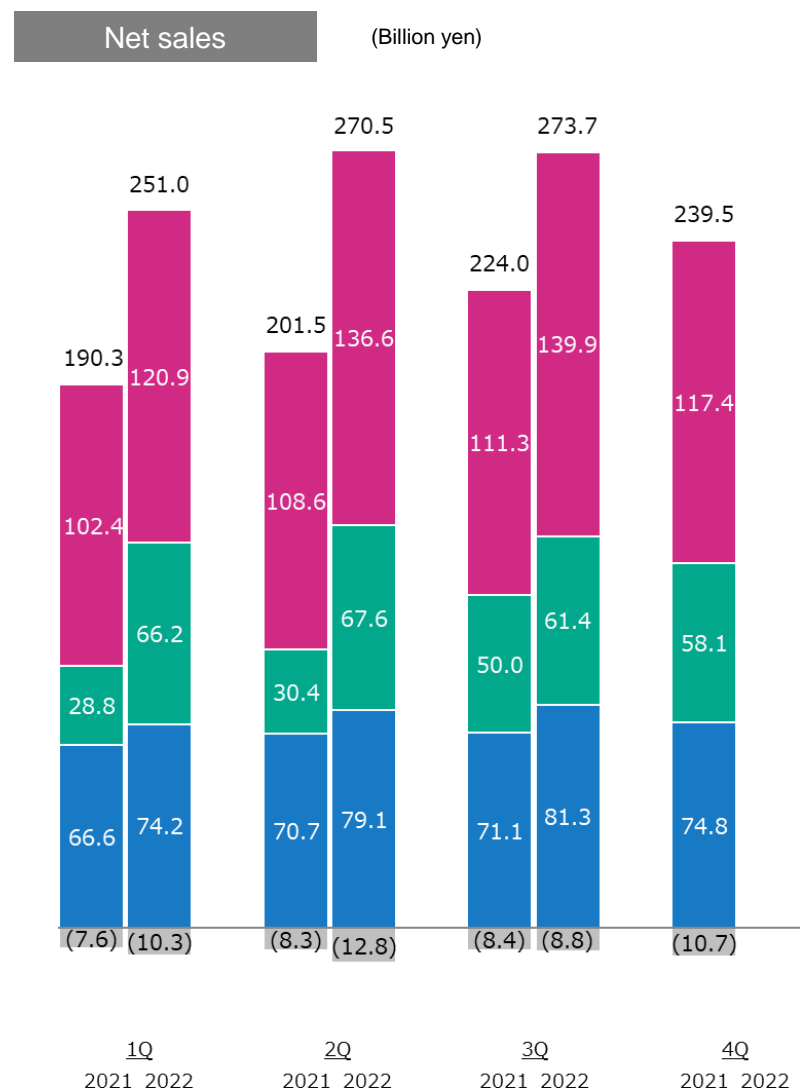
## FY2022 forecasts

- Consolidated net sales increased sharply, owing to ongoing efforts to adjust sales prices in response to elevated energy, logistics and raw materials costs, as well as to the influence of yen depreciation on results denominated in other currencies after translation. In the Color & Display segment, the margin of improvement in net sales was boosted by the addition of sales from the C&E pigments business (formerly the Colors & Effects business of Germany's BASF SE), which was not included in the scope of consolidation in the first half of fiscal year 2021.
- Nonetheless, shipments stalled, hindered by recent signs of an economic slowdown in Europe and a delay in the People's Republic of China (PRC)'s recovery from pandemic lockdowns, combined with a drop in demand for digital materials, used principally in electrical and electronics equipment and displays, in the third quarter (July–September 2022).
- Operating income edged down. This decrease was due to dwindling shipments and was despite continued efforts to pass on higher costs by modifying sales prices. The absence of ¥4.2 billion in one-time expenses recorded in the corresponding period of fiscal year 2021 in association with the integration of the C&E pigments business narrowed the margin of decline.
- Forecast for net sales has been revised down;
- Forecast for operating income has been revised down;
- Forecast for annual dividends per share remains unchanged
- Despite continued efforts to adjust sales prices to counter spiraling costs, shipments are projected to be lower than formerly anticipated. As a consequence, the Company has revised its forecasts for full-term net sales and operating income to ¥1,080.0 billion and ¥40.0 billion, respectively.
- The forecast for dividends remains unchanged at ¥100.00 per share.

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 2022, ended September 30, 2022.

# Quarterly trends in segment results

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



# Year-on-year changes in quarterly shipments of principle products by segment

## Packaging & Graphic (Packaging inks, Publication inks\*)

Jan-Mar	Apr-Jun	Jul-Sep	
<b>+0%</b>	<b>-0%</b>	<b>-4%</b>	<ul style="list-style-type: none"> <li>Despite the positive impact of the inclusion of Italian adhesives and polymers manufacturer Sapici, acquired in January 2022, overall shipments in Europe, which accounts for a significant portion of segment sales volume, began to stagnate in the third quarter.</li> <li>Owing to strict restrictions on movement in the PRC, shipments in Asia failed to recover even in the third quarter.</li> </ul>

\*Including News inks

## Color & Display (Pigments excluding the C&E business)

Jan-Mar	Apr-Jun	Jul-Sep	
<b>-5%</b>	<b>-11%</b>	<b>-19%</b>	<ul style="list-style-type: none"> <li>Pigment shipments slowed from the second quarter in Europe, but the margin of decline began to widen in the third quarter.</li> <li>A sharp decline in shipments of high-value-added pigments for displays, owing to inventory adjustments by display manufacturers, had a particularly notable negative impact on segment results.</li> </ul>

## Functional Products (Performance Materials products\*)

Jan-Mar	Apr-Jun	Jul-Sep	
<b>-6%</b>	<b>-6%</b>	<b>-5%</b>	<ul style="list-style-type: none"> <li>While sales volume in the first half of fiscal year 2022 was down from the corresponding period of the previous fiscal year, which saw a rapid post-COVID-19 recovery, shipments of high-value-added digital materials remained brisk.</li> <li>A sharp third-quarter dip in shipments of a number of digital materials, including epoxy resins, had a greater negative impact on product mix than on sales volume.</li> </ul>

\*Sales volume excludes sales of listed subsidiaries and a subsidiary in the PRC acquired in the period under review.

