

ENGLISH TRANSLATION OF JAPANESE-LANGUAGE DOCUMENT

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Color & Comfort



MEMBERSHIP

Consolidated Financial Results for the Year Ended December 31, 2024 (Japan GAAP)

(The fiscal year ended December 31, 2024)

February 12, 2025

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: Takashi Ikeda, Representative Director, Chairman of the Board of Directors

Contact Person: Shigeaki Takata, 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 27, 2025

Dividend Payment : March 28, 2025

Scheduled Filing Date of Securities Report : March 27, 2025

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

1. Consolidated Financial Results for Fiscal Year 2024 (January 1, 2024 - December 31, 2024)

(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)	%
FY2024	1,071,127	3.1	44,521	148.1	37,905	311.3	21,313	—
FY2023	1,038,736	-1.5	17,943	-54.8	9,216	-76.9	(39,857)	—

Note: Comprehensive income (JPY million): FY2024 46,276 (—%), FY2023 -11,609 (—%)

	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	%	%	%
FY2024	225.11	—	5.6	3.1	4.2
FY2023	(421.06)	—	-10.6	0.7	1.7

Note: Equity in earnings of affiliates (JPY million): FY2024 3,257, FY2023 2,734

(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, 2024	1,226,433	420,615	32.7	4,239.67
As of December 31, 2023	1,244,889	399,267	29.2	3,844.70

Note: Shareholders' equity (JPY million): As of December 31, 2024 401,420, As of December 31, 2023 363,937

(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)
FY2024	46,207	(17,082)	(62,594)	60,940
FY2023	89,095	(66,457)	(2,920)	84,642

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			
FY2023	—	50.00	—	30.00	80.00	7,588	—	2.0
FY2024	—	50.00	—	50.00	100.00	9,496	44.4	2.5
FY2025 (Plan)	—	50.00	—	50.00	100.00		39.5	

3. Forecasts for Consolidated Operating Results for the Fiscal Year Ending December 31, 2025 (January 1, 2025 - December 31, 2025)

(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 FY2025	550,000	2.1	23,000	4.8	22,000	9.8	10,000	55.9	105.62
FY2025	1,110,000	3.6	48,000	7.8	44,000	16.1	24,000	12.6	253.48

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Notes

- (1) Significant changes in the scope of consolidation during the fiscal year ended December 31, 2024: Yes
 Newly included: — (Company name) — Excluded: 8 (Company name) SEIKO PMC CORPORATION, etc.
- (2) Changes in accounting policies and accounting estimates, and restatements
- 1) Changes in accounting policies arising from revision of accounting standards: None
 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 2024 | 95,156,904 shares, | FY 2023 | 95,156,904 shares |
|---------|--------------------|---------|-------------------|
- 2) Number of treasury shares at the end of the period
- | | | | |
|---------|-----------------|---------|----------------|
| FY 2024 | 474,948 shares, | FY 2023 | 497,680 shares |
|---------|-----------------|---------|----------------|
- 3) Average number of shares issued during the period, excluding treasury shares
- | | | | |
|---------|--------------------|---------|-------------------|
| FY 2024 | 94,678,252 shares, | FY 2023 | 94,659,852 shares |
|---------|--------------------|---------|-------------------|
- * 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 2024 (January 1, 2024 - December 31, 2024)

(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)	%
FY2024	258,390	7.8	8,448	—	21,792	—	36,176	—
FY2023	239,771	-2.7	(1,284)	—	1,729	-87.4	(3,338)	—

	Earnings per share (basic)	Earnings per share (diluted)
	JPY	JPY
FY2024	382.10	—
FY2023	(35.26)	—

(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, 2024	872,162	323,553	37.1	3,417.26
As of December 31, 2023	886,495	300,203	33.9	3,171.41

Note: Shareholders' equity (JPY million): As of December 31, 2024 323,553, As of December 31, 2023 300,203

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 5 and 6.

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1. Analysis of Results of Operations

(1) Overview of Operating Results

(Billions of yen)

	FY2023	FY2024	Change (%)	Change (%) [Local currency basis]
Net sales	1,038.7	1,071.1	3.1%	-0.1%
Operating income	17.9	44.5	148.1%	155.8%
Ordinary income	9.2	37.9	311.3%	—
Net income attributable to owners of the parent	(39.9)	21.3	Into the black	—
EBITDA*	30.8	95.7	210.3%	—
¥/US\$1.00 (Average rate)	140.51	151.04	7.5%	—
¥/EUR1.00 (Average rate)	151.98	163.34	7.5%	—

* 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, 2024, consolidated net sales increased 3.1%, to ¥1,071.1 billion. On a local currency basis, however, consolidated net sales edged down 0.1%. Looking at key global economies, the Americas and Europe saw changes in monetary policy in response to the easing of inflationary pressures, including decisions by central banks to reverse course and lower interest rates. In contrast, in the People's Republic of China (PRC) the economic outlook remained unclear, owing to a persistently sluggish real estate market, waning domestic demand and other factors. 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 in the display market remained firm for the most part, mirroring display manufacturers' production levels, and picked up in the semiconductor market, driven by growth sectors such as generative AI, although a full-scale revival in demand for general-purpose products remained elusive. In industrial materials,* used primarily in mobility solutions, demand for materials for use in automobiles was steady as vehicle sales remained solid worldwide. In this environment, shipments in the Functional Products segment rallied, led by high-value-added offerings for use in electronics equipment and in mobility solutions. In the Packaging & Graphic segment, shipments of jet inks and of packaging inks in overseas markets advanced, underpinned by firm demand. In the Color & Display segment, sales of high-value-added pigments for color filters were firm, while sales of pigments for coatings and for plastics rallied from the sharp declines seen in the fiscal year ended December 31, 2023, thanks to ongoing moves by customers to replenish inventories. Higher net sales also reflected the positive impact of a weak yen on sales denominated in other currencies after translation. Net sales were negatively affected by withdrawals, including through divestiture, from noncore businesses—chiefly in the Functional Products segment—implemented to drive business portfolio transformation, which resulted in the exclusion of the sales of these businesses, including SEIKO PMC CORPORATION, from consolidated results.

