

# Financial Information

## Consolidated Eleven-Year Summary

As of and for the years ended March 31

(Millions of yen)

	FY2013/3	FY2014/3	FY2015/3	FY2016/3	FY2017/3	FY2018/3	FY2019/3	FY2020/3	FY2021/3	FY2022/3	FY2023/3
<b>Operational Results</b>											
Net sales	¥ 358,513	¥ 413,786	¥ 443,775	¥ 449,878	¥ 440,061	¥ 462,956	¥ 464,859	¥ 412,826	¥ 393,568	¥ 467,937	¥ 538,026
Operating income	26,196	37,912	51,303	64,349	64,306	58,932	51,171	29,644	31,723	50,697	47,508
Net income attributable to owners of the parent	15,372	22,843	31,252	40,313	43,198	37,062	35,301	4,978	19,713	31,254	40,682
<b>Financial Position</b>											
Net assets	¥ 262,899	¥ 295,805	¥ 356,177	¥ 368,720	¥ 399,429	¥ 413,541	¥ 423,243	¥ 392,583	¥ 245,000	¥ 279,544	¥ 310,435
Total assets	461,512	509,834	565,332	560,190	599,708	644,078	654,791	597,992	640,385	698,836	765,606
Interest-bearing debt	99,224	105,917	86,981	71,276	72,291	99,743	104,306	92,787	270,938	283,553	321,974
<b>Cash Flows</b>											
Cash flows from operating activities	¥ 44,480	¥ 44,777	¥ 57,412	¥ 65,419	¥ 86,168	¥ 66,888	¥ 58,523	¥ 57,193	¥ 57,869	¥ 42,993	¥ 26,847
Cash flows from investing activities	(35,312)	(34,984)	(30,283)	(31,407)	(34,722)	(33,189)	(41,095)	(45,864)	(34,220)	(46,528)	(44,093)
Cash flows from financing activities	5,737	(4,472)	(29,230)	(31,470)	(19,942)	(1,962)	(25,636)	(47,883)	(17,050)	(5,452)	19,956
Cash and cash equivalents, end of year	53,238	62,573	66,737	65,237	96,275	128,290	120,016	80,674	90,747	87,986	93,493
<b>Per Share Information</b>											
Basic net income per share (yen)	¥ 43.71	¥ 64.98	¥ 88.95	¥ 115.02	¥ 124.61	¥ 107.81	¥ 105.38	¥ 15.49	¥ 65.18	¥ 104.14	¥ 138.87
Net assets per share (yen)	685.11	764.51	922.71	966.36	1,067.63	1,136.32	1,198.77	1,166.56	789.34	919.88	1,033.52
Cash dividends per share (yen)	12.00	15.00	21.00	26.00	30.00	32.00	32.00	34.00	32.00	34.00	38.00
<b>Financial Indicators</b>											
EBITDA	¥ 51,620	¥ 63,005	¥ 76,937	¥ 90,320	¥ 95,143	¥ 91,889	¥ 82,221	¥ 59,765	¥ 59,128	¥ 78,893	¥ 79,085
Ratio of operating income to net sales (%)	7.3	9.2	11.6	14.3	14.6	12.7	11.0	7.2	8.1	10.8	8.8
ROIC (%)	5.2	6.6	8.0	9.5	9.1	7.7	6.1	3.8	4.1	6.2	5.3
ROE (%)	6.7	9.0	10.5	12.2	12.2	9.8	9.1	1.3	6.6	12.3	14.3
ROA (%)	3.6	4.7	5.8	7.2	7.4	6.0	5.5	0.8	3.2	4.7	5.6
Total asset turnover (times/year)	0.8	0.9	0.8	0.8	0.8	0.7	0.7	0.7	0.6	0.7	0.7
Equity Ratio (%)	52.2	52.7	57.3	60.2	61.6	59.8	60.1	60.6	37.1	38.9	38.6
Dividend payout ratio (%)	27.5	23.1	23.6	22.6	24.1	29.7	30.4	219.5	49.1	32.6	27.4
Total return ratio (%)	27.5	23.1	23.6	32.5	33.3	56.6	67.2	577.3	91.1	48.6	51.7
<b>Others</b>											
Capital expenditures	¥ 27,217	¥ 25,617	¥ 30,629	¥ 40,256	¥ 39,528	¥ 30,819	¥ 44,694	¥ 47,568	¥ 39,555	¥ 40,840	¥ 56,308
Depreciation and amortization	24,026	23,669	23,409	23,914	29,031	31,720	30,044	29,002	25,830	26,948	30,835
Research and development expenses	12,875	13,360	14,031	15,306	16,806	18,843	20,749	21,295	19,540	20,741	21,878
Number of employees (at year-end)	9,233	9,700	10,173	10,709	11,556	12,309	12,319	11,606	11,142	11,104	11,207

