



FY2015 (4/2014 - 3/2015) Consolidated Financial Results

Develop New Value

DAICEL CORPORATION

May 13, 2015



FY2015 Consolidated Financial Results	P 3 ~ P 6
FY2016 Forecast	P 7 ~ P 11
Return to Shareholders	P 12
Trends in Plant and Equipment Investment	P 13
Depreciation	P 14
Information by Segment	P 15 ~ P 19
Topics	P 20 ~ P 24
References	P 25 ~ P 27
Information	P 28



FY2015 (4/2014 - 3/2015) Consolidated Financial Results

Develop New Value

A decorative graphic on the right side of the slide consisting of four parallel diagonal lines that converge towards the top right corner. The lines are colored blue, cyan, green, and purple from left to right.

Operating Results

(billion yen)

	FY2014 ('13/4-'14/3)	FY2015 ('14/4-'15/3)	Change	Y o Y (%)
Sales	413.8	443.8	+30.0	+7.2%
Operating profit	37.9	51.3	+13.4	+35.3%
Ordinary profit	41.4	55.1	+13.6	+32.9%
Net profit	22.8	31.3	+8.4	+36.8%
Exchange rate	Yen 100 / \$	Yen 110 / \$		
ROE	9.0%	10.5%		

Consolidated Profit and Loss Statement

	(billion yen)			
	FY2014 ('13/4 - '14/3)	FY2015 ('14/4 - '15/3)	Change	Remarks
Net Sales	413.8	443.8	+30.0	Quantity +8.0 Prices +22.0 (Exchange gain +22.6)
Gross profit	97.6	116.1	+18.6	
Selling, general and administrative expenses	59.7	64.8	+5.2	
Operating Profit	37.9	51.3	+13.4	Quantity effect +5.5 Other -6.2 Price impact +14.0 (Exchange gain +6.4)
Non-operating income and expenses	3.5	3.8	+0.2	Equity in earnings +4.5
Ordinary Profit	41.4	55.1	+13.6	
Extraordinary gain and loss	-0.6	-2.1	-1.5	
Profit before income taxes and minority interests	40.8	52.9	+12.1	
Income Taxes, Minority interests in profit (loss)	18.0	21.7	+3.7	
Net Profit	22.8	31.3	+8.4	
Exchange rate	¥ 100 / \$	¥ 110 / \$		

Analysis for Sales and Operating Profit

【Sales】

	FY2014 (^{'13/4} - ^{'14/3})	FY2015 (^{'14/4} - ^{'15/3})	Change	(billion yen)	
				Analysis Quantity	Prices
Cellulosic Derivatives	92.6	95.7	3.1	-3.9	7.0
Organic Chemicals	80.7	89.0	8.4	5.5	2.9
Plastics	154.0	169.5	15.5	7.1	8.4
Pyrotechnic Devices	80.1	83.6	3.5	-0.2	3.7
Other products	6.4	5.9	-0.5	-0.5	
Total	413.8	443.8	30.0	8.0	22.0

【Operating Profit】

	FY2014 (^{'13/4} - ^{'14/3})	FY2015 (^{'14/4} - ^{'15/3})	Change	Impact Analysis		
				Quantity	Prices	Other
Cellulosic Derivatives	19.1	25.7	6.6	-0.8	7.1	0.4
Organic Chemicals	6.0	9.5	3.4	3.8	2.4	-2.8
Plastics	11.0	15.9	4.9	3.0	4.1	-2.2
Pyrotechnic Devices	10.5	10.0	-0.4	-0.2	0.4	-0.7
Other products	0.3	0.0	-0.3	-0.3	0.0	0.0
Companywide	-9.0	-9.9	-0.8	0.0	0.0	-0.8
Total	37.9	51.3	13.4	5.5	14.0	-6.2



FY2016 Forecast (4/2015 – 3/2016)