# Consolidated statement of income

(Billion yen)	2021 9 Months	2022 9 Months	Change	% Change	% Change on a local currency basis
<b>Net sales</b>	<b>615.8</b>	<b>795.2</b>	<b>179.3</b>	<b>+ 29.1%</b>	<b>+ 22.0%</b>
Cost of sales	(482.6)	(639.1)	-156.5		
Selling, general and administrative expenses	(100.0)	(123.2)	-23.2		
<b>Operating income</b>	<b>33.3</b>	<b>32.9</b>	<b>-0.4</b>	<b>-1.2%</b>	<b>+ 1.6%</b>
<b>Operating margin</b>	<b>5.4%</b>	<b>4.1%</b>	-		
Interest expenses	(0.6)	(1.6)	-1.0		
Equity in earnings (losses) of affiliates	1.7	1.8	0.1		
Foreign exchange gains (losses)	0.5	2.6	2.1		
Other, net	(0.9)	(0.1)	0.9		
<b>Ordinary income</b>	<b>33.9</b>	<b>35.6</b>	<b>1.7</b>	<b>+ 5.0%</b>	<b>—</b>
Extraordinary income	1.1	2.4	1.3		
Extraordinary losses	(10.0)	(5.8)	4.1		
Income before income taxes	25.0	32.2	7.2		
Income taxes	(8.1)	(13.2)	-5.2		
Net income	16.9	18.9	2.0		
Net income attributable to non-controlling interests	(1.6)	(1.1)	0.5		
<b>Net income attributable to owners of the parent</b>	<b>15.3</b>	<b>17.8</b>	<b>2.5</b>	<b>+ 16.5%</b>	<b>—</b>
<b>EBITDA*1</b>	<b>51.3</b>	<b>68.1</b>	<b>16.8</b>	<b>+ 32.8%</b>	<b>—</b>

	2021 9 Months	2022 9 Months
<b>Extraordinary income and losses</b>		
<b>Extraordinary income</b>		
Settlement income	-	1.1
Gain on sale of non-current assets	0.3	0.9
Gain on sale of investment securities	-	0.4
Gain on sale of subsidiaries' and affiliates' securities	0.8	-
<b>Extraordinary losses</b>		
Severance costs	(0.4)	(2.6)
Loss on disposal of non-current assets	(1.9)	(1.6)
Impairment losses	(1.3)	(1.1)
Loss on withdrawal from business	-	(0.6)
Acquisition-related expenses*2	(6.4)	-

\*2Acquisition of the C&E pigments business

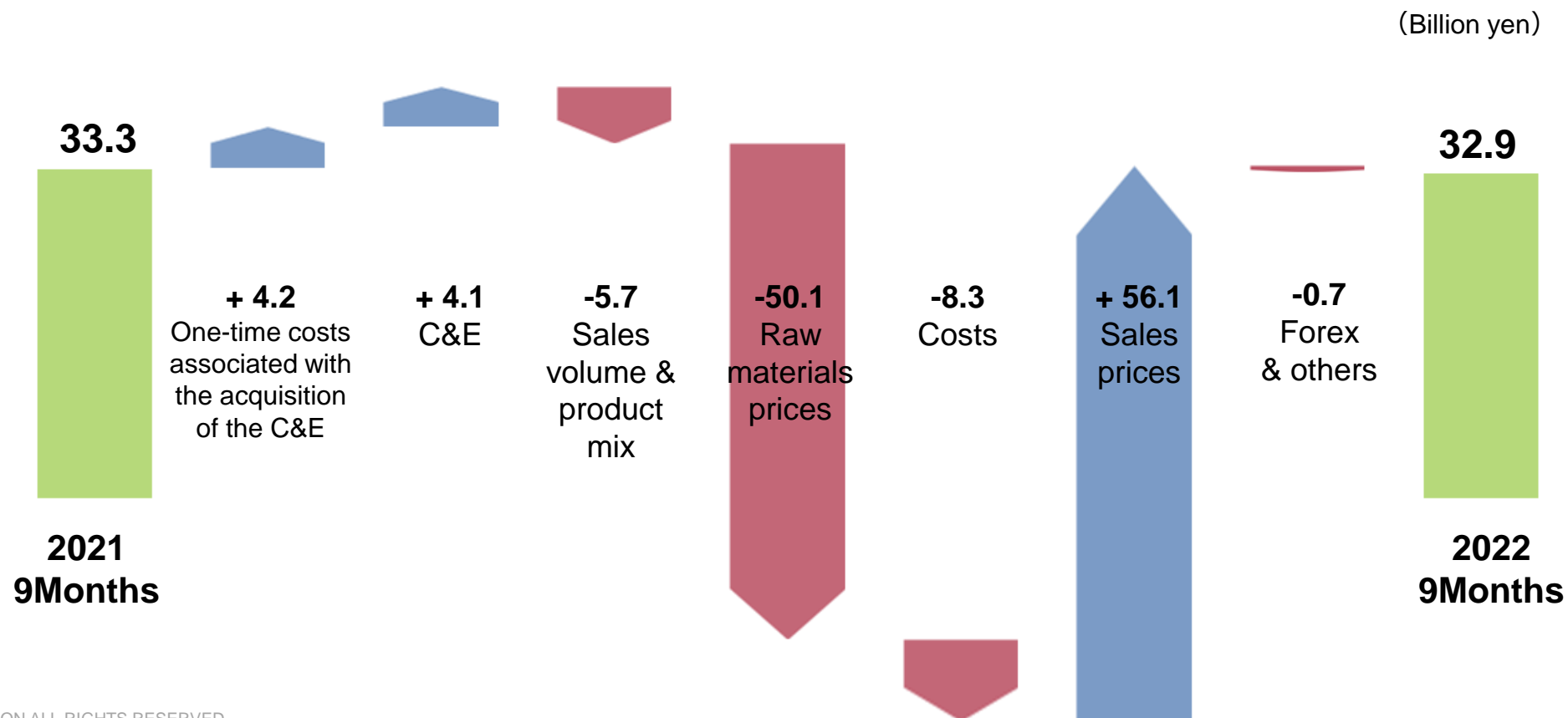
■Average rate

	2021 9 Months	2022 9 Months
YEN/US\$	108.50	127.87
YEN/EUR	129.68	136.26

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

# Operating income variance

- The absence of one-time expenses associated with the acquisition of the C&E pigments business narrowed the margin of decline.
- Owing to sluggish shipments of pigments for coatings and plastics, attributable to falling demand in Europe, the C&E pigments business' operating income was held to ¥1.9 billion, which nonetheless represented a ¥4.1 billion increase from the corresponding period of fiscal year 2021.
- In addition to signs of an economic slowdown in Europe and a delay in the PRC's recovery from pandemic lockdowns, demand for digital materials declined in the third quarter (July–September), as a result of which sales volume and the product mix deteriorated sharply.




