

FY2016 (4/2016 - 3/2017)

Consolidated Financial Results

May 10, 2017

DAICEL CORPORATION

Index

FY2016 Consolidated Financial Results

P 3 ~ P 5

FY2017 Forecast

P 6 ~ P 7

Return to Shareholders

P 8

**Trends in Plant and Equipment Investment
/ Depreciation and amortization**

P 9

Information by Segment

P 10 ~ P 13

References

P 14 ~ P 18

FY2016 (2016/4~2017/3) Results



(billion yen)

	FY2015 ('15/4-'16/3)	FY2016 ('16/4-'17/3)	Change	Y o Y (%)
Sales	449.9	440.1	-9.8	-2.2%
Operating profit	64.3	64.3	-0.0	-0.1%
Ordinary profit	65.4	66.2	+0.8	+1.2%
Profit attributable to owners of parent	40.3	43.2	+2.9	+7.2%
Exchange rate (USD/JPY)	120 Yen	109 Yen		
ROE	12.2%	12.2%		

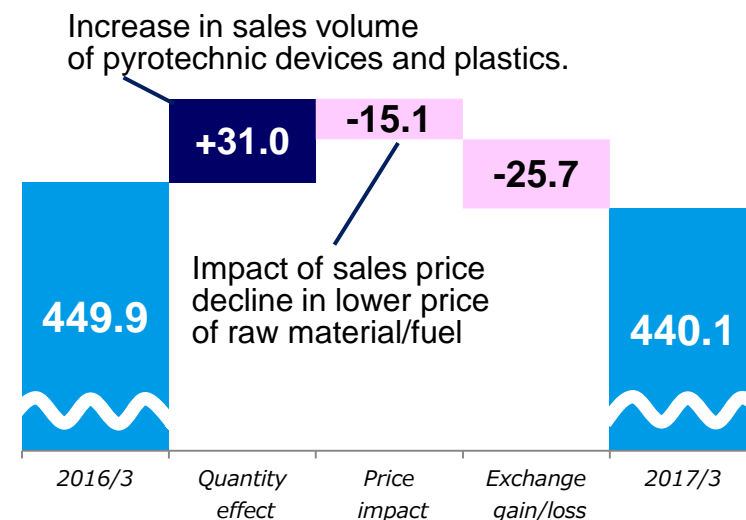
- Despite the increase in sales volume of pyrotechnic devices and plastics, decrease in sales due to higher yen compared to the previous financial year.
- Operation profit is nearly flat.
- This term's ordinary profit and net profit has reached the highest-ever level.
- All financial results exceeded the earnings forecast announced in November.

Consolidated Profit and Loss Statement

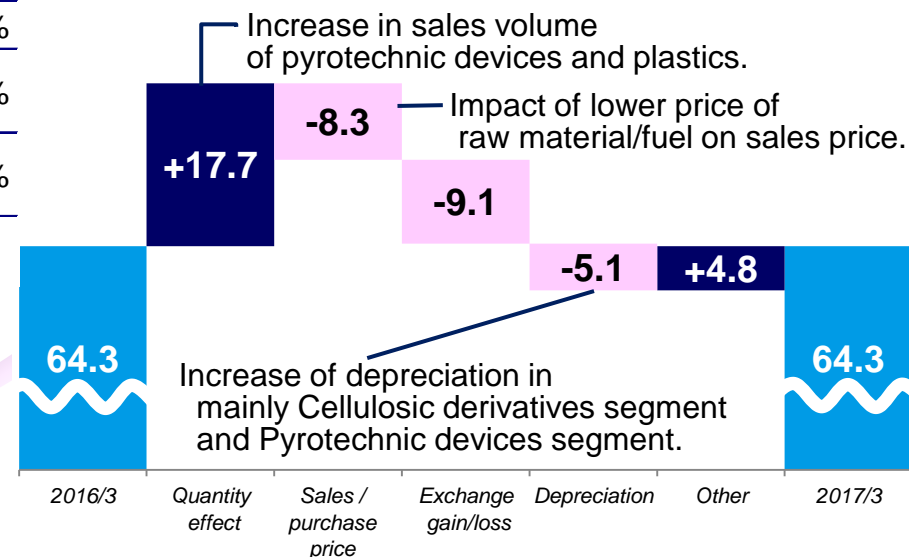


	FY2015	FY2016	Change	Change Rate
(billion yen)				
Net Sales	449.9	440.1	-9.8	-2.2%
Gross profit	133.8	136.8	+3.0	+2.2%
Selling, general and administrative expenses	69.5	72.5	+3.0	+4.4%
Operating Profit	64.3	64.3	-0.0	-0.1%
Non-operating income and expenses	1.1	1.9	+0.9	+81.1%
Ordinary Profit	65.4	66.2	+0.8	+1.2%
Extraordinary gain and loss	-1.9	-1.8	+0.1	—
Profit before income taxes and minority interests	63.5	64.4	+0.9	+1.4%
Income tax	16.9	14.2	-2.7	-15.9%
Profit attributable to non-controlling interests	6.2	6.9	+0.7	+11.0%
Profit attributable to owners of parent	40.3	43.2	+2.9	+7.2%
Exchange rate (USD/JPY)	120 Yen	109 Yen		