Develop New Value



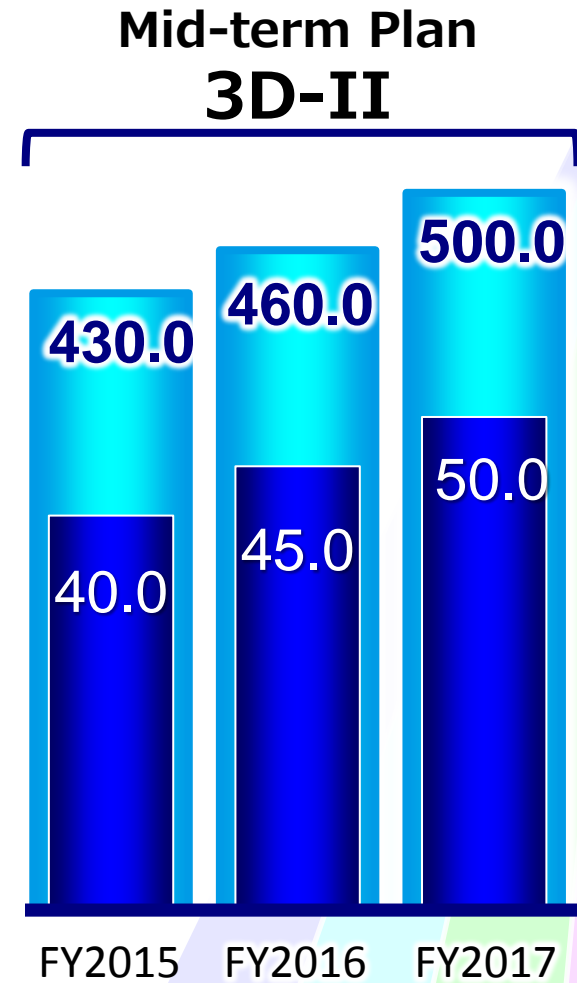
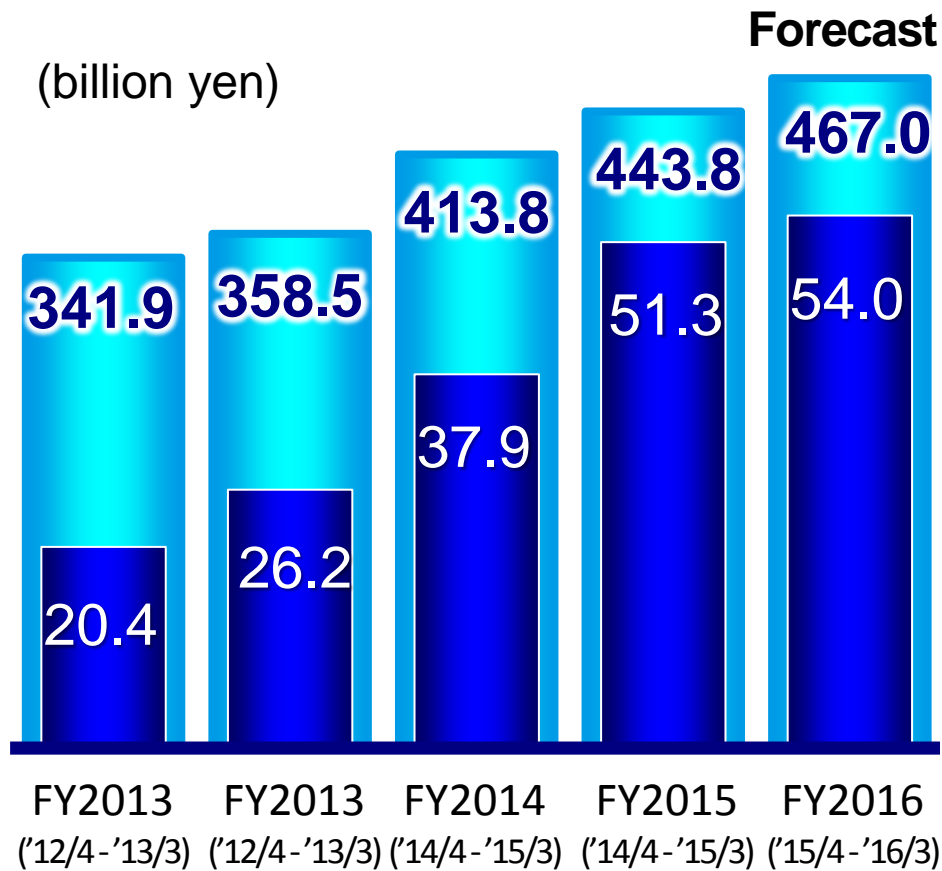
Assumptions

		FY2015 (4/2014 - 3/2015)		FY2016 (4/2015 - 3/2016)	
		First half Result	Second half Result	First half Result	Second half Plan
Exchange rate		Yen 103 / \$	Yen 117 / \$	Yen 115 / \$	Yen 115 / \$
Raw Materials	Methanol (Asian spot price)	US\$ 375 /ton	US\$ 326 /ton	US\$ 360 /ton	US\$ 360 /ton
	Crude oil, Dubai	US\$ 104 /bbl	US\$ 63 /bbl	US\$ 70 /bbl	US\$ 70 /bbl
	Domestic Naphtha	Yen 70,400 /kl	Yen 56,500 /kl	Yen 53,000 /kl	Yen 53,000 /kl

FY 2016 Forecast

	FY2015 (^{'14}/4 - ^{'15}/3) Results	FY2016 (^{'15}/4 - ^{'16}/3) Forecast	Change	Y o Y (%)
Sales	443.8	467.0	+23.2	+5.2%
Operating profit	51.3	54.0	+2.7	+5.3%
Ordinary profit	55.1	56.0	+0.9	+1.7%
Net profit attributable to stockholders of Daicel Corporation	31.3	35.0	+3.7	+12.0%
Exchange rate	Yen 110 / \$	Yen 115 / \$		

