



1st Half of Fiscal Year ending March 2022
Consolidated Financial Results

November 5, 2021



DAICEL CORPORATION

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Highlights

◇ 2022/3 1H Financial Results

- **Sales Revenue: 224.8 billion yen, Operating Profit: 27.3 billion yen**
- Although the Safety business was affected by the reduction in automobile production, profits exceeded the forecasts due mainly to increased sales volume and rising product market prices in Materials, Engineering Plastics, and Medical/Healthcare.

◇ 2022/3 Full-year Forecasts

- **Sales Revenue: 448 billion yen, Operating Profit: 38 billion yen**
- We have upwardly revised our consolidated earnings forecast for the full fiscal year, based on the operating results for the first half of the current consolidated period, exchange rate, demand forecast and procurement prices of raw materials.
- Changes in the commercial operating period of large-scale investment equipment: Carbon monoxide (Acetic acid raw material) Plant and 1,3-BG (Cosmetic ingredients) Plant.
- We will aggressively reduce the assets of low-profit businesses and sell cross-holding of shares with the aim for improving ROIC(return on invested capital.) We incorporate extraordinary profit and loss expected from these efforts into our forecasts.

◇ Shareholder Return

- Decided to purchase treasury stock of 5 billion yen for 6 million shares. (From Nov. 2021 to Mar 2022)

Trends in Main Markets in 1st Half and Outlook for 2nd Half

Markets	Main businesses Segments	Results of 22/3 1H	Outlook for 22/3 2H
Automotive	Safety Materials Engineering Plastics	Automobile production fell below plan in the first half due to semiconductor shortages and Covid-19	Automobile production is expected to fall below the plan until the third quarter due to the impact of semiconductor shortages and Covid-19, and to recover in the fourth quarter
Semiconductor / Electronic Devices	Smart Materials Engineering Plastics	Semiconductor market grows due to strong demand. Increase in demand for electronic devices such as LCD panels. Increase in demand for base stations and data center along with expansion of 5G network.	Production adjustment is expected for LCD panels because of decline in stay-at-home consumption. High levels of demand for other electronic devices and semiconductors are expected to continue.
Cosmetics / Healthcare	Medical / Healthcare	Domestic cosmetics market has remained sluggish. On the other hand, demand in China recovered early from Covid-19. Domestic health food market has remained strong due to rising health consciousness during Covid-19	Domestic cosmetics market is expected to remain sluggish, and China's demand is expected to grow. Domestic health food market is expected to remain strong

Financial Results

(billion yen)

	21/3 1H Results	22/3 1H Forecasts*	22/3 1H Results	Y o Y		vs Forecasts	
				Change	%	Change	%
Net Sales	175.3	222.0	224.8	+49.5	+28.2%	+2.8	+1.3%
Operating Income	9.1	23.0	27.3	+18.2	+199.3%	+4.3	+18.5%
Ordinary Income	10.2	24.0	29.8	+19.7	+193.5%	+5.8	+24.3%
Income Attributable to Owners of Parent	3.3	16.0	22.0	+18.8	+573.6%	+6.0	+37.8%
Exchange Rate USD/JPY	107	107	110				

* The forecasts were announced on August 3, 2021.

Financial Results

<Y o Y>

- Demand recovered in a wide range of industries compared to the same period of the previous year, which was greatly affected by Covid-19. Therefore, Sales volume increased mainly for Safety and Engineering Plastics. For Engineering Plastics, the increase in COC production capacity in July also contributed to the increase in sales volume.
- Operating profits increased due to price corrections associated with rising raw material and fuel prices and improved profitability through structural reforms, although direct sales costs increased due to an increase in sales volume, a global shortage of containers under Covid-19, and soaring transportation costs due to rising fuel prices.
- Increases in net income attributable to owners of parent was partly due to the acquisition of Polyplastics as a wholly owned subsidiary in October 2020.

<vs Forecasts>

- Sales volume in Safety fell below forecasts due to reduced automobile production, but Medical / Healthcare sales volume exceeds Forecasts.
- Acetic acid market conditions exceeded the plan, boosting profits in Materials.
- Sales prices of Engineering Plastics strongly corrected due to rising raw material prices, centered on POM and PBT, and profits exceeded forecasts.

Net Sales and Operating Income by Segment

(billion yen)

Net Sales	21/3 1H Results	22/3 1H Forecasts*	22/3 1H Results	Y o Y		vs Forecasts	
				Change	%	Change	%
Medical / Healthcare	7.8	9.5	9.6	+1.9	+23.8%	+0.1	+1.4%
Smart	10.3	15.5	15.4	+5.1	+49.7%	-0.1	-0.4%
Safety	27.2	35.0	31.9	+4.7	+17.3%	-3.1	-8.9%
Materials	49.3	55.5	58.0	+8.8	+17.8%	+2.5	+4.6%
Engineering Plastics	74.7	101.0	104.4	+29.7	+39.8%	+3.4	+3.4%
Others	6.1	5.5	5.4	-0.7	-11.5%	-0.1	-1.8%
Total	175.3	222.0	224.8	+49.5	+28.2%	+2.8	+1.3%

Operating Income	21/3 1H Results	22/3 1H Forecasts*	22/3 1H Results	Y o Y		vs Forecasts	
				Change	%	Change	%
Medical / Healthcare	0.8	1.6	1.9	+1.1	+132.4%	+0.3	+18.5%
Smart	1.0	3.5	3.4	+2.4	+228.4%	-0.1	-2.8%
Safety	-1.7	3.0	2.4	+4.1	-	-0.6	-20.1%
Materials	7.5	10.5	11.6	+4.2	+55.6%	+1.1	+10.9%
Engineering Plastics	8.2	12.5	15.1	+6.9	+83.6%	+2.6	+20.9%
Others	0.9	0.8	0.8	-0.2	-19.2%	-0.0	-5.5%
Corporate	-7.7	-8.9	-7.9	-0.2	-2.8%	+1.0	+10.7%
Total	9.1	23.0	27.3	+18.2	+199.3%	+4.3	+18.5%

* The forecasts were announced on August 3, 2021.