Operating income climbed 148.1%, to ¥44.5 billion. The Packaging & Graphic and Functional Products segments saw steep gains, buttressed by a revival in shipments of high-value-added products and an improved product mix, and by efforts to revise sales prices in response to specific regional and product characteristics. In addition, a recovery in shipments of pigments for coatings and for plastics combined with structural reforms aimed at, among others, optimizing production configurations—particularly in the United States and Europe—and efforts to lower costs to significantly reduce the loss in the Color & Display segment.

Ordinary income soared 311.3%, to ¥37.9 billion.

Net income attributable to owners of the parent was ¥21.3 billion, compared with a net loss in the preceding period. This reflected an increase in total extraordinary income, the result of a gain on sales of non-current assets stemming from the transfer of intellectual property related to the liquid crystal (LC) materials business, and a higher gain on sales of investment securities arising from the reduction of strategic shareholdings, as well as a steep decline in total extraordinary losses due to the absence of ¥33.5 billion in impairment losses recorded in the preceding period.

Earnings before interest, taxes, depreciation and amortization (EBITDA) rose 210.3%, to ¥95.7 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)			
	FY2023	FY2024	Change (%)	Change (%) [Local currency basis]	FY2023	FY2024	Change (%)	Change (%) [Local currency basis]
Packaging & Graphic	541.9	569.8	5.1%	2.4%	22.0	33.6	52.8%	58.7%
Color & Display	227.3	257.0	13.1%	6.9%	(8.9)	(0.3)	Pared loss	Pared loss
Functional Products	305.9	286.3	-6.4%	-8.9%	15.4	21.0	36.0%	31.6%
Others, Corporate and eliminations	(36.4)	(41.9)	—	—	(10.6)	(9.8)	—	—
Total	1,038.7	1,071.1	3.1%	-0.1%	17.9	44.5	148.1%	155.8%

Packaging & Graphic

	FY2023	FY2024	Change (%)	Change (%) [Local currency basis]
Net sales	¥541.9 billion	¥569.8 billion	5.1%	2.4%
Operating income	¥22.0 billion	¥33.6 billion	52.8%	58.7%

Segment sales advanced 5.1%, to ¥569.8 billion. In the area of packaging inks, used chiefly on packaging for food products, shipments in Japan declined, as rising prices continued to dampen demand for consumer goods, but sales were buoyed by efforts to pass on elevated costs by adjusting sales prices, and by increased sales overseas, underpinned by a revival in demand for consumer goods in the Americas and Europe, as well as by efforts to cultivate customers in Asia, which boosted shipments. Despite expanded shipments in Asia, owing to the cultivation of customers and other factors, sales of publication inks, which center on inks for commercial printing and news inks, fell as dwindling demand pushed shipments down in Japan, as well as in the Americas and Europe. Sales of jet inks, used in digital printing, climbed sharply as customers completed measures to resolve surplus inventories, spurring brisk demand and elevated shipments.

Segment operating income rose 52.8%, to ¥33.6 billion. In Japan, shipments of high-value-added jet inks were robust, while moves to counter elevated costs in packaging inks and publication inks by modifying sales prices progressed. Operating income was also up sharply worldwide, buttressed by higher shipments of packaging inks and publication inks in Asia, together with efforts to maintain sales prices for packaging inks and publication inks in the Americas and Europe amid falling raw materials prices by ensuring stable supplies and services.

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Color & Display

	FY2023	FY2024	Change (%)	Change (%) [Local currency basis]
Net sales	¥227.3 billion	¥257.0 billion	13.1%	6.9%
Operating income	¥(8.9) billion	¥(0.3) billion	Pared loss	Pared loss

Segment sales, at ¥257.0 billion, were up 13.1%. While demand for pigments for coatings and for plastics failed to recover fully in Europe, a leading market for these products, reflecting a delayed economic revival, notably in Germany, shipments recovered following the completion of inventory adjustments by customers, thanks to ongoing moves to replenish inventories, particularly of pigments for use in building materials and for industrial applications. Among high-value-added products, shipments of pigments for color filters used in displays outpaced the previous fiscal year, as demand remained steady, mirroring display manufacturers' production levels. Shipments of pigments for cosmetics were down, hindered by listless demand as cosmetics manufacturers in the Americas and Europe, key customers for these products, continued to adjust inventories. In pigments for specialty applications, shipments for agricultural use declined, a consequence of protracted customer inventory adjustments, but shipments for use in building materials recovered, bolstered by various factors, including a revival in demand from the construction industry in Europe and efforts to cultivate new customers in Asia.