Trends in Sales and Operating Profit



Forecast of Sales and Operating Profit

【Sales】

(billion yen)

	FY2015 ('14/4 - '15/3)	FY2016 ('15/4 - '16/3)	Change
Cellulosic Derivatives	95.7	101.5	5.8
Organic Chemicals	89.0	87.3	-1.7
Plastics	169.5	174.0	4.5
Pyrotechnic Devices	83.6	97.5	13.9
Other products	5.9	6.7	0.8
Total	443.8	467.0	23.2

【Operating Profit】

	FY2015 ('14/4 - '15/3)	FY2016 ('15/4 - '16/3)	Change
Cellulosic Derivatives	25.7	25.0	-0.7
Organic Chemicals	9.5	8.9	-0.6
Plastics	15.9	19.0	3.1
Pyrotechnic Devices	10.0	11.4	1.4
Other products	0.0	0.3	0.3
Companywide	-9.9	-10.6	-0.7
Total	51.3	54.0	2.7

Return to Shareholders

◆ FY2015

Dividends for 2nd half: 13 yen per share

Comparison with expectation

of last announcement: 1 yen dividend increase

Comparison with the previous year: 4 yen dividend increase

Annual dividends: 21 yen per share

Comparison with the previous year: 6 yen dividend increase

The shareholder return ratio: 23.6%

* We have set a target of 30% for the shareholder return ratio in the 3D-II mid-term plan.

◆ Forecast of Annual dividends in FY2016:

