

DIC Corporation

Consolidated Financial Results
FY2022: Full-Term Ended December 31

February 2023



FTSE Blossom
Japan



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DIC Corporation

Highlights

FY2022 results

Net sales

¥1,054.2billion

YoY + **23.2%**

Operating income

¥39.7billion

YoY - **7.5%**

- 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 until the second half of fiscal year 2021.
- Operating income decreased. This was despite the progress of efforts to pass on higher costs, particularly for raw materials, by modifying sales prices for many products, and was due largely to a decline in shipments of high-value-added products, notably digital materials and materials used in mobility solutions. The absence of ¥4.0 billion in one-time expenses recorded in the previous fiscal year in association with the integration of the C&E pigments business narrowed the margin of decline.

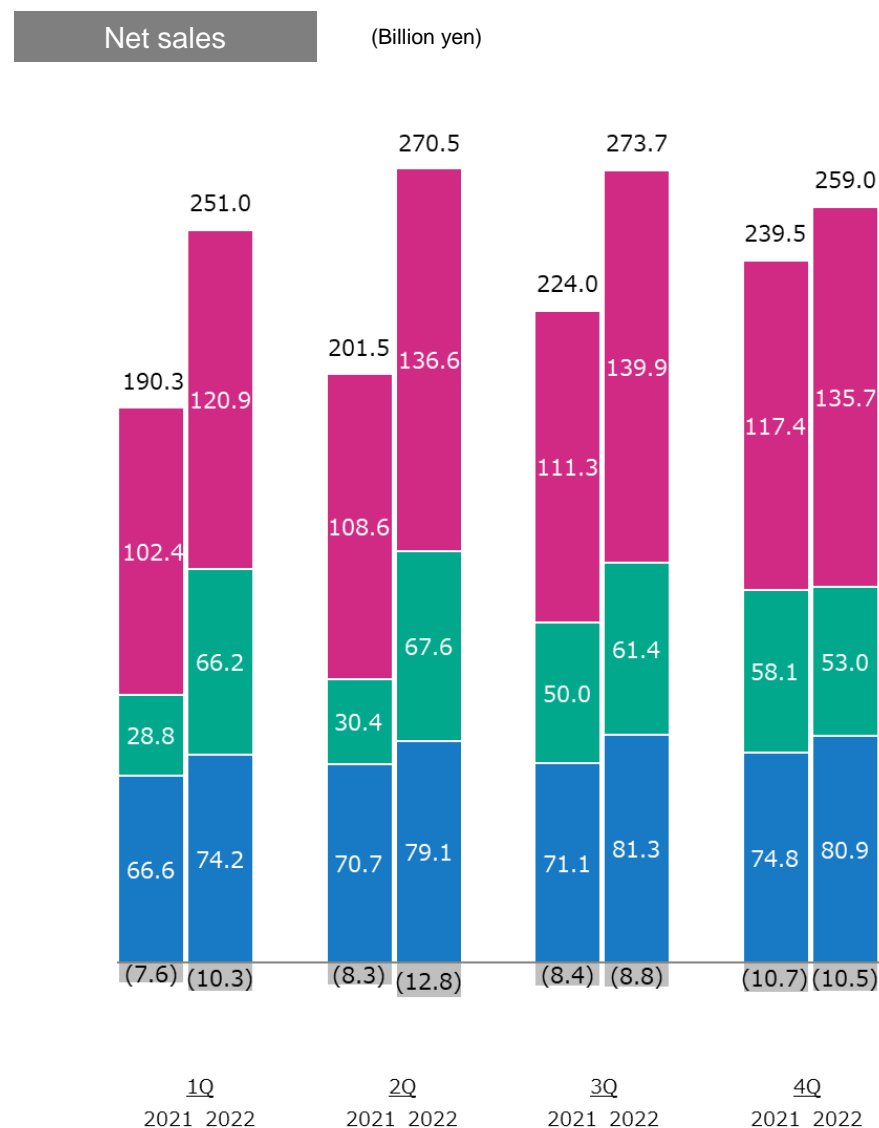
FY2023 forecasts

- Increases in net sales and operating income
- Annual dividends of ¥100 per share
- Full-time forecasts for the fiscal year ending December 31, 2023, are for net sales of ¥1,150.0 billion and operating income of ¥43.0 billion. Both are up from the period under review, owing to a gentle recovery in shipments.
- Annual dividends are forecast to be ¥100 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 fiscal year 2022, ended December 31, 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	Oct-Dec	
+0%	-0%	-4%	-9%	<ul style="list-style-type: none"> 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. In the fourth quarter, the impact of inflation strengthened and the decline in shipments in Europe and the Americas picked up steam.

*Including News inks

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

Jan-Mar	Apr-Jun	Jul-Sep	Oct-Dec	
-5%	-11%	-19%	-28%	<ul style="list-style-type: none"> Shipments in the Europe fell sharply. Customers stepped up inventory adjustments in the fourth quarter, widening the margin of decline. 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.

Functional Products (Performance Materials products*)

Jan-Mar	Apr-Jun	Jul-Sep	Oct-Dec	
-6%	-6%	-5%	-10%	<ul style="list-style-type: none"> 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. Shipments of epoxy resins and other digital materials dropped sharply in the third quarter. The impact of this factor in Japan increased in the fourth quarter.

*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	2022	Change	% Change	% Change on a local currency basis
Net sales	855.4	1,054.2	198.8	+ 23.2%	+ 16.2%
Cost of sales	(678.1)	(855.0)	-176.9		
Selling, general and administrative expenses	(134.4)	(159.5)	-25.1		
Operating income	42.9	39.7	-3.2	-7.5%	-5.1%
Operating margin	5.0%	3.8%	-		
Interest expenses	(1.0)	(2.5)	-1.6		
Equity in earnings (losses) of affiliates	2.9	2.4	-0.6		
Foreign exchange gains (losses)	0.3	0.8	0.5		
Other, net	(1.4)	(0.3)	1.1		
Ordinary income	43.8	39.9	-3.8	-8.7%	—
Extraordinary income	1.3	2.8	1.6		
Extraordinary losses	(12.9)	(7.6)	5.3		
Income before income taxes	32.1	35.2	3.1		
Income taxes	(25.6)	(16.5)	9.1		
Net income	6.5	18.6	12.2		
Net income attributable to non-controlling interests	(2.1)	(1.0)	1.1		
Net income attributable to owners of the parent	4.4	17.6	13.2	+ 303.4%	—
EBITDA*1	69.0	85.5	16.5	+ 23.8%	—

