

4631.T : Tokyo Stock Exchange

DIC Corporation

Consolidated Financial Results
FY2023: Full-Term Ended December 31

February 2024



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DIC Corporation

Highlights

FY2023 results

Net sales

¥1,038.7 billion
YoY **-1.5%**

Operating income

¥17.9 billion
YoY **-54.8%**

Net income attributable to owners of the parent

(¥39.9) billion
YoY **Loss**

FY2024 forecasts

Increases in net sales and operating income

Dividends per share at ¥100

- Shipments were down for pigments in the Color & Display segment, as well as for digital materials, used principally in electrical and electronics equipment and in displays, and industrial materials,* used primarily in mobility solutions, in the Functional Products segment.

* 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.

- Operating income fell sharply. This was due largely to sinking shipments of high-value-added digital materials and materials for use in mobility solutions, as well as to the temporary suspension of operations at certain production sites in the United States and Europe, a move aimed at paring inventories of pigments.

- A steep increase in extraordinary losses, owing to a ¥19.7 billion impairment loss on goodwill related to the Colors & Effects pigments business, acquired in 2021, pushed results into the red.

- Fiscal year 2024 full-term forecasts are for net sales of ¥1,100 billion, operating income of ¥30 billion and net income attributable to owners of the parent of ¥10 billion.

- Effective from fiscal year 2024, a minimum limit of ¥100 per share will be introduced for annual dividends.

The fiscal year of all overseas and domestic companies in the DIC Group ends on December 31. This document presents consolidated results for the fiscal year 2023, ended December 31, 2023.

Summary of financial results

- Pursue synergies with and accelerate rationalization efforts in newly acquired businesses.
- Emphasize measures that will yield swift and consistent results and prioritize the balanced allocation of management resources.
- Promote business transformation and generate cash by shrinking assets over the three years beginning in fiscal year 2024.
- Formulate policies for cash allocation from the perspectives of increasing corporate value and of maintaining sustainable growth and a healthy financial position.
- Effective from fiscal year 2024, a minimum limit of ¥100 per share will be introduced for annual dividends.

(Billion yen)	2022	2023	2024 Forecasts
Net sales	1,054.2	1,038.7	1,100.0
Operating income	39.7	17.9	30.0
Net income attributable to owners of the parent	17.6	(39.9)	10.0
Annual dividends per share (Yen)	100.0	80.0	100.0

Revised Operating Income Target for the Final Year of Phase 1 of DIC Vision 2030 (Fiscal Year 2025) *

Initial target : ¥80 billion ▶ Revised target: ¥40 billion

The target for fiscal year 2026 has been revised to a record ¥50 billion–¥60 billion.
(Current record: ¥56.5 billion (Fiscal year 2017))

* See “Revised targets for Phase 1 of DIC Vision 2030” in the timely disclosure document titled Notice Regarding the Revision of DIC Vision 2030, published on February 13, 2024.

Year-on-year changes in quarterly shipments of principal products by segment

Packaging & Graphic (Packaging inks, Publication inks*)

2022				2023			
Jan-Mar	Apr-Jun	Jul-Sep	Oct-Dec	Jan-Mar	Apr-Jun	Jul-Sep	Oct-Dec
+0%	-0%	-4%	-9%	-8%	-10%	-8%	-4%

- Rising prices caused demand for consumer goods to flag, as a consequence of which shipments were sluggish from the third quarter (July–September) of fiscal year 2022 forward.
- An increase in annual shipments was achieved in the People’s Republic of China (PRC) thanks to efforts to cultivate new customers.

* Includes news inks

Color & Display (Pigments*)

2022				2023			
Jan-Mar	Apr-Jun	Jul-Sep	Oct-Dec	Jan-Mar	Apr-Jun	Jul-Sep	Oct-Dec
-5%	-11%	-19%	-28%	-18%	-17%	-11%	-9%

- While demand remained slack in Europe and the United States, ongoing moves by customers to curtail inventories have caused orders to rally.

* The results of the C&E pigments business are excluded from year-on-year calculations for fiscal year 2022 but included in those for fiscal year 2023.

Functional Products (Performance Materials products*)

2022				2023			
Jan-Mar	Apr-Jun	Jul-Sep	Oct-Dec	Jan-Mar	Apr-Jun	Jul-Sep	Oct-Dec
-6%	-6%	-5%	-10%	-15%	-10%	-4%	0%

- With efforts to resolve surplus inventories across the supply chain progressing, shipments of materials used in mobility solutions are recovering.
- Despite signs that shipments of digital materials, used principally in electrical and electronics equipment and in displays, had bottomed out, a full-scale recovery is likely to take time.

* The results of listed subsidiaries, Guangdong TOD, acquired in July 2022, and PCAS Canada, acquired in June 2023, are excluded.

Consolidated statement of income

(Billion yen)

	2022	2023	Change	% Change	% Change on a local currency basis
Net sales	1,054.2	1,038.7	-15.5	-1.5%	-5.1%
Cost of sales	(855.0)	(852.4)	2.6		
Selling, general and administrative expenses	(159.5)	(168.4)	-8.9		
Operating income	39.7	17.9	-21.7	-54.8%	-51.0%
Operating margin	3.8%	1.7%	-		
Interest expenses	(2.5)	(5.2)	-2.7		
Equity in earnings (losses) of affiliates	2.4	2.7	0.4		
Foreign exchange gains (losses)	0.8	(4.2)	-4.9		
Other, net	(0.3)	(2.1)	-1.8		
Ordinary income	39.9	9.2	-30.7	-76.9%	
Extraordinary income	2.8	4.9	2.1		
Extraordinary losses	(7.6)	(40.6)	-33.0		
Income before income taxes	35.2	(26.5)	-61.6		
Income taxes	(16.5)	(12.4)	4.1		
Net income	18.6	(38.9)	-57.5		
Net income attributable to non-controlling interests	(1.0)	(1.0)	0.0		
Net income attributable to owners of the parent	17.6	(39.9)	-57.5	Loss	
EBITDA*	85.5	30.8	-54.6	-63.9%	

	2022	2023
Extraordinary income and losses		
Extraordinary income		
Gain on sales of investment securities	0.4	2.7
Gain on sales of non-current assets	1.0	1.9
Insurance claim income	0.3	0.3
Settlement income	1.1	-
Extraordinary losses		
Impairment losses	(1.1)	(33.5)
Severance costs	(3.5)	(4.3)
Loss on disposal of non-current assets	(2.4)	(2.6)
Provision for loss on withdrawal from business	-	(0.2)
Loss on withdrawal from business	(0.6)	-

