



1st Quarter (Apr. to Jun.) of Fiscal Year ending March 2025 Consolidated Financial Results

August 2, 2024

DAICEL CORPORATION

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Net Sales 145.6 bn yen, Operating Income 17.5 bn yen, EBITDA 27.0 bn yen

Y on Y

Increased in net sales(+11.3%), and operating income(+91.5%)

- Net sales increased due to factors including the large impact of automotive parts customers inventory adjustments in the same period of the previous fiscal year, a recovery in demand in the electronic materials market, and the impact of exchange rates, despite the impact of the certification misconduct issue at a Japanese automobile manufacturer.
- Operating income and EBITDA increased due to an increase in sales volume of Engineering Plastics mainly, and the impact of exchange rates.

vs Forecasts

Net sales and operating income exceeded

- Net sales and operating income exceeded expectations due to an increase in sales volume of engineering plastics, a stronger-than-expected recovery in demand in the electronic materials market, and the depreciation of the yen although the certification misconduct issue at a Japanese automobile manufacturer had an impact.

Financial Results



Unit : Billion Yen	24/3 1Q Result	25/3 1Q Result	Y on Y		1 st Half-year Forecasts*	Progression Rate of 1 st Half year
			Change	%		
Net Sales	130.8	145.6	+14.8	+11.3%	295.0	49.3%
Operating Income	9.1	17.5	+8.3	+91.5%	32.0	54.6%
Ordinary Income	12.7	18.2	+5.5	+43.2%	33.5	54.3%
Income Attributable to Owners of Parent	15.0	16.2	+1.2	+8.0%	30.0	54.0%
Exchange Rate USD/JPY	137	156				
EBITDA	16.6	27.0	+10.4	+62.7%		

*This is the earnings forecast announced on May 9, 2024.

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

	Net Sales								Net Sales Progression Rate of 1 st Half year
	24/3 1Q Results	25/3 1Q Results	Change	%	Analysis				
					Quantity	Prices	Exchange Rate Impact		
Medical / Healthcare	3.4	3.5	+0.1	+3.3%	-0.2	+0.3	+0.4	49.8%	
Smart	8.4	10.3	+2.0	+23.4%	+2.2	- 0.2	+0.8	62.5%	
Safety	22.4	23.3	+0.9	+4.0%	+0.0	+0.9	+2.0	44.8%	
Materials	45.2	44.5	-0.7	-1.5%	-4.6	+4.0	+4.4	48.9%	
Engineering Plastics	50.3	62.7	+12.4	+24.6%	+11.3	+1.1	+5.2	49.8%	
Others	1.2	1.3	+0.1	+9.1%	+0.1	-	-	50.7%	
Total	130.8	145.6	+14.8	+11.3%	+8.7	+6.0	+12.8	49.3%	

	Operating Income								OP Progression Rate of 1 st Half year
	24/3 1Q Results	25/3 1Q Results	Change	%	Analysis				
					Quantity	Prices	Others	Exchange Rate Impact	
Medical / Healthcare	0.3	0.1	-0.2	- 70.2%	-0.3	+0.1	-0.0	+0.1	94.9%
Smart	0.1	0.5	+0.4	+343.4%	+1.5	-0.9	-0.2	+0.5	-
Safety	-0.7	-0.0	+0.6	-	-0.3	+0.1	+0.8	+0.2	-
Materials	8.6	9.1	+0.4	+5.1%	-2.0	+3.0	-0.6	+2.4	55.7%
Engineering Plastics	0.7	7.7	+7.0	+951.4%	+4.1	-0.0	+2.9	+1.0	61.2%
Others	-0.0	0.1	+0.1	-	+0.1	-	-	-	36.6%
Total	9.1	17.5	+8.3	+91.5%	+3.1	+2.4	+2.9	+4.3	54.6%

(Note) Net sales and operating income by segment for FY2024/3 is the figure after segment changing in the TAC, Epoxy Compounds and Caprolactone Derivatives.