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

Extraordinary income and losses	2021	2022
Extraordinary income		
Settlement income	-	1.1
Gain on sales of non-current assets	0.5	1.0
Gain on sales of investment securities	-	0.4
Insurance income	-	0.3
Gain on sales of shares and investments in capital of subsidiaries and affiliates	0.8	-
Extraordinary losses		
Severance costs	(0.5)	(3.5)
Loss on disposal of non-current assets	(3.1)	(2.4)
Impairment losses	(1.6)	(1.1)
Loss on withdrawal from business	-	(0.6)
Acquisition-related expenses*2	(6.9)	-
Loss on disaster	(0.5)	-
Provision for environmental measures	(0.3)	-

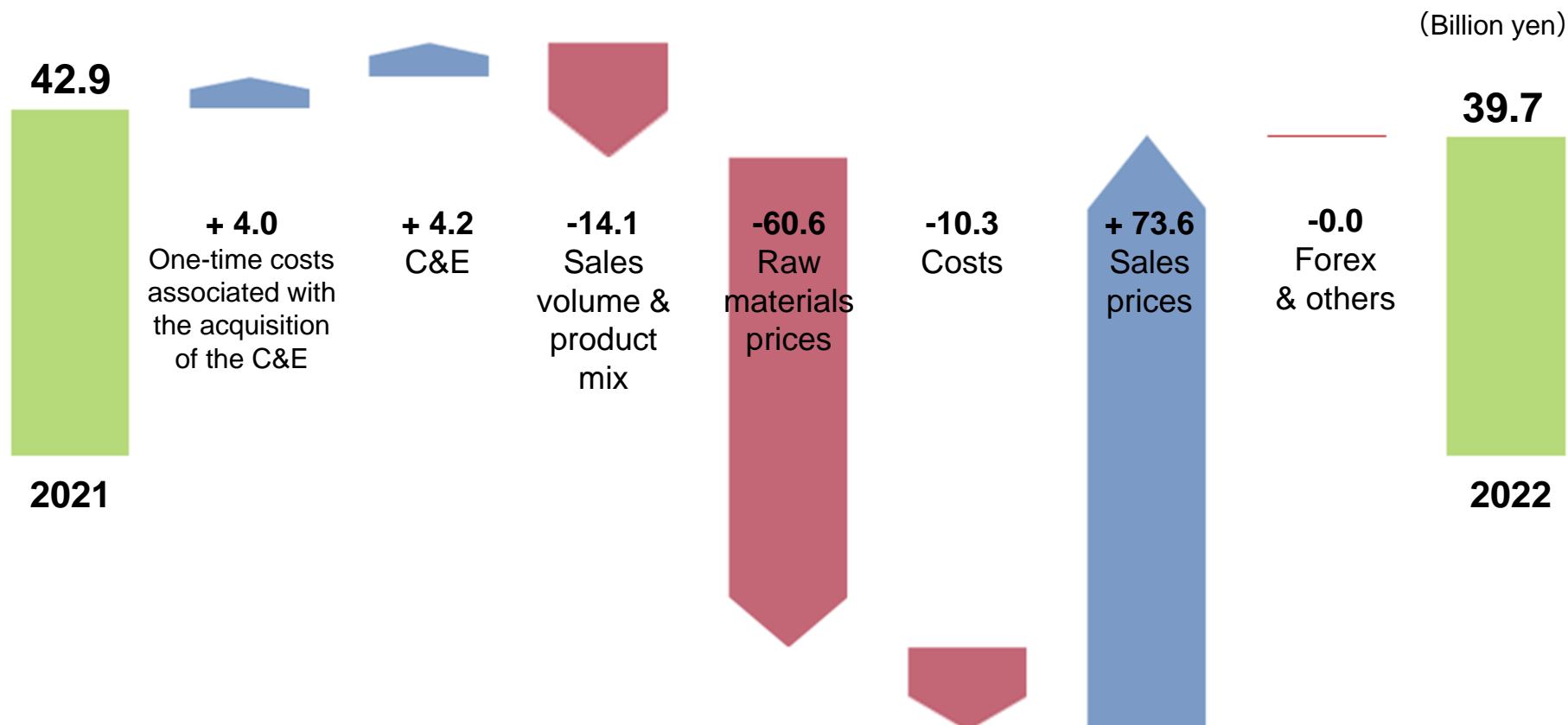
*2Acquisition of the C&E pigments business

■Average rate

	2021	2022
YEN/US\$	109.75	130.59
YEN/EUR	129.73	137.71

Operating income variance

- The absence of ¥4.0 billion in one-time expenses recorded in the previous fiscal year in association with the integration of the C&E pigments business narrowed the margin of decline.
- The C&E pigments business reported a ¥4.2 billion increase in operating income, despite the fact that its shipments were significantly below initial estimates.
- In addition to a decline in overall shipments, results reflected falling shipments of high-value-added products, which caused a deterioration of the sales volume & product mix.
- Operating income decreased, despite efforts to adjust sales prices and reduce costs.



Financial health

(Billion yen)	Dec 31 2021	Dec 31 2022	Change
Net interest-bearing debt	346.0	445.9	100.0
Shareholder's equity	345.9	387.0	41.1
Net D/E ratio *1 (times)	1.00	1.15	
[Net D/C ratio *2]	[47.6%]	[51.4%]	
Equity ratio	32.3%	30.7%	
BPS (Yen)	3,654.61	4,088.60	
ROIC *3	4.8%	3.6%	



- Net interest-bearing debt increased, owing to expanded demand for funds for acquisitions, as well as to the deterioration of working capital, a consequence of higher inventories, which were pushed up by rising raw materials prices.
- Increase attributable to a change in accounting standards requiring lease obligations to be included on the balance sheet: ¥12.0 billion

*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)

