



3rd Quarter (Apr. to Dec.) of Fiscal Year ending March 2021  
Consolidated Financial Results

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**DAICEL CORPORATION**

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## Financial Results

	20/3 3Q (Apr. to Dec.) Results	21/3 3Q (Apr. to Dec.) Results	Change	%	(billion yen)	
					21/3 Forecasts* (Full Year)	Progression Rate (%)
Net sales	312.8	281.4	-31.4	-10.0%	368.0	76.5%
Operating income	22.6	18.7	-3.9	-17.3%	22.0	85.1%
Ordinary income	24.3	20.2	-4.1	-16.7%	23.0	87.9%
Income attributable to owners of parent	4.6	11.2	+6.6	+141.7%	14.0	80.2%
Exchange rate USD/JPY	109	106			106	

In the third quarter(April to December), sales and operating income fell year-on-year because of sluggish demand in various industries due to Covid-19, however profit exceeded the assumption of full-year forecast announced in November 2020 by increasing sales volume due to such as the recovery in demand such as automobile production. and thoroughly reducing costs.

Net income attributable to owners of the parent company increased year on year due mainly to the extraordinary loss related to structural reforms in the inflator business in the previous fiscal year. In addition, this increase in profits is partly due to the acquisition of Polyplastics as a wholly owned subsidiary (ownership ratio 55% → 100%).

※ Forecasts were announced on November 6, 2020.

## Net Sales and Operating Income by Segment (Y on Y)

(billion yen)

Net Sales	20/3 3Q (Apr. to Dec.) Results	21/3 3Q (Apr. to Dec.) Results	Change	%	Analysis		
					Quantity	Prices	Exchange rate Impact
Medical / Healthcare	11.6	12.0	+0.4	+3.1%	+1.3	-1.0	-0.2
Smart	19.1	17.6	-1.6	-8.1%	-1.8	+0.2	-0.1
Safety	58.0	46.7	-11.3	-19.5%	-10.1	-1.1	-0.7
Materials	81.4	74.9	-6.5	-8.0%	-1.4	-5.1	-1.2
Engineering Plastics	134.5	121.2	-13.3	-9.9%	-9.2	-4.1	-1.6
Others	8.2	9.1	+0.9	+10.8%	+0.9	-	-
Total	312.8	281.4	-31.4	-10.0%	-20.3	-11.2	-3.8

Operating Income	20/3 3Q (Apr. to Dec.) Results	21/3 3Q (Apr. to Dec.) Results	Change	%	Analysis			
					Quantity	Prices	Exchange rate Impact	Others
Medical / Healthcare	1.3	1.2	-0.1	-8.1%	+0.5	-0.7	-0.1	+0.2
Smart	2.8	2.1	-0.7	-26.2%	-0.9	+1.1	-0.1	-0.9
Safety	3.0	0.6	-2.4	-81.2%	-7.0	-0.1	-0.0	+4.7
Materials	10.9	10.9	-0.1	-0.8%	-1.6	-0.3	-0.6	+1.8
Engineering Plastics	16.0	14.0	-2.0	-12.3%	-2.8	+1.7	-0.7	-0.9
Others	0.4	1.3	+0.9	+204.3%	+0.9	-	-	-
Corporate	-11.9	-11.3	+0.6	+4.7%	-	-	-	+0.6
Total	22.6	18.7	-3.9	-17.3%	-10.9	+1.7	-1.5	+5.3

\*Exchange rate impact is included in price impact.

## Business Situation

Although the impact of COVID-19 remains, the demand recovery exceeded expectations in this third quarter.

