

4631.T : Tokyo Stock Exchange



# DIC Corporation

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## Consolidated Financial Results FY2020: Full-Term Ended December 31

February 2021

Color & Comfort



## FY2020 results

- Consolidated net sales were down. Despite the protracted COVID-19 pandemic, economic activity recovered in multiple areas in the fourth quarter (October 1–December 31, 2020), as a result of which shipments of many products, notably materials for use in automobiles and publication inks, rallied. Nonetheless, full-term sales shrank in all segments. Net sales were 9.6% higher in the fourth quarter than in the third quarter (July 1–September 30, 2020).
- Operating income decreased. Cost reductions, prompted by falling raw materials prices, reduced activity expenses and rationalization measures, combined with a recovery in shipments in diverse businesses in the fourth quarter to boost operating income 1.5% on a local currency basis. However, operating income was pushed down by a weakening of results overseas after translation, a consequence of the depreciation of emerging economy currencies, among others.
- Net income attributable to owners of the parent fell. The principal factors behind this result were one-time costs and an extraordinary loss associated with the acquisition of BASF SE's Colors & Effects business, which was announced on August 29, 2019.

## FY2021 forecasts

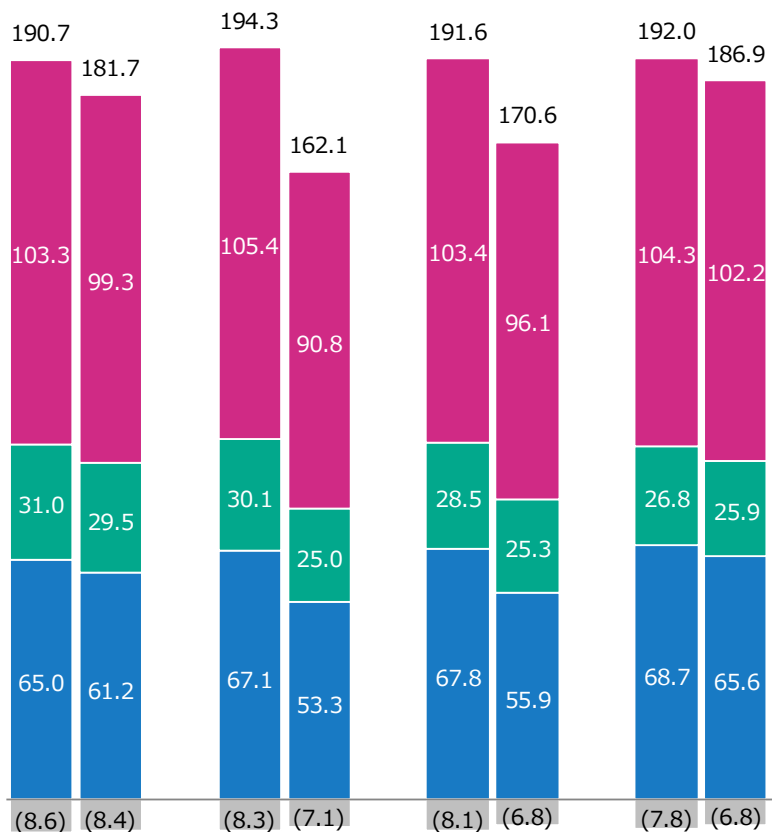
- The company expects to see increases in net sales and operating income in all segments, as a result of which full-term operating income is forecast to reach ¥45.0 billion. Operating results forecasts are scheduled for revision following the completion of DIC's acquisition of BASF SE's Colors & Effects business.
- The company forecasts an annual dividend per share of ¥100.

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

# Quarterly trends in segment results

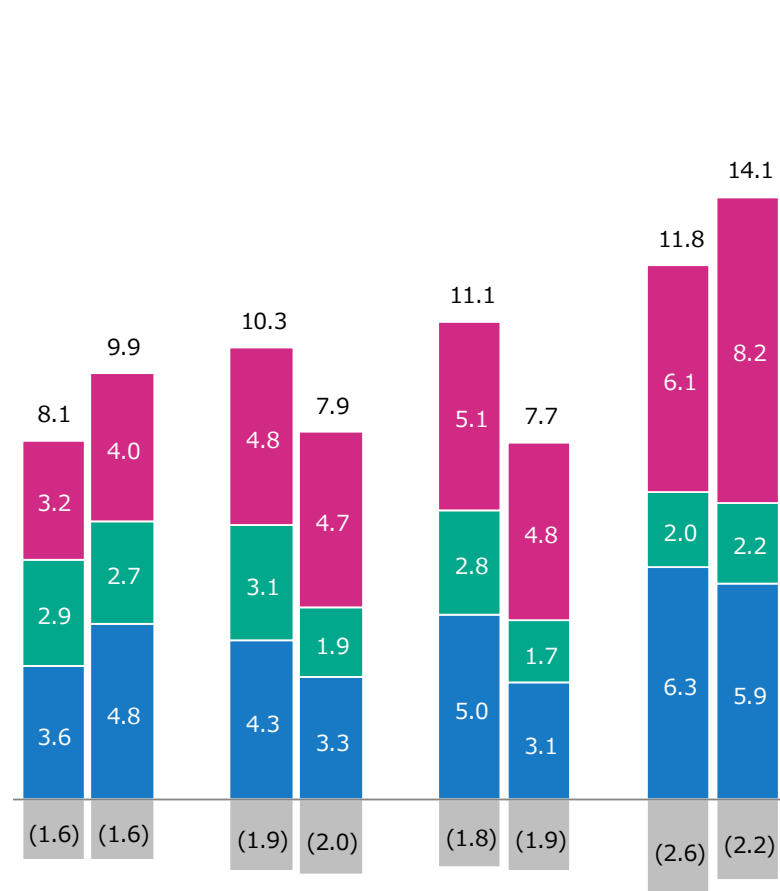
## Net sales

(Billion yen)



## Operating income

(Billion yen)



■ Packaging & Graphic

■ Color & Display

■ Functional Products

■ Others, Corporate and eliminations

## Summary of financial results

(Billion yen)	2019	2020	% Change	% Change on a local currency basis	2021 Forecasts	% Change	% Change on a local currency basis
<b>Net sales</b>	768.6	<b>701.2</b>	-8.8%	-6.2%	<b>750.0</b>	+ 7.0%	+ 7.1%
<b>Operating income</b>	41.3	<b>39.7</b>	-4.0%	+1.5%	<b>45.0</b>	+ 13.5%	+ 13.1%
Operating margin	5.4%	<b>5.7%</b>	—	—	<b>6.0%</b>	—	—
<b>Ordinary income</b>	41.3	<b>36.5</b>	-11.7%	—	<b>42.0</b>	+ 15.2%	—
<b>Net income*</b>	23.5	<b>13.2</b>	-43.7%	—	<b>20.0</b>	+ 51.1%	—
EPS (Yen)	248.29	<b>139.81</b>	—	—	<b>211.30</b>	—	—
<b>EBITDA**</b>	67.4	<b>55.6</b>	-17.5%	—	<b>64.8</b>	+ 16.6%	—
<b>ROE</b>	7.7%	<b>4.2%</b>	—	—	<b>6.2%</b>	—	—
Average rate	YEN/US\$	109.11	<b>106.37</b>	-2.5%	<b>105.00</b>	-1.3%	
	YEN/EUR	122.13	<b>121.43</b>	-0.6%	<b>125.00</b>	+ 2.9%	

