

4631.T : Tokyo Stock Exchange



DIC Corporation

Consolidated Financial Results FY2019: Full-Year Ended December 31

February 2020

Color & Comfort



Highlights

FY2019 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 dropped. 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.
- Thanks to the impact of raw materials price decreases and of cost reductions achieved through rationalization, the operating margin improved after bottoming out in 1Q. Of particular note, operating income in China and Southeast Asia turned positive in 2Q.
- Net income attributable to owners of the parent fell. This reflected an extraordinary loss arising from efforts to improve business efficiency, as well as one-time disaster- and acquisition-related expenses.

FY2020 forecasts

- The Company expects to realize increases in net sales and operating income in all segments. To this end, the DIC Group will step up the implementation of initiatives in line with the two key strategies of its medium-term management plan, which focus on strengthening DIC's corporate structure and creating new businesses, as well as promote efforts to expand sales of packaging materials, functional pigments and sustainable resins and to reduce costs.
- The Company forecasts an annual dividend per share of ¥110, an increase of ¥10 from the previous year.

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 2019, ended December 31, 2019.

Summary of financial results

	2018	2019	% Change	% Change on a local currency basis
(Billion yen)				
Net sales	805.5	768.6	-4.6%	-1.3%
Operating income	48.4	41.3	-14.6%	-8.7%
Operating margin	6.0%	5.4%	—	—
Ordinary income	48.7	41.3	-15.2%	—
Net income*	32.0	23.5	-26.6%	—
EPS (Yen)	338.40	248.29	—	—
EBITDA**	81.4	67.4	-17.2%	—
ROE	10.4%	7.7%	—	—
Average rate	YEN/USD	110.46	109.11	-1.2%
	YEN/EUR	130.46	122.13	-6.4%

* 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

Operating income variance

- Shipments declined overall. Falling shipments of high-value-added products was a particularly significant factor.
- The depreciation of the euro and emerging economy currencies such as the Turkish lira also had a major impact.

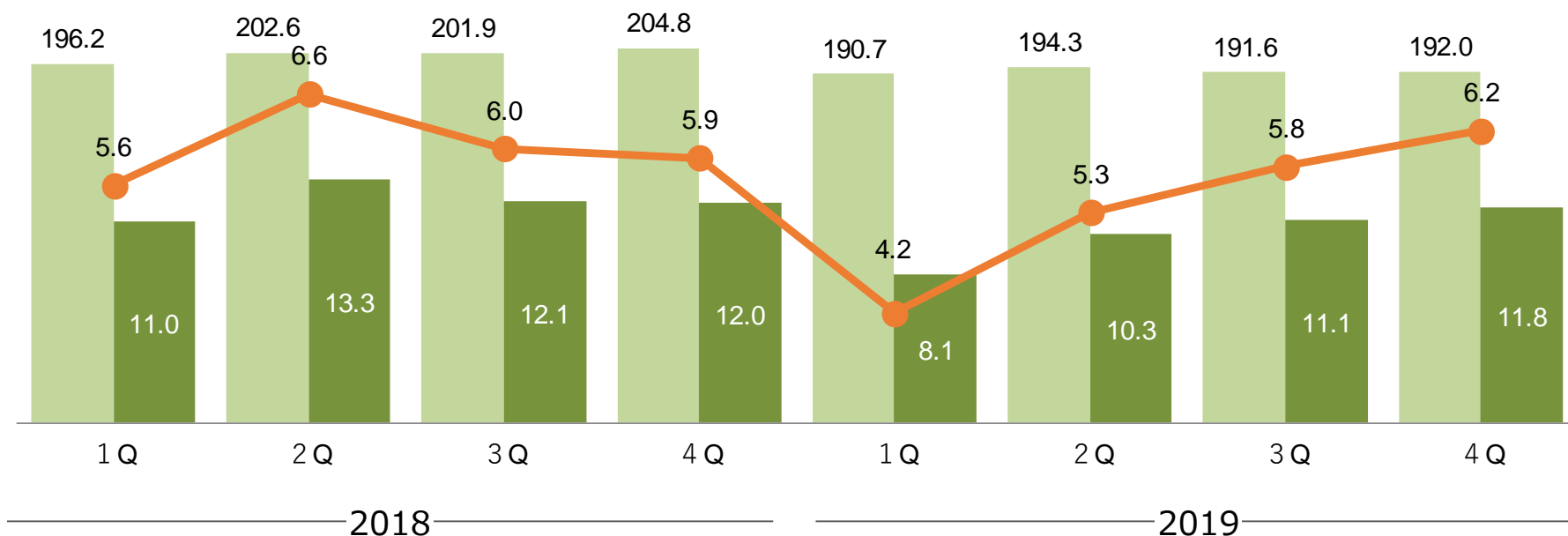


Quarterly operating income (FY2018 to FY2019)

- Operating income and the operating margin improved steadily after bottoming out in 1Q.
- In 4Q, both were at a level comparable to the corresponding quarter of FY2018.

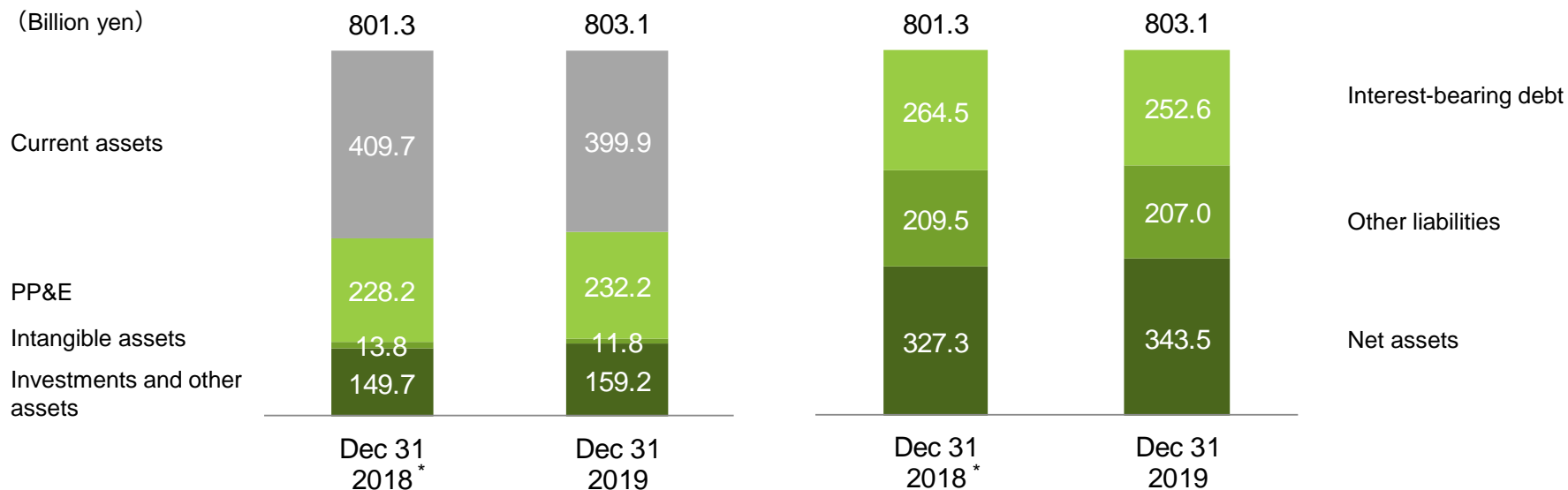
■ Sales
 ■ Operating income
 —●— Operating margin (%)

