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Consolidated Financial Results for the Nine Months Ended December 31, 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

February 8, 2011
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1. Consolidated Financial Results for the Nine Months Ended December 31, 2010 (From April 1, 2010 to December 31, 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)	%
Nine months ended December 31, 2010	587,606	4.9	32,092	86.2	28,549	164.0	16,637	484.0
Nine months ended December 31, 2009	559,962	-25.5	17,236	-18.2	10,813	-31.2	2,849	-69.4

	Earnings per share basic		Earnings per share diluted	
	JPY	JPY	JPY	JPY
Nine months ended December 31, 2010	18.72	—	—	—
Nine months ended December 31, 2009	3.60	—	—	—

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 December 31, 2010	756,597	135,930	15.0	123.65
As of March 31, 2010	749,866	122,829	13.5	127.72

Note: Shareholders' equity (JPY million): As of December 31, 2010 113,448, 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: No

4. Others

(1) Changes in the scope of consolidation for significant subsidiaries during the three months ended December 31, 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 December 31, 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 December 31, 2010 1,854,642 shares, As of March 31, 2010 1,814,322 shares

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

For the nine months ended December 31, 2010 888,514,073 shares, For the nine months ended December 31, 2009 791,083,816 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 December 31, 2010, of DIC and its domestic subsidiaries and the accounts for the three months ended September 30, 2010, of its overseas subsidiaries.

(1) Overview of Operating Results

In the three months ended December 31, 2010, economic conditions continued to improve gradually in Japan—despite the elimination or curtailment of certain government consumer subsidies—and in overseas markets.

In this environment, net sales rose 3.1% excluding the impact of foreign currency fluctuations. This was due mainly to booming demand in Asia, particularly in the People's Republic of China (PRC), which countered flagging domestic demand for printing inks. However, owing to the appreciation of the yen, the DIC Group reported consolidated net sales of ¥194.5 billion for the period, a decline of 2.8%.

Operating income increased 18.3%, to ¥11.3 billion, reflecting rationalization measures and an enhanced product mix, among others.

(Billions of yen)

	Three months ended December 31, 2010	Three months ended December 31, 2009	Change (%)	Change (%) excluding the impact of foreign currency fluctuations
Net sales	¥194.5	¥200.1	-2.8%	3.1%
Operating income	11.3	9.5	18.3%	22.9%
Ordinary income	9.6	7.8	22.7%	—
Net income	4.4	2.3	92.8%	—

(2) Segment Results

(Billions of yen)

	Net sales				Operating income (loss)			
	Three months ended December 31, 2010	Three months ended December 31, 2009	Change (%)	Change (%) excluding the impact of foreign currency fluctuations	Three months ended December 31, 2010	Three months ended December 31, 2009	Change (%)	Change (%) excluding the impact of foreign currency fluctuations
Printing Inks & Supplies	¥100.1	¥112.6	-11.1%	-3.0%	¥4.1	¥4.3	-4.0%	4.0%
Neo-Graphic Arts Materials	27.1	25.7	5.5%	13.0%	2.0	0.4	4.5 times	4.3 times
Synthetic Resins	40.2	37.5	7.1%	9.1%	4.3	4.0	6.0%	6.8%
Chemical Solution Materials	38.2	36.5	4.7%	5.4%	1.9	2.0	-6.7%	-6.5%
Others	0.7	0.7	-1.1%	-0.4%	0.1	(0.1)	Return to profitability	Return to profitability
Corporate and Eliminations	(11.8)	(13.0)	—	—	(1.1)	(1.1)	—	—
Total	¥194.5	¥200.1	-2.8%	3.1%	¥11.3	¥9.5	18.3%	22.9%

Effective April 1, 2010, DIC revised its business segments as shown in the table above 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. Details of this reorganization are shown in the following diagram. Figures herein for the three months ended December 31, 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

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.

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	¥25.3 billion	Change	-14.2%
Operating income	¥1.1 billion	Change	-22.7%

Offset inks and news inks struggled, owing to factors including falling demand for use in publishing and advertising leaflets and declining print runs and page counts for newspapers. Despite steady demand for flexible packaging applications, particularly beverage containers and food packaging, sales of gravure inks were down, a consequence of such factors as a significant drop in demand for use on tobacco packaging prompted by a tobacco excise tax hike.

As a consequence of the aforementioned sales results, coupled with rising raw materials prices, among others, the segment reported a decline in operating income in the period under review.

