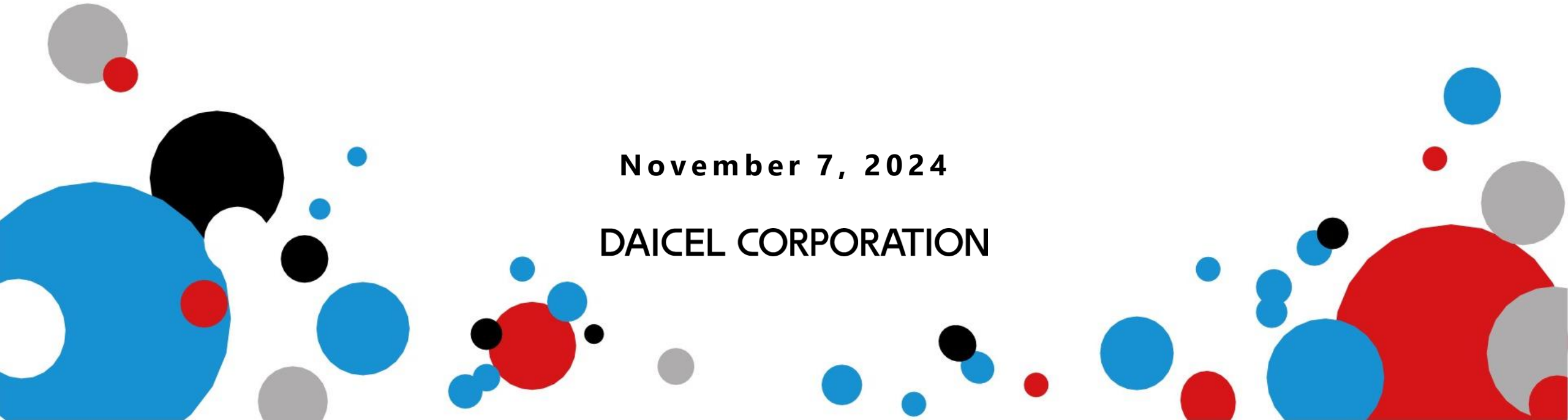


1st Half of Fiscal Year ending March 2025 Consolidated Financial Results

November 7, 2024

DAICEL CORPORATION



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Results of FY2025/3 1H Financial Results (vs previous year)

Net sales	¥289.7 billion (+ 6.9%)
Operating income	¥31.6 billion (+18.8%)
EBITDA	¥ 51.3billion (+22.5%)

- Sales, operating profit, and EBITDA increased due to an increase in sales volume of engineering plastics, which was affected by customer inventory adjustments in the same period of the previous fiscal year, as well as the effect of foreign exchange rates.

Revised Forecasts of FY2025/3 (vs Previous Forecasts)

Net sales	¥600.0 billion (-1.6%)
Operating income	¥60.0 billion (-7.7%)
EBITDA	¥102.5 billion (-4.7%)
ROIC	5.9% (-0.5P)

- Plans will not meet due to initial problems at the carbon monoxide plant and countermeasures taken, as well as the impact on automobile production. We will continue to address priority issues and improve asset efficiency by improving profitability and reducing inventory.

Shareholders return

In addition to a total return ratio 40% or more , set a new target of DOE of 4% or more:

Dividend Increase: Annual dividends forecasts for the FY2025/3 will be 60 yen per share (55 yen per share of previous forecast).

Decision of acquisition treasury stocks

- Excluding temporary factors in this fiscal year, capital generation capacity has improved and we will strengthen shareholder returns.
- Interim dividends : **30 yen per share (increase by 3 yen from forecasts / increase by 5 yen from previous fiscal year)**
- Revised year-end dividends forecasts : **30 yen per share (Increase by 2 yen from forecasts / increase by 5 yen from previous fiscal year)**
- Decided to **purchase treasury stock of 15 bn yen for 12 millions shares**

Top priorities and strategies

- Stable Operation of the Acetic Acid Raw Material (Carbon Monoxide) Plant
- Safety Business, Improvement of Profitability at the US Production Site
- Increase in Production of Engineering Plastics

- Establish stable operation by implementing fundamental measures to carbon monoxide plant malfunctions and extension of compatibility of coal types
- The safety business's US base turned a profit in the fourth quarter.
- Polyplastics expands profits by increasing production of its main products POM and LCP.

Top Priorities and Strategies: Stable Operation of the Acetic Acid Raw Material (Carbon Monoxide) Plant

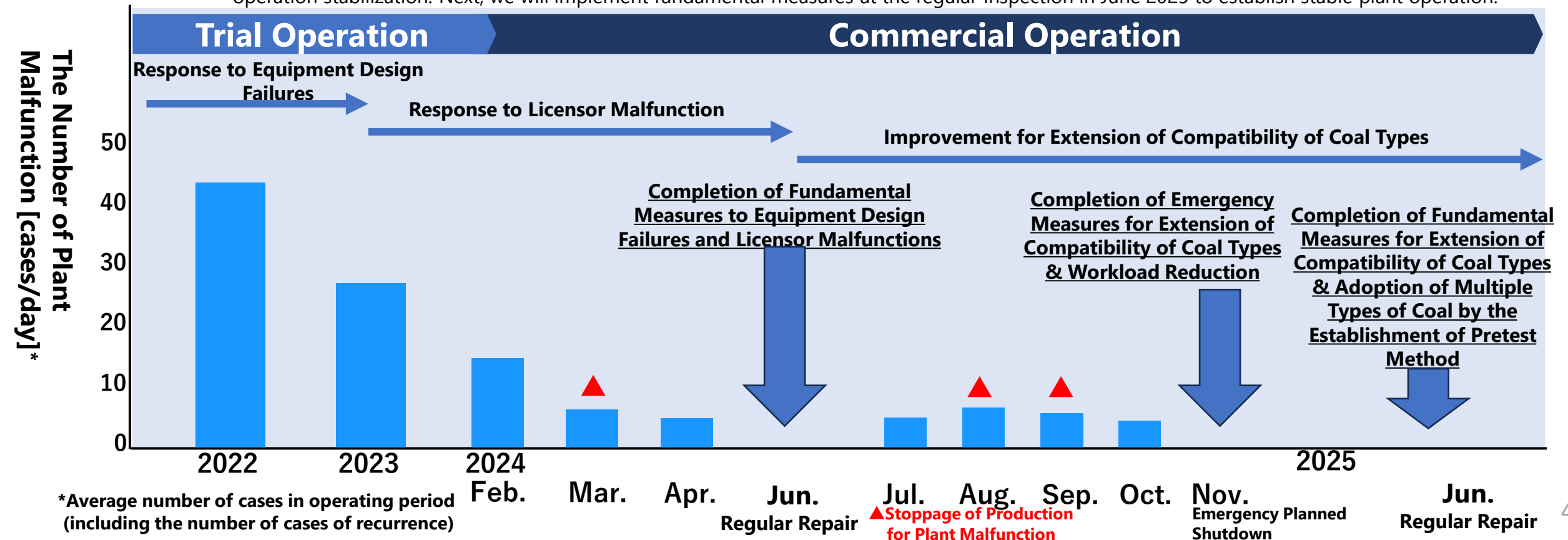
Establish Stable Operation by Implementing Fundamental Measures to Carbon Monoxide Plant Malfunctions and Extension of Compatibility of Coal Types

◇ Outline of the Plan

- Front-loaded the extension of compatibility of coal types from July 2025 to July 2024
- The causes of effects on troubles and planned shutdown in FY2025/3 (a drop of 9.1 billion yen in profit) accounts for most of extension of compatibility of coal types.

◇ Established a Special Team for Operation Stabilization

- The responses to equipment design failures and licensor malfunctions have completed in June 2024.
- Firstly, we will take emergency measures for the extension of compatibility of coal types in November 2024 and workload reduction by special team for operation stabilization. Next, we will implement fundamental measures at the regular inspection in June 2025 to establish stable plant operation.



