

ENGLISH TRANSLATION OF JAPANESE-LANGUAGE DOCUMENT  
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**Consolidated Financial Results for the Year Ended December 31, 2023 (Japan GAAP)**  
**(The fiscal year ended December 31, 2023)**

February 13, 2024  
Stock Exchange: Tokyo  
Head Office: Tokyo  
Tel: +81 (3) 6733-3000

**Company Name: DIC Corporation**

Listing Code Number: 4631

URL: <https://www.dic-global.com/en/>

Representative: Kaoru Ino, Representative Director, Chairman of the Board of Directors

Contact Person: Jun Kaneko, General Manager, Accounting Department

Preparation of Supplemental Explanatory Materials: Yes

Holding of Annual Financial Results Meeting: Yes (for security analysts and institutional investors, etc.)

Annual Meeting of Shareholders : March 28, 2024

Dividend Payment : March 29, 2024

Scheduled Filing Date of Securities Report : March 28, 2024

(Yen amounts are rounded to the nearest million, except for per share information)

**1. Consolidated Financial Results for Fiscal Year 2023 (January 1, 2023 - December 31, 2023)**

**(1) Consolidated operating results**

(Percentages indicate year-on-year changes)

	Net sales		Operating income		Ordinary income		Net income attributable to owners of the parent	
	JPY (million)	%	JPY (million)	%	JPY (million)	%	JPY (million)	%
FY2023	1,038,736	-1.5	17,943	-54.8	9,216	-76.9	(39,857)	—
FY2022	1,054,201	23.2	39,682	-7.5	39,946	-8.7	17,610	303.4

Note: Comprehensive income (JPY million): FY2023 -11,609 (—%), FY2022 52,233 (28.7%)

	Earnings per share (basic)	Earnings per share (diluted)	ROE (Return on equity)	Ordinary income ratio to total assets	Operating income ratio to net sales
	JPY	JPY	%	%	%
FY2023	(421.06)	—	-10.6	0.7	1.7
FY2022	186.05	—	4.8	3.4	3.8

Note: Equity in earnings of affiliates (JPY million): FY2023 2,734, FY2022 2,368

**(2) Consolidated financial position**

	Total assets	Net assets	Shareholders' equity ratio to total assets	Shareholders' equity per share
	JPY (million)	JPY (million)	%	JPY
As of December 31, 2023	1,244,889	399,267	29.2	3,844.70
As of December 31, 2022	1,261,637	421,088	30.7	4,088.60

Note: Shareholders' equity (JPY million): As of December 31, 2023 363,937, As of December 31, 2022 386,997

**(3) Consolidated cash flows**

	Net cash provided by (used in) operating activities	Net cash provided by (used in) investing activities	Net cash provided by (used in) financing activities	Cash and cash equivalents at the end of the period
	JPY (million)	JPY (million)	JPY (million)	JPY (million)
FY2023	89,095	(66,457)	(2,920)	84,642
FY2022	7,935	(73,160)	83,948	62,560

**2. Cash Dividends**

(Record date)	Cash dividends per share					Dividends in total (Annual)	Dividend payout ratio (consolidated)	Dividend on equity (consolidated)
	End of 1st quarter	End of 2nd quarter	End of 3rd quarter	Year-end	Annual			
	JPY	JPY	JPY	JPY	JPY	JPY (million)	%	%
FY2022	—	50.00	—	50.00	100.00	9,479	53.7	2.6
FY2023	—	50.00	—	30.00	80.00	7,588	—	2.0
FY2024(Plan)	—	50.00	—	50.00	100.00	—	94.7	—

**3. Forecasts for Consolidated Operating Results for the Fiscal Year Ending December 31, 2024 (January 1, 2024 - December 31, 2024)**

(Percentages indicate year-on-year changes)

