4631.T : Tokyo Stock Exchange

Color & Comfort

DIC Corporation

Consolidated Financial Results
FY2019: Nine Months Ended September 30

November 2019



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Highlights

FY2019 nine 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. The rate of decline in shipments continued to shrink.
- Operating income dropped, despite improving from 2Q (April to June) forward. 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 other cost reductions, the operating margin improved after bottoming out in 1Q. Operating margins in China and Southeast Asia turned positive in 2Q and rose at a higher rate in 3Q (July to September).

Operating results forecasts

- In light of its performance in the first nine months of fiscal year 2019, full-year results forecasts have been revised downward.
- In addition to one-time expenses related to disasters and an acquisition in 3Q, 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.

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 nine months of fiscal year 2019, ended September 30, 2019.

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Summary of financial results

(Billion yen)		2018 9 Months	2019 9 Months	% Change	% Change on a local currency basis
Net sales		600.7	**576.6**	-4.0%	-0.5%
Operating income		36.4	**29.5**	-19.1%	-13.0%
Operating margin		6.1%	**5.1%**	–	–
Ordinary income		36.4	**30.0**	-17.8%	–
Net income*		22.4	**18.3**	-18.3%	–
EPS (Yen)		237.11	**193.64**	–	–
EBITDA**		58.5	**50.1**	-14.4%	–
Average rate	YEN/USD	109.90	**109.15**	-0.7%	
	YEN/EUR	131.26	**122.56**	-6.6%	

* 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

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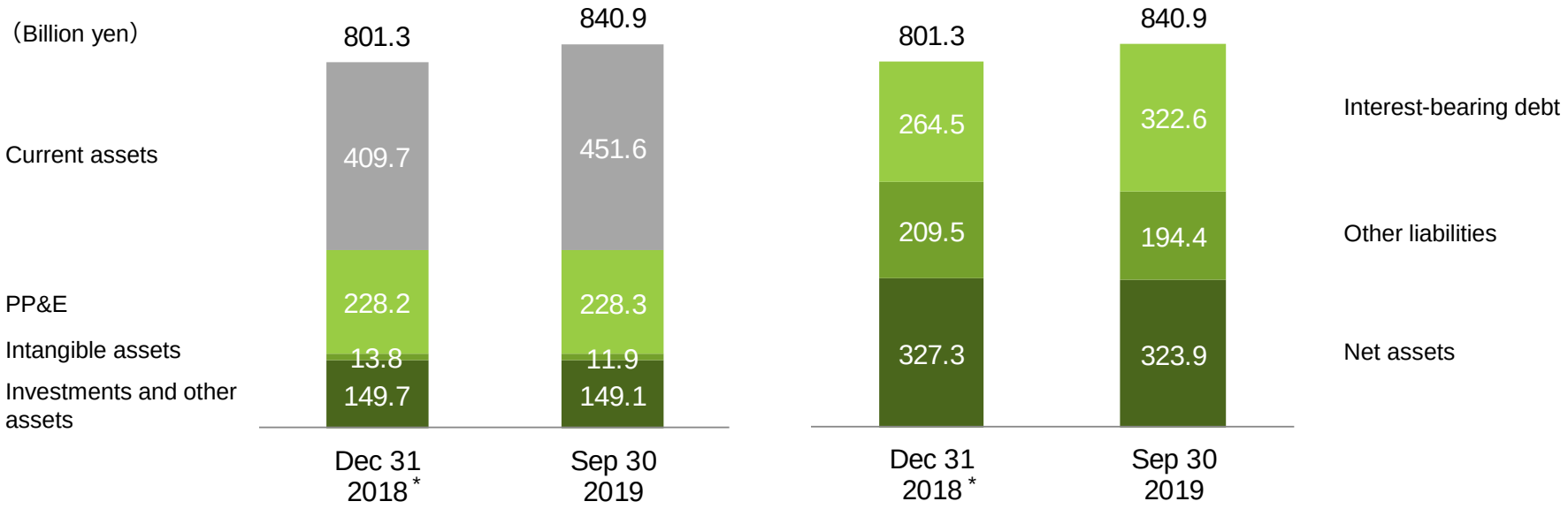
Financial health