Top Priorities and Strategies: Safety Business, Improvement of Profitability at the US Production Site

Prioritize the Improvement of the Profitability at the US Production Site to Cope with the Deterioration of Business Performance, and Realize Profit in the 4th Quarter of FY2025/3

◇ Current Situation

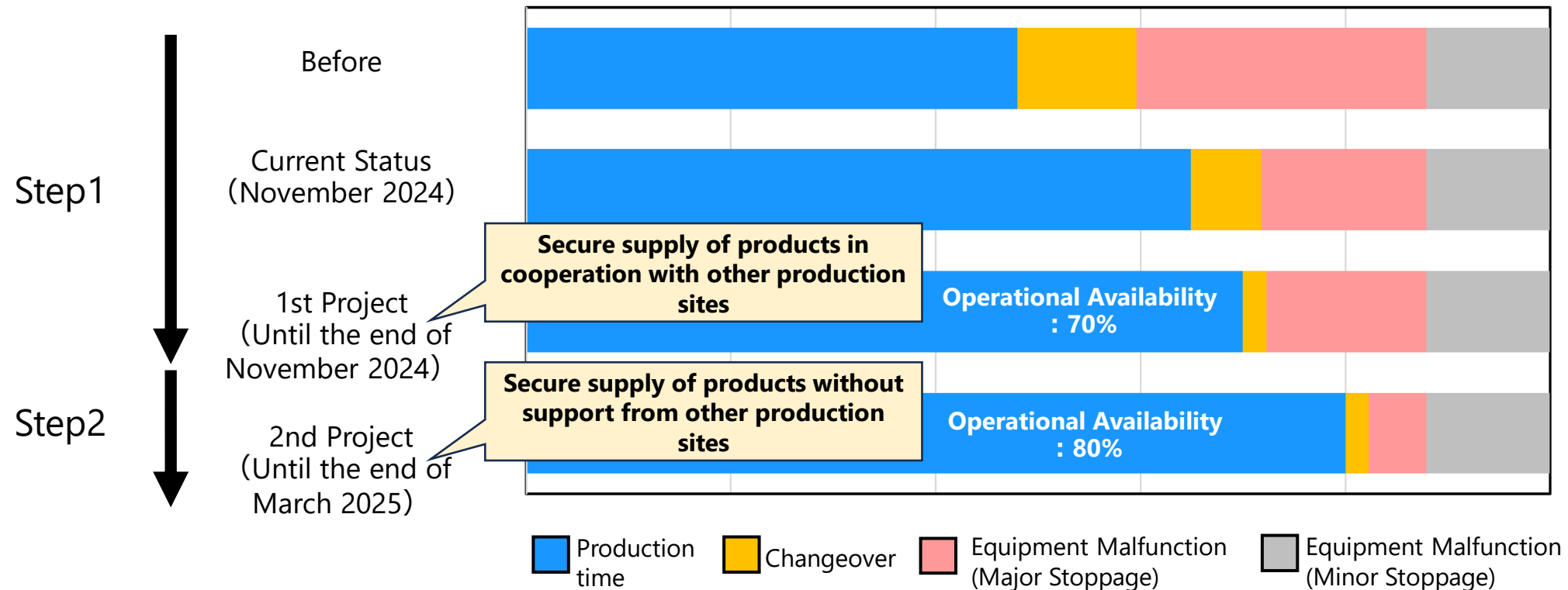
In FY2024/3, we consumed extra time for coping with many equipment malfunctions and changeover processes.

◇ Steps for the Improvement of Productivity

Step1: Scrape up surplus time and the workforce by optimizing changeover processes (externalization of changeover process.)

Step2: Implement planned maintenance by utilizing the surplus time and the workforce for prevention of major stoppage and return to profit.

After completion of Step2: Get rid of minor stoppage to establish further stable operation and improvement of profitability.



Top Priorities and Strategies: Increase in Production of POM and LCP in Polyplastics Co., Ltd.

Start an Increase in Production of Main Product of POM and LCP, Promote Sales Expansion Mainly in China

POM (Polyacetal)

Start Operation of a New 90,000-ton Plant at DP Engineering Plastics (Nantong) Co., Ltd. (China) from November 2024

◇Trend in Demand and Sales

- Main applications: A wide variety of uses such as for automotive, electrical appliances, electronic components and industrial equipment etc.
- Market growth rate: It is estimated that both worldwide and China market share grow at **an annual average rate of 3.0% to 3.5% per year**.
- Status of the market in China: The demand of POM is continuously strong due to an increase in sales for manufacturing industry and new adoption by overseas automotive manufacturers despite the sluggish demand for Japanese automotive manufactures in the market of China.
- Global sales strategy: It is expected to **increase by 8,000-ton annually** after commercial operation of the new POM plant. Therefore, we continuously focus on sales expansion to the manufacturing industries mainly automotive manufacturers.

◇Production Strategy

- Due to the plant relocation, we shut down an existing 60,000-ton plant (allocated 43,000-ton to Polyplastics Co., Ltd.) and start operation of a new 90,000-ton plant (allocated 63,000-ton to Polyplastics Co., Ltd.) in the last half of November 2024 (**actual increase of 20,000-ton capacity**).
- The current production capacity is insufficient to meet the demand of the market demand in China due to a strong demand of POM in the Chinese market. Therefore, we compensate for the lack of supply by providing POM from Malaysia and Fuji production sites. The production system maintains status quo after operating the new plant.
- By increasing the local production volume of POM within China, we can alleviate the effect of anti-dumping measures being applied for imported POM in China.
- By the construction of a next 60,000-ton plant (under consideration), we can make a surplus from the production capacity in Malaysia and Fuji plants and promote sales expansion to Asia, Europe and the US.



Top Priorities and Strategies: Increase in Production of POM and LCP in Polyplastics Co., Ltd.

LCP (Liquid Crystal Polymer)

Start Operation of a New 5,000-ton Plant at Polyplastics Taiwan Co., Ltd. (Taiwan) from the Second Half of FY2025/3

◇Trend in Demand

- The key industries (e.g. manufacturers of smartphone or server) show **an annual average growth rate of 4% to 5%.**
- **The market demand in China accounts for most of the worldwide LCP market demand, and China has more than 30,000-ton of LCP demand.**

◇Marketing Strategy

- The new plant is mainly aimed at a market in China, and it will be run at full capacity.
- After the start of new plant operation, we can make a surplus from production capacity in Fuji plant to focus on new polymer development.
- We will expand new market as an LCP industry leader of market share.
 - Develop new polymers with an advantage of the material for micro super low profile connector to expand market share in high-end connector market.
 - The consumption volume of LCP per a smartphone is increasing due to the enlargement and high-functioning of camera module. We will maintain and expand market share by further improvement of product quality of camera module grade.
 - The demand for LCP film is expected to increase due to the shifting to the extremely high frequency. We will expand the demand for LCP film by promoting adoption of our products with proven track record and developing new polymer grade for high-performance film.
 - We will retrieve the loss of market share of electric devices for in-vehicle application, deprived by competitors at the occasion of our insufficient sales of products, by proposing new polymer-based grade lineup with an advantage of cost competitiveness.



Financial Results

	24/3 1H Results	25/3 1H Forecasts*	25/3 1H Results	Y on Y		vs Forecasts	
				Change	%	Change	%
Unit : Billion Yen							
Net Sales	271.0	295.0	289.7	+18.7	+6.9%	-5.3	-1.8%
Operating Income	26.6	32.0	31.6	+5.0	+18.8%	-0.4	-1.2%
Ordinary Income	30.7	33.5	30.7	+0.0	+0.1%	-2.8	-8.2%
Income Attributable to Owners of Parent	29.8	30.0	32.1	+2.3	+7.7%	+2.1	+6.8%
Exchange Rate USD/JPY	141	145	153				
E B I T D A	41.9	52.0	51.3				

* The forecasts were announced on May 9, 2024.

〈Y on Y〉

- Net Sales increased due to the large impact of customer 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 although sales in the automotive parts sector were affected by the certification misconduct issue at some Japanese automobile manufacturers.
- Operating profit and EBITDA increased due to an increase in sales volume, mainly of Engineering Plastics, and the impact of exchange rates.
- Net profit increased due to factors such as an increase in gains from the sale of affiliated company shares following the transfer of Daicel Miraizu's resin compound business.

