

A decorative border composed of various red and blue geometric shapes, including circles, triangles, squares, and rectangles, arranged in a circular pattern around the central text.

ADEKA report 2022





Everything can be made better.

We can add functionality to materials.

We can add durability and environmental friendliness.

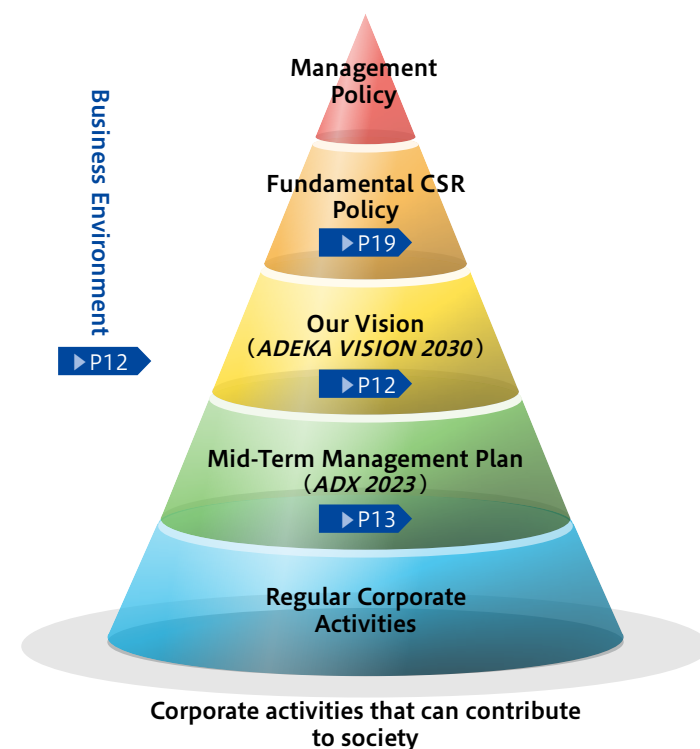
This in turn makes our lives more enjoyable, convenient, and secure.

We raise the value of materials.

In doing so, we change the world.

We are ADEKA.

ADEKA Group Management System



Management Policies

To be a company that is progressive and dynamic with a keen attitude towards the new changing tide

Creating a better future for the people of the world

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Editorial Policy

The ADEKA Group has published a CSR report in previous years, and this year we published the ADEKA report 2022 to deepen stakeholders' understanding of our efforts to create value over the medium to long term. The report describes our management policies and strategies toward ADEKA VISION 2030, which sets out our vision for achieving our management policies by 2030, as well as our environmental, social, and governance initiatives. Detailed non-financial data is also available on our website.

Reference Guidelines

Environmental Reporting Guidelines (Fiscal Year 2018 Version) of the Japan Ministry of the Environment

Japanese Standards Association ISO 26000:2010 Guidance on social responsibility

GRI Sustainability Reporting Standard

Guidance for Collaborative Value Creation (2017), Ministry of Economy, Trade and Industry

Scope of Reporting Organizations for Environmental Data

ADEKA

All Plants, R&D Laboratories, Offices

Group Companies in Japan

- | | |
|--|--|
| ■ ADEKA CHEMICAL SUPPLY CORP. | ■ ADEKA FOODS SALES CORP. |
| ■ ADEKA LIFE-CREATE CORP. | ■ YONGO CO., LTD. |
| ■ OXIRANE CHEMICAL CORP. | ■ UEHARA FOODS INDUSTRY CO., LTD. |
| ■ ADEKA CLEAN AID CORP. | ■ TOKYO ENVIRONMENTAL MEASUREMENT CENTER CO., LTD. |
| ■ ADEKA FINE FOODS CORP. | ■ NIHON NOHYAKU CO., LTD. |
| ■ ADEKA ENGINEERING & CONSTRUCTION CORP. | ■ NICHINO SERVICE CO., LTD. |
| ■ ADEKA LOGISTICS CORP. | |

Published Date

November 2022 (next publication date: November 2023)

Scope of This Report

Unless otherwise specified, all statements in this report refer to the entire ADEKA Group. The reporting organizations for environmental data are as follows.

Period Covered by This Report

Fiscal 2021 (April 1, 2021 to March 31, 2022)
Some parts of this report refer to recent activities taking place in fiscal 2022.

■ Chemical business ■ Food business ■ Life Sciences business ■ Other business

Overseas Companies (Plants)

- | | |
|--|--|
| ■ ADEKA FINE CHEMICAL (SHANGHAI) CO., LTD. | ■ ADEKA POLYMER ADDITIVES EUROPE SAS |
| ■ ADEKA FINE CHEMICAL (ZHEJIANG) CO., LTD. | ■ ADEKA FINE CHEMICAL (THAILAND) CO., LTD. |
| ■ ADEKA FINE CHEMICAL (CHANGSHU) CO., LTD. | ■ ADEKA AL OTAIBA MIDDLE EAST LLC |
| ■ ADEKA FOODS (CHANGSHU) CO., LTD. | ■ AMFINE CHEMICAL CORP. |
| ■ ADEKA FINE CHEMICAL TAIWAN CORP. | ■ AM STABILIZERS CORP. |
| ■ ADEKA KOREA CORP. | |
| ■ ADEKA FOODS (ASIA) SDN.BHD. | |
| ■ ADEKA (SINGAPORE) PTE.LTD. | |



Hidetaka Shirozume

President and Chief Executive Officer

With its finger on the pulse of changing times, the ADEKA Group is leveraging its strengths in materials to contribute to a sustainable society.

Preliminary Remarks

I would like to express my sincere gratitude for your continued support.

In fiscal 2021, economic and social activities progressed toward normalization as a result of measures that were taken to cope with the COVID-19 pandemic. However, the outlook remained uncertain due to the resurgence of infections stemming from the Omicron variant, supply constraints caused by a shortage of parts and materials, and soaring raw material and fuel prices.

In April 2021, the ADEKA Group launched its three-year mid-term management plan, *ADX 2023*, as part of its efforts to achieve *ADEKA VISION 2030: An Innovative Company Contributing to a Sustainable Future and Affluent Lifestyles*, a vision for achieving the Group's management policies by 2030. Our basic strategies under this plan are to transform our earnings structure, achieve sustainable growth with new domains, and reinforce Group management, and we have shifted to expanding the scale of our operations with an emphasis on profit.

As a result, in fiscal 2021 we recorded consolidated net sales of 361,234 million yen, operating profit of 34,032 million yen, ordinary profit of 35,658 million yen, and profit attributable to owners of parent of 23,687 million yen, all new record.

In *ADX 2023*, we set targets for operating profit of 35 billion yen and ROE of 9% for the final year of the mid-term management plan (fiscal year ending March 31, 2024), but having reached these levels in the first year, we have revised our management indicators and set the operating profit target for the final year of the mid-term management plan at 42 billion yen and ROE at 9%.

In fiscal 2022, the second year of *ADX 2023*, we will work toward achieving our new target of 37 billion yen in operating profit and further improving our business

performance by expanding sales of our competitively superior product lineup, which is expected to grow in the market. We will also strive to enhance our corporate value based on social and economic value, as well as implement various measures to contribute to the realization of a sustainable society.

Aiming for Carbon Neutrality and Sustainability

The ADEKA Group is committed to strengthening its management foundation through the promotion of CSR, and is building systems to address social issues such as climate change, resource recycling, and respect for human rights in the supply chain. At the same time, conditions in Japan and overseas are changing rapidly, and the importance of sustainability-conscious corporate management is growing. We must swiftly implement measures to avoid or reduce risks and expand our business domain.

In our efforts to address climate change issues, we have established a roadmap to become carbon neutral and set a greenhouse gas reduction target for 2030 of 46% below our fiscal 2013 level. In addition, in February 2022, we announced our endorsement of the TCFD (Task Force on Climate-related Financial Disclosure), and are analyzing and assessing the impact of climate change on our business activities, as well as studying and promoting measures to contribute to the realization of a sustainable society. In April 2022, we newly established the Corporate Sustainability Department and the Carbon-Neutral Strategy Department in order to achieve carbon neutrality by 2050. Under this new system, we will respond to changes in the social environment, accelerate efforts to achieve carbon neutrality, and aim to enhance

Creating Products and Technologies that Contribute to Affluent Lifestyles through Safe and Stable Business Activities

our corporate value through sustainable management.

Under *ADX 2023*, our mid-term management plan, we will promote the integration of management and CSR, transform to a management foundation that responds to the new social environment, and aim for sustainable growth with an emphasis on profit.

Strengthening the Foundation for Creating New Value

The ADEKA Group is promoting a wide range of initiatives with the goals of creating products and technologies that contribute to affluent lifestyles through safe and stable business activities, respecting individual human rights throughout the supply chain, and ensuring that each and every employee is able to play an active role in the company. In April 2021, we signed the United Nations Global Compact and have been promoting activities based on the Ten Principles in the four areas of human rights, labor, environment, and anti-corruption.

One of the ADEKA Group's human resource principles is "Respect for the human nature and personal qualities of employees."

We place a high value on diversity and expect our employees to become human resources who value the individuality of each employee, respect each individual's way of thinking, and communicate well with those around them. Based on this principle, we hire people with diverse values and backgrounds, and invest in human capital by expanding our career development training and other development programs so that all employees can maximize their individuality and abilities and be active on a global scale.

In order for diverse human resources to play an active role in the company, it is necessary to share a common recognition which allows for a work-life balance and flexible work styles that meet the needs of each individual. In June 2022, we established the D&I Project Team to develop an environment that encourages employees to accept and respect each other's individuality. With the promotion of women's

participation and advancement as a starting point, we will continue to promote diversity and inclusion with the aim of becoming a company where all people can play an active role.

At the same time, investment in intellectual property is essential for the ADEKA Group to continue its growth and development. The ADEKA Group will accelerate its DX*¹ in R&D and production technology, and create new business fields by integrating the core competence technologies that it has cultivated to date in each business field. In addition, as a growth driver for the ADEKA Group, we will promote the use of technological alliances and open innovation through collaboration between industry and academia in order to cultivate businesses in the areas of life sciences, the environment, energy, and next-generation ICT*².

Strengthening Corporate Governance as a Means of Enhancing Corporate Value

The ADEKA Group considers the strengthening of corporate governance to be a top management priority. To further reinforce the supervisory function and oversight system of the Board of Directors and enhance corporate governance, in June 2021, ADEKA transitioned from a Company with Audit & Supervisory Board to a Company with Audit and Supervisory Committee.

The ADEKA Group strives to ensure the diversity of its Board of Directors members according to the management environment and business characteristics, and has established a skills matrix of the knowledge and experience required of directors in light of the ADEKA Group's management strategy, which is used to confirm the balance of skills when nominating candidates for the next Board of Directors and to provide information to shareholders.

We will continue to work vigorously to reform our management structure and further strengthen our corporate governance.

*1 DX : digital transformation

*2 ICT : Information and Communication Technology

Message to Our Stakeholders

Materials are the heart of the ADEKA Group.

Our products and technologies alone are nothing more than materials. However, when we are able to accurately respond to the demands of the market and our customers, our products and technologies become treasures.

We have chosen "Add Goodness" as the corporate slogan that embodies us. Everything can be made better than it is now. Our products and technologies have the power to "Add Goodness," a sentiment which reflects the pride we take in our products and technologies.

The ADEKA Group was founded in Arakawa, Tokyo in 1917 as Asahi Denka Co. The company was established in order to achieve domestic production of caustic soda

as soon as possible after World War I, when caustic soda, which at that time had to be imported, became difficult to obtain. In the 105 years since then, we have continued to improve our technology and create value by earning the trust of our customers.

The ADEKA Group currently has 24 domestic and 31 overseas affiliates operating in 16 countries and regions. Overseas sales account for more than 50% of our total sales, and in some businesses, more than 80%. Although we have expanded both in terms of business domains and scale, our basic stance has not changed.

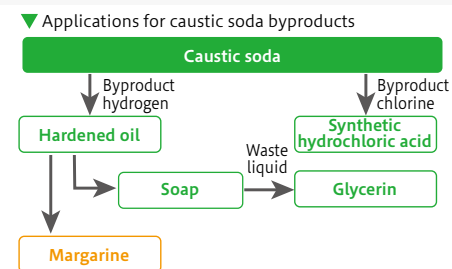
Our mission is to understand our customers' issues and social challenges, and to propose our materials to solve those issues. To meet the expectations of our stakeholders, we at the ADEKA Group are committed to enriching people's lives and contributing to the realization of a sustainable society through the power of our materials.



About the ADEKA Group

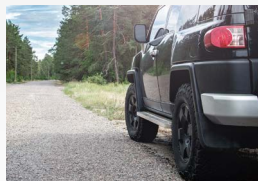
Company founded to produce caustic soda

- 1917: Established for the domestic production of caustic soda
- 1920: Commenced production of soap and other products
- 1928: Nihon Nohyaku Co., Ltd. was established through the merger of the agrochemical manufacturing department and Fujii Seiyaku Co., Ltd.
- 1929: Commenced production of RISU BRAND MARGARINE

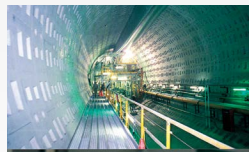


Development of high-value-added products and expansion into overseas markets

- 1971: Developed lubricant additives
- 1981 onward: Developed information and electronic chemicals such as high-purity chlorine
- 1988 onward: Established manufacturing and sales companies in Europe, U.S.A., and Asia



Lubricant additives for engine oil "ADEKA SAKURA-LUBE"



Tunnel built using ADEKA ULTRASEAL, a water-swelling sealing material

Expansion of business domain to environment, energy, and life sciences

- 2012: Established two material research laboratories for corporate research
- 2018: Nihon Nohyaku Co., Ltd. became a consolidated subsidiary

1917



RISU BRAND MARGARINE store sign and advertisement



ADEKA SOAP

1950

Supporting the lifestyle of Japan during its rapid economic growth

- 1954: Launched polymer additives business (commenced sales of plasticizers for polyvinyl chloride (PVC))
- 1959: Succeeded in domestic production of propylene glycol

1970

Shift to fine chemicals and concentration on growth areas

- 1990 onward: Created products that reduce environmental impact
- Accelerated development of materials for displays and semiconductors
- 2006: Company name changed to ADEKA Corporation



ALD materials for semiconductors

2010

Contributing to a sustainable society

- 2021: Launched ADX 2023, a mid-term management plan incorporating CSR priority issues
- 2022: Established an organization to promote carbon neutrality



Decellularized regenerative medical materials and graphene

2020

The ADEKA Group Today

In addition to its two core businesses of chemicals and foods, the ADEKA Group has expanded into the new field of life sciences, offering a wide range of unique products with advanced technology and dependable quality.

Chemical Business

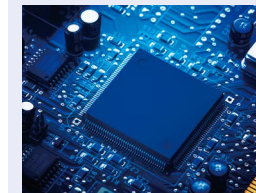


Polymer Additives

The ADEKA Group provides a variety of additives indispensable for boosting the performance, working life and recyclability of plastics.

Products

Additives for polyolefins, plasticizers/ PVC stabilizers, flame retardants, etc.



Electronics and IT Materials

The Group provides products that apply leading-edge technologies that are indispensable for today's ICT-driven society.

Products

Semiconductor materials, display materials, etc.



Functional Chemicals

We provide a wide range of high value-added products in various fields ranging from infrastructure to automobiles, cosmetics, toiletries, and more.

Products

Waterborne resins, cosmetic ingredients, lubricant additives, propylene glycol, peroxide products, etc.

Food Business



By providing processed oils and foods, the Group contributes to safe, dependable and richly varied diets.

Products

Margarine, shortenings, whipping cream, fats and oils for chocolate, frozen pie crusts, etc.

Life Sciences Business



The Group provides agrochemicals, pharmaceuticals, animal healthcare products and other life-science-related products. We also conduct research and development focusing on regenerative and preventive medicine and improvement of the quality of life.

Products

Agrochemicals, pharmaceuticals, quasipharmaeaceutical products, animal healthcare products, wood chemicals, medical materials, etc.

Other

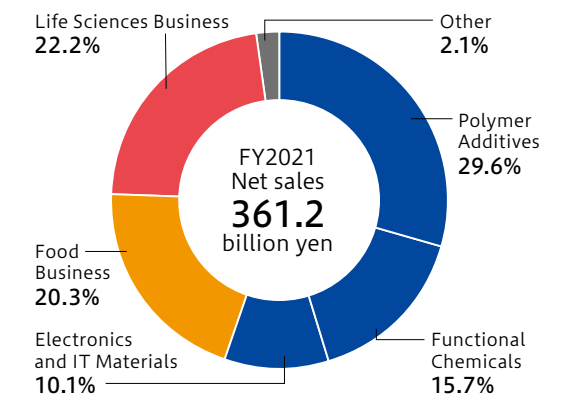


Our other business primarily includes the maintenance of ADEKA Group plants and facilities, the design of various kinds of plants, logistics, and an insurance-agency business.

