



FY 2015 3rd Quarter Consolidated Financial Results Briefing

***D**Develop New Value*

DAICEL CORPORATION

February 4, 2015



**FY 2015 3rd Quarter
Consolidated Financial Results**

P3~P6

FY 2015 Forecast

P7~P9

Return to Shareholders

P10

Information by Segment

P11~P15

References

P16~P18



FY 2015 3rd Quarter 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 3rd Quarter (A)	FY2015 3rd Quarter (B)	Change (B)-(A)	YoY (%)
Sales	303.2	333.1	+29.8	+9.8%
Operating profit	28.3	39.4	+11.2	+39.5%
Ordinary profit	31.8	43.6	+11.8	+37.2%
Net profit	19.0	26.0	+7.0	+36.9%
Exchange rate	99 ¥/\$	107 ¥/\$		

Consolidated Profit and Loss Statement

(billion yen)

	FY 2014 3rd Quarter (A)	FY 2015 3rd Quarter (B)	Change (B) – (A)	Remarks
Net Sales	303.2	333.1	+29.8	Quantity +14.9 Prices +15.0(Exchange gain +13.7)
Gross profit	72.5	86.8	+14.3	
Selling, general and administrative expenses	44.3	47.4	+3.1	
Operating Profit	28.3	39.4	+11.2	Quantity effect +6.4 Other -3.3 Price impact +8.0 (Exchange gain +4.1)
Non-operating income and expenses	3.5	4.2	+0.7	Improved Exchange gain or loss +0.3
Ordinary Profit	31.8	43.6	+11.8	
Extraordinary gain and loss	1.6	-0.5	-2.0	
Profit before income taxes and minority interests	33.4	43.2	+9.8	
Income Taxes,Minority interests in profit (loss)	14.4	17.2	+2.8	
Net Profit	19.0	26.0	+7.0	

Analysis for Sales and Operating Profit

【Sales】

(billion yen)

	FY 2014 3rd Quarter (A)	FY 2015 3rd Quarter (B)	Change (B) – (A)	Analysis	
				Quantity	Prices
Cellulosic Derivatives	68.0	72.6	+4.6	+0.3	+4.4
Organic Chemicals	58.6	67.9	+9.3	+6.0	+3.2
Plastics	113.9	127.8	+13.9	+8.4	+5.5
Pyrotechnic Devices	58.4	60.6	+2.3	+0.5	+1.8
Other products	4.4	4.0	-0.3	-0.3	
Total	303.2	333.1	+29.8	+14.9	15.0

【Operating Profit】

	FY 2014 3rd Quarter (A)	FY 2015 3rd Quarter (B)	Change (B) – (A)	Impact Analysis		
				Quantity	Prices	Other
Cellulosic Derivatives	13.6	+19.6	+6.0	+0.7	+5.4	-0.1
Organic Chemicals	4.4	+7.0	+2.7	+2.4	+1.6	-1.3
Plastics	9.3	+12.0	+2.7	+3.1	+0.8	-1.2
Pyrotechnic Devices	7.4	+7.7	+0.2	+0.3	+0.2	-0.3
Other products	0	-0.1	-0.1	-0.1	0	0
Companywide	-6.4	-6.8	-0.4	0	0	-0.4
Total	28.3	39.4	+11.2	+6.4	+8.0	-3.3



FY 2015 Forecast

***D**Develop New Value*

A decorative graphic on the right side of the slide consisting of four overlapping triangles that point towards the top right corner. The triangles are colored blue, cyan, green, and purple from left to right, creating a layered effect.

FY 2015 Forecast

(billion yen)

	FY 2014 Results (A)	FY 2015 Forecast (B)	Change (B) – (A)	Y o Y (%)
Sales	413.8	445.0	+31.2	+7.5%
Operating profit	37.9	51.0	+13.1	+34.5%
Ordinary profit	41.4	54.5	+13.1	+31.5%
Net profit	22.8	30.0	+7.2	+31.3%
Exchange rate	100 ¥/\$	109 ¥/\$		

Sales and Operating Profit (YoY)

【Sales】

(billion yen)

	FY 2014 Results (A)	FY 2015 Forecast (B)	Change (B) - (A)
Cellulosic Derivatives	92.6	95.3	+2.7
Organic Chemicals	80.7	89.5	+8.8
Plastics	154.0	170.5	+16.5
Pyrotechnic Devices	80.1	83.8	+3.7
Other products	6.4	5.9	-0.5
Total	413.8	445.0	+31.2

【Operating Profit】

	FY 2014 Results (A)	FY 2015 Forecast (B)	Change (B) - (A)
Cellulosic Derivatives	19.1	25.0	+5.9
Organic Chemicals	6.0	9.3	+3.3
Plastics	11.0	15.4	+4.4
Pyrotechnic Devices	10.5	10.6	+0.1
Other products	0.3	0.1	-0.2
Companywide	-9.0	-9.4	-0.4
Total	37.9	51.0	+13.1

The forecast for the 2nd half dividend will be increased by 2 yen over the last announcement

- ◆ **The dividend forecast for the 2nd half is 12 yen per share, an increase of 3 yen over the previous 2nd half.**

Thus, we will pay an annual dividend of 20 yen per share, a 5 yen per share increase over the previous year including the interim dividend.

