ENGLISH TRANSLATION OF JAPANESE-LANGUAGE DOCUMENT
This is a translation of the original Japanese-language document and is provided for convenience only. In all cases, the Japanese-language original shall take precedence.

Consolidated Financial Results for the Nine Months Ended September 30, 2019 (Japan GAAP)
(The fiscal year ending December 31, 2019)

November 14, 2019
Stock Exchange: Tokyo
Head Office: Tokyo
Tel: +81 (3) 6733-3000

Company Name: DIC Corporation

Listing Code Number: 4631
URL: http://www.dic-global.com/en/
Representative: Kaoru Ino, Representative Director, President and CEO
Contact Person: Jun Kaneko, General Manager, Accounting Department
Preparation of Supplemental Explanatory Materials: Yes
Holding of Quarterly Financial Results Meeting: No

Scheduled Filing Date of Securities Report: November 14, 2019

(Yen amounts are rounded to the nearest million, except for per share information)

1. Consolidated Financial Results for the Nine Months Ended September 30, 2019 (January 1, 2019 – September 30, 2019)

(1) Consolidated operating results

(Percentages indicate year-on-year changes)

	Net sales		Operating income		Ordinary income		Net income attributable to owners of the parent	
	JPY (million)	%	JPY (million)	%	JPY (million)	%	JPY (million)	%
Nine months ended September 30, 2019	576,587	-4.0	29,471	-19.1	29,964	-17.8	18,327	-18.3
Nine months ended September 30, 2018	600,748	3.0	36,412	-10.2	36,441	-10.4	22,442	-36.1

Note: Comprehensive income (JPY million): Nine months ended September 30, 2019 8,882 (8.8%)
Nine months ended September 30, 2018 8,166 (-78.8%)

	Earnings per share basic	Earnings per share diluted
	JPY	JPY
Nine months ended September 30, 2019	193.64	—
Nine months ended September 30, 2018	237.11	—

(2) Consolidated financial position

	Total assets	Net assets	Shareholders' equity ratio to total assets
	JPY (million)	JPY (million)	%
As of September 30, 2019	840,880	323,893	35.0
As of December 31, 2018	801,296	327,334	37.3

Reference: Shareholders' equity (JPY million): As of September 30, 2019 294,046 As of December 31, 2018 298,896

Note: The Company has been applying "Partial Amendments to Accounting Standard for Tax Effect Accounting" (ASBJ Statement No. 28 on February 16, 2018), etc. from the beginning of the first three months ended March 31, 2019. The figures as of December 31, 2018 are based on retroactive application.

2. Cash Dividends

	Cash dividends per share				
(Record date)	End of 1st quarter	End of 2nd quarter	End of 3rd quarter	Year-end	Annual
	JPY	JPY	JPY	JPY	JPY
FY2018	—	60.00	—	65.00	125.00
FY2019	—	60.00	—		
FY2019 (Plan)				40.00	100.00

Note: Revision of the forecasts for the dividends payment: Yes
For details, please refer to "Notice of Revision to the Year-End Dividend Forecast for Fiscal Year 2019" published on November 14, 2019.

3. Forecasts for Consolidated Operating Results for the Fiscal Year Ending December 31, 2019 (January 1, 2019 – December 31, 2019)

(Percentages indicate year-on-year changes)

	Net sales		Operating income		Ordinary income		Net income attributable to owners of the parent		Earnings per share basic
	JPY (million)	%	JPY (million)	%	JPY (million)	%	JPY (million)	%	JPY
FY2019	775,000	-3.8	41,000	-15.3	40,000	-17.9	22,000	-31.3	232.44

Note: Revision of the forecasts for the consolidated operating results for the fiscal year ending December 31, 2019: Yes
For details, please refer to "Analysis of Results of Operations (3) Operating Results Forecasts for Fiscal Year 2019."

ENGLISH TRANSLATION OF JAPANESE-LANGUAGE DOCUMENT
This is a translation of the original Japanese-language document and is provided for convenience only. In all cases, the Japanese-language original shall take precedence.