Balance sheet



Financial health

(Billion yen)	Dec 31 2018	**Sep 30 2019**	Change
Interest-bearing debt	264.5	**322.6**	58.1
Net interest-bearing debt	244.7	**248.5**	3.8
D/C ratio **	44.7%	**49.9%**	
Equity ratio *	37.3%	**35.0%**	
BPS (Yen)	3,158.05	**3,106.80**	
Closing rate (YEN/USD)	110.39	**107.78**	

* 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)

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Quarterly trends in segment results (Reference)

Net sales

(Billion yen)



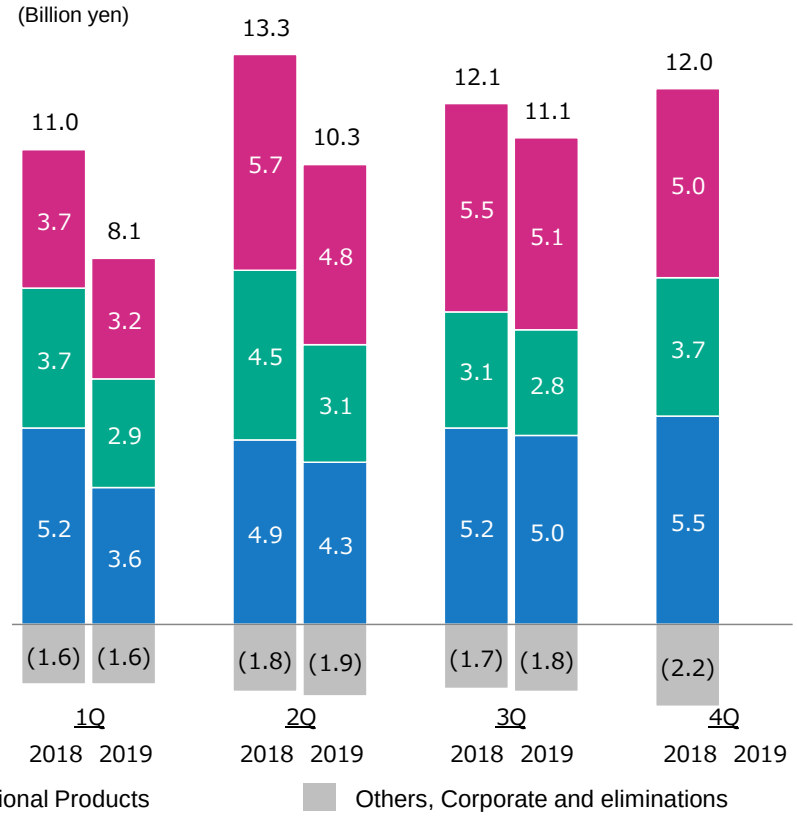
Operating income

Progress rate as per the full-year operating income forecasts

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

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

(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.

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Segment results

(Billion yen)

	Net sales					Operating income					Operating margin	
	2018 9 Months	2019 9 Months	Change	% Change	% Change on a local currency basis	2018 9 Months	2019 9 Months	Change	% Change	% Change on a local currency basis	2018 9 Months	2019 9 Months
Packaging & Graphic	323.6	312.1	-11.5	-3.6%	+ 1.5%	14.9	13.1	-1.8	-12.2%	-0.3%	4.6%	4.2%
Japan	88.8	85.4	-3.4	-3.8%	-3.8%	4.6	4.5	-0.1	-3.8%	-3.8%	5.2%	5.2%
The Americas and Europe	191.7	184.0	-7.7	-4.0%	+ 3.5%	8.0	5.5	-2.5	-31.1%	-10.8%	4.2%	3.0%
Asia and Oceania	52.5	51.1	-1.4	-2.7%	+ 1.7%	2.3	3.1	0.8	+ 32.3%	+ 36.6%	4.4%	6.0%
Eliminations	(9.4)	(8.4)	1.0	-	-	(0.0)	0.1	0.1	-	-	-	-
Color & Display	95.0	89.6	-5.4	-5.8%	-3.3%	11.3	8.8	-2.5	-22.3%	-19.3%	11.9%	9.8%
Japan	25.9	22.7	-3.2	-12.3%	-12.3%	4.8	4.1	-0.7	-15.8%	-15.8%	18.7%	17.9%
Overseas	78.6	74.4	-4.2	-5.3%	-2.1%	6.4	4.7	-1.7	-26.3%	-21.2%	8.2%	6.4%
Eliminations	(9.4)	(7.5)	1.9	-	-	0.1	0.0	-0.1	-	-	-	-
Functional Products	208.8	199.9	-8.9	-4.2%	-2.9%	15.3	12.9	-2.4	-15.5%	-14.4%	7.3%	6.5%
Japan	152.7	148.2	-4.5	-3.0%	-3.0%	9.8	7.4	-2.4	-24.0%	-24.0%	6.4%	5.0%
Overseas	76.1	68.9	-7.2	-9.4%	-5.9%	5.5	5.4	-0.1	-1.4%	+ 2.3%	7.2%	7.8%
Eliminations	(20.0)	(17.1)	2.9	-	-	0.1	0.1	0.0	-	-	-	-
Others, Corporate and eliminations	(26.7)	(25.0)	1.7	-	-	(5.1)	(5.3)	-0.2	-	-	-	-
Total	600.7	576.6	-24.1	-4.0%	-0.5%	36.4	29.5	-6.9	-19.1%	-13.0%	6.1%	5.1%
YEN/USD	109.90	109.15		-0.7%		109.90	109.15		-0.7%			
YEN/EUR	131.26	122.56		-6.6%		131.26	122.56		-6.6%			

