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 & Comfort

February 18, 2022

Company name DIC Corporation
Representative Kaoru Ino
Representative Director
President and CEO
（Securities code: 4631）
Contact Masaaki Nakagawa
General Manager
Corporate Communications Department
（Tel: +81-3-6733-3033）

DIC Announces New Vision Statement and DIC Vision 2030 Long-Term Management Plan

Tokyo, Japan—DIC Corporation today announced its redefined vision statement and new long-term management plan, DIC Vision 2030.

1. DIC's Redefined Vision Statement

The danger to our planet posed by global climate change has clarified our 10-year goals. There's widespread consensus on achieving carbon neutrality as a global solution with a clock.
Moreover, the global COVID-19 pandemic has created a new normal that we expect to significantly accelerate the transition to a digital society.
Considering this grand paradigm shift, the DIC Group must now balance maximizing our financial profits with maximizing our social significance. Given these new imperatives, we must share our motivations with our stakeholders externally and promote purpose-driven management internally.
Thus, the DIC Group has redefined our Vision Statement to better express our purpose.
We have redefined our Vision to express our goals to deliver greater value through broader innovation, improving the human condition and promoting sustainability for a brighter future.

[Our Redefined Vision Statement]

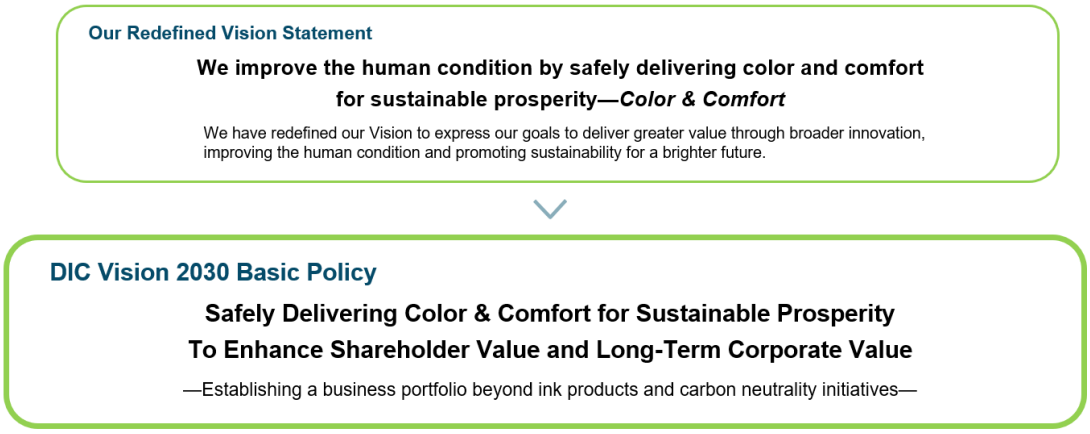
We improve the human condition by safely delivering color and comfort
for sustainable prosperity —*Color & Comfort*

2. Basic Policy of DIC Vision 2030

To realize its redefined vision statement, DIC has devised a new long-term management plan, DIC Vision 2030. Looking ahead to 2030, the Company has identified five priority business areas in which it will leverage its competitive strengths to contribute to a society that is Green, Digital, and emphasizes Quality of Life (QOL), concentrating its allocation of management resources to transform its business portfolio and help achieve sustainability for the global environment and for society. DIC will also make necessary investments in human capital, its most important resource, with the aim of maturing as a "global company trusted by society."

DIC Vision 2030 Basic Policy

DIC Vision 2030 Basic Policy Enhances Corporate Value under Our New Vision



3. Basic Strategies

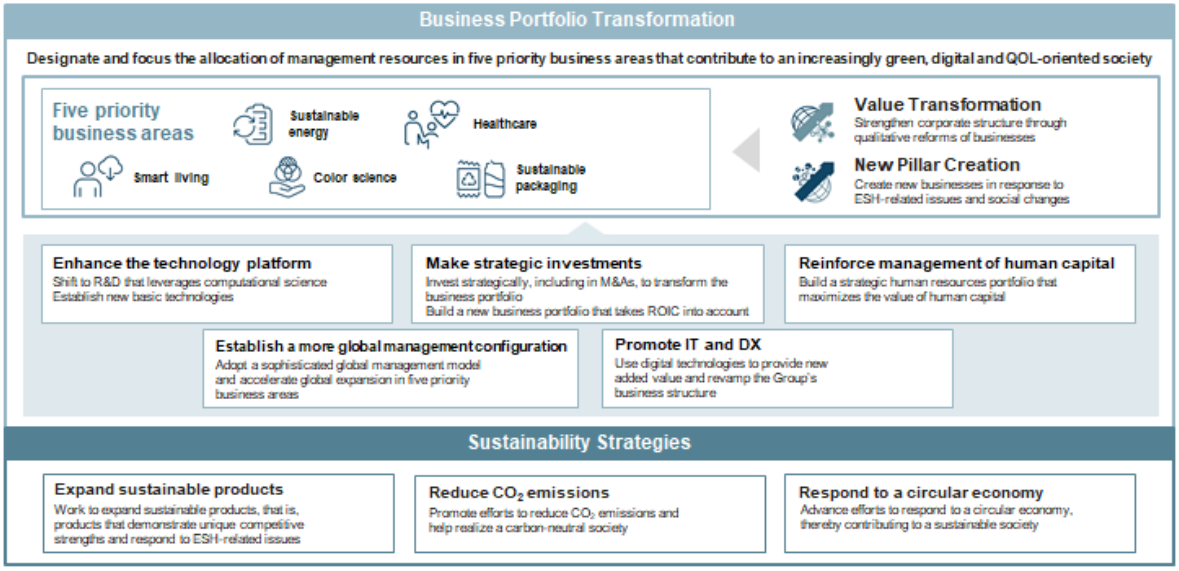
1) Business portfolio transformation

- Identify and concentrate allocation of management resources in five priority business areas in which DIC can make important contributions to a society that is increasingly green, digital and QOL-oriented by leveraging its competitive strengths.
- Based on market growth potential and degree of impact on society, identify five priority business areas at the intersection of environment, safety and health (ESH)-related issues and DIC's competitive strengths.
  - Sustainable energy
  - Healthcare
  - Smart living
  - Color science
  - Sustainable packaging
- Establish sustainable energy and healthcare as new business pillars
- Promote Value Transformation in smart living, color science and sustainable packaging to make business more sustainable

Five strategies to transform DIC's business portfolio

- Reinforce management of human capital
- Make strategic investments (budget ¥230 billion for strategic investments between fiscal years 2022 and 2025)
- Enhance the technology platform
- Establish a more robust global management configuration
- Promote information technology (IT) and digital transformation (DX)

Basic Strategies



2) Sustainability strategies

- Work to expand sustainable* products, that is, products that demonstrate unique competitive strengths and respond to ESH-related issues

  Target: Increase sustainable products to 60% of net sales by fiscal year 2030 (fiscal year 2020: 40%)

  Note: DIC positions products that demonstrate unique competitive strengths and respond to ESH-related issues as "sustainable."

- Promote efforts to reduce CO_2 emissions and help realize a carbon-neutral society

  Target: Achieve carbon neutrality by 2050 and reduce CO_2 emissions by 50% from the fiscal year 2013 level by fiscal year 2030

- Advance efforts to respond to a circular economy, thereby contributing to a sustainable society

Sustainability Strategies: Expand Sustainable Products

- Use proprietary indicators to define "sustainable products" based on whether they demonstrate unique competitive strengths and contribute to the resolution of social imperatives (See page 37)
- Expand weighting of sustainable products in priority business areas to help address ESH-related issues
- Increase sustainable products to 60% of net sales by fiscal year 2030 (fiscal year 2020: 40%)

The society to which DIC seeks to contribute	Value provided by DIC Products	Sustainable product examples	
Green • Achieve carbon neutrality • Realize a circular economy	• Contain renewable materials • Lower energy use, improve insulation and reduce weight • Address the issue of marine plastics • Can be recycled • Reduce waste • Prolong product life	Sustainable energy Sustainable packaging Color science	• Materials for next-generation secondary batteries and fuel cells • functional inorganic fillers • Materials with outstanding barrier properties • Biomass packaging • Biomass pigments • Functional pigments for heat-blocking coatings
Digital • Propel the evolution of information and communications • Drive the evolution of CASE vehicles and MaaS • Promote the development of AI and IoT technologies	• Contribute to high-capacity, high-speed communications • Support the Internet of Things (IoT)	Smart living Color science	• Materials for 5G/6G-enabled devices • Resins for next-generation semiconductors • Functional pigments for LiDAR signal coatings
QOL • Deliver safety, peace of mind and convenience • Prolong healthy life expectancy • Embrace diverse values	• Contribute to health and comfort • Help reduce food loss • Reduce emissions of volatile organic compounds (VOCs) and enhance safety	Healthcare Color science	• High-performance nutritional products • Natural skin-care materials • Natural colorants for cosmetics



4. Consolidated Targets (Fiscal Years 2022–2025)

(Billions of yen)	2021 Actual	2022 Targets	2025 Targets	Comparison between 2025 and 2021
Net sales	855.4	950	1,100	+29%
Operating income	42.9	54	80	+37.1
Operating margin	5.0%	5.7%	7.3%	+2.3pt
Net income	4.4	28	45	+40.6
EBITDA*	69	88	137	+68
ROIC**	4.8%	5.2%	6.0%	+1.2pt
Net D/E ratio*** (Net D/C ratio)****	1.0 (47.6%)	1.0 (48.7%)	Less than 1 times (Less than 50%)	—

* EBITDA = Net income + Total income taxes + (Interest expenses – Interest income) + Depreciation and amortization

** ROIC = Net operating income after tax / (Net Interest-bearing debt + Net assets)

*** Net D/E ratio = Net Interest-bearing debt ÷ Net worth

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

- Ends –

Please refer to the attached document of “DIC Vision 2030 Long-Term Management Plan” for detail.

DIC Vision 2030

Long-term management plan (Fiscal years 2022–2030)

February 18, 2022

Kaoru Ino
Representative Director, President and CEO



Color & Comfort

DIC Corporation

COPYRIGHT © DIC CORPORATION ALL RIGHTS RESERVED.