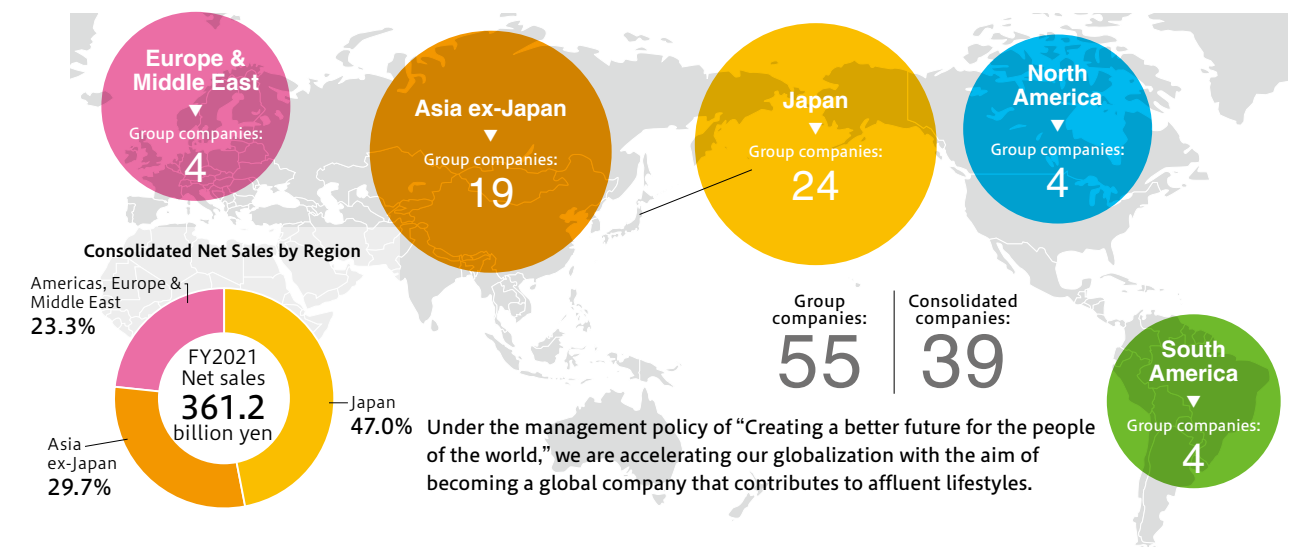
Services

Plant design and construction management, real estate, logistics, insurance agency services, etc.

Consolidated Net Sales by Business



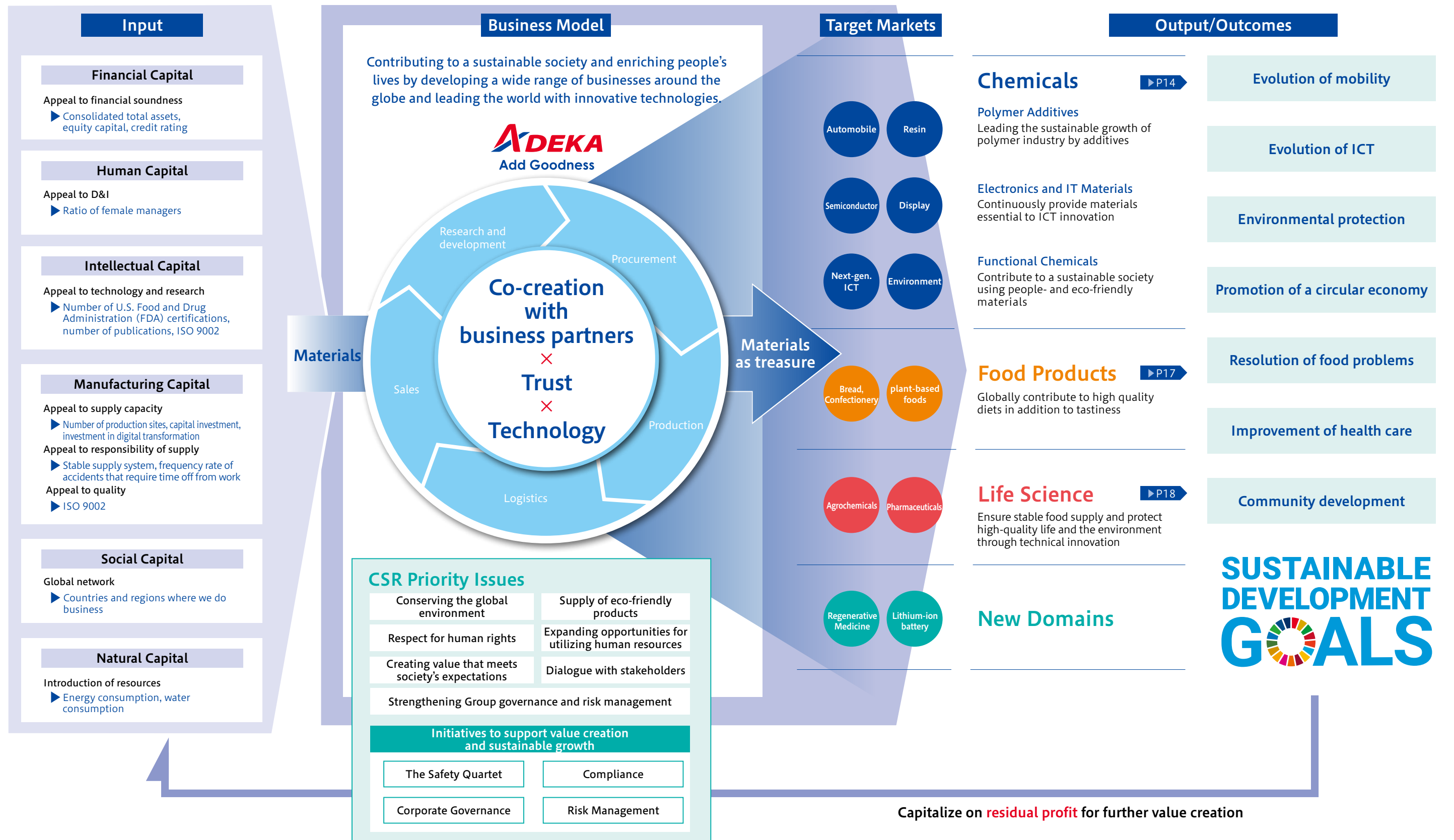
Global Network



Value Creation Process

ADEKA VISION 2030 An Innovative Company

Contributing to a Sustainable Future and Affluent Lifestyles



Transformation Toward ADEKA VISION 2030

The ADEKA Group has established *ADEKA VISION 2030: An Innovative Company Contributing to a Sustainable Future and Affluent Lifestyles* as its ideal vision for 2030. We have positioned the three-year period from fiscal 2021 to 2023 as the first stage toward realizing this vision, and are implementing strategies under our mid-term management plan, *ADX 2023*.

Although we achieved the goal of 300 billion yen in consolidated net sales under *BEYOND 300*, our previous mid-term management plan, we must continue to transform ourselves in order to respond to a social environment that is changing day by day.

Under *ADX 2023*, we will strive to enhance our corporate value by meeting society's expectations through the provision of products and services that help realize a sustainable society, and by pursuing social and economic value.

Backcast and formulate from where we want to be in 2030

Our Vision for 2030

ADEKA VISION 2030

An Innovative Company Contributing to a Sustainable Future and Affluent Lifestyles

ADX 2023

(FY2021-2023)

Basic Policies

Transform the management foundation to be compatible with the new social environment, aiming to achieve sustainable growth with an emphasis on profitability.

Co-development of social value and economic value

Contributing to a sustainable future and affluent lifestyles

Improving corporate value

Social value
Non-financial

Economic value
Financial

Co-creation of social value and profit

Initiatives addressing CSR Priority Issues

- Environmental protection
- Making better use of human resources
- Strengthening governance

Contributing to the achievement of the SDGs through business activities

- Supply eco-friendly products

Transformation from the previous Mid-Term Management Plan

Business expansion

- Provision of strategic product lineup
- Provision of AIV products

Expected features of the business environment in 2030

- Evolution of mobility
- Fusion of real and virtual spaces
- Society connected through ICT
- Population growth and rapid urbanization of developing countries
- Super ageing society
- Decarbonized society
- Global warming
- Shortages of food and scarce resources

ADEKA Group's CSR Priority Issues

- Conserving the global environment
- Supply of eco-friendly products
- Creating value that meets society's expectations
- Dialogue with stakeholders
- Respect for human rights
- Expanding opportunities for utilizing human resources
- Strengthening Group governance and risk management

Review

- Did not achieve profit targets due to the impact of the COVID-19 pandemic
- Proactively implemented measures for growth and investments and loans
- Strengthened management foundations by taking such steps as establishing a CSR structure, enhancing corporate governance, and unifying the accounting period of overseas subsidiaries

BEYOND 300

(FY2018-2020)

Basic Policies

Become an excellent company with sales exceeding 300 billion yen

Maximization of net sales and operating profit

Mid-Term Management Plan ADX 2023

We have positioned ADX 2023 as the first stage toward the realization of our vision for 2030, a three-year period during which we will move towards building a more robust corporate structure, and pursue initiatives that will lead to a major transformation of ourselves.

<p>* Operating Profit</p> <p>42.0 billion yen</p> <p>(Net Sales: 430.0 billion yen)</p>	<p>ROE</p> <p>9%</p>
<p>Capital Investment (3-year total)</p> <p>50.0 billion yen</p> <p>(including environmental investment for achieving carbon neutrality)</p>	<p>Dividend Policy (Dividend payout ratio)</p> <p>Maintained at more than 30%</p> <p>(Based on our comprehensive consideration of appropriate shareholder returns, maintaining stable dividends as our policy.)</p>

* In fiscal 2021, sales of semiconductor materials and polymer additive products were strong, and the impact of the yen's depreciation and other factors contributed to results that far exceeded the initial projections we made when formulating the mid-term management plan. As a result, in the first year of the plan, we almost reached the management index level we set out for the final year (fiscal 2023). In light of this, we have revised upward our management indexes for the final year of the plan, taking into account changes in the business environment due to the COVID-19 pandemic, strong demand and capital investment conditions in the semiconductor field, and surging raw material and fuel prices and exchange rate fluctuations.

Key Strategies

In order to respond to the new social environment, including the need to achieve carbon neutrality, and maximize social and economic value, we have formulated three pillars of our key strategy: transforming our earnings structure, expanding into new domains, and reinforcing Group management. In addition, we aim to enhance corporate value by strengthening the business foundations that support our key strategies through our human resource and digital transformation strategies.

<p>Transforming the earnings structure</p> <ul style="list-style-type: none"> Increasing strategic product lines and new products, including eco-friendly products Optimizing total cost by increasing productivity 	<p>Achieving sustainable growth with new domains</p> <p>Commercialization in the fields of life science, the environment, energy, and next-gen. ICT</p> <ul style="list-style-type: none"> Enhancing and optimizing ADEKA's portfolio (M&A) 	<p>Reinforcing Group management</p> <ul style="list-style-type: none"> Strengthening Group governance Realizing new working styles Achieving a strong financial base
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Foundation	<p>Human resource</p> <p>Development of global human resources and implementation of talent management</p>	DX
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Strategy by Business

Chemical Business

Polymer Additives

In order to help create a sustainable society, our company's *raison d'être* is to continue using polymer materials (plastics) that are useful to humankind in an appropriate manner rather than abandoning their use. We aim to be a leading company in the field of polymer additives by demonstrating our strengths in developing products with a long lifespan and resource recycling.

Main products

- Additives for polyolefins (ADK STAB)
- Plasticizers/PVC stabilizers (ADK CIZER)
- Flame retardants (ADK STAB FP series)

Strengths

- We provide one-step solutions through our extensive, global-leading product lineup
- We offer solutions that meet customers' needs by proposing additive formulations based on practical resin molding methods and molding machines, and by providing technical follow-up
- We support customers' development with detailed technical follow-up by utilizing our extensive global network of 16 bases in 12 countries/regions

Recognition of Business Environment and Vision

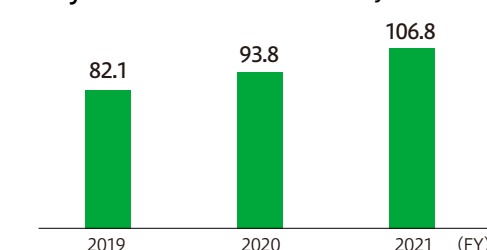
Lighter and easier to process, less conductive to electricity and heat, and more hygienic than metals and other materials, plastics are used in all aspects of daily life, including automobiles, building materials, home appliances, packaging materials, and the sanitary and medical fields, and are increasingly being consumed in emerging markets and elsewhere. The production of commodity resins is expected to expand, especially recycled resins, year after year, and additives are expected to play an even more active role.

To lead the sustainable development of the resin industry as a leading global company in the production of high-performance polymer additives, ADEKA will expand its one-pack additives in the global market, such as nucleating agents, phosphorus flame retardants for engineering plastics, light stabilizers for automobiles, and other products that boast top-class market shares and comprehensive strengths, targeting the automotive, construction materials, home appliances, medical, and food packaging industries.

Strategy

With the shift to electric vehicles, we will provide high-performance nucleating agents to realize lighter and stronger resins and flame retardants to ensure battery safety. In addition, we will aim to expand our proprietary products with technological superiority, such as the ADK CYCLOAID series of eco-friendly polymer additives that are kind to the global environment.

Polymer Additives Sales (billion yen)



Solving social issues through products

Provides transparency and improved heat resistance to molded products

ADK STAB NA-27/NA-71

ADK STAB NA-27/NA-71 are polymer additives that impart high transparency and heat resistance to polypropylene. Because they are odorless and have excellent extraction resistance, they are mainly used for food packaging containers and disposable medical devices. Our future efforts include the development and deployment of new products with a view to substituting transparent resins such as polystyrene and polyethylene terephthalate.



Chemical Business

Electronics and IT Materials

We contribute to the enrichment of people's lives with a diverse range of products that are indispensable to the realization of an ICT-based society, including semiconductors and display materials used in data centers and cutting-edge devices.

Main products

- Photo (light) curing materials (ADEKA ARKLS)
- Semiconductor materials (ADEKA ORCERA)
- Etching equipment ADEKA AFES SUPER SYSTEM, BEAC system
- High-dielectric materials for advanced semiconductors
- Photo-acid-generating agents for advanced photoresists
- Adhesive and coating photo (light) curing resins for optical films
- Etching solutions

Strengths

- 1 Based on high-purification technology, organic synthesis technology, compounding technology, evaluation technology, and quality control technology, we can develop at the same speed as our customers in the information and electronic materials fields, where the technology is evolving rapidly.
- 2 Our high-purification and quality control technologies enable us to meet increasingly strict semiconductor standards along with miniaturization.

Recognition of Business Environment and Vision

As we move toward the emergence of an ICT-based society, memory data capacity is increasing, wafer area is growing, and semiconductors are becoming finer and their structures taller. Investment in semiconductor manufacturing facilities is accelerating both in Japan and other parts of the world, and the market for advanced photoresists (ArF and resists for EUV exposure) is expected to expand along with semiconductor miniaturization.

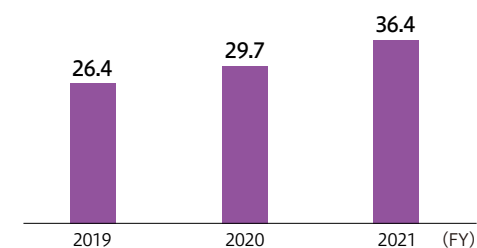
In a society experiencing a paradigm shift and undergoing significant changes, we will support the development of an ICT-based society, create new value with novel and advanced materials, and contribute to the enrichment of people's lives. In addition, we will continue to provide indispensable materials to industry leaders in the information and electronics fields by seizing the mega-trends of 5G and IoT technological innovations as an opportunity.

Strategy

In line with the semiconductor miniaturization roadmap, we will research, develop, and provide key materials that are indispensable for advanced semiconductors. We will invest in capacity expansion as needed to meet growing demand.

We will utilize the business know-how acquired in Japan and Korea to expand our business in Taiwan and the United States.

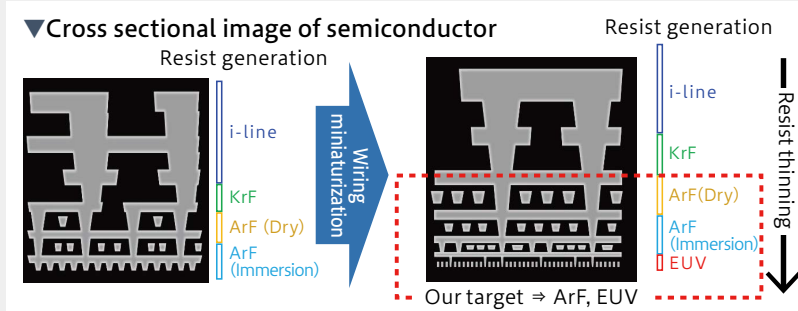
Electronics and IT Materials Sales (billion yen)



Solving social issues through products

Photo-acid-generating agents ADEKA ARKLS series

Photo-acid-generating agents are key materials for advanced photoresists (ArF and resists for EUV exposure), whose market is expanding along with semiconductor miniaturization, and are indispensable materials for forming fine semiconductor interconnections.



Functional Chemicals

We provide a wide range of people-friendly and eco-conscious products for mobility, including automobiles, and for the infrastructure that forms the basis for convenient and comfortable lifestyles.

Main products

- Epoxy resin adhesives ADEKA REMYLOP series
- Special-type epoxy resins for vehicles ADEKA RESIN series
- Reactive emulsifiers ADEKA REASOAP series
- Water borne resins ADEKA BONTIGHTER/ADEKA RESIN series
- Matrix resins for FRP (developed product) ADEKA Lasimec series

Strengths

- 1 We create various products using stabilization technology, high-purity technology, polymer functionalization technology, interface control technology, organic synthesis technology, and compounding technology.
- 2 We have many unique, high-value-added products created through continuous selection and concentration while leveraging our fundamental technologies and developing materials.

Recognition of Business Environment and Vision

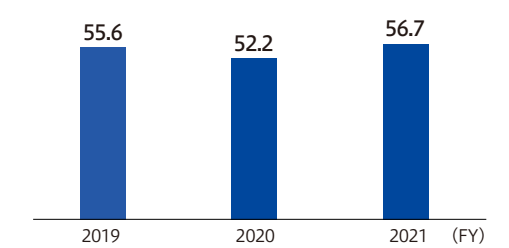
As digital technology innovates and lifestyles change, mobility, including automobiles, must become lighter, more connected, and more automated. In addition, in order to comply with environmental regulations, society in general is required to shift from solvent-based materials containing harmful components to water-based materials for paints and adhesives used for infrastructure and other purposes. In response to these demands, the people friendly and eco-conscious materials that we have been pursuing for many years are increasingly becoming the preferred choice of customers.

