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**Consolidated Financial Results for the Six Months Ended September 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: Yes (for security analysts and institutional investors, etc.)

November 8, 2010  
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Scheduled filing date of securities report : November 12, 2010

Dividend Payment : December 1, 2010

**1. Consolidated Financial Results for the Six Months Ended September 30, 2010 (From April 1, 2010 to September 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)	%
Six months ended September 30, 2010	393,073	9.2	20,810	170.3	18,936	535.2	12,231	—
Six months ended September 30, 2009	359,861	-29.7	7,699	-55.3	2,981	-79.5	564	-94.5

	Earnings per share basic		Earnings per share diluted	
	JPY	JPY	JPY	JPY
Six months ended September 30, 2010	14.00	—	—	—
Six months ended September 30, 2009	0.71	—	—	—

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 September 30, 2010	749,179	138,635	15.6	127.02
As of March 31, 2010	749,866	122,829	13.5	127.72

Note: Shareholders' equity (JPY million): As of September 30, 2010 116,545, 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	—	2.00	—	—	—
FY2010 (Plan)	—	—	—	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	780,000	2.9	38,000	36.6	33,000	72.9	18,000	608.7	20.10

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 September 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 September 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 September 30, 2010 1,830,237 shares, As of March 31, 2010 1,814,322 shares

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

For the six months ended September 30, 2010 873,925,558 shares, For the six months ended September 30, 2009 791,087,981 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 September 30, 2010, of DIC and its domestic subsidiaries and for the three months ended June 30, 2010, of its overseas subsidiaries.

### (1) Overview of Operating Results

Bolstered by an ongoing, gradual improvement in economic conditions for the second consecutive quarter, overall demand in the three months ended September 30, 2010, was up compared with the second quarter of the previous fiscal year.

In this environment, the DIC Group reported consolidated net sales of ¥196.3 billion, up 4.0%, as all segments reported increases. Operating income rose 89.5%, to ¥10.6 billion, owing to an enhanced product mix and expanded sales volume across the board, among others. Ordinary income climbed 3.6 times, to ¥9.7 billion, as net interest expense declined. Net income climbed 16.5 times, to ¥6.2 billion.

(Billions of yen)

	Three months ended September 30, 2010	Three months ended September 30, 2009	Change (%)	Change (%) excluding the impact of foreign currency fluctuations
Net sales	¥196.3	¥188.7	4.0%	7.5%
Operating income	10.6	5.6	89.5%	89.0%
Ordinary income	9.7	2.7	3.6 times	—
Net income	6.2	0.4	16.5 times	—

## (2) Segment Results

(Billions of yen)

	Net sales				Operating income (loss)			
	Three months ended September 30, 2010	Three months ended September 30, 2009	Change (%)	Change (%) excluding the impact of foreign currency fluctuations	Three months ended September 30, 2010	Three months ended September 30, 2009	Change (%)	Change (%) excluding the impact of foreign currency fluctuations
Printing Inks & Supplies	<b>¥103.3</b>	¥102.2	1.1%	6.5%	<b>¥ 4.1</b>	¥ 1.9	2.1 times	2.3 times
Neo-Graphic Arts Materials	<b>27.4</b>	24.2	13.3%	18.6%	<b>1.4</b>	0.1	21.2 times	10.1 times
Synthetic Resins	<b>40.0</b>	36.3	10.2%	11.1%	<b>4.2</b>	3.0	39.9%	39.4%
Chemical Solution Materials	<b>37.9</b>	36.3	4.3%	4.4%	<b>2.0</b>	1.5	31.1%	30.0%
Others	<b>0.9</b>	0.7	15.9%	-6.3%	<b>(0.1)</b>	0.3	Into the red	Into the red
Corporate and Eliminations	<b>(13.3)</b>	(11.2)	—	—	<b>(1.0)</b>	(1.1)	—	—
Total	<b>¥196.3</b>	¥188.7	4.0%	7.5%	<b>¥10.6</b>	¥5.6	89.5%	89.0%

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.

## 【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

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 September 30, 2009, have been restated to reflect this change.

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	¥24.6 billion	Change	18.0%
Operating income	¥0.9 billion	Change	8.5%

Demand for gravure inks for flexible packaging applications—notably beverage containers and food packaging—remained level. Offset inks and news inks struggled, owing to, respectively, falling demand for publishing and advertising leaflets and declining print runs and page counts for newspapers. Nonetheless, overall sales of printing inks in Japan rose, 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.

Despite higher sales, operating income increased only slightly, reflecting rising prices for raw materials.

