

DIC Corporation

Consolidated Financial Results FY2020: Three Months Ended March 31

May 2020

Color & Comfort



FY2020 three months results

- Net sales declined. Owing to the global spread of the COVID-19 pandemic and associated restrictions on economic activity, economic growth slowed sharply, as a result of which shipments sank in multiple areas, including publication inks and pigments for cosmetics. In contrast, thanks to rising demand for daily necessities such as food packaging and for semiconductor devices and other products for 5G cellular networks, shipments of related products were firm.
- Operating income climbed, reflecting cost reductions due to lower raw materials prices, among others.
- Net income attributable to owners of the parent was down. The principal factor behind this result was one-time costs associated with an acquisition.

FY2020 operating results forecasts

- The spread of COVID-19 is expected to affect results in a wide range of businesses. However, because it is difficult to reasonably calculate the impact of this situation on its performance, DIC has not revised its initial operating results forecasts, published on February 14, 2020.

The fiscal year of all overseas and domestic companies in the DIC Group ends on December 31. This document presents consolidated results for the first quarter of fiscal year 2020, ended March 31, 2020

Impact of the spread of COVID-19

Initiatives

- Decisive measures have been implemented to protect the health and safety of all stakeholders, including employees, their families and suppliers, including promoting telework and restricting business travel.
- Production sites have largely continued to operate in accordance with instructions from the government of pertinent countries or territories. In the area of food packaging, in particular, the Company is cognizant of the importance of continuing production to help ensure stable supplies of daily necessities and maintain social infrastructure.

Impact on operations

Packaging & Graphic

- Demand rose in the area of materials for food packaging, including packaging inks and coextruded multilayer films, owing to lifestyle changes as people increasingly shifted to teleworking and refrained from leaving their homes. In contrast, demand for publication inks fell, particularly for use in the printing of advertisements and leaflets.

Color & Display

- Shipments of pigments for cosmetics languished, as stay-at-home measures worldwide hindered demand for cosmetics. There was no major impact on products for displays in the first quarter of fiscal year 2020.

Functional Products

- Demand for a wide range of industrial products fell, a consequence of restrictions on economic activity, hampering sales of environment-friendly resins.

Impact on operating results

- The impact in the first quarter was limited, underscored by income increases.
- Going forward, the spread of the pandemic is likely to affect shipments in a broad range of fields, including materials for automotive applications, but the impact on specific demand trends over the short and long term remains unclear.

Financial impact

- Cash on hand was increased in anticipation of prolonged turmoil in financial markets.

Acquisition of BASF SE's Colors & Effects business

- Efforts to secure approval under pertinent antitrust laws proceeded and plans for closing by the end of December 2020 are unchanged.
- In addition to previously secured bridge loans, in March 2020 ¥60 billion was procured for this acquisition through a subordinated term loan.

Summary of financial results

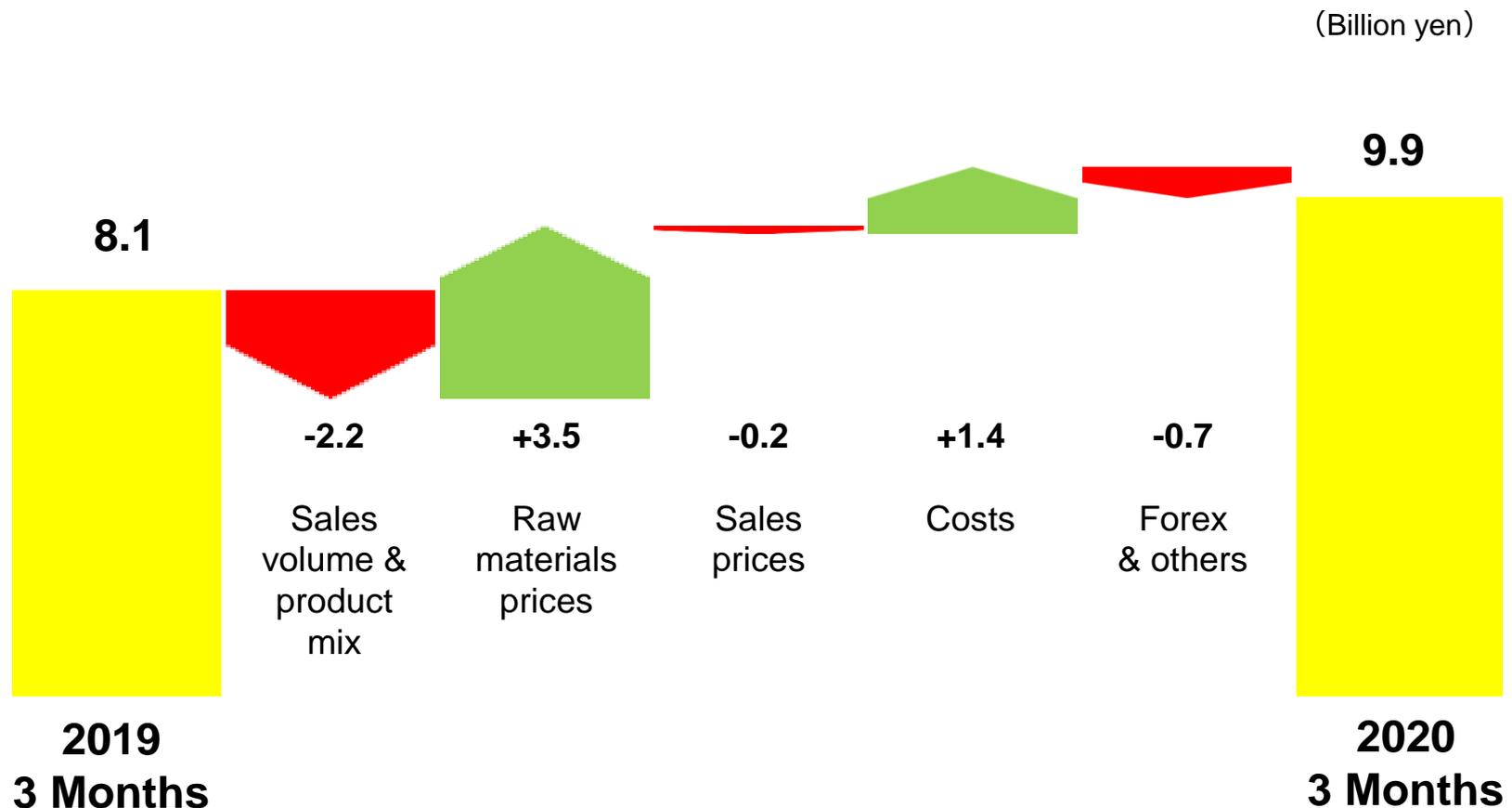
(Billion yen)	2019 3 Months	2020 3 Months	% Change	% Change on a local currency basis
Net sales	190.7	181.7	-4.7%	-2.0%
Operating income	8.1	9.9	+22.7%	+27.3%
Operating margin	4.2%	5.5%	—	—
Ordinary income	8.1	8.3	+1.9%	—
Net income*	5.3	4.6	-13.2%	—
EPS (Yen)	56.02	48.65	—	—
EBITDA**	15.3	14.4	-6.4%	—
Average rate	YEN/USD	110.17	108.72	-1.3%
	YEN/EUR	125.09	119.68	-4.3%

