

This document is an English translation of a statement written originally in Japanese for reference. The Japanese original should be considered as the primary version.

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To whom it may concern

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Notice Regarding Differences between Consolidated Financial Forecast and Actual Results for Six-month Period ended September 30, 2021, and Revision to Consolidated Financial Forecast for Fiscal Year ending March 31, 2022

In light of recent trends in the business performance, DAICEL CORPORATION (hereinafter referred to as “the Company”) announced that differences arose between its consolidated financial forecast announced on August 3, 2021 and the actual results disclosed today, for the six-month period ended September 30, 2021. Also, the Company has revised its consolidated financial forecast for the fiscal year ending March 31, 2022 1 announced on August 3, 2021. The details are as follows.

1. Differences between consolidated financial forecast and actual results for six-month period ended September 30, 2021 (from April 1, 2021 to September 30, 2021)

(Unit: Millions of yen)

	Net Sales	Operating Profit	Ordinary Profit	Profit attributable to owners of parent	Profit per share (yen)
Previous forecast: (A) (August 3, 2021)	222,000	23,000	24,000	16,000	53.10
Newly revised forecast: (B)	224,817	27,259	29,835	22,046	73.15
Change: (B) – (A)	+2,817	+4,259	+5,835	+6,046	—
Rate of change (%)	+1.3%	+18.5%	+24.3%	+37.8%	—
(Ref.) Result for the first half of previous fiscal year ended March 31, 2021	175,346	9,107	10,166	3,273	10.78

2. Revision of consolidated financial forecast for full fiscal year ending March 31, 2022
(from April 1, 2021 to March 31, 2022)

(Unit: Millions of yen)

	Net Sales	Operating Profit	Ordinary Profit	Profit attributable to owners of parent	Profit per share (yen)
Previous forecast : (A) (August 3, 2021)	435,000	35,000	37,000	24,000	79.65
Newly revised forecast : (B)	448,000	38,000	42,000	24,000	79.55
Change: (B) – (A)	+13,000	+3,000	+5,000	0	–
Rate of change (%)	+3.0%	+8.6%	+13.5%	0.0	–
(Ref.) Actual result of fiscal year ended March 31, 2021	393,568	31,723	34,683	19,713	65.18

3. Reason for the revision

During the consolidated second quarter of the current fiscal year under review, our consolidated operating results have exceeded targets beyond our expectations. Despite the decline in automobile production caused by the semiconductor shortage which had a negative impact on our safety business, the growing demand for our products, such as ingredients for cosmetics, electronic material products and engineering plastics stimulated our sales volume, thus leading to an increase in our sales. Also, an upturn in product markets and sales price revisions brought a positive influence on our sales. In addition to that, the operating results have exceeded our outlook due to cost reductions.

Under the circumstances of the upturn of procurement prices of raw materials and fuel prices and the semiconductor shortage, there is some uncertainty in the outlook of our business environment after the third quarter. Nevertheless, based on the business results for the consolidated second quarter of the current fiscal year, forecasts of demand and product market conditions, and revised assumptions concerning procurement prices of raw materials and fuel prices, the Company has revised its consolidated earnings forecasts upward for the full fiscal year ending March 31, 2022 announced on August 3, 2021, as described above.

Aiming to improve ROIC as stated in our mid-term management strategy, the Company have worked on reducing diligently the business assets with lower performance and selling cross-holding shares. The Company is considering a certain amount of extraordinary income and losses caused by these facts in advance. Thus, the Company leaves the forecast of the profit attributable to owners of parent as the previous forecast.

(Note 1) The performance forecast and other forward-looking statements contained in this material have been prepared on the basis of information available at this point and certain assumptions which are judged to be rational, may be substantially different from the actual performance because of various factors that may arise from now on.

(Note 2) In these forecasts after the third quarter, we assume an exchange rate of ¥110/US dollar, (Asian spot) methanol price of US\$500/ton, Dubai crude oil price of US\$85/bbl and domestic naphtha price of ¥60,000/kl.

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