

Q&A Summary of Presentation of Fiscal Year ended March 2024 Consolidated Financial Result	
Date and Time	May 13, 2024 (Monday) 13:00 – 14:30 (JST)
Presenters	<p><b>Yoshimi Ogawa</b>  Representative Director, President and CEO  Responsible for Institute of Human-oriented Management  Executive Consultant, Polyplastics Co., Ltd.</p> <p><b>Kotaro Sugimoto</b>  Representative Director, Senior Managing Executive Officer  General Manager, Corporate Support Headquarters  Responsible for Corporate Compliance Program Division  Responsible for Corporate Sustainability  Responsible for Digital Strategy Center</p> <p><b>Yasuhiro Sakaki</b>  Director, Senior Managing Executive Officer  General Manager, Corporate Planning &amp; Strategy Headquarters  General Manager, SCM Headquarters  Responsible for Safety SBU, Healthcare SBU, Material SBU,  Smart SBU and Life Sciences SBU</p> <p><b>Takashi Miyamoto</b>  Senior Managing Executive Officer  President and CEO, Polyplastics Co., Ltd.  General Manager, Performance Materials Headquarters</p> <p><b>Yoichi Nemoto</b>  Managing Executive Officer  Deputy General Manager, Corporate Support Headquarters  Division Manager, Financial Planning &amp; Control Division,  Corporate Support Headquarters</p> <p><b>Kazuya Kurosawa</b>  Executive Officer  Head, Material SBU</p>

	<p><b>Eiichi Ryobo</b>  Executive Officer  Head, Safety SBU  Chairperson, Daicel Safety Systems (Jiangsu)Co., Ltd.  Chairperson, Daicel Safety Technologies (Jiangsu) Co., Ltd.  Chairperson, Daicel Safety Systems Americas, Inc.</p> <p><b>Masahiko Hirokawa</b>  Executive Officer  Deputy General Manager, Corporate Support Headquarters  Division Manager, Investor Relations &amp; Corporate Communications</p> <p><b>Keisuke Gotoh</b>  Executive Officer, Polyplastics Co., Ltd.  General Manager, Corporate Strategy Division  Responsible for Topas Advanced Polymers GmbH(TAP) and Advanced Monomers Private Limited (AMPL)</p>
Presentation Material	Presentation "Fiscal Year Ended March 2024 Consolidated Financial Result" <a href="https://www.daicel.com/en/news/assets/pdf/20240509_7.pdf">https://www.daicel.com/en/news/assets/pdf/20240509_7.pdf</a> (Published on May 9, 2024)

■ Companywide

Q : Could you explain about the short-term, short-to-medium-term effects of the task force mentioned in Page.6 of the presentation material? Also, when will the effects be realized?

A : Regarding the Cellulose Task Force, which is a short-term issue, cost reduction effects are already being realized, and it will continue to increase. Wood pulp is cheaper than linter pulp, and its procurement is stable. By changing our production method, we are working to increase the variety of raw materials we can use from linter pulp to wood pulp, furthermore, cheaper grades of wood pulp. In addition to reducing raw material costs, eliminating restrictions on type of pulp will enable the company to create a timely production system that responds to demand fluctuations and reduces inventories. Regarding biodegradability, we will also consider

collaboration with external partners. The xEV Task Force will first focus on pyro-fuse in the safety business. We will strengthen marketing in Europe and China, and expect to see effects in the fiscal year ending March 2026. Regarding the Microdevice Task Force, which is a short- to medium-term issue, we will start operating a commercial resist polymer plant in the fiscal year ending March 2026. In the medium term, we will also implement it in the manufacturing process of peracetic acid derivatives and gunpowder in the safety business. Products with high-risk processes such as these are well-suited to Microdevices that can minimize handling volumes. There are technical challenges, but we will overcome them. We think it will take some time for Beyond Coating Task Force and Biomass Acetyl Chain Task Force. Working on these and other long-term themes from an early stage is likely to lead us to become a leader in these fields in the future. We would like to approach this with a long-term perspective.