Contents

A Message from the President 3
DIC Vision 2030: Basic Policy 4
1. DIC111 in Review 5
2. DIC Vision 2030: DIC in the Future 10
3. DIC Vision 2030: Basic Strategies 13
   - Basic Strategies 14
   - Business Portfolio Transformation 15
   - Business Group Strategies 18
   - Enhance the Technology Platform 22
   - Make Strategic Investments 23
   - Reinforce Management of Human Capital 24
   - Establish a More Robust Global Management Configuration 25
   - Promote IT and DX 26
   - Sustainability Strategies 27
   - Cash Flow Management 30
4. Financial Targets: Fiscal Years 2022–2025 31
5. Appendix 35

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.

COPYRIGHT © DIC CORPORATION ALL RIGHTS RESERVED.

A Message from the President

Our New Vision

The danger to our planet posed by global climate change has clarified our 10-year goals. There's widespread consensus on achieving carbon neutrality as a global solution with a clock.

Moreover, the global COVID-19 pandemic has created a new normal that we expect to significantly accelerate the transition to a digital society.

Considering this grand paradigm shift, the DIC Group must now balance maximizing our financial profits with maximizing our social significance. Given these new imperatives, we must share our motivations with our stakeholders externally and promote purpose-driven management internally.

Thus, the DIC Group has redefined our Vision Statement to better express our purpose.

We improve the human condition by safely delivering color and comfort for sustainable prosperity —*Color & Comfort*

DIC Vision 2030 Basic Policy & Goals

To realize our redefined Vision, we have devised a new long-term management plan, DIC Vision 2030, as our basic policy to deliver greater social benefits that enhance shareholder value and build long-term corporate value.

Looking ahead to 2030, DIC must think long-term, focusing on five priority business areas to establish our business portfolio to achieve sustainable prosperity, by contributing to the creation of a society that is Green, Digital, and emphasizes Quality of Life (QOL).

Securing Sustainable Prosperity

In 2021, the DIC Group successfully acquired BASF's global pigments business, further enhancing Group profits, our diverse human resources, and our global network. Leveraging these strengths, we seek to further strengthen our global management and promote the establishment of a business portfolio that does not depend solely on ink products, as well as carbon neutrality initiatives unique to DIC, maturing as a "global company trusted by society."



Kaoru Ino, Representative Director, President and CEO

COPYRIGHT © DIC CORPORATION ALL RIGHTS RESERVED.

DIC Vision 2030 Basic Policy

DIC Vision 2030 Basic Policy Enhances Corporate Value under Our New Vision

Our Redefined Vision Statement

We improve the human condition by safely delivering color and comfort for sustainable prosperity—*Color & Comfort*

We have redefined our Vision to express our goals to deliver greater value through broader innovation, improving the human condition and promoting sustainability for a brighter future.

DIC Vision 2030 Basic Policy

Safely Delivering Color & Comfort for Sustainable Prosperity

To Enhance Shareholder Value and Long-Term Corporate Value

—Establishing a business portfolio beyond ink products and carbon neutrality initiatives—

COPYRIGHT © DIC CORPORATION ALL RIGHTS RESERVED.

1

DIC111* in Review

* Previous medium-term management plan



COPYRIGHT © DIC CORPORATION ALL RIGHTS RESERVED.

DIC111 in Review

Basic concept

Become a unique global company that is trusted by society by providing value (safety and peace of mind, color and comfort)

Basic strategies

Value Transformation

Strengthen corporate structure through qualitative reforms of businesses

- Add value to products
- Improve value provided
- Contribute to sustainability

New Pillar Creation

Create new businesses in response to ESH-related issues and social changes

- Electronics
- Automotive
- Next-generation packaging
- Healthcare

Major accomplishments

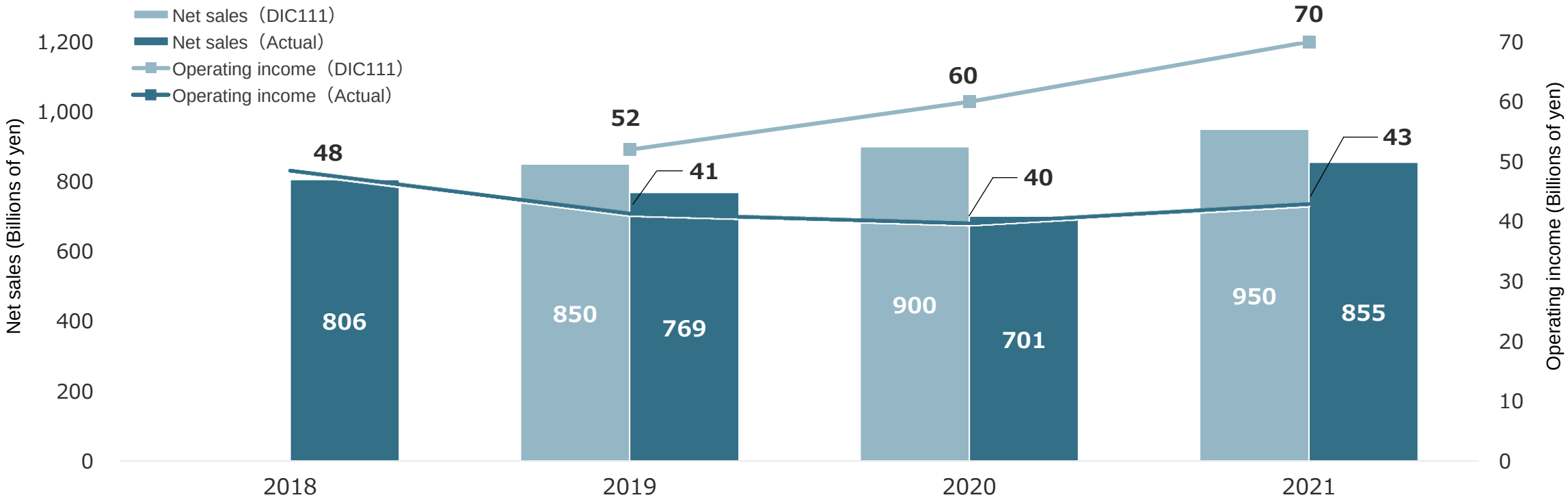
- Achieved success on many fronts, including capitalizing on global demand related to the deployment of 5G cellular communications, but fell short of consolidated net sales and operating income targets
- Acquired Colors & Effects, the global pigments business of Germany's BASF
- Value Transformation in existing businesses progressed, underscored by the expedited shift of the printing inks business toward packaging materials
- Announced new products in four priority business areas designated under New Pillar Creation

COPYRIGHT © DIC CORPORATION ALL RIGHTS RESERVED.

DIC111 in Review

Net sales and operating income

(Billions of yen)



Challenges

- Clarify ideal business portfolio and promote portfolio transformation with the aim of achieving sustainable growth
- Swiftly realize synergies with the global pigments business acquired from BASF
- Create new businesses with the potential to become mainstays through New Pillar Creation
- Implement further structural reforms (publication inks, thin-film transistor liquid crystals (TFT LCs))

COPYRIGHT © DIC CORPORATION ALL RIGHTS RESERVED.

DIC111 in Review

Operating results by segment

(Billions of yen, %)

Row: Upper: Net sales Middle: Operating income Lower: Operating margin	2019 Actual	2020 Actual	2021 Actual	2021 Original targets
Packaging & Graphic	416.4 19.2 4.6%	388.4 21.8 5.6%	439.8 21.6 4.9%	494.0 26.0 5.3%
Color & Display	116.4 10.8 9.3%	105.8 8.4 7.9%	167.2 4.0 2.4%	149.4 18.2 12.2%
Functional Products	268.6 19.2 7.1%	236.0 17.1 7.2%	283.3 26.2 9.2%	343.2 33.6 9.8%

Overview by segment

Packaging & Graphic	• Reported steady gains in sales volume and income in the area of packaging inks in the Americas and Europe • Developed and commercialized *DUALAM*® fast-curing solvent-free adhesive • Sales of security inks fell short of expectations, owing to COVID-19
Color & Display	• Enhanced product and technology portfolios by acquiring global pigments business from BASF • Sales of pigments for displays and effect pigments were in line with projections • Sales of pigments for cosmetics were shy of targets • Adoption of TFT LCs by new customers was delayed
Functional Products	• Secured production base for coating resins in India (acquired Ideal Chemi Plast Pvt. Ltd.) • Expanded sales of high-value-added products for digital applications, notably 5G base stations and data centers • Water-based coating resins underperformed, owing to changes in the market environment

COPYRIGHT © DIC CORPORATION ALL RIGHTS RESERVED.

DIC111 in Review

Strategic investments: M&As and other active initiatives aimed at future growth

BASF Colors and Effects

June 2021 Cost of acquisition: €101.0 billion

Expand functional pigments portfolio (Color & Display)



Liaoning Tianqi Technology Co., Ltd.

May 2020

Expand gravure inks production base in the People's Republic of China (PRC) (Packaging & Graphic)



Investments in start-ups/capital ties

Green Science Materials, Inc.

March 2021 Japan

Expand algae products portfolio



Vaxa Technologies Ltd.

April 2021 Israel

Expand business by adding depth to biotechnology capabilities and expanding related businesses



Vaxa Technologies Ltd.

Green Science Materials, Inc.

SAPICI S.p.A.

January 2022

Expand packaging adhesives portfolio (Packaging & Graphic, Functional Products)



Sensient Imaging Technologies

June 2020

Expand jet inks portfolio (Packaging & Graphic)



Ideal Chemi Plast Pvt. Ltd.

May 2019

Secure coating resins production base in India (Functional Products)



Seller Ink

September 2020

Secure specialty inks production base in Central America (Packaging & Graphic)



Packaging & Graphic Color & Display Functional Products

COPYRIGHT © DIC CORPORATION ALL RIGHTS RESERVED.

2

DIC Vision 2030: DIC in the Future



COPYRIGHT © DIC CORPORATION ALL RIGHTS RESERVED.