The shareholder return ratio

FY 2012	FY 2013	FY 2014	FY 2015 <i>(Forecast)</i>
45.2%	27.5%	23.1%	23.4%

We have set a target of 30% for the shareholder return ratio*

* Dividends plus Acquired treasury stocks divided by Consolidated net income for the year



Information by Segment

***D**evelop New Value*

Four overlapping triangles of different colors (blue, cyan, green, and purple) pointing to the right, positioned on the right side of the slide.

Cellulosic Derivatives

Sales

+ 4.6 billion yen

Foreign exchange gain

+3.3billion yen

◆ Cellulose acetate :

Increased in sales due to a rise in cigarette filter applications, despite a decrease for LCD film applications.

◆ Acetate tow for cigarette filters :

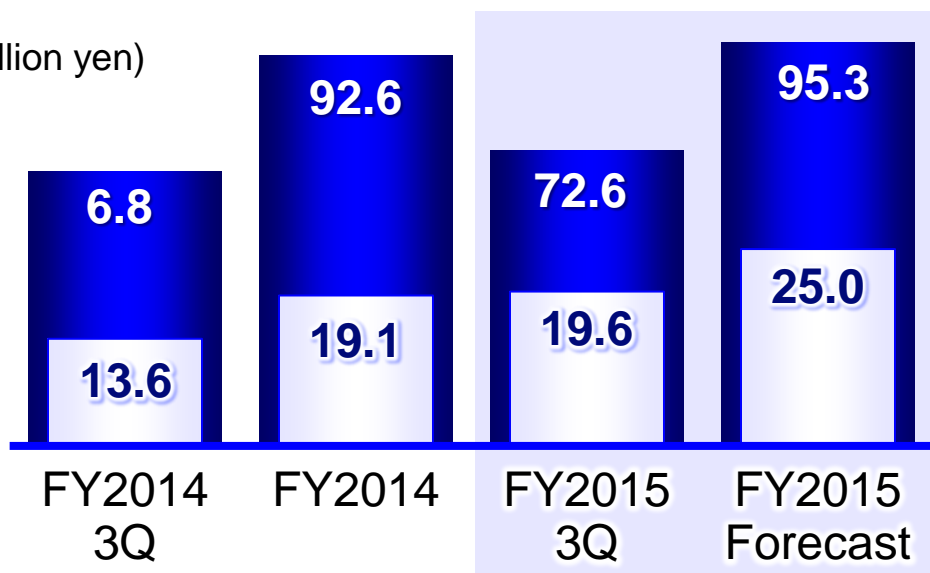
Sales increased buoyed by strong overseas sales ,the biennial periodical repairs in Aboshi Plant not implemented and the effect of the weak yen

Operating profit

+ 6.0 billion yen

Increased in profit due to a rise in sales volume and weak yen

(billion yen)



