

The background of the slide is white with a decorative pattern of various-sized circles in blue, red, black, and grey. A horizontal blue bar spans the width of the slide, containing the main title and date. A thin red line is positioned below the blue bar.

Corporate Summary For Individual Investors

As of Nov.2, 2023

Securities code:4202

Introduction



**Using “technology for melting wood”
to build a circular society that
balances ecology and economy**

Y. Ogawa

Yoshimi Ogawa
President and CEO
Daicel Corporation

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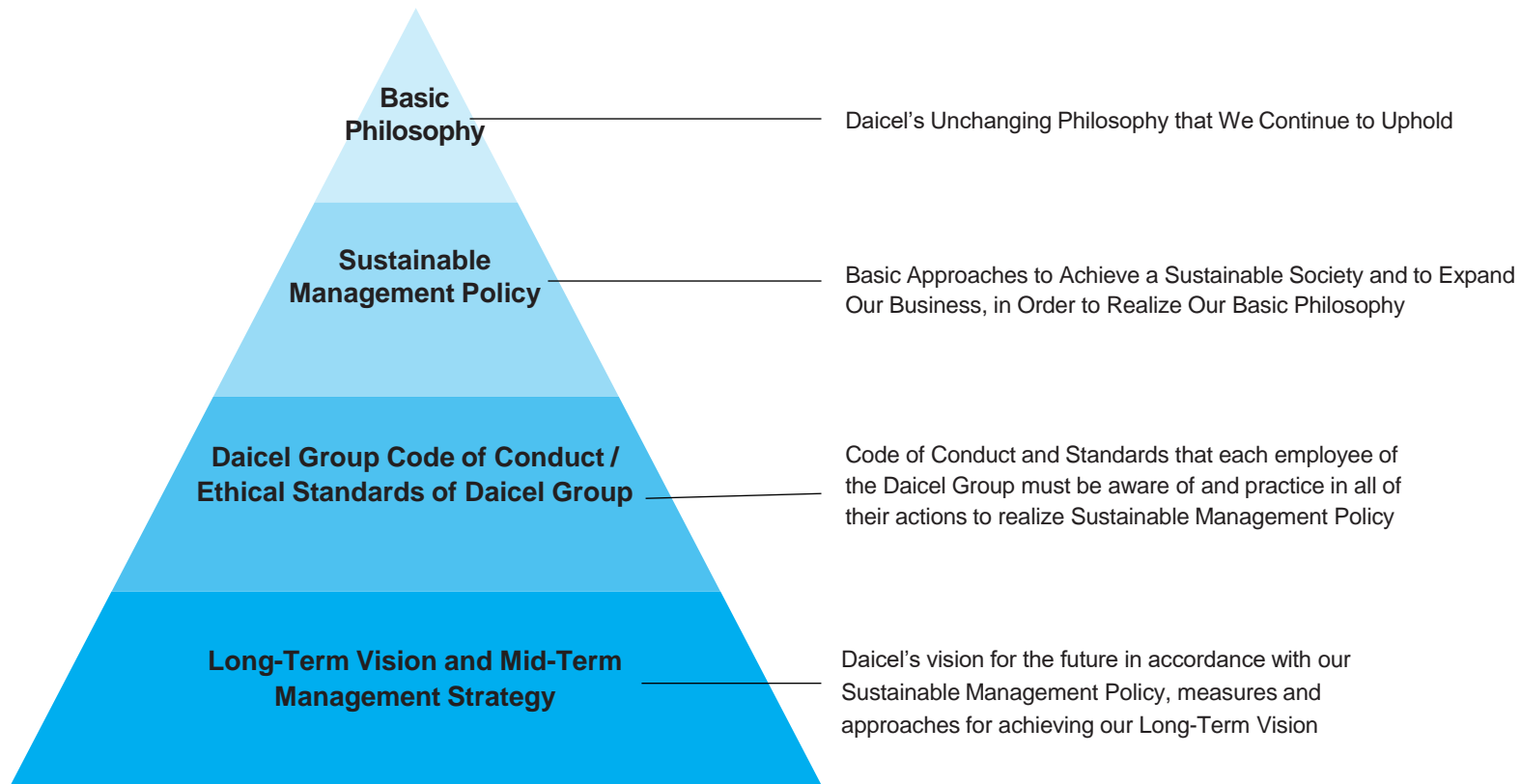
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The company making lives better by co-creating value

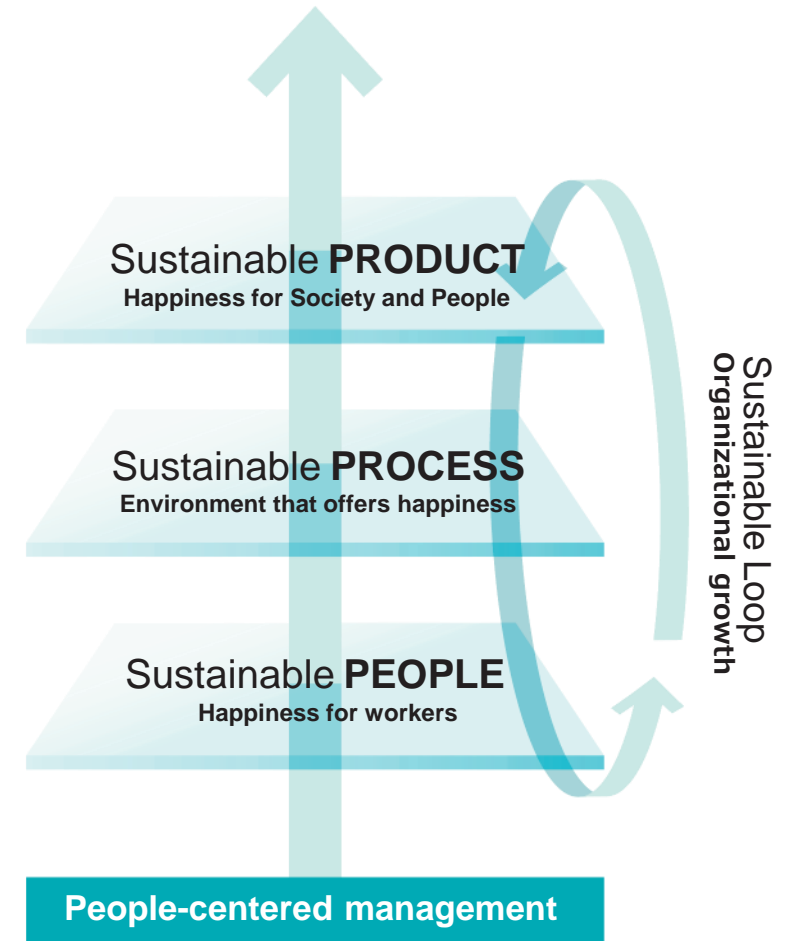
Sustainable Value Together



Daicel Group Philosophy Structure



Sustainable Management Policy



Daicel efforts to create a bright future



Since our founding, Daicel has valued the spirit of co-existing with others. With the goal of enriching people's lives, we have developed and provided materials that benefit society for over 100 years. Today, conditions influencing society and the environment are moving towards paradigm shift. Amid such change, Daicel engages in daily R&D activities towards building a circular society, uniting with like-minded individuals to expand our value co-creation. Daicel will continue to explore the limitless possibilities of chemistry as we fearlessly embrace the challenge of innovation. Our goal is to pass on world-class monozukuri manufacturing to future generations.

Creating a bright future

Nanodiamond Solutions
For example, technology for achieving carbon-negative through super-solar reduction

Selective adsorbents
Cellulose has been a key part of our lives since ancient times. Discovering new possibilities in semiconductor manufacturing.

Recycling rare metals
Technology for recycling rare metals without causing an environment load

Actranza™ lab
This innovative drug delivery system injects chemical solutions through the skin to reach the target cells
*For animal testing

BELLOCEA® S7
Biodegradable spherical particles that provide smoothness and moisture to cosmetics

Micro Plants
Technology for achieving the ultimate in energy-less plants

Forest chemistry
Technology for melting wood without causing an environmental load

DAISI
ONE TIME ENERGY® for single-use, instantaneous energy when its needed most

Excipients for drugs and food
A drug and food excipient that causes the tablet to break down upon contact with water

CAFLO™
An acetate cellulose with superior marine degradability that is made from environment-friendly natural materials

<https://www.daicel.com/mirai/>
(Japanese web site)

About DAICEL

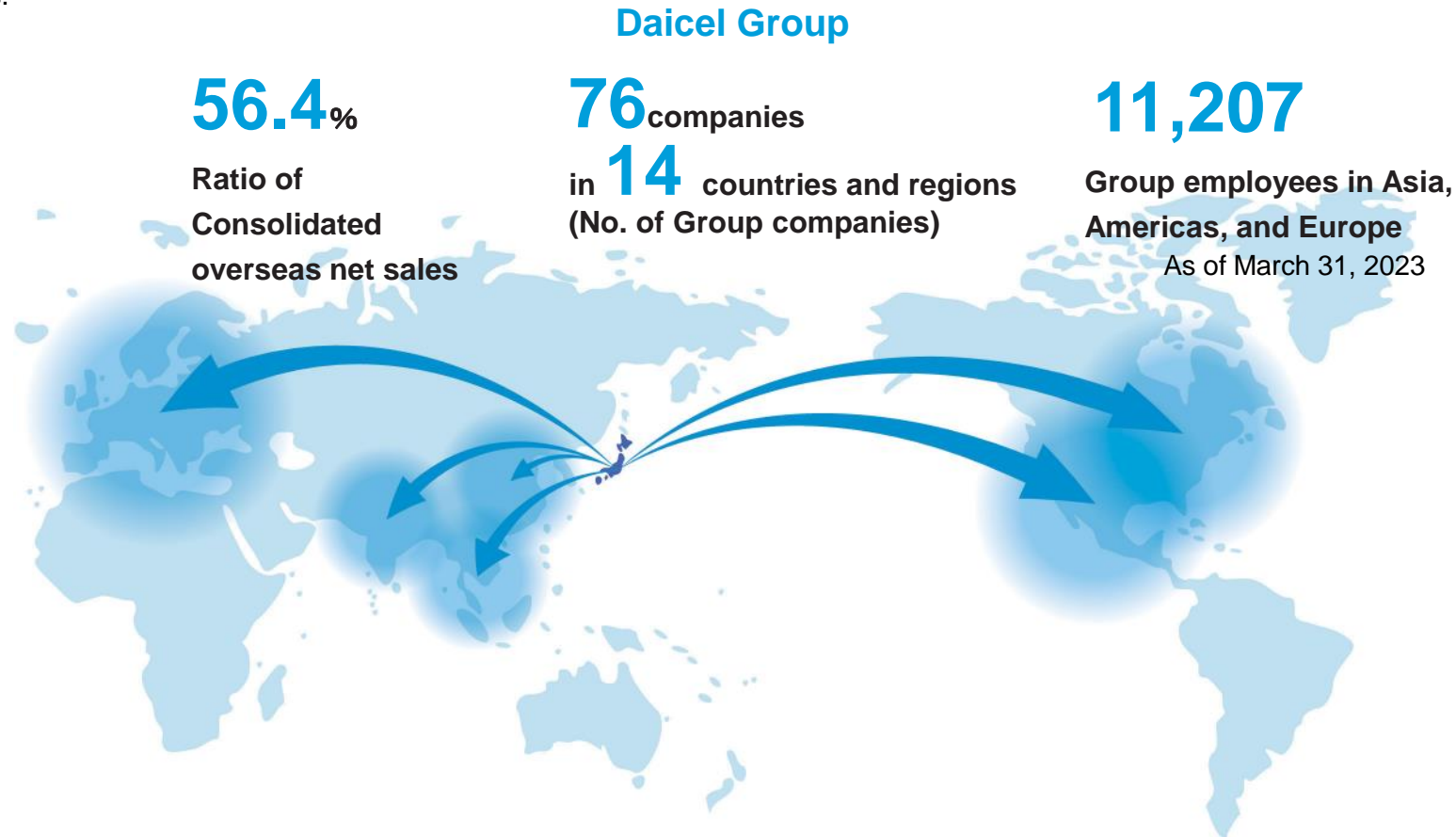
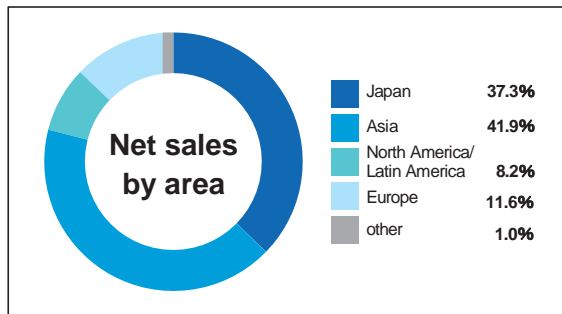


The Daicel Group is comprised of over 10,000 employees working at 76 companies in 14 countries and regions around the world, and the Group continues to engage in business activities that contribute to a sustainable society.

