

# FY2016 (4/2016 - 3/2017) 1st Quarter 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. From left to right, the colors are blue, cyan, green, and purple. The shapes are layered such that the purple one is the most prominent on the right, followed by green, cyan, and blue.

**DAICEL CORPORATION**

August 3, 2016

## **FY 2016 (4/2016 - 3/2017) 1st Quarter Consolidated Financial Results**

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# FY2016 (4/2016 - 3/2017) 1st Quarter Consolidated Financial Results

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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 bold, italicized font across the middle of these shapes.

# Operating Results

(billion yen)

	FY2015 1st Quarter (A)	FY2016 1st Quarter (B)	Change (B)-(A)	YoY (%)
<b>Sales</b>	113.4	103.7	△9.7	△8.6%
<b>Operating profit</b>	15.9	17.2	+1.2	+7.7%
<b>Ordinary profit</b>	17.1	16.0	△1.1	△6.5%
<b>Profit attributable to owners of parent</b>	11.6	10.6	△1.1	△9.3%
<b>Exchange rate</b>	¥121/\$	¥108/\$		

# Consolidated Profit and Loss Statement

( billion yen )

	FY 2015 1st Quarter (A)	FY 2016 1st Quarter (B)	Change (B) – (A)	Remarks
Net Sales	113.4	103.7	-9.7	Quantity +2.3 Prices -12.1(Exchange loss 6.7)
Gross profit	32.8	34.3	+1.5	
Selling, general and administrative expenses	16.8	17.1	+0.3	
Operating Profit	15.9	17.2	+1.2	Quantity effect +5.1 Other -1.2 Price impact -2.7(Exchange loss 2.2)
Non-operating income and expenses	1.2	-1.2	-2.3	Exchange loss 2.3
Ordinary Profit	17.1	16.0	-1.1	
Extraordinary gain and loss	1.2	0.2	-1.0	
Profit before income taxes	18.3	16.1	-2.1	
Income Taxes	5.3	3.7	-1.7	
Profit attributable to non-controlling interests	1.3	1.9	+0.6	
Profit attributable to owners of parent	11.6	10.6	-1.1	

## ◆ Acquisition of treasury stocks

**We have acquired treasury stocks of 4 billion yen (nearly 2.97million shares).**

\*We will achieve the target for the shareholder return ratio of 30% which we set in the 3D-II medium-term plan.

(Based by of FY2016 Financial and dividends forecast announced in May)

## ◆ Cancellation of treasury stocks

**We canceled treasury stocks of 15 million shares.**

\* Compared elimination of all-issued stocks is nearly 4%

# Information by Segment

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# Analysis for Sales and Operating Profit

## 【Sales】

( billion yen )

	FY 2015 1st Quarter ( A )	FY 2016 1st Quarter ( B )	Change (B) – (A)	Analysis	
				Quantity	Prices
Cellulosic Derivatives	26.9	22.3	-4.6	-2.0	-2.6
Organic Chemicals	21.2	19.0	-2.2	+0.3	-2.5
Plastics	41.9	37.9	-4.1	+0.7	-4.7
Pyrotechnic Devices	22.3	23.3	+1.0	+3.3	-2.2
Others	1.2	1.3	+0.1	+0.1	
Total	113.4	103.7	-9.7	+2.3	-12.1

## 【Operating Profit】

	FY 2015 1st Quarter ( A )	FY 2016 1st Quarter ( B )	Change (B) – (A)	Impact Analysis		
				Quantity	Prices	Other
Cellulosic Derivatives	7.8	6.4	-1.4	+0.6	-0.9	-1.1
Organic Chemicals	3.4	3.5	+0.1	+0.5	-0.6	+0.1
Plastics	4.8	6.3	+1.5	+0.8	-0.9	+1.7
Pyrotechnic Devices	2.8	4.1	+1.3	+3.0	-0.3	-1.3
Others	-0.2	0.1	+0.3	+0.3	0	0
Companywide	-2.7	-3.2	-0.5	0	0	+0.5
Total	15.9	17.2	+1.2	+5.1	-2.7	-1.2



# Cellulosic Derivatives

Sales

- 4.6 billion yen

Foreign exchange loss

1.8 billion yen

## ◆ Cellulose acetate :

Demand increased slightly for LCD film applications, but overall sales decreased due to reduction in other applications and the impact of unfavorable foreign exchange rates and other factors.