DIC in the Future

1 Build a business portfolio that contributes to sustainable prosperity for society

- Promote business portfolio transformation by expanding businesses in growth markets and creating new businesses to build a business portfolio that does not depend on ink
- Expand selection of sustainable products* with the aim of contributing to a society that is increasingly green, digital and emphasizes QOL and of enhancing corporate value

*For more information on sustainable products, please see pages 27 and 37.

Target **Increase sustainable products as a percentage of net sales to 60% by FY2030** (FY2020: 40%)

Contribute to a society that is increasingly

Green

- Achieve carbon neutrality
- Realize a circular economy

Digital

- Propel the evolution of information and communications
- Drive the evolution of CASE (Connected, Autonomous, Shared and Electric) vehicles and Mobility as a Service (MaaS)
- Promote the development of AI and IoT technologies

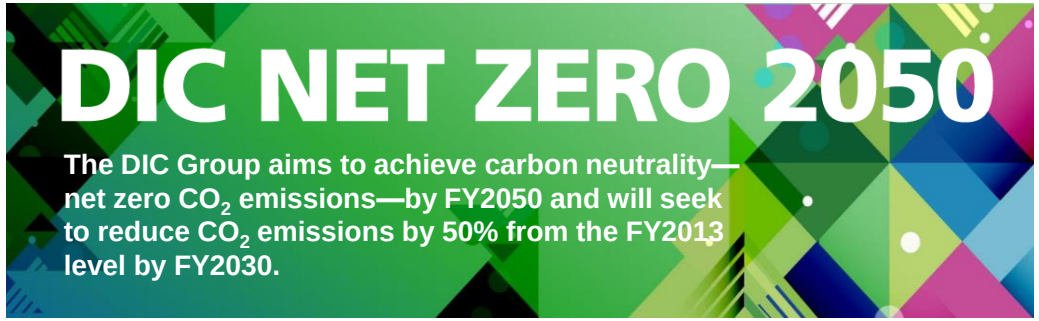
QOL

- Deliver safety, peace of mind and convenience
- Prolong healthy life expectancy
- Embrace diverse values

2 Help achieve sustainability for the global environment and for society

- Advance sustainability strategies to help realize a carbon-neutral society

Target **Reduce annual CO_2 emissions by 50% by FY2030**

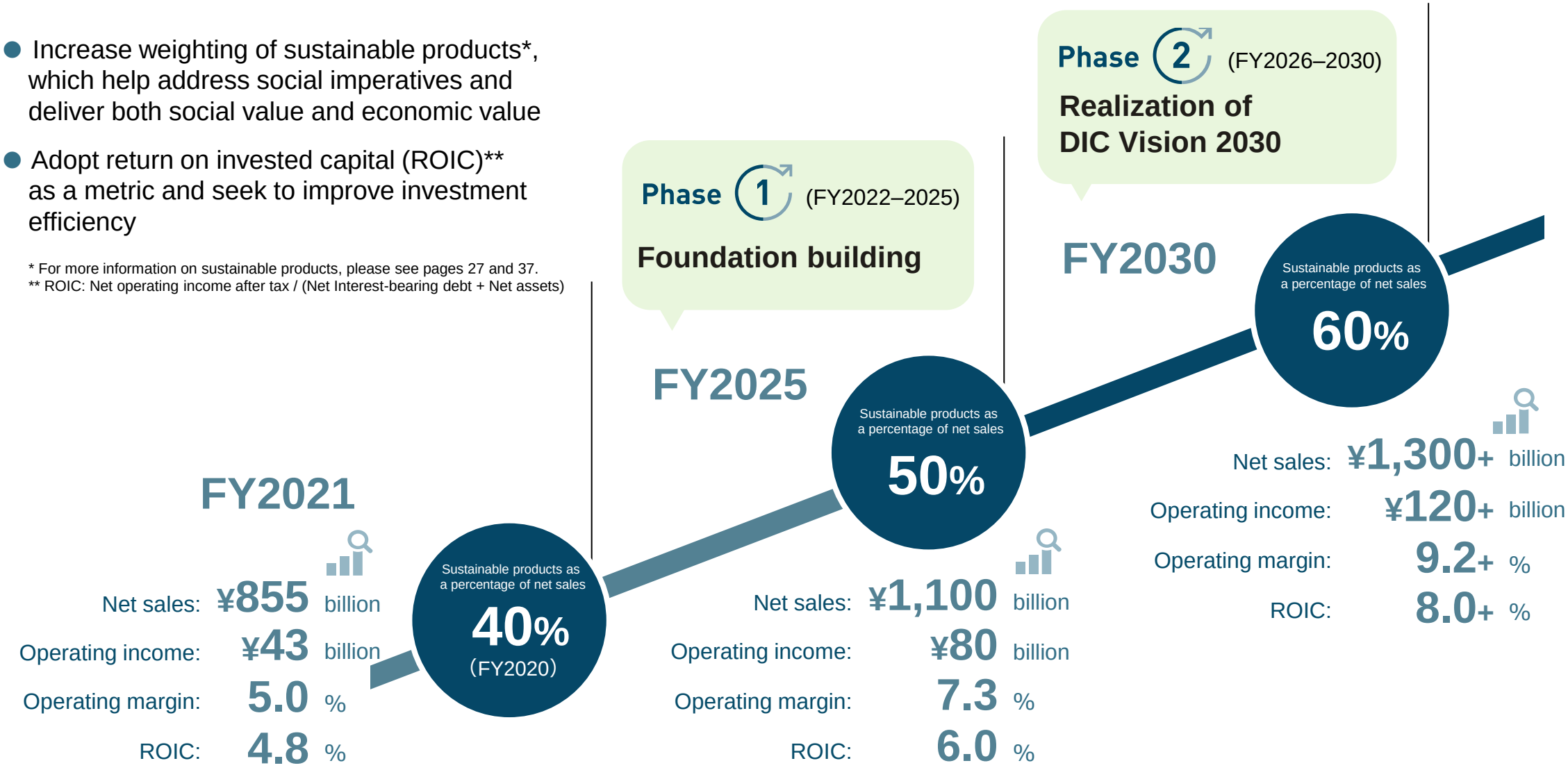


COPYRIGHT © DIC CORPORATION ALL RIGHTS RESERVED.

DIC in the Future

- Increase weighting of sustainable products*, which help address social imperatives and deliver both social value and economic value
- Adopt return on invested capital (ROIC)** as a metric and seek to improve investment efficiency

* For more information on sustainable products, please see pages 27 and 37.
** ROIC: Net operating income after tax / (Net Interest-bearing debt + Net assets)



COPYRIGHT © DIC CORPORATION ALL RIGHTS RESERVED.

3

DIC Vision 2030: Basic Strategies



COPYRIGHT © DIC CORPORATION ALL RIGHTS RESERVED.

Basic Strategies

Business Portfolio Transformation

Designate and focus the allocation of management resources in five priority business areas that contribute to an increasingly green, digital and QOL-oriented society

Five priority business areas

- Sustainable energy
- Healthcare
- Smart living
- Color science
- Sustainable packaging

See page 15–17

Value Transformation

Strengthen corporate structure through qualitative reforms of businesses

New Pillar Creation

Create new businesses in response to ESH-related issues and social changes

Enhance the technology platform

Shift to R&D that leverages computational science
Establish new basic technologies

See page 22

Make strategic investments

Invest strategically, including in M&As, to transform the business portfolio
Build a new business portfolio that takes ROIC

See pages 23 and 30

Reinforce management of human capital

Build a strategic human resources portfolio that maximizes the value of human capital

See page 24

Establish a more global management configuration

Adopt a sophisticated global management model and accelerate global expansion in five priority business areas

See page 25

Promote IT and DX

Use digital technologies to provide new added value and revamp the Group's business structure

See page 26

Sustainability Strategies

Expand sustainable products

Work to expand sustainable products, that is, products that demonstrate unique competitive strengths and respond to ESH-related issues

See page 27

Reduce CO_2 emissions

Promote efforts to reduce CO_2 emissions and help realize a carbon-neutral society

See page 28

Respond to a circular economy

Advance efforts to respond to a circular economy, thereby contributing to a sustainable society

See page 29

COPYRIGHT © DIC CORPORATION ALL RIGHTS RESERVED.

Business Portfolio Transformation

Identify and concentrate allocation of management resources in five priority business areas in which DIC can make important contributions by leveraging its competitive strengths

- Based on market growth potential and degree of impact on society, identify five priority business areas at the intersection of ESH-related issues and DIC's competitive strengths
  ▶ Sustainable energy ▶ Healthcare ▶ Smart living ▶ Color science ▶ Sustainable packaging

- Establish inorganic materials design and biomaterials design technologies as new basic technologies that will support efforts in the Sustainable energy and Healthcare fields; create new value by integrating these with existing basic technologies

Next-generation/ growth businesses	・Step up intensive investment in New Pillar Creation ・Demonstrate strengths in highly promising markets	Sustainable energy Healthcare Smart living
Businesses with stable earnings bases	・Shift to growth areas by capitalizing on existing business infrastructure ・Reinforce earnings bases by transforming business models	Color science Sustainable packaging
Businesses in need of structural reform	・Maximize profitability by improving efficiency	Publication inks TFT LCs

COPYRIGHT © DIC CORPORATION ALL RIGHTS RESERVED.