(Billion yen)



Financial health

Balance sheet



Financial health

(Billion yen)	Dec 31 2018	Dec 31 2019	Change
Interest-bearing debt	264.5	252.6	-11.9
D/C ratio **	44.7%	42.4%	
Equity ratio *	37.3%	38.9%	
BPS (Yen)	3,158.05	3,304.34	
Closing rate (YEN/USD)	110.39	108.71	

* 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)

Segment results

(Billion yen)	Net sales					Operating income					Operating margin	
	2018	2019	Change	% Change	% Change on a local currency basis	2018	2019	Change	% Change	% Change on a local currency basis	2018	2019
Packaging & Graphic	434.7	416.4	-18.3	-4.2%	+ 0.6%	19.9	19.2	-0.7	-3.6%	+ 8.0%	4.6%	4.6%
Japan	120.3	114.7	-5.6	-4.7%	-4.7%	6.8	6.4	-0.4	-5.7%	-5.7%	5.6%	5.6%
The Americas and Europe	255.3	244.3	-11.0	-4.3%	+ 2.9%	10.0	8.2	-1.8	-17.2%	+ 4.6%	3.9%	3.4%
Asia and Oceania	71.1	68.7	-2.4	-3.4%	+ 0.6%	3.2	4.5	1.3	+ 39.0%	+ 43.4%	4.5%	6.5%
Eliminations	(12.0)	(11.3)	0.7	-	-	(0.1)	0.1	0.2	-	-	-	-
Color & Display	124.1	116.4	-7.7	-6.2%	-3.8%	15.0	10.8	-4.2	-28.0%	-25.4%	12.1%	9.3%
Japan	34.5	29.7	-4.8	-13.9%	-13.9%	7.0	4.8	-2.2	-30.8%	-30.8%	20.3%	16.3%
Overseas	101.4	95.8	-5.6	-5.5%	-2.3%	7.9	6.0	-1.9	-24.6%	-19.5%	7.8%	6.2%
Eliminations	(11.7)	(9.1)	2.6	-	-	0.1	(0.0)	-0.1	-	-	-	-
Functional Products	282.1	268.6	-13.5	-4.8%	-3.6%	20.8	19.2	-1.6	-7.6%	-6.6%	7.4%	7.2%
Japan	208.3	199.3	-9.0	-4.3%	-4.3%	14.0	11.6	-2.4	-17.2%	-17.2%	6.7%	5.8%
Overseas	100.4	91.9	-8.5	-8.4%	-5.1%	6.7	7.5	0.8	+ 11.1%	+ 14.9%	6.7%	8.1%
Eliminations	(26.6)	(22.7)	3.9	-	-	0.1	0.2	0.1	-	-	-	-
Others, Corporate and eliminations	(35.4)	(32.8)	2.6	-	-	(7.3)	(7.9)	-0.6	-	-	-	-
Total	805.5	768.6	-36.9	-4.6%	-1.3%	48.4	41.3	-7.1	-14.6%	-8.7%	6.0%	5.4%
YEN/USD	110.46	109.11		-1.2%		110.46	109.11		-1.2%			
YEN/EUR	130.46	122.13		-6.4%		130.46	122.13		-6.4%			

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 24.



Packaging & Graphic

Net sales

- Segment sales edged up on a local currency basis, but the depreciation of the euro and emerging economy currencies led to a decrease after translation into yen.
- Firm shipments overseas offset the negative impact of major typhoons in Japan on sales of packaging inks.

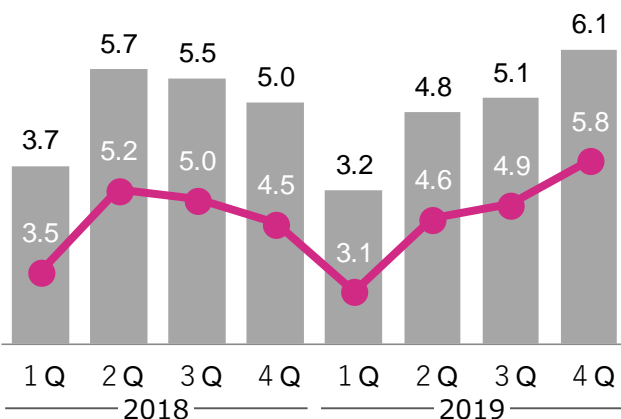
Operating income

- Segment operating income rose on a local currency basis, benefiting from the positive impact of an improved product mix and rationalization efforts, as well as from a decrease in raw materials prices, particularly in China and Southeast Asia.
- However, owing to the depreciation of the euro and emerging economy currencies such as the Turkish lira, operating income declined on a yen basis.