In addition to automotive and infrastructure materials, we will focus on cosmetics and sanitary applications, and provide products that contribute to the development of a digital society and improvement of the global environment, aiming to become the world's top company in strategic business fields.

Strategy

Our targets are environmentally friendly materials for next-generation mobility, cosmetics, and infrastructure, which are growth areas. For automotive parts, we will expand business mainly in adhesives and lubricant additives, and for architectural coatings in reactive emulsifiers.

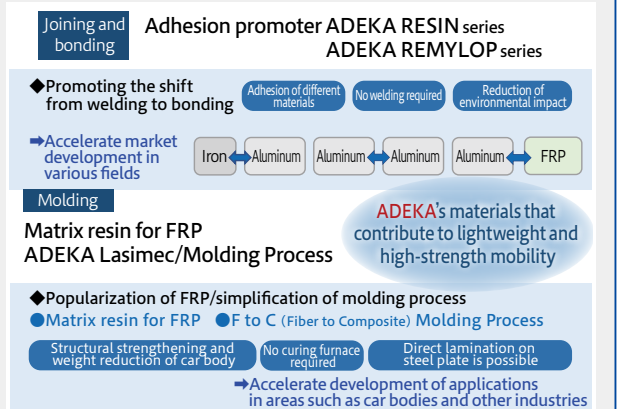
Functional Chemicals Sales (billion yen)



Solving social issues through products

Adhesion promoter ADEKA RESIN series ADEKA REMYLOP series ADEKA Lasimec (developed product) series

In the mobility field, there is a demand for multi-material car bodies (from steel plates to fiber-reinforced plastics (FRP), aluminum, and magnesium) and advances in assembly, bonding, and synthesis technologies. Against this backdrop, we have developed the ADEKA RESIN and ADEKA REMYLOP series, which can bond different materials, as well as ADEKA Lasimec, a resin for FRP used to reinforce structural members and reduce weight, and F to C Molding Process.



Food Business



Ever since we commenced production of RISU BRAND MARGARINE in 1929, we have been providing value-added processed oils, fats and processed foods for commercial use developed with our proprietary technologies to help deliver a variety of delicious foods to people's dining tables, including breads and confectionaries.

Main products

- Processed fats (margarine, shortenings, fats and oils for chocolate)
- Processed foods (whipping cream, fillings, frozen pie crusts)
- Plant-based foods

Strengths

Based on the pursuit of delicious taste, our strength lies in the development of products that support solutions to issues surrounding the food industry, such as improving production efficiency and reducing food loss. We were the first in the industry to offer products with reduced trans fatty acids, and we are expanding sales of Marvelous, a functional margarine launched in 2020 that maintains the unique flavor and texture of freshly baked bread, thereby contributing to food loss reduction by extending the expiration dates of bread sold in convenience stores and supermarkets.

Recognition of Business Environment and Vision

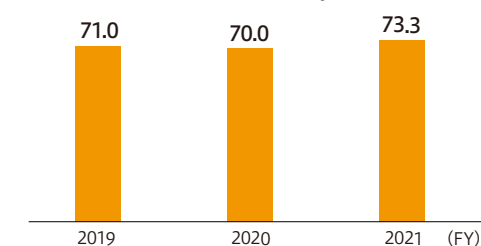
In the food industry, in addition to providing delicious taste, there is an urgent need to improve production efficiency and the working environment so as to reduce food loss and greenhouse gas emissions and address labor shortages and rising raw material prices. In addition, the idea of ethical consumption is beginning to take root as interest in the Sustainable Development Goals (SDGs) grows.

At ADEKA, we will continue to support our customers in finding solutions to their issues by providing materials for delicious food products that are safe and reliable, as well as considerate to society.

We will expand our business domains into new markets, such as plant-based foods, create products that

contribute to food loss reduction and sustainability, and establish a firm position as a leading company in Japan, while accelerating our overseas expansion, mainly in Asia.

Food Business Sales (billion yen)



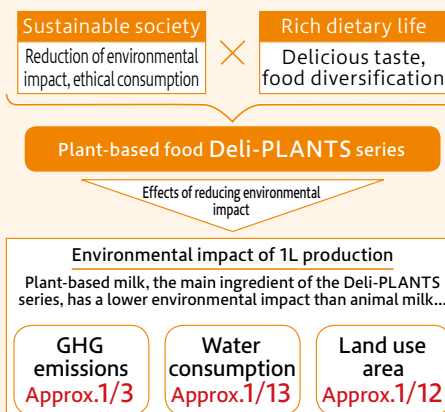
Solving social issues through products

Representative products

Deli-PLANTS series and examples of uses

- Highly concentrated oat milk Prepared foods, frozen foods, confectionery, breads, pastries, ice cream, etc.
- Plant-based cheese cream Confectionery, prepared foods, frozen foods, etc.
- Plant-based whipping cream Confectionery, prepared foods, frozen foods, etc.
- Plant-based margarine Confectionery, prepared foods, frozen foods, breads, etc.

Deli-PLANTS is a product that does not directly contain animal ingredients as raw materials or food additives. Under the brand name Deli-PLANTS, which is a combination of the words "delicious" and "plants," we are taking on the challenge of creating delicious plant-based foods that are environmentally friendly, health-conscious, and responsive to diversifying food preferences.



Life Sciences Business



We support people's health and daily lives by providing advanced technologies to meet society's needs in a wide range of fields, including agrochemicals, pharmaceuticals, and animal healthcare products.

Main products

- Agrochemicals (insecticides, fungicides, herbicides)
- Pharmaceuticals (topical antifungal agents)

Strengths

In order to ensure a safe and stable food supply and to protect our affluent lifestyles, Nihon Nohyaku Co., Ltd., which is responsible for the life sciences business, continues to create new agrochemicals that meet the needs of the times. The company continuously invests approximately 10% of its sales in research and development, which is the driving force behind its efforts.

The company has developed and obtained rights to 24 agrochemical active ingredients, and a total of seven active ingredients for pharmaceuticals, veterinary drugs, and chemical products. The company's goal is to continue to create new compounds at the rate of one new agent every three years.

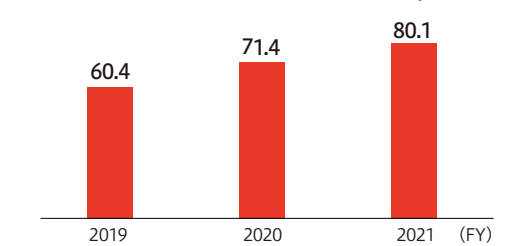
Recognition of Business Environment and Vision

The world population is expected to grow rapidly and reach 9.7 billion by 2050. There are concerns that the world's food supply and demand will be strained due to such population growth and changes in the demand structure. Increasing the yield per unit area of high-quality crops and improving agricultural productivity are urgent issues in the stable supply of food. To help solve these issues, agricultural chemicals are expected to play a greater role than ever before.

To fulfill our mission and role in contributing to agricultural production activities aimed at the stable supply of safe food, we will continue to create and provide agrochemicals with superior performance, cost, and selectivity in Japan and overseas. We will strengthen our

drug discovery platform and business competitiveness by advancing our global growth strategy in Europe, the U.S., India, Brazil, and elsewhere, and contribute to the food and agriculture of the future while actively engaging in CSR activities.

Life Sciences Business Sales (billion yen)



Solving social issues through products

New rice pesticide Orchestra

For paddy rice growing countries in Asia, including Japan, planthoppers are a threat because they suck the nutrients from rice plants, and in the worst case scenario, they greatly reduce the rice yield to the extent that famine occurs. Orchestra, which is effective against this difficult-to-control pest, is a product whose active ingredient is benzpyrimoxan, a new compound originally developed by Nihon Nohyaku Co., Ltd. The product was named Orchestra because of the way it plays in harmony with various elements that support crop production in rice paddies, such as environmental organisms, pest control technology, and cultivation technology.

Advantages of Orchestra

- 1 Highly effective control of planthoppers, which are a problem in rice paddies**
It shows stable effects against planthoppers, such as the brown planthopper (*Nilaparvata lugens*).
- 2 Novel in action, effective against planthoppers that are resistant to existing agents**
The active ingredient, benzpyrimoxan, disrupts the concentration of ecdysone (insect molting hormone) in the insect's body, causing molting to fail and resulting in insecticidal effects. It is highly effective against populations that are resistant to existing agents, and demonstrates a stable control effect.
- 3 Safe with respect to the planthopper's natural enemies and useful insects**
It has a precise effect targeting only certain pests, and has little impact on bees, spiders, water striders, and other insects, making it suitable for Integrated Pest Management (IPM).



CSR Management

Based on its management policies, the ADEKA Group will continue to leverage its proprietary technologies to create products and services that society and people demand, and to work together with stakeholders to create value for society.

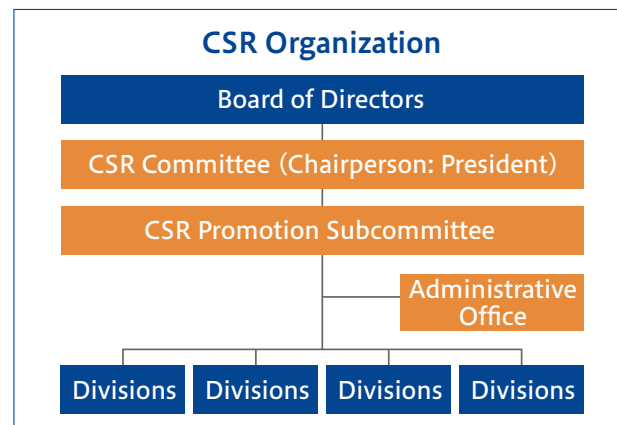
In formulating *ADX 2023*, we reviewed our Fundamental CSR Policy and established new CSR priority issues to respond to the new social environment. We will further integrate management and CSR by clarifying the relationship between CSR priority issues and SDGs targets, and by reflecting CSR priority issues and KPIs in measures taken under *ADX 2023*.

CSR Organization

In 2019, the ADEKA Group established the CSR Committee, a CSR decision-making body chaired by the president, and the CSR Promotion Subcommittee, which promotes Company-wide CSR initiatives. In April 2022, we established the Corporate Sustainability Department (Administrative Office) and the Carbon-Neutral Strategy Department with the aim of achieving further carbon neutrality and sustainable growth through sustainable management. We will accelerate our efforts by ambitiously integrating management and CSR.

ADEKA Group Fundamental CSR Policy

The ADEKA Group contributes to the creation of a sustainable future by meeting stakeholders' expectations with technologies and reliability through fair and transparent corporate activities.



CSR Priority Issues and KPIs

The Group identified seven CSR priority issues in four priority domains and specified a series of key performance indicators (KPIs) for realizing *ADEKA VISION 2030*.

	Priority Domains	CSR Priority Issues	ADEKA VISION 2030	KPIs in 2030
E	Environment	<div> <div>Conserving the global environment</div> <div> </div> </div>	<ul style="list-style-type: none"> Minimize the environmental impact of operations Make a substantial contribution to the reduction of our customers' environmental impact through eco-friendly products. 	<ul style="list-style-type: none"> Gather ideas from all members of ADEKA to achieve carbon neutrality by 2050 2030: Reduce CO₂ emissions by 46% from 2013 (Scope 1+2)
		<div> <div>Supply of eco-friendly products</div> <div> </div> </div>		<ul style="list-style-type: none"> Net sales of eco-friendly products: Increase to triple the level of 2019
S	Better living conditions and communication	<div> <div>Creating value that meets society's expectations</div> <div> </div> </div>	<ul style="list-style-type: none"> Create and share products that contribute to affluent lifestyles globally through safe, stable business activities. 	<ul style="list-style-type: none"> Number of ADEKA Innovative Value (AIV) certifications: twice the number in 2019
		<div> <div>Dialogue with stakeholders</div> <div> </div> </div>		<ul style="list-style-type: none"> Establish methods and opportunities for communication with each stakeholder
	Human rights and human resources	<div> <div>Respect for human rights</div> <div> </div> </div>	<ul style="list-style-type: none"> Respect the human rights of individuals throughout the supply chain Enable all Group employees to work actively 	<ul style="list-style-type: none"> Establish and disseminate ADEKA Group Human Rights Policy
		<div> <div>Expanding opportunities for utilizing human resources</div> <div> </div> </div>		<ul style="list-style-type: none"> Promote Diversity and Inclusion (D&I): Human Resource Portfolio: Female manager percentage of 10% (non-consolidated) Diversity of personnel in management positions Develop Climate: Increase employee satisfaction D&I-related educational training, etc. Promote Health Management: Obtain certification for Health & Productivity Management Outstanding Organization (White 500)
G	Governance	<div> <div>Strengthening Group governance and risk management</div> <div> </div> </div>	<ul style="list-style-type: none"> A group governance system in place Have a business continuity plan in place for contingencies 	<ul style="list-style-type: none"> Spread awareness of the Group Code of Conduct and the strengths unique to ADEKA Implement Group BCP

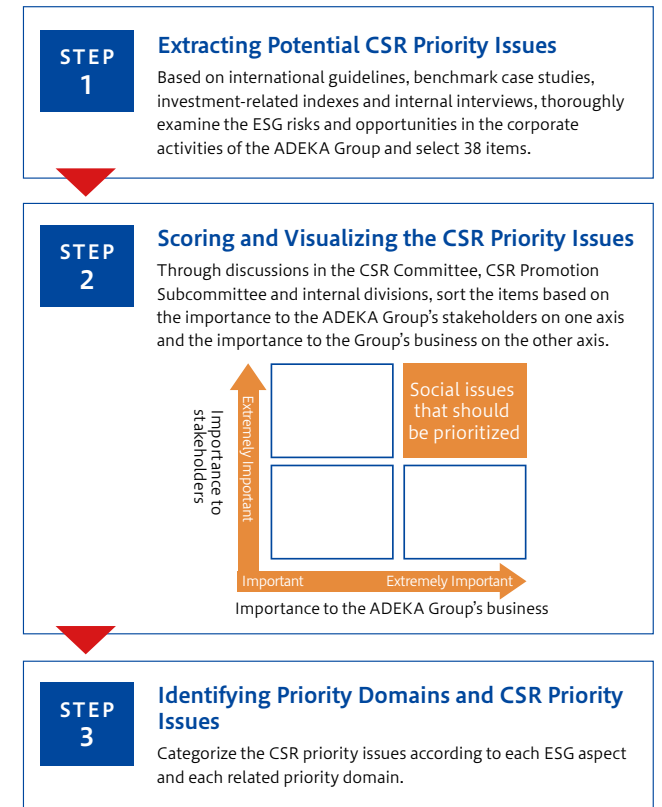
Decision-Making Process for CSR Priority Issues

Determined to achieve sustainable growth as a good corporate citizen, the ADEKA Group recognizes the importance of addressing social issues through its business activities and contributing to the advancement of society.

To share this commitment Group-wide and execute these efforts as a team, the ADEKA Group has identified a series of CSR priority issues. The CSR priority issues were selected in light of their importance to internal and external stakeholders as well as to the Group's business.

Expected features of the business environment in 2030

- Evolution of mobility (CASE)
- Population growth and rapid urbanization of developing countries
- Responses to sustainable development in the plastics industry
- Reduction of food waste
- Society connected through ICT
- Shortages of food and scarce resources
- Development of new materials
- Sustainable procurement of raw materials
- Fusion of real and virtual spaces
- Decarbonized society
- Responses to advanced medical technologies
- Use of clean energy
- Super ageing society
- Global warming
- Supply of alternative foods and nutrients
- Environmental protection



Going forward, the Group will strive to achieve its targets by managing its business activities with KPIs.

Eco-friendly products

The Group defines "eco-friendly products" as products that contribute to reducing the environmental impact throughout the product lifecycle, from resource gathering to final disposal.

Currently 14 product lines

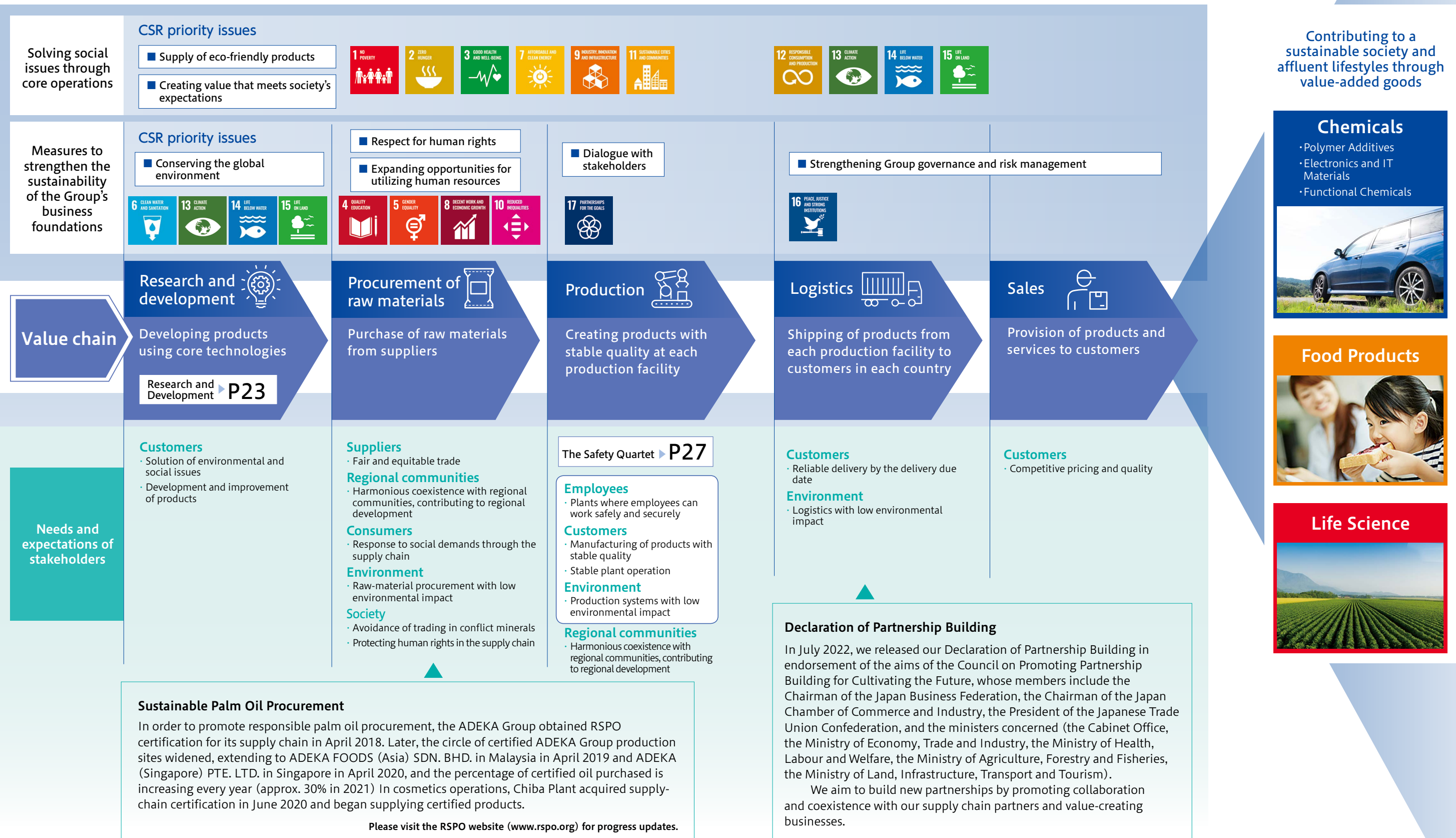
AIV (ADEKA Innovative Value)

ADEKA certifies its products whose value is recognized by the public both in name and practice based on recommendations from external parties, net sales, profitability, etc.