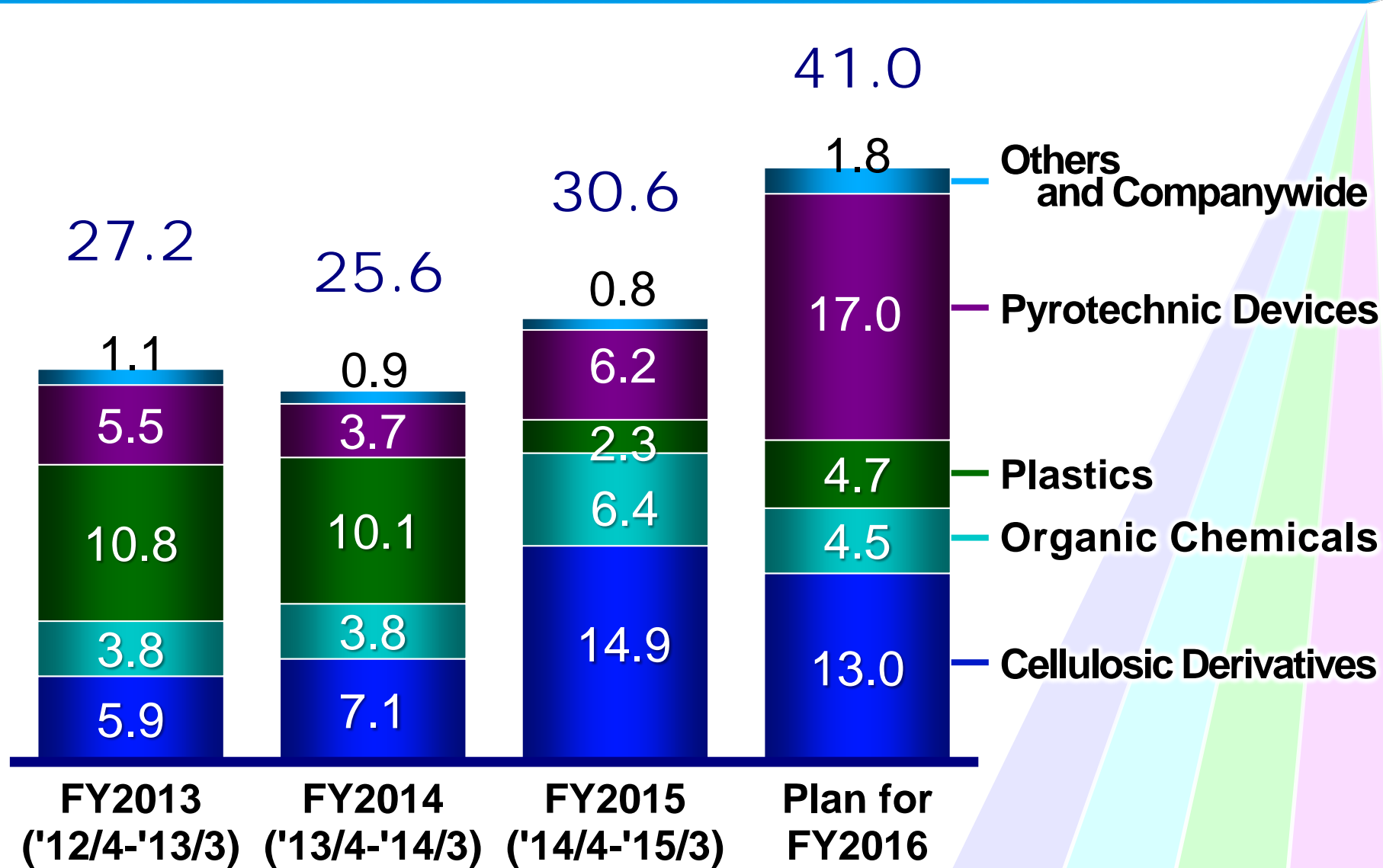
26 yen per share

Comparison with FY2015: 5 yen dividend increase

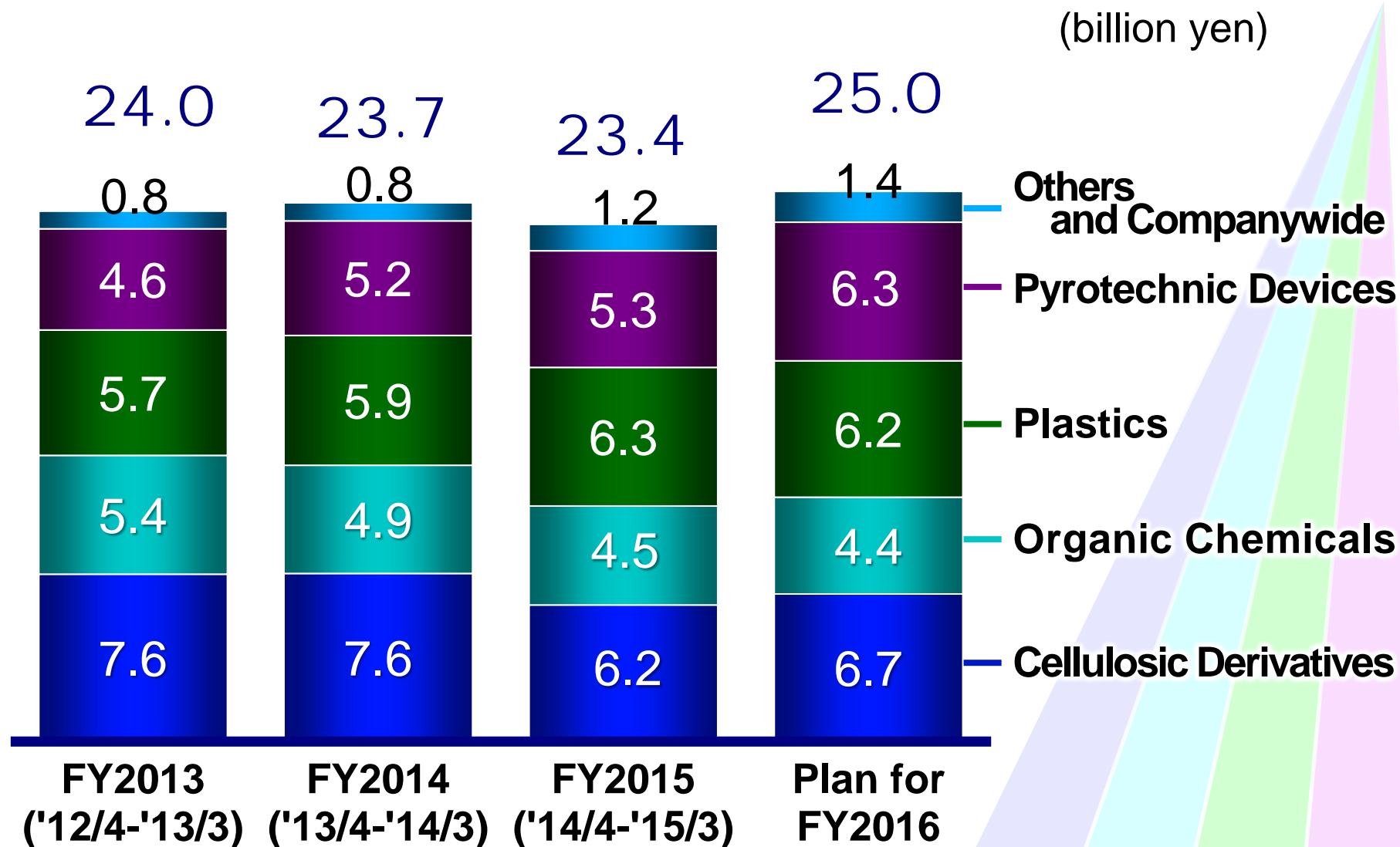
◆ Change in Number of Shares per Share Unit

The Company has changed the number of common shares per share unit to 100 from 1,000.