Organic Chemicals

Sales

+ 9.3billion yen

Foreign exchange gain

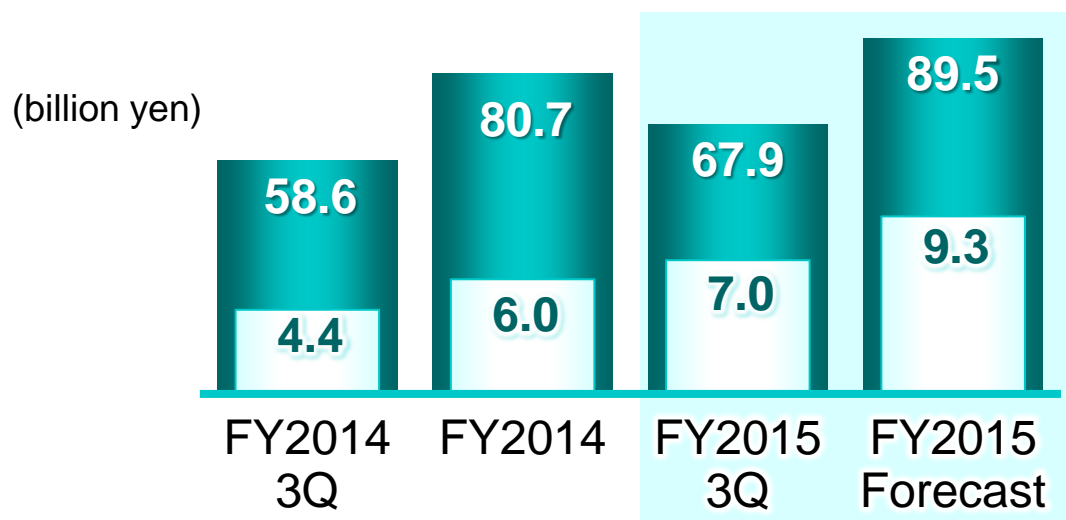
+1.4billion yen

- ◆ **Acetic acid:** Increased in sales due to the following factors:
 - Strong sales for vinyl acetate and other applications.
 - In FY 2015, Aboshi plant does not schedule biennial repairs.
 - Selling price correction
- ◆ **Organic commodity products :** Increased in sales due to selling price correction and increase in sales volume for electronic materials.
- ◆ **Organic designed products :** Increased in sales due to strong overseas sales.
- ◆ **Chiral separation:** Increased in sales due to an increase in orders for separation services and strong sales of columns in China and India.

Operating profit

+ 2.7 billion yen

Increased in profit due to a rise in sales volume and selling price correction



Plastics

Sales

+ 13.9billion yen

Foreign exchange gain

+5.9billion yen

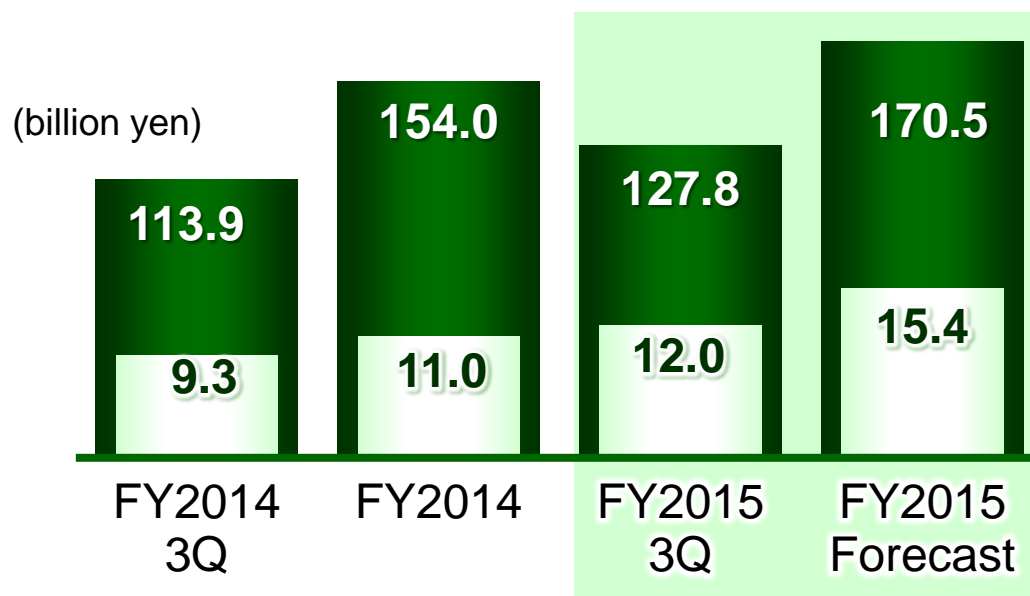
- ◆ **Polyplastics:** + 12.5 billion yen (The company has changed its closing month from December to March)
Increased in sales due to the impact of foreign exchange and an increase of sales volume in electronic devices and the automobile field.

- ◆ **Daicel polymer Gr. :** + 1.0 billion yen
Increased in sales due to the strong demand for electronic parts and electrical appliances.