Business Portfolio Transformation: Five Priority Business Areas

Sustainable Energy

- Specialty materials that contribute to the realization of the high-performance secondary batteries and fuel cells crucial to an electrified/hydrogen-powered society

e.g. | Materials for secondary batteries and fuel cells
Functional organic fillers



Healthcare

- High-performance nutritional supplements that support the health of people of all ages
- Healthcare-related products and services that deliver safety, peace of mind and comfort, contributing to a future in which people enjoy an improved QOL

e.g. | High-performance nutritional products
Natural skin-care materials



Smart living

- High-performance materials and solutions that contribute to the realization of a sustainable society that coexists with a healthy global environment
- Chemical solutions for modern lives that have evolved and improved thanks to digitalization

e.g. | Materials for 5G/6G-enabled devices, resins for next-generation semiconductors, bonding solutions with heterogeneous materials



Color science

- Color that is sustainable and ecologically sound
- Products with outstanding decorative properties that facilitate the creation of comfortable spaces
- Functional materials that leverage dyeing technologies to deliver convenience, satisfaction, safety and peace of mind

e.g. | Functional pigments (for light detection and ranging (LiDAR) signal coatings), heat-blocking coatings, biomass pigments, natural colorants for cosmetics



Sustainable packaging

- Materials that ensure tastier, more enjoyable and safer merchandise reaches consumers
- Materials that deliver both safety/peace of mind and convenience, as well as help reduce food loss
- Product design that contributes to environmental soundness, i.e., is conducive to recycling and uses plant-derived and renewable raw materials

e.g. | Materials with outstanding barrier properties, biomass packaging, recycling systems (chemical recycling, materials recycling)



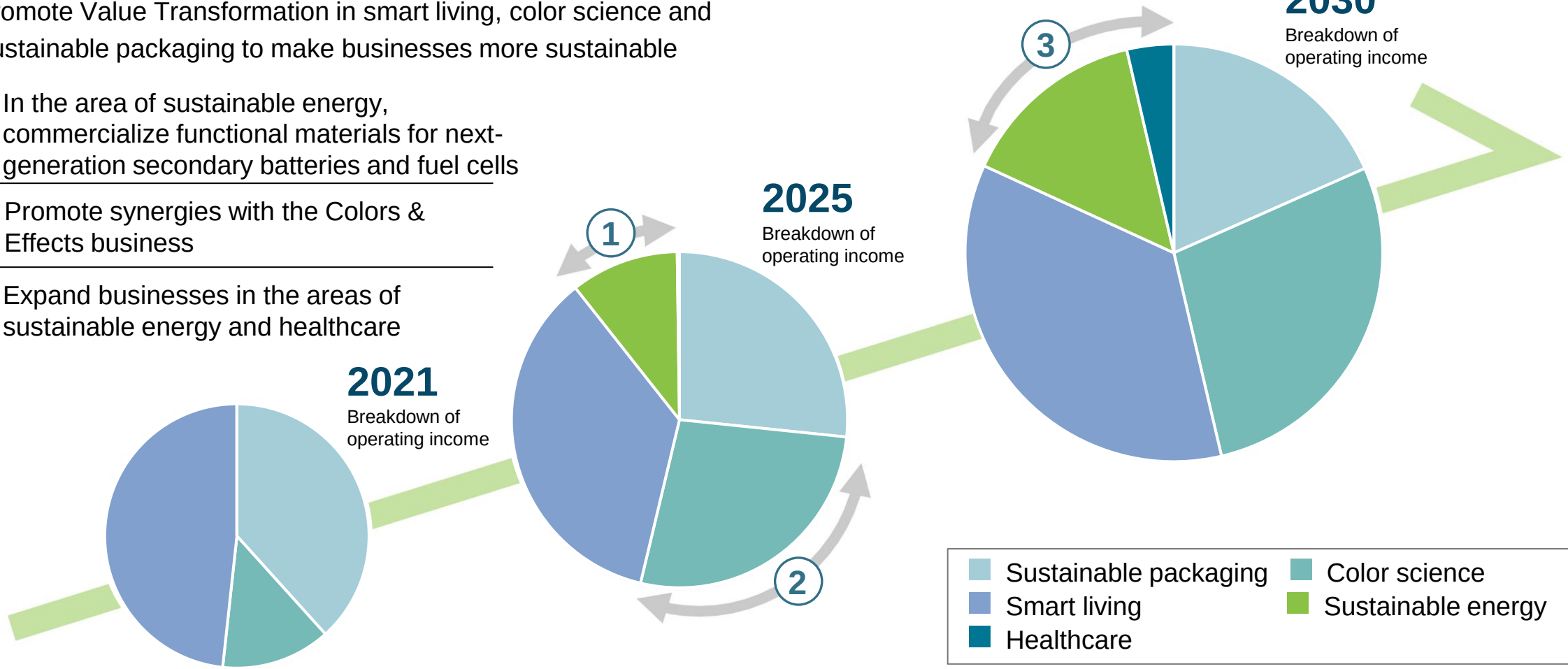
COPYRIGHT © DIC CORPORATION ALL RIGHTS RESERVED.

Business Portfolio Transformation: Breakdown of Operating Income by Five Priority Business Areas

Build a business portfolio that contributes to sustainable prosperity for society through new businesses creation

- Establish sustainable energy and healthcare as new business pillars
- Promote Value Transformation in smart living, color science and sustainable packaging to make businesses more sustainable

1. In the area of sustainable energy, commercialize functional materials for next-generation secondary batteries and fuel cells
2. Promote synergies with the Colors & Effects business
3. Expand businesses in the areas of sustainable energy and healthcare



COPYRIGHT © DIC CORPORATION ALL RIGHTS RESERVED.

Business Group Strategies

Packaging & Graphic

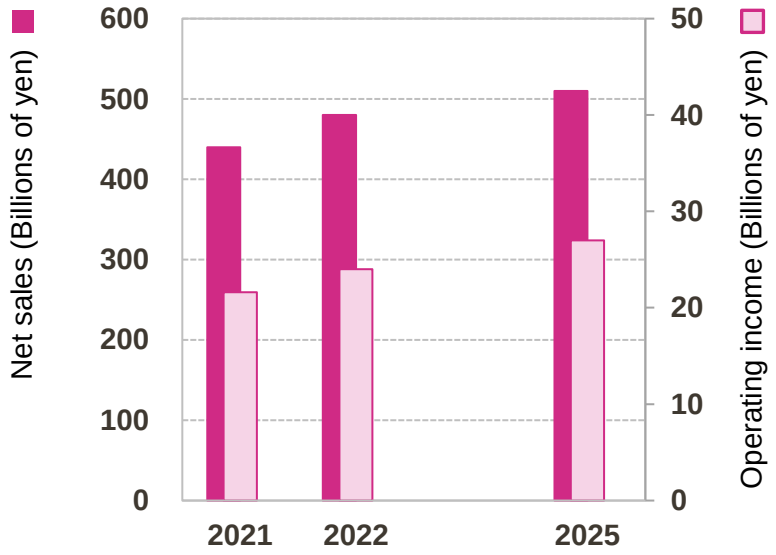
New priority business area

Sustainable packaging

Basic strategies

- Looking ahead to the realization of a circular economy, work to develop sustainable next-generation packaging materials with the aim of locking in new demand and expanding the packaging materials business
- Take the lead in the market for next-generation sustainable packaging by developing products and proposing solutions compatible with a focus on “5Rs”*
- Accelerate shift to high-performance, high-value-added products by, among others, expanding specialty products, promoting digitalization and responding to demand for smart packaging
- Build existing businesses into stable revenue sources by securing organic growth and streamlining operations in Asia

Net sales and operating income targets



Principal measures

*Reuse, Reduce, Recycle, Redesign, Reduce CO_2

- **Develop packaging materials and propose packaging solutions with a focus on 5Rs**
  - Hasten the global deployment of fast-curing solvent-free adhesive *DUALAM*®
  - Add depth to sustainable technologies, including those essential to the push toward paper, mono-material and biomass packaging, as well as those for deinking
  - Build a closed-loop recycling system for polystyrene employing chemical recycling
- **Propose packaging solutions that capitalize on Group capabilities and deliver safety, peace of mind and convenience**
  - Develop functional films, including resealable products and peelable offerings for container lid films
  - Capitalize on technologies for reducing foreign matter in packaging materials to improve safety and peace of mind
- **Address needs arising from the spread of digitalization**
  - Expand applications for water-based jet inks for industrial printing
  - jet inks for printing on packaging (paper containers, corrugated cardboard, labels, etc.) and on textiles

COPYRIGHT © DIC CORPORATION ALL RIGHTS RESERVED.

Business Group Strategies

Color & Display

New priority business areas

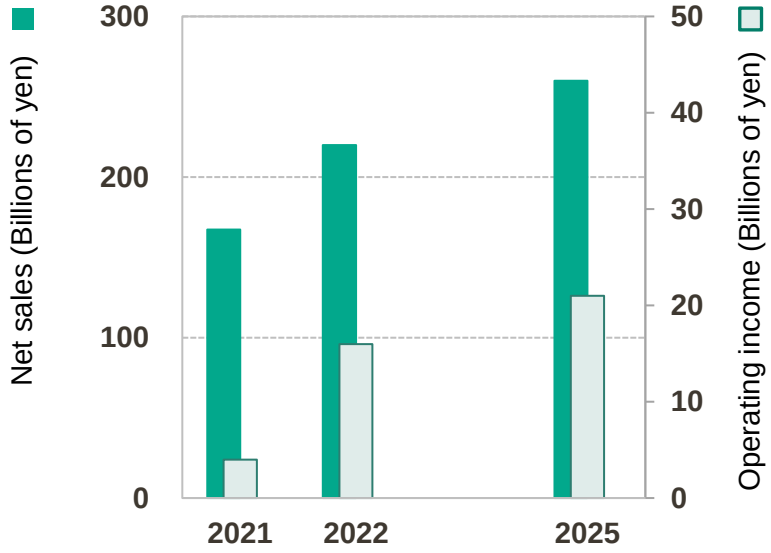
Color science

Healthcare

Basic strategies

- Establish an unrivaled competitive advantage by swiftly realizing synergies with the Colors & Effects business
- Shift focus to materials with outstanding decorative properties and functionality and increase the weighting of sustainable products that deliver both social value and economic value
- Redefine “Spirulina business” as “healthcare business”
- Redefine “LCs business” as “electronics business”

Net sales and operating income targets



Principal measures

- **Expand selection of sustainable materials, functional materials and materials with outstanding decorative properties**
  - Focus on the expansion of effect pigments with outstanding decorative properties and sustainable color materials that are safe and environment friendly
  - Emphasize functional pigments, including those for LiDAR signal coatings, which are key to self-driving vehicles
  - Enter the markets for red and yellow pigments for displays
- **Enhance pigments for cosmetics business**
  - Expand effect pigments for cosmetics
  - Broaden portfolio of naturally derived products
- **Reinforce healthcare business by introducing new products**
  - Expand portfolio beyond Spirulina and *Linablue*® by adding new nutritional supplements, natural colorants and cosmetics materials
- **Create new next-generation businesses, which will join core TFT LCs**
  - Expand presence in the market for products for electronics applications by augmenting portfolio of materials for smart windows, and 5G/6G-enabled devices, among others

COPYRIGHT © DIC CORPORATION ALL RIGHTS RESERVED.