【Change of Sales】



【Change of Operating Profit】

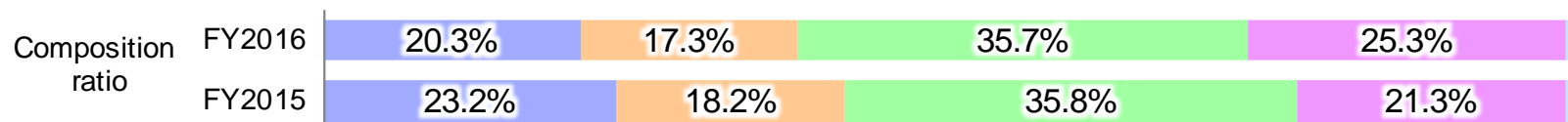


Analysis for Sales and Operating Profit

(billion yen)

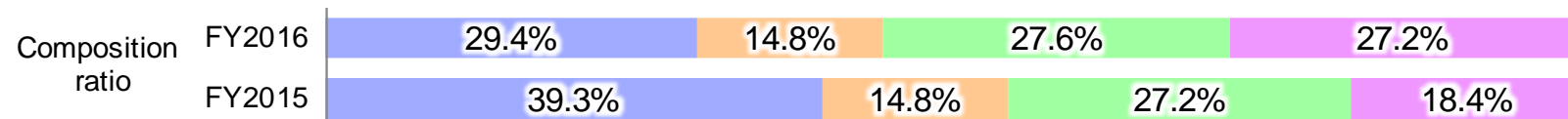
【Sales】

		FY2015	FY2016	Change	Change Rate	Analysis	
						Quantity	Prices
	Cellulosic Derivatives	104.5	89.5	-15.0	-14.4%	-4.4	-10.7
	Organic Chemicals	81.8	76.2	-5.6	-6.8%	+0.3	-5.9
	Plastics	161.1	156.9	-4.1	-2.6%	+12.2	-16.4
	Pyrotechnic Devices	95.9	111.2	+15.3	+15.9%	+23.1	-7.8
	Other products	6.6	6.2	-0.4	-5.5%	-0.4	
	Total	449.9	440.1	-9.8	-2.2%	+31.0	-40.8



【Operating Profit】

		FY2015	FY2016	Change	Change Rate	Impact Analysis		
						Quantity	Prices	Other
	Cellulosic Derivatives	29.7	23.0	-6.7	-22.5%	+0.7	-5.0	-2.4
	Organic Chemicals	11.2	11.5	+0.4	+3.2%	+1.0	-2.7	+2.1
	Plastics	20.5	21.6	+1.0	+5.1%	+5.2	-7.1	+2.9
	Pyrotechnic Devices	13.9	21.3	+7.4	+53.3%	+10.1	-2.5	-0.2
	Other products	0.2	0.7	+0.6	+309.4%	+0.6	0	0
	Corporate and eliminations	-11.1	-13.8	-2.7	-24.7%	0	0	-2.7
	Total	64.3	64.3	-0.0	-0.1%	+17.7	-17.4	-0.3



FY 2017 Forecast

	FY2016 ('16/4 - '17/3) <i>Results</i>	FY2017 ('17/4 - '18/3) <i>Forecast</i>	(billion yen)	
			Change	Y o Y (%)
Sales	440.1	460.0	19.9	4.5%
Operating profit	64.3	61.0	-3.3	-5.1%
Ordinary profit	66.2	62.0	-4.2	-6.4%
Profit attributable to owners of parent	43.2	37.0	-6.2	-14.3%
Exchange rate (USD/JPY)	109 Yen	110 Yen		
【Reference】 Methanol (Asian spot price, USD/ton)	277 USD	300 USD		

Despite the expectation in higher sales due to the increase of sales volume in acetate tow for cigarette filter applications and automobile airbag inflators, forecast lower profit due to the biennial periodic maintenance of Aboshi plant and impact of higher raw material/fuel price.

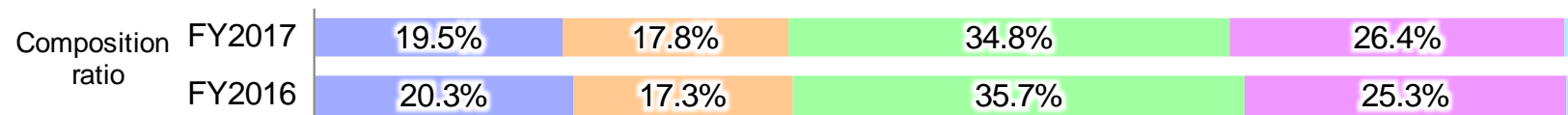
Forecast of Sales and Operating Profit



(billion yen)