〈vs Forecasts〉

- Although sales of Engineering Plastics were expanded and sales were implemented by taking advantage of the opportunity of a recovery in demand in the electronic device market, Net sales were lower than expected due to factors such as the impact the certification misconduct issue at some Japanese automobile manufacturers, the impact of initial troubles at a carbon monoxide plant, and a decrease in sales volume due to delays in the shipment schedule of acetate tow.
- The decline in profits was reduced by implementing cost reduction measures and passing on the increase in raw material and fuel prices.
- Net profit was higher than expected due to increases in gains on sales of investment securities and shares in affiliated companies.

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

Unit : Billion Yen	Net Sales						
	24/3 1H Results	25/3 1H Forecasts	25/3 1H Results	Y on Y		vs Forecasts	
				Change	%	Change	%
Medical / Healthcare	6.9	7.0	7.2	+0.3	+4.5%	+0.2	+2.6%
Smart	16.8	16.5	19.6	+2.8	+16.8%	+3.1	+18.8%
Safety	47.1	52.0	47.1	-0.1	-0.1%	-4.9	-9.5%
Materials	89.0	91.0	88.5	-0.6	-0.6%	-2.5	-2.8%
Engineering Plastics	108.7	126.0	124.5	+15.9	+14.6%	-1.5	-1.2%
Others	2.5	2.5	2.8	+0.3	+13.5%	+0.3	+13.0%
Total	271.0	295.0	289.7	+18.7	+6.9%	-5.3	-1.8%

Unit : Billion Yen	Operating Income						
	24/3 1H Results	25/3 1H Forecasts	25/3 1H Results	Y on Y		vs Forecasts	
				Change	%	Change	%
Medical / Healthcare	0.5	0.1	0.2	-0.3	-60.7%	+0.1	+89.0%
Smart	0.1	-0.5	0.2	+0.1	+61.7%	+0.7	-
Safety	-0.1	3.2	1.3	+1.5	-	-1.9	-59.0%
Materials	19.9	16.3	14.3	-5.5	-27.9%	-2.0	-12.0%
Engineering Plastics	6.1	12.6	15.2	+9.1	+148.2%	+2.6	+20.6%
Others	0.1	0.3	0.3	+0.2	+182.0%	+0.0	+14.7%
Total	26.6	32.0	31.6	+5.0	+18.8%	-0.4	-1.2%

(Note) Net sales and operating income by segment for FY2024/3 are the figure after being reflected segment changing in the TAC, Cycloaliphatic Epoxies and Caprolactone Derivatives.

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

Unit : Billion Yen	Net Sales						
	24/3 1H Results	25/3 1H Results	Change	%	Analysis		
					Quantity	Prices	Exchange Rate Impact*
Medical / Healthcare	6.9	7.2	+0.3	+4.5%	-0.1	+0.4	+0.5
Smart	16.8	19.6	+2.8	+16.8%	+3.1	-0.3	+1.0
Safety	47.1	47.1	-0.1	-0.1%	-1.0	+1.0	+2.8
Materials	89.0	88.5	-0.6	-0.6%	-6.0	+5.4	+5.6
Engineering Plastics	108.7	124.5	+15.9	+14.6%	+13.0	+2.8	+5.8
Others	2.5	2.8	+0.3	+13.5%	+0.3	-	-
Total	271.0	289.7	+18.7	+6.9%	+9.3	+9.3	+15.6

Unit : Billion Yen	Operating Income							
	24/3 1H Results	25/3 1H Results	Change	%	Analysis			
					Quantity	Prices	Others	Exchange Rate Impact*
Medical / Healthcare	0.5	0.2	-0.3	-60.7%	-0.3	+0.1	-0.2	+0.1
Smart	0.1	0.2	+0.1	+61.7%	+2.2	-1.6	-0.5	+0.7
Safety	-0.1	1.3	+1.5	-	-0.7	+0.6	+1.6	+0.5
Materials	19.9	14.3	-5.5	-27.9%	-6.6	+2.4	-1.4	+3.0
Engineering Plastics	6.1	15.2	+9.1	+148.2%	+5.6	+1.9	+1.5	+1.1
Others	0.1	0.3	+0.2	+182.0%	+0.2	-	-	-
Total	26.6	31.6	+5.0	+18.8%	+0.5	+3.5	+1.0	+5.5

*Exchange rate impact is included in prices and others.

(Note) Net sales and operating income by segment for FY2024/3 are the figure after being reflected segment changing in the TAC, Cycloaliphatic Epoxies and Caprolactone Derivatives.

Segment Information – 1st Half Results

Segment	Main Products	Market Environment / Effects on Our Business	Our Business Situation(Y on Y)
Medical / Healthcare	Chiral Related Products	<ul style="list-style-type: none"> The demand for chiral-related products remained steady, especially overseas market. 	<ul style="list-style-type: none"> Although sales of chiral columns in China decreased, sales in the United States and India increased, resulting in an increase in sales volume. Sales volume of stationary phases decreased due to large-scale spot projects in the same period of the previous fiscal year. Sales of separation services are increasing in India.
	Cosmetic Ingredients / Functional Food Materials	<ul style="list-style-type: none"> For cosmetics market, the market remained steady due to an increase in demand for inbound tourists. For functional foods, the market remained strong due to an increase in demand for inbound tourists. 	<ul style="list-style-type: none"> Sales of both cosmetic ingredients and functional food materials remained strong as we captured strong demand for inbound tourists.
Smart	Caprolactone Derivatives, Cycloaliphatic epoxies	<ul style="list-style-type: none"> 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. The demand for cycloaliphatic epoxies for application for electronic materials such as liquid crystal displays and electronic boards recovered moderately. 	<ul style="list-style-type: none"> Sales volumes of caprolactone derivatives and cycloaliphatic epoxies increased due to a recovery in demand.

Segment Information – 1st Half Results

Segment	Main Products	Market Environment / Effects on Our Business	Our Business Situation(Y on Y)
Smart	Polymers for photoresists, Solvents for Electronic Materials, High-Performance Films	<ul style="list-style-type: none"> Both the semiconductor market and the liquid crystal panel market were on a gradual recovery trend, and demand for polymers for photoresists and solvents for electronic materials increased. The demand for high-performance films for in-vehicle display applications remained strong in the Chinese market, while demand for release films for battery applications declined. 	<ul style="list-style-type: none"> Sales volume of polymers for photoresists and solvents for electronic materials increased due to the sales expansion by a recovery in demand. For high-performance films, sales volume of release films for battery applications decreased, despite an increase in sales volume for in-vehicle display applications.
Safety	Automobile Airbag Inflators	<ul style="list-style-type: none"> The number of automotive production declined due to the impact of the certification misconduct issue at some Japanese automobile manufacturers and the failure of the Chinese government's economic stimulus measures. 	<ul style="list-style-type: none"> Sales volume of inflators decreased due mainly to the impact of the certification misconduct issue at some Japanese automobile manufacturers and Chinese economy .

Segment Information – 1st Half Results

Segment	Main Products	Market Environment / Effects on Our Business	Our Business Situation(Y on Y)
Materials	Acetic Acid	<ul style="list-style-type: none"> The demand for acetic acid for PTA and VAM applications remained sluggish. 	<ul style="list-style-type: none"> Sales volume of acetic acid decreased due to the decrease in the demand for major derivatives such as VAM and PTA and initial trouble at the carbon monoxide plant used as raw material.
	Acetate Tow	<ul style="list-style-type: none"> Global tobacco production remained at a level similar to the previous fiscal year. Demand for acetate tow remained strong. 	<ul style="list-style-type: none"> Sales volume of acetate tow decreased due to delays in sales timing caused by temporary inventory adjustments by customers.
	TAC	<ul style="list-style-type: none"> Although the recovery trend in the LCD panel market settle down, demand from our customers remains stable. 	<ul style="list-style-type: none"> Despite growth in competing materials, sales of TAC remained at the same level as the same period of previous fiscal year due to sales expansion to overseas film manufacturers.
	1,3-BG	<ul style="list-style-type: none"> In addition to the domestic cosmetics market showing signs of recovery, demand in overseas markets is also strong. 	<ul style="list-style-type: none"> Sales volume of 1,3-BG increased due to the recovery trend in the domestic market and sales expansion to the Chinese market.

