

The background is a white space filled with numerous circles of various sizes and colors, including red, blue, black, and grey. Some circles are solid, while others are semi-transparent or have a textured appearance. The circles are scattered across the entire page, creating a dynamic and abstract pattern.

Fiscal Year ended March 2024 Consolidated Financial Results

May 9, 2024

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- **Results of FY2024/3 (vs FY2023/3)**

Net sales	¥558.1 billion (+ 3.7%)
Operating income	¥62.4 billion (+31.3%)
EBITDA	¥96.1 billion (+21.5%)

Record Net sales and EBITDA

- **Forecasts of FY2025/3 (vs FY2024/3)**

Net sales	¥610.0 billion (+9.3%)
Operating income	¥65.0 billion (+4.2%)
EBITDA	¥107.5 billion (+8.9%)

All of them will reach new record highs.

- **Strengthening shareholders return**

A new target of DOE of 4% or more has been added.
Annual dividends forecasts for the FY2025/3 :
55 yen per share (up 5 yen vs FY2024/3)

- **Toward the realization of our vision**

Review of Mid-Term Management Strategy and Reinforcement Points

- Even though demand continues to stagnate, particularly in the electronic materials-related market, we have steadily increased our cash generation capacity by expanding supply capacity and correcting prices of Acetate tow, increasing sales volume in the Safety Business, and increasing company-wide cost reductions.

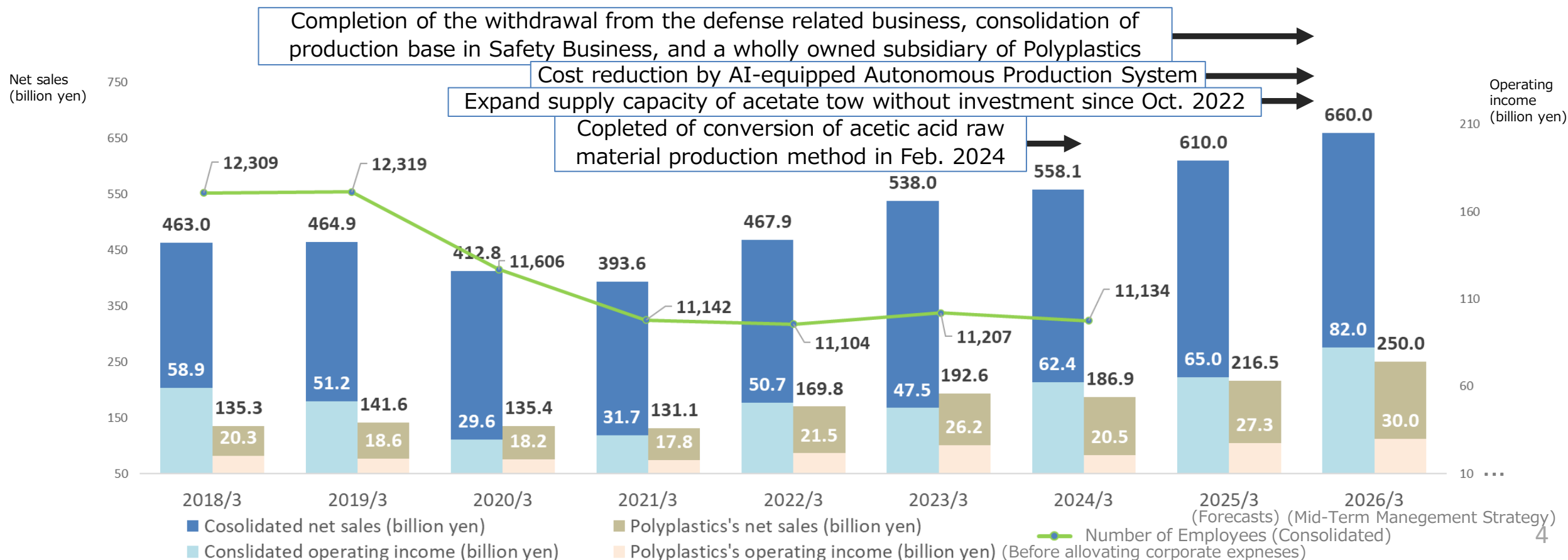
- Despite the impact of the increase in depreciation and amortization, we plan to increase operating income by ensuring monetization of Polyplastics production investment and restructuring the Safety Business.
- We plan to increase asset efficiency by more aggressively reducing inventory and achieve a ROIC of 6.4% (FY2024/3: 6.3%).

- In addition to a total return ratio of 40% or more, set a new target of dividend on equity ratio (DOE) of 4% or more to continue stable and continuous shareholders return.

- ① Strengthen safety, quality and compliance
- ② Take manufacturing infrastructure innovation to the next level
- ③ In order to achieve early and steady monetization of new businesses and utilize human resource efficiency, we will establish task forces. Some will dedicate to short-term themes while others will be responsible for establishing innovative technologies that are key to the success of medium- and long-term themes.

(1) Review of Mid-Term Management Strategy and Reinforcement Points

- ◆ Continue to strengthen the foundations of manufacturing such as safety, quality, and compliance.
- ◆ In order to monitor these issues and take into consideration not only safety, quality, delivery time, quantity and cost, but also the environment and materialities, we will establish a safe and optimal manufacturing center adjacent to the Integrated Production Center at the Aboshi Plant.
- ◆ We will change to a new system that efficiently invests human resources by dividing into two categories: a short-term theme to quickly monetize new businesses, and a medium- to long-term theme to serve as a new revenue base for our company through the steady establishment of innovative common infrastructure technologies.



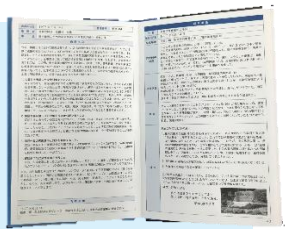
Strengthening Safety, Quality, and Compliance

To achieve the Mid-Term Management Strategy, we will not only improve productivity, but also strongly promote “safety and quality as our priority foundations” and “work improvement to eliminate the sense of busyness at work sites.” We will make thorough investments and initiatives to ensure safety at work sites and improve the work environment. Leading to further strengthening of safety, quality and compliance, as well as providing an environment in which each employee can fully utilize own strengths and realize the happiness of working and preparing for making great strides in the next fiscal year and beyond.

Create a mechanism that links the strengthening of safety, quality, and compliance with the strengthening of manufacturing infrastructure

Internal penetration

- Renewed Daicel Group Code of Conduct and Ethical Standards of Daicel Group "Be a good member of society before being a business person"
- Issuance of a collection of serious incidents and notifications for the past 50 years (all employees always carry it to ensure employees remembrance)



Strengthen the system

- Separation and clarification of audit and execution functions related to safety, quality, and compliance

Resource allocation

- Intensive investment in strengthening safety, quality and compliance (¥1.6 billion in FY2023/3 → ¥4.8 billion in FY2024/3, ¥8.9 billion in FY2025/3)
 - Shifting Quality management from “representative point management” by sampling to “continuous point management” → Quality enhancement → Small-lot operation → Logistics reform = Reduction of inventories
 - Ensuring safety and security at each plant in response to wide-area disasters, strengthening regional support capabilities, and enhancing business continuity plans (BCPs)
- Monitoring and optimizing safety, quality, delivery time, quantity, cost, and environment/materiality
Creating the Virtual Value Chain Control Center (VVCC), a safe and optimal manufacturing center adjacent to the Integrated Production Center at the Aboshi Plant.

Toward Our Vision

- ◆ Regarding short-term themes, in order to accelerate the creation of new businesses, achieve early profitability, and allocate human resources to medium- to long-term themes, a new task force which formed by selected specialists, instead of the conventional project structure, will work on short-term themes. With regard to the medium- to long-term themes, the other task force will dedicate to establish a new revenue base, combining existing our company proprietary technologies with newly acquired innovative core technologies, to develop future growth areas.
- ◆ Along with the above, the Engineering Center will be reformed from a single specialized organization to a specialized organization plus a self-contained construction unit.

Short-term Issues

Maximizing the cash generation capacity of foundation businesses

- **Cellulose Task Force** OP-I
Complete the cellulose acetate process conversion
 - Expanding the adoption of low-LCA pulps
 - DAC & TAC co-production process
 - Disuse of linter
 - Expanding the scope of biodegradabilityDAC: di-acetyl cellulose, TAC: tri-acetyl cellulose
- **xEV Task Force** OP-I
Targeting e-Axle and batteries
Polyplastics' sliding resistant materials and other functional materials

Short to mid-term Issues

Accelerating the growth business closely related to the market

- **Microdevice Task Force** OP-II
Introduced from resist polymer manufacturing process
- **Beyond Coatings Task Force** OP-II
Inorganic / organic composite coatings
->Material from DAICEL-ALLNEX LTD. and coating technology from Daicel Beyond Ltd.
- **Biomass Acetyl Chain Task Force** OP-II
(Melting technology)

Long-term issues

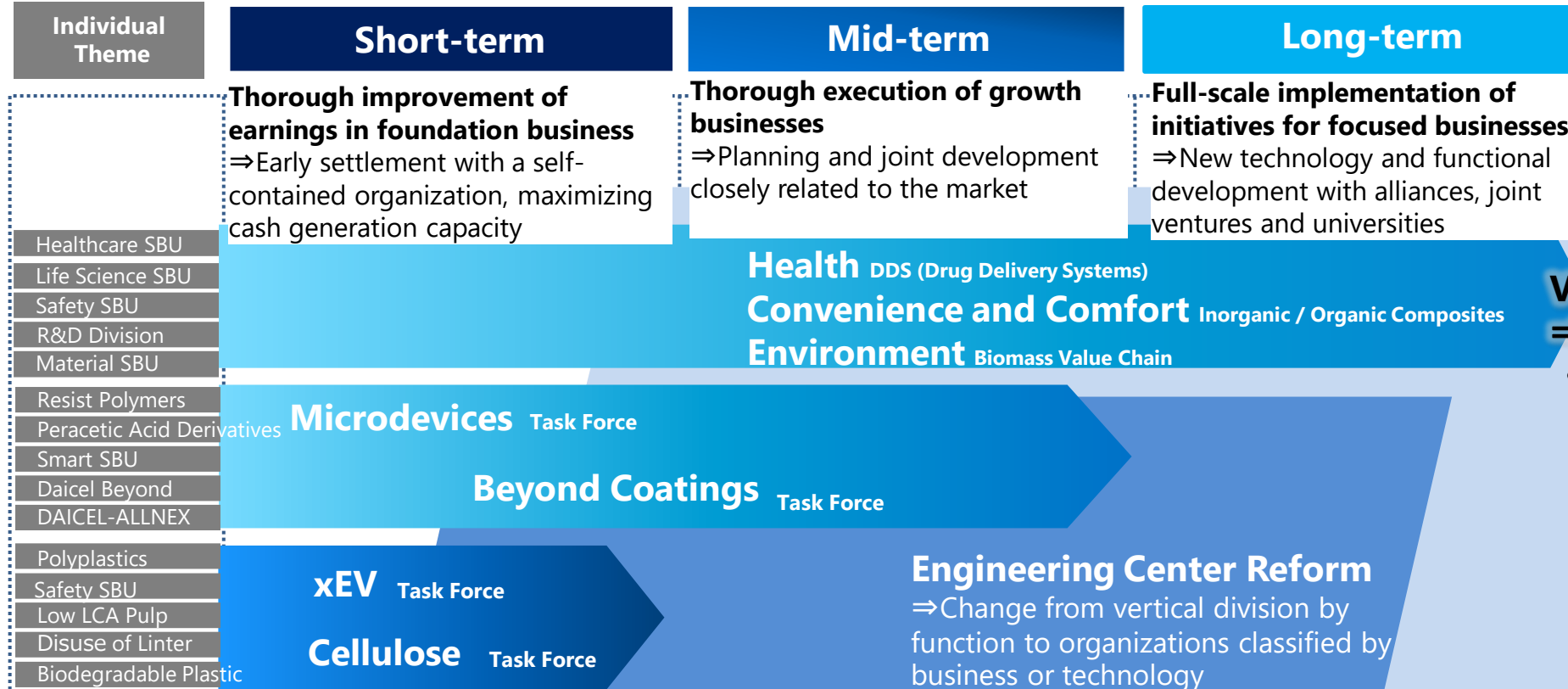
Advanced development targeting future growth areas