The segment reported an operating loss of ¥0.3 billion, a significant improvement from the preceding period. This was despite inconsistent trends in shipments of high-value-added products and resulted from higher shipments of pigments for coatings and for plastics, as well as to the progress of structural reforms aimed at, among others, optimizing production configurations—mainly in the United States and Europe—and efforts to lower costs. The production of LC materials, from which withdrawal was announced in the period under review, concluded as scheduled in December 2024.

Functional Products

	FY2023	FY2024	Change (%)	Change (%) [Local currency basis]
Net sales	¥305.9 billion	¥286.3 billion	-6.4%	-8.9%
Operating income	¥15.4 billion	¥21.0 billion	36.0%	31.6%

Segment sales decreased 6.4%, to ¥286.3 billion. If the impact of business withdrawals, including the divestiture of SEIKO PMC, was discounted, segment sales would have been up 7.8%. In digital materials, sales of epoxy resins—the foremost application for which is electronics equipment, notably semiconductors—advanced, owing to an improvement in the product mix attributable to, among others, a resurgence in demand for use in AI servers, computers and smartphones, which pushed up shipments of related products. Sales of industrial-use adhesive tapes, used mainly in smartphones and other mobile devices, were boosted by steady efforts to lock in demand. In the area of industrial materials, products for use in mobility solutions remained solid, bolstered by an upturn in shipments of polyphenylene sulfide (PPS) compounds, notably in Japan, which was due to firm vehicle sales worldwide.

Segment operating income increased 36.0%, to ¥21.0 billion. Excluding the impact of business withdrawals, segment operating income would have risen 65.9%. Factors behind this significant gain included a recovery in shipments of high-value-added products for use in electronics equipment and in mobility solutions, which contributed to an improved product mix, as well as successful efforts to revise sales prices for all products.

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(3) Operating Results Forecasts for Fiscal Year 2025

(Billions of yen)

	FY2024	FY2025	Change (%)
Net sales	1,071.1	1,110.0	3.6%
Operating income	44.5	48.0	7.8%
Ordinary income	37.9	44.0	16.1%
Net income attributable to owners of the parent	21.3	24.0	12.6%
EBITDA	95.7	102.0	6.6%
¥/US\$1.00 (Average rate)	151.04	150.00	-0.7%
¥/EUR1.00 (Average rate)	163.34	158.00	-3.3%

Against a backdrop of rising trade friction and other geopolitical risks, economic conditions are expected to remain highly uncertain in the fiscal year ending December 31, 2025, with economic, consumer price and resource price trends warranting concern. Given these circumstances, DIC—which in February 2024 took the decision to review certain measures set forth in its DIC Vision 2030 long-term management plan while leaving the vision for DIC in the future and the basic policy set forth in the plan essentially unchanged— will focus on maintaining its current growth trajectory, 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.

<https://www.dic-global.com/en/ir/management/plan.html>

Having taken these and other factors into consideration, for fiscal year 2025 the Company forecasts increases of 3.6% in net sales, to ¥1,110.0 billion; 7.8% in operating income, to ¥48.0 billion; 16.1% in ordinary income, to ¥44.0 billion; and 12.6% in net income attributable to owners of the parent, to ¥24.0 billion.

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(4) Segment Results Forecasts for Fiscal Year 2025

(Billions of yen)

	Net sales			Operating income (loss)		
	FY2024	FY2025	Change (%)	FY2024	FY2025	Change (%)
Packaging & Graphic	560.1	574.8	2.6%	31.6	29.4	-7.1%
Color & Display	257.0	273.1	6.3%	(0.3)	6.1	Into the black
Functional Products	296.0	302.7	2.3%	21.4	21.0	-2.1%
Others, Corporate and eliminations	(41.9)	(40.6)	—	(8.2)	(8.4)	—
Total	1,071.1	1,110.0	3.6%	44.5	48.0	7.8%

Note: Effective from fiscal year 2025, the Company revised its segment classification for certain net sales and operating income in “Packaging & Graphic,” “Functional Products” and “Others, Corporate and eliminations.” Accordingly, certain figures for fiscal year 2024 have been restated.

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.

2. Analysis of Financial Position

(Analysis of assets, liabilities and net assets)

At the end of the current fiscal year, total assets decreased ¥18.5 billion from the end of the previous fiscal year, to ¥1,226.4 billion, mainly due to the sales of shares in SEIKO PMC CORPORATION, which resulted in the company and its consolidated subsidiaries being excluded from the scope of consolidation. Total liabilities decreased ¥39.8 billion from the end of the previous fiscal year, to ¥805.8 billion, mainly due to a decrease in interest-bearing liabilities. In addition, net assets increased ¥21.3 billion from the end of the previous fiscal year, to ¥420.6 billion, due to an increase in foreign currency translation adjustments accompanying the depreciation of the yen as well as recording of net income attributable to owners of parent.

(Analysis of cash flow)

[Net cash provided by (used in) operating activities] Current fiscal year ended December 31, 2024, ¥46.2 billion
(¥89.1 billion for the previous fiscal year ended December 31, 2023)

In the current fiscal year, income before income taxes was ¥37.7 billion and depreciation and amortization was ¥52.8 billion. Income taxes of ¥12.2 billion were paid and ¥20.8 billion was used in working capital. As a result, net cash provided by operating activities amounted to ¥46.2 billion.