Segment Information – 1st Half Results

Segment	Main Products	Market Environment / Effects on Our Business	Our Business Situation(Y on Y)
Engineering Plastics	POM PBT PPS LCP	<ul style="list-style-type: none"> The demand for automotive parts increased compared to the 1st quarter of the previous fiscal year, when demand declined due to the impact of customer inventory adjustments, despite the impact of the certification misconduct issue at some Japanese automobile manufacturers and a decrease in automotive production volume in China and ASEAN due to the sales slump. 	<ul style="list-style-type: none"> 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 an increase in office automation equipment applications and industrial equipment applications due to aggressive sales expansion in China. The sales volume of LCP also increased by sales expansion due to a recovery in demand for electronic devices.
		<ul style="list-style-type: none"> The demand for smartphones and PCs, mainly in China, was strong, and demand for our electronic device applications products also increased. 	

Balance Sheet

Unit : Billion Yen		Mar. 31, 2024	Sep. 30, 2024	Change
Total Current Assets		409.5	385.1	-24.4
	Cash, Deposits and Short-term Investment Securities	73.2	64.8	-8.4
	Notes and Accounts Receivable-trade	114.4	100.3	-14.1
	Inventories	182.5	184.1	+1.6
	Other	39.4	35.9	-3.4
Total Non-Current Assets		429.7	442.7	+13.1
	Property, Plant and Equipment	308.9	322.1	+13.1
	Intangible Fixed Assets	10.8	10.7	-0.1
	Investments and Other Assets	110.0	110.0	+0.0
Total Assets		839.2	827.8	-11.3
Liabilities		463.8	435.5	-28.2
	Interest-bearing Liabilities	304.1	287.7	-16.4
	Other	159.6	147.8	-11.8
Total Net Assets		375.4	392.3	+16.9
Total Liabilities and Net Assets		839.2	827.8	-11.3

- The total asset decreased 11.3 billion yen; 12.7 billion yen of total assets decreased because of exchange rate fluctuation.
- Property, Plant and Equipment increased due mainly to capital investment for increase in production capacity of POM, LCP and COC in Polyplastics.
- In the first half of the year, six cross-shareholdings were sold (three of which were completely sold) for 6.6 billion yen (book value as of the end of March 2024). Reduction is progressing as planned.
- Interest-bearing debt decreased because of an improvement of liquidity on hand.

Cash Flow Statement

Unit : Billion Yen		2024/3 1 H	2025/3 1 H	Change
	Cash Flows from Operating Activities	49.2	50.7	+1.6
	Cash Flows from Investing Activities	-26.8	-29.4	-2.6
Free Cash Flows		22.4	21.4	-1.1
Cash Flows from Financing Activities		-28.1	-24.0	+4.1
Other		5.1	-1.3	-6.4
Net Increase (Decrease) in Cash and Cash Equivalents		-0.6	-4.0	-3.4
Cash and Cash Equivalents at End of Period		92.9	64.4	-28.5

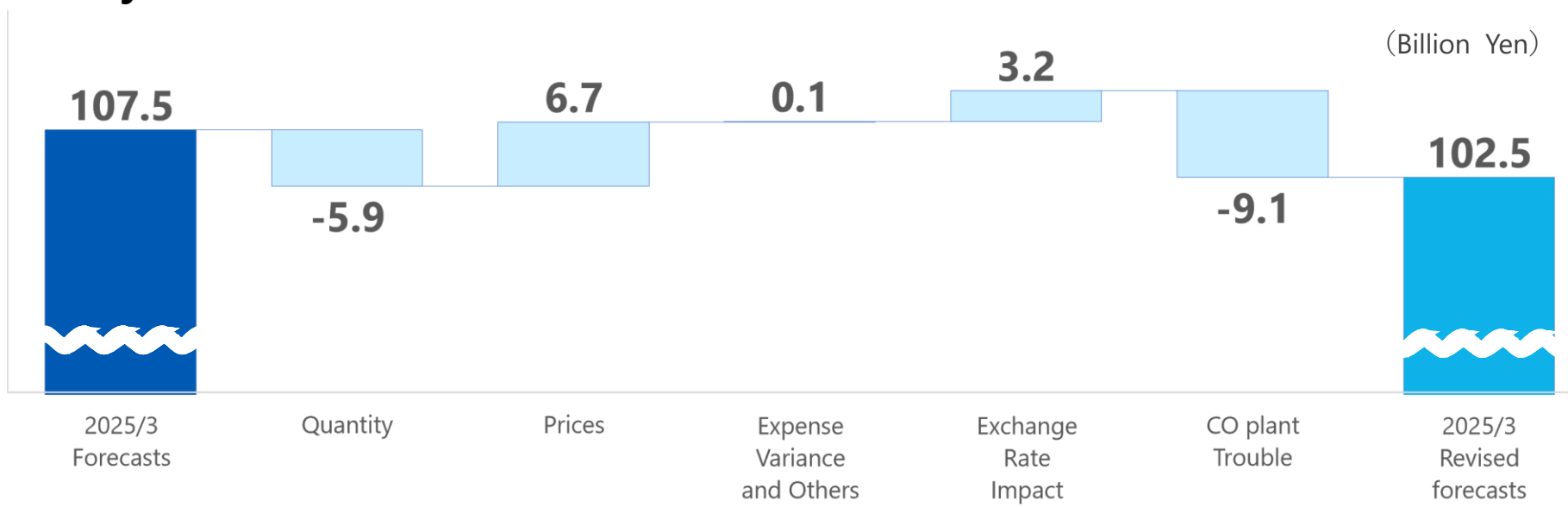
- Despite temporary factors such as the impact of the plant troubles, operating cash flow increased, and the sale of cross-shareholdings was also promoted, but free cash flow was 21.4 billion yen, down 1.1 billion yen year on year, due to an increase in capital investment.
- Improved liquidity on hand allowed interest-bearing debt to be reduced by repaying more than the long-term borrowings raised for capital investment.

Forecasts / Analysis of EBITDA

Unit : Billion Yen	24/3 Results	25/3 Forecasts	25/3 Revised forecasts	Y on Y		vs Forecasts	
				Change	%	Change	%
Net Sales	558.1	610.0	600.0	+41.9	+7.5%	-10.0	-1.6%
Operating Income	62.4	65.0	60.0	-2.4	-3.8%	-5.0	-7.7%
Ordinary Income	68.4	67.0	60.0	-8.4	-12.3%	-7.0	-10.4%
Income Attributable to Owners of Parent	55.8	58.0	51.0	-4.8	-8.7%	-7.0	-12.1%
Exchange Rate USD/JPY	145	145	149				

	24/3 Results	25/3 Forecasts	25/3 Revised forecasts
EBITDA	96.1	107.5	102.5
ROE	17.1%	15.6%	14.3%
ROIC	6.3%	6.4%	5.9%
ROA	7.0%	7.0%	6.1%
EPS (Yen)	197.56	210.29	184.70

Analysis of EBITDA



(vs Previous Forecasts)

- We have upwardly revised our consolidated financial forecast for the full fiscal year in light of the fact that the yen was weaker than expected in the first half, current business trends, product and raw material market conditions, and planned suspensions to ensure stable operation of our carbon monoxide plant.
- Polyplastics will increase production of POM and LCP from the second half of the year to ensure that it captures demand in China and will also work to turn its U.S. base for the safety business into a profitable business, thereby achieving its full-year financial forecast. In order to achieve growth from next fiscal year onwards, the company will work to expand market share for existing products, develop new customers, develop new products, and improve manufacturing processes to improve quality and reduce costs.
- We have promoted portfolio management and sold the resin compound business in the first half of the year, we will continue to advance business structure reforms and estimate recording a loss (extraordinary loss) in the second half.

