

4631.T : Tokyo Stock Exchange

DIC Corporation

Consolidated Financial Results
FY2024: Full-Term Ended December 31

February 2025



ENGLISH TRANSLATION OF JAPANESE-LANGUAGE DOCUMENT

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In all cases, the Japanese-language original shall take precedence.

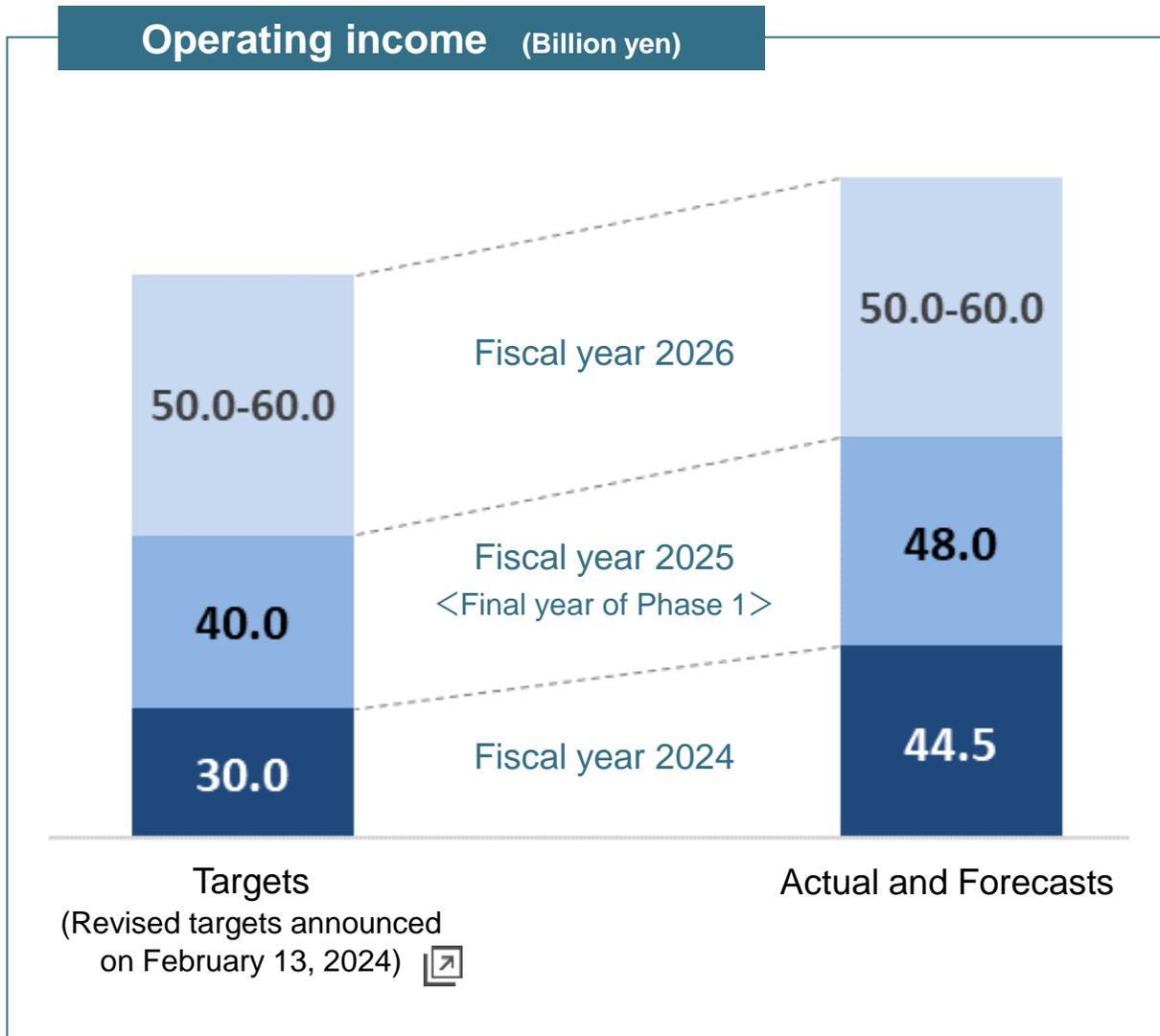


DIC Corporation

Highlights



Progress under the DIC Vision 2030 long-term management plan



- Efforts to promote the balanced allocation of management resources and implement structural reforms in the pigments business have **repositioned the Company on a growth trajectory, with operating income in fiscal year 2024 reaching ¥44.5 billion, significantly higher than the revised DIC Vision 2030 plan target of ¥30.0 billion.**
- **The forecast for operating income in fiscal year 2025 is ¥48.0 billion.**
- Steady progress is being made toward achieving record-high operating income in fiscal year 2026 (the current record, ¥56.5 billion, was recorded in fiscal year 2017.)
- Targets for Phase 2 of DIC Vision 2030 are scheduled to be announced in February 2026.
- Annual dividends in fiscal year 2024 were ¥100 per share, unchanged from the initial forecast.
- Annual dividends in fiscal year 2025 are also forecast to be ¥100 per share.
- In line with the policies for cash allocation, **additional returns to shareholders of approximately ¥10 billion are planned for fiscal year 2025.**

Phase 1 of DIC Vision 2030: Foundation-building phase (Fiscal years 2022–2025)

Phase 2 of DIC Vision 2030: Phase for realizing vision for DIC (Fiscal years 2026–2030)

Priority strategies for bolstering operating income in fiscal year 2026

■ Underpinned by a recovery in core businesses, businesses in the smart living area will drive growth.

- **Packaging business: Expand environment-friendly and high-performance products (e.g., recycled polystyrene)** ¥0.5–1.0 billion
- **Strengthen the profitability of the pigments business** Approx. ¥4.0 billion
- **Expand polymers for coatings, particularly in the People’s Republic of China (PRC) and India** ¥1.0–2.0 billion
- **Grow businesses in the promising smart living area** * Total for initiatives below ¥1.5–3.0 billion
 - **Launch next-generation chemitronics products** ¥0.5–¥2.0 billion
 Products that support high-speed communications, materials for next-generation resists, sheet-form functional materials, others
 - **Expand battery-related products** ¥0.5 billion
 Materials for liquid lithium–ion batteries and for solid-state batteries, others
 - **Capitalize on the Direct to Society mechanism to inaugurate new businesses** ¥0.5 billion
 AI devices (HAGAMOSphere™ (omnidirectional multicopter), robot hand)
 Human technology interface (kansei materials, sensing materials), others

Potential growth in fiscal year 2026
¥7.0–¥10.0 billion

* As it enters Phase 2 of DIC Vision 2030, the DIC Group will focus investments, including in M&As, to further accelerate growth.

Future operation of the Kawamura Memorial DIC Museum of Art

- Based on advice provided by the Corporate Value Improvement Committee in August 2024, the Board of Directors reviewed the operation of the Kawamura Memorial DIC Museum of Art and in December 2024 determined a policy regarding operation of the museum going forward.
 - Considering the museum's positioning in terms of both social and economic value, the Board of Directors concluded that continuing operation at an appropriate scale and in a suitable location will not only contribute to growth for the DIC Group by bolstering brand value but also positively impact stakeholders and society as a whole.
 - On the assumption that it finds an appropriate site, **the Company will relocate and downsize the museum.**
 - The number of works of art owned by the Company will be reduced to approximately one-fourth the current level and the museum will be moved to a facility within the Tokyo metropolitan area where they can be exhibited to the public.
 - Once a new location has been finalized, works of art to be retained will be determined in accordance with a new museum collection policy and consideration will be given to divesting works deemed ineligible for retention.
 - The Company expects **the sale of artworks to generate approximately at least ¥10 billion in cash in fiscal year 2025.** The Company plans to begin selling the remaining works it owns in fiscal year 2026, after it has determined which works of art it will retain.
 - Applications for cash generated through the sale of works of art will be determined on a case-by-case basis, in accordance with with the Company's policies for cash allocation.

Outlook

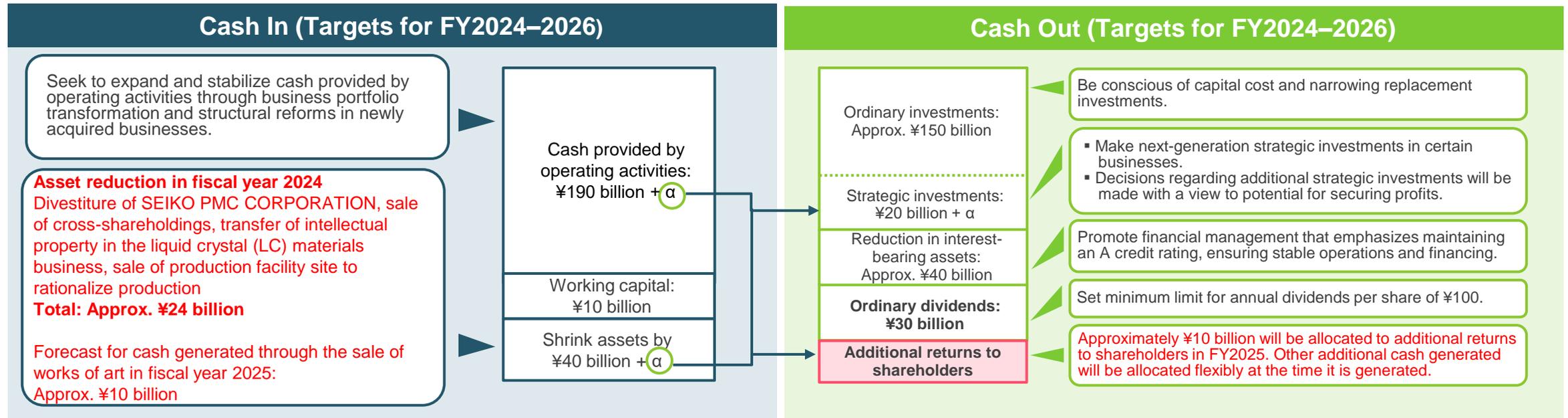
The Company aims to reach a final partnership agreement with an organization operating a candidate site in the Tokyo metropolitan area and make an official announcement by the end of March 2025.

Related news release

Final Report on the Results of the Review of Operation of the Kawamura Memorial DIC Museum of Art and Policy on Future Operation (December 26, 2024) [↗](#)

Policies for cash allocation

- Initiatives aimed at bolstering cash provided by operating activities and ordinary investments are progressing as planned. In fiscal year 2024, approximately ¥24 billion was generated through the reduction of assets. Including cash generated through the sale of works of art in fiscal year 2025, efforts to shrink assets are expected to yield ¥40 billion-plus by fiscal year 2026.
- As of now, large-scale strategic investments have concluded. For this reason, and because the net debt-to-equity (D/E) ratio remains within the target range, the Company plans to implement additional returns to shareholders of approximately ¥10 billion in fiscal year 2025.
- Going forward, applications for additional cash generated will be determined on a case-by-case basis, in accordance with the Company's policies for cash allocation.