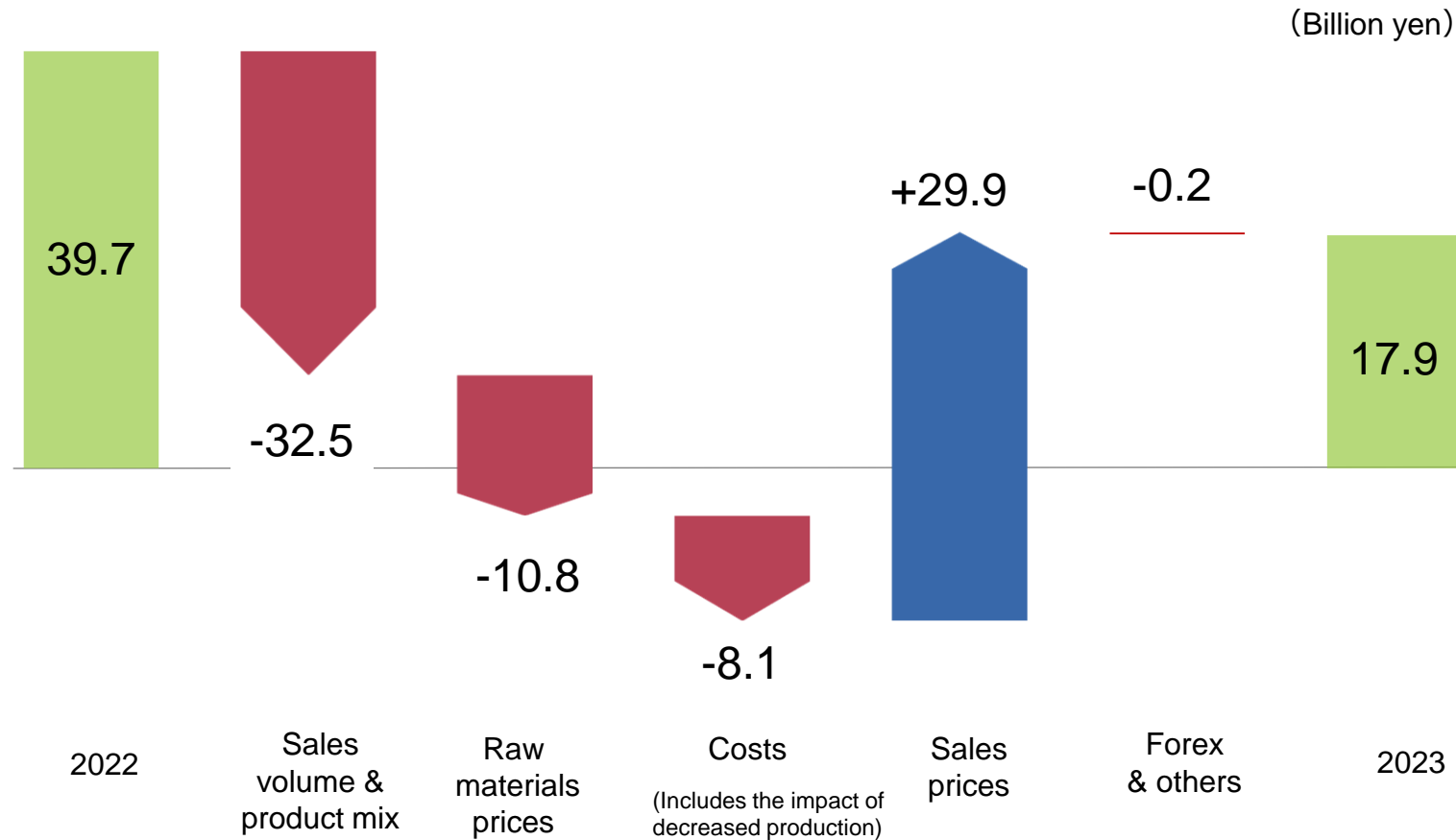
■ Average rate

	2022	2023
Yen/US\$	130.59	140.51
Yen/EUR	137.71	151.98

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

Operating income variance

- Shipments of pigments decreased substantially, owing to economic stagnation in Europe, a leading market for these products. The sharp decline in operating income also reflected the temporary suspension of operations at certain production sites in the United States and Europe, a move undertaken with the aim of paring inventories.



Financial health

- Cash provided by operating activities improved significantly, thanks to the reduction of inventories in the United States and Europe.
- Although net interest-bearing debt was down, shareholders' equity declined as a result of the net loss attributable to owners of the parent, causing the net debt-to-equity (D/E) ratio to deteriorate.
- In line with a financial management policy that emphasizes maintaining an A credit rating, cash generated as a result of asset reduction will be used to improve financial position.

(Billion yen)	Dec 31 2022	Dec 31 2023	Change
Net interest-bearing debt	445.9	441.4	-4.5
Shareholders' equity	387.0	363.9	-23.1
Net D/E ratio *1 (Times)	1.15	1.21	
Equity ratio	30.7%	29.2%	
BPS (Yen)	4,088.60	3,844.70	
ROIC *2	3.6%	1.5%	

■ Closing rate

	Dec 31 2022	Dec 31 2023
Yen/US\$	132.63	141.32

*1 Net D/E ratio: Net Interest-bearing debt / Shareholders' equity

*2 Operating income x (1-tax rate 28%) / (Net interest-bearing debt + Net assets)