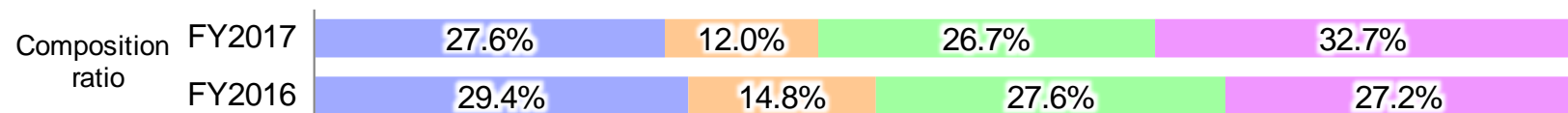
【Sales】

		FY2016	FY2017	Change	Change Rate
	Cellulosic Derivatives	89.5	89.7	+0.2	+0.3%
	Organic Chemicals	76.2	82.0	+5.8	+7.6%
	Plastics	156.9	160.0	+3.1	+1.9%
	Pyrotechnic Devices	111.2	121.5	+10.3	+9.3%
	Other products	6.2	6.8	+0.6	+8.9%
	Total	440.1	460.0	+19.9	+4.5%



【Operating Profit】

		FY2016	FY2017	Change	Change Rate
	Cellulosic Derivatives	23.0	20.7	-2.3	-10.0%
	Organic Chemicals	11.5	9.0	-2.5	-22.0%
	Plastics	21.6	20.0	-1.6	-7.2%
	Pyrotechnic Devices	21.3	24.5	+3.2	+15.1%
	Other products	0.7	0.8	+0.1	+8.0%
	Corporate and eliminations	-13.8	-14.0	-0.2	-1.4%
	Total	64.3	61.0	-3.3	-5.1%

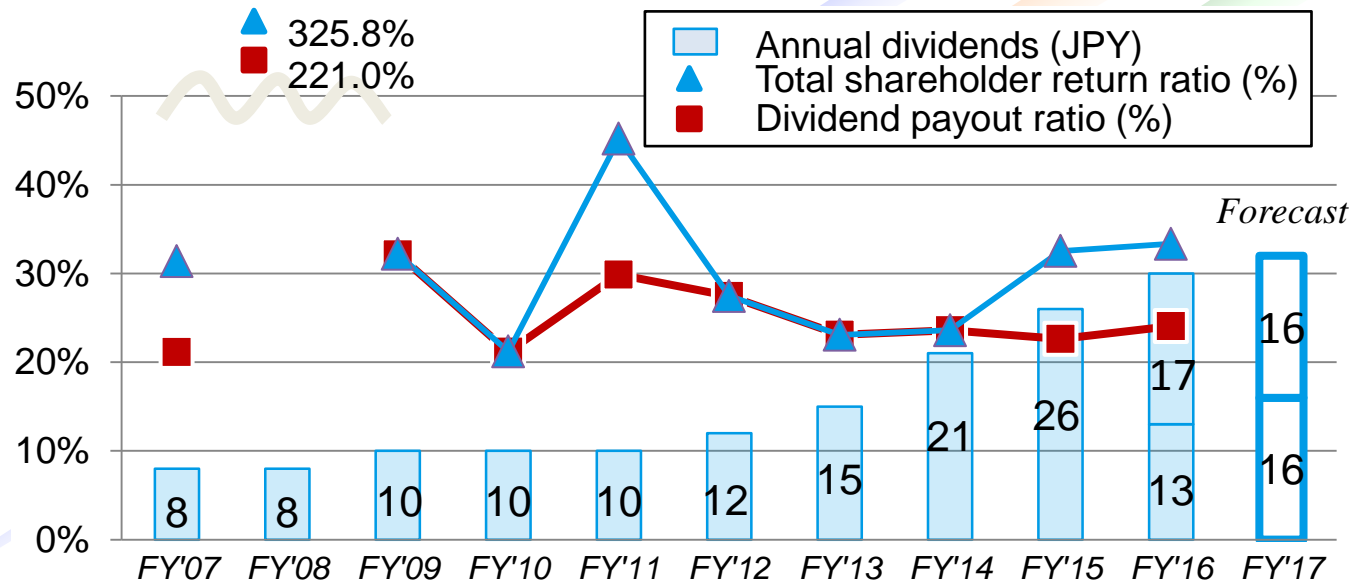


Return to Shareholders

FY 2016

Dividends for 2nd half	17 yen per share
Annual dividends	30 yen per share Comparison with the previous year : 4 yen dividend increase