	FY2024 (Actual)	Target and Approach for Fiscal Year 2026	
Return on invested capital (ROIC)	3.8%	4.0%–5.0% ≥ Weighted average cost of capital (WACC)	Efforts will focus on achieving a prompt improvement by promoting structural reforms and reviewing the allocation of management resources.
Return on equity (ROE)	5.6%	7.0%–8.0% ≥ Cost of equity	Fiscal year 2026 is simply a transit point in the drive to improve capital efficiency and bolster corporate value.
Net debt-to- equity (D/E) ratio	1.05 times	1.00–1.10 times	Thanks to the progress of structural reforms in relevant businesses, a degree of leverage exists, but financial management will continue to focus on maintaining an A credit rating.

Financial Results for Fiscal Year 2024 and Outlook for Fiscal Year 2025



Highlights

FY2024 results

Net sales

¥1,071.1 billion

YoY **+3.1%**

Operating income

¥44.5 billion

YoY **+148.1%**

Net income

¥21.3 billion

Into the black

FY2025 forecasts

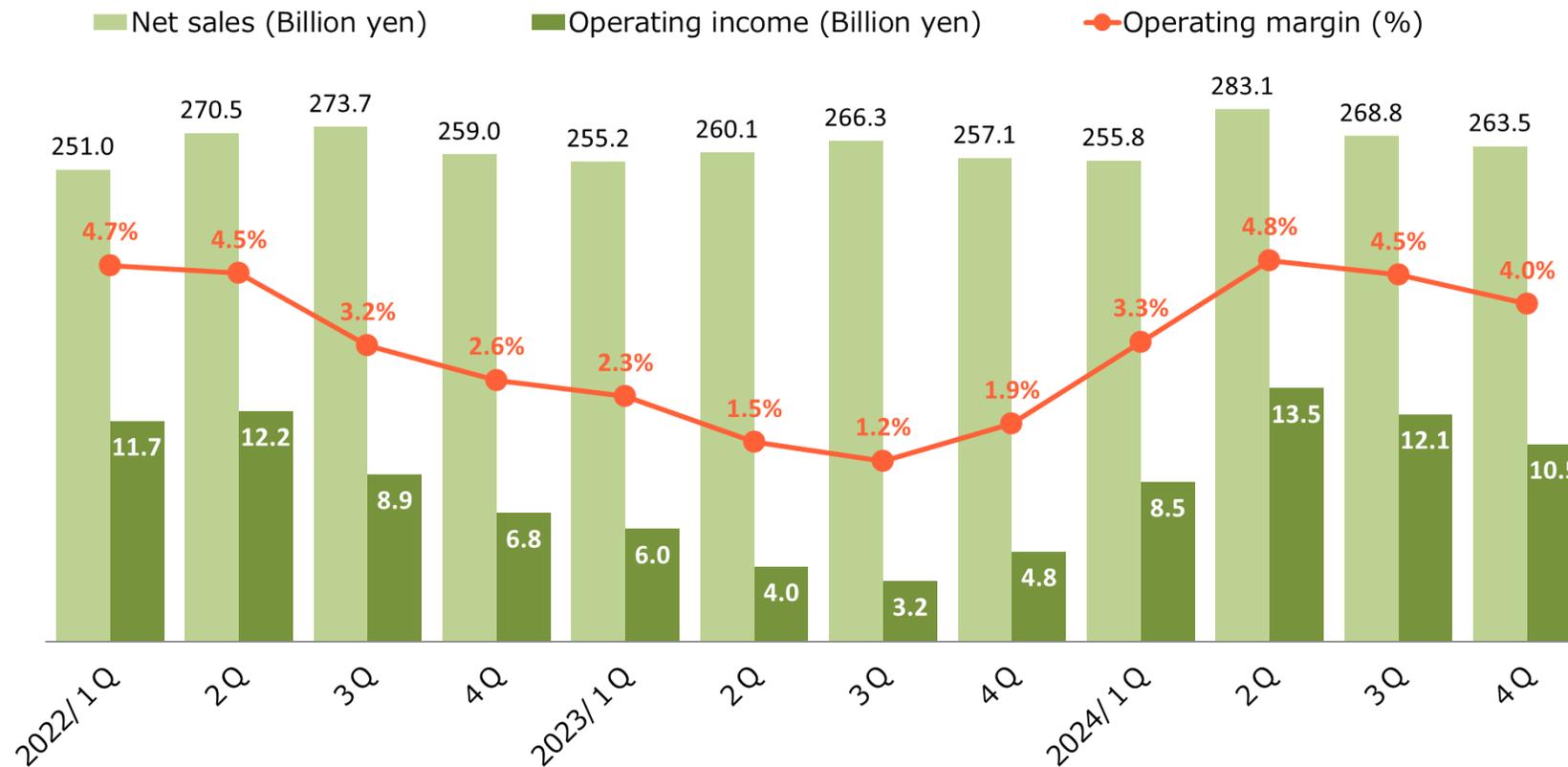
Increases in net sales and operating income

Additional returns to shareholders

- If the impact of the withdrawal from noncore businesses, including the divestiture of SEIKO PMC CORPORATION, was discounted, consolidated net sales would have risen 7.3%.
- Shipments of packaging inks were up, bolstered by rising demand for consumer goods overseas, underpinned by the easing of inflationary pressures.
- While demand for pigments failed to recover fully, shipments were bolstered by ongoing moves by customers to replenish inventories.
- Shipments of high-value-added products for use in electronics equipment and in mobility solutions increased.
- Operating income climbed, owing to an increase in shipments of high-value-added products for use in electronics equipment and mobility solutions, as well as to efforts to maintain sales prices for packaging inks in the Americas and Europe, despite price-cutting pressure.
- In the Color & Display segment, structural reforms and efforts to reduce costs significantly shrank the operating loss. If the impact of the recently divested liquid crystal (LC) materials division was discounted, the segment would have returned to profitability.
- Extraordinary income increased due to a gain on sales of non-current assets stemming from the transfer of intellectual property related to the LC materials business, and a higher gain on sales of investment securities arising from the reduction of strategic shareholdings. Extraordinary losses significantly decreased due to the absence of the ¥ 33.5 billion impairment loss recorded in the preceding period.
- Net income attributable to owners of the parent was ¥21.3 billion, up from a net loss of ¥39.9 billion in the previous period.
- Net sales and operating income are forecast to reach ¥1,110.0 billion and ¥48.0 billion, respectively.
- In addition to ordinary annual dividends of ¥100 per share, allocate ¥10 billion to additional returns to shareholders.

Quarterly trends in operating results

- Quarterly operating income has improved since bottoming out in the third quarter of fiscal year 2023 and remains stable.
- Sales in the fourth quarter were down from the third quarter, owing to seasonal factors, but fourth-quarter operating income remained in the area of ¥10 billion.



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

Packaging & Graphic (Packaging inks, Publication inks*)

2023				2024			
Jan-Mar	Apr-Jun	Jul-Sep	Oct-Dec	Jan-Mar	Apr-Jun	Jul-Sep	Oct-Dec
-8%	-10%	-8%	-4%	-1%	+2%	+3%	+1%

- Sales of packaging inks rose 3% in the Americas and Europe, as the easing of inflationary pressure underpinned a revival in demand for consumer goods.
- In Asia, sales of packaging inks increased 8%, owing to a recovery in demand and efforts to cultivate new customers.
- Sales of packaging inks in Japan declined 2% as rising prices continued to dampen demand for consumer goods.

* Includes news inks

Color & Display (Pigments)

2023				2024			
Jan-Mar	Apr-Jun	Jul-Sep	Oct-Dec	Jan-Mar	Apr-Jun	Jul-Sep	Oct-Dec
-18%	-17%	-11%	-9%	-4%	+15%	+14%	+8%

- While demand failed to recover fully, the completion of inventory adjustments by customers continued to encourage moves to secure new inventories, particularly of pigments for coatings and for plastics.
- Shipments of pigments rose 8%.

Functional Products (Products for which volume is measured in kg*)

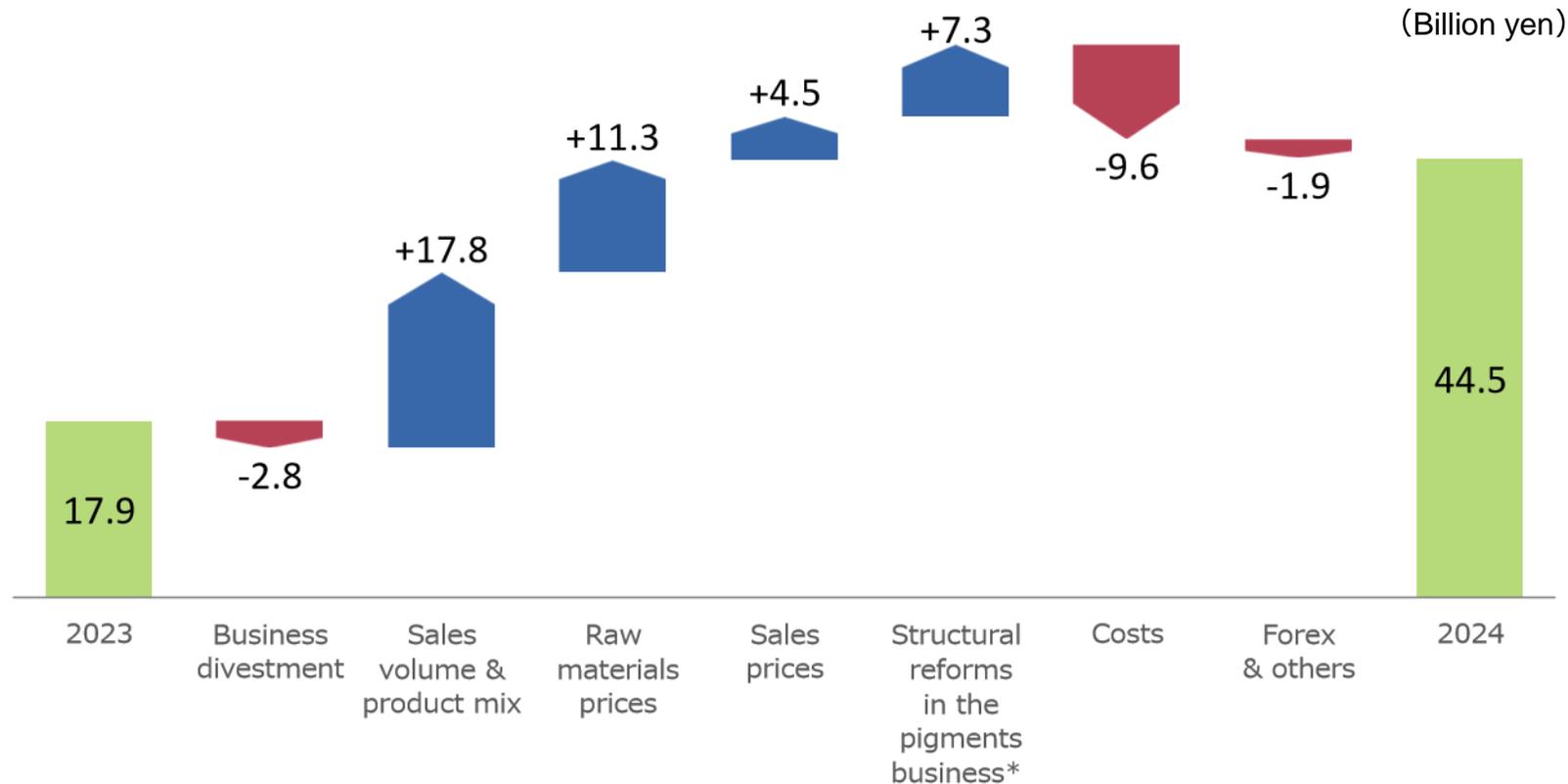
2023				2024			
Jan-Mar	Apr-Jun	Jul-Sep	Oct-Dec	Jan-Mar	Apr-Jun	Jul-Sep	Oct-Dec
-15%	-10%	-4%	0%	-1%	+5%	-3%	+1%

- Shipments of products for use in electronics equipment, notably epoxy resins, rose significantly, driven by demand in growth sectors such as generative AI.
- Sales of products for use in mobility solutions remained solid.
- Sales of products for use in housing construction and for general industrial applications decreased.