Segment results

(Billion yen)	Net sales					Operating income					Operating margin	
	2022	2023	Change	% Change	% Change on a local currency basis	2022	2023	Change	% Change	% Change on a local currency basis	2022	2023
Packaging & Graphic	533.0	541.9	8.9	+ 1.7%	-1.9%	20.3	22.0	1.6	+ 8.1%	+ 11.4%	3.8%	4.1%
Japan	127.7	124.0	-3.7	-2.9%	-2.9%	4.2	4.6	0.4	+ 9.0%	+ 9.0%	3.3%	3.7%
The Americas and Europe	337.4	349.0	11.6	+ 3.4%	-1.5%	12.7	13.1	0.4	+ 3.4%	+ 9.5%	3.8%	3.8%
Asia and Oceania	84.1	82.5	-1.6	-2.0%	-5.5%	3.4	4.2	0.7	+ 21.7%	+ 19.0%	4.1%	5.1%
Eliminations	(16.2)	(13.5)	2.7	-	-	(0.0)	0.1	0.1	-	-	-	-
Color & Display	248.2	227.3	-20.9	-8.4%	-14.1%	5.1	(8.9)	-14.0	Loss	Loss	2.1%	-
Japan	34.7	32.0	-2.7	-7.8%	-7.8%	4.7	4.1	-0.6	-13.2%	-13.2%	13.5%	12.8%
Overseas	227.1	209.5	-17.7	-7.8%	-14.2%	0.3	(13.0)	-13.3	Loss	Loss	0.1%	-
Eliminations	(13.7)	(14.2)	-0.6	-	-	0.1	0.0	-0.1	-	-	-	-
Functional Products	315.4	305.9	-9.5	-3.0%	-5.0%	23.6	15.4	-8.2	-34.6%	-36.4%	7.5%	5.0%
Japan	216.9	202.9	-14.0	-6.5%	-6.5%	14.7	7.0	-7.7	-52.7%	-52.7%	6.8%	3.4%
Overseas	128.8	130.2	1.4	+ 1.1%	-3.8%	8.9	8.5	-0.5	-5.1%	-10.9%	6.9%	6.5%
Eliminations	(30.3)	(27.2)	3.1	-	-	(0.0)	0.0	0.0	-	-	-	-
Others, Corporate and eliminations	(42.4)	(36.4)	6.0	-	-	(9.4)	(10.6)	-1.2	-	-	-	-
Total	1,054.2	1,038.7	-15.5	-1.5%	-5.1%	39.7	17.9	-21.7	-54.8%	-51.0%	3.8%	1.7%
Yen/US\$	130.59	140.51		+ 7.6%		130.59	140.51		+ 7.6%			
Yen/EUR	137.71	151.98		+ 10.4%		137.71	151.98		+ 10.4%			

Packaging & Graphic

Net sales

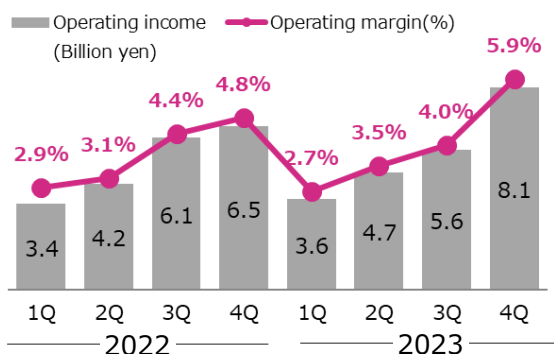
- Shipments declined as rising prices depressed demand for consumer goods.

Operating income

- In Japan, delayed efforts to counter higher costs by adapting sales prices progressed, pushing up operating income.
- Overseas, operating income increased thanks to a downturn in raw materials prices and moves to maintain sales prices.

(Billion yen)	Net sales					Operating income					Operating margin	
	2022	2023	Change	% Change	% Change on a local currency basis	2022	2023	Change	% Change	% Change on a local currency basis	2022	2023
Packaging & Graphic	533.0	541.9	8.9	+ 1.7%	-1.9%	20.3	22.0	1.6	+ 8.1%	+ 11.4%	3.8%	4.1%
Japan	127.7	124.0	-3.7	-2.9%	-2.9%	4.2	4.6	0.4	+ 9.0%	+ 9.0%	3.3%	3.7%
The Americas and Europe	337.4	349.0	11.6	+ 3.4%	-1.5%	12.7	13.1	0.4	+ 3.4%	+ 9.5%	3.8%	3.8%
Asia and Oceania	84.1	82.5	-1.6	-2.0%	-5.5%	3.4	4.2	0.7	+ 21.7%	+ 19.0%	4.1%	5.1%
Eliminations	(16.2)	(13.5)	2.7	-	-	(0.0)	0.1	0.1	-	-	-	-

Operating income/margin



Sales of principal products

Product	% Change	Description
Packaging inks*	-1%	Shipments declined in all regions, except the PRC, as rising prices depressed demand for consumer goods. Nonetheless, sales were level, thanks to efforts to modify sales prices.
Publication inks*	-5%	In Japan, efforts were made to adjust sales prices, but sales were down in the Americas and Europe, as well as in Asia.
Jet inks	+ 7%	Shipments decreased, owing to flagging demand from overseas customers, but sales were level after translation thanks to a weak yen.
Polystyrene	-11%	Rising food prices depressed demand for use in food packaging, resulting in a decline in sales.
Multilayer films	+ 4%	Rising food prices depressed demand for use in food packaging, but sales rose thanks to efforts to adjust sales prices, which boosted unit prices.

*Change on a local currency basis

Color & Display

Net sales

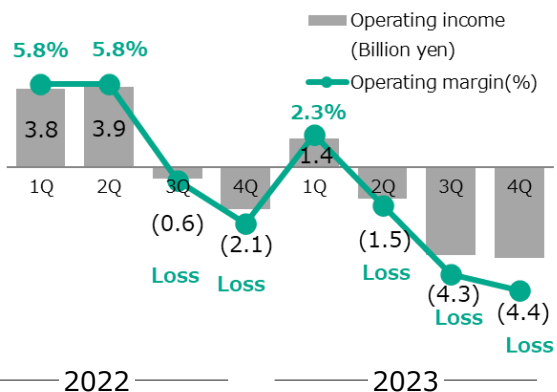
- Segment sales declined as demand for pigments shrank. Shipments, notably of pigments for coatings and for plastics were down, with contributing factors including economic stagnation in Europe, a leading market for these products, rising prices in the United States and ongoing moves by customers to adjust inventories.

Operating income

- The segment reported a steep loss, owing to the temporary suspension of operations at certain production sites in the United States and Europe, a moved aimed at paring inventories.

(Billion yen)	Net sales					Operating income					Operating margin	
	2022	2023	Change	% Change	% Change on a local currency basis	2022	2023	Change	% Change	% Change on a local currency basis	2022	2023
Color & Display	248.2	227.3	-20.9	-8.4%	-14.1%	5.1	(8.9)	-14.0	Loss	Loss	2.1%	-
Japan	34.7	32.0	-2.7	-7.8%	-7.8%	4.7	4.1	-0.6	-13.2%	-13.2%	13.5%	12.8%
Overseas	227.1	209.5	-17.7	-7.8%	-14.2%	0.3	(13.0)	-13.3	Loss	Loss	0.1%	-
Eliminations	(13.7)	(14.2)	-0.6	-	-	0.1	0.0	-0.1	-	-	-	-

Operating income/margin



Sales of principal products

Product Category	% Change	Description
Pigments for coatings	+ 7%	Demand fell, owing to economic stagnation, which pushed down shipments, but sales were up after translation thanks to a weak yen.
plastics	+ 8%	Demand fell, owing to economic stagnation, which pushed down shipments, but sales were up after translation thanks to a weak yen.
printing inks	-7%	Demand fell, owing to economic stagnation, which pushed down shipments.
cosmetics	+ 20%	Shipments flagged in the United States and Europe, a consequence of deteriorating business confidence. In Asia, demand recovered and remained firm.
displays	+ 27%	Sales rose as shipments recovered following the completion of inventory adjustments by display manufacturers.
specialty applications	+ 4%	Shipments flagged for agricultural use, owing to inventory adjustments by customers, and shipments for use in building materials continued to slump in Europe, but sales were up after translation into yen.
Health food	-7%	Demand decreased, owing to slowing economic growth in the United States and Europe.