## ◆ Acetate tow for cigarette filters :

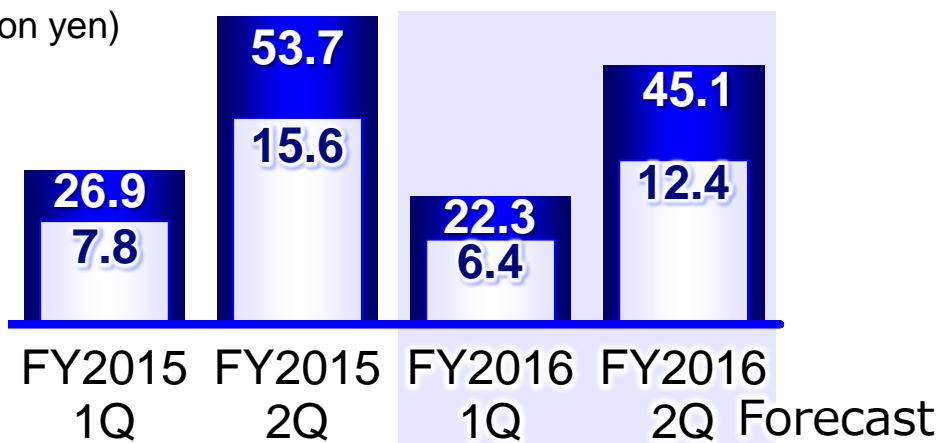
Amid the worldwide glut, sales volume increased through our efforts in strengthening relationships with main customers and finding new customers, but overall sales decreased due to unfavorable foreign exchange rates and other factors.

Operating profit

- 1.4 billion yen

Decrease in profit due to unfavorable foreign exchange rates and other factors.

(billion yen)



# Organic Chemicals

Sales

- 2.2 billion yen

Foreign exchange loss

0.7 billion yen

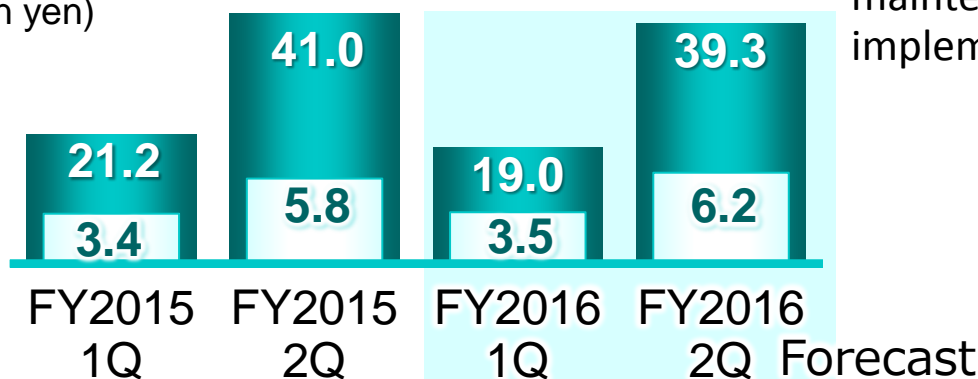
- ◆ **Acetic acid:** Sales decreased due to unfavorable foreign exchange rates and sluggish market conditions, though sales volume increased as the biennial periodic maintenance was not implemented in Aboshi plant.
- ◆ **Organic chemicals :** Decrease in sales due to the lower sales volume of electronic materials, coating and other applications, unfavorable foreign exchange rates, the impact of falling crude oil prices on selling prices, and other factors.
- ◆ **Performance chemicals :** Increase in sales quantity of some products for electronic materials in the domestic market, but overall sales decreased due to falling demand for some products, mainly in overseas markets, unfavorable foreign exchange rates and other factors.
- ◆ **Chiral separation :** Decrease in sales due to the unfavorable foreign exchange rates and other factors, despite the strong sales of columns in China and India.

Operating profit

+ 0.1 billion yen

Increase in profit due to a drop in raw material and fuel procurement prices, the periodic maintenance of the Aboshi plant not implemented and other factors.

(billion yen)



# Plastics

Sales

- 4.1 billion yen

Foreign exchange loss

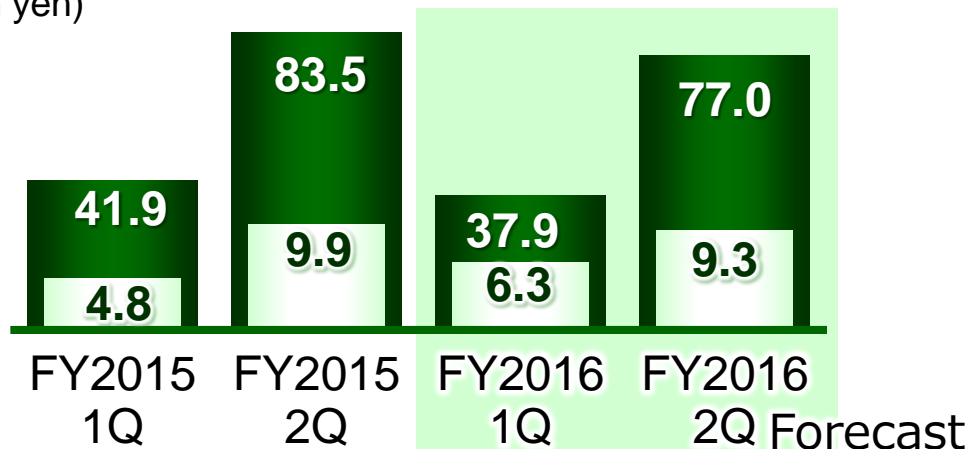
2.5 billion yen

- ◆ **Engineering plastics business:** Growth in sales quantity, despite market conditions of decelerating emerging economies including China, slow growth of the Japanese automobile manufacturers and sluggish sales of electronic devices. Decrease in overall sales due to unfavorable foreign exchange rates, impact of falling raw material and fuel prices on selling prices and other factors
- ◆ **Plastic compound business:** Decrease in sales due to unfavorable foreign exchange rates, impact of falling crude oil prices on selling prices, although sales volume increased particularly in the domestic market.
- ◆ **Plastic processing business:** Decrease in sales due to the decrease in sales volume for sheets.