* Among the main products listed on page 15, industrial-use adhesive tapes and hollow-fiber membrane modules are excluded from the calculation as their quantities are not measured in kg.

Operating income variance

- Shipments of packaging inks and pigments, and of high-value-added products for use in electronics equipment and in mobility solutions, were up, contributing to an improved sales volume and product mix.
- The increase in operating income also reflected efforts to maintain sales prices overseas, particularly for printing inks, amid year-on-year declines in raw materials prices.



* "Structural reforms in the pigments business" includes the impact of a decline in costs associated with the impairment of goodwill of ¥1.1 billion.

Segment results

(Billion yen)	Net sales					Operating income					Operating margin	
	2023	2024	Change	% Change	% Change on a local currency basis	2023	2024	Change	% Change	% Change on a local currency basis	2023	2024
Packaging & Graphic	541.9	569.8	27.8	+ 5.1%	+ 2.4%	22.0	33.6	11.6	+ 52.8%	+ 58.7%	4.1%	5.9%
Japan	124.0	129.0	5.1	+ 4.1%	+ 4.1%	4.6	6.3	1.7	+ 37.5%	+ 37.5%	3.7%	4.9%
The Americas and Europe	349.0	367.0	18.0	+ 5.2%	+ 2.1%	13.1	21.0	7.9	+ 59.9%	+ 72.1%	3.8%	5.7%
Asia and Oceania	82.5	90.3	7.8	+ 9.5%	+ 3.6%	4.2	6.5	2.4	+ 56.5%	+ 48.9%	5.1%	7.2%
Eliminations	(13.5)	(16.6)	-3.1	-	-	0.1	(0.3)	-0.3	-	-	-	-
Color & Display	227.3	257.0	29.7	+ 13.1%	+ 6.9%	(8.9)	(0.3)	8.6	Pared loss	Pared loss	-	-
Japan	32.0	35.2	3.2	+ 9.9%	+ 9.9%	4.1	5.6	1.5	+ 37.8%	+ 37.8%	12.8%	16.0%
Overseas	209.5	236.3	26.9	+ 12.8%	+ 5.9%	(13.0)	(5.8)	7.2	Pared loss	Pared loss	-	-
Eliminations	(14.2)	(14.6)	-0.3	-	-	0.0	(0.1)	-0.2	-	-	-	-
Functional Products	305.9	286.3	-19.6	-6.4%	-8.9%	15.4	21.0	5.6	+ 36.0%	+ 31.6%	5.0%	7.3%
Japan	202.9	181.7	-21.2	-10.5%	-10.5%	7.0	11.3	4.4	+ 63.2%	+ 63.2%	3.4%	6.2%
Overseas	130.2	137.9	7.6	+ 5.9%	-0.2%	8.5	9.7	1.2	+ 14.3%	+ 6.8%	6.5%	7.0%
Eliminations	(27.2)	(33.2)	-6.0	-	-	0.0	(0.0)	-0.0	-	-	-	-
Others, Corporate and eliminations	(36.4)	(41.9)	-5.5	-	-	(10.6)	(9.8)	0.8	-	-	-	-
Total	1,038.7	1,071.1	32.4	+ 3.1%	-0.1%	17.9	44.5	26.6	+ 148.1%	+ 155.8%	1.7%	4.2%
Yen/US\$	140.51	151.04		+ 7.5%		140.51	151.04		+ 7.5%			
Yen/EUR	151.98	163.34		+ 7.5%		151.98	163.34		+ 7.5%			

Packaging & Graphic

Net sales

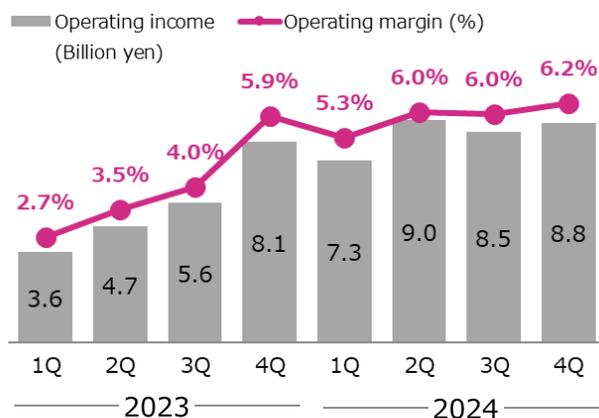
- Shipments in Japan declined as rising prices continued to dampen demand for consumer goods, but sales were buoyed by efforts to adjust sales prices.
- Sales also increased overseas, underpinned by healthy shipments of packaging inks.

Operating income

- Operating income in Japan rose, bolstered by higher shipments of high-value-added jet inks and progress in delayed moves to pass on higher costs in printing inks by modifying sales prices.
- Operating income overseas was also up, buttressed by efforts to maintain sales prices amid falling raw materials prices by ensuring stable supplies and services.

(Billion yen)	Net sales					Operating income					Operating margin	
	2023	2024	Change	% Change	% Change on a local currency basis	2023	2024	Change	% Change	% Change on a local currency basis	2023	2024
Packaging & Graphic	541.9	569.8	27.8	+ 5.1%	+ 2.4%	22.0	33.6	11.6	+ 52.8%	+ 58.7%	4.1%	5.9%
Japan	124.0	129.0	5.1	+ 4.1%	+ 4.1%	4.6	6.3	1.7	+ 37.5%	+ 37.5%	3.7%	4.9%
The Americas and Europe	349.0	367.0	18.0	+ 5.2%	+ 2.1%	13.1	21.0	7.9	+ 59.9%	+ 72.1%	3.8%	5.7%
Asia and Oceania	82.5	90.3	7.8	+ 9.5%	+ 3.6%	4.2	6.5	2.4	+ 56.5%	+ 48.9%	5.1%	7.2%
Eliminations	(13.5)	(16.6)	-3.1	-	-	0.1	(0.3)	-0.3	-	-	-	-

Operating income/margin



Sales of principal products

	% Change	
Packaging inks*	+ 4%	Sales rose, bolstered by higher shipments overseas.
Publication inks*	-6%	Sales were up in Asia, underpinned by efforts to cultivate customers, but down in other regions.
Jet inks	+ 30%	Demand rose, as customers completed inventory adjustments.
Polystyrene	+ 1%	Demand for use in food packaging materials declined, owing to rising food prices, but sales were bolstered by the adjustment of sales prices.
Multilayer films	-1%	Demand for use in food packaging materials declined, owing to rising food prices.

*Change on a local currency basis

Color & Display

Net sales

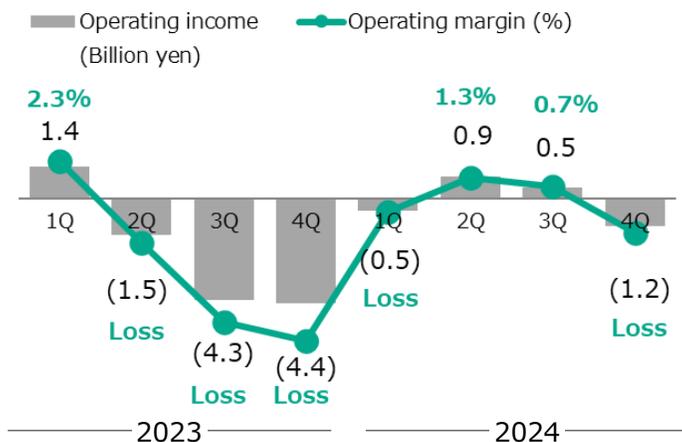
- Sales were up, as the completion of inventory adjustments by customers continued to encourage moves to secure new inventories, particularly of pigments for coatings and for plastics.
- In the LC materials business, the withdrawal from which had been announced, production concluded in December as planned.

Operating income

- The segment operating loss narrowed significantly, owing to higher shipments and the progress of structural reforms, which lowered costs.
- If the impact of the ¥0.5 billion operating loss posted by the recently divested LC materials division was discounted, the segment would have posted operating income of ¥0.2 billion.

(Billion yen)	Net sales					Operating income					Operating margin	
	2023	2024	Change	% Change	% Change on a local currency basis	2023	2024	Change	% Change	% Change on a local currency basis	2023	2024
Color & Display	227.3	257.0	29.7	+ 13.1%	+ 6.9%	(8.9)	(0.3)	8.6	Pared loss	Pared loss	-	-
Japan	32.0	35.2	3.2	+ 9.9%	+ 9.9%	4.1	5.6	1.5	+ 37.8%	+ 37.8%	12.8%	16.0%
Overseas	209.5	236.3	26.9	+ 12.8%	+ 5.9%	(13.0)	(5.8)	7.2	Pared loss	Pared loss	-	-
Eliminations	(14.2)	(14.6)	-0.3	-	-	0.0	(0.1)	-0.2	-	-	-	-

Operating income/margin



Sales of principal products

	% Change*	
Pigments for coatings	+ 8%	While demand failed to recover fully, sales rose, rebounding from the impact of inventory adjustments in the previous fiscal year.
plastics	+ 11%	While demand failed to recover fully, sales rose, rebounding from the impact of inventory adjustments in the previous fiscal year.
printing inks	+ 7%	Sales remained robust for use in packaging inks.
cosmetics	-2%	Sales declined as customers stepped up efforts to adjust inventories.
displays	+ 5%	Shipments remained firm throughout the fiscal year, although shipments fluctuated depending on display manufacturers' production levels.
specialty applications	+ 1%	Sales rose, despite the impact of protracted customer inventory adjustments on sales for agricultural use, reflecting robust sales to the construction industry.