- **Health** OP-II
DDS (Drug Delivery Systems)
- **Convenience/Comfort** OP-II
 - Inorganic / organic composite materials (Materials of semiconductor section)
 - Functional modification of nanodiamonds (Alternative materials for rare earth elements)
- **Environment** OP-III
 - Next-generation methanol (CO₂ reduction)
 - Biomass Value Chain (Impact engineering and energy engineering technology)

Toward Our Vision

Short-term research themes/market-based mid- to long-term themes and Virtual Value Chain construction

Consolidate themes and integrate action teams into task forces to achieve targeted revenue with effectively utilizing minimum human resources.



Virtual Value Chain Trial
 ⇒ Establish VVCC at Aboshi Plant

- In addition to the Integrated Production Center functions, we will first consolidate the safe and optimal manufacturing functions of the three acetyl chain sites Aboshi, Otake and Toyama.

Safety Investment

- Work Improvement and reform
⇒ Productivity improvement
- Revealing design origin
⇒ Design enhancement

Quality Investment

- Shifting from "representative point management" by sampling to "continuous point management"
⇒ Small-lot operation
- ⇒ Increase demand sensitivity, reduce inventory

Engineering Center Reform
 ⇒ Change from vertical division by function to organizations classified by business or technology

- Polyplastics Construction team
- Cellulose Construction Team
- New Process Construction Team
- New Assembly Construction Team

Deepening management accounting
 ⇒ Visualize invested capital (assets) by process

(2)Evolving Management Style

The role of human beings is more important than ever in transforming manufacturing and working styles through digital transformation. We will further advance our management to maximize the human resources of the Daicel Group.

◇ Establishment of Institute of Human-oriented Management

Establishment of a new think tank advocating a “return to humanity” and proposing strategies and internal measures to realize this goal, in parallel with expanding the scope of utilization of AI.

◇ Communication that brings out the power of human resources

• Open and diverse conference bodies

Some department heads other than executives and outside advisors with various backgrounds participate in the management meetings. Diverse perspectives stimulate discussion.

• DAICON (Daicel Group Business Model Contest)

Employees present various issues and ideas for new business models that created from various perspectives, and hold heated discussions with management. This initiative has led to the creation of a new organization with a corporate venture capital (CVC) function.

• Flat communication between employees and management

In order to convey the thoughts and true feelings that management has put into the Daicel Group Mid-Term Management strategy, voluntary employees distribute videos of individual interviews with management and hold events to talk with management in a harmonious manner.



Financial Results



Unit : Billion Yen	2023/3 Results	2024/3 Forecasts*	2024/3 Results	Y on Y		vs Forecasts	
				Change	%	Change	%
Net Sales	538.0	562.0	558.1	+20.0	+3.7%	-3.9	-0.7%
Operating Income	47.5	61.0	62.4	+14.9	+31.3%	+1.4	+2.3%
Ordinary Income	52.0	65.5	68.4	+16.4	+31.4%	+2.9	+4.4%
Income Attributable to Owners of Parent	40.7	54.0	55.8	+15.2	+37.2%	+1.8	+3.4%
Exchange Rate USD/JPY	136	138	145				

	2023/3 Results	2024/3 Forecasts*	2024/3 Results
EBITDA	79.1	97.0	96.1
ROE	14.3%	17.5%	17.1%
ROIC	5.3%	6.3%	6.3%
ROA	5.6%	6.9%	7.0%
EPS (Yen)	138.87	188.84	197.56

* The forecasts were announced on November 2, 2023.

Y on Y

Increased in net sales and operating income. Increased cash generation capacity and capital efficiency indicators.

- Despite the impact of weak demand in the electronic materials-related market, sales increased due to expansion of supply capacity and price correction of acetate tow, increase in sales volume of the Safety Business, and the impact of foreign exchange.
- Operating income and EBITDA increased due to the impact of sales price correction of acetate tow, decrease in raw fuel prices, and the impact of foreign exchange.
- Net income attributable to owners of parent and EPS increased due to the sale of cross-shareholdings.

vs Forecasts*

Net sales and EBITDA were in line with forecasts. Operating income exceeded forecasts.

- Despite a lower-than-expected recovery in demand in the electronic materials-related market, net sales were in line with forecasts due to the yen's depreciation and other factors.
- Operating income exceeded forecasts due to the steady implementation of profit improvement measures, the impact of foreign exchange (yen weaker than expected), and the effect of the change in the timing of operation of the carbon monoxide plant, although sales volume fell short of the plan.

* The forecasts were announced on November 2, 2023.

Net Sales and Operating Income by Segment

Unit : Billion Yen	Net Sales						
	2023/3 Results	2024/3 Forecasts*	2024/3 Results	Y on Y		vs Forecasts	
				Change	%	Change	%
Medical / Healthcare	16.6	14.0	13.9	-2.7	-16.0%	-0.1	-0.5%
Smart	29.6	33.0	30.7	+1.1	+3.8%	-2.3	-6.9%
Safety	84.0	96.0	95.6	+11.6	+13.8%	-0.4	-0.4%
Materials	160.8	180.5	185.3	+24.6	+15.3%	+4.8	+2.7%
Engineering Plastics	238.1	233.0	226.8	-11.2	-4.7%	-6.2	-2.7%
Others	9.1	5.5	5.7	-3.4	-37.3%	+0.2	+3.2%
Total	538.0	562.0	558.1	+20.0	+3.7%	-3.9	-0.7%

Unit : Billion Yen	Operating Income						
	2023/3 Results	2024/3 Forecasts*	2024/3 Results	Y on Y		vs Forecasts	
				Change	%	Change	%
Medical / Healthcare	1.3	1.0	0.8	-0.5	-37.2%	-0.2	-20.9%
Smart	-0.6	-1.1	-2.9	-2.2	-	-1.8	-
Safety	0.5	4.3	3.0	+2.5	+478.5%	-1.3	-30.4%
Materials	20.7	37.5	42.7	+22.0	+106.3%	+5.2	+14.0%
Engineering Plastics	25.3	19.0	18.3	-7.0	-27.7%	-0.7	-3.7%
Others	0.3	0.3	0.4	+0.1	+21.6%	+0.1	+40.7%
Total	47.5	61.0	62.4	+14.9	+31.3%	+1.4	+2.3%

EBITDA	
2023/3 Results	2024/3 Results
2.9	2.0
2.1	0.1
7.1	10.3
32.0	56.0
34.0	26.7
0.9	1.0
79.1	96.1

* The forecasts were announced on November 2, 2023.

(Note) Operating income by segment for FY2023/3 is the figure after segment changing in the Cosmetics Raw Material 1,3-BG (Medical / Healthcare → Material) and Novel Drug Delivery Devices R&D functions (Safety → Medical / Healthcare).

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

Unit : Billion Yen	Net Sales						
	2023/3 Results	2024/3 Results	Change	%	Analysis		
					Quantity	Prices	Exchange Rate Impact*
Medical / Healthcare	16.6	13.9	-2.7	-16.0%	-3.4	+0.8	+0.7
Smart	29.6	30.7	+1.1	+3.8%	+0.8	+0.4	+0.5
Safety	84.0	95.6	+11.6	+13.8%	+8.4	+3.2	+1.4
Materials	160.8	185.3	+24.6	+15.3%	-8.5	+33.1	+10.4
Engineering Plastics	238.1	226.8	-11.2	-4.7%	-6.6	-4.6	+8.3
Others	9.1	5.7	-3.4	-37.3%	-3.4	-	-
Total	538.0	558.1	+20.0	+3.7%	-12.7	+32.8	+21.2

*Exchange rate impact is included in prices.

Unit : Billion Yen	Operating Income							
	2023/3 Results	2024/3 Results	Change	%	Analysis			
					Quantity	Prices	Others	Exchange Rate Impact*
Medical / Healthcare	1.3	0.8	-0.5	-37.2%	+0.1	+0.4	-1.0	+0.3
Smart	-0.6	-2.9	-2.2	-	+0.5	+0.2	-2.9	-0.3
Safety	0.5	3.0	+2.5	+478.5%	+3.2	+0.2	-1.0	+0.2
Materials	20.7	42.7	+22.0	+106.3%	-1.9	+34.8	-10.9	+5.5
Engineering Plastics	25.3	18.3	-7.0	-27.7%	-3.9	-1.8	-1.3	+2.4
Others	0.3	0.4	+0.1	+21.6%	+0.1	-	-	-
Total	47.5	62.4	+14.9	+31.3%	-2.0	+33.9	-17.0	+8.1

*Exchange rate impact is included in prices and others.

(Note) Operating income by segment for FY2023/3 is the figure after segment changing in the Cosmetics Raw Material 1,3-BG (Medical / Healthcare → Material) and Novel Drug Delivery Devices R&D functions (Safety → Medical / Healthcare).

Segment Information – Results (Y on Y)

Segment	Main Products	Market Environment / Effects on Our Business	Our Actions / Our Business Situation(Y on Y)
Medical / Healthcare	Chiral Related Products	The demand for chiral related products remained stable mainly in overseas markets.	Regarding chiral related products, the sales volume of stationary phases increased, on the other hand, sales volume of chiral columns remained flat. The sales revenue of separation service decreased due to an irregular deal in the previous fiscal year.
	Cosmetic Ingredients / Functional Food Materials	China cosmetics market remained sluggish. Domestic cosmetics manufacturers also struggled to sell to China. On the other hand, the domestic cosmetics and health food market continued to be in recovery trend due to an increase in inbound tourists.	Sales volume of our products for cosmetics increased due to an increase in inbound tourists. Sales revenue of functional food materials increased year-on-year due to strong sales mainly our focus area, intestinal metabolites. We sold the mail order health food business in October 2023. We concentrate our management resources on the development and manufacture of functional food materials derived from natural products, which is our specialty.

