

Note: This document has been translated from the Japanese original for reference purposes only. In the event of any discrepancy between this translated document and the Japanese original, the original shall prevail.

Consolidated Financial Results for the Nine Months Ended December 31, 2025

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

February 5, 2026

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
Contact person	: Misa Goto, Head of Investor Relations, Corporate Planning & Strategy Office Phone +81-3-6711-8120
Scheduled date for dividend payment	: -
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 Nine months ended December 31, 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	%
Nine months ended Dec. 31, 2025	424,824	(1.8)	32,444	(25.0)	33,891	(24.3)	35,703	(18.9)
Nine months ended Dec. 31, 2024	432,545	4.4	43,245	(2.8)	44,795	(7.0)	44,042	(0.4)

(Note) Comprehensive income: 49,712 millions of yen [7.0%] for the Nine Months Ended December 31, 2025 and 46,446 millions of yen [(19.3%)] for the nine months ended December 31, 2024

	Profit per share	Diluted profit per share
	Yen	Yen
Nine months ended Dec. 31, 2025	134.99	—
Nine months ended Dec. 31, 2024	160.30	—

(2) Consolidated Financial Position

	Total assets	Net assets	Capital adequacy ratio	Net assets per share
	Millions of Yen	Millions of Yen	%	Yen
As of Dec. 31, 2025	884,089	400,209	43.5	1,482.95
As of Mar. 31, 2025	813,831	375,037	44.2	1,357.77

(Reference) Shareholders' equity: 384,685 millions of yen as of December 31, 2025 and 359,984 millions of yen as of March 31, 2025

2. Dividends

(Reference data)	Cash dividends per share				
	1st quarter	2nd quarter	3rd quarter	4th quarter	Annual
Year ended Mar. 31, 2025	Yen —	Yen 30.00	Yen —	Yen 30.00	Yen 60.00
Year ending Mar. 31, 2026	—	30.00	—	30.00	60.00
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	192.75

(Note) Revisions to the latest announced forecast of consolidated financial results: Not Applicable

*Notes

- (1) Significant changes in the scope of consolidation during the period: Not applicable
- (2) Adoption of specific accounting methods for presenting quarterly 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 Dec. 31, 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 Dec. 31, 2025	7,536,706 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)	Nine months ended Dec. 31, 2025	264,484,011 shares	Nine months ended Dec. 31, 2024	274,755,844 shares

*Review of the attached quarterly consolidated financial statements performed by certified public accountants or accounting firm: Not applicable

* 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 third quarter of the fiscal year ending March 2026 (nine months ended December 31, 2025), the global economy continued to show signs of a gradual recovery, with some regions, such as China, stalling. In addition, the outlook remained uncertain due to concerns over the impact of the U.S. tariff policy on prices and consumption.

As a result, sales revenue for the consolidated third quarter of the fiscal year under review totaled ¥424,824 million (down 1.8% year-on-year). On the income front, operating income amounted to ¥32,444 million (down 25.0% year-on-year), ordinary income was ¥33,891 million (down 24.3% year-on-year), and profit attributable to owners of parent was ¥35,703 million (down 18.9% year-on-year).

Segment information is summarized as follows.

[Medical / Healthcare]

In the life sciences business, sales revenue increased due to an increase in sales volume of chiral columns.

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 ¥12,048 million (up 10.7% year-on-year). Operating income was ¥639 million (up 75.1% year-on-year) due to factors such as an increase in sales volume in the healthcare business.

[Smart]

In the functional products business, although sales of caprolactone derivatives decreased due to price competition in China, sales revenue increased, reflecting higher sales of epoxy compounds in the U.S. and Europe.

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 ¥27,468 million (down 3.5% year-on-year). Operating income was ¥372 million (operating loss of ¥555 million in the same period of the previous fiscal year) due to improved profitability resulting from the withdrawal from the organic semiconductor business in the previous fiscal year.

[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 ¥77,033 million (up 5.8% year-on-year). Operating income was ¥5,033 million (up 64.8% 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 and market conditions deteriorated, 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.

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 plastic applications in the Chinese market, despite maintaining the previous period's level for display material applications.

Sales revenue for other chemical products increased due to an increase in sales volume of ethyl acetate, for which sales adjustments were implemented in the previous fiscal year, as well as steady demand for 1,3-butylene glycol in the cosmetics market.

Consequently, overall segment sales amounted to ¥118,386 million (down 8.3% year-on-year). Operating income was ¥10,468 million (down 45.2% 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 POM resin, such as those for electronic materials, and adjustments to sales prices, despite a decrease in sales volume of POM resin for various industrial sectors 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 ¥185,912 million (down 0.5% year-on-year). Operating income was ¥15,305 million (down 25.6% 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 ¥3,975 million (down 9.9% year-on-year). Operating income was ¥625 million (down 11.2% year-on-year).