	Net sales		Operating income		Ordinary income		Net income attributable to owners of the parent		Earnings per share (basic)
	JPY (million)	%	JPY (million)	%	JPY (million)	%	JPY (million)	%	JPY
First half of FY2024	540,000	4.8	15,000	50.6	12,000	68.0	(6,000)	—	(63.39)
FY2024	1,100,000	5.9	30,000	67.2	25,000	171.3	10,000	—	105.64

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## Notes

(1) Changes in the scope of consolidation for significant subsidiaries during the fiscal year ended December 31, 2023: None  
(Changes in specified subsidiaries resulting in the change in scope of consolidation)

Newly included: — (Company name) — Excluded: — (Company name) —

(2) Changes in accounting policies and accounting estimates, and restatements

- 1) Changes in accounting policies arising from revision of accounting standards: Yes  
2) Changes in accounting policies other than 1): None  
3) Changes in accounting estimates: None  
4) Restatements: None

(3) Number of shares issued (common stock)

1) Number of shares issued at the end of the period, including treasury shares

FY 2023 95,156,904 shares, FY 2022 95,156,904 shares

2) Number of treasury shares at the end of the period

FY 2023 497,680 shares, FY 2022 504,123 shares

3) Average number of shares issued during the period, excluding treasury shares

FY 2023 94,659,852 shares, FY 2022 94,653,910 shares

\* Since the fiscal year ended December 31, 2017, the Company has introduced the Board Benefit Trust (BBT). The shares held by the trust are included in the number of treasury shares.

## (Reference) Summary of Non-consolidated Financial Results

### Non-consolidated Financial Results for Fiscal Year 2023 (January 1, 2023 - December 31, 2023)

#### (1) Non-consolidated operating results

(Percentages indicate year-on-year changes)

	Net sales		Operating income		Ordinary income		Net income	
	JPY (million)	%	JPY (million)	%	JPY (million)	%	JPY (million)	%
FY2023	239,771	-2.7	(1,284)	—	1,729	-87.4	(3,338)	—
FY2022	246,495	6.5	8,178	-29.7	13,720	-42.8	10,287	-65.5

	Earnings per share (basic)	Earnings per share (diluted)
	JPY	JPY
FY2023	(35.26)	—
FY2022	108.68	—

#### (2) Non-consolidated financial position

	Total assets	Net assets	Shareholders' equity ratio to total assets	Shareholders' equity per share
	JPY (million)	JPY (million)	%	JPY
As of December 31, 2023	886,495	300,203	33.9	3,171.41
As of December 31, 2022	880,585	318,147	36.1	3,361.20

Note: Shareholders' equity (JPY million): As of December 31, 2023 300,203, As of December 31, 2022 318,147

Note: **Presented consolidated financial results in this report are not subject to annual audit procedures conducted by certified public accountants or audit firms.**

Note: **Explanation of the appropriate use of performance forecasts, and other special items**

#### Caution concerning forward-looking statements

The above forecasts of future performance are based on information available to the Company at the present time and are subject to potential risks and uncertainty. Accordingly, the users should be aware that actual results may differ from any expressed future performance herein due to various factors.

For information regarding the assumptions used to prepare the forecasts, please refer to page 4 and 5.

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## Analysis of Results of Operations

### (1) Overview of Operating Results

(Billions of yen)

	FY2022	FY2023	Change (%)	Change (%) [Local currency basis]
Net sales	1,054.2	<b>1,038.7</b>	-1.5%	-5.1%
Operating income	39.7	<b>17.9</b>	-54.8%	-51.0%
Ordinary income	39.9	<b>9.2</b>	-76.9%	—
Net income attributable to owners of the parent	17.6	<b>(39.9)</b>	Loss	—
EBITDA *	85.5	<b>30.8</b>	-63.9%	—
¥/US\$1.00 (Average rate)	130.59	<b>140.51</b>	7.6%	—
¥/EUR1.00 (Average rate)	137.71	<b>151.98</b>	10.4%	—