# Financial health

(Billion yen)	Dec 31 2021	Sep 30 2022	Change
Net interest-bearing debt	346.0	454.5	108.6
Shareholder's equity	345.9	412.7	66.7
Net D/E ratio *1 (times)	1.00	1.10	
[Net D/C ratio *2]	[47.6%]	[50.4%]	
Equity ratio	32.3%	31.3%	
BPS (Yen)	3,654.61	4,359.65	

\*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)

 Increase attributable to a change in accounting standards requiring lease obligations to be included on the balance sheet: ¥11.7 billion

■ Closing rate

	Dec 31 2021	Sep 30 2022
YEN/US\$	115.10	144.49

# Segment results

(Billion yen)	Net sales					Operating income					Operating margin	
	2021 9 Months	2022 9 Months	Change	% Change	% Change on a local currency basis	2021 9 Months	2022 9 Months	Change	% Change	% Change on a local currency basis	2021 9 Months	2022 9 Months
Packaging & Graphic	322.4	397.3	75.0	+ 23.3%	+ 17.3%	16.1	13.8	-2.3	-14.1%	-4.4%	5.0%	3.5%
Japan	84.4	95.5	11.1	+ 13.1%	+ 13.1%	3.7	3.4	-0.3	-8.5%	-8.5%	4.4%	3.6%
The Americas and Europe	194.8	251.2	56.4	+ 28.9%	+ 22.1%	10.1	8.3	-1.8	-17.9%	-0.9%	5.2%	3.3%
Asia and Oceania	53.2	62.6	9.5	+ 17.8%	+ 5.1%	2.5	2.2	-0.3	-13.5%	-21.1%	4.8%	3.5%
Eliminations	(10.0)	(12.0)	-2.0	-	-	(0.3)	(0.1)	0.2	-	-	-	-
Color & Display	109.1	195.3	86.1	+ 78.9%	+ 62.7%	3.2	7.2	4.0	+ 127.5%	+ 121.8%	2.9%	3.7%
Japan	23.4	27.2	3.9	+ 16.6%	+ 16.6%	5.1	4.1	-1.0	-19.0%	-19.0%	21.7%	15.1%
Overseas	93.6	179.1	85.5	+ 91.4%	+ 71.6%	(1.9)	3.0	5.0	Into the black	Into the black	-	1.7%
Eliminations	(7.8)	(11.1)	-3.3	-	-	0.0	0.0	0.0	-	-	-	-
Functional Products	208.5	234.5	26.0	+ 12.5%	+ 7.6%	20.4	18.8	-1.6	-7.8%	-11.3%	9.8%	8.0%
Japan	147.8	161.4	13.6	+ 9.2%	+ 9.2%	12.7	12.3	-0.4	-3.4%	-3.4%	8.6%	7.6%
Overseas	80.2	96.4	16.3	+ 20.3%	+ 7.1%	7.8	6.7	-1.1	-14.4%	-23.6%	9.7%	6.9%
Eliminations	(19.4)	(23.3)	-3.9	-	-	(0.0)	(0.1)	-0.0	-	-	-	-
Others, Corporate and eliminations	(24.2)	(32.0)	-7.7	-	-	(6.4)	(7.0)	-0.6	-	-	-	-
Total	615.8	795.2	179.3	+ 29.1%	+ 22.0%	33.3	32.9	-0.4	-1.2%	+ 1.6%	5.4%	4.1%
YEN/US\$	108.50	127.87		+ 17.9%		108.50	127.87		+ 17.9%			
YEN/EUR	129.68	136.26		+ 5.1%		129.68	136.26		+ 5.1%			

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

# Packaging & Graphic

## Net sales

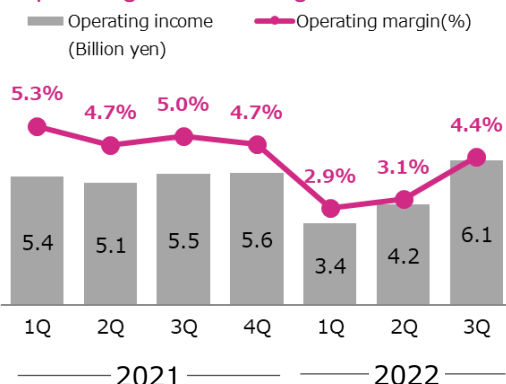
- Shipments slumped in Europe, owing to falling demand attributable to waning economic conditions, and the PRC, hindered by ongoing strict restrictions on movement. Nonetheless, continued efforts to modify sales prices to counter higher energy, logistics and raw materials costs pushed segment sales up.

## Operating income

- Despite seeking to adjust sales prices, such attempts struggled to keep pace, as a consequence of which segment operating income declined. Profits were further hindered by the depreciation of emerging market currencies, which pushed down results in those markets after translation into yen.
- Moves by Italian adhesives and polymer manufacturer Sapici, acquired in January 2022, to expand its sales of adhesives in Europe led to steady growth in its profits.

(Billion yen)	Net sales					Operating income					Operating margin	
	2021 9 Months	2022 9 Months	Change	% Change	% Change on a local currency basis	2021 9 Months	2022 9 Months	Change	% Change	% Change on a local currency basis	2021 9 Months	2022 9 Months
<b>Packaging &amp; Graphic</b>	322.4	<b>397.3</b>	75.0	+ 23.3%	+ 17.3%	16.1	<b>13.8</b>	-2.3	-14.1%	-4.4%	5.0%	<b>3.5%</b>
Japan	84.4	<b>95.5</b>	11.1	+ 13.1%	+ 13.1%	3.7	<b>3.4</b>	-0.3	-8.5%	-8.5%	4.4%	<b>3.6%</b>
The Americas and Europe	194.8	<b>251.2</b>	56.4	+ 28.9%	+ 22.1%	10.1	<b>8.3</b>	-1.8	-17.9%	-0.9%	5.2%	<b>3.3%</b>
Asia and Oceania	53.2	<b>62.6</b>	9.5	+ 17.8%	+ 5.1%	2.5	<b>2.2</b>	-0.3	-13.5%	-21.1%	4.8%	<b>3.5%</b>
Eliminations	(10.0)	<b>(12.0)</b>	-2.0	-	-	(0.3)	<b>(0.1)</b>	0.2	-	-	-	-

## Operating income/margin



## Sales of principal products

	% Change	
<b>Packaging inks*</b>	+ 20%	In Asia, shipments in the PRC declined, hindered by the country's "zero-COVID" policy. Nonetheless, sales were up in all regions, supported by efforts to modify sales prices.
<b>Publication inks*</b>	+ 10%	Despite a delayed recovery in domestic demand for use in commercial printing and falling shipments in Europe, a result of waning economic conditions, sales increased thanks to sales price adjustments worldwide.
<b>Jet inks</b>	+ 6%	While sales were impacted by inventory adjustments in the third quarter, cumulative shipments were essentially level with the corresponding period of the previous fiscal year.
<b>Polystyrene</b>	+ 31%	Rising food prices depressed demand for use in food packaging, but sales soared thanks to efforts to adjust sales prices, which boosted unit prices.
<b>Multilayer films</b>	+ 15%	Rising food prices depressed demand for use in food packaging, but sales rose thanks to efforts to adjust sales prices, which boosted unit prices.