*Change on a local currency basis

Functional Products

Net sales

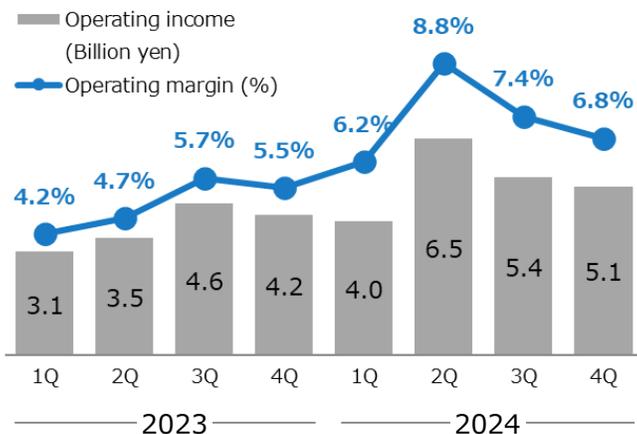
- Excluding the impact of business withdrawals, including the divestiture of SEIKO PMC CORPORATION, sales would have been up 7.8%.
- Shipments of high-value-added products for use in electronics equipment and in mobility solutions increased.

Operating income

- Segment operating income increased, bolstered by higher 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 to successful efforts to pass on higher costs by revising sales prices.

(Billion yen)	Net sales					Operating income					Operating margin	
	2023	2024	Change	% Change	% Change on a local currency basis	2023	2024	Change	% Change	% Change on a local currency basis	2023	2024
Functional Products	305.9	286.3	-19.6	-6.4%	-8.9%	15.4	21.0	5.6	+ 36.0%	+ 31.6%	5.0%	7.3%
Japan	202.9	181.7	-21.2	-10.5%	-10.5%	7.0	11.3	4.4	+ 63.2%	+ 63.2%	3.4%	6.2%
Overseas	130.2	137.9	7.6	+ 5.9%	-0.2%	8.5	9.7	1.2	+ 14.3%	+ 6.8%	6.5%	7.0%
Eliminations	(27.2)	(33.2)	-6.0	-	-	0.0	(0.0)	-0.0	-	-	-	-

Operating income/margin



Sales of principal products

Product	% Change	Product	% Change
Epoxy resins	+ 6%	polyphenylene sulfide (PPS) compounds	+ 6%
Industrial-use adhesive tapes	+ 38%	Acrylic resins	0%
UV-curable resins	+ 7%	Polyurethane resins	+ 5%
		Waterborne resins	+ 8%
		Polyester resins	+ 5%
		Hollow-fiber membrane modules	+ 19%

Shipments of epoxy resins— notably high-value-added products used in generative AI servers, computers and smartphones—were strong. Sales of industrial-use adhesive tapes were bolstered by steady efforts to lock in demand for use in smartphones and other mobile devices. Shipments of products for use in mobility solutions, including polyphenylene sulfide (PPS) compounds, waterborne resins and polyurethane resins, were firm. Shipments of acrylic resins flagged, owing to sluggish demand in the PRC.

Functional Products (Supplementary materials)

- Results adjusted to account for the impact of business withdrawals, including from SEIKO PMC CORPORATION

(Billion yen)	Net sales				Operating income				Operating margin	
	2023	2024	Change	% Change	2023	2024	Change	% Change	2023	2024
Functional Products	305.9	286.3	-19.6	-6.4%	15.4	21.0	5.6	+ 36.0%	5.0%	7.3%
Impact of business withdrawals	40.4				2.8					
Functional Products after adjustment	265.5	286.3	20.8	+ 7.8%	12.7	21.0	8.3	+ 65.9%	4.8%	7.3%

- Results for the Chemitronics Business Division (accounted for in the Functional Products segment)

(Billion yen)	Net sales				Operating income				Operating margin	
	2023	2024	Change	% Change	2023	2024	Change	% Change	2023	2024
Chemitronics Business Division	53.3	61.0	7.7	+ 14.4%	6.0	8.0	1.9	+ 31.7%	11.3%	13.0%

Principal products: Epoxy and other thermosetting resins for packaging substrates and printed circuit boards, industrial-use adhesive tapes, ultraviolet (UV)-curable resins, photoresist polymers and compounds, surfactants

Consolidated statement of income

(Billion yen)

	2023	2024	Change	% Change	% Change on a local currency basis
Net sales	1,038.7	1,071.1	32.4	+ 3.1%	-0.1%
Cost of sales	(852.4)	(848.9)	3.4		
Selling, general and administrative expenses	(168.4)	(177.7)	-9.2		
Operating income	17.9	44.5	26.6	+ 148.1%	+ 155.8%
Operating margin	1.7%	4.2%	-		
Interest expenses	(5.2)	(5.0)	0.2		
Equity in earnings (losses) of affiliates	2.7	3.3	0.5		
Foreign exchange gains (losses)	(4.2)	(2.9)	1.3		
Other, net	(2.1)	(2.0)	0.1		
Ordinary income	9.2	37.9	28.7	+ 311.3%	
Extraordinary income	4.9	12.4	7.5		
Extraordinary losses	(40.6)	(12.6)	27.9		
Income before income taxes	(26.5)	37.7	64.1		
Income taxes	(12.4)	(15.4)	-3.0		
Net income	(38.9)	22.2	61.1		
Net income attributable to non-controlling interests	(1.0)	(0.9)	0.1		
Net income attributable to owners of the parent	(39.9)	21.3	61.2	Into the black	
EBITDA *	30.8	95.7	64.8	+ 210.3%	

	2023	2024
Extraordinary income and losses		
Extraordinary income		
Gain on sales of non-current assets	1.9	7.0
Gain on sales of investment securities	2.7	4.1
Gain on sales of shares and investments in capital of subsidiaries and affiliates	-	1.3
Insurance claim income	0.3	-
Extraordinary losses		
Loss on sales of shares and investments in capital of subsidiaries and affiliates	-	(4.5)
Severance costs	(4.3)	(3.9)
Loss on disposal of non-current assets	(2.6)	(3.2)
Loss on withdrawal from business	-	(0.5)
Provision for product warranties	-	(0.3)
Impairment losses	(33.5)	(0.2)
Provision for loss on withdrawal from business	(0.2)	-

■ Average rate

	2023	2024
Yen/US\$	140.51	151.04
Yen/EUR	151.98	163.34

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

Financial health

(Billion yen)	Dec 31 2023	Dec 31 2024	Change
Net interest-bearing debt	441.4	422.5	-19.0
Shareholders' equity	363.9	401.4	37.5
Net D/E ratio* ¹ (Times)	1.21	1.05	
Equity ratio	29.2%	32.7%	
BPS (Yen)	3,844.70	4,239.67	
ROIC* ²	1.5%	3.8%	
ROE	-10.6%	5.6%	

■ Closing rate

	Dec 31 2023	Dec 31 2024
Yen/US\$	141.32	156.24

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

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

FY2025 forecasts: Full-term operating results

- In addition to ordinary annual dividends of ¥100 per share, ¥10 billion will be allocated to additional returns to shareholders
- The forecast for net income attributable to owners of the parent does not include income on the sale of works of art.

(Billion yen)

	2024	2025 Forecasts	% Change
Net sales	1,071.1	1,110.0	+ 3.6%
Operating income	44.5	48.0	+ 7.8%
Operating margin	4.2%	4.3%	—
Ordinary income	37.9	44.0	+ 16.1%
Net income attributable to owners of the parent	21.3	24.0	+ 12.6%
EPS (Yen)	225.11	253.48	—
EBITDA*1	95.7	102.0	+ 6.6%
Capital expenditure and investment	47.3	49.2	+ 4.0%
Depreciation and amortization	53.9	56.5	+ 4.8%
Average rate			
Yen/US\$	151.04	150.00	-0.7%
Yen/EUR	163.34	158.00	-3.3%

	2024	2025 Forecasts
ROIC*2	3.8%	4.2%
ROE	5.6%	6.0%
Net D/E ratio*3 (times)	1.05	1.03
Annual dividends per share (Yen)	100.0	100.0
Payout ratio	44.4%	39.5%

*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

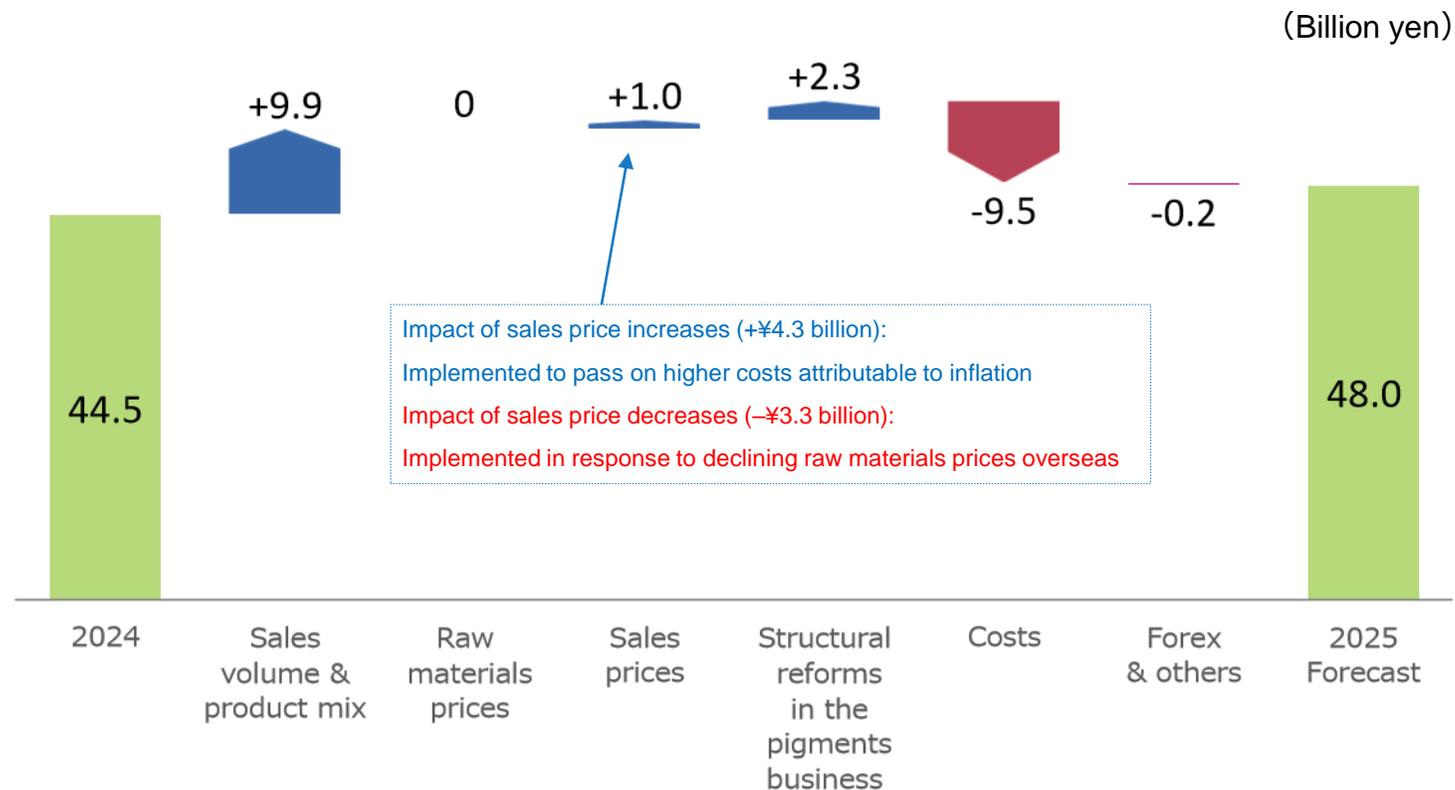
*1 EBITDA: Net income attributable to owners of the parent + Total income taxes + (Interest expenses – Interest income) + Depreciation and amortization + Amortization of goodwill