Business Group Strategies

Functional Products

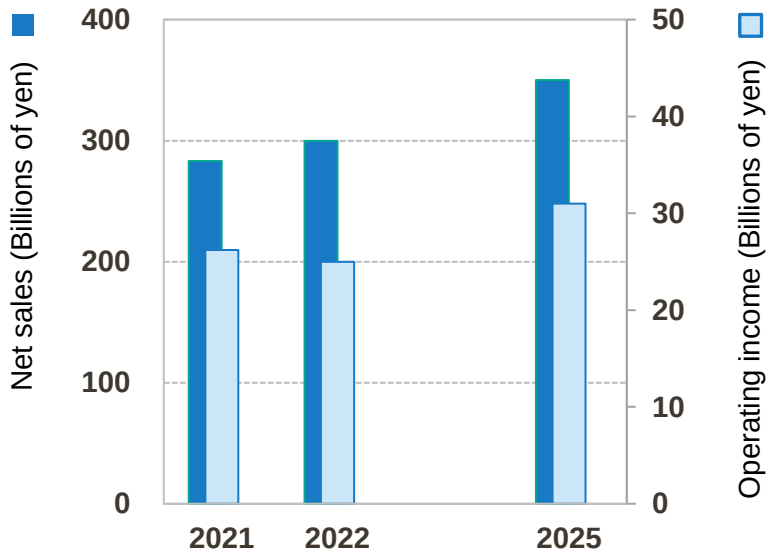
New priority business area

Smart living

Basic strategies

- Ensure the timely provision of functional materials that support digital innovation
- Contribute to a carbon-neutral society by promoting a shift to biomaterials
- Cultivate demand by directly communicating the appeal of materials, devices and services to consumers and society at large
- Supply polymers that help reduce environmental impact and impart functionality widely across Asia

Net sales and operating income targets



Principal measures

Propose high-performance products for the semiconductor fabrication and mobility fields

- Extend functional materials portfolio with forward-looking offerings for an increasingly digital society, including low-dielectric resins, organic–inorganic hybrid resins and resins for optical materials
- Augment lineup of industrial adhesive tapes and polyphenylene sulfide (PPS) compounds, and offer bonding and disassembly solutions, for CASE vehicles

Develop sustainable products

- Launch and expand sales of new environment-friendly waterborne resins
- Develop and offer bio-based polymers

Increase selection of products that contribute to an improved QOL

- Augment portfolio of molding materials for medical applications

Expand operations in promising geographic areas

- Concentrate efforts to expand coating resins business in the PRC and the Asia–Pacific region on M&As

COPYRIGHT © DIC CORPORATION ALL RIGHTS RESERVED.

Business Group Strategies

New Business Development Headquarters

New priority business areas



Sustainable energy



Healthcare

Basic strategies

- Create businesses that reflect the dynamics of socioeconomic systems, including those for distributed energy and packaging materials recycling
- Accelerate the creation of new businesses by actively using corporate venture capital (CVC) and M&As to secure new technologies

Net sales and operating income targets for fiscal year 2025

Net sales
¥33 billion

Operating income
¥10 billion

Principal measures

Electronics

- Expand sales of silver seed film developed to reduce transmission loss in high-band communications
- Bolster sales of flexible wireless sensors (*Hatte Totte*®)

Automotive

- Commercialize materials for next-generation secondary batteries and fuel cells that support the move to clean energy–powered automobiles
- Develop new inorganic fillers and expand sales of existing offerings for use in automotive electronics and carbon fiber–reinforced plastic (CFRP) materials that help reduce vehicle weigh

Next-generation packaging

- Realize the practical implementation of materials recycling for flexible packaging films and commercialize recycled plastics
- Develop and launch high-performance barrier films

Healthcare

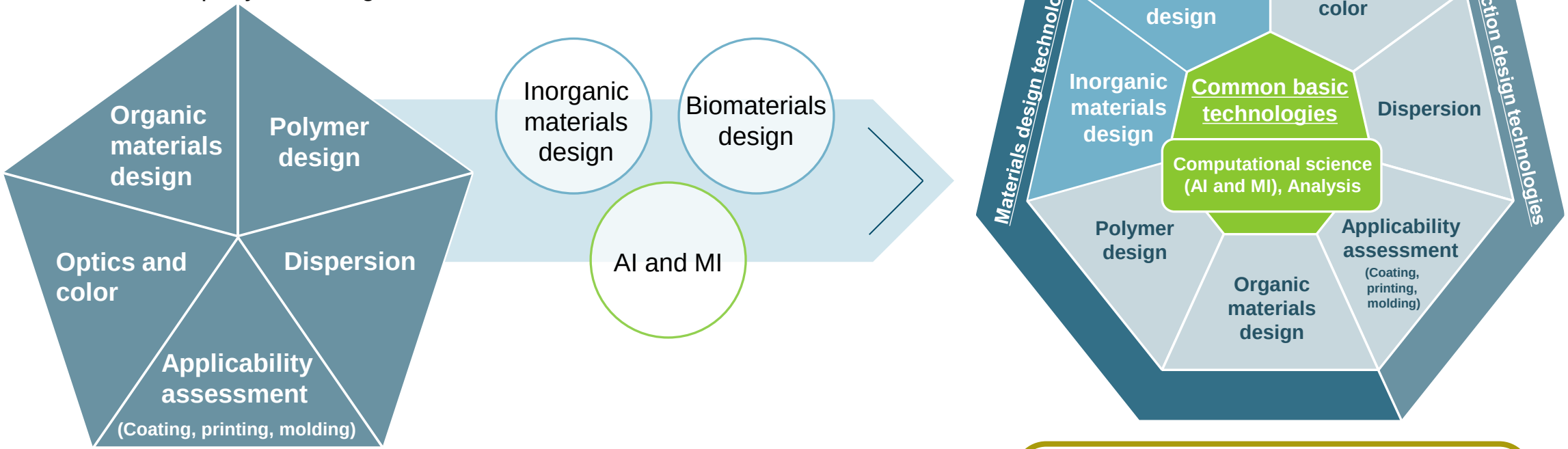
- Boost sales of nutritional supplements (docosahexaenoic acid (DHA), next generation omega-3 fatty acids), develop and launch high-performance materials
- Expand portfolio of biomaterials, including natural colorants and skin-care materials

COPYRIGHT © DIC CORPORATION ALL RIGHTS RESERVED.

Enhance the Technology Platform

Accelerate portfolio transformation by combining basic technologies—including recently added inorganic materials design and biomaterials design technologies—with AI and materials informatics (MI)

- Expedite the creation of new technologies and products by shifting focus to research that makes use of AI and MI
- Confirm position of inorganic materials design and biomaterials design as new basic technologies; create new value by integrating these with existing basic technologies
- Actively promote open innovation, including through joint ventures and M&As, to secure third-party technologies



DIC's rich lineup of core technologies is a competitive advantage

COPYRIGHT © DIC CORPORATION ALL RIGHTS RESERVED.

Make Strategic Investments

Budget ¥230 billion for strategic investments aimed at driving business portfolio transformation

Priority business area	Objective of strategic investments
Sustainable energy	● Commercialize materials for secondary batteries and fuel cells ● Expand lineup of functional inorganic fillers
Healthcare	● Expand lineup of materials for nutritional supplements and cosmetics
Smart living	● Augment selection of functional materials for digital applications ● Establish portfolio of bio-based materials ● Market environment-friendly products in global markets ● Expand coating resins business in promising markets
Color science	● Bolster functional pigments business ● Increase portfolio of naturally derived pigments
Sustainable packaging	● Build a recycling system ● Augment selection of functional packaging

COPYRIGHT © DIC CORPORATION ALL RIGHTS RESERVED.

Reinforce Management of Human Capital

Build a strategic human resources portfolio that maximizes the value of human capital

- Evolve as an organization comprising individuals who share the same aspirational raison d'être and are committed to creating social value
- Build a personnel management platform to underpin three strategic priorities
- Invest in human resources to help employees be more engaged, effective and productive
- Employ data-driven management methods to enhance visibility and improve effectiveness

Three strategic priorities

Foster human resources

- Global-based talent management and leadership training
- Promote reskilling to maximize human resources

Ensure mobility (hiring, retention and succession)

- Actively recruit people from different industries and people with digital capabilities
- Achieve optimal balance between specialists and generalists
- Succession planning

Improve engagement and organizational cohesiveness

- Promote communication and use empathy and trust to cultivate solidarity
- Advance innovation by encouraging enthusiasm about taking on challenges

Personnel management platform

Framework creation: Global HR system

- Facilitate autonomous, multitrack career building
- Adopt global HR system to create standardized Group framework

Risk management: Safety and compliance

- Ensure occupational health and safety, and appropriate labor practices
- Improve compliance and reinforce HR governance

Enhance corporate culture: Value diversity and inclusion

- Promote diversity, recognizing it as a source of competitiveness
- Nurture inclusion, recognizing it as essential to making diversity a competitive advantage