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

(billion yen)

Net Sales	21/3 1H Results	22/3 1H Results	Change	%	Analysis		
					Quantity	Prices	Exchange Rate Impact
Medical / Healthcare	7.8	9.6	+1.9	+23.8%	+1.9	-0.0	+0.2
Smart	10.3	15.4	+5.1	+49.7%	+4.3	+0.8	+0.0
Safety	27.2	31.9	+4.7	+17.3%	+3.3	+1.4	+0.6
Materials	49.3	58.0	+8.8	+17.8%	+0.9	+7.9	+0.9
Engineering Plastics	74.7	104.4	+29.7	+39.8%	+19.4	+10.3	+1.6
Others	6.1	5.4	-0.7	-11.5%	-0.7	-	-
Total	175.3	224.8	+49.5	+28.2%	+29.1	+20.4	+3.3

Operating Income	21/3 1H Results	22/3 1H Results	Change	%	Analysis			
					Quantity	Prices	Exchange Rate Impact	Others
Medical / Healthcare	0.8	1.9	+1.1	+132.4%	+1.4	-0.4	+0.1	+0.0
Smart	1.0	3.4	+2.4	+228.4%	+2.3	+0.2	-0.0	-0.1
Safety	-1.7	2.4	+4.1	-	+3.2	+0.7	+0.1	+0.2
Materials	7.5	11.6	+4.2	+55.6%	+0.7	+2.8	+0.5	+0.6
Engineering Plastics	8.2	15.1	+6.9	+83.6%	+8.5	+2.0	+0.6	-3.6
Others	0.9	0.8	-0.2	-19.2%	-0.2	-	-	-
Corporate	-7.7	-7.9	-0.2	-2.8%	-	-	-	-0.2
Total	9.1	27.3	+18.2	+199.3%	+16.0	+5.4	+1.2	-3.2

*Exchange rate impact is included in price impact.

Consolidated Balance Sheet

(billion yen)

		Mar. 31, 2021	Sep. 30, 2021	Change
Total Current Assets		312.5	323.3	+10.8
	Cash, Deposits and Short-term Investment Securities	91.5	91.9	+0.4
	Notes and Accounts Receivable-trade	93.2	87.4	-5.8
	Inventories	108.7	123.5	+14.9
	Other	19.2	20.5	+1.4
Total Non-Current Assets		327.9	350.7	+22.8
	Property, Plant and Equipment	219.7	223.4	+3.6
	Intangible Fixed Assets	10.6	11.5	+0.9
	Investments and Other Assets	97.5	115.8	+18.3
Total Assets		640.4	674.0	+33.6
Liabilities		395.4	399.7	+4.3
	Interest-bearing Liabilities	270.9	269.8	-1.1
	Other	124.4	129.9	+5.4
Total Net Assets		245.0	274.3	+29.3
Total Liabilities and Net Assets		640.4	674.0	+33.6

As of September 30, 2021, total assets increased JPY 33.6 billion compared to March 31, 2021.

- Inventory
 - Build up inventories of engineering plastics, which had been decreasing due to increased demand from the recovery of COVID-19.
 - Inventory unit price has risen due to the impact of rising raw material and fuel prices
- Major project of Capital investment
 - Establishment of new production site for automobile airbag inflators in India.
 - Expanding production capacities for engineering plastic (COC) in Germany.
- Increase in market value of cross-shareholdings.

Consolidated Cash Flow Statement

(billion yen)

	2021/3 1H	2022/3 1H	Change
Cash Flows from Operating Activities	21.9	28.4	+6.6
Cash Flows from Investing Activities	-18.1	-21.3	-3.2
Free Cash Flows	3.7	7.1	+3.4
Cash Flows from Financing Activities	-4.3	-7.5	-3.2
Other	0.2	0.5	+0.3
Net Increase (Decrease) in Cash and Cash Equivalents	-0.4	0.1	+0.5
Increase in cash and cash equivalents resulting from inclusion of subsidiaries in consolidation	-	0.1	+0.1
Cash and Cash Equivalents at End of Period	80.2	90.9	+10.7

During the first half of the current fiscal year under review, free cash flow increased by 3.4 billion yen year-on-year, mainly due to an increase in profits.

Free cash flow was allocated to shareholder returns and borrowing repayments. Therefore, balance of cash and deposits remained at the level at the end of the previous fiscal year, and we have secured a financial base to prepare for sudden changes in the business environment.

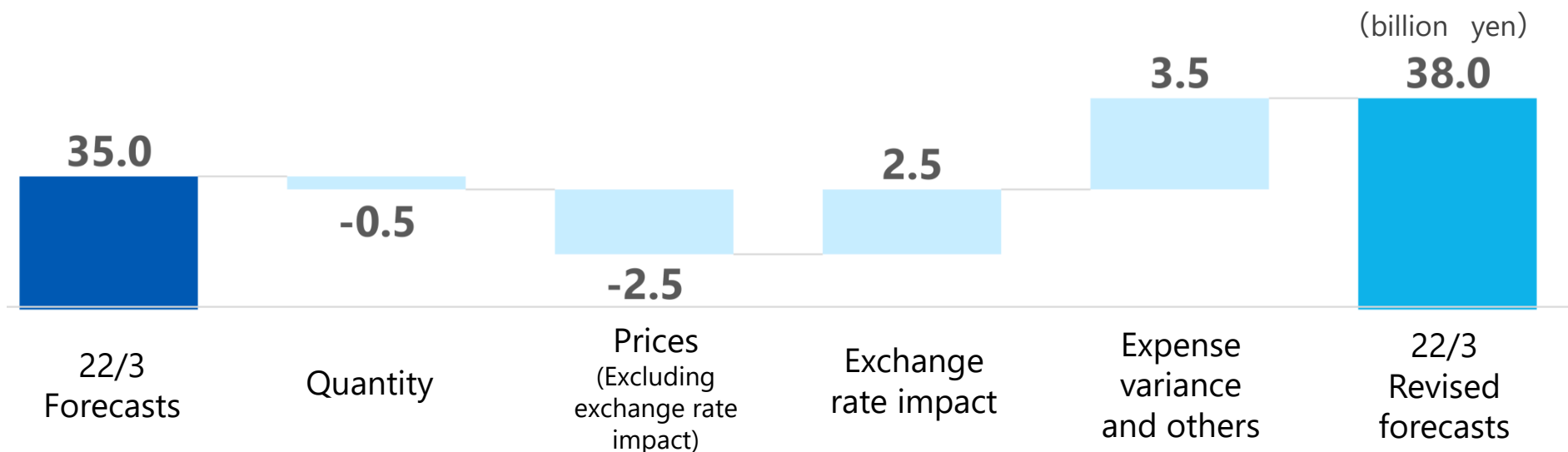
Full- year Forecasts

(billion yen)

	21/3 Results	22/3 Forecasts*	22/3 Revised Forecasts	Y o Y		vs Forecasts	
				Change	%	Change	%
Net Sales	393.6	435.0	448.0	+54.4	+13.8%	+13.0	+3.0%
Operating Income	31.7	35.0	38.0	+6.3	+19.8%	+3.0	+8.6%
Ordinary Income	34.7	37.0	42.0	+7.3	+21.1%	+5.0	+13.5%
Income Attributable to Owners of Parent	19.7	24.0	24.0	+4.3	+21.7%	-	-
Exchange Rate USD/JPY	106	106	110				
ROIC	4.1%	4.4%	4.8%				
EBITDA	58.6	67.7	66.2				

* The forecasts were announced on August 3, 2021.

