

Financial Information

Consolidated Eleven-Year Summary

As of and for the years ended March 31

Millions of Yen
(Except net income per share and other information)

	FY2010/3	2011/3	2012/3	2013/3		2014/3	2015/3	2016/3	2017/3	2018/3	2019/3	2020/3
Operating Results												
Net sales	¥ 320,243	¥ 353,684	¥ 341,942	¥ 358,513		¥ 413,786	¥ 443,775	¥ 449,878	¥ 440,061	¥ 462,956	¥ 464,859	¥ 412,826
Operating income	20,856	32,711	20,426	26,196		37,912	51,303	64,349	64,306	58,932	51,171	29,644
Net income attributable to owners of the parent	11,069	16,802	11,827	15,372		22,843	31,252	40,313	43,198	37,062	35,301	4,978
Financial Position												
Net assets	¥ 229,004	¥ 235,336	¥ 234,711	¥ 262,899		¥ 295,805	¥ 356,177	¥ 368,720	¥ 399,429	¥ 413,541	¥ 423,243	¥ 392,583
Total assets	428,376	411,071	398,196	461,512		509,834	565,332	560,190	599,708	640,284	654,791	597,992
Interest-bearing debt	105,893	94,357	83,249	99,224		105,917	86,981	71,276	72,291	99,743	104,306	92,787
Cash Flows												
Cash flows from operating activities	¥ 66,445	¥ 53,428	¥ 34,000	¥ 44,480		¥ 44,777	¥ 57,412	¥ 65,419	¥ 86,168	¥ 66,888	¥ 58,523	¥ 57,193
Cash flows from investing activities	(16,471)	(20,141)	(9,190)	(35,312)		(34,984)	(30,283)	(31,407)	(34,722)	(33,189)	(41,095)	(45,864)
Cash flows from financing activities	(50,735)	(28,170)	(25,044)	5,737		(4,472)	(29,230)	(31,470)	(19,942)	(1,962)	(25,636)	(47,883)
Cash and cash equivalents, end of year	30,128	33,724	33,435	53,238		62,573	66,737	65,237	96,275	128,290	120,016	80,674
Per Share Information												
Basic net income per share (yen)	¥ 31.10	¥ 47.22	¥ 33.46	¥ 43.71		¥ 64.98	¥ 88.95	¥ 115.02	¥ 124.61	¥ 107.81	¥ 105.38	¥ 15.49
Net assets per share (yen)	579.18	596.06	618.94	685.11		764.51	922.71	966.36	1,067.63	1,136.32	1,198.77	1,166.56
Cash dividends per share (yen)	10.00	10.00	10.00	12.00		15.00	21.00	26.00	30.00	32.00	32.00	34.00
Financial Indicators												
Ratio of operating income to net sales (%)	6.5	9.2	6.0	7.3		9.2	11.6	14.3	14.6	12.7	11.0	7.2
ROE (%)	5.6	8.0	5.5	6.7		9.0	10.5	12.2	12.2	9.8	9.1	1.3
Rate of earnings on total capital (%)	2.5	4.0	2.9	3.6		4.7	5.8	7.2	7.4	6.0	5.5	0.8
Total asset turnover (times/year)	0.7	0.8	0.8	0.8		0.9	0.8	0.8	0.8	0.7	0.7	0.7
Equity ratio (%)	48.1	51.6	54.7	52.2		52.7	57.3	60.2	61.6	60.1	60.1	60.6
Dividend payout ratio (%)	32.2	21.2	29.9	27.5		23.1	23.6	22.6	24.1	29.7	30.4	219.5
Total return ratio (%)	32.2	21.2	45.2	27.5		23.1	23.6	32.5	33.3	56.6	67.2	577.3
Others												
Capital expenditures	¥ 16,481	¥ 9,912	¥ 18,740	¥ 27,217		¥ 25,617	¥ 30,629	¥ 40,256	¥ 39,528	¥ 30,819	¥ 44,694	¥ 47,568
Depreciation and amortization	36,693	32,786	28,316	24,026		23,669	23,409	23,914	29,031	31,720	30,044	29,002
Research and development expenses	11,316	11,970	12,730	12,875		13,360	14,031	15,306	16,806	18,843	20,749	21,295
Number of employees (at year-end)	7,665	7,747	8,149	9,233		9,700	10,173	10,709	11,556	12,309	12,319	11,606

Note: Amortization of goodwill is not included in depreciation and amortization.