* 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

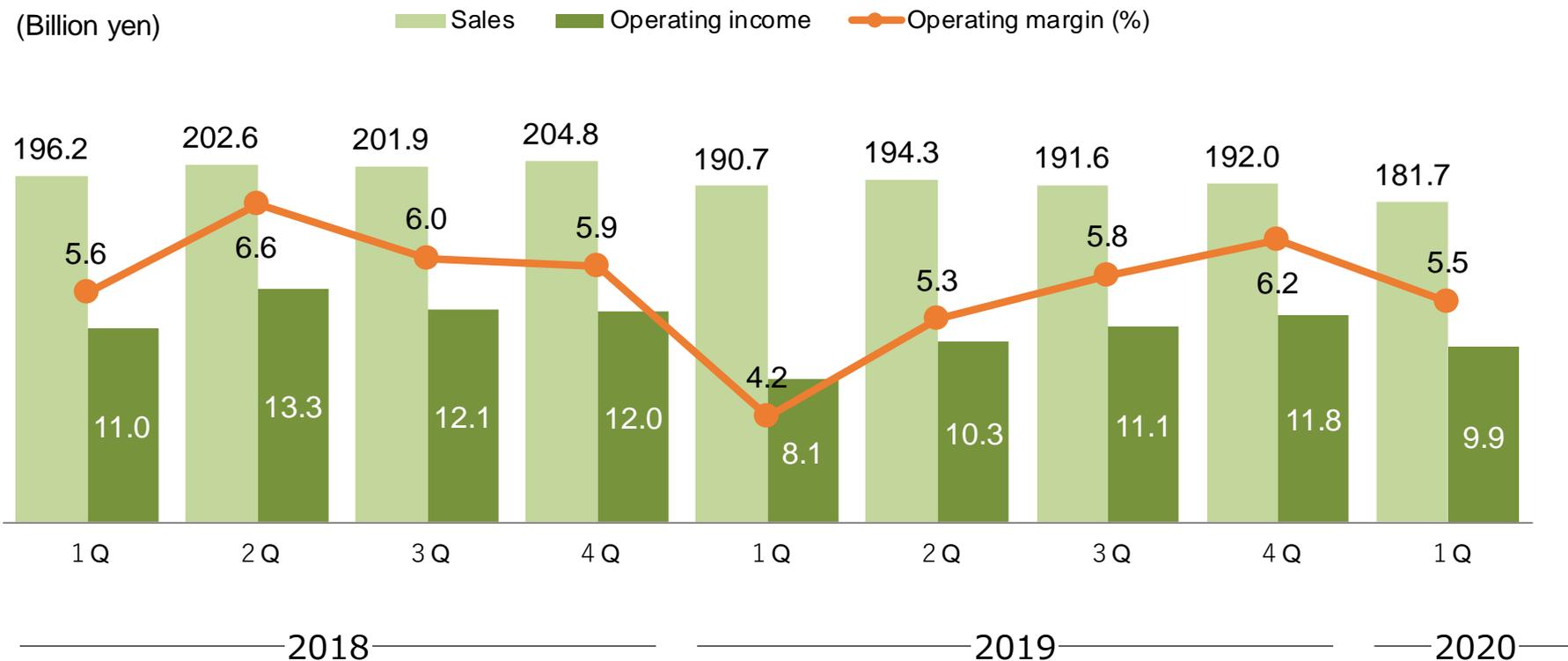
Operating income variance

- Shipments declined overall. In addition, the product mix deteriorated, owing to falling shipments of certain high-value-added products.
- Lower raw materials prices, particularly in the Functional Products segment, and declining costs overall underpinned the sharp increase in operating income.