Functional Products

Net sales

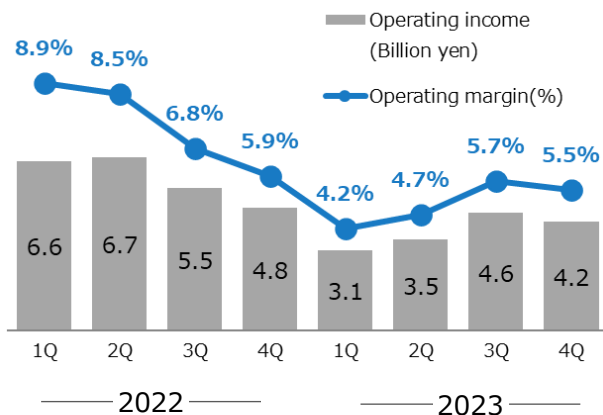
- With vehicle production recovering, shipments of materials for use in automobiles picked up. Despite signs of bottoming out, a full-scale recovery in sales of epoxy resins—the foremost application for which is semiconductors— is expected to take time.

Operating income

- Despite shipments of most products bottoming out and profitability recovering, the pace of improvement remained slow. The substantial decrease in segment operating income also reflected sluggish shipments of high-value-added products.

(Billion yen)	Net sales					Operating income					Operating margin	
	2022	2023	Change	% Change	% Change on a local currency basis	2022	2023	Change	% Change	% Change on a local currency basis	2022	2023
Functional Products	315.4	305.9	-9.5	-3.0%	-5.0%	23.6	15.4	-8.2	-34.6%	-36.4%	7.5%	5.0%
Japan	216.9	202.9	-14.0	-6.5%	-6.5%	14.7	7.0	-7.7	-52.7%	-52.7%	6.8%	3.4%
Overseas	128.8	130.2	1.4	+ 1.1%	-3.8%	8.9	8.5	-0.5	-5.1%	-10.9%	6.9%	6.5%
Eliminations	(30.3)	(27.2)	3.1	-	-	(0.0)	0.0	0.0	-	-	-	-

Operating income/margin



Sales of principal products

Product	% Change	Product	% Change
Epoxy resins	-14%	polyphenylene sulfide (PPS) compounds	+ 9%
Polyurethane resins	-7%	Industrial-use adhesive tapes	+ 5%
Acrylic resins*	+ 30%	Hollow-fiber membrane	+ 9%
Waterborne resins*	+ 3%		
Polyester resins*	+ 7%		
UV-curable resins	+ 6%		

In materials for use in automobiles, sales of acrylic resins, waterborne resins, polyphenylene sulfide (PPS) compounds and other products began to recover gradually in the second half. Despite spot demand for use in servers and base stations, a full-scale recovery in sales of epoxy resins is expected to take until at least the third quarter (July–September) of fiscal year 2024.

FY2024 forecasts: Full-term operating results

(Billion yen)

	2023	2024 Forecasts	% Change
Net sales	1,038.7	1,100.0	+ 5.9%
Operating income	17.9	30.0	+ 67.2%
Operating margin	1.7%	2.7%	—
Ordinary income	9.2	25.0	+ 171.3%
Net income attributable to owners of the parent	(39.9)	10.0	Into the black
EPS (Yen)	(421.06)	105.64	—
EBITDA*1	30.8	82.0	+ 166.0%
Capital expenditure and investment	73.3	63.1	-13.9%
Depreciation and amortization	53.1	53.9	+ 1.5%
Average rate			
Yen/US\$	140.51	145.00	+ 3.2%
Yen/EUR	151.98	156.60	+ 3.0%

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

	2023	2024 Forecasts
ROIC*2	1.5%	2.6%
Net D/E ratio *3 (times)	1.21	1.13
Annual dividends per share (Yen)	80.0	100.0
Payout ratio	-	94.7%

*2 ROIC: Operating income x (1–tax rate 28%) / (Net interest-bearing debt + Net assets)