(Note) Amortization of goodwill is not included in depreciation and amortization

## Consolidated Balance Sheets

Daicel Corporation and Consolidated Subsidiaries  
March 31, 2023 and 2022

	Millions of Yen		Thousands of U.S. Dollars (Note 1)
	FY2022/3	FY2023/3	FY2023/3
<b>ASSETS</b>			
<b>CURRENT ASSETS:</b>			
Cash and cash equivalents (Note 19)	¥ 87,986	¥ 93,493	\$ 697,708
Securities (Notes 5 and 19)	2,398		
Receivables (Note 19):			
Trade notes	4,544	4,602	34,343
Trade accounts	97,234	96,639	721,186
Unconsolidated subsidiaries and associated companies	5,132	4,847	36,171
Allowance for doubtful accounts	(32)	(66)	(492)
Inventories (Note 6)	142,002	177,169	1,322,156
Other current assets	20,980	29,941	223,440
Total current assets	360,247	406,627	3,034,529
<b>PROPERTY, PLANT AND EQUIPMENT (Notes 7 and 22):</b>			
Land	31,660	35,639	265,962
Buildings and structures	176,710	181,794	1,356,671
Machinery and equipment	605,545	624,671	4,661,723
Construction in progress	60,279	75,803	565,694
Total	874,195	917,909	6,850,050
Accumulated depreciation	(644,352)	(661,778)	(4,938,641)
Net property, plant and equipment	229,843	256,130	1,911,417
<b>INVESTMENTS AND OTHER ASSETS:</b>			
Investment securities (Notes 5 and 19)	68,951	61,527	459,156
Investments in and advances to unconsolidated subsidiaries and associated companies (Note 19)	13,960	15,796	117,880
Deferred tax assets (Note 13)	2,474	2,425	18,097
Retirement benefit asset (Note 10)	8,686	7,648	57,074
Other assets	14,672	15,449	115,291
Total investments and other assets	108,745	102,848	767,522
<b>TOTAL</b>	¥ 698,836	¥ 765,606	\$ 5,713,477

Please see the notes to consolidated financial statements in Financial Section.  
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	Millions of Yen		Thousands of U.S. Dollars (Note 1)
	FY2022/3	FY2023/3	FY2023/3
<b>LIABILITIES AND EQUITY</b>			
<b>CURRENT LIABILITIES:</b>			
Short-term bank borrowings (Notes 8 and 19)	¥ 22,198	¥ 66,267	\$ 494,529
Current portion of long-term borrowings (Notes 8, 9, 19 and 21)	22,275	42,742	318,970
Payables (Notes 19 and 21):			
Trade notes	248	25	186
Trade accounts	60,475	56,111	418,738
Nontrade accounts	12,841	11,413	85,171
Construction	5,021	8,275	61,753
Unconsolidated subsidiaries and associated companies	1,464	1,215	9,067
Provision for environmental measures	14	-	-
Income taxes payable (Notes 13 and 19)	5,529	5,343	39,873
Other current liabilities	23,829	29,460	219,850
Total current liabilities	153,898	220,856	1,648,179
<b>LONG-TERM LIABILITIES:</b>			
Long-term borrowings (Notes 8, 9, 19 and 21)	236,029	208,823	1,558,380
Retirement benefit liability (Note 10)	6,713	4,807	35,873
Provision for environmental measures	125	122	910
Asset retirement obligations (Note 11)	1,255	1,170	8,731
Deferred tax liabilities (Note 13)	16,311	14,394	107,417
Other long-term liabilities	4,959	4,995	37,276
Total long-term liabilities	265,394	234,314	1,748,611
<b>COMMITMENTS AND CONTINGENT LIABILITIES (Notes 18, 20 and 24)</b>			
<b>EQUITY (Notes 12 and 27):</b>			
Share capital			
Common stock, authorized, 1,450,000,000 shares in 2023 and 2022; issued, 302,942,682 shares in 2023 and 2022	36,275	36,275	270,708
Capital surplus	14	132	985
Retained earnings	174,500	204,529	1,526,335
Treasury shares			
Treasury stock - at cost, 17,307,785 shares in 2023 and 7,234,296 shares in 2022	(6,090)	(15,716)	(117,283)
Accumulated other comprehensive income:			
Valuation difference on available-for-sale securities	36,813	32,906	245,567
Deferred gains or losses on hedges	27	43	320
Foreign currency translation adjustments	25,966	33,519	250,141
Remeasurements of defined benefit plans	4,509	3,519	26,261
Total	67,317	69,988	522,298
Non-controlling interests	7,526	15,225	113,619
Total equity	279,544	310,435	2,316,679
<b>TOTAL</b>	¥ 698,836	¥ 765,606	\$ 5,713,477