\* 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

# Consolidated statement of income

(Billion yen)	2019	2020	Change
<b>Net sales</b>	<b>768.6</b>	<b>701.2</b>	<b>-67.3</b>
Cost of sales	(603.2)	(544.4)	58.8
Selling, general and administrative expenses	(124.0)	(117.1)	6.9
<b>Operating income</b>	<b>41.3</b>	<b>39.7</b>	<b>-1.7</b>
Interest expenses	(1.3)	(1.0)	0.3
Equity in earnings of affiliates	2.5	0.8	-1.7
Foreign exchange gains (losses)	(0.8)	(1.4)	-0.6
Other, net	(0.4)	(1.6)	-1.2
<b>Ordinary income</b>	<b>41.3</b>	<b>36.5</b>	<b>-4.9</b>
Extraordinary income	4.4	7.1	2.6
Extraordinary loss	(11.1)	(18.4)	-7.3
Income before income taxes	34.7	25.1	-9.6
Income taxes	(9.3)	(8.7)	0.6
Net income	25.3	16.4	-8.9
Net income attributable to non-controlling interests	(1.8)	(3.2)	-1.3
<b>Net income attributable to owners of the parent</b>	<b>23.5</b>	<b>13.2</b>	<b>-10.3</b>
Average rate	YEN/US\$	109.11	106.37
	YEN/EUR	122.13	121.43

## Extraordinary income and loss

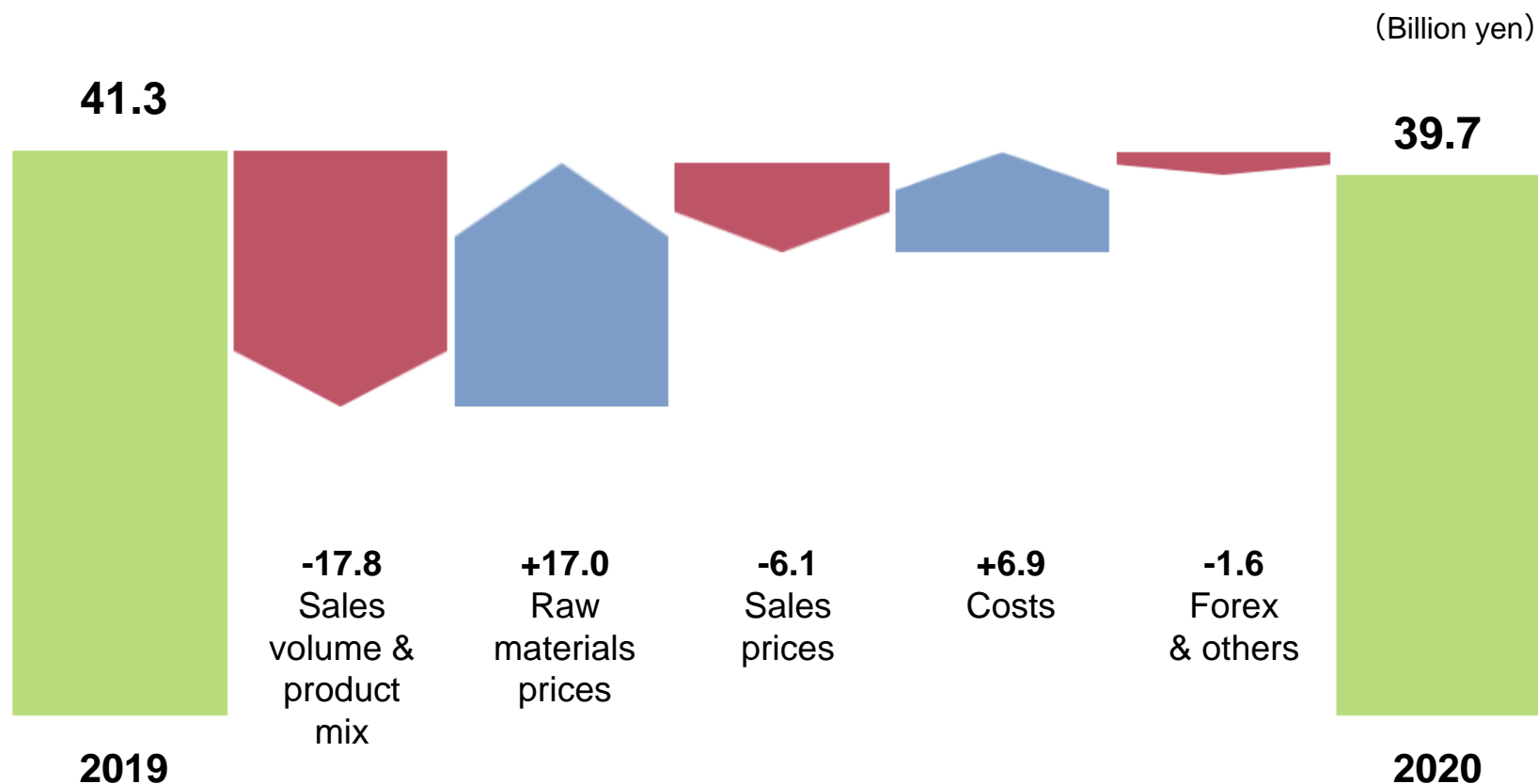
	2019	2020
<b>Extraordinary income</b>		
Gain on sales of non-current assets	1.4	5.2
Gain on bargain purchase	-	1.3
Insurance income	1.4	0.5
Gain on sales of subsidiaries and affiliates securities	1.6	-
<b>Extraordinary loss</b>		
Loss on business liquidation*	-	(8.8)
Acquisition-related expenses**	(1.9)	(4.6)
Loss on disposal of non-current assets	(2.4)	(2.9)
Impairment loss	(3.1)	(1.3)
Severance costs	(0.8)	(0.9)
Loss on disaster	(1.5)	-
Provision of allowance for doubtful accounts	(0.6)	-
Amortization of past service costs	(0.4)	-
Loss on sales of subsidiaries and affiliates securities	(0.3)	-

\*Loss incurred in relation to the divestiture of a business to ensure acquisition of BASF SE's Colors & Effects business complies with relevant antitrust laws