FY2025 forecasts: First half operating results

(Billion yen)		2024 1st Half	2025 1st Half Forecasts	% Change
Net sales		538.8	550.0	+2.1%
Operating income		21.9	23.0	+4.8%
Operating margin		4.1%	4.2%	—
Ordinary income		20.0	22.0	+9.8%
Net income attributable to owners of the parent		6.4	10.0	+55.9%
EPS (Yen)		67.77	105.62	—
Average rate	YEN/US\$	152.13	150.00	-1.4%
	YEN/EUR	164.43	158.00	-3.9%

FY2025 forecasts : Operating income variance

- Global economic conditions are expected to remain uncertain, owing to such factors as policy changes in the United States and sluggish growth in domestic demand in the PRC.
- On the assumption that growth in demand for pigments in Europe will remain low, efforts to expand shipments globally will emphasize bolstering sales of high-performance products and leveraging synergies with acquired businesses.
- Forecasts assume a West Texas Intermediate (WTI) crude oil price of \$75–80/barrel, on a par with fiscal year 2024. Accordingly, raw materials prices are expected to remain level.
- The impact of sales price reductions, a consequence of price-cutting pressure overseas, has been factored into forecasts for the Packaging & Graphic segment.
- In inks and pigments, the progress of industry realignment continues to intensify competition. Accordingly, steps will be taken to secure operating income by revising prices in response to specific regional and product characteristics.



FY2025 forecasts: Full-term segment results

(Billion yen)	Net sales				Operating income				Operating margin	
	2024	2025 Forecast	Change	% Change	2024	2025 Forecast	Change	% Change	2024	2025 Forecast
Packaging & Graphic	560.1	574.8	14.7	+ 2.6%	31.6	29.4	-2.3	-7.1%	5.6%	5.1%
Japan	129.0	131.4	2.4	+ 1.8%	6.1	6.0	-0.0	-0.7%	4.7%	4.6%
The Americas and Europe	357.3	364.7	7.3	+ 2.1%	19.3	17.6	-1.7	-8.7%	5.4%	4.8%
Asia and Oceania	90.3	94.1	3.8	+ 4.2%	6.5	5.7	-0.8	-12.3%	7.2%	6.1%
Eliminations	(16.6)	(15.4)	1.2	-	(0.3)	0.0	0.3	-	-	-
Color & Display	257.0	273.1	16.2	+ 6.3%	(0.3)	6.1	6.4	Into the black	-	2.2%
Japan	35.2	37.5	2.3	+ 6.6%	5.6	5.9	0.2	+ 4.1%	16.0%	15.6%
Overseas	236.3	251.7	15.3	+ 6.5%	(5.8)	0.3	6.0	Into the black	-	0.1%
Eliminations	(14.6)	(16.1)	-1.5	-	(0.1)	0.0	0.1	-	-	-
Functional Products	296.0	302.7	6.8	+ 2.3%	21.4	21.0	-0.5	-2.1%	7.2%	6.9%
Japan	181.7	182.7	1.0	+ 0.6%	10.1	10.0	-0.0	-0.3%	5.5%	5.5%
Overseas	147.5	153.2	5.7	+ 3.9%	11.4	10.9	-0.5	-4.0%	7.7%	7.1%
Eliminations	(33.2)	(33.2)	0.0	-	(0.0)	0.0	0.0	-	-	-
Others, Corporate and eliminations	(41.9)	(40.6)	1.3	-	(8.2)	(8.4)	-0.2	-	-	-
Total	1,071.1	1,110.0	38.9	+ 3.6%	44.5	48.0	3.5	+ 7.8%	4.2%	4.3%
Yen/US\$	151.04	150.00		-0.7%	151.04	150.00		-0.7%		
Yen/EUR	163.34	158.00		-3.3%	163.34	158.00		-3.3%		

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.

Functional Products (Supplementary materials)

- Results for the Chemitronics Business Division (accounted for in the Functional Products segment)

(Billion yen)	Net sales				Operating income				Operating margin	
	2024	2025 Forecast	Change	% Change	2024	2025 Forecast	Change	% Change	2024	2025 Forecast
Chemitronics Business Division	61.0	64.5	3.5	+ 5.7%	7.6	8.4	0.8	+ 10.7%	12.4%	13.0%

- To consolidate internal resources and accelerate product development, certain technical themes have been shifted from the New Business Development Headquarters to the individual business divisions. With the aim of achieving operating income of ¥10–11 billion for the Chemitronics Business Division in fiscal year 2026, management resources will be concentrated on themes that are expected to generate profits swiftly and reliably. (See page 37)
- Demand for products for use in general-purpose semiconductors are expected to pick up in the second half of fiscal year 2025. Steps will be taken to lock in demand related to generative AI and to offset costs by bolstering shipments of epoxy resins for high-end applications.

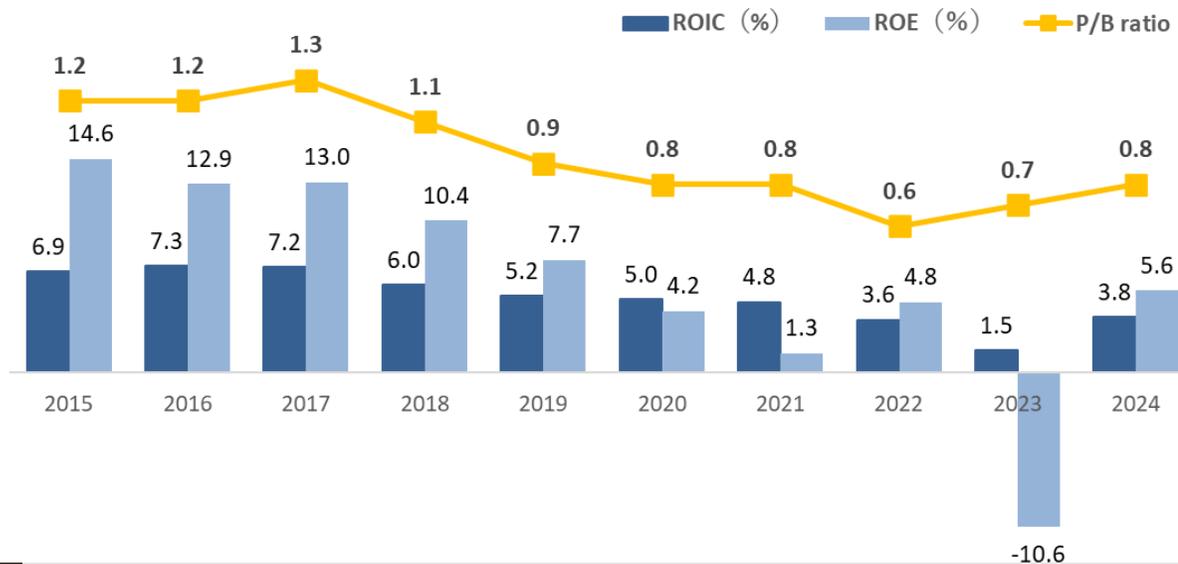
Effective from fiscal year 2025, the Company revised its segment classification for certain net sales and operating income in “Packaging & Graphic,” “Functional Products” and “Others, Corporate and eliminations.” Accordingly, certain figures for fiscal year 2024 have been restated.

Initiatives to Improve Corporate Value



Measures to implement management that is conscious of capital costs and share price

P/B Ratio, ROIC and ROE (Fiscal Years 2015–2024)



Share Price (Fiscal Years 2015–2024)

2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
3,300	3,550	4,260	3,370	3,035	2,604	2,896	2,326	2,771.5	3,384

Analysis of Current Situation and Policies and Targets for Improvement

$$\text{P/B ratio } 0.8 \text{ times} = \text{ROE } 5.6\% \times \text{P/E ratio } 15 \text{ times}$$

- The share price rose significantly in fiscal year 2024, but the price–book value (P/B) ratio remains below 1 times.
- While the price–earnings (P/E) ratio is on a par with the market (TSE Prime market) average, ROE is lower than the Company’s estimated cost of equity.
- The Company recognizes improving return on capital as a key management challenge and works to improve capital efficiency by promoting selectivity and concentration.

Target and Approach for Fiscal Year 2026

ROIC 4.0–5.0% ≥ WACC

Efforts will focus on achieving a prompt improvement by promoting structural reforms and reviewing the allocation of management resources.

ROE 7.0–8.0% ≥ Cost of equity

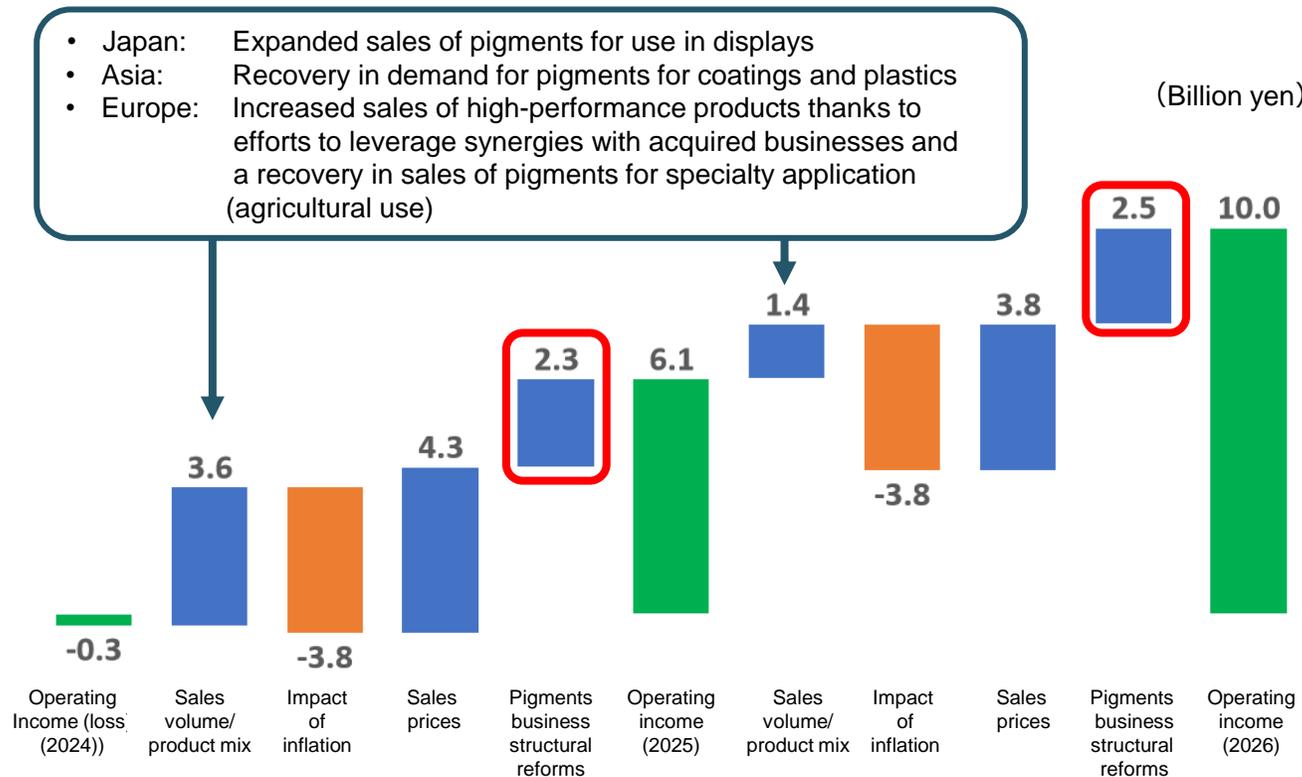
Fiscal year 2026 is simply a transit point in the drive to improve capital efficiency and bolster corporate value.

