



February 4, 2020

Daicel Corporation

Notice of Organizational Reform and Transfers of Executive Officers (As of April 1, 2020) **~ Towards a Corporate Group Offering Better Value to Meet Customer Needs~**

Daicel Corporation (Head Office: Kita-ku, Osaka, President & CEO: Yoshimi Ogawa) will conduct an organizational reform and transfers of Executive Officers as of April 1, 2020.

I. Summary

Daicel's corporate purpose is to contribute to improving the wellness of people's lives by providing "value" which meets social needs. In order to further achieve this purpose, we need to change our conventional business structure that is based on our technologies and products, to a "market-in" approach focusing on target markets and customers. The Company implemented an organizational reform on October 1, 2019 to strengthen corporate functions as the first step of the reform.

Following this first step, we will implement further organizational reform on April 1, 2020 and change our conventional "company system" where business departments are divided by technologies and products and govern all business dimensions – production, sales, and research and development (R&D). In April 2020, we will organize "Business Units (BUs)" based on target customers and markets. The BUs will be classified into two different Strategic Business Units (SBUs) – "Value-providing SBUs" that will deliver common value to target markets and "Material-providing SBU" that will offer additional value from the chain of technologies and materials that Daicel has long cultivated, regardless of markets.

Each SBU will have business planning, marketing, and R&D functions. Two Chain Production Companies will be established to take on the production functions according to common core technologies. Meanwhile, the Customer Center will be organized to integrate ordering, production planning, and logistics related functions. By doing so, Daicel will further improve its productivity in such areas as product quality and production cost and strengthen competitiveness by optimizing the entire value chain.

With this organizational reform, Daicel will further develop a "market-in" approach. The Company will flexibly transform the organizational structure to adequately and smoothly meet customer and market needs.

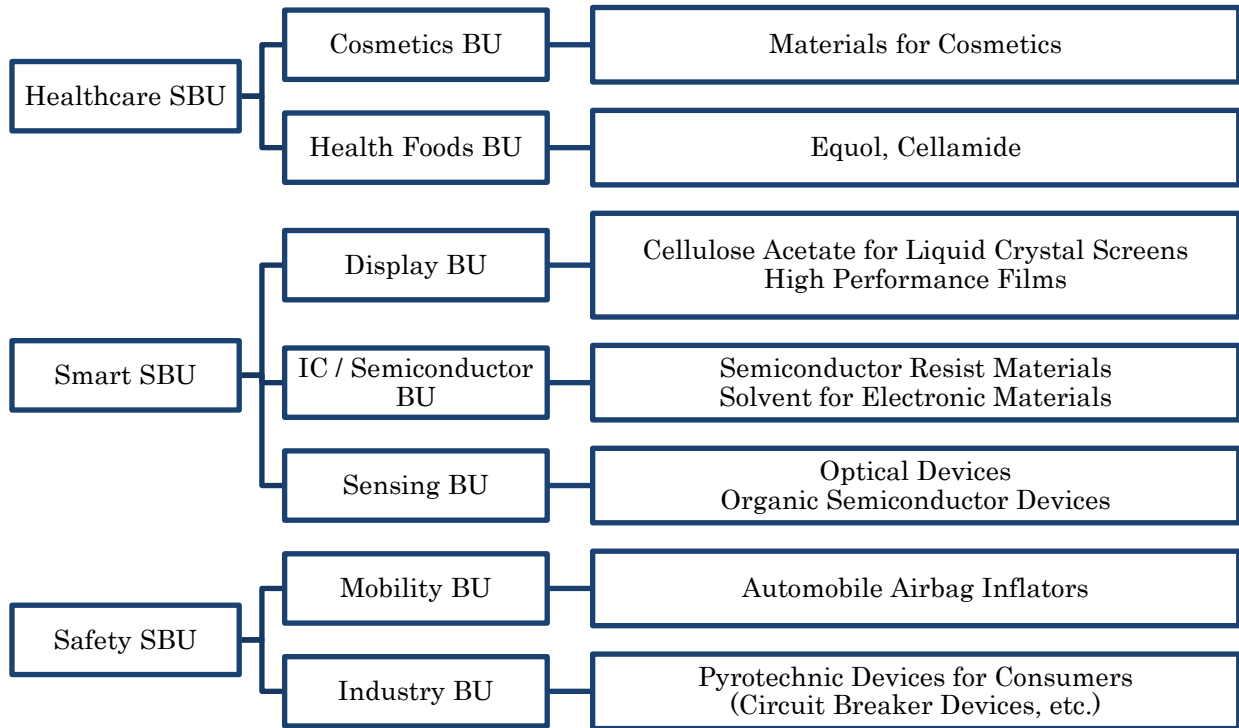
II. Organizational Structure Change

① Business Department: Shift to "Value-providing SBUs" – To Be More Conscious of Markets

Daicel has defined "Healthcare", "Smart", and "Safety" as "Universal Value" that will be continuously demanded even under conditions of rapid social change and will organize each value as "Value-providing SBUs". The Company will aim to be an "issue-discovering company", unearthing social needs and providing solutions by breaking the Company's conventional product-based business organizations and becoming more "market-in" focused.

