

4631.T : Tokyo Stock Exchange



DIC Corporation

Consolidated Financial Results FY2019: Six Months Ended June 30

August 2019

Color & Comfort



Highlights

FY2019 six months results

- Net sales slipped. Owing to the impact of slowing global economic growth, shipments sank in a wide range of businesses, centering on materials used in electrical and electronics equipment and in automobiles.
- Operating income declined sharply. In addition to falling shipments, particularly of high-value-added products, results were pushed down by flagging sales prices for some products and a decline in results overseas after translation, a consequence of yen appreciation.
- Although prices for certain raw materials remained high, the impact turned from negative in 1Q (January to March) to positive in 2Q (April to June), in line with initial expectations. Nonetheless, the positive impact did not reach the level anticipated as a result of the fall shipments.

Operating results forecasts

- In light of its performance in the first six months of fiscal year 2019, DIC has revised its full-year operating results forecasts down.
- Profitability is expected to recover, particularly for high-value-added products.

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 six months of fiscal year 2019, ended June 30, 2019.

Summary of financial results

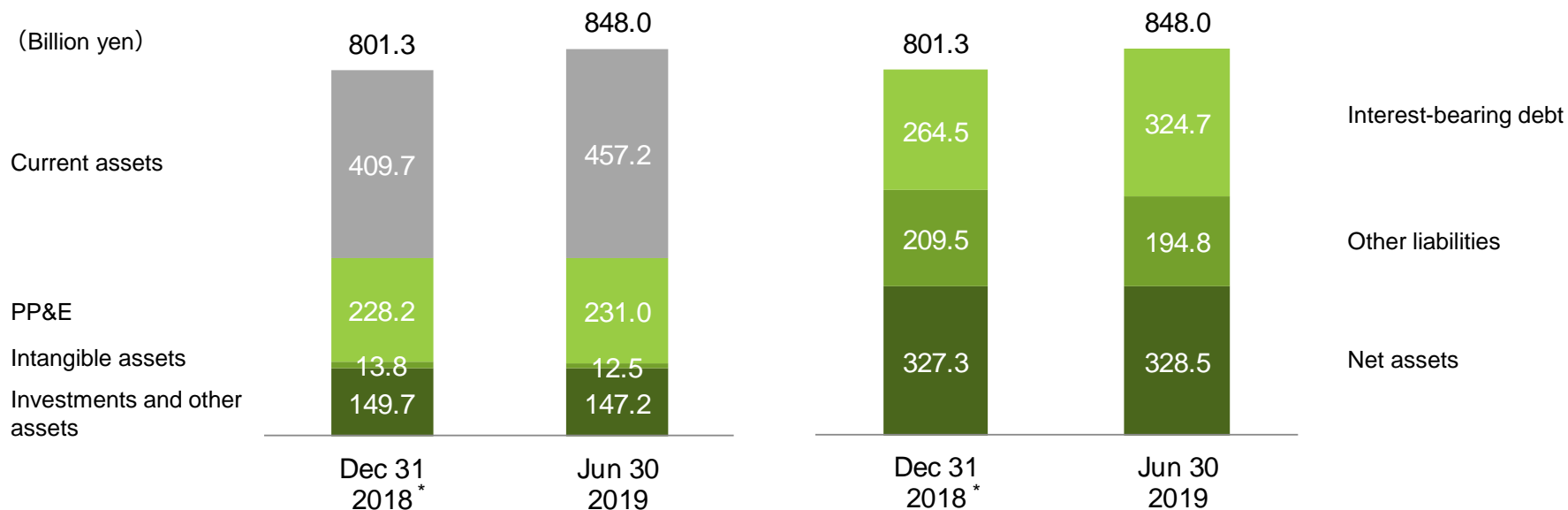
(Billion yen)	2018 6 Months	2019 6 Months	% Change	% Change on a local currency basis
Net sales	398.8	385.0	-3.5%	-0.2%
Operating income	24.3	18.4	-24.4%	-18.3%
Operating margin	6.1%	4.8%	—	—
Ordinary income	24.5	19.0	-22.4%	—
Net income*	14.9	13.1	-11.9%	—
EPS (Yen)	157.48	138.73	—	—
EBITDA**	38.7	33.7	-13.1%	—
Average rate	YEN/USD	109.04	109.83	+0.7%
	YEN/EUR	131.98	124.05	-6.0%

* 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

Financial health

Balance sheet



Financial health

(Billion yen)	Dec 31 2018	Jun 30 2019	Change
Interest-bearing debt	264.5	324.7	60.2
Net interest-bearing debt	244.7	264.4	19.7
D/C ratio **	44.7%	49.7%	
Equity ratio *	37.3%	35.2%	
BPS (Yen)	3,158.05	3,155.23	
Closing rate (YEN/USD)	110.39	107.71	