Segment Information – Results (Y on Y)

Segment	Main Products	Market Environment / Effects on Our Business	Our Actions / Our Business Situation(Y on Y)
Smart	TAC*, High-Performance Films, Photoresist Materials, Solvents for Electronic Materials	<p>In the LCD panel market, inventory adjustments, which had been ongoing since the previous fiscal year, came to an end. Demand for TAC film increased as demand for panel manufacturers in China and Taiwan recovered.</p> <p>In the semiconductor market, inventory adjustments by semiconductor manufacturers continued due to a decline in demand for smartphones and personal computers. Demand for photoresist materials was on a moderate recovery trend for the overseas LCD panel materials market and for solvents for electronic materials for the domestic semiconductor market.</p>	<p>Sales volume of TAC increased due to an increase in panel production by overseas manufacturers, which were on a recovery trend, and an increase in market share by expanding sales to overseas customers.</p> <p>Sales volume of high-performance films decreased due to a decrease in the market share of special monitor films, although sales of release films for fuel cell applications remained strong.</p> <p>Sales volume of photoresist materials increased due to an expansion of sales in the LCD panel material market where demand was a gradual recovering, despite a major impact of a decrease in demand in the semiconductor market.</p> <p>Sales volume of solvents for electronic materials remained unchanged from the previous fiscal year due to the expansion of sales in other semiconductor-related applications in addition to the existing main application for resist, despite a slump in demand in the overseas LCD panel materials market.</p>

*TAC (Tri-acetyl cellulose) : Cellulose acetate for LCD film use

Segment Information – Results (Y on Y)

Segment	Main Products	Market Environment / Effects on Our Business	Our Actions / Our Business Situation(Y on Y)
Safety	Automobile Airbag Inflators	The number of production in automotive increased compared to the previous fiscal year when it was greatly affected by an impact of lockdown in China. Therefore, demand for inflator also increased.	<p>Inflator achieved record sales volume due to an increase in the number of production in automotive as well as the start of sales of new acquisition programs.</p> <p>In October 2023, as planned, inflator production at Kentucky plant in U.S. was completed and consolidated to Arizona plant. In addition, our new manufacturing plant in India began commercial operations.</p>
Materials	Acetyl	Demand for PTA and VAM, which are the main uses of acetic acid, and for adhesives for liquid crystal displays of ethyl acetate continued to decline from the previous fiscal year. Acetic acid market prices also remained weak from the previous fiscal year.	Although we conducted spot sales of acetic acid and expand sales of acetic acid derivatives such as acetic acid and ethyl acetate to regions and markets where demand was strong, sales volume of acetic acid and acetic acid derivatives decreased from the previous fiscal year due to weak demand. Selling prices of acetic acid and acetic acid derivatives decreased from the previous fiscal year due to the decline in the acetic acid market prices.
		Although the number of global cigarettes production remained flat from the previous fiscal year, demand for acetate tow remained strong due to increased demand for heat-not-burn cigarettes.	<p>Acetate tow expanded its supply capacity through efforts to improve the productivity of existing facilities. Sales volume increased from the previous fiscal year.</p> <p>Sales price increased from the previous fiscal year due to the impact of sales price correction due to increased demand and foreign exchange.</p>

Segment Information – Results (Y on Y)

Segment	Main Products	Market Environment / Effects on Our Business	Our Actions / Our Business Situation(Y on Y)
Materials	Chemical	<p>In Caprolactone derivatives, demand for conventional urethane applications declined. In Epoxy compounds, demand for electronic substrate and liquid crystal display applications remained weak.</p>	<p>Although we promoted sales expansion of caprolactone derivatives in growth areas such as automotive paint protection film (PPF), but sales volume decreased year-on-year due to weak demand in China.</p> <p>Although we focused on high-value-added areas such as OLED encapsulants and FRP applications, sales volume of epoxy compounds decreased year-on-year due to slow market recovery.</p>
		<p>The cosmetics market in China, the main market for 1,3-BG, remained weak. Despite the positive impact of inbound demand, the domestic market remained weak due to the stagnant sales of domestic cosmetics manufacturers toward China.</p>	<p>1,3-BG increased sales volume against the previous fiscal year due to expansion of sales to South Korea and the United States despite the weak demand.</p>

Segment Information – Results (Y on Y)

Segment	Main Company	Market Environment / Effects on Our Business	Our Actions / Our Business Situation(Y on Y)
Engineering Plastics	Polyplastics	<p>Global automotive production increased from the previous fiscal year. On the other hand, demand for POM, PBT, and PPS for automotive components and materials was affected by prolonged inventory adjustment by customers, production adjustment by domestic automakers, and sluggish growth by Japanese automakers in the Chinese market.</p>	<p>Demand for automotive components and materials recovered in 2nd Quarter due to the end of inventory adjustments by customers. Sales volume recovery measures such as expansion of sales to lower-end markets were implemented. As a result, sales volume was almost the same as the previous fiscal year except for LCP.</p>
		<p>Demand for electronic devices was weak. Demand for LCP declined as electronic device manufacturers continued to restrain production due to inventory adjustments.</p>	

Balance Sheet

Unit : Billion Yen

	Mar. 31, 2023	Mar. 31, 2024	Change
Total Current Assets	406.6	409.5	+2.9
Cash, Deposits and Short-term Investment Securities	93.8	73.2	-20.7
Notes and Accounts Receivable- trade	101.5	114.4	+12.9
Inventories	177.2	182.5	+5.3
Other	34.1	39.4	+5.3
Total Non-Current Assets	359.0	429.7	+70.7
Property, Plant and Equipment	256.1	308.9	+52.8
Intangible Fixed Assets	11.2	10.8	-0.4
Investments and Other Assets	91.7	110.0	+18.3
Total Assets	765.6	839.2	+73.6
Liabilities	455.2	464.3	+9.1
Interest-bearing Liabilities	322.0	304.1	-17.9
Other	133.2	160.2	+27.0
Total Net Assets	310.4	374.9	+64.4
Total Liabilities and Net Assets	765.6	839.2	+73.6

- The total asset increased 73.6 billion yen; 41.0 billion yen of total assets increased because of exchange rate fluctuation.
- Reduction of cash and deposits, including those of overseas group companies as part of measures to improve asset efficiency
- 6.5 billion yen of the increase in inventories was due to foreign exchange rates
- Property, Plant and Equipment increased due mainly to newly investment for increase in product capacity of POM, LCP and COC in Polyplastics.
- Investment and other assets increased due to a rise in market value despite the sale of a portion of cross-shareholdings.

Cash Flow Statement

Unit : Billion Yen

		2023/3	2024/3	Change
	Cash Flows from Operating Activities	26.8	76.7	+49.9
	Cash Flows from Investing Activities	-44.1	-55.4	-11.3
Free Cash Flows		-17.2	21.4	+38.6
Cash Flows from Financing Activities		20.0	-52.4	-72.3
Other		2.8	5.9	+3.1
Net Increase (Decrease) in Cash and Cash Equivalents		5.5	-25.1	-30.6
Cash and Cash Equivalents at End of Period		93.5	68.4	-25.1

- Cash Flows from Operating Activities: + 49.9 billion yen
A significant increase over the previous fiscal year due to an increase in profit and a suppression in the increase in inventories.
- Cash Flows from Investing Activities: - 11.3 billion yen
We made aggressive capital investments and sold cross-shareholdings.
- Free cash flow for this period was +21.4 billion yen, an increase of 38.6 billion yen from the previous fiscal year.
- Cash Flows from Financing Activities: - 72.3 billion yen
In addition to strengthening shareholders return, we have also promoted the repayment of interest-bearing debt and maintained and strengthened our financial soundness.

Forecasts / Analysis of EBITDA

Unit : Billion Yen

	2024/3 Results	2025/3 Forecasts	Change	%
Net Sales	558.1	610.0	+51.9	+9.3%
Operating Income	62.4	65.0	+2.6	+4.2%
Ordinary Income	68.4	67.0	-1.4	-2.0%
Income Attributable to Owners of Parent	55.8	58.0	+2.2	+3.9%
Exchange Rate USD/JPY	145	145		

	2024/3 Results	2025/3 Forecasts
EBITDA	96.1	107.5
ROE	17.1%	15.6%
ROIC	6.3%	6.4%
ROA	7.0%	7.0%
EPS (yen)	197.56	210.29

Analysis of EBITDA



Forecasts (Y on Y)

Despite the impact of the increase in depreciation expenses, we plan to increase net sales and operating income by expansion of sales through taking advantage of opportunities to recover demand, increasing production of engineering plastics, and the safety business structure reform.

- In the electronic materials-related market, we expect demand to recover from the 2nd half of the fiscal year, and we plan to expand sales by taking advantage of opportunities to recover demand. In the 2nd half of the fiscal year, we will start operating additional POM and LCP plants to boost sales.
- Operating income will increase as the effects of structural reforms in the safety business, such as the end of production at the Kentucky plant in North America, become apparent.
Depreciation expenses are expected to increase by ¥9.0 billion from the previous fiscal year, but we plan to increase net sales and operating income by increasing sales volume and reducing costs in each business.
- Although the operating profit margin is expected to decline due to the increase in depreciation expenses, the ROIC target is 6.4% due to the reduction in liquidity on hand, inventory reduction, and the sale of cross-shareholdings.

Analysis of EBITDA (Y on Y)

- **<Quantity>** Increases in sales volume due to the expansion of sales in each business and the commencement of operation of plants in the Engineering Plastics Business.
- **<Prices>** The decline in the acetic acid market, and the expansion of sales of engineering plastics to the low-end market.
- **<Expense Variance and Others>**
 - (Positive) Realizing the effects of structural reforms in the Safety Business, thorough cost reductions in each business.
 - (Negative) Increase in costs associated with expanded sales and the operation of plants.
- **<Exchange Rate Impact>** 2024/3 Results: ¥ 145/US\$, 2025/3 Forecasts: ¥ 145/US\$

Net Sales and Operating Income by Segment

Unit : Billion Yen	Net Sales				Operating Income				EBITDA	
	2024/3 Results	2025/3 Forecasts	Change	%	2024/3 Results	2025/3 Forecasts	Change	%	2024/3 Results	2025/3 Forecasts
Medical / Healthcare	13.9	15.0	+1.1	+7.7%	0.8	0.8	+0.0	+1.1%	2.0	1.8
Smart	33.8	35.5	+1.7	+5.0%	-0.9	-0.5	+0.4	-	2.3	2.5
Safety	95.6	108.0	+12.4	+13.0%	3.0	7.7	+4.7	+157.4%	10.3	15.3
Materials	182.2	186.0	+3.8	+2.1%	40.8	32.5	-8.3	-20.3%	53.9	51.7
Engineering Plastics	226.8	260.0	+33.2	+14.6%	18.3	23.7	+5.4	+29.5%	26.7	34.9
Others	5.7	5.5	-0.2	-3.1%	0.4	0.8	+0.4	+89.6%	1.0	1.3
Total	558.1	610.0	+51.9	+9.3%	62.4	65.0	+2.6	+4.2%	96.1	107.5

(Note) Net sales and operating income by segment for FY2024/3 is the figure after segment changing in the TAC, Epoxy Compounds and Caprolactone Derivatives. Please see page 36 for details on segment changes.

