

# FY2015 (4/2015 - 3/2016) Consolidated Financial Results

***Develop New Value***

A large, stylized graphic on the right side of the slide. It consists of four overlapping, upward-pointing triangular shapes that form a larger triangular structure. The colors of the shapes from left to right are blue, cyan, green, and purple. The text "Develop New Value" is written in a stylized font across the middle of these shapes.

**DAICEL CORPORATION**

May 12, 2016

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# Operating Results

	(billion yen)			
	<b>FY2014</b> <b>('14/4-'15/3)</b>	<b>FY2015</b> <b>('15/4-'16/3)</b>	<b>Change</b>	<b>Y o Y</b> <b>( % )</b>
<b>Sales</b>	443.8	449.9	+6.1	+1.4%
<b>Operating profit</b>	51.3	64.3	+13.0	+25.4%
<b>Ordinary profit</b>	55.1	65.4	+10.3	+18.8%
<b>Profit attributable to owners of parent</b>	31.3	40.3	+9.1	+29.0%
<b>Exchange rate</b>	Yen 110 /USD	Yen 120 /USD		
<b>ROE</b>	10.5%	12.2%		

# Consolidated Profit and Loss Statement

( billion yen )

	FY2014 ('14/4 - '15/3)	FY2015 ('15/4 - '16/3)	Change	Remarks
Net Sales	443.8	449.9	+6.1	Quantity +2.0 Prices +4.1 (Exchange gain +22.2)
Gross profit	116.1	133.8	+17.7	
Selling, general and administrative expenses	64.8	69.5	+4.6	
Operating Profit	51.3	64.3	+13.0	Quantity effect +5.3      Other -8.3 Price impact +16.0 (Exchange gain +8.5)
Non-operating income and expenses	3.8	1.1	-2.7	Exchange loss -3.9
Ordinary Profit	55.1	65.4	+10.3	
Extraordinary gain and loss	-2.1	-1.9	+0.2	
Profit before income taxes and minority interests	52.9	63.5	+10.5	
Income tax	16.9	16.9	+0.1	
Profit attributable to non-controlling interests	4.8	6.2	+1.4	
Profit attributable to owners of parent	31.3	40.3	+9.1	ROE: 12.2%

Exchange rate      ¥ 110 /USD      ¥ 120 /USD

# Analysis for Sales and Operating Profit

## 【Sales】

	FY2014 ('14/4 - '15/3)	FY2015 ('15/4 - '16/3)	Change	( billion yen ) Analysis	
				Quantity	Prices
Cellulosic Derivatives	95.7	104.5	+8.8	4.3	4.5
Organic Chemicals	89.0	81.8	-7.2	-4.1	-3.2
Plastics	169.5	161.1	-8.4	-7.0	-1.4
Pyrotechnic Devices	83.6	95.9	+12.3	8.0	4.3
Other products	5.9	6.6	+0.7	0.7	0.0
Total	443.8	449.9	+6.1	2.0	4.1

## 【Operating Profit】

	FY2014 ('14/4 - '15/3)	FY2015 ('15/4 - '16/3)	Change	Impact Analysis		
				Quantity	Prices	Other
Cellulosic Derivatives	25.7	29.7	+4.0	2.6	5.2	-3.9
Organic Chemicals	9.5	11.2	+1.7	-0.7	3.2	-0.8
Plastics	15.9	20.5	+4.6	-2.2	4.3	2.5
Pyrotechnic Devices	10.0	13.9	+3.8	5.4	3.3	-4.8
Other products	0.0	0.2	+0.2	0.2	0.0	0.0
Companywide	-9.9	-11.1	-1.2	0.0	0.0	-1.2
Total	51.3	64.3	+13.0	5.3	16.0	-8.3

# FY2016 Forecast (4/2016 – 3/2017)

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# Assumptions

		<b>FY2015</b> (4/2015 - 3/2016)		<b>FY2016</b> (4/2016 - 3/2017)	
		<b>First half Result</b>	<b>Second half Result</b>	<b>First half Plan</b>	<b>Second half Plan</b>
<b>Exchange rate</b>		Yen 122 /USD	Yen 118 /USD	Yen 110 /USD	Yen 110 /USD
<b>Raw Materials</b>	<b>Methanol (Asian spot price)</b>	USD 303 /ton	USD 231 /ton	USD 250 /ton	USD 250 /ton
	<b>Crude oil, Dubai</b>	USD 56 /bbl	USD 36 /bbl	USD 35 /bbl	USD 35 /bbl
	<b>Domestic Naphtha</b>	Yen 47,900 /kl	Yen 37,400 /kl	Yen 34,000 /kl	Yen 34,000 /kl