Notes

(1) Changes in the scope of consolidation for significant subsidiaries during the nine months ended September 30, 2019: No

(2) Adoption of accounting methods which are exceptional for quarterly consolidated financial statements: Yes

(3) Changes in accounting policies and accounting estimates, and restatements

1) Changes in accounting policies arising from revision of accounting standards: Yes
2) Changes in accounting policies other than 1): Yes
3) Changes in accounting estimates: No
4) Restatements: No

(4) Number of shares issued (common stock)

1) Number of shares issued at the end of the period, including treasury shares
As of September 30, 2019 95,156,904 shares, As of December 31, 2018 95,156,904 shares
2) Number of treasury shares at the end of the period
As of September 30, 2019 510,877 shares, As of December 31, 2018 511,035 shares
3) Average number of shares issued during the period, excluding treasury shares
For the nine months ended September 30, 2019 94,646,551 shares, For the nine months ended September 30, 2018 94,646,824 shares

* From the fiscal year ended December 31, 2017, the Company introduced the Board Benefit Trust (BBT.) The shares held by the trust are included in the number of treasury shares.

Note: **Quarterly consolidated financial results are not subject to quarterly review procedures conducted by certified public accountants or audit firms.**

Note: **Explanation of the appropriate use of performance forecasts, and other special items**

Caution concerning forward-looking statements

The above forecasts of future performance are based on information available to the Company at the present time and are subject to potential risks and uncertainty. Accordingly, the users should be aware that actual results may differ from any expressed future performance herein due to various factors.

ENGLISH TRANSLATION OF JAPANESE-LANGUAGE DOCUMENT
This is a translation of the original Japanese-language document and is provided for convenience only. In all cases, the Japanese-language original shall take precedence.

Analysis of Results of Operations

(1) Overview of Operating Results

(Billions of yen)

	Nine months ended September 30, 2018	**Nine months ended September 30, 2019**	Change (%)	Change (%) [Local currency basis]
Net sales	600.7	**576.6**	-4.0%	-0.5%
Operating income	36.4	**29.5**	-19.1%	-13.0%
Ordinary income	36.4	**30.0**	-17.8%	—
Net income attributable to owners of the parent	22.4	**18.3**	-18.3%	—
EBITDA*	58.5	**50.1**	-14.4%	—
¥/US$1.00 (Average rate)	109.90	**109.15**	0.7%	—
¥/EUR1.00 (Average rate)	131.26	**122.56**	-6.0%	—

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

In the nine months ended September 30, 2019, consolidated net sales slipped 4.0%, to ¥576.6 billion. 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. While shipments thus did not recover to the level anticipated, the rate of decline continued to shrink.

Operating income dropped 19.1%, to ¥29.5 billion. In addition to falling shipments, particularly of high-value-added products, this sharp drop reflected flagging sales prices for some products. A decline in results overseas after translation, a consequence of yen appreciation, also pushed operating income down. Thanks to the impact of raw materials price decreases and other cost reductions, the operating margin improved after bottoming out in the first quarter, as a result of which the rate of decline narrowed in each subsequent quarter. Of particular note, operating margins in the People's Republic of China (PRC) and Southeast Asia turned positive in the second quarter and rose at a higher rate in the third quarter.

Ordinary income decreased 17.8%, to ¥30.0 billion.

Net income attributable to owners of the parent, at ¥18.3 billion, was down 18.3%. This reflected an extraordinary loss arising from efforts to improve business efficiency, as well as one-time disaster- and acquisition-related expenses.

ENGLISH TRANSLATION OF JAPANESE-LANGUAGE DOCUMENT
This is a translation of the original Japanese-language document and is provided for convenience only. In all cases, the Japanese-language original shall take precedence.