Analysis of EBITDA (vs Previous Forecasts)

- Initial trouble with the carbon monoxide plant and countermeasures against it will result in a profit decrease of 9.1 billion yen for the full year (5.5 billion yen in the first half, 3.6 billion yen in the second half). Planned shutdown in November, regular maintenance in May of next fiscal year will be implemented as permanent countermeasures to the trouble and establish stable operation.
- The impact on volume is negative due to the impact of a decline in automobile production volume.
- The impact on price is positive due to the increased costs being passed on to sales prices.
- Exchange Rate Assumption Previous Forecasts: ¥ 145/US\$, Revised Forecasts: ¥ 149/US\$

Net Sales and Operating Income by Segment

Unit : Billion Yen	Net Sales						
	24/3 Results	25/3 Forecasts	25/3 Revised forecasts	Y on Y		vs Forecasts	
				Change	%	Change	%
Medical / Healthcare	13.9	15.0	15.0	+1.1	+7.7%	-	-
Smart	33.8	35.5	38.0	+4.2	+12.4%	+2.5	+7.0%
Safety	95.6	108.0	100.0	+4.4	+4.6%	-8.0	-7.4%
Materials	182.2	186.0	191.0	+8.8	+4.8%	+5.0	+2.7%
Engineering Plastics	226.8	260.0	250.0	+23.2	+10.2%	-10.0	-3.8%
Others	5.7	5.5	6.0	+0.3	+5.7%	+0.5	+9.1%
Total	558.1	610.0	600.0	+41.9	+7.5%	-10.0	-1.6%

Unit : Billion Yen	Operating Income						
	24/3 Results	25/3 Forecasts	25/3 Revised forecasts	Y on Y		vs Forecasts	
				Change	%	Change	%
Medical / Healthcare	0.8	0.8	0.7	-0.1	-11.5%	-0.1	-12.5%
Smart	-0.9	-0.5	-0.3	+0.6	-	+0.2	-
Safety	3.0	7.7	5.2	+2.2	+73.9%	-2.5	-32.5%
Materials	40.8	32.5	29.5	-11.3	-27.7%	-3.0	-9.2%
Engineering Plastics	18.3	23.7	24.0	+5.7	+31.1%	+0.3	+1.3%
Others	0.4	0.8	0.9	+0.5	+113.3%	+0.1	+12.5%
Total	62.4	65.0	60.0	-2.4	-3.8%	-5.0	-7.7%

EBITDA	
24/3 Results	25/3 Revised forecasts
1.8	1.7
2.5	2.7
15.3	12.8
51.7	48.7
34.9	35.2
1.3	1.4
107.5	102.5

(Note) Net sales and operating income by segment for FY2024/3 are the figure after being reflected segment changing in the TAC, Cycloaliphatic Epoxies and Caprolactone Derivatives.

Segment Information – 2nd Half Forecasts

Segment	Main Products	Market Environment Outlook	Our Forecasts (vs Previous Forecasts) /Our Actions
Medical / Healthcare	Chiral Related Products etc.	<ul style="list-style-type: none"> Although the Chinese market for chiral-related products is sluggish, strong demand is expected to continue, particularly in the United States and India. 	<ul style="list-style-type: none"> Sales of chiral-related products are in line with the previous forecast as separation services in India continue to perform well. <p><Our Actions></p> <ul style="list-style-type: none"> We will ensure that we capture the robust demand for synthesis services and sales of analytical preparations in the expanding market of India. We are strengthening the marketing of new products such as Achiral columns for mid-molecule drugs. We have strengthened our sales and marketing in our gene-related business. 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 Japanese regulatory approval process for Actranza (novel drug delivery devices) as early as possible.

Segment Information – 2nd Half Forecasts

Segment	Main Products	Market Environment Outlook	Our Forecasts (vs Previous Forecasts) /Our Actions
Medical / Healthcare	Cosmetic Ingredients / Functional Food Materials	<ul style="list-style-type: none"> Domestic cosmetics market is expected to continue to recover due to the influence of inbound tourists. Domestic health food market is expected to remain strong due to the influence of inbound tourists. 	<ul style="list-style-type: none"> Demand for cosmetics from domestic inbound tourists remains steady, but sales for some customers are sluggish, resulting in sales volume falling short of the previous forecast. Sales of health foods continued to be strong due to an increase in inbound tourists, and sales are expected to be in line with the plan. <p><Our Actions></p> <ul style="list-style-type: none"> For cosmetic ingredients, we accelerate marketing efforts to bring an improved biodegradable grade of BELLOCEA® (spherical cellulose acetate particles) to market. For functional food materials, we have launched "Astrohop", the new products as the intestinal metabolite 8-Prenylnaringenin. We are also strengthening marketing efforts to promote new functions of existing products such as lactobionic acid (lactose ferment).
Smart	Caprolactone Derivatives, Cycloaliphatic Epoxies	<ul style="list-style-type: none"> Demand for caprolactone derivatives for automotive paints is stable, and demand in the Chinese urethane market and other areas is expected to recover. Demand for cycloaliphatic epoxies for liquid crystal panels and electronic materials is expected to gradually recover. 	<ul style="list-style-type: none"> For caprolactone derivatives, we will focus on marketing to the expanding market of EV materials and protective TPU film applications, and sales volume is expected to increase from the previous forecast. For cycloaliphatic epoxies, sales volume is expected to increase from the initial plan due to the launch of new products for OLED encapsulation and sales expansion. <p><Our Actions></p> <ul style="list-style-type: none"> We are expanding sales of caprolactone derivatives. We are expanding sales of cycloaliphatic epoxies by entering high value-added businesses such as insulation applications.

Segment Information – 2nd Half Forecasts

Segment	Main Products	Market Environment Outlook	Our Forecasts (vs Previous Forecasts) /Our Actions
Smart	Polymers for photoresists, Solvents for Electronic Materials, High-Performance Films	<ul style="list-style-type: none"> The semiconductor market is on a gradual recovery trend. The demand for high-performance films for in-vehicle display applications remained strong in the Chinese market, while demand for release films for battery applications is sluggish. 	<ul style="list-style-type: none"> Sales volume of photoresist materials and solvents for electronic materials is expected to increase more than the previous forecast due to the gradual recovery of the semiconductor market and expanded sales to China, South Korea, and Taiwan. For functional films, sales volume is expected to increase more than initially planned as sales will be expanded for EV demand in China (for in-vehicle displays) and for applications other than battery applications (release films), which are sluggish. <p><Our Actions></p> <ul style="list-style-type: none"> We aim to expand sales of solvents for electronic materials and expand our market share. We plan to increase the number of customers and adoption of ArF photoresist materials, and work to establish a track record of EUV technology, which is currently under development.
Safety	Automotive	<ul style="list-style-type: none"> Although global automobile production at the same level as expected at the beginning of the fiscal year, the growth of Japanese automotive manufactures in the Chinese market has been sluggish. 	<ul style="list-style-type: none"> Sales volume of inflator will be decrease from the initial plan due to factors such as the slowdown in the growth rate of the Chinese market. <p><Our Actions></p> <ul style="list-style-type: none"> We will strive to increase cost reductions and improve the profitability of our plant in U.S., as well as acquiring new programs. Plans are for the US base to become profitable in the fourth quarter.