Medical / Healthcare	<ul style="list-style-type: none"> <li>• 1,3BG(Cosmetic ingredients) market conditions remain same as the first half, without any major changes.</li> <li>• Sales revenue exceeded the plan in Chiral separation business.</li> </ul>
Smart	<ul style="list-style-type: none"> <li>• Sales revenue of cellulose acetate for LCD protection film increased more than planned due to liquid crystal panel market on a recovery trend.</li> <li>• Based on strong semiconductor market and demand for liquid crystal panel application on a recovery trend, sales revenue increased.</li> </ul>
Safety	<ul style="list-style-type: none"> <li>• Sales volume of inflator exceeded the forecast due to recovery of automobile production.</li> </ul>
Materials	<ul style="list-style-type: none"> <li>• Increased sales revenue of acetic acid due to demand recovery and rising market condition.</li> <li>• Sales revenue transition of acetate tow remains almost as planned.</li> <li>• Sales revenue of caprolactone derivatives and alicyclic-epoxy-resin exceeded the forecast due to steady performance of demand.</li> </ul>
Engineering Plastics	<ul style="list-style-type: none"> <li>• Sales volume increased more than planned due to a better-than-expected recovery in demand for automobile and electronic components.</li> </ul>

## Full- year Forecasts

(billion yen)

	20/3 Results	21/3 Previous Forecasts*	21/3 Revised Forecasts	Y o Y		vs Forecasts	
				Change	%	Change	%
Net Sales	412.8	368.0	388.0	-24.8	-6.0%	+20.0	+5.4%
Operating Income	29.6	22.0	28.0	-1.6	-5.5%	+6.0	+27.3%
Ordinary Income	31.8	23.0	29.5	-2.3	-7.2%	+6.5	+28.3%
Income Attributable to Owners of Parent	5.0	14.0	18.0	+13.0	+261.6%	+4.0	+28.6%
Exchange Rate USD/JPY	109	106	106				

Although the outlook for the business environment remains uncertain, we have revised our earnings forecasts in consideration of the earnings trend up to the third quarter, future demand forecasts and sales price correction status.

\* The previous forecasts were announced on November 6, 2020.

## Full-year Forecasts - Net Sales and Operating Income by Segment (billion yen)

Net Sales	20/3 Results	21/3 Previous Forecasts*	21/3 Revised Forecasts	Y o Y		vs Forecasts	
				Change	%	Change	%
Medical / Healthcare	15.1	15.0	15.5	+0.4	+2.7%	+0.5	+3.3%
Smart	25.3	22.0	25.0	-0.3	-1.4%	+3.0	+13.6%
Safety	74.8	61.0	67.0	-7.8	-10.4%	+6.0	+9.8%
Materials	109.4	99.0	100.5	-8.9	-8.1%	+1.5	+1.5%
Engineering Plastics	176.1	158.0	167.5	-8.6	-4.9%	+9.5	+6.0%
Others	12.1	13.0	12.5	+0.4	+3.5%	-0.5	-3.8%
<b>Total</b>	<b>412.8</b>	<b>368.0</b>	<b>388.0</b>	<b>-24.8</b>	<b>-6.0%</b>	<b>+20.0</b>	<b>+5.4%</b>

Operating Income	20/3 Results	21/3 Previous Forecasts*	21/3 Revised Forecasts	Y o Y		vs Forecasts	
				Change	%	Change	%
Medical / Healthcare	1.3	1.2	1.5	+0.2	+12.0%	+0.3	+25.0%
Smart	3.4	2.2	3.0	-0.4	-10.4%	+0.8	+36.4%
Safety	3.3	1.2	2.5	-0.8	-24.3%	+1.3	+108.3%
Materials	15.8	13.3	15.0	-0.8	-5.2%	+1.7	+12.8%
Engineering Plastics	20.9	17.9	19.5	-1.4	-6.7%	+1.6	+8.9%
Others	0.8	1.6	1.5	+0.7	+84.3%	-0.1	-6.3%
Corporate	-15.9	-15.4	-15.0	+0.9	+5.5%	+0.4	+2.6%
<b>Total</b>	<b>29.6</b>	<b>22.0</b>	<b>28.0</b>	<b>-1.6</b>	<b>-5.5%</b>	<b>+6.0</b>	<b>+27.3%</b>

\* The previous forecasts were announced on November 6, 2020.