## Consolidated Statements of Income

Daicel Corporation and Consolidated Subsidiaries  
Years Ended March 31, 2023 and 2022

	Millions of Yen		Thousands of U.S. Dollars (Note 1)
	FY2022/3	FY2023/3	FY2023/3
<b>NET SALES (Note 14)</b>	¥ 467,937	¥ 538,026	\$ 4,015,119
<b>COST OF SALES (Notes 15 and 21)</b>	329,329	392,214	2,926,970
Gross profit	138,607	145,811	1,088,141
<b>SELLING, GENERAL AND ADMINISTRATIVE EXPENSES (Notes 15 and 16)</b>	87,910	98,303	733,604
Operating profit	50,697	47,508	354,537
<b>OTHER INCOME (EXPENSES):</b>			
Interest and dividend income	2,907	3,975	29,664
Gain on sales of investment securities	1,664	4,208	31,402
Subsidies from municipal governments (Note 22)		513	3,828
Gain on sales of investments in capital of subsidiaries and associates		722	5,388
Share of profit of entities accounted for using equity method	1,950	2,335	17,425
Interest expense (Note 21)	(1,361)	(1,432)	(10,686)
Foreign exchange gain (loss)	1,685	(201)	(1,500)
Loss on retirement of non-current assets	(2,901)	(1,524)	(11,373)
Impairment loss (Note 23)	(9,985)		
Loss on liquidation of business		(548)	(4,089)
Reduction of cost of property, plant and equipment (Note 22)		(513)	(3,828)
Other – net	1,624	(75)	(559)
Other income (expenses) – net	(4,414)	7,458	55,656
<b>PROFIT BEFORE INCOME TAXES</b>	46,283	54,967	410,201
<b>INCOME TAXES (Note 13):</b>			
Current	12,630	13,055	97,425
Deferred	1,598	270	2,014
Total income taxes	14,229	13,326	99,447
<b>NET PROFIT</b>	32,053	41,641	310,753
<b>NET PROFIT ATTRIBUTABLE TO NON-CONTROLLING INTERESTS</b>	799	958	7,149
<b>NET PROFIT ATTRIBUTABLE TO OWNERS OF THE PARENT</b>	¥ 31,254	¥ 40,682	\$ 303,597

	Yen		U.S. Dollars (Note 1)
	FY2022/3	FY2023/3	FY2023/3
<b>PER SHARE INFORMATION (Notes 2.t and 17):</b>			
Basic net profit	¥ 104.14	¥ 138.87	\$ 1.03
Cash dividends applicable to the year	32.00	36.00	0.26

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, 2023 and 2022

	Millions of Yen		Thousands of U.S. Dollars (Note 1)
	FY2022/3	FY2023/3	FY2023/3
<b>NET PROFIT</b>	¥ 32,053	¥ 41,641	\$ 310,753
<b>OTHER COMPREHENSIVE INCOME (LOSS) (Note 25):</b>			
Valuation difference on available-for-sale securities	(71)	(3,910)	(29,179)
Deferred gains or losses on hedges	55	15	111
Foreign currency translation adjustments	16,916	7,579	56,559
Remeasurements of defined benefit plans	(92)	(942)	(7,029)
Share of other comprehensive income (loss) of entities accounted for using equity method	1,039	89	664
Total other comprehensive income (loss)	17,847	2,831	21,126
<b>COMPREHENSIVE INCOME</b>	¥ 49,901	¥ 44,473	\$ 331,888
<b>TOTAL COMPREHENSIVE INCOME ATTRIBUTABLE TO:</b>			
Owners of the parent	¥ 48,364	¥ 43,353	\$ 323,529
Non-controlling interests	1,536	1,119	8,350