To accelerate Group growth and increase corporate value, it is important to increase net sales and income and maintain a healthy balance sheet while improving capital efficiency and asset efficiency. Currently, we are working to continue increasing revenues and income by improving the profitability of our core businesses and expanding sales in growth domains. At the same time, we are striving to further increase EBITDA and achieve an ROIC of 10% by FY2026. We will set a total dividend payout ratio of 40% or higher as a baseline while working to further increase shareholder returns.

FY2023/3

Consolidated net sales	¥538.0bn
Consolidated operating income	¥47.5bn
EBITDA	¥79.1bn



Celluloid is the world's first industrialized plastic. In Japan, domestic production of raw materials began in the 1900s. Later, in 1919, a merger between eight domestic celluloid manufacturers resulted in the formation of Dainippon Celluloid Co., Ltd. (modern day Daicel). Daicel had continuously engaged in product development aligned with the needs of the times, providing various materials that benefit people's daily lives. We are also engaged in production technology development, pursuing dynamic methods to innovate production, save energy, and conserve resources at chemical plants. Daicel will continue to explore the limitless possibilities of chemistry as we fearlessly embrace the challenge of innovation.

Three Strengths of Daicel

1 Pioneer in biomass chemistry

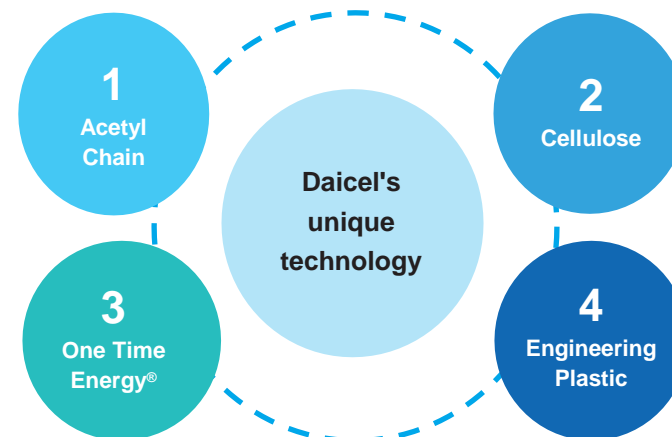
Since our founding in 1919, we have been involved in biomass chemistry, which creates chemical products from plant-based raw materials. Starting out as a celluloid business using raw materials made from the cotton plant and parts of the camphor tree, we later commercialized a cellulose acetate that addressed the material's flammability issues. Today, we continue to supply biomass products to various market sectors.



Cellulose acetate

2 Unique technology cultivated since our founding

From the construction of acetyl chains for manufacturing acetic acid derivatives to the production of high-performance engineering plastics boasting a global share, we use innovative technologies to deliver products to the world.



3 Daicel Production Innovation for better efficiency

As a chemical manufacturer the foundation of Daicel's monozukuri manufacturing is supported by our unique production innovation. We have visualized the knowhow related to nearly 8.4 million plant operations possessed by our experienced operators and incorporated that knowledge into an operations support system. This has enabled us to increase our production efficiency nearly three-fold*. In 2020, we successfully developed an autonomous production system, which incorporates AI to achieve further advancements. In addition to safety and quality, this system also contributes to CO₂ emission reductions by optimizing energy use. We are in pursue of the ultimate level of production efficiency.

*Results from Daicel Aboshi Plant



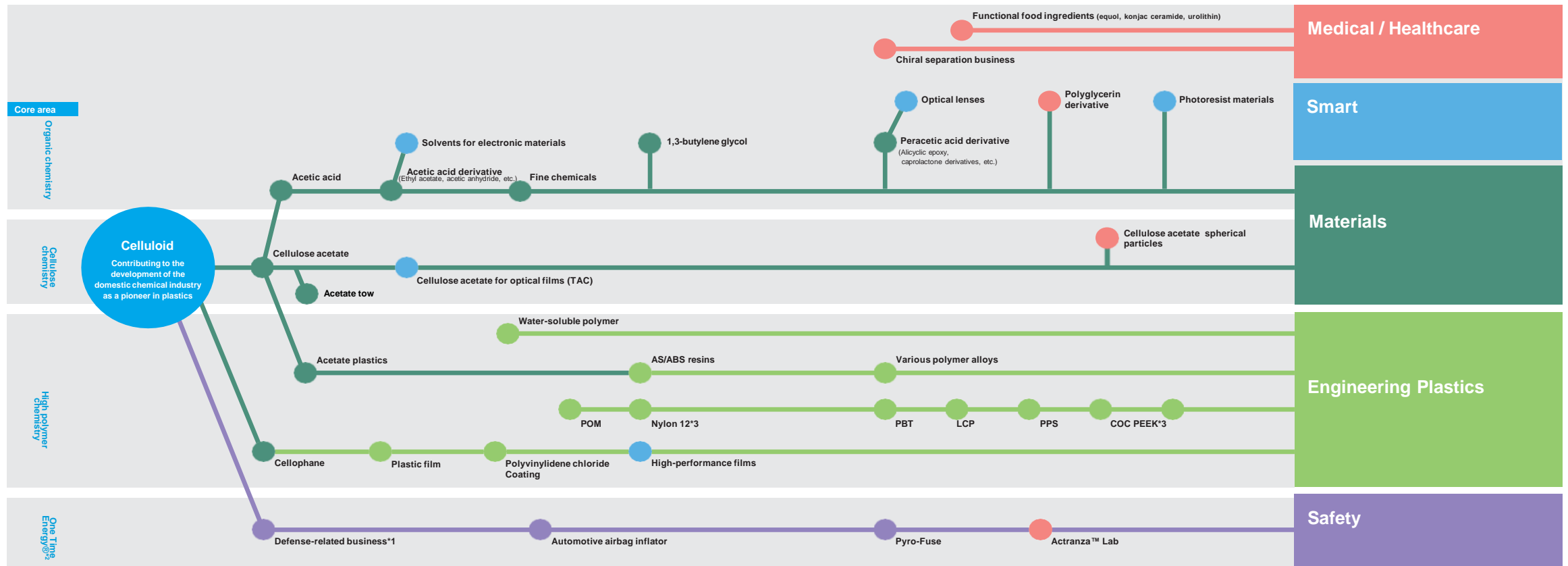
IPC Control Room

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Daicel Group by Product Lines and Technical Field



With its origins in the celluloid business, Daicel has used that technical knowhow as a foundation for developing four new technical fields. Cellulose chemistry uses natural materials as raw ingredients. Organic chemistry is used to formulate powerful acetyl chains. High polymer chemistry was cultivated through research on various resins. And, One Time Energy® developed from pyrotechnic composition technology. These four core technologies support the Daicel Group's business domains and help us make contributions that address the diversifying needs of modern society.



*1. Withdrawn from the business.

*2. One Time Energy®: Pyrotechnic composition technology cultivated through the inflator business. This technology safely, accurately, and instantaneously generates the optimal energy on a one-time basis. *3: Product by Polyplastics-Evonik Corporation.

Daicel Group Business

FY2022 Consolidated net sales
¥ 538.0B



Medical / Healthcare

Net sales
¥16.6bn
Composition
3.1%

In a society that values QOL, we provide safe, high-quality healthcare materials and solutions related to pharmaceutical development.

Chiral columns



Chromatography columns for separate optical isomers. We contribute to the provision of safe pharmaceuticals by separating active pharmaceutical ingredients.

BELLOCEA®
(spherical cellulose acetate for cosmetics)




As a marine biodegradable material, this is expected to contribute to solving the marine plastic waste problem in the cosmetics industry.

Smart

Net sales
¥29.6bn
Composition
5.5%


Providing the electronic materials market with new solutions that support pleasant lifestyles and technological innovation.

**For optical film
Cellulose acetate (TAC)**



Utilizing excellent optical properties, transparency, and smoothness to develop into a polarizing plate protection film for LCDs.

Solvents for electronic materials



High purity, low metal solvent production and quality control system with a proven track record in semiconductor process Applications.

Safety

Net sales
¥84.0bn
Composition
15.6%

Using One Time Energy®, technology cultivated through our airbag inflator business, for which we boast a strong share of the global market, to provide safety and peace of mind to a wide range of industries.

Inflator for vehicle airbags



Started supplying the key component for automobile airbag systems that protect passengers in the event of a collision.

Pyro-Fuse



Supporting safe daily living by expanding One Time Energy® technology (developed in the course of producing inflators) to industrial applications other than Automobiles.

Materials

Net sales
¥160.8bn
Composition
29.9%

Providing value to a wide range of industries on the strength of a diverse line of products centered on acetyl chains and our unique manufacturing methods.

Acetic acid



Japan's only acetic acid manufacturer. Acetic acid is also an environmentally friendly raw material plastic products, and we provide solutions as an environment-friendly material.

Alicyclic epoxy



The world's only manufacturing method to delivery low impurities and be chlorine-free, enabling use in electrical materials where quality, reliability, and durability are required. This technology is also garnering attention for use in EV applications.

Engineering Plastics

Net sales
¥238.1bn
Composition
44.2%

Using technical skills cultivated through our work as a pioneer in engineering plastics to provide highly functional and high-value-added solutions to a wide range of industries.

Polyacetal (POM)



Used in a wide range of applications including vehicles, electronics & electricity, and industrial equipment, this material has contributed to the development of major industries across generations.

Liquid crystal polymers (LCP)



Widely used for ultra-compact precision connectors in the latest IT equipment such as tablets and smartphones, which have become increasingly smaller, to support social infrastructure.

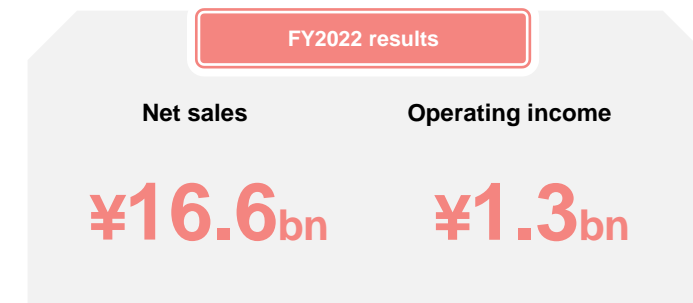
*Figures for other segments not included in net sales or composition ratio.
Sales for FY2022 reflect the segment changes for cosmetic raw materials 1,3-BG (medical and healthcare → materials).

