

This document is an English translation of a statement written originally in Japanese for reference. The Japanese original should be considered as the primary version.

January 28, 2022

To Whom It May Concern,

Company Name: DAICEL CORPORATION
Representative: Yoshimi Ogawa, President and CEO
(Code: 4202, First Section of the Tokyo Stock Exchange)
Contact: Masahiko Hirokawa, Deputy General Manager,
Corporate Support Headquarters and General
Manager, Investor Relations & Corporate
Communications
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Notice Concerning Changes in the Status of Specified Subsidiaries

DAICEL CORPORATION (the “Company”) announced that, POLYPLASTICS CO., LTD.(“Polyplastics”), a wholly owned subsidiary of the Company, decided at Board of Directors meeting held on January 28, 2022, to increase capital of its subsidiary (the Company’s second-tier subsidiary) and pay in capital to its second-tier subsidiary (the Company’s third-tier subsidiary) established by a subsidiary of Polyplastics.

The Company also announces that Polyplastics's subsidiary (the Company’s second-tier subsidiary) and second-tier subsidiary (the Company’s third-tier subsidiary) will be classified as the Company’s specific subsidiaries because the amount of their capital stock will account for 10% or more of the Company after this capital increase and paid - in capital. The details are as follows.

1. The reason for the changes

China is the world’s largest market for Polyacetal (“POM”) and has maintained strong growth. Polyplastics aims to improve its POM manufacturing capacity to meet the strong demand by proceeding with the construction of a new POM plant in Nantong, China.

Polyplastics established its subsidiary (the Company’s second-tier subsidiary), P Holdings, Inc. as a business entity for manufacturing new POM resin equipment and will increase the capital of P Holdings, Inc. Furthermore, P Holdings, Inc. will pay in capital to DP Engineering Plastics (Nantong) Co., Ltd., Polyplastics’s second-tier subsidiary (a third-tier subsidiary of the Company).

2. Details of subsidiary(the Company's second-tier subsidiary)

(1) Company name	P Holdings, Inc.	
(2) Location	JR Shinagawa East Bldg., 2-18-1, Konan, Minato-ku, Tokyo, Japan	
(3) Title of representative/ Name	Representative Director Shoji Sanada	
(4) Business description	Management and control of the business activities of its subsidiary whose business purpose is the manufacture, processing and sales of POM resin in China	
(5) Capital stock	At time of establishment : 10 Million JPY After capital increase : About 109 Million USD	
(6) Date of foundation	December 1,2021	
(7) Major shareholder and ratio of its shareholdings	POLYPLASTICS CO., LTD 100%	
(8) Relationship between the listed company and the Company's second-tier subsidiary	Capital relationship	The Company's Specified Subsidiary (after capital increase)
	HR relationship	—
	Business relationship	—

*The operating result is omitted since the first of end of fiscal year after settlement has not arrived.

3. Details of second-tier subsidiary (the Company's third-tier subsidiary)

(1) Company name	DP Engineering Plastics (Nantong) Co., Ltd	
(2) Location	Room 307, No. 42, Guangzhou Road, Nantong Economic and Technological Development Zone, Jiangsu Province, China	
(3) Title of representative/ Name	Representative Director Shoji Sanada	
(4) Business description	Manufacture, sales, import and export of POM	
(5) Capital stock	109 Million USD	
(6) Date of foundation	January 11, 2022	
(7) Major shareholder and ratio of its shareholdings	P Holdings, Inc.100%	
(8) Relationship between the listed company and the Company's third-tier subsidiary	Capital relationship	The Company's Specified Subsidiary
	HR relationship	—
	Business relationship	—

*The operating result is omitted since the first of end of fiscal year after settlement has not arrived.

4. The details of capital increase to the subsidiary (The Company's second-tier subsidiary), P Holdings, Inc.

(1) Amount of capital increase	109 Million USD
(2) Payment date	January 28, 2022
(3) Equity share	POLYPLASTICS CO., LTD 100%

5. The details of the paid capital to the second-tier subsidiary (the company's third-tier subsidiary), DP Engineering Plastics (Nantong) Co., Ltd.

(1) Amount of payment capital	109Million USD
(2) Payment date	January 28, 2022
(3) Equity share	P Holdings, Inc.100%

6. Outlook

The impact on operating results of the Company Group in the Fiscal Year ending March 31, 2022 will be insignificant.

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