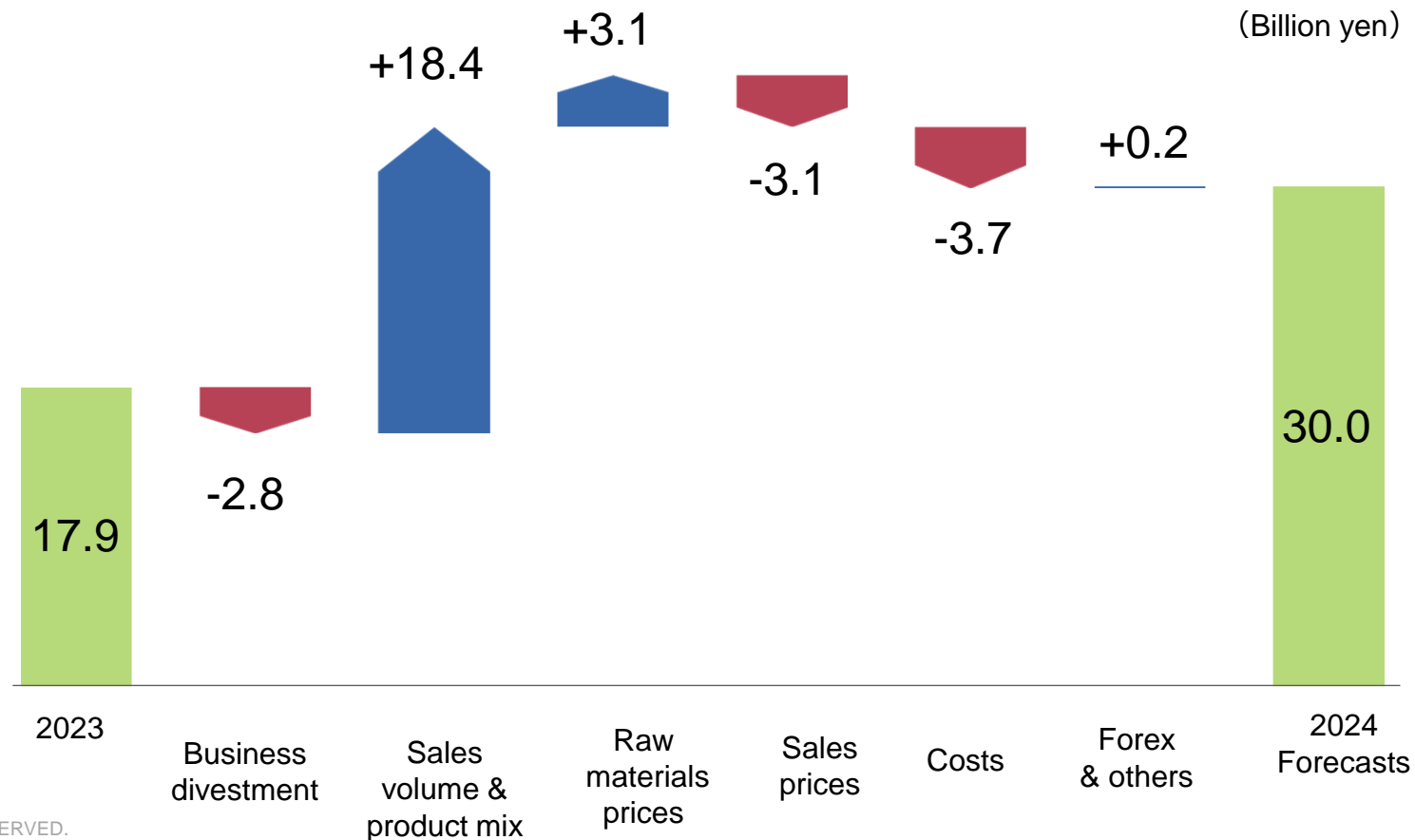
*3 Net D/E ratio: Net interest-bearing debt / Shareholders' equity

FY2024 forecasts: First half operating results

(Billion yen)		2023 1st Half	2024 1st Half Forecasts	% Change
Net sales		515.3	540.0	+4.8%
Operating income		10.0	15.0	+50.6%
Operating margin		1.9%	2.8%	—
Ordinary income		7.1	12.0	+68.0%
Net income attributable to owners of the parent		1.0	(6.0)	Loss
EPS (Yen)		10.53	(63.39)	—
Average rate	YEN/US\$	135.88	145.00	+6.7%
	YEN/EUR	146.91	156.60	+6.6%

FY2024 forecasts : Operating income variance

- With customers having completed inventory adjustments, shipments of pigments are expected to recover.
- A full-scale recovery for digital materials, used principally in electrical and electronics equipment and in displays, is anticipated after the third quarter (July–September).
- Forecasts assume a West Texas Intermediate (WTI) crude oil price of around \$75/barrel.



FY2024 forecasts: Full-term segment results

(Billion yen)	Net sales				Operating income				Operating margin	
	2023	2024 Forecast	Change	% Change	2023	2024 Forecast	Change	% Change	2023	2024 Forecast
Packaging & Graphic	541.9	577.9	35.9	+ 6.6%	22.0	22.5	0.6	+ 2.6%	4.1%	3.9%
Japan	124.0	130.1	6.2	+ 5.0%	4.6	4.9	0.3	+ 6.3%	3.7%	3.8%
The Americas and Europe	349.0	371.1	22.1	+ 6.3%	13.1	12.7	-0.4	-3.2%	3.8%	3.4%
Asia and Oceania	82.5	90.9	8.4	+ 10.1%	4.2	4.9	0.8	+ 18.2%	5.1%	5.4%
Eliminations	(13.5)	(14.2)	-0.7	-	0.1	0.0	-0.1	-	-	-
Color & Display	227.3	275.2	48.0	+ 21.1%	(8.9)	4.0	12.8	Into the black	-	1.4%
Japan	32.0	37.5	5.5	+ 17.1%	4.1	5.2	1.1	+ 27.2%	12.8%	13.9%
Overseas	209.5	254.5	45.1	+ 21.5%	(13.0)	(1.2)	11.7	Pared loss	-	-
Eliminations	(14.2)	(16.8)	-2.6	-	0.0	0.0	-0.0	-	-	-
Functional Products	305.9	292.2	-13.7	-4.5%	15.4	15.6	0.1	+ 0.8%	5.0%	5.3%
Japan	202.9	177.8	-25.1	-12.4%	7.0	6.8	-0.2	-2.9%	3.4%	3.8%
Overseas	130.2	141.9	11.7	+ 9.0%	8.5	8.8	0.3	+ 3.9%	6.5%	6.2%
Eliminations	(27.2)	(27.5)	-0.3	-	0.0	0.0	-0.0	-	-	-
Others, Corporate and eliminations	(36.4)	(45.4)	-9.0	-	(10.6)	(12.1)	-1.5	-	-	-
Total	1,038.7	1,100.0	61.3	+ 5.9%	17.9	30.0	12.1	+ 67.2%	1.7%	2.7%
Yen/US\$	140.51	145.00		+ 3.2%	140.51	145.00		+ 3.2%		
Yen/EUR	151.98	156.60		+ 3.0%	151.98	156.60		+ 3.0%		

Major topics (November 2023 to February 2024)

News Releases
<https://www.dic-global.com/en/news/2024/>

- Nov** Construction of a new printing inks production facility in Nantong commences
 - Relocation from current facility aimed at strengthening competitiveness in the local market and contributing to Nantong's Yangtze River environmental protection initiatives
- Dec** DIC announces formulation of the DIC group biodiversity policy
- Dec** The DIC group human rights policy is revised to incorporate respect for the human rights of all stakeholders
- Dec** DIC is selected for inclusion in the Dow Jones Sustainability Indices Asia Pacific Index, a leading benchmark for sustainability initiatives, for the ninth consecutive year
- Dec** DIC develops DAILUBE™ KS-519, the world's first algae oil-based high-performance sulfurized extreme pressure additive
- Dec** Sun Chemical introduces two new SunPURO natural colors for cosmetics and personal care
- Jan** DIC and partners develop DIC.PPS MP-6060 BLACK plateable PPS compound
- Jan** Sun Chemical pigments obtain ECO PASSPORT by OekoTex® certification
- Jan** DIC develops antifoaming agent for use in lubricating oils for electric vehicles (EVs) that delivers an outstanding performance despite containing no perfluoroalkyl and polyfluoroalkyl substances (PFASs)