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

In the fiscal year ended December 31, 2023, consolidated net sales edged down 1.5%, to ¥1,038.7 billion. Uncertainties persisted in the global economy, owing to such factors as the continued pursuit of inflation-curbing monetary policies in the United States and Europe, geopolitical risks attributable to the protracted crisis in Ukraine and a slowing economic recovery in the People's Republic of China (PRC) caused by a slumping real estate sector, among others, as a result of which demand for goods flagged in all regions and efforts to modify inventories were seen in various industry sectors. Against this backdrop, demand trends in core customer industries varied. In the area of digital materials, used principally in electrical and electronics equipment and in displays, demand picked up, underpinned by the completion of inventory adjustments by display manufacturers. The semiconductor market showed signs of bottoming out after a lengthy slump, but a full-scale demand revival remained elusive. In industrial materials,\* used primarily in mobility solutions, an upturn in vehicle sales was seen worldwide, contributing to the resolution of surplus inventories of materials for use in automobiles across the supply chain, but demand recovery remained slow. Reflecting these trends, and notwithstanding efforts in all segments to pass on rising costs by adapting sales prices, conditions remained challenging in terms of sales volume, particularly in the Color & Display segment—which saw sagging shipments of pigments for coatings and for plastics, among others, a consequence of prolonged economic stagnation in Europe, a leading market for these products, and falling demand for consumer goods caused by rising prices in the United States—and in the Functional Products segment, where shipments of high-value-added digital materials and industrial materials declined overall.

Operating income fell 54.8%, to ¥17.9 billion. This sharp decrease was despite efforts in all segments to adjust sales prices, together with a gain in the Packaging & Graphic segment, and was largely a result of sinking shipments of pigments, mainly those for coatings and for plastics, in the Color & Display segment, and of high-value-added products, including those in the Functional Products segment. Another contributing factor was the temporary suspension of operations at certain production sites in the United States and Europe, a move aimed at paring inventories, notably those of pigments for coatings and for plastics.

Ordinary income, at ¥9.2 billion, dropped 76.9%.

Net loss attributable to owners of the parent was ¥39.9 billion. This was due to a steep increase in extraordinary losses, owing primarily to a ¥19.7 billion impairment loss on goodwill recognized in the Color & Display segment in relation to the Colors & Effects pigments business, acquired in June 2021.

Earnings before interest, taxes, depreciation and amortization (EBITDA) declined 63.9%, to ¥30.8 billion.

\*DIC uses the term “industrial materials” to describe products for use in mobility solutions, namely, automobiles, railroads and shipping, and for general industrial applications such as construction equipment and industrial machinery.

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## (2) Segment Results

(Billions of yen)

	Net sales				Operating income (loss)			
	FY2022	FY2023	Change (%)	Change (%) 〔Local currency basis〕	FY2022	FY2023	Change (%)	Change (%) 〔Local currency basis〕
Packaging & Graphic	533.0	<b>541.9</b>	1.7%	-1.9%	20.3	<b>22.0</b>	8.1%	11.4%
Color & Display	248.2	<b>227.3</b>	-8.4%	-14.1%	5.1	<b>(8.9)</b>	Loss	Loss
Functional Products	315.4	<b>305.9</b>	-3.0%	-5.0%	23.6	<b>15.4</b>	-34.6%	-36.4%
Others, Corporate and eliminations	(42.4)	<b>(36.4)</b>	—	—	(9.4)	<b>(10.6)</b>	—	—
Total	1,054.2	<b>1,038.7</b>	-1.5%	-5.1%	39.7	<b>17.9</b>	-54.8	-51.0%

### Packaging & Graphic

	FY2022	FY2023	Change (%)	Change (%) 〔Local currency basis〕
Net sales	¥533.0 billion	<b>¥541.9 billion</b>	1.7%	-1.9%
Operating income	¥20.3 billion	<b>¥22.0 billion</b>	8.1%	11.4%