(Billion yen)	Net sales					Operating income					Operating margin	
	2018	2019	Change	% Change	% Change on a local currency basis	2018	2019	Change	% Change	% Change on a local currency basis	2018	2019
Packaging & Graphic	434.7	416.4	-18.3	-4.2%	+ 0.6%	19.9	19.2	-0.7	-3.6%	+ 8.0%	4.6%	4.6%
Japan	120.3	114.7	-5.6	-4.7%	-4.7%	6.8	6.4	-0.4	-5.7%	-5.7%	5.6%	5.6%
The Americas and Europe	255.3	244.3	-11.0	-4.3%	+ 2.9%	10.0	8.2	-1.8	-17.2%	+ 4.6%	3.9%	3.4%
Asia and Oceania	71.1	68.7	-2.4	-3.4%	+ 0.6%	3.2	4.5	1.3	+ 39.0%	+ 43.4%	4.5%	6.5%
Eliminations	(12.0)	(11.3)	0.7	-	-	(0.1)	0.1	0.2	-	-	-	-

Operating income/margin

Operating income (Billion yen)
 Operating margin (%)



Sales of principal products

(Billion yen)	% Change	
Packaging inks*	+ 1%	Sales increased, particularly in emerging economies in Asia and South America. In Japan, shipments flagged, owing to major typhoons and other factors.
Publication inks*	-6%	Despite rising in emerging economies, sales were down overall, owing to flagging demand in developed economies.
Jet inks	+ 7%	Despite the period coinciding with the transitional phase of a product changeover, sales advanced, bolstered by rising overall demand.
Polystyrene	-11%	Sales languished, despite an increase in shipments, as declining raw materials prices prompted the reduction of sales prices.
Multilayer films	-0%	

*Change on a local currency basis

Color & Display

Net sales

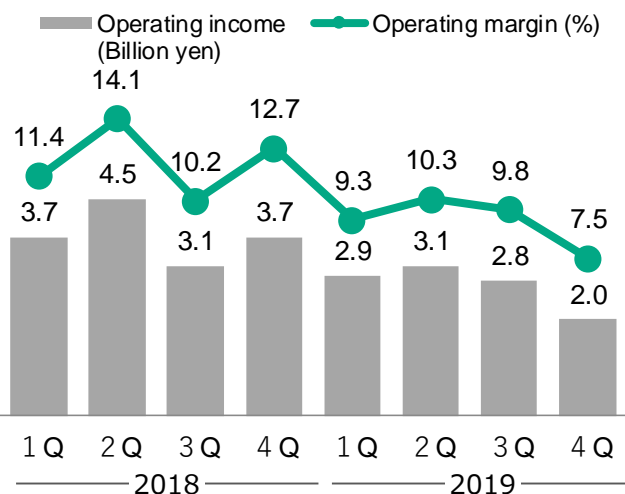
- Shipments of pigments for color filters were firm, but shipments of pigments for cosmetics and general-purpose pigments flagged.
- Sales prices for thin-film transistor liquid crystals (TFT LCs) declined, reflecting increasingly intense competition.

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 constrained by the tightening of environmental regulations in China as well as by increases in prices for pigments raw materials attributable to trade friction.

(Billion yen)	Net sales					Operating income					Operating margin	
	2018	2019	Change	% Change	% Change on a local currency basis	2018	2019	Change	% Change	% Change on a local currency basis	2018	2019
Color & Display	124.1	116.4	-7.7	-6.2%	-3.8%	15.0	10.8	-4.2	-28.0%	-25.4%	12.1%	9.3%
Japan	34.5	29.7	-4.8	-13.9%	-13.9%	7.0	4.8	-2.2	-30.8%	-30.8%	20.3%	16.3%
Overseas	101.4	95.8	-5.6	-5.5%	-2.3%	7.9	6.0	-1.9	-24.6%	-19.5%	7.8%	6.2%
Eliminations	(11.7)	(9.1)	2.6	-	-	0.1	(0.0)	-0.1	-	-	-	-

Operating income/margin



Sales of principal products

(Billion yen)	% Change	
General-purpose pigments	-6%	Sales declined, owing to flagging demand for use in inks.
Functional pigments	+ 0%	Shipments of pigments for cosmetics flagged, owing to the impact of trade friction and other factors. Sales of effect pigments increased for building materials-related applications.
Liquid crystal (LC) materials	-22%	Sales sank, hindered by sagging sales prices for core products.
Health foods	-6%	Sales of natural colorants rose, but shipments of health foods weakened.

Functional Products

Net sales

- Shipments remained sluggish overall, owing to listless economic conditions, despite bottoming out in 1Q.

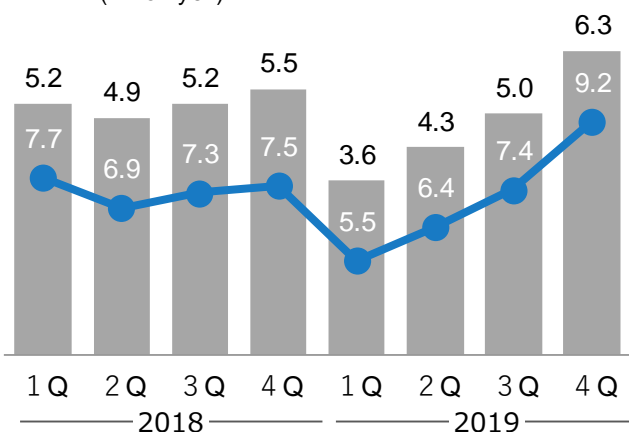
Operating income

- Segment operating income was down. This decrease stemmed from dwindling overall shipments.
- The operating margin improved gradually, as shipments of high-value-added products picked up after bottoming out in 1Q.
- Operating income overseas rose.

(Billion yen)	Net sales					Operating income					Operating margin	
	2018	2019	Change	% Change	% Change on a local currency basis	2018	2019	Change	% Change	% Change on a local currency basis	2018	2019
Functional Products	282.1	268.6	-13.5	-4.8%	-3.6%	20.8	19.2	-1.6	-7.6%	-6.6%	7.4%	7.2%
Japan	208.3	199.3	-9.0	-4.3%	-4.3%	14.0	11.6	-2.4	-17.2%	-17.2%	6.7%	5.8%
Overseas	100.4	91.9	-8.5	-8.4%	-5.1%	6.7	7.5	0.8	+ 11.1%	+ 14.9%	6.7%	8.1%
Eliminations	(26.6)	(22.7)	3.9	-	-	0.1	0.2	0.1	-	-	-	-

Operating income/margin

Operating income (Billion yen)
 Operating margin (%)



Sales of principal products

(Billion yen)	% Change	
Environment-friendly resins*	-4%	Shipments languished, particularly in China.
Epoxy resins	-6%	Sales declined, reflecting dwindling shipments for electrical and electronics equipment, but turned positive in 4Q.
Polyphenylene sulfide (PPS) compounds	-3%	Shipments remained low, reflecting a downtrend in automobile production worldwide.
Industrial tapes	-16%	Sales for mobile communications devices were pushed down by flagging economic conditions.
Hollow-fiber membrane modules	-6%	Shipments for use in semiconductors were low. Sales turned upward in 3Q.