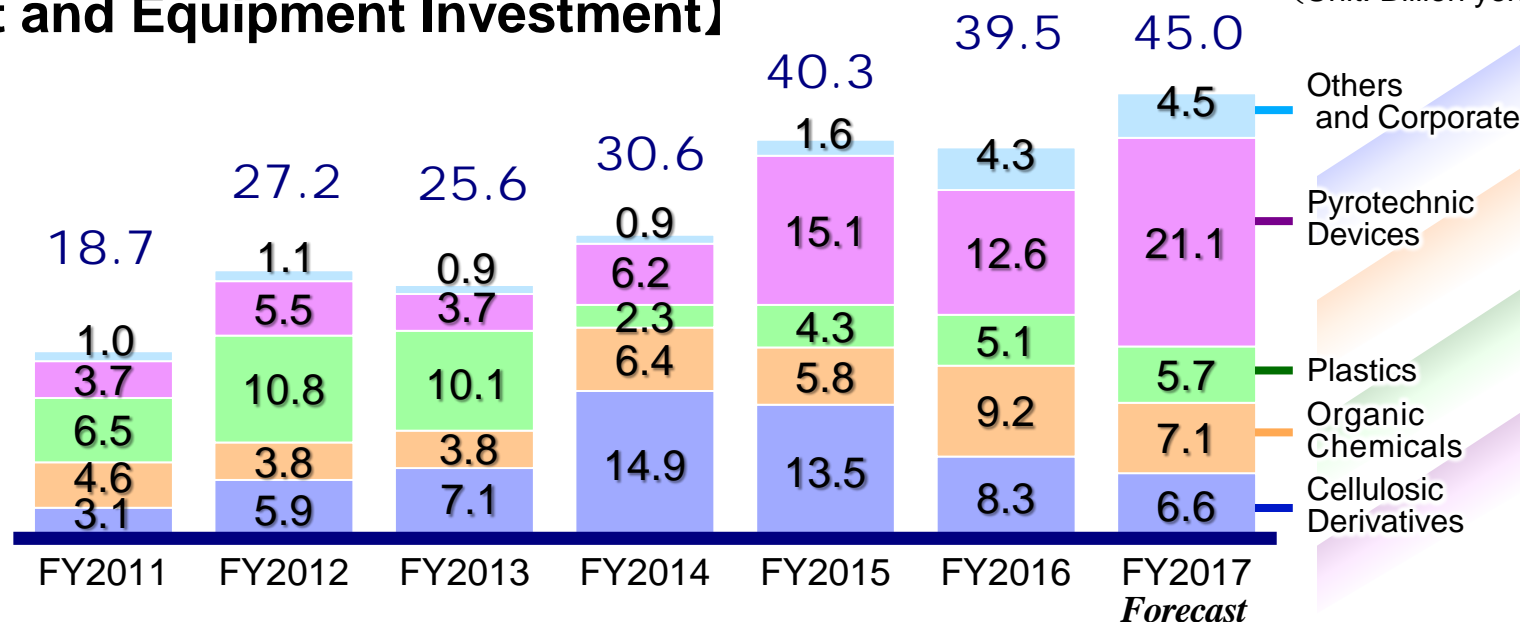
FY 2017 Forecast of Annual dividends : 32 yen per share



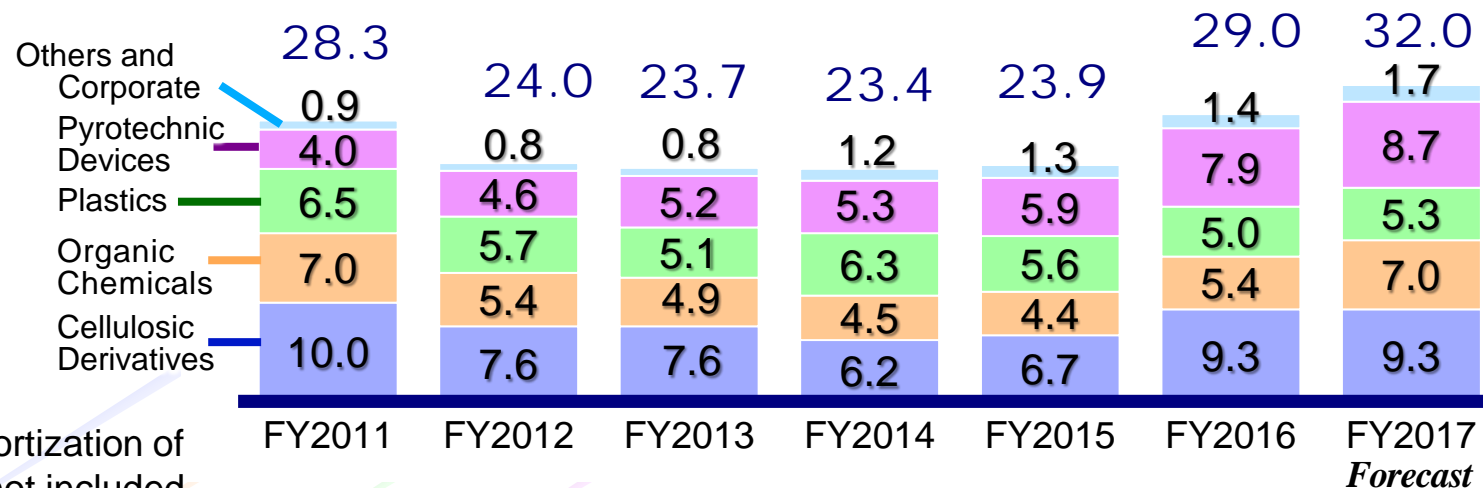
Equipment Investment / Depreciation

【Trends in Plant and Equipment Investment】

(Unit: Billion yen)



【Trends in Depreciation and Amortization】



Note: Amortization of goodwill not included.

