

January 7, 2019

DIC Corporation

2019 New Year's Message

The following is a New Year's message from Kaoru Ino, President and CEO of DIC:

Message

We made steady progress in our efforts to expand businesses that will drive growth, including functional pigments, polyphenylene sulfide (PPS) compounds and jet inks under our DIC108 medium-term management plan, which concluded in December 2018. We also implemented measures aimed at ensuring a more balanced financial position, as well as at enhancing shareholder returns by increasing our dividend payout ratio to around 30%, and at the same time shifted the focus of investments to promising new businesses such as security inks. Given the significant, persistent impact of rising raw materials prices and the depreciation of currencies in emerging European economies, we expect to report a decline in consolidated operating income in fiscal year 2018, the final year of DIC108. Viewed from different perspective, fiscal year 2018 was a year that further clarified the challenges we must confront going forward.

In fiscal year 2019, we will implement a new medium-term management plan. Guided by the new plan, we will work to bolster corporate value by addressing key imperatives arising from social changes— notably the spread of digitization—and from issues such as marine plastic pollution and food safety. We will also take forward-looking steps to transform our product portfolio by advancing qualitative changes in existing core businesses and creating new businesses with the potential to become new mainstays.

In my 2018 new year's message, I described my vision for DIC's future, but I would like to do so once again:

A unique global company that is trusted by society

- Possessing a wide range of global No.1 businesses that evoke our distinctive “Color & Comfort” brand slogan.
- Realizing corporate value through the promotion of diversity, thereby earning respect and admiration from the global community.
- Working with employees, customers and shareholders to create value and build an even more attractive DIC brand.

I look forward to all employees playing an active role in the year ahead while remaining mindful that ensuring the safety of our operations will always be our ultimate priority.