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

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Packaging & Graphic

Net sales

- Although segment 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.
- Sales of packaging inks were firm, despite slowing economic growth.

Operating income

- On a local currency basis, the decline in segment operating income improved to a level largely in line with the corresponding period of the previous fiscal year.
- 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 9 Months	2019 9 Months	Change	% Change	% Change on a local currency basis	2018 9 Months	2019 9 Months	Change	% Change	% Change on a local currency basis	2018 9 Months	2019 9 Months
Packaging & Graphic	323.6	312.1	-11.5	-3.6%	+ 1.5%	14.9	13.1	-1.8	-12.2%	-0.3%	4.6%	4.2%
Japan	88.8	85.4	-3.4	-3.8%	-3.8%	4.6	4.5	-0.1	-3.8%	-3.8%	5.2%	5.2%
The Americas and Europe	191.7	184.0	-7.7	-4.0%	+ 3.5%	8.0	5.5	-2.5	-31.1%	-10.8%	4.2%	3.0%
Asia and Oceania	52.5	51.1	-1.4	-2.7%	+ 1.7%	2.3	3.1	0.8	+ 32.3%	+ 36.6%	4.4%	6.0%
Eliminations	(9.4)	(8.4)	1.0	-	-	(0.0)	0.1	0.1	-	-	-	-

Sales of principal products

(Billion yen)	% Change	
Packaging inks*	+ 2%	Sales increased, particularly in emerging economies in Asia and South America.
Publication inks*	-5%	Despite rising in emerging economies, especially in Asia and South America, sales were down overall, owing to flagging demand in developed economies.
Jet inks	+ 10%	
Polystyrene	-10%	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

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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 9 Months	2019 9 Months	Change	% Change	% Change on a local currency basis	2018 9 Months	2019 9 Months	Change	% Change	% Change on a local currency basis	2018 9 Months	2019 9 Months
Color & Display	95.0	89.6	-5.4	-5.8%	-3.3%	11.3	8.8	-2.5	-22.3%	-19.3%	11.9%	9.8%
Japan	25.9	22.7	-3.2	-12.3%	-12.3%	4.8	4.1	-0.7	-15.8%	-15.8%	18.7%	17.9%
Overseas	78.6	74.4	-4.2	-5.3%	-2.1%	6.4	4.7	-1.7	-26.3%	-21.2%	8.2%	6.4%
Eliminations	(9.4)	(7.5)	1.9	-	-	0.1	0.0	-0.1	-	-	-	-

Sales of principal products

(Billion yen)	% Change	
General-purpose pigments	-6%	Sales declined, owing to flagging demand for use in inks.
Functional pigments	+ 1%	Sales of pigments for color filters were up. Sales of pigments for cosmetics were hindered by flagging shipments, a consequence of trade friction and other factors.
Liquid crystal (LC) materials	-21%	Despite steady shipments, sales declined, hindered by sagging sales prices.
Health foods	+ 2%	Sales of natural colorants rose.