Major businesses

→ Life Science, Healthcare

In the life science business, we boast the world's top share for the manufacturing, sales, and contract separation services related to chiral column, which are used for separating and purifying optical isomer in the medical field. In recent years, we are also aggressively expanding business into the bio sector. In the healthcare business (cosmetics and health foods), we are striving to contribute to QOL* by developing and offering high-quality raw materials for cosmetics and health food ingredients derived from natural ingredients.

*QOL: Short for quality of Life. Refers to the quality of life in terms of not only material wealth, but also mental health.



Daicel Strengths

1 Life Science: Leading company for chiral separation technology

The world's first successful industrialization of chiral (optical isomer) columns. Along with continuing to advance separation technology, we are also building a global network with related pharmaceutical companies and researchers.

2 Life Science: Unique medical materials business

Promoting business synergy through collaborations between medical-related companies within the group on new needle-free drug administration devices and high-function plastic products used as medical materials.

3 Healthcare: Unique manufacturing technology

For cosmetics, we can manufacture colorless and transparent polyglycerin with few by-products and high water solubility. For health foods, we apply our unique fermentation technology to use biotechnology to engineer intestinal metabolites that are difficult to produce in the body.

Major products

Life Science business

Chiral columns, chiral reagents, contract separation/analysis services, genetic research reagents, medical additives, new drug administration devices



Chiral columns

Healthcare business

- Raw materials for cosmetics (Polyglycerin derivatives, BELLOCEA®, spherical cellulose acetate for cosmetics, etc.)
- Health food ingredients (Equol, konjac ceramide, urolithin, etc.)



Raw material for cosmetics: BELLOCEA®, spherical cellulose acetate

Major businesses

→ Display/Opt, IC/Semiconductors

In the Display/Opt business, we manufacture and sell cellulose acetate for optical films (TAC). Daicel boasts a world-class share in this market. In recent years, we are developing products such as functional film optimal for the displays used in smartphones, tablets, and vehicle devices. In the IC/Semiconductor business, we manufacture and sell highly functional photo resist materials used in the manufacturing processes for semiconductors and displays.

FY2022 results

Net sales

Operating income

¥29.6bn

- ¥0.6bn

■ Daicel Strengths

1 Market-in solutions to respond to market needs

On the electronics market, we use our material design and manufacturing technology for synthetics, compounding, coating, and a variety of other applications to provide solutions and value that respond to customer needs, from materials to module parts.

2 Display/Opt: Detailed function design to respond to customer needs

For TAC, functional film, and optical lenses, we offer function design that combines materials and methods to suit customer needs and achieve balance between product characteristics and price competitiveness.

3 IC/Semiconductor: Providing safety and responding to evolving needs

We possess the technical skills and stable provision capacity to respond to the high-level quality demands of the semiconductor industry. Our track record enables us to provide customer-oriented product development and respond to evolving new demands such as materials for use in organic semiconductor sensors.

■ Major products

Display/Opt business

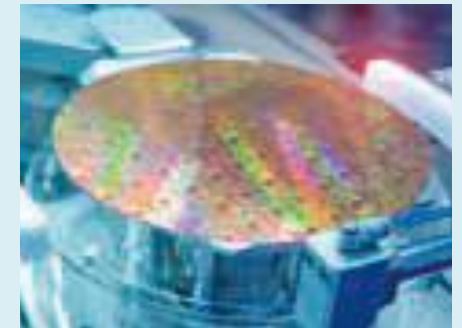
Cellulose acetate (TAC) for optical films
High-performance films, optical lenses



Cellulose acetate for optical films (TAC)

IC/Semiconductor business

Photo resist materials, solvents for electronic materials, conductive ink, organic semiconductor devices



Solvents for electronic materials (Sample application of the semiconductor manufacturing process (front-end process))

Major businesses

→ Mobility, Industry

Inflates an airbag within a few milliseconds after detecting a vehicle collision. Vehicle airbag inflators (gas generating systems), which protect the lives of vehicle passengers and pedestrians, are the mainstay product of the Safety business. We call the safety mechanism cultivated through the inflator business One Time Energy® and are expanding this technology to applications other than airbags. One example is a pyro-fuse that safely and instantly interrupts high voltages and large currents in an emergency. We also are anticipating applications in various industries as automation spreads due to the increasing adoption of EVs and AI.

FY2022 results

Net sales

Operating income

¥84.0bn

¥0.5bn

■ Daicel Strengths

1 Inflator technology cultivated over several years

Since commercializing vehicle airbag inflators in 1988, we have engaged in one-stop production, starting from gas generating agents, to contribute to high reliability and user safety.

2 Toyota Production System meets DAICEL Production Innovation

Using the DAICEL Production Innovation approach as a foundation, we applied the Toyota production method to pursue high quality and productivity.

3 Advanced integrated management (image analysis) systems

Achieved quality management at the serial unit level through an integrated management system developed in collaboration with Hitachi, Ltd. We are expanding this system globally as a standard. Building strong trust-based relations with customers on a foundation of high-level quality management.

■ Major products

Mobility

Automotive airbag inflators



Automotive airbag inflators

Industry

Pyro-fuses and gas generators for and seat belt pretensioners (PGG)

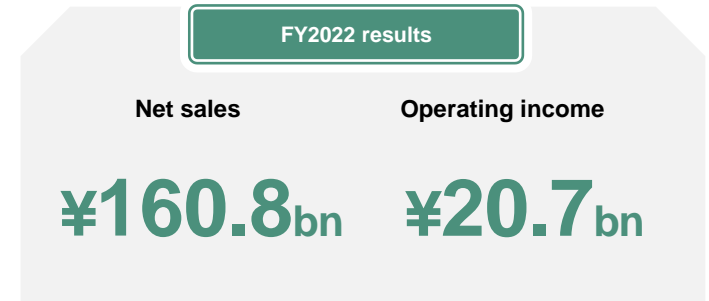


Pyro-fuses

Major businesses

→ Acetyl, Chemical

As Japan's only manufacturer of acetic acid, which has a diverse range of uses, we provide various materials to a wide variety of industries. In the acetyl business, we develop acetic acid and other chemical products made from acetic acid, cellulose acetate made from cellulose extracted from wood and cotton, and acetate tow made by spinning cellulose. In the chemical business, we apply organic synthesis technology that we have cultivated over several years and our reaction technology that is globally unique to Daicel. We use these technologies to manufacture and sell a variety of chemical products, including alicyclic epoxies and peracetic acid derivatives such as caprolactone.



■ Daicel Strengths

1 Optimal plant operations through DAICEL Production Innovation

Built an automated production system that led to the evolution of the Daicel Production Innovation. Through optimal plant operations, we achieve energy savings in manufacturing processes, reduce GHG emissions, ensure stable supply, and increase cost competitiveness.

2 Acetyl: Building strong acetyl chains

As Japan's only acetic acid manufacturer, we manufacture and sell acetic acid and acetic acid derivatives. As part of the manufacturing processes for these products, we have established a circular manufacturing system that collects, purifies, and reuses acetic acid generated as a byproduct at customer factories and Daicel Group plants.

3 Chemical: World's No. 1 share of alicyclic epoxy

Manufacturing high-quality alicyclic epoxy via the world's only manufacturing method. The use of a manufacturing method that does not involve the use of chlorine, which is corrosive to metals, provides high-quality, highly reliable compatibility with electronics and electrical materials as well as mobility materials for EV.

■ Major products

Acetyl

Acetic acid, acetic acid derivatives (ethyl acetate, acetic anhydride, etc.), cellulose acetate, acetate tow, ketene derivatives, ethylamine



Acetate tow

Chemical

Alicyclic epoxy, caprolactone derivative, 1,3-butylene glycol (1,3-BG)



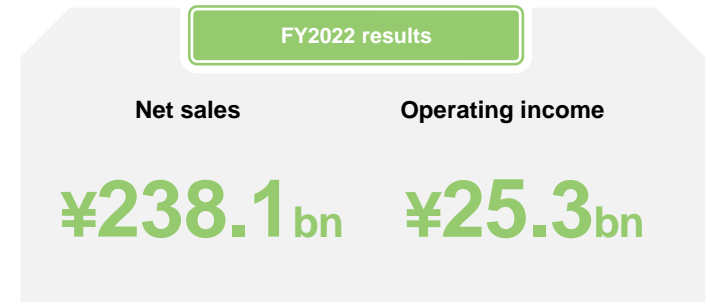
Alicyclic epoxy for EV motors (application example)

Major Group Companies

→ Polyplastics, Daicel Miraizu

Polyplastics is a leading company in the field of engineering plastics, which have special properties such as mechanical strength, heat resistance, and chemical resistance, and contributes to making automobiles lighter and more electrically equipped, and improving the performance of electronic devices. Daicel Miraizu sells a variety of products to a wide range of industries, including AS/ABS resins, which have multipurpose uses ranging from daily necessities to automobiles, various polymer alloys, resin compound products, and water-soluble polymers (such as CMC*1) for EVs, which have been attracting attention in recent years.

1: Sodium Carboxymethyl Cellulose (CMC): CMC Daicel is a water soluble polymer developed using Daicel's proprietary technology. CMC is made from cellulose, a natural material



Daicel Strengths

1 Polyplastics: Ability to develop new applications

As a group of experts in the engineering plastics industry, we work with our customers to develop applications that respond to major industries (such as the electronics and automobile industries) and social needs that change with the times. We provide optimal solutions by combining the wide-ranging product lineup of our Group companies.

2 Polyplastics: Technical solutions spanning major regions

Technical solution centers located in major regions in Japan, China, Taiwan, Thailand, the United States, and Germany collaborate with each other. We provide consistent solutions globally, from material formulation design to molding processing support.

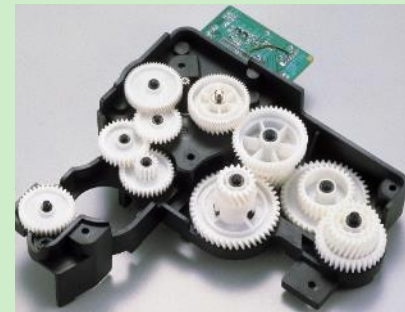
3 Daicel Miraizu: Flexible proposals aligned with customer needs

We respond to the diverse needs of our customers by proposing combinations of flexible base resin selection and compounding technology.