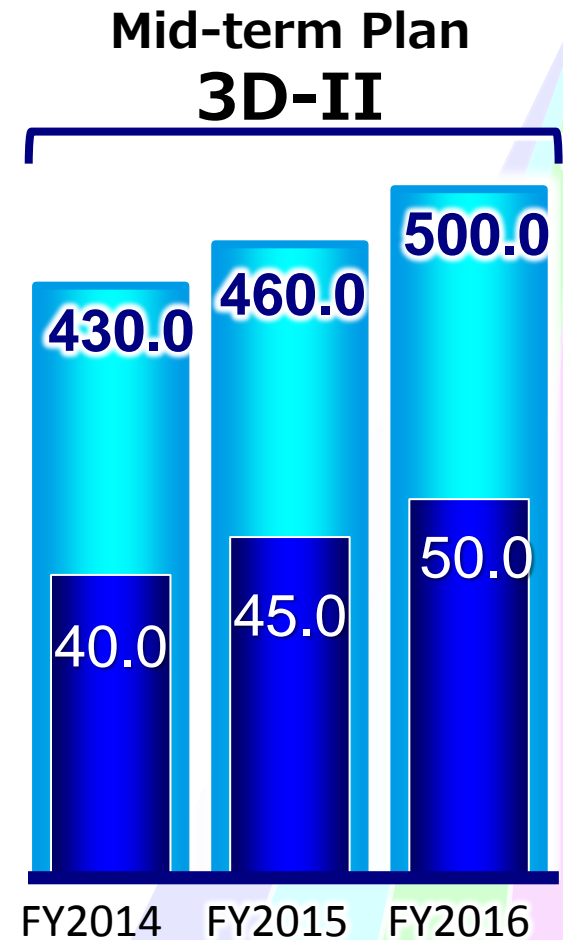
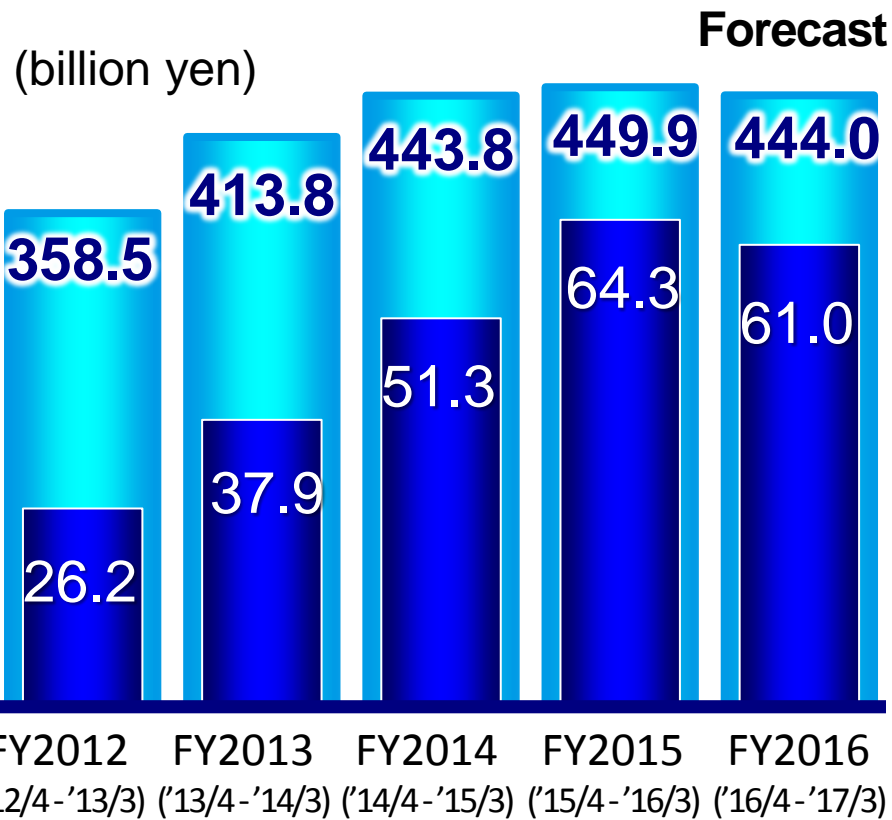