\*\*Acquisition of BASF SE's Colors & Effects business

## Operating income variance

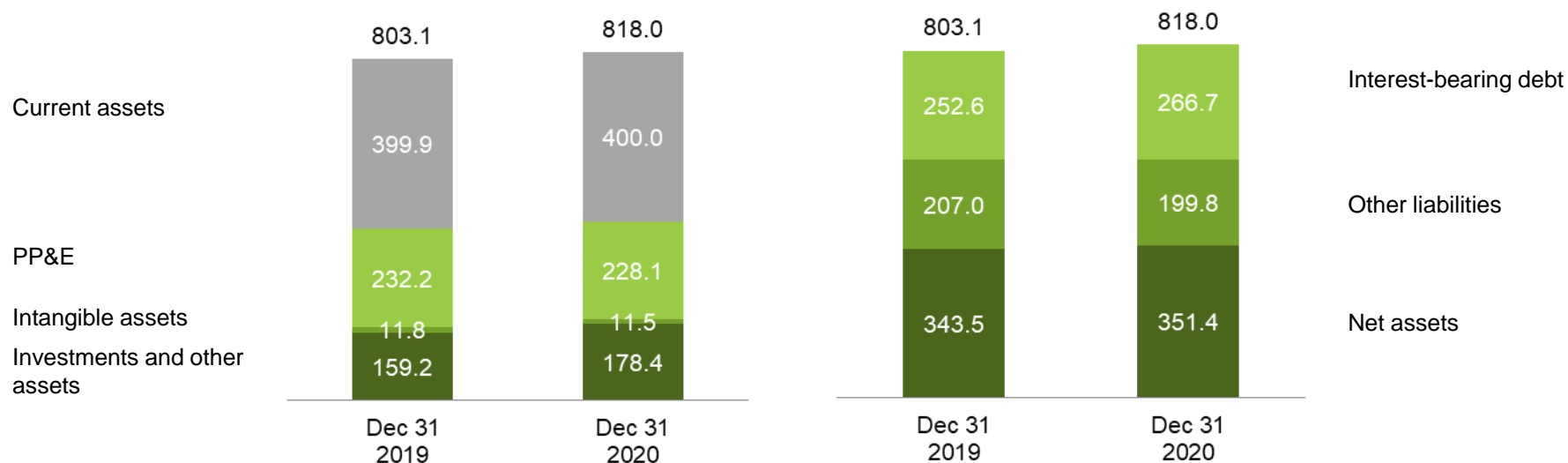
- Shipments rallied strongly in the fourth quarter (October 1–December 31, 2020), but the decline in full-term shipments remained significant.
- Falling raw materials prices and rationalization measures led to cost reductions, but this was insufficient to offset the impact of flagging shipments, as a consequence of which operating income declined.



# Financial health

## Balance sheet

(Billion yen)



## Financial health

(Billion yen)	Dec 31 2019	Dec 31 2020	Change
Interest-bearing debt	252.6	266.7	14.1
Net interest-bearing debt	235.8	221.9	-13.9
Net assets	343.5	351.4	7.9
D/C ratio *	42.4%	43.2%	
Net D/C ratio **	40.7%	38.7%	
Equity ratio	38.9%	38.9%	
BPS (Yen)	3,304.34	3,364.92	
Closing rate (YEN/US\$)	108.71	103.14	

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

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

# Segment results

(Billion yen)	Net sales					Operating income					Operating margin	
	2019	2020	Change	% Change	% Change on a local currency basis	2019	2020	Change	% Change	% Change on a local currency basis	2019	2020
<b>Packaging &amp; Graphic</b>	416.4	<b>388.4</b>	-28.0	-6.7%	-2.9%	19.2	<b>21.8</b>	2.6	+ 13.5%	+ 23.3%	4.6%	<b>5.6%</b>
Japan	114.7	<b>102.3</b>	-12.3	-10.7%	-10.7%	6.4	<b>5.3</b>	-1.1	-17.3%	-17.3%	5.6%	<b>5.2%</b>
The Americas and Europe	244.3	<b>235.4</b>	-8.8	-3.6%	+ 2.0%	8.2	<b>12.2</b>	3.9	+ 47.8%	+ 65.8%	3.4%	<b>5.2%</b>
Asia and Oceania	68.7	<b>62.0</b>	-6.7	-9.7%	-6.3%	4.5	<b>4.4</b>	-0.1	-1.2%	+ 2.0%	6.5%	<b>7.1%</b>
Eliminations	(11.3)	<b>(11.4)</b>	-0.1	-	-	0.1	<b>(0.1)</b>	-0.2	-	-	-	-
<b>Color &amp; Display</b>	116.4	<b>105.8</b>	-10.6	-9.1%	-6.7%	10.8	<b>8.4</b>	-2.3	-21.7%	-19.7%	9.3%	<b>8.0%</b>
Japan	29.7	<b>27.9</b>	-1.7	-5.8%	-5.8%	4.8	<b>5.6</b>	0.8	+ 15.8%	+ 15.8%	16.3%	<b>20.0%</b>
Overseas	95.8	<b>85.2</b>	-10.6	-11.0%	-8.0%	6.0	<b>2.8</b>	-3.1	-52.5%	-49.0%	6.2%	<b>3.3%</b>
Eliminations	(9.1)	<b>(7.4)</b>	1.7	-	-	(0.0)	<b>0.0</b>	0.0	-	-	-	-
<b>Functional Products</b>	268.6	<b>236.0</b>	-32.6	-12.1%	-11.6%	19.2	<b>17.1</b>	-2.1	-11.1%	-10.6%	7.2%	<b>7.2%</b>
Japan	199.3	<b>176.1</b>	-23.2	-11.6%	-11.6%	11.6	<b>8.3</b>	-3.3	-28.3%	-28.3%	5.8%	<b>4.7%</b>
Overseas	91.9	<b>80.9</b>	-11.1	-12.0%	-10.2%	7.5	<b>8.7</b>	1.3	+ 16.9%	+ 19.0%	8.1%	<b>10.8%</b>
Eliminations	(22.7)	<b>(21.0)</b>	1.7	-	-	0.2	<b>0.1</b>	-0.1	-	-	-	-
Others, Corporate and eliminations	(32.8)	<b>(29.0)</b>	3.8	-	-	(7.9)	<b>(7.6)</b>	0.2	-	-	-	-
<b>Total</b>	768.6	<b>701.2</b>	-67.3	-8.8%	-6.2%	41.3	<b>39.7</b>	-1.7	-4.0%	+ 1.5%	5.4%	<b>5.7%</b>
YEN/US\$	109.11	<b>106.37</b>		-2.5%		109.11	<b>106.37</b>		-2.5%			
YEN/EUR	122.13	<b>121.43</b>		-0.6%		122.13	<b>121.43</b>		-0.6%			



# Packaging & Graphic

## Net sales

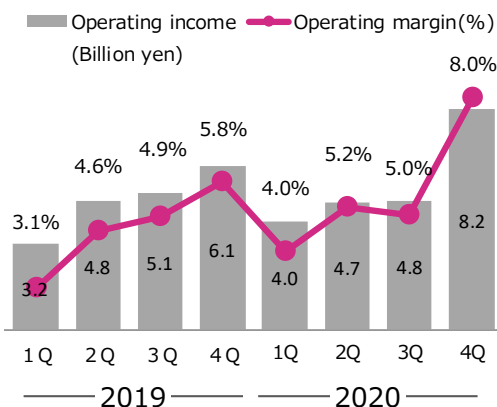
- In the Americas and Europe, segment sales increased on a local currency basis, thanks to firm shipments of packaging inks and an increase in market share for publication inks in the second half, but declined after translation into yen as a consequence of the depreciation of emerging economy currencies.
- In Japan, where publication inks account for a large proportion of sales, the impact of falling demand for print advertisements and commercial printing—a consequence of COVID-19—was significant. Accordingly, full-term sales were down, despite having picked up after bottoming out in the second quarter (April 1–June 30, 2020).