Segment Information – Forecasts

Segment	Main Products	Market Environment Outlook / Effects on Our Business	Our Actions
Medical / Healthcare	Chiral Related Products	<p>The demand for chiral related products is expected to remain firm, mainly in overseas markets such as market for generic pharmaceutical companies in India and China.</p>	<p>We plan to increase sales volume of chiral column compared to the previous fiscal year due to expanded sales of achiral columns for medium molecule pharmaceuticals. We will strengthen our service business in response to the growing demand for services for middle molecule drugs market in China and India.</p> <p>We will expedite the acquisition of medical device manufacturing and marketing licenses as well as medical device regulatory approvals for Daicel Medical Ltd.</p> <p>We will collaborate with PharmaJet, in which we have made a strategic investment, to cultivate the global market for needle-free injectors, in addition to quickly complete the U.S. regulatory approval process for Actranza™(novel drug delivery Devices).</p>
	Cosmetic Ingredients / Functional Food Materials	<p>The Chinese cosmetics market is expected to recover gradually, however is expected to remain sluggish. On the other hand, in the domestic market, inbound demand is expected to remain strong.</p> <p>The domestic market of health food is expected to remain strong.</p>	<p>For cosmetic ingredients, we plan to increase sales compared to the previous fiscal year by expanding sales channels by developing new uses and launching new products such as a biodegradable grade of BELLOCEA® (spherical cellulose acetate particles).</p> <p>In health food products, we plan to increase sales compared to the previous fiscal year by expanding sales with the launch of “Astrohop”, the new products as the intestinal metabolite 8-Prenylnaringenin, and expanding the impressive features of existing products such as lactobionic acid.</p>

Segment Information – Forecasts

Segment	Main Products	Market Environment Outlook / Effects on Our Business	Our Actions
Smart	<p>Caprolactone Derivatives,</p> <p>Epoxy Compounds</p>	<p>Demand of caprolactone derivatives is expected to be weak due to lower demand for existing uses of urethane.</p> <p>Demand for epoxy compounds for use in electronic substrates and LCD is expected to remain weak in 1Q.</p>	<p>Caprolactone derivatives will focus its marketing efforts on EV materials and automotive paint protection film (PPF) applications, which are expanding markets, and increase sales volume compared to the previous fiscal year.</p> <p>Epoxy compounds will differentiate itself from competitors by launching new products for OLED encapsulants and expanding sales of special grade, thereby increasing sales volume from the previous fiscal year.</p>
	<p>Photoresist Materials,</p> <p>Solvents for Electronic Materials,</p> <p>High-Performance Films</p>	<p>The semiconductor market is on a moderate recovery trend, with a full-fledged recovery expected after the second quarter, and demand for LCD panel materials is expected to be on the same level as the previous fiscal year.</p> <p>Demand for high-performance films is expected to increase due to the adoption of release films in new applications.</p>	<p>In addition to recovering demand in the semiconductor market, photoresist materials will increase sales volume from the previous fiscal year by strengthening early adoption of EUV applications and marketing integrated with solvents. Accelerate development to introduce a microfluidic device plant in the fiscal year ending March 2025.</p> <p>In addition to recovering demand in the semiconductor and LCD panel materials markets, solvents for electronic materials will build a new business model to increase sales volume from the previous fiscal year.</p> <p>Although sales volume of in-vehicle film will decrease, sales volume of high-performance films will increase from the previous fiscal year due to release film's adoption for applications other than fuel cell applications.</p>

Segment Information – Forecasts

Segment	Main Products	Market Environment Outlook / Effects on Our Business	Our Actions
<p>Safety</p>	<p>Automobile Airbag Inflators</p>	<p>Although automobile production is expected to remain flat, demand for our inflators is expected to increase because automobile production in China and India is expected to remain steady.</p>	<p>Inflator sales volume is planned to increase compared to the previous fiscal year due to sales expansion to Chinese and Indian automakers.</p> <p>We will begin mass production of pyro-fuse for European EVs and expand of sales in Europe and China. Additionally, we will strengthen our market development efforts in Europe and China for pyro-fuse for clean energy storage batteries and hood lifters for pedestrian protection.</p> <p>We will continue to implement cost reduction measures at all of our global plants, as well as promote investment cost reduction through local procurement of parts and production equipment and shorten the production line setup period.</p>
		<p>Demand for PTA and VAM applications of acetic acid will remain weak, and demand is expected to recover from the second half.</p> <p>The number of global cigarettes production is expected to remain unchanged from the previous fiscal year. On the other hand, the demand for acetate tow is expected to remain strong from the previous fiscal year.</p>	<p>We will increase sales volume of acetic acid through domestic and overseas sales expansion actions.</p> <p>We will make full use of our existing facilities of acetate tow to meet the increased demand and increase sales volume compared to the previous fiscal year.</p> <p>Strengthen the supply chain through stable procurement of raw materials, cost reduction, and inventory reduction.</p>
<p>Material</p>	<p>Acetyl</p>		

Segment Information – Forecasts

Segment	Main Products	Market Environment Outlook / Effects on Our Business	Our Actions
Material	Chemical	Demand for TAC* is expected to remain weak due to intensifying competition from other materials.	Despite weak demand, we will expand sales of TAC to overseas TAC film manufacturers and remain sales volume of TAC at the same level as the previous fiscal year. We will work to further increase market share and increase profitability in the TAC film market by quality improvement, inventory reduction, and cost reduction.
		The liquid crystal display market, the main application of ethyl acetate, is expected to remain weak, while the gravure ink market for food packaging applications is expected to remain strong.	We will increase sales volume in the previous fiscal year by taking action to expand sales in gravure ink applications where demand is expected to remain strong.
		The demand for 1,3-BG will remain weak because domestic cosmetics manufacturers expected to continue to struggle in China, despite the recovery in the Chinese cosmetics market. The 1,3-BG market prices are expected to decline due to intensified competition.	We will maintain our market share in the odorless market, where it boasts strong brand strength, and work to increase our market share in China, Europe and the United States, where the market is large, including for industrial applications, to increase sales volume from the previous fiscal year.

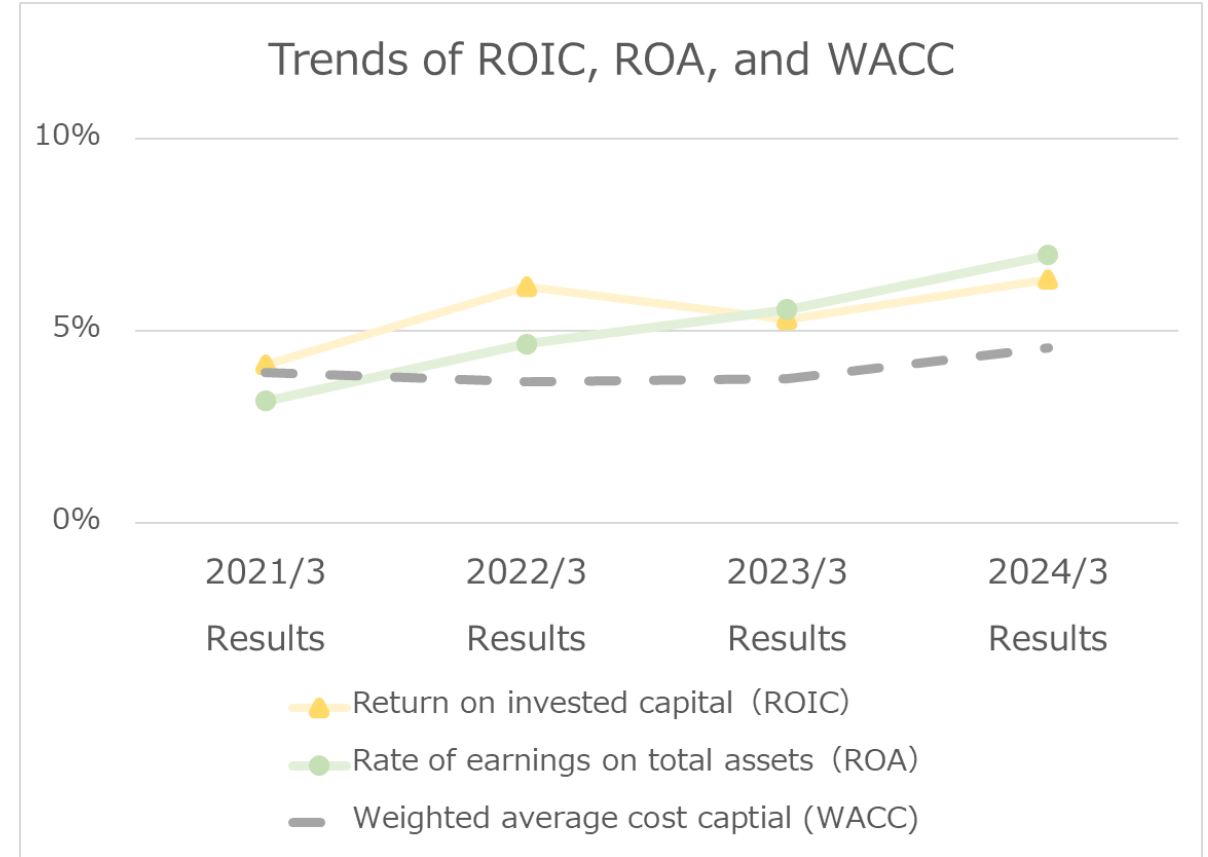
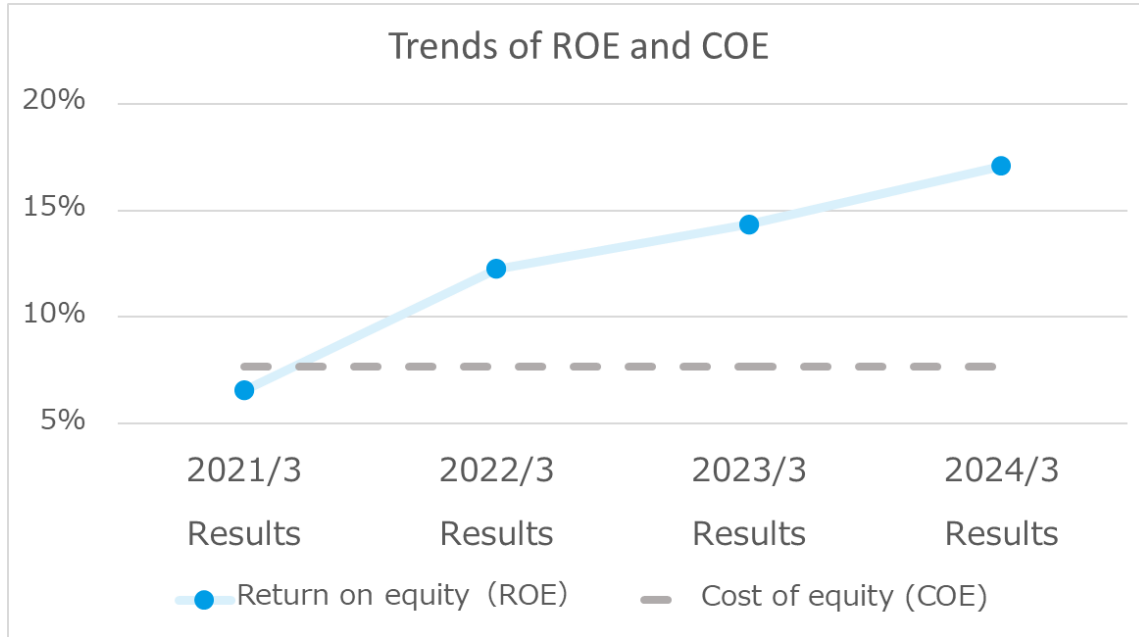
*TAC (Tri-acetyl cellulose) : Cellulose acetate for LCD film use