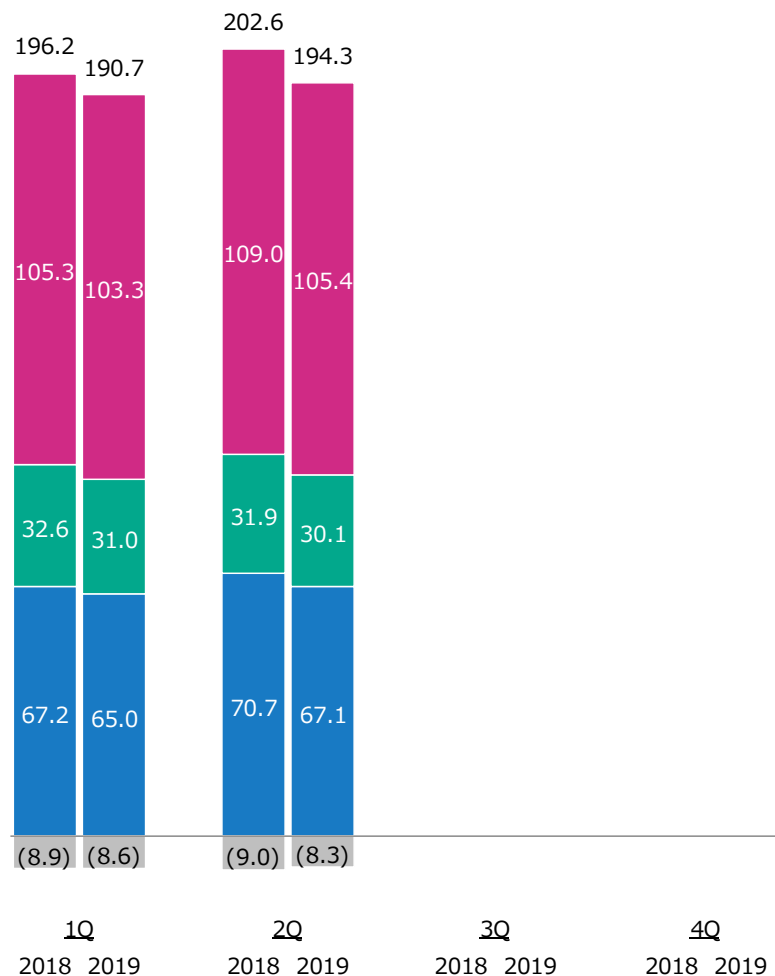
* Owing to a partial revision of the accounting standard for tax effect accounting effective from fiscal year 2019, year-end figures for fiscal year 2018 have been restated.

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

Quarterly trends in segment results (Reference)

Net sales

(Billion yen)

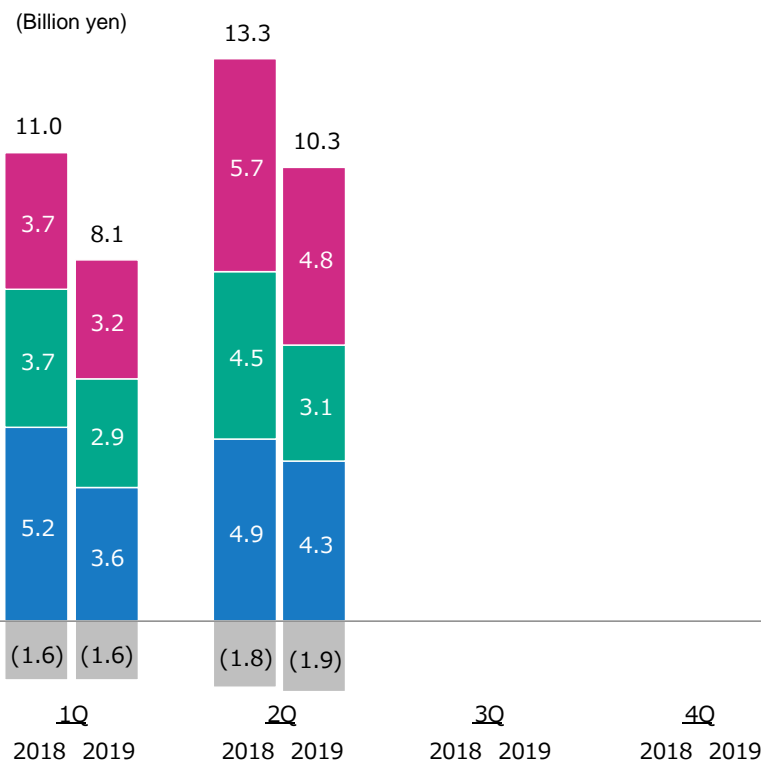


Operating income

Progress rate as per the full-year operating income forecasts

	3M	6M	9M	FY
2019 (%)	18.8	42.8		
2018 (%)	21.6	47.7	71.4	94.9

Note: Full-year forecasts have been revised (See P.13)



Note: Effective from fiscal year 2019, DIC revised its segmentation in line with organizational amendments set forth in its medium-term management plan, DIC 111.