Segment Information – 3 Months (Apr. to Jun.) Results (Y on Y)



Segment	Main Products	Market Environment / Effects on Our Business	Our Business Situation(Y on Y)/Our Actions
<p>Medical / Healthcare</p>	<p>Chiral Related Products</p>	<p>The demand for chiral-related products remained steady, especially overseas market.</p>	<p>Sales volume of stationary phases decreased due to large-scale spot projects in the same period of the previous fiscal year. The demand for chiral columns has been strong, but sales volumes in China declined. There was a temporary decrease in separation service business due to the relocation of some facilities in business sites in China.</p> <p><Our Actions></p> <p>We are strengthening the marketing of new products such as Achiral columns for mid-molecule drugs.</p> <p>We have strengthened our sales and marketing in our gene-related business.</p> <p>In April, Daicel Medical Ltd. obtained a second-class marketing license for medical devices. Through our collaboration with PharmaJet, Inc., we aim to launch the global needleless syringe market and complete the U.S. regulatory approval process for Actranza (novel drug delivery devices) as early as possible.</p>
	<p>Cosmetic Ingredients / Functional Food Materials</p>	<p>For cosmetics market, the demand for inbound tourists was strong in the domestic market. The Chinese market is starting to show signs of recovery.</p> <p>For functional foods, the domestic market remained strong due to the demand for inbound tourists.</p>	<p>Sales volume of cosmetic ingredients increased due to a strong demand for inbound tourists. Sales of functional food materials are also strong.</p> <p><Our Actions></p> <p>For cosmetic ingredients, we accelerate marketing efforts to bring an improved biodegradable grade of BELLOCEA® (spherical cellulose acetate particles) to market.</p> <p>For functional food materials, we are planning to launch “Astrohop”, the new products as the intestinal metabolite 8-Prenylningenin. We are also strengthening marketing efforts to promote new functions of existing products such as lactobionic acid (lactose ferment).</p>

Segment Information – 3 Months (Apr. to Jun.) Results (Y on Y)



Segment	Main Products	Market Environment / Effects on Our Business	Our Business Situation(Y on Y)/Our Actions
Smart	<p>Caprolactone Derivatives, Epoxy Compounds</p>	<p>The demand for caprolactone derivatives for automotive paint applications remained steady. Additionally, demand for urethane in China, a major market, was on a recovery trend.</p> <p>The demand for epoxy compounds for application for electronic materials such as liquid crystal displays and electronic boards recovered moderately.</p>	<p>Sales volumes of caprolactone derivatives and epoxy compounds increased due to a recovery in demand.</p> <p><Our Actions></p> <p>For caprolactone derivatives, we leverage the newly established technical service base in North America to strengthen marketing for the growing markets of materials for EVs and automotive paint protection film applications. We also accelerate quality improvements aimed at acquiring new deals.</p> <p>For epoxy compounds, we utilize our technical service base in North America to promote sales expansion through differentiated products such as our unique special grade products.</p>
	<p>Photoresist Materials, Solvents for Electronic Materials, High-Performance Films</p>	<p>Both the semiconductor market and the liquid crystal panel market are on a gradual recovery trend, and demand for photoresist materials and solvents for electronic materials increased.</p> <p>The demand for high-performance films for in-vehicle display applications remained strong in the Chinese market, while demand for release films for fuel cells declined.</p>	<p>Sales volume of solvents for photoresist materials and electronic materials increased due to a recovery in demand.</p> <p>For high-performance films, sales volume of release films for fuel cells decreased, despite an increase in sales volume for in-vehicle display applications.</p> <p><Our Actions></p> <p>For photoresist materials, we accelerate the development for early adoption in EUV applications and strengthen marketing integrated with solvents. In addition, we plan to introduce a microfluidic device plant by the end of FY2025/3.</p> <p>In solvents for electronic materials, we accelerate the development of overseas markets with the aim of a further increase in sales volume.</p> <p>For high-performance films, we strengthen marketing for new applications other than release films for fuel cell applications.</p>

Segment Information – 3 Months (Apr. to Jun.) Results (Y on Y)