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## Consolidated Statements of Changes in Equity

Daicel Corporation and Consolidated Subsidiaries  
Years Ended March 31, 2023 and 2022

	Millions of Yen											
	Number of Shares of Common Stock Outstanding	Common Stock	Capital Surplus	Retained Earnings	Treasury Stock	Accumulated Other Comprehensive Income				Total	Non-controlling Interests	Total Equity
						Valuation Difference on Available-for-sale Securities	Deferred Gains or Losses on Hedges	Foreign Currency Translation Adjustments	Remeasurements of Defined Benefit Plans			
BALANCE, APRIL 1, 2021	301,333,049	¥ 36,275		¥ 152,816	¥ (1,446)	¥ 36,884	¥ (27)	¥ 8,689	¥ 4,660	¥ 237,852	¥ 7,148	¥ 245,000
ACCUMULATED EFFECT OF CHANGE IN ACCOUNTING PRINCIPLES				(26)						(26)		(26)
ADJUSTED BALANCE, MARCH 31, 2022	301,333,049	36,275		152,789	(1,446)	36,884	(27)	8,689	4,660	237,826	7,148	244,974
Net profit attributable to owners of the parent				31,254						31,254		31,254
Cash dividends, ¥32.00 per share				(9,648)						(9,648)		(9,648)
Restricted stock awards	377,191		14		338					353		353
Repurchase of treasury stock	(6,001,854)				(4,983)					(4,983)		(4,983)
Retirement of treasury stock												
Initial inclusion of certain subsidiaries in consolidation			0	104						104	(150)	(45)
Net change in the year						(70)	55	17,276	(151)	17,109	528	17,638
BALANCE, MARCH 31, 2022	295,708,386	36,275	14	174,500	(6,090)	36,813	27	25,966	4,509	272,017	7,526	279,544
Net profit attributable to owners of the parent				40,682						40,682		40,682
Cash dividends, ¥36.00 per share				(10,653)						(10,653)		(10,653)
Restricted stock awards	445,750		(8)		375					366		366
Repurchase of treasury stock	(10,519,274)				(10,000)					(10,000)		(10,000)
Disposal of treasury stock	35		0		0							
Change in ownership interest of parent due to transactions with non-controlling interests			126							126		126
Net change in the year						(3,907)	15	7,553	(990)	2,671	7,699	10,370
BALANCE, MARCH 31, 2023	285,634,897	¥ 36,275	¥ 132	¥ 204,529	¥ (15,716)	¥ 32,906	¥ 43	¥ 33,519	¥ 3,519	¥ 295,209	¥ 15,225	¥ 310,435

	Thousands of U.S. Dollars (Note 1)										
	Common Stock	Capital Surplus	Retained Earnings	Treasury Stock	Accumulated Other Comprehensive Income				Total	Non-controlling Interests	Total Equity
					Valuation Difference on Available-for-sale Securities	Deferred Gains or Losses on Hedges	Foreign Currency Translation Adjustments	Remeasurements of Defined Benefit Plans			
BALANCE, MARCH 31, 2022	\$ 270,708	\$ 104	\$ 1,302,238	\$ (45,447)	\$ 274,723	\$ 201	\$ 193,776	\$ 33,649	\$ 2,029,977	\$ 56,164	\$ 2,086,149
Net profit attributable to owners of the parent			303,597						303,597		303,597
Cash dividends, \$0.26 per share			(79,500)						(79,500)		(79,500)
Restricted stock awards		(59)		2,798					2,731		2,731
Repurchase of treasury stock				(74,626)					(74,626)		(74,626)
Disposal of treasury stock		0							0		0
Change in ownership interest of parent due to transactions with non-controlling interests		940							940		940
Net change in the year					(29,156)	111	56,365	(7,388)	19,932	57,455	77,388
BALANCE, MARCH 31, 2023	\$ 270,708	\$ 985	\$ 1,526,335	\$ (117,283)	\$ 245,567	\$ 320	\$ 250,141	\$ 26,261	\$ 2,203,052	\$ 113,619	\$ 2,316,679