The Americas and Europe

Net sales	¥61.9 billion	Change	-12.5%	[-0.1%]
Operating income	¥1.4 billion	Change	-18.1%	[-1.3%]

Sales of inks for use in advertising leaflets and catalogs and of packaging inks were robust in North America, but struggled in Europe, reflecting such factors as shrinking print runs for newspapers and magazines. Central and South America saw an increase in sales, thanks to elevated demand for all products, notably mainstay packaging inks. As a result, sales in the Americas and Europe were nearly level in local currency terms, but declined after translation into yen as a result of the appreciation of the Japanese currency.

Operating income was also essentially level in local currency terms as rationalization efforts offset the impact of rising raw materials prices, but declined after translation owing to the strength of the yen.

Asia and Oceania

Net sales	¥16.9 billion	Change	18.3%	[23.4%]
Operating income	¥1.7 billion	Change	21.3%	[25.8%]

Sales were up in both the PRC and Southeast Asia, the former bolstered by brisk sales of gravure inks to export markets and of news inks and the latter by firm sales of offset inks and gravure inks. In Oceania, sales declined, despite brisk sales of gravure inks, as offset inks struggled. In India, sales were up, buoyed by a major upsurge in sales of news inks, together with robust sales of offset inks and gravure inks. As a

consequence, overall sales in Asia and Oceania advanced.

Segment operating income rose, supported primarily by the increase in sales.

Neo-Graphic Arts Materials

Net sales	¥27.1 billion	Change	5.5%	[13.0%]
Operating income	¥2.0 billion	Change	4.5 times	[4.3 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 plastics, among others. Sales of jet inks were also brisk. Sales of TFT LCs, which had struggled as a result of increasing competition, increased as shipments to major customers for use in LCD televisions expanded rapidly. Sales of ultraviolet (UV)-curable coatings and bonding adhesives for optical discs declined, a consequence of falling demand for use on DVDs.

The segment reported higher operating income, owing to the aforementioned sales increase, as well as to such factors as an improved product mix.

Synthetic Resins

Net sales	¥40.2 billion	Change	7.1%	[9.1%]
Operating income	¥4.3 billion	Change	6.0%	[6.8%]

Despite signs of a decline in demand from the automotive and other industries in Japan, factors including increased demand for applications in the electrical and electronics industries in Asia, especially in the PRC, contributed to higher sales of such products as synthetic resins for coatings, polyurethane resins and plasticizers. In contrast, sales of epoxy resins were down as demand for use in copper-clad laminates and encapsulators flagged. Nonetheless, overall segment sales advanced.

Operating income rose, reflecting an improved product mix and increased sales, among others.

Chemical Solution Materials

Net sales	¥38.2 billion	Change	4.7%	[5.4%]
Operating income	¥1.9 billion	Change	-6.7%	[-6.5%]

Expanded demand from export markets for use in automotive components, and from the housing and construction industries, supported an increase in sales of polyphenylene sulfide (PPS) compounds, while

rising demand in Asia, particularly in the PRC, bolstered sales of high-performance optical materials and industrial adhesive tapes. The segment also saw higher sales of plastic colorants and polystyrene, driven by, respectively, robust demand from the housing and construction industries and expanded sales for use in lightweight containers.

Despite the increase in net sales, segment operating income declined, a consequence of such factors as rising raw materials prices.

For qualitative information on DIC's consolidated results in the three months ended June 30, 2010, and the three months ended September 30, 2010, please refer to the documents titled *Consolidated Financial Results for the Three Months Ended June 30, 2010*, published on August 6, 2010, and *Consolidated Financial Results for the Six Months Ended September 30, 2010*, published on November 8, 2010.

(3) Operating Results for the Nine Months Ended December 31, 2010

(Billions of yen)

	Nine months ended December 31, 2010	Nine months ended December 31, 2009	Change (%)	Change (%) excluding the impact of foreign currency fluctuations
Net sales	¥587.6	¥560.0	4.9%	7.8%
Operating income	32.1	17.2	86.2%	85.4%
Ordinary income	28.5	10.8	2.6 times	—
Net income	16.6	2.8	5.8 times	—

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

(Billions of yen)

	Fiscal year ending March 31, 2011 (Forecast)	Fiscal year ended March 31, 2010	Change (%)	Change (%) excluding the impact of foreign currency fluctuations
Net sales	¥780.0	¥757.8	2.9%	6.7%
Operating income	38.0	27.8	36.6%	41.2%
Ordinary income	33.0	19.1	72.9%	—
Net income	18.0	2.5	7.1 times	—

Note: Forecasts are unchanged from those published on November 8, 2010.