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

Total assets as of December 31, 2025, were ¥884,089 million, an increase of ¥70,257 million from March 31, 2025, due to increases in property, plant and equipment.

Total liabilities were ¥483,880 million, an increase of ¥45,085 million from March 31, 2025, due to an increase in long-term borrowings.

Total net assets were ¥400,209 million. Total shareholders' equity, which is calculated as the net assets minus non-controlling interests, was ¥384,685 million. Shareholders' equity ratio was 43.5%.

5. Consolidated Financial Statements

(1) Consolidated Balance Sheets

(Unit: Millions of Yen)

	As of Mar. 31, 2025	As of Dec. 31, 2025
Assets		
Current assets		
Cash and deposits	65,142	75,848
Notes and Accounts receivable - trade	113,935	116,659
Inventories	177,879	184,405
Other	38,725	44,580
Allowance for doubtful accounts	(56)	(44)
Total current assets	395,626	421,449
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	90,337	98,435
Machinery, equipment and vehicles, net	126,334	139,140
Land	30,814	31,338
Construction in progress	66,181	91,368
Other, net	5,759	6,658
Total property, plant and equipment	319,426	366,940
Intangible assets		
Goodwill	66	55
Other	10,574	11,175
Total intangible assets	10,641	11,231
Investments and other assets		
Investment securities	56,652	49,259
Deferred tax assets	3,078	5,164
Retirement benefit asset	14,912	15,613
Other	13,520	14,455
Allowance for doubtful accounts	(26)	(25)
Total investments and other assets	88,137	84,467
Total non-current assets	418,205	462,639
Total assets	813,831	884,089

(Unit: Millions of Yen)

	As of Mar. 31, 2025	As of Dec. 31, 2025
Liabilities		
Current liabilities		
Notes and accounts payable – trade	61,239	67,365
Short-term borrowings	35,899	46,934
Short-term bonds payable	—	21,000
Current portion of bonds payable	20,000	—
Current portion of long-term borrowings	16,999	11,801
Income taxes payable	11,273	4,209
Provision for repairs	4,603	396
Other	60,339	66,110
Total current liabilities	210,353	217,818
Non-current liabilities		
Bonds payable	70,000	70,000
Long-term borrowings	138,021	168,168
Deferred tax liabilities	11,048	14,300
Provision for repairs	122	765
Retirement benefit liability	2,831	2,955
Asset retirement obligations	1,205	1,274
Other	5,212	8,597
Total non-current liabilities	228,440	266,061
Total liabilities	438,794	483,880
Net assets		
Shareholders' equity		
Share capital	36,275	36,275
Capital surplus	0	0
Retained earnings	253,721	259,775
Treasury shares	(16,171)	(9,824)
Total shareholders' equity	273,826	286,227
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	27,490	24,252
Deferred gains or losses on hedges	(14)	(9)
Foreign currency translation adjustment	51,052	67,184
Remeasurements of defined benefit plans	7,629	7,031
Total accumulated other comprehensive income	86,158	98,458
Non-controlling interests	15,052	15,523
Total net assets	375,037	400,209
Total liabilities and net assets	813,831	884,089

(2) Consolidated Statements of Income

(Unit: Millions of Yen)

	Nine months ended Dec. 31, 2024	Nine months ended Dec. 31, 2025
Net sales	432,545	424,824
Cost of sales	311,422	314,987
Gross profit	121,123	109,836
Selling, general and administrative expenses	77,877	77,392
Operating profit	43,245	32,444
Non-operating income		
Interest income	912	617
Dividend income	1,496	1,682
Share of profit of entities accounted for using equity method	1,935	2,031
Other	1,256	1,674
Total non-operating income	5,602	6,006
Non-operating expenses		
Interest expenses	1,346	2,343
Foreign exchange losses	548	1,198
Bond issuance costs	2	2
Settlement payments	1,200	—
Other	954	1,015
Total non-operating expenses	4,052	4,559
Ordinary profit	44,795	33,891
Extraordinary income		
Gain on disposal of non-current assets	25	11
Gain on sale of investment securities	9,717	17,056
Gain on bargain purchase	—	512
Gain on sale of shares of subsidiaries and associates	4,553	—
Subsidy income	—	1,224
Total extraordinary income	14,296	18,805
Extraordinary losses		
Loss on retirement of non-current assets	684	1,496
Loss on liquidation of business	1,106	—
Loss on step acquisitions	—	179
Total extraordinary losses	1,790	1,676
Profit before income taxes	57,300	51,019
Income taxes		
Income taxes – current	13,879	11,733
Income taxes – deferred	(1,252)	2,806
Total income taxes	12,626	14,539
Profit	44,674	36,480
Profit attributable to non-controlling interests	631	777
Profit attributable to owners of parent	44,042	35,703