FY2016

15 billion yen decrease in sales as compared with FY2015. (Exchange impact : - 6.8 billion yen)

- In the cellulose acetate business, decrease in sales due to decrease of sales volume for cigarette filter application.
- In the acetate tow business, decrease in sales due to the exchange impact, despite the increase in sales volume.

6.7 billion yen decrease in operating profit as compared with FY2015.

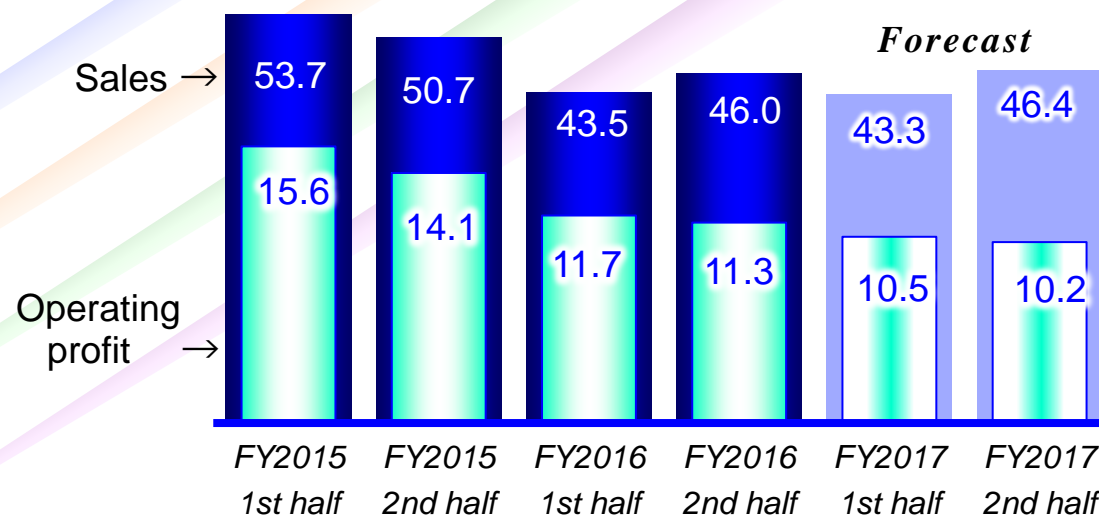
- Decrease in profit due to the increase of depreciation expenses, and exchange impact.

FY2017 Forecast

- In the cellulose acetate business, forecast flat sales volume for LCD film application, increase sales volume for cigarette filter application.
- In the acetate tow business, forecast lower sales price due to deterioration on supply/demand environment and others, despite the increase in sales volume.
- In the cellulosic derivatives segment, forecast higher sales, but lower profit in FY2017.

	FY2015	FY2016	FY2017 <i>Forecast</i>
Sales	104.5	89.5	89.7
Operating profit	29.7	23.0	20.7

(billion yen)



FY2016

5.6 billion yen decrease in sales as compared with FY2015. (Exchange impact : -2.7 billion yen)

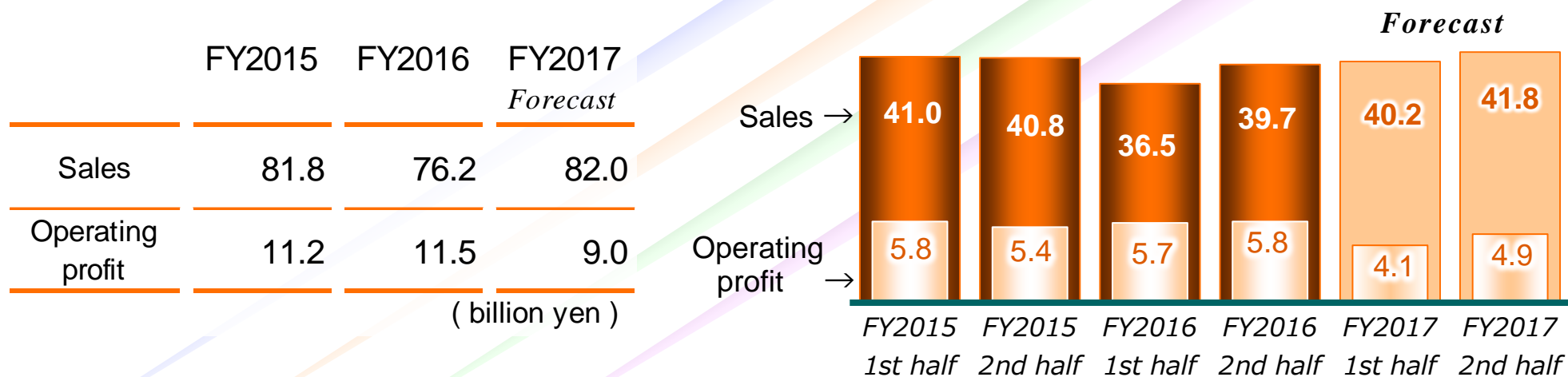
- Decrease in sales due to the strong yen and the impact of lower price of raw material/fuel on sales price, despite the increase in sales volume of acetic acid and other organic chemicals due to be not perform for the biennial periodic maintenance in FY2016.
- Increase slightly in sales of functional chemicals under steady demand in the electronic materials and cosmetic and healthcare fields.
- Decrease in sales of Chiral Separation business due to strong yen, despite the strong column sales in India and other area.

