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Consolidated Financial Results for the Three Months Ended June 30, 2010 (Japan GAAP)
(Fiscal year ending March 31, 2011)

Company name: DIC Corporation

Listing Code number: 4631

URL: <http://www.dic.co.jp/en/index.html>

Representative: Kazuo Sugie, Representative Director, President and CEO

Contact Person: Hiroyuki Ninomiya, Corporate Controller, Accounting Department

Preparation of Supplemental Explanatory Materials: Yes

Holding of Quarterly Financial Results Meeting: No

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1. Consolidated Financial Results for the Three Months Ended June 30, 2010 (From April 1, 2010 to June 30, 2010)

Note: Yen amounts are rounded to the nearest million, except for per share information.

(1) Consolidated operating results

	Net sales		Operating income		Ordinary income		Net income	
	JPY (million)	%	JPY (million)	%	JPY (million)	%	JPY (million)	%
Three months ended June 30, 2010	196,806	15.0	10,214	384.8	9,262	—	6,028	—
Three months ended June 30, 2009	171,189	-33.6	2,107	-76.0	314	-95.6	188	-96.5

	Earnings per share basic		Earnings per share diluted	
	JPY	JPY	JPY	JPY
Three months ended June 30, 2010	7.26	—	—	—
Three months ended June 30, 2009	0.24	—	—	—

Note: The percentages of changes for net sales, operating income, ordinary income and net income represent rate of increases or decreases from the results of the corresponding period of the previous fiscal year.

(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 June 30, 2010	780,699	145,594	15.9	134.95
As of March 31, 2010	749,866	122,829	13.5	127.72

Note: Shareholders' equity (JPY million): As of June 30, 2010 123,828, As of March 31, 2010 101,034

2. Cash dividends

(Record date)	Cash dividends per share				
	End of 1st quarter	End of 2nd quarter	End of 3rd quarter	Year-end	Annual
FY2009	—	2.00	—	2.00	4.00
FY2010	—	—	—	—	—
FY2010 (Plan)	—	2.00	—	2.00	4.00

Note: Revision of the forecast for the dividends payment: No

3. Forecast for Consolidated Operating Results for the Fiscal Year Ending March 31, 2011 (From April 1, 2010 to March 31, 2011)

	Net sales		Operating income		Ordinary income		Net income		Earnings per share basic
	JPY (million)	%	JPY (million)	%	JPY (million)	%	JPY (million)	%	JPY
FY2010 First-half	390,000	8.4	20,000	159.8	16,000	436.7	8,000	—	9.15
FY2010	780,000	2.9	38,000	36.6	31,000	62.5	12,000	372.4	13.40

Note: Revision of the forecast for the consolidated operating results for the fiscal year ending March 31, 2011: Yes

4. Others

(1) Changes in the scope of consolidation for significant subsidiaries during the three months ended June 30, 2010 : No

Note: This item indicates whether there were changes in significant subsidiaries affecting the scope of consolidation during this period.

(2) Adoption of simplified accounting methods and special accounting methods: Yes

Note: This item indicates whether there was adoption of simplified accounting methods and special accounting methods for presenting quarterly consolidated financial statements.

(3) Changes in the significant accounting policies

1) Adoption of new accounting standard : Yes

2) Others : No

Note: This item indicates whether there were changes of accounting policies, accounting procedures and disclosures for presenting quarterly consolidated financial statements.

(4) Number of common stocks

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

As of June 30, 2010 919,372,048 shares, As of March 31, 2010 792,872,048 shares

2) Number of treasury stocks at the end of period

As of June 30, 2010 1,819,234 shares, As of March 31, 2010 1,814,322 shares

3) Average number of common stocks issued during period, excluding treasury stocks

For the three months ended June 30, 2010 829,826,118 shares, For the three months ended June 30, 2009 791,093,553 shares

Note: **Implementation status of quarterly review procedures**

Although these quarterly consolidated financial results are not subject to quarterly review procedures based on the Financial Instruments and Exchange Law, the quarterly consolidated financial statement review procedures have been completed at the time of disclosure of these financial results.

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

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.