Currently 14 products

The ADEKA Group Value Chain

At the ADEKA Group, we recognize that our generation of products and services through a series of business processes impacts our stakeholders in myriad ways. The Group generates social value through its value chain by meeting the needs and expectations of stakeholders in each process, thereby fulfilling its social responsibilities. By optimizing this social value, the ADEKA Group seeks to contribute to the formation of a sustainable society.



Research and Development

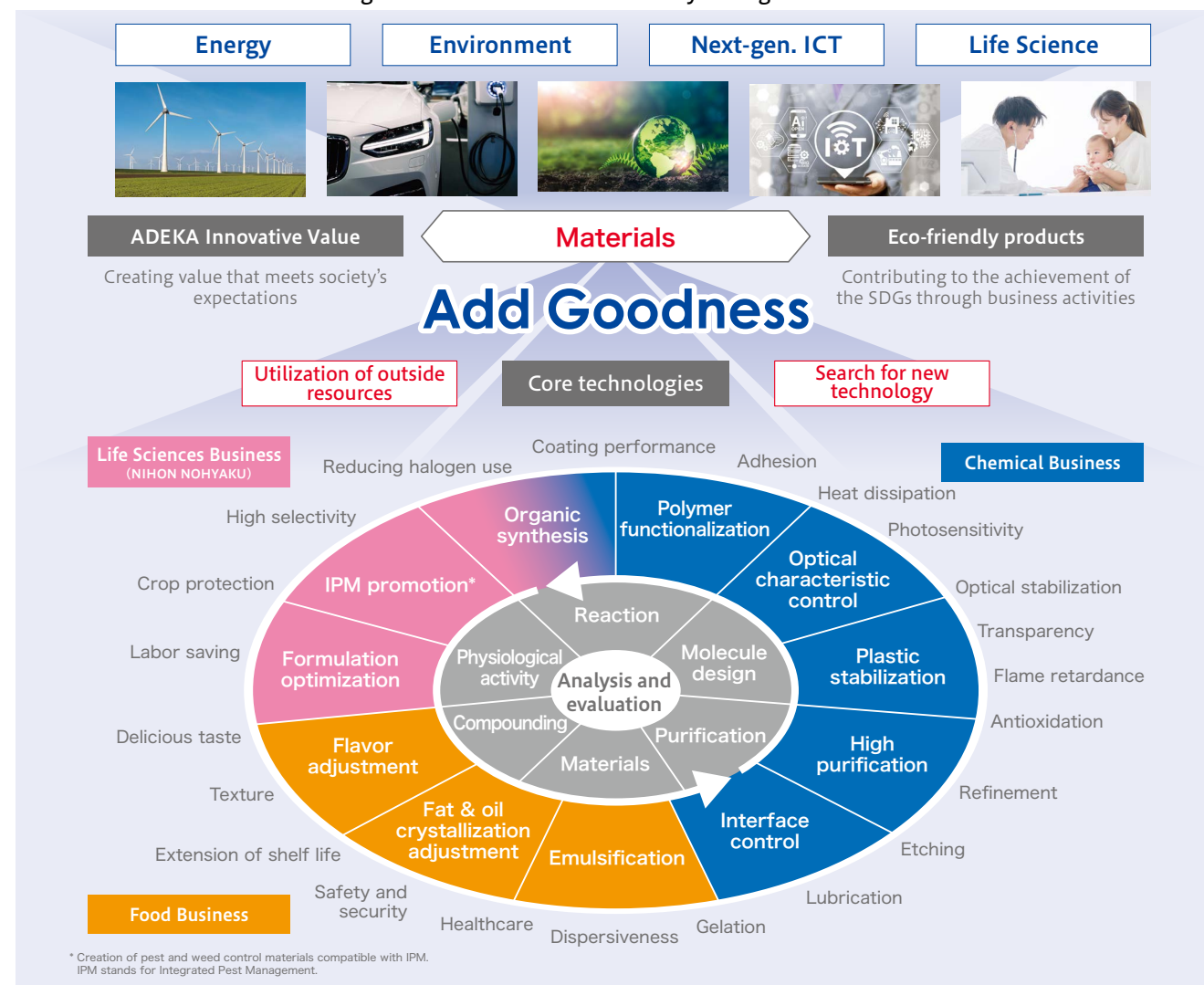
Add Goodness Shifting to a New Concept of Materials

Atsuya Yoshinaka
Director and Operating Officer General
Manager, Research & Development Division

The ADEKA Group is a materials manufacturer. We perceive the materials we handle to be much more than mere materials. To us, they are treasure. Since our founding, we have always maintained a corporate culture and climate of developing products with a sense of mission and providing them to the world in order to enrich people's lives. From general-purpose to cutting-edge products, the ADEKA Group's products add further functionality, durability, and environmental performance to existing materials, enhancing the value of materials as treasure and delivering them to customers around the world. As a researcher, there is nothing better than realizing that the products we have developed contribute to people's affluent lives, as we work to realize our vision for the future of R&D: "Blazing a trail for the future of humanity through materials."

R&D Vision

ADEKA's R&D division has characterized its target state for 2030 as "contributing to a sustainable society and the enrichment of people's lives by continually developing and providing innovative materials and solutions." By fusing technologies developed over the Company's more than a century of history, and by actively adopting technologies it lacks from outside resources, ADEKA delivers products offering ADEKA Innovative Value (AIV), bringing comfort, convenience and affluence to people around the world. In the same way, ADEKA creates a wide range of eco-friendly products, contributing to the protection of the Earth's environment. Through these efforts, ADEKA's R&D Division seeks to fulfill its vision of the future of R&D: "Blazing a trail for the future of humanity through materials."



Research and Development Policy

The Research & Development Division has established policies on four topics: ① selection of research themes and basic stance; ② expansion of existing businesses; ③ creation of novel businesses; and ④ efforts to become carbon neutral.

- ① We are working to promote research and development that contributes to a sustainable society and the enrichment of people's lives.
- ② We are concentrating our efforts on market and product development focused on strategic products, to achieve further expansion of operations.
- ③ We are moving forward with the creation of businesses in frontier domains such as energy, the environment, next-generation ICT and the life sciences.
- ④ Through research and development, we are fully committed to the realization of carbon neutrality as a goal of the ADEKA Group.

Here, we introduce the following four initiatives for value co-creation.

Collaboration among R&D divisions

In order to promote timely product development based on an acute awareness of changes in the market environment and user needs, we promote collaboration with group companies and internal cooperation.

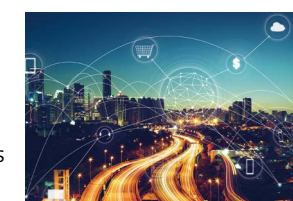


For example, each Group facility around the globe is equipped with its own development lab, which serves as a front-line base for identifying local trends as early as possible.

In Japan, we have established Peroxide Products Group, a research and development base at the Fuji Plant, and are working with Group companies to develop and market new peroxide products. The In-House Young Researchers' Group, which aims to promote interaction among young researchers and to invigorate R&D through interdepartmental collaboration, is taking on the challenge of creating new themes through group training and tours of other divisions' research laboratories.

Promotion of open innovation

The ADEKA Group promotes the creation of novel businesses in frontier areas such as energy, environment, next-generation ICT, and life science by fusing technologies in ways that transcend the traditional barriers between organizations.



We actively promote dialogue and joint research with universities, research institutes, and companies in Japan and around the world, using open innovation to accelerate the creation of novel businesses. Currently, we have established a joint research course at Shiga University of Medical Science, where we are engaged in the research and development of new functional polymer materials.

Intellectual property strategy

We have enhanced our IP (intellectual property) landscaping through such measures as the training of IP analysts and the establishment of expert groups. We promote research theme selection, new business creation, and value co-creation through analysis that incorporates IP information, technology trends, and market information through IP landscaping.



With regard to the inventions we create, we identify and delve deeper into the inventions in the flow from creation to commercialization, and continuously and multilaterally file and obtain patents with a clear vision as to the final result, thereby forming a patent portfolio that contributes to value co-creation.

Toward a carbon-neutral society

We are promoting various research and development activities that will enable us to reduce GHG emissions with an eye to the realization of a carbon-neutral society by 2050. In fiscal year 2022, we established a new dedicated team for research and development and exploratory studies focusing on carbon neutral research themes, and are accelerating efforts to synthesize functional materials using CO₂ and to create new research themes.



In addition, we promote collaboration with related companies and public organizations with the recognition that this is an important step in reducing GHG emissions throughout the entire supply chain.

R&D Topics

- Developed new products for the Deli-PLANTS series, a plant-based food brand, and began marketing them.
- Developed products under the ADK CYCLOAID brand of eco-friendly polymer additives. Launched a dedicated page on our website.
- Received an award at the Best Partner Awards from Samsung Electronics (Korea) in the field of semiconductor material development.
- Received the Best Supplier Innovation Webinar Award from L'Oréal Japan for cosmetic raw materials.
- Introduced SPAN, an active material for next-generation rechargeable batteries, in various media.

Response to Climate Change

The ADEKA Group declared its support for Task Force on Climate-related Financial Disclosures recommendations in February 2022. Amid the worldwide acceleration of the pursuit of a decarbonized society, the ADEKA Group will actively promote “conserving the global environment (e.g. reducing GHG emissions)” and “supplying eco-friendly products,” the Group’s CSR priority issues, particularly in terms of the environment. In this way, the Group will contribute to reducing the impact on the environment throughout its supply chain.

Governance

Important matters for resolution that include climate change issues are reported to the Board of Directors so that the Board’s supervision is properly ensured.

In order to appropriately assess and manage climate change-related risks and opportunities in business activities and promote management, the CSR Committee (held seven times in 2021), chaired by the President and Chief Executive Officer, determines policies on climate change-related issues, and deliberates and monitors measures.

Risk Management

The assessment of material risks and opportunities is decided after deliberation by the CSR Committee and reported to the Board of Directors. In addition, as climate change issues are included in the CSR priority issues, the progress of these efforts is regularly discussed by the CSR Promotion Subcommittee, an organization directly under the CSR Committee, and reported to the CSR Committee for discussion and approval.

Metrics and Targets

In March 2022, the ADEKA Group announced a roadmap for achieving carbon neutrality by 2050 based on two pillars, including:

- “2030: 46% reduction in GHG emissions (Scopes 1 and 2)” and
- Create technologies and products to contribute to GHG emissions reduction

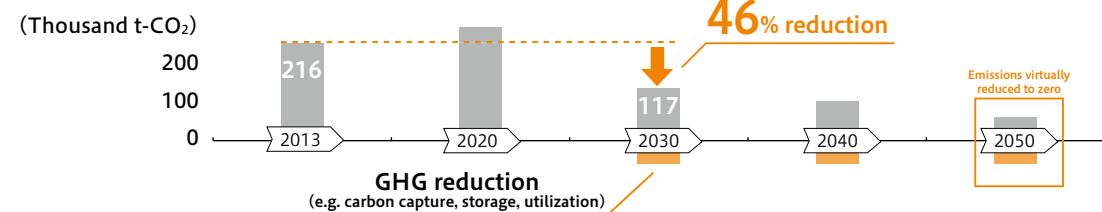
Strategy

In line with TCFD recommendations, we have established a “less than 2 °C scenario” in which the impacts in terms of transitional aspects become apparent, and a “4 °C scenario” in which the impacts in terms of physical aspects become apparent. We select target businesses and consider the entire value chain from raw material procurement to product demand to identify climate change risks and opportunities, and study the impact of these on our business and countermeasures.

ADEKA Group Carbon Neutrality Roadmap

The ADEKA Group is aiming to achieve “carbon neutrality by 2050.”

ADEKA Group reduces GHG emissions by 46% (Scopes 1 and 2)



Contributing to the reduction of GHG emissions through the creation of technologies and products

- [Initiatives]**
- Examine GHG emissions throughout the supply chain
 - Develop and provide sustainable products
 - Promote the sustainable procurement of raw materials
 - Optimize and increase the environmental friendliness of logistics and more

Achieve carbon neutrality by 2050

Aiming to achieve carbon neutrality by 2050, we established the Carbon-Neutral Strategy Department within the Corporate Planning & Strategy Division on April 1, 2022, to accelerate our efforts to reduce greenhouse gas (GHG) emissions and our environmental footprint.

Results of evaluation of risks and opportunities in the functional chemical segment

We organized the climate change-related opportunities and risks in the functional chemical segment. We also evaluated their size and timelines.

While we will continue to incorporate the results of our analysis and evaluation of the functional chemicals segment into our business strategy, we also plan to analyze other business segments in turn, taking into account CO₂ emissions, financial impact, and other factors.

● Opportunity, ● Risk

Changes in society and its impact		Risks and opportunities			Proposed solution	
1 Transition to a decarbonized society as part of the chemical industry	Introduction of carbon pricing	●	Introduction of carbon pricing	Medium to long term	<ul style="list-style-type: none">■ Shift to renewable energy■ Develop technologies for recovering, separating and utilizing GHG and implement them in society■ Utilize technologies for manufacturing hydrogen at Fuji Plant	
		●	Rising raw material prices (e.g. carbon price passalong)			
	Rise in demand from society for decarbonization efforts from us as a GHG-intensive Industry	●	Customers' evaluation of emissions reduction efforts and how we approach them, and their impact on share prices	Short to medium term		
		●	Response to the global trend toward the use of renewable energy (reputation among stakeholders)			
	Increase in costs due to actions against decarbonization in the process of manufacturing	●	Rise in prices of renewable energy (increase of surcharge, hike in power charges)	Short to medium term	<ul style="list-style-type: none">■ Study the rationalization of a manufacturing process■ Develop and commercialize the industrial process for decarbonization■ Encourage the installation of GHG removal equipment■ Encourage the use of CO₂-free hydrogen and ammonia	
		●	Rise in fuel prices (natural gas, coal)			
		●	Increase in costs due to introduction of CCUS	Long term		
2 Fluctuations in demand for products and services associated with the transition to a decarbonized society	Growing demand for low-carbon products and their manufacturing processes	●	Growing demand among customers for low-carbon products and manufacturing processes	Short to long term	<ul style="list-style-type: none">■ Promote the development and sales expansion of eco-friendly, low-carbon products■ Increase production capacity and boost competitiveness to meet demand■ Develop new products and promote research and development■ Reinforce integration and cooperation with affiliates. Promote M&A	
		●	Contraction of the product market due to climate change	Short to long term	■ Review the business portfolio	
		●	Selection on the basis of an assessment of CO ₂ emissions during manufacturing and a shift to low-carbon alternative products		(Same as “1 Transition to a decarbonized society as part of the chemical industry” written above)	
	Responding to the shift to electric vehicles in relation to changes in the automotive industry	●	Rise in demand for products for EVs (e.g. lightweight materials, battery materials, EV-related technologies)	Short to Medium term	<ul style="list-style-type: none">■ Provide the next-generation mobility society with components and systems■ Strengthen coordination with industry players such as automotive and battery manufacturers■ Increase production capacity to meet demand■ Expand into the downstream industries	
		●	Rise in demand for materials to improve the performance of secondary batteries			
		● ●	The shift to EVs leads to a decrease in the number of internal-combustion engines and in demand	Medium term Long term		■ Review the business portfolio
3 Intensification of wind and water damage due to rising temperatures	Intensification of wind and water damage due to rising temperatures	●	Dispersion of business locations to secure our competitive advantage	Long term	■ Disperse business locations	
		●	Impact of supply chain disruption on our operations and resultant increase in procurement costs	Long term	<ul style="list-style-type: none">■ Improve BCP drills and measures for offices located in coastal areas■ Improve prior actions (e.g. review of inventory standards, consideration of multiple purchases and multiple business sites)■ Measures against water risks	
		●	Damage to equipment and operational shutdowns due to extreme weather			

For more information, see <https://www.adeka.co.jp/csr/en/tcfd01.html>.

The Safety Quartet

About the Safety Quartet

The Safety Quartet is a concept unique to the ADEKA Group. The term refers to harmoniously and organically interwoven safety activities in four categories of safety: occupational safety, environmental safety, product quality safety and equipment safety.