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

Consolidated balance sheet

(Billion yen)	Dec 31 2018 *	Dec 31 2019	Change
Current assets	409.7	399.9	-9.7
Property, plant and equipment	228.2	232.2	4.0
Intangible assets	13.8	11.8	-2.0
Investments and other assets	149.7	159.2	9.5
Total assets	801.3	803.1	1.8
Current liabilities	255.6	210.1	-45.5
Non-current liabilities	218.4	249.5	31.1
Total liabilities	474.0	459.6	-14.4
Shareholders' equity	396.6	407.4	10.8
Accumulated other comprehensive income	(97.7)	(94.7)	3.0
[Foreign currency translation adjustment]	[(67.6)]	[(72.7)]	[-5.1]
Non-controlling interests	28.4	30.8	2.3
Total net assets	327.3	343.5	16.2
Total liabilities and net assets	801.3	803.1	1.8
Closing rate (YEN/USD)	110.39	108.71	
Shareholders' equity to total assets	37.3%	38.9%	
Interest-bearing debt	264.5	252.6	-11.9
Cash and deposits	19.8	16.8	-3.0



* 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	2019	Change
Net sales	805.5	768.6	-36.9
Cost of sales	(629.9)	(603.2)	26.7
Selling, general and administrative expenses	(127.3)	(124.0)	3.2
Operating income	48.4	41.3	-7.1
Interest expenses	(1.3)	(1.3)	0.0
Equity in earnings of affiliates	3.8	2.5	-1.4
Foreign exchange gains (losses)	(0.8)	(0.8)	0.0
Other, net	(1.4)	(0.4)	1.0
Ordinary income	48.7	41.3	-7.4
Extraordinary income	4.6	4.4	-0.2
Extraordinary loss	(4.5)	(11.1)	-6.6
Income before income taxes	48.8	34.7	-14.2
Income taxes	(15.0)	(9.3)	5.7
Net income	33.8	25.3	-8.5
Net income attributable to non-controlling interests	(1.8)	(1.8)	-0.1
Net income attributable to owners of the parent	32.0	23.5	-8.5
Average rate			
YEN/USD	110.46	109.11	
YEN/EUR	130.46	122.13	

Extraordinary income and loss

	2018	2019
Extraordinary income		
Gain on sales of subsidiaries and affiliates securities	0.7	1.6
Insurance income	0.2	1.4
Gain on sales of non-current assets	0.4	1.4
Gain on sales of investment securities	3.3	-
Extraordinary loss		
 Impairment loss	-	(3.1)
Loss on disposal of non-current assets	(2.5)	(2.4)
 Acquisition related expenses	-	(1.9)
Loss on disaster	(0.4)	(1.5)
Severance costs	(1.5)	(0.8)
Provision of allowance for doubtful accounts	-	(0.6)
Amortization of prior service costs	-	(0.4)
Loss on sales of subsidiaries and affiliates securities	-	(0.3)



Mainly related to printing inks



BASF's Colors & Effects business

Consolidated statement of cash flows

(Billion yen)	2018	2019	Change
Cash flows from operating activities	51.0	50.6	-0.4
[Excluding the impact of restraint of A/R securitization]	[38.0]	[63.7]	[25.7]
Cash flows from investing activities	(38.4)	(24.9)	13.5
Cash flows from financing activities	(11.8)	(26.8)	-15.0
[Excluding the impact of restraint of A/R securitization]	[1.2]	[(39.8)]	[-41.0]
Cash and cash equivalents at end of the period	18.6	16.7	-1.9
Free cash flow	12.6	25.8	13.2
[Excluding the impact of restraint of A/R securitization]	[(0.4)]	[38.8]	[39.2]
Increase (decrease) in working capital	(3.7)	(8.2)	-4.6
[Excluding the impact of restraint of A/R securitization]	[(16.7)]	[4.8]	[21.5]
Capital expenditure and investment	45.1	37.5	-7.6
Depreciation and amortization	32.8	33.1	0.3

FY2020 forecasts: Full-year operating results

(Billion yen)		2019	2020 Forecast	% Change	% Change on a local currency basis
Net sales		768.6	810.0	+5.4%	+6.3%
Operating income		41.3	45.0	+8.9%	+8.4%
Operating margin		5.4%	5.6%	—	—
Ordinary income		41.3	44.0	+6.5%	—
Net income*		23.5	23.5	—	—
EPS (Yen)		248.29	248.30	—	—
EBITDA		67.4	72.9	+8.2%	—
Capital expenditure and investment		37.5	56.0	+49.5%	
Depreciation and amortization		33.1	34.5	+4.1%	
Average rate	YEN/USD	109.11	108.00	-1.0%	
	YEN/EUR	122.13	120.96	-1.0%	
ROE		7.7%	7.4%		
D/C ratio **		42.4%	41.6%		
Annual dividends per share (Yen)		100.0	110.0		
Payout ratio		40.3%	44.3%		