(2) Segment Results

(Billions of yen)

	Net sales				Operating income (loss)			
	Nine months ended September 30, 2018	**Nine months ended September 30, 2019**	Change (%)	Change (%) (Local currency basis)	Nine months ended September 30, 2018	**Nine months ended September 30, 2019**	Change (%)	Change (%) (Local currency basis)
Packaging & Graphic	323.6	**312.1**	**-3.6%**	1.5%	14.9	**13.1**	-12.2%	-0.3%
Color & Display	95.0	**89.6**	**-5.8%**	-3.3%	11.3	**8.8**	-22.3%	-19.3%
Functional Products	208.8	**199.9**	**-4.2%**	-2.9%	15.3	**12.9**	-15.5%	-14.4%
Others, Corporate and eliminations	(26.7)	**(25.0)**	—	—	(5.1)	**(5.3)**	—	—
Total	600.7	**576.6**	**-4.0%**	-0.5%	36.4	**29.5**	-19.1%	-13.0%

Note: Effective from January 1, 2019, DIC revised its segmentation to coincide with the launch of its new medium-term management plan, DIC111. Accordingly, figures for the nine months ended September 30, 2018, have been restated.
For information on DIC111, please visit http://www.dic-global.com/en/ir/plan.html.

Packaging & Graphic

	Nine months ended September 30, 2018	**Nine months ended September 30, 2019**	Change (%)	Change (%) 〔Local currency basis〕
Net sales	¥323.6 billion	**¥312.1 billion**	-3.6%	1.5%
Operating income	¥14.9 billion	**¥13.1 billion**	-12.2%	-0.3%

Segment sales slipped 3.6%, to ¥312.1 billion. Although sales were up 1.5% on a local currency basis, the depreciation of the euro and emerging economy currencies led to a decrease after translation into yen. In the area of materials for food packaging, sales of packaging inks rose, particularly in emerging economies in Asia and South America. In contrast, sales of polystyrene languished, despite an increase in shipments, as raw materials price decreases prompted the reduction of sales prices. Sales of publication inks, which center on publishing inks and news inks, were down, owing to an ebb in overall demand. Sales of jet inks for digital printing rose.

Segment operating income decreased 12.2%, to ¥13.1 billion. On a local currency basis, however, the decline in segment operating income narrowed to 0.3%, improving to a level largely in line with the corresponding period of the previous fiscal year, as efforts to revise sales prices progressed and the impact of rising raw materials prices eased.

ENGLISH TRANSLATION OF JAPANESE-LANGUAGE DOCUMENT
This is a translation of the original Japanese-language document and is provided for convenience only. In all cases, the Japanese-language original shall take precedence.

Color & Display

	Nine months ended September 30, 2018	**Nine months ended September 30, 2019**	Change (%)	Change (%) 〔Local currency basis〕
Net sales	¥95.0 billion	**¥89.6 billion**	-5.8%	-3.3%
Operating income	¥11.3 billion	**¥8.8 billion**	-22.3%	-19.3%

Segment sales, at ¥89.6 billion, were down 5.8%. In the area of color materials, shipments of pigments for cosmetics and general-purpose pigments flagged, hampered by trade friction. In display materials, shipments of pigments for color filters were firm. Despite steady shipments, sales of thin-film transistor liquid crystals (TFT LCs) sank, hindered by sagging sales prices, a consequence of intensifying competition.

Segment operating income dropped 22.3%, to ¥8.8 billion. 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 the PRC, as well as by increases in prices for pigments raw materials attributable to trade friction.

Functional Products

	Nine months ended September 30, 2018	**Nine months ended September 30, 2019**	Change (%)	Change (%) 〔Local currency basis〕
Net sales	¥208.8 billion	**¥199.9 billion**	-4.2%	-2.9%
Operating income	¥15.3 billion	**¥12.9 billion**	-15.5%	-14.4%

Segment sales slipped 4.2%, to ¥199.9 billion. While applications for polyphenylene sulfide (PPS) compounds continue to expand thanks to the trend toward lighter and increasingly electrified vehicles, shipments remained low, reflecting a downtrend in automobile production worldwide. Flagging economic conditions pushed down sales of epoxy resins and industrial tapes, the principal applications for which are smartphones and semiconductors. Although sales of synthetic resins were down overall, particularly in the PRC, shipments of environment-friendly resins bottomed out and began rising in the third quarter, bolstered by the transformation of a coating resins manufacturer in India into a consolidated subsidiary.