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 December 31, 2010	As of March 31, 2010 (Summary)
(Assets)		
Current assets		
Cash and deposits	20,083	29,549
Notes and accounts receivable-trade	232,100	182,053
Merchandise and finished goods	66,148	71,631
Work in process	8,966	9,225
Raw materials and supplies	50,479	43,063
Other	28,420	34,905
Allowance for doubtful accounts	(8,836)	(8,668)
Total current assets	397,360	361,758
Noncurrent assets		
Property, plant and equipment		
Buildings and structures, net	90,327	97,874
Machinery, equipment and vehicles, net	69,277	78,593
Tools, furniture and fixtures, net	8,133	9,254
Land	58,020	59,828
Construction in progress	5,171	6,848
Total property, plant and equipment	230,928	252,397
Intangible assets		
Goodwill	2,016	1,704
Other	11,242	12,177
Total intangible assets	13,258	13,881
Investments and other assets		
Investment securities	31,215	30,404
Other	84,358	92,078
Allowance for doubtful accounts	(522)	(652)
Total investments and other assets	115,051	121,830
Total noncurrent assets	359,237	388,108
Total assets	756,597	749,866

Consolidated Quarterly Balance Sheets

(Millions of yen)

	As of December 31, 2010	As of March 31, 2010 (Summary)
(Liabilities)		
Current liabilities		
Notes and accounts payable-trade	118,730	121,661
Short-term loans payable	80,369	51,593
Commercial papers	31,000	200
Current portion of bonds	5,000	25,000
Income taxes payable	4,527	4,267
Provision for bonuses	3,404	2,911
Other	58,730	65,349
Total current liabilities	301,760	270,981
Noncurrent liabilities		
Bonds payable	41,000	41,000
Long-term loans payable	228,251	258,889
Provision for retirement benefits	24,416	29,391
Provision for product defect compensation	—	1,000
Asset retirement obligations	1,055	—
Other	24,185	25,776
Total noncurrent liabilities	318,907	356,056
Total liabilities	620,667	627,037
(Net assets)		
Shareholders' equity		
Capital stock	91,154	82,423
Capital surplus	88,758	80,027
Retained earnings	40,351	27,131
Treasury stock	(655)	(648)
Total shareholders' equity	219,608	188,933
Valuation and translation adjustments		
Valuation difference on available-for-sale securities	111	278
Deferred gains or losses on hedges	(444)	(217)
Pension liabilities adjustments	(19,687)	(22,036)
Foreign currency translation adjustment	(86,140)	(65,924)
Total valuation and translation adjustments	(106,160)	(87,899)
Minority interests	22,482	21,795
Total net assets	135,930	122,829
Total liabilities and net assets	756,597	749,866

Consolidated Quarterly Statements of Income (Year to Date)

(Millions of yen)

	Nine months ended December 31, 2009	Nine months ended December 31, 2010
Net sales	559,962	587,606
Cost of sales	447,330	462,273
Gross profit	112,632	125,333
Selling, general and administrative expenses		
Employees' salaries and allowances	33,032	30,485
Provision of allowance for doubtful accounts	721	1,048
Provision for bonuses	1,111	1,222
Retirement benefit expenses	5,655	3,659
Other	54,877	56,827
Total selling, general and administrative expenses	95,396	93,241
Operating income	17,236	32,092
Non-operating income		
Interest income	1,059	887
Dividends income	133	155
Equity in earnings of affiliates	1,793	1,538
Other	1,826	1,842
Total non-operating income	4,811	4,422
Non-operating expenses		
Interest expenses	5,781	5,272
Foreign exchange losses	1,563	83
Other	3,890	2,610
Total non-operating expenses	11,234	7,965
Ordinary income	10,813	28,549
Extraordinary income		
Insurance income	—	990
Gain on transfer of business	—	605
Gain on sales of noncurrent assets	221	—
Total extraordinary income	221	1,595
Extraordinary loss		
Loss on disposal of noncurrent assets	1,547	2,443
Severance costs	1,851	925
Loss on adjustment for changes of accounting standard for asset retirement obligations	—	692
Impairment loss	—	174
Loss on liquidation of subsidiaries and affiliates	153	—
Total extraordinary losses	3,551	4,234
Income before income taxes and minority interests	7,483	25,910
Income taxes	3,441	7,457
Income before minority interests	—	18,453
Minority interests in income	1,193	1,816
Net income	2,849	16,637

Consolidated Quarterly Statements of Income (Quarter to Date)