Segment results

(Billion yen)	Net sales					Operating income					Operating margin	
	2018 6 Months	2019 6 Months	Change	% Change	% Change on a local currency basis	2018 6 Months	2019 6 Months	Change	% Change	% Change on a local currency basis	2018 6 Months	2019 6 Months
Packaging & Graphic	214.3	208.7	-5.6	-2.6%	+ 2.2%	9.4	8.0	-1.4	-14.8%	-1.0%	4.4%	3.8%
Japan	59.1	57.2	-1.9	-3.2%	-3.2%	3.1	3.0	-0.1	-4.9%	-4.9%	5.3%	5.2%
The Americas and Europe	127.0	123.5	-3.5	-2.7%	+ 4.5%	4.9	3.3	-1.6	-33.1%	-8.7%	3.9%	2.7%
Asia and Oceania	34.4	33.6	-0.8	-2.3%	+ 2.0%	1.3	1.7	0.4	+ 30.7%	+ 35.0%	3.7%	5.0%
Eliminations	(6.2)	(5.7)	0.5	-	-	0.0	0.0	-0.0	-	-	-	-
Color & Display	64.5	61.1	-3.4	-5.2%	-3.5%	8.2	6.0	-2.2	-26.9%	-24.4%	12.8%	9.8%
Japan	17.7	15.6	-2.1	-12.2%	-12.2%	3.6	2.6	-1.0	-26.2%	-26.2%	20.1%	16.9%
Overseas	53.3	51.0	-2.3	-4.3%	-1.9%	4.7	3.4	-1.3	-27.4%	-22.9%	8.7%	6.6%
Eliminations	(6.5)	(5.5)	1.0	-	-	0.0	0.0	-0.0	-	-	-	-
Functional Products	137.9	132.1	-5.8	-4.2%	-3.1%	10.1	7.9	-2.2	-21.7%	-20.8%	7.3%	6.0%
Japan	101.0	98.1	-2.9	-2.9%	-2.9%	6.7	4.7	-2.0	-30.4%	-30.4%	6.6%	4.7%
Overseas	50.0	45.4	-4.6	-9.1%	-6.1%	3.4	3.2	-0.2	-6.4%	-3.2%	6.8%	7.0%
Eliminations	(13.2)	(11.5)	1.7	-	-	0.0	0.1	0.1	-	-	-	-
Others, Corporate and eliminations	(17.9)	(16.9)	1.0	-	-	(3.4)	(3.5)	-0.1	-	-	-	-
Total	398.8	385.0	-13.8	-3.5%	-0.2%	24.3	18.4	-5.9	-24.4%	-18.3%	6.1%	4.8%
YEN/USD	109.04	109.83		+ 0.7%		109.04	109.83		+ 0.7%			
YEN/EUR	131.98	124.05		-6.0%		131.98	124.05		-6.0%			

Note: Effective from fiscal year 2019, DIC revised its segmentation in line with organizational amendments set forth in its medium-term management plan, DIC 111. Results for fiscal year 2018 have been restated to reflect these revisions. For more information, please see page 18.

Medium-term management plan, DIC111
<http://www.dic-global.com/en/ir/plan.html>



Packaging & Graphic

Net sales

- Although segment sales were up 2.2% on a local currency basis, the depreciation of the euro and emerging economy currencies led to a decrease after translation into yen.
- Sales of packaging inks were firm, despite slowing economic growth.

Operating income

- Notwithstanding the revision of sales prices, the negative impact of rising raw materials prices persisted, particularly on publication inks.
- The weakness of the euro and emerging economy currencies also had a significant negative influence after translation into yen.

(Billion yen)	Net sales					Operating income					Operating margin	
	2018 6 Months	2019 6 Months	Change	% Change	% Change on a local currency basis	2018 6 Months	2019 6 Months	Change	% Change	% Change on a local currency basis	2018 6 Months	2019 6 Months
Packaging & Graphic	214.3	208.7	-5.6	-2.6%	+ 2.2%	9.4	8.0	-1.4	-14.8%	-1.0%	4.4%	3.8%
Japan	59.1	57.2	-1.9	-3.2%	-3.2%	3.1	3.0	-0.1	-4.9%	-4.9%	5.3%	5.2%
The Americas and Europe	127.0	123.5	-3.5	-2.7%	+ 4.5%	4.9	3.3	-1.6	-33.1%	-8.7%	3.9%	2.7%
Asia and Oceania	34.4	33.6	-0.8	-2.3%	+ 2.0%	1.3	1.7	0.4	+ 30.7%	+ 35.0%	3.7%	5.0%
Eliminations	(6.2)	(5.7)	0.5	-	-	0.0	0.0	-0.0	-	-	-	-

Sales of principal products

(Billion yen)	% Change	
Packaging inks*	+ 2%	Sales increased, particularly in emerging economies in Asia and South America.
Publication inks*	-5%	Sales were down in all regions.
Jet inks	+ 18%	
Polystyrene	-9%	Sales languished, despite an increase in shipments, as declining raw materials prices prompted the reduction of sales prices.
Multilayer films	+ 1%	

*Change on a local currency basis

Color & Display

Net sales

- Shipments of functional pigments were firm, but shipments of general-purpose pigments flagged.
- Sales prices for thin-film transistor liquid crystals (TFT LCs) declined, reflecting increasingly intense competition.

Operating income

- Segment operating income declined. Contributing factors included sales price reductions for TFT LCs and waning shipments of general-purpose pigments.
- Operating income was also constrained by the tightening of environmental regulations in China and by raw materials price increases resulting from trade friction.

(Billion yen)	Net sales					Operating income					Operating margin	
	2018 6 Months	2019 6 Months	Change	% Change	% Change on a local currency basis	2018 6 Months	2019 6 Months	Change	% Change	% Change on a local currency basis	2018 6 Months	2019 6 Months
Color & Display	64.5	61.1	-3.4	-5.2%	-3.5%	8.2	6.0	-2.2	-26.9%	-24.4%	12.8%	9.8%
Japan	17.7	15.6	-2.1	-12.2%	-12.2%	3.6	2.6	-1.0	-26.2%	-26.2%	20.1%	16.9%
Overseas	53.3	51.0	-2.3	-4.3%	-1.9%	4.7	3.4	-1.3	-27.4%	-22.9%	8.7%	6.6%
Eliminations	(6.5)	(5.5)	1.0	-	-	0.0	0.0	-0.0	-	-	-	-

Sales of principal products

(Billion yen)	% Change	
General-purpose pigments	-8%	Sales declined, owing to flagging demand for use in inks.
Functional pigments	+ 8%	Sales of pigments for color filters and cosmetics were up.
Liquid crystal (LC) materials	-21%	Despite steady shipments, sales declined, hindered by sagging sales prices.
Health foods	+ 1%	

Functional Products

Net sales

- Flagging economic conditions pushed down sales across multiple product categories.