## Operating income

- Segment operating income rose, bolstered by firm shipments of printing inks in the Americas and Europe, as well as by the positive impact of rationalization and lower raw materials prices.
- Higher shipments of high-value-added jet inks underpinned an increase in operating income in the fourth quarter (October 1–December 30, 2020).

	Net sales					Operating income					Operating margin	
	2019	2020	Change	% Change	% Change on a local currency basis	2019	2020	Change	% Change	% Change on a local currency basis	2019	2020
<b>Packaging &amp; Graphic</b>	416.4	<b>388.4</b>	-28.0	-6.7%	-2.9%	19.2	<b>21.8</b>	2.6	+ 13.5%	+ 23.3%	4.6%	<b>5.6%</b>
Japan	114.7	<b>102.3</b>	-12.3	-10.7%	-10.7%	6.4	<b>5.3</b>	-1.1	-17.3%	-17.3%	5.6%	<b>5.2%</b>
The Americas and Europe	244.3	<b>235.4</b>	-8.8	-3.6%	+ 2.0%	8.2	<b>12.2</b>	3.9	+ 47.8%	+ 65.8%	3.4%	<b>5.2%</b>
Asia and Oceania	68.7	<b>62.0</b>	-6.7	-9.7%	-6.3%	4.5	<b>4.4</b>	-0.1	-1.2%	+ 2.0%	6.5%	<b>7.1%</b>
Eliminations	(11.3)	<b>(11.4)</b>	-0.1	-	-	0.1	<b>(0.1)</b>	-0.2	-	-	-	-

## Operating income/margin



## Sales of principal products

	% Change	
<b>Packaging inks*</b>	-0%	Shipments were firm, particularly in the Americas and Europe.
<b>Publication inks*</b>	-18%	Sales dwindled as demand, having slumped as a result of COVID-19, failed to recover completely despite an improving from the third quarter forward in all regions.
<b>Jet inks</b>	+ 4%	Full-term sales were up as demand rebounded after flagging in the third quarter and sales for textile-related applications, a new market entered in the second half, also contributed.
<b>Polystyrene</b>	-14%	Despite sales volume being level, sales declined as a consequence of falling sales prices.
<b>Multilayer films</b>	-2%	Shipments remained firm, owing to demand for food packaging that helps prevent food loss.

\*Change on a local currency basis

# Color & Display

## Net sales

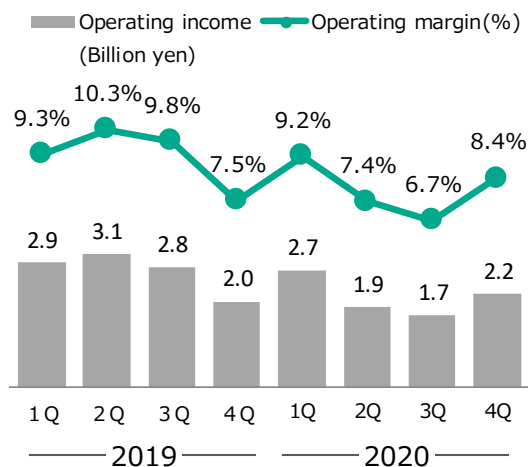
- Owing to robust demand in the market for liquid crystal displays (LCDs), shipments of pigments for color filters and of thin-film transistor liquid crystals (TFT LCs) were brisk in the fourth quarter (October 1–December 30, 2020).
- Sales of pigments for cosmetics remained sluggish, owing to lifestyle changes.

## Operating income

- Segment operating income overseas plunged as production adjustments prompted the cutting of operating rates at certain production facilities, making it impossible to absorb fixed and other costs.

(Billion yen)	Net sales					Operating income					Operating margin	
	2019	2020	Change	% Change	% Change on a local currency basis	2019	2020	Change	% Change	% Change on a local currency basis	2019	2020
<b>Color &amp; Display</b>	116.4	<b>105.8</b>	-10.6	-9.1%	-6.7%	10.8	<b>8.4</b>	-2.3	-21.7%	-19.7%	9.3%	<b>8.0%</b>
Japan	29.7	<b>27.9</b>	-1.7	-5.8%	-5.8%	4.8	<b>5.6</b>	0.8	+15.8%	+15.8%	16.3%	<b>20.0%</b>
Overseas	95.8	<b>85.2</b>	-10.6	-11.0%	-8.0%	6.0	<b>2.8</b>	-3.1	-52.5%	-49.0%	6.2%	<b>3.3%</b>
Eliminations	(9.1)	<b>(7.4)</b>	1.7	-	-	(0.0)	<b>0.0</b>	0.0	-	-	-	-

## Operating income/margin



## Sales of principal products

Product Category	% Change	Description
General-purpose pigmer	-8%	Shipments of pigments for printing inks remained listless, but pigments for coatings and plastics continued to recover.
Functional pigments	-12%	Shipments of pigments for color filters were robust in the fourth quarter, but pigments for cosmetics continued to struggle.
Liquid crystal (LC) material	-6%	Thanks to robust demand in the market for LCDs, the decline from the previous fiscal year narrowed.
Health foods	-5%	While drugstore sales of health foods struggled, sales of natural blue colorants rose steadily.

# Functional Products

## Net sales

- Thanks to a sharp improvement, particularly for materials for use in automobiles and electronics equipment, segment sales in the fourth quarter (October 1–December 30, 2020) were up 17.4% from the third quarter (July 1–September 30, 2020) .

## Operating income

- Underpinned by a recovery in sales and an enhanced product mix, which reflected an improved sales of high-value-added epoxy resins, operating income in the fourth quarter was substantially higher than in the third quarter. Nonetheless, full-term segment operating income was down, as falling raw material prices and cost reductions were insufficient to offset declines in sales in the second and third quarters.

(Billion yen)	Net sales					Operating income					Operating margin	
	2019	2020	Change	% Change	% Change on a local currency basis	2019	2020	Change	% Change	% Change on a local currency basis	2019	2020
<b>Functional Products</b>	268.6	<b>236.0</b>	-32.6	-12.1%	-11.6%	19.2	<b>17.1</b>	-2.1	-11.1%	-10.6%	7.2%	<b>7.2%</b>
Japan	199.3	<b>176.1</b>	-23.2	-11.6%	-11.6%	11.6	<b>8.3</b>	-3.3	-28.3%	-28.3%	5.8%	<b>4.7%</b>
Overseas	91.9	<b>80.9</b>	-11.1	-12.0%	-10.2%	7.5	<b>8.7</b>	1.3	+ 16.9%	+ 19.0%	8.1%	<b>10.8%</b>
Eliminations	(22.7)	<b>(21.0)</b>	1.7	-	-	0.2	<b>0.1</b>	-0.1	-	-	-	-

## Operating income/margin



## Sales of principal products

	% Change	
Environment-friendly resins*	-12%	Owing to a recovery in shipments of resins for use in automobiles among others, the decline from the previous fiscal year shrank.
Epoxy resins	-3%	Sales were down, owing to a third-quarter decrease.
Polyphenylene sulfide (PPS) compounds	-11%	Sales declined despite rallying for use in automobiles in the fourth quarter.
Industrial tapes	+ 8%	Shipments for use in smartphones were strong.
Hollow-fiber membrane modules	+ 5%	Shipments for use in semiconductor fabrication were healthy.