Major products

Polyplastics

Polyacetal (POM), polybutylene terephthalate (PBT), polyphenylene sulfide (PPS), liquid crystal polymer (LCP), cyclic olefin copolymer (COC)



Gears using polyacetal (POM)

Daicel Miraizu

AS resin, ABS resin, various polymer alloys, resin compound products, water-soluble polymers, barrier films for packaging



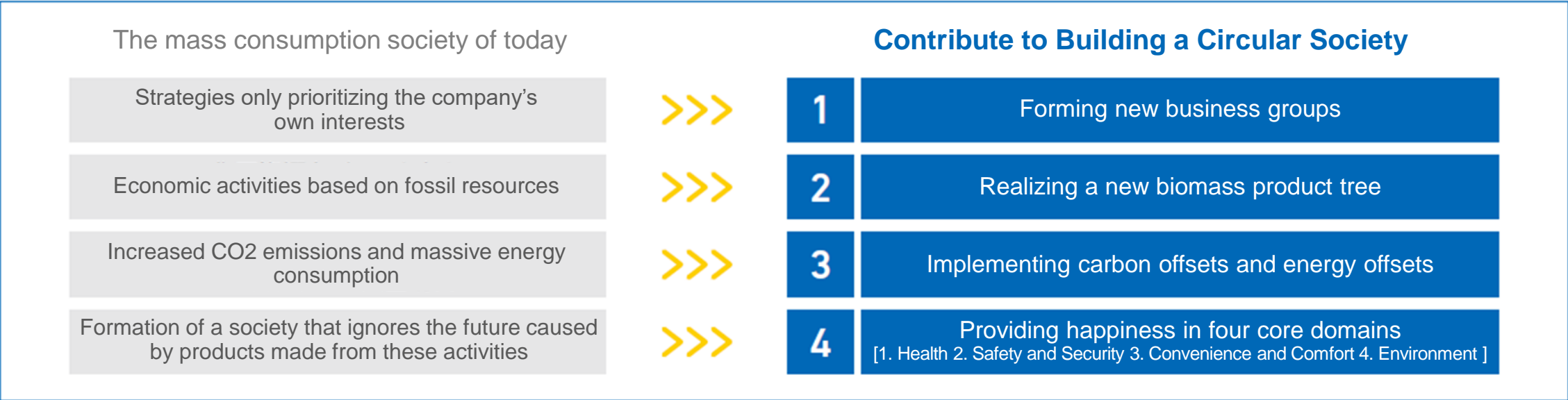
Lithium ion battery that uses CMC

Long-Term Vision and Mid-Term Management Strategy



We outlined DAICEL VISION 4.0, our Long-Term Vision, and Accelerate 2025, our Medium-Term Management Strategy based on that Vision. Working to achieve this Vision and Strategy, the Daicel Group is striving for a balance between a sustainable society and business growth for our Group. Achieving this goal will require that we break free from conventional social systems based on an assumption of mass production, and we believe this will require four major structural shifts (chart below). Through these initiatives, Daicel will work with like-minded partners towards contributing to the formation of a circular society.

Structural shift outlined in our Long-Term Vision and Medium-Term Management Strategy that will enable Daicel to contribute to the building of a circular society



Formation of new business groups

To change social structures, it is essential that we form new business groups that can work together to create new value for society and the environment. Our monozukuri manufacturing is just one of the processes that results in a final product, and many of these processes are connected to form a supply chain. By combining the strengths of each connected company, we can manufacture products more efficiently than any single company could through trial and error. This will lead to the creation of better products and the discovery of more environment-friendly manufacturing methods. These new groups of companies that have vertical connections between companies while also being connected horizontally, such connections between companies in the same industry, are called a cross-value chain. The diagram below shows the path to achieving this cross-value chain step-by-step through three operations (OP) by expanding the scope from Daicel (parent) to Daicel (Group) and to partners.

Growth and acceleration curves

Operations to realize our Long-Term Vision

Original DAICEL

(The area including domains on which we focus in addition to current business)

- Transformation of the business structure (Selection and concentration of the business ⇒ Shifting to value providing type of organization)
- Transformation to asset light
- Structural reforms to accelerate the growth of OP-II/III

New DAICEL

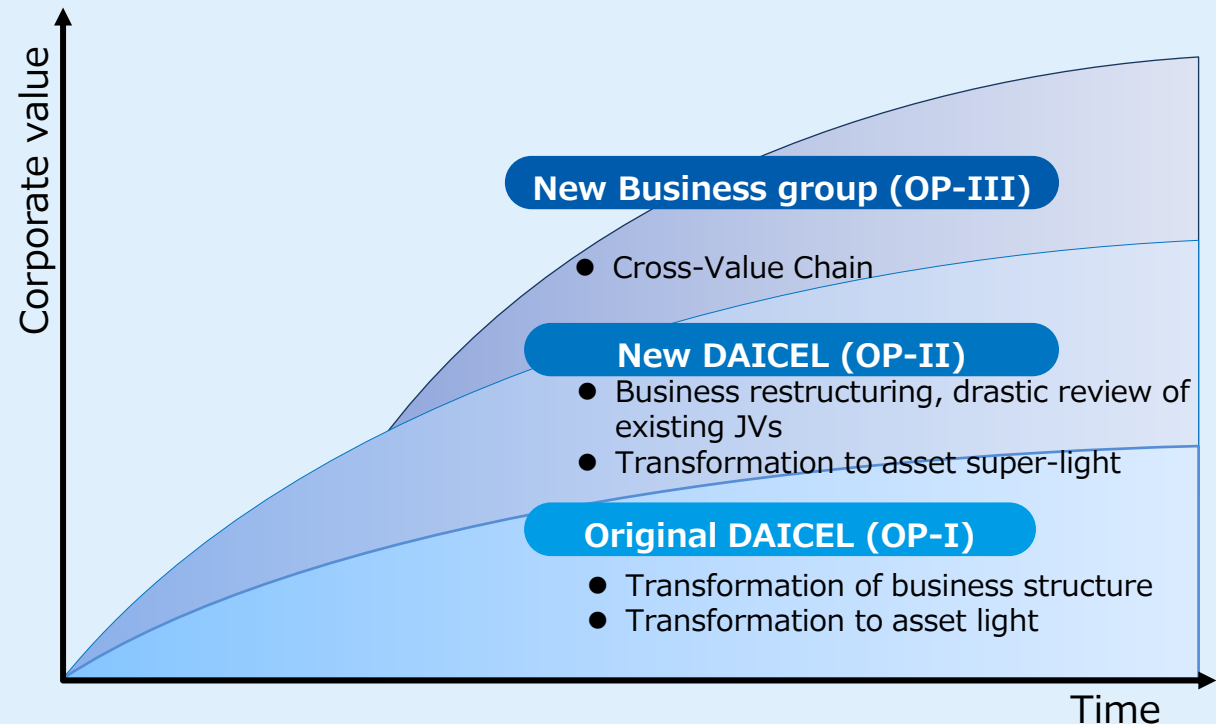
(Peripheral areas of existing business to be expanded through M&A or collaboration)

- Business restructuring, drastic review of existing JV
- Transformation to asset super-light
- A company creating high added value which can aim at OP-III

New Business Group

(Cross-Value Chain which brings vertical integration type of supply chain along with horizontal integration)

- Not limited to M&A, constructing No.1 supply chain with various connections



Long-Term Vision and Mid-Term Management Strategy

Biomass Value Chain (BVC) Concept

Japan, a country where nearly 70% of national land is covered by forests. Trees older than 50 years do not absorb CO₂ and are largely left untouched. We developed technology for melting wood, which can be difficult to melt, under mild conditions and with less environmental impact, enabling the use of forestry as an alternative to petrochemical raw materials. Regenerate into forests that easily absorb CO₂ and have high soil water retention to promote the circulation of industrial resources. This is Daicel's concept of a biomass value chain (BVC). To achieve this vision of creating a circular industrial ecosystem, it is essential that we gain the support and understanding of many people, and that we achieve co-creation through collaboration between industries.



Reviving forests through forest regeneration

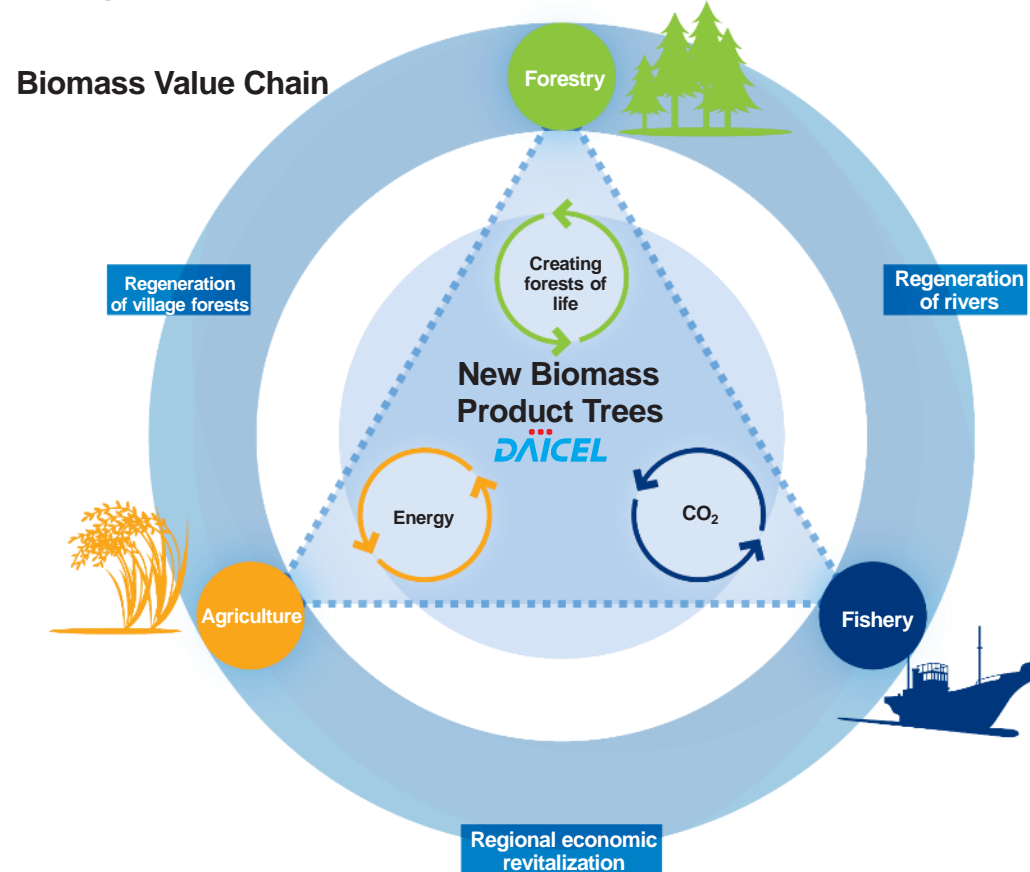


Regenerating marine resources by improving water quality



Fertilization of farmland by regenerating deciduous broad-leaved forest areas

Creating a sustainable, circular industrial ecosystem for Japan's future.



New biomass product trees

The key to realizing the BVC concept is new biomass product trees. Providing sustainable products is the mission of a materials manufacturer. However, the processes we use must also be sustainable. Embracing the theme of not wasting any part of a single tree, we developed technology for processing all types of materials while limiting environmental load to the bare minimum to create highly functional products from natural materials. As a company involved in biomass materials, since our founding we have aimed to achieve carbon neutrality. We are applying the power of chemistry towards achieving a balance between ecology and economy and building a circular society.