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Functional Products

Net sales

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

Operating income

- Operating income declined steeply, owing to 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. Operating income in overseas markets turned upward on a local currency basis.

(Billion yen)	Net sales					Operating income					Operating margin	
	2018 9 Months	**2019 9 Months**	Change	% Change	% Change on a local currency basis	2018 9 Months	**2019 9 Months**	Change	% Change	% Change on a local currency basis	2018 9 Months	**2019 9 Months**
Functional Products	208.8	**199.9**	-8.9	-4.2%	-2.9%	15.3	**12.9**	-2.4	-15.5%	-14.4%	7.3%	**6.5%**
Japan	152.7	**148.2**	-4.5	-3.0%	-3.0%	9.8	**7.4**	-2.4	-24.0%	-24.0%	6.4%	**5.0%**
Overseas	76.1	**68.9**	-7.2	-9.4%	-5.9%	5.5	**5.4**	-0.1	-1.4%	+ 2.3%	7.2%	**7.8%**
Eliminations	(20.0)	**(17.1)**	2.9	-	-	0.1	**0.1**	0.0	-	-	-	**-**

Sales of principal products

(Billion yen)	% Change	
Environment-friendly resins*	-4%	Shipments rose in 3Q, bolstered by the transformation of a coating resins manufacturer in India into a consolidated subsidiary.
Epoxy resins	-9%	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	-18%	Sales for mobile communications devices were pushed down by flagging economic conditions.
Hollow-fiber membrane modules	-9%	Shipments for use in semiconductors were low. Sales turned upward in 3Q.

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

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Consolidated balance sheet

(Billion yen)	Dec 31 2018*	Sep 30 2019	Change
Current assets	409.7	451.6	41.9
Property, plant and equipment	228.2	228.3	0.1
Intangible assets	13.8	11.9	-1.8
Investments and other assets	149.7	149.1	-0.6
Total assets	**801.3**	**840.9**	**39.6**
Current liabilities	255.6	273.3	17.7
Non-current liabilities	218.4	243.7	25.3
Total liabilities	**474.0**	**517.0**	**43.0**
Shareholders' equity	396.6	402.2	5.6
Accumulated other comprehensive income	(97.7)	(108.2)	-10.5
[Foreign currency translation adjustment]	[(67.6)]	[(80.6)]	[-13.0]
Non-controlling interests	28.4	29.8	1.4
Total net assets	**327.3**	**323.9**	**-3.4**
Total liabilities and net assets	**801.3**	**840.9**	**39.6**
Closing rate (YEN/USD)	110.39	107.78	
Shareholders' equity to total assets	37.3%	35.0%	
Interest-bearing debt	264.5	322.6	58.1
Cash and deposits	19.8	74.2	54.4

* 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.

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Consolidated statement of income

(Billion yen)	2018 9 Months	**2019 9 Months**	Change
Net sales	**600.7**	**576.6**	**-24.2**
Cost of sales	(467.7)	(453.0)	14.7
Selling, general and administrative expenses	(96.6)	(94.1)	2.5
Operating income	**36.4**	**29.5**	**-6.9**
Interest expenses	(1.0)	(1.0)	0.0
Equity in earnings of affiliates	2.9	1.8	-1.1
Foreign exchange gains (losses)	(0.8)	(0.7)	0.1
Other, net	(1.0)	0.4	1.4
Ordinary income	**36.4**	**30.0**	**-6.5**
Extraordinary income	0.9	2.9	2.0
Extraordinary loss	(3.3)	(6.8)	-3.5
Income before income taxes	34.1	26.1	-8.0
Income taxes	(10.3)	(6.5)	3.9
Net income	23.7	19.6	-4.1
Net income attributable to non-controlling interests	(1.3)	(1.3)	0.0
Net income attributable to owners of the parent	**22.4**	**18.3**	**-4.1**

Average rate	YEN/USD	109.90	109.15
	YEN/EUR	131.26	122.56

Extraordinary income and loss	2018 9 Months	**2019 9 Months**
Extraordinary income		
Gain on sales of subsidiaries and affiliates securities	-	1.6
Gain on sales of non-current assets	0.4	1.3
Gain on sales of investment securities	0.4	-
Insurance income	0.1	-
Extraordinary loss		
Loss on disposal of non-current assets	(1.7)	(1.5)
Impairment loss	-	(1.5)
Loss on disaster	(0.4)	(1.2)
Acquisition related expenses	-	(1.1)
Severance costs	(1.2)	(0.6)
Provision of allowance for doubtful accounts	-	(0.6)
Amortization of prior service costs	-	(0.4)