Business segments and principal products

Note: Fiscal year 2023 actual

Value provided	Packaging & Graphic	Color & Display	Functional Products
	Sales ratio Net sales ¥541.9 bn Operating income ¥22.0 bn Operating margin 4.1%	Sales ratio Net sales ¥227.3 bn Operating income (¥8.9 bn) Operating margin -	Sales ratio Net sales ¥305.9 bn Operating income ¥15.4 bn Operating margin 5.0%
	Packaging materials that bring safety and peace of mind	Color and display materials that make life colorful	Functional products that add comfort
Principal products	Packaging inks Packaging materials Packaging adhesives ← Polystyrene ↓ Multilayer films Jet inks For outdoor signage For banners 	Pigments for display Pigments for cosmetics Pigments for specialty applications Agriculture Building materials Natural colorants Pigments for coatings Pigments for plastics Pigments for inks	Digital materials (used principally in electrical and electronics equipment and displays) <ul style="list-style-type: none"> UV-curable resins Epoxy resins Hollow-fiber membrane modules Industrial materials (used primarily in mobility solutions (vehicles, etc.)) <ul style="list-style-type: none"> Waterborne resins Acrylic resins Polyurethane resins Polyester resins Industrial tapes PPS compounds

Quarterly trends in segment results (Reference)

(Billion yen)	Net sales								Operating Income							
	2022 Jan-Mar	2022 Apr-Jun	2022 Jul-Sep	2022 Oct-Dec	2023 Jan-Mar	2023 Apr-Jun	2023 Jul-Sep	2023 Oct-Dec	2022 Jan-Mar	2022 Apr-Jun	2022 Jul-Sep	2022 Oct-Dec	2023 Jan-Mar	2023 Apr-Jun	2023 Jul-Sep	2023 Oct-Dec
Packaging & Graphic	120.9	136.6	139.9	135.7	131.5	135.0	138.4	136.9	3.4	4.2	6.1	6.5	3.6	4.7	5.6	8.1
Japan	29.8	32.8	32.8	32.2	30.4	31.1	30.3	32.2	0.8	1.5	1.2	0.8	0.5	1.2	1.2	1.7
The Americas and Europe	75.3	86.8	89.1	86.2	86.2	87.3	89.1	86.4	2.1	2.3	3.9	4.4	2.6	2.9	2.7	4.9
Asia and Oceania	19.5	21.3	21.9	21.5	19.0	19.9	21.9	21.7	0.6	0.8	0.8	1.2	0.7	0.7	1.4	1.4
Eliminations	(3.7)	(4.4)	(3.9)	(4.2)	(4.0)	(3.3)	(2.9)	(3.3)	0.0	(0.3)	0.2	0.1	(0.1)	(0.1)	0.2	0.1
Color & Display	66.2	67.6	61.4	53.0	60.5	57.4	57.7	51.7	3.8	3.9	(0.6)	(2.1)	1.4	(1.5)	(4.3)	(4.4)
Japan	9.1	10.2	7.9	7.5	8.1	8.3	7.9	7.7	1.5	2.1	0.5	0.6	1.0	1.4	1.0	0.7
Overseas	61.0	61.3	56.9	48.0	55.5	53.3	53.6	47.1	2.4	1.7	(1.1)	(2.7)	0.4	(2.9)	(5.3)	(5.1)
Eliminations	(3.8)	(3.8)	(3.4)	(2.6)	(3.1)	(4.2)	(3.8)	(3.1)	(0.1)	0.1	0.0	0.0	0.0	0.0	(0.0)	0.0
Functional Products	74.2	79.1	81.3	80.9	73.4	75.9	79.4	77.2	6.6	6.7	5.5	4.8	3.1	3.5	4.6	4.2
Japan	52.0	55.6	53.8	55.5	50.0	50.8	50.6	51.5	4.3	4.6	3.3	2.4	1.1	1.3	2.1	2.4
Overseas	29.5	31.7	35.2	32.4	29.8	31.9	35.7	32.9	2.3	2.2	2.2	2.3	1.9	2.1	2.6	1.9
Eliminations	(7.3)	(8.2)	(7.8)	(7.0)	(6.4)	(6.8)	(6.9)	(7.2)	0.0	(0.1)	0.0	0.1	0.0	0.1	(0.1)	(0.0)
Others, Corporate and eliminations	(10.3)	(12.8)	(8.8)	(10.5)	(10.2)	(8.3)	(9.2)	(8.7)	(2.1)	(2.7)	(2.2)	(2.4)	(2.1)	(2.7)	(2.7)	(3.1)
Total	251.0	270.5	273.7	259.0	255.2	260.1	266.3	257.1	11.7	12.2	8.9	6.8	6.0	4.0	3.2	4.8