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

■Closing rate

	Dec 31 2021	Dec 31 2022
YEN/US\$	115.10	132.63

Segment results

(Billion yen)	Net sales					Operating income					Operating margin	
	2021	2022	Change	% Change	% Change on a local currency basis	2021	2022	Change	% Change	% Change on a local currency basis	2021	2022
Packaging & Graphic	439.8	533.0	93.2	+ 21.2%	+ 14.9%	21.6	20.3	-1.3	-6.0%	+ 0.3%	4.9%	3.8%
Japan	114.7	127.7	13.0	+ 11.4%	+ 11.4%	4.8	4.2	-0.6	-12.6%	-12.6%	4.2%	3.3%
The Americas and Europe	265.1	337.4	72.3	+ 27.3%	+ 19.7%	13.2	12.7	-0.5	-4.1%	+ 7.2%	5.0%	3.8%
Asia and Oceania	73.1	84.1	11.0	+ 15.1%	+ 3.0%	3.8	3.4	-0.4	-9.9%	-17.2%	5.2%	4.1%
Eliminations	(13.0)	(16.2)	-3.2	-	-	(0.2)	(0.0)	0.2	-	-	-	-
Color & Display	167.2	248.2	81.0	+ 48.5%	+ 34.4%	4.0	5.1	1.1	+ 29.1%	+ 37.7%	2.4%	2.1%
Japan	32.6	34.7	2.1	+ 6.5%	+ 6.5%	6.9	4.7	-2.2	-31.6%	-31.6%	21.1%	13.5%
Overseas	145.7	227.1	81.4	+ 55.9%	+ 39.1%	(2.8)	0.3	3.1	Into the black	Into the black	-	0.1%
Eliminations	(11.2)	(13.7)	-2.5	-	-	(0.2)	0.1	0.2	-	-	-	-
Functional Products	283.3	315.4	32.1	+ 11.3%	+ 6.5%	26.2	23.6	-2.6	-9.9%	-13.6%	9.2%	7.5%
Japan	201.3	216.9	15.7	+ 7.8%	+ 7.8%	16.1	14.7	-1.4	-8.9%	-8.9%	8.0%	6.8%
Overseas	108.3	128.8	20.5	+ 18.9%	+ 5.9%	10.1	8.9	-1.1	-11.1%	-20.9%	9.3%	6.9%
Eliminations	(26.3)	(30.3)	-4.0	-	-	0.0	(0.0)	-0.0	-	-	-	-
Others, Corporate and eliminations	(34.9)	(42.4)	-7.5	-	-	(8.9)	(9.4)	-0.5	-	-	-	-
Total	855.4	1,054.2	198.8	+ 23.2%	+ 16.2%	42.9	39.7	-3.2	-7.5%	-5.1%	5.0%	3.8%
YEN/US\$	109.75	130.59		+ 19.0%		109.75	130.59		+ 19.0%			
YEN/EUR	129.73	137.71		+ 6.2%		129.73	137.71		+ 6.2%			

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

Packaging & Graphic

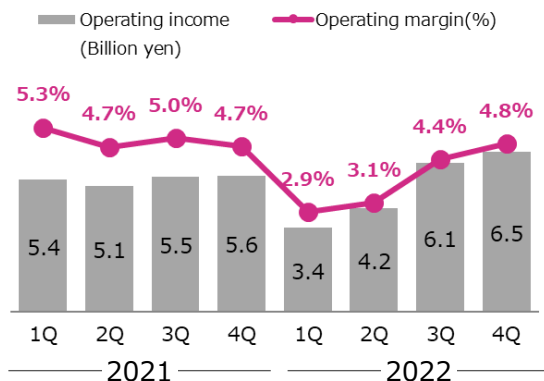
Net sales

Operating income

- Shipments declined primarily in the Americas and Europe, where demand fell amid weakening economic conditions, and in the PRC, where they were hindered by strict restrictions on people's movement. Nonetheless, efforts to modify sales prices to counter high energy, logistics and raw materials costs pushed segment sales up.
- Efforts to pass on higher raw materials costs by adjusting sales prices met with success overseas, mainly in the Americas and Europe, but operating income was hindered by a decline in shipments and the depreciation of emerging market currencies, which pushed down results in those markets after translation.
- 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	2022	Change	% Change	% Change on a local currency basis	2021	2022	Change	% Change	% Change on a local currency basis	2021	2022
Packaging & Graphic	439.8	533.0	93.2	+ 21.2%	+ 14.9%	21.6	20.3	-1.3	-6.0%	+ 0.3%	4.9%	3.8%
Japan	114.7	127.7	13.0	+ 11.4%	+ 11.4%	4.8	4.2	-0.6	-12.6%	-12.6%	4.2%	3.3%
The Americas and Europe	265.1	337.4	72.3	+ 27.3%	+ 19.7%	13.2	12.7	-0.5	-4.1%	+ 7.2%	5.0%	3.8%
Asia and Oceania	73.1	84.1	11.0	+ 15.1%	+ 3.0%	3.8	3.4	-0.4	-9.9%	-17.2%	5.2%	4.1%
Eliminations	(13.0)	(16.2)	-3.2	-	-	(0.2)	(0.0)	0.2	-	-	-	-

Operating income/margin



Sales of principal products

	% Change	
Packaging inks*	+ 18%	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.
Publication inks*	+ 9%	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.
Jet inks	+ 4%	While shipments declined as a result of customer inventory adjustments, sales rose as yen depreciation boosted results denominated in other currencies after translation.
Polystyrene	+ 27%	Rising food prices depressed demand for use in food packaging, but sales soared thanks to efforts to adjust sales prices, which boosted unit prices.
Multilayer films	+ 14%	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

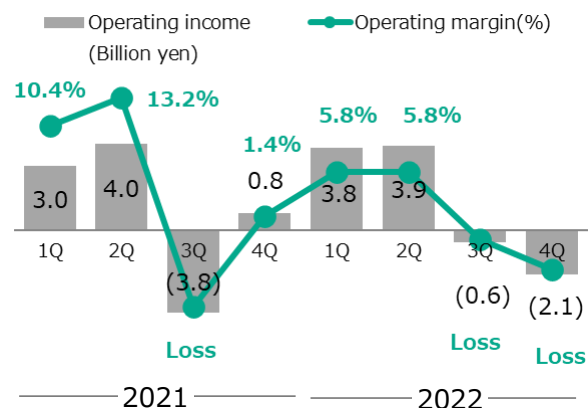
- Owing to the addition of sales from the C&E pigments business, segment sales soared, particularly of pigments for coatings, plastics and cosmetics.
- Shipments of pigments for coatings and plastics slowed, primarily in Europe. Accordingly, discounting the impact of the C&E pigments business, sales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

Operating income

- Overall shipments declined in Europe, owing to waning economic conditions. Shipments of high-value-added products, notably pigments for displays and pigments for specialty applications, also fell.
- Operating income benefited from the absence of ¥4.0 billion in one-time expenses recorded in the previous fiscal year in association with an integration of the C&E pigments business, but growth was limited by mounting energy costs in Europe.

