



February 13, 2024

Company name	DIC Corporation
Representative	Kaoru Ino Representative Director Chairman (Securities code: 4631)
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Notice Regarding Impairment Losses, Differences between Forecasts and Actual Consolidated Operating Results for Fiscal Year 2023, and the Curtailment of Bonuses to Executive Officers

DIC Corporation hereby announces the recognition of impairment losses in fiscal year 2023, ended December 31, 2023, as well as differences between its consolidated results forecasts and actual operating results for the period, as indicated below.

1. Recognition of impairment losses

In June 2021, DIC acquired the Colors & Effects pigments business—now accounted for in the Color & Display segment—and recorded related goodwill. However, after an assessment of future recoverability, the Company determined that, given the current business environment, profit levels anticipated in the business plan formulated at the time the goodwill was recorded are unlikely to be achieved. Accordingly, the carrying value was adjusted downward to the recoverable amount, with the difference of ¥19.7 billion being recognized as an impairment loss under extraordinary losses. In consideration of future recoverability, the Company also recognized impairment losses in several other businesses mainly as mentioned below.

Segment	Details	Impairment loss recognized (Billions of yen)
Color & Display	Impairment of goodwill related to the Color & Effects pigments business	¥19.7
	Impairment of fixed assets due to the realignment of overseas production facilities in the pigments business	¥2.8
Functional Products	Impairment of fixed assets due to the realignment of production facilities in Japan in the functional compounds business	¥3.3
Others, Corporate and eliminations	Impairment of fixed assets due to suspension of plans to commercialize a new business in the area of sustainable energy	¥3.2

2. Differences between Forecasts and Actual Consolidated Operating Results for Fiscal Year 2023

	Net sales	Operating income	Ordinary income	Net income (loss) attributable to owners of the parent	Income per share
	Millions of yen	Millions of yen	Millions of yen	Millions of yen	Yen
Previous forecast (A)	1,050,000	15,000	9,000	(9,000)	(95.08)
Actual result (B)	1,038,736	17,943	9,216	(39,857)	(421.06)
Change (B–A)	–11,264	2,943	216	–30,857	
Change (%)	–1.1	19.6	2.4	—	
(Reference) Year ended December 31, 2022	1,054,201	39,682	39,946	17,610	186.05

3. Reasons for differences

Owing to the recognition of more sizable impairment losses than had been expected, owing primarily to the factors described above in “1. Recognition of impairment losses,” net loss attributable to owners of the parent exceeded the previous forecast.

There has been no attendant revision of the forecast for year-end cash dividends per share of ¥30.00, announced on August 9, 2023. As a consequence, the Company expects to pay total annual cash dividends per share of ¥80.00.

4. Curtailment of payment of bonuses to executive officers

The Company takes seriously the reporting of a significant net loss attributable to owners of the parent in fiscal year 2023. In light of this situation, the decision was taken to reduce the amount of performance-based remuneration paid to executive officers in the form of a bonus, which is linked to consolidated operating income results, as well as to partially or fully withhold payment of such remuneration in recognition of management’s responsibility for the aforementioned net loss attributable to owners of the parent.

(1) Bonuses subject to curtailment:

Bonuses applicable to fiscal year 2023

(2) Affected individuals:

All individuals serving as executive officers of the Company in Japan as of December 31, 2023

(3) Details of curtailment

President and CEO and executive vice president: 100% withheld

Senior managing executive officer and managing executive officers: 50% withheld

Executive officers: 10% withheld

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