\* DIC uses the term "Environment-friendly resins" to describe strategic resins designed to improve both environmental performance and functionality. These include waterborne, UV-curable, polyester, acrylic and polyurethane resins.

# Consolidated balance sheet

(Billion yen)	Dec 31 2019	Dec 31 2020	Change
Current assets	399.9	400.0	0.1
Property, plant and equipment	232.2	228.1	-4.1
Intangible assets	11.8	11.5	-0.3
Investments and other assets	159.2	178.4	19.2
<b>Total assets</b>	<b>803.1</b>	<b>818.0</b>	<b>14.9</b>
Current liabilities	210.1	197.2	-12.9
Non-current liabilities	249.5	269.4	19.9
<b>Total liabilities</b>	<b>459.6</b>	<b>466.6</b>	<b>7.0</b>
Shareholders' equity	407.4	409.0	1.6
Accumulated other comprehensive income	(94.7)	(90.5)	4.1
[Foreign currency translation adjustment]	[(72.7)]	[(82.3)]	[-9.7]
Non-controlling interests	30.8	32.9	2.1
<b>Total net assets</b>	<b>343.5</b>	<b>351.4</b>	<b>7.9</b>
<b>Total liabilities and net assets</b>	<b>803.1</b>	<b>818.0</b>	<b>14.9</b>
Closing rate (YEN/US\$)	108.71	103.14	
Shareholders' equity to total assets	38.9%	38.9%	
Interest-bearing debt	252.6	266.7	14.1
Cash and deposits	16.8	44.9	28.1

# Consolidated statement of cash flows

(Billion yen)	2019	2020	Change
Cash flows from operating activities	50.6	54.5	3.8
[Excluding the impact of restraint of A/R securitization]	[63.7]	[54.5]	[(9.2)]
Cash flows from investing activities	(24.9)	(33.0)	(8.2)
Cash flows from financing activities	(26.8)	6.3	33.1
[Excluding the impact of restraint of A/R securitization]	[(39.8)]	[6.3]	[46.1]
Cash and cash equivalents at end of the period	16.7	41.4	24.7
<b>Free cash flow</b>	<b>25.8</b>	<b>21.4</b>	<b>-4.3</b>
[Excluding the impact of restraint of A/R securitization]	[38.8]	[21.4]	[(17.4)]
Increase (decrease) in working capital	(8.2)	8.5	16.7
[Excluding the impact of restraint of A/R securitization]	[4.8]	[8.5]	[3.7]
Capital expenditure and investment	37.5	37.1	-0.4
Depreciation and amortization	33.1	32.6	-0.5

## FY2021 forecasts: Full-term operating results

(Billion yen)	2020	2021 Forecast	% Change	% Change on a local currency basis
<b>Net sales</b>	701.2	<b>750.0</b>	+7.0%	+7.1%
<b>Operating income</b>	39.7	<b>45.0</b>	+13.5%	+13.1%
Operating margin	5.7%	<b>6.0%</b>	—	—
Ordinary income	36.5	<b>42.0</b>	+15.2%	—
<b>Net income*</b>	13.2	<b>20.0</b>	+51.1%	—
EPS (Yen)	139.81	<b>211.30</b>	—	—
<b>EBITDA**</b>	55.6	<b>64.8</b>	+16.6%	—
Capital expenditure and investment	37.1	<b>42.5</b>	+14.5%	
Depreciation and amortization	32.6	<b>33.0</b>	+1.3%	
Average rate	YEN/US\$	106.37	<b>105.00</b>	-1.3%
	YEN/EUR	121.43	<b>125.00</b>	+2.9%
ROE	4.2%	<b>6.2%</b>		
D/C ratio ***	43.2%	<b>40.0%</b>		
Annual dividends per share (Yen)	100.0	<b>100.0</b>		
Payout ratio	71.5%	<b>47.3%</b>		

\* 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

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

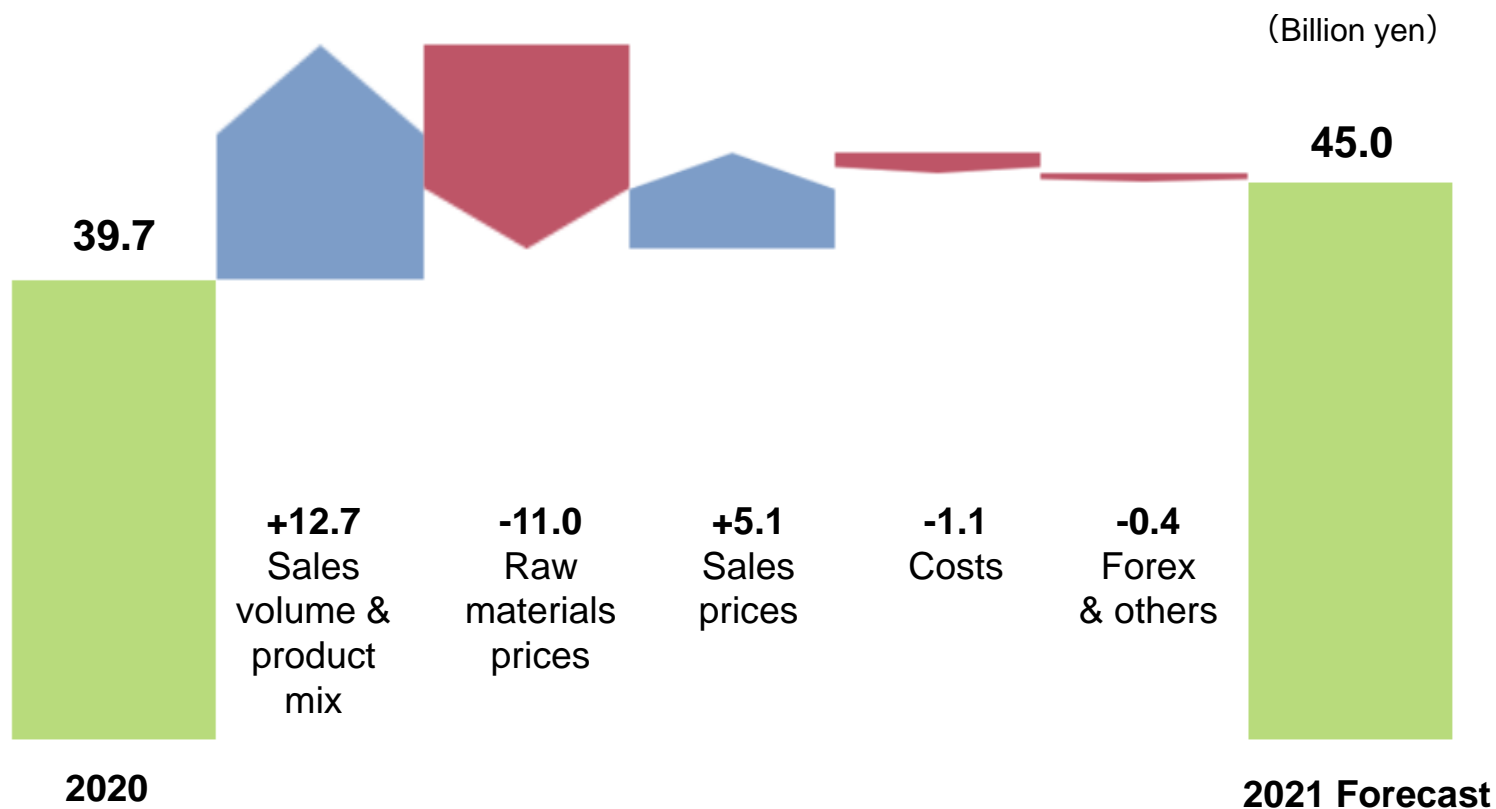
## FY2021 forecasts: First half operating results