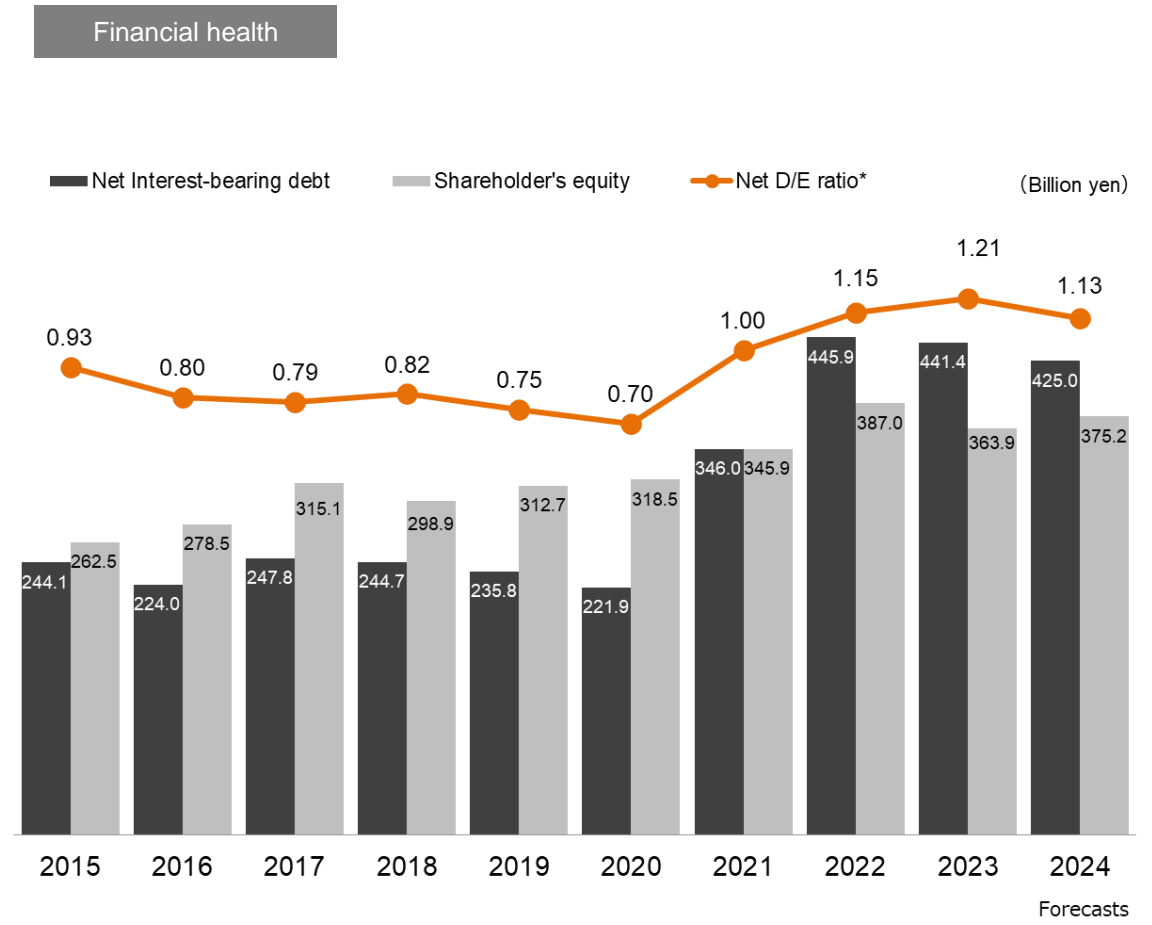
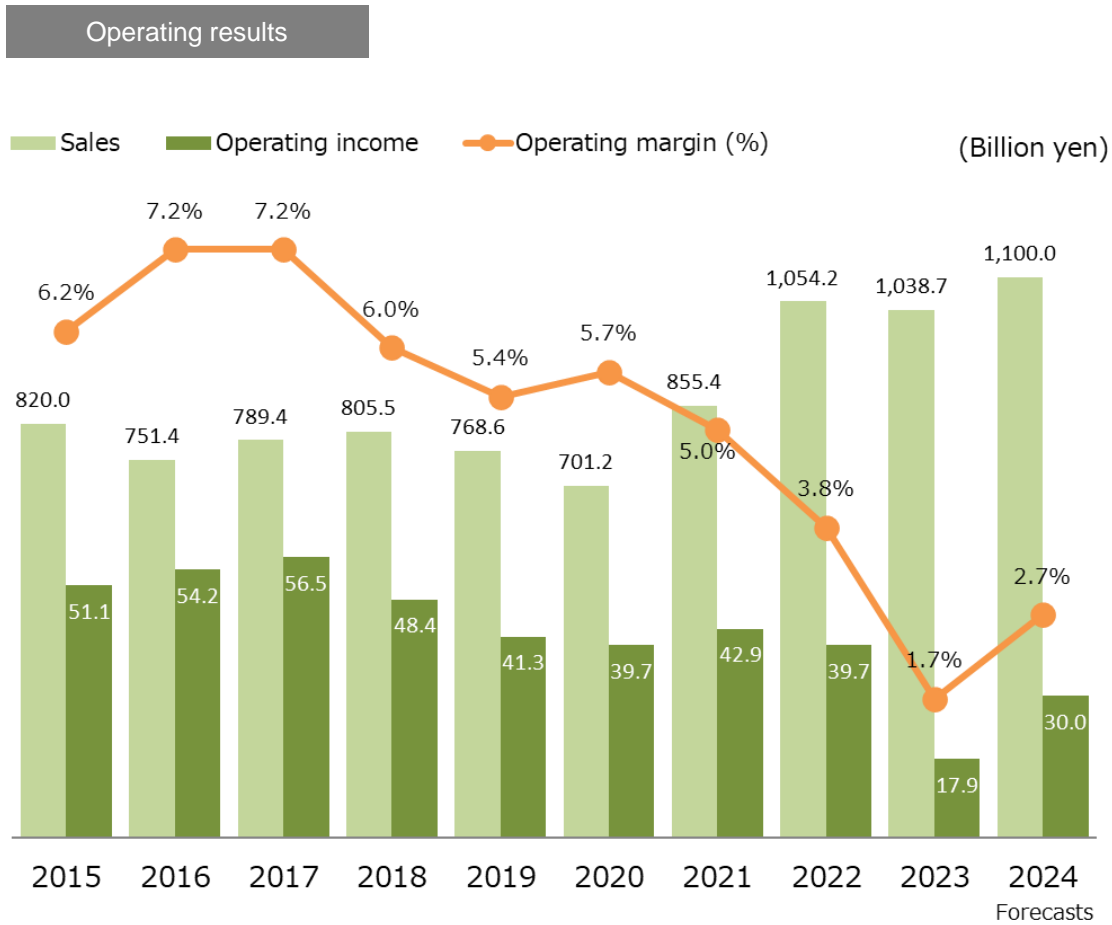
Consolidated balance sheet (Reference)

(Billion yen)	Dec 31 2022	Dec 31 2023	Change
Current assets	660.0	620.2	-39.8
Property, plant and equipment	353.5	373.9	20.4
Intangible assets	78.8	68.9	-9.8
Investments and other assets	169.4	181.9	12.5
Total assets	1,261.6	1,244.9	-16.7
Current liabilities	389.9	348.7	-41.1
Non-current liabilities	450.7	496.9	46.2
Total liabilities	840.5	845.6	5.1
Shareholders' equity	411.8	362.5	-49.3
Accumulated other comprehensive income	(24.8)	1.4	26.2
[Foreign currency translation adjustment]	[(17.3)]	[12.6]	[29.8]
Non-controlling interests	34.1	35.3	1.2
Total net assets	421.1	399.3	-21.8
Total liabilities and net assets	1,261.6	1,244.9	-16.7
Interest-bearing debt	509.3	529.0	19.6
Cash and deposits	63.4	87.5	24.2
Net interest-bearing debt	445.9	441.4	-4.5

Consolidated statement of cash flows (Reference)

(Billion yen)	2022	2023	Change
Cash flows from operating activities	7.9	89.1	81.2
Cash flows from investing activities	(73.2)	(66.5)	6.7
Cash flows from financing activities	83.9	(2.9)	-86.9
Cash and cash equivalents at end of the period	62.6	84.6	22.1
Free cash flow	(65.2)	22.6	87.9
Increase (decrease) in working capital	(52.0)	67.1	119.1
Capital expenditure and investment	81.1	73.3	-7.8
Depreciation and amortization, Amortization of goodwill	48.8	53.1	4.3