We promote the Safety Quartet based on basic principles that apply throughout the Group. Through continuous improvement using the PDCA (Plan-Do-Check-Act) cycle, we aim to continue safe and efficient corporate activities and provide safety and security to our stakeholders.



Basic Principles of The Safety Quartet

1. Leadership
2. Compliance with laws, regulations and rules
3. Advancement of 5S
4. Communication
5. Life-cycle evaluation and analysis
6. Overview of the supply chain
7. Contribution to a sustainable social structure
8. Pursuit of new technologies

Establishment of the Safety Quartet

Foundations of safety

Establishment of management systems, introduction of the latest technology such as automation, appropriate capital investment, etc.

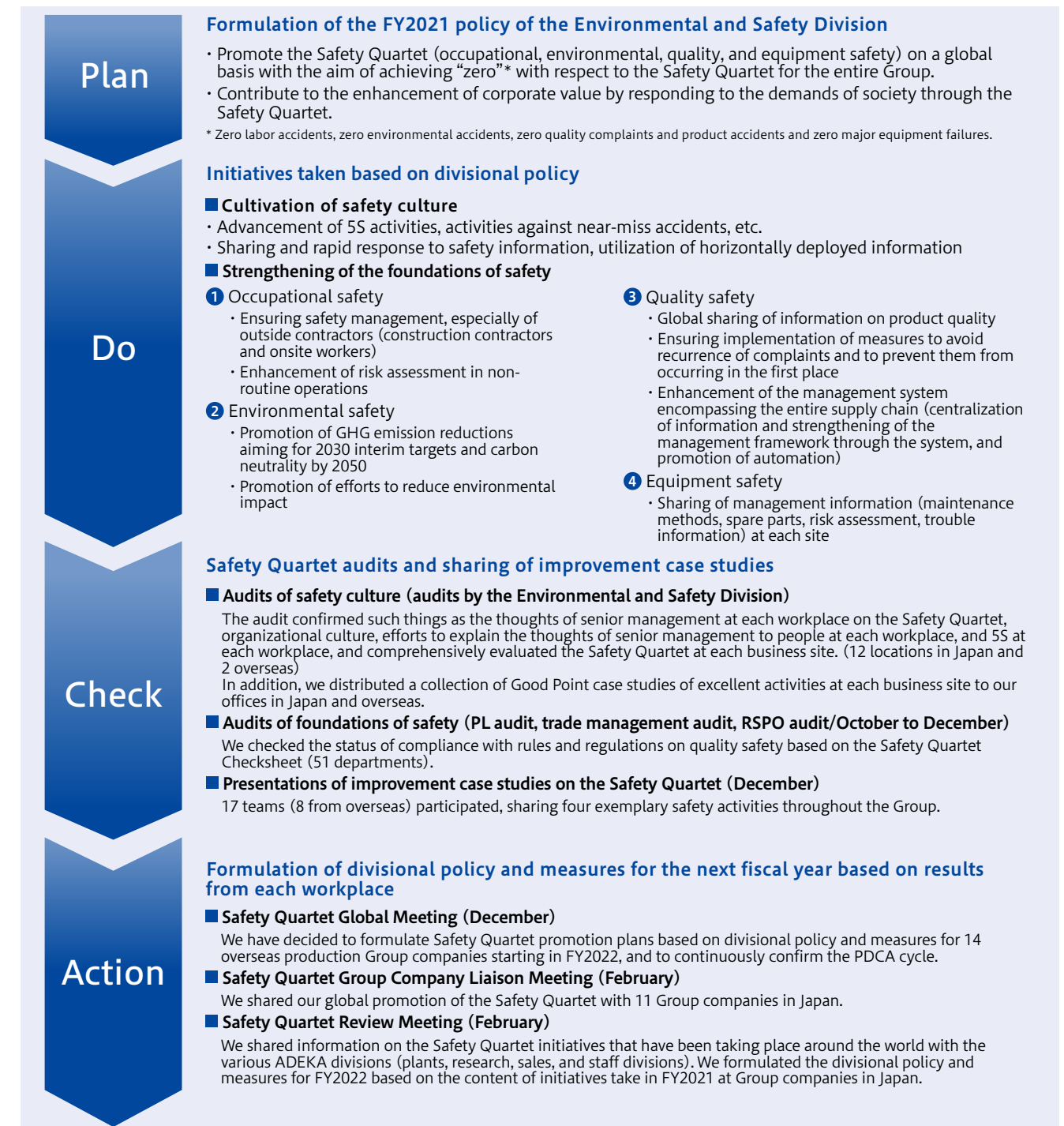
Safety culture

Creating awareness of compliance with laws and rules, on-site communication, improvement activities, etc.

Definition of the Safety Quartet

Occupational Safety	There are no unacceptable risks to the employee's wellbeing in the work environment, both physically and mentally.
Environmental Safety	The business environment and the global environment are considered as one and the same, and there are no unacceptable risks for the continuation of our business activities.
Quality Safety	Quality assurance and product safety are considered as one and the same, and that there are no unacceptable risks in the entire supply chain when our customers use our products.
Equipment Safety	There are no unacceptable risks associated with equipment for the continuation of our business activities.

Activities in FY2021



Safety Quartet Topics in FY2022

In FY2022, we have been promoting global initiatives for the Safety Quartet based on the Global Regulations on the Safety Quartet. Specifically, we have begun full-scale implementation of the following measures at our overseas production bases.

- Confirmation of the PDCA cycle based on Safety Quartet promotion plans and improvement of the management level.
- Strengthening of supply chain management by sharing information on product quality and horizontal deployment of countermeasures.
- Development of a long-term plan for GHG reduction in line with the Carbon Neutral Roadmap and confirmation of progress based on this plan.

Environment

The ADEKA Group, which uses chemical substances and palm oil as raw materials, cares about the environment throughout the process of procurement and from production to disposal. Toward realizing a sustainable society, we are developing products with less environmental impact and engaging in energy-saving initiatives.

Targets and Results for Fiscal 2021 and Targets for Fiscal 2022

Self-evaluation: ○ Roughly according to plan △ Below plan

Item	Targets for FY2021	Results for FY2021	Self-evaluation	Targets for FY2022
Promote energy conservation (ADEKA manufacturing division alone)	● Reduce energy intensity by 1.0% or more year on year	● Energy intensity of 0.1970kL/t 102.2% year on year	△	● Reduce energy intensity by 1.0% or more year on year
	● Reduce CO ₂ emission intensity by 1.0% or more year on year	● CO ₂ emission intensity of 0.4282t-CO ₂ /t 100.8% year on year	△	● Reduce CO ₂ emission intensity by 1.0% or more year on year ● Reduction of 46% in FY2030 compared to 2013
Reduce industrial waste (ADEKA)	● Promote and maintain complete zero emissions through recycling	● Landfill disposal volume of 17.4 t Zero emission rate of 0.04%	○	● Promote and maintain complete zero emissions through recycling
	● Promote appropriate disposal of industrial waste	● Confirmed appropriate management of waste through audits	○	● Promote appropriate treatment of industrial waste
	● Achieve 95% or higher rate of food waste recycling, etc. by FY2021 (target for food manufacturers)	● 95.4%	○	● Achieve 95% or higher rate of food waste recycling, etc. by FY2022 (target for food manufacturers)

Note: We define complete zero emissions as the amount of final landfill disposal being less than 0.1% of the amount of industrial waste generated.

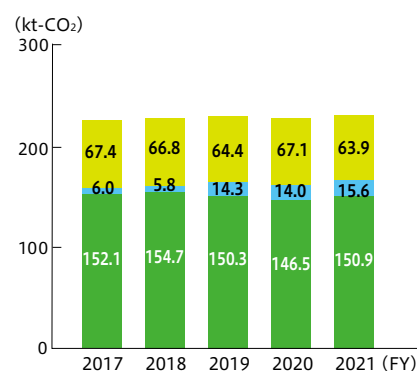
Initiatives on Global Warming Prevention

Initiatives for Reducing CO₂ Emissions

The ADEKA Group is committed to maintaining a stable supply of products to reduce CO₂ emissions. In addition to promoting energy-saving activities, we are also making improvements through the use of renewable energy-derived electricity, biomass fuel steam, new solar power generation systems, and other initiatives. To confirm the progress of these efforts, the president conducts plant audits and the Environmental and Safety Division conducts audits of its own.

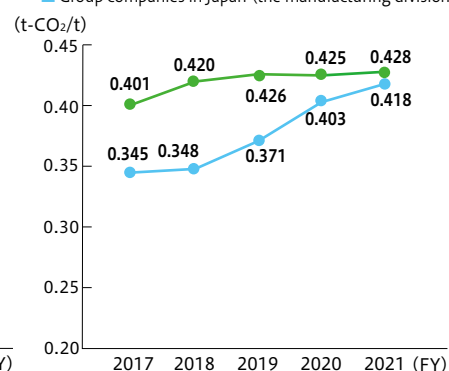
Greenhouse Gas Emissions

■ ADEKA ■ Group companies in Japan ■ Overseas companies

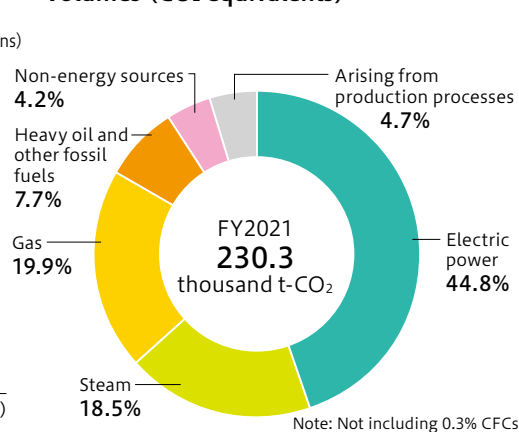


Greenhouse Gas Emission Intensity Index (from energy consumption)

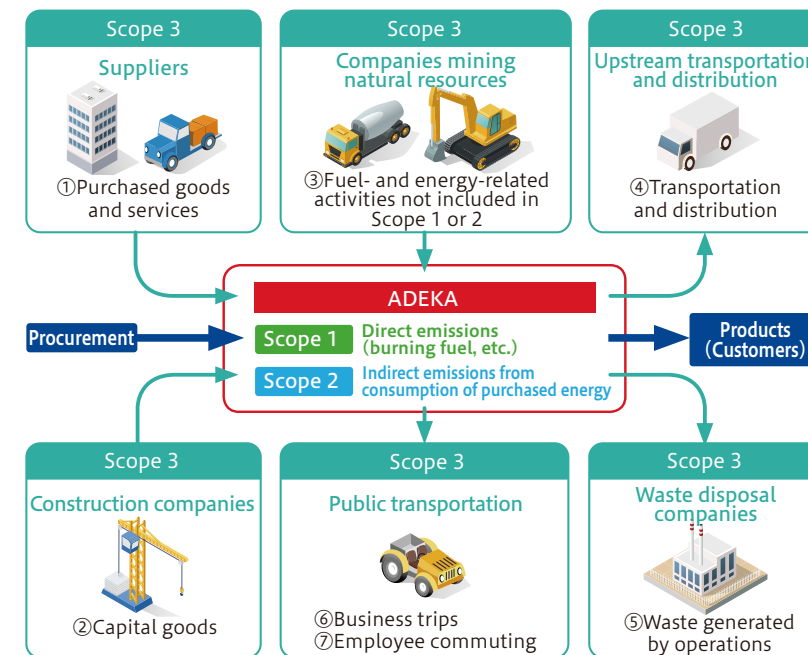
■ ADEKA (the manufacturing division) ■ Group companies in Japan (the manufacturing divisions)



Breakdown of Greenhouse-Gas Emission Volumes (CO₂ equivalents)



Flow Chart of ADEKA's Scope 3 Emissions



CO₂ Emissions and Scope 3 Breakdown (Scope: ADEKA)

Scope category	Emissions (kt-CO ₂)
Scope 1	67.3
Scope 2	83.5
Scope 3	621.5
Category ① Purchased goods and services	412.5
Category ② Capital goods	21.7
Category ③ Fuel and energy activities not included in Scope 1 and 2	37.8
Category ④ Transportation and distribution	52.4
Category ⑤ Waste generated by operations	39.5
Category ⑥ Business trips	0.3
Category ⑦ Employee commuting	0.7
Category ⑧ Disposal of sold products	56.7
Total	772.4 kt-CO₂

(Scope: Consolidated figures for ADEKA) (kt-CO₂)

Scope category	Emissions
Scope 1	100.9
Scope 2	156.3

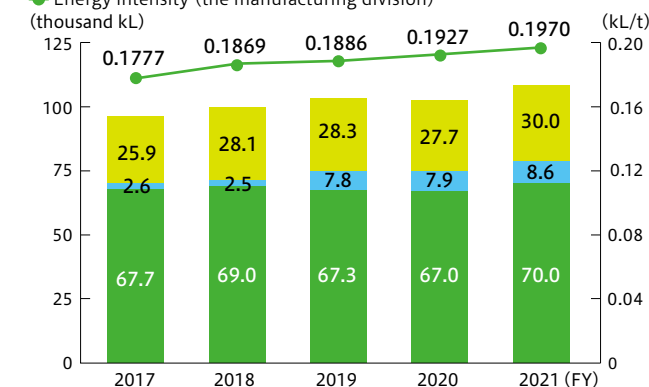
Category①: The calculation method for purchased raw materials and purchased resale goods was changed from "value-based" to "physical quantity-based".
Category④: Procurement logistics was added to this category.

Energy-Saving Activities

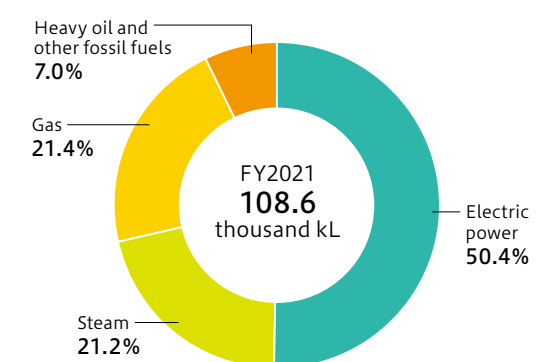
In fiscal 2021, energy consumption at our plants increased due to changes in the types of products we produce. Thanks to energy-saving activities, however, we were able to reduce our energy consumption by 915 kL crude-oil equivalent.

Energy Consumption by Crude Oil Equivalent and Energy Intensity Index

■ ADEKA ■ Group companies in Japan ■ Overseas companies
● Energy intensity (the manufacturing division) (thousand kL)



Breakdown of Energy Consumption



Status of Key Activities at Production Sites in FY2021 (Energy-Saving Activities)

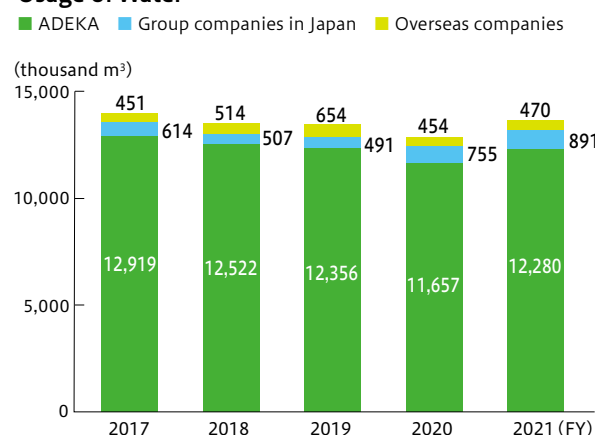
Location	Key Activities
Kashima Plant	<ul style="list-style-type: none"> ● Reduction of power consumption by converting equipment to inverters ● Automation of wastewater blowers ● Reduction of heat loss by improving thermal-insulation materials, and reduction of steam volume by upgrading steam traps ● Energy conservation through improved manufacturing methods ● Energy conservation by adjusting production schedule ● Reduction of power consumption by switching to LED lighting ● Reducing electricity consumption by improving equipment performance
Chiba Plant	<ul style="list-style-type: none"> ● Change of fuel for combustion furnace
Mie Plant	<ul style="list-style-type: none"> ● Reduction of steam volume by upgrading steam traps ● Reduction of power consumption by switching to LED lighting ● Reduction of power consumption in facility operation ● Reduction of power consumption by reviewing equipment operation methods ● Energy conservation by reusing steam condensate, and reduction of power consumption by using blower inverters
Fuji Plant	<ul style="list-style-type: none"> ● Energy conservation due to the use of higher performance ion exchange membranes in processes ● Reduction of power consumption by switching to LED lighting ● Reducing electricity consumption by improving equipment performance

Initiatives to Reduce Environmental Impact

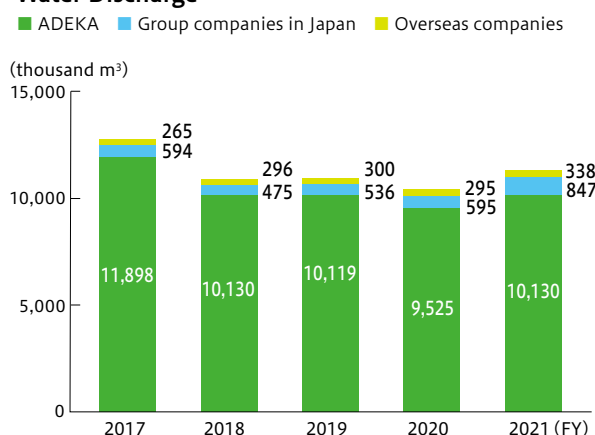
Preventing Water Pollution

The protection of water resources and prevention of water pollution are indispensable to the formation of a recycling-based society. With this truth in mind, the ADEKA Group recaptures and recycles wastewater from its production processes. We also strive to reduce environmental impact from wastewater in accordance to laws and regulations.