Revised Forecasts - Operating Income (vs Forecasts Analysis)



- Although sales volume of Safety has been revised downward due to the impact of reduced automobile production, sales volume of Engineering Plastics has increased.
- Revise sales prices based on market conditions and promote price corrections due to rising raw material and fuel prices
- Change in foreign exchange assumptions in 2nd half
 ¥ 105/US\$ ⇒ ¥ 110/US\$ (Full year: ¥ 106/US\$ ⇒ ¥ 110/US\$)
- Direct selling expenses are expected to increase because of rising transportation costs due to global container shortage and rising fuel prices.
- Depreciation expenses are expected to decrease by 4.5 billion yen due to changes in the commercial operating period of large-scale investment equipment.
 - Carbon monoxide (Acetic acid raw material) Plant Dec. 2021 ⇒ Jun. 2022
 - 1,3-BG (Cosmetic ingredients) Plant Jan. 2022 ⇒ Jul. 2022

Progress of Large-scale Investment Project

◇ **Renewal of carbon monoxide (acetic acid raw material) plant in Aboshi**

- We reviewed the start of commercial operations from December 2021 to June 2022 after annual maintenance.
- Tight global acetic acid supply is expected to continue. We reviewed the start of commercial operations of new plant and prioritize the operations of existing plant to fulfill our supply responsibilities.

◇ **New 1,3-BG manufacturing plant in Aboshi**

- We found an equipment malfunction during the commissioning period. We plan to resolve this problem during annual maintenance period and start commercial operations in July (previous plan: start commercial operations in January 2022).
- We are considering the possibility of recovering the investment amount in light of the deterioration of the product market environment due to Covid-19 and the current trend of raw material and fuel costs.

Forecasts - Net Sales and Operating Income by Segment

(billion yen)

Net Sales	21/3 Results	22/3 Forecasts	22/3 Revised Forecasts	Y o Y		vs Forecasts	
				Change	%	Change	%
Medical / Healthcare	16.2	19.0	19.0	+2.8	+17.2%	-	-
Smart	24.7	28.0	30.0	+5.3	+21.5%	+2.0	+7.1%
Safety	67.2	73.5	69.0	+1.8	+2.7%	-4.5	-6.1%
Materials	104.2	108.5	116.0	+11.8	+11.3%	+7.5	+6.9%
Engineering Plastics	168.6	195.0	203.0	+34.4	+20.4%	+8.0	+4.1%
Others	12.7	11.0	11.0	-1.7	-13.2%	-	-
Total	393.6	435.0	448.0	+54.4	+13.8%	+13.0	+3.0%

Operating Income	21/3 Results	22/3 Forecasts	22/3 Revised Forecasts	Y o Y		vs Forecasts	
				Change	%	Change	%
Medical / Healthcare	1.6	2.3	2.7	+1.1	+73.0%	+0.4	+17.4%
Smart	3.4	4.2	4.2	+0.8	+23.1%	-	-
Safety	2.2	6.5	5.0	+2.8	+124.1%	-1.5	-23.1%
Materials	17.9	14.0	19.0	+1.1	+6.0%	+5.0	+35.7%
Engineering Plastics	21.2	23.0	21.5	+0.3	+1.5%	-1.5	-6.5%
Others	1.5	1.6	1.6	+0.1	+8.0%	-	-
Corporate	-16.1	-16.6	-16.0	+0.1	+0.4%	+0.6	+3.6%
Total	31.7	35.0	38.0	+6.3	+19.8%	+3.0	+8.6%

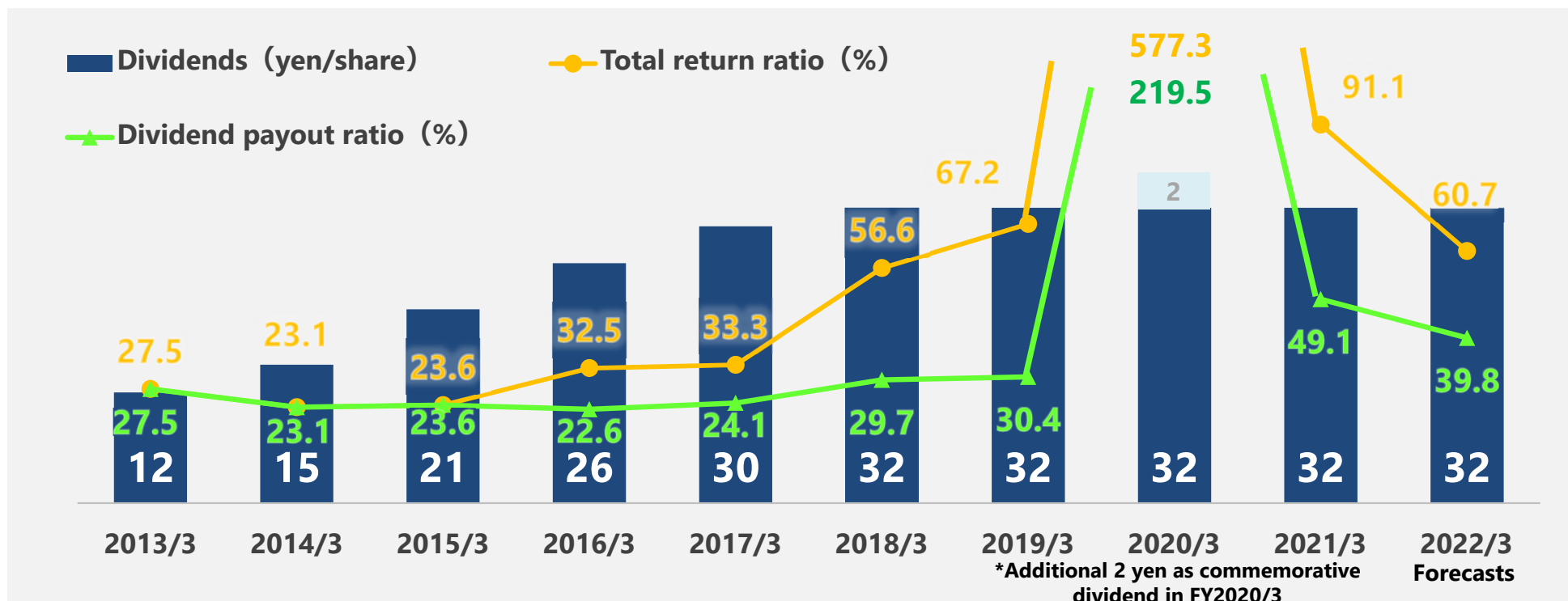
* The forecasts were announced on August 3, 2021.