BUs will be organized under each SBU based on product lineups in target markets. Every SBU will have sales, marketing, and R&D functions.

[Organization Structure and Main Products]

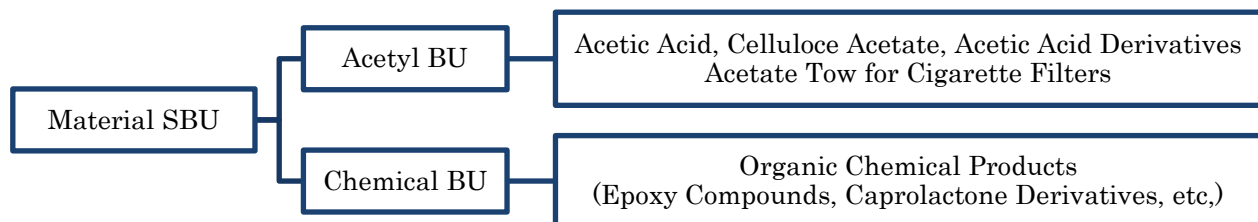


② **Business Department: Organizing “Material-providing SBU”**

– **Conducting Business with Long-cultivated Technologies and Products**

Daicel has identified particular businesses to promote using its conventional product-based system and will integrate these businesses into the “Material-providing SBU”, named “Material SBU”. Two BUs will be established under the Material SBU. The SBU holds sales, marketing, and R&D functions.

[Organizational Structure and Main Products]



③ **Production Department: Establishment of “Production Companies”**

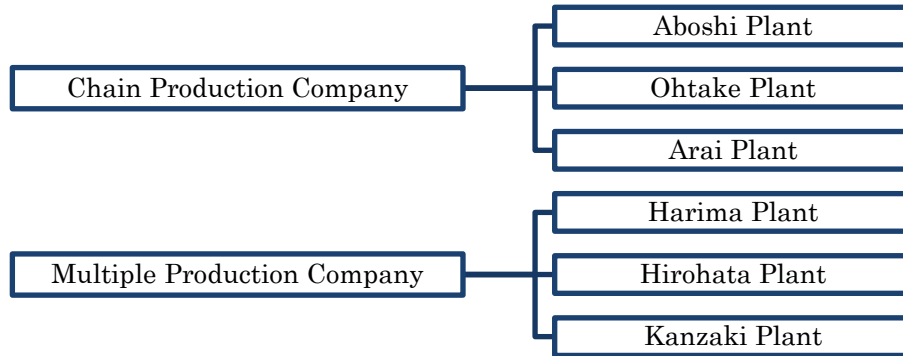
– **Strengthening Collaboration between Plants**

The Company has revised its production management structure and will change from its conventional system where each Plant operates independently. Plants will be divided according to production methods into two “Production Companies” and managed by the Companies together. Aboshi, Ohtake, and Arai Plants operated with consecutive processes will be placed under a “Chain Production Company” and Harima, Hirohata, and

Kanzaki Plants with assembly processes will be integrated into a “Multiple Production Company”.

Daicel will enhance its competitiveness in such areas as production efficiency, product quality, and production cost, by strengthening collaboration between Plants and creating synergistic effects.

[Organizational Structure]

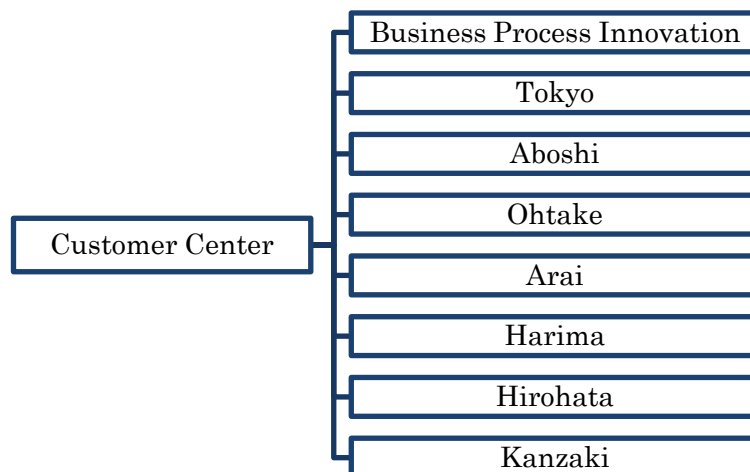


④ Establishment of “Customer Center”