Segment sales advanced 1.7%, to ¥541.9 billion. Shipments of packaging inks, used chiefly on packaging for food products, were up in the PRC, underpinned by efforts to cultivate new customers, but down overall as rising prices dampened demand for consumer goods in other regions. Nonetheless, sales of these products were essentially level thanks to successful efforts to adapt sales prices worldwide. Sales of publication inks, which center on inks for commercial printing and news inks, decreased, despite moves to adjust sales prices in all regions, which lifted sales in Japan, as dwindling demand, among others, pushed shipments down in the Americas and Europe, as well as in Asia. Sales of jet inks, used in digital printing, were bolstered by the positive impact of a weak yen on sales denominated in other currencies, which countered the absence of a recovery in demand, especially from overseas customers, and a decline in shipments amid inventory adjustments and other measures implemented in response to rising prices and interest rates in the United States and Europe.

Segment operating income rose 8.1%, to ¥22.0 billion. In Japan, shipments of high-value-added jet inks deteriorated, although efforts to counter higher costs in the area of packaging inks and publication inks by adapting sales prices progressed. Operating income overseas was up overall, buttressed by increased shipments of packaging inks and publication inks in the PRC, which boosted results in Asia, together with moves to maintain sales prices for packaging inks and publication inks in the Americas and Europe.

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### Color & Display

	FY2022	FY2023	Change (%)	Change (%) 〔Local currency basis〕
Net sales	¥248.2 billion	<b>¥227.3 billion</b>	-8.4%	-14.1%
Operating income	¥5.1 billion	<b>¥(8.9) billion</b>	Loss	Loss

Segment sales declined 8.4%, to ¥227.3 billion. Shipments of pigments for coatings and for plastics, which account for a significant proportion of segment sales, were down overall. Factors behind this result included falling demand and ongoing moves by customers to curtail inventories, both consequences of slowing economic growth in Europe, a leading market for these products, and rising prices in the United States. Among high-value-added products, shipments of pigments for color filters, used in displays, were firm following the completion of inventory adjustments by display manufacturers. In pigments for cosmetics, sales were weak as shipments in the Americas and Europe were listless, hindered by rising prices, although demand in Asia rallied, bolstered by a delayed return to pre-COVID-19 lifestyles. In pigments for specialty applications, shipments of products for agricultural use tumbled, a consequence of inventory adjustments by customers, and shipments of pigments for use in building materials remained sluggish in Europe, a primary market for these products, owing to the protracted crisis in Ukraine.

The segment reported an operating loss of ¥8.9 billion. This was despite steady shipments of pigments for color filters and for cosmetics, and was attributable to a decrease in shipments of pigments for coatings and for plastics, particularly in Europe, combined with stagnant shipments of high-value-added pigments for specialty applications. The segment loss was also due to the temporary suspension of operations at certain production sites in the United States and Europe, a move aimed at paring inventories, notably those of pigments for coatings and for plastics.

### Functional Products

	FY2022	FY2023	Change (%)	Change (%) 〔Local currency basis〕
Net sales	¥315.4 billion	<b>¥305.9 billion</b>	-3.0%	-5.0%
Operating income	¥23.6 billion	<b>¥15.4 billion</b>	-34.6%	-36.4%

Segment sales dipped 3.0%, to ¥305.9 billion. Sales of digital materials, used principally in electrical and electronics equipment and in displays, were down as shipments of epoxy resins—the foremost application for which is semiconductors—failed to fully recover, despite signs that the market had bottomed out. Sales of industrial-use adhesive tapes, used mainly in smartphones and other mobile devices, were boosted by steady efforts to lock in demand. Sales of industrial materials, used primarily in mobility solutions, rose. This was despite a slower-than-expected recovery in shipments of materials for use in automobiles as the resolution of surplus inventories across the supply chain progressed, and was thanks to the addition of the sales of Guangdong DIC TOD Resins Co., Ltd., a coating resins manufacturer in the PRC acquired in July 2022. Sales of polyphenylene sulfide (PPS) compounds advanced, despite shipments for use in automobiles remaining in recovery mode, bolstered by the positive impact of factors such as sales price adjustments.