Quarterly trends in operating income (fiscal years 2018-2020)

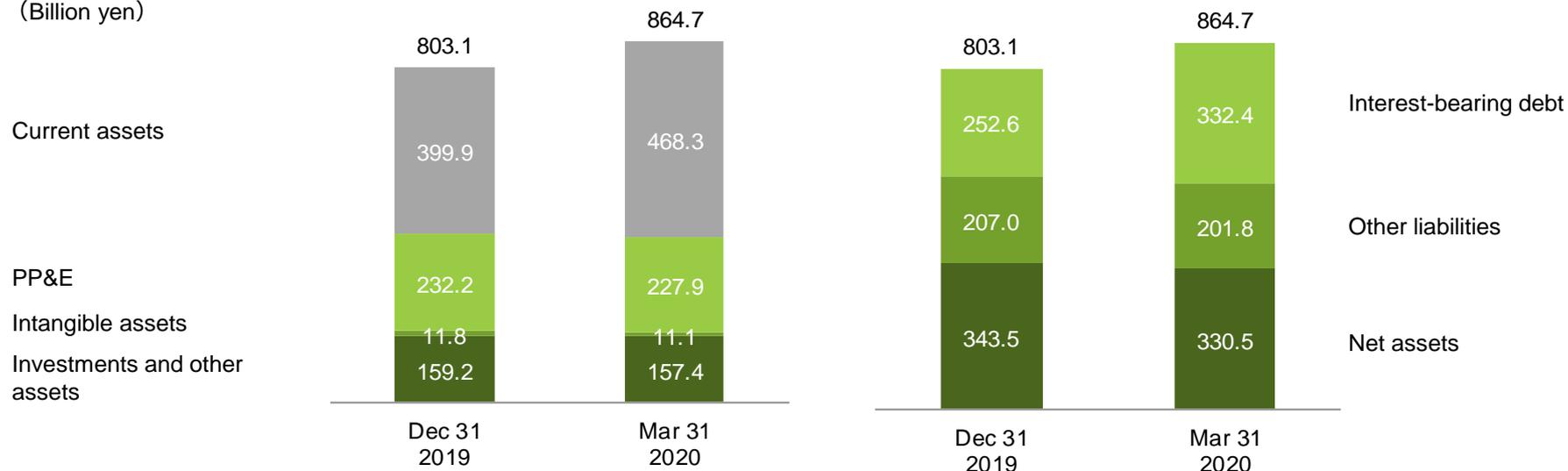
- Owing to seasonal factors, net sales and operating income tend to be lower in the first quarter than in other quarters.
- However, because net sales in the first quarter of fiscal year 2020 were down from the corresponding quarter of the previous fiscal year, it is difficult to forecast operating income levels from the second quarter of fiscal year 2020 onward.



Financial health

Balance sheet

(Billion yen)



Financial health

(Billion yen)	Dec 31 2019	Mar 31 2020	Change
Interest-bearing debt	252.6	332.4	79.8
Net interest-bearing debt	235.8	231.4	-4.4
Net assets	343.5	330.5	-13.0
D/C ratio *	42.4%	50.1%	
Equity ratio	38.9%	34.7%	
BPS (Yen)	3,304.34	3,169.72	
Closing rate (YEN/USD)	108.71	108.22	

 Up as a result of an increase in cash on hand

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

Segment results

(Billion yen)

	Net sales					Operating income					Operating margin	
	2019 3 Months	2020 3 Months	Change	% Change	% Change on a local currency basis	2019 3 Months	2020 3 Months	Change	% Change	% Change on a local currency basis	2019 3 Months	2020 3 Months
Packaging & Graphic	103.3	99.3	-4.0	-3.9%	-0.2%	3.2	4.0	0.8	+ 24.2%	+ 32.6%	3.1%	4.0%
Japan	27.9	26.5	-1.4	-5.0%	-5.0%	1.2	1.2	-0.0	-1.3%	-1.3%	4.3%	4.5%
The Americas and Europe	61.4	60.8	-0.7	-1.1%	+ 4.3%	1.3	2.0	0.7	+ 56.5%	+ 74.9%	2.1%	3.3%
Asia and Oceania	16.8	15.0	-1.8	-10.8%	-7.1%	0.7	0.9	0.2	+ 22.6%	+ 25.5%	4.2%	5.8%
Eliminations	(2.9)	(3.0)	-0.1	-	-	0.0	(0.1)	-0.1	-	-	-	-
Color & Display	31.0	29.5	-1.4	-4.6%	-2.0%	2.9	2.7	-0.2	-5.4%	-3.6%	9.3%	9.2%
Japan	7.7	6.6	-1.1	-13.8%	-13.8%	1.2	1.2	-0.0	-0.3%	-0.3%	15.3%	17.7%
Overseas	26.2	24.5	-1.7	-6.6%	-3.6%	1.7	1.6	-0.1	-8.4%	-5.3%	6.5%	6.4%
Eliminations	(3.0)	(1.6)	1.4	-	-	0.0	(0.0)	-0.0	-	-	-	-
Functional Products	65.0	61.2	-3.8	-5.9%	-5.0%	3.6	4.8	1.2	+ 34.0%	+ 35.1%	5.5%	7.8%
Japan	48.3	46.7	-1.6	-3.3%	-3.3%	2.2	3.0	0.9	+ 39.5%	+ 39.5%	4.5%	6.5%
Overseas	22.6	19.9	-2.7	-12.1%	-9.6%	1.3	1.8	0.4	+ 32.1%	+ 35.1%	5.9%	8.9%
Eliminations	(5.9)	(5.4)	0.5	-	-	0.0	(0.0)	-0.1	-	-	-	-
Others, Corporate and eliminations	(8.6)	(8.4)	0.2	-	-	(1.6)	(1.6)	0.0	-	-	-	-
Total	190.7	181.7	-9.1	-4.7%	-2.0%	8.1	9.9	1.8	+ 22.7%	+ 27.3%	4.2%	5.5%
YEN/USD	110.17	108.72		-1.3%		110.17	108.72		-1.3%			
YEN/EUR	125.09	119.68		-4.3%		125.09	119.68		-4.3%			

Packaging & Graphic

Net sales

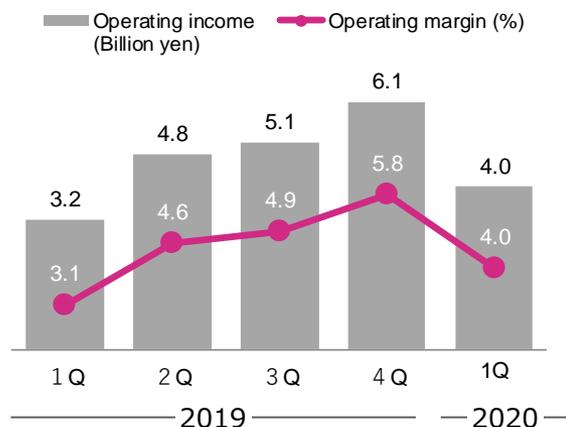
- Segment sales were level on a local currency basis. Shipments of packaging inks were up in the Americas and Europe, offsetting falling sales in Japan and Asia.
- Owing to the depreciation of the euro and emerging economy currencies, operating income declined on a yen basis.