Operating income

- Operating income fell. Efforts to revise sales prices that began in fiscal year 2018 yielded results, but were insufficient to offset dwindling shipments of epoxy resins and other high-value-added products and rising distribution and utilities costs, resulting in a substantial decline.

(Billion yen)	Net sales					Operating income					Operating margin	
	2018 6 Months	2019 6 Months	Change	% Change	% Change on a local currency basis	2018 6 Months	2019 6 Months	Change	% Change	% Change on a local currency basis	2018 6 Months	2019 6 Months
Functional Products	137.9	132.1	-5.8	-4.2%	-3.1%	10.1	7.9	-2.2	-21.7%	-20.8%	7.3%	6.0%
Japan	101.0	98.1	-2.9	-2.9%	-2.9%	6.7	4.7	-2.0	-30.4%	-30.4%	6.6%	4.7%
Overseas	50.0	45.4	-4.6	-9.1%	-6.1%	3.4	3.2	-0.2	-6.4%	-3.2%	6.8%	7.0%
Eliminations	(13.2)	(11.5)	1.7	-	-	0.0	0.1	0.1	-	-	-	-

Sales of principal products

(Billion yen)	% Change	
Environment-friendly resins*	-4%	Sales were down, owing to sluggish shipments, particularly in China.
Epoxy resins	-10%	Sales declined, reflecting dwindling shipments for electrical and electronics equipment.
Polyphenylene sulfide (PPS) compounds	-2%	Shipments remained low, reflecting a downtrend in automobile production worldwide.
Industrial tapes	-13%	Sales for mobile communications devices were pushed down by flagging economic conditions.
Hollow-fiber membrane modules	-16%	Shipments for use in semiconductors were down.

* Waterborne, UV-curable resins, polyester resins, acrylic resins, urethane resins

Consolidated balance sheet

(Billion yen)	Dec 31 2018 *	Jun 30 2019	Change
Current assets	409.7	457.2	47.6
Property, plant and equipment	228.2	231.0	2.9
Intangible assets	13.8	12.5	-1.3
Investments and other assets	149.7	147.2	-2.5
Total assets	801.3	848.0	46.7
Current liabilities	255.6	272.7	17.1
Non-current liabilities	218.4	246.8	28.4
Total liabilities	474.0	519.5	45.5
Shareholders' equity	396.6	402.7	6.1
Accumulated other comprehensive income	(97.7)	(104.1)	-6.4
[Foreign currency translation adjustment]	[(67.6)]	[(75.3)]	[-7.7]
Non-controlling interests	28.4	29.9	1.5
Total net assets	327.3	328.5	1.2
Total liabilities and net assets	801.3	848.0	46.7
Closing rate (YEN/USD)	110.39	107.71	
Shareholders' equity to total assets	37.3%	35.2%	
Interest-bearing debt	264.5	324.7	60.2
Cash and deposits	19.8	60.3	40.5

* Owing to a partial revision of the accounting standard for tax effect accounting effective from fiscal year 2019, year-end figures for fiscal year 2018 have been restated.

Consolidated statement of income

(Billion yen)	2018 6 Months	2019 6 Months	Change
Net sales	398.8	385.0	-13.8
Cost of sales	(309.9)	(303.2)	6.7
Selling, general and administrative expenses	(64.6)	(63.4)	1.1
Operating income	24.3	18.4	-5.9
Interest expenses	(0.6)	(0.6)	-0.0
Equity in earnings of affiliates	1.9	1.1	-0.8
Foreign exchange gains (losses)	(0.3)	(0.4)	-0.0
Other, net	(0.8)	0.5	1.3
Ordinary income	24.5	19.0	-5.5
Extraordinary income	0.8	1.6	0.8
Extraordinary loss	(2.7)	(2.4)	0.3
Income before income taxes	22.6	18.2	-4.4
Income taxes	(6.8)	(4.0)	2.8
Net income	15.8	14.2	-1.6
Net income attributable to non-controlling interests	(0.9)	(1.1)	-0.2
Net income attributable to owners of the parent	14.9	13.1	-1.8
Average rate			
YEN/USD	109.04	109.83	
YEN/EUR	131.98	124.05	

Extraordinary income and loss	2018 6 Months	2019 6 Months
Extraordinary income		
Gain on sales of subsidiaries and affiliates securities	-	1.6
Gain on sales of non-current assets	0.4	-
Gain on sales of investment securities	0.4	-
Extraordinary loss		
Loss on disposal of non-current assets	(1.1)	(0.9)
Provision of allowance for doubtful accounts	-	(0.6)
Severance costs	(1.2)	(0.5)
Amortization of prior service costs	-	(0.4)
Loss on disaster	(0.4)	-