#### ***The Americas and Europe***

Net sales	¥65.7 billion	Change	-5.6%	[2.2%]
Operating income	¥1.7 billion	Change	10.6 times	[21.0 times]

Sales in North America and Europe rose, owing to firm demand for offset inks for use in advertising leaflets and catalogs and for gravure inks, and helped to offset falling sales of news inks and inks for publishing in North America, a consequence of shrinking print runs for newspapers and magazines. Central and South America saw a major upsurge in sales, reflecting significantly higher sales of mainstay packaging inks and a sharp increase in demand for all products. As a result, sales in the Americas and Europe advanced in local currency terms, but declined after translation into yen as a result of the appreciation of the Japanese currency.

Operating income increased, bolstered by higher sales in local currency terms and by effective rationalization efforts, among others.

### *Asia and Oceania*

Net sales	¥14.7 billion	Change	11.2%	[10.7%]
Operating income	¥1.5 billion	Change	49.8%	[52.0%]

Sales were up in both the People's Republic of China (PRC) and Southeast Asia, the former led by brisk sales of offset inks and gravure inks to export markets and the latter by healthy sales of offset inks and news inks. In Oceania, offset inks struggled, but sales of news inks were robust, supporting an increase in sales in the region. In India, sales were level, despite brisk sales of offset inks and news inks, owing to the transfer of DIC's local can coatings business.

Higher sales supported an increase in operating income.

### **Neo-Graphic Arts Materials**

Net sales	¥27.4 billion	Change	13.3%	[18.6%]
Operating income	¥1.4 billion	Change	21.2 times	[10.1 times]

Sales of organic pigments rose both in Japan and overseas, reflecting robust sales for use in color filters, as well as for use in printing inks, coatings and plastics. Sales of jet inks also increased in Japan and overseas. In contrast, sales of TFT LCs, which faced difficult odds as a result of increasingly intense competition, fell, as did sales of ultraviolet (UV)-curable coatings and bonding adhesives for optical discs, a consequence of falling demand for use on CDs and DVDs.

The segment reported an increase in operating income, owing to the increase in sales as well as to an improved product mix, among others.

### **Synthetic Resins**

Net sales	¥40.0 billion	Change	10.2%	[11.1%]
Operating income	¥4.2 billion	Change	39.9%	[39.4%]

Demand increased overall, particularly for applications in the electrical, electronics and automotive industries, contributing to higher sales of such products as epoxy resins, waterborne polyurethane resins and plasticizers, among others. In Asia, sales in both the PRC and Southeast Asia remained brisk, reflecting expanded demand.

Segment operating income rose, bolstered by the aforementioned sales results, as well as by an improved product mix, among others.

### Chemical Solution Materials

Net sales	¥37.9 billion	Change	4.3%	[4.4%]
Operating income	¥2.0 billion	Change	31.1%	[30.0%]

Sales of polyphenylene sulfide (PPS) compounds were up, due primarily to higher sales for use in hybrid vehicles. Sales of industrial adhesive tapes and high-performance optical materials also rose, notably for applications in the electrical and electronics industries. Expanded demand from the housing and construction industries supported an increase in sales of decorative boards.

Operating income advanced, owing to the increase in sales and to an improved product mix, among others.

For qualitative information on DIC's consolidated results in the three months ended June 30, 2010, please refer to the document titled *Consolidated Financial Results for the Three Months Ended June 30, 2010*, published on August 6, 2010.

### (3) Operating Results for the Six Months Ended September 30, 2010

(Billions of yen)

	Six months ended September 30, 2010	Six months ended September 30, 2009	Change (%)	Change (%) excluding the impact of foreign currency fluctuations
Net sales	<b>¥393.1</b>	¥359.9	9.2%	10.4%
Operating income	<b>20.8</b>	7.7	2.7 times	2.6 times
Ordinary income	<b>18.9</b>	3.0	6.4 times	—
Net income	<b>12.2</b>	0.6	21.7 times	—



#### (4) Operating Results Forecast for the Fiscal Year Ending March 31, 2011

The DIC Group's results forecast has been revised from the previous forecast, released on October 21, 2010, as follows.

(Billions of yen)

	<b>Fiscal year ending March 31, 2011 (Forecast)</b>	Fiscal year ended March 31, 2010	Change (%)	Change (%) excluding the impact of foreign currency fluctuations
Net sales	<b>¥780.0</b> [¥780.0]	¥757.8	2.9%	7.0%
Operating income	<b>38.0</b> [38.0]	27.8	36.6%	44.3%
Ordinary income	<b>33.0</b> [33.0]	19.1	72.9%	—
Net income	<b>18.0</b> [16.0]	2.5	7.1 times	—

Note: Figures in squared parentheses are forecasts released on October 21, 2010.