\*Change on a local currency basis

# Color & Display

## Net sales

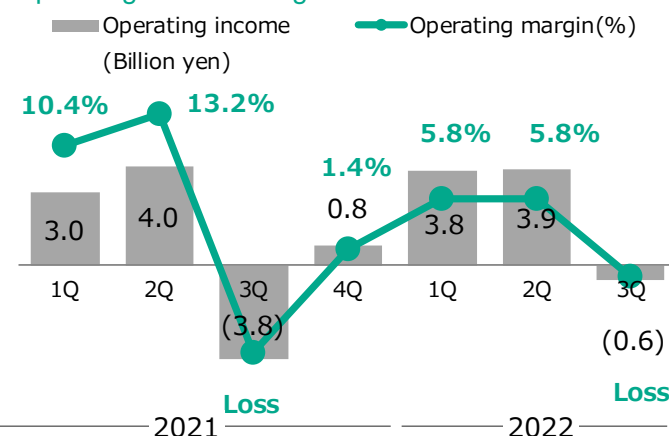
- Owing to the addition of sales from the C&E pigments business, segment sales soared, particularly of pigments for coatings, plastics and cosmetics.
- Shipments of pigments for coatings and plastics slowed, primarily in Europe. Accordingly, discounting the impact of the C&E pigments business, sales volume fell steeply.

## Operating income

- In addition to falling demand in Europe from the second quarter, shipments of certain high-value-added products, notably pigments for displays and specialty applications were stagnant.
- Segment operating income increased as the C&E pigments business moved into the black. However, operating income growth was constrained by mounting energy costs in Europe.

(Billion yen)	Net sales					Operating income					Operating margin	
	2021 9 Months	2022 9 Months	Change	% Change	% Change on a local currency basis	2021 9 Months	2022 9 Months	Change	% Change	% Change on a local currency basis	2021 9 Months	2022 9 Months
Color & Display	109.1	195.3	86.1	+ 78.9%	+ 62.7%	3.2	7.2	4.0	+ 127.5%	+ 121.8%	2.9%	3.7%
Japan	23.4	27.2	3.9	+ 16.6%	+ 16.6%	5.1	4.1	-1.0	-19.0%	-19.0%	21.7%	15.1%
Overseas	93.6	179.1	85.5	+ 91.4%	+ 71.6%	(1.9)	3.0	5.0	Into the black	Into the black	-	1.7%
Eliminations	(7.8)	(11.1)	-3.3	-	-	0.0	0.0	0.0	-	-	-	-

## Operating income/margin



## Sales of principal products

		% Change	
Pigments for	coatings	+ 127%	Sales increased, owing to the addition of sales from the C&E pigments business, but a slowing economy led to a significant decline in demand in Europe.
	plastics	+ 134%	Sales increased, owing to the addition of sales from the C&E pigments business, but a slowing economy led to a significant decline in demand in Europe.
	printing inks	+ 29%	Sales increased, owing to the addition of sales from the C&E pigments business, but demand softened and price competition intensified.
	cosmetics	+ 105%	Sales increased, owing to the addition of sales from the C&E pigments business. Sales volume recovered to approximately 80% of the pre-COVID-19 level.
	displays	-23%	Shipments plummeted, a consequence of production adjustments by display manufacturers.
	specialty applications	+ 42%	Sales increased, owing to the addition of sales from the C&E pigments business, but a slowing economy led to a significant decline in demand in Europe.
Health food		-4%	Shipments languished, reflecting falling demand in the Americas and Europe.

## Color & Display (supplementary information)

Breakdown of 2022 nine months results for the Color & Display segment (Billion yen)

	Net sales				Operating income			
	2021 9M	2022 9M	Change	% Change	2021 9M	2022 9M	Change	% Change
<b>Color &amp; Display</b>	<b>109.1</b>	<b>195.3</b>	<b>86.1</b>	<b>+ 78.9%</b>	<b>3.2</b>	<b>7.2</b>	<b>4.0</b>	<b>+ 127.5%</b>
Existing Businesses	89.1	87.6	-1.4	-	9.5	5.3	-4.3	-
C&E	20.1	107.6	87.5	-	(2.2)	1.9	4.1	-
One-time costs*	-	-	-	-	(4.2)	-	4.2	-

- In the C&E pigments business, sales of pigments for coatings and plastics were sluggish, due to declining demand in Europe. Operating income for the full term is now expected to be ¥1.7 billion, falling short of the initial forecast of ¥3.2 billion.
- Operating income of pigments business in existing categories declined, as shipments of certain high-value-added products, notably pigments for displays and for specialty applications, flagged and demand in Europe decreased.
- Operating income of thin-film transistor liquid crystals (TFT LCs) business in existing categories decreased, as the shipments declined significantly in the third quarter (July-September).

\* One-time increase in cost of sales due to market valuation of inventories obtained at the time of acquisition.

# Functional Products

## Net sales

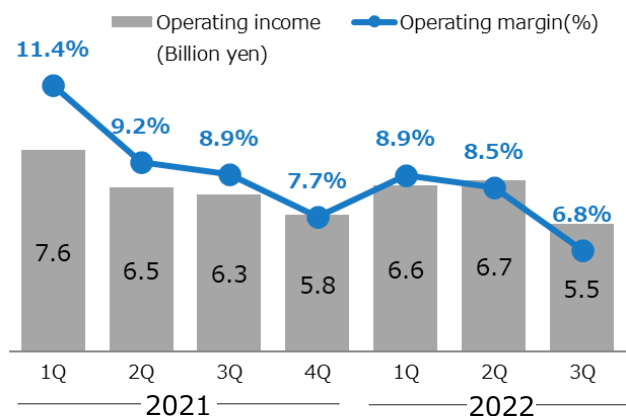
- Shipments were generally stagnant, owing to production cuts by automakers and lockdowns in the PRC. Shipments of epoxy resins and other digital materials declined dramatically.
- While overall sales volume was lower than in the corresponding period of the previous fiscal year, segment sales rose thanks to efforts to modify sales prices in Japan and overseas.

## Operating income

- Segment operating income decreased. This was despite steady efforts to adjust sales prices to pass on energy, logistics and raw materials cost increases amid falling shipments, particularly of epoxy resins and other high-value-added products in the area of digital materials, which came up short.

(Billion yen)	Net sales					Operating income					Operating margin	
	2021 9 Months	2022 9 Months	Change	% Change	% Change on a local currency basis	2021 9 Months	2022 9 Months	Change	% Change	% Change on a local currency basis	2021 9 Months	2022 9 Months
Functional Products	208.5	234.5	26.0	+ 12.5%	+ 7.6%	20.4	18.8	-1.6	-7.8%	-11.3%	9.8%	8.0%
Japan	147.8	161.4	13.6	+ 9.2%	+ 9.2%	12.7	12.3	-0.4	-3.4%	-3.4%	8.6%	7.6%
Overseas	80.2	96.4	16.3	+ 20.3%	+ 7.1%	7.8	6.7	-1.1	-14.4%	-23.6%	9.7%	6.9%
Eliminations	(19.4)	(23.3)	-3.9	-	-	(0.0)	(0.1)	-0.0	-	-	-	-

## Operating income/margin



## Sales of principal products

	% Change		% Change
Epoxy resins	+ 9%	polyphenylene sulfide (PPS) compounds	+ 3%
Urethane resins	+ 6%	Industrial tapes	+ 17%
Acrylic resins*	+ 32%	Hollow-fiber membrane	+ 21%
Waterborne resins*	+ 31%		
Polyester resins*	+ 20%		
UV-curable resins	+ 9%		

In digital materials, industrial tapes and hollow-fiber membrane modules were robust, but shipments of epoxy resins declined dramatically. Sales of polyphenylene sulfide (PPS) compounds expanded, despite falling automobile production, thanks to higher shipments for other applications, including housing equipment.

