



June 27, 2022

Company name	DIC Corporation
Representative	Kaoru Ino Representative Director President and CEO (Securities code: 4631)
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Notice Regarding Absorption-Type (Simplified, Short-form) Merger of a Wholly Owned Consolidated Subsidiary

At a meeting of its Board of Directors held today, DIC Corporation (“DIC”) resolved to implement an absorption-type merger of wholly owned consolidated subsidiary Colors & Effects Japan Ltd. (“Colors & Effects Japan”), with an effective date of January 1, 2023.

Since this is an absorption-type merger targeting a wholly owned subsidiary of the Company, certain disclosure items and details have been omitted.

1. Purpose of Merger

On June 30, 2021, DIC completed its acquisition of global pigments business Colors & Effects from BASF SE of Germany. Colors & Effects Japan is one of the companies that make up this business. The decision to carry out this merger was made with the aim of achieving the integrated global management of DIC’s pigments businesses and of realizing synergies with the newly acquired company as swiftly as possible.

2. Outline of the Merger

(1) Schedule

Approval of merger by the Board of Directors	June 27, 2022
Signing of merger agreement	July 1, 2022
Effective date of merger	January 1, 2023

Note: For DIC, this merger meets the requirements for a simplified merger as stipulated in Article 796, paragraph 2, of the Companies Act. For Colors & Effects Japan, the merger meets the requirements for a short-form merger as stipulated in Article 784, paragraph 1, of the Companies Act. Accordingly, the merger can be implemented without approval of the merger agreement at a general meeting of shareholders of either company.

(2) Merger Method

Absorption-type merger with DIC as the surviving company and Colors & Effects Japan dissolved and absorbed.

(3) Details of Allocation of Shares Related to the Merger

No shares will be issued and no monies or other property will be allocated at the time of this merger.

(4) Stock Acquisition Rights and Bonds with Stock Acquisition Rights Associated with the Merger

Not applicable

3. Outline of the Companies Involved in This Merger

	Surviving company		Dissolved company	
(1) Name of company	DIC Corporation		Colors & Effects Japan Ltd.	
(2) Registered office	35-58, Sakashita 3-chome, Itabashi-ku, Tokyo, Japan		7-20, Nihonbashi 3-chome, Chuo-ku, Tokyo, Japan	
(3) Name and position of representative	Kaoru Ino, Representative Director, President and CEO		Yasushi Ichijima, Representative Director and President	
(4) Details of business	Manufacture and sale of printing inks, organic pigments, synthetic resins and other products		Import, export, sale and distribution of pigments, pigment preparations and dyes, as well as their intermediates, and provision of technical services	
(5) Capital	¥96.6 billion		¥154.0 million	
(6) Date of establishment	March 15, 1937		April 1, 2016	
(7) Number of shares issued	95,156,904		3,080	
(8) Fiscal year-end	December 31		December 31	
(9) Major shareholders and equity stakes (As of December 31, 2021)	The Master Trust Bank of Japan, Ltd. (Trust Account)	14.78%	DIC Corporation	100.0%
	SHOEI INC.	13.39%		
	Custody Bank of Japan, Ltd. (Trust Account)	5.39%		
	The Dai-Ichi Life Insurance Company, Limited	3.69%		
	SMBC Nikko Securities Inc.	2.84%		
(10) Financial results and position for the most recent fiscal year (fiscal year ended December 31, 2021)				
	Consolidated (Japan GAAP)		Nonconsolidated (Japan GAAP)	
Net assets	¥381,008 million		¥350 million	
Total assets	¥1,071,481 million		¥3,818 million	
Net assets per share	¥3,654.61		¥113,598.26	
Net sales	¥855,379 million		¥8,411 million	
Operating income	¥42,893 million		¥259 million	
Ordinary income	¥43,758 million		¥54 million	
Net income attributable to owners of the parent	¥4,365 million		¥42 million	
Earnings per share	¥46.12		¥13,477.02	

4. Status Following Merger

This merger will not result in any changes to DIC's trade name, head office location, capital, number of shares issued or fiscal year-end.

5. Future Outlook

Because the absorbed company is a wholly owned subsidiary, this merger will have no impact on DIC's consolidated financial results.

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