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## Consolidated Statements of Cash Flows

Daicel Corporation and Consolidated Subsidiaries  
Years Ended March 31, 2023 and 2022

	Millions of Yen		Thousands of U.S. Dollars (Note 1)
	FY2022/3	FY2023/3	FY2023/3
<b>OPERATING ACTIVITIES:</b>			
Profit before income taxes	¥ 46,283	¥ 54,967	\$ 410,201
Adjustments for:			
Income taxes paid	(13,558)	(14,425)	(107,649)
Income taxes refund	3,556	1,308	9,761
Depreciation	27,490	31,516	235,194
Impairment loss	9,985		
Amortization of goodwill	705	59	440
Loss on retirement of non-current assets	2,901	1,524	11,373
Increase (decrease) in provision for environmental measures	(56)	(16)	(119)
Loss (gain) on sales of investment securities	(1,664)	(4,208)	(31,402)
Loss (gain) on sales of investments in capital of subsidiaries and associates		(722)	(5,388)
Loss on liquidation of business		548	4,089
Share of loss (profit) of entities accounted for using equity method	(1,950)	(2,335)	(17,425)
Changes in assets and liabilities:			
Decrease (increase) in trade receivable	(3,429)	4,498	33,567
Decrease (increase) in inventories	(27,480)	(31,875)	(237,873)
Increase (decrease) in trade payable	7,924	(8,701)	(64,932)
Other – net	(7,712)	(5,291)	(39,485)
Net cash provided by operating activities	42,993	26,847	200,350
<b>INVESTING ACTIVITIES:</b>			
Net decrease (increase) in time deposits	(55)	(208)	(1,552)
Capital expenditures	(47,471)	(51,924)	(387,492)
Purchase of investment securities	(165)	(365)	(2,723)
Purchase of shares of subsidiaries and associates	(329)		
Proceeds from sales and redemption of investment securities	2,809	8,677	64,753
Proceeds from sales of property, plant and equipment	876	318	2,373
Proceeds from sales of investments in capital of subsidiaries and associates		1,125	8,395
Loan advances	(400)	(807)	(6,022)
Collection of finance receivables	84	445	3,320
Other – net	(1,875)	(1,353)	(10,097)
Net cash used in investing activities	(46,528)	(44,093)	(329,052)
<b>FINANCING ACTIVITIES:</b>			
Net increase (decrease) in short-term borrowings	14,696	43,411	323,962
Proceeds from long-term borrowings	1,704	15,074	112,492
Repayments of long-term borrowings	(5,037)	(23,110)	(172,462)
Proceeds from share issuance to non-controlling shareholders		7,200	53,731
Dividends paid	(9,645)	(10,651)	(79,485)
Dividends paid to non-controlling interests	(1,008)	(742)	(5,537)
Purchase of treasury shares	(4,983)	(10,000)	(74,626)
Payments from changes in ownership interests in subsidiaries that do not result in change in scope of consolidation	(150)		
Repayments of lease liabilities	(1,029)	(1,224)	(9,134)
Net cash used in financing activities	(5,452)	19,956	148,925
<b>EFFECT OF EXCHANGE RATE CHANGE ON CASH AND CASH EQUIVALENTS</b>	6,137	2,795	20,858
<b>NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS</b>	(2,850)	5,506	41,089
<b>CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR</b>	90,747	87,986	656,611
<b>INCREASE IN CASH AND CASH EQUIVALENTS RESULTING FROM INCLUSION OF SUBSIDIARIES IN CONSOLIDATION</b>	89		
<b>CASH AND CASH EQUIVALENTS, END OF YEAR</b>	¥ 87,986	¥ 93,493	\$ 697,708

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# Corporate Information

## Company Data (as of March 31, 2023)

### Corporate Overview

Corporate Name:	Daicel Corporation
Establishment:	September 8, 1919
Capital:	¥36,275,440,089
Number of employees:	11,207 (Consolidated) 2,524 (Non-consolidated)