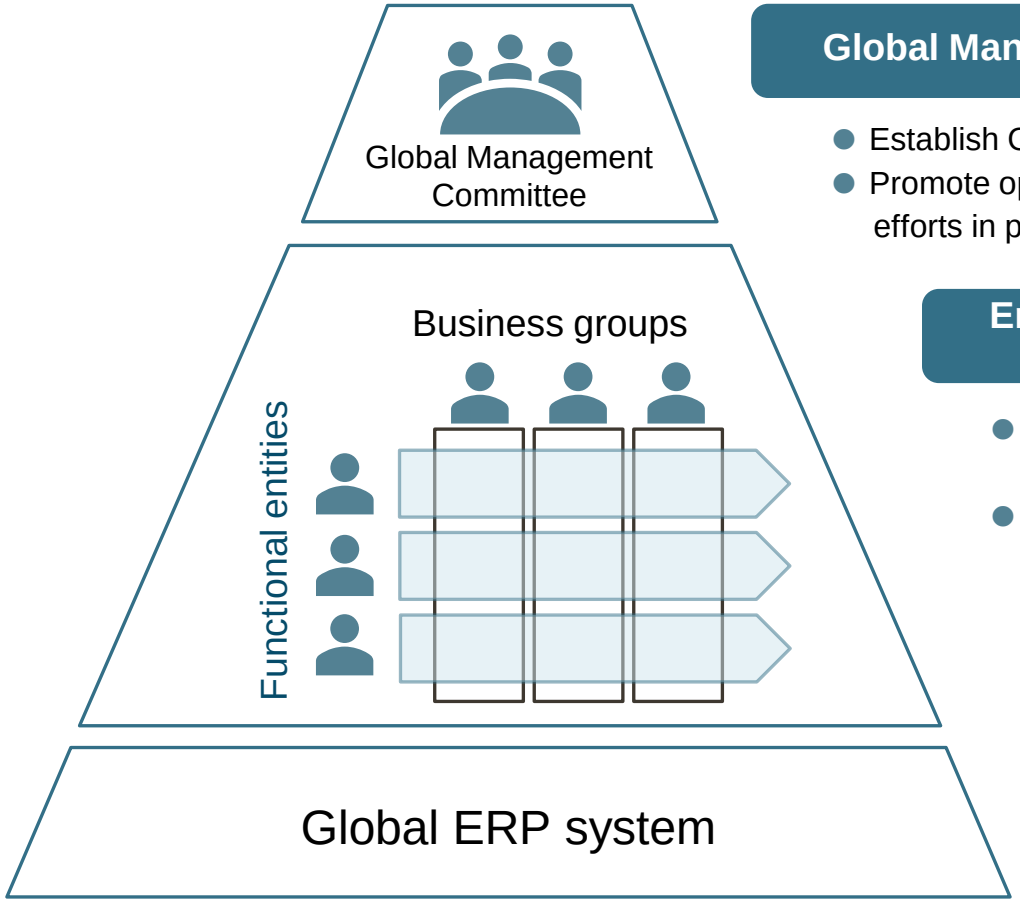
Work style reform: Bolster job satisfaction and productivity

- Implement reforms designed to increase job satisfaction, as well as workplace reforms and process reforms that reinforce productivity

COPYRIGHT © DIC CORPORATION ALL RIGHTS RESERVED.

Establish a More Robust Global Management Configuration

- **Construct a governance system that supports sustainable growth and maximize Group profits by promoting the effective use of management resources**



Global Management Committee

- Establish Global Management Committee comprising diverse management-level personnel
- Promote optimal decision making from a global perspective to facilitate the expansion of efforts in priority business areas

Enhance management configuration and deploy global management personnel

- Enhance optimal control on the vertical (functional) axis (HR, Technology, Production, IT/DX, supply chain management (SCM), etc.)
- Seek future management candidates from across the DIC Group to ensure a robust global management configuration comprising individuals who share DIC's vision for 2030 (advance the diversification of management resources by actively appointing foreign nationals and women to executive positions)

Create a global ERP system

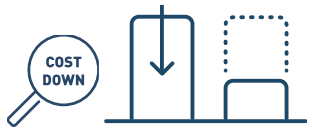
- Rebuild the enterprise resource planning (ERP) system to support global decision making
- Promote data-driven management

COPYRIGHT © DIC CORPORATION ALL RIGHTS RESERVED.

Promote IT and DX

Build a stronger management infrastructure by enhancing core systems and promoting DX

- Update core business systems from the perspective of realizing a more sophisticated global management system
- Promote DX measures aimed at standardizing business processes, improving productivity and shifting the focus of efforts to computational science, and revamp the Group's analog business management model and corporate culture

Category	Goals of DX	Specific measures	
Market 	Enhance brand strength through the creation of customer experiences; build new business models	**Customer experiences**	● Reinforce ability to offer proposals that reflect the customer's perspective and gradually fortify digital technologies
		Business model reforms innovation	● Realize a closed-loop recycling system (improve polystyrene recycling) ● Build business models in areas other than materials sales
Production and technology 	Realize smart factories through human–machine co-creation, and elevate technological development	**Digitalization of production**	● Create control system network and factory data infrastructure ● Introduce centralized monitoring and digital twins ● Automate production facilities
		Data-driven materials and product development	● Strengthen technology platform (deploy MI, quantum computing, etc.)
SCM 	Visualize the flow of goods and information, and firmly establish a Center of Excellence (CoE) function that spans regions, businesses and divisions/departments	**Global supply chain**	● Construct SCM standards model ● Improve management of raw materials procurement ● Build a platform for collaboration with third-party organizations ● Create a scenario simulation function

COPYRIGHT © DIC CORPORATION ALL RIGHTS RESERVED.

Sustainability Strategies: Expand Sustainable Products

- Use proprietary indicators to define “sustainable products” based on whether they demonstrate unique competitive strengths and contribute to the resolution of social imperatives (See page 37)
- Expand weighting of sustainable products in priority business areas to help address ESH-related issues
- Increase sustainable products to 60% of net sales by fiscal year 2030 (fiscal year 2020: 40%)

The society to which DIC seeks to contribute	Value provided by DIC Products	Sustainable product examples		
Green ● Achieve carbon neutrality ● Realize a circular economy	● Contain renewable materials ● Lower energy use, improve insulation and reduce weight ● Address the issue of marine plastics ● Can be recycled ● Reduce waste ● Prolong product life		**Sustainable energy**	・Materials for next-generation secondary batteries and fuel cells ・functional inorganic fillers
			Sustainable packaging	・Materials with outstanding barrier properties ・Biomass packaging
			Color science	・Biomass pigments ・Functional pigments for heat-blocking coatings
Digital ● Propel the evolution of information and communications ● Drive the evolution of CASE vehicles and MaaS ● Promote the development of AI and IoT technologies	● Contribute to high-capacity, high-speed communications ● Support the Internet of Things (IoT)		**Smart living**	・Materials for 5G/6G-enabled devices ・Resins for next-generation semiconductors
			Color science	・Functional pigments for LiDAR signal coatings
QOL ● Deliver safety, peace of mind and convenience ● Prolong healthy life expectancy ● Embrace diverse values	● Contribute to health and comfort ● Help reduce food loss ● Reduce emissions of volatile organic compounds (VOCs) and enhance safety		**Healthcare**	・High-performance nutritional products ・Natural skin-care materials
			Color science	・Natural colorants for cosmetics



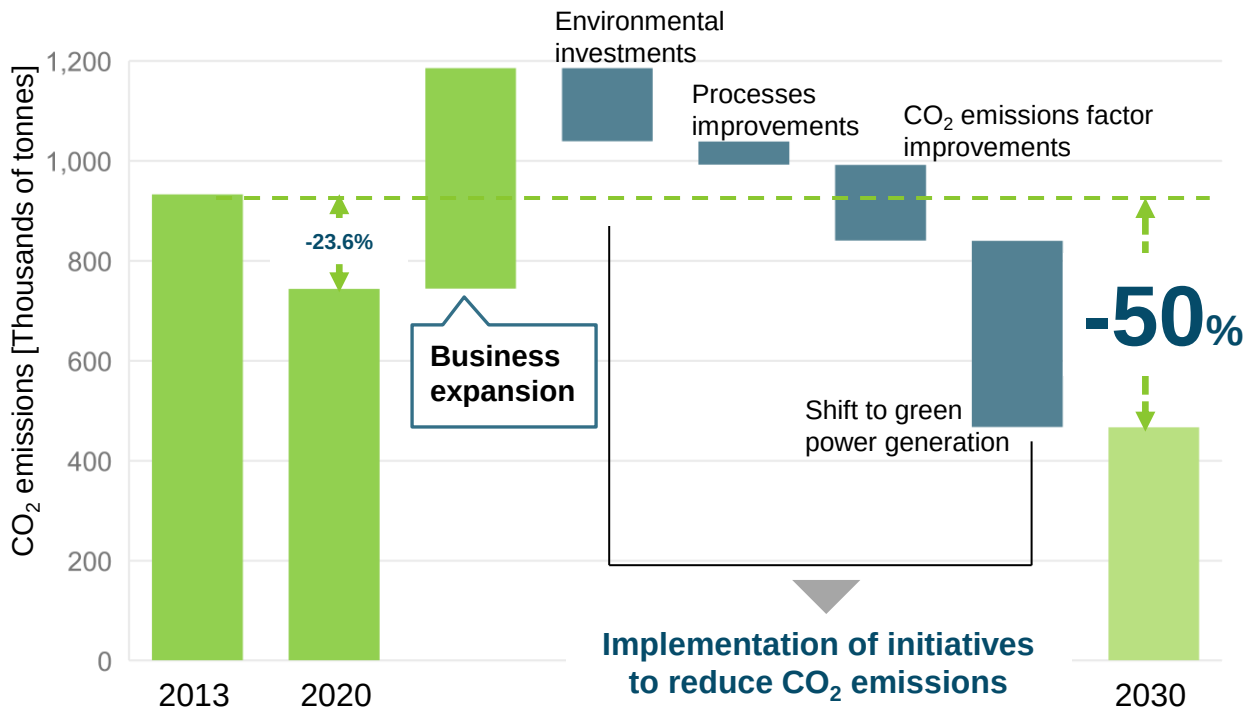
COPYRIGHT © DIC CORPORATION ALL RIGHTS RESERVED.

Sustainability Strategies: Reduce CO_2 Emissions

- Achieve carbon neutrality by 2050 and reduce CO_2 emissions* by 50% from the fiscal year 2013 level by fiscal year 2030
- CO_2 emissions by the global DIC Group in fiscal year 2020 were down 23.6% from the fiscal year 2013 level

* Scope 1 and 2

CO_2 emissions by the global DIC Group (Scope 1 and 2)



Note: Emissions figures for fiscal year 2013 and fiscal year 2020 have been adjusted to include the emissions of the Colors & Effects business, which was acquired in fiscal year 2021, and thus differ from previously disclosed figures.