Collaborative technology development through academia-industry partnerships

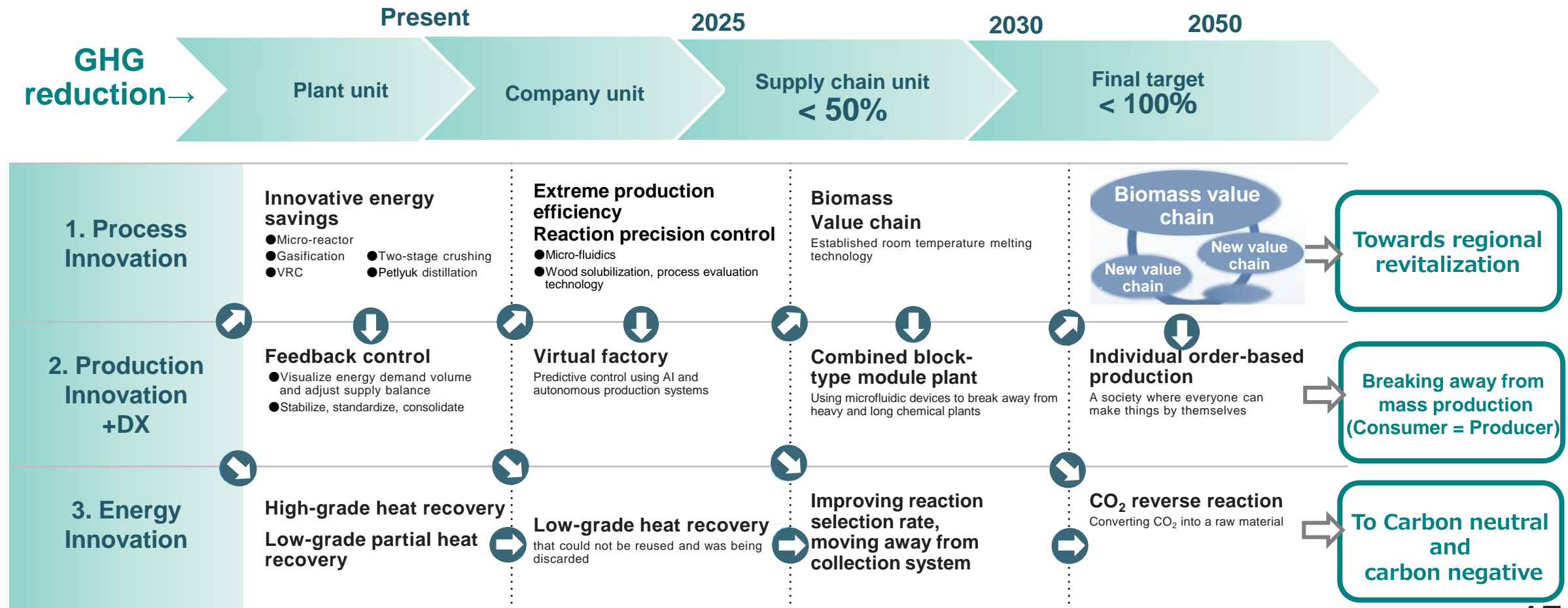
We are promoting technical collaborations with universities to formulate new biomass product trees and achieve a balance between ecology and economy. For example, microfluidic devices (see P19), which are the key to reducing the footprint of chemical plants, and "ultra mild melting", which decomposes wood at low costs and with a low environmental impact.

There are also numerous fields anticipating the commercialization of technological achievements such as selective metal adsorption, which taps the potential of cellulose and to enable the discretionary recovery of rare metals using cellulose. This technology is expected to help solve problems associated with urban mining and soil pollution.

Long-Term Vision and Mid-Term Management Strategy

Achieving carbon neutral/negative

Daicel is promoting decarbonization efforts to achieve carbon neutrality in 2050. As a measure to achieve this, we will build a biomass value chain that we aim to achieve by mutually linking and promoting technological innovation in fields such as process, production, and energy, and achieve a "carbon negative" status in which CO₂ emissions are lower than absorption. Our group strives to achieve both ecology and economy through technological innovation.



Long-Term Vision and Mid-Term Management Strategy

Providing happiness through four core domains

Daicel aims to manufacture products that contribute to happiness for society and people. Among the numerous social issues facing society, in our Long-Term Vision we identify four core domains : Health, Environment, Safety and Security, and Convenience and Comfort. We view these areas as domains that will see increased needs in the future and in which we can leverage the strengths of our Group, and are choosing specific markets in each field on which we will focus.

Health	Environment	Safety & Security	Convenience & Comfort
<p>Medical materials</p> <ul style="list-style-type: none"> • DDS*/Medical equipment (Actranza) • Medical equipment/packaging materials (engineering plastics) <p>Vital sensors</p> <ul style="list-style-type: none"> • Nano diamonds <p>Functional food ingredients based on intestinal metabolites</p> <ul style="list-style-type: none"> • Equol • Urolithin <p><small>*DDS...Drug delivery systems</small></p>	<p>Environmentally friendly solution business, Green chemicals</p> <ul style="list-style-type: none"> • Reevaluate existing in-house chemical chain • Truly spherical particle BELLOCEA® • Fine cellulose • New cellulose derivatives 	<p>Support for electric vehicles</p> <ul style="list-style-type: none"> • Mass production of pyro-fuses • Expanding sales of inflators and current breakers to China, Europe and America <p>Fusing with sensing technology through B2B collaborations</p> <ul style="list-style-type: none"> • Engaging in lifestyle safety equipment market • Injury prevention equipment featuring fall detection 	<p>Developing and deploying new functions by improving processing technology</p> <ul style="list-style-type: none"> • Film technology • Coating technology <p>Inorganic & organic composite electronic materials</p> <p>Materials for electronic devices</p> <ul style="list-style-type: none"> • Organic semiconductor, silver nano • Optical lenses, etc.
Accelerating new business through Translating Functions			
<p>New drug delivery devices</p> <p>Actranza™ Lab</p> 	<p>Fine cellulose</p>  <p>Provided cutlery made from marine biodegradable cellulose acetate resin used at the G7 Hiroshima Summit in May 2023</p> <p>Rare metal recovery</p>  <p>Developing a separation membrane that can recover gold without incineration</p>	<p>Pyro-fuses for EV</p>  <p>Plan to launch in the summer of 2024 for European customers</p>	<p>Power Electronics</p>  <p>Achieved cost reductions and performance improvements by increasing Si content</p> <p>Semiconductor masking</p>  <p>Received the 2023 Semiconductor of the Year Excellence Award (Semiconductor electronic materials division)</p>
First, we will aim to develop medical device business in Japan, Europe and America	2031/3 sales target: Exceed ¥40bn	2031/3 sales target: Exceed ¥40bn	2031/3 sales target: Exceed ¥50bn

Topic 1 Balancing Between Ecology and Economy

- From mass production and consumption to individual orders and production -

Aiming for environment-friendly processes to create environmentally-friendly products

Microfluidic devices represent the application of Daicel's unique melting technology into chemical plants. Microfluidic devices suppress impurities and enable precision control of internal channels. By applying our technology for melting wood at room temperature, we make it possible to suppress the generation of impurities and enable precision control of flow channels.

Creating a society where people can benefit from the joy of monozukuri manufacturing on the individual, family, and community level

Modern chemical plants

Energy-intensive mass production
Heavy, long facilities
(large-scale refining processes) Major temperature/concentration distribution
Unable to produce just the desired product (low efficiency)

Microfluidic devices

Produced when and where needed
Small size and desktop design (no refining processes required)
Minor temperature/concentration distribution
Make only the desired product (ideal reaction)



Topic 2 Initiatives towards establishing a new biomass product tree

Nanodia Solution that turns CO₂ into resources, and new materials gained through melting technology

World's first technology using sunlight to semi-permanently decompose CO₂

Daicel has acquired technology that can generate nanodiamonds with an extremely high rate of efficiency using the detonation technology cultivated from our manufacturing technology used for airbag inflators. By engaging in application development, we succeeded in developing technology that decomposes CO₂ using only sunlight. We have demonstrated that CO₂ can be continuously decomposed into carbon monoxide and oxygen at a high rate of efficiency without using a large amount of electricity when decomposing CO₂. Instead, this method uses hydrated electrons generated in the surrounding space simply by irradiating sunlight. Nanodiamonds are ultra-small particles of 3 to 5 nanometers that are hard, chemically stable, do not react with any acid or alkali, and produce reactions that continue semi-permanently.

Technology that is the key to new biomass product trees

Thus far, petroleum resins have been chosen over wood because liquid petroleum is more soluble than solid wood, making it easier to create various reactants. To overcome this issue, we have been engaged in joint research with universities towards developing technology that melts wood using less energy. If achieved, this would create a new group of biomass products for a wide range of fields, offering the possibility of replacing or supplementing petrochemical products.

•Development example

(MoCA*, a new material separated from wood powder)

By establishing a technology that selectively dissolves lignin and other substances contained in wood to separate cellulose, we succeeded in extracting the new material MoCA.



Wood powder



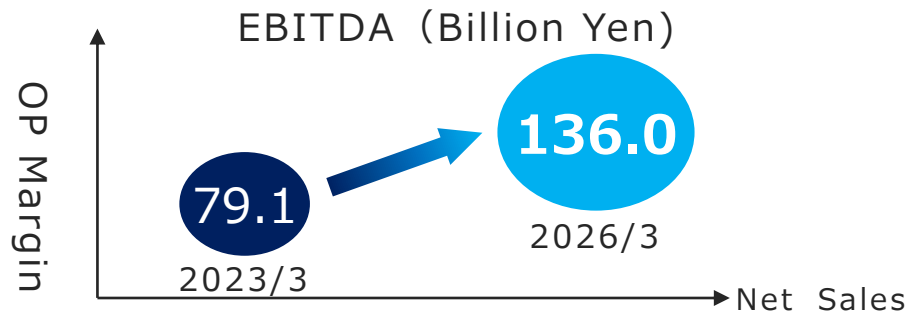
MoCA, a new material made through separation from wood dust

* Molecular Cellulose Assembly

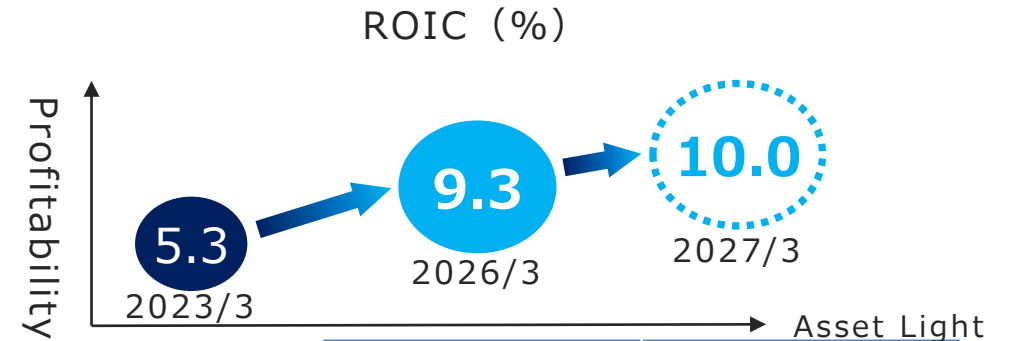
Long-Term Vision and Mid-Term Management Strategy

Performance and Management Index Targets

- Maintain the trend in increase in profit by improving profitability of foundation businesses and expanding sales in growth businesses.
- Further improvement in EBITDA
- Control expanding the size of balance sheet with the aim of getting ROIC 10% by fiscal year of March 31, 2027.



Unit: Billion Yen	2023/3	2026/3
Net sales	538.0	660.0
Operating income	47.5	82.0
Operating profit margin	8.8%	12.4%
Net income attributable to owners of the parent	40.7	58.0



Unit: Billion Yen	2023/3	2026/3
EBITDA	79.1	136.0
ROE	14.3%	17.1%
ROIC	5.3%	9.3%
ROA	5.6%	7.7%
CCC	163 days	125 days

Long-Term Vision and Mid-Term Management Strategy

Image of Balance Sheet

- Non-current assets increased due to the progress in growth investing.
- Minimize the increase in working capital due to the increase in sales.
- Improve efficiency of capital by quickly reducing strategically held shares.