### Status of Stock

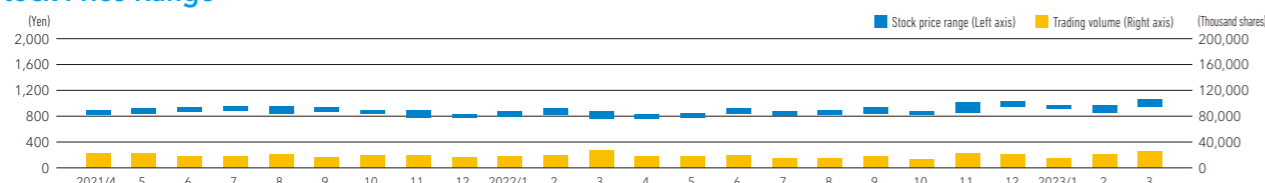
Common stock authorized:	1,450,000,000 shares
Issued:	302,942,682 shares
Listing:	Tokyo Stock Exchange Prime Market
Stock Code:	4202
Shareholder registry administrator:	Sumitomo Mitsui Trust Bank, Limited 1-4-1, Marunouchi, Chiyoda-ku, Tokyo, Japan
Number of shareholders:	27,414
Accounting auditor:	Deloitte Touche Tohmatsu LLC

### Principal Domestic Locations

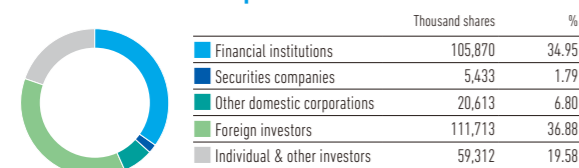
<b>Office</b>	
■ <b>Osaka Head Office</b>	Grand Front Osaka Tower-B, 3-1, Ofuka-cho, Kita-ku, Osaka 530-0011 Tel: +81-6-7639-7171 Fax: +81-6-7639-7181
■ <b>Tokyo Head Office</b>	JR Shinagawa East Bldg., 2-18-1, Konan, Minato-ku, Tokyo 108-8230 Tel: +81-3-6711-8111 Fax: +81-3-6711-8100
■ <b>Nagoya Sales Office</b>	JP Tower Nagoya, 1-1-1, Meieki, Nakamura-ku, Nagoya, Aichi 450-6325 Tel: +81-52-582-8511 Fax: +81-52-582-7943
<b>Training Center</b>	
■ <b>Operation Training Center (TRC)</b>	14-1, Kouto 3-chome, Kamigori-cho, Akou-gun, Hyogo 678-1205
<b>Innovation Park</b>	
	1239, Shinzaike, Aboshi-ku, Himeji-shi, Hyogo 671-1283
<b>Plant</b>	
■ <b>Himeji Production Sector/Aboshi Plant</b>	1239, Shinzaike, Aboshi-ku, Himeji-shi, Hyogo 671-1281
■ <b>Himeji Production Sector/Hirohata Plant</b>	12, Fuji-cho, Hirohata-ku, Himeji-shi, Hyogo 671-1123
■ <b>Harima Plant</b>	805, Umaba, Ibogawa-cho, Tatsuno-shi, Hyogo 671-1681
■ <b>Arai Plant</b>	1-1, Shinko-cho, Myoko-shi, Niigata 944-8550
■ <b>Ohtake Plant</b>	1-4, Higashisakae 2-chome, Otake-shi, Hiroshima 739-0695
■ <b>Kanzaki Plant</b>	12-1, Kanzaki-cho, Amagasaki-shi, Hyogo 661-0964

## Stock Information

### Stock Price Range



### Shareholder Composition (As of March 31, 2023)



### Top 10 Shareholders (As of March 31, 2023)

Shareholder	Number of shares (Thousand shares)	Shareholding ratio (%)
The Master Trust Bank of Japan, Ltd. (Trust Account)	45,692	15.99
NORTHERN TRUST CO. (AVFC) RE SILCHESTER INTERNATIONAL INVESTORS INTERNATIONAL VALUE EQUITY TRUST	21,256	7.44
Nippon Life Insurance Company	17,402	6.09
Custody Bank of Japan, Ltd. (Trust Account)	16,088	5.63
NORTHERN TRUST CO. (AVFC) RE U.S. TAX EXEMPTED PENSION FUNDS	9,580	3.35
FUJIFILM Holdings Corporation	8,390	2.93
NORTHERN TRUST CO. (AVFC) RE NON TREATY CLIENTS ACCOUNT	7,439	2.60
Sumitomo Mitsui Banking Corporation	7,096	2.48
Daicel Group Employee Shareholding Association	5,972	2.09
Daicel Shareholding Ownership Association	5,965	2.08