Segment	Main Products	Market Environment / Effects on Our Business	Our Business Situation(Y on Y)/Our Actions
Safety	Automobile Airbag Inflators	Global automobile production was flat. Demand for our inflators declined due to the impact of the quality misconduct issue at some Japanese automobile manufacturers.	<p>Sales volume of inflators slightly decreased due mainly to the impact of the quality misconduct issue at some Japanese automobile manufacturers.</p> <p><Our Actions></p> <p>We plan to build a new production line at a business site in India, which has started operations in October 2023. We focus on acquiring new programs in the growing markets in China and India.</p> <p>We plan to start mass production of pyro-fuse for EV applications in Europe. In addition to working to expand sales of pyro-fuse for EV applications in Europe and China, we are also strengthening the development of sales channels in Europe and China for pyro-fuse for clean energy storage batteries and bonnet lifters.</p> <p>We continue to implement cost reduction thoroughly at each of our global business site.</p>
Materials	Acetic Acid	The demand for acetic acid for PTA and VAM applications remained sluggish.	<p>Sales volume of acetic acid decreased due to the decrease in the demand for major derivatives such as VAM and PTA.</p> <p><Our Actions></p> <p>For acetic acid, we strengthen our stable supply system and taking action to expand sales for customers with small and medium-sized lot in Japan, who are less affected by overseas market conditions.</p>
	Acetate Tow	Global tobacco production remained at a level similar to the previous fiscal year. Demand for acetate tow remained strong.	<p>Sales volume of acetate tow temporarily decreased due to the impact of customer inventory adjustments.</p> <p><Our Actions></p> <p>As for acetate tow, we respond to demand by utilizing existing facilities to increase sales volume compared to the previous fiscal year.</p>

Segment Information – 3 Months (Apr. to Jun.) Results (Y on Y)



Segment	Main Products	Market Environment / Effects on Our Business	Our Business Situation(Y on Y)/Our Actions
Materials	TAC	Although the LCD market was on a gradual recovery trend, the demand for cellulose acetate (TAC) for optical films was affected by the expansion of competing materials for LCD.	<p>Although we were making progress in expanding sales to overseas TAC film manufacturers, sales revenue was at the same level as the same period of the previous fiscal year due to the expansion of competing materials for liquid crystal displays.</p> <p><Our Actions></p> <p>As for TAC, we work to expand its market share by expanding sales to overseas TAC filmmakers even amid sluggish demand.</p>
	1,3-BG	While the domestic cosmetics market was on a recovery trend, the Chinese and Korean markets remained sluggish, and the demand for our 1,3-BG was also sluggish.	<p>Sales volume of 1,3-BG decreased due to weak demand in overseas markets.</p> <p><Our Actions></p> <p>As for 1,3-BG, we maintain our market share in the odorless market, where it boasts strong brand strength, and work to increase our market share in overseas market.</p>

Segment Information – 3 Months (Apr. to Jun.) Results (Y on Y)



Segment	Main Company	Market Environment / Effects on Our Business	Our Business Situation(Y on Y)/Our Actions
Engineering Plastics	POM PBT PPS LCP	The demand for automotive parts increased compared to the same period of the previous fiscal year, when demand declined due to the impact of customer inventory adjustments, despite the impact of the quality misconduct issue at some Japanese automobile manufacturers.	With the increase in demand for automotive parts applications, the sales volume of POM, PBT, and PPS increased. In addition, the sales volume of POM increased due to aggressive sales expansion through distributors. The sales volume of LCP also increased by sales expansion due to a recovery in demand for electronic devices. <Our Actions> We plan to start operations of the POM and LCP expansion plant in the second half of this fiscal year. We are strengthening our local development and marketing systems to expand sales by utilizing our additional capacity and further develop the Chinese market. We accelerate cost reduction and production efficiency improvement at all production sites of the Polyplastics Group through the introduction of DAICEL Production Innovation.
		The demand for smartphones and data centers, mainly in China, was recovering, and demand for our electronic device applications also increased.	

Segment Information – 3 Months (Apr. to Jun.) Results (vs Forecasts)

Medical / Healthcare	<ul style="list-style-type: none">• In the Life Science business, sales revenue was as large as planned, despite a temporary decrease in sales volume of chiral columns due to a cyberattack at a production site in Europe and a decrease in sales volume due to delays in the relocation of laboratories at a production site in China.• For Health Care business, the sales volume of cosmetic ingredients was as large as planned. Sales of functional food materials were lower than planned due to an effect of front-loading of some sales in the previous fiscal year, but the market environment was strong.
Smart	<ul style="list-style-type: none">• Sales volume of caprolactone derivatives exceeded the plan due to strong demand of application for automotive coatings and strong demand for urethane in China.• For epoxy compounds, the recovery in demand for liquid crystal display applications and electronic materials exceeded expectations, and the sales volume also exceeded the plan .• Sales volume of photoresist materials exceeded the plan because of increased sales due to a recovery in demand.• Sales volume of solvents for electronic materials was lower than planned due to a decline in sales volume for some overseas customers, although demand was on a gradual recovery trend.• As for high-performance films, sales volume for in-vehicle display applications exceeded the plan due mainly to an increase in demand for EVs in China, but sales volume of release films for fuel cell applications was lower than planned.
Safety	<ul style="list-style-type: none">• Sales volume of inflators was lower than planned due to the impact of the quality misconduct issue at some Japanese automobile manufacturers and the weaker-than-expected effects of the Chinese government's economic stimulus measures.