Results as of end of March 31, 2023

Assets	Liabilities Equity
Current assets 406.6 Cash and deposits 93.5 Working assets 278.7	Liabilities 455.2 Interest-bearing debt 322.0
Non-current assets 300.1 Strategically held shares 58.9	Net assets 310.4
765.6	765.6

Target for end of March 31, 2026

Assets	Liabilities Equity
Current assets 370.0 Cash and deposits 60.0 Working assets 280.0	Liabilities 380.0 Interest-bearing debt 240.0
Non-current assets 350.0 Strategically held shares 20.0	Net assets 360.0
740.0	740.0

Unit: Billion Yen

Long-Term Vision and Mid-Term Management Strategy

Cash allocation

- Increase in profitability and enhancing capability of making capital by reducing CCC*¹ (target : 120 days / unit)
- Utilize increasing cash inflows for growth investment and shareholder return
- ➔ To raise the standard of revenue and further improvement of EPS*²
- Flexibility respond to the inorganic growth investments

Cash in

(3-year cumulative from the term ending at 24/3)

Operating CF	287.6
Cash	End of March 31, 2023 93.5
	Sale of strategically held shares 38.9
Debt financing	0~

Total distributable amount
420.0~

Cash out

(3-year cumulative from the term ending at 24/3)

Growth investment	190.0~
Shareholder Return	~85.0
Debt repayment	~85.0
Cash	60.0

*1 CCC = Cash Conversion Cycle

*2 EPS = Earnings Per Share

Unit: Billion Yen

Shareholder Returns

■ Shareholder return policy

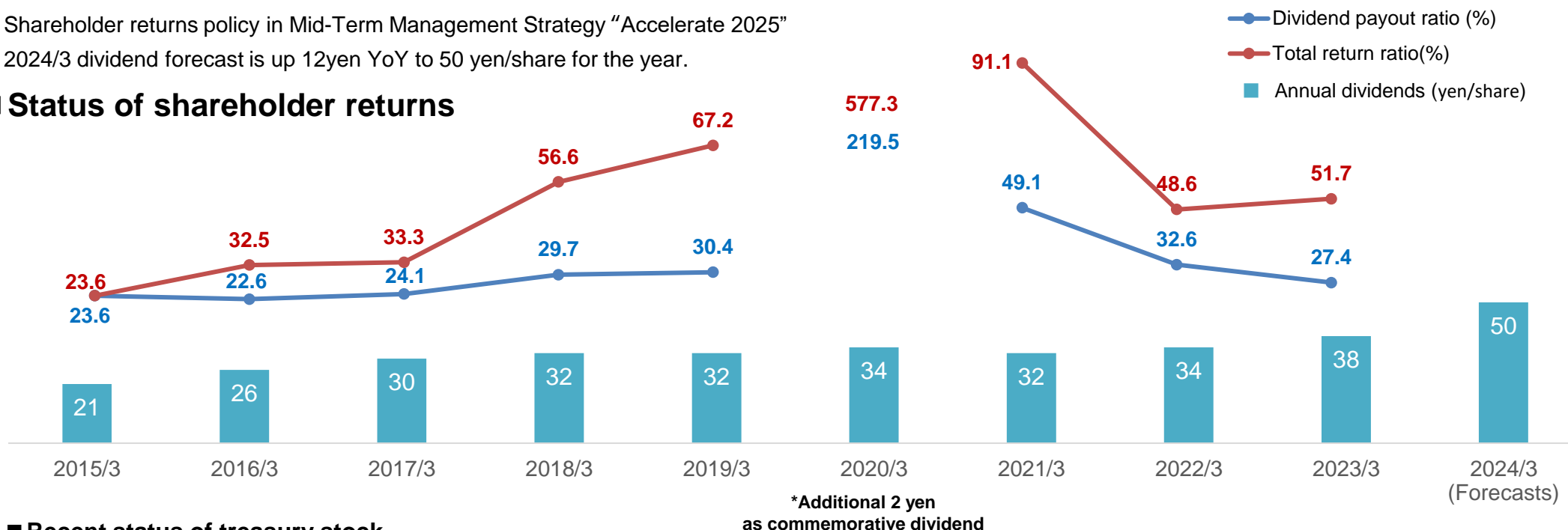
Target a **Total Return Ratio of 40% or Higher**

Consider dynamic treasury stock acquisition and set a minimum dividend amount of 32 yen per share as announced in the Mid-Term Management Strategy

Shareholder returns policy in Mid-Term Management Strategy “Accelerate 2025”

2024/3 dividend forecast is up 12yen YoY to 50 yen/share for the year.

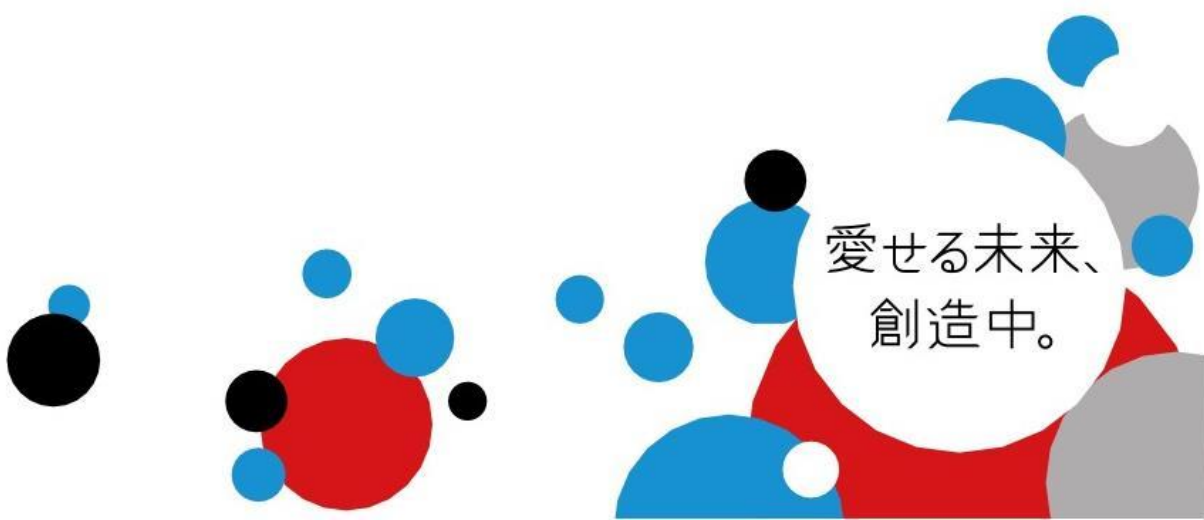
■ Status of shareholder returns



■ Recent status of treasury stock

- 2020/3: Acquired approx. 17.8 billion yen in treasury stock, resulting in the cancellation of 16 million shares of treasury stock (ratio of total shares issued prior to cancellation: 4.82%)
- 2021/3: Acquired approx. 8.3 billion yen in treasury stock, resulting in the cancellation of 13 million shares of treasury stock (ratio of total shares issued prior to cancellation: 4.11%)
- 2022/3: Acquired approx. 5.0 billion yen in treasury stock.
- 2023/3: Acquired approx. 10.0 billion yen in treasury stock, resulting in the cancellation of 16 million shares of treasury stock (ratio of total shares issued prior to cancellation: 5.28%)
- 2024/3: Decision of acquisition approx. 15.0 billion yen in treasury stock

Reference Materials

A decorative graphic in the bottom right corner consisting of several overlapping circles in blue, red, black, and grey. A white circle is positioned in the center of this cluster, containing the Japanese text.

愛せる未来、
創造中。

Balance Sheet



(Unit : Billion Yen)

		Mar. 31, 2022	Mar. 31, 2023	Change
Total Current Assets		360.2	406.6	+46.4
	Cash, Deposits and Short-term Investment Securities	90.5	93.8	+3.3
	Notes and Accounts Receivable-trade	102.6	101.5	-1.0
	Inventories	142.0	177.2	+35.2
	Other	25.2	34.1	+8.9
Total Non-Current Assets		338.6	359.0	+20.4
	Property, Plant and Equipment	229.8	256.1	+26.3
	Intangible Fixed Assets	10.1	11.2	+1.1
	Investments and Other Assets	98.7	91.7	-7.0
Total Assets		698.8	765.6	+66.8
Liabilities		419.3	455.2	+35.9
	Interest-bearing Liabilities	283.6	322.0	+38.4
	Other	135.7	133.2	-2.5
Total Net Assets		279.5	310.4	+30.9
Total Liabilities and Net Assets		698.8	765.6	+66.8

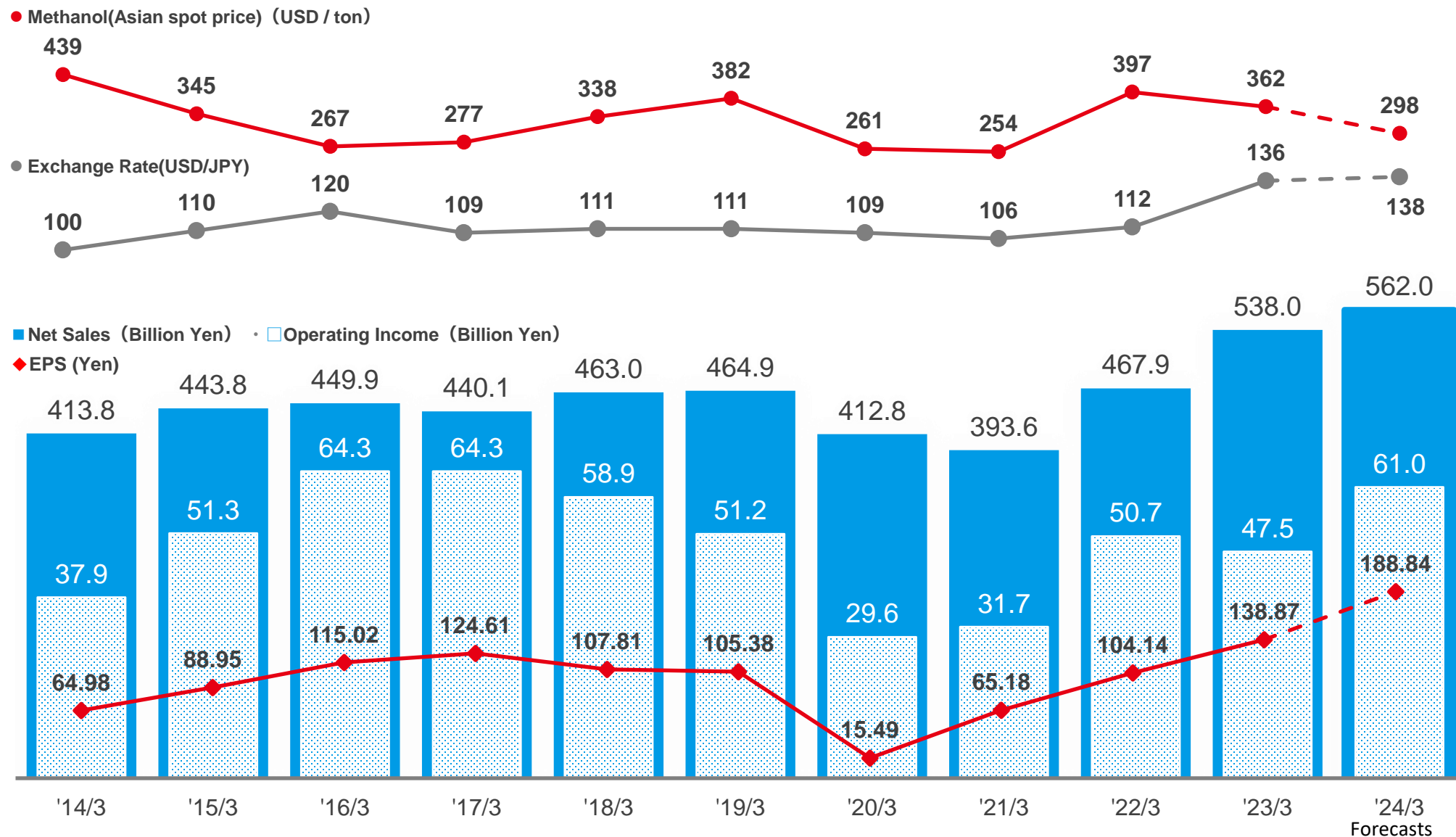
Cash Flow Statement



(Unit : Billion Yen)