[Net cash provided by (used in) investing activities] Current fiscal year ended December 31, 2024, ¥(17.1) billion
(¥(66.5) billion for the previous fiscal year ended December 31, 2023)

In the current fiscal year, while ¥11.6 billion proceeds from the sale of subsidiaries, ¥ 8.1 billion proceeds from the sale of property, plant and equipment and intangible assets and ¥ 6.5 billion proceeds from the sale of investment securities were provided, ¥47.1 billion was used for the purchase of property, plant and equipment and intangible assets. As a result, net cash used in investing activities was ¥17.1 billion.

[Net cash provided by (used in) financing activities] Current fiscal year ended December 31, 2024, ¥(62.6) billion
(¥(2.9) billion for the previous fiscal year ended December 31, 2023)

In the current fiscal year, ¥47.8 billion was used for repayment of borrowings, etc. and ¥7.6 billion dividend payments from surplus was made. As a result, net cash used in financing activities amounted to ¥62.6 billion.

(Changes in cash flow indicators)

		FY 2022	FY 2023	FY 2024
Equity ratio	(%)	30.7	29.2	32.7
Equity ratio at market value	(%)	17.5	21.1	26.1
Interest-bearing debt to cash flow ratio	(Years)	64.2	5.9	10.5
Interest coverage ratio	(Times)	9.3	2.2	5.7

(Notes) 1. The formula for each indicator is as follows:

Equity ratio (%):	$(\text{Net assets} - \text{Non-controlling interests}) / \text{Total assets}$
Equity ratio at market value:	$\text{Market capitalization (closing price at the end of the period} \times \text{number of shares issued at the end of the period (after deducting Treasury shares))} / \text{Total assets}$
Interest-bearing debt to cash flow ratio:	$\text{Interest-bearing debt} / \text{Operating cash flow}$
Interest coverage ratio:	$(\text{Operating income} + \text{Interest income} + \text{Dividends income}) / \text{Interest expenses}$

2. Indicators are calculated on a consolidated basis.

3. Interest-bearing debt includes loans payable, commercial papers, bonds payable and lease obligations reported in the consolidated balance sheet.

Net cash provided by (used in) operating activities in the consolidated statement of cash flows is used for operating cash flow.

For interest expenses, interest expenses in the consolidated statement of income are used.

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3. Basic Approach to the Selection of Accounting Standards

DIC Group prepares its consolidated financial statements in accordance with Japanese GAAP as it stands now, taking into consideration the period comparability of consolidated financial statements and comparability with other companies.

Regarding the adoption of International Financial Reporting Standards (IFRS), we are currently making preparations. As for the timing, we will take appropriate measures after taking into consideration internal and external circumstances.

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4. Consolidated Financial Statements

(1) Consolidated Balance Sheet

(Millions of yen)

	Previous Fiscal Year As of December 31, 2023	Current Fiscal Year As of December 31, 2024
Assets		
Current assets		
Cash and deposits	87,533	61,869
Notes and accounts receivable - trade	225,148	229,744
Merchandise and finished goods	167,427	169,546
Work in process	11,250	11,819
Raw materials and supplies	94,157	99,218
Other	38,623	40,229
Allowance for doubtful accounts	(3,951)	(4,919)
Total current assets	620,188	607,506
Non-current assets		
Property, plant and equipment		
Buildings and structures	350,676	356,837
Accumulated depreciation	(217,614)	(222,919)
Buildings and structures, net	133,062	133,918
Machinery, equipment and vehicles	533,849	539,761
Accumulated depreciation	(405,236)	(404,095)
Machinery, equipment and vehicles, net	128,613	135,666
Tools, furniture and fixtures	86,607	88,959
Accumulated depreciation	(68,784)	(72,513)
Tools, furniture and fixtures, net	17,822	16,446
Land	66,488	57,780
Construction in progress	27,907	20,330
Total property, plant and equipment	373,892	364,141
Intangible assets		
Goodwill	17,782	17,394
Software	14,298	14,142
Customer-related assets	11,639	10,676
Other	25,198	25,281
Total intangible assets	68,916	67,494
Investments and other assets		
Investment securities	63,071	60,085
Deferred tax assets	16,593	16,160
Net defined benefit asset	78,961	88,774
Other	23,366	22,339
Allowance for doubtful accounts	(98)	(65)
Total investments and other assets	181,893	187,293
Total non-current assets	624,701	618,927
Total assets	1,244,889	1,226,433

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(Millions of yen)

	Previous Fiscal Year As of December 31, 2023	Current Fiscal Year As of December 31, 2024
Liabilities		
Current liabilities		
Notes and accounts payable - trade	140,089	138,448
Short-term loans payable	12,405	26,732
Commercial papers	33,000	—
Current portion of bonds payable	30,000	10,000
Current portion of long-term loans payable	33,897	54,521
Lease liabilities	4,656	5,161
Income taxes payable	2,870	4,485
Provision for bonuses	5,037	5,510
Other	86,794	88,214
Total current liabilities	348,749	333,071
Non-current liabilities		
Bonds payable	95,000	100,000
Long-term loans payable	308,231	277,617
Lease liabilities	11,769	10,301
Deferred tax liabilities	19,351	20,474
Net defined benefit liability	36,056	32,898
Asset retirement obligations	9,480	9,618
Other	16,986	21,839
Total non-current liabilities	496,873	472,748
Total liabilities	845,622	805,819
Net assets		
Shareholders' equity		
Capital stock	96,557	96,557
Capital surplus	94,234	94,234
Retained earnings	173,292	187,008
Treasury shares	(1,586)	(1,498)
Total shareholders' equity	362,497	376,301
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	5,542	3,924
Deferred gains or losses on hedges	248	515
Foreign currency translation adjustment	12,559	34,587
Remeasurements of defined benefit plans	(16,910)	(13,907)
Total accumulated other comprehensive income	1,440	25,119
Non-controlling interests	35,330	19,194
Total net assets	399,267	420,615
Total liabilities and net assets	1,244,889	1,226,433