Return to Shareholders

Policy: Maintain the 32 yen per share as the lower limit and total return ratio of 40% or higher

FY ending March 2022

- Dividend forecast
Interim dividends : 16 yen per share (as expected)
Forecast of Annual dividends : 32 yen per share
- Decided to purchase treasury stock of 5 billion yen for 6 million shares.
(Period of purchase: From Nov. 2021 to Mar. 2022)



Expand profits by turning Polyplastics a wholly owned subsidiary

Increased capacity of LCP and POM resins

◇ **Construction of a new LCP (Liquid Crystal Polymer) polymerization plant**

Polyplastics will construct a new LCP polymerization plant with an annual production capacity of 5,000 tons at Polyplastics Taiwan Co., Ltd. in Taiwan (scheduled to start operation in the first half of 2024).

Demand for LCP has been increasing in recent years due to an increase in investment in 5G equipment, and it is expected that the use of LCP will continue to expand with the full-scale support for 5G. In the future, due to the expansion of the plant in Taiwan, we will increase the annual production to 25,000 tons, including the Fuji plant in Japan (annual production of 15,000 tons).

◇ **Advance the timing of increasing POM (polyacetal resin) production**

Polyplastics plans to change the timing of POM production increase (annual production of 90,000 tons) planned for 2025 in the Mid-Term Management Strategy, and to build a new plant in Nantong, China (South District) with the start of operations in 2024.

This plan has been advanced due to China's environmental policy requesting the relocation of the current plant (60,000 tons per year) in the city (North District), and negotiations are underway with the authorities regarding the construction of an alternative plant.

With this expansion, the annual production capacity of POM in China will be 150,000 tons, with which we will meet the demand of the growing Chinese market.

Expand sales of sustainable products through customer-in type business

CELBLEN EC, Biomass plastic derived from wood and cotton that returns to nature



CELBLEN EC[®] (cellulose acetate resin)

Non-edible plant-derived, biodegradable biomass plastic

CELBLEN EC combines high environmental properties with processability.

- ✓ Material recyclable & biodegradable, thus contributing to solving the problem of marine plastic pollution.
- ✓ Derived from non-edible plants such as pulp (unlike PLA resin derived from corn) , so will not affect any future food supply problems.
- ✓ Achieves moldability equivalent to that of conventional commodity plastic through development of appropriate formulations and realizes high moldability that enable use of existing customer manufacturing facilities.

Future Prospects

- ✓ With its high transparency not found in other biomass plastics, we will focus on adoption in the high-volume food industry. Currently, marketing to distributors is underway.
- ✓ We will establish the technology and a track record of adoption in Japan, where the level of quality requirements is high, and proceed with global expansion into the European and American markets, where the substitution of biodegradable plastics is accelerating.

Build a circular economy and achieving carbon neutrality

Joint research and development on a Revolutionary Desktop Chemical Plant

National Tsing Hua University (NTHU, located in Hsinchu City, Taiwan) and Daicel have established the Daicel-NTHU Research Center and started joint research and development on a Revolutionary Desktop Chemical Plant.

Until now, Daicel has committed itself to production transformation and process innovation in order to conserve energy. However, building a circular economy and achieving carbon neutrality demands greater efforts, which has inspired Daicel to pursue the utmost in efficient production technology through development of the Revolutionary Desktop Chemical Plant.

Press release : https://www.daicel.com/en/news/assets/pdf/20211028_3.pdf

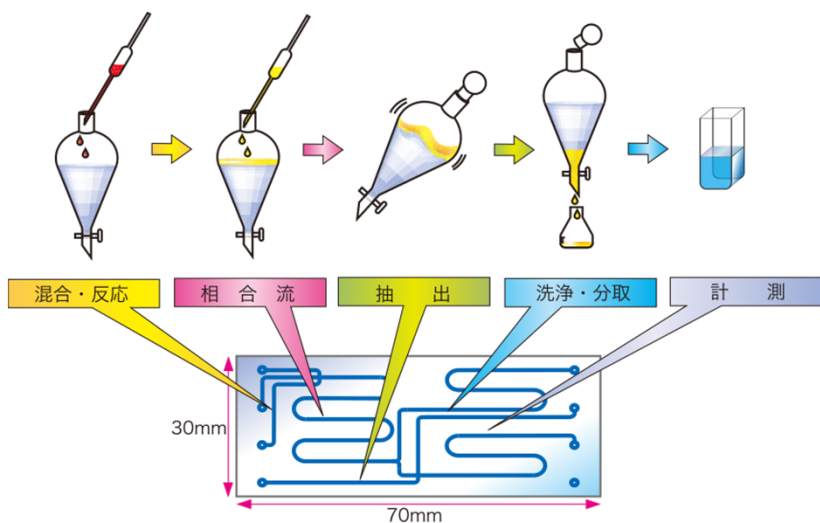


Image courtesy
Institute of Microchemical Technology Co., Ltd.

Microfluidic System

A microfluidic system allows the mixing and extracting operations with a glass chip the size of a business card.