(Billion yen)	Net sales					Operating income					Operating margin	
	2021	2022	Change	% Change	% Change on a local currency basis	2021	2022	Change	% Change	% Change on a local currency basis	2021	2022
Color & Display	167.2	248.2	81.0	+ 48.5%	+ 34.4%	4.0	5.1	1.1	+ 29.1%	+ 37.7%	2.4%	2.1%
Japan	32.6	34.7	2.1	+ 6.5%	+ 6.5%	6.9	4.7	-2.2	-31.6%	-31.6%	21.1%	13.5%
Overseas	145.7	227.1	81.4	+ 55.9%	+ 39.1%	(2.8)	0.3	3.1	Into the black	Into the black	-	0.1%
Eliminations	(11.2)	(13.7)	-2.5	-	-	(0.2)	0.1	0.2	-	-	-	-

Operating income/margin



Sales of principal products

	% Change	
Pigments for coatings	+ 75%	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	+ 53%	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	+ 15%	Sales increased, owing to the addition of sales from the C&E pigments business, but demand softened and price competition intensified.
cosmetics	+ 68%	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	-31%	Shipments plummeted, a consequence of production adjustments by display manufacturers.
specialty applications	+ 24%	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	-7%	Shipments languished, reflecting falling demand in the Americas and Europe.

Color & Display (supplementary information)

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

	Net sales				Operating income			
	2021	2022	Change	% Change	2021	2022	Change	% Change
Color & Display	167.2	248.2	81.0	+ 48.5%	4.0	5.1	1.1	+ 29.1%
Existing Businesses	120.5	112.3	-8.2	-	13.2	6.2	-7.0	-
C&E	46.7	135.9	89.2	-	(5.3)	(1.1)	4.2	-
One-time costs*	-	-	-	-	(4.0)	-	4.0	-

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

- Among existing businesses, the pigments business reported a sharp decline in operating income, owing to dwindling shipments of certain high-value-added products, notably pigments used in displays and pigments for specialty applications, and a decline in overall demand in Europe.
- The liquid crystal (LC) materials business, another existing business, also saw a decline in operating income as shipments dropped sharply from the third quarter forward.
- Owing to flagging demand in Europe for pigments for coatings and plastics, the C&E pigments business saw shipments fall significantly short of initial estimates. This combined with mounting energy costs in Europe to push down operating income.

Functional Products

Net sales

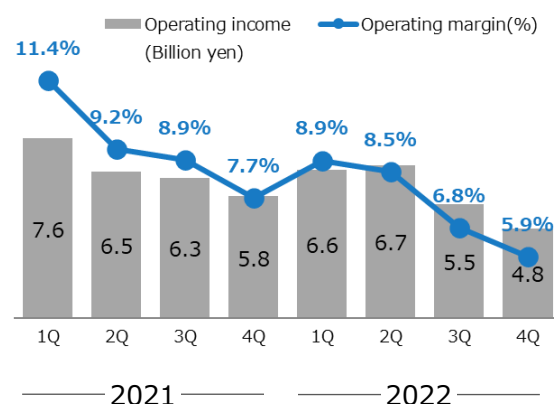
- Shipments decreased, owing to a decline in demand for digital materials, used principally in electrical and electronics equipment and displays, and sluggish conditions in the automobile market due to semiconductor shortages.
- While overall sales volume was down from the previous fiscal year, segment sales rose thanks to efforts to modify sales price in Japan and overseas.

Operating income

- Segment operating income decreased. This was despite headway made in adjusting 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	2022	Change	% Change	% Change on a local currency basis	2021	2022	Change	% Change	% Change on a local currency basis	2021	2022
Functional Products	283.3	315.4	32.1	+ 11.3%	+ 6.5%	26.2	23.6	-2.6	-9.9%	-13.6%	9.2%	7.5%
Japan	201.3	216.9	15.7	+ 7.8%	+ 7.8%	16.1	14.7	-1.4	-8.9%	-8.9%	8.0%	6.8%
Overseas	108.3	128.8	20.5	+ 18.9%	+ 5.9%	10.1	8.9	-1.1	-11.1%	-20.9%	9.3%	6.9%
Eliminations	(26.3)	(30.3)	-4.0	-	-	0.0	(0.0)	-0.0	-	-	-	-

Operating income/margin



Sales of principal products

	% Change		% Change
Epoxy resins	+ 5%	polyphenylene sulfide (PPS) compounds	+ 5%
Urethane resins	+ 4%	Industrial tapes	+ 13%
Acrylic resins*	+ 36%	Hollow-fiber membrane	+ 23%
Waterborne resins*	+ 29%		
Polyester resins*	+ 18%		
UV-curable resins	+ 5%		

In digital materials, sales of industrial tapes and hollow-fiber membrane modules were robust, but shipments of epoxy resins declined dramatically. Sales of polyphenylene sulfide (PPS) compounds expanded, notwithstanding flagging shipments for use in mobility solutions, as a result of rising shipments for applications other than automobiles, including housing equipment.

FY2023 forecasts: Full-term operating results

(Billion yen)

	2022	2023 Forecasts	% Change	% Change on a local currency basis
Net sales	1,054.2	1,150.0	+ 9.1%	+ 9.3%
Operating income	39.7	43.0	+ 8.4%	+ 8.3%
Operating margin	3.8%	3.7%	—	—
Ordinary income	39.9	40.0	+ 0.1%	
Net income attributable to owners of the parent	17.6	20.0	+ 13.6%	
EPS (Yen)	186.05	211.30	—	
EBITDA*1	85.5	87.0	+ 1.8%	
Capital expenditure and investment	85.2	69.2	-18.8%	
Depreciation and amortization	48.8	49.0	+ 0.4%	
Average rate				
YEN/US\$	130.59	130.00	-0.5%	
YEN/EUR	137.71	140.00	+ 1.7%	

	2022	2023 Forecasts
ROIC*2	3.6%	3.6%
Net D/E ratio *3 (times)	1.15	1.09
Annual dividends per share (Yen)	100.0	100.0
Payout ratio	53.7%	47.3%