* Net income attributable to owners of the parent

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

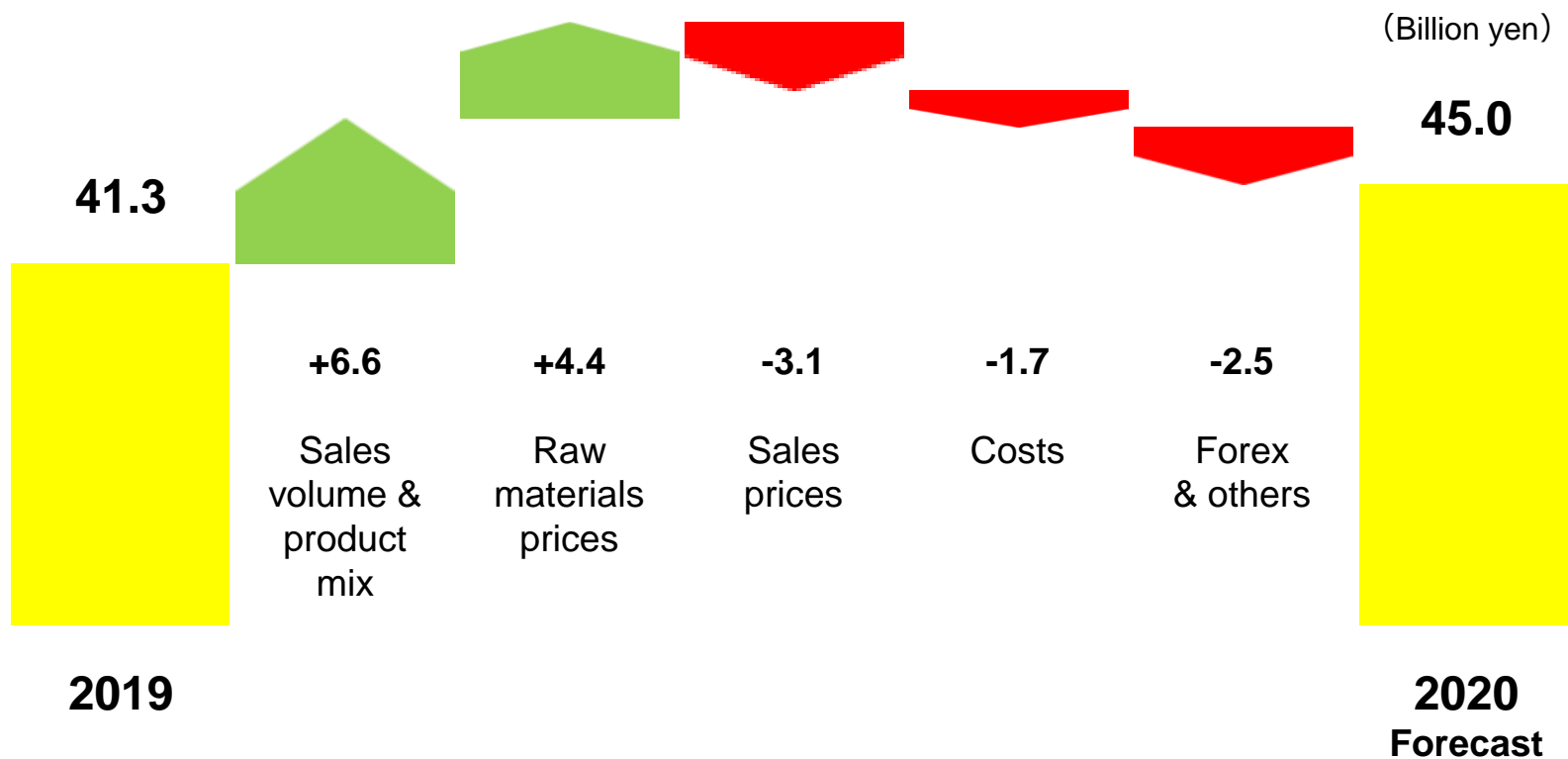
FY2020 forecasts: First half operating results

(Billion yen)	2019 1st Half	2020 1st Half Forecast	% Change	% Change in local currency basis
Net sales	385.0	395.0	+2.6%	+4.3%
Operating income	18.4	20.0	+8.7%	+9.7%
Operating margin	4.8%	5.1%	—	—
Ordinary income	19.0	19.0	+0.0%	—
Net income*	13.1	10.0	-23.8%	—
EPS (Yen)	138.73	105.66	—	—
Average rate	YEN/USD	109.83	108.00	-1.7%
	YEN/EUR	124.05	120.96	-2.5%

* Net income attributable to owners of the parent

FY2020 forecasts: Operating income variance

- Higher shipments of high-value-added products are expected to underpin an increase in operating income.
- Efforts to create new businesses are expected to push costs up.



FY2020 forecasts: Full-year segment results

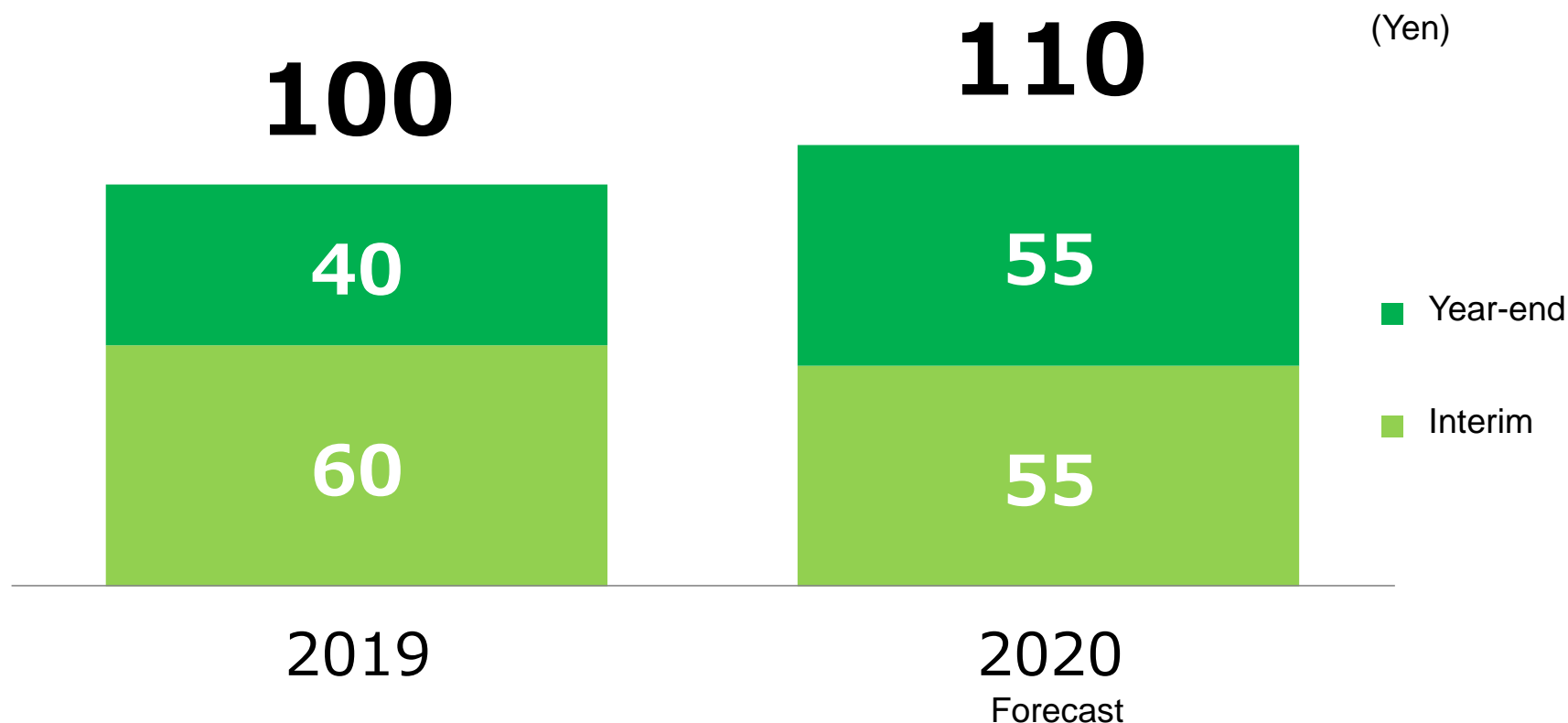
(Billion yen)	Net sales					Operating income					Operating margin	
	2019	2020 Forecast	Change	% Change	% Change on a local currency basis	2019	2020 Forecast	Change	% Change	% Change on a local currency basis	2019	2020 Forecast
Packaging & Graphic	416.4	437.7	21.3	+ 5.1%	+ 5.9%	19.2	19.7	0.5	+ 2.7%	+ 1.1%	4.6%	4.5%
Japan	114.7	116.8	2.1	+ 1.8%	+ 1.8%	6.4	6.1	-0.2	-3.8%	-3.8%	5.6%	5.3%
The Americas and Europe	244.3	258.9	14.6	+ 6.0%	+ 6.1%	8.2	8.9	0.7	+ 8.0%	+ 2.2%	3.4%	3.4%
Asia and Oceania	68.7	73.3	4.6	+ 6.7%	+ 10.8%	4.5	4.6	0.2	+ 3.6%	+ 7.3%	6.5%	6.3%
Eliminations	(11.3)	(11.3)	-0.0	-	-	0.1	(0.0)	-0.1	-	-	-	-
Color & Display	116.4	121.1	4.7	+ 4.0%	+ 5.3%	10.8	13.1	2.3	+ 21.2%	+ 20.4%	9.3%	10.8%
Japan	29.7	31.7	2.1	+ 7.0%	+ 7.0%	4.8	7.4	2.5	+ 52.4%	+ 52.4%	16.3%	23.2%
Overseas	95.8	99.2	3.4	+ 3.6%	+ 5.2%	6.0	5.7	-0.3	-4.4%	-5.0%	6.2%	5.7%
Eliminations	(9.1)	(9.9)	-0.8	-	-	(0.0)	0.0	0.0	-	-	-	-
Functional Products	268.6	279.4	10.8	+ 4.0%	+ 5.0%	19.2	21.4	2.2	+ 11.4%	+ 12.6%	7.2%	7.7%
Japan	199.3	205.9	6.5	+ 3.3%	+ 3.3%	11.6	12.9	1.3	+ 10.8%	+ 10.8%	5.8%	6.3%
Overseas	91.9	95.2	3.3	+ 3.6%	+ 6.6%	7.5	8.5	1.0	+ 13.5%	+ 16.5%	8.1%	8.9%
Eliminations	(22.7)	(21.7)	1.0	-	-	0.2	0.1	-0.1	-	-	-	-
Others, Corporate and eliminations	(32.8)	(28.2)	4.6	-	-	(7.9)	(9.2)	-1.3	-	-	-	-
Total	768.6	810.0	41.4	+ 5.4%	+ 6.3%	41.3	45.0	3.7	+ 8.9%	+ 8.4%	5.4%	5.6%
YEN/USD	109.11	108.00		-1.0%		109.11	108.00		-1.0%			
YEN/EUR	122.13	120.96		-1.0%		122.13	120.96		-1.0%			