Analysis of Results of Operations

The fiscal years of DIC Corporation and its domestic subsidiaries, with the exception of one company, end on March 31, while those of its overseas subsidiaries end on December 31. Accordingly, this document presents the accounts for the three months ended June 30, 2010, of DIC and its domestic subsidiaries and for the three months ended March 31, 2010, of its overseas subsidiaries.

(1) Overview of Operating Results

Bolstered by a continuous, gradual improvement in economic conditions since the April–June 2009 quarter, overall demand in the three months ended June 30, 2010, rose sharply from the corresponding quarter of the previous fiscal year, although it remained short of pre-recession levels.

In this environment, the DIC Group reported consolidated net sales of ¥196.8 billion, an increase of 15.0%, as all segments reported increases in sales both in Japan and overseas. Operating income soared 4.8 times, to ¥10.2 billion, owing to sales volume increases across the board and an improved product mix, among others.

(Billions of yen)

	Three months ended June 30, 2010	Three months ended June 30, 2009	Change (%)	Change (%) excluding the impact of foreign currency fluctuations
Net sales	¥196.8	¥171.2	15.0%	13.4%
Operating income	10.2	2.1	4.8 times	4.1 times
Ordinary income	9.3	0.3	29.5 times	—
Net income	6.0	0.2	32.1 times	—

Note: The exchange rates used to translate the results of overseas DIC Group companies for the three months ended June 30, 2010 and 2009, respectively, are as follows:
Exchange rate for the three months ended June 30, 2010: ¥91.09/US\$1.00 (average for the three months ended March 31, 2010)
Exchange rate for the three months ended June 30, 2009: ¥94.16/US\$1.00 (average for the three months ended March 31, 2009)

(2) Segment Results

	Net sales				Operating income (loss)			
	Three months ended June 30, 2010	Three months ended June 30, 2009	Change (%)	Change (%) excluding the impact of foreign currency fluctuations	Three months ended June 30, 2010	Three months ended June 30, 2009	Change (%)	Change (%) excluding the impact of foreign currency fluctuations
Printing Inks & Supplies	¥102.3	¥93.6	9.3%	6.9%	¥3.6	¥1.5	2.4 times	97.4%
Neo-Graphic Arts Materials	26.5	22.7	16.9%	18.4%	0.8	(0.1)	Return to profitability	Return to profitability
Synthetic Resins	39.1	32.7	19.6%	19.0%	3.8	1.7	2.3 times	2.3 times
Chemical Solution Materials	38.5	32.0	20.3%	20.0%	2.2	0.1	16.6 times	15.6 times
Others	1.7	1.0	64.0%	54.8%	0.9	0.1	9.3 times	7.6 times
Corporate and Eliminations	(11.4)	(10.9)	—	—	(1.0)	(1.2)	—	—
Total	¥196.8	¥171.2	15.0%	13.4%	¥10.2	¥2.1	4.8 times	4.1 times

Effective April 1, 2010, DIC revised its segments as shown below with the aim of building on its basic materials and core technologies to grow its businesses in a manner that responds to changing social imperatives. This reorganization is an important part of DIC's effort to shift from a product-specific to a market-focused management approach—thereby maximizing synergies and giving full play to the DIC Group's comprehensive capabilities—under its "DIC 102" medium-term management plan and to the realization of its "Color and Comfort by Chemistry" management vision.

Figures herein for the three months ended June 30, 2009, have been restated to reflect this change.

【Reorganization of Segments】

(Previous Segments)

Graphic Arts

- Printing inks
- Printing supplies
- Organic pigments
- Color and Comfort

Electronics and Information Materials

- Imaging and reprographic products
- Liquid crystal materials
- Engineering plastics
- Hollow-fiber membranes

Industrial Materials

- Synthetic resins
- Additives and chemicals

High Performance and Applied Products

- Special compounds and colorants
- Building materials
- Petrochemical-related products
- Pressure-sensitive adhesive materials
- Plastic molded products

(New Segments)

Printing Inks & Supplies

- Printing inks
- Printing supplies

Neo-Graphic Arts Materials

- Organic pigments
- Imaging and reprographic products
- Liquid crystal materials