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Consolidated statement of cash flows

(Billion yen)	2018 9 Months	**2019 9 Months**	Change
Cash flows from operating activities	25.2	30.2	5.0
[Excluding the impact of restraint of A/R securitization]	[25.2]	[43.2]	[18.0]
Cash flows from investing activities	(33.2)	(24.6)	8.6
Cash flows from financing activities	68.8	44.7	-24.1
[Excluding the impact of restraint of A/R securitization]	[68.8]	[31.7]	[-37.1]
Cash and cash equivalents at end of the period	78.2	69.9	-8.3
Free cash flow	**(8.0)**	**5.6**	**13.6**
[Excluding the impact of restraint of A/R securitization]	[(8.0)]	[18.6]	[26.6]
Increase (decrease) in working capital	(18.4)	(10.8)	7.7
[Excluding the impact of restraint of A/R securitization]	[(18.4)]	[2.3]	[20.7]
Capital expenditure and investment	34.4	27.0	-7.4
Depreciation and amortization	24.6	24.3	-0.3

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

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Full-year operating results forecasts

Full-year operating results and dividend forecasts have been revised downward.

(Billion yen)		2018	2019 Forecast	% Change	% Change on a local currency basis	2019 Old forecast	% Change from old forecast
Net sales		805.5	**775.0**	-3.8%	-0.6%	790.0	-1.9%
Operating income		48.4	**41.0**	-15.3%	-10.3%	43.0	-4.7%
Operating margin		6.0%	**5.3%**	–	–	5.4%	–
Ordinary income		48.7	**40.0**	-17.9%	–	41.0	-2.4%
Net income*		32.0	**22.0**	-31.3%	–	30.0	-26.7%
EPS (Yen)		338.40	**232.44**	–	–	316.97	–
EBITDA		81.4	**66.0**	-18.9%	–	74.0	-10.8%
Capital expenditure and investment		45.1	**37.5**	-16.8%		37.5	–
Depreciation and amortization		32.8	**33.0**	+0.5%		32.0	+3.1%
Average rate	YEN/USD	110.46	**108.84**	-1.5%		108.85	-0.0%
	YEN/EUR	130.46	**120.69**	-7.5%		121.75	-0.9%
ROE		10.4%	**7.4%**			9.9%	
D/C ratio **		44.7%	**44.8%**			43.9%	
Annual dividends per share (Yen)		125.0	**100.0**			125.0	
Payout ratio		36.9%	**43.0%**			39.4%	

* Net income attributable to owners of the parent
** D/C ratio: Interest-bearing debt / (Interest-bearing debt + Net assets)

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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	417.4	-17.3	-4.0%	+ 1.3%	19.9	18.8	-1.1	-5.3%	+ 4.9%	4.6%	4.5%
Japan	120.3	115.1	-5.2	-4.3%	-4.3%	6.8	6.2	-0.6	-8.2%	-8.2%	5.6%	5.4%
The Americas and Europe	255.3	243.9	-11.4	-4.4%	+ 3.5%	10.0	8.5	-1.5	-14.7%	+ 4.6%	3.9%	3.5%
Asia and Oceania	71.1	69.2	-1.9	-2.8%	+ 1.6%	3.2	4.1	0.9	+ 28.2%	+ 32.2%	4.5%	6.0%
Eliminations	(12.0)	(10.8)	1.2	-	-	(0.1)	(0.0)	0.1	-	-	-	-
Color & Display	124.1	118.0	-6.1	-5.0%	-4.0%	15.0	11.5	-3.5	-23.0%	-21.5%	12.1%	9.8%
Japan	34.5	29.8	-4.7	-13.7%	-13.7%	7.0	5.7	-1.3	-18.1%	-18.1%	20.3%	19.2%
Overseas	101.4	97.9	-3.5	-3.5%	-2.0%	7.9	5.8	-2.1	-26.5%	-23.7%	7.8%	5.9%
Eliminations	(11.7)	(9.7)	2.0	-	-	0.1	0.0	-0.1	-	-	-	-
Functional Products	282.1	272.4	-9.7	-3.4%	-2.6%	20.8	18.5	-2.3	-11.3%	-10.4%	7.4%	6.8%
Japan	208.3	201.2	-7.1	-3.4%	-3.4%	14.0	10.9	-3.1	-22.0%	-22.0%	6.7%	5.4%
Overseas	100.4	93.8	-6.6	-6.6%	-4.3%	6.7	7.5	0.8	+ 11.0%	+ 14.6%	6.7%	8.0%
Eliminations	(26.6)	(22.5)	4.1	-	-	0.1	0.1	-0.0	-	-	-	-
Others, Corporate and eliminations	(35.4)	(32.8)	2.6	-	-	(7.3)	(7.8)	-0.5	-	-	-	-
Total	805.5	775.0	-30.5	-3.8%	-0.6%	48.4	41.0	-7.4	-15.3%	-10.3%	6.0%	5.3%
YEN/USD	110.46	108.84		-1.5%		110.46	108.84		-1.5%			
YEN/EUR	130.46	120.69		-7.5%		130.46	120.69		-7.5%			