Segment operating income fell 34.6%, to ¥15.4 billion. This substantial decrease was despite efforts to adapt sales prices for all products to pass on cost increases and reflected a decline in shipments of high-value-added products used in electrical and electronics equipment and in mobility solutions.

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### (3) Operating Results Forecasts for Fiscal Year 2024

(Billions of yen)

	FY2023	FY2024	Change (%)
Net sales	1,038.7	<b>1,100.0</b>	5.9%
Operating income	17.9	<b>30.0</b>	67.2%
Ordinary income	9.2	<b>25.0</b>	171.3%
Net income attributable to owners of the parent	(39.9)	<b>10.0</b>	Into the black
EBITDA	30.8	<b>82.0</b>	166.0%
¥/US\$1.00 (Average rate)	140.51	<b>145.00</b>	3.2%
¥/EUR1.00 (Average rate)	151.98	<b>156.60</b>	3.0%

Economic conditions are expected to remain highly uncertain in the fiscal year ending December 31, 2024, with business and price trends overseas, the evolving situation in Ukraine and resource price movements among factors warranting particular concern.

Against this backdrop, DIC took the decision to review certain measures set forth in its DIC Vision 2030 long-term management plan, although the vision for DIC in the future and the basic policy set forth in the plan remain essentially unchanged. In the fiscal year ahead, efforts will focus on boosting net sales and operating income by returning to a growth trajectory as swiftly as possible, while paying particular attention to the following priorities:

- Further accelerate business portfolio transformation and identify a clear path to future growth;
- Enhance profitability by implementing measures aimed at making newly acquired businesses profitable as swiftly as possible;
- During the demand recovery phase, work to steadily lock in demand to bolster net sales and operating income; and
- From the perspective of cost-effectiveness, promote the efficient allocation of resources to measures expected to quickly and reliably yield results.

For details on the revision of DIC Vision 2030, please see the timely disclosure document titled Notice Regarding the Revision of DIC Vision 2030, which was published today.

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#### (4) Segment Results Forecasts for Fiscal Year 2024

(Billions of yen)

	Net sales			Operating income (loss)		
	FY2023	<b>FY2024</b>	Change (%)	FY2023	<b>FY2024</b>	Change (%)
Packaging & Graphic	541.9	<b>577.9</b>	6.6%	22.0	<b>22.5</b>	2.6%
Color & Display	227.3	<b>275.2</b>	21.1%	(8.9)	<b>4.0</b>	Into the black
Functional Products	305.9	<b>292.2</b>	-4.5%	15.4	<b>15.6</b>	0.8%
Others, Corporate and eliminations	(36.4)	<b>(45.4)</b>	—	(10.6)	<b>(12.1)</b>	—
Total	1,038.7	<b>1,100.0</b>	5.9%	17.9	<b>30.0</b>	67.2%

#### 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 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.

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## Consolidated Balance Sheet

(Millions of yen)

	Previous Fiscal Year As of December 31, 2022	Current Fiscal Year As of December 31, 2023
(Assets)		
Current assets		
Cash and deposits	63,380	87,533
Notes and accounts receivable - trade	247,520	225,148
Merchandise and finished goods	182,572	167,427
Work in process	11,656	11,250
Raw materials and supplies	116,522	94,157
Other	42,432	38,623
Allowance for doubtful accounts	(4,116)	(3,951)
Total current assets	659,967	620,188
Non-current assets		
Property, plant and equipment		
Buildings and structures	330,046	350,676
Accumulated depreciation	(201,304)	(217,614)
Buildings and structures, net	128,742	133,062
Machinery, equipment and vehicles	497,171	533,849
Accumulated depreciation	(378,061)	(405,236)
Machinery, equipment and vehicles, net	119,110	128,613
Tools, furniture and fixtures	80,714	86,607
Accumulated depreciation	(63,626)	(68,784)
Tools, furniture and fixtures, net	17,089	17,822
Land	66,353	66,488
Construction in progress	22,242	27,907
Total property, plant and equipment	353,536	373,892
Intangible assets		
Goodwill	33,641	17,782
Software	10,277	14,298
Customer-related assets	9,609	11,639
Other	25,238	25,198
Total intangible assets	78,764	68,916
Investments and other assets		
Investment securities	63,819	63,071
Deferred tax assets	16,419	16,593
Net defined benefit asset	64,383	78,961
Other	24,849	23,366
Allowance for doubtful accounts	(98)	(98)
Total investments and other assets	169,371	181,893
Total non-current assets	601,671	624,701
Total assets	1,261,637	1,244,889