Segment operating income declined 15.5%, to ¥12.9 billion. Despite this steep decline, which stemmed from dwindling shipments of epoxy resins and other high-value-added products, as well as higher distribution and utilities costs, the operating margin continued to improve gradually, underpinned by raw materials price decreases.

ENGLISH TRANSLATION OF JAPANESE-LANGUAGE DOCUMENT
This is a translation of the original Japanese-language document and is provided for convenience only. In all cases, the Japanese-language original shall take precedence.

(3) Operating Results Forecasts for Fiscal Year 2019

(Billions of yen)

	FY2018	**FY2019**	Change (%)	Change (%) 〔Local currency basis〕
Net sales	805.5	**775.0** **[790.0]**	-3.8%	-0.6%
Operating income	48.4	**41.0** **[43.0]**	-15.3%	-10.3%
Ordinary income	48.7	**40.0** **[41.0]**	-17.9%	—
Net income attributable to owners of the parent	32.0	**22.0** **[30.0]**	-31.3%	—
¥/US$1.00 (Average rate)	110.46	**108.84**	-1.5%	—
¥/EUR1.00 (Average rate)	130.46	**120.69**	-7.5%	—

Notes: Forecasts in squared parentheses are those published on August 8, 2019.

In light of its performance in the nine months ended September 30, 2019, DIC has revised its operating results forecasts for fiscal year 2019. In addition to one-time expenses related to disasters and an acquisition in the third quarter, the Company expects to incur additional one-time expenses as a result of efforts to improve business efficiency. As a consequence, a substantially greater decline in net income attributable to owners of the parent is expected than in operating income and ordinary income.

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 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.

ENGLISH TRANSLATION OF JAPANESE-LANGUAGE DOCUMENT
This is a translation of the original Japanese-language document and is provided for convenience only. In all cases, the Japanese-language original shall take precedence.

Consolidated Quarterly Balance Sheet

(Millions of yen)

	As of December 31, 2018	As of September 30, 2019
(Assets)		
Current assets		
Cash and deposits	19,782	74,170
Notes and accounts receivable-trade	209,763	201,636
Merchandise and finished goods	94,611	93,117
Work in process	9,403	9,927
Raw materials and supplies	61,937	59,657
Other	23,878	22,508
Allowance for doubtful accounts	(9,722)	(9,431)
Total current assets	409,652	451,584
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	88,892	86,478
Machinery, equipment and vehicles, net	70,951	68,875
Tools, furniture and fixtures, net	11,395	11,076
Land	48,985	51,238
Construction in progress	7,928	10,623
Total property, plant and equipment	228,151	228,290
Intangible assets		
Goodwill	34	797
Software	2,887	2,620
Customer-related assets	3,359	2,644
Other	7,502	5,878
Total intangible assets	13,782	11,939
Investments and other assets		
Investment securities	67,523	63,920
Net defined benefit asset	25,089	29,720
Other	57,260	56,108
Allowance for doubtful accounts	(161)	(681)
Total investments and other assets	149,711	149,067
Total non-current assets	391,644	389,296
Total assets	801,296	840,880

ENGLISH TRANSLATION OF JAPANESE-LANGUAGE DOCUMENT
This is a translation of the original Japanese-language document and is provided for convenience only. In all cases, the Japanese-language original shall take precedence.