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
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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

News Releases
http://www.dic-global.com/en/release/

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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

News Releases
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Business segments and principal products

Color & Comfort

Value provided

Packaging & Graphic



Net sales
¥434.7 bn



Operating income /Margin
¥19.9 bn
4.6%

Packaging materials that bring safety and peace of mind

Color & Display



Net sales
¥124.1 bn



Operating income /Margin
¥15.0 bn
12.1%

Color and display materials that make life colorful

Functional Products



Net sales
¥282.1 bn



Operating income /Margin
¥20.8 bn
7.4%

Functional products that add comfort

Principal products



Packaging inks
Packaging adhesives
Packaging materials
Polystyrene
Multilayer films





Security inks

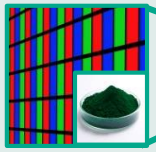


Jet inks

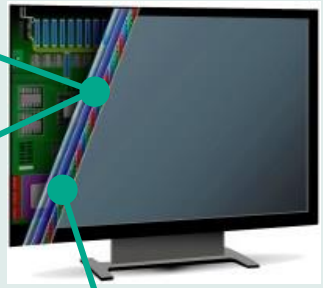


Publication inks

Functional pigments



Pigments for color filters





Pigments for cosmetics



Liquid crystal materials



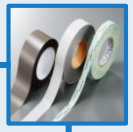
Effect pigments



Natural colorants

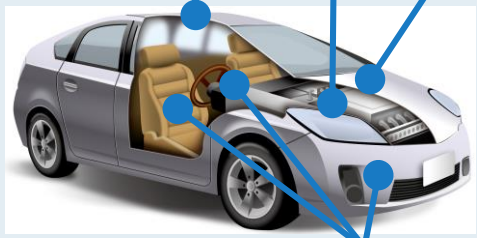
Industrial tapes





PPS compounds





Environment-friendly products*



Epoxy resins



Hollow-fiber membrane modules

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

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Principal products by previous and new business segments