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(2) Consolidated Statement of Income and Consolidated Statement of Comprehensive Income

Consolidated Statement of Income

(Millions of yen)

	Previous Fiscal Year Ended December 31, 2023	Current Fiscal Year Ended December 31, 2024
Net sales	1,038,736	1,071,127
Cost of sales	852,360	848,929
Gross profit	186,376	222,198
Selling, general and administrative expenses		
Freightage and packing expenses	14,206	13,126
Employees' salaries and allowances	65,355	67,734
Provision of allowance for doubtful accounts	(232)	1,180
Provision for bonuses	2,233	2,630
Retirement benefit expenses	(451)	53
Research and development costs	17,189	16,313
Other	70,132	76,641
Total selling, general and administrative expenses	168,433	177,677
Operating income	17,943	44,521
Non-operating income		
Interest income	6,078	3,491
Dividends income	503	627
Equity in earnings of affiliates	2,734	3,257
Other	1,680	1,642
Total non-operating income	10,996	9,017
Non-operating expenses		
Interest expenses	11,274	8,481
Foreign exchange losses	4,188	2,859
Other	4,261	4,293
Total non-operating expenses	19,723	15,633
Ordinary income	9,216	37,905
Extraordinary income		
Gain on sales of non-current assets	1,858	7,001
Gain on sales of investment securities	2,688	4,127
Gain on sales of shares and investments in capital of subsidiaries and affiliates	—	1,279
Insurance claim income	340	—
Total extraordinary income	4,886	12,407
Extraordinary losses		
Loss on sales of shares and investments in capital of subsidiaries and affiliates	—	4,513
Severance costs	4,268	3,886
Loss on disposal of non-current assets	2,571	3,242
Loss on withdrawal from business	—	486
Provision for product warranties	—	315
Impairment losses	33,537	194
Provision for loss on withdrawal from business	194	—
Total extraordinary losses	40,570	12,635
Income (loss) before income taxes	(26,468)	37,677
Income taxes - current	10,065	13,807
Income taxes - deferred	2,328	1,630
Total income taxes	12,393	15,437
Net income (loss)	(38,861)	22,240
Net income attributable to non-controlling interests	996	926
Net income (loss) attributable to owners of the parent	(39,857)	21,313

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Consolidated Statement of Comprehensive Income

(Millions of yen)

	Previous Fiscal Year Ended December 31, 2023	Current Fiscal Year Ended December 31, 2024
Net income (loss)	(38,861)	22,240
Other comprehensive income		
Valuation difference on available-for-sale securities	371	(1,622)
Deferred gains or losses on hedges	(444)	267
Foreign currency translation adjustment	31,066	22,989
Remeasurements of defined benefit plans	(3,162)	3,069
Share of other comprehensive income of affiliates accounted for using equity method	(580)	(667)
Total other comprehensive income	27,251	24,036
Comprehensive income	(11,609)	46,276
Comprehensive income attributable to		
Comprehensive income attributable to owners of the parent	(13,612)	44,992
Comprehensive income attributable to non-controlling interests	2,002	1,283

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(3) Consolidated Statement of Changes in Net Assets

Previous 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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Current Fiscal Year Ended December 31, 2024

(Millions of yen)

	Shareholders' equity				
	Capital stock	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at January 1, 2024	96,557	94,234	173,292	(1,586)	362,497
Change in FY2024					
Dividends from surplus			(7,597)		(7,597)
Net income (loss) attributable to owners of the parent			21,313		21,313
Purchase of treasury shares				(8)	(8)
Disposal of treasury shares				96	96
Net changes of items other than shareholders' equity					
Total change in FY2024	—	—	13,716	88	13,804
Balance at December 31, 2024	96,557	94,234	187,008	(1,498)	376,301

	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, 2024	5,542	248	12,559	(16,910)	1,440	35,330	399,267
Change in FY2024							
Dividends from surplus							(7,597)
Net income (loss) attributable to owners of the parent							21,313
Purchase of treasury shares							(8)
Disposal of treasury shares							96
Net changes of items other than shareholders' equity	(1,618)	267	22,028	3,002	23,679	(16,136)	7,543
Total change in FY2024	(1,618)	267	22,028	3,002	23,679	(16,136)	21,348
Balance at December 31, 2024	3,924	515	34,587	(13,907)	25,119	19,194	420,615

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(4) Consolidated Statement of Cash Flows

(Millions of yen)