Segment Information – Forecasts

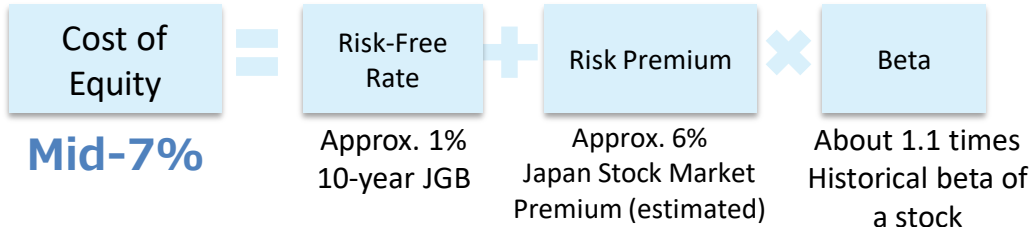
Segment	Main Company	Market Environment Outlook / Effects on Our Business	Our Actions
Engineering Plastics	Polyplastics	<p>Automobile production volume is expected to be flat against the previous fiscal year. Japanese automakers, of which our company has a high market share, are expected to see a decline in demand due to delays in EV adoption, but demand for engineering plastics for automotive applications is expected to remain strong due to our company's promotion of development in the Chinese automotive market and the expansion of adoption in the Chinese local tier.</p>	<p>Although we will postpone the start of new COC plant operation due mainly to design changes, we will start operation of new POM and LCP plants in the 2nd half of this fiscal year.</p> <p>We will increase sales volume from the previous fiscal year by using increased production capacity to expand sales, taking advantage of sales opportunities in the growing Chinese market and demand recovery.</p> <p>We will also begin strengthening our local development and marketing systems to respond to the speed of development in the Chinese market, which is expected to grow.</p> <p>We will accelerate cost reduction and increase production efficiency to expand supply at all production sites of the Polyplastics Group through the introduction of DAICEL Production Innovation.</p>
		<p>Demand for electronic devices such as smartphones and personal computers is expected to recover from the second half. LCP demand is also expected to recover from the second half.</p>	

Analysis of Capital Profitability

- The Company's cost of equity (calculated by CAPM) is in the mid-7% range, and the weighted average cost of capital (WACC) is in the mid-4% range.
- ROE has been consistently above the cost of equity, and ROIC and ROA have been consistently above WACC.

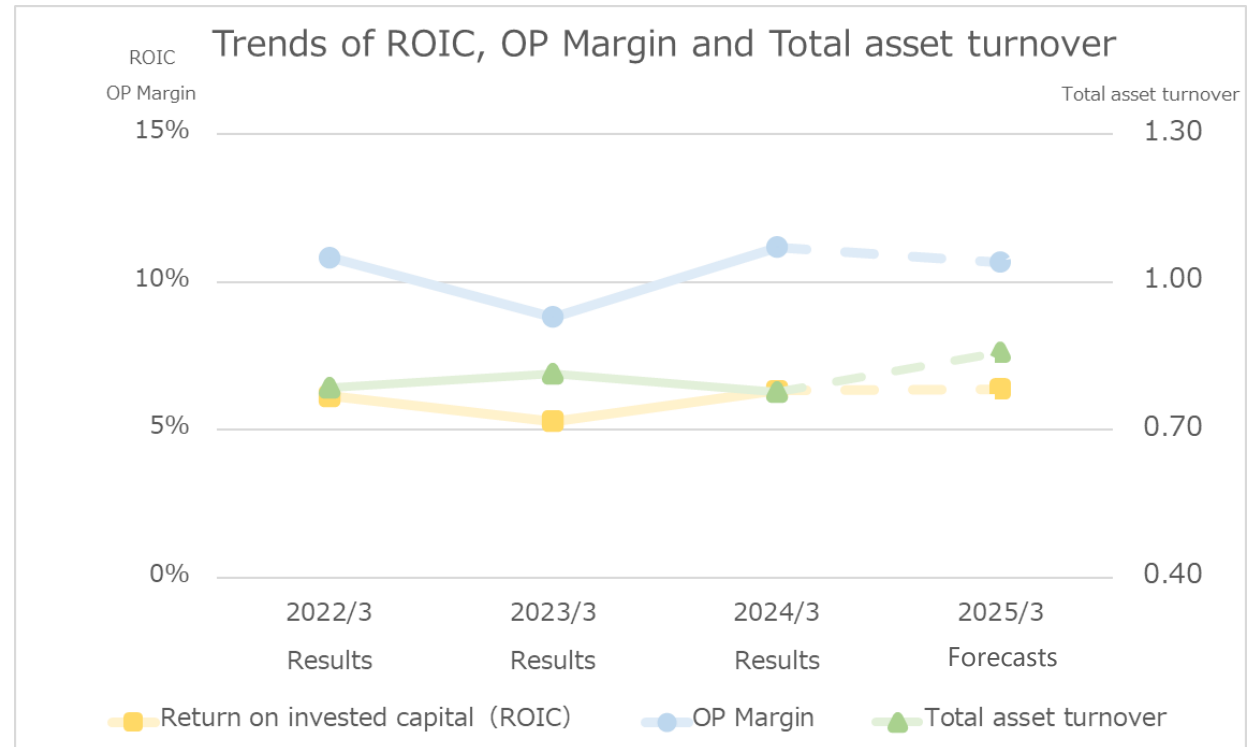
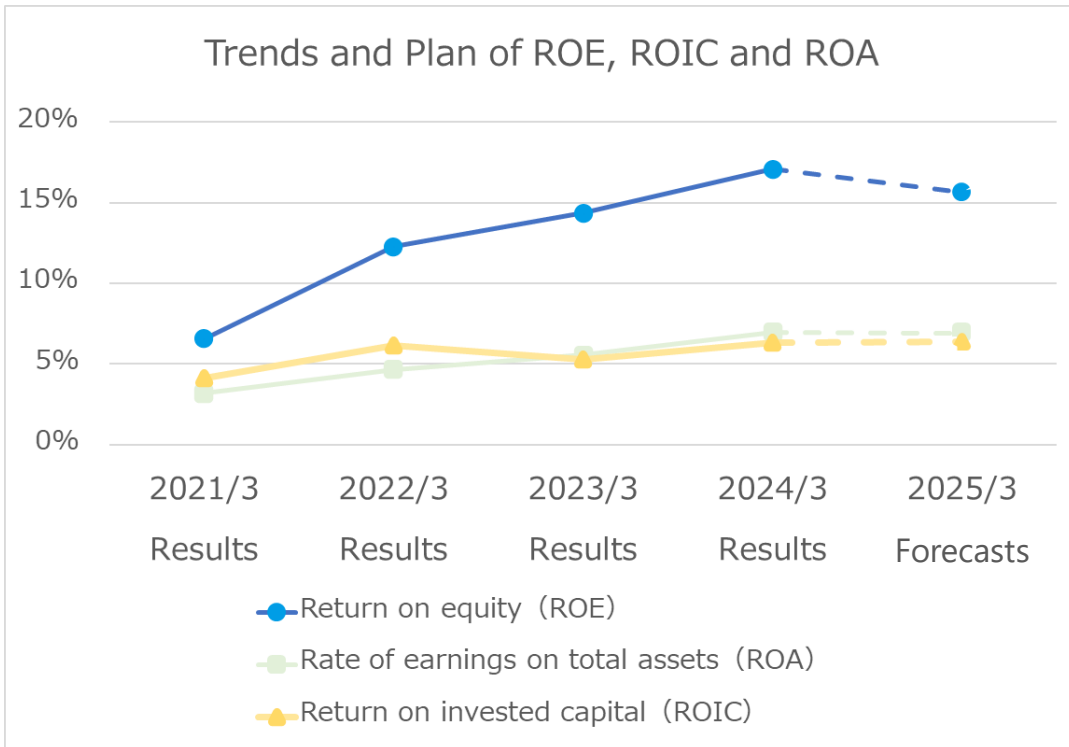


※Cost of equity is calculated by CAPM



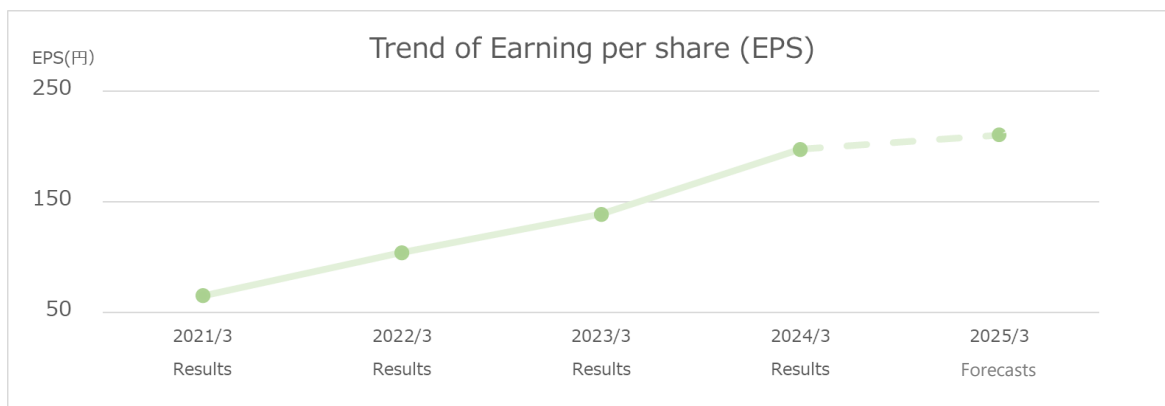
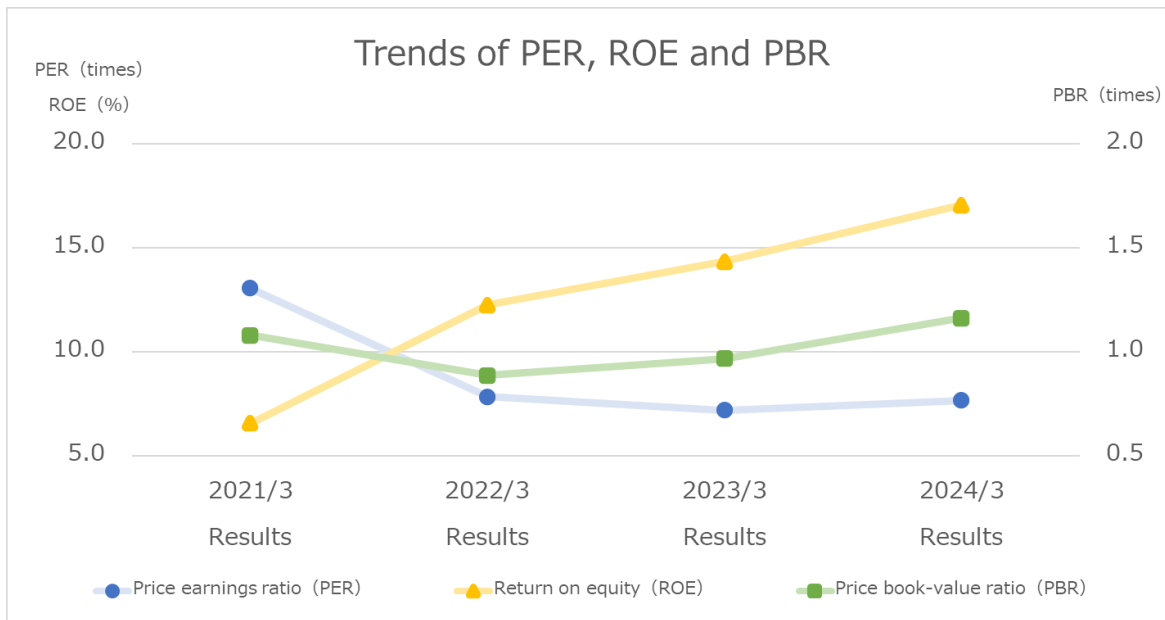
Measures to Improve Capital Profitability

- In FY2024/3, the operating margin improved due to the expansion of acetate tow supply capacity, price corrections, increased sales volume in the Safety Business, and thorough cost reductions. ROIC also improved by about 1% year-on-year.
- In FY2025/3, depreciation expenses will increase due to the operation of the acetic acid raw material (carbon monoxide) plant, however the operating profit will continue to increase due to increased production in Engineering Plastics and the effects of structural reforms in the Safety Business. On the other hand, operating profit margin is expected to decline.
- Total capital turnover is expected to improve. Inventories, which have been on an upward trend in the past, are expected to start declining from FY2025/3 due to the inventory reduction actions at the SCM headquarters and production sites. In addition, further inventory reduction will be achieved through measures such as strategic inventory control in engineering plastics, introduction of continuous quality assurance management, and conversion to the use of low-LCA pulp.