## Polyplastics Fuji Plant "F-BASE" started operation in January 2021



At "F-BASE", the divisions that have been dispersed among the different areas of the plant (operation, maintenance, technology, testing, logistics, and safety) are integrated into one floor in an effort to gather expertise about manufacturing. We spur innovation through inter-departmental information exchange in order to achieve better quality and stable production.

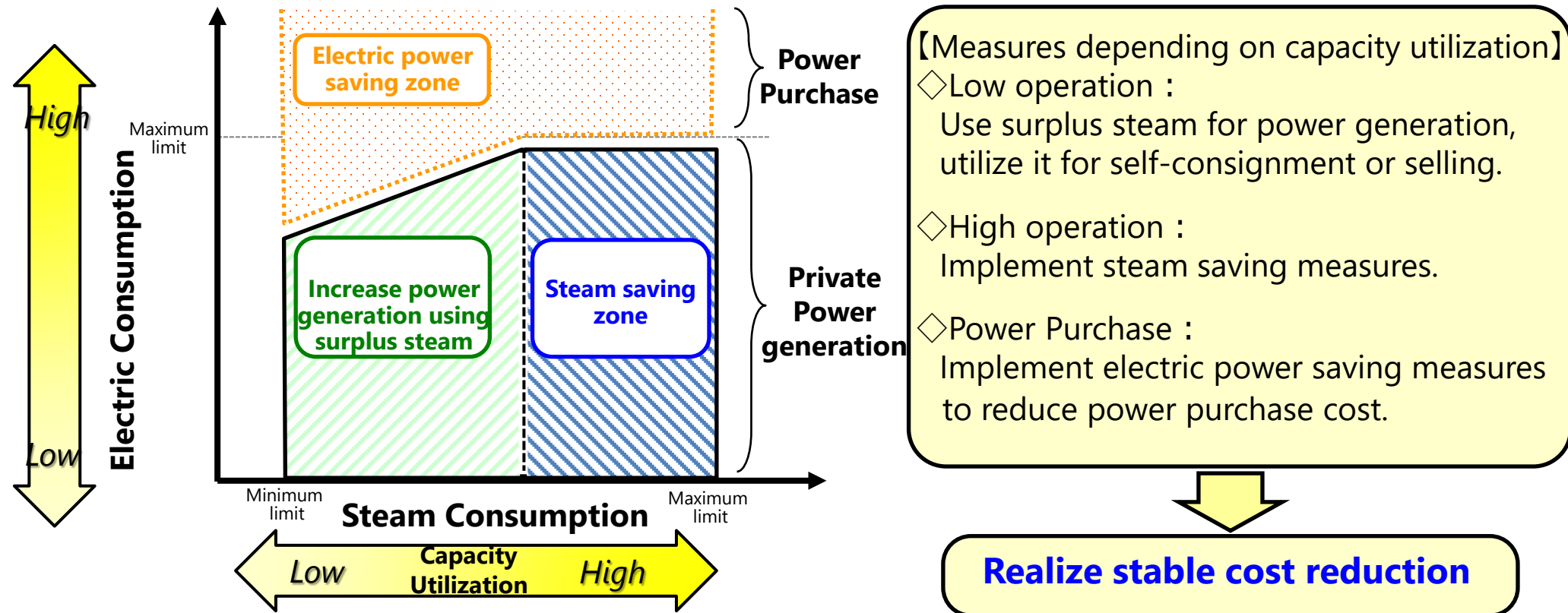
In addition, we accelerate extensive engagement with R&D and vendors as an open plant, which will lead the Fuji Plant to be the birthplace of further technological innovation.



## Implementing thorough cost reduction

In addition to the 10.7 billion yen cost reduction planned at the beginning of the term, we aim to achieve a total of 15.2 billion yen in cost reductions during the year due to increased cost reduction activities such as reviewing repair plans.

