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Consolidated Financial Results for the Six Months Ended September 30, 2025

(All financial information has been prepared in accordance with Generally Accepted Accounting Principles in Japan)

November 6, 2025

Company name : DAICEL CORPORATION
 Stock Exchange on which the shares are listed : Tokyo Stock Exchange in Japan
 Code number : 4202
 URL : <https://www.daicel.com/en/>
 Representative : Yasuhiro Sakaki, President and CEO
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 Scheduled date for submitting financial statements : November 10, 2025
 Scheduled date for dividend payment : December 2, 2025
 The additional materials of the Financial Results : Yes
 The briefing session of the Financial Results : Yes (for institutional investors and analysts)

1. Consolidated Financial Results for the Six Months Ended September 30, 2025 (Amounts are rounded down to the nearest million)

(1) Consolidated Operating Results (% of change from previous year)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent	
	Millions of Yen	%	Millions of Yen	%	Millions of Yen	%	Millions of Yen	%
Six months ended Sep. 30, 2025	277,119	(4.3)	20,121	(36.3)	20,371	(33.7)	18,802	(41.3)
Six months ended Sep. 30, 2024	289,688	6.9	31,607	18.8	30,745	0.1	32,053	7.7

(Note) Comprehensive income: 27,898 millions of yen [15.8%] for the Six Months Ended September 30, 2025 and 24,081 millions of yen [(52.7%)] for the six months ended September 30, 2024

	Profit per share	Diluted profit per share
	Yen	Yen
Six months ended Sep. 30, 2025	70.90	—
Six months ended Sep. 30, 2024	116.18	—

(2) Consolidated Financial Position

	Total assets	Net assets	Capital adequacy ratio	Net assets per share
	Millions of Yen	Millions of Yen	%	Yen
As of Sep. 30, 2025	848,907	394,210	44.7	1,429.64
As of Mar. 31, 2025	813,831	375,037	44.2	1,357.77

(Reference) Shareholders' equity: 379,563 millions of yen as of September 30, 2025 and 359,984 millions of yen as of March 31, 2025

2. Dividends

	Cash dividends per share				
(Reference data)	1st quarter	2nd quarter	3rd quarter	4th quarter	Annual
	Yen	Yen	Yen	Yen	Yen
Year ended Mar. 31, 2025	—	30.00	—	30.00	60.00
Year ending Mar. 31, 2026	—	30.00			
Year ending Mar. 31, 2026 (Forecast)			—	30.00	60.00

(Note) Revisions to the latest announced dividend forecast: Not Applicable

3. Forecast of Consolidated Financial Results for the Year Ending March 31, 2026

(% of change from same period of previous year)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent		Profit per share
	Millions of Yen	%	Millions of Yen	%	Millions of Yen	%	Millions of Yen	%	Yen
Year ending Mar. 31, 2026	583,000	(0.6)	46,500	(23.8)	47,500	(23.8)	50,000	1.0	188.33

(Note) Revisions to the latest announced forecast of consolidated financial results: Applicable

*Notes

- (1) Significant changes in the scope of consolidation during the period: Not applicable
- (2) Adoption of specific accounting methods for presenting semi-annual financial statements: Not applicable
- (3) Changes in accounting policies, changes in accounting estimates and restatements
 - i Changes in accounting policies due to revisions of accounting standards: Not Applicable
 - ii Changes in accounting policies other than (3)-i: Not applicable
 - iii Changes in accounting estimates: Not applicable
 - iv Retrospective restatements: Not applicable

(4) Number of issued shares (common share)

i Number of issued shares at the end of each period (including treasury shares)	As of Sep. 30, 2025	266,942,682 shares	As of Mar. 31, 2025	276,942,682 shares
ii Number of treasury shares at the end of each period	As of Sep. 30, 2025	1,446,001 shares	As of Mar. 31, 2025	11,814,115 shares
iii Average number of shares during each period (Cumulative from the beginning of the fiscal year)	Six months ended Sep. 30, 2025	265,212,162 shares	Six months ended Sep. 30, 2024	275,893,265 shares

* Semi-annual financial results reports are exempt from review conducted by certified public accountants or an audit firm.

* Explanations or other special matters to appropriate use of the forecast of consolidated financial results

The forecast of consolidated financial results and certain other statements contained in this document are forward-looking statements, which are rationally determined based on information currently available to the company. For a variety of reasons, actual performance may differ substantially from these projections.