Operating income

- Segment operating income rose sharply on a local currency basis. Contributing factors included effective rationalization measures and falling raw materials prices.

(Billion yen)	Net sales					Operating income					Operating margin	
	2019 3 Months	2020 3 Months	Change	% Change	% Change on a local currency basis	2019 3 Months	2020 3 Months	Change	% Change	% Change on a local currency basis	2019 3 Months	2020 3 Months
Packaging & Graphic	103.3	99.3	-4.0	-3.9%	-0.2%	3.2	4.0	0.8	+ 24.2%	+ 32.6%	3.1%	4.0%
Japan	27.9	26.5	-1.4	-5.0%	-5.0%	1.2	1.2	-0.0	-1.3%	-1.3%	4.3%	4.5%
The Americas and Europe	61.4	60.8	-0.7	-1.1%	+ 4.3%	1.3	2.0	0.7	+ 56.5%	+ 74.9%	2.1%	3.3%
Asia and Oceania	16.8	15.0	-1.8	-10.8%	-7.1%	0.7	0.9	0.2	+ 22.6%	+ 25.5%	4.2%	5.8%
Eliminations	(2.9)	(3.0)	-0.1	-	-	0.0	(0.1)	-0.1	-	-	-	-

Operating income/margin



Sales of principal products

(Billion yen)	% Change	
Packaging inks*	+ 2%	An increase in demand for consumer food products due to COVID-19 boosted shipments of packaging inks in the Americas and Europe.
Publication inks*	-11%	The spread of the pandemic discouraged demand for print advertisements and leaflets, weakening sales to commercial printers.
Jet inks	-13%	
Polystyrene	-10%	Sales declined, owing to falling sales prices.
Multilayer films	+ 4%	Higher demand for consumer food products due to COVID-19 underpinned higher sales, primarily in Japan.

*Change on a local currency basis

Color & Display

Net sales

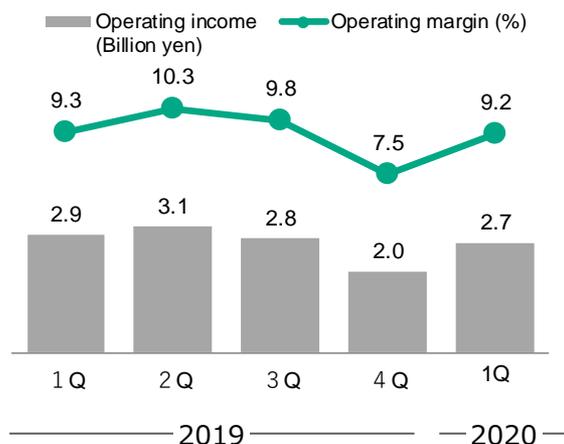
- Shipments of general-purpose pigments were firm, especially those for packaging inks, while shipments of pigments for cosmetics languished.
- Sales of display materials were down, owing to flagging shipments of thin-film transistor liquid crystals (TFT LCs).

Operating income

- Segment operating income declined, with contributing factors including falling shipments of pigments for cosmetics and of TFT LCs.

(Billion yen)	Net sales					Operating income					Operating margin	
	2019 3 Months	2020 3 Months	Change	% Change	% Change on a local currency basis	2019 3 Months	2020 3 Months	Change	% Change	% Change on a local currency basis	2019 3 Months	2020 3 Months
Color & Display	31.0	29.5	-1.4	-4.6%	-2.0%	2.9	2.7	-0.2	-5.4%	-3.6%	9.3%	9.2%
Japan	7.7	6.6	-1.1	-13.8%	-13.8%	1.2	1.2	-0.0	-0.3%	-0.3%	15.3%	17.7%
Overseas	26.2	24.5	-1.7	-6.6%	-3.6%	1.7	1.6	-0.1	-8.4%	-5.3%	6.5%	6.4%
Eliminations	(3.0)	(1.6)	1.4	-	-	0.0	(0.0)	-0.0	-	-	-	-

Operating income/margin



Sales of principal products

(Billion yen)	% Change	
General-purpose pigments	+ 1%	Shipments of pigments for packaging inks rose.
Functional pigments	-11%	Shipments of pigments for cosmetics languished, owing to the spread of COVID-19.
Liquid crystal (LC) materials	-20%	Shipments of TFT LCs fell.
Health foods	-5%	

Functional Products

Net sales

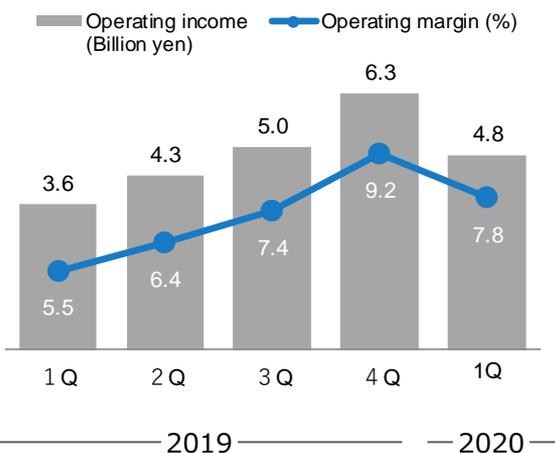
- Shipments of epoxy resins and industrial-use tapes were robust, bolstered by increased demand for use in semiconductor devices for 5G and smartphones.
- Shipments of a wide range of other products dwindled, hampered by slowing economic conditions amid the spread of COVID-19.