Usage of Water



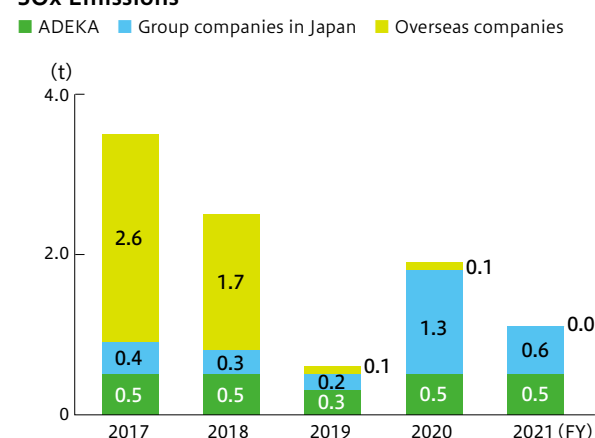
Water Discharge



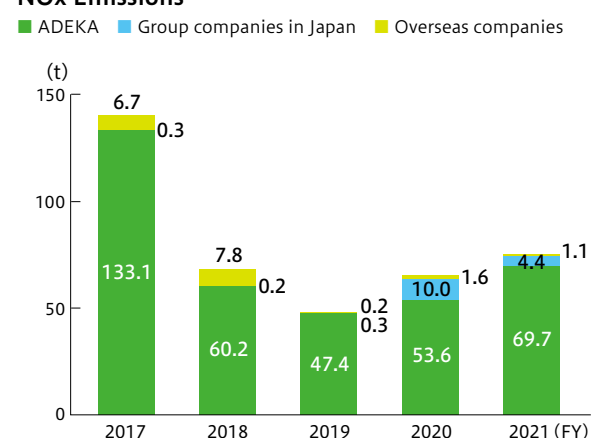
Preventing Air Pollution

The ADEKA Group implements various environmental-protection measures at its production and R&D divisions. In continuous measures to prevent air pollution, the Group makes committed efforts to restrain the release of sulfur oxides, nitrogen oxides and dust into the atmosphere.

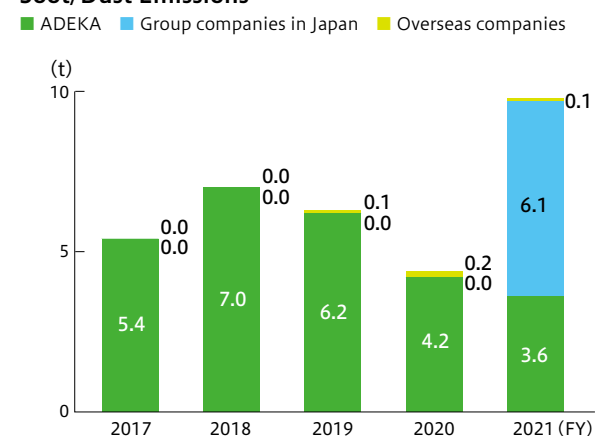
SOx Emissions



NOx Emissions



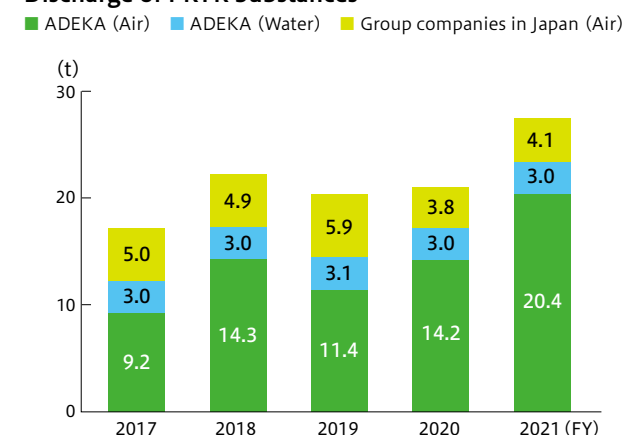
Soot/Dust Emissions



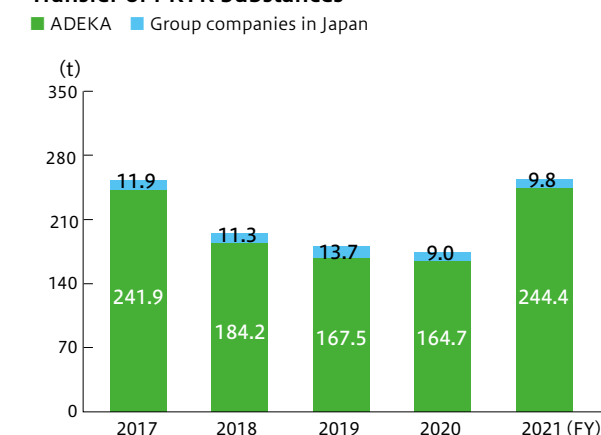
Appropriate Management of Chemical Substances

Since 1997, the ADEKA Group has maintained a pollutant release and transfer register (PRTR), calculating the volume of chemicals it uses and emits through its manufacturing processes that are subject to Japan's Act on Confirmation, etc. of Release Amounts of Specific Chemical Substances in the Environment and Promotion of Improvements to the Management Thereof. The Group constantly strives to manage this volume appropriately.

Discharge of PRTR Substances



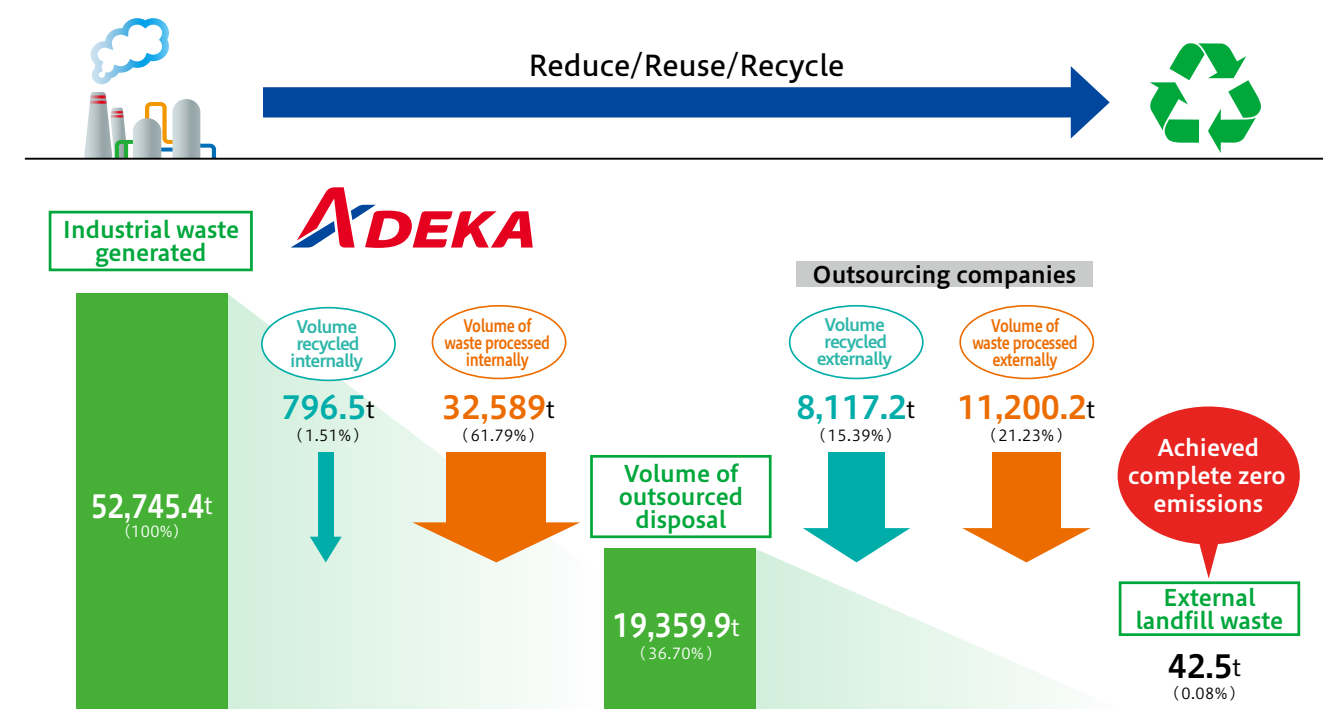
Transfer of PRTR Substances



Appropriate Management of the Disposal of Industrial Waste

ADEKA and domestic ADEKA Group companies conduct regular inspections of industrial-waste treatment contractors, to ensure that the industrial waste entrusted to them is treated appropriately. We also hold meetings on the status of waste management with each business location, including those of industrial-waste treatment contractors, to ensure that these operations are managed correctly.

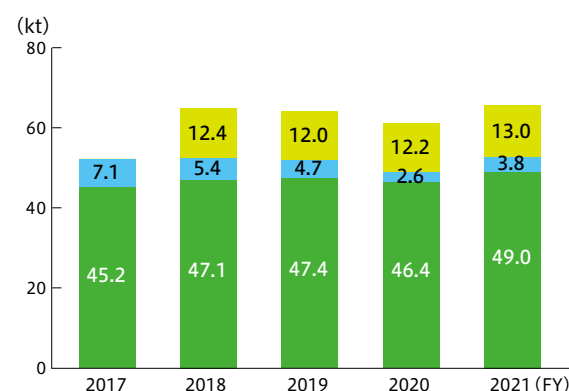
The Entire Flow of Recycling and Disposal of Industrial Waste (Scope: ADEKA and Group companies in Japan)



Figures in brackets are the relative proportions of industrial waste.

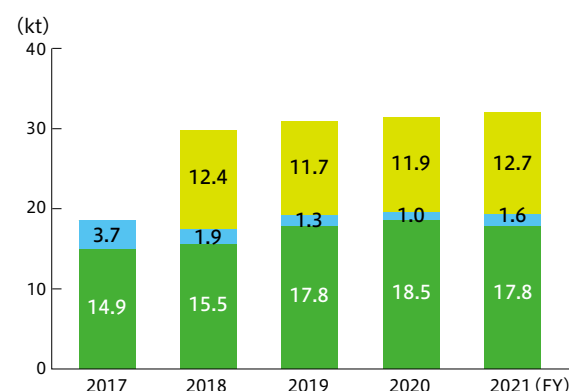
Industrial Waste Generated

■ ADEKA ■ Group companies in Japan ■ Overseas companies



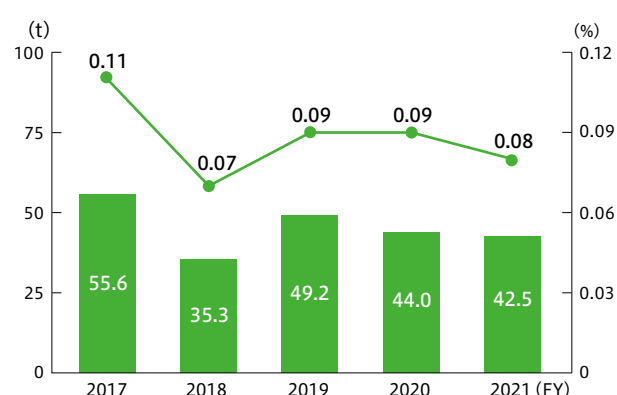
Outsourced Disposal of Industrial Waste

■ ADEKA ■ Group companies in Japan ■ Overseas companies



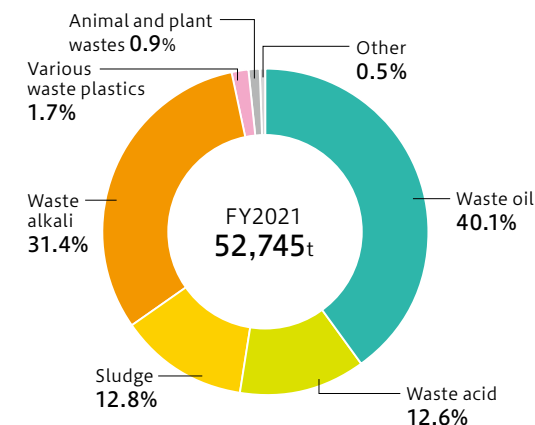
Zero Emissions Rate for Landfill Disposal of Industrial Waste (Scope: ADEKA and Group companies in Japan)

■ Industrial waste generated ● Zero emissions rate

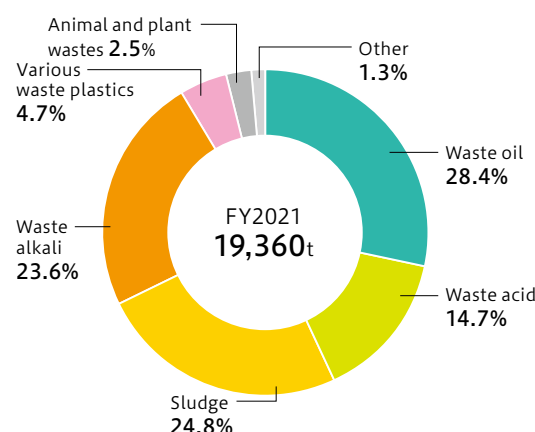


Note: The Nihon Nohyaku Group, which uses a different formula for calculating final landfill volume, is not included in this graph.

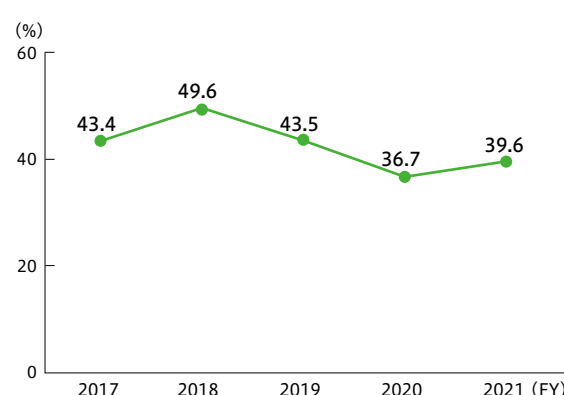
Breakdown of Industrial Waste



Breakdown of the Total Volume of Waste Treated by External Contractors



Recycling Rate (Scope: ADEKA and Group companies in Japan)



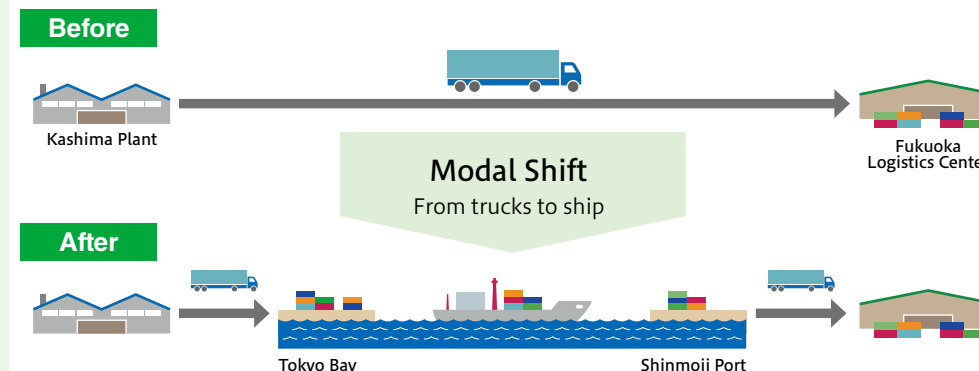
Notes: 1. Scope 1 and Scope 2 emissions for FY2017 through FY2019 are under review at some business locations.
 2. Environmental data covers companies covered by our consolidated financial results, and the figures for FY2019 and beyond have been revised due to the inclusion of Nihon Nohyaku and its group companies in the scope of data.
 • Nihon Nohyaku and its domestic group companies are included in the scope of data for greenhouse gas emissions from FY2019 onward.
 • Nihon Nohyaku and its domestic group companies are included in the scope of data for greenhouse gas emission intensity and energy use and intensity from FY2019 onward.
 • Nihon Nohyaku and its domestic group companies are included in the scope of data for usage of water, wastewater discharge, SOx emissions, NOx emissions and soot/dust emissions from FY2020 onward.
 • Nihon Nohyaku and its group companies are not included in the scope of data for discharge and transfer of PRTR substances, industrial waste generated, volume of outsourced disposal, zero emissions rate, and recycling rate.
 • For details on environmental accounting, please refer to our Sustainability Data Book.

Topics

Eco-Friendly Logistics

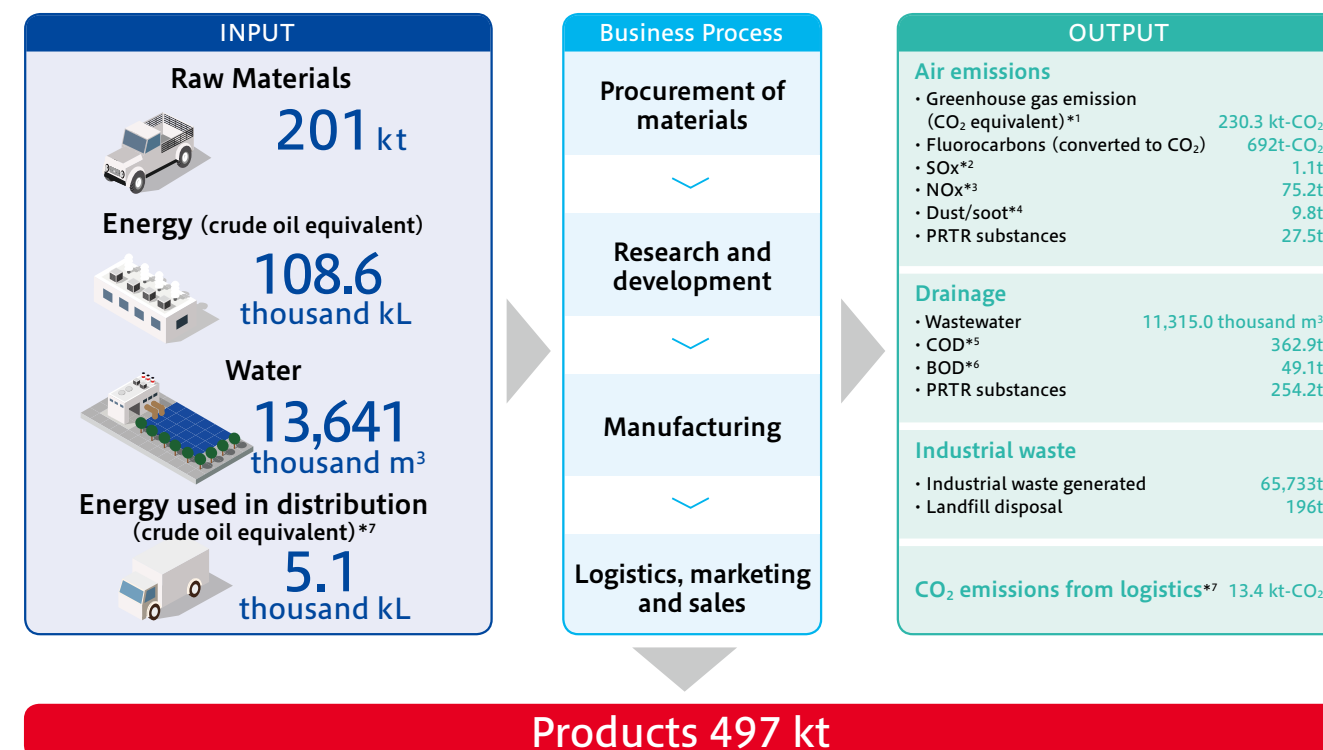
The ADEKA Group is moving ahead with modal shift. For example, in the transportation of goods from plants to regional warehouses, we are moving away from overland (truck) hauling in favor of marine shipping using containers. In the chemical business, we improved the efficiency of truck transport, by means such as reducing the use of specialized vehicles. In the food business, the Group conducted a modal shift, using marine trailers to carry goods to regional warehouses instead of overland hauling.