Segment Information – 2nd Half Forecasts

Segment	Main Products	Market Environment Outlook	Our Forecasts (vs Previous Forecasts) /Our Actions
Materials	Acetic Acid	<ul style="list-style-type: none"> Demand for PTA, VAM, LCD, and electronic material applications remains sluggish. The acetic acid market condition also remains weak. 	<ul style="list-style-type: none"> Due to sluggish demand for PTA and VAM in China and the planned shutdown of a carbon monoxide plant in this November, acetic acid sales volume will fall short of the initial plan. <p><Our Actions></p> <ul style="list-style-type: none"> For acetic acid, we have established a stable supply system and are taking steps to expand sales in Japan, which is less affected by overseas market conditions.
	Acetate Tow	<ul style="list-style-type: none"> Global tobacco production volume is expected to remain stable from the previous fiscal year, but acetate tow demand is expected to remain strong due to increased demand for heated tobacco products. 	<ul style="list-style-type: none"> Regarding acetate tow, we will proceed sales expansion as planned through increase in production by fully utilization of existing facilities in response to the strong demand. The sales volume of acetate tow is as much as the original plan. <p><Our Actions></p> <ul style="list-style-type: none"> As for acetate tow, we respond to demand by fully utilizing existing facilities to increase sales volume compared to the previous fiscal year.
	TAC	<ul style="list-style-type: none"> Demand for LCD displays has been sluggish since July 2024 and is expected to remain sluggish in the second half of the year. 	<ul style="list-style-type: none"> Although demand for LCD displays is expected to remain sluggish, efforts to increase market share, such as expanding sales to overseas film manufacturers, will result in results on par with the origin plan. <p><Our Actions></p> <ul style="list-style-type: none"> Improved quality through improved manufacturing methods and increased competitiveness through the use of wood pulp raw materials.

Segment Information – 2nd Half Forecasts

Segment	Main Products	Market Environment Outlook	Our Forecasts (vs Previous Forecasts) /Our Actions
Materials	1,3-BG	<ul style="list-style-type: none">The domestic market continues to recover, partly due to the increase in inbound tourism, and overseas demand is also strong.	<ul style="list-style-type: none">Sales volume for 1,3-BG is expected to remain at the same level as initially planned, due to sales expansion into the Chinese market and into the European and the US markets, including for industrial application. <p><Our Actions></p> <ul style="list-style-type: none">While maintaining market share through brand power, we will expand sales in overseas markets by identifying target applications and customers in each area.

Segment Information – 2nd Half Forecasts

Segment	Main Products	Market Environment Outlook	Our Forecasts (vs Previous Forecasts) /Our Actions
Engineering Plastics	POM PBT PPS LCP	<ul style="list-style-type: none"> For automotive parts, Japanese automakers are expected to see a large decline in production volume in China and the ASEAN region. On the other hand, production by Chinese automakers is expected to far exceed initial expectations, leaving global auto production at the same level as initially expected. 	<ul style="list-style-type: none"> For automotive parts applications, sales volume is expected to decrease from the initial plan due to decreased in production volume of Japanese automobile manufactures . In addition to the depletion of POM inventories in the first half of the year due to strong demand in China, the relocation of our Chinese plant is result in a suspension of operations from September to October, which will require inventory adjustments in the second half of the year, and therefore production is expected to decrease more than initially planned. LCP sales volume is expected to remain at the same level as origin plans due to factors such as a recovery in demand for electronic devices.
		<ul style="list-style-type: none"> Production of electronic devices such as smartphones and PCs, and communications infrastructure equipment such as servers, is recovering. 	<p><Our Actions></p> <ul style="list-style-type: none"> We plan to start operations of the POM and LCP new plants in the second half of this fiscal year. We are strengthening our local production development and marketing systems to expand sales by utilizing our additional production capacity and further development of 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.

Strengthening Shareholder Returns against the Backdrop of Improved Real Cash Generation Capacity

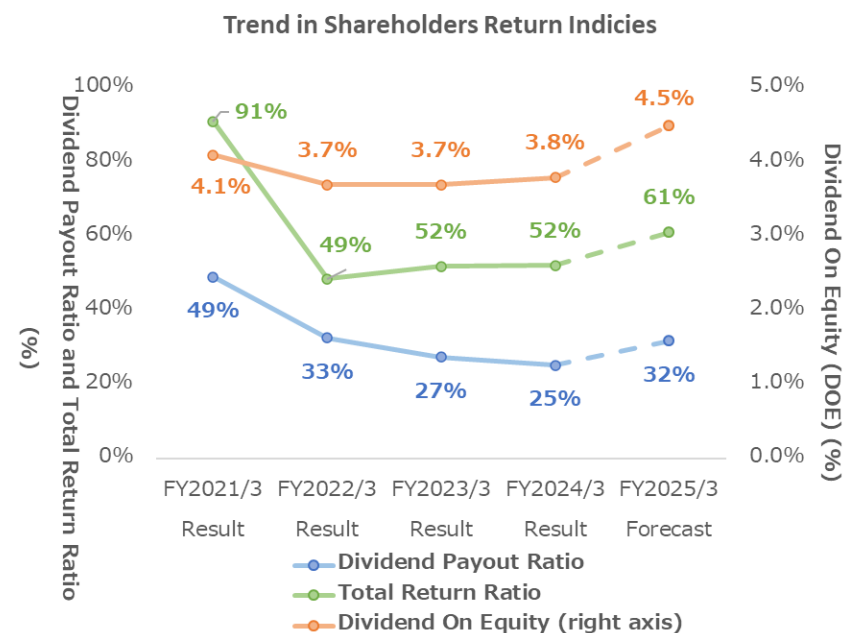
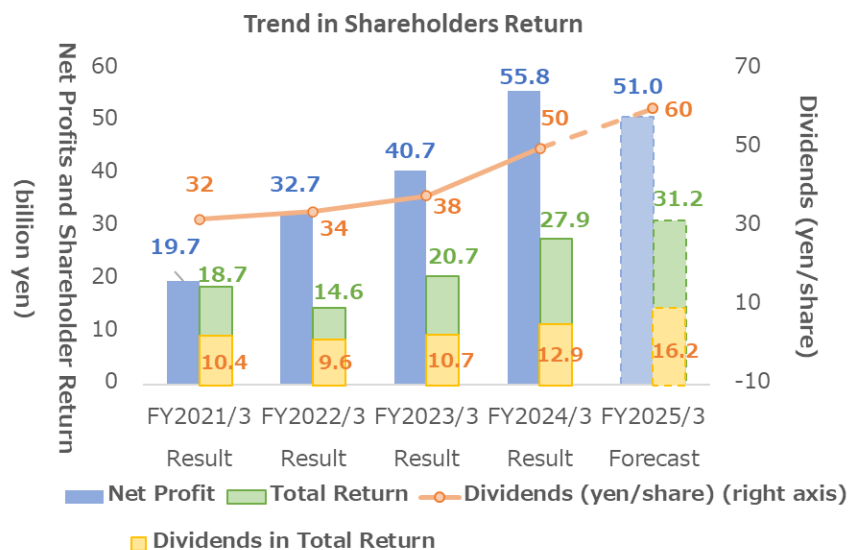
Excluding one-off losses such as the impact of plant troubles, profit increased compared to initial plan, and cash generation ability steadily improved.

Against this backdrop, we have increased the amount of dividends from the previous announcement and also acquired treasury stock to strengthen shareholder returns.

(From FY2025/3, we have added a "DOE of 4% or more" as an indicator in addition to a "total return ratio of 40% or more").

FY ending March 2025

- Interim dividends : **30 yen** per share (increase by **5 yen** from previous fiscal year/increase by **3 yen** from forecasts)
- Year-end dividends forecasts : **30 yen** per share (increase by **5 yen** from previous fiscal year/increase by **2 yen** from forecasts)
- Annual dividends forecasts : **60 yen** per share (increase by **10 yen** from previous fiscal year/increase by **5 yen** from forecasts)
- Decided to **purchase treasury stock of 15 billion yen for 12 million shares**. (Period of purchase: From Nov. 2024 to Mar. 2025)