Operating income

- Segment operating income soared, reflecting brisk shipments of high-value-added products and lower raw materials prices.

(Billion yen)	Net sales					Operating income					Operating margin	
	2019 3 Months	2020 3 Months	Change	% Change	% Change on a local currency basis	2019 3 Months	2020 3 Months	Change	% Change	% Change on a local currency basis	2019 3 Months	2020 3 Months
Functional Products	65.0	61.2	-3.8	-5.9%	-5.0%	3.6	4.8	1.2	+ 34.0%	+ 35.1%	5.5%	7.8%
Japan	48.3	46.7	-1.6	-3.3%	-3.3%	2.2	3.0	0.9	+ 39.5%	+ 39.5%	4.5%	6.5%
Overseas	22.6	19.9	-2.7	-12.1%	-9.6%	1.3	1.8	0.4	+ 32.1%	+ 35.1%	5.9%	8.9%
Eliminations	(5.9)	(5.4)	0.5	-	-	0.0	(0.0)	-0.1	-	-	-	-

Operating income/margin



Sales of principal products

(Billion yen)	% Change	
Environment-friendly resins*	-6%	Shipments of environmental-friendly resins other than ultraviolet (UV)-curable resins declined, as demand declined for a wide range of products.
Epoxy resins	+ 14%	Shipments for use in semiconductor devices and smartphones were brisk.
Polyphenylene sulfide (PPS) compounds	-1%	Results were not impacted by COVID-19.
Industrial tapes	+ 15%	Sales rose, underpinned by healthy shipments for use in smartphones.
Hollow-fiber membrane modules	+ 3%	

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

Consolidated balance sheet

(Billion yen)	Dec 31 2019	Mar 31 2020	Change
Current assets	399.9	468.3	68.4
Property, plant and equipment	232.2	227.9	-4.3
Intangible assets	11.8	11.1	-0.7
Investments and other assets	159.2	157.4	-1.8
Total assets	803.1	864.7	61.6
Current liabilities	210.1	274.5	64.4
Non-current liabilities	249.5	259.7	10.2
Total liabilities	459.6	534.2	74.6
Shareholders' equity	407.4	408.2	0.8
Accumulated other comprehensive income	(94.7)	(108.2)	-13.6
[Foreign currency translation adjustment]	[(72.7)]	[(85.5)]	[-12.9]
Non-controlling interests	30.8	30.5	-0.3
Total net assets	343.5	330.5	-13.0
Total liabilities and net assets	803.1	864.7	61.6
Closing rate (YEN/USD)	108.71	108.22	
Shareholders' equity to total assets	38.9%	34.7%	
Interest-bearing debt	252.6	332.4	79.8
Cash and deposits	16.8	101.0	84.2



- Cash on hand was increased in anticipation of prolonged turmoil in financial markets.
- As a result, interest-bearing debt also rose.

Consolidated statement of income

(Billion yen)				Extraordinary income and loss		
	2019 3 Months	2020 3 Months	Change	2019 3 Months	2020 3 Months	
Net sales	190.7	181.7	-9.1	Extraordinary loss		
Cost of sales	(151.1)	(140.6)	10.5	!	Acquisition related expenses	- (1.0)
Selling, general and administrative expenses	(31.5)	(31.1)	0.4		Loss on disposal of non-current assets	(0.5) (0.5)
Operating income	8.1	9.9	1.8		Severance costs	(0.0) (0.1)
Interest expenses	(0.4)	(0.3)	0.1			
Commission expenses	-	(0.7)	-0.7			
Equity in earnings of affiliates	0.3	-	-0.3			
Equity in losses of affiliates	-	(0.2)	-0.2			
Foreign exchange gains (losses)	(0.1)	(0.2)	-0.1			
Other, net	0.2	(0.3)	-0.5			
Ordinary income	8.1	8.3	0.2			
Extraordinary loss	(0.5)	(1.7)	-1.1			
Income before income taxes	7.6	6.6	-1.0			
Income taxes	(1.8)	(1.5)	0.3			
Net income	5.8	5.1	-0.7			
Net income attributable to non-controlling interests	(0.5)	(0.5)	0.0			
Net income attributable to owners of the parent	5.3	4.6	-0.7			
Average rate	YEN/USD	110.17	108.72			
	YEN/EUR	125.09	119.68			

! Acquisition of BASF SE's Colors & Effects business

Consolidated statement of cash flows

(Billion yen)	2019 3 Months	2020 3 Months	Change
Cash flows from operating activities	(5.2)	15.5	20.7
[Excluding the impact of restraint of A/R securitization]	[7.8]	[15.5]	[7.7]
Cash flows from investing activities	(9.2)	(11.8)	-2.6
Cash flows from financing activities	54.8	74.5	19.7
[Excluding the impact of restraint of A/R securitization]	[41.8]	[74.5]	[32.7]
Cash and cash equivalents at end of the period	59.4	96.7	37.3
Free cash flow	(14.4)	3.7	18.1
[Excluding the impact of restraint of A/R securitization]	[(1.4)]	[3.7]	[5.1]
Increase (decrease) in working capital	(16.7)	6.5	23.2
[Excluding the impact of restraint of A/R securitization]	[(3.7)]	[6.5]	[10.2]
Capital expenditure and investment	8.6	8.0	-0.6
Depreciation and amortization	7.9	7.9	0.1

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

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%		

Note: Forecasts are unchanged from those published on February 14, 2020.