	Previous Fiscal Year Ended December 31, 2023	Current Fiscal Year Ended December 31, 2024
Net cash provided by (used in) operating activities		
Income (loss) before income taxes	(26,468)	37,677
Depreciation and amortization	50,846	52,756
Amortization of goodwill	2,251	1,175
Increase (decrease) in allowance for doubtful accounts	(539)	1,062
Increase (decrease) in provision for bonuses	(519)	978
Interest and dividends income	(6,581)	(4,118)
Equity in (earnings) losses of affiliates	(2,734)	(3,257)
Interest expenses	11,274	8,481
Loss (gain) on sales and retirement of non-current assets	713	(3,760)
Impairment losses	33,537	194
Loss (gain) on sales of shares and investments in capital of subsidiaries and affiliates	—	3,234
Loss (gain) on sales of investment securities	(2,688)	(4,127)
Decrease (increase) in notes and accounts receivable - trade	26,415	(16,338)
Decrease (increase) in inventories	59,101	(5,054)
Increase (decrease) in notes and accounts payable - trade	(18,430)	607
Other, net	(21,830)	(8,180)
Subtotal	104,348	61,331
Interest and dividends income received	8,191	5,524
Interest expenses paid	(11,410)	(8,401)
Income taxes paid	(12,033)	(12,247)
Net cash provided by (used in) operating activities	89,095	46,207
Net cash provided by (used in) investing activities		
Payments into time deposits	(3,596)	(3,082)
Proceeds from withdrawal of time deposits	1,535	3,730
Purchase of property, plant and equipment	(52,057)	(42,785)
Proceeds from sales of property, plant and equipment	1,894	3,943
Purchase of intangible assets	(6,016)	(4,337)
Proceeds from sales of intangible assets	—	4,117
Purchase of shares and investments in capital of subsidiaries resulting in change in scope of consolidation	(14,078)	(26)
Proceeds from sales of shares and investments in capital of subsidiaries resulting in change in scope of consolidation	—	11,566
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	395	—
Purchase of investment securities	(325)	(19)
Proceeds from sales and redemption of investment securities	5,591	6,544
Proceeds from sales of businesses	631	—
Payments for transfer of businesses	(185)	—
Other, net	(254)	3,266
Net cash provided by (used in) investing activities	(66,457)	(17,082)

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(Millions of yen)

	Previous Fiscal Year Ended December 31, 2023	Current Fiscal Year Ended December 31, 2024
Net cash provided by (used in) financing activities		
Net increase (decrease) in short-term loans payable	(15,417)	16,278
Increase (decrease) in commercial papers	3,000	(33,000)
Proceeds from long-term loans payable	88,747	22,655
Repayment of long-term loans payable	(48,299)	(38,767)
Proceeds from issuance of bonds	15,000	15,000
Redemption of bonds	(30,000)	(30,000)
Cash dividends paid	(9,478)	(7,597)
Cash dividends paid to non-controlling interests	(407)	(977)
Net decrease (increase) in treasury shares	29	88
Repayments of lease liabilities	(5,882)	(6,203)
Other, net	(212)	(71)
Net cash provided by (used in) financing activities	(2,920)	(62,594)
Effect of exchange rate change on cash and cash equivalents	2,363	9,767
Net increase (decrease) in cash and cash equivalents	22,082	(23,702)
Cash and cash equivalents at beginning of the period	62,560	84,642
Cash and cash equivalents at end of the period	84,642	60,940

(5) Notes to Consolidated Financial Statements

(Notes on Going Concern Assumption)

Not applicable

(Additional Information)

Board Benefit Trust (BBT)

With regard to the compensation for executive officers, as well as directors who concurrently serve as executive officers (the “Target Officers”), the Company introduced a new performance-based stock compensation plan called Board Benefit Trust (BBT) (the “Plan”) from the fiscal year ended December 31, 2017. The purpose of the Plan is to further clarify the linkage between the compensation of the Target Officers, and corporate performance and value of the Company’s shares. The intended result is strengthening the Executive Officers’ awareness of the importance of contributing to the medium- to long-term improvement of operating results, as well as to the enhancement of corporate value, and of sharing the same objectives as shareholders.

Accounting treatment related to the trust agreement is in accordance with “Practical Solution on Transactions of Delivering the Company’s Own Stock to Employees, etc., through Trusts” (Practical Issue Task Force (“PITF”) No. 30, March 26, 2015).

(1) Outline of the transactions

The trust established under the Plan acquires the Company’s shares by cash contributed by the Company. The trust provides shares of the Company and the cash equivalent to the market price of the shares of the Company (the “Company’s Shares and Cash Benefits”) to the Target Officers, in accordance with the Rules of Officer Share Benefit established by the Company. The Target Officers shall in principle receive the Company’s Shares and Cash Benefits upon their retirement.

(2) The Company’s shares remaining in the trust

The shares remaining in the trust are recorded under net assets as treasury shares at the book value in the trust (excluding incidental costs). The book value and number of such treasury shares are ¥925 million and 303 thousand as of December 31, 2023, respectively, and ¥829 million and 277 thousand as of December 31, 2024, respectively.

(Notes on Segment Information, etc.)

[Segment Information]

1. Description of Reportable Segments

The reportable segments of the Group are components for which discrete financial information is available and whose operating results are regularly reviewed by the board of directors to evaluate their performance and determine the allocation of management resources.

The Group has six product divisions, namely “Printing Materials,” “Packaging Materials,” “Color Materials,” “Display Materials,” “Performance Materials,” and “Composite Materials,” and “Chemitronics Business Division”, and each division conducts its business.