Segment Information – 3 Months (Apr. to Jun.) Results (vs Forecasts)

Materials

- The sales volume of acetic acid was lower than planned due to weak demand for major derivatives such as VAM and PTA. The market condition of acetic acid remained at a higher level than expected.
- Sales volume of acetate tow was lower than planned due to the impact of temporary inventory adjustments by customers although the strong demand continues.
- Sales revenue of TAC exceeded the plan due to increased sales by the recovery of the LCD market.
- Sales volume of 1,3-BG were as large as planned due to the sales expansion in overseas, in addition to the impact of recovery trend in the domestic cosmetics market,

Engineering Plastics

- Although sales volume of POM exceeded the plan due to sales expansion through distributors, sales volume of PBT and PPS was lower than planned due to the impact of the quality misconduct issue at some Japanese automobile manufacturers and the struggles of Japanese automobile manufacturers in the Chinese market.
- As for LCP, demand for electronic devices such as smartphones is recovering, and sales volume exceeded the plan.

Balance Sheet

Unit : Billion Yen		Mar. 31, 2024	Jun. 30, 2024	Change
Total Current Assets		409.5	414.2	+4.7
	Cash, Deposits and Short-term Investment Securities	73.2	73.5	+0.3
	Notes and Accounts Receivable-trade	114.4	112.0	-2.4
	Inventories	182.5	186.5	+4.0
	Other	39.4	42.1	+2.8
Total Non-Current Assets		429.7	455.3	+25.6
	Property, Plant and Equipment	308.9	324.1	+15.1
	Intangible Fixed Assets	10.8	10.8	+0.0
	Investments and Other Assets	110.0	120.5	+10.5
Total Assets		839.2	869.5	+30.3
Liabilities		463.8	467.1	+3.3
	Interest-bearing Liabilities	304.1	305.5	+1.4
	Other	159.6	161.5	+1.9
Total Net Assets		375.4	402.4	+27.0
Total Liabilities and Net Assets		839.2	869.5	+30.3

- The total asset increased 30.3 billion yen; 26.8 billion yen of total assets increased because of exchange rate fluctuation.
- 4.0 billion yen of inventories increased mainly because of exchange rate fluctuation.
- Property, Plant and Equipment increased due mainly to newly investment for increase in production capacity of POM, LCP and COC in Polyplastics.
- Investments and Other Assets increased due mainly to increase in market value of investment securities.