Initiatives aimed at reducing CO_2 emissions

Internal emissions reduction initiatives (Scope 1 and 2)

- Advance environmental investments, CO_2 emissions factor improvements and energy-saving initiatives
- Advance the electrification of production equipment
- Actively employ green power generation
- Introduce an internal carbon pricing system

Emissions reduction initiatives across the supply chain (Scope 3)

- Promote supplier engagement
- Encourage the use of recycled and bioderived raw materials
- Increase the recycling rates of and reduce the disposal of used products by customers
- Leverage proprietary technologies to improve the efficiency of materials recycling
- Contribute to reduction through business activities

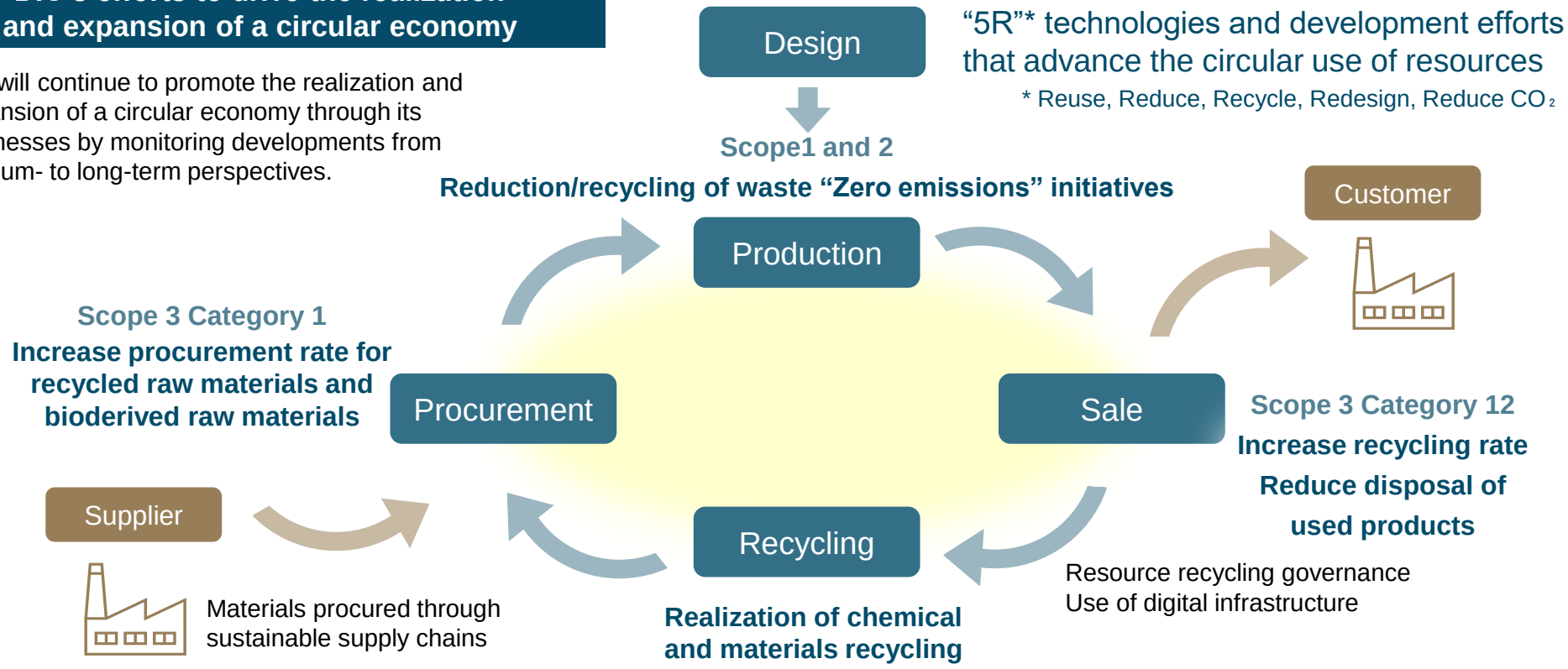
COPYRIGHT © DIC CORPORATION ALL RIGHTS RESERVED.

Sustainability Strategies: Respond to a Circular Economy

- Society is increasingly demanding the shift to a circular economy as a crucial step toward the realization of a sustainable society.
- Japan's Ministry of the Environment has issued "milestone" targets for Japan to achieve a reuse/recycle rate for containers of 60%, and to double its use of biomass plastics and recycled materials, by 2030.
- DIC will continue to support efforts in the food packaging market, which is the Company's focus, to promote the realization of a circular economy.

DIC's efforts to drive the realization and expansion of a circular economy

DIC will continue to promote the realization and expansion of a circular economy through its businesses by monitoring developments from medium- to long-term perspectives.



COPYRIGHT © DIC CORPORATION ALL RIGHTS RESERVED.

Cash Flow Management

Balance active investments to achieve the goals of DIC Vision 2030 with the need to maintain a sound financial position and stable shareholder returns

- Allocate a total of ¥300 billion to strategic investments and investments in infrastructure building over four years (FY2022–2025)

Policies for strategic investments and investments in infrastructure building		
Strategic investments	¥230 billion	Actively advance investments necessary to ensure growth and fund business portfolio transformation
Investments in infrastructure building	¥70 billion	Investments that contribute to sustainability (including through the reduction of CO_2 emissions) as well as investments to enhance the technology platform and promote IT/DX, among others

- Shareholder returns: Payout ratio of 30% (pay dividends that are in keeping with income growth, in line with a commitment to ensuring stable returns to shareholders)
- Financial health: Debt-to-equity (D/E) ratio of at least 1.0 times (support growth by maintaining financing prowess and ability to manage risk)
- Investment efficiency: ROIC in the area of 6.0% in fiscal year 2025 and 8.0%-plus in fiscal year 2030 (adopt ROIC as a metric; promote management that emphasizes investment efficiency)

COPYRIGHT © DIC CORPORATION ALL RIGHTS RESERVED.

4

Financial Targets: Fiscal Years 2022–2025



COPYRIGHT © DIC CORPORATION ALL RIGHTS RESERVED.

Consolidated Results Targets (Fiscal Years 2022–2025)

(Billions of yen)	2021 Actual	2022 Targets	2025 Targets	Change from 2021
Net sales	855.4	950	1,100	+29%
Operating income	42.9	54	80	+37.1
Operating margin	5.0%	5.7%	7.3%	+2.3pt
Net income attributable to owners of the parent	4.4	28	45	+40.6
EBITDA*	69	88	137	+68
ROIC	4.8%	5.2%	6.0%	+1.2pt
D/E ratio** (D/C ratio) ***	1.0 (47.6%)	1.0 (48.7%)	Less than 1 times (Less than 50%)	–

* EBITDA = Net income attributable to owners of the parent + Total income taxes + (Interest expenses – Interest income) + Depreciation and amortization
** D/E ratio = Interest-bearing debt / Shareholders' equity
*** D/C ratio (Debt-to-capital) = Interest-bearing debt / (Interest-bearing debt + Net assets)

COPYRIGHT © DIC CORPORATION ALL RIGHTS RESERVED.

Segment Results Targets (Fiscal Years 2022–2025)

(Billions of yen)

Row: Upper: Net sales Middle: Operating income Lower: Operating margin	2021 Actual	2022 Targets	2025 Targets	Change from 2021
Packaging & Graphic	439.8 21.6 4.9%	480 24 5.0%	510 27 5.3%	+16% +5.4 +0.4pt
Color & Display	167.2 4.0 2.4%	220 16 7.3%	260 21 8.1%	+56% +17.0 +5.7pt
Functional Products	283.3 26.2 9.2%	300 25 8.3%	350 31 8.9%	+24% +4.8 △0.3pt
New Business Development Headquarters	— — —	— — —	33 10 30.3%	— — —

COPYRIGHT © DIC CORPORATION ALL RIGHTS RESERVED.

Regional Results Targets (Fiscal Years 2022–2025)

(Billions of yen)

Row: Upper: Net sales Lower: Operating income	Regional strategies	2021 Actual	2022 Targets	2025 Targets
Japan*	• Create new businesses that respond to ESH-related issues and social changes • Develop next-generation sustainable products • Rightsize mature businesses	343.4	347.2	410.0
		20.2	18.7	29.0
Asia–Pacific region	• Secure organic growth by developing regional standard products • Build in growth by expanding product bases in South Asia	88.8	97.0	126.0
		5.4	5.2	7.5
China region	• Build in growth by expanding locations through M&As • Expand sales of sustainable products • Respond to increasingly tight environmental regulations	80.8	94.5	124.0
		7.3	7.2	10.5
Americas and Europe	• Realize synergies with the Colors & Effects business • Evolve into a provider of packaging solutions • Leverage Sun Chemical's production and sales network to establish a new pillar of operations in the Americas and Europe to join printing inks and pigments	401.8	500.2	532.0
		10.0	23.0	33.0

*Subsidiary companies not in above regions are included in Japan.

COPYRIGHT © DIC CORPORATION ALL RIGHTS RESERVED.

5

Appendix



COPYRIGHT © DIC CORPORATION ALL RIGHTS RESERVED.