(Billion yen)	2020 1st Half	2021 1st Half Forecast	% Change	
<b>Net sales</b>	343.7	<b>368.0</b>	+7.1%	
<b>Operating income</b>	17.8	<b>20.5</b>	+14.9%	
Operating margin	5.2%	<b>5.6%</b>	—	
Ordinary income	15.6	<b>19.0</b>	+22.1%	
<b>Net income*</b>	10.3	<b>9.0</b>	-12.9%	
EPS (Yen)	109.18	<b>95.09</b>	—	
Average rate	YEN/US\$	108.03	<b>105.00</b>	-2.8%
	YEN/EUR	118.99	<b>125.00</b>	+5.1%

\* Net income attributable to owners of the parent

## Operating income variance

- Despite the downside risk posed by the resurgence of COVID-19 infections, shipments are expected to continue recovering.
- Given the likelihood that demand for crude oil will rise, crude oil prices are likely to increase. In this environment, the DIC Group will expedite efforts to transform its business portfolio by launching and expanding sales of differentiated high-value-added products, in line with its DIC111 medium-term management plan, a key strategy of which is “Value Transformation.”





# FY2021 forecasts: Full-term segment results

(Billion yen)	Net sales					Operating income					Operating margin	
	2020	2021 Forecast	Change	% Change	% Change on a local currency basis	2020	2021 Forecast	Change	% Change	% Change on a local currency basis	2020	2021 Forecast
<b>Packaging &amp; Graphic</b>	388.4	<b>408.5</b>	20.1	+ 5.2%	+ 5.2%	21.8	<b>23.2</b>	1.5	+ 6.7%	+ 6.8%	5.6%	<b>5.7%</b>
Japan	102.3	<b>105.5</b>	3.2	+ 3.1%	+ 3.1%	5.3	<b>5.6</b>	0.3	+ 6.3%	+ 6.3%	5.2%	<b>5.3%</b>
The Americas and Europe	235.4	<b>244.6</b>	9.2	+ 3.9%	+ 4.0%	12.2	<b>12.5</b>	0.3	+ 2.5%	+ 2.6%	5.2%	<b>5.1%</b>
Asia and Oceania	62.0	<b>69.4</b>	7.4	+ 12.0%	+ 11.7%	4.4	<b>5.2</b>	0.8	+ 17.2%	+ 18.0%	7.1%	<b>7.5%</b>
Eliminations	(11.4)	<b>(11.0)</b>	0.3	-	-	(0.1)	<b>(0.1)</b>	0.1	-	-	-	-
<b>Color &amp; Display</b>	105.8	<b>111.3</b>	5.5	+ 5.2%	+ 5.6%	8.4	<b>10.6</b>	2.2	+ 25.7%	+ 23.3%	8.0%	<b>9.5%</b>
Japan	27.9	<b>28.4</b>	0.5	+ 1.7%	+ 1.7%	5.6	<b>6.0</b>	0.4	+ 8.0%	+ 8.0%	20.0%	<b>21.3%</b>
Overseas	85.2	<b>93.3</b>	8.1	+ 9.5%	+ 10.0%	2.8	<b>4.6</b>	1.7	+ 61.3%	+ 52.4%	3.3%	<b>4.9%</b>
Eliminations	(7.4)	<b>(10.4)</b>	-3.0	-	-	0.0	<b>0.0</b>	-0.0	-	-	-	-
<b>Functional Products</b>	236.0	<b>259.8</b>	23.8	+ 10.1%	+ 10.4%	17.1	<b>20.2</b>	3.1	+ 17.9%	+ 18.4%	7.2%	<b>7.8%</b>
Japan	176.1	<b>193.8</b>	17.6	+ 10.0%	+ 10.0%	8.3	<b>11.2</b>	2.9	+ 34.7%	+ 34.7%	4.7%	<b>5.8%</b>
Overseas	80.9	<b>85.4</b>	4.6	+ 5.6%	+ 6.5%	8.7	<b>9.0</b>	0.2	+ 2.8%	+ 3.7%	10.8%	<b>10.5%</b>
Eliminations	(21.0)	<b>(19.5)</b>	1.6	-	-	0.1	<b>(0.0)</b>	-0.1	-	-	-	-
Others, Corporate and eliminations	(29.0)	<b>(29.6)</b>	-0.7	-	-	(7.6)	<b>(9.0)</b>	-1.4	-	-	-	-
<b>Total</b>	701.2	<b>750.0</b>	48.8	+ 7.0%	+ 7.1%	39.7	<b>45.0</b>	5.3	+ 13.5%	+ 13.1%	5.7%	<b>6.0%</b>
YEN/US\$	106.37	<b>105.00</b>		-1.3%		106.37	<b>105.00</b>		-1.3%			
YEN/EUR	121.43	<b>125.00</b>		+ 2.9%		121.43	<b>125.00</b>		+ 2.9%			

## Timeline

DIC currently plans to complete its acquisition of BASF SE's Colors & Effects business in the first quarter of 2021. However, because the closing of this transaction is pending approval by the U.S. Federal Trade Commission, there is a possibility that execution will be rescheduled to the first half of 2021 as a consequence of ongoing approval procedures. DIC will promptly announce the closing date once it has been decided.

## Compliance with antitrust laws

Because BASF SE and DIC control substantial shares of the global pigments market, to ensure compliance with relevant antitrust laws DIC will divest a high-performance pigment manufacturing business based at U.S. subsidiary Sun Chemical Corporation's plant in Bushy Park, South Carolina. Efforts to secure the U.S. Federal Trade Commission's approval of this transaction are ongoing.

## Impact on FY2020 financial results

DIC has recognized losses that it expects to incur on the disposal of assets in relation to the aforementioned divestiture as an extraordinary loss (loss on business liquidation) in its results for fiscal year 2020.