* 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 on a 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%

Note: Forecasts are unchanged from those published on February 14, 2020.

* Net income attributable to owners of the parent

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%			

Note: Forecasts are unchanged from those published on February 14, 2020.

Major topics (January to March 2020)

- Jan DIC develops a photomask that prevents electrostatic discharge damage.
- Feb DIC's corporate headquarters hosts a meeting of the United Nations' Global Compact Network Japan (GCNJ) Supply Chain Working Group.
- Feb DIC and the National Institute of Advanced Industrial Science and Technology (AIST) establish the Sustainable Materials Collaborative Research Laboratory.
- Mar DIC earns selection as a Nadeshiko Brand (recognizes companies judged to be outstanding in terms of efforts to empower women in the workplace) for the second consecutive year.
- Mar DIC earns "White 500" certification in Japan's Health & Productivity Outstanding Entities Recognition Program for the third consecutive year.
- Mar DIC procures funds through a subordinated term loan.
- Mar DIC announces sale of real estate held by DIC Graphics Corporation.



Business segments and principal products

Value provided

Packaging & Graphic



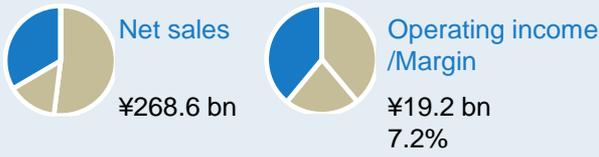
Packaging materials that bring safety and peace of mind

Color & Display



Color and display materials that make life colorful

Functional Products



Functional products that add comfort

Principal products

Packaging inks
Packaging adhesives
Packaging materials

Polystyrene
Multilayer films



Security inks



Jet inks

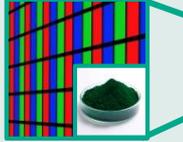


Publication inks



Functional pigments

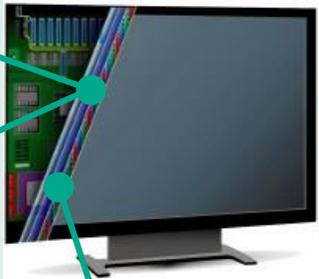
Pigments for color filters



Pigments for cosmetics



Effect pigments

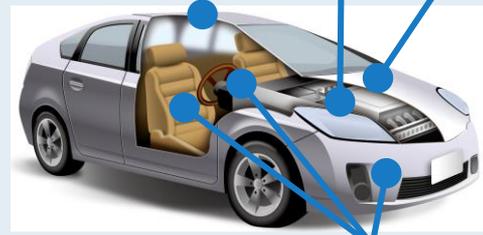
Liquid crystal materials



Natural colorants



Industrial tapes **PPS compounds**

Environment-friendly products*

Epoxy resins



Hollow-fiber membrane modules



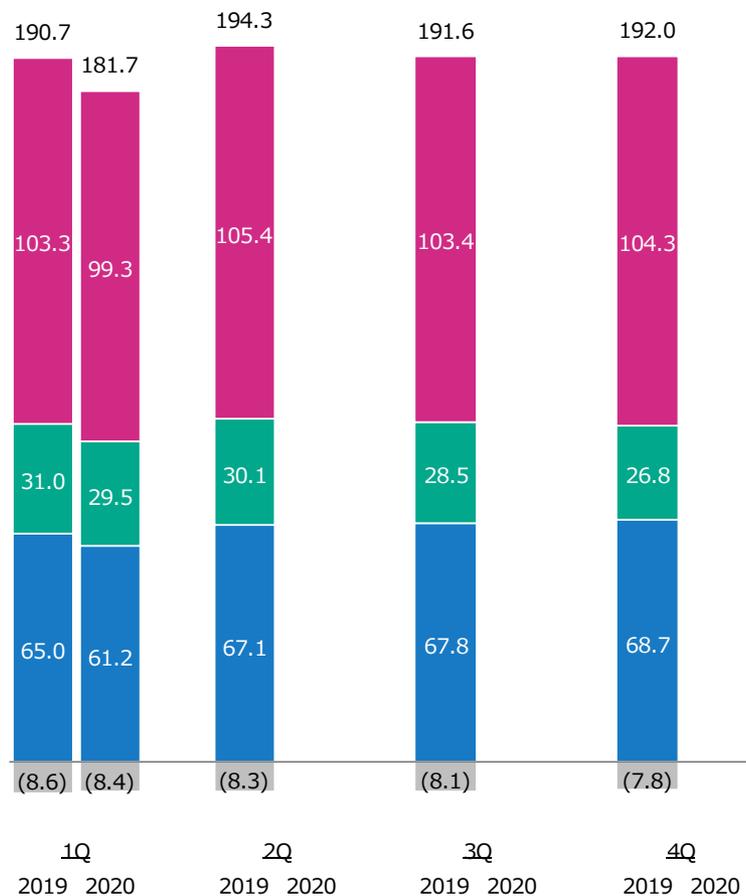
Note: Fiscal year 2019 actual

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

Quarterly trends in segment results (Reference)