Consolidated statement of cash flows

(Billion yen)	2018 6 Months	2019 6 Months	Change
Cash flows from operating activities	9.0	3.2	-5.8
[Excluding the impact of restraint of A/R securitization]	[9.0]	[16.3]	[7.3]
Cash flows from investing activities	(17.4)	(15.7)	1.7
Cash flows from financing activities	74.4	52.8	-21.7
[Excluding the impact of restraint of A/R securitization]	[74.4]	[39.7]	[-34.7]
Cash and cash equivalents at end of the period	84.2	57.9	-26.4
Free cash flow	(8.4)	(12.4)	-4.0
[Excluding the impact of restraint of A/R securitization]	[(8.4)]	[0.6]	[9.0]
Increase (decrease) in working capital	(13.7)	(20.4)	-6.8
[Excluding the impact of restraint of A/R securitization]	[(13.7)]	[(7.4)]	[6.3]
Capital expenditure and investment	19.8	18.4	-1.4
Depreciation and amortization	16.4	15.9	-0.5

Full-year operating results forecasts

DIC has revised its full-year operating results forecasts down.

(Billion yen)	2018	2019 Forecast	% Change	% Change on a local currency basis	2019 Old forecast	% Change from old forecast
Net sales	805.5	790.0	-1.9%	+0.9%	850.0	-7.1%
Operating income	48.4	43.0	-11.1%	-7.1%	52.0	-17.3%
Operating margin	6.0%	5.4%	—	—	6.1%	—
Ordinary income	48.7	41.0	-15.8%	—	52.0	-21.2%
Net income*	32.0	30.0	-6.3%	—	35.0	-14.3%
EPS (Yen)	338.40	316.97	—	—	369.80	—
EBITDA	81.4	74.0	-9.1%	—	87.0	-14.9%
Capital expenditure and investment	45.1	37.5	-16.8%		42.5	-11.8%
Depreciation and amortization	32.8	32.0	-2.5%		35.0	-8.6%
Average rate	YEN/USD	110.46	108.85	-1.5%	110.00	-1.0%
	YEN/EUR	130.46	121.75	-6.7%	123.20	-1.2%
ROE	10.4%	9.9%			11.3%	
D/C ratio **	44.7%	43.9%			42.7%	
Annual dividends per share (Yen)	125.0	125.0			125.0	
Payout ratio	36.9%	39.4%			33.8%	

The above forecasts do not take into account the impact of a fire at DIC's Saitama Plant on August 3, 2019.

* Net income attributable to owners of the parent

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

Full-year segment results forecasts

(Billion yen)	Net sales					Operating income					Operating margin	
	2018	2019 Forecast	Change	% Change	% Change on a local currency basis	2018	2019 Forecast	Change	% Change	% Change on a local currency basis	2018	2019 Forecast
Packaging & Graphic	434.7	425.9	-8.8	-2.0%	+ 2.3%	19.9	18.5	-1.4	-7.2%	+ 0.2%	4.6%	4.3%
Japan	120.3	116.6	-3.7	-3.1%	-3.1%	6.8	6.4	-0.4	-5.2%	-5.2%	5.6%	5.5%
The Americas and Europe	255.3	248.6	-6.7	-2.6%	+ 4.0%	10.0	7.9	-2.1	-20.8%	-7.1%	3.9%	3.2%
Asia and Oceania	71.1	72.0	0.9	+ 1.2%	+ 4.7%	3.2	4.2	1.0	+ 29.3%	+ 32.7%	4.5%	5.8%
Eliminations	(12.0)	(11.3)	0.7	-	-	(0.1)	(0.0)	0.1	-	-	-	-
Color & Display	124.1	120.4	-3.7	-3.0%	-1.5%	15.0	13.4	-1.6	-10.8%	-8.8%	12.1%	11.1%
Japan	34.5	31.8	-2.7	-7.8%	-7.8%	7.0	6.1	-0.9	-12.7%	-12.7%	20.3%	19.2%
Overseas	101.4	99.7	-1.7	-1.7%	+ 0.4%	7.9	7.3	-0.6	-8.3%	-4.3%	7.8%	7.3%
Eliminations	(11.7)	(11.1)	0.6	-	-	0.1	0.0	-0.1	-	-	-	-
Functional Products	282.1	278.5	-3.6	-1.3%	-0.5%	20.8	19.0	-1.8	-8.6%	-7.8%	7.4%	6.8%
Japan	208.3	205.0	-3.3	-1.6%	-1.6%	14.0	11.4	-2.6	-19.0%	-19.0%	6.7%	5.5%
Overseas	100.4	97.9	-2.5	-2.5%	-0.1%	6.7	7.6	0.9	+ 12.8%	+ 16.2%	6.7%	7.7%
Eliminations	(26.6)	(24.4)	2.2	-	-	0.1	0.1	0.0	-	-	-	-
Others, Corporate and eliminations	(35.4)	(34.8)	0.6	-	-	(7.3)	(7.9)	-0.6	-	-	-	-
Total	805.5	790.0	-15.5	-1.9%	+ 0.9%	48.4	43.0	-5.4	-11.1%	-7.1%	6.0%	5.4%
YEN/USD	110.46	108.85		-1.5%		110.46	108.85		-1.5%			
YEN/EUR	130.46	121.75		-6.7%		130.46	121.75		-6.7%			

Note: Effective from fiscal year 2019, DIC revised its segmentation in line with organizational amendments set forth in its medium-term management plan, DIC 111. Results for fiscal year 2018 have been restated to reflect these revisions. For more information, please see page 18.