Synthetic Resins

- Synthetic resins
- Additives and chemicals

Chemical Solution Materials

- Special compounds and colorants
- Building materials
- Packaging materials
(formerly petrochemical-related products)
- Pressure-sensitive adhesive materials
- Plastic molded products
- Engineering plastics
- Hollow-fiber membranes
- Color and Comfort

Segment results in key markets are presented as follows. Year-on-year percentage changes in squared parentheses represent increases or decreases excluding the impact of foreign currency fluctuations. Interregional transactions within the Printing Inks & Supplies segment are included. Accordingly, the aggregates of regional net sales and operating income figures below differ from the figures presented above.

Printing Inks & Supplies

Japan

Net sales	¥24.7 billion	Change	21.3%
Operating income	¥0.8 billion	Change	-10.5%

Overall sales of printing inks in Japan rose considerably, bolstered by the assumption of commercial rights for the domestic printing inks business of The Inctec, Inc., effective from the third quarter of the previous fiscal year. Sales of gravure inks were firm as demand for flexible packaging applications for beverage containers and food packaging remained steady. In contrast, offset inks and news inks struggled, owing to, respectively, falling demand for publishing and advertising leaflets amid declining print runs and page counts for newspapers.

Operating income declined, a consequence of the aforementioned sales results and rising prices for raw materials, among others.

The Americas and Europe

Net sales	¥66.1 billion	Change	4.9%	[2.8%]
Operating income	¥2.0 billion	Change	30.3 times	[6.1 times]

News inks and inks for publishing struggled in North America amid shrinking print runs for newspapers and magazines. Nonetheless, sales in North America and Europe were up for many products, notably mainstay packaging inks, owing to improved demand overall. In Central and South America, sales rose sharply, reflecting generally robust demand.

Operating income increased substantially, bolstered by the aforementioned sales results and by effective rationalization efforts, among others.

Asia and Oceania

Net sales	¥13.5 billion	Change	14.6%	[6.5%]
Operating income	¥1.0 billion	Change	30.7%	[23.6%]

Sales in the People's Republic of China (PRC) increased across the board, led by offset inks and gravure inks to export markets. In Southeast Asia, sales advanced, supported by firm demand for offset inks, gravure inks and other products. In Oceania, sales were down as offset inks and news inks struggled, although the depreciation of the yen resulted in an increase in sales in the region. In India, sales rose overall, owing to brisk demand.

Operating income rose, reflecting the aforementioned sales results.

Neo-Graphic Arts Materials

Net sales	¥26.5 billion	Change	16.9%	[18.4%]
Operating income	¥0.8 billion	Change	Return to profitability	Return to profitability

Sales of organic pigments were up sharply for use in printing inks, coatings and plastics both in Japan and overseas. Sales of jet inks increased, bolstered by the expansion of demand. In contrast, sales of TFT LCs fell steeply, owing to increasingly intense competition, as did sales of ultraviolet (UV)-curable coatings and bonding adhesives for optical discs, a consequence of such factors as falling demand for use on CDs and DVDs.

Owing to the aforementioned sales results, the segment returned to profitability.

Synthetic Resins

Net sales	¥39.1 billion	Change	19.6%	[19.0%]
Operating income	¥3.8 billion	Change	2.3 times	[2.3 times]

Demand rose overall, particularly for applications in the electrical and electronics industries, contributing to increased sales of most segment products, including epoxy resins, waterborne polyurethane resins, plasticizers and alkyl phenols.

Operating income rose, bolstered by a general increase in sales volume, as well as by an improved product mix.

Chemical Solution Materials

Net sales	¥38.5 billion	Change	20.3%	[20.0%]
Operating income	¥2.2 billion	Change	16.6 times	[15.6 times]

Sales of polyphenylene sulfide (PPS) compounds were up substantially, reflecting increased demand, particularly for use in hybrid vehicles. Rising demand also underscored increases in sales of most segment products, including polystyrene, high-performance compounds, industrial adhesive tapes and high-performance optical materials.

Operating income rose, bolstered by increases in sales volume across the board and an improved product mix.