		2022/3	2023/3	Change
	Cash Flows from Operating Activities	43.0	26.8	-16.1
	Cash Flows from Investing Activities	-46.5	-44.1	+2.4
	Free Cash Flows	-3.5	-17.2	-13.7
	Cash Flows from Financing Activities	-5.5	20.0	+25.4
	Other	6.1	2.8	-3.3
	Net Increase (Decrease) in Cash and Cash Equivalents	-2.9	5.5	+8.4
	Cash and Cash Equivalents at End of Period	88.0	93.5	+5.5

Trend in Net Sales, Operating Income, and EPS

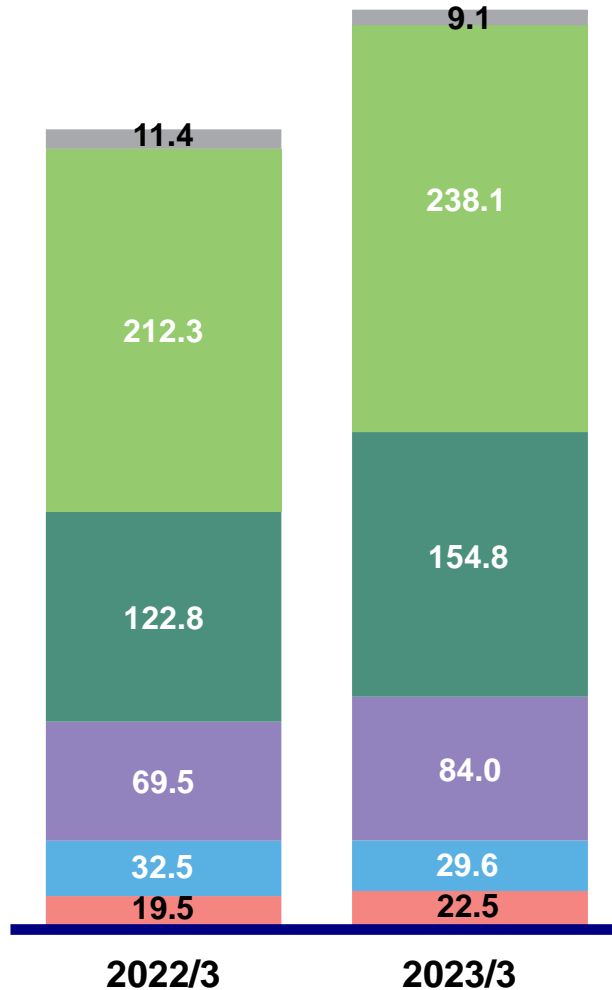


Net Sales and Operating Income by Segment (FY23/3 Results, YoY comparison)



Net Sales

Total 467.9

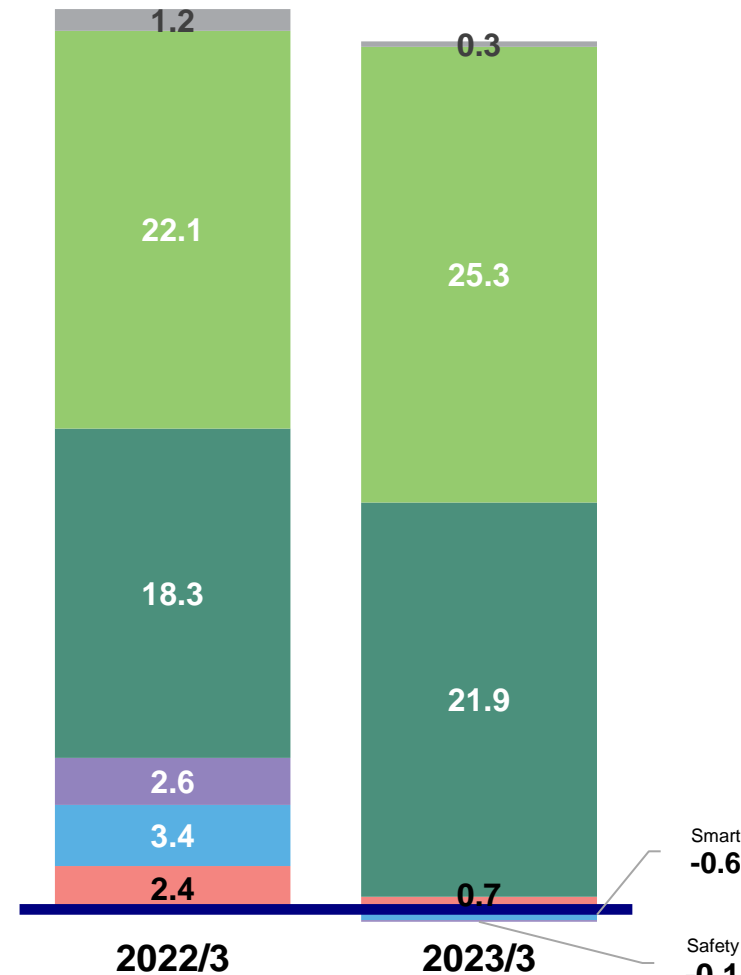


Operating Income

(Unit : Billion Yen)

50.7

47.5



Segments

- Others
- Engineering Plastics
- Materials
- Safety
- Smart
- Medical / Healthcare

*2023/3 does not reflect segment changes in the Cosmetics Raw Material 1,3-BG and Novel Drug Delivery Devices R&D functions

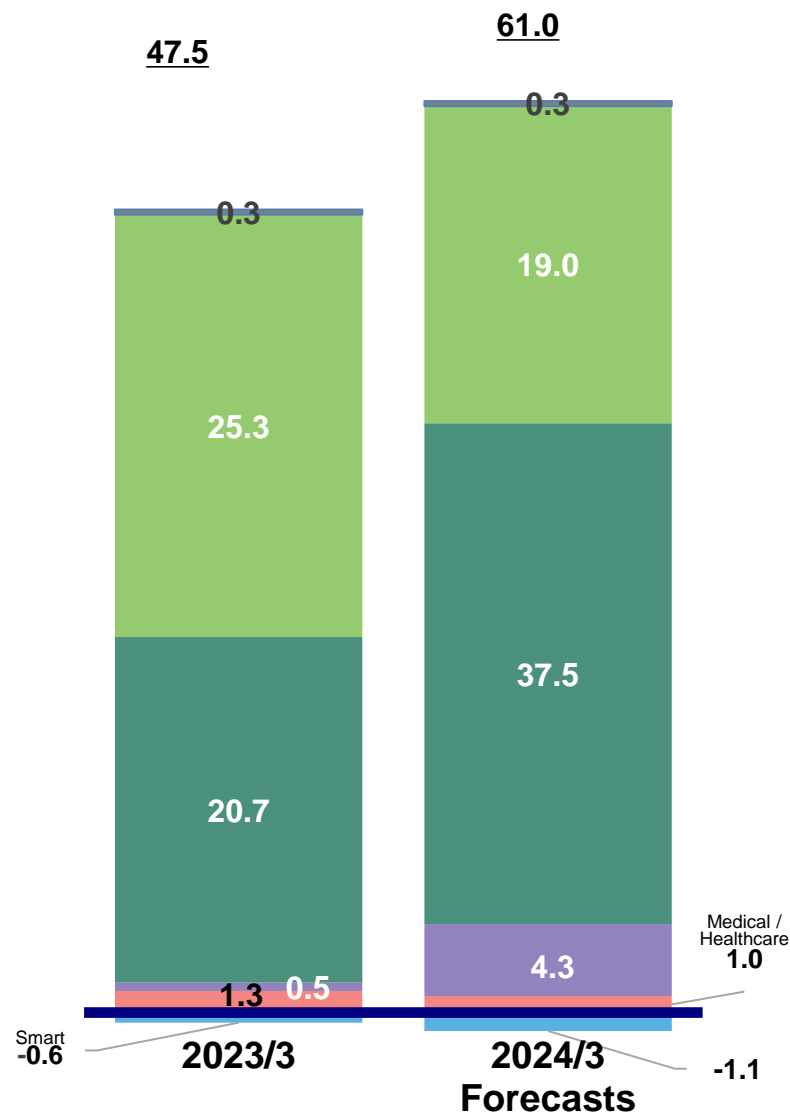
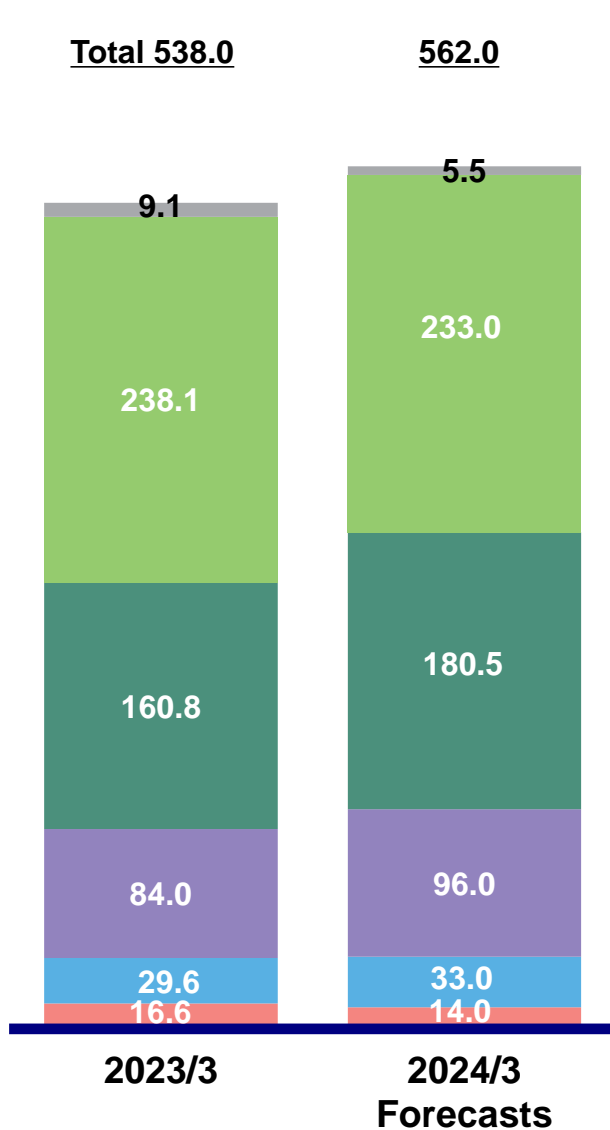
Net Sales and Operating Income by Segment (FY24/3 Forecast, YoY comparison)



Net Sales

Operating Income

(Unit : Billion Yen)