Segment ROIC in fiscal year 2024

Segment	Operating Income (Loss)	ROIC	Measures to Address Widening Difference between ROIC and WACC
Packaging & Graphic	¥33.6 billion	8.2%	<ul style="list-style-type: none"> Shift focus to products with higher added value, including environment-friendly and high-performance offerings. Promote structural reforms in the publication inks business and make effective use of management resources by divesting assets, including production facility sites. Maintain profitability by advancing a strategic pricing policy.
Color & Display	¥(0.3) billion	- 0.1%	<ul style="list-style-type: none"> Continue working to dramatically reduce fixed cost by merging production facilities and promoting structural reforms, particularly in the Americas and Europe. Leverage synergies with acquired businesses to provide diverse, high-performance products.
Functional Products	¥21.0 billion	7.1%	<ul style="list-style-type: none"> Broaden lineup of products for use in electronics equipment by focusing management resources on the chemitronics business. Leverage synergies with acquired businesses to strengthen product development capabilities and expand operations by advancing strategies aimed at achieving polymer market domination, particularly in the PRC and India. Shift focus to products with higher added value, including environment-friendly offerings. Replace noncore businesses. Merge facilities producing commoditized products, notably in Asia.
Total	¥44.5 billion	3.8%	<ul style="list-style-type: none"> Work to reduce capital costs through initiatives aimed at, among others, stabilizing business performance and improving the reliability of dividends by setting a minimum limit for annual dividends.

Structural reforms in the pigments business in the Americas and Europe (Color & Display)

- Promote structural reforms and measures to heighten efficiency, including the merger and shuttering of large-scale production facilities and labor force rationalization. As of fiscal year 2026, the annual improvement in operating income attributable to structural reforms is expected to be ¥12.5 billion from the fiscal year 2022 level, ¥2.5 billion higher than initially forecast.
- Plans are to pass on cost increases resulting from inflation by adjusting sales prices.
- With growth in demand for pigments in Europe expected to remain low for the foreseeable future, efforts will focus on achieving a swift recovery in profitability in core businesses by expanding portfolio of high-performance products leveraging synergies. In fiscal year 2026, operating income in the Color & Display segment is expected to top ¥10 billion.



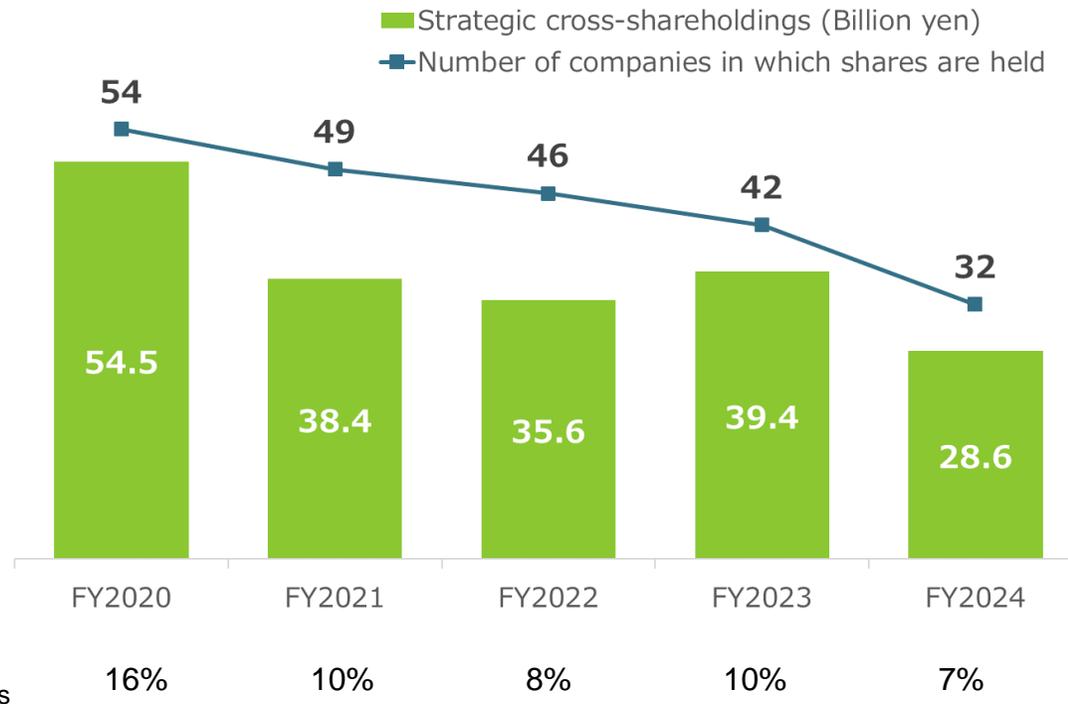
Progress of Structural Reforms

- Improvement in operating income exceeded target. Costs associated with structural reforms will not be factored into forecasts beyond fiscal year 2026.

Target	Structural reform–related costs	Benefits		
	Approx. ¥16 billion (Fiscal years 2023–2026)	Approx. ¥10 billion (From the fiscal year 2022 level)		
2023 (actual)	¥6.3 billion	+1.5		¥1.5 billion
2024 (actual)	¥2.4 billion	+1.5	+6.2	¥7.7 billion
2025 (target)	¥4.4 billion	+1.5	+6.2	¥10.0 billion
2026 (target)	—	+1.5	+6.2	¥12.5 billion
Revised target	¥13.1 billion	¥12.5 billion		
Change from original target	¥2.9 billion decrease in costs	¥2.5 billion increase in benefits		

Reduction of cross-shareholdings

- The Board of Directors annually reviews the significance of cross-shareholdings and works continuously to shrink such holdings.
- Efforts continue with the goal of reducing cross-shareholdings to 4% or less of net assets (based on market capitalization) by fiscal year 2026.



- ✓ In fiscal year 2024, the number of companies in which shares are cross-held was **reduced by 10** (¥10.8 billion).
- ✓ **Cash generated through the sale of directly held cross-held shares: ¥6.5 billion.**
- ✓ The breakdown of cross-shareholdings as of the end of fiscal year 2024 was as follows:
 - Directly held: ¥5.4 billion (15 companies)
 - Deemed held: ¥23.2 billion (17 companies)
- ✓ Efforts to reduce cross-shareholdings to 4% or less of net assets (based on market capitalization) will continue.

Notes:

- 1.Strategic shareholdings include deemed shareholdings.
- 2.Strategic shareholdings do not include unlisted stocks.

Attachments



Major topics (November 2024 to January 2025)

News release 2024

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

News release 2025

<https://www.dic-global.com/en/news/2025/> 

Nov

DIC unveils the HAGAMOSphere™ omnidirectional multicopter drone—a CES Innovation Awards® 2025 Honoree—at CES 2025

Dec

DIC and Hitachi, Ltd., commercialize a digital twin technology that facilitates the automation of operations at synthetic resin production facilities

Dec

The investor relations (IR) section of DIC's global website wins an award for excellence in Daiwa Internet IR Awards 2024, awarded by Daiwa Investor Relations Co., Ltd., the first time it has been so honored

Dec

Final report on the results of the review of operation of the Kawamura Memorial DIC Museum of Art and policy on future operation are announced

Jan

DIC is selected for inclusion in the Dow Jones Sustainability Indices (DJSI) Asia Pacific Index, a leading benchmark for sustainability initiatives, for the 10th consecutive year

Business segments and principal products

Note: Fiscal year 2024 actual

Value provided	Packaging & Graphic	Color & Display	Functional Products
	Sales ratio Net sales ¥569.8 bn Operating income ¥33.6 bn Operating margin 5.9%	Sales ratio Net sales ¥257.0bn Operating income ¥(0.3 bn) Operating margin -	Sales ratio Net sales ¥286.3bn Operating income ¥21.0 bn Operating margin 7.3%
	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 Pigments for coatings Pigments for plastics Pigments for inks	Breakdown of Segment Sales by Demand Industry (Reference) ◆ Digital materials (used principally in electrical and electronics equipment and displays) ◆ UV-curable resins Epoxy resins Industrial tapes Hollow-fiber membrane modules ◆ Industrial materials (used primarily in mobility solutions (vehicles, etc.)) ◆ PPS compounds Waterborne resins Acrylic resins Polyurethane resins Polyester resins

Quarterly trends in segment results (Reference)