Each rate of shareholding was calculated after deducting the number of treasury shares from the number of shares outstanding

### Rating for Our ESG Initiatives (As of August, 2023)




\* FTSE Russell (the trading name of FTSE International Limited and Frank Russell Company) confirms that Daicel Corporation has been independently assessed according to the FTSE4Good criteria, and has satisfied the requirements to become a constituent of the FTSE4Good Index Series. Created by the global index provider FTSE Russell, the FTSE4Good Index Series is designed to measure the performance of companies demonstrating strong Environmental, Social and Governance (ESG) practices. The FTSE4Good Index Series is used by a wide variety of market participants to create and assess responsible investment funds and other products.

\* FTSE Russell (the trading name of FTSE International Limited and Frank Russell Company) confirms that Daicel Corporation has been independently assessed according to the FTSE Blossom Japan Index criteria, and has satisfied the requirements to become a constituent of the FTSE Blossom Japan Index Series. Created by the global index provider FTSE Russell, the FTSE Blossom Japan Index Series is designed to measure the performance of Japanese companies demonstrating strong Environmental, Social and Governance (ESG) practices. The FTSE Blossom Japan Index is used by a wide variety of market participants to create and assess responsible investment funds and other products.

\* FTSE Russell (the trading name of FTSE International Limited and Frank Russell Company) confirms that Daicel Corporation has been independently assessed according to the FTSE Blossom Japan Sector Relative Index criteria, and has satisfied the requirements to become a constituent of the FTSE Blossom Japan Sector Relative Index Series. The FTSE Blossom Japan Sector Relative Index is used by a wide variety of market participants to create and assess responsible investment funds and other products.

\*The inclusion of Daicel Corporation in any MSCI index, and the use of MSCI logos, trademarks, service marks or index names herein, do not constitute a sponsorship, endorsement or promotion of Daicel Corporation by MSCI or any of its affiliates. The MSCI index is the exclusive property of MSCI. MSCI and the MSCI index names and logos are trademarks or service marks of MSCI or any of its affiliates.

## Independent Third-Party Assurance Report



### Independent Assurance Statement

October 28, 2022

Mr. Yoshimi Ogawa  
President and CEO  
Daicel Corporation

#### 1. Purpose

We, Sustainability Accounting Co., Ltd., have been engaged by Daicel Corporation (hereinafter "the Company") to provide limited assurance on greenhouse gas (GHG) emissions of the Company in FY2022/3, which are 1,567 thousand t-CO<sub>2e</sub> (Scope1), 42 thousand t-CO<sub>2e</sub> (Scope2 Market-Based) and 1,335 thousand t-CO<sub>2</sub> (Scope3 Categories 1,2,3,4,5,6 and 7). The purpose of this process is to express our conclusion on whether the GHG emissions were calculated in accordance with the Company's standards. The Company's management is responsible for calculating the GHG emissions. Our responsibility is to independently carry out a limited assurance engagement and to express our assurance conclusion.

#### 2. Procedures Performed


We conducted our assurance engagement in accordance with International Standard on Assurance Engagement 3000 (ISAE 3000) and 3410 (ISAE3410). The key procedures we carried out included:

- Interviewing the Company's responsible personnel to understand the Company's standards
- Reviewing the Company's standards
- Performing cross-checks on a sample basis and performing a recalculation to determine whether the GHG emissions were calculated in accordance with the Company's standards.

#### 3. Conclusion

Based on the procedures performed, nothing has come to our attention that causes us to believe that the GHG emissions have not been calculated in all material respects in accordance with the Company's standards.

We have no conflict of interest relationships with the Company.



Takashi Fukushima  
Representative Director  
Sustainability Accounting Co., Ltd.

(Note) Greenhouse gas emissions data for FY2023/3 is scheduled for third-party assurance during FY2024/3.