ADEKA's Modal Shift Outline



Material Flow

Material Flow in Business Activities (scope: ADEKA and 12 Group companies in Japan)



*1. Total emissions arising from energy sources, non-energy sources and processes
 *2. Sulfur oxides generated during the use of fuels that contain sulfur
 *3. Nitrogen oxide generated during combustion in plant boilers and incinerators
 *4. Fine particles generated during the combustion of fuels and other materials

*5. Amount of oxygen consumed during the oxidation of organic substances
 *6. Amount of oxygen required during the mineralization and gasification of contaminants in river water and industrial wastewater by microorganisms
 *7. Scope: ADEKA

Promoting Biodiversity

Guided by the ADEKA Group Biodiversity Policy, the Group undertakes efforts to preserve biodiversity. The Group also participates in biodiversity initiatives as a member of the Japan Business Initiative for Biodiversity (JBIB) network.

ADEKA Group Biodiversity Policy

1. Consider biodiversity when procuring naturally derived raw materials
2. Promote activities for conserving biodiversity at our business premises
3. Strive to develop biodiversity-oriented products
4. Work in collaboration with local communities

Society

The ADEKA Group coexists harmoniously and in mutual benefit with society through business activities that respond to the needs and expectations of each stakeholder. With the aim of achieving a sustainable society, the Group strives to create systems and products that solve a wide range of issues with which society is grappling.

Human Rights and Human Resources

Expanding Opportunities for Utilizing Human Resources

Promoting a Work-Life Balance

The ADEKA Group emphasizes the importance of a work-life balance, which encourages each employee to demonstrate their capabilities fully. Also, ADEKA is introducing a system to support flexible and diverse working styles and foster awareness. In April 2021, the Group officially introduced a telework system and reduced the core-time portion of its flex-time system, loosening the bonds between work and particular times and places.

● Optimizing Working Hours

As part of its efforts to provide employees with a healthy, dynamic and supportive work climate, ADEKA is striving to reduce long work hours Company-wide. For example, the Company is establishing days when everyone leaves work at a set time. The Company is also adjusting work hours through the labor-management committee. In fiscal 2021, average overtime clocked in at 14.6 hours per month, compared with 12.8 hours per month in the previous fiscal year.

In fiscal 2021, the rate at which employees took paid leave was 69.2%. All employees took five days paid leave or more.

● Maintaining a Balance Between Work and Childcare or Nursing Care

ADEKA has introduced programs to support employees in balancing work with childcare or nursing care. For employees who take childcare leave, the Company provides support for obtaining knowledge and skills they can use when they return to work. In fiscal 2021, a total of 16 employees made use of this program. A total of 39 employees (12 women and 27 men) took childcare leave in fiscal 2021, while 2 employees took nursing-care leave of absence. The return-and-retention rate for employees who took childcare leave was 100%. Our program for shorter work hours after return to work from childcare leave was taken up by 35 employees, while 103 employees took sick/injured childcare leave.

Targets and Results for Fiscal 2021

Theme	Mid-term Target	Targets for FY2021	Results for FY2021
Promotion of women's participation and advancement and training the next generation	The ADEKA Corp. General Employer Action Plan (April 1, 2021 to March 31, 2026)	Raising the proportion of managers who are women to 5% or more by FY2025 (ongoing target through the end of March 2026)	Proportion of managers who are women in FY2021: 3.5% (+0.2 points YoY)
		Creating flexible workstyles aimed at supporting a balance between work and raising a family	With the aim of enabling flexible work styles, we officially introduced a telework system and shortened the core hours of the flextime system.
		Increasing the number of men who take childcare leave to 10 a year or more	Number of male employees who took childcare leave in FY2021: 27

Targets for Fiscal 2022

Theme	Mid-term Target	Targets for FY2022
Promotion of women's participation and advancement and training the next generation	The ADEKA Corp. General Employer Action Plan (April 1, 2021 to March 31, 2026)	Raising the proportion of managers who are women to 5% or more
		Creating flexible workstyles aimed at supporting a balance between work and raising a family
		Increasing the number of men who take childcare leave to 10 a year or more

General Employer Action Plan (Scope: ADEKA)

(The Action Plan is based on the Act on Promotion of Women's Participation and Advancement in the Workplace and the Act to Advance Measures to Support Next-Generation Child-Rearing.)

Period: April 1, 2021 to March 31, 2026

Target 1	Raising the proportion of women in management positions to 5% or more	Advancement of Women in the Workplace
<Measures>		
From April 2021	<ul style="list-style-type: none"> An in-house task force was launched to promote the advancement of women in the workplace. Measures are implemented to foster a culture supportive of active roles for women in the workplace. The Company is working to implement hiring activities that do not discriminate by gender, so that women are hired as engineers in plants and the percentage of women among new hires increases. The paid accumulated special leave system is expanded to include sick/injured childcare leave, infertility treatments, etc., to create an environment in which women can continue working with peace of mind. 	
From October 2021	ADEKA is instituting career-plan training, to improve awareness of promotion opportunities. The Company is also planning to improve and circulate understanding of its personnel system and conducting other in-house training.	
From April 2022	Based on the above measures, the Company proposes strategies and action plans and advance measures to implement them.	
From April 2023	The Company will drive the PDCA cycle to strengthen existing measures and add new ones.	

Target 2	Creating flexible workstyles aimed at supporting a balance between work and raising a family	Advancement of Women in the Workplace	Training the Next Generation
<Measures>			
From April 2021	The Company officially introduced a telework program and shortened core time in its flex-time system, promoting workstyles free from the constraints of time and space.		
From April 2022	We analyze issues, strengthen measures and consider the addition of new initiatives.		

Target 3	Increasing the number of men who take childcare leave to 10 a year or more	Advancement of Women in the Workplace	Training the Next Generation
<Measures>			
During fiscal 2021	The Company is conducting in-house training, etc. to inform employees of the childcare leave program.		
From April 2021	The Company has raised the limit on the number of days and is carrying out new allocations for the annual paid holidays reserve system, which can also be used for maternity and childcare leave.		
From April 2022	We analyze issues, strengthen measures and consider the addition of new initiatives.		

Childcare and Nursing Care Support Programs (Scope: ADEKA)

Bold text indicates provisions that exceed minimum regulatory requirements.

Program	Details	Number of Employees who Used the Program in FY2021
Maternity leave	6 weeks before birth (14 weeks in the case of twins) and 8 weeks after birth	11
Spousal maternity leave	3 days or less in cases where the spouse has given birth or less in cases where the spouse has given birth	55
Childcare nursing leave	Until the child reaches 1 year of age, in principle an extension of up to 1 year may be approved under special circumstances (Calculated from the 1st day of childcare leave, special accumulated leave may be approved for up to 5 consecutive days . The period of special accumulated leave will be regarded as paid leave .)	39 (including 27 male employees) (percentage of employees who returned to work: 100%)
Sick/injured childcare leave	For employees raising children below grade 4 of elementary school , it is possible to take up to 10 days of leave per year , regardless of the number of children, for situations in which they have to take care of an injured or sick child (Including vaccinations and health screenings for the child, as well as suspension of classes.)	103
Nursing care leave of absence	A total of up to 365 days for each person requiring care	2
Nursing care leave	A total of up to 20 days per year for each person needing care	14
Short working hour system	Childcare: Until the end of the child's 4th year in elementary school Nursing care: A total of up to 365 days, combined with nursing care leave of absence (Both may be reduced up to a maximum of 2 hours in 15-minute units .)	35

Promoting Diversity

The ADEKA Group is overhauling its fields of work activity to ensure that individual employees can put their unique capabilities to work regardless of nationality, age, gender, ethnicity or disability, in aspects such as recruitment, hiring and promotions.

Hiring of Mandatory Retirees

ADEKA is implementing a program of rehiring interested mandatory retirees up to 65 years of age (unless special reasons exist not to do so). In fiscal 2021, the Company rehired 100% of that year’s mandatory retirees. The rehired employees play a precious role in passing on skills and knowledge to the next generation and serve as experts in the knowledge, experience and skills they have acquired over many years. The Company supports a wide range of work formats, including full-time work and a three-day work week. In fiscal 2021 the Company had 38 employees aged 60 and over.

Employment of Persons with Disabilities

The ADEKA Group is committed to leveraging the capabilities of persons with disabilities and encouraging their self-actualization. To this end the Group prepares workplace environments in which the disabled can flourish and works hard to expand the scope in which they can be active. In fiscal 2021 2.13% of employees, 25 people, were persons with disabilities. The Group will continue its proactive efforts to employ persons of all abilities.

Women’s Participation and Advancement

The ADEKA Group is a strong advocate of active roles for women in the workplace. Of the 45 fresh graduates the Group hired in April 2022, 13 were women. The Company employs 286 female employees, comprising 15.8% of the Company workforce. In April 2021, the Group launched in-house “task teams” to advance promote women’s participation and advancement, and commenced measures to cultivate a workplace culture in which women can realize their potential. In order to further accelerate the promotion of diversity, in June 2022 we organized the D&I Project Team, which will deliberate and study measures under the main theme of women’s advancement in the workplace.

Implementation of Diversity Training

ADEKA conducted video-based diversity training in fiscal 2021. This training, aimed at all employees, was attended by 1,331 people, while 333 people attended training for managers, deepening their understanding of the promotion of diversity.

Business-School Secondment System

Using a system for online attendance of outside business schools, younger-generation and core employees study topics such as marketing and leadership theory. Through these studies, participants learn about the actions they need to take and viewpoints they need to adopt to reach their goals in terms of a wide variety of perspectives and roles. In fiscal 2021, a total of 19 employees were seconded to these business schools.

New-Employee Mentoring System

To bring new hires up to full capability as quickly as possible, and to burnish the guidance and leadership skills of core employees, ADEKA operates a mentoring system. Under this system, each new employee is assigned a mentor (advisor and guide), who provides the new employee with continuous support.

Global Human Resources Development Programs

Ongoing initiatives	Description
Global Human Resources Training	Aimed at developing personnel who can perform superbly outside Japan, the initiative provides selected young employees with opportunities to acquire marketing skills, finance and accounting knowledge, language skills, etc.
Overseas Secondment Program	For the purpose of developing core global human resources, selected employees in their 20s and 30s receive language training at a language school and business training at an overseas Group company for about six months.
Language study program	Language lessons led by native speakers are held at ADEKA’s worksites. Tuition support for a language school, pre-secondment language training, and other flexible programs are also available.
Acceptance of employees from overseas Group companies	Local employees at overseas Group companies are dispatched to Japan to experience work in the ADEKA Group and life in Japan.
Developing management level employees at international locations	To develop managerial personnel for overseas Group companies, candidate employees receive OJT at production sites in Japan and deepen their understanding about their job and the ADEKA Group’s management policies and values.

Cultivating Human Resources

The ADEKA Group recognizes employees as key company resources. We therefore view employees as assets and respect the aspirations of each individual while striving to cultivate human resources that will lead the next generation. In fiscal 2021 the Group moved many of its training programs online, as part of efforts to counteract the COVID-19 pandemic. Depending on the nature of each program, some programs are now conducted in real time using online conferencing systems, while others consist of on-demand distribution of prepared content. The Group aims to provide training that is flexible in terms of both time and space.

ADEKA Human Resources Principles

- Respect the human nature and personal qualities of employees
- Support self-realization by employees
- Develop human capital who have a positive social impact
- Develop employees with initiative

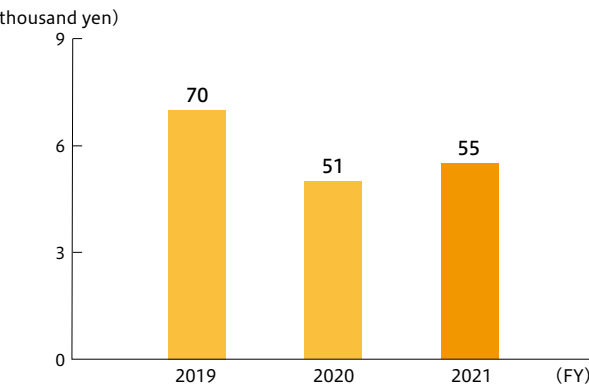
Global Human Resources Training

The ADEKA Group carries out global human resources training as part of its leadership training efforts. Candidates for senior positions at overseas affiliates train in areas such as marketing, financial accounting and labor management, and take one-on-one language lessons to hone their language skills. There were 21 participants in fiscal 2021, the fifth year of the program.

Language Learning

ADEKA conducts in-house language lessons at each location and department. In fiscal 2021, 38 employees took advantage of the program, while a further 37 employees used the Company’s support for classes at outside language schools. Moreover, employees heading to overseas posts complete training programs before their posting, on a selective basis.

Training Costs per Employee (Scope: ADEKA)



Overview of the Educational System (Scope: ADEKA)

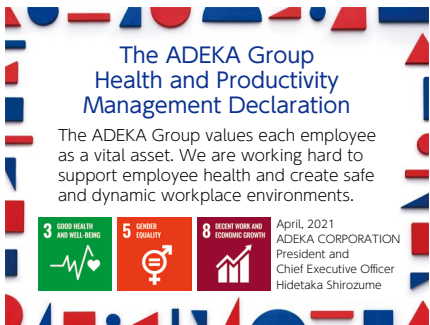
	Training Relevant to “Nurturing Human Resources who Lead Reforms (Basic Philosophy)”									Training Relevant to “Nurturing Human Resources who can be Trusted (Basic Philosophy)”			
Position category	Level	Position specific training	Selective training			Overseas Secondment Program	Optional training			In-house OJT	Activities for local communities	Compliance education	
							Correspondence courses	Language training	Cafeteria				
Management positions	Department managers										All job positions		
	Deputy department managers	Training for new deputy department managers											
	Section/ Group managers (Class 1)			Enrollment in a business school 2ndposition levels									
	Section/ Group managers (Class 2)	Training for newly appointed section managers											
General staff	Assistant managers	Training for new assistant managers	Mentor training	Enrollment in a business school 1st-position levels	Training for global human resources	Overseas Secondment Program (for staff in their 20s and 30s)	All job positions	All job positions	All job positions	All job positions	Encouraging proactive participation in volunteer activities such as a cleaning projects outside the premises of the office building	All job positions	
	Chief	Training for new chief											
	Class 1	Training for new Class 1 employees											
	Class 2	Training for new employees											
	Class 3												

Health and productivity Management and Employee Health Management

With the belief that each and every employee is an important asset of the company, the ADEKA Group will continue to promote health management by working to maintain and improve health and to create a pleasant workplace environment in which employees can work in safety and good spirits.

Health and Productivity Management Measures

In April 2021, the president announced the ADEKA Group Health Management Declaration, both internally and externally, and in 2022, we were recognized under the 2022 Certified Health & Productivity Management Outstanding Organizations Recognition Program (large enterprise category). We will continue to work with the Health Management Promotion Project Team, which is under the direct control of the president, and labor unions to further improve our employee health management and health promotion measures and systems.



Measures for Mental Healthcare

ADEKA is committed to supporting and improving employees' mental and physical health. Stress checks are made available to all employees, with an uptake rate of over 99%. Based on the results of group analysis, the Company considers measures for each workplace and carries out improvements to the work environment according to need. Consultation with physicians is arranged based on the results of stress checks, while health consultations with industrial healthcare staff are available at a clinic at the Company's Head Office whenever necessary, supporting employees' self-care efforts.

In fiscal 2021, certain measures were introduced in the context of the COVID-19 pandemic. In level-based training, discussions of mental healthcare topics were circulated by video. At the management level, information on line care was distributed by e-mail. Correspondence education was made available on demand regardless of time and place, including a wide variety of classes on mental and physical health management. ADEKA supports efforts to improve employees' health and raise awareness of health matters.

Stress Checks: Rate of uptake Company-wide

FY2019	FY2020	FY2021
99.5%	99.5%	99.9%

Measures Against Infectious Diseases

ADEKA takes decisive measures against infectious diseases. Inoculation against influenza is offered in-house every year, with the Company and the health-insurance society bearing a part of the cost. In addition to encouraging employees actively to get inoculated, the Company instructs employees to report any infections to ADEKA immediately and to stay home for a certain amount of time if they have contracted a disease. Reminders are routinely sent to related departments and sections. In these and other ways, ADEKA makes great

efforts to prevent the spread of infectious diseases.