Medium-term management plan, DIC111
<http://www.dic-global.com/en/ir/plan.html>



Second half segment results forecasts (Reference)









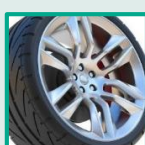
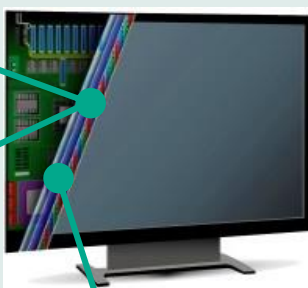

(Billion yen)	2018			2019			% Change		
	1H	2H	Full-year	1H	2H Forecast	Full-year Forecast	1H	2H	Full-year
Net sales	398.8	406.7	805.5	385.0	405.0	790.0	-3.5%	-0.4%	-1.9%
Packaging & Graphic	214.3	220.4	434.7	208.7	217.2	425.9	-2.6%	-1.5%	-2.0%
Color & Display	64.5	59.6	124.1	61.1	59.2	120.4	-5.2%	-0.6%	-3.0%
Functional Products	137.9	144.3	282.1	132.1	146.4	278.5	-4.2%	1.5%	-1.3%
Others, Corporate and eliminations	(17.9)	(17.6)	(35.4)	(16.9)	(17.8)	(34.8)	-	-	-
Operating income	24.3	24.1	48.4	18.4	24.6	43.0	-24.4%	2.2%	-11.1%
Packaging & Graphic	9.4	10.5	19.9	8.0	10.5	18.5	-14.8%	-0.3%	-7.2%
Color & Display	8.2	6.7	15.0	6.0	7.3	13.4	-26.9%	8.8%	-10.8%
Functional Products	10.1	10.7	20.8	7.9	11.1	19.0	-21.7%	3.7%	-8.6%
Others, Corporate and eliminations	(3.4)	(3.9)	(7.3)	(3.5)	(4.3)	(7.9)	-	-	-
Operating margin	6.1%	5.9%	6.0%	4.8%	6.1%	5.4%	-	-	-
Packaging & Graphic	4.4%	4.8%	4.6%	3.8%	4.8%	4.3%	-	-	-
Color & Display	12.8%	11.3%	12.1%	9.8%	12.4%	11.1%	-	-	-
Functional Products	7.3%	7.4%	7.4%	6.0%	7.6%	6.8%	-	-	-
Others, Corporate and eliminations	-	-	-	-	-	-	-	-	-

Major topics

- | | | |
|-----|--|---|
| Jan | DIC Subsidiary in Indonesia Wins Award in DKI–Jakarta–Company Environment Performance Appraisal Program |  |
| Feb | DIC Develops Wireless Sensor which realizes Soft Electronics |  |
| Feb | DIC is Selected for the First Time for Inclusion in the FTSE4Good Index and the FTSE Blossom Japan Index, Two Leading ESG Investment Indices |  |
| Feb | DIC is Included in The Sustainability Yearbook 2019, Published by Swiss International Investment Company RobecoSAM |  |
| Mar | DIC Decides to Create Supply Framework for PPS Compounds in North America |  |
| Apr | DIC Completes Installation of Solar Power Generating Systems at Five Sites in Japan to Produce 1.5 MW of Power Annually for On-Site Use |  |
| May | DIC Acquires Mid-Tier Coating Resins Manufacturer in India |  |
| May | DIC Declares Its Support for the Recommendations of the TCFD and Joins to the TCFD Consortium |  |



Business segments and principal products

	Packaging & Graphic	Color & Display	Functional Products
Value provided	 <p>Net sales ¥434.7 bn</p>  <p>Operating income /Margin ¥19.9 bn 4.6%</p>	 <p>Net sales ¥124.1 bn</p>  <p>Operating income /Margin ¥15.0 bn 12.1%</p>	 <p>Net sales ¥282.1 bn</p>  <p>Operating income /Margin ¥20.8 bn 7.4%</p>
	Packaging materials that bring safety and peace of mind	Color and display materials that make life colorful	Functional products that add comfort
Principal products	 <p>Packaging inks Packaging adhesives Packaging materials</p> <p>Polystyrene Multilayer films</p>  <p>Security inks</p>  <p>Jet inks</p>  <p>Publication inks</p>	<p>Functional pigments</p>  <p>Pigments for color filters</p>  <p>Pigments for cosmetics</p>  <p>Effect pigments</p>  <p>Liquid crystal materials</p>  <p>Natural colorants</p>	 <p>Industrial tapes</p>  <p>PPS compounds</p>  <p>Environment-friendly products*</p>  <p>Epoxy resins</p>  <p>Hollow-fiber membrane modules</p>
Global market share	<p>Global No.1</p> <p>Printing inks</p>	<p>Global No.1</p> <p>Organic pigments Spirulina</p> <p>No.3</p> <p>TFT LCs</p>	<p>Global No.1</p> <p>PPS compounds</p> <p>No.1 in Japan</p> <p>Many resin products</p>

Note: Figures for fiscal year 2018 have been restated to reflect revisions to segmentation.