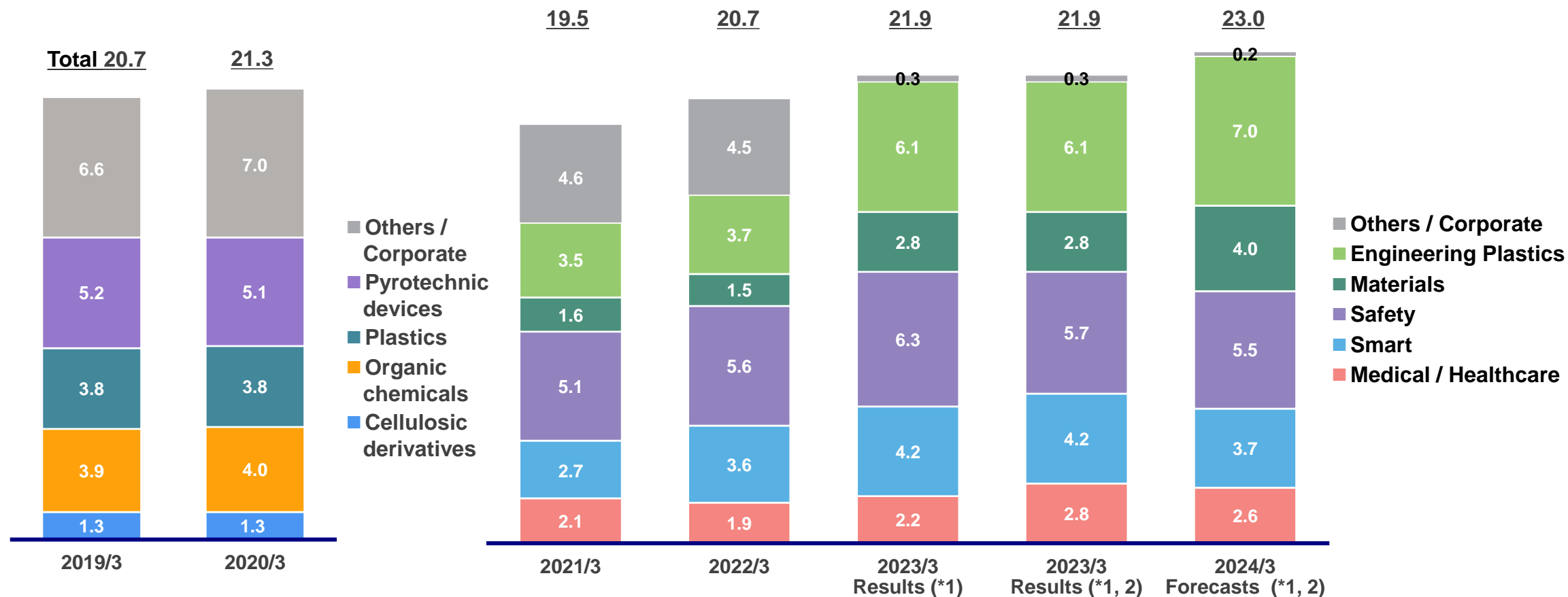
Segments

- Others
- Engineering Plastics
- Materials
- Safety
- Smart
- Medical / Healthcare

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

Transitions in R&D

(Unit : Billion Yen)



*We changed segments from 2021/3.

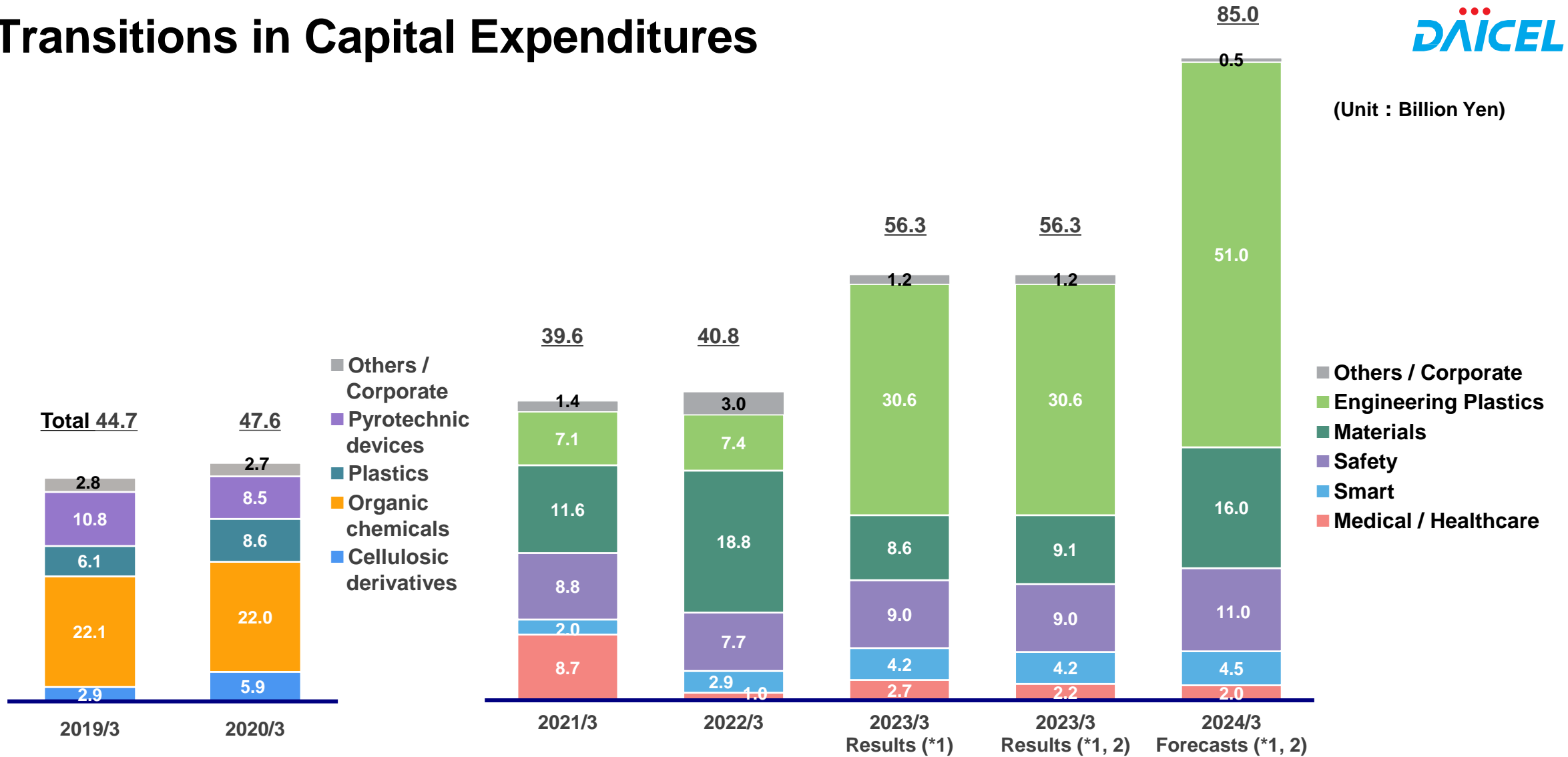
*1 Reflects the revised method of allocating corporate expenses. Figures for "Others / Corporate" are only for "Other Businesses."

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

Transitions in Capital Expenditures



(Unit : Billion Yen)



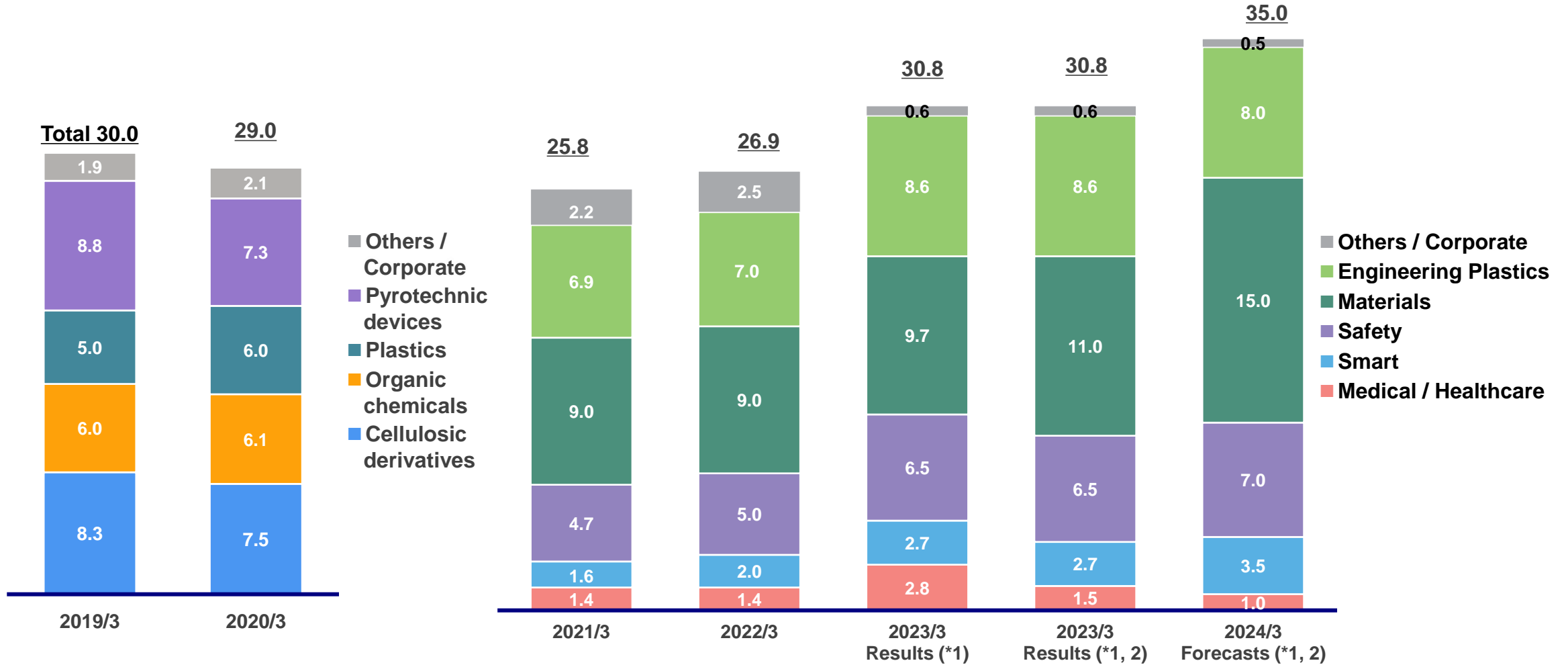
*We changed segments from 2021/3.

*1 Due to revising the method of allocating corporate expenses from 2023/3, figures are for Others only.

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

Transitions in Depreciation and Amortization

(Unit : Billion Yen)



*We changed segments from 2021/3.

*1 Due to revising the method of allocating corporate expenses from 2023/3, figures are for Others only.

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

Corporate Overview

Business name	Daicel Corporation
Establishment	September 8, 1919
Capital	¥36.2 billion
Number of employees	2,524 (Daicel Group: 11,207) *As of March 31, 2023
Head office	Osaka Head Office Grand Front Osaka Tower-B, 3-1, Ofuka-cho, Kita-ku, Osaka Tokyo Head Office JR Shinagawa East Bldg., 2-18-1, Konan, Minato-ku, Tokyo
Listed exchange	Tokyo Stock Exchange Prime Market
Stock code	4202 (Chemical)
Transaction unit	100 shares

Domestic locations

- Office
- Training Center
- Research Center
- Plant



Notes Regarding Forward-Looking Statements



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