Net sales

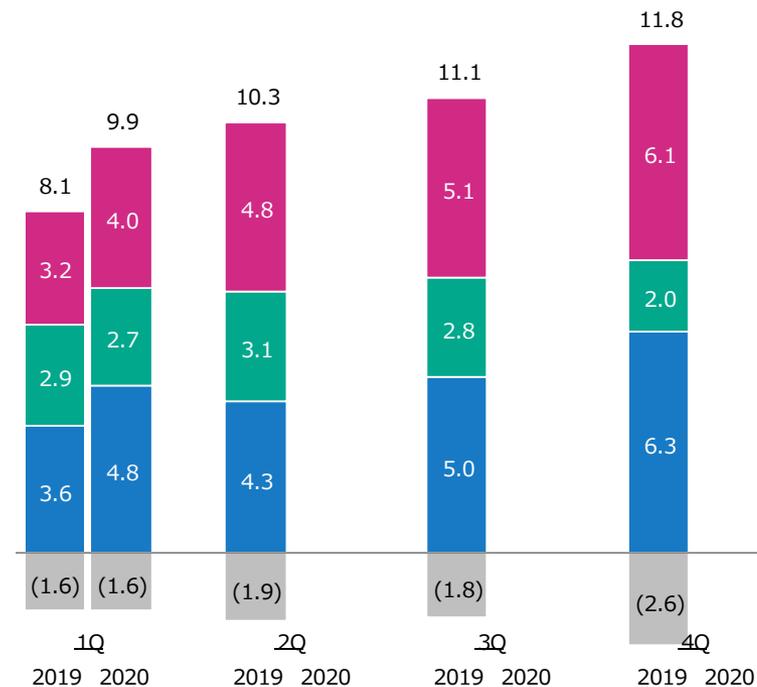
(Billion yen)



Operating income

(Billion yen)

Progress against full-term forecast is not shown.



■ Packaging & Graphic

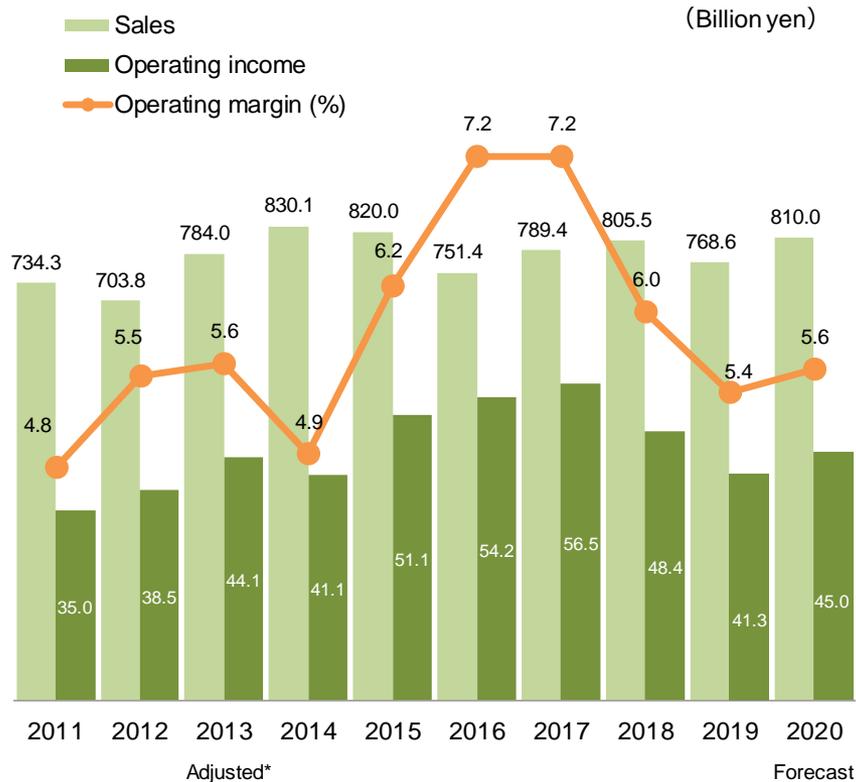
■ Color & Display

■ Functional Products

■ Others, Corporate and eliminations

Historical performance data (Reference)