The divisions are aggregated into three reportable segments, namely “Packaging & Graphic,” “Color & Display,” and “Functional Products,” based on the similarity of the products and services.

“Packaging & Graphic” mainly consists of gravure inks, offset inks, news inks, jet inks and polystyrene. “Color & Display” mainly consists of pigments, liquid crystal materials and health foods. “Functional Products” mainly consists of synthetic resins, such as acrylic, polyurethane, epoxy resins, PPS compounds and industrial adhesive tapes.

2. Method of measurement for the amounts of sales, profit (loss), assets, liabilities and other items for each reportable segment

The accounting policies of each reportable segment are consistent with those adopted for the preparation of the consolidated financial statements.

Segment profits are based on operating income.

Intersegment sales and transfers are mainly based on market price or cost of goods manufactured.

3. Information about sales, profit (loss), assets, liabilities and other items

Previous fiscal year ended December 31, 2023

(Millions of yen)

	Reportable segments				Others	Total
	Packaging & Graphics	Color & Display	Functional Products	Total		
Net sales:						
Sales to external customers	541,942	194,094	302,096	1,038,132	604	1,038,736
Intersegment sales and transfers	—	33,174	3,822	36,996	—	36,996
Total	541,942	227,268	305,918	1,075,128	604	1,075,732
Segment profit (loss)	21,970	(8,889)	15,448	28,530	244	28,774
Segment assets	465,590	309,029	407,686	1,182,305	48,044	1,230,349
Others:						
Depreciation and amortization	17,320	16,167	15,837	49,325	499	49,823
Amortization of goodwill	220	1,168	848	2,236	15	2,251
Investments in equity-method affiliates	7,442	12,635	27,397	47,474	—	47,474
Increase in property, plant and equipment and intangible assets	19,289	11,433	24,545	55,267	298	55,565

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Current fiscal year ended December 31, 2024

(Millions of yen)

	Reportable segments				Others	Total
	Packaging & Graphics	Color & Display	Functional Products	Total		
Net sales:						
Sales to external customers	569,763	218,075	282,644	1,070,481	646	1,071,127
Intersegment sales and transfers	—	38,886	3,665	42,552	—	42,552
Total	569,763	256,961	286,309	1,113,033	646	1,113,679
Segment profit (loss)	33,570	(268)	21,008	54,309	341	54,651
Segment assets	507,329	298,528	374,817	1,180,674	52,686	1,233,360
Others:						
Depreciation and amortization	18,784	17,034	15,413	51,231	497	51,728
Amortization of goodwill	236	65	874	1,175	—	1,175
Investments in equity-method affiliates	8,689	13,324	28,217	50,230	—	50,230
Increase in property, plant and equipment and intangible assets	16,871	8,238	18,994	44,103	140	44,243

4. Differences between Total reportable segments and amounts reported in the consolidated financial statements, and the breakdown of the main factors underlying these differences (notes on adjusting for differences)

(Millions of yen)

Net sales	Previous fiscal year ended December 31, 2023	Current fiscal year ended December 31, 2024
Total reportable segments	1,075,128	1,113,033
Sales in "Others"	604	646
Elimination of intersegment transactions	(36,996)	(42,552)
Net sales reported in the consolidated financial statements	1,038,736	1,071,127

(Millions of yen)

Profit	Previous fiscal year ended December 31, 2023	Current fiscal year ended December 31, 2024
Total reportable segments	28,530	54,309
Profit in "Others"	244	341
Corporate expenses	(10,831)	(10,130)
Operating income reported in the consolidated financial statements	17,943	44,521

(Note) Corporate expenses substantially consist of expenses incurred by new businesses and the DIC Central Research Laboratories, which are not included in any reportable segment.

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(Millions of yen)

Assets	Previous fiscal year as of December 31, 2023	Current fiscal year as of December 31, 2024
Total reportable segments	1,182,305	1,180,674
Assets in "Others"	48,044	52,686
Elimination of intersegment assets	(52,902)	(55,006)
Corporate assets	67,443	48,078
Total assets reported in the consolidated financial statements	1,244,889	1,226,433

(Note) Corporate assets mainly consist of assets of the DIC Central Research Laboratories and Kawamura Memorial DIC Museum of Art, which are not included in any reportable segment.

(Millions of yen)

Other items	Total reportable segments		Other		Adjustment		Amount recognized in the consolidated financial statements	
	Previous fiscal year	Current fiscal year	Previous fiscal year	Current fiscal year	Previous fiscal year	Current fiscal year	Previous fiscal year	Current fiscal year
Depreciation and amortization	49,325	51,231	499	497	1,023	1,029	50,846	52,756
Amortization of goodwill	2,236	1,175	15	—	—	—	2,251	1,175
Investments in equity- method affiliates	47,474	50,230	—	—	—	—	47,474	50,230
Increase in property, plant and equipment and intangible assets	55,267	44,103	298	140	770	1,020	56,335	45,263

(Notes) Adjustments are as follows:

1. The adjustments for depreciation and amortization are mainly depreciation and amortization related to the DIC Central Research Laboratories that cannot be allocated to any reportable segment.
2. The adjustments for increase in property, plant and equipment and intangible assets are mainly capital investments of the DIC Central Research Laboratories that cannot be allocated to any reportable segment.