Historical performance data (Reference)

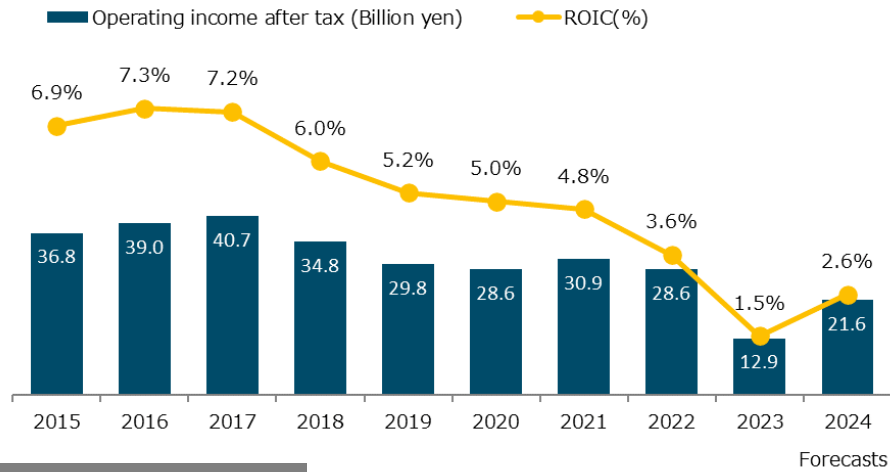


* Net D/E ratio: Net interest-bearing debt / Shareholders' equity

Historical performance data (Reference)

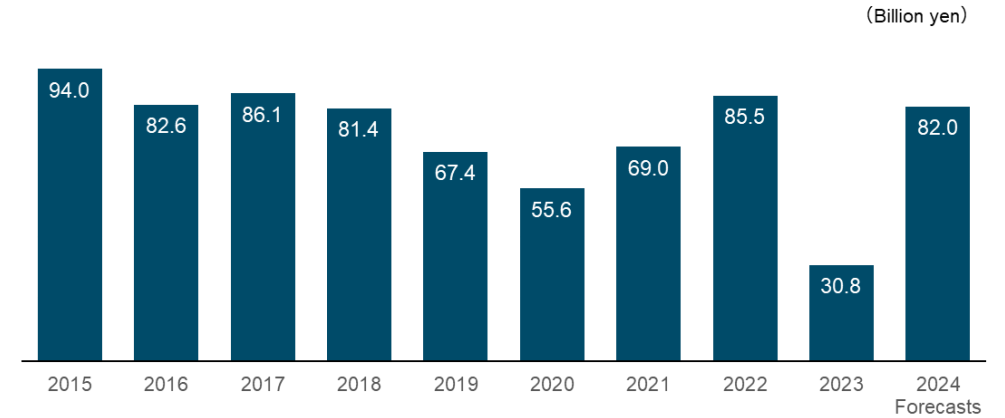
ROIC*

* Operating income x (1-tax rate 28%) / (Net interest-bearing debt + Net assets)



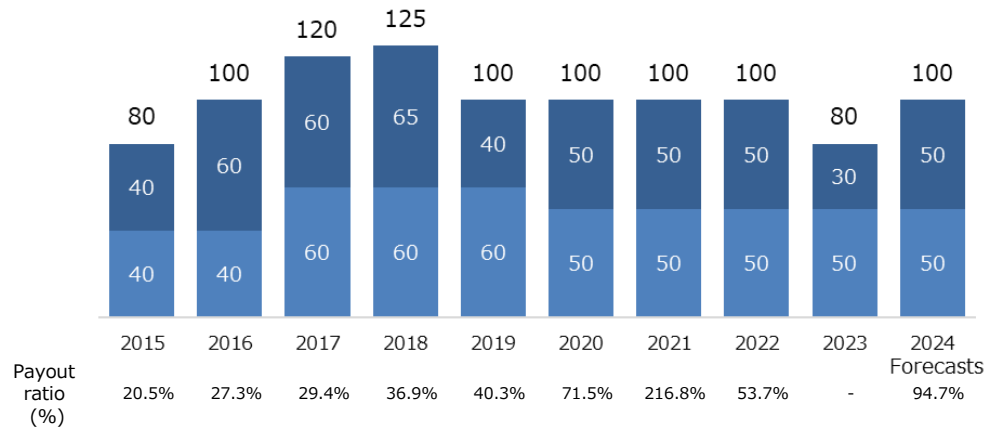
EBITDA*

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



Shareholder returns*

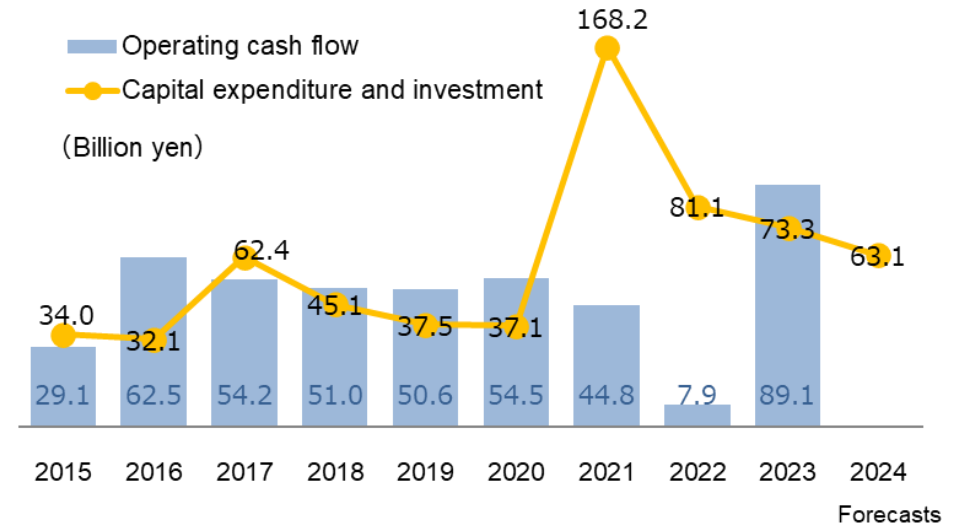
■ Interim (Yen) ■ Year-end (Yen)



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

Capital expenditure and investment, operating cash flows

■ Operating cash flow ■ Capital expenditure and investment



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.



Color & Comfort



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