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

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

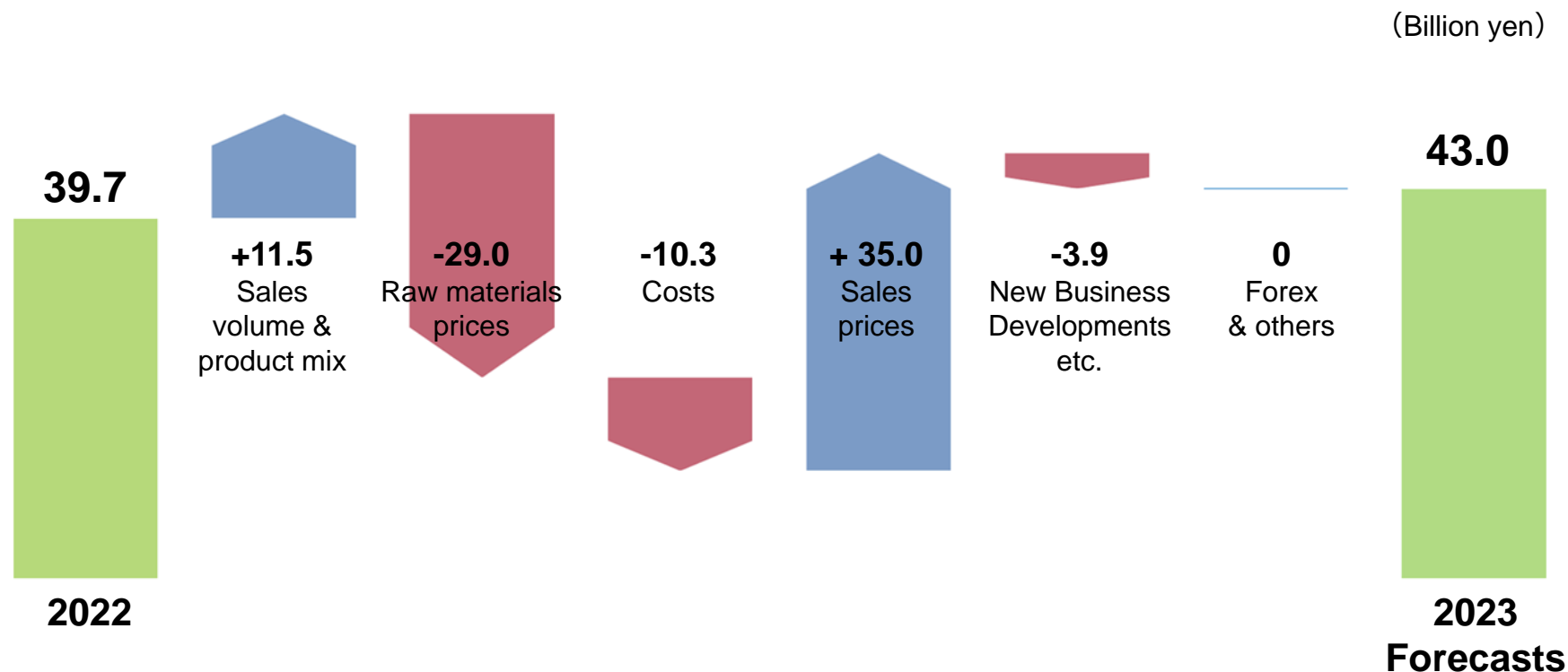
*1 EBITDA: Net income attributable to owners of the parent + Total income taxes + (Interest expenses – Interest income) + Depreciation and amortization

FY2023 forecasts: First half operating results

(Billion yen)		2022 1st Half	2023 1st Half Forecasts	% Change
Net sales		521.4	570.0	+9.3%
Operating income		24.0	19.0	-20.7%
Operating margin		4.6%	3.3%	—
Ordinary income		26.2	17.0	-35.0%
Net income attributable to owners of the parent		14.4	7.0	-51.4%
EPS (Yen)		152.03	73.95	—
Average rate	YEN/US\$	123.25	130.00	+5.5%
	YEN/EUR	134.89	140.00	+3.8%

FY2023 forecasts : Operating income variance

- Shipments, which declined in fiscal year 2022 due to flagging economic conditions, are expected to recover to a certain extent as inventory adjustments taper in markets, but the recovery is expected to be gradual.
- Forecasts published on February 14, 2023, assume a West Texas Intermediate (WTI) crude oil price of \$80–\$90/barrel. Given the time lag before this price is reflected in raw materials prices worldwide, the impact of lower raw materials prices will likely be gradual.
- Energy costs are expected to continue rising in Japan and inflation is expected to further drive up costs. In this context, the Company will strive to maintain profitability by advancing appropriate sales price controls.
- To achieve the targets of DIC Vision 2030, DIC will promote the steady transformation of its business portfolio and has incorporated costs necessary to create new businesses and upgrade its management infrastructure into its forecasts.



FY2023 forecasts: Full-term segment results

(Billion yen)	Net sales					Operating income					Operating margin	
	2022	2023 Forecast	Change	% Change	% Change on a local currency basis	2022	2023 Forecast	Change	% Change	% Change on a local currency basis	2022	2023 Forecast
Packaging & Graphic	533.0	569.9	36.9	+ 6.9%	+ 7.0%	20.3	21.5	1.1	+ 5.7%	+ 5.6%	3.8%	3.8%
Japan	127.7	131.7	4.0	+ 3.1%	+ 3.1%	4.2	4.7	0.5	+ 11.3%	+ 11.3%	3.3%	3.6%
The Americas and Europe	337.4	360.6	23.2	+ 6.9%	+ 7.4%	12.7	12.3	-0.4	-3.3%	-3.4%	3.8%	3.4%
Asia and Oceania	84.1	94.5	10.3	+ 12.3%	+ 10.9%	3.4	4.5	1.1	+ 31.4%	+ 30.9%	4.1%	4.8%
Eliminations	(16.2)	(16.9)	-0.7	-	-	(0.0)	0.0	0.0	-	-	-	-
Color & Display	248.2	282.3	34.1	+ 13.8%	+ 14.2%	5.1	9.3	4.2	+ 83.3%	+ 83.2%	2.1%	3.3%
Japan	34.7	36.9	2.1	+ 6.1%	+ 6.1%	4.7	5.8	1.0	+ 22.2%	+ 22.2%	13.5%	15.6%
Overseas	227.1	261.5	34.4	+ 15.1%	+ 15.6%	0.3	3.6	3.3	+ 981.3%	+ 997.9%	0.1%	1.4%
Eliminations	(13.7)	(16.0)	-2.3	-	-	0.1	0.0	-0.1	-	-	-	-
Functional Products	315.4	349.3	33.9	+ 10.8%	+ 10.9%	23.6	25.3	1.7	+ 7.2%	+ 7.2%	7.5%	7.2%
Japan	216.9	226.9	9.9	+ 4.6%	+ 4.6%	14.7	16.0	1.3	+ 8.7%	+ 8.7%	6.8%	7.0%
Overseas	128.8	150.3	21.5	+ 16.7%	+ 16.9%	8.9	9.3	0.4	+ 4.6%	+ 4.7%	6.9%	6.2%
Eliminations	(30.3)	(27.8)	2.5	-	-	(0.0)	0.0	0.0	-	-	-	-
Others, Corporate and eliminations	(42.4)	(51.5)	-9.1	-	-	(9.4)	(13.1)	-3.8	-	-	-	-
Total	1,054.2	1,150.0	95.8	+ 9.1%	+ 9.3%	39.7	43.0	3.3	+ 8.4%	+ 8.3%	3.8%	3.7%
YEN/US\$	130.59	130.00		-0.5%		130.59	130.00		-0.5%			
YEN/EUR	137.71	140.00		+ 1.7%		137.71	140.00		+ 1.7%			