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## Consolidated Balance Sheet

(Millions of yen)

	Previous Fiscal Year As of December 31, 2022	Current Fiscal Year As of December 31, 2023
(Liabilities)		
Current liabilities		
Notes and accounts payable - trade	154,964	140,089
Short-term loans payable	26,056	12,405
Commercial papers	30,000	33,000
Current portion of bonds payable	30,000	30,000
Current portion of long-term loans payable	35,928	33,897
Lease obligations	4,607	4,656
Income taxes payable	5,650	2,870
Provision for bonuses	5,555	5,037
Other	97,133	86,794
Total current liabilities	389,892	348,749
Non-current liabilities		
Bonds payable	110,000	95,000
Long-term loans payable	260,259	308,231
Lease obligations	12,479	11,769
Deferred tax liabilities	14,443	19,351
Net defined benefit liability	28,742	36,056
Asset retirement obligations	8,449	9,480
Other	16,286	16,986
Total non-current liabilities	450,657	496,873
Total liabilities	840,549	845,622
(Net assets)		
Shareholders' equity		
Capital stock	96,557	96,557
Capital surplus	94,234	94,234
Retained earnings	222,796	173,292
Treasury shares	(1,785)	(1,586)
Total shareholders' equity	411,802	362,497
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	5,360	5,542
Deferred gains or losses on hedges	694	248
Foreign currency translation adjustment	(17,286)	12,559
Remeasurements of defined benefit plans	(13,573)	(16,910)
Total accumulated other comprehensive income	(24,805)	1,440
Non-controlling interests	34,091	35,330
Total net assets	421,088	399,267
Total liabilities and net assets	1,261,637	1,244,889

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## Consolidated Statement of Income

(Millions of yen)

	Previous Fiscal Year Ended December 31, 2022	Current Fiscal Year Ended December 31, 2023
Net sales	1,054,201	1,038,736
Cost of sales	854,979	852,360
Gross profit	199,221	186,376
Selling, general and administrative expenses		
Freightage and packing expenses	16,701	14,206
Employees' salaries and allowances	61,005	65,355
Provision of allowance for doubtful accounts	769	(232)
Provision for bonuses	2,356	2,233
Retirement benefit expenses	(2,908)	(451)
Research and development costs	15,144	17,189
Other	66,472	70,132
Total selling, general and administrative expenses	159,539	168,433
Operating income	39,682	17,943
Non-operating income		
Interest income	1,968	6,078
Dividends income	465	503
Foreign exchange gains	750	—
Equity in earnings of affiliates	2,368	2,734
Other	2,223	1,680
Total non-operating income	7,774	10,996
Non-operating expenses		
Interest expenses	4,512	11,274
Foreign exchange losses	—	4,188
Other	2,998	4,261
Total non-operating expenses	7,510	19,723
Ordinary income	39,946	9,216
Extraordinary income		
Gain on sales of investment securities	445	2,688
Gain on sales of non-current assets	957	1,858
Insurance income	340	340
Settlement income	1,077	—
Total extraordinary income	2,819	4,886
Extraordinary losses		
Impairment losses	1,107	33,537
Severance costs	3,514	4,268
Loss on disposal of non-current assets	2,407	2,571
Provision for loss on withdrawal from business	—	194
Loss on withdrawal from business	559	—
Total extraordinary losses	7,586	40,570
Income (loss) before income taxes	35,179	(26,468)
Income taxes - current	12,449	10,065
Income taxes - deferred	4,081	2,328
Total income taxes	16,531	12,393
Net income (loss)	18,649	(38,861)
Net income attributable to non-controlling interests	1,039	996
Net income (loss) attributable to owners of the parent	17,610	(39,857)