(Millions of yen)

	Three months ended December 31, 2009	Three months ended December 31, 2010
Net sales	200,101	194,533
Cost of sales	157,591	153,386
Gross profit	42,510	41,147
Selling, general and administrative expenses		
Employees' salaries and allowances	11,333	9,698
Provision of allowance for doubtful accounts	175	262
Provision for bonuses	1,041	1,142
Retirement benefit expenses	1,854	1,222
Other	18,570	17,541
Total selling, general and administrative expenses	32,973	29,865
Operating income	9,537	11,282
Non-operating income		
Interest income	371	335
Dividends income	18	20
Equity in earnings of affiliates	701	527
Other	768	407
Total non-operating income	1,858	1,289
Non-operating expenses		
Interest expenses	1,867	1,758
Foreign exchange losses	235	693
Other	1,461	507
Total non-operating expenses	3,563	2,958
Ordinary income	7,832	9,613
Extraordinary income		
Insurance income	—	990
Gain on sales of noncurrent assets	221	—
Total extraordinary income	221	990
Extraordinary loss		
Loss on disposal of noncurrent assets	755	895
Severance costs	444	600
Impairment loss	—	174
Loss on liquidation of subsidiaries and affiliates	153	—
Total extraordinary losses	1,352	1,669
Income before income taxes and minority interests	6,701	8,934
Income taxes	3,679	3,943
Income before minority interests	—	4,991
Minority interests in income	737	585
Net income	2,285	4,406

Consolidated Quarterly Statements of Cash Flows

(Millions of yen)

	Nine months ended December 31, 2009	Nine months ended December 31, 2010
Net cash provided by (used in) operating activities		
Income before income taxes and minority interests	7,483	25,910
Depreciation and amortization	26,987	24,492
Impairment loss	—	174
Amortization of goodwill	521	436
Increase (decrease) in allowance for doubtful accounts	1,481	815
Increase (decrease) in provision for bonuses	1,957	493
Interest and dividends income	(1,192)	(1,042)
Equity in (earnings) losses of affiliates	(1,793)	(1,538)
Interest expenses	5,781	5,272
Loss (gain) on sales and retirement of noncurrent assets	1,326	2,443
Loss on liquidation of subsidiaries and affiliates	153	—
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	(71,684)	(59,018)
Decrease (increase) in inventories	17,069	(9,302)
Increase (decrease) in notes and accounts payable-trade	5,793	2,286
Other, net	(7,649)	(4,136)
Subtotal	(13,767)	(12,628)
Interest and dividends income received	1,437	882
Interest expenses paid	(5,895)	(5,228)
Income taxes paid	(7,716)	(9,102)
Net cash provided by (used in) operating activities	(25,941)	(26,076)
Net cash provided by (used in) investing activities		
Payments into time deposits	(15)	(38)
Proceeds from withdrawal of time deposits	128	—
Purchase of property, plant and equipment	(18,842)	(14,122)
Proceeds from sales of property, plant and equipment	1,226	954
Purchase of intangible assets	(755)	(632)
Proceeds from sales of intangible assets	6	39
Payments for purchase of subsidiaries and affiliates securities	(84)	(237)
Proceeds from sales of subsidiaries and affiliates securities	16	167
Purchase of investment securities	(45)	(1,223)
Proceeds from sales and redemption of investment securities	281	63
Payments for transfer of business	(1,353)	(1,243)
Proceeds from recollection of long-term notes receivable	4,727	4,467
Other, net	190	145
Net cash provided by (used in) investing activities	(14,520)	(11,660)
Net cash provided by (used in) financing activities		
Net increase (decrease) in short-term loans payable	(4,364)	17,396
Increase (decrease) in commercial papers	(6,196)	30,800
Proceeds from long-term loans payable	101,281	12,885
Repayment of long-term loans payable	(18,688)	(27,039)
Proceeds from issuance of bonds	3,000	—
Redemption of bonds	(20,000)	(20,000)
Proceeds from issuance of common stock	—	17,462
Cash dividends paid	(3,955)	(3,417)
Cash dividends paid to minority shareholders	(282)	(560)
Net decrease (increase) in treasury stock	(4)	(7)
Other, net	(112)	(107)
Net cash provided by (used in) financing activities	50,680	27,413
Effect of exchange rate change on cash and cash equivalents	(2,627)	819
Net increase (decrease) in cash and cash equivalents	7,592	(9,504)
Cash and cash equivalents at beginning of period	20,094	29,549
Cash and cash equivalents at end of period	27,686	20,045