Consolidated Balance Sheets

Daicel Corporation and Consolidated Subsidiaries
March 31, 2019 and 2020

	Millions of Yen		Thousands of U.S. Dollars
	2019/3	2020/3	(Note 1)
ASSETS			
CURRENT ASSETS:			
Cash and cash equivalents (Note 15)	¥ 120,016	¥ 80,674	\$ 740,128
Marketable securities (Notes 3 and 15)	30	629	5,770
Receivables (Note 15):			
Trade notes	2,920	2,667	24,467
Trade accounts	86,259	76,318	700,165
Unconsolidated subsidiaries and associated companies	5,059	4,013	36,816
Allowance for doubtful receivables	(67)	(66)	(605)
Inventories (Note 4)	126,153	117,414	1,077,192
Other current assets	13,665	16,389	150,357
Total current assets	354,038	298,040	2,734,311
PROPERTY, PLANT AND EQUIPMENT (Notes 5 and 18):			
Land	26,931	30,132	276,440
Buildings and structures	168,530	169,092	1,551,302
Machinery and equipment	609,850	589,742	5,410,477
Construction in progress	31,630	42,354	388,568
Total	836,943	831,332	7,626,807
Accumulated depreciation	(639,511)	(626,975)	(5,752,064)
Net property, plant and equipment	197,432	204,346	1,874,733
INVESTMENTS AND OTHER ASSETS:			
Investment securities (Notes 3 and 15)	64,002	57,992	532,036
Investments in and advances to unconsolidated subsidiaries and associated companies (Note 15)	11,087	10,584	97,100
Deferred tax assets (Note 10)	2,701	3,444	31,596
Net defined benefit asset (Note 7)	6,110	6,235	57,201
Other assets	19,418	17,348	159,155
Total investments and other assets	103,320	95,605	877,110
TOTAL	¥ 654,791	¥ 597,992	\$ 5,486,165

Please see the notes to consolidated financial statements in Financial Section.

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	Millions of Yen		Thousands of U.S. Dollars
	2019/3	2020/3	(Note 1)
LIABILITIES AND EQUITY			
CURRENT LIABILITIES:			
Short-term bank loans (Notes 6 and 15)	¥ 9,965	¥ 6,902	\$ 63,321
Current portion of long-term debt (Notes 6 and 15)	18,285	10,336	94,825
Payables (Notes 15 and 17):			
Trade notes	257	256	2,348
Trade accounts	50,852	43,462	398,733
Nontrade accounts	13,666	15,234	139,761
Construction	8,486	8,781	80,559
Unconsolidated subsidiaries and associated companies	2,898	1,599	14,669
Income taxes payable (Notes 10 and 15)	4,008	2,240	20,550
Provision for environmental measures		1,725	15,825
Other current liabilities (Note 8)	17,088	15,687	143,917
Total current liabilities	125,509	106,226	974,550
LONG-TERM LIABILITIES:			
Long-term debt (Notes 6 and 15)	76,043	72,200	662,385
Net defined benefit liability (Note 7)	12,485	11,055	101,422
Provision for environmental measures	5,265	547	5,018
Asset retirement obligations (Note 8)	1,256	1,229	11,275
Deferred tax liabilities (Note 10)	7,673	7,861	72,119
Other long-term liabilities	3,312	6,287	57,678
Total long-term liabilities	106,038	99,182	909,926
COMMITMENTS AND CONTINGENT LIABILITIES (Notes 14, 16 and 22)			
EQUITY (Notes 9 and 25):			
Common stock, authorized, 1,450,000,000 shares in 2020 and 2019; issued, 315,942,682 shares in 2020 and 331,942,682 shares in 2019	36,275	36,275	332,798
Capital surplus	31,692	31,692	290,752
Retained earnings	294,149	271,762	2,493,229
Treasury stock - at cost, 5,160,966 shares in 2020 and 3,609,174 shares in 2019	(4,344)	(5,050)	(46,330)
Accumulated other comprehensive income:			
Unrealized gain on available-for-sale securities	29,024	26,582	243,871
Deferred gain (loss) on derivatives under hedge accounting	13	(69)	(633)
Foreign currency translation adjustments	4,968	(656)	(6,018)
Defined retirement benefit plans	1,817	2,009	18,431
Total	393,597	362,545	3,326,100
Noncontrolling interests	29,645	30,038	275,577
Total equity	423,243	392,583	3,601,678
TOTAL	¥ 654,791	¥ 597,992	\$ 5,486,165