FY2020 forecasts: A ¥10 dividend increase

Forecast

An increase in the annual dividend per share of ¥10 is forecast, up 10% from FY2019.

The dividend payout ratio is forecast to reach 44.3%.



DIC111 medium-term management plan

Basic strategies

As originally announced.

Quantitative targets

The economic outlook for the final year of DIC111 (FY2021) remains uncertain, but given the anticipated positive impact of the acquisition of BASF's Colors & Effects business, a reassessment is necessary.

Strategic investments

The priority is to continue working toward closing the BASF acquisition.



Steady progress toward closing the acquisition of BASF's Colors & Effects business



Schedule

As per the original announcement, DIC expects to close this acquisition by the end of December 2020.

Transfer project

With the aim of ensuring the subsequent smooth transfer of the business, working groups have been established with stakeholders in Europe, the United States, Japan and Asia, which are tasked with identifying issues and implementing action plans.

Compliance with antitrust laws

Procedures for approval under the antitrust laws of pertinent countries commenced in December 2019.



Major topics (January to June 2019)

- 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



Major topics (July to September 2019)

- Jul** DIC is Selected for Inclusion in the SNAM Sustainability Index for the Fourth Consecutive Year
- Jul** DIC Announces Plans to Develop Naturally Derived Aspartic Acid and a Biodegradable Aspartic Acid–Based Waterborne Superabsorbent Polymer
- Aug** DIC to Acquire BASF’s Global Pigments Business
- Sep** DIC’s Linablue® G1 Natural Blue Colorant Receives Approval under the COSMOS-standard Global Standard for Organic and Natural Cosmetics
- Sep** DIC is Selected for Inclusion in the Dow Jones Sustainability Indices Asia Pacific Index, a Leading Benchmark for Sustainability Initiatives, for the Fifth Consecutive Year
- Sep** DIC Kicks Off Project to Create a New System for the Integrated Global Management of Information on Chemical Substances
- Oct** DIC Develops 100% Biomass-Derived Polyester Plasticizer
- Nov** DIC Develops Versatile DUALAM™ Fast-Curing Solvent-Free Adhesive and Innovative Solvent-Free Lamination System
- Dec** DIC Increases Production Capacity for Polystyrene



Business segments and principal products

Packaging & Graphic



Net sales
¥416.4 bn



Operating income /Margin
¥19.2 bn
4.6%

Packaging materials that bring safety and peace of mind

Color & Display



Net sales
¥116.4 bn



Operating income /Margin
¥10.8 bn
9.3%

Color and display materials that make life colorful

Functional Products



Net sales
¥268.6 bn



Operating income /Margin
¥19.2 bn
7.2%

Functional products that add comfort



Packaging inks
Packaging adhesives
Packaging materials

Polystyrene
Multilayer films



Security inks



Jet inks



Publication inks

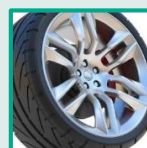
Functional pigments



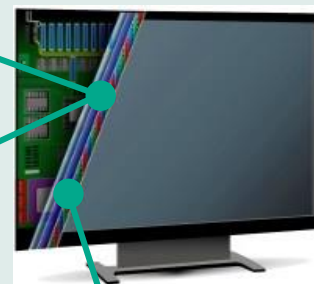
Pigments
for color filters



Pigments
for cosmetics



Effect pigments



Liquid
crystal
materials



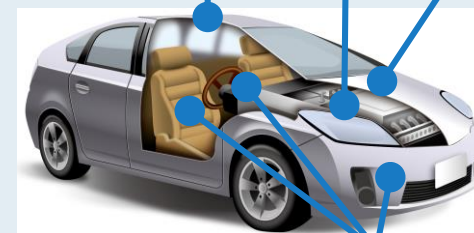
Natural
colorants



Industrial tapes



PPS compounds



Environment-friendly products*



Epoxy resins



Hollow-fiber
membrane
modules

Note: Fiscal year 2019 actual

*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)