(3) Operating Results Forecast for the Six Months Ending September 30, 2010, and the Fiscal Year Ending March 31, 2011

The DIC Group's results forecast has been revised from the initial forecast, released May 12, 2010, as follows.

(Billions of yen)

	Six months ending September 30, 2010 (Forecast)	Six months ended September 30, 2009	Change (%)	Fiscal year ending March 31, 2011 (Forecast)	Fiscal year ended March 31, 2010	Change (%)
Net sales	¥390.0 [¥380.0]	¥359.9	8.4%	¥780.0 [¥770.0]	¥757.8	2.9%
Operating income	20.0 [15.0]	7.7	2.6times	38.0 [35.0]	27.8	36.6%
Ordinary income	16.0 [12.0]	3.0	5.4times	31.0 [28.0]	19.1	62.5%
Net income	8.0 [3.0]	0.6	14.2times	12.0 [10.0]	2.5	4.7times

Note: Figures in squared parentheses are the initial forecast figures released on May 12, 2010.

Reason for Revision of Results Forecast

Demand is expected to be stronger than initially anticipated in the six months ending September 30, 2010, and the fiscal year March 31, 2011, particularly for applications in the electrical and electronics industries.

As a consequence, net sales and income are expected to outperform initial forecasts.

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.

Consolidated Quarterly Balance Sheets

(Millions of yen)

	As of June 30, 2010	As of March 31, 2010 (Summary)
(Assets)		
Current assets		
Cash and deposits	25,170	29,549
Notes and accounts receivable-trade	222,500	182,053
Merchandise and finished goods	72,526	71,631
Work in process	9,355	9,225
Raw materials and supplies	46,396	43,063
Other	31,031	34,905
Allowance for doubtful accounts	(8,756)	(8,668)
Total current assets	398,222	361,758
Noncurrent assets		
Property, plant and equipment		
Buildings and structures, net	97,285	97,874
Machinery, equipment and vehicles, net	77,949	78,593
Tools, furniture and fixtures, net	8,885	9,254
Land	59,495	59,828
Construction in progress	4,299	6,848
Total property, plant and equipment	247,913	252,397
Intangible assets		
Goodwill	1,601	1,704
Other	11,944	12,177
Total intangible assets	13,545	13,881
Investments and other assets		
Investment securities	29,763	30,404
Other	91,975	92,078
Allowance for doubtful accounts	(719)	(652)
Total investments and other assets	121,019	121,830
Total noncurrent assets	382,477	388,108
Total assets	780,699	749,866

Consolidated Quarterly Balance Sheets

(Millions of yen)

	As of June 30, 2010	As of March 31, 2010 (Summary)
(Liabilities)		
Current liabilities		
Notes and accounts payable-trade	121,987	121,661
Short-term loans payable	78,179	51,593
Commercial papers	9,200	200
Current portion of bonds	15,000	25,000
Income taxes payable	2,805	4,267
Provision for bonuses	3,180	2,911
Other	62,381	65,349
Total current liabilities	292,732	270,981
Noncurrent liabilities		
Bonds payable	41,000	41,000
Long-term loans payable	247,473	258,889
Provision for retirement benefits	28,081	29,391
Provision for product defect compensation	—	1,000
Asset retirement obligations	1,071	—
Other	24,748	25,776
Total noncurrent liabilities	342,373	356,056
Total liabilities	635,105	627,037
(Net assets)		
Shareholders' equity		
Capital stock	91,154	82,423
Capital surplus	88,758	80,027
Retained earnings	31,577	27,131
Treasury stock	(649)	(648)
Total shareholders' equity	210,840	188,933
Valuation and translation adjustments		
Valuation difference on available-for-sale securities	(181)	278
Deferred gains or losses on hedges	(385)	(217)
Pension liabilities adjustments	(21,335)	(22,036)
Foreign currency translation adjustment	(65,111)	(65,924)
Total valuation and translation adjustments	(87,012)	(87,899)
Minority interests	21,766	21,795
Total net assets	145,594	122,829
Total liabilities and net assets	780,699	749,866

Consolidated Quarterly Statements of Income (Year to Date)

(Millions of yen)