Operating profit + 1.5 billion yen

Increase in profit due to increase in sales volume, a drop in raw material and fuel procurement prices, and a reduction in fixed costs and other factors.

(billion yen)



# Pyrotechnic Devices

Sales

+ 1.0 billion yen

Foreign exchange loss

1.7 billion yen

## ◆ Automobile safety parts business :

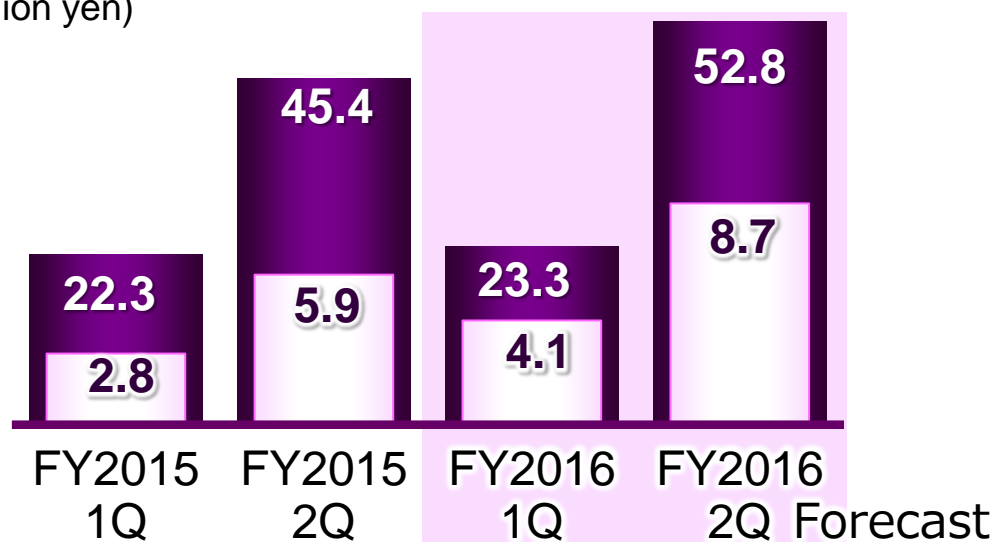
Despite unfavorable exchange rates, overall sales increased due to the increase of sales volume for inflators (gas-generating device) and other factors.

Operating profit

+ 1.3 billion yen

Increase in profit due to a rise in sales volume and other factors.

(billion yen)



# References

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# Consolidated Balance Sheet

( billion yen )

	End of March,2016 ( A )	End of June,2016 ( B )	Change (B) - (A)	Remarks
<b>Assets</b>	<b>276.8</b>	<b>257.7</b>	<b>-19.2</b>	
Cash, Deposits and	66.7	58.6	-8.1	
Short-term investment securities				
Notes and	84.5	77.5	-7.0	
accounts receivable-trade				
Inventories	104.9	102.2	-2.7	
Other	20.8	19.3	-1.5	
<b>Total noncurrent assets</b>	<b>283.4</b>	<b>269.2</b>	<b>-14.2</b>	
Property, plant and equipment	175.6	170.6	-5.0	Acquisition: +6.9, Depreciation: -6.0, Currency conversion difference: -5.7
Intangible assets	11.3	10.1	-1.2	
Investments and other assets	96.4	88.5	-7.9	Investment securities: -6.7
<b>Total assets</b>	<b>560.2</b>	<b>526.9</b>	<b>-33.3</b>	
<b>Liabilities</b>	<b>191.5</b>	<b>172.8</b>	<b>-18.6</b>	
Interest-bearing Liabilities	71.3	70.9	-0.4	Interest-bearing liabilities ratio: 13.5%
Other	120.2	101.9	-18.2	
<b>Net assets</b>	<b>368.7</b>	<b>354.0</b>	<b>-14.7</b>	Capital adequacy ratio: 62.1%
<b>Total liabilities and net assets</b>	<b>560.2</b>	<b>526.9</b>	<b>-33.3</b>	

# FY2016 Financial forecast (YoY)

Note: Announcement at FY2015 . Forecast is not reviewed at 1st quarter account settlement.

	( 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	

Assumptions: Exchange rate ¥110/\$, Methanol US\$250/ton, Crude oil US\$35/bbl, Domestic naphtha ¥34,000/kl

# Notes regarding Forward-Looking Statements

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