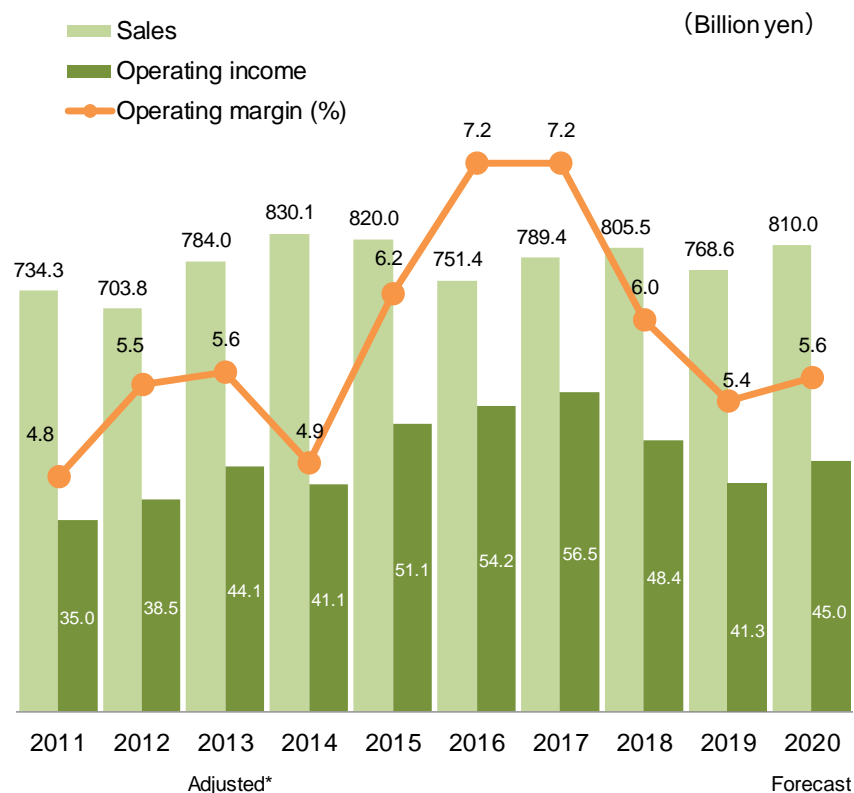
Packaging & Graphic
Packaging inks Packaging adhesives Jet inks Security inks Publication inks Polystyrene Multilayer films
Color & Display
Functional pigments General-purpose pigments Liquid crystal materials Health foods Natural colorants
Functional Products
Environment-friendly resins Epoxy resins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

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



Historical performance data (Reference)