## FY2022 forecasts: Full-term operating results

- Despite continued efforts to adjust sales prices to counter spiraling energy, logistics and raw materials costs, shipments are projected to be lower than formerly anticipated. Accordingly, the forecast for full-term net sales was revised downward.
- Reflecting the decline in net sales and the impact of higher energy costs in Europe, the forecast for full-term operating income was also revised downward.
- The forecast for annual dividends per share remains unchanged.

(Billion yen)	2021	2022 Forecasts	% Change	% Change on a local currency basis	Old forecasts
Net sales	855.4	1,080.0	+ 26.3%	+ 17.9%	1,100.0
Operating income	42.9	40.0	-6.7%	-0.3%	50.0
Operating margin	5.0%	3.7%	—	—	4.5%
Ordinary income	43.8	43.5	-0.6%		51.0
Net income attributable to owners of the parent	4.4	20.0	+ 358.2%		26.0
EPS (Yen)	46.12	211.30	—		274.68
EBITDA* <sup>1</sup>	69.0	84.0	+ 21.7%		90.0
Capital expenditure and investment	168.2	82.0	-51.2%		82.0
Depreciation and amortization	38.1	47.0	+ 23.5%		47.0
Average rate					
YEN/US\$	109.75	132.00	+ 20.3%		129.00
YEN/EUR	129.73	142.00	+ 9.5%		142.00

	2021	2022 Forecasts
ROIC* <sup>2</sup>	4.8%	3.6%
Net D/E ratio * <sup>3</sup> (times)	1.00	1.07
[Net D/C ratio * <sup>4</sup> ]	[47.6%]	[49.7%]
Annual dividends per share (Yen)	100.0	100.0
Payout ratio	216.8%	47.3%

\*<sup>2</sup> Operating income x (1–tax rate 28%) / (Net interest-bearing debt + Net assets)

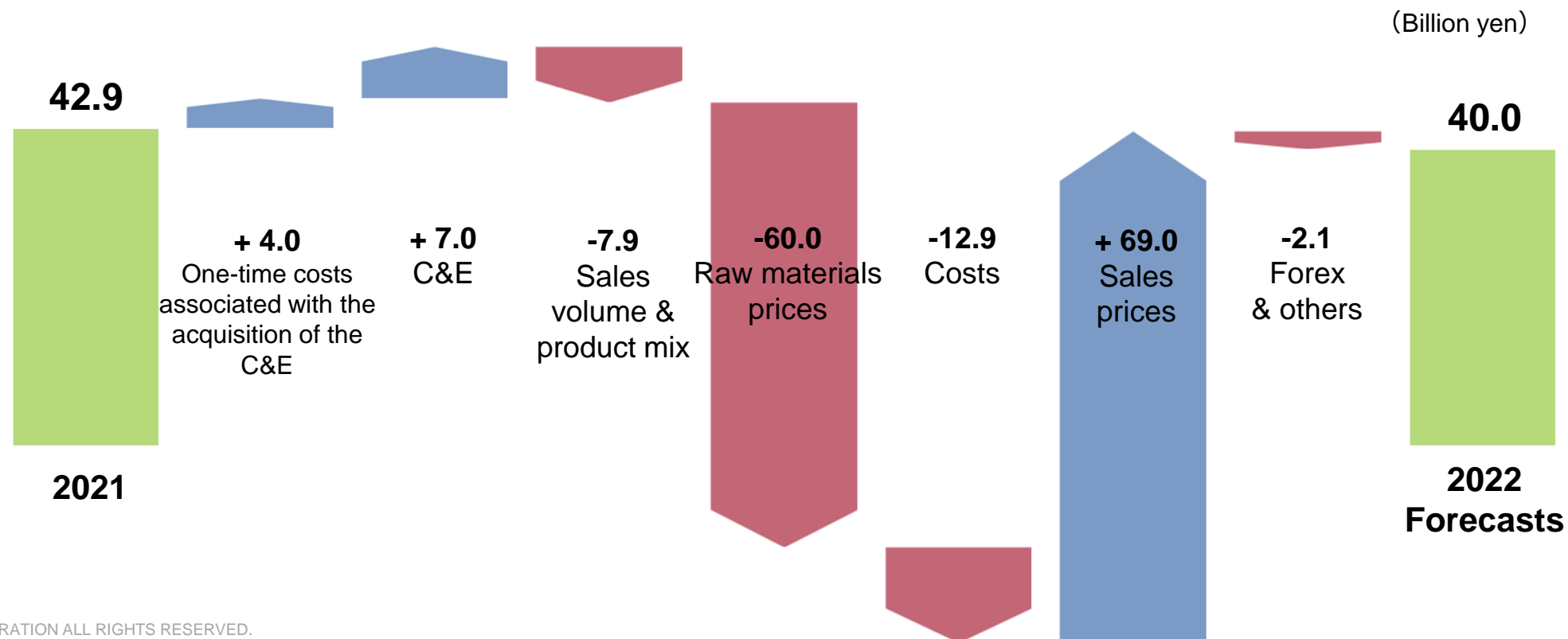
\*<sup>3</sup> Net D/E ratio: Interest-bearing debt / Shareholder's equity

\*<sup>4</sup> Net D/C ratio: Interest-bearing debt / (Interest-bearing debt + Net assets)

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

# FY2022 forecasts : Operating income variance

- Forecasts for the C&E pigments business are net sales of ¥141.6 billion and operating income of ¥1.7billion, with contributing factors including the realization of new synergies.
- Forecasts published on November 14, 2022, assume a West Texas Intermediate (WTI) crude oil price of approximately \$80.00/barrel. The benefits of a full-fledged decline in raw materials prices is expected to be felt in fiscal year 2023. With rising energy costs in Europe and higher logistics costs expected to push up overall costs significantly, efforts to adjust sales prices will continue.
- Owing to an economic slowdown in Europe and a delay in the PRC's recovery from pandemic lockdowns, as well as to shrinking demand for digital materials, particularly for use in electrical and electronics equipment and displays, the forecast for net sales has been revised downward, as has the forecast for operating income, which was previously ¥50.0 billion and is now ¥40.0 billion.