(Billion yen)	Net sales								Operating income							
	2023 Jan-Mar	2023 Apr-Jun	2023 Jul-Sep	2023 Oct-Dec	2024 Jan-Mar	2024 Apr-Jun	2024 Jul-Sep	2024 Oct-Dec	2023 Jan-Mar	2023 Apr-Jun	2023 Jul-Sep	2023 Oct-Dec	2024 Jan-Mar	2024 Apr-Jun	2024 Jul-Sep	2024 Oct-Dec
Packaging & Graphic	131.5	135.0	138.4	136.9	137.4	149.0	141.9	141.4	3.6	4.7	5.6	8.1	7.3	9.0	8.5	8.8
Japan	30.4	31.1	30.3	32.2	29.7	33.5	32.2	33.7	0.5	1.2	1.2	1.7	1.5	2.2	1.5	1.2
The Americas and Europe	86.2	87.3	89.1	86.4	90.4	96.6	91.3	88.6	2.6	2.9	2.7	4.9	4.6	5.3	5.4	5.7
Asia and Oceania	19.0	19.9	21.9	21.7	21.2	23.1	22.6	23.4	0.7	0.7	1.4	1.4	1.4	1.6	1.6	2.0
Eliminations	(4.0)	(3.3)	(2.9)	(3.3)	(3.9)	(4.2)	(4.2)	(4.3)	(0.1)	(0.1)	0.2	0.1	(0.2)	(0.1)	0.1	(0.1)
Color & Display	60.5	57.4	57.7	51.7	63.5	70.8	65.1	57.6	1.4	(1.5)	(4.3)	(4.4)	(0.5)	0.9	0.5	(1.2)
Japan	8.1	8.3	7.9	7.7	7.4	9.5	9.6	8.6	1.0	1.4	1.0	0.7	1.0	1.7	1.5	1.4
Overseas	55.5	53.3	53.6	47.1	59.5	65.5	59.7	51.7	0.4	(2.9)	(5.3)	(5.1)	(1.4)	(0.8)	(1.1)	(2.5)
Eliminations	(3.1)	(4.2)	(3.8)	(3.1)	(3.5)	(4.2)	(4.2)	(2.7)	0.0	0.0	(0.0)	0.0	(0.1)	(0.0)	0.1	(0.1)
Functional Products	73.4	75.9	79.4	77.2	65.1	74.0	72.5	74.6	3.1	3.5	4.6	4.2	4.0	6.5	5.4	5.1
Japan	50.0	50.8	50.6	51.5	41.7	46.1	45.5	48.4	1.1	1.3	2.1	2.4	2.4	3.9	2.8	2.3
Overseas	29.8	31.9	35.7	32.9	31.0	36.6	35.9	34.3	1.9	2.1	2.6	1.9	1.7	2.6	2.6	2.8
Eliminations	(6.4)	(6.8)	(6.9)	(7.2)	(7.6)	(8.8)	(8.8)	(8.1)	0.0	0.1	(0.1)	(0.0)	(0.0)	(0.0)	0.0	0.0
Others, Corporate and eliminations	(10.2)	(8.3)	(9.2)	(8.7)	(10.2)	(10.7)	(10.8)	(10.2)	(2.1)	(2.7)	(2.7)	(3.1)	(2.4)	(2.9)	(2.2)	(2.3)
Total	255.2	260.1	266.3	257.1	255.8	283.1	268.8	263.5	6.0	4.0	3.2	4.8	8.5	13.5	12.1	10.5

Consolidated balance sheet (Reference)

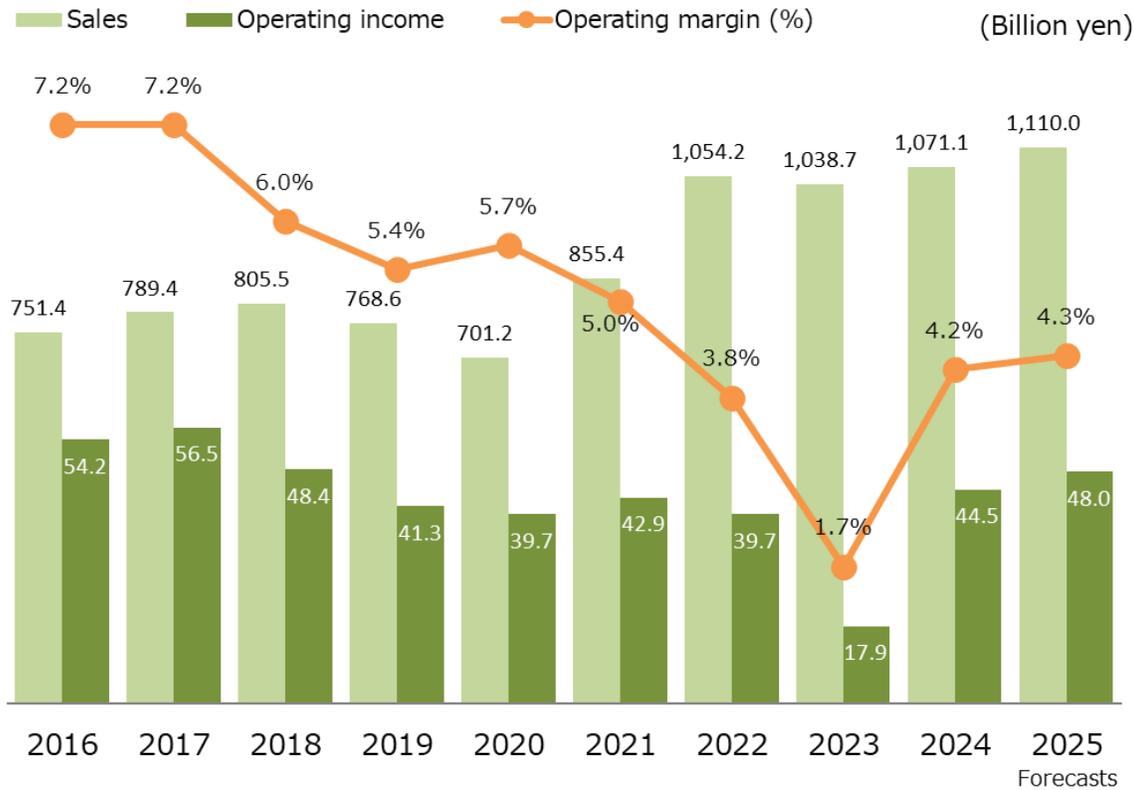
(Billion yen)	Dec 31 2023	Dec 31 2024	Change
Current assets	620.2	607.5	-12.7
Property, plant and equipment	373.9	364.1	-9.8
Intangible assets	68.9	67.5	-1.4
Investments and other assets	181.9	187.3	5.4
Total assets	1,244.9	1,226.4	-18.5
Current liabilities	348.7	333.1	-15.7
Non-current liabilities	496.9	472.7	-24.1
Total liabilities	845.6	805.8	-39.8
Shareholders' equity	362.5	376.3	13.8
Accumulated other comprehensive income	1.4	25.1	23.7
[Foreign currency translation adjustment]	[12.6]	[34.6]	[22.0]
Non-controlling interests	35.3	19.2	-16.1
Total net assets	399.3	420.6	21.3
Total liabilities and net assets	1,244.9	1,226.4	-18.5
Interest-bearing debt	529.0	484.3	-44.6
Cash and deposits	87.5	61.9	-25.7
Net interest-bearing debt	441.4	422.5	-19.0

Consolidated statement of cash flows (Reference)

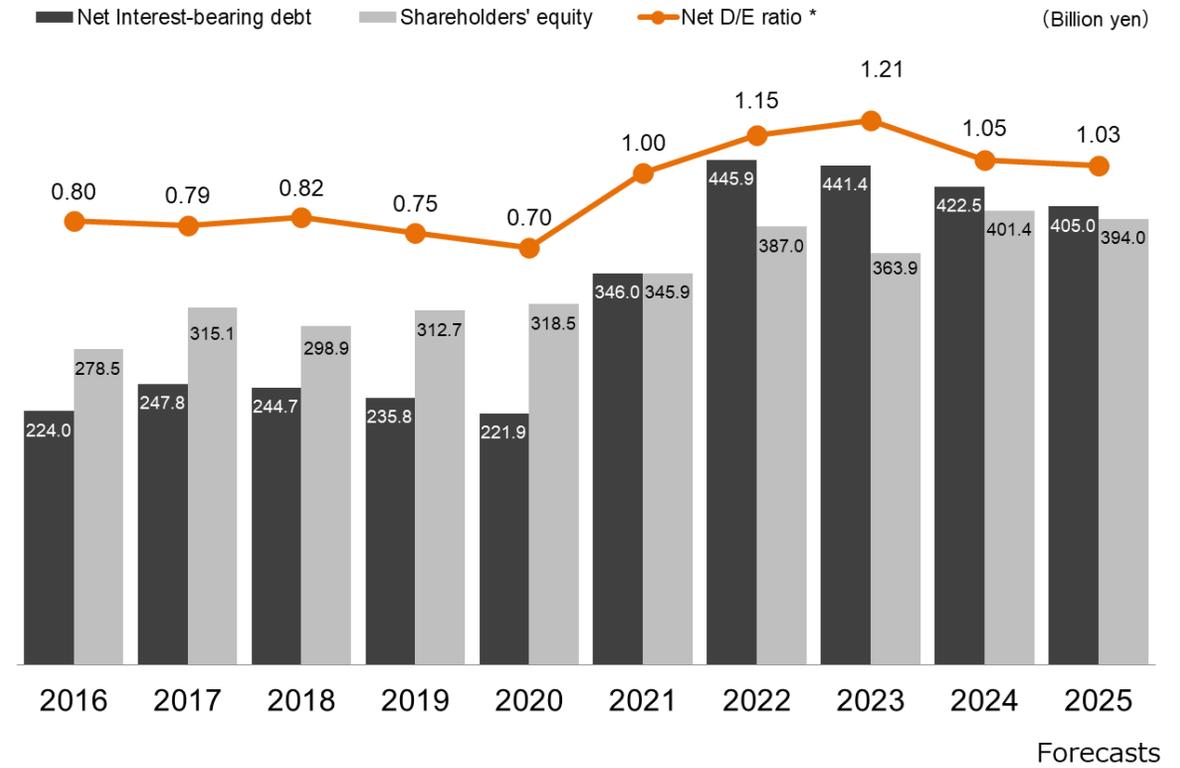
(Billion yen)	2023	2024	Change
Cash flows from operating activities	89.1	46.2	-42.9
Cash flows from investing activities	(66.5)	(17.1)	49.4
Cash flows from financing activities	(2.9)	(62.6)	-59.7
Cash and cash equivalents at end of the period	84.6	60.9	-23.7
Free cash flow	22.6	29.1	6.5
Increase (decrease) in working capital	67.1	(20.8)	-87.9
Capital expenditure and investment	73.3	47.3	-25.9
Depreciation and amortization, Amortization of goodwill	53.1	53.9	0.8

Historical performance data (Reference)