Owing to such factors as extraordinary income resulting from the transfer of a portion of its plastic pallets business to a third party, among others, DIC now expects net income to exceed its October 21, 2010, forecast.

#### 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 September 30, 2010	As of March 31, 2010 (Summary)
(Assets)		
Current assets		
Cash and deposits	20,275	29,549
Notes and accounts receivable-trade	218,338	182,053
Merchandise and finished goods	68,169	71,631
Work in process	9,001	9,225
Raw materials and supplies	45,586	43,063
Other	28,226	34,905
Allowance for doubtful accounts	(8,205)	(8,668)
Total current assets	381,390	361,758
Noncurrent assets		
Property, plant and equipment		
Buildings and structures, net	92,459	97,874
Machinery, equipment and vehicles, net	72,525	78,593
Tools, furniture and fixtures, net	8,483	9,254
Land	57,748	59,828
Construction in progress	4,816	6,848
Total property, plant and equipment	236,031	252,397
Intangible assets		
Goodwill	2,211	1,704
Other	12,197	12,177
Total intangible assets	14,408	13,881
Investments and other assets		
Investment securities	29,131	30,404
Other	88,786	92,078
Allowance for doubtful accounts	(567)	(652)
Total investments and other assets	117,350	121,830
Total noncurrent assets	367,789	388,108
Total assets	749,179	749,866

## Consolidated Quarterly Balance Sheets

(Millions of yen)

	As of September 30, 2010	As of March 31, 2010 (Summary)
(Liabilities)		
Current liabilities		
Notes and accounts payable-trade	118,597	121,661
Short-term loans payable	82,457	51,593
Commercial papers	4,000	200
Current portion of bonds	5,000	25,000
Income taxes payable	3,490	4,267
Provision for bonuses	2,809	2,911
Other	59,368	65,349
Total current liabilities	275,721	270,981
Noncurrent liabilities		
Bonds payable	41,000	41,000
Long-term loans payable	242,536	258,889
Provision for retirement benefits	26,269	29,391
Provision for product defect compensation	—	1,000
Asset retirement obligations	1,065	—
Other	23,953	25,776
Total noncurrent liabilities	334,823	356,056
Total liabilities	610,544	627,037
(Net assets)		
Shareholders' equity		
Capital stock	91,154	82,423
Capital surplus	88,758	80,027
Retained earnings	37,780	27,131
Treasury stock	(651)	(648)
Total shareholders' equity	217,041	188,933
Valuation and translation adjustments		
Valuation difference on available-for-sale securities	(353)	278
Deferred gains or losses on hedges	(431)	(217)
Pension liabilities adjustments	(20,058)	(22,036)
Foreign currency translation adjustment	(79,654)	(65,924)
Total valuation and translation adjustments	(100,496)	(87,899)
Minority interests	22,090	21,795
Total net assets	138,635	122,829
Total liabilities and net assets	749,179	749,866

## Consolidated Quarterly Statements of Income (Year to Date)

(Millions of yen)

	Six months ended September 30, 2009	Six months ended September 30, 2010
Net sales	359,861	393,073
Cost of sales	289,739	308,887
Gross profit	70,122	84,186
Selling, general and administrative expenses		
Employees' salaries and allowances	21,699	20,787
Provision of allowance for doubtful accounts	546	786
Provision for bonuses	663	992
Retirement benefit expenses	3,801	2,437
Other	35,714	38,374
Total selling, general and administrative expenses	62,423	63,376
Operating income	7,699	20,810
Non-operating income		
Interest income	688	552
Dividends income	115	135
Foreign exchange gains	—	610
Equity in earnings of affiliates	1,092	1,011
Other	1,058	1,435
Total non-operating income	2,953	3,743
Non-operating expenses		
Interest expenses	3,914	3,514
Foreign exchange losses	1,328	—
Other	2,429	2,103
Total non-operating expenses	7,671	5,617
Ordinary income	2,981	18,936
Extraordinary income		
Gain on transfer of business	—	605
Total extraordinary income	—	605
Extraordinary loss		
Loss on disposal of noncurrent assets	792	1,548
Loss on adjustment for changes of accounting standard for asset retirement obligations	—	692
Severance costs	1,407	325
Total extraordinary losses	2,199	2,565
Income before income taxes and minority interests	782	16,976
Income taxes	(238)	3,514
Income before minority interests	—	13,462
Minority interests in income	456	1,231
Net income	564	12,231