Operating profit

+2.7billion yen

Increased in profit due to a rise in sales volume and weak yen



Pyrotechnic Devices

Sales

+ 2.3billion yen

Foreign exchange gain

+3.0 billion yen

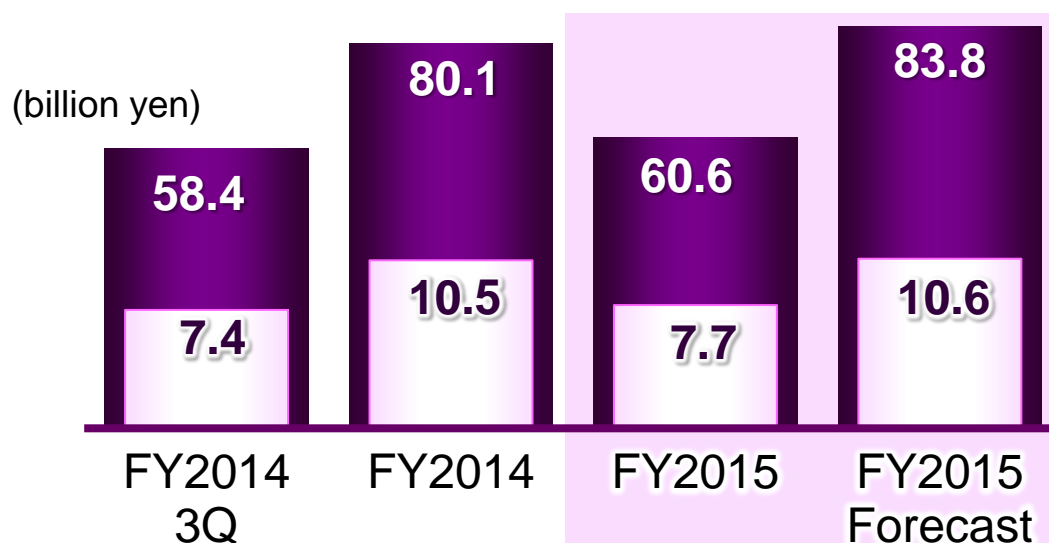
◆ Automobile Airbag Inflators :

Despite the effect of the sales decline after the spike in demand prior to the consumption tax hike in Japan, sales increased due to the impact of foreign exchange rates an increase of sales volume in EU and ASEAN, along with the start of large-scale commercial operations in Korea.

Operating profit

+ 0.2billion yen

Increased in profit due to a rise in sales volume and weak yen





References

Develop New Value



Consolidated Balance Sheet

(billion yen)

	End of Mar.2014 (A)	End of Dec.2014 (B)	Change (B) - (A)	Remarks
Assets	261.0	284.8	+23.8	
Cash, Deposits and	68.2	61.4	-6.8	
Short-term investment securities				
Notes and	85.6	95.6	+10.1	
accounts receivable-trade				
Inventories	89.8	105.8	+16.0	
Other	17.4	21.9	+4.5	
Total noncurrent assets	248.8	276.2	+27.4	
Property, plant and equipment	157.0	167.1	+10.0	Acquisition: +22.7, Depreciation: -16.0, Currency translation difference: +5.8 Change in fiscal term: -1.1
Intangible assets	13.6	14.1	+0.4	
Investments and other assets	78.1	95.1	+16.9	Investment securities: +14.8 (Increase in market value)
Total assets	509.8	561.0	+51.2	
Liabilities	214.0	220.3	+6.2	
Interest-bearing Liabilities	105.9	97.8	-8.1	Interest-bearing liabilities ratio: 17.4%
Other	108.1	122.5	+14.4	
Net assets	295.8	340.8	+45.0	Capital adequacy ratio: 55.2%
Total liabilities and net assets	509.8	561.0	+51.2	

Modification of Financial forecast

(billion yen)	Last announcement		Announcement in this time		Change (B) - (A)
	2nd half	FY2015 (A)	2nd half	FY2015(B)	
Sales	221.3	440.0	226.3	445.0	+5.0
Cellulosic Derivatives	45.0	93.0	47.3	95.3	+2.3
Organic Chemicals	43.8	88.8	44.5	89.5	+0.7
Plastics	84.8	168.5	86.8	170.5	+2.0
Pyrotechnic Devices	43.8	83.0	44.6	83.8	+0.8
Other products	4.0	6.7	3.2	5.9	-0.8
Operating Profit	21.6	47.0	25.6	51.0	+4.0
Cellulosic Derivatives	9.2	22.0	12.2	25.0	+3.0
Organic Chemicals	3.1	7.5	4.9	9.3	+1.8
Plastics	7.3	15.3	7.4	15.4	+0.1
Pyrotechnic Devices	6.4	11.2	5.8	10.6	-0.6
Other products	0.3	0.3	0.1	0.1	-0.2
Companywide	-4.6	-9.3	-4.7	-9.4	-0.1
Ordinary profit	22.0	48.5	28.0	54.5	+6.0
Net profit	11.5	28.5	13.0	30.0	+1.5

Assumptions announced this time for 4Q

Exchange rate 115 ¥/ \$

Methanol \$ 390

Assumptions announced last time for 2nd half

Exchange rate 105 ¥/ \$

Methanol \$ 400

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.