Operating results

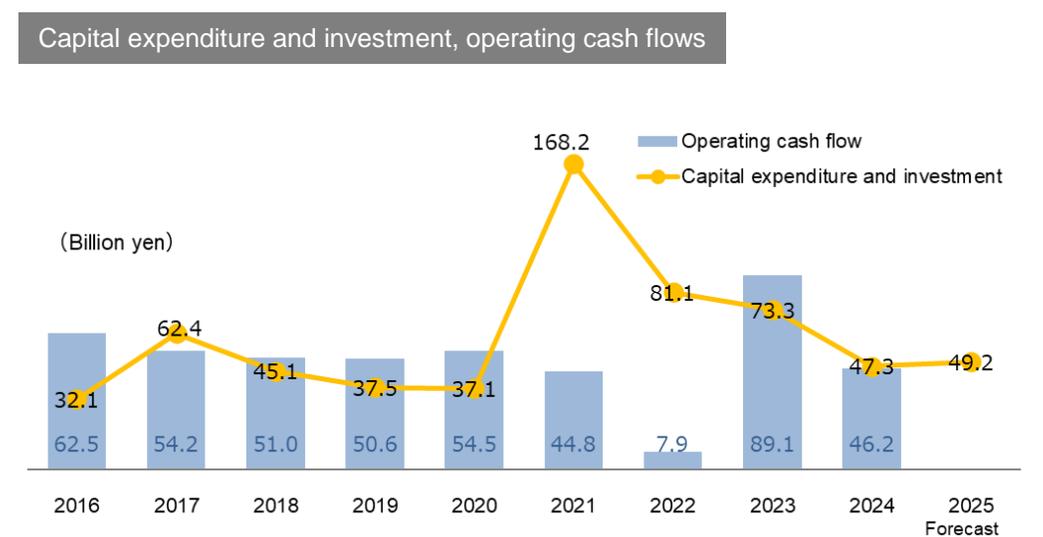
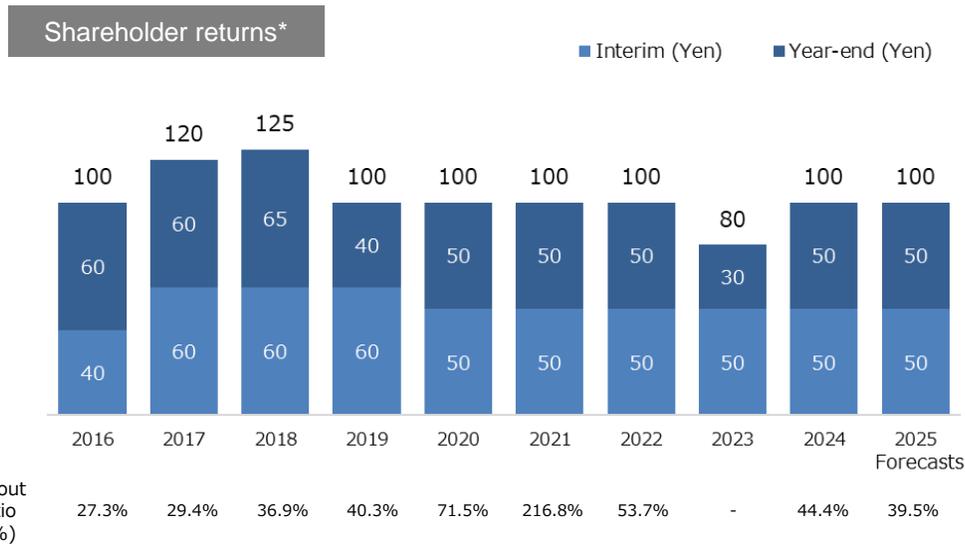
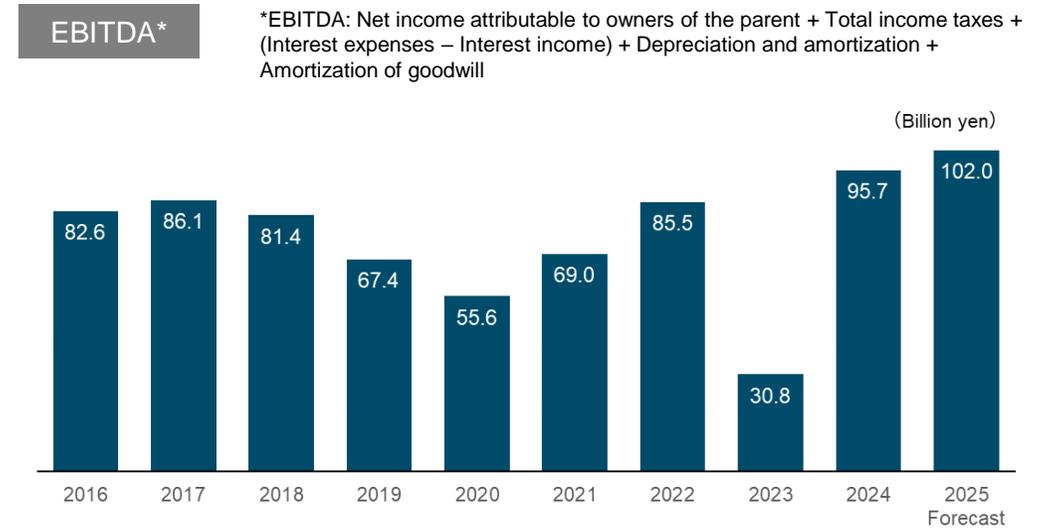
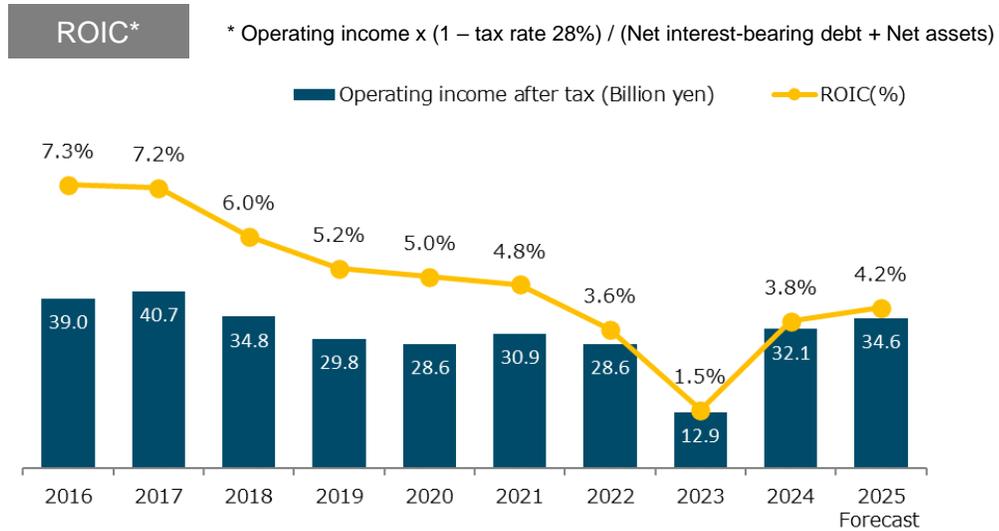


Financial health



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

Historical performance data (Reference)



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

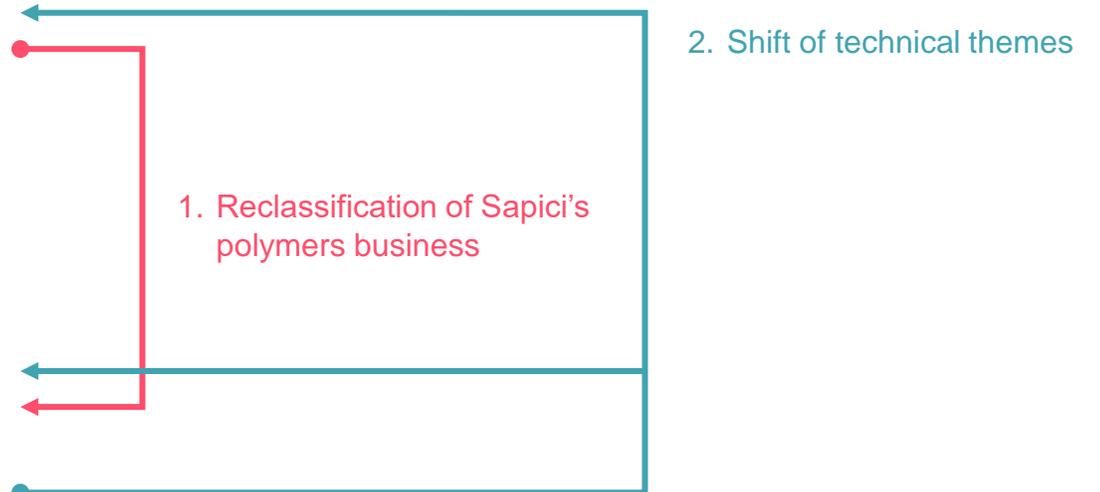
Regarding partial changes to disclosure beginning in fiscal year 2025

1. The polymers business of subsidiary Sapici S.p.A., a manufacturer of adhesives and polymers, previously accounted for in “The Americas and Europe” in the Packaging & Graphic segment will be moved to “Overseas” in the Functional Products segment. Sapici’s adhesives business will continue to be accounted for in the Packaging & Graphic segment.
2. Certain technical themes in the New Business Development Headquarters, accounted for in “Others, Corporate and eliminations,” were shifted to the relevant product or business division.
3. Unless otherwise indicated, the figures for fiscal year 2024 in these presentation materials have not been adjusted to reflect these changes.

(Billion yen)	2024 Net sales			2024 Operating income		
	Before	Change	After	Before	Change	After
Packaging & Graphic	569.8	-9.7	560.1	33.6	-1.9	31.6
Japan	129.0		129.0	6.3	-0.3	6.1
The Americas and Europe	367.0	-9.7	357.3	21.0	-1.7	19.3
Asia and Oceania	90.3		90.3	6.5		6.5
Eliminations	(16.6)		(16.6)	(0.3)		(0.3)
Color & Display	257.0		257.0	(0.3)		(0.3)
Japan	35.2		35.2	5.6		5.6
Overseas	236.3		236.3	(5.8)		(5.8)
Eliminations	(14.6)		(14.6)	(0.1)		(0.1)
Functional Products	286.3	9.7	296.0	21.0	0.4	21.4
Japan	181.7		181.7	11.3	-1.3	10.1
Overseas	137.9	9.7	147.5	9.7	1.7	11.4
Eliminations	(33.2)		(33.2)	(0.0)		(0.0)
Others, Corporate and eliminations	(41.9)	0.0	(41.9)	(9.8)	1.5	(8.2)
Total	1,071.1	0.0	1,071.1	44.5	0.0	44.5

Results for the Chemtronics Business Division (accounted for in the Functional Products segment)

Chemtronics Business Division	61.0	0.0	61.0	8.0	-0.4	7.6
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2. Shift of technical themes

Assumptions used in the preparation of this document

【FX rate】	2023				2024				2025 Assumptions
	Jan-Mar	Jan-Jun	Jan-Sep	Jan-Dec	Jan-Mar	Jan-Jun	Jan-Sep	Jan-Dec	Jan-Dec
Yen/US\$ average rate	133.02	135.88	138.81	140.51	147.58	152.13	150.43	151.04	150.00
Yen/US\$ closing rate	132.98	144.68	149.17	141.32	151.36	160.95	141.71	156.24	145.00

【Raw materials】	2023				2024				2025 Assumptions
	Jan-Mar	Apr-Jun	Jul-Sep	Oct-Dec	Jan-Mar	Apr-Jun	Jul-Sep	Oct-Dec	Jan-Dec
Crude oil (West Texas Intermediate) (US\$/bbl)	76.10	73.80	82.30	78.30	77.00	80.60	75.10	70.30	75.00-80.00
Naphtha produced in Japan (¥/kl)	66,500	67,500	63,600	72,800	72,500	79,000	76,900	73,000	75,000-80,000

【Fiscal year】

The fiscal year of all overseas and domestic companies in the DIC Group ends on December 31. This document presents consolidated results of the fiscal year 2024, ended December 31, 2024.

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



DIC Corporation