0.4 billion yen increase in operating profit as compared with FY2015.

- Increase in operating profit, due to lower procurement prices of raw material/fuel.

FY2017 **Forecast**

- In despite of the outlook for increase in sales volume, forecast decrease in operating profit due to the increase of expenses and higher raw material/fuel prices.



FY2016

4.1 billion yen decrease in sales as compared with FY2015. (Exchange impact : -9 billion yen)

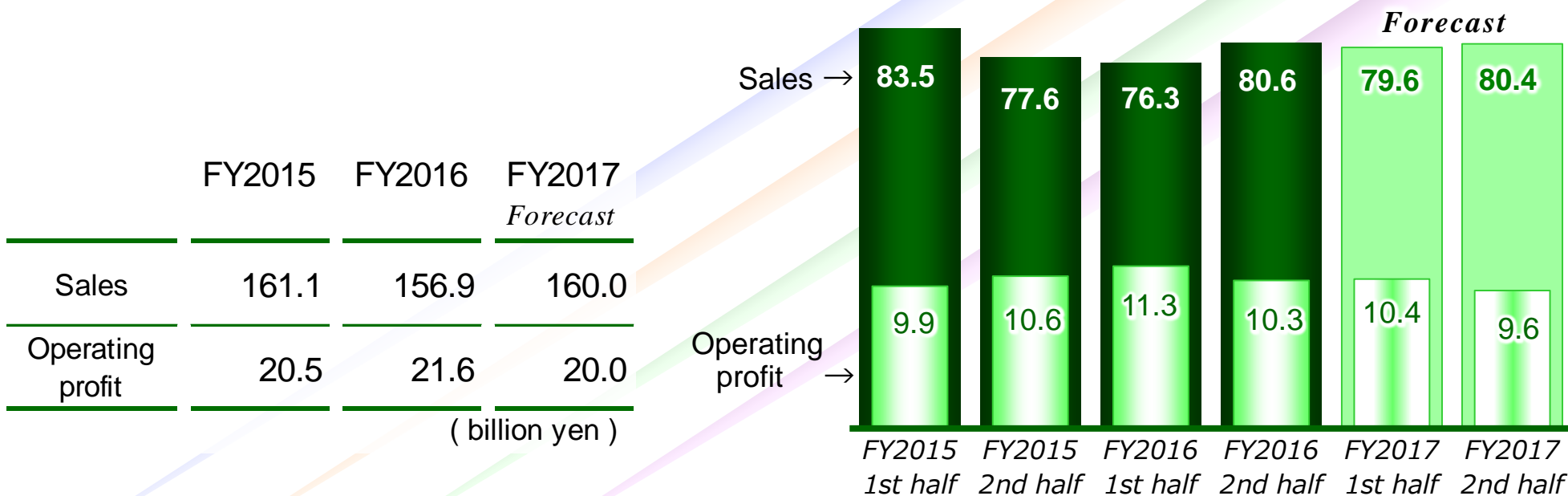
- In engineering plastics business, in despite of the increase in sales volume, decrease in sales due to the impact on sales price related lower crude oil price and exchange impact.
- In plastic compound business, decrease in sales due to the impact on sales price related lower crude oil price and exchange impact, despite the increase in sales volume.

1 billion yen increase in operating profit as compared with FY2015.

- Increase in profit due to the strong sales volume.

FY2017 **Forecast**

- In despite of the expectation in higher sales due to the increase in plastic compounds and films, forecast decrease in profit due to the impact of higher price of raw material/fuel.



FY2016

15.3 billion yen increase in sales as compared with FY2015. (Exchange impact : -7.2 billion yen)