Appendix

Trend in Net Sales, Operating Income, and EPS

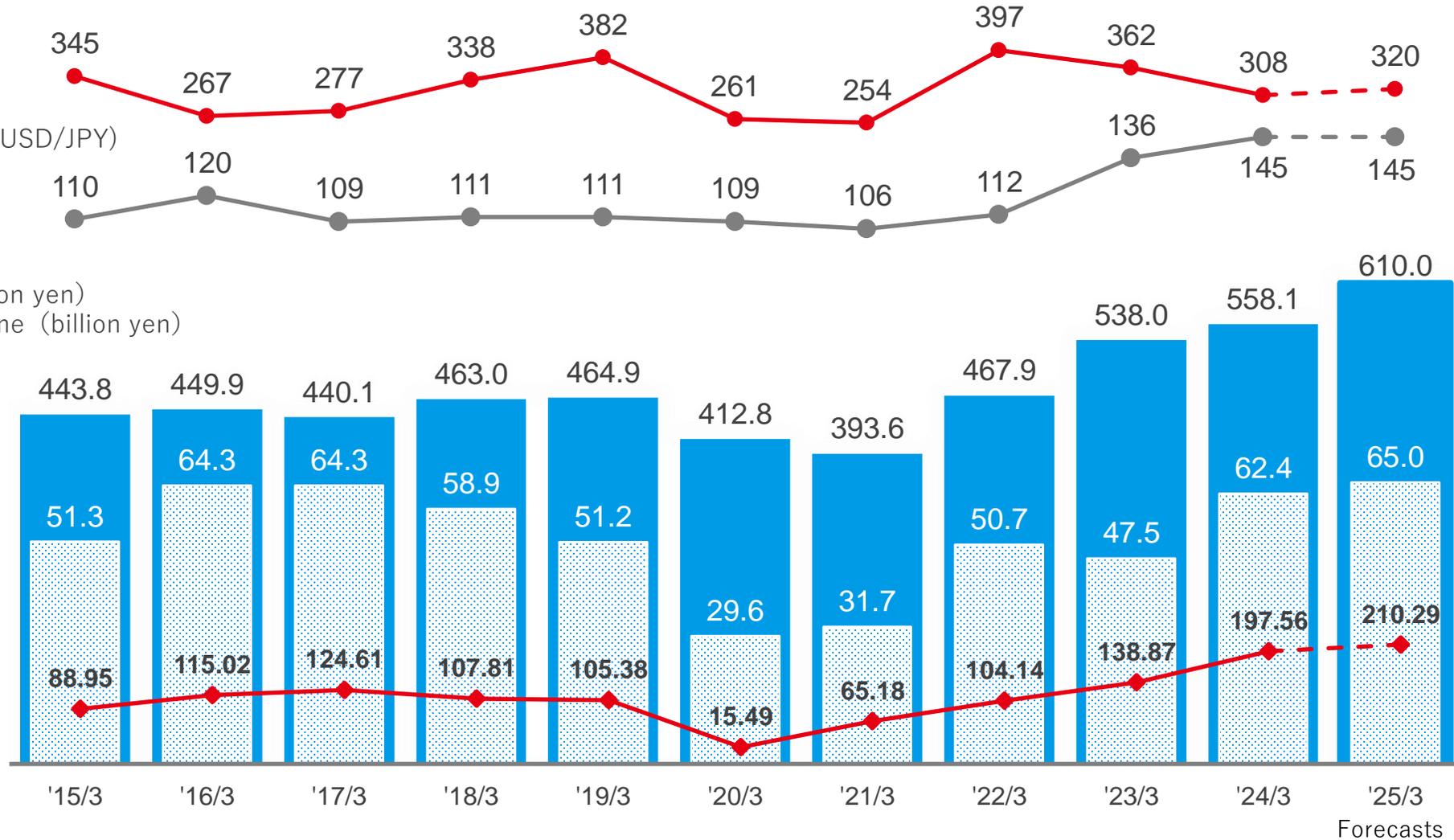
● Methanol(Asian spot price) (USD / ton)

● Exchange Rate(USD/JPY)

■ Net Sales (billion yen)

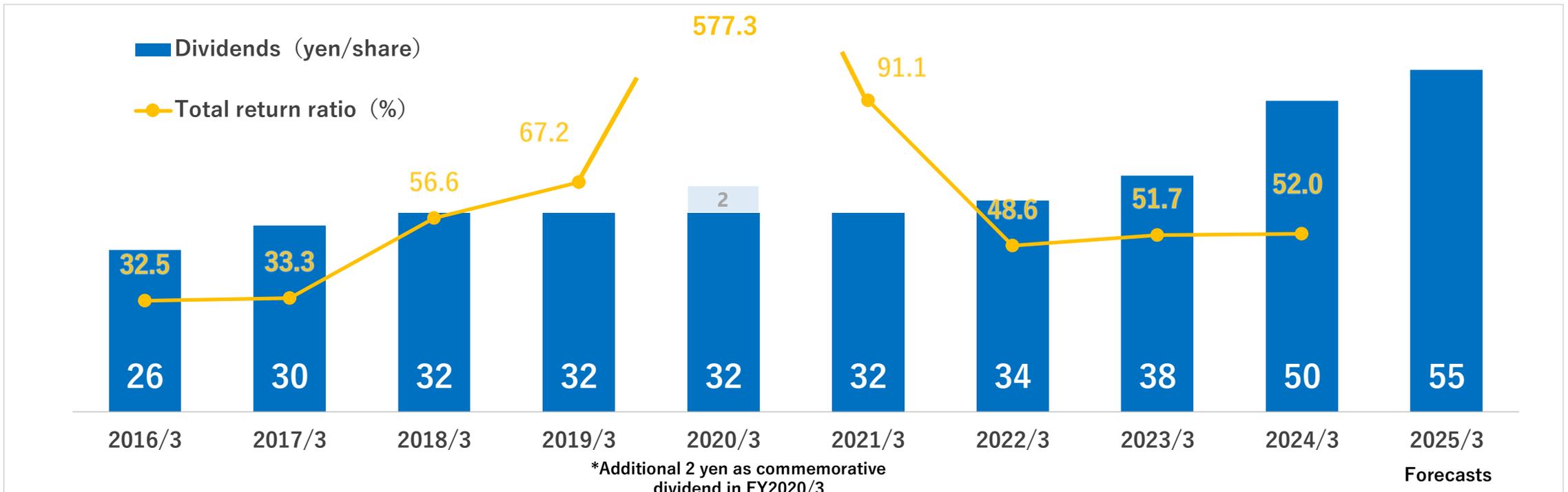
▨ Operating Income (billion yen)