# FY 2016 Forecast

(billion yen)

	<b>FY2015 ( '15/4 - '16/3 ) Results</b>	<b>FY2016 ( '16/4 - '17/3 ) Forecast</b>	<b>Change</b>	<b>Y o Y ( % )</b>
<b>Sales</b>	449.9	444.0	-5.9	-1.3%
<b>Operating profit</b>	64.3	61.0	-3.3	-5.2%
<b>Ordinary profit</b>	65.4	63.5	-1.9	-2.9%
<b>Profit attributable to owners of parent</b>	40.3	40.0	-0.3	-0.8%
<b>Exchange rate</b>	Yen 120 /USD	Yen 110 /USD		

# Trends in Sales and Operating Profit



Exchange rate (Yen/USD)    82    100    110    120    110

# Forecast of Sales and Operating Profit

## 【Sales】

( billion yen )

	FY2015 ( '15/4 - '16/3 )	FY2016 ( '16/4 - '17/3 )	Change
Cellulosic Derivatives	104.5	94.0	-10.5
Organic Chemicals	81.8	80.0	-1.8
Plastics	161.1	155.0	-6.1
Pyrotechnic Devices	95.9	108.9	13.0
Other products	6.6	6.1	-0.5
Total	449.9	444.0	-5.9

## 【Operating Profit】

	FY2015 ( '15/4 - '16/3 )	FY2016 ( '16/4 - '17/3 )	Change
Cellulosic Derivatives	29.7	24.0	-5.7
Organic Chemicals	11.2	11.6	0.4
Plastics	20.5	19.8	-0.7
Pyrotechnic Devices	13.9	18.1	4.2
Other products	0.2	0.4	0.2
Companywide	-11.1	-12.9	-1.8
Total	64.3	61.0	-3.3

# Return to Shareholders

## ◆ FY 2015

<b>Dividends for 2nd half</b>	<b>13 yen per share</b>	
<b>Annual dividends</b>	<b>26 yen per share</b>	Comparison with the previous year: 5 yen dividend increase