Analysis of Stock Price Indicators and Improvement Measures

- PBR was 1.1 times at the end of FY2024/3. ROE is around 17%, which is much higher than the company's cost of equity (in the mid-7% range).
- The PER is in the 7-fold range, which is slightly lower than that of other companies in the same industry, and we recognize it as an issue.
- We will continue to improve EPS as a self-help effort and expect that it will have a positive impact on stock prices and PBR.
- In order to improve the PER, we will disclose our growth strategy in an easy-to-understand manner and further strengthen shareholders return.



PBR

=

PER

×

ROE

Approx.
1 times

Approx.
7 times

Approx.
17 %

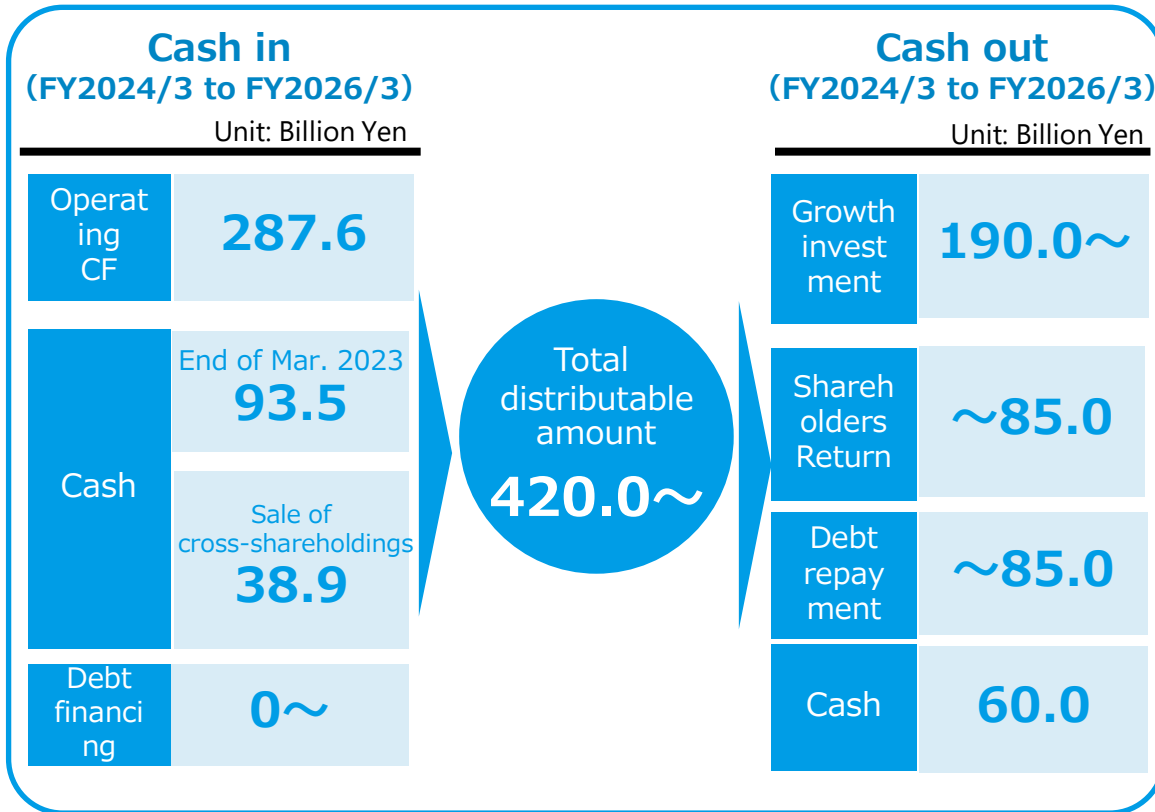
ROE is at a good level, so the challenge to further increase PBR is to increase PER.
In addition to working to stably improve EPS as an action to improve PER, we are focusing on the following two points.

- Communicate our growth strategy in an easy-to-understand manner than ever before.
- Further strengthen shareholders return through flexible review of cash allocation.

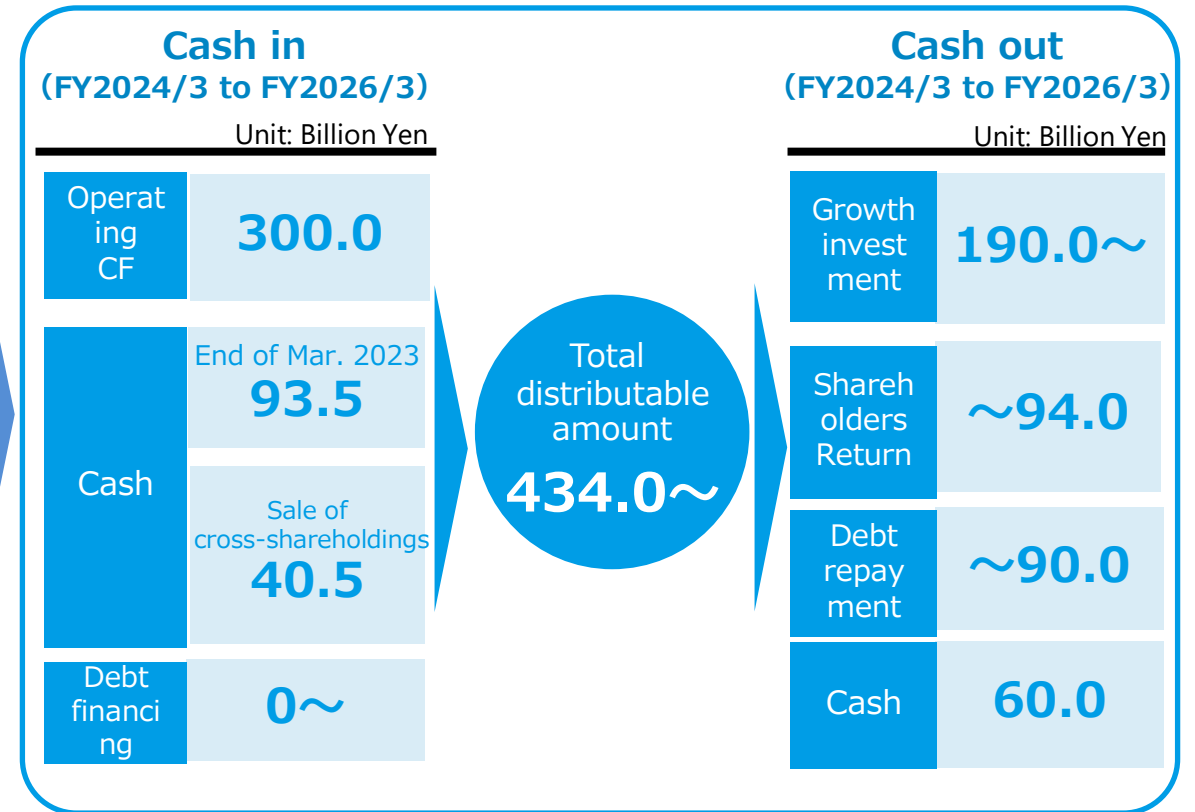
Review of Cash Allocation

- Since the ability to generate cash is on an upward trend compared to the Mid-Term Management plan, we will flexibly review our cash allocation.
- We will continue to allocate resources with an emphasis on growth investments and further strengthen shareholders return.
- We will also strengthen consolidated cash control through the active repatriation of dividends from overseas Group companies.

Plan as of May 2023

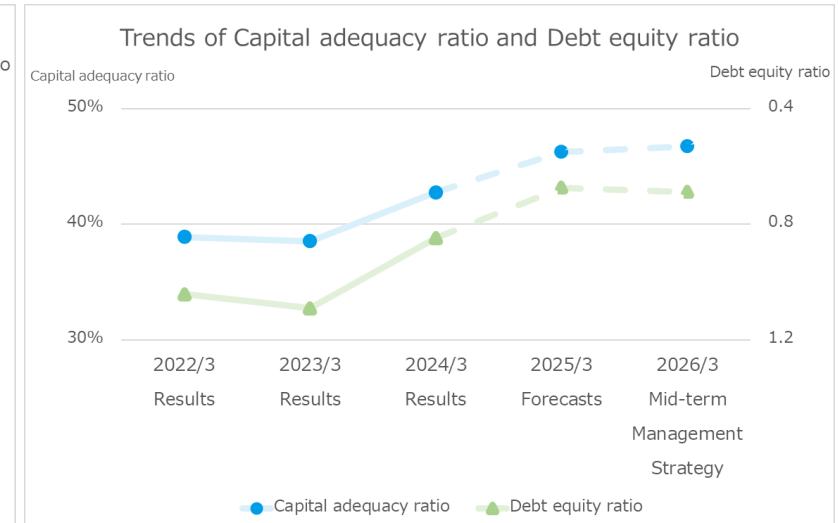
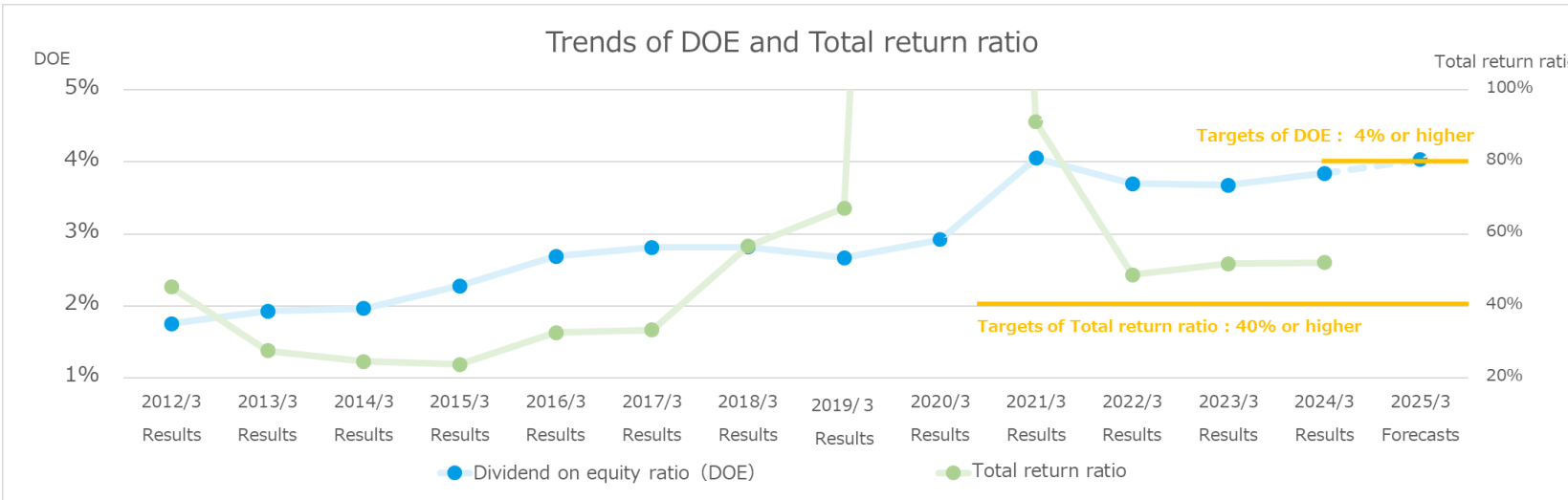