◆ EPS (yen)



FY ending March 2025

- Annual dividends forecasts : 55 yen per share (**increase by 5 yen** from previous fiscal year, **DOE of 4.0%**)
- Cancellation of about 10 million shares of treasury stock this May
(ratio to the total number of issued shares before cancellation: 3.49%)
- We will consider implementing additional shareholders return with the target of **DOE of 4.0% or more** , and **a total return ratio of 40% or more**.



Quarterly Results for Sales and Operating income

Unit : Billion Yen

	Net Sales				
	2024/3				2025/3
	1Q	2Q	3Q	4Q	1Q
Medical / Healthcare	3.4	3.5	3.6	3.4	3.5
Smart	8.4	8.4	8.3	8.7	10.3
Safety	22.4	24.7	25.6	22.9	23.3
Materials	45.2	43.9	43.3	49.9	44.5
Engineering Plastics	50.3	58.4	60.8	57.3	62.7
Others	1.2	1.3	1.5	1.6	1.3
Total	130.8	140.2	143.3	143.8	145.6

Unit : Billion Yen

	Operating Income				
	2024/3				2025/3
	1Q	2Q	3Q	4Q	1Q
Medical / Healthcare	0.3	0.2	0.4	-0.1	0.1
Smart	0.1	0.0	-0.4	-0.6	0.5
Safety	-0.7	0.5	2.5	0.6	-0.0
Materials	8.6	11.2	9.3	11.6	9.1
Engineering Plastics	0.7	5.4	6.0	6.2	7.7
Others	-0.0	0.2	0.1	0.2	0.1
Total	9.1	17.5	17.9	17.9	17.5

(Note) Net sales and operating income by segment for FY2024/3 is the figure after segment changing in the TAC, Epoxy Compounds and Caprolactone Derivatives.

Operating Income by Segment (Y on Y Analysis)

		Operating Income	
Unit : Billion Yen	Analysis	Change	Main Factors for Operating Income Changes
Medical / Healthcare	Quantity	-0.3	Decrease in sales volume of chiral-related products
	Prices	+0.1	Impact of exchange rate fluctuations
	Others	-0.0	
Smart	Quantity	+1.5	Increase in sales volume of products associated with peracetic acid derivatives and photoresist materials due to a recovery of demand in electronics materials market
	Prices	-0.9	Decrease in selling prices due to product mix
	Others	-0.2	Increases in expenses such as depreciation costs associated with new plant operation (solvents for electronic materials)
Safety	Quantity	-0.3	Slight decrease in sale volume of inflator and differences in product composition
	Prices	+0.1	Impact of exchange rate fluctuations
	Others	+0.8	Decrease in expenses related to consolidation of production regions in North America
Materials	Quantity	-2.0	Decrease in sales volume of acetate tow due to customer inventory adjustments and decrease in sales volumes of acetic acid
	Prices	+3.0	Impact of exchange rate fluctuations
	Others	-0.6	Increase in depreciation costs of CO plant (decrease) and Inventory prices (increase)
Engineering Plastics	Quantity	+4.1	Increase in sales volume due to a recovery in demand in automobile parts and expansion sales of POM
	Prices	-0.0	Decrease in selling prices due to decreased in raw materials prices(decrease) and impact of exchange rate fluctuations(increase)
	Others	+2.9	Decrease in operating expenses due to large-scale periodic repair expenses at the business site in Malaysia in the same period of previous fiscal year and the impact of inventory prices

(Note) Net sales and operating income by segment for FY2024/3 is the figure after segment changing in the TAC, Epoxy Compounds and Caprolactone Derivatives.