**We have purchased own stocks in the funds of 4 billion yen in November 2015.**

**The shareholder return ratio in FY 2015 : 32.5%**

※ The target for the shareholder return ratio in the 3D-II : 30%

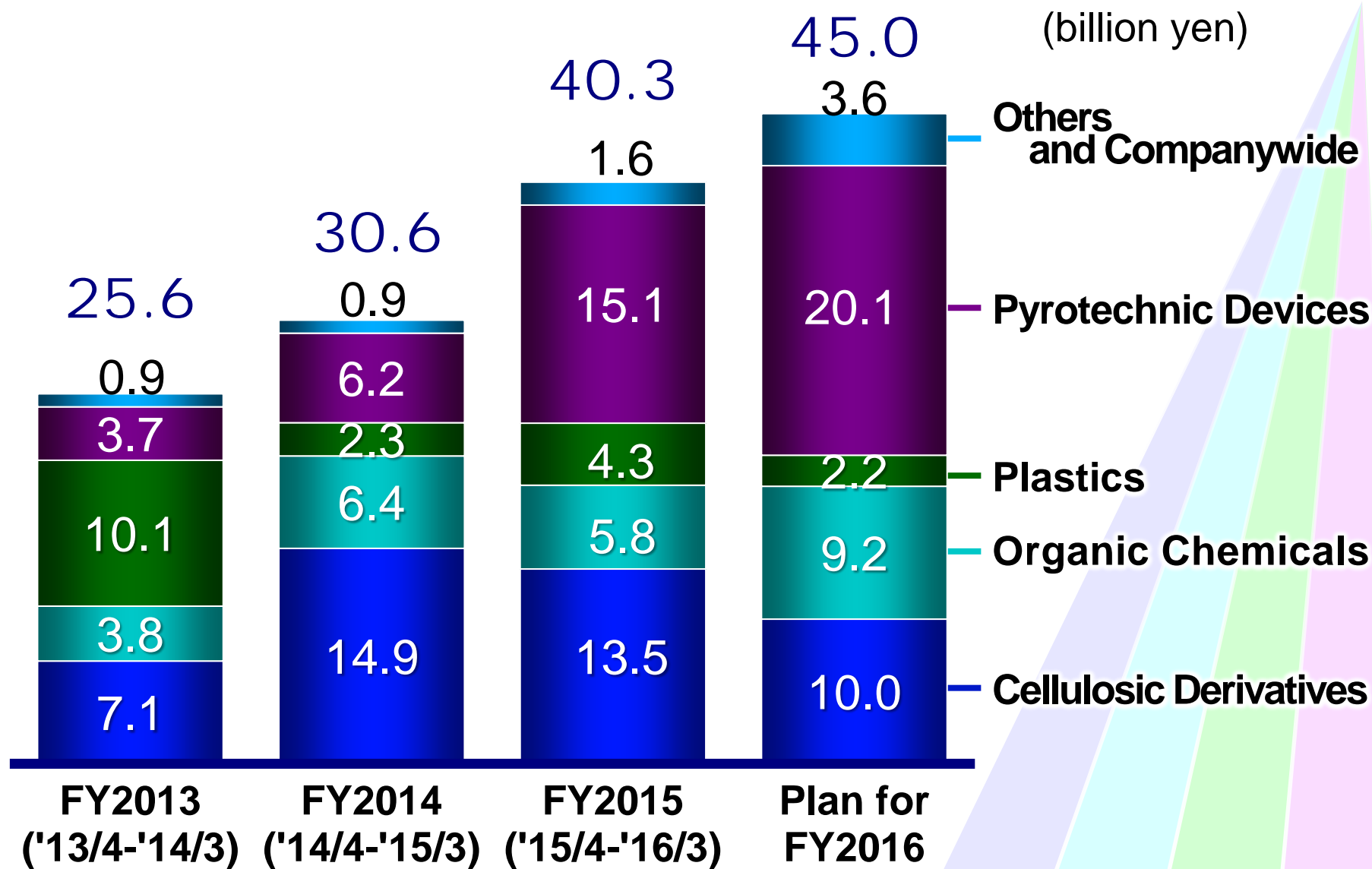
## ◆ FY 2016

**Forecast of Annual dividends : 26 yen per share**

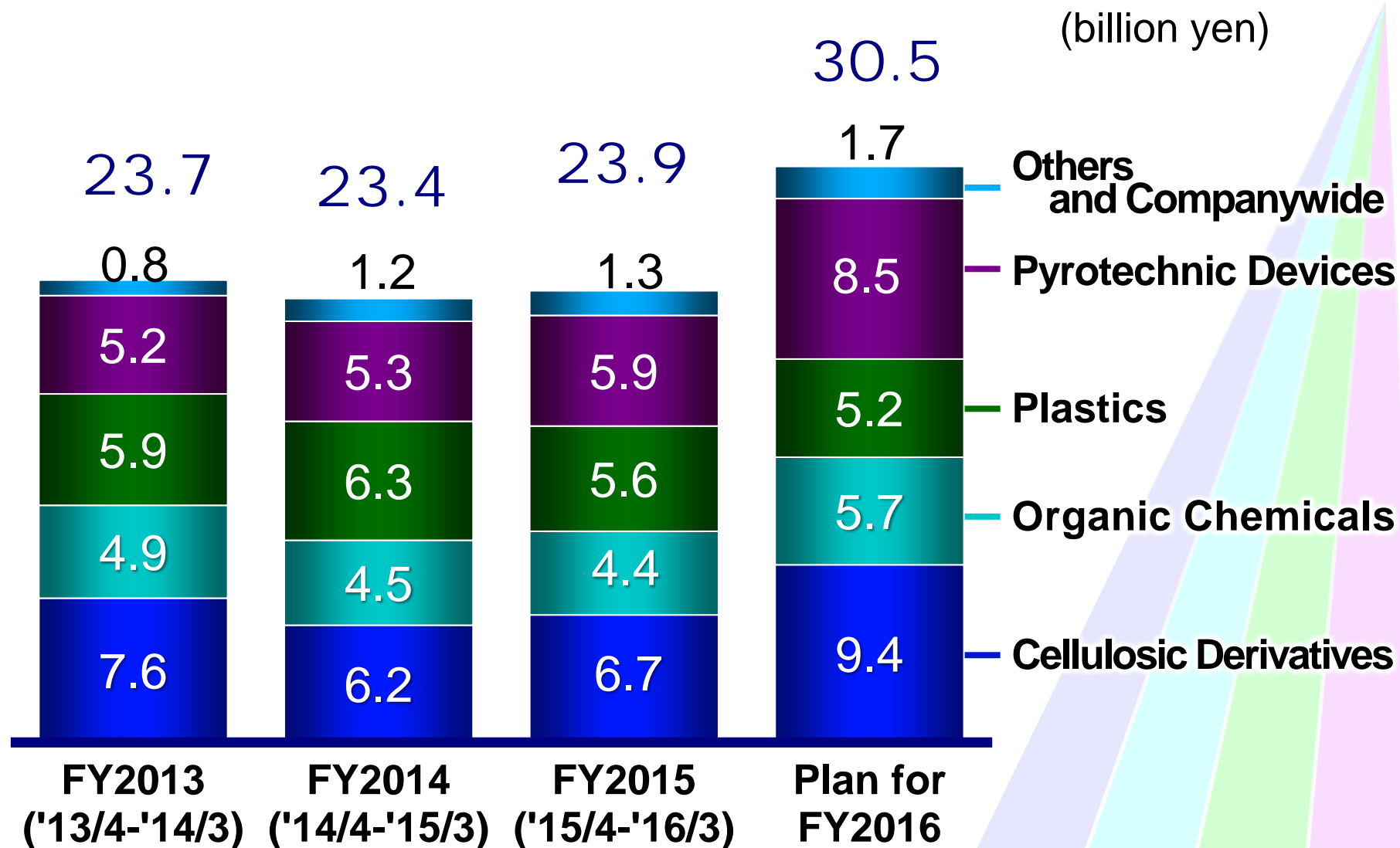
**We have determined the purchase of own stocks for 3 million shares in the funds of 4 billion yen.**