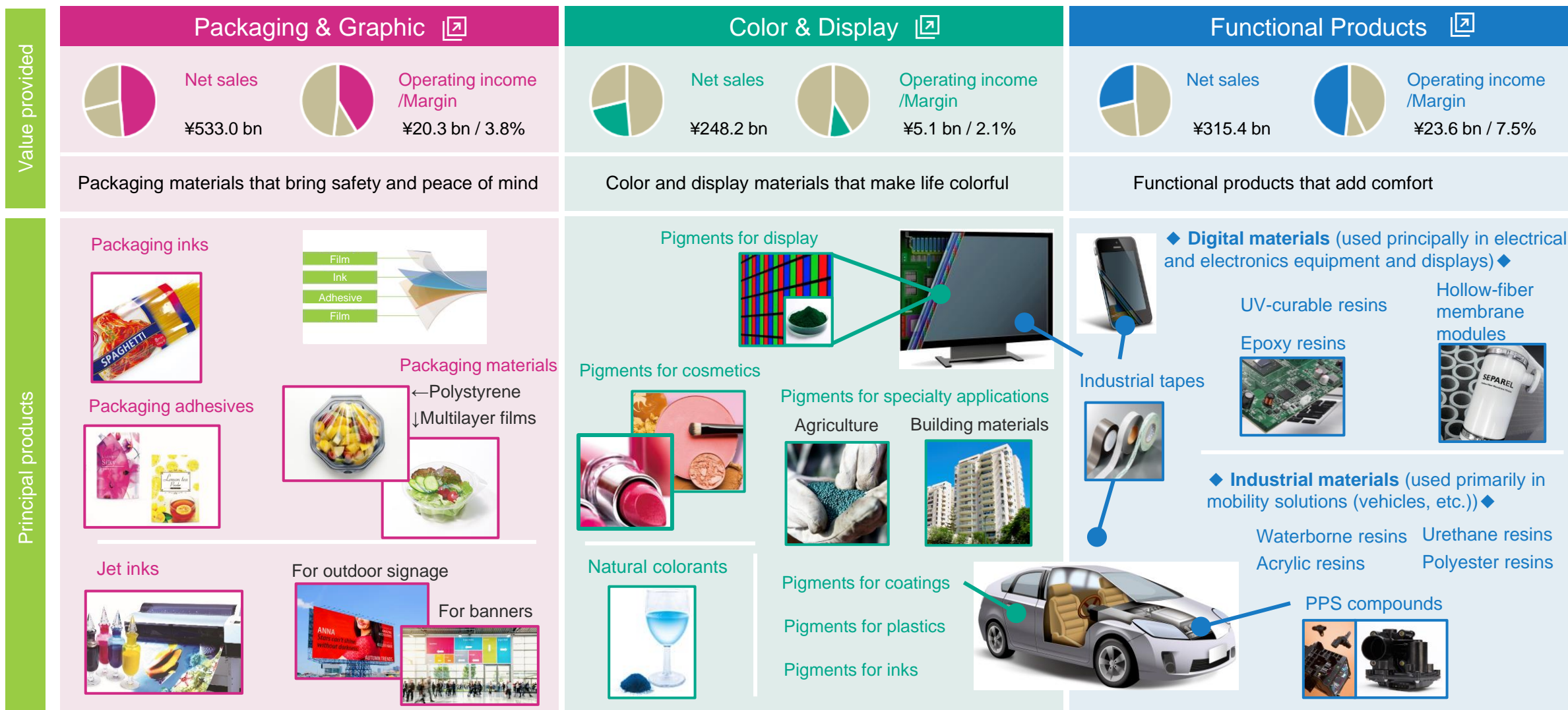
Major topics (October 2022 to February 2023)

News Releases
<https://www.dic-global.com/en/news/2023/>

- | | |
|-----|---|
| Nov | <p>DIC commences sales in Japan of UltraNanno™, a microalgae fish feed for use in aquaculture, from Vaxa Technologies Ltd. of Israel in the Japanese market.</p> <ul style="list-style-type: none"> • Supplying this high-quality, sustainable microalgae product for early-stage feeding will enable DIC to contribute to the stable cultivation of juvenile fish. |
| Nov | <p>DIC establishes the DIC Human Sensitivity Lab, a facility that promotes the creation of businesses that foster harmony between people and the earth by illuminating the human senses and sensibilities.</p> |
| Nov | <p>DIC earns Digital Transformation Certification from Japan's Ministry of Economy, Trade and Industry.</p> |
| Dec | <p>DIC is selected for inclusion in the Dow Jones Sustainability Indices (DJSI) Asia Pacific Index, a leading benchmark for sustainability initiatives, for the eighth consecutive year.</p> |
| Jan | <p>DIC launches skincare brand fillwith, which is marketed as an aesthetically appealing brand of products that both please users' sensibilities and benefit their skin.</p> <ul style="list-style-type: none"> • This new brand of skincare products contains SACRAN™,* a macromolecular polysaccharide extracted from Suizenji nori, for which DIC succeeded in establishing the world's first indoor mass cultivation technology. <p>* SACRAN™ is a registered trademark of Green Science Materials Inc. (GSM).</p> |
| Feb | <p>DIC announces a business alliance with Sakata Inx Corporation.</p> <ul style="list-style-type: none"> • The two companies will seek to effectively use their respective production and distribution facilities in the domestic commercial offset and news inks businesses. They will also explore working together in other areas, including efficient product delivery, a partial production alliance and business continuity planning. |