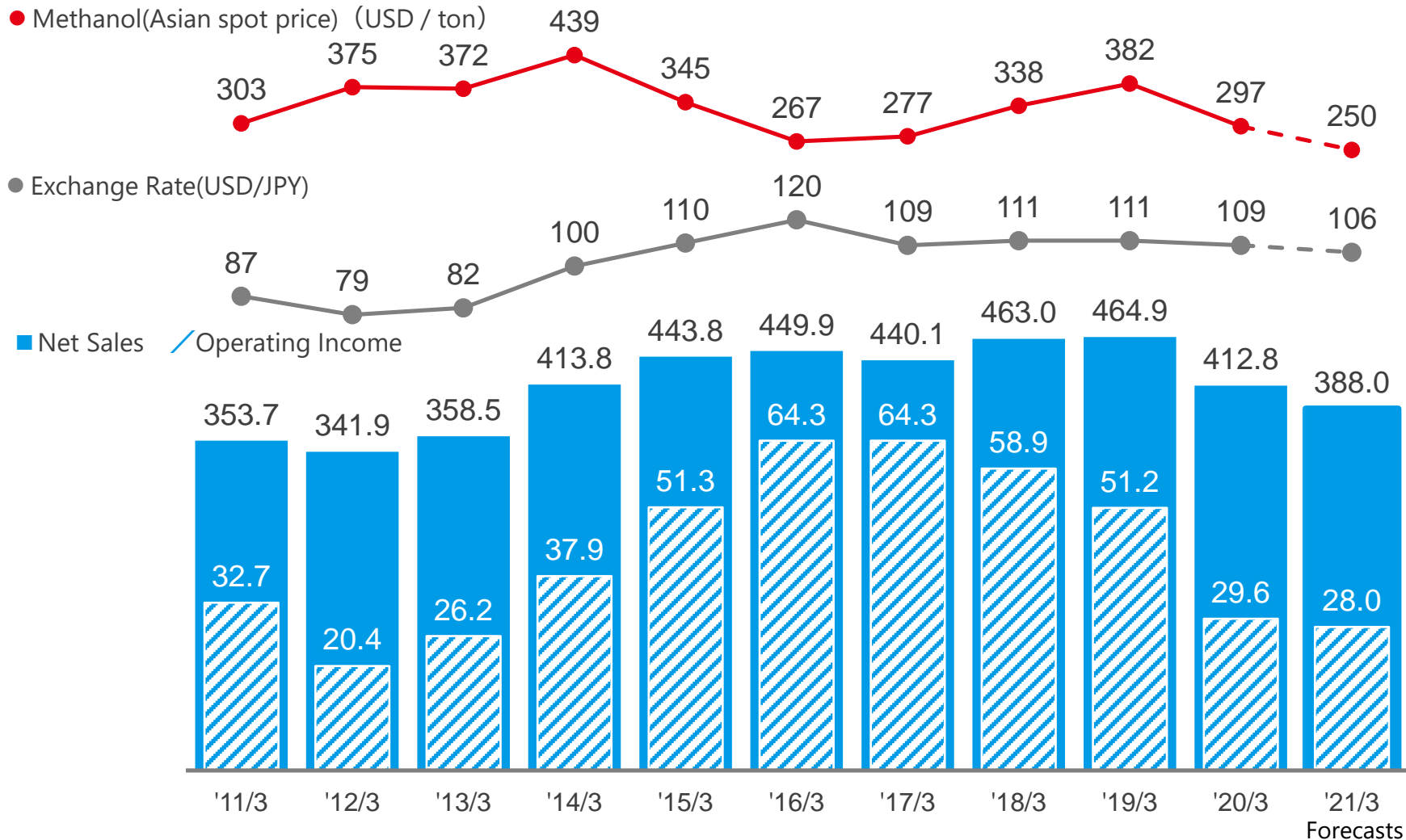
Also, in response to lower operating rates from decreased demand, we are realizing a flexible cost reduction policy by switching between steam or electric power, and combining these measures with electric power consignment and sales between group plants using surplus power.