Consolidated Quarterly Balance Sheet

(Millions of yen)

	As of December 31, 2018	As of September 30, 2019
(Liabilities)		
Current liabilities		
Notes and accounts payable-trade	118,554	104,740
Short-term loans payable	79,778	48,189
Commercial papers	—	62,000
Income taxes payable	2,843	3,153
Provision for bonuses	6,283	5,436
Other	48,143	49,799
Total current liabilities	255,601	273,317
Non-current liabilities		
Bonds payable	60,000	70,000
Long-term loans payable	119,791	136,200
Net defined benefit liability	20,519	17,823
Asset retirement obligations	1,482	1,457
Other	16,569	18,190
Total non-current liabilities	218,361	243,670
Total liabilities	473,962	516,987
(Net assets)		
Shareholders' equity		
Capital stock	96,557	96,557
Capital surplus	94,445	94,456
Retained earnings	207,421	213,035
Treasury shares	(1,823)	(1,821)
Total shareholders' equity	396,600	402,227
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	1,407	1,202
Deferred gains or losses on hedges	14	59
Foreign currency translation adjustment	(67,617)	(80,571)
Remeasurements of defined benefit plans	(31,508)	(28,871)
Total accumulated other comprehensive income	(97,704)	(108,181)
Non-controlling interests	28,438	29,847
Total net assets	327,334	323,893
Total liabilities and net assets	801,296	840,880

ENGLISH TRANSLATION OF JAPANESE-LANGUAGE DOCUMENT
This is a translation of the original Japanese-language document and is provided for convenience only. In all cases, the Japanese-language original shall take precedence.

Consolidated Quarterly Statement of Income

(Millions of yen)

	Nine months ended September 30, 2018	Nine months ended September 30, 2019
Net sales	600,748	576,587
Cost of sales	467,707	453,004
Gross profit	133,041	123,583
Selling, general and administrative expenses		
Employees' salaries and allowances	32,484	31,799
Provision of allowance for doubtful accounts	328	711
Provision for bonuses	3,383	3,176
Retirement benefit expenses	48	717
Other	60,386	57,709
Total selling, general and administrative expenses	96,629	94,112
Operating income	36,412	29,471
Non-operating income		
Interest income	2,870	1,949
Dividends income	381	376
Equity in earnings of affiliates	2,862	1,798
Other	1,215	1,337
Total non-operating income	7,328	5,460
Non-operating expenses		
Interest expenses	3,847	2,920
Foreign exchange losses	849	747
Other	2,603	1,300
Total non-operating expenses	7,299	4,967
Ordinary income	36,441	29,964
Extraordinary income		
Gain on sales of subsidiaries and affiliates securities	—	1,555
Gain on sales of non-current assets	411	1,315
Gain on sales of investment securities	373	—
Insurance income	133	—
Total extraordinary income	917	2,870
Extraordinary loss		
Loss on disposal of non-current assets	1,691	1,516
Impairment loss	—	1,463
Loss on disaster	405	1,168
Acquisition related expenses	—	1,057
Severance costs	1,189	613
Provision of allowance for doubtful accounts	—	551
Amortization of prior service costs	—	390
Total extraordinary loss	3,285	6,758
Income before income taxes and non-controlling interests	34,073	26,076
Income taxes	10,342	6,466
Net income	23,731	19,610
Net income attributable to non-controlling interests	1,289	1,283
Net income attributable to owners of the parent	22,442	18,327

ENGLISH TRANSLATION OF JAPANESE-LANGUAGE DOCUMENT
This is a translation of the original Japanese-language document and is provided for convenience only. In all cases, the Japanese-language original shall take precedence.

Consolidated Quarterly Statement of Comprehensive Income

(Millions of yen)

	Nine months ended September 30, 2018	Nine months ended September 30, 2019
Net income	23,731	19,610
Other comprehensive income		
Valuation difference on available-for-sale securities	(2,166)	(155)
Deferred gains or losses on hedges	(14)	45
Foreign currency translation adjustment	(13,822)	(11,483)
Remeasurements of defined benefit plans, net of tax	1,113	2,661
Share of other comprehensive income of associates accounted for using equity method	(676)	(1,796)
Total other comprehensive income	(15,565)	(10,728)
Comprehensive income	8,166	8,882
Comprehensive income attributable to		
Comprehensive income attributable to owners of the parent	7,231	7,850
Comprehensive income attributable to non-controlling interests	935	1,032