Color & Comfort

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

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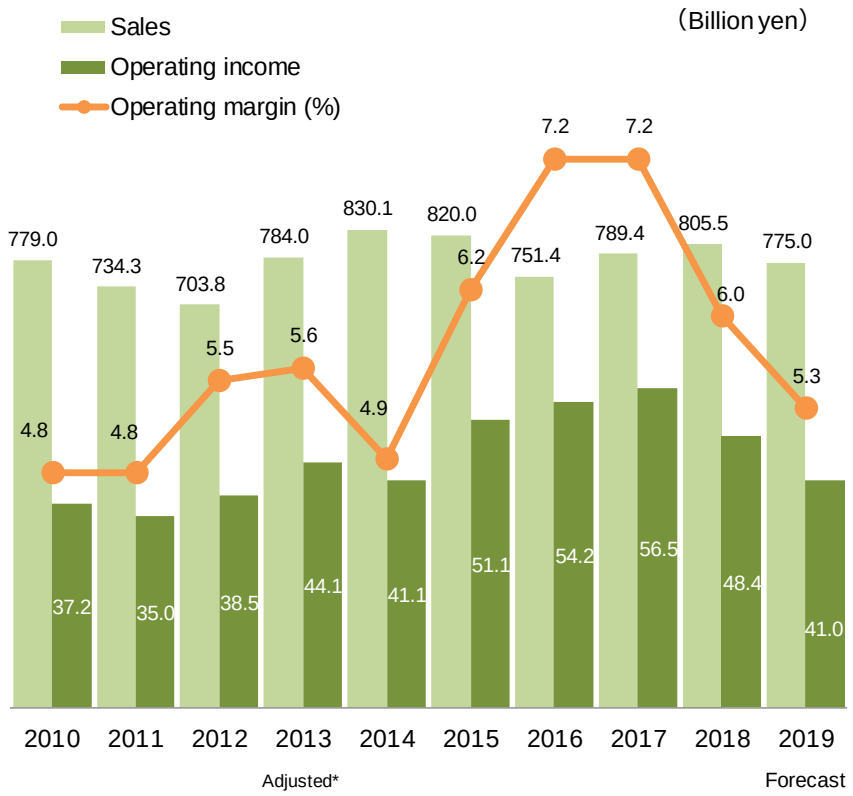
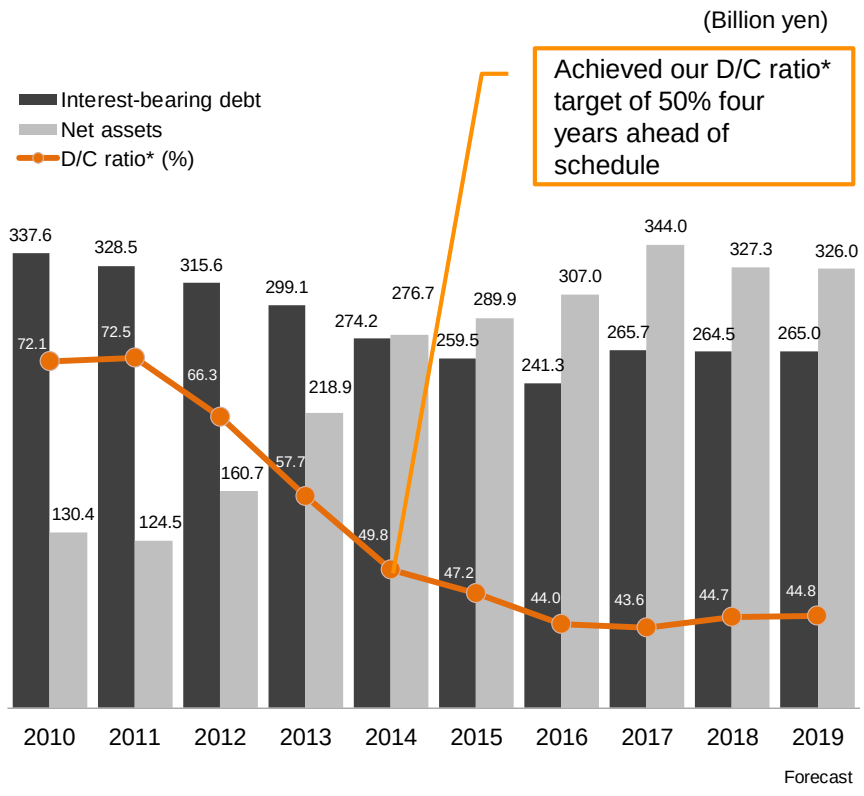
Historical performance data (Reference)

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)