Consolidated Statements of Income

Daicel Corporation and Consolidated Subsidiaries
Years Ended March 31, 2019 and 2020

	Millions of Yen		Thousands of U.S. Dollars (Note 1)
	2019/3	2020/3	2020/3
NET SALES	¥ 464,859	¥ 412,826	\$ 3,787,394
COST OF SALES (Notes 11 and 17)	331,086	301,774	2,768,568
Gross profit	133,773	111,051	1,018,816
SELLING, GENERAL AND ADMINISTRATIVE EXPENSES (Notes 11 and 12)	82,602	81,406	746,844
Operating income	51,171	29,644	271,963
OTHER INCOME (EXPENSES):			
Interest and dividend income	2,266	1,932	17,724
Gain on sales of investment securities	5,767	2,616	24,000
Gain on sales of investments in capital of subsidiaries and associates	290		
Equity in earnings of unconsolidated subsidiaries and associated companies	1,762	1,772	16,256
Insurance income (Note 19)	2,005		
Interest expense	(1,185)	(1,173)	(10,761)
Foreign exchange gain (loss)	(73)	(802)	(7,357)
Loss on dispositions of property, plant and equipment	(1,715)	(3,098)	(28,422)
Impairment loss on fixed assets (Note 20)	(1,783)	(14,757)	(135,385)
Loss on disaster (Note 21)	(967)		
Loss on revision of retirement benefit plan (Note 7)	(3,308)		
Other – net	(496)	522	4,788
Other income (expenses) – net	2,563	(12,988)	(119,155)
INCOME BEFORE INCOME TAXES	53,734	16,656	152,807
INCOME TAXES (Note 10):			
Current	13,910	4,882	44,788
Deferred	(2,106)	333	3,055
Total income taxes	11,804	5,215	47,844
NET INCOME	41,930	11,440	104,954
NET INCOME ATTRIBUTABLE TO NONCONTROLLING INTERESTS	6,628	6,462	59,284
NET INCOME ATTRIBUTABLE TO OWNERS OF THE PARENT	¥ 35,301	¥ 4,978	\$ 45,669

	Yen		U.S. Dollars (Note 1)
	2019/3	2020/3	2020/3
PER SHARE INFORMATION (Notes 2.s and 13):			
Basic net income	¥ 105.38	¥ 15.49	\$ 0.14
Cash dividends applicable to the year	32.00	32.00	0.29

Please see the notes to consolidated financial statements in Financial Section.

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Consolidated Statements of Comprehensive Income

Daicel Corporation and Consolidated Subsidiaries
Years Ended March 31, 2019 and 2020