# REFERENCES

# Trend in Net Sales and Operating Income and Forecasts

(billion yen)



## Consolidated Balance Sheet

(billion yen)

		Mar. 31, 2020	Dec. 31, 2020	Change	Remarks
<b>Total Current Assets</b>		298.0	290.6	-7.5	
	Cash, Deposits and Short-term Investment Securities	81.4	79.4	-1.9	
	Notes and Accounts Receivable-trade	79.5	90.1	+10.6	
	Inventories	117.4	102.8	-14.7	
	Other	19.7	18.2	-1.5	
<b>Total Non-Current Assets</b>		300.0	319.4	+19.4	
	Property, Plant and Equipment	204.3	214.8	+10.4	Acquisition+29.2, Depreciation-17.6, Others-1.2
	Intangible Fixed Assets	13.4	12.3	-1.1	
	Investments and Other Assets	82.2	92.3	+10.1	
<b>Total Assets</b>		<b>598.0</b>	<b>609.9</b>	<b>+11.9</b>	
<b>Liabilities</b>		205.4	388.2	+182.8	
	Interest-bearing Liabilities	92.8	278.8	+186.0	Bonds+100, Short-term Loan +68.6 Long-term Loan +17.7
	Other	112.6	109.4	-3.3	
<b>Total Net Assets</b>		392.6	221.8	-170.8	Capital adequacy ratio 35.3%
<b>Total Liabilities and Net Assets</b>		<b>598.0</b>	<b>609.9</b>	<b>+11.9</b>	

## Consolidated Statements of Income

(billion yen)

	20/3 3Q (Apr. to Dec.)	21/3 3Q (Apr. to Dec.)	Change	%	Remarks
Net Sales	312.8	281.4	-31.4	-10.0%	
Gross Income	83.7	76.6	-7.0	-8.4%	
SG&A Expenses	61.0	57.9	-3.1	-5.1%	
Operating Income	22.6	18.7	-3.9	-17.3%	
Non-operating Income and Expenses	1.6	1.5	-0.1	-8.6%	
Ordinary Income	24.3	20.2	-4.1	-16.7%	
Extraordinary Income and Losses	-12.1	-1.1	+11.0	-	Impairment loss+11.9
Income before Income Taxes	12.2	19.1	+7.0	+57.1%	
Income Attributable to Owners of Parent	4.6	11.2	+6.6	+141.7%	
Operating Income Ratio (%)	7.2%	6.7%	-0.5%		

## Revision of Financial Forecast (FY ending March 2021)

(billion yen)

		2021/3 Previous Forecasts*			2021/3 Revised Forecasts			Change (B)-(A)
		1 <sup>st</sup> Half	2 <sup>nd</sup> Half	Total(A)	1 <sup>st</sup> Half	2 <sup>nd</sup> Half	Total(B)	
	Medical / Healthcare	7.8	7.2	15.0	7.8	7.7	15.5	+0.5
	Smart	10.3	11.7	22.0	10.3	14.7	25.0	+3.0
	Safety	27.2	33.8	61.0	27.2	39.8	67.0	+6.0
	Materials	49.3	49.7	99.0	49.3	51.2	100.5	+1.5
	Engineering Plastics	74.7	83.3	158.0	74.7	92.8	167.5	+9.5
	Others	6.1	6.9	13.0	6.1	6.4	12.5	-0.5
<b>Net Sales</b>		<b>175.3</b>	<b>192.7</b>	<b>368.0</b>	<b>175.3</b>	<b>212.7</b>	<b>388.0</b>	<b>+20.0</b>
	Medical / Healthcare	0.8	0.4	1.2	0.8	0.7	1.5	+0.3
	Smart	1.0	1.2	2.2	1.0	2.0	3.0	+0.8
	Safety	-1.7	2.9	1.2	-1.7	4.2	2.5	+1.3
	Materials	7.5	5.8	13.3	7.5	7.5	15.0	+1.7
	Engineering Plastics	8.2	9.7	17.9	8.2	11.3	19.5	+1.6
	Others	0.9	0.7	1.6	0.9	0.6	1.5	-0.1
	Corporate	-7.7	-7.7	-15.4	-7.7	-7.3	-15.0	+0.4
<b>Operating Income</b>		<b>9.1</b>	<b>12.9</b>	<b>22.0</b>	<b>9.1</b>	<b>18.9</b>	<b>28.0</b>	<b>+6.0</b>
<b>Ordinary Income</b>		<b>10.2</b>	<b>12.8</b>	<b>23.0</b>	<b>10.2</b>	<b>19.3</b>	<b>29.5</b>	<b>+6.5</b>
<b>Income Attributable to Owners of Parent</b>		<b>3.3</b>	<b>10.7</b>	<b>14.0</b>	<b>3.3</b>	<b>14.7</b>	<b>18.0</b>	<b>+4.0</b>
(ref.) Exchange rate USD/JPY		107	105	106	107	105	106	