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## Consolidated Statement of Comprehensive Income

(Millions of yen)

	Previous Fiscal Year Ended December 31, 2022	Current Fiscal Year Ended December 31, 2023
Net income (loss)	18,649	(38,861)
Other comprehensive income		
Valuation difference on available-for-sale securities	(94)	371
Deferred gains or losses on hedges	598	(444)
Foreign currency translation adjustment	38,266	31,066
Remeasurements of defined benefit plans, net of tax	(5,545)	(3,162)
Share of other comprehensive income of associates accounted for using equity method	358	(580)
Total other comprehensive income	33,584	27,251
Comprehensive income	52,233	(11,609)
Comprehensive income attributable to		
Comprehensive income attributable to owners of the parent	50,788	(13,612)
Comprehensive income attributable to non-controlling interests	1,445	2,002

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## Consolidated Statement of Changes in Net Assets

Previous Fiscal Year Ended December 31, 2022

(Millions of yen)

	Shareholders' equity				
	Capital stock	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at January 1, 2022	96,557	94,468	214,665	(1,780)	403,910
Change in FY2022					
Dividends from surplus			(9,479)		(9,479)
Net income (loss) attributable to owners of the parent			17,610		17,610
Purchase of treasury shares				(6)	(6)
Change in ownership interest of parent due to transactions with non-controlling interests		(234)			(234)
Net changes of items other than shareholders' equity					
Total change in FY2022	—	(234)	8,131	(6)	7,892
Balance at December 31, 2022	96,557	94,234	222,796	(1,785)	411,802

	Accumulated other comprehensive income					Non-controlling interests	Total net assets
	Valuation difference on available-for-sale securities	Deferred gains or losses on hedges	Foreign currency translation adjustment	Remeasurements of defined benefit plans	Total accumulated other comprehensive income		
Balance at January 1, 2022	5,449	92	(55,456)	(8,067)	(57,983)	35,081	381,008
Change in FY2022							
Dividends from surplus							(9,479)
Net income (loss) attributable to owners of the parent							17,610
Purchase of treasury shares							(6)
Change in ownership interest of parent due to transactions with non-controlling interests							(234)
Net changes of items other than shareholders' equity	(88)	602	38,170	(5,506)	33,178	(989)	32,188
Total change in FY2022	(88)	602	38,170	(5,506)	33,178	(989)	40,080
Balance at December 31, 2022	5,360	694	(17,286)	(13,573)	(24,805)	34,091	421,088

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## Consolidated Statement of Changes in Net Assets

Current Fiscal Year Ended December 31, 2023

(Millions of yen)

	Shareholders' equity				
	Capital stock	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at January 1, 2023	96,557	94,234	222,796	(1,785)	411,802
Change in FY2023					
Dividends from surplus			(9,478)		(9,478)
Net income (loss) attributable to owners of the parent			(39,857)		(39,857)
Purchase of treasury shares				(447)	(447)
Disposal of treasury shares		(170)		646	476
Transfer from retained earnings to capital surplus		170	(170)		—
Net changes of items other than shareholders' equity					
Total change in FY2023	—	—	(49,505)	199	(49,306)
Balance at December 31, 2023	96,557	94,234	173,292	(1,586)	362,497

	Accumulated other comprehensive income					Non-controlling interests	Total net assets
	Valuation difference on available-for-sale securities	Deferred gains or losses on hedges	Foreign currency translation adjustment	Remeasurements of defined benefit plans	Total accumulated other comprehensive income		
Balance at January 1, 2023	5,360	694	(17,286)	(13,573)	(24,805)	34,091	421,088
Change in FY2023							
Dividends from surplus							(9,478)
Net income (loss) attributable to owners of the parent							(39,857)
Purchase of treasury shares							(447)
Disposal of treasury shares							476
Transfer from retained earnings to capital surplus							—
Net changes of items other than shareholders' equity	182	(446)	29,845	(3,336)	26,245	1,239	27,484
Total change in FY2023	182	(446)	29,845	(3,336)	26,245	1,239	(21,821)
Balance at December 31, 2023	5,542	248	12,559	(16,910)	1,440	35,330	399,267