Appendix: Integrate Colors & Effects Business

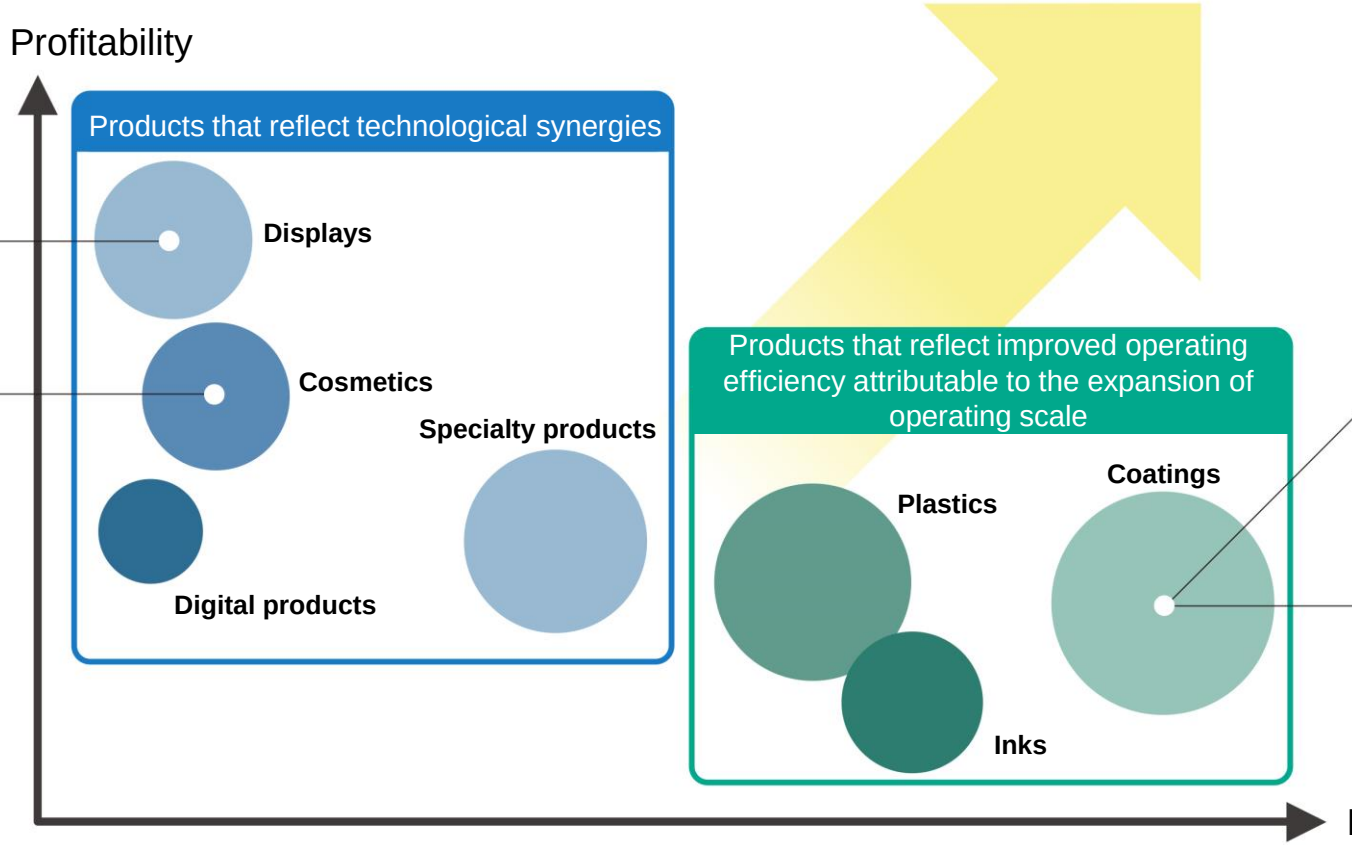
Expedite Value Transformation by realizing synergies

- Capitalize on unparalleled development capabilities arising from the fusion of the two companies' technology and intellectual property
- Improve operating efficiency through the expansion of operating scale

Business Scale and Profitability by Application











COPYRIGHT © DIC CORPORATION ALL RIGHTS RESERVED.

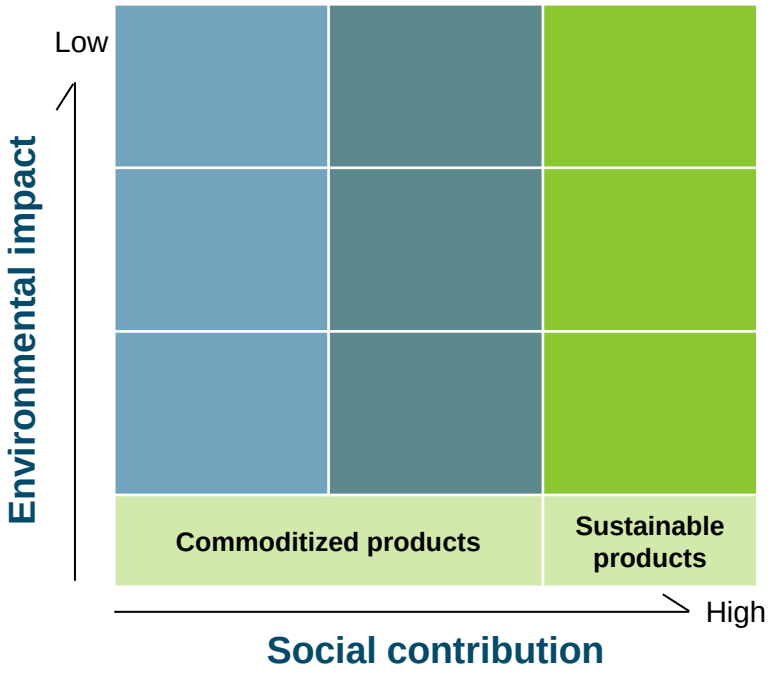
Appendix: Sustainability Strategies (1)

Deploy the DIC Sustainability Index as a tool for measuring social value

- Leverage the index to accelerate the expansion of sustainable offerings

DIC Sustainability Index

All DIC products will be mapped on the index



Horizontal axis

Classifies products into three categories based on whether they demonstrate unique competitive strengths or help to address social imperatives

→ Products that help address social imperatives are positioned as “sustainable” (indicated in green).

Vertical axis

Quantifies products’ contribution to the reduction of environmental impact—measured in terms of CO_2 emissions attributable to production

→ Precedence is given to efforts to reduce CO_2 emissions for high-priority products for which total emissions are high.

→ Going forward, water, waste and life cycle assessment (LCA) will be added to criteria used to measure environmental impact.

COPYRIGHT © DIC CORPORATION ALL RIGHTS RESERVED.

Appendix: Sustainability Strategies (2)

Actively implement measures to reduce global CO_2 emissions

Principal initiatives (FY2016–2021)

Sun Chemical（United States）
Solar power facilities
(Generating capacity: 800 kW,
Annual CO_2 reduction: 600 tonnes)



Hainan DIC Microalgae（PRC）
Biomass boiler
(Annual CO_2 reduction: 1,250 tonnes)

Qingdao DIC Fine Chemicals（PRC）
Solar power facilities
(Generating capacity: 400 kW, Annual CO_2 reduction: 300 tonnes)

Siam Chemical Industry（Thailand）
Solar power facilities
(Generating capacity: 700 kW, Annual CO_2 reduction: 600 tonnes)





DIC（Kashima Plant）
Megasolar power system
(Generating capacity: 1,600 kW, Annual CO_2 reduction: 1,200 tonnes)



DIC（Tatebayashi Plant）
Megasolar power system
(Generating capacity: 1,250kW, Annual CO_2 reduction: 600 tonnes)



DIC（Hokuriku Plant）
Biomass boiler
(Annual CO_2 reduction: 2,300 tonnes)

COPYRIGHT © DIC CORPORATION ALL RIGHTS RESERVED.

Appendix: Sustainability Strategies (3)

Commence collaboration in the practical implementation of a closed-loop recycling system for polystyrene

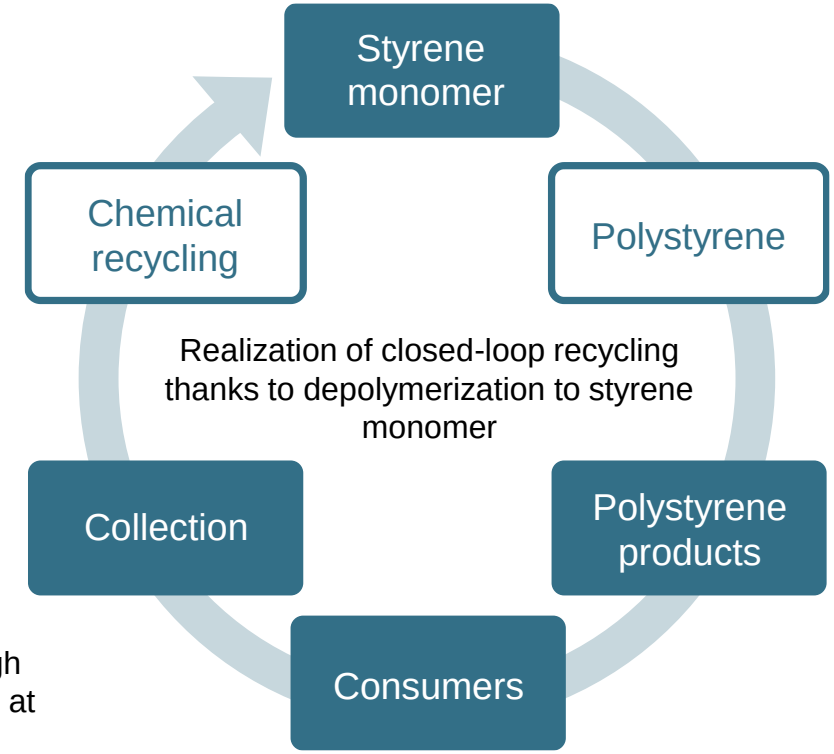
- Fine chemicals manufacturer DIC and food container manufacturer FP Corporation (FPCO) are collaborating to implement a closed-loop recycling system for polystyrene that employs chemical recycling.
- This initiative seeks to enable the transformation of colored and/or patterned polystyrene containers, which to date could not be recycled into food containers, facilitating fully closed-loop recycling of all types of polystyrene products. (A testing facility is scheduled to begin operating in 2023.)



A testing facility will be built at DIC's Yokkaichi Plant, in Mie Prefecture, which is its principal polystyrene production facility.



Used food containers will be collected through a network of 9,600 collection centers located at supermarkets, among others, across Japan.





The properties of recycled polystyrene are equivalent to those of virgin polystyrene.



Polystyrene made with chemically recycled raw materials can be used again in food containers with no restrictions.

COPYRIGHT © DIC CORPORATION ALL RIGHTS RESERVED.

Color & Comfort





DIC Corporation

COPYRIGHT © DIC CORPORATION ALL RIGHTS RESERVED.