Parallelization



Desktop Chemical Plant

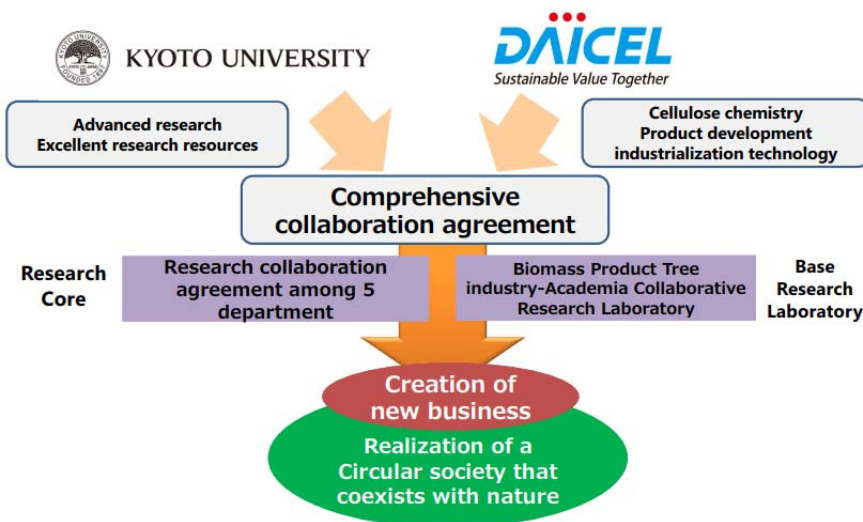
(Image of proposed experimental plant)

Build a circular economy and achieving carbon neutrality

Comprehensive collaboration agreement with Kyoto University

Daicel has concluded a comprehensive collaboration agreement with Kyoto University to contribute to the regeneration of forests, rivers, the sea and local cities, the realization of a low-carbon society that coexists with nature and the creation of new industries, etc. by effectively utilizing biomass such as wood, agricultural and fishery waste.

In addition, for the purpose of realization of "New Biomass Product Tree", based on this agreement, Daicel has concluded a comprehensive research collaboration agreement with Research Institute for Sustainable Humanosphere, Institute for Chemical Research, Institute of Advanced Energy, Graduate School of Agriculture and Graduate School of Human and Environmental Studies. Then, Daicel has established " Biomass Product Tree industry-Academia Collaborative Research Laboratory " as a base for industry-academia collaborative research in the Kyoto University Uji campus.



REFERENCES

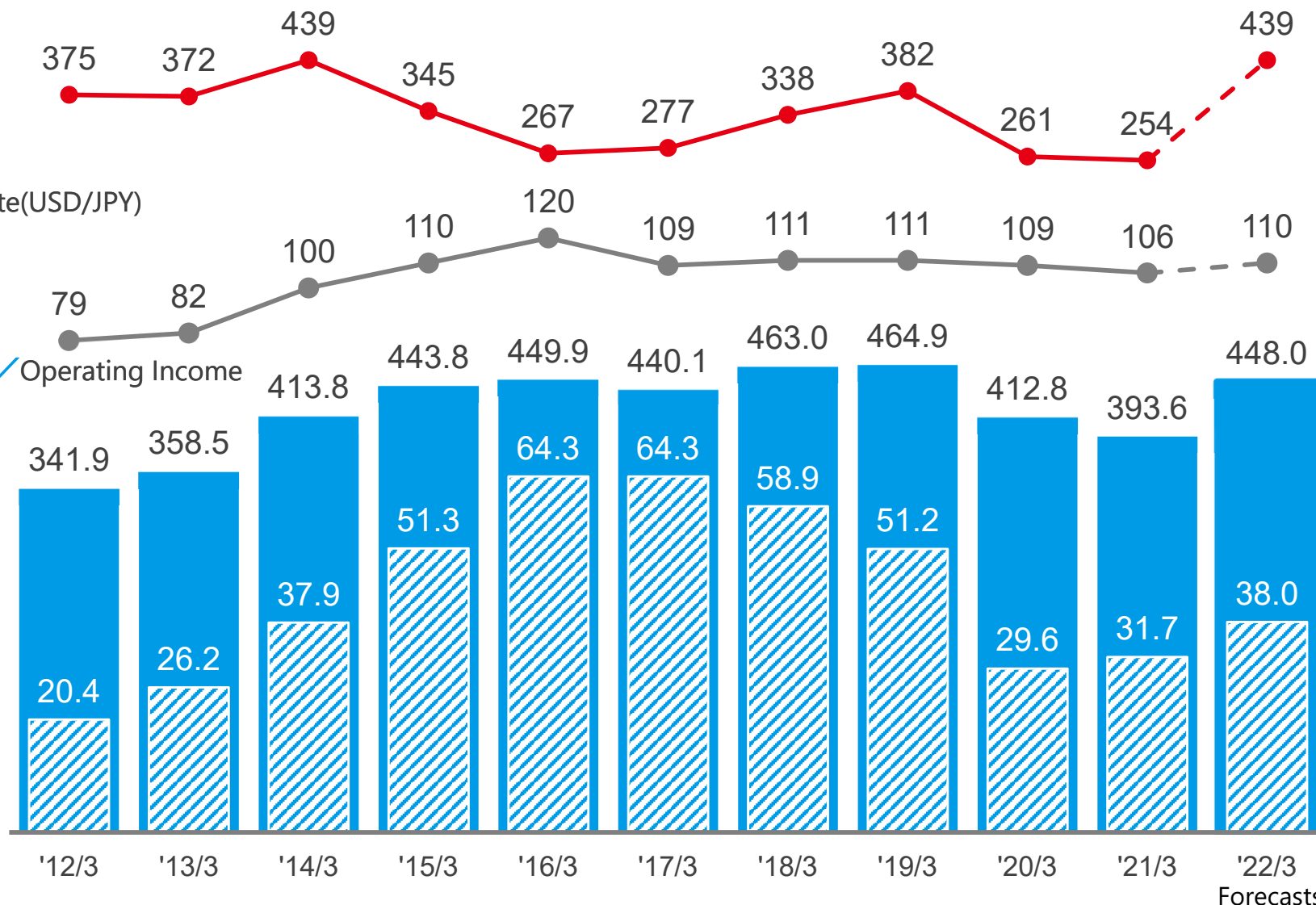
Trend in Net Sales and Operating Income and Forecasts

(billion yen)

● Methanol(Asian spot price) (USD / ton)

● Exchange Rate(USD/JPY)

■ Net Sales / ▨ Operating Income



Segment Information – Results of 2nd Quarter (Jul. to Sep.)