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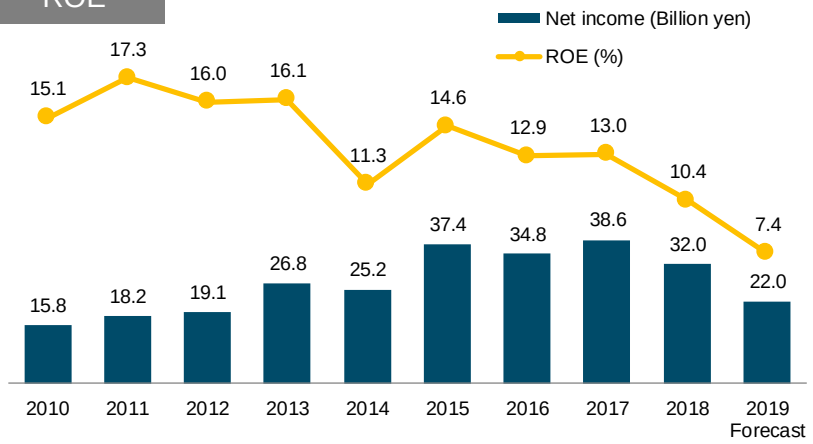
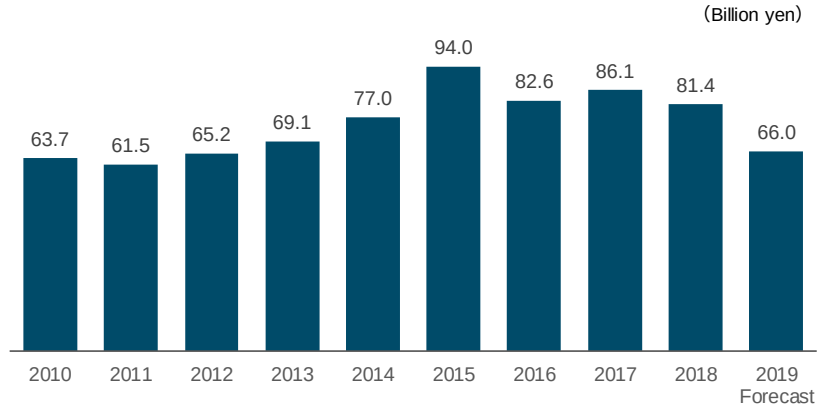
Historical performance data (Reference)

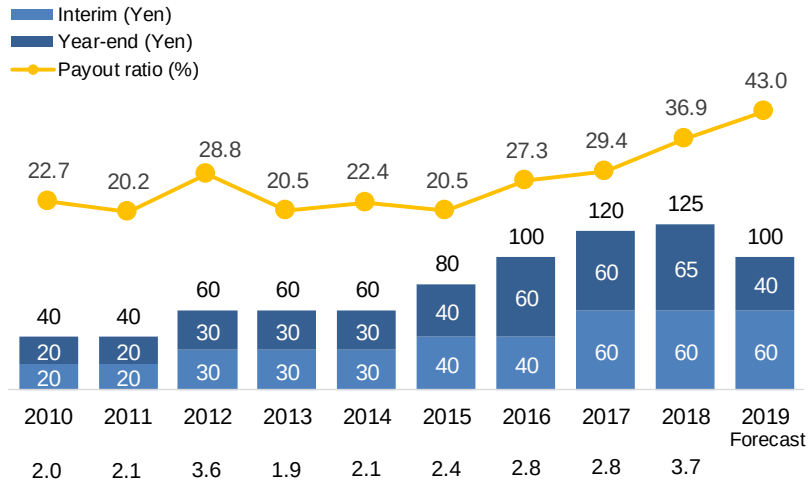
ROE



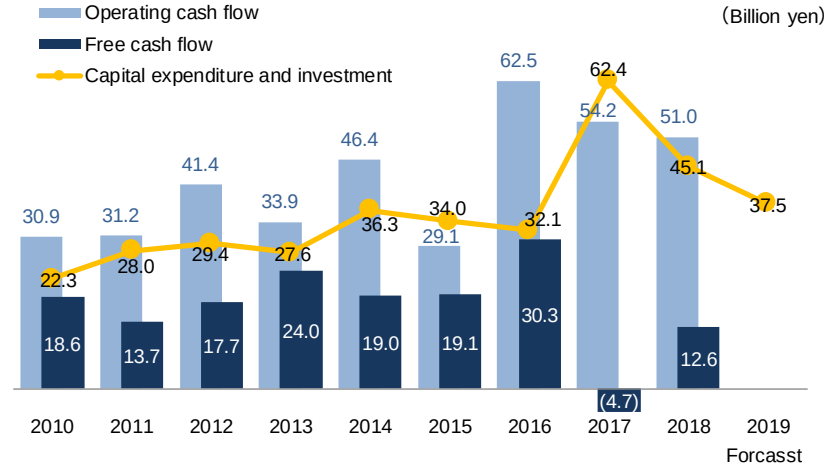
EBITDA***



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

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Color & Comfort

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