Trend for Investment in Plant and Equipment



Depreciation



Note: Increases associated with new consolidation not included.



Information by Segment

Develop New Value



Cellulosic Derivatives

Sales + 3.1 billion yen

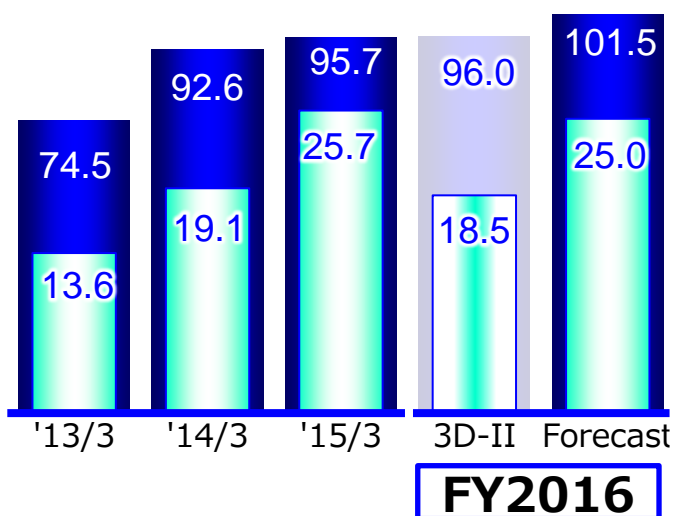
Foreign exchange gain 5.8 billion yen

- ◆ **Cellulose acetate** : Decreased in sales due to the decrease for LCD film applications, despite the increase of cigarette filter applications.
- ◆ **Acetate tow for cigarette filters** : Increased in sales due to the following factors:
 - Strong overseas sales.
 - Sales price increase.
 - The effect of the weak yen

Operating profit + 6.6 billion yen

Increased in profit due to sales price increase and the effect of the weak yen.

(billion yen)



FY2016 Forecast

◆ **Cellulose acetate**

Forecast increase in sales volume for cigarette filter applications through the remodeling of TAC manufacturing facility in Ohtake plant.

◆ **Acetate tow**

The next expansion has scheduled to start of production in FY2017. Therefore, production capacity will not change in FY2016. Sales volume will be leveling-off.

In the segment, forecast increase in sales, but decrease in profit.

Organic Chemicals

Sales

+ 8.4 billion yen

Foreign exchange gain

2.4 billion yen

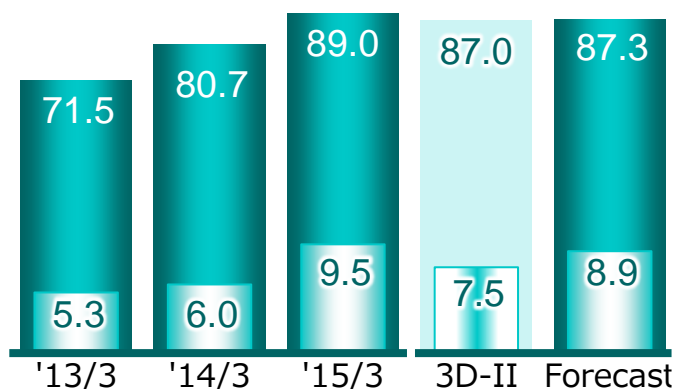
- ◆ **Acetic acid:** Increased in sales due to the following factors:
 - Strong sales for vinyl acetate and other applications.
 - In FY 2015, Aboshi plant did not schedule biennial repairs.
 - Sales price increase.
- ◆ **Organic commodity products :** Increased in sales due to sales price increase and the increase in sales quantity for e-materials, despite the decrease of coating applications.
- ◆ **Organic designed products :** Increased in sales due to strong overseas sales.
- ◆ **Chiral separation:** Increased in sales due to the increase in orders for separation service and the strong sales of columns in China and India.

Operating profit

+ 3.4 million yen

(billion yen)

Increased in profit due to the increase of sales volume and selling price correction.



FY2016

FY2016 Forecast

Forecast decrease in sales and profit due to the weaker acetic acid market and decrease in orders for separation service.

Sales

+ 15.5 billion yen

Foreign exchange gain

9.4 billion yen

◆ **Polyplastics:** + 13.7 billion yen (The company has changed its closing month from December to March.)

Increased in sales due to the impact of foreign exchange and the increase of sales quantity in electronic devices and automobile field.