<vs Forecasts>

Medical / Healthcare	<ul style="list-style-type: none"> • Sales volume of 1,3-BG (Cosmetic ingredients) exceeded the plan in the Chinese market. • Overseas sales volume of chiral column and stationary phases exceeded the plan in Chiral separation business.
Smart	<ul style="list-style-type: none"> • Sales volume of cellulose acetate for LCD films was almost as planned. Sales revenue of high performance films decreased because of decrease in sales volume for automobiles due to the impact of reduced automobile production. • Full production of solvents for electronic materials and resist materials continued. Sales of solvents for electronic materials increased from the plan due to the promotion of price correction accompanying the rise in raw material prices. Sales volume of resist materials increased from plan due to new products in addition to increases in existing products.
Safety	<ul style="list-style-type: none"> • Inflator sales volume decreased from plan due to decreases in automobile production because of semiconductor shortages and Covid-19.

Segment Information – Results of 2nd Quarter (Jul. to Sep.)

<vs Forecasts>

Materials	<ul style="list-style-type: none"> • Market conditions for acetic acid were higher than expected. Along with this, sales price of acetic acid derivative also increased more than planned. • Sales volume of acetate tow increased from the plan due to recovery of demand mainly in Asia and securing of inventory by customers. • Sales revenue of caprolactone derivatives and epoxy compounds exceeded the plan due to increase in sales volume and sales price revisions along with raw material price increases.
Engineering Plastics	<ul style="list-style-type: none"> • Sales volume decreased from the plan due to the adverse impact of Covid-19 on the operation of the Malaysian Plant. Limited effect from decline in automobile production due to semiconductor shortage. • Sales increased more than planned due to correction of selling prices due to rising raw material prices and the impact of exchange rates.

Segment Information - Outlook for 2nd Half (Oct. to Mar.)

<vs Forecasts>

Medical / Healthcare	<ul style="list-style-type: none"> • New 1.3-BG plant at Aboshi will start commercial operation from Jul. 2022. (Previous plan: Start from Jan. 2022) • Sales of chiral columns and stationary phases are expected to exceed the plan due to increased demand in overseas markets centered on China.
Smart	<ul style="list-style-type: none"> • Demand for cellulose acetate for LCD films is expected to remain above the plan, although production adjustments of LCD panels are expected in the second half of the year. Sales volume of high performance films is expected to increase due to new adoption for the surface of TV displays and acquisition of new overseas users. • Full production of solvents for electronic materials and resist materials will continue. Sales of solvents for electronic materials are expected to exceed the plan due to sales expansion and price corrections due to rising raw material prices. • In the sensing business, sales plans are not expected to be achieved, as some new projects have been postponed due to a shortage of semiconductors. On the other hand, new customer inquiries such as lenses for AR / VR are increasing, and we will actively develop new projects.

Segment Information - Outlook for 2nd Half (Oct. to Mar.)

<vs Forecasts>

Safety	<ul style="list-style-type: none"> • Inflator sales volume is expected to be lower than planned due to the impact of lower automobile production • Accumulate cost reductions such as direct labor costs and other expenses in line with operational reductions
Materials	<ul style="list-style-type: none"> • Acetic acid market has risen due to Chinese environmental regulations. Therefore, we revised our acetic acid market price assumption. • In order to achieve a stable supply of acetic acid, the start of commercial operations of the carbon monoxide (acetic acid raw material) plant was revised to June 2022 (Previous plan: Start from Dec. 2021) • Manufacturing costs for chemical products will rise due to rising raw material and fuel prices, but we will actively promote price corrections to respond. • The 2022 annual contract price of acetate tow with major customers is expected to be about the same as the previous year as planned. However Increased direct selling expenses will cause a decrease in profits.

Segment Information - Outlook for 2nd Half (Oct. to Mar.)

<vs Forecasts>

Engineering Plastics

- Although full production of POM, PBT, PPS, and LCP will continue, the sales volume is expected to decrease from the plan except for LCP by adjusting sales because the inventory remains tight. COC is expected to fall below plan due to postponement of large-scale development projects by customers due to Covid-19.
- Raw material prices exceed plan, however we will strongly promote price correction
- Direct selling expenses are expected to exceed the plan due to rising transportation costs and special transportation in the second half

Quarterly Results for Sales and Operating income

(billion yen)

Net Sales	2021/3				2022/3	
	1 st Quarter	2 nd Quarter	3 rd Quarter	4 th Quarter	1 st Quarter	2 nd Quarter
Medical / Healthcare	3.9	3.9	4.2	4.2	4.8	4.8
Smart	5.1	5.2	7.3	7.1	8.0	7.5
Safety	10.7	16.5	19.5	20.5	16.3	15.6
Materials	25.6	23.7	25.6	29.3	28.3	29.8
Engineering Plastics	35.2	39.5	46.5	47.4	51.5	52.9
Others	2.4	3.7	3.0	3.6	2.6	2.8
Total	82.9	92.4	106.0	112.2	111.4	113.5