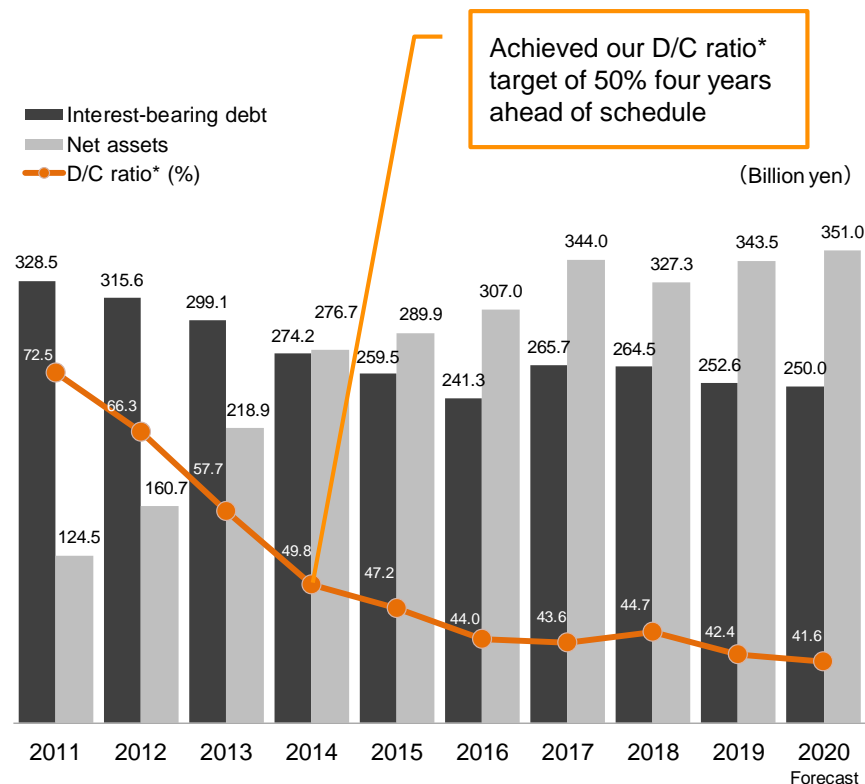
Operating results



Increase operating margin

Increase operating income

Financial health



Improvement of D/C ratio*

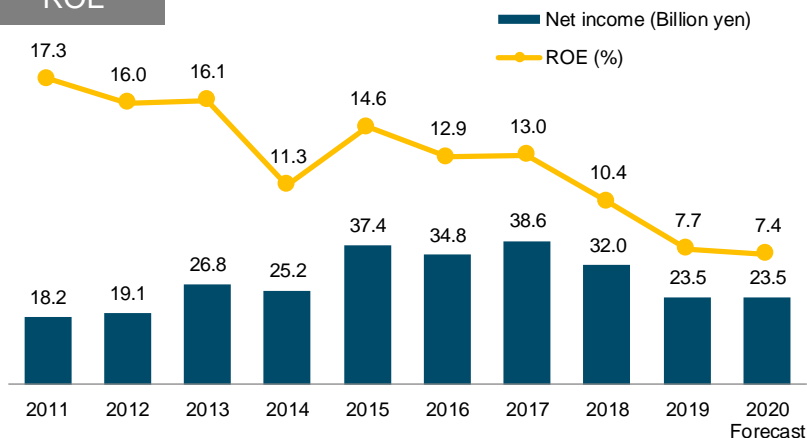
D/C ratio* around 50%

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

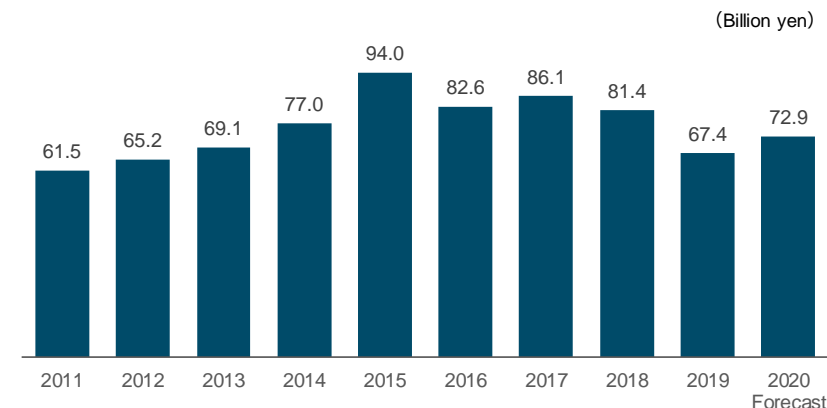
* D/C ratio: Interest-bearing debt / (Interest-bearing debt + Net assets)

Historical performance data (Reference)

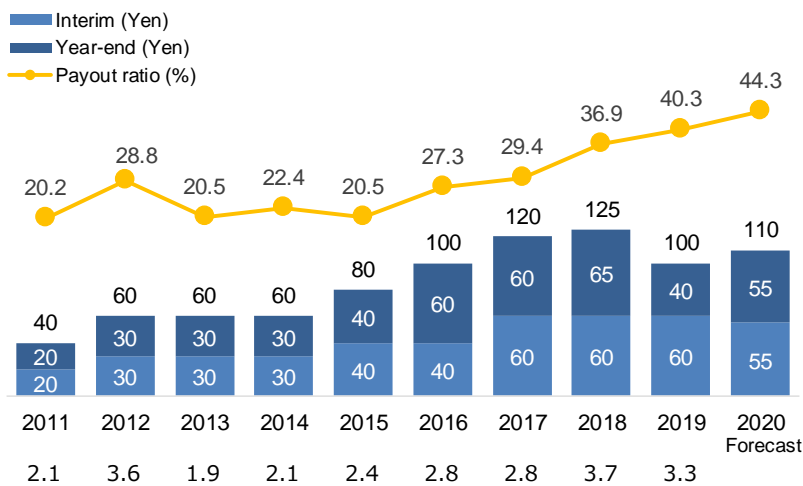
ROE



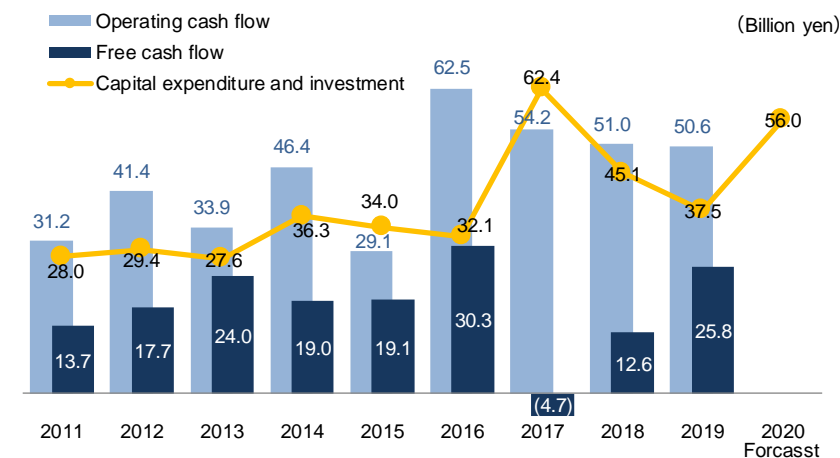
EBITDA***



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

Quarterly trends in segment results (Reference)

Net sales

(Billion yen)

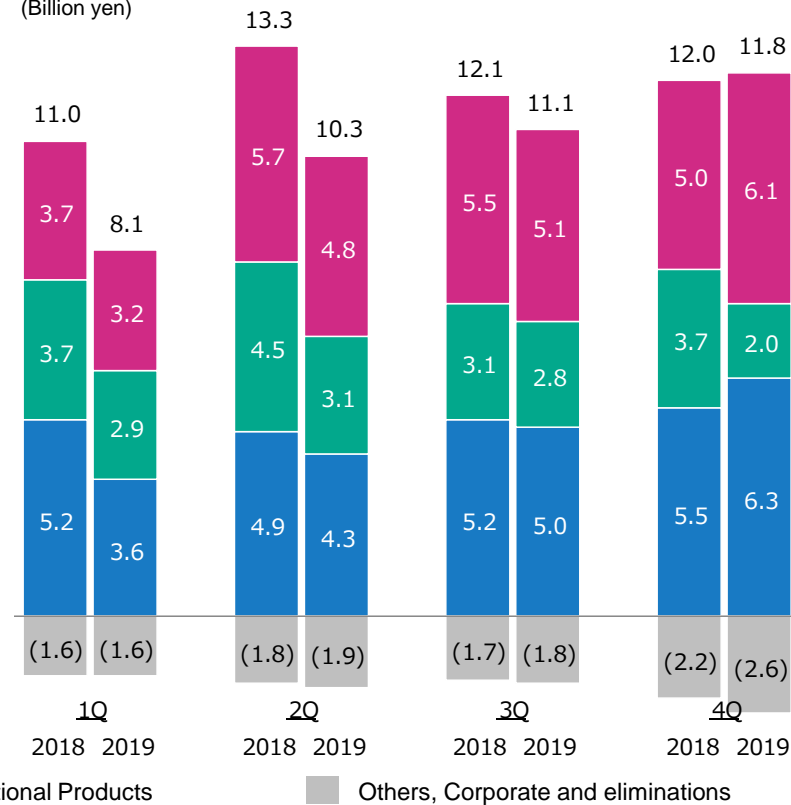


Operating income

Progress rate as per the full-year operating income forecasts

	3M	6M	9M	FY
2019 (%)	19.7	44.9	71.9	100.8
2018 (%)	21.6	47.7	71.4	94.9

(Billion yen)



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.



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.