4. Qualitative Information on the Period under Review

(1) Overview of the operating results

During the consolidated first half of the fiscal year ending March 2026 (six months ended September 30, 2025), the global economy showed a slowing recovery, with some regions, such as China, stalling. In addition, the outlook remained uncertain due to concerns over the impact of the US tariff policy on prices and consumption.

Although the recovery of demand has varied even among the Group's major markets, for products where demand is growing, we have steadily seized sales opportunities and increased sales volume while also implementing thorough cost reduction measures.

As a result, sales revenue for the consolidated first half of the fiscal year under review totaled ¥277,119 million (down 2.9% year-on-year). On the income front, operating income amounted to ¥20,121 million (down 36.3% year-on-year), ordinary income was ¥20,371 million (down 23.2% year-on-year), and net income attributable to owners of the parent was ¥18,802 million (down 30.1% year-on-year).

Segment information is summarized as follows.

[Medical / Healthcare]

In the life sciences business, although sales volume of chiral columns increased slightly, sales revenue decreased mainly due to the impact of exchange rates.

In the healthcare business, sales revenue increased due to an increase in sales volume of health food ingredients, owing to favorable sales of supplements by clients.

The overall segment sales came to ¥7,634 million (up 6.2% year-on-year). Operating income was ¥208 million (up 10.1% year-on-year) due to factors such as an increase in sales volume in the healthcare business.

[Smart]

In the functional products business, sales revenue decreased due to factors such as price competition for caprolactone derivatives in China and the impact of exchange rates.

In the advanced technology business, although demand in the semiconductor materials market was solid, sales volume of resist materials decreased due to factors such as customers' production schedules shifting from the previous fiscal year, and demand for functional films for automotive applications decreased, resulting in a decrease in revenue.

The overall segment sales came to ¥18,171 million (down 7.3% year-on-year). Operating income was ¥404 million (up 87.9% year-on-year) due to the decline in raw material prices.

[Safety]

In the mobility business, which produces products such as inflators (gas generators) for automotive airbags, sales volumes increased due to a recovery of production in Chinese automakers in the Chinese market and sales expansion in India, leading to increased revenue.

Consequently, the overall segment sales came to ¥49,723 million (up 5.6% year-on-year). Operating income was ¥2,663 million (up 102.8% year-on-year) due to increased sales volume and improved productivity at North American bases.

[Materials]

In the acetyl business, while demand for its main derivatives, vinyl acetate and purified terephthalic acid, remained sluggish, sales volume of acetic acid increased due to sales adjustments implemented in the previous fiscal year because of problems at the raw material (carbon monoxide) plant. However, sales revenue decreased due to the decline in market conditions.

Sales revenue for acetate tow decreased due to a decrease in sales volume, reflecting inventory adjustments by some customers and the impact of exchange rates.

In the chemical business, sales revenue of cellulose acetate decreased due to a decrease in demand for fiber applications in the Chinese market, despite a flat in sales for display material applications because of a temporary recovery in the LCD panel market resulting from Chinese subsidy policy and last-minute demand before the implementation of U.S. tariffs.

Sales revenue for other chemical products increased due to an increase in sales volume of 1,3-butylene glycol, which resulted from a recovery in the cosmetics market.

Consequently, overall segment sales amounted to ¥77,166 million (down 12.8% year-on-year). Operating income was ¥4,974 million (down 65.3% year-on-year), due to factors such as a decrease in sales volume, the effects of inventory carried over from the previous term and the impact of exchange rates.

[Engineering Plastics]

In the business of Polyplastics Co., Ltd., such as polyacetal (POM), polybutylene terephthalate (PBT) resin, and liquid crystal polymer (LCP), sales revenue increased due to an increase in sales volume of products other than polyacetal resin, such as those for electronic materials, and adjustments to sales prices, despite a decrease in sales volume of polyacetal resin for industrial equipment and the impact of exchange rates.

In the business of Daicel Miraizu Ltd., including water-soluble polymers, barrier films for packaging, and AS resins, sales revenue decreased due to the transfer of the resin compound business to equity method affiliate Novacel Co., Ltd. in July 2024.

Consequently, overall segment sales amounted to ¥121,915 million (down 2.1% year-on-year). Operating income was ¥11,470 million (down 24.5% year-on-year) due to an increase in depreciation expenses, regular inspection expenses and the impact of exchange rates.

[Other Businesses]

In the other businesses, sales revenue decreased due to a decrease in sales of the membrane business, including membrane modules for water treatment.

Consequently, overall segment sales amounted to ¥2,508 million (down 11.3% year-on-year). Operating income was ¥400 million (up 16.3% year-on-year).