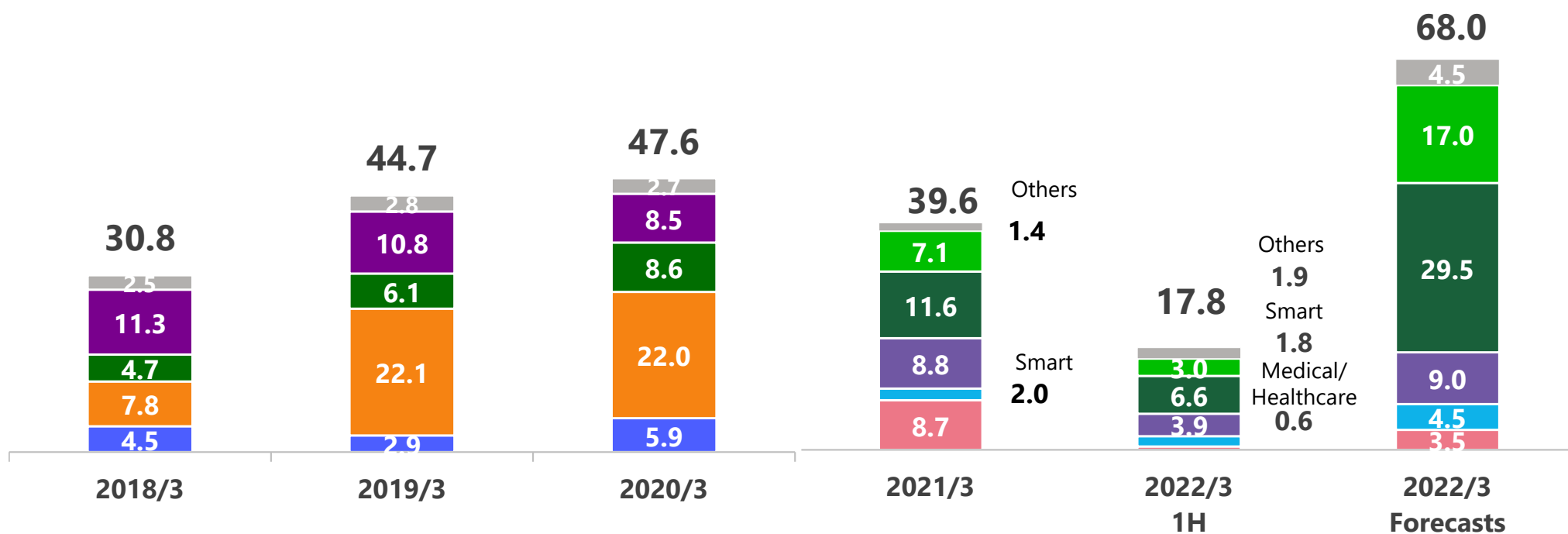
Operating income	2021/3				2022/3	
	1 st Quarter	2 nd Quarter	3 rd Quarter	4 th Quarter	1 st Quarter	2 nd Quarter
Medical / Healthcare	0.4	0.4	0.4	0.3	0.9	1.0
Smart	0.6	0.4	1.0	1.3	2.0	1.4
Safety	-2.3	0.6	2.2	1.7	0.7	1.7
Materials	3.9	3.6	3.4	7.1	6.0	5.6
Engineering Plastics	3.9	4.3	5.8	7.1	8.2	6.9
Others	0.4	0.5	0.4	0.2	0.5	0.2
Corporate	-3.8	-3.9	-3.6	-4.7	-4.4	-3.6
Total	3.1	6.0	9.6	13.0	13.9	13.3



Capital Expenditures

(billion yen)

- Cellulosic Derivatives
- Organic Chemicals
- Medical/Healthcare
- Smart
- Plastics
- Pyrotechnic Devices
- Safety
- Materials
- Others/Corporate
- Engineering Plastics
- Others/Corporate

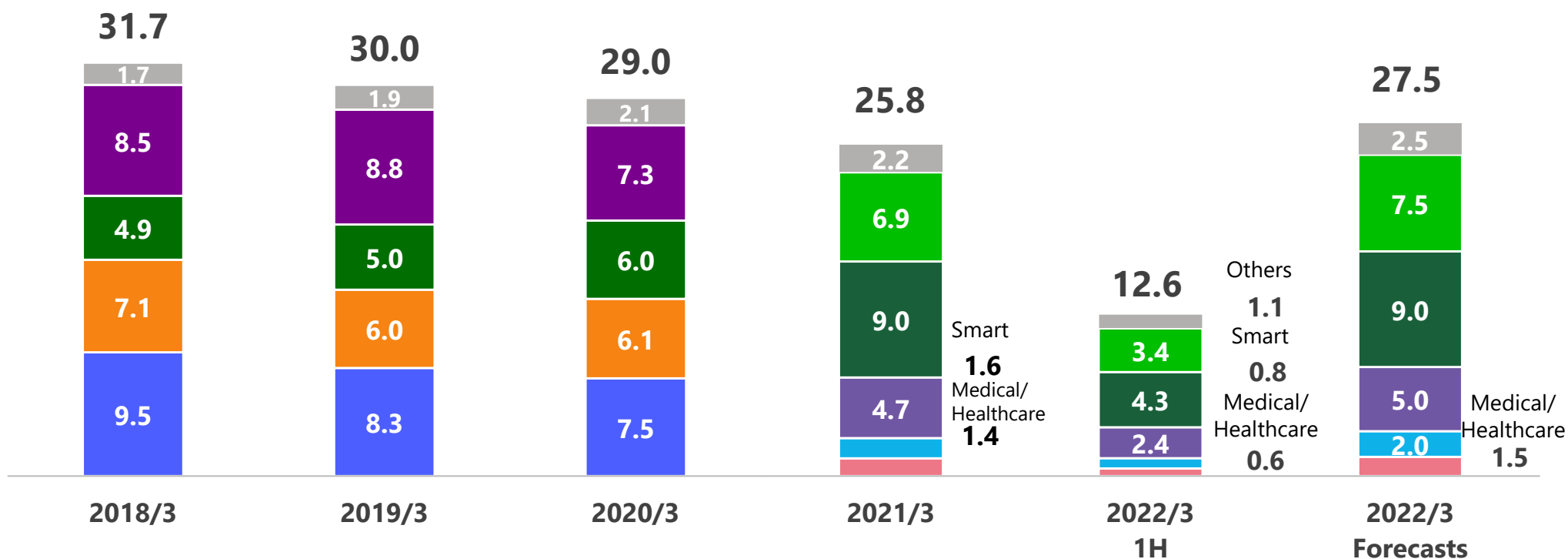




Depreciation and Amortization

(billion yen)

- Cellulosic Derivatives
- Organic Chemicals
- Medical/Healthcare
- Smart
- Plastics
- Pyrotechnic Devices
- Safety
- Materials
- Others/Corporate
- Engineering Plastics
- Others/Corporate