Appendix

Trend in Net Sales, Operating Income, and EPS

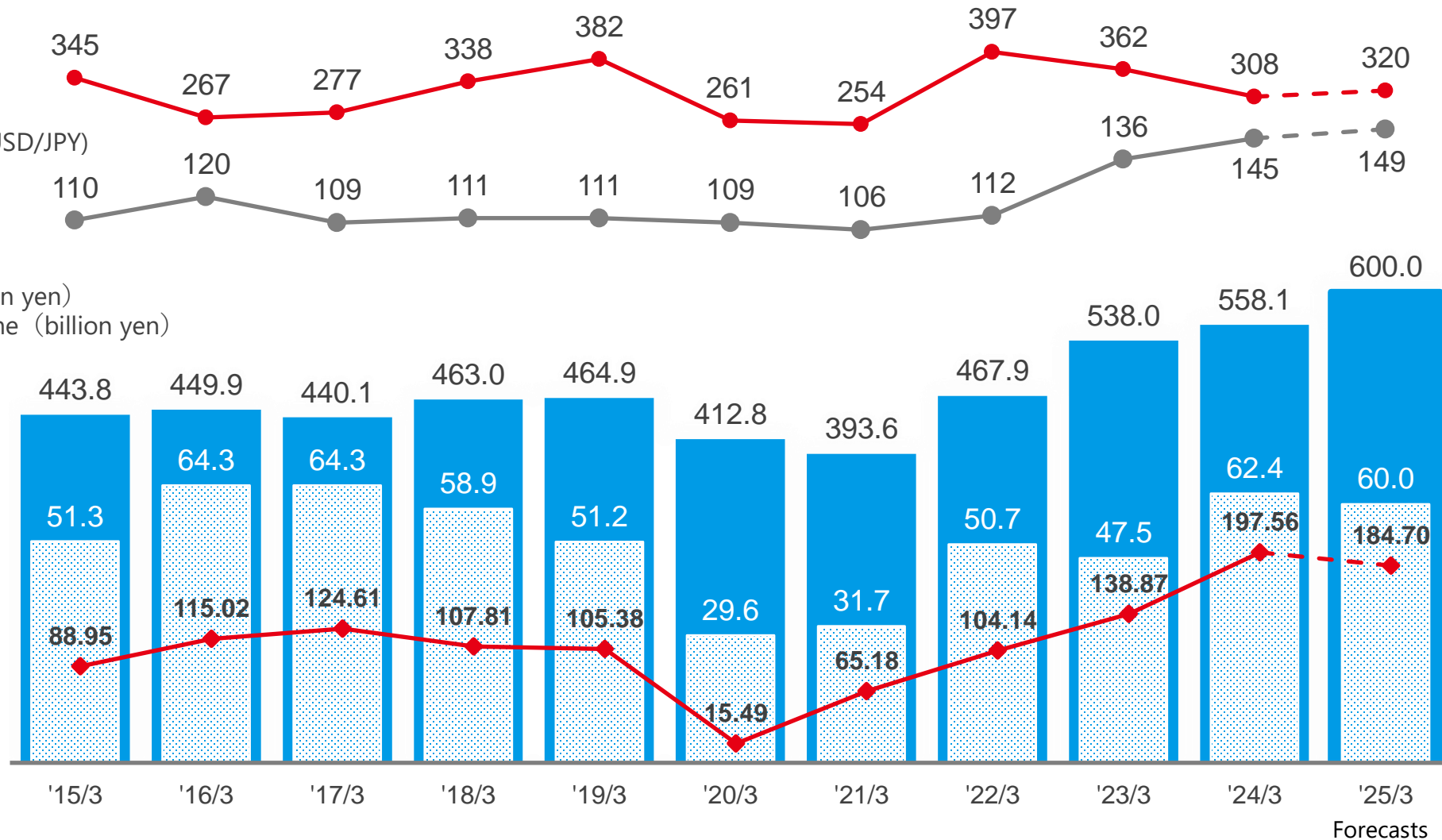
● Methanol(Asian spot price) (USD / ton)

● Exchange Rate(USD/JPY)

■ Net Sales (billion yen)

▨ Operating Income (billion yen)

◆ EPS (yen)



Quarterly Results for Sales and Operating Income

Unit : Billion Yen	Net Sales					
	2024/3				2025/3	
	1Q	2Q	3Q	4Q	1Q	2Q
Medical / Healthcare	3.4	3.5	3.6	3.4	3.5	3.7
Smart	8.4	8.4	8.3	8.7	10.3	9.3
Safety	22.4	24.7	25.6	22.9	23.3	23.8
Materials	45.2	43.9	43.3	49.9	44.5	44.0
Engineering Plastics	50.3	58.4	60.8	57.3	62.7	61.8
Others	1.2	1.3	1.5	1.6	1.3	1.6
Total	130.8	140.2	143.3	143.8	145.6	144.1

Unit : Billion Yen	Operating Income					
	2024/3				2025/3	
	1Q	2Q	3Q	4Q	1Q	2Q
Medical / Healthcare	0.3	0.2	0.4	-0.1	0.1	0.1
Smart	0.1	0.0	-0.4	-0.6	0.5	-0.3
Safety	-0.7	0.5	2.5	0.6	-0.0	1.4
Materials	8.6	11.2	9.3	11.6	9.1	5.3
Engineering Plastics	0.7	5.4	6.0	6.2	7.7	7.5
Others	-0.0	0.2	0.1	0.2	0.1	0.2
Total	9.1	17.5	17.9	17.9	17.5	14.1

(Note) Net sales and operating income by segment for FY2024/3 are the figure after being reflected segment changing in the TAC, Cycloaliphatic Epoxies 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	Increase in sales volume in healthcare due to demand of inbound tourism and decrease in sales volume of chiral-related products
	Prices	+0.1	Impact of exchange rate fluctuations
	Others	-0.2	Increased expenses due to increased sales volume
Smart	Quantity	+2.2	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	-1.6	Despite efforts to correct sales prices, raw material prices continue to rise
	Others	-0.5	Increased expenses due to increased sales volume and inventory disposal costs
Safety	Quantity	-0.7	Decrease in sale volume of inflator in Japan, China, and the United States
	Prices	+0.6	Impact of exchange rate fluctuations
	Others	+1.6	Decrease in expenses related to consolidation of production regions in North America
Materials	Quantity	-6.6	Decrease in sales volume of acetate tow due to delays in sales timing caused by temporary inventory adjustments by customers and Impact of troubles at carbon monoxide plants
	Prices	+2.4	Impact of exchange rate fluctuations
	Others	-1.4	Increase in depreciation costs of CO plant (decrease) and inventory prices (increase)
Engineering Plastics	Quantity	+5.6	Increase in sales volume due to a recovery in demand in automobile parts and expansion sales of POM
	Prices	+1.9	Decrease in selling prices due to decreased in raw materials prices(decrease) and impact of exchange rate fluctuations(increase)
	Others	+1.5	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

Segment Information – 1st Half Results of FY2025/3 (vs Forecasts)

Segment	Our Business Situation (vs Forecasts)
Medical / Healthcare	<ul style="list-style-type: none"> • In the Life Sciences business, sales of chiral columns fell short of the forecast due to a decline in sales at the production site in China, despite favorable demand in the United States and India. • In the Healthcare business, sales volume of cosmetics raw materials decreased due to sluggish sales at some customers. In health food ingredients, sales of some products were brought forward to the previous fiscal year, but sales volume increased more than planned due to strong sales at major customers.
Smart	<ul style="list-style-type: none"> • Sales volume of caprolactone derivatives exceeded plans due to strong demand for automotive paints and strong demand for urethane in China. • For cycloaliphatic epoxies, the recovery in demand for LCD panel and electronic material applications exceeded expectations, and sales volume also exceeded plans. • For polymers for photoresists, sales volume exceeded plans due to sales expansion accompanying the recovery in demand. • Although demand for solvents for electronic materials is showing a gradual recovery, sales volumes to some domestic and overseas customers decreased, resulting in results that fell short of the plan. • As for functional films, demand increased mainly for Chinese EVs, and sales volume for in-car display applications exceeded plans, but sales volume of release films for battery applications fell short of plans.
Safety	<ul style="list-style-type: none"> • Sales volume of inflator was below the plan due to impacts of certification misconduct issue at some Japanese automakers and the failure of the Chinese government's economic stimulus measures.