Business segments and principal products

Note: Fiscal year 2022 actual



Consolidated balance sheet (Reference)

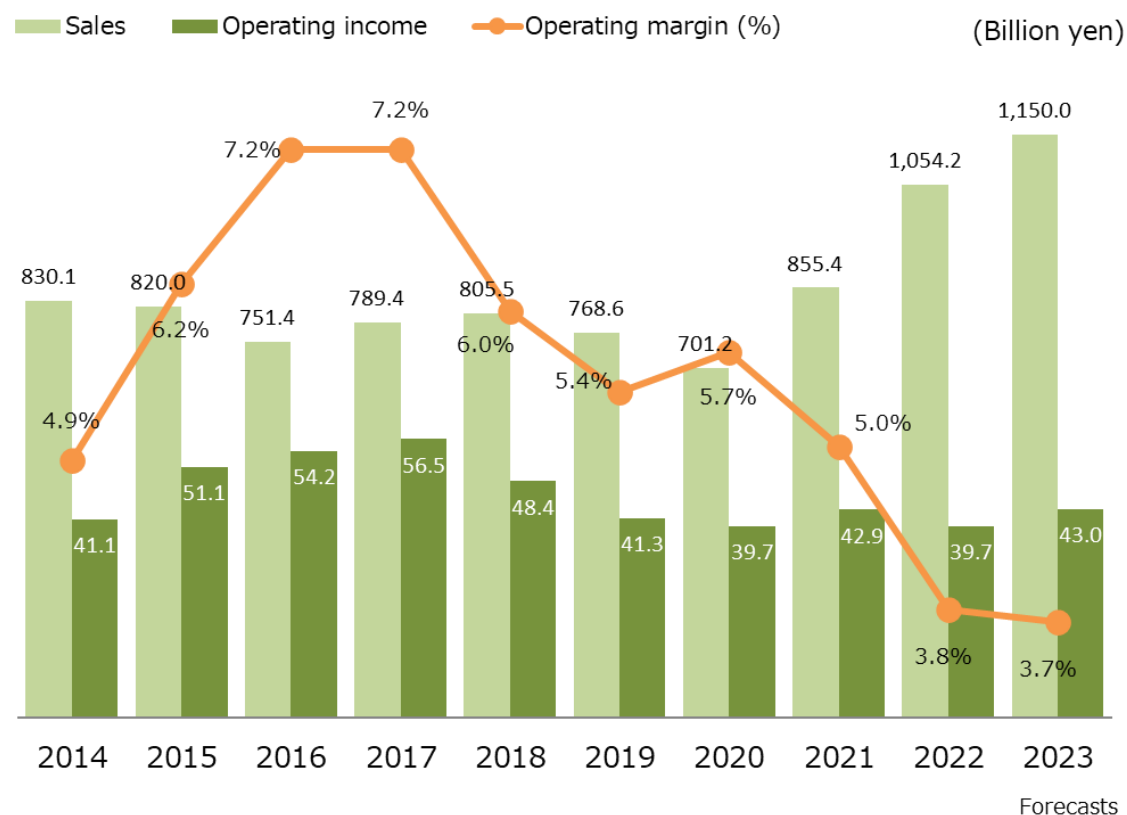
(Billion yen)	Dec 31 2021	Dec 31 2022	Change
Current assets	542.1	660.0	117.9
Property, plant and equipment	307.7	353.5	45.9
Intangible assets	52.3	78.8	26.5
Investments and other assets	169.4	169.4	0.0
Total assets	1,071.5	1,261.6	190.2
Current liabilities	305.6	389.9	84.3
Non-current liabilities	384.9	450.7	65.8
Total liabilities	690.5	840.5	150.1
Shareholders' equity	403.9	411.8	7.9
Accumulated other comprehensive income	(58.0)	(24.8)	33.2
[Foreign currency translation adjustment]	[(55.5)]	[(17.3)]	[38.2]
Non-controlling interests	35.1	34.1	-1.0
Total net assets	381.0	421.1	40.1
Total liabilities and net assets	1,071.5	1,261.6	190.2
Interest-bearing debt	384.2	509.3	125.1
Cash and deposits	38.3	63.4	25.1
Net interest-bearing debt	346.0	445.9	100.0

Consolidated statement of cash flows (Reference)

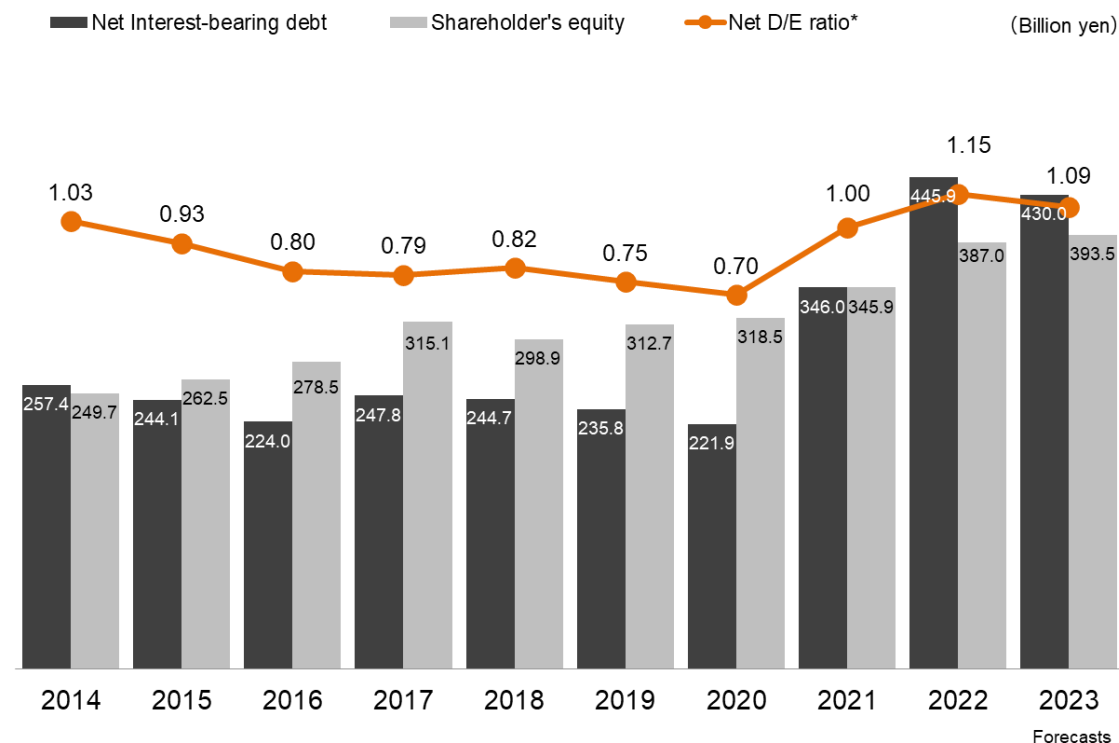
(Billion yen)	2021	2022	Change
Cash flows from operating activities	44.8	12.0	-32.8
Cash flows from investing activities	(147.6)	(77.3)	70.4
Cash flows from financing activities	99.5	83.9	-15.6
Cash and cash equivalents at end of the period	37.6	62.6	25.0
Free cash flow	(102.8)	(65.2)	37.6
Increase (decrease) in working capital	(16.1)	(52.0)	-35.9
Capital expenditure and investment	168.2	85.2	-83.0
Depreciation and amortization	38.1	48.8	10.7