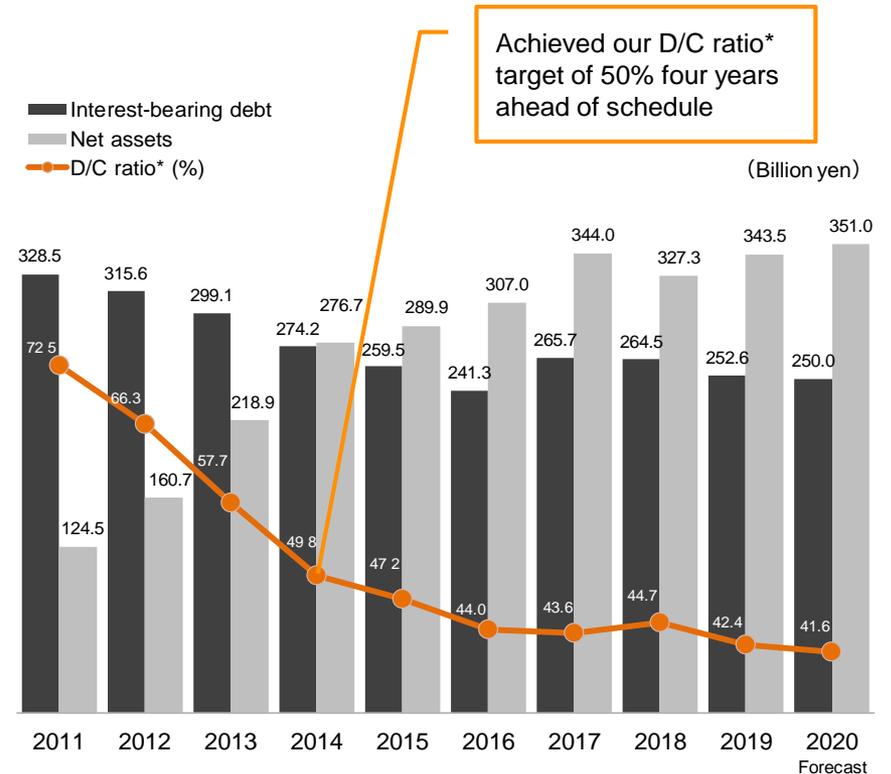
Operating results



Increase operating margin

Increase operating income

Financial health



Improvement of D/C ratio*

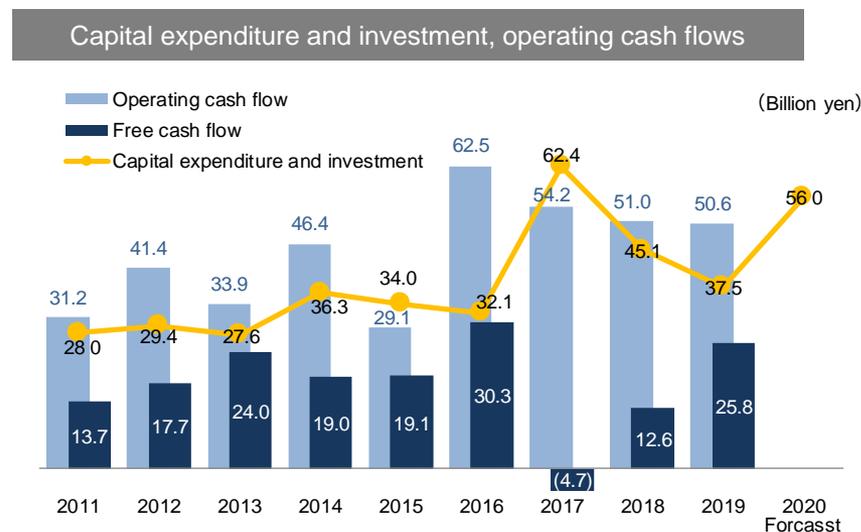
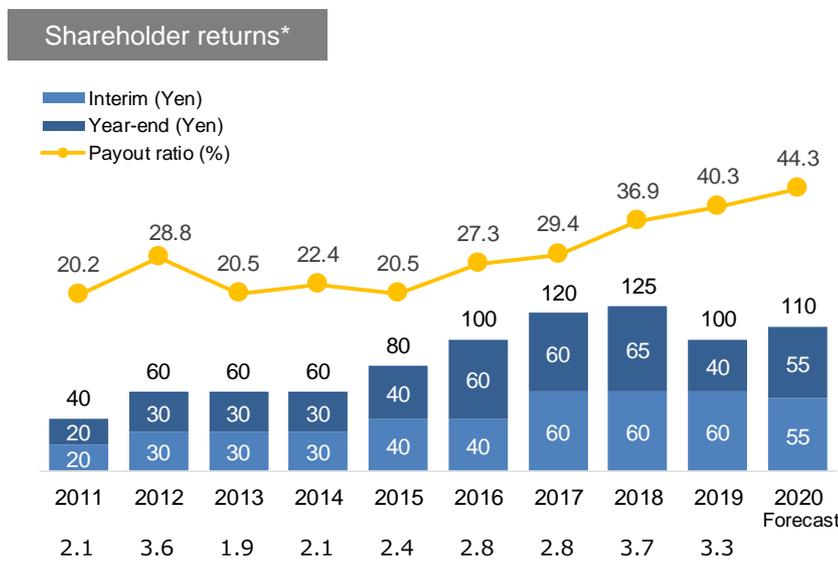
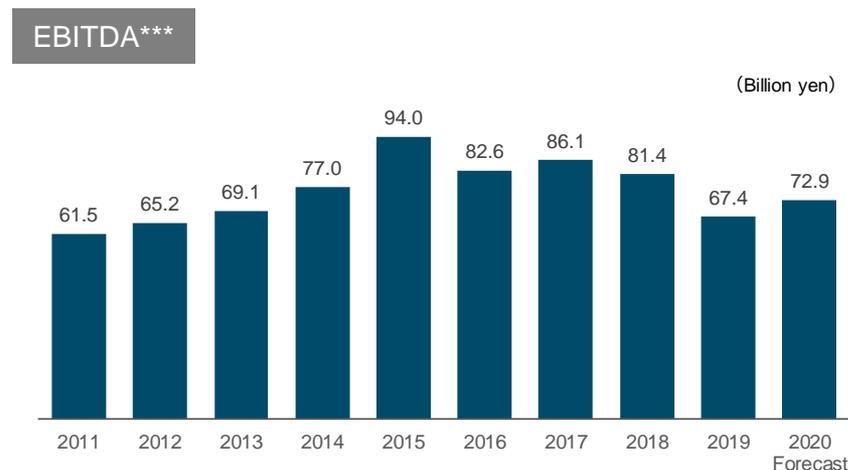
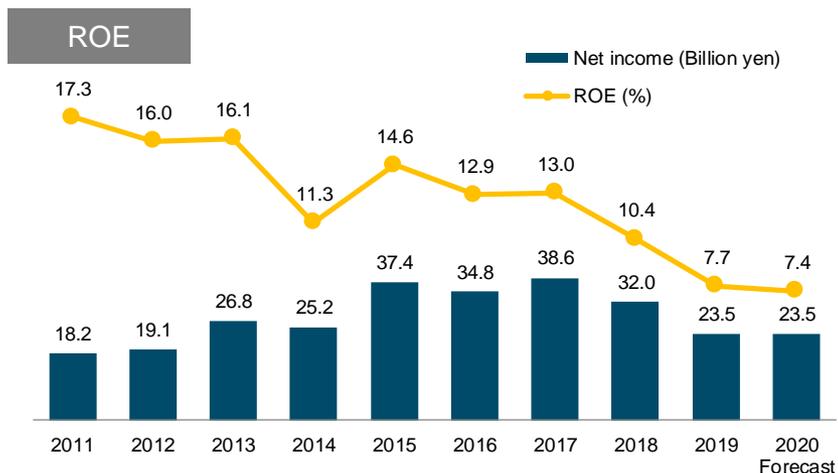
D/C ratio* around 50%

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

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

Note: Forecasts are unchanged from those published on February 14, 2020.

Historical performance data (Reference)



* 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

Note: Forecasts are unchanged from those published on February 14, 2020.



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.