Segment Information – 1st Half Results of FY2025/3 (vs Forecasts)

Segment	Our Business Situation (vs Forecasts)
Materials	<ul style="list-style-type: none">• Acetic acid sales volume fell short of the plan due to sluggish demand for major derivatives such as VAM and PTA, and initial troubles at the carbon monoxide plant. Acetic acid market condition remained at a higher level than expected.• Although demand for acetate tow continues to be strong, sales volume was lower than planned due to temporary timing delays.• For TAC, the recovery in the LCD panel market has slowed, but customer demand is stable and sales were in line with plan.• Regarding 1,3-BG, in addition to the domestic cosmetics market being on a recovery trend, efforts are being made to expand sales overseas, and sales volume is in line with plan.
Engineering Plastics	<ul style="list-style-type: none">• Although the sales volume of POM exceeded the plan due to sales expansion actions through distributors, the sales volume of PBT and PPS fell short of the plan due to the impact of the of misconduct issue at some Japanese automakers and sluggish performance in the Chinese market.• For LCP, demand for electronic devices such as smartphones was showing signs of recovery, and sales volume exceeded expectations.

Capital Expenditures

Unit : Billion Yen	21/3 Results	22/3 Results	23/3 Results *1	23/3 Results *1, 2	24/3 Results *1	24/3 Results *1, 3	25/3 1H Results *1	25/3 Forecasts *1
Medical / Healthcare	8.7	1.0	2.7	2.2	1.9	1.9	0.5	1.0
Smart	2.0	2.9	4.2	4.2	2.6	3.0	0.7	3.0
Safety	8.8	7.7	9.0	9.0	9.4	9.4	5.4	14.0
Materials	11.6	18.8	8.6	9.1	17.4	16.9	7.7	10.0
Engineering Plastics	7.1	7.4	30.6	30.6	45.7	45.7	23.6	47.0
Others / Corporate	1.4	3.0	1.2	1.2	0.4	0.4	0.1	1.0
Total	39.6	40.8	56.3	56.3	77.5	77.5	37.9	76.0

*1 Reflects the revised method of allocating corporate expenses. Figures for "Others / Corporate" are only for "Other Businesses."

*2 Reflects segment changes effective April 1, 2023 in the Cosmetics Raw Material 1,3-BG and Novel Drug Delivery Devices R&D functions.

*3 Reflects segment changes effective April 1, 2024 in the TAC, Cycloaliphatic Epoxies and Caprolactone Derivatives.

Depreciation and Amortization

Unit : Billion Yen	21/3 Results	22/3 Results	23/3 Results *1	23/3 Results *1, 2	24/3 Results *1	24/3 Results *1, 3	25/3 1H Results *1	25/3 Forecasts *1
Medical / Healthcare	1.4	1.4	2.8	1.5	1.1	1.1	0.5	1.0
Smart	1.6	2.0	2.7	2.7	2.9	3.1	1.3	3.0
Safety	4.7	5.0	6.5	6.5	7.1	7.1	3.5	7.5
Materials	9.0	9.0	9.7	11.0	13.1	12.9	9.7	19.0
Engineering Plastics	6.9	7.0	8.6	8.6	8.2	8.2	4.2	11.0
Others / Corporate	2.2	2.5	0.6	0.6	0.6	0.6	0.3	0.5
Total	25.8	26.9	30.8	30.8	33.0	33.0	19.5	42.0

*1 Reflects the revised method of allocating corporate expenses. Figures for "Others / Corporate" are only for "Other Businesses."

*2 Reflects segment changes effective April 1, 2023 in the Cosmetics Raw Material 1,3-BG and Novel Drug Delivery Devices R&D functions.

*3 Reflects segment changes effective April 1, 2024 in the TAC, Cycloaliphatic Epoxies and Caprolactone Derivatives.

Unit : Billion Yen	21/3 Results	22/3 Results	23/3 Results *1	23/3 Results *1, 2	24/3 Results *1	24/3 Results *1, 3	25/3 1H Results *1	25/3 Forecasts *1
Medical / Healthcare	2.1	1.9	2.2	2.8	2.4	2.4	1.3	2.7
Smart	2.7	3.6	4.2	4.2	4.0	4.8	2.7	4.9
Safety	5.1	5.6	6.3	5.7	6.0	6.0	3.7	7.0
Materials	1.6	1.5	2.8	2.8	3.8	3.1	1.8	3.5
Engineering Plastics	3.5	3.7	6.1	6.1	6.8	6.8	3.7	7.6
Others / Corporate	4.6	4.5	0.3	0.3	0.3	0.3	0.2	0.3
Total	19.5	20.7	21.9	21.9	23.4	23.4	13.2	26.0

*1 Reflects the revised method of allocating corporate expenses. Figures for "Others / Corporate" are only for "Other Businesses."

*2 Reflects segment changes effective April 1, 2023 in the Cosmetics Raw Material 1,3-BG and Novel Drug Delivery Devices R&D functions.

*3 Reflects segment changes effective April 1, 2024 in the TAC, Cycloaliphatic Epoxies and Caprolactone Derivatives.

Financial Forecasts (FY ending March 2025)

Unit : Billion Yen		2025/3 Previous Forecasts*			2025/3 Revised Forecasts			Change (B)-(A)
		1 st Half	2 nd Half	Total(A)	1 st Half	2 nd Half	Total(B)	
	Medical / Healthcare	7.0	8.0	15.0	7.2	7.8	15.0	-
	Smart	16.5	19.0	35.5	19.6	18.4	38.0	+2.5
	Safety	52.0	56.0	108.0	47.1	52.9	100.0	-8.0
	Materials	91.0	95.0	186.0	88.5	102.5	191.0	+5.0
	Engineering Plastics	126.0	134.0	260.0	124.5	125.5	250.0	-10.0
	Others	2.5	3.0	5.5	2.8	3.2	6.0	+0.5
Net Sales		295.0	315.0	610.0	289.7	310.3	600.0	-10.0
	Medical / Healthcare	0.1	0.7	0.8	0.2	0.5	0.7	-0.1
	Smart	-0.5	0.0	-0.5	0.2	-0.5	-0.3	+0.2
	Safety	3.2	4.5	7.7	1.3	3.9	5.2	-2.5
	Materials	16.3	16.2	32.5	14.3	15.2	29.5	-3.0
	Engineering Plastics	12.6	11.1	23.7	15.2	8.8	24.0	+0.3
	Others	0.3	0.5	0.8	0.3	0.6	0.9	+0.1
Operating Income		32.0	33.0	65.0	31.6	28.4	60.0	-5.0
Ordinary Income		33.5	33.5	67.0	30.7	29.3	60.0	-7.0
Income Attributable to Owners of Parent		30.0	28.0	58.0	32.1	19.0	51.0	-7.0
(ref.) Exchange rate USD/JPY		145	145	145	153	145	149	

* The forecasts were announced on May 9, 2024.

Assumptions

		2024/3		2025/3 (Previous Forecasts)		2025/3 (Revised Forecasts)	
		1 st Half (Results)	2 nd Half (Results)	1 st Half (Forecasts)	2 nd Half (Forecasts)	1 st Half (Results)	2 nd Half (Forecasts)
Exchanging Rate (USD/JPY)		141	148	145	145	153	145
Raw Material	Methanol Asian spot price (USD/ton)	295	322	320	320	332	320
	Crude Oil Dubai (USD/bbl)	82	82	90	90	82	85
	Domestic Naphtha (JPY/kl)	65,550	72,800	71,000	71,000	78,000*	72,000

*As of October, 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, cycloaliphatic epoxies, and caprolactone derivatives in the Material Segment were transferred to the Smart Segment, and cellulose acetate for optical films (TAC) was transferred to the Material 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	Polymers for photoresists, Solvents for electronic materials, Organic semiconductors
Materials	Acetyl	Acetic acid, Acetic acid derivatives (Ethyl acetate, Acetic anhydride, etc.), Cellulose acetate, Acetate tow, Ketene derivatives, Alkylamine
	Chemical	Cycloaliphatic epoxies, Caprolactone derivatives , 1,3-Butylene glycol(1,3-BG)



Segments	Sub Segments	Main Products
Smart	Functional Products	Cycloaliphatic epoxies, Caprolactone derivatives , Optical lenses
	Advanced Technology	Polymers for photoresists, 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, Alkylamine

(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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