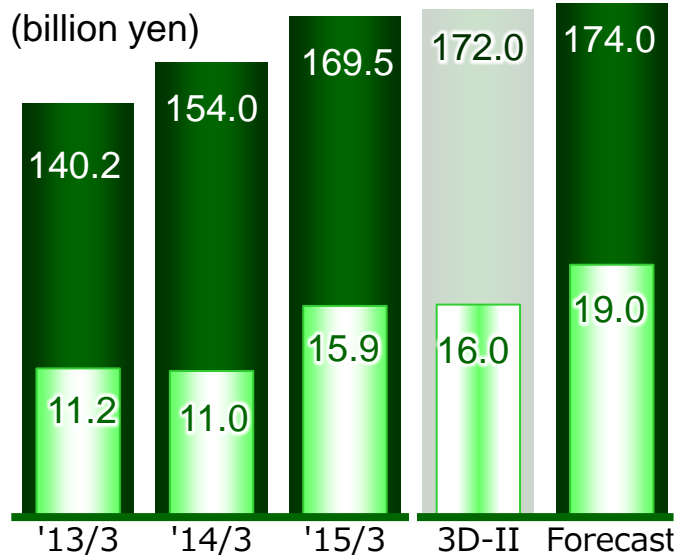
◆ **Daicel polymer Gr. :** + 1.0 billion yen

Increased in sales due to the strong demand for electronic parts and electrical appliances.

Operating profit

+ 4.9 billion yen

Increased in profit due to the impact of foreign exchange and increase in sales volume.



FY2016

FY2016 Forecast

◆ **Polyplastics**

- The continuation of strong demand in electronic devices and automobile field.
- Expand business in Europe and America.

Forecast increase in sales and profit.

Pyrotechnic Devices

Sales

+ 3.5 billion yen

Foreign exchange gain

5.2 billion yen

◆ Automobile Airbag Inflators :

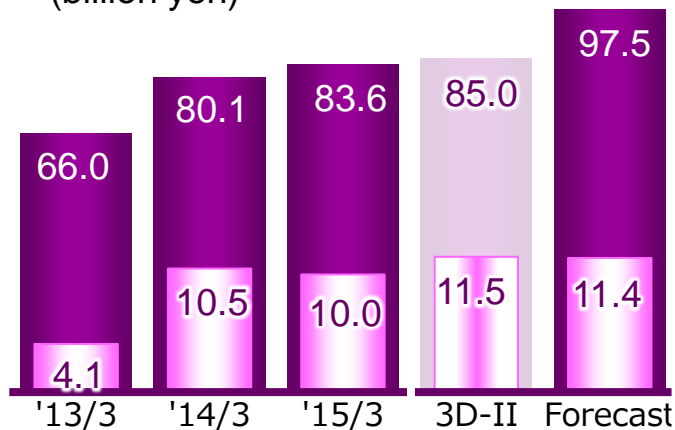
Although sales volume didn't increase through the effect of the sales decline after the spike in demand prior to the consumption tax hike, increased in sales due to the impact of foreign exchange.

Operating profit

- 0.4 billion yen

Decreased in profit due to the increase of expenses.

(billion yen)



FY2016

FY2016 Forecast

◆ Automobile Airbag Inflators

Forecast increase in sales and profit due to the increase in sales volume, despite the prior cost for establishment of the 2nd manufacturing plant in North America.



Topics

Develop New Value

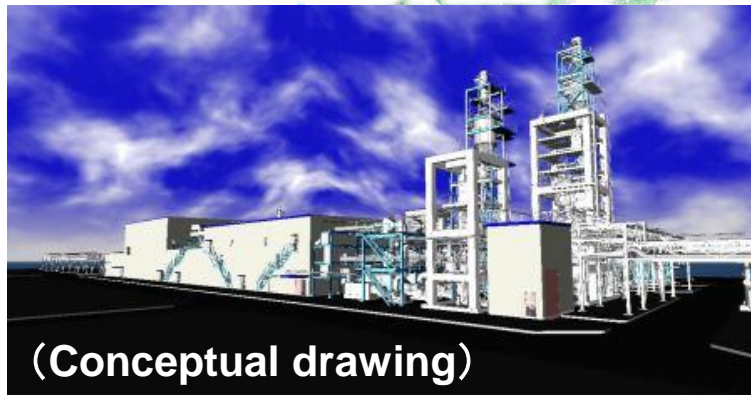
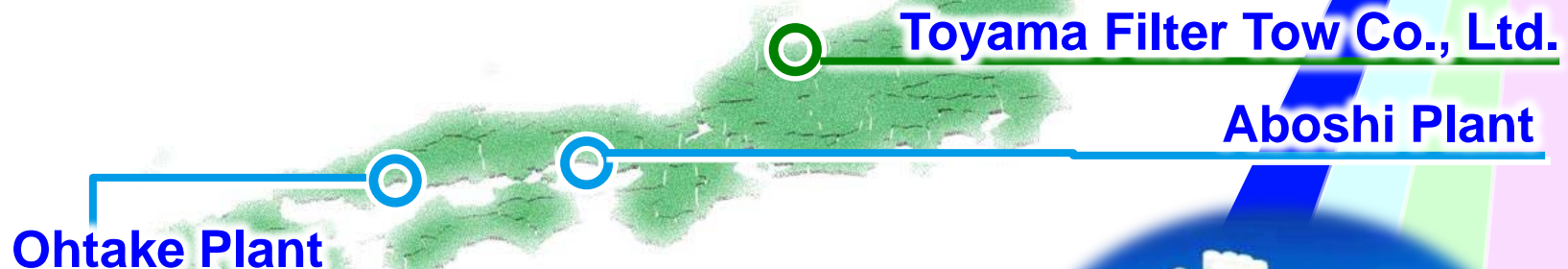