**We will cancel treasury stocks of 15 million shares.**

# Trends in Plant and Equipment Investment



# Depreciation and amortization



Note: Not include goodwill amortization.

# Information by Segment

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# Cellulosic Derivatives

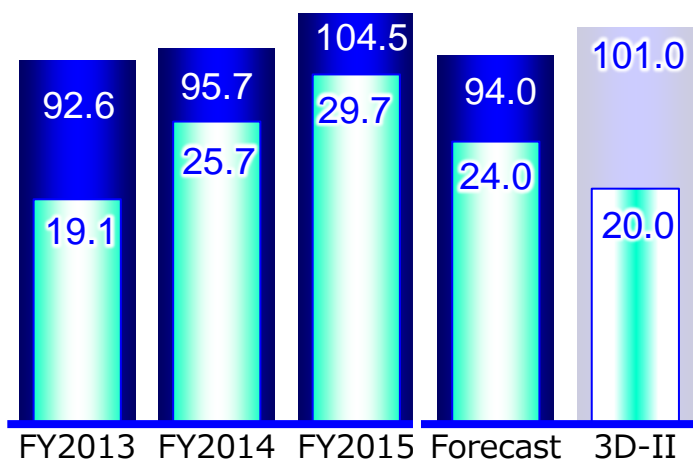
**Sales** + 8.8 billion yen

Foreign exchange gain 6.8 billion yen

- ◆ **Cellulose acetate** : Increased in sales due to the increase for other applications, despite the decrease of LCD film applications.
- ◆ **Acetate tow** : Increased in sales due to the slight increase of sales volume and the effect of weak yen, despite the slowdown of global demand and the destocking in China.

**Operating profit** + 4.0 billion yen Increased in profit due to the effect of weak yen.

(billion yen)



**FY2016**

## *FY2016 Forecast*

- ◆ **Cellulose acetate**  
Forecast decrease in sales volume for China.
- ◆ **Acetate tow**  
Forecast increase in sales volume by the completion of the facility expansion in the second half of FY2016.

Forecast decrease in sales and profit in the segment due to the increase in depreciation and the effect of strong yen.