# FY2022 forecasts: Full-term segment results

(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	545.2	105.4	+ 24.0%	+ 17.7%	21.6	18.7	-3.0	-13.7%	+ 1.1%	4.9%	3.4%
Japan	114.7	129.2	14.6	+ 12.7%	+ 12.7%	4.8	5.1	0.2	+ 4.5%	+ 4.5%	4.2%	3.9%
The Americas and Europe	265.1	346.3	81.2	+ 30.6%	+ 23.3%	13.2	10.5	-2.7	-20.5%	+ 5.8%	5.0%	3.0%
Asia and Oceania	73.1	86.0	12.9	+ 17.6%	+ 4.5%	3.8	3.1	-0.7	-17.4%	-24.7%	5.2%	3.6%
Eliminations	(13.0)	(16.3)	-3.2	-	-	(0.2)	(0.1)	0.2	-	-	-	-
Color & Display	167.2	255.4	88.2	+ 52.7%	+ 34.2%	4.0	7.4	3.5	+ 87.5%	+ 101.0%	2.4%	2.9%
Japan	32.6	33.9	1.3	+ 3.9%	+ 3.9%	6.9	5.6	-1.3	-19.2%	-19.2%	21.1%	16.4%
Overseas	145.7	236.0	90.3	+ 62.0%	+ 40.5%	(2.8)	1.8	4.6	Into the black	Into the black	-	0.8%
Eliminations	(11.2)	(14.6)	-3.4	-	-	(0.2)	0.0	0.2	-	-	-	-
Functional Products	283.3	321.4	38.1	+ 13.5%	+ 7.3%	26.2	24.4	-1.8	-7.0%	-11.3%	9.2%	7.6%
Japan	201.3	215.2	13.9	+ 6.9%	+ 6.9%	16.1	15.9	-0.2	-1.3%	-1.3%	8.0%	7.4%
Overseas	108.3	135.6	27.3	+ 25.2%	+ 8.6%	10.1	8.5	-1.6	-15.6%	-26.9%	9.3%	6.3%
Eliminations	(26.3)	(29.3)	-3.0	-	-	0.0	(0.0)	-0.0	-	-	-	-
Others, Corporate and eliminations	(34.9)	(42.0)	-7.1	-	-	(8.9)	(10.4)	-1.5	-	-	-	-
Total	855.4	1,080.0	224.6	+ 26.3%	+ 17.9%	42.9	40.0	-2.9	-6.7%	-0.3%	5.0%	3.7%
YEN/US\$	109.75	132.00		+ 20.3%		109.75	132.00		+ 20.3%			
YEN/EUR	129.73	142.00		+ 9.5%		129.73	142.00		+ 9.5%			

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

## Major topics (July to September 2022)

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

Jul

DIC acquires Chinese coating resins manufacturer Guangdong TOD New Materials Co., Ltd. (TODNM)

- The acquisition of a local manufacturer will position DIC to expand its coating resins operations in the PRC, the world's largest market for these products.
- TODNM has the capability to produce waterborne resins and other products in a manner that complies with stringent local environmental regulations. The company's products will be sold globally through DIC's sales network.

Jul

DIC invests in US sustainable biotech startup Back of the Yards Algae Sciences Inc.

Jul

"Environmental transfer technology" company Innoqua and fine chemicals manufacturer DIC to commence research into potential uses for Spirulina-derived phycocyanin using artificial marine ecosystems

Jul

DIC and SAP partner in pilot project using blockchain technology in the construction of a waste plastics traceability system

Jul

DIC and Debut Biotech advance and scale biomanufacturing of sustainable red colorants for food, nutrition, and cosmetics

# Major topics (July to September 2022)

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

Jul

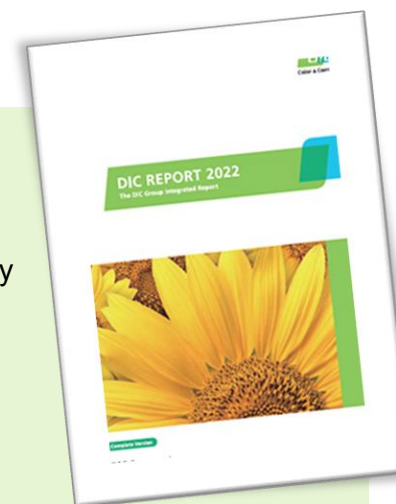
## DIC publishes DIC Report 2022 Integrated Report

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 2022, 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/>



Aug

DIC and FP Corporation (FPCO) begin collaborating to deploy the world's first dissolution and separation recycling technology for the closed-loop recycling of foamed plastic food trays

Aug

DIC and DATAFLUCT conduct tests to verify changes in consumer behavior with the aim of realizing the closed-loop recycling of plastic packaging containers

Sep

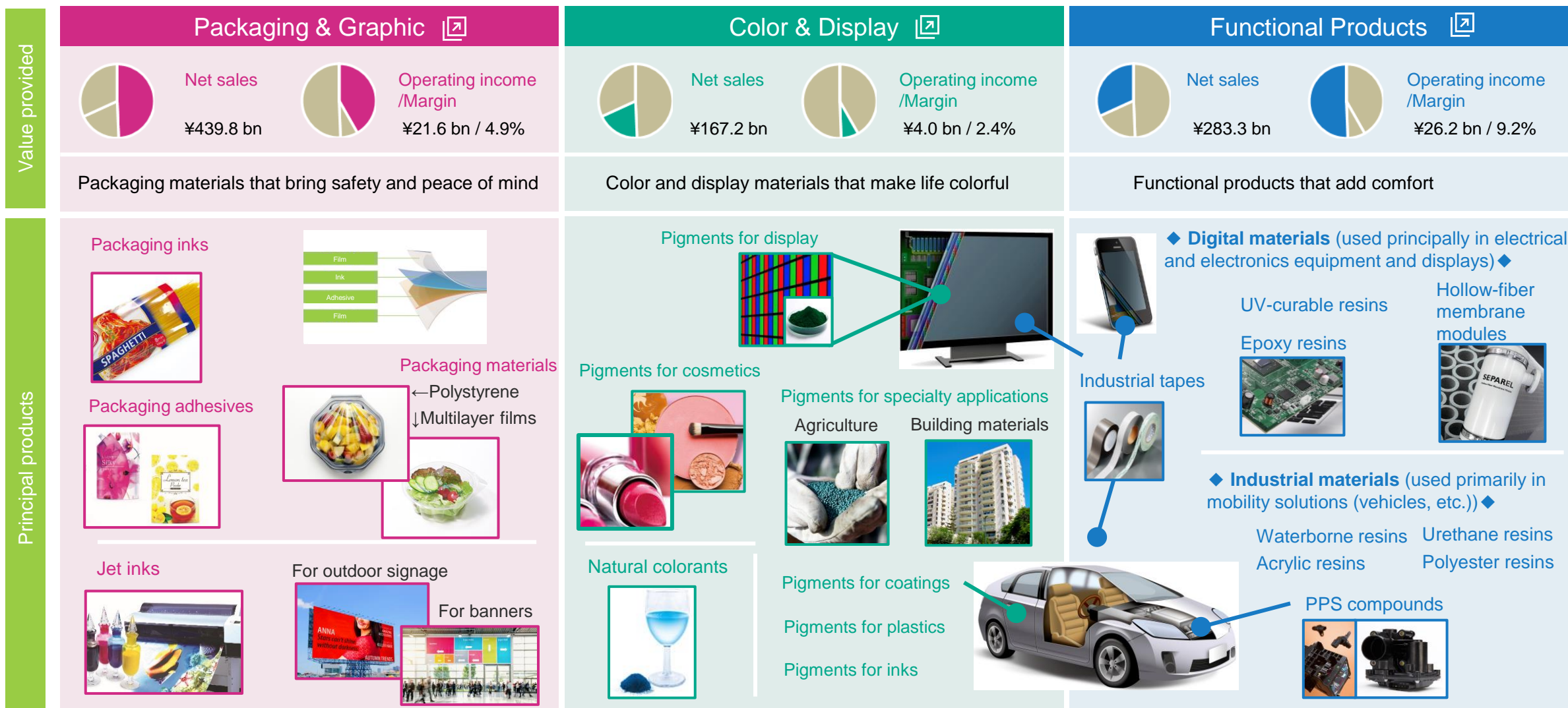
DIC steps up environmental investments in outdoor algae cultivation facilities at subsidiaries in the United States and the PRC