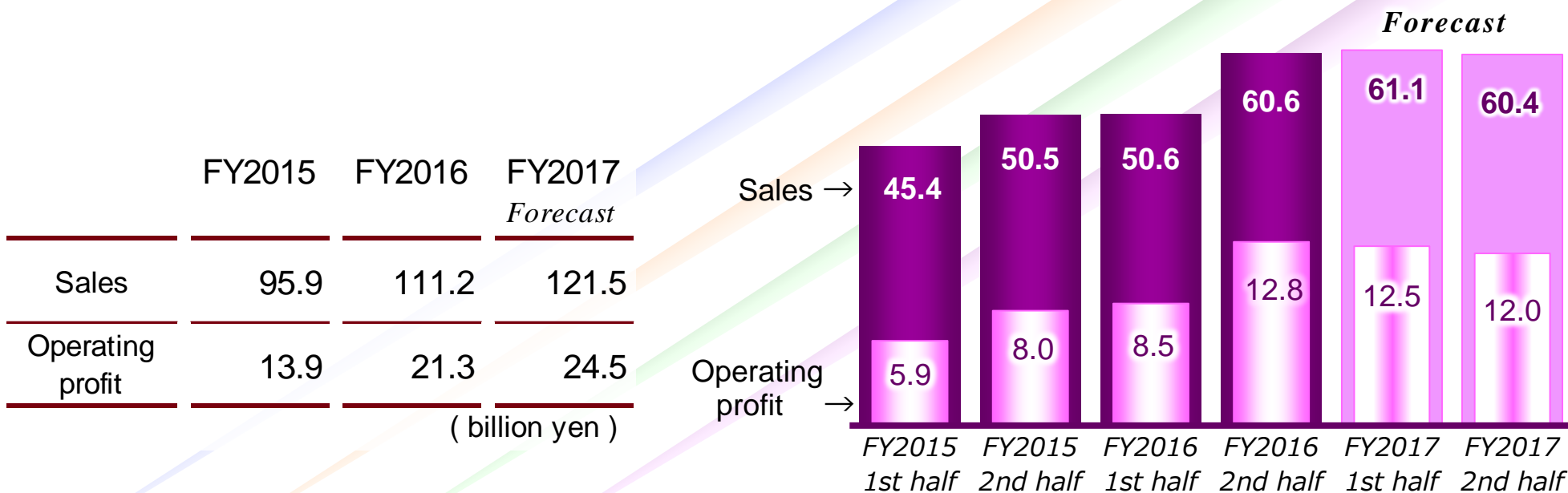
- In automotive safety parts business, despite the exchange impact, increase in sales due to the higher sales volume of inflator.

7.4 billion yen increase in operating profit as compared with FY2015.

- Increase in profit due to the increase of sales volume.

FY2017 **Forecast**

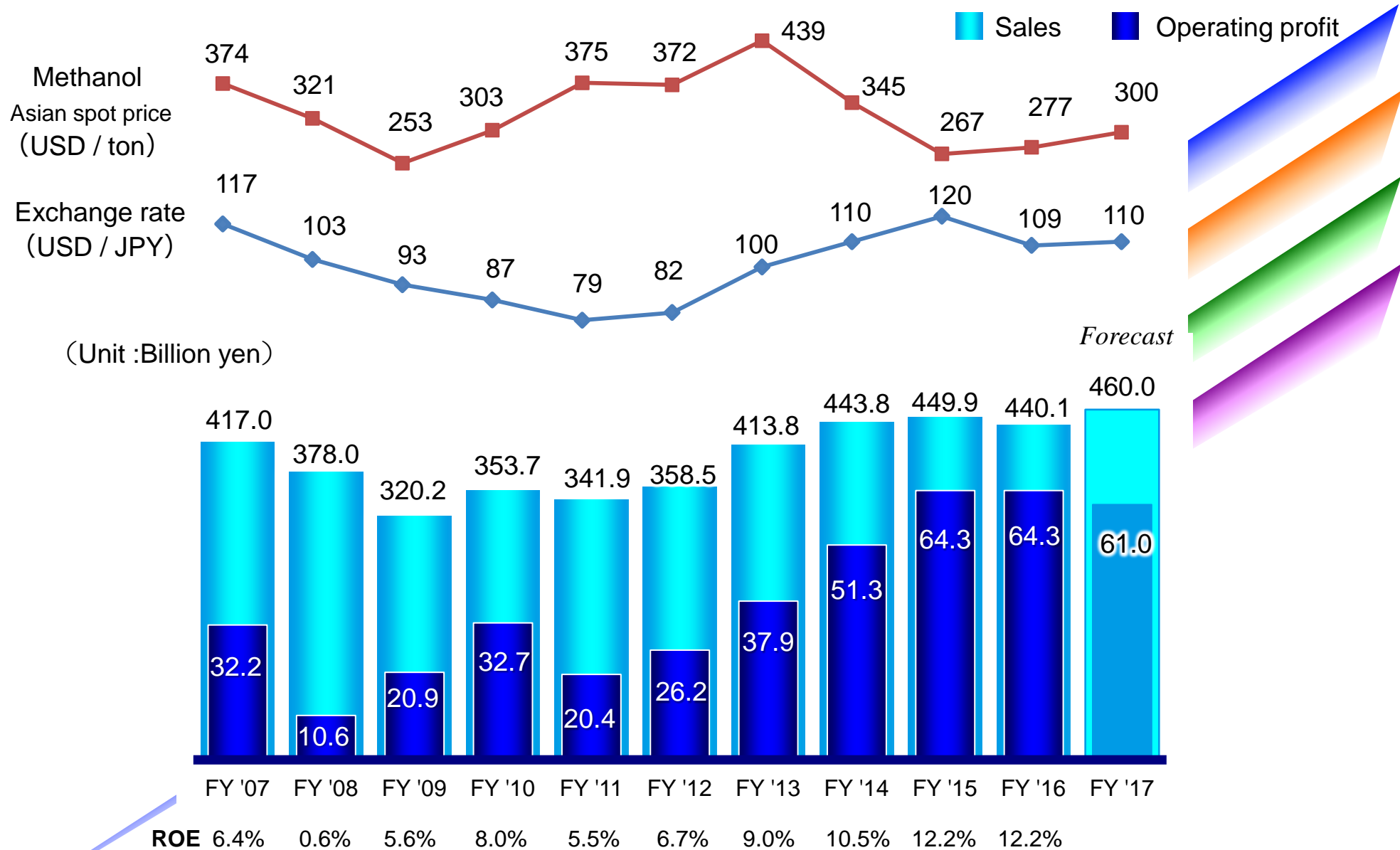
- Forecast increase in sales and profit due to the higher sales volume of inflators.