# Organic Chemicals

## Sales

- 7.2 billion yen

Foreign exchange gain

2.3 billion yen

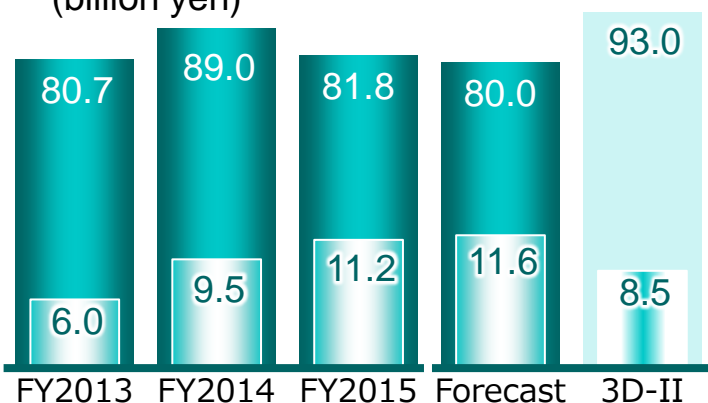
- ◆ **Acetic acid** : Decreased in sales due to the deterioration in market conditions and the decrease of sales volume through the biennial periodic maintenance in Aboshi plant.
- ◆ **General products such as acetic acid derivatives and solvents** : Decreased in sales due to the decrease of sales volume in electronic material field and coating applications, and the impact on sales price through the downfall in crude oil prices.
- ◆ **Functional chemicals** : Increased slightly in sales due to the effect of weak yen, despite the low level of sales for some products.
- ◆ **Chiral separation** : Decreased in sales due to the end of the large spot consignment contract, despite the strong sales of columns in China and India.

## Operating profit

+ 1.7 million yen

Increased in profit due to the lower price of raw materials and the effect of weak yen.

(billion yen)



**FY2016**

## ***FY2016 Forecast***

Forecast decrease in sales due to the effect on the sales price associated with lower price of raw materials, despite the increase of sales volume such as acetic acid.

Forecast increase in profit due to the lower price of raw materials.

Sales

- 8.4 billion yen

Foreign exchange gain

7.5 billion yen

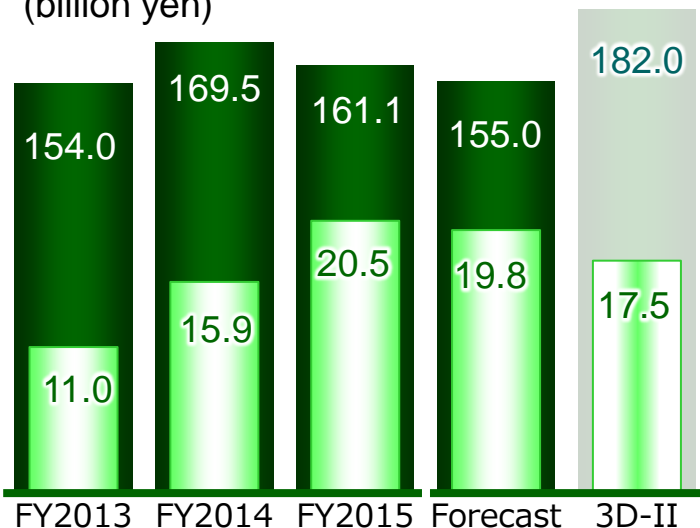
- ◆ **Engineering plastics** : In despite of the effect of weak yen, decreased in sales due to the deceleration of the Chinese economy, slowdown of growth in production of Japanese automakers, and the low level of sales for electronic devices products.
- ◆ **Thermoplastic compounds** : Decreased in sales due to the low level of Japan's domestic sales, despite the increase in overseas sales and the effect of weak yen.
- ◆ **Plastics Processing** : Decreased in sales due to the decrease in sales volume for sheets.

Operating profit

+ 4.6 billion yen

Increased in profit due to the lower price of raw materials and the effect of weak yen.

(billion yen)



**FY2016**

## *FY2016 Forecast*

Forecast decrease in sales and profit due to the effect of strong yen, despite the increase of sales volume in the automobile and electronic devices field.