Sep

DIC joins the Human Capital Management Consortium, in which the Ministry of Economy, Trade and Industry and the Financial Services Agency are participating as observers

# Business segments and principal products

Note: Fiscal year 2021 actual



## Consolidated balance sheet (Reference)

(Billion yen)	Dec 31 2021	Sep 30 2022	Change
Current assets	542.1	703.1	161.0
Property, plant and equipment	307.7	360.7	53.0
Intangible assets	52.3	80.0	27.7
Investments and other assets	169.4	175.6	6.2
<b>Total assets</b>	<b>1,071.5</b>	<b>1,319.4</b>	<b>247.9</b>
Current liabilities	305.6	379.8	74.2
Non-current liabilities	384.9	491.8	106.9
<b>Total liabilities</b>	<b>690.5</b>	<b>871.6</b>	<b>181.2</b>
Shareholders' equity	403.9	412.0	8.1
Accumulated other comprehensive income	(58.0)	0.7	58.6
[Foreign currency translation adjustment]	[(55.5)]	[7.8]	[63.2]
Non-controlling interests	35.1	35.1	0.0
<b>Total net assets</b>	<b>381.0</b>	<b>447.7</b>	<b>66.7</b>
<b>Total liabilities and net assets</b>	<b>1,071.5</b>	<b>1,319.4</b>	<b>247.9</b>
Interest-bearing debt	384.2	524.8	140.6
Cash and deposits	38.3	70.3	32.0
Net interest-bearing debt	346.0	454.5	108.6

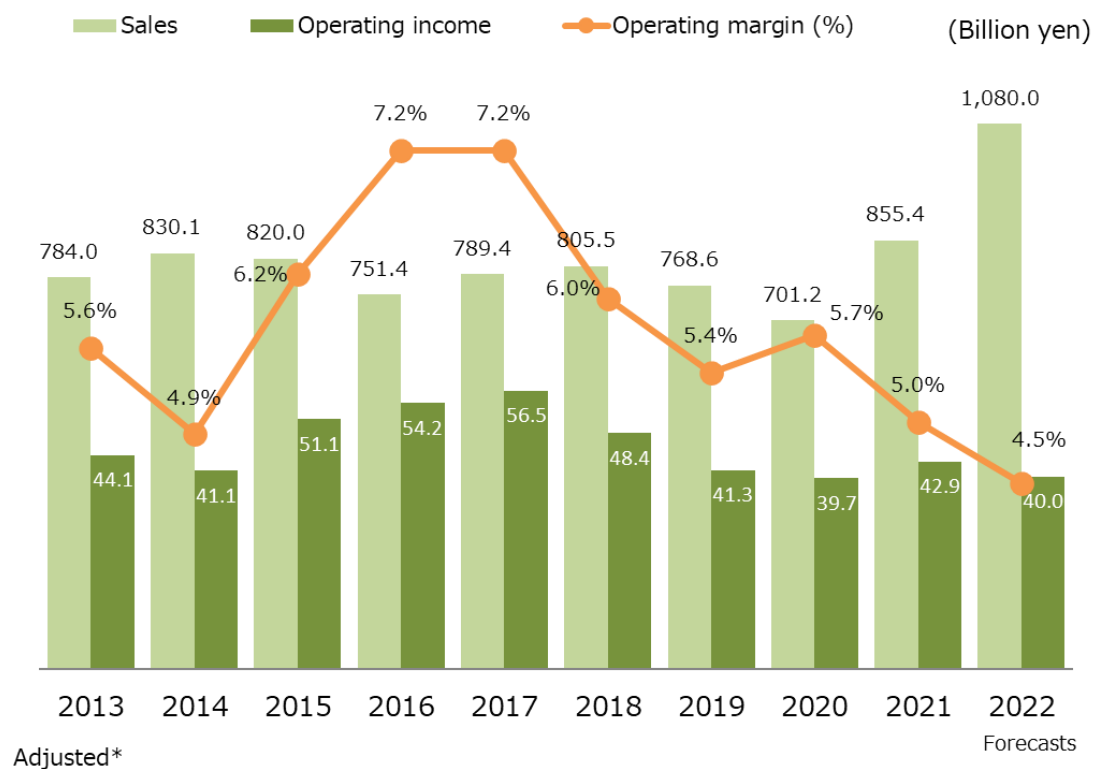
## Consolidated statement of cash flows (Reference)

(Billion yen)	2021 9 Months	2022 9 Months	Change
Cash flows from operating activities	48.3	(19.1)	-67.4
Cash flows from investing activities	(139.5)	(59.9)	79.6
Cash flows from financing activities	207.0	89.1	-117.9
Cash and cash equivalents at end of the period	161.3	67.8	-93.5
<b>Free cash flow</b>	<b>(91.2)</b>	<b>(79.0)</b>	<b>12.2</b>
Increase (decrease) in working capital	(2.7)	(65.5)	-62.9
Capital expenditure and investment	155.3	65.8	-89.6
Depreciation and amortization	27.3	35.4	8.1