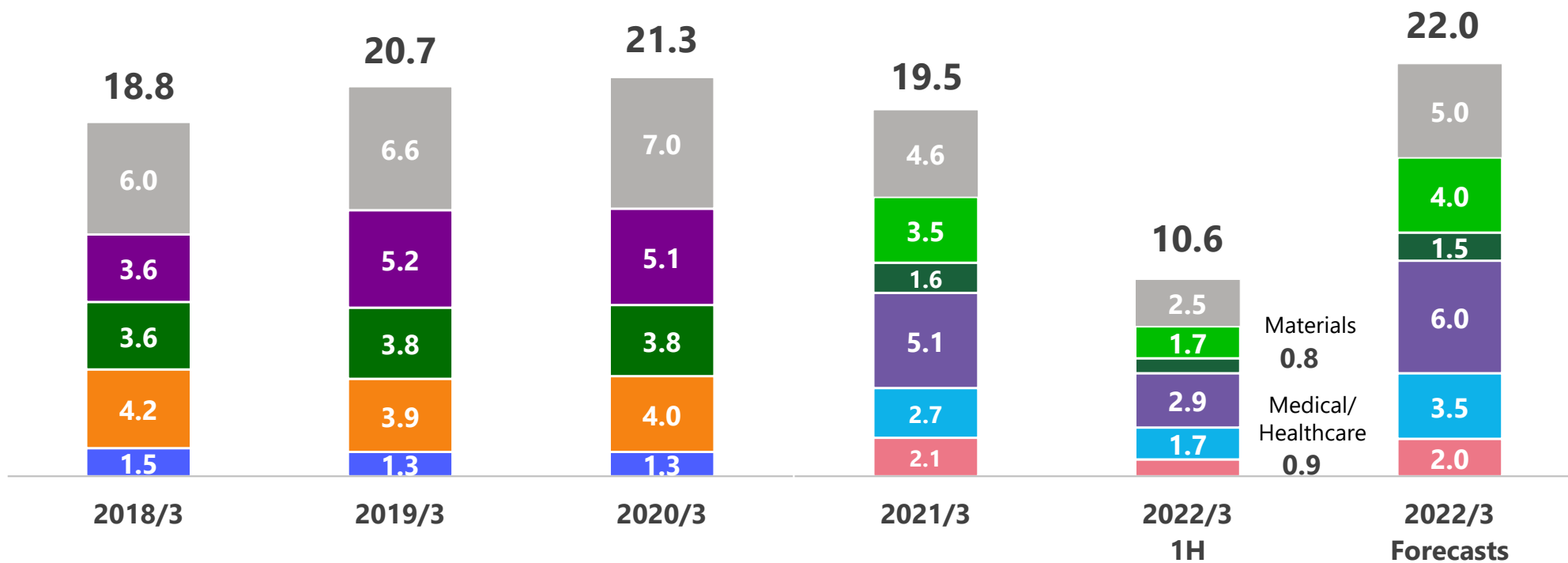




R&D

(billion yen)

- Cellulosic Derivatives
- Organic Chemicals
- Medical/Healthcare
- Smart
- Plastics
- Pyrotechnic Devices
- Safety
- Materials
- Others/Corporate
- Engineering Plastics
- Others/Corporate



Financial Forecast (FY ending March 2022)

(billion yen)

		2022/3 Previous Forecasts			2022/3 Revised Forecasts			Change (B)-(A)
		1st Half	2nd Half	Total(A)	1st Half	2nd Half	Total(B)	
	Medical / Healthcare	9.5	9.5	19.0	9.6	9.4	19.0	-
	Smart	15.5	12.5	28.0	15.4	14.6	30.0	+2.0
	Safety	35.0	38.5	73.5	31.9	37.1	69.0	-4.5
	Materials	55.5	53.0	108.5	58.0	58.0	116.0	+7.5
	Engineering Plastics	101.0	94.0	195.0	104.4	98.6	203.0	+8.0
	Others	5.5	5.5	11.0	5.4	5.6	11.0	-
Net sales		222.0	213.0	435.0	224.8	223.2	448.0	+13.0
	Medical / Healthcare	1.6	0.7	2.3	1.9	0.8	2.7	+0.4
	Smart	3.5	0.7	4.2	3.4	0.8	4.2	-
	Safety	3.0	3.5	6.5	2.4	2.6	5.0	-1.5
	Materials	10.5	3.5	14.0	11.6	7.4	19.0	+5.0
	Engineering Plastics	12.5	10.5	23.0	15.1	6.4	21.5	-1.5
	Others	0.8	0.8	1.6	0.8	0.8	1.6	-
	Corporate	-8.9	-7.7	-16.6	-7.9	-8.1	-16.0	+0.6
Operating income		23.0	12.0	35.0	27.3	10.7	38.0	+3.0
Ordinary income		24.0	13.0	37.0	29.8	12.2	42.0	+5.0
Income attributable to owners of parent		16.0	8.0	24.0	22.0	2.0	24.0	-
(ref.) Exchange rate USD/JPY		107	105	106	110	110	110	

* The forecasts were announced on August 3, 2021.

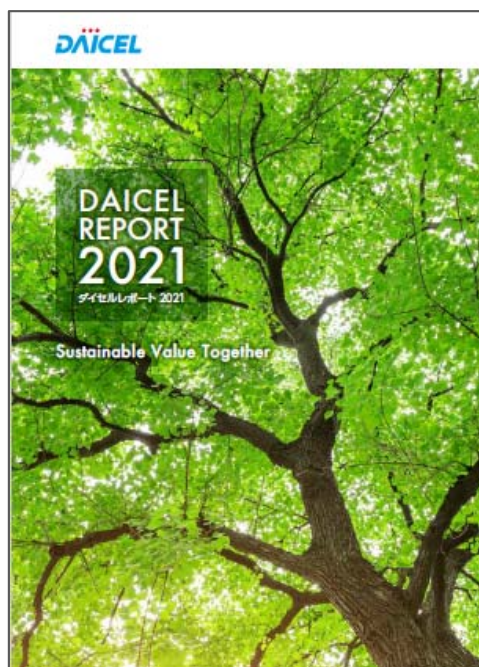
Assumptions

		2021/3 Results		2022/3 Results & Previous Forecasts			2022/3 Results & Revised Forecasts	
		1 st Half (Results)	2 nd Half (Results)	1 st Quarter (Results)	2 nd Quarter (Forecasts)	2 nd Half (Forecasts)	1 st Half (results)	2 nd Half (Forecasts)
Exchange rate (USD/JPY)		107	105	110	105	105	110	110
Raw Materials	Methanol Asian spot price (USD/ton)	192	316	357	340	340	377	500
	Crude Oil Dubai (USD/bbl.)	37	53	67	70	70	70	85
	Domestic Naphtha (JPY/kl)	27,500	34,500	48,000	48,000	48,000	50,350	60,000

Newly Released Annual Report “DAICEL REPORT 2021”

“DAICEL REPORT 2021” English version released in October.

This report includes financial and non-financial information to explain to our stakeholders the path to improving our corporate value.



Main Points

- ✓ Explanation of Long-Term Vision and Mid-Term Management Strategy
- ✓ Identifies Key Sustainability Issues (Materiality)
- ✓ Expands information disclosure on sustainable procurement
- ✓ Reports on roundtable discussion with Outside Directors

To read PDF version, or to know more details about our ESG initiatives, please visit our website.
<https://www.daicel.com/en/sustainability/>

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