# Pyrotechnic Devices

Sales

+ 12.3 billion yen

Foreign exchange gain

5.6 billion yen

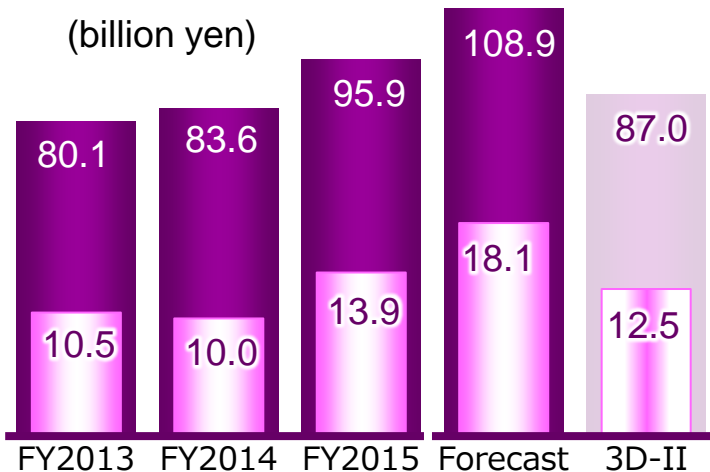
## ◆ Automotive safety parts business :

Increased in sales due to the increase of sales volume for inflators (gas-generating device) and the effect of weak yen.

Operating profit

+ 3.8 billion yen

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



**FY2016**

## *FY2016 Forecast*

Forecast increase in sales and profit due to the increase of sales volume.

# References

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# Consolidated Balance Sheet

(billion Yen)

	End of March, 2015	End of March, 2016	Change	Remarks
<b>Assets</b>	<b>279.8</b>	<b>276.8</b>	<b>-3.0</b>	
Cash, Deposits and	69.8	66.7	-3.1	
Short-term investment securities				
Notes and	83.4	84.5	+1.1	
accounts receivable-trade				
Inventories	107.1	104.9	-2.2	
Other	19.5	20.8	+1.3	
<b>Total noncurrent assets</b>	<b>285.5</b>	<b>283.4</b>	<b>-2.2</b>	
Property, plant and equipment	166.9	175.6	+8.7	Acquisition: +39.1, Depreciation: -22.4 Currency translation differences: -6.5
Intangible assets	13.2	11.3	-1.9	
Investments and other assets	105.4	96.4	-9.0	Investment securities: -7.6
<b>Total assets</b>	<b>565.3</b>	<b>560.2</b>	<b>-5.1</b>	
<b>Liabilities</b>	<b>209.2</b>	<b>191.5</b>	<b>-17.7</b>	
Interest-bearing Liabilities	87.0	71.3	-15.7	Interest-bearing liabilities ratio: 12.7%
Other	122.2	120.2	-2.0	
<b>Net assets</b>	<b>356.2</b>	<b>368.7</b>	<b>+12.5</b>	Capital adequacy ratio: 60.2%
<b>Total liabilities and net assets</b>	<b>565.3</b>	<b>560.2</b>	<b>-5.1</b>	

# FY2016 Financial forecast (YoY)

	( billion yen )						
	FY2015 ('15/4-'16/3)			FY2016 ('16/4-'17/3)			
	Result			Forecast			Change
	1st half	2nd half	Total (A)	1st half	2nd half	Total (B)	(B) - (A)
Sales	226.5	223.4	449.9	217.0	227.0	444.0	-5.9
Cellulosic Derivatives	53.7	50.7	104.5	45.1	48.9	94.0	-10.5
Organic Chemicals	41.0	40.8	81.8	39.3	40.7	80.0	-1.8
Plastics	83.5	77.6	161.1	77.0	78.0	155.0	-6.1
Pyrotechnic Devices	45.4	50.5	95.9	52.8	56.1	108.9	13.0
Other products	2.9	3.7	6.6	2.8	3.3	6.1	-0.5
Operating Profit	31.6	32.7	64.3	30.0	31.0	61.0	-3.3
Cellulosic Derivatives	15.6	14.1	29.7	12.4	11.6	24.0	-5.7
Organic Chemicals	5.8	5.4	11.2	6.2	5.4	11.6	0.4
Plastics	9.9	10.6	20.5	9.3	10.5	19.8	-0.7
Pyrotechnic Devices	5.9	8.0	13.9	8.7	9.4	18.1	4.2
Other products	-0.1	0.3	0.2	0.0	0.4	0.4	0.2
Companywide	-5.5	-5.6	-11.1	-6.6	-6.3	-12.9	-1.8
Ordinary profit	32.7	32.7	65.4	31.0	32.5	63.5	-1.9
Profit attributable to owners of parent	21.3	19.0	40.3	20.0	20.0	40.0	-0.3
Exchange rate (Yen/USD)	122	118	120	110	110	110	

# Notes regarding Forward-Looking Statements

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