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

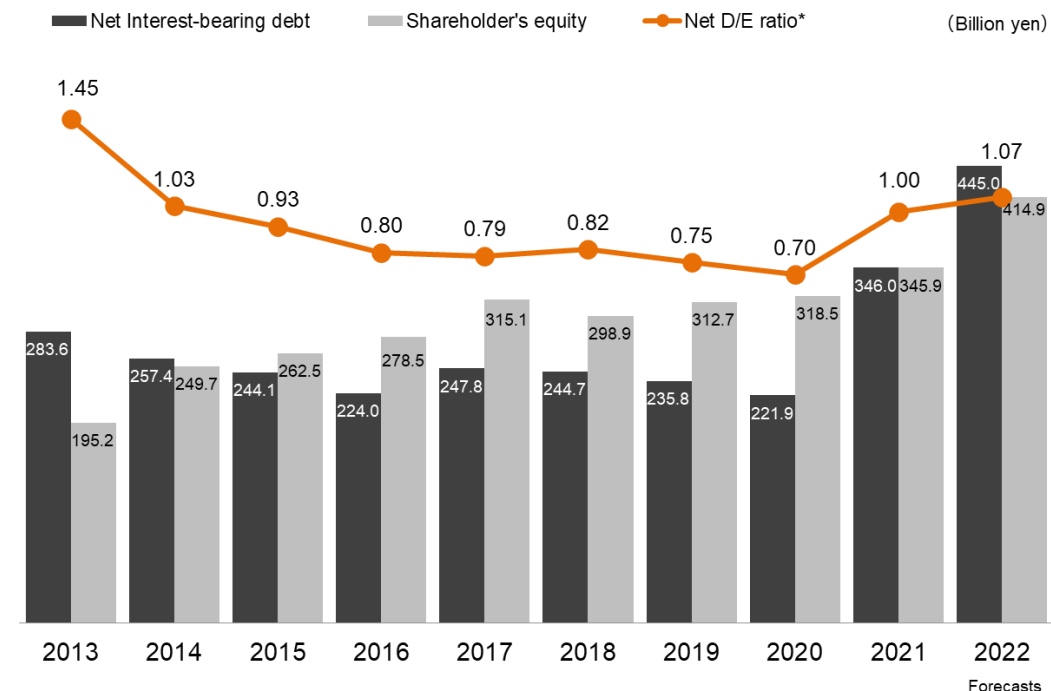
## Historical performance data (Reference)

## Operating results



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

## Financial health

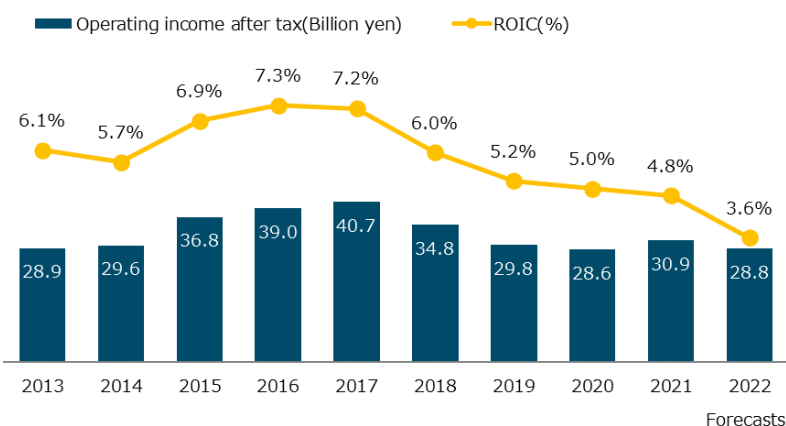


\* Net D/E ratio: Interest-bearing debt / Shareholder's equity

# Historical performance data (Reference)

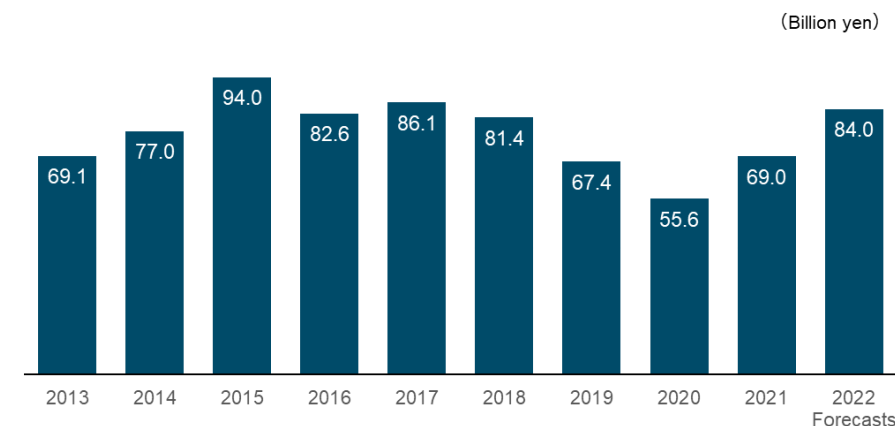
## ROIC\*

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

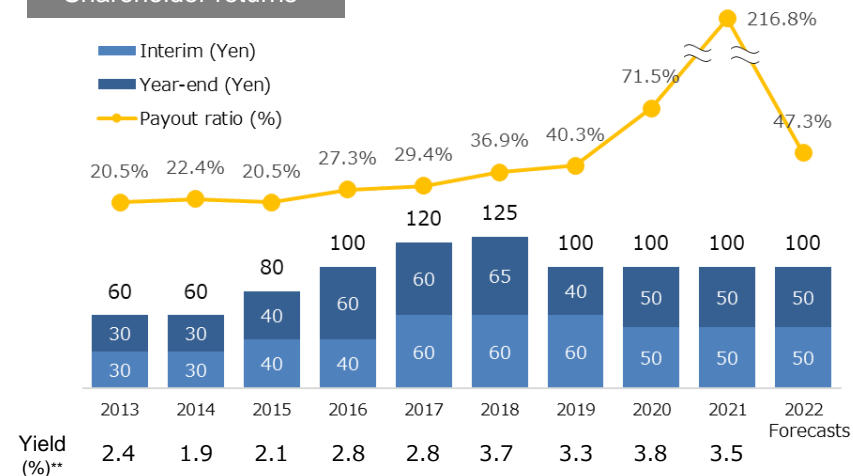


## EBITDA\*

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



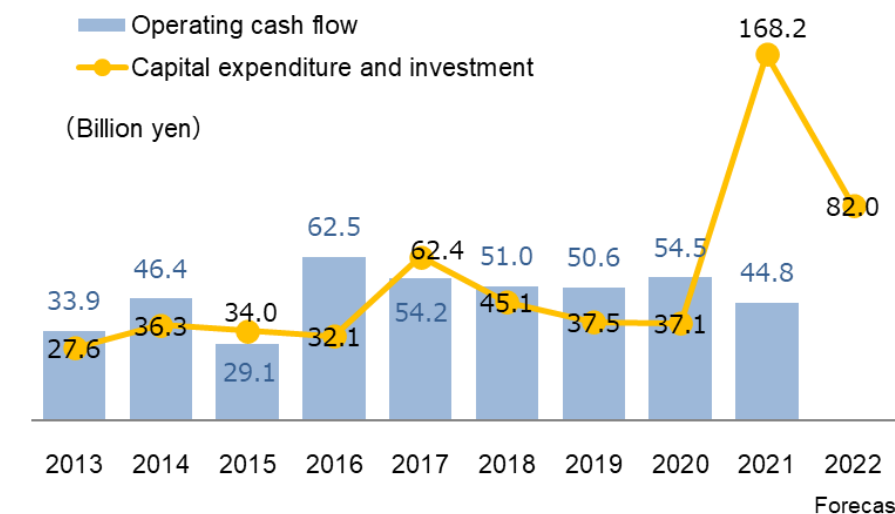
## Shareholder returns\*



\* 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

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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.



Color & Comfort



**DIC Corporation**