– Connecting Customers and Daicel’s SBUs and Plants to Accelerate Collaboration

Previously, production planning, ordering, and logistics related functions were controlled by each business Company. However, from April 1, 2020, these functions will be integrated into a “Customer Center”. The purposes are to enhance collaboration between customers and Daicel’s SBUs and Plants and to improve effectiveness of production planning, ordering, and logistics related operations.

[Organizational Structure]



⑤ Merger of Group Companies

Daicel’s three Group Companies - Daicel Polymer Ltd. (Head Office: Minato-ku, Tokyo, President & CEO: Koichi Maruyama), Daicel FineChem Ltd. (HeadOffice: Chuo-ku, Tokyo, President & CEO: Kazuya Kurosawa), and Daicel Value Coating Ltd. (Head Office: Minato-ku, Tokyo, President & CEO: Yukio Yoshino) are scheduled to be merged by July 2020.



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III. Transfers of Executive Officers

In line with the organizational reform described above, Daicel will conduct the transfer of Executive Officers as below.

Name	New Position	Current Position
Kotaro Sugimoto (Managing Executive Officer)	Head of Corporate Support Headquarters Responsible for Corporate Compliance Program	Head of Corporate Support Headquarters Responsible for Corporate Compliance Program and Business Process Innovation
Yasuhiro Sakaki (Senior Managing Executive Officer)	Head of Strategic Planning Headquarters Responsible for Safety SBU and Healthcare SBU Chairman of Daicel Safety Systems Americas, Inc.	Head of Strategic Planning Headquarters Responsible for Aerospace & Defense Systems / Safety Systems Company Chairman of Daicel Safety Systems Americas, Inc.
Hidekage Kojima (Managing Executive Officer)	Responsible for Material SBU and Smart SBU	Responsible for Cellulose Company
Takashi Ueno (Managing Executive Officer)	Head of Production Management Headquarters President of Chain Production Company	Head of Production Management Headquarters General Manager of Ohtake Plant
Naohide Hakushi (Managing Executive Officer)	General Manager of Himeji Production Sector and Aboshi Plant, Chain Production Company President of Kyodo Sakusan Co., Ltd. Responsible for MAC-C Plant and 1,3-BG Plant Construction Projects	General Manager of Himeji Production Sector and Aboshi Plant President of Kyodo Sakusan Co., Ltd. Responsible for MAC-C Plant and 1,3-BG Plant Construction Projects
Yasuo Tsuji (Executive Officer)	General Manager of Arai Plant, Chain Production Company President of Daicel Arai Chemical Ltd.	General Manager of Arai Plant President of Daicel Arai Chemical Ltd.
Mikio Yagi (Executive Officer)	Responsible for Aerospace & Defense Systems of Safety SBU	Vice President of Aerospace & Defense Systems / Safety Systems Company
Naotaka Kawaguchi (Executive Officer)	General Manager of Safety SBU Chairperson of Daicel Safety Systems (Jiangsu)Co., Ltd. Chairperson of Daicel Safety Technologies (Jiangsu)Co., Ltd.	President of Aerospace & Defense Systems / Safety Systems Company Chairperson of Daicel Safety Systems (Jiangsu) Co., Ltd. Chairperson of Daicel Safety Technologies (Jiangsu) Co., Ltd.



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Hitoshi Hayashi (Executive Officer)	General Manager of Material SBU Chairperson of Daicel Nanning Food Ingredients Co., Ltd.	President of Organic Chemical Products Company and General Manager of Marketing Chairperson of Daicel Nanning Food Ingredients Co., Ltd.
Masaaki Fujio (Executive Officer)	General Manager of Kanzaki Plant, Multiple Production Company	General Manager of Kanzaki Plant
Akio Kojima (Executive Officer)	General Manager of Smart SBU	General Manager of Cellulose Company
Haruyoshi Tashika (Executive Officer)	General Manager of Ohtake Plant, Chain Production Company	Vice President of Organic Chemical Products Company General Manager of Production Management Head of Ohtake Production and Leader of Production

<For Inquiries>

Investor Relations & Corporate Communications

Daicel Corporation

TEL: +81-3-6711-8121