Plan as of May 2024



Review of Dividend Policy and Strengthen Equity Control

- While maintaining the policy of "total return ratio of 40% or more" that we have set so far, we have added a new target of "dividend on equity (DOE) ratio of 4% or more" from the fiscal year ending March 2025 in order to achieve more stable shareholders return.
- We will continue to flexibly repurchase treasury shares.
- We will maintain financial security by ensuring an appropriate level of capital adequacy ratio and debt-to-equity ratio.

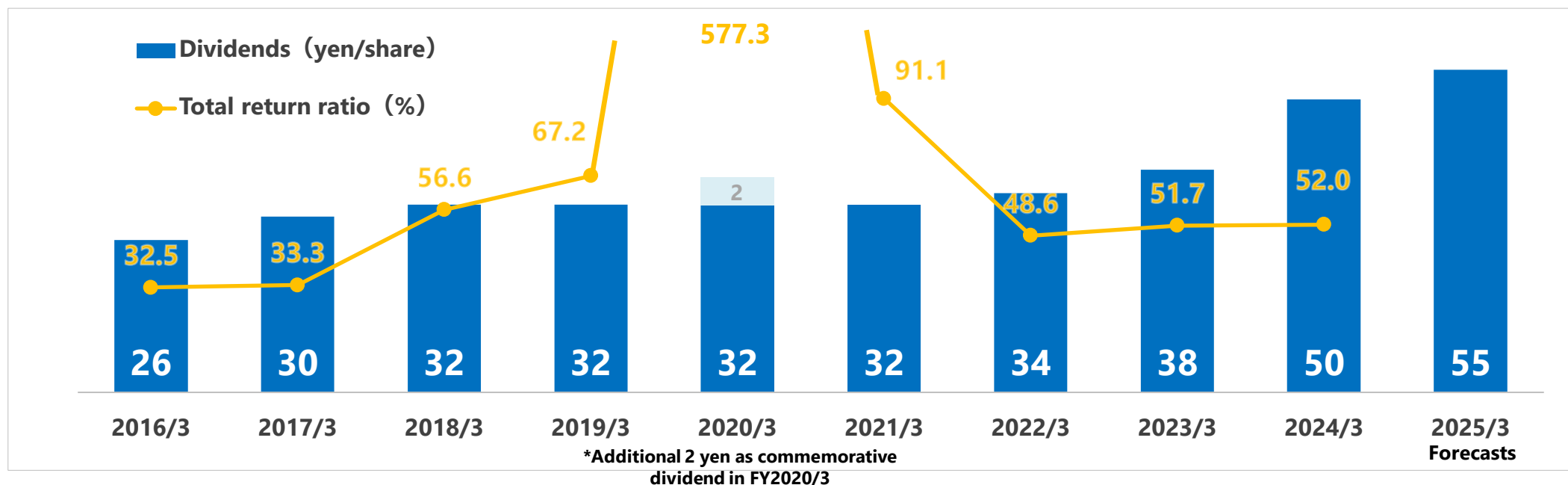


FY ended March 2024

- Dividends forecasts for 2nd half : 25 yen per share
Annual dividends forecasts : 50 yen per share (**increase by 12 yen** from previous fiscal year)
- Purchase of own stocks of 10.14 million shares for 15 billion yen. (Purchase period: From Nov. 2023 to Mar. 2024)

FY ending March 2025

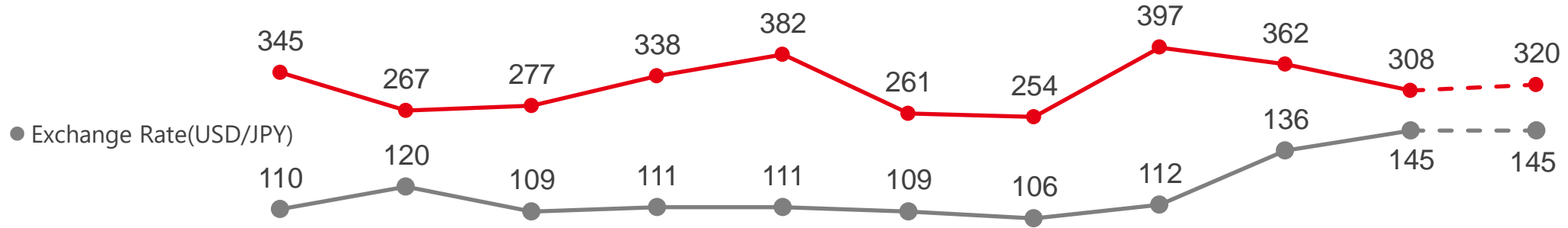
- Annual dividends forecasts : 55 yen per share (**increase by 5 yen** from previous fiscal year, **DOE of 4.0%**)
- Cancellation of 10 million shares of treasury stock. (ratio to the total number of issued shares before cancellation: 3.49%)
- We will consider implementing additional shareholders return with the target of a total return ratio of 40% or more.



Appendix

Trend in Net Sales, Operating Income, and EPS

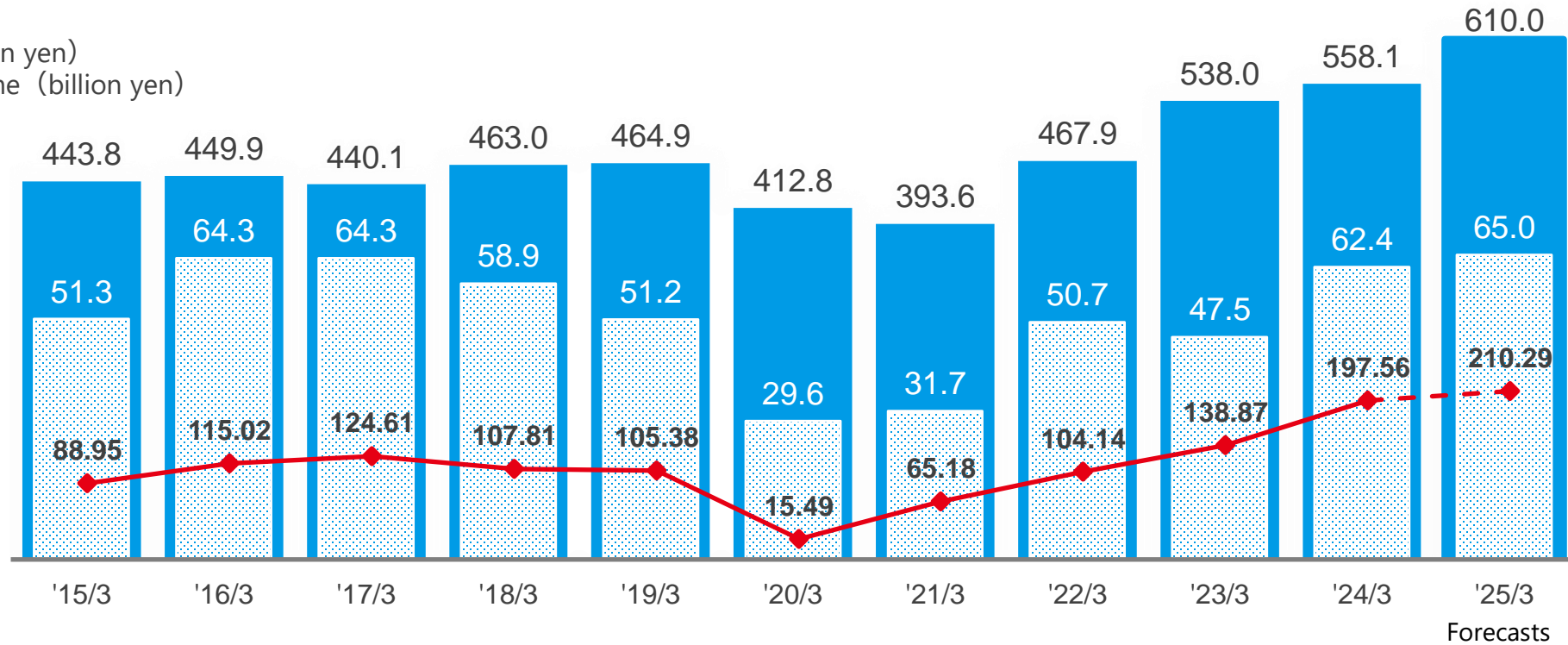
● Methanol(Asian spot price) (USD / ton)



■ Net Sales (billion yen)

▨ Operating Income (billion yen)

◆ EPS (yen)



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, epoxy compounds 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	Photoresist materials, 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	Epoxy compounds, Caprolactone derivatives, 1,3-Butylene glycol(1,3-BG)



Segments	Sub Segments	Main Products
Smart	Functional Products	Epoxy compounds, Caprolactone derivatives, Optical lenses
	Advanced Technology	Photoresist materials, 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.