(3) Consolidated Statement of Comprehensive Income

(Unit: Millions of Yen)

	Nine months ended Dec. 31, 2024	Nine months ended Dec. 31, 2025
Profit	44,674	36,480
Other comprehensive income		
Valuation difference on available-for-sale securities	(6,520)	(3,237)
Deferred gains or losses on hedges	(2)	4
Foreign currency translation adjustment	8,821	16,213
Remeasurements of defined benefit plans, net of tax	(920)	(594)
Share of other comprehensive income of entities accounted for using equity method	394	845
Total other comprehensive income	1,772	13,232
Comprehensive income	46,446	49,712
Comprehensive income attributable to		
owners of parent	45,291	48,002
non-controlling interests	1,155	1,710

(4) 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

(Segment Information)

[Segment Information]

I Nine months ended Dec. 31, 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	10,888	28,473	72,777	129,162	186,828	4,414	432,545	—	432,545
Intersegment sales	0	92	—	8,984	136	10,652	19,865	(19,865)	—
Total	10,888	28,565	72,777	138,147	186,964	15,067	452,411	(19,865)	432,545
Operating profit (loss)	365	(555)	3,054	19,116	20,559	704	43,245	—	43,245

(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 (loss) and operating profit in the consolidated statements of income.

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

Not applicable.

II Nine months ended Dec. 31, 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	12,048	27,468	77,033	118,386	185,912	3,975	424,824	—	424,824
Intersegment sales	14	92	—	9,127	160	10,924	20,320	(20,320)	—
Total	12,062	27,560	77,033	127,514	186,072	14,900	445,144	(20,320)	424,824
Operating profit	639	372	5,033	10,468	15,305	625	32,444	—	32,444

(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.

(Notes to Quarterly Consolidated Statement of Cash Flows)

Quarterly consolidated statement of cash flows for the nine months ended December 31, 2025 have not been prepared.

Depreciation (including amortization of intangible assets other than goodwill) and amortization of goodwill for the nine months ended December 31, 2025 are as follows.

(Unit: Millions of Yen)

	Nine months ended Dec. 31, 2024	Nine months ended Dec. 31, 2025
Depreciation	30,201	31,505
Amortization of goodwill	13	13

(Subsequent Event)

(Company Split with a Consolidated Subsidiary (Simplified Absorption-type Company Split))

Daicel Corporation (the “Company”) resolved, at a meeting of its Board of Directors held on January 15, 2026, to proceed with the absorption-type company split (the “Absorption-type Company Split”) under which the Company will succeed to all businesses of its consolidated subsidiary, Polyplastics Co., Ltd. (“Polyplastics”) on April 1, 2026. The business to be succeeded (the “Target Business”) excludes the business of holding and managing shares of subsidiaries and affiliates owned by Polyplastics.

1. Purpose of the Absorption-type Company Split

In line with the Company’s medium-term strategy “Accelerate 2025”, Daicel has been working to transform its business structure and further strengthen its engineering plastics business. As part of this initiative, the Company made Polyplastics a wholly owned subsidiary in 2020. Since then, Polyplastics has promptly decided and executed investments to expand the capacity of its overseas manufacturing bases, including the commencement of the POM production facilities in China. In terms of business performance as well, Polyplastics achieved record-high consolidated profits in the previous fiscal year, demonstrating the tangible benefits of becoming a wholly owned subsidiary.

As the Company announced in the Press Release dated October 16, 2025, with the Absorption-type Company Split, the Company aims to create a “New Daicel” by integrating the Target Business of Polyplastics into the Company. Through (i) sharing of technical service and solution-provision know-how, which represents Polyplastics’ core strengths, (ii) enhancing collaboration with the Company’s Safety, Materials and other businesses, (iii) utilization of human resources for the growth of the group as a whole, and (iv) improving the efficiency of corporate functions, the Company seeks to maximize corporate value.

2. Outline of the Absorption-type Company Split

(1) Schedule of the Absorption-type Company Split

Board of Directors resolution approving the Absorption-type Company Split Agreement	January 15, 2026
Execution of Absorption-type Company Split Agreement	January 15, 2026
Effective date of Absorption-type Company Split	April 1, 2026 (planned)

The Absorption-type Company Split satisfies the requirements for a simplified company split under Article 796, Paragraph 2 of the Companies Act with respect to Daicel, and a short-form company split under Article 784, Paragraph 1 of the Companies Act with respect to Polyplastics. Accordingly, neither company obtains approval from its shareholders’ meeting.