	Three months ended June 30, 2009	Three months ended June 30, 2010
Net sales	171,189	196,806
Cost of sales	138,400	154,779
Gross profit	32,789	42,027
Selling, general and administrative expenses		
Employees' salaries and allowances	10,745	9,939
Provision of allowance for doubtful accounts	148	437
Provision for bonuses	847	947
Retirement benefit expenses	1,721	1,246
Other	17,221	19,244
Total selling, general and administrative expenses	30,682	31,813
Operating income	2,107	10,214
Non-operating income		
Interest income	265	191
Dividends income	50	44
Foreign exchange gains	99	273
Equity in earnings of affiliates	258	340
Other	697	641
Total non-operating income	1,369	1,489
Non-operating expenses		
Interest expenses	2,021	1,750
Other	1,141	691
Total non-operating expenses	3,162	2,441
Ordinary income	314	9,262
Extraordinary loss		
Loss on disposal of noncurrent assets	385	733
Loss on adjustment for changes of accounting standard for asset retirement obligations	—	692
Severance costs	252	204
Total extraordinary losses	637	1,629
Income (loss) before income taxes and minority interests	(323)	7,633
Income taxes	(662)	1,126
Income before minority interests	—	6,507
Minority interests in income	151	479
Net income	188	6,028

Consolidated Quarterly statements of cash flows

(Millions of yen)

	Three months ended June 30, 2009	Three months ended June 30, 2010
Net cash provided by (used in) operating activities		
Income (loss) before income taxes and minority interests	(323)	7,633
Depreciation and amortization	8,799	8,170
Amortization of goodwill	166	147
Increase (decrease) in allowance for doubtful accounts	(224)	74
Increase (decrease) in provision for bonuses	1,390	268
Interest and dividends income	(315)	(235)
Equity in (earnings) losses of affiliates	(258)	(340)
Interest expenses	2,021	1,750
Loss (gain) on sales and retirement of noncurrent assets	385	733
Loss on adjustment for changes of accounting standard for asset retirement obligations	-	692
Decrease (increase) in notes and accounts receivable-trade	(24,265)	(38,344)
Decrease (increase) in inventories	4,516	(4,786)
Increase (decrease) in notes and accounts payable-trade	(14,684)	376
Other, net	(12,864)	(4,626)
Subtotal	(35,656)	(28,488)
Interest and dividends income received	905	528
Interest expenses paid	(2,153)	(1,575)
Income taxes paid	(3,800)	(2,937)
Net cash provided by (used in) operating activities	(40,704)	(32,472)
Net cash provided by (used in) investing activities		
Payments into time deposits	(61)	-
Proceeds from withdrawal of time deposits	141	-
Purchase of property, plant and equipment	(7,633)	(4,590)
Proceeds from sales of property, plant and equipment	63	132
Purchase of intangible assets	(26)	(226)
Proceeds from sales of intangible assets	1	2
Payments for purchase of subsidiaries and affiliates securities	-	(216)
Proceeds from sales of subsidiaries and affiliates securities	16	-
Purchase of investment securities	(22)	(66)
Proceeds from sales and redemption of investment securities	278	14
Other, net	62	64
Net cash provided by (used in) investing activities	(7,181)	(4,886)
Net cash provided by (used in) financing activities		
Net increase (decrease) in short-term loans payable	18,473	11,801
Increase (decrease) in commercial papers	(9,808)	9,000
Proceeds from long-term loans payable	54,124	4,750
Repayment of long-term loans payable	(6,169)	(227)
Redemption of bonds	(5,000)	(10,000)
Proceeds from issuance of common stock	-	17,462
Cash dividends paid	(2,373)	(1,582)
Cash dividends paid to minority shareholders	(180)	(442)
Net decrease (increase) in treasury stock	(3)	(1)
Other, net	(34)	(56)
Net cash provided by (used in) financing activities	49,030	30,705
Effect of exchange rate change on cash and cash equivalents	2,822	2,274
Net increase (decrease) in cash and cash equivalents	3,967	(4,379)
Cash and cash equivalents at beginning of period	20,094	29,549
Cash and cash equivalents at end of period	24,061	25,170