## Consolidated Quarterly Statements of Income (Quarter to Date)

(Millions of yen)

	Three months ended September 30, 2009	Three months ended September 30, 2010
Net sales	188,672	196,267
Cost of sales	151,339	154,108
Gross profit	37,333	42,159
Selling, general and administrative expenses		
Employees' salaries and allowances	10,954	10,848
Provision of allowance for doubtful accounts	398	349
Provision for bonuses	560	927
Retirement benefit expenses	2,080	1,191
Other	17,749	18,248
Total selling, general and administrative expenses	31,741	31,563
Operating income	5,592	10,596
Non-operating income		
Interest income	423	361
Dividends income	65	91
Foreign exchange gains	—	337
Equity in earnings of affiliates	834	671
Other	361	794
Total non-operating income	1,683	2,254
Non-operating expenses		
Interest expenses	1,893	1,764
Foreign exchange losses	1,427	—
Other	1,288	1,412
Total non-operating expenses	4,608	3,176
Ordinary income	2,667	9,674
Extraordinary income		
Gain on transfer of business	—	605
Total extraordinary income	—	605
Extraordinary loss		
Loss on disposal of noncurrent assets	407	815
Severance costs	1,155	121
Total extraordinary losses	1,562	936
Income before income taxes and minority interests	1,105	9,343
Income taxes	424	2,388
Income before minority interests	—	6,955
Minority interests in income	305	752
Net income	376	6,203

## Consolidated Quarterly statements of cash flows

(Millions of yen)

	Six months ended September 30, 2009	Six months ended September 30, 2010
Net cash provided by (used in) operating activities		
Income before income taxes and minority interests	782	16,976
Depreciation and amortization	17,712	16,429
Amortization of goodwill	338	291
Increase (decrease) in allowance for doubtful accounts	1,069	(208)
Increase (decrease) in provision for bonuses	866	(102)
Interest and dividends income	(803)	(687)
Equity in (earnings) losses of affiliates	(1,092)	(1,011)
Interest expenses	3,914	3,514
Loss (gain) on sales and retirement of noncurrent assets	792	1,548
Loss on adjustment for changes of accounting standard for asset retirement obligations	-	692
Loss (gain) on transfer of business	-	(605)
Decrease (increase) in notes and accounts receivable-trade	(51,729)	(45,378)
Decrease (increase) in inventories	13,535	(5,915)
Increase (decrease) in notes and accounts payable-trade	(7,823)	940
Other, net	(5,991)	(719)
Subtotal	(28,430)	(14,235)
Interest and dividends income received	1,203	751
Interest expenses paid	(3,796)	(3,566)
Income taxes paid	(5,168)	(5,201)
Net cash provided by (used in) operating activities	(36,191)	(22,251)
Net cash provided by (used in) investing activities		
Payments into time deposits	(80)	(1)
Proceeds from withdrawal of time deposits	143	-
Purchase of property, plant and equipment	(14,077)	(9,514)
Proceeds from sales of property, plant and equipment	592	847
Purchase of intangible assets	(517)	(681)
Proceeds from sales of intangible assets	2	24
Payments for purchase of subsidiaries and affiliates securities	-	(217)
Proceeds from sales of subsidiaries and affiliates securities	16	56
Purchase of investment securities	(36)	(385)
Proceeds from sales and redemption of investment securities	281	43
Payments for transfer of business	(1,143)	(1,269)
Other, net	122	(62)
Net cash provided by (used in) investing activities	(14,697)	(11,159)
Net cash provided by (used in) financing activities		
Net increase (decrease) in short-term loans payable	3,062	14,305
Increase (decrease) in commercial papers	(10,197)	3,800
Proceeds from long-term loans payable	80,994	12,797
Repayment of long-term loans payable	(11,197)	(7,017)
Redemption of bonds	(5,000)	(20,000)
Proceeds from issuance of common stock	-	17,462
Cash dividends paid	(2,373)	(1,582)
Cash dividends paid to minority shareholders	(214)	(479)
Net decrease (increase) in treasury stock	(3)	(3)
Other, net	(46)	(60)
Net cash provided by (used in) financing activities	55,026	19,223
Effect of exchange rate change on cash and cash equivalents	(258)	4,912
Net increase (decrease) in cash and cash equivalents	3,880	(9,275)
Cash and cash equivalents at beginning of period	20,094	29,549
Cash and cash equivalents at end of period	23,974	20,274