Expand acetate tow production facilities

In Ohtake, we will expand production facilities of acetate tow for cigarette filters.

The Company has scheduled the start of commercial production in the second half of FY 2017.

In addition, we will build a new pilot plant in Ohtake in order to strengthen R&D capability for acetate tow.



**Acetate tow
supply capacity
increase 10%**



Establish our 2nd Manufacturing Plant of the inflator in the Americas

Establish our 2nd Manufacturing Plant of the inflator in the Americas

Reinforce our automotive airbag inflator business in North and South America.

- 
- ◆ The location is the adjacent land of SDI in Mesa, Arizona.
 - ◆ Production and sales has scheduled to start early 2016.
 - ◆ In addition, plan to reinforce our sales office in Detroit, Michigan, to enhance prompt response to customer needs.

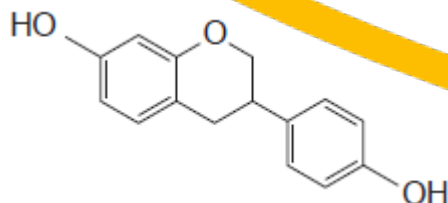


Acquired Unitika's Health business

DAICEL

“Reassurance, Safe, Eco friendly”

Developing new functional materials for health foods and supplements by advantage of biotechnology.

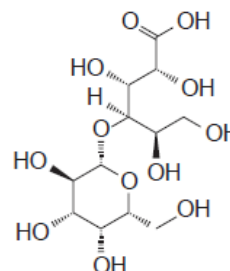


Equol

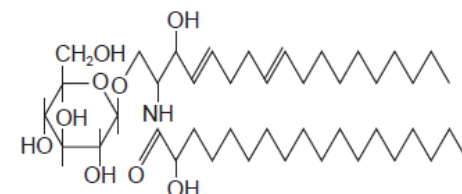
UNITIKA

Health supplements, functional food materials, and their sales channels

Lactobionic acid



Ceramide



Hanabiratake (beta-glucan)

In Japan, the new “Functionality displaying foods” system was launched in 1st April, 2015.

Thereby, to expect strong growth in the functional foods market.

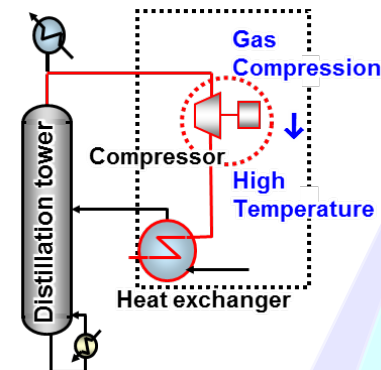


The new business unit will be created by our materials, technologies and the sales channel.

Development of energy conservation technology for distillation processes

VRC technology

Through compressing the low temperature steam generated from the distillation process, change to the high-temperature steam and to recover heat.



★ World's first application for distillation processes of organic solvents.



- ◆ Energy conservation of 30% is just in sight.
- ◆ We installed the VRC demonstration equipment at cellulose acetate manufacturing facility in Aboshi, and are advancing technical demonstration.





References

Develop New Value



Consolidated Balance Sheet

(billion Yen)