\* The previous forecasts were announced on November 6, 2020.



## Assumptions

		2020/3		2021/3		
		1 <sup>st</sup> Half (Results)	2 <sup>nd</sup> Half (Results)	1 <sup>st</sup> Half (Results)	2 <sup>nd</sup> Half (Previous Forecasts*)	2 <sup>nd</sup> Half (Revised Forecasts)
Exchange rate (USD/JPY)		109	109	107	105	105
Raw Materials	Methanol Asian spot price (USD/ton)	277	245	205	200	297
	Crude Oil Dubai (USD/bbl.)	64	56	37	45	46
	Domestic Naphtha (JPY/kl)	42,800	42,700	27,500	30,000	32,000

\* The previous forecasts were announced on November 6, 2020.



## Overview of New Segments

New Segments	Divisions / Companies		Main Products	Previous Segments
Medical / Healthcare	Healthcare SBU	Cosmetics BU	Cosmetic ingredients such as 1,3-butylene glycol, low-irritation surfactants	Organic Chemicals
		Health Foods BU	Naturally derived ingredients and supplements such as equol and konjac ceramide	
	CPI Company	Analytical Tools BU	Chiral columns, High-purity chiral reagents, etc.	
	Innovation and Business Development	New Business Development	Co-processed excipients Such as orally disintegrating tablets	Others
Smart	Smart SBU	Display BU	Cellulose acetate for optical films	Cellulosic Derivatives
			High-performance optical films	Plastics
		IC/Semiconductor BU	Resist materials, Solvents for printed electronics	Organic Chemicals
		Sensing BU	Optical devices, Semiconductor devices	Others
Safety	Safety SBU	Mobility BU	High-performance resin materials for automotive parts	Plastics
			Automobile Airbag Inflators	Pyrotechnic Devices
		Industry BU	Pyrotechnic goods for civilian uses such as PGG, Pyro-fuse	
Materials	Material SBU	Acetyl BU	Cellulose acetate for applications other than optical films	Cellulosic Derivatives
			Acetate tow	Organic Chemicals
			Acetic acid, Acetic acid derivatives	
		Chemical BU	Organic chemicals such as Alicyclic-epoxy-resin, Caprolactone derivatives	
Engineering Plastics	Polyplastics Daicel Miraizu DM Novafoam Daicel Pack Systems		Engineering Plastics such as POM, PBT, LCP, PPS, COC	Plastics
			Resin compound products such as SAN, MS, ABS resin, Polymer alloys	
			Plastics processing products such as Polystyrene sheet, Coating films	
			Water-soluble polymer	Cellulosic Derivatives
Others	Daicen Membrane-Systems		Membrane separation systems	Others
	Safety SBU	Aerospace & Defense Systems	Defense-related products	Pyrotechnic Devices



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