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## Consolidated Statement of Cash Flows

(Millions of yen)

	Previous Fiscal Year Ended December 31, 2022	Current Fiscal Year Ended December 31, 2023
Net cash provided by (used in) operating activities		
Income (loss) before income taxes	35,179	(26,468)
Depreciation and amortization	47,126	50,846
Amortization of goodwill	1,666	2,251
Increase (decrease) in allowance for doubtful accounts	(60)	(539)
Increase (decrease) in provision for bonuses	(660)	(519)
Interest and dividends income	(2,433)	(6,581)
Equity in (earnings) losses of affiliates	(2,368)	(2,734)
Interest expenses	4,512	11,274
Loss (gain) on sales and retirement of non-current assets	1,450	713
Impairment losses	1,107	33,537
Loss (gain) on sales of investment securities	(445)	(2,688)
Decrease (increase) in notes and accounts receivable - trade	4,318	26,415
Decrease (increase) in inventories	(55,521)	59,101
Increase (decrease) in notes and accounts payable - trade	(764)	(18,430)
Other, net	(9,641)	(21,830)
Subtotal	23,465	104,348
Interest and dividends income received	3,772	8,191
Interest expenses paid	(4,444)	(11,410)
Income taxes paid	(14,857)	(12,033)
Net cash provided by (used in) operating activities	7,935	89,095
Net cash provided by (used in) investing activities		
Payments into time deposits	(2,173)	(3,596)
Proceeds from withdrawal of time deposits	2,065	1,535
Purchase of property, plant and equipment	(40,817)	(52,057)
Proceeds from sales of property, plant and equipment	1,383	1,894
Purchase of intangible assets	(4,580)	(6,016)
Purchase of shares and investments in capital of subsidiaries resulting in change in scope of consolidation	(30,732)	(14,078)
Proceeds from purchase of shares and investments in capital of subsidiaries resulting in change in scope of consolidation	—	9
Proceeds from sales of shares and investments in capital of subsidiaries and affiliates	2	395
Purchase of investment securities	(325)	(325)
Proceeds from sales and redemption of investment securities	749	5,591
Proceeds from sales of businesses	—	631
Payments for transfer of businesses	(16)	(185)
Other, net	1,285	(254)
Net cash provided by (used in) investing activities	(73,160)	(66,457)

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## Consolidated Statement of Cash Flows

(Millions of yen)

	Previous Fiscal Year Ended December 31, 2022	Current Fiscal Year Ended December 31, 2023
Net cash provided by (used in) financing activities		
Net increase (decrease) in short-term loans payable	13,715	(15,417)
Increase (decrease) in commercial papers	30,000	3,000
Proceeds from long-term loans payable	127,913	88,747
Repayment of long-term loans payable	(49,623)	(48,299)
Proceeds from issuance of bonds	—	15,000
Redemption of bonds	(20,000)	(30,000)
Cash dividends paid	(9,479)	(9,478)
Cash dividends paid to non-controlling interests	(681)	(407)
Net decrease (increase) in treasury shares	(6)	29
Purchase of shares and investments in capital of subsidiaries not resulting in change in scope of consolidation	(1,999)	—
Repayments of lease liabilities	(5,807)	(5,882)
Other, net	(85)	(212)
Net cash provided by (used in) financing activities	83,948	(2,920)
Effect of exchange rate change on cash and cash equivalents	6,265	2,363
Net increase (decrease) in cash and cash equivalents	24,989	22,082
Cash and cash equivalents at beginning of the period	37,572	62,560
Cash and cash equivalents at end of the period	62,560	84,642