#### ■ Smart Business

Q: Operating profit shows a downward trend. Is there a prospect of recovery in operating profit of each product?

A: Due to a low demand of semiconductor-related products in the fiscal year ended March 2024, sales volume of photoresist materials, solvents for electronic materials decreased. However, the demand of semiconductor-related products is in recovery trend recently. We prospect that the sales volume will recover in the fiscal year ending March 2025, then operating profit will be increase as well.

Regarding performance film, the sales volume of anti-glare films fell sharply due to a growing competition in the fiscal year ended March 2024, which made a large profit in the fiscal year ended March 2023.

In the fiscal year ending March 2025, we will increase the sales volume of in-vehicle films, release films and other performance films.

#### ■ Safety Business

Q: The financial result in the fourth quarter in the fiscal year ended March 2024 is smaller than that in the third quarter. Could you explain the background of this change? Also, I understand that the effect of start of operation at a production site in India and the consolidation of production regions in North America will be actualized throughout a year, is that right? It would be helpful if you give me

information about the prospect of the sales volume of inflator.

A: The reason why the financial result in the fourth quarter in the fiscal year ended March 2024 decreased is that the production adjustment of some Japanese automotive manufactures and the decrease in sales volume of Chinese automotive manufacture. Your understanding about the effect in the fiscal year ending March 2025 is correct. We have already installed two manufacture lines in production site in India in the fiscal year ended March 2024, and we will also add a manufacture line in the fiscal year ending March 2025. We plan to increase sales volume of inflator a little more than 10% compared to the previous fiscal year.

Q: Could you explain about the background of an increase in sales volume of inflator in China and India in the fiscal year ending March 2025? Is the number of inflators per an automobile increasing?

A: Regarding China, the factor of an increase in sales volume is market share expansion to the Chinese automotive manufactures. In India, the trend in six airbags is gradually spreading, however it is not so popular. Therefore, the main factor of an increase in sales volume in India is an increase in market share of our products and the market growth.

#### ■ Materials Business

Q: Regarding the prospect of in the fiscal year ending March 2025, could you explain the supply-demand environment of acetate tow, the number of sales volume and sales price, an increase in depreciation expense of acetic acid raw material plant (Carbon monoxide) compared to the previous fiscal year? Also, the effect of inventory prices in the fiscal year ended March 2024 was negative, how do you prospect the effect of inventory prices in the fiscal year ending March 2025?

A: We assume that the demand of acetate tow will continue to be strong from the fiscal year ended March 2024. We plan to increase the sales volume by a few percent compared to the previous fiscal year by making efforts of production and sales department, such as optimizing the production line and reduction in variety of products. We assume that the sales price will be lower than the current price due to a formula. The depreciation expense of acetic acid raw material plant (Carbon monoxide) in the fiscal year ending March 2025 will be increase approximately 9 billion yen compare to the previous fiscal year. Although the effect of inventory prices in the fiscal year ended March 2024 was negative due to an effect of

expensive inventories, it will be positive in the fiscal year ending March 2025.

■ Engineering Plastics Business

Q: When does the operation of each new plant of Polyplastics start?

A: LCP plant and POM plant (90,000 tons) are scheduled to operate during the third quarter of the fiscal year ending March 2025. COC plant is scheduled to operate during the first half of the fiscal year ending March 2027. As for POM plant (60,000 tons), we will shut down and relocate an existing facility from August to September 2024. The restart of operation is scheduled in the third quarter of the fiscal year ending March 2027.

Q: Could you explain about the plans for sales price for the fiscal year ending March 2025?

A: We will expand sales benefiting from economies of scale by increasing in production of POM and LCP. We will deliberately set low sales prices to ensure an increase in sales volume.

■ Financial Strategies

Q: Regarding your financial strategy, could you explain whether you plan to maintain your current financial structure?

A: Our current capital adequacy ratio is a little less than 50%, and the company is rated A+ by Japan Credit Rating Agency, Ltd. To maintain our fundraising capacity, we will keep this rating. The more the company grows, the more total assets and net assets increase. Therefore, we will implement equity controls and utilize interest-bearing debt.