(2) Method of the Company Split

The Absorption-type Company Split (a simplified absorption-type company split) is implemented with Polyplastics as the splitting company and the Company as the succeeding company.

(3) Content of the Allotment Related to the Company Split

No shares, cash, or other consideration will be allotted in connection with the Absorption-type Company Split.

(4) Treatment of Stock Acquisition Rights and Bonds with Stock Acquisition Rights in connection with the Company Split

Not applicable.

(5) Increase or Decrease in Capital Due to the Company Split

There will be no increase or decrease in the Company’s capital as a result of the Absorption-type Company Split.

(6) Rights and Obligations to be Succeeded by the Succeeding Company

The Company will succeed the assets, liabilities, contracts, and rights and obligations relating to the Target Business of Polyplastics within the scope specified in the Absorption-type Company Split Agreement.

(7) Prospects for Fulfillment of Obligations

The Company has determined that there are no issues with the prospects for fulfilling the obligations that the Company should bear in this Absorption-Type Company Split.

3. Overview of the Companies Involved in the Split (as of September 30, 2025)

	Splitting Company	Succeeding Company
(1) Name	Polyplastics Co., Ltd.	Daicel Corporation
(2) Head Office	2-18-1 Konan, Minato-ku, Tokyo	3-1 Ofuka-cho, Kita-ku, Osaka
(3) Representative	Takashi Miyamoto, President and CEO	Yasuhiro Sakaki, President and CEO
(4) Business Description	Manufacture, import, and sale of polymers, plastics, industrial chemicals, and products worked therefrom	Manufacture and sale of cellulose, organic chemicals, synthetic resins, and pyrotechnic products
(5) Capital	JPY 3,000 million	JPY 36,275 million
(6) Date of Establishment	May 4, 1964	September 8, 1919
(7) Number of Shares Issued	6,000,000	266,942,682
(8) Fiscal Year-End	March 31	March 31
(9) Major Shareholders and Shareholding Ratios	Daicel Corporation – 100%	The Master Trust Bank of Japan, Ltd. (Trust Account) – 14.88% Custody Bank of Japan, Ltd. (Trust Account) – 9.99% Nippon Life Insurance Company – 6.55%
(10) Financial Condition and Operating Results		
Fiscal Year	Fiscal year ended March 2025 (Non-consolidated)	Fiscal year ended March 2025 (Consolidated)
	Polyplastics Co., Ltd.	Daicel Corporation
Net Assets	JPY 32,127 million	JPY 375,037 million
Total Assets	JPY 126,077 million	JPY 813,831 million
Net Assets per Share	JPY 5,354.58	JPY 1,357.77
Net Sales	JPY 114,227 million	JPY 586,531 million
Operating Income	JPY 7,974 million	JPY 61,011 million
Ordinary Income	JPY 21,327 million	JPY 62,320 million
Net Income	JPY 18,940 million	JPY 49,480 million
Net Income per Share	JPY 3,156.70	JPY 181.44

Note: "Net Income" for Daicel represents "Profit attributable to owners of parent".

4. Overview of the Business to Be Succeeded (Planned)

(1) Description of the Business to Be Succeeded

The Target Business of Polyplastics.

(2) Operating Results of the Business to Be Succeeded (FY2025)

Net Sales: JPY 114,227 million

(3) Items and Book Values of Assets and Liabilities to Be Succeeded (Approximate Figures)

Assets		Liabilities	
Items	Book Value	Items	Book Value
Current Assets	JPY 72,471 million	Current Liabilities	JPY 93,617 million
Non-current Assets	JPY 21,479 million	Non-current Liabilities	JPY 333 million
Total	JPY 93,950 million	Total	JPY 93,950 million

5. Status After the Absorption-type Company Split

In connection with the Absorption-type Company Split, Polyplastics will change its trade name to HPP Holdings Co., Ltd effective April 1, 2026. The Company will also change the name of Polyplastics' domestic and overseas affiliates at the same time. However, as of today, there are no plans to change (i) the Company's name, or (ii) the head office, representative title or name, business description, capital, or fiscal year-end of either company as a result of the Absorption-type Company Split.

6. Outlook

The impact of the Absorption-type Company Split on the Company's consolidated business results is minor.

7. Outline of the accounting method to be implemented

In accordance with the "Accounting Standard for Business Combinations" (ASBJ Statement No. 21, January 16, 2019) and the "Guidance on Accounting Standard for Business Combinations and Accounting Standard for Business Divestitures" (ASBJ Guidance No. 10, September 13, 2024), the Company Split will be accounted for as a transaction under common control.