	Millions of Yen		Thousands of U.S. Dollars (Note 1)
	2019/3	2020/3	2020/3
NET INCOME	¥ 41,930	¥ 11,440	\$ 104,954
OTHER COMPREHENSIVE INCOME (LOSS) (Note 23):			
Unrealized gain (loss) on available-for-sale securities	(4,439)	(2,528)	(23,192)
Deferred gain (loss) on derivatives under hedge accounting	(67)	(155)	(1,422)
Foreign currency translation adjustments	431	(6,089)	(55,862)
Defined retirement benefit plans	1,291	116	1,064
Share of other comprehensive income (loss) in associates	(178)	(484)	(4,440)
Total other comprehensive income (loss)	(2,961)	(9,141)	(83,862)
COMPREHENSIVE INCOME	¥ 38,968	¥ 2,299	\$ 21,091
TOTAL COMPREHENSIVE INCOME ATTRIBUTABLE TO:			
Owners of the parent	¥ 32,267	¥ (2,980)	\$ (27,339)
Noncontrolling interests	6,700	5,280	48,440

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Consolidated Statements of Changes in Equity

Daicel Corporation and Consolidated Subsidiaries
Years Ended March 31, 2019 and 2020

	Millions of Yen											
	Number of Shares of Common Stock Outstanding	Common Stock	Capital Surplus	Retained Earnings	Treasury Stock	Accumulated Other Comprehensive Income					Noncontrolling Interests	Total Equity
						Unrealized Gain (Loss) on Available-for-Sale Securities	Deferred Gain (Loss) on Derivatives under Hedge Accounting	Foreign Currency Translation Adjustments	Defined Retirement Benefit Plans	Total		
BALANCE, APRIL 1, 2018	338,703,204	¥ 36,275	¥ 31,642	¥ 292,104	¥ (14,004)	¥ 33,410	¥ 58	¥ 4,805	¥ 583	¥ 384,876	¥ 28,665	¥ 413,541
Net income attributable to owners of the parent				35,301						35,301		35,301
Cash dividends, ¥32.00 per share				(10,781)						(10,781)		(10,781)
Restricted stock awards			(0)	(9)	192					182		182
Repurchase of treasury stock	(10,523,907)				(12,998)					(12,998)		(12,998)
Disposal of treasury stock					0					0		0
Retirement of treasury stock	154,211			(22,465)	22,465							
Change in the parent's ownership interest due to transactions with noncontrolling interests			50							50	(41)	8
Net change in the year						(4,385)	(44)	163	1,233	(3,033)	1,021	(2,012)
BALANCE, MARCH 31, 2019	328,333,508	36,275	31,692	294,149	(4,344)	29,024	13	4,968	1,817	393,597	29,645	423,243
Net income attributable to owners of the parent				4,978						4,978		4,978
Cash dividends, ¥32.00 per share				(10,414)						(10,414)		(10,414)
Restricted stock awards	160,049			(24)	181					157		157
Repurchase of treasury stock	(17,711,935)				(17,814)					(17,814)		(17,814)
Disposal of treasury stock				(0)	0					0		0
Retirement of treasury stock	94			(16,927)	16,927							
Net change in the year						(2,442)	(83)	(5,625)	192	(7,959)	392	(7,566)
BALANCE, MARCH 31, 2020	310,781,761	¥ 36,275	¥ 31,692	¥ 271,762	¥ (5,050)	¥ 26,582	¥ (69)	¥ (656)	¥ 2,009	¥ 362,545	¥ 30,038	¥ 392,583

	Thousands of U.S. Dollars (Note 1)											
	Common Stock	Capital Surplus	Retained Earnings	Treasury Stock	Accumulated Other Comprehensive Income					Noncontrolling Interests	Total Equity	
					Unrealized Gain (Loss) on Available-for-Sale Securities	Deferred Gain (Loss) on Derivatives under Hedge Accounting	Foreign Currency Translation Adjustments	Defined Retirement Benefit Plans	Total			
BALANCE, MARCH 31, 2019	\$ 332,798	\$ 290,752	\$ 2,698,614	\$ (39,853)	\$ 266,275	\$ 119	\$ 45,577	\$ 16,669	\$ 3,610,981	\$ 271,972	\$ 3,882,963	
Net income attributable to owners of the parent			45,669						45,669		45,669	
Cash dividends, \$0.29 per share			(95,541)						(95,541)		(95,541)	
Restricted stock awards			(220)	1,660					1,440		1,440	
Repurchase of treasury stock				(163,431)					(163,431)		(163,431)	
Disposal of treasury stock			(0)	0					0		0	
Retirement of treasury stock			(155,293)	155,293								
Net change in the year					(22,403)	(761)	(51,605)	1,761	(73,018)	3,596	(69,412)	
BALANCE, MARCH 31, 2020	\$ 332,798	\$ 290,752	\$ 2,493,229	\$ (46,330)	\$ 243,871	\$ (633)	\$ (6,018)	\$ 18,431	\$ 3,326,100	\$ 275,577	\$ 3,601,678	