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

Principal products by previous and new business segments

Previous business segments (as of FY2018)

Printing Inks
Packaging inks Packaging adhesives Publication inks Security inks
Fine Chemicals
Functional pigments General-purpose pigments Liquid crystal materials
Polymers
Polystyrene
Waterborne resins Polyester resins Acrylic resins UV-curable resins Urethane resins Epoxy resins Unsaturated polyester resins
Compounds
Jet inks
PPS compounds Colorants
Application Materials
Multilayer films
Industrial tapes Hollow-fiber membrane modules
Health foods Natural colorants

New business segments (as of FY2019)

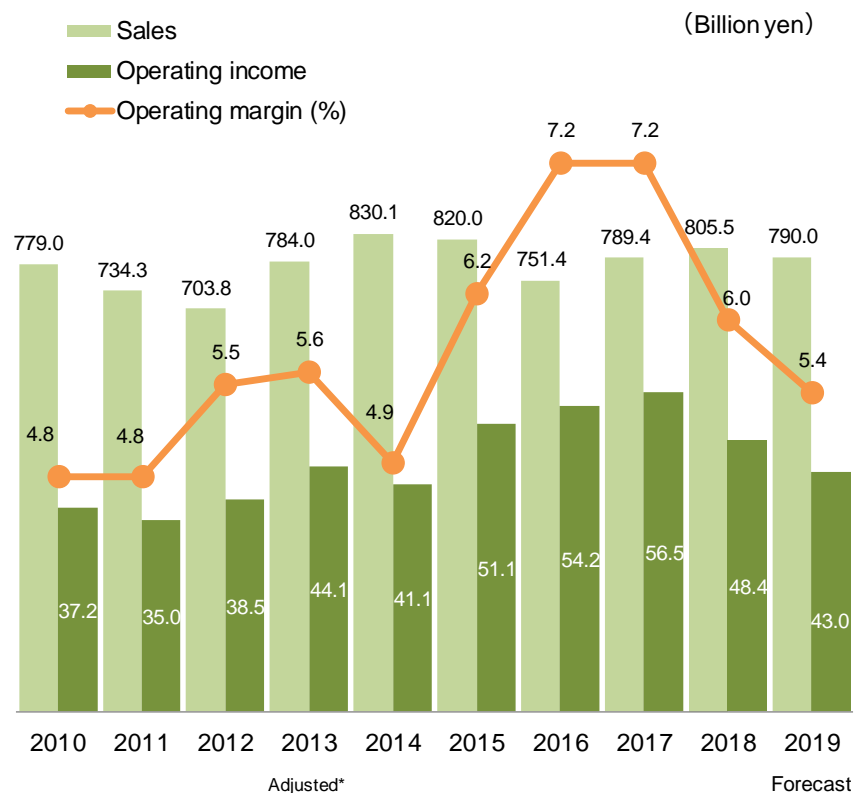
Packaging & Graphic
Packaging inks Packaging adhesives Jet inks Security inks Publication inks Polystyrene Multilayer films
Color & Display
Functional pigments General-purpose pigments Liquid crystal materials Health foods Natural colorants
Functional Products
Environment-friendly resins Epoxy resins Unsaturated polyester resins PPS compounds Colorants Industrial tapes Hollow-fiber membrane modules

Medium-term management plan, DIC111
<http://www.dic-global.com/en/ir/plan.html>



Historical performance data (Reference)