## Major topics (October to December 2020)

Oct

DIC commissioned by NEDO to conduct packaging materials R&D to develop advanced plastic materials recycling technologies and help realize a circular economy  
– Project aims to help realize sophisticated materials recycling processes that dramatically increase the resource value of waste plastic –

Oct

Notice regarding change of closing schedule for the acquisition of the shares and assets of a pigments business from BASF SE

Oct

DIC launches PHYCONA, a functional food product that increases the skin's barrier function

Nov

DIC and FPCO explore collaboration in the practical implementation of a closed-loop recycling system for polystyrene that employs chemical recycling

Nov

DIC is selected for inclusion in the Dow Jones Sustainability Indices Asia Pacific Index, a leading benchmark for sustainability initiatives, for the sixth consecutive year

Dec

DIC develops DICDRY LX-RP series of adhesives for flexible packaging made from recovered PET bottles  
– An effective application for used PET bottles will contribute to the realization of a circular economy –

Dec

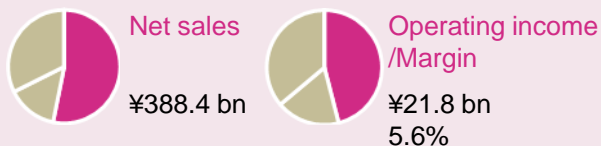
DIC develops distinctive CeramNex™ AP10 flake alumina filler  
– Imparts outstanding strength and heat dissipating properties to electronics components and is expected to contribute to the proliferation of CASE vehicles and 5G-enabled devices –

News Releases  
<https://www.dic-global.com/en/news/2020/>



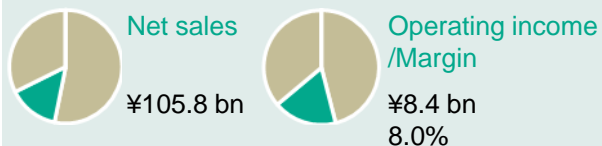
# Business segments and principal products

## Packaging & Graphic



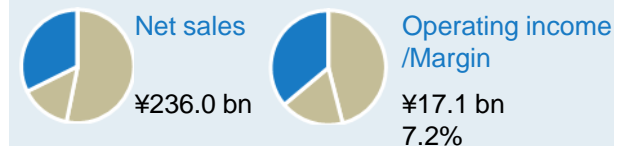
Packaging materials that bring safety and peace of mind

## Color & Display



Color and display materials that make life colorful

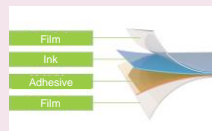
## Functional Products



Functional products that add comfort



Packaging inks  
Packaging adhesives  
Packaging materials  
Polystyrene  
Multilayer films



Security inks



Jet inks



Publication inks

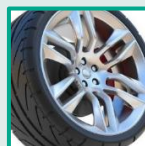
### Functional pigments



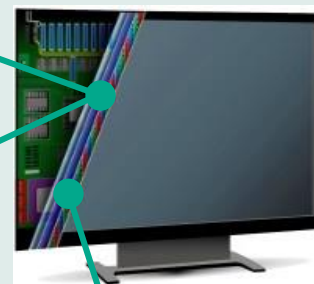
Pigments for color filters



Pigments for cosmetics



Effect pigments



Liquid crystal materials



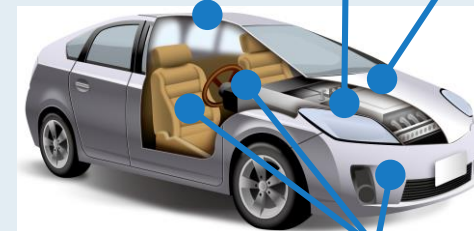
Natural colorants



Industrial tapes



PPS compounds



Environment-friendly products\*



Epoxy resins



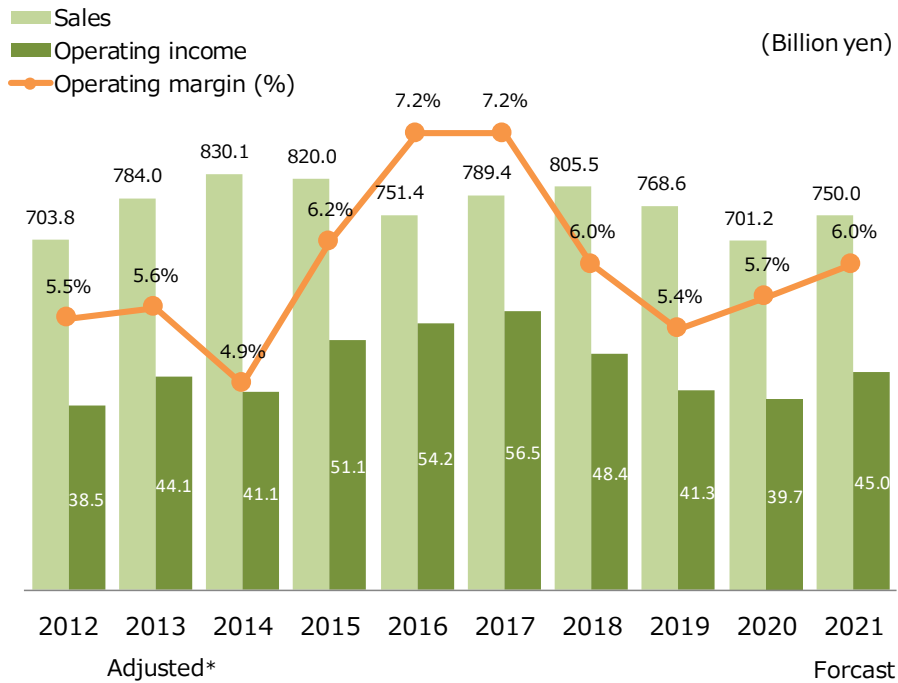
Hollow-fiber membrane modules

Note: Fiscal year 2020 actual

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

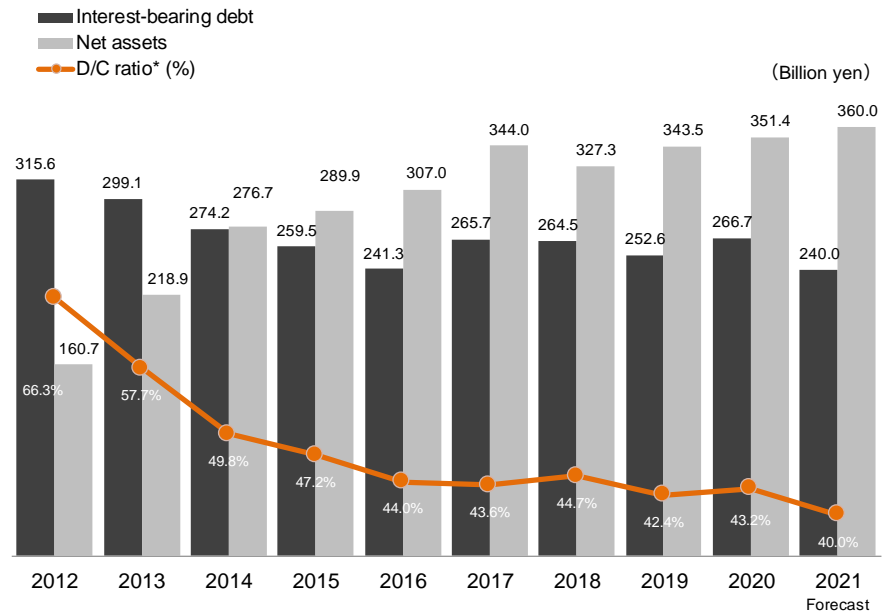
# Historical performance data (Reference)