Reference

Four parallel diagonal lines with a gradient effect, colored blue, orange, green, and purple from top to bottom, extending from the bottom-left towards the top-right of the slide.

Trends in Sales and Operating Profit



Assumptions

		FY2016 (4/2016 - 3/2017)		FY2017 (4/2017 - 3/2018)	
		First half <i>Result</i>	Second half <i>Result</i>	First half <i>Forecast</i>	Second half <i>Forecast</i>
Exchange rate (USD/JPY)		JPY 105	JPY 111	JPY 110	JPY 110
Raw Materials	Methanol (Asian spot price)	USD 230 /ton	USD 327 /ton	USD 300 /ton	USD 300 /ton
	Crude oil, Dubai	USD 43 /bbl	USD 51 /bbl	USD 55 /bbl	USD 55 /bbl
	Domestic Naphtha	JPY 31,450 /kl	JPY 38,050 /kl	JPY 42,000 /kl	JPY 42,000 /kl

FY2017 Financial forecast (YoY)



	FY2016 ('16/4-'17/3)			FY2017 ('17/4-'18/3)			(billion yen)
	Result			Forecast			Change
	1st half	2nd half	Total (A)	1st half	2nd half	Total (B)	(B) - (A)
Sales	209.8	230.3	440.1	227.5	232.5	460.0	+19.9
Cellulosic Derivatives	43.5	46.0	89.5	43.3	46.4	89.7	+0.2
Organic Chemicals	36.5	39.7	76.2	40.2	41.8	82.0	+5.8
Plastics	76.3	80.6	156.9	79.6	80.4	160.0	+3.1
Pyrotechnic Devices	50.6	60.6	111.2	61.1	60.4	121.5	+10.3
Other products	2.9	3.4	6.2	3.3	3.5	6.8	+0.6
Operating Profit	30.6	33.7	64.3	30.5	30.5	61.0	-3.3
Cellulosic Derivatives	11.7	11.3	23.0	10.5	10.2	20.7	-2.3
Organic Chemicals	5.7	5.8	11.5	4.1	4.9	9.0	-2.5
Plastics	11.3	10.3	21.6	10.4	9.6	20.0	-1.6
Pyrotechnic Devices	8.5	12.8	21.3	12.5	12.0	24.5	+3.2
Other products	0.3	0.4	0.7	0.3	0.5	0.8	+0.1
Corporate and eliminations	-6.8	-7.0	-13.8	-7.3	-6.7	-14.0	-0.2
Ordinary profit	29.5	36.7	66.2	31.0	31.0	62.0	-4.2
Profit attributable to owners of parent	19.1	24.1	43.2	18.0	19.0	37.0	-6.2

Exchange rate (USD/JPY) 105 Yen 111 Yen 109 Yen 110 Yen 110 Yen 110 Yen

Consolidated Balance Sheet



(billion Yen)

	End of March, 2016	End of March, 2017	Change	Remarks
Total current assets	276.8	307.2	30.4	
Cash, Deposits and				
Short-term investment securities	66.7	96.9	30.2	
Notes and				
accounts receivable-trade	84.5	88.3	3.9	
Inventories	104.9	100.7	-4.2	
Other	20.8	21.3	0.5	
Total non-current assets	283.4	292.5	9.1	
Tangible fixed assets	175.6	185.2	9.6	Acquisition: +38.6, Depreciation: -27.5
Intangible fixed assets	11.3	9.6	-1.7	Currency translation differences: -7, Other: -8
Investments and other assets	96.4	97.7	1.2	Investment securities: +3
Total assets	560.2	599.7	39.5	
Liabilities	191.5	200.3	8.8	
Interest-bearing Liabilities	71.3	72.3	1.0	Interest-bearing liabilities ratio: 12.1%
Other	120.2	128.0	7.8	
Total equity	368.7	399.4	30.7	Capital adequacy ratio: 61.6%
Total liabilities and equity	560.2	599.7	39.5	



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Notes regarding Forward-Looking Statements

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