(2) Overview of financial position for the period under review

Total assets as of September 30, 2025, were ¥848,907 million, an increase of ¥35,075 million from March 31, 2025, due to increases in inventories and property, plant and equipment.

Total liabilities were ¥454,696 million, an increase of ¥15,902 million from March 31, 2025, due to an increase in long-term borrowings.

Total net assets were ¥394,210 million. Total shareholders' equity, which is calculated as the net assets minus non-controlling interests, was ¥379,563 million. Shareholders' equity ratio was 44.7%.

(3) Overview of cash flow for the period under review

Cash and cash equivalents ("Cash") in the cumulative consolidated first half amounted to ¥64,419 million.

Cash flow from operating activities

Cash flow from operating activities during the consolidated first half under review was +¥32,755 million (vs. +¥50,745 million in the same period of the previous fiscal year). The increases in cash flow were mainly attributable to ¥26,183 million of net income before income taxes and ¥20,425 million of depreciation. Meanwhile, the main factor for the decreases in cash flow was ¥15,290 million of decrease (increase) in income taxes paid.

Cash flow from investment activities

Cash flow from investment activities during the consolidated first half under review was -¥26,530 million (vs. -¥29,391 million in the same period last year). The main factors for the increase in cash flow were income of ¥5,803 million from the sale and redemption of investment securities. The main factors for the decrease in cash flow were expenditures of ¥35,429 million for the purchase of property, plant and equipment.

Cash flow from financing activities

Cash flow from financing activities during the consolidated first half under review was -¥7,835 million (vs. -¥24,043 million in the same period of the previous fiscal year). The increases in cash flow were mainly attributable to 22,856 million of proceeds from long-term borrowings. The main factors accounting for the decrease in cash flow were ¥14,256 million of net increase (decrease) in short-term borrowings and ¥7,950 million in dividends paid.

(4) Explanation regarding future forecast information of consolidated financial results

Based on the business results for the consolidated first half of the current fiscal year, the Company has revised its consolidated earnings forecasts for the full fiscal year ending March 31, 2026 announced on May 13, 2025. For details, please refer to the "Notice Regarding Revision to Consolidated Financial Forecast" released today.

5. Consolidated Financial Statements

(1) Consolidated Balance Sheets

(Unit: Millions of Yen)

	As of Mar. 31, 2025	As of Sep. 30, 2025
Assets		
Current assets		
Cash and deposits	65,142	64,684
Notes and Accounts receivable - trade	113,935	102,839
Inventories	177,879	185,965
Other	38,725	37,290
Allowance for doubtful accounts	(56)	(54)
Total current assets	395,626	390,725
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	90,337	96,046
Machinery, equipment and vehicles, net	126,334	132,483
Land	30,814	30,846
Construction in progress	66,181	83,291
Other, net	5,759	6,238
Total property, plant and equipment	319,426	348,907
Intangible assets		
Goodwill	66	57
Other	10,574	10,815
Total intangible assets	10,641	10,872
Investments and other assets		
Investment securities	56,652	62,806
Deferred tax assets	3,078	5,321
Retirement benefit asset	14,912	15,329
Other	13,520	14,970
Allowance for doubtful accounts	(26)	(26)
Total investments and other assets	88,137	98,401
Total non-current assets	418,205	458,181
Total assets	813,831	848,907

(Unit: Millions of Yen)

	As of Mar. 31, 2025	As of Sep. 30, 2025
Liabilities		
Current liabilities		
Notes and accounts payable – trade	61,239	68,642
Short-term borrowings	35,899	22,307
Current portion of bonds payable	20,000	20,000
Current portion of long-term borrowings	16,999	16,677
Income taxes payable	11,273	4,153
Provision for repairs	4,603	1,882
Other	60,339	65,190
Total current liabilities	210,353	198,854
Non-current liabilities		
Bonds payable	70,000	70,000
Long-term borrowings	138,021	158,864
Deferred tax liabilities	11,048	14,339
Provision for repairs	122	609
Retirement benefit liability	2,831	2,788
Asset retirement obligations	1,205	1,243
Other	5,212	7,998
Total non-current liabilities	228,440	255,842
Total liabilities	438,794	454,696
Net assets		
Shareholders' equity		
Share capital	36,275	36,275
Capital surplus	0	0
Retained earnings	253,721	250,840
Treasury shares	(16,171)	(1,973)
Total shareholders' equity	273,826	285,142
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	27,490	32,244
Deferred gains or losses on hedges	(14)	(10)
Foreign currency translation adjustment	51,052	54,951
Remeasurements of defined benefit plans	7,629	7,235
Total accumulated other comprehensive income	86,158	94,420
Non-controlling interests	15,052	14,646
Total net assets	375,037	394,210
Total liabilities and net assets	813,831	848,907