5. Information About Impairment Losses on Non-current Assets by Reportable Segment

Previous fiscal year ended December 31, 2023

(Millions of yen)

	Packaging & Graphic	Color & Display	Functional Products	Others	Corporate and eliminations	Total
Impairment losses	993	22,469	5,947	135	3,993	33,537

(Note) The amount of Corporate and eliminations mainly consists of impairment losses relating to new businesses, which are not included in any reportable segment.

Current fiscal year ended December 31, 2024

(Millions of yen)

	Packaging & Graphic	Color & Display	Functional Products	Others	Corporate and eliminations	Total
Impairment losses	112	63	19	—	—	194

(Business Combinations)

Business Divestitures

Transfer of subsidiary shares

Effective January 15, 2024, the Company transferred all shares held in consolidated subsidiary SEIKO PMC CORPORATION (“SEIKO PMC”) through the purchase of treasury stock by the latter.

(1) Overview of the business divestiture

(a) Name of the successor entity

SEIKO PMC CORPORATION

(b) Description of the divested businesses

Manufacture and sale of papermaking chemicals, resins for printing inks and recording materials

(c) Main reason for the business divestiture

To meet the targets of the DIC Vision 2030 long-term management plan, which was announced in February 2022, following extensive discussions by the Board of Directors regarding how to allocate limited management resources to priority business areas, the Company resolved—as part of a review of the DIC Group’s business portfolio—to transfer all shares held in SEIKO PMC. This decision was taken in the belief that it is the best course for SEIKO PMC to seek growth with a new partner better positioned to drive growth and a dramatic advance.

(d) Date of the business divestiture

January 15, 2024 (deemed transfer date: January 1, 2024)

(e) Other matters regarding the outline of the transaction, including the legal form

Transfer of shares for where the consideration received is only property, such as cash

(2) Overview of the transaction

(a) Amount of gain or loss on transfer

Loss on sales of shares and investments in capital of subsidiaries and affiliates: ¥4,513 million

(b) Fair book values of assets and liabilities pertaining to the transferred business and the breakdown thereof

Current assets	¥26,025 million
Non-current assets	24,884 million
<hr/> Total assets acquired	<hr/> ¥50,909 million
Current liabilities	¥14,133 million
Non-current liabilities	2,249 million
<hr/> Total liabilities assumed	<hr/> ¥16,382 million

(c) Accounting treatment

The accounting treatment of the transaction was based on the “Accounting Standard for Business Divestitures” (ASBJ Statement No. 7, issued on September 13, 2013) and the “Guidance on Accounting Standard for Business Combinations and Accounting Standard for Business Divestitures” (ASBJ Guidance No. 10, issued on January 16, 2019).

(3) Reportable segment that included the divested business

Functional products

(4) Estimated amount of profit and loss related to the divested business reported in the consolidated statement of income for the current fiscal year ended December 31, 2024

The business divestiture was carried out with the beginning of the current fiscal year as the deemed transfer date, and the profit and loss relating to the divested business is not included in the consolidated statement of income for the current fiscal year ended December 31, 2024.

(Per Share Information)

	Previous consolidated fiscal year (From January 1, 2023 to December 31, 2023)	Current consolidated fiscal year (From January 1, 2024 to December 31, 2024)
Shareholder's equity per share	3,844.70 yen	4,239.67 yen
Earnings (losses) per share	(421.06) yen	225.11 yen

(Notes) 1. Diluted earnings per share are not stated because there are no diluted shares.

2. The Company introduced the Board Benefit Trust (BBT), and the shares held by the trust are recorded under net assets as treasury shares. The number of treasury shares excluded from the number of shares issued as of the balance sheet date used for the calculation of shareholder's equity per share includes the number of shares held by the trust. The number of treasury shares excluded from the weighted-average number of shares issued during the fiscal year used for the calculation of earnings (losses) per share includes the number of shares held by the trust.

The amount of treasury shares excluded from the calculation of shareholder's equity per share was 302,700 shares at the end of the previous consolidated fiscal year and 277,400 shares at the end of the current consolidated fiscal year. In addition, the average number of treasury shares excluded from the calculation of earnings (losses) per share was 151,085 shares at the end of the previous fiscal year and 282,438 shares at the end of the current fiscal year.

3. The basis for the calculation of earnings (losses) per share is as follows:

	Previous consolidated fiscal year (From January 1, 2023 to December 31, 2023)	Current consolidated fiscal year (From January 1, 2024 to December 31, 2024)
Net income (loss) attributable to owners of the parent (Millions of yen)	(39,857)	21,313
Amount not attributable to common shareholders (Millions of yen)	—	—
Net income (loss) attributable to owners of the parent of common stock (Millions of yen)	(39,857)	21,313
Average number of shares of common stock during the period (1000 shares)	94,660	94,678

4. The basis for calculation of equity per share is as follows:

	Previous consolidated fiscal year (From January 1, 2023 to December 31, 2023)	Current consolidated fiscal year (From January 1, 2024 to December 31, 2024)
Net assets (Millions of yen)	399,267	420,615
Amount to be excluded from the total amount of net assets (Millions of yen)	35,330	19,194
(Non-controlling interests)	(35,330)	(19,194)
Net assets at the end of the period for common stock (Millions of yen)	363,937	401,420
Number of common shares used in the calculation of shareholder's equity per share at the end of the period (1000 shares)	94,659	94,682

(Significant Subsequent Events)

Not applicable