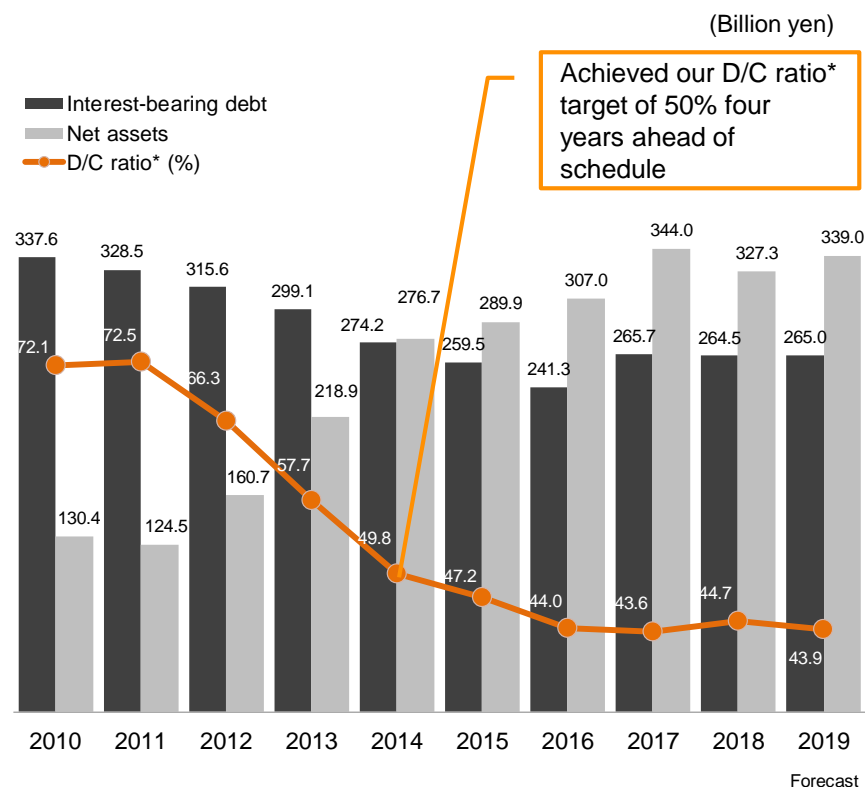
Operating results



Increase operating margin

Increase operating income

Financial health



Improvement of D/C ratio*

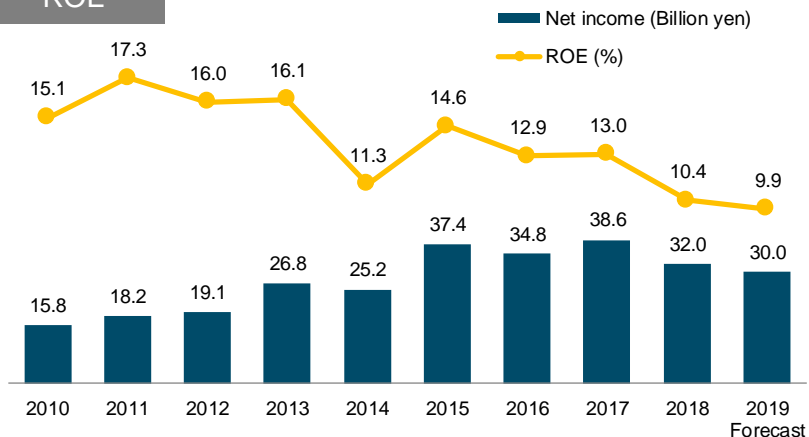
D/C ratio* around 50%

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

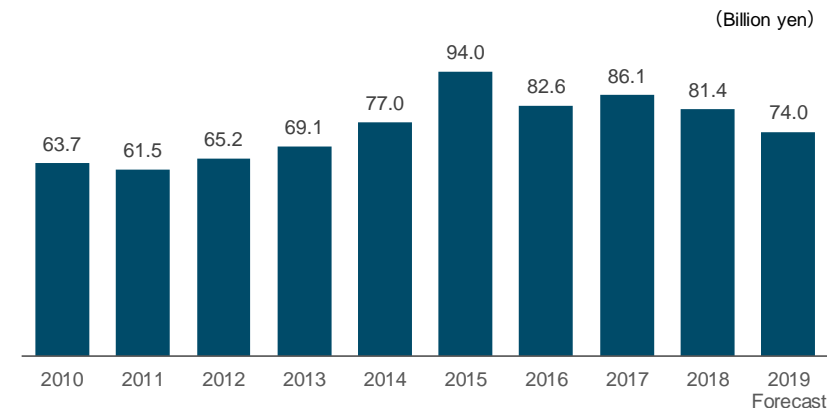
* D/C ratio: Interest-bearing debt / (Interest-bearing debt + Net assets)

Historical performance data (Reference)

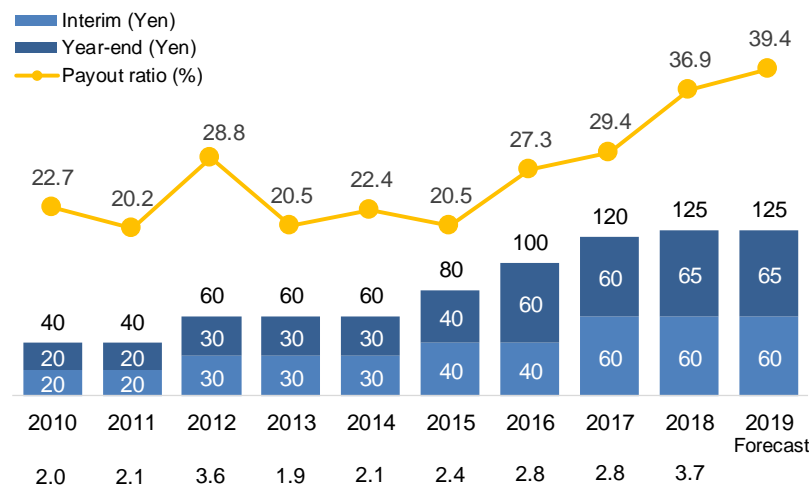
ROE



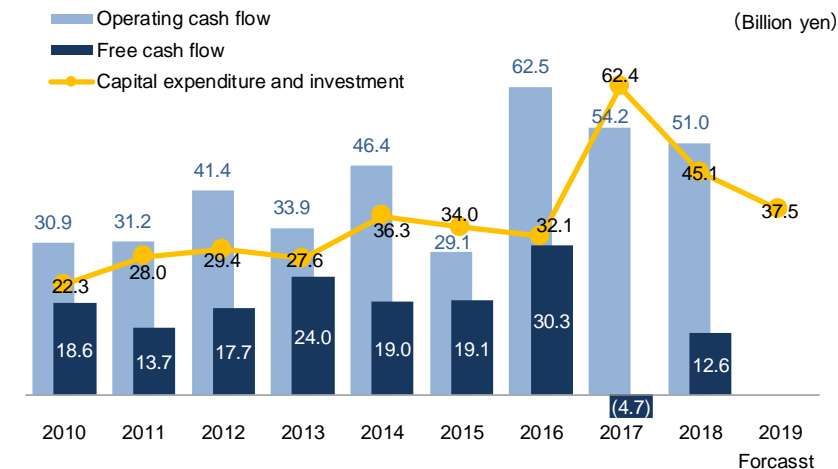
EBITDA***



Shareholder returns*



Capital expenditure and investment, operating cash flows



* 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



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.