Operating Income of FY2024/3 by Segment (Y on Y Analysis)

		Operating Income	
Unit : Billion Yen	Analysis	Change	Main Factors for Operating Income Changes
Medical / Healthcare	Quantity	+0.1	(Increase) Increase in sales of cosmetic ingredients, health hoods, and stationary phases.
	Prices	+0.4	(Increase) Impact of exchange rate fluctuations
	Others	-1.0	(Decrease) Increases in expenses due to enhanced marketing
Smart	Quantity	+0.5	(Increase) Increase in sales volume of TAC
	Prices	+0.2	(Increase) Correction of sales prices corresponding to rise in prices of raw materials such as pulp
	Others	-2.9	(Decrease) Increases in expenses such as depreciation costs associated with new plant operation (solvents for electronic materials), Inventory prices
Safety	Quantity	+3.2	(Increase) Regarding inflator, increase in sales volume and increased operation rate
	Prices	+0.2	(Increase) Impact of exchange rate fluctuations
	Others	-1.0	(Decrease) Expenses related to consolidation of production regions and associated with increases in production volume
Materials	Quantity	-1.9	(Decrease) Decrease in sales volume of acetic acid derivatives and peracetic acid derivative
	Prices	+34.8	(Increase) Increase in sales price of acetate tow and impact of exchange rate fluctuations
	Others	-10.9	(Decrease) Inventory prices
Engineering Plastics	Quantity	-3.9	(Decrease) Decrease in sales volume mainly in the first quarter
	Prices	-1.8	(Decrease) Decrease in selling prices due to product mix due to expansion of sales to low-end markets, and lower sales prices due to lower raw material prices
	Others	-1.3	(Decrease) Large-scale periodic repair expenses and inventory prices

(Note) Operating income by segment for FY2023/3 is the figure after segment changing in the Cosmetics Raw Material 1,3-BG (Medical / Healthcare → Material) and Novel Drug Delivery Devices R&D functions (Safety → Medical / Healthcare).

Segment Information – 2nd Half Results of FY2024/3 (vs Forecasts)



Segment	Our Business Situation (vs Forecasts)
<p>Medical / Healthcare</p>	<ul style="list-style-type: none"> Regarding chiral related products, the sales volume of stationary phases exceeded the plan, although sales revenue of analysis and separation service businesses in India were below the plan. As a result, sales fell short of planned. Sales volume of cosmetic products in China was below the plan because of the impact of domestic cosmetics manufacturers struggling to sell to China. On the other hand, sales volume of functional food materials exceeded the plan due to response to an increase in inbound tourists. As a result, sales in the healthcare business were lower than expected.
<p>Smart</p>	<ul style="list-style-type: none"> Although TAC expanded sales to overseas customers, sales volume fell short due to slow recovery of demand for TV products for primary use. Although demand for in-vehicle films increased due to an increase in EV demand in the Chinese market, sales volume of high-performance film fell short due to a decrease in the market share of special monitor films. Although exports volume of photoresist materials to the LCD panel materials overseas market were in line with plan, sales volume of photoresist materials fell short due to the weak demand in the semiconductor market. Sales volume of solvents for electronic materials fell short due to weak demand in the LCD panel market overseas.
<p>Safety</p>	<ul style="list-style-type: none"> Sales volume of inflator was below the plan due to impacts of misconduct issue at a Japanese automaker and slowdown in sales at Chinese automakers.

Segment Information – 2nd Half Results of FY2024/3 (vs Forecasts)

Segment	Our Business Situation (vs Forecasts)
<p>Materials</p>	<ul style="list-style-type: none"> • Despite efforts to expand sales, such as spot sales of acetic acid, sales volume of acetic acid and acetic acid derivatives fell short of plan due to a delay in demand recovery. The sales price of acetic acid and acetic acid derivatives exceeded the plan because the acetic acid market remained at a higher level than expected. • The acetic acid raw material (carbon monoxide) plant started operation in February 2024. • The sales volume of acetate tow was in line with the plan, and the sales revenue exceeded the plan due to impact of exchange rate fluctuations. • Sales volume of caprolactone derivatives in its focus areas such as PPF for automobiles increased, but the total sales volume fell short due to adverse market conditions. • Sales volume of epoxy compounds was lower than planned due to a significant recovery delay. • Although tried to expand sales of 1,3-BG to increase our market share, sales volume has not reached the plan due to lower-than-expected demand for cosmetics.
<p>Engineering Plastics</p>	<ul style="list-style-type: none"> • Global automobile production was slightly higher than expected, but domestic automakers production fell in the 4th Quarter due to the impact of production stoppages and production adjustments by a domestic automaker. • Although sales volume of POM increased overseas, total sales volume was slightly below plan due to the impact of production cuts by domestic automakers. • Sales volumes of PBT and PPS, mainly for automotive applications, also fell short due to production cuts by domestic automakers. • LCP sales volume fell short due to continued stagnation in demand for smartphones and other electronic devices. • COC sales volume fell short due to changes in production plans of major customers.

Quarterly Results for Sales and Operating income

Unit : Billion Yen	Net Sales							
	2023/3				2024/3			
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q
Medical / Healthcare	4.0	4.1	4.4	4.2	3.4	3.5	3.6	3.4
Smart	9.6	6.6	7.1	6.4	7.5	7.1	7.9	8.1
Safety	17.8	22.0	22.4	21.9	22.4	24.7	25.6	22.9
Materials	36.1	39.1	42.4	43.2	46.0	45.1	43.7	50.5
Engineering Plastics	58.7	64.8	59.5	55.0	50.3	58.4	60.8	57.3
Others	1.8	1.7	2.6	2.9	1.2	1.3	1.5	1.6
Total	128.0	138.3	138.3	133.5	130.8	140.2	143.3	143.8

Unit : Billion Yen	Operating Income							
	2023/3				2024/3			
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q
Medical / Healthcare	0.4	0.4	0.6	-0.0	0.3	0.2	0.4	-0.1
Smart	1.1	-0.8	-0.6	-0.4	-0.6	-0.5	-0.7	-1.0
Safety	-0.2	0.2	1.4	-0.9	-0.7	0.5	2.5	0.6
Materials	5.0	5.4	2.5	7.8	9.4	11.7	9.6	12.1
Engineering Plastics	6.6	7.9	6.4	4.4	0.7	5.4	6.0	6.2
Others	0.1	0.0	0.2	0.0	-0.0	0.2	0.1	0.2
Total	13.0	13.0	10.5	10.9	9.1	17.5	17.9	17.9

(Note) Operating income by segment for FY2023/3 is the figure after segment changing in the Cosmetics Raw Material 1,3-BG and Novel Drug Delivery Devices R&D functions.

Capital Expenditures

Unit : Billion Yen	20/3 Results	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 Forecasts *1
Cellulosic derivatives	5.9	Medical / Healthcare	8.7	1.0	2.7	2.2	1.9	1.9	1.0
Organic chemicals	22.0	Smart	2.0	2.9	4.2	4.2	2.6	3.0	3.0
Plastics	8.6	Safety	8.8	7.7	9.0	9.0	9.4	9.4	14.0
Pyrotechnic devices	8.5	Materials	11.6	18.8	8.6	9.1	17.4	16.9	6.0
Others / Corporate	2.7	Engineering Plastics	7.1	7.4	30.6	30.6	45.7	45.7	38.0
Total	47.6	Others / Corporate	1.4	3.0	1.2	1.2	0.4	0.4	1.0
		Total	39.6	40.8	56.3	56.3	77.5	77.5	63.0

*1 Reflects the revised method of allocating corporate expenses. Figures for "Other Businesses and 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, Epoxy Compounds and Caprolactone Derivatives.

Depreciation and Amortization

Unit : Billion Yen	20/3 Results
Cellulosic derivatives	7.5
Organic chemicals	6.1
Plastics	6.0
Pyrotechnic devices	7.3
Others / Corporate	2.1
Total	29.0

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 Forecasts *1
Medical / Healthcare	1.4	1.4	2.8	1.5	1.1	1.1	1.0
Smart	1.6	2.0	2.7	2.7	2.9	3.1	3.0
Safety	4.7	5.0	6.5	6.5	7.1	7.1	7.5
Materials	9.0	9.0	9.7	11.0	13.1	12.9	19.0
Engineering Plastics	6.9	7.0	8.6	8.6	8.2	8.2	11.0
Others / Corporate	2.2	2.5	0.6	0.6	0.6	0.6	0.5
Total	25.8	26.9	30.8	30.8	33.0	33.0	42.0

*1 Reflects the revised method of allocating corporate expenses. Figures for "Other Businesses and 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, Epoxy Compounds and Caprolactone Derivatives.

Unit : Billion Yen	20/3 Results
Cellulosic derivatives	1.3
Organic chemicals	4.0
Plastics	3.8
Pyrotechnic devices	5.1
Others / Corporate	7.0
Total	21.3

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 Forecasts *1
Medical / Healthcare	2.1	1.9	2.2	2.8	2.4	2.4	2.7
Smart	2.7	3.6	4.2	4.2	4.0	4.8	4.9
Safety	5.1	5.6	6.3	5.7	6.0	6.0	7.0
Materials	1.6	1.5	2.8	2.8	3.8	3.1	3.5
Engineering Plastics	3.5	3.7	6.1	6.1	6.8	6.8	7.6
Others / Corporate	4.6	4.5	0.3	0.3	0.3	0.3	0.3
Total	19.5	20.7	21.9	21.9	23.4	23.4	26.0

*1 Reflects the revised method of allocating corporate expenses. Figures for "Other Businesses and 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, Epoxy Compounds and Caprolactone Derivatives.

Financial Forecasts (FY ending March 2025)

Unit : Billion Yen		2024/3 Results			2025/3 Forecasts			Change (B)-(A)
		1st Half	2nd Half	Total(A)*	1st Half	2nd Half	Total(B)	
	Medical / Healthcare	6.9	7.0	13.9	7.0	8.0	15.0	+1.1
	Smart	16.8	17.0	33.8	16.5	19.0	35.5	+1.7
	Safety	47.1	48.4	95.6	52.0	56.0	108.0	+12.4
	Materials	89.0	93.2	182.2	91.0	95.0	186.0	+3.8
	Engineering Plastics	108.7	118.1	226.8	126.0	134.0	260.0	+33.2
	Others	2.5	3.2	5.7	2.5	3.0	5.5	-0.2
Net Sales		271.0	287.1	558.1	295.0	315.0	610.0	+51.9
	Medical / Healthcare	0.5	0.3	0.8	0.1	0.7	0.8	+0.0
	Smart	0.1	-1.0	-0.9	-0.5	0.0	-0.5	+0.4
	Safety	-0.1	3.1	3.0	3.2	4.5	7.7	+4.7
	Materials	19.9	20.9	40.8	16.3	16.2	32.5	-8.3
	Engineering Plastics	6.1	12.2	18.3	12.6	11.1	23.7	+5.4
	Others	0.1	0.3	0.4	0.3	0.5	0.8	+0.4
Operating Income		26.6	35.8	62.4	32.0	33.0	65.0	+2.6
Ordinary Income		30.7	37.7	68.4	33.5	33.5	67.0	-1.4
Income Attributable to Owners of Parent		29.8	26.1	55.8	30.0	28.0	58.0	+2.2
(ref.) Exchange rate USD/JPY		141	148	145	145	145	145	

* Net sales and operating income by segment for FY2024/3 is the figure after segment changing in the TAC, Epoxy Compounds and Caprolactone Derivatives.

Assumptions

		2023/3		2024/3			2025/3	
		1 st Half (Results)	2 nd Half (Results)	1 st Half (Results)	2 nd Half (Forecasts)	4 th Quarter (Results)	1 st Half (Forecasts)	2 nd Half (Forecasts)
Exchange rate (USD/JPY)		134	137	141	135	149	145	145
Raw Materials	Methanol Asian spot price (USD/ton)	374	349	295	300	327	320	320
	Crude Oil Dubai (USD/bbl.)	102	83	82	85	81	90	90
	Domestic Naphtha (JPY/kl)	83,750	69,500	65,550	67,000	72,500	71,000	71,000

Notes Regarding Forward-Looking Statements

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