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Consolidated Statements of Cash Flows

Daicel Corporation and Consolidated Subsidiaries
Years Ended March 31, 2019 and 2020

	Millions of Yen		Thousands of U.S. Dollars (Note 1)
	2019/3	2020/3	2020/3
OPERATING ACTIVITIES:			
Income before income taxes	¥ 53,734	¥ 16,656	\$ 152,807
Adjustments for:			
Income taxes - paid	(14,623)	(9,820)	(90,091)
Depreciation and amortization	30,442	29,396	269,688
Impairment loss on fixed assets	1,783	14,757	135,385
Amortization of goodwill	608	723	6,633
Loss on dispositions of property, plant and equipment	1,715	3,098	28,422
Provision for environmental measures	1,265	(2,992)	(27,499)
Gain on sales of investment securities	(5,767)	(2,616)	(24,000)
Gain on sales of investments in capital of subsidiaries and associates	(290)		
Equity in earnings of unconsolidated subsidiaries and associated companies	(1,762)	(1,772)	(16,256)
Changes in assets and liabilities:			
Decrease (increase) in notes and accounts receivable	4,140	8,699	79,807
Decrease (increase) in inventories	(16,149)	5,709	52,376
Increase (decrease) in notes and accounts payable	(3,049)	(7,885)	(72,339)
Other - net	6,476	3,239	29,715
Net cash provided by operating activities	58,523	57,193	524,706
INVESTING ACTIVITIES:			
Net decrease (increase) in time deposits	(157)	139	1,275
Net decrease (increase) in short-term investment securities	900		
Capital expenditures	(43,580)	(46,313)	(424,889)
Payment for purchases of investment securities	(167)	(266)	(2,440)
Proceeds from sales and redemption of investment securities	8,076	4,653	42,688
Proceeds from sales of property, plant and equipment	22	148	1,357
Payment for share of subsidiaries and associates		(1,760)	(16,146)
Payment for investments in capital of subsidiaries and associates	(4,103)		
Proceeds from sales of investments in capital of subsidiaries and associates	431		
Increase in finance receivables	(56)	(234)	(2,146)
Collection of finance receivables	127	217	1,990
Other - net	(2,587)	(2,448)	(22,458)
Net cash used in investing activities	(41,095)	(45,864)	(420,770)
FINANCING ACTIVITIES:			
Net change in short-term bank loans	(121)	(2,581)	(23,678)
Proceeds from issuance of long-term debt	17,755	7,231	66,339
Repayments of long-term debt	(13,809)	(18,537)	(170,064)
Proceeds from issuance of bond			
Dividends paid	(10,783)	(10,410)	(95,504)
Dividends paid to noncontrolling interests	(5,679)	(4,878)	(44,752)
Payment for purchases of treasury stock	(12,998)	(17,814)	(163,431)
Repayments of lease liabilities		(892)	(8,183)
Payment for acquisition of interests in a subsidiary from noncontrolling interests	(0)		
Net cash used in financing activities	(25,636)	(47,883)	(439,293)
EFFECT OF FOREIGN CURRENCY TRANSLATION ADJUSTMENTS ON CASH AND CASH EQUIVALENTS	(64)	(2,787)	(25,568)
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	(8,273)	(39,342)	(360,935)
CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR	128,290	120,016	1,101,064
CASH AND CASH EQUIVALENTS, END OF YEAR	¥ 120,016	¥ 80,674	\$ 740,128

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