Historical performance data (Reference)

Operating results



Financial health

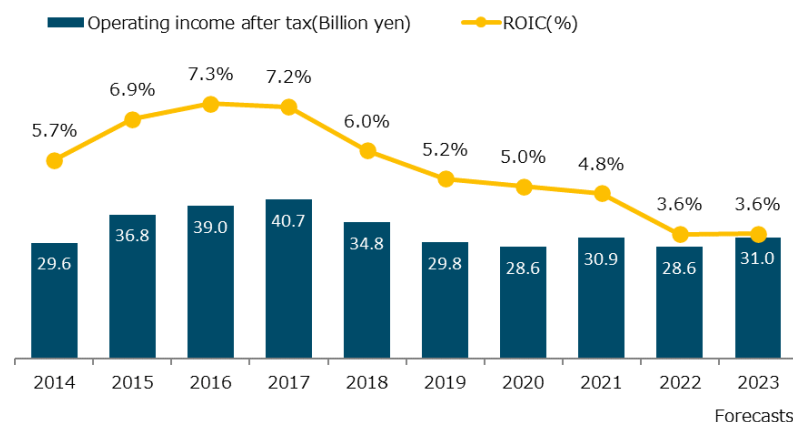


* Net D/E ratio: Interest-bearing debt / Shareholder's equity

Historical performance data (Reference)

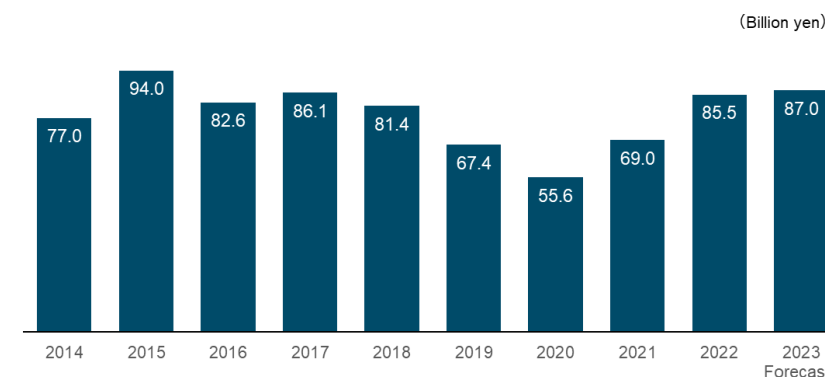
ROIC*

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

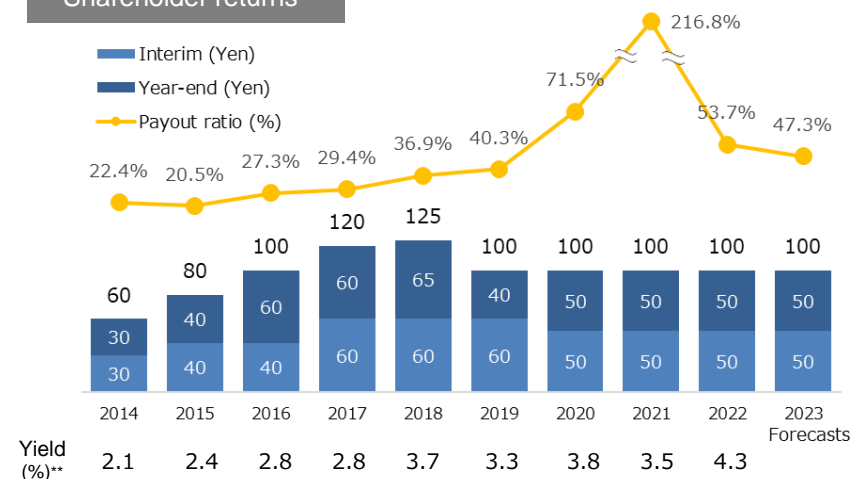


EBITDA*

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



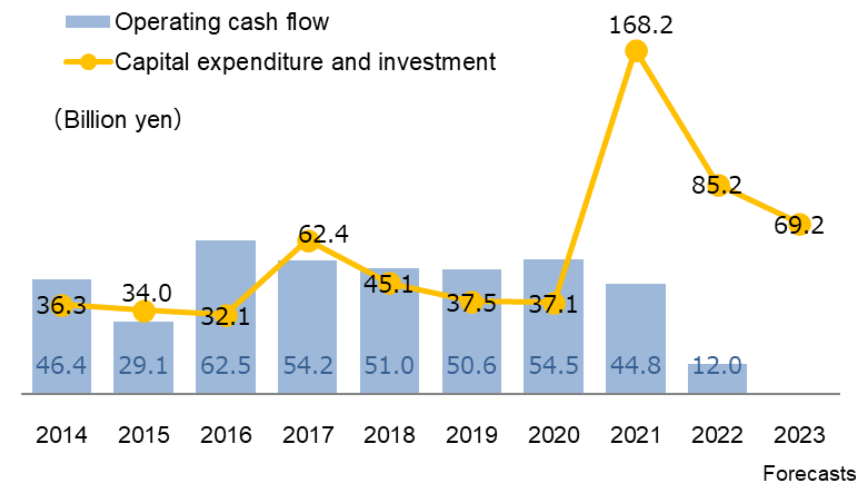
Shareholder returns*



* 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.



Color & Comfort



DIC Corporation