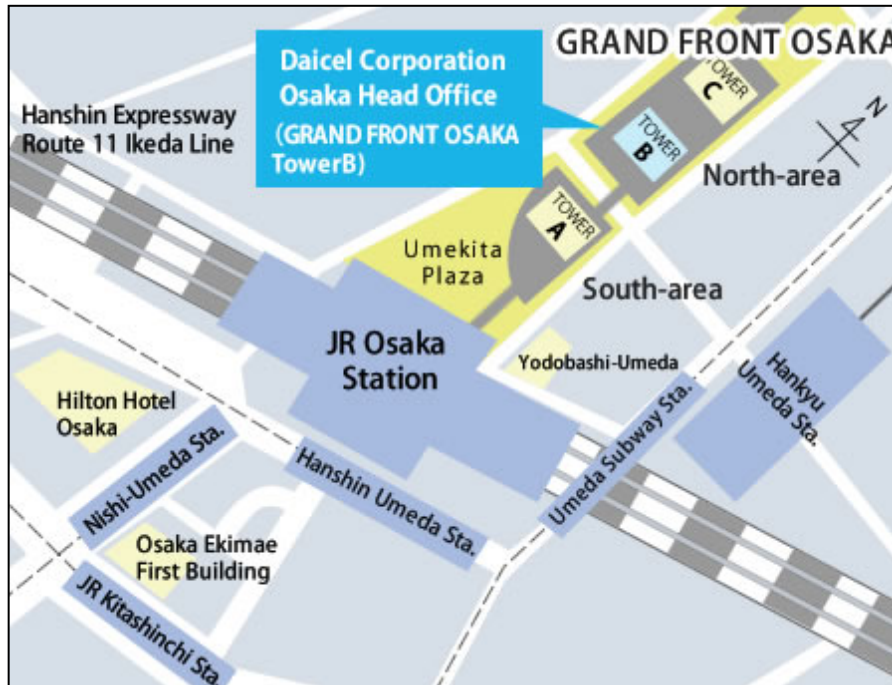
	End of March, 2014	End of March, 2015	Change	Remarks
Assets	261.0	279.8	+18.7	
Cash, Deposits and Short-term investment securities	68.2	69.8	+1.6	
Notes and accounts receivable-trade	85.6	83.4	-2.2	
Inventories	89.8	107.1	+17.3	
Other	17.4	19.5	+2.1	
Total noncurrent assets	248.8	285.5	+36.8	
Property, plant and equipment	157.0	166.9	+9.9	Acquisition: +30.1, Depreciation: -22.0 Assessed value (exchange conversion): +4.4
Intangible assets	13.6	13.2	-0.4	
Investments and other assets	78.1	105.4	+27.3	Investment securities: 22.1
Total assets	509.8	565.3	+55.5	
Liabilities	214.0	209.2	-4.9	
Interest-bearing Liabilities	105.9	87.0	-18.9	Interest-bearing liabilities ratio: 15.4%
Other	108.1	122.2	+14.0	
Net assets	295.8	356.2	+60.4	Capital adequacy ratio: 57.37%
Total liabilities and net assets	509.8	565.3	+55.5	

FY2016 Financial forecast (YOY)

	(billion yen)						
	FY2015 ('14/4-'15/3)			FY2016 ('15/4-'16/3)			Change (B) - (A)
	Result			Forecast			
	1st half	2nd half	Total (A)	1st half	2nd half	Total (B)	
Sales	218.7	225.1	443.8	230.0	237.0	467.0	23.2
Cellulosic Derivatives	48.0	47.7	95.7	50.5	51.0	101.5	5.8
Organic Chemicals	45.0	44.0	89.0	42.5	44.8	87.3	-1.7
Plastics	83.7	85.8	169.5	88.0	86.0	174.0	4.5
Pyrotechnic Devices	39.2	44.3	83.6	46.0	51.5	97.5	13.9
Other products	2.7	3.2	5.9	3.0	3.7	6.7	0.8
Operating Profit	25.4	25.9	51.3	26.5	27.5	54.0	2.7
Cellulosic Derivatives	12.8	12.9	25.7	12.6	12.4	25.0	-0.7
Organic Chemicals	4.4	5.0	9.5	4.5	4.4	8.9	-0.6
Plastics	8.0	7.9	15.9	9.7	9.3	19.0	3.1
Pyrotechnic Devices	4.8	5.2	10.0	5.1	6.3	11.4	1.4
Other products	0.0	-0.0	0.0	-0.0	0.3	0.3	0.3
Companywide	-4.7	-5.1	-9.9	-5.4	-5.2	-10.6	-0.7
Ordinary profit	26.5	28.6	55.1	27.5	28.5	56.0	0.9
Net profit attributable to stockholders of Daicel Corporation	17.0	14.3	31.3	17.5	17.5	35.0	3.7
Exchange rate (Yen/USD)	103	117	110	115	115	115	

Daicel Corporation will move its Osaka Head Office to GRAND FRONT OSAKA Tower B located on the north side of JR Osaka Station.

First business day at new location: July 21, 2015



Polyplastics Osaka branch also will move to the same place in the same time.

Notes regarding Forward-Looking Statements

- The purpose of this document is to provide information and not to persuade any individual to take any action in response to the information contained in this document. Daicel has made the greatest possible effort to prepare this document with accurate information. The information in this document, however, may be inaccurate and may involve risk, and we do not guarantee the accuracy or reliability of this information.
- The reader is advised that the use of the information in this document is at your own risk. Any investment according to the prospects, target values, etc. appearing in this document might result in a loss. Daicel accepts no responsibility for such an eventuality.

All rights reserved by Daicel Corporation

This document shall not be copied or distributed to a third party without the permission of Daicel Corporation.



**Based on Chemistry,
Expanding Beyond Chemistry**