(2) Consolidated Statements of Income

(Unit: Millions of Yen)

	Six months ended Sep. 30, 2024	Six months ended Sep. 30, 2025
Net sales	289,688	277,119
Cost of sales	205,685	205,058
Gross profit	84,003	72,060
Selling, general and administrative expenses	52,395	51,939
Operating profit	31,607	20,121
Non-operating income		
Interest income	626	422
Dividend income	946	1,168
Share of profit of entities accounted for using equity method	1,407	1,414
Other	866	1,233
Total non-operating income	3,847	4,239
Non-operating expenses		
Interest expenses	799	1,547
Foreign exchange losses	1,966	1,606
Bond issuance costs	0	0
Settlement payments	1,200	—
Other	742	834
Total non-operating expenses	4,708	3,988
Ordinary profit	30,745	20,371
Extraordinary income		
Gain on disposal of non-current assets	15	8
Gain on sale of investment securities	6,756	5,077
Gain on bargain purchase	—	512
Gain on sale of shares of subsidiaries and associates	4,543	—
Subsidy income	—	1,224
Total extraordinary income	11,315	6,824
Extraordinary losses		
Loss on retirement of non-current assets	287	833
Loss on step acquisitions	—	179
Total extraordinary losses	287	1,012
Profit before income taxes	41,773	26,183
Income taxes		
Income taxes – current	12,967	7,894
Income taxes – deferred	(3,775)	(888)
Total income taxes	9,192	7,006
Profit	32,581	19,176
Profit attributable to non-controlling interests	527	374
Profit attributable to owners of parent	32,053	18,802

(3) Consolidated Statement of Comprehensive Income

(Unit: Millions of Yen)

	Six months ended Sep. 30, 2024	Six months ended Sep. 30, 2025
Profit	32,581	19,176
Other comprehensive income		
Valuation difference on available-for-sale securities	(1,918)	4,754
Deferred gains or losses on hedges	(2)	3
Foreign currency translation adjustment	(5,652)	4,214
Remeasurements of defined benefit plans, net of tax	(640)	(390)
Share of other comprehensive income of entities accounted for using equity method	(284)	138
Total other comprehensive income	(8,499)	8,721
Comprehensive income	24,081	27,898
Comprehensive income attributable to		
owners of parent	23,873	27,064
non-controlling interests	208	833

(4) Consolidated Statement of Cash Flows

(Unit: Millions of Yen)

	Six months ended Sep. 30, 2024	Six months ended Sep. 30, 2025
Cash flows from operating activities		
Profit before income taxes	41,773	26,183
Depreciation	19,702	20,425
Amortization of goodwill	9	8
Increase (decrease) in provision for repairs	1,190	(2,233)
Interest and dividend income	(1,572)	(1,590)
Interest expenses	799	1,547
Share of loss (profit) of entities accounted for using equity method	(1,407)	(1,414)
Loss (gain) on sale and retirement of non-current assets	271	824
Gain on sale of investment securities	(6,756)	(5,077)
Gain on sale of shares of subsidiaries and associates	(4,543)	—
Decrease (increase) in trade receivables	11,318	12,866
Decrease (increase) in inventories	(5,022)	(5,736)
Increase (decrease) in trade payables	3,432	5,574
Gain on bargain purchase	—	(512)
Loss (gain) on step acquisitions	—	179
Subsidy income	—	(1,224)
Other, net	(895)	(2,538)
Subtotal	58,299	47,280
Interest and dividends received	1,783	2,263
Interest paid	(685)	(1,497)
Income taxes paid	(8,651)	(15,290)
Net cash provided by (used in) operating activities	50,745	32,755
Cash flows from investing activities		
Net decrease (increase) in time deposits	4,469	101
Purchase of property, plant and equipment	(43,457)	(35,429)
Proceeds from sale of property, plant and equipment	59	5,795
Purchase of intangible assets	(1,254)	(1,304)
Purchase of investment securities	(147)	(75)
Proceeds from sale and redemption of investment securities	7,844	5,803
Purchase of shares of subsidiaries and associates	—	(714)
Proceeds from sale of shares of subsidiaries resulting in change in scope of consolidation	3,527	—
Other, net	(434)	(707)
Net cash provided by (used in) investing activities	(29,391)	(26,530)

(Unit: Millions of Yen)