Financial Forecasts (FY ending March 2025)

Unit : Billion Yen		2024/3 Results* ¹			2025/3 Forecasts* ²			Change (B)-(A)
		1 st Half	2 nd Half	Total(A)	1 st Half	2 nd Half	Total(B)	
	Medical / Healthcare	6.9	7.0	13.9	7.0	8.0	15.0	+1.1
	Smart	16.8	17.0	33.8	16.5	19.0	35.5	+1.7
	Safety	47.1	48.4	95.6	52.0	56.0	108.0	+12.4
	Materials	89.0	93.2	182.2	91.0	95.0	186.0	+3.8
	Engineering Plastics	108.7	118.1	226.8	126.0	134.0	260.0	+33.2
	Others	2.5	3.2	5.7	2.5	3.0	5.5	-0.2
Net Sales		271.0	287.1	558.1	295.0	315.0	610.0	+51.9
	Medical / Healthcare	0.5	0.3	0.8	0.1	0.7	0.8	+0.0
	Smart	0.1	-1.0	-0.9	-0.5	0.0	-0.5	+0.4
	Safety	-0.1	3.1	3.0	3.2	4.5	7.7	+4.7
	Materials	19.9	20.9	40.8	16.3	16.2	32.5	-8.3
	Engineering Plastics	6.1	12.2	18.3	12.6	11.1	23.7	+5.4
	Others	0.1	0.3	0.4	0.3	0.5	0.8	+0.4
Operating Income		26.6	35.8	62.4	32.0	33.0	65.0	+2.6
Ordinary Income		30.7	37.7	68.4	33.5	33.5	67.0	-1.4
Income Attributable to Owners of Parent		29.8	26.1	55.8	30.0	28.0	58.0	+2.2
(ref.) Exchange rate USD/JPY		141	148	145	145	145	145	

*1 Net sales and operating income by segment for FY2024/3 is the figure after segment changing in the TAC, Epoxy Compounds and Caprolactone Derivatives.

*2 Forecast is not revised from the previous forecast announced on May 9, 2024.

Assumptions

		2024/3 (Results)		2025/3 (Forecasts)		2025/3 (Results)
		1st Half	2nd Half	1st Half	2nd Half	1Q
Exchange rate (USD/JPY)		141	148	145	145	156
Raw Materials	Methanol Asian spot price (USD/ton)	295	322	320	320	337
	Crude Oil Dubai (USD/bbl.)	82	82	90	90	85
	Domestic Naphtha (JPY/kl)	65,550	72,800	71,000	71,000	79,000(*)

* Forecast value as of August 2, 2024

Organizational Reform in Materials and Smart Segments

We implemented an organizational reform on April 1, 2024 to promote synergies and nurture human resources in the Smart Segment more quickly and effectively after M&A. Also, on the same date, epoxy compounds and caprolactone derivatives in the Materials Segment were transferred to the Smart Segment, and cellulose acetate for optical films (TAC) was transferred to the Materials Segment, with the aim of maximizing synergies between existing businesses.

Segments	Sub Segments	Main Products
Smart	Display/Opto-devices	Cellulose acetate for optical films (TAC) , High-performance films, Optical lenses
	IC/Semiconductor	Photoresist materials, Solvents for electronic materials, Organic semiconductors
Materials	Acetyl	Acetic acid, Acetic acid derivatives (Ethyl acetate, Acetic anhydride, etc.), Cellulose acetate, Acetate tow, Ketene derivatives, Ethylamine
	Chemical	Epoxy compounds, Caprolactone derivatives , 1,3-Butylene glycol(1,3-BG)



Segments	Sub Segments	Main Products
Smart	Functional Products	Epoxy compounds, Caprolactone derivatives , Optical lenses
	Advanced Technology	Photoresist materials, Solvents for electronic materials, High-performance films, Organic semiconductors
Materials	Acetyl	Acetic acid, Acetic anhydride, Acetate tow
	Chemical	Cellulose acetate for optical films (TAC) , Cellulose acetate, 1,3-Butylene glycol(1,3-BG), Organic solvents such as Ethyl acetate, Ketene derivatives, Ethylamine

(Notes) Blue characters : Products transferred from Smart segment to Materials segment on April 1, 2024.

Red characters : Products transferred from Materials segment to Smart segment on April 1, 2024.

Notes Regarding Forward-Looking Statements

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