## Operating results



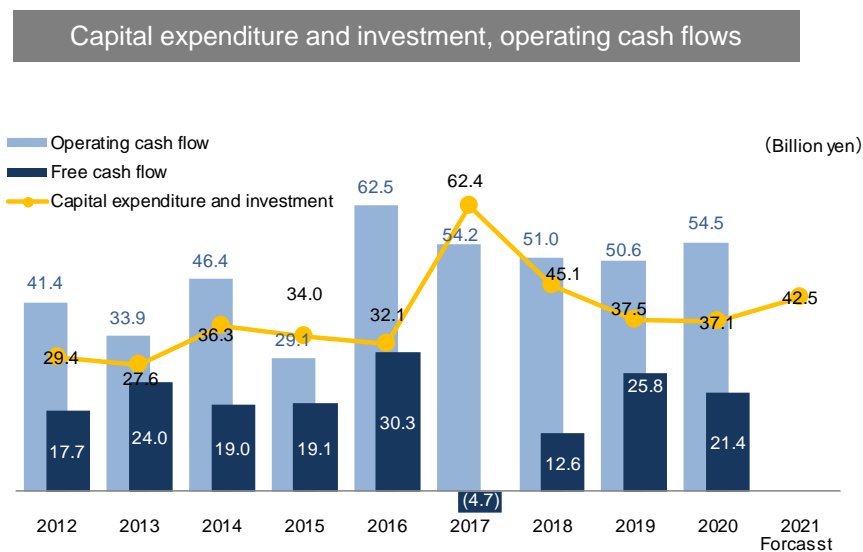
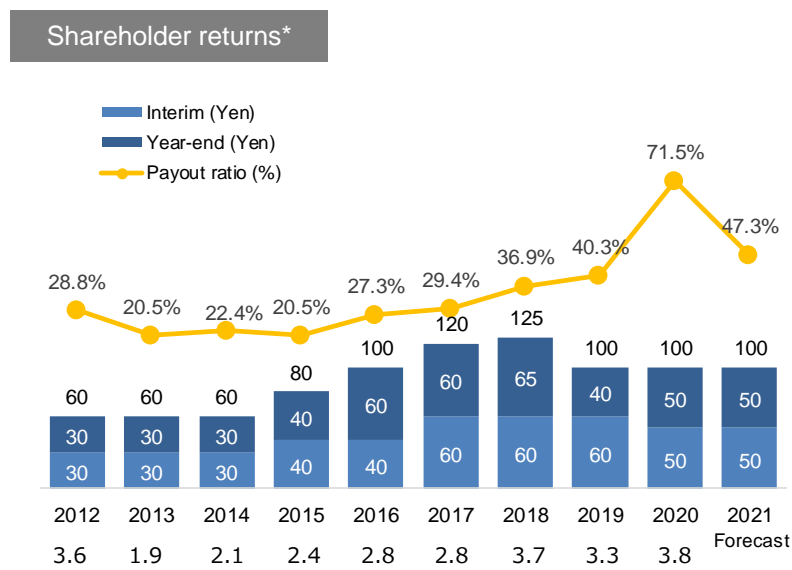
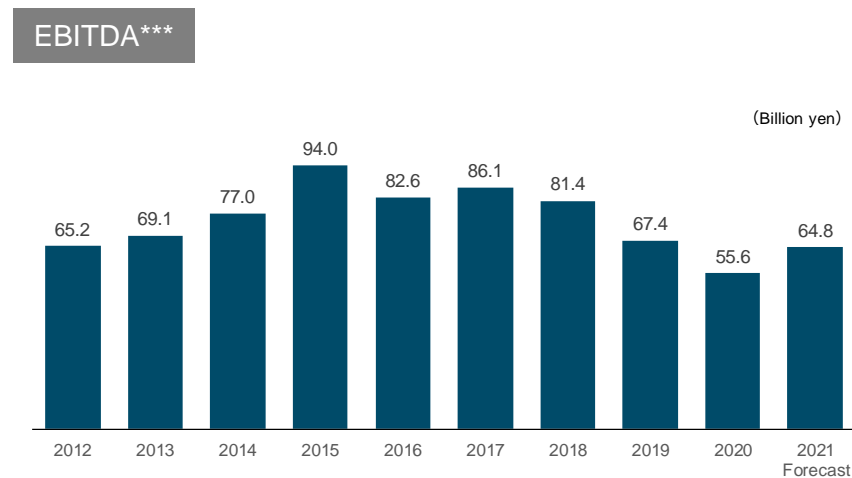
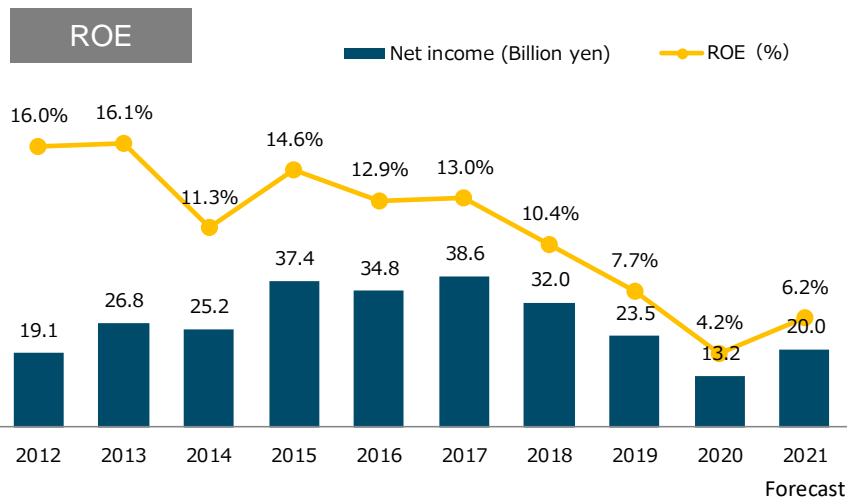
\* Adjusted to reflect the impact of the changes in the fiscal year-end

## Financial health



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

# Historical performance data (Reference)



\* Adjusted to reflect the impact of the consolidation of shares of common stock

\*\* Dividend yield: Annual dividends / Closing price per share at fiscal year-end

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

# ESG (Reference)

ESG investment indices in which DIC is included



MSCI Japan Empowering Women Index (WIN)



MSCI Japan ESG Select Leaders Index



FTSE Blossom Japan

Member of  
**Dow Jones Sustainability Indices**

Powered by the S&P Global CSA





# Color & Comfort

## **Disclaimer Regarding Forward-Looking Statements**

Statements herein, other than those of historical fact, are forward-looking statements that reflect management's projections based on information available as of the publication date. These forward-looking statements are subject to risks and uncertainties that could cause actual results to differ materially from such statements. These risks and uncertainties include, but are not limited to, economic conditions in Japan and overseas, market trends, raw materials prices, interest rate trends, currency exchange rates, conflicts, litigations, disasters and accidents, as well as the possibility the Company will incur special losses related to the restructuring of its operations.