	Six months ended Sep. 30, 2024	Six months ended Sep. 30, 2025
Cash flows from financing activities		
Net increase (decrease) in short-term borrowings	(6,907)	(14,256)
Net increase (decrease) in short-term bonds payable	(14,000)	(0)
Proceeds from long-term borrowings	22,137	22,856
Repayments of long-term borrowings	(6,888)	(6,468)
Redemption of bonds	(10,000)	—
Dividends paid	(6,894)	(7,950)
Dividends paid to non-controlling interests	(765)	(1,238)
Repayments of lease liabilities	(725)	(778)
Other, net	(0)	(0)
Net cash provided by (used in) financing activities	(24,043)	(7,835)
Effect of exchange rate change on cash and cash equivalents	(1,279)	1,263
Net increase (decrease) in cash and cash equivalents	(3,968)	(347)
Cash and cash equivalents at beginning of period	68,408	64,767
Cash and cash equivalents at the end of period	64,440	64,419

(5) Notes to Consolidated Financial Statements

(Note concerning Assumption of Going Concern)

Not applicable

(Note on Significant Changes in the Amount of Shareholders' Equity)

Not applicable

(Additional Information)

(Changes in Presentation)

(Consolidated Statement of Cash Flows)

“Increase (decrease) in provision for repairs” which was included in “Other” under “Cash flows from operating activities” for the six months ended September 30, 2024, has been listed separately from the six months ended September 30, 2025, due to the increased monetary significance of the items.

To reflect this change in presentation, the consolidated financial statements for the six months ended September 30, 2024, have been reclassified. As a result, ¥(1,190) million of “Other,” which was presented under “Cash flows from operating activities,” is reclassified as “Increase (decrease) in provision for repairs.”

“Loan advances” and “Proceeds from collection of loans receivable” which were listed separately under “Cash flows from investing activities” for the six months ended September 30, 2024, have been included in “Other” under “Cash flows from investing activities” from the six months ended September 30, 2025, due to the decreased monetary significance of the items. To reflect this change in presentation, the consolidated financial statements for the six months ended September 30, 2024, have been reclassified. As a result, ¥(4) million of “Loan advances” and 502 million of “Proceeds from collection of loans receivable,” which were presented under “Cash flows from investing activities,” are reclassified as “Other.”

“Purchase of treasury shares” which was listed separately under “Cash flows from financing activities” for the six months ended September 30, 2024, has been included in “Other” under “Cash flows from financing activities” from the six months ended September 30, 2025, due to the decreased monetary significance of the items.

To reflect this change in presentation, the consolidated financial statements for the six months ended September 30, 2024, have been reclassified. As a result, ¥(0) million of “Purchase of treasury shares,” which was presented under “Cash flows from financing activities,” is reclassified as “Other.”

(Segment Information)

[Segment Information]

I Six months ended Sep. 30, 2024

1. Sales and Profit (Loss) by Reportable Segment

(Unit: Millions of Yen)

	Medical / Healthcare	Smart	Safety	Materials	Engineering Plastics	Others	Total	Corporate and eliminations	Consolidated
Net sales									
Outside customers	7,185	19,596	47,067	88,464	124,547	2,826	289,688	—	289,688
Intersegment sales	0	51	—	6,589	96	7,110	13,847	(13,847)	—
Total	7,185	19,647	47,067	95,054	124,644	9,937	303,536	(13,847)	289,688
Operating profit	189	215	1,313	14,343	15,201	344	31,607	—	31,607

(Note) 1. The category of “Others” is a business segment not included in reportable segments and includes the membrane business and the transportation warehousing business.

2. There is no difference between total operating profit and operating profit in the consolidated statements of income.

2. Information on Impairment Losses of Non-Current Assets by Reportable Segment

Not applicable.

II Six months ended Sep. 30, 2025

1. Sales and Profit (Loss) by Reportable Segment

(Unit: Millions of Yen)

	Medical / Healthcare	Smart	Safety	Materials	Engineering Plastics	Others	Total	Corporate and eliminations	Consolidated
Net sales									
Outside customers	7,634	18,171	49,723	77,166	121,915	2,508	277,119	—	277,119
Intersegment sales	—	67	—	5,889	106	7,318	13,382	(13,382)	—
Total	7,634	18,239	49,723	83,056	122,022	9,827	290,501	(13,382)	277,119
Operating profit	208	404	2,663	4,974	11,470	400	20,121	—	20,121

(Note) 1. The category of “Others” is a business segment not included in reportable segments and includes the membrane business and the transportation warehousing business.

2. There is no difference between total operating profit and operating profit in the consolidated statements of income.

2. Information on Impairment Losses of Non-Current Assets by Reportable Segment

Not applicable.