Amid the ongoing COVID-19 pandemic, ADEKA exercises an array of initiatives to keep its employees safe. Employees are encouraged to work from home where possible, or to stagger their work hours. Restrictions on travel, both domestic and international, are currently in force. Alcohol dispensers are placed throughout ADEKA worksites for hand sanitation, and employees are encouraged to wash and sanitize their hands. Coughing etiquette is taught and temperature checks are carried out. In these and other ways, ADEKA has stepped up its thoroughgoing efforts to manage employee health. Some parents may need to take their children out of school temporarily to prevent the spread of COVID-19. In such cases the Company takes a flexible approach to support employees who are raising children. The scope of sick/injured childcare leave may be temporarily expanded. If the employee is needed at work, measures such as changing days off may be considered according to the employee's home situation.

Placing first priority on safety, the Company takes measures to continue business operations while preventing the spread of the coronavirus.

Overseas Occupational Health and Safety Activities

As the number of ADEKA Group employees working overseas or traveling on business overseas grows, the ADEKA Group is strengthening occupational health and safety outside Japan. The Group actively encourages overseas workers to undergo annual health check-ups, conducts web interviews with industrial physicians and interviews workers on temporary returns to Japan. The ADEKA Group also uses medical assistance services, providing round-the-clock access to consultation with doctors and emergency support, in case of emergency when stationed abroad. Persons expected to work overseas and their families are also provided with external training on physical and mental healthcare.

Regular Health Check-Ups

ADEKA provides regular health check-ups twice a year. The Company also offers various health check-ups based on the Industrial Safety and Health Act, including special health check-ups and health check-ups for people working overseas. The uptake rate for these health check-ups holds consistently at 100%. In addition, we are also working to improve the uptake rate for family members by establishing a system to enable the dependents of employees to receive specified health examinations at our business locations.

After the health check-ups are conducted, follow-up examinations or further diagnosis at a medical institution are recommended for employees whose test results pick up anything unusual. If necessary, industrial physicians, public health nurses or other medical professionals conduct interviews and provide health guidance, providing enhanced support for employees' health management.

We implement thorough health management to ensure that employees can work safely and healthily by helping to detect and treat lifestyle-related diseases and other illnesses at an early stage.

Human Rights

Respect for Human Rights

The ADEKA Group has established the ADEKA Group Human Rights Policy as its basic approach to human rights based on international norms such as the Universal Declaration of Human Rights and the United Nations Global Compact, as well as the ADEKA Group Code of Conduct.

ADEKA Group Human Rights Policy

The ADEKA Group's management policies consist of two phrases that express our desire to respect each other's diverse values and develop together: "To be a company that is progressive and dynamic with a keen attitude towards the new changing tide" and "Creating a better future for the people of the world."

Based on these policies, we will fulfill our social responsibility to respect the human rights of all stakeholders in all aspects of our corporate activities, and contribute to the realization of a sustainable society that is fair, just, and free from discrimination and prejudice.

Based on this policy, the ADEKA Group will respect the human rights of all people involved in all aspects of its corporate activities, fulfill its responsibilities as a company, and contribute to the realization of a sustainable society.

Labor-Management Relations

Under the terms of a union-shop agreement concluded with the ADEKA Labor Union, union membership among general employees is 100%. The Company conducts ongoing dialogue with the labor union. In addition to labor-management councils, held to establish consensus on management issues and workplace environments, the Company and the union meet in the Workstyle Reform Committee, Personnel System Step-Up Committee and Physical and Mental Health Promotion Committee, in which the two parties discuss themes such as personnel systems and workplace environments.

Issues such as union members' wages, bonuses and work conditions are decided through the annual collective-bargaining process.

Key Labor-Management Meetings

Labor-management councils	12 times a year
Management councils	Twice a year
ADEKA Group labor-management conference	Once a year
Management conference	Once a year

Better Living Conditions and Communication

Creating Value that Meets Society's Expectations: Quality, Safety and CSR Procurement

Strengthening Our Quality Control Framework

The ADEKA Group is committed to enhancing product quality control throughout the entire supply chain, from raw materials to product use, in accordance with the Global Regulations on the Safety Quartet.

Promoting Quality Improvement Efforts

To ensure that customers can use its products with confidence, the ADEKA Group has acquired certification under the ISO 9001 quality management system at 22 Group companies in Japan and overseas, and is continuously maintaining and improving its quality assurance system.

At its food production sites, the Group has acquired certification under FSSC 22000 (seven sites) and, is expending great efforts on food safety management and quality assurance.

In addition, as a result of PL audits, the Group confirmed that there were no cases of intentional tampering of inspection or other data from the 2017 to the 2021 fiscal years.

Equipment Safety

The ADEKA Group established a definition for "major equipment failure"* in December 2018. The Environmental and Safety Division and Equipment Safety Conferences work to ensure stable production by confirming the equipment management system at its facilities.

* Definition of major equipment failure: Failure resulting in cessation of production for one week or more.

● Food Safety and Hygiene

As a manufacturing Group that handles food ingredients, the ADEKA Group works vigorously to ensure not only hygiene management and compliance but also that every product it provides is safe and can be consumed with peace of mind. Our seven food production sites are all certified under the FSSC 22000 food-safety management system and conduct hygiene and process management via the PDCA cycle. Important information on product quality is submitted to the Environmental Safety & Quality Assurance Department, which has Group-wide authority over quality matters, to review measures and their effectiveness. Additionally, the Product Quality Safety Conference, which convenes twice a year, shares this information Group-wide, to promote improved product quality safety at all Group companies.

Overview of Quality Management System



AIB food-safety guidance and auditing system

The American Institute of Baking (AIB) food-safety guidance and auditing system is the foundation of a robust system of food-safety management. This food-safety management system is based on Good Manufacturing Practice (GMP), which in turn is linked to the general hygiene-management program that underpins Hazard Analysis and Critical Control Points (HACCP).

Each month, employees conduct autonomous

inspections at their own plants, with the aim of eliminating potential harm to foodstuffs, particularly by reducing contamination incidents. A key requirement of this practice is the uncovering of deficient points and areas for improvement.



AIB inspection by the Japan Institute of Baking (Akashi Plant)

● Control of Chemical Substances

In accordance with the Strategic Approach to International Chemicals Management (SAICM), which was set to be achieved by 2020, and the Sustainable Development Goals (SDGs), which are set to be achieved by 2030, the ADEKA Group aims to manage and use sustainable chemical substances that are safer for people and the environment. With countries adopting stricter regulations, the Group works rapidly to secure compliance and provide detailed chemical substance information (from raw materials through to product use) so that customers feel safe about using the products.

Construction of Sustainable Supply Chains

ADEKA is committed to the construction of a sustainable supply chain. To this end, Kashima Plant joined the Supplier Ethical Data Exchange (Sedex)* in August 2019 and underwent the Sedex Members Ethical Trade Audit (SMETA), an auditing scheme provided by Sedex, in February 2020. Going forward, the ADEKA Group will continue to encourage the use of Sedex in its plants, to eliminate risk related to labor practices and promote the building of sustainable supply chains.

* Sedex is a nonprofit organization (NPO) established in the United Kingdom in 2004. It is the world's largest platform for managing and sharing supply-chain data online for the purpose of achieving ethical business practices across global supply chains.

① Response to SAQ

ADEKA completes an SAQ online regarding issues such as work environment, human rights, health and safety, the natural environment and compliance and publishes the results to customers selected by the Company who are Sedex members.

② Undertaking of SMETA audit

After completing the SAQ, if so requested by a Sedex member customer, ADEKA submits to an audit by an auditing agency certified by Sedex. The results of this audit, called a SMETA audit, are published only to customers specified by the Company.

- August 2019: Response to self-assessment questionnaire (SAQ) by Kashima Plant (East)
- February 2020: SMETA audit at Kashima Plant (East);
March 2020: Response to SAQ by Chiba Plant
- June 2021: Response to SAQ by Mie Plant
- August 2022: Response to SAQ by Fuji Plant and Akashi Plant

● Participation in the “White-Glove Logistics” Movement and Efforts to Reduce the Environmental Impact of Logistics

In September 2020 the ADEKA Group proclaimed a “Declaration of Independent Action” aimed at promoting white-glove logistics. Under the Declaration, we have identified seven areas in which to reduce the burden on drivers, such as by working to reduce the amount of time drivers are tied up by promoting the use of pallets for trunk line transportation and reducing standby time. We are also working to improve logistics efficiency by further promoting modal shifts and joint shipping ratios, and reviewing ways to improve loading efficiency.

To address various logistics issues such as carbon neutrality, ADEKA Logistics Corporation established a specialized department (Safety Management Office) in April 2022.

Socially Responsible Procurement

To address social issues of global concern, the ADEKA Group works closely with business partners throughout its supply chain, contributing to the development of a sustainable society.

● ADEKA General Purchase Policy and ADEKA Purchase Guidelines

In July 2020, we established the ADEKA General Purchase Policy in order to fulfill our social responsibility as a corporation by giving consideration to the global environment and respecting the rights of society in our purchasing activities. In addition, we established the ADEKA Purchase Guidelines in order to elicit a deeper understanding of these issues from our business partners.

Society is increasingly demanding that companies take a proactive approach to Corporate Social Responsibility (CSR), and the cooperation of our business partners is essential to promoting CSR. As such, ADEKA works together with business partners to promote its initiatives.

For more information, please visit our website at <https://www.adeka.co.jp/csr/partner.html> (Japanese version only)

● Initiatives with Business Partners

In order to encourage business partners to understand and work according to the ADEKA Purchase Guidelines, the Group is asking its business partners to submit certificates of agreement to the Guidelines, and is continuing to obtain business partners' understanding of its policies and activities related to CSR procurement, while striving to conduct sustainable procurement activities. In addition, in order to further disseminate our stance as the ADEKA Group, we are holding briefings at each of our overseas locations and have begun obtaining certificates of agreement at some of them.

In fiscal 2021, we distributed the CSR Procurement Self-Assessment Questionnaire (prepared by the Supply Chain Subcommittee of Global Network Japan) to our business partners and began checking the status of their initiatives. We will continue to promote CSR procurement activities through dialogue with our business partners.

● Building Quality and Safety into Logistics

The ADEKA Group holds annual discussions with its logistics partners about safety. At these safety conferences, participants trade case-study reports of accidents, complaints and other trouble and attend expert lectures, developing a shared awareness of safety issues. From fiscal 2020 onward, in view of the COVID-19 pandemic, the safety conference has been cancelled in favor of sharing information by dissemination of written materials.

In addition, ADEKA Logistics conducts regular interviews with and various audits of logistics partners based on daily communication (written voluntary audits, periodic on-site audits, etc.) with the goal of improving the quality of its logistics.

● Human Resource Development

In promoting CSR procurement, we encourage employees in the purchasing and logistics divisions to take the Certification Test for Environmental Specialists (ECO Test) as a means of educating them to recognize social issues and change their behavior. Two employees passed the test in fiscal 2021.

● Conflict Minerals

As a company that seeks mutually beneficial coexistence with communities, ADEKA does not purchase raw materials that contain conflict minerals, due to their deleterious impact on human rights and other problems. To determine the status of conflict-mineral use by each supplier, we ask suppliers to complete and return the Environmentally Hazardous Substance Survey for each raw material when concluding a quality warranty agreement.

Occupational Health and Safety

The ADEKA Group recognizes safety as its most important issue. To improve employees' safety awareness and create safe workplaces, the Group has switched over to the ISO 45001 occupational health and safety management system and is conducting activities via the Health and Safety Committees and the Zero Accidents Committees in each workplace.

● Security and Disaster Prevention

ADEKA Group production sites handle hazardous and toxic substances. Security and protection against disaster in the handling of these materials is a top Group priority. Determined to earn the trust of local communities, the ADEKA Group not only maintains strict compliance but also conducts rigorous safety management on its own initiative. Measures include thorough process management and equipment maintenance as well as regular, practical disaster-response training envisioning a wide range of disaster scenarios.

● Issues in the Safety Track Record in Fiscal 2021

In fiscal 2021, the number of work-related accidents in the ADEKA Group, including both those resulting in absence and those not resulting in absence, was 13. In comparison with fiscal 2020, the number of work-related accidents at ADEKA increased from three to five, while the number for all other Group companies in Japan decreased from five to four and the number at overseas Group companies was unchanged at four. A look at the breakdown of work-related accidents in fiscal 2021 by type reveals that five of these accidents were falls or collisions.

The ADEKA Group will continue to encourage situational awareness and share information with the aim of achieving zero work-related accidents.

● Shift to a New System of Occupational Health and Safety Management

In March 2021, the British standard OHSAS 18001 was superseded by the new international standard for occupational health and safety management systems, ISO 45001, which was officially published in 2018.

The transition from OHSAS 18001 to ISO 45001 was completed at all Group companies in November 2021.

Number of Accidents by Year

FY	2017	2018	2019	2020	2021
Accidents with lost workdays	11	12	8	4	8
Accidents without lost workdays	5	6	10	8	5

(Unit: incidents)
Scope: ADEKA and subcontractors and the ADEKA Group's 18 production sites.

Frequency Rates of Accidents Resulting in Lost Workdays*1

FY	2017	2018	2019	2020	2021
ADEKA and its domestic manufacturing sites	0.17	0.75	0.56	0.19	0.36
Overseas sites	1.78	4.83	0.45	0.47	1.51
Average among chemical plants*2	0.81	0.90	0.94	0.93	1.07

*1 Rates calculated by dividing the number of employees involved in an accident resulting in lost workdays with the total working hours (one million hours).

*2 Domestic chemical industry average (Source: Ministry of Health, Labor and Welfare's "Industrial Accident Trend Survey"). Frequency rates are calendar years.

Creating Value that Meets Society's Expectations: Dialogue with Stakeholders

● Communication with Customers

The ADEKA Group strives to develop products that address underlying needs and social issues, by pursuing dialogue with customers. Sales personnel team up with technical service staff to talk directly with customers so that they can identify their needs and issues. This information is shared across the company and studied.

As a manufacturer of materials, the Group actively strives to increase value for customers by proposing comprehensive solutions through compounding and formulations that include third-party products.

● ADEKA Joins the Clean Ocean Material Alliance

In order to reduce ocean plastic waste, it is important to promote the sustainable use of plastics and accelerate the development and spread of alternative materials such as bioplastics and paper products that offer superior biodegradability.

ADEKA is part of the Clean Ocean Material Alliance, which was established under the leadership of the Ministry of Economy, Trade and Industry of Japan. The Alliance serves as a platform for accelerating innovation by enhancing cross-industry collaboration among a wide spectrum of stakeholders. ADEKA is leveraging its accumulated R&D capabilities from the development of plastic additives in order to develop alternative materials.

Shareholders and Investors

The ADEKA Group conducts appropriate and impartial disclosure while intensifying constructive dialogue with shareholders and investors, striving for medium-to-long-term improvement in corporate value.

● Proper Disclosure of Information

ADEKA strives to disclose accurate corporate information in a fair and timely manner to all stakeholders under its disclosure policy. ADEKA imposes a specified "silent period" before the date of disclosure of the financial statements, in which the Company refrains from commenting on the accounts and does not convey any information that is pending before settlement of the accounts. ADEKA discloses appropriately any information about its accounts that may significantly impact the investment decisions of shareholders and investors.

● Online Disclosure

ADEKA makes every effort to disclose information of interest to stakeholders in a timely and appropriate manner through its websites. To prevent the spread of COVID-19, the Company conducted the results briefing for fiscal 2021 by telephone conference and distributed a video of the president's presentation. Moreover, ADEKA took particular care to explain the Company's operations in the most accessible terms, targeting general consumers and individual investors.

● IR Activities

The Company conducts a vigorous program of investor-relations (IR) activities, providing results briefings and results-briefing tools to institutional investors and analysts. In fiscal 2021, ADEKA conducted 149 IR meetings and provided institutional investors with on our mid-term management plan and electronics and IT materials, and posted videos and materials related to these briefings on its website. June 2021 saw the convening of the first "small meeting with the president" for institutional investors. In addition to this, the Company participated in two individual investor fairs. To deepen investors' understanding of ADEKA, the Company actively discloses business plans and other key management information. At the same time, the Company conveys to senior management the opinions and desires expressed through dialogue with investors, as it strives for constant improvement and maximization of enterprise value.

● General Meeting of Shareholders

The Company makes every effort to furnish an environment in which all shareholders can exercise their rights appropriately and to promote dialogue. Notices of convocation of general shareholders' meetings are issued to shareholders well before the date required by law and disclosed early on the Company website. Meetings are held on days when relatively few other companies are holding their shareholders' meetings. Also, to ensure that overseas shareholders can consider agenda items as conveniently as possible, we post the English version of the convocation notice on our website.

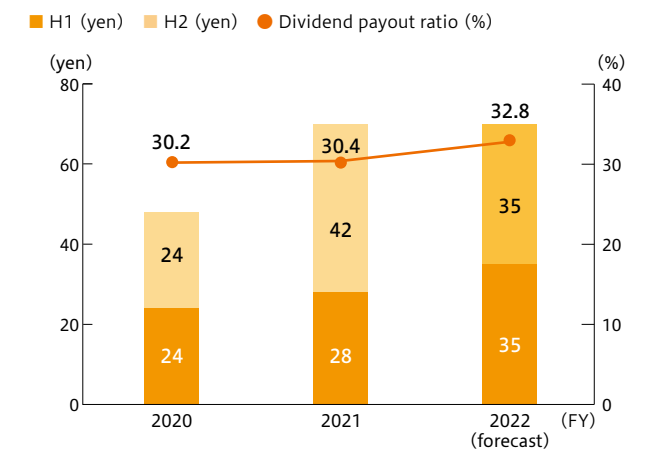
In view of the COVID-19 pandemic, shareholders were encouraged to refrain from attending the fiscal 2021 general meeting of shareholders in person. For the benefit of those who chose not to attend, the Company distributed video and audio of part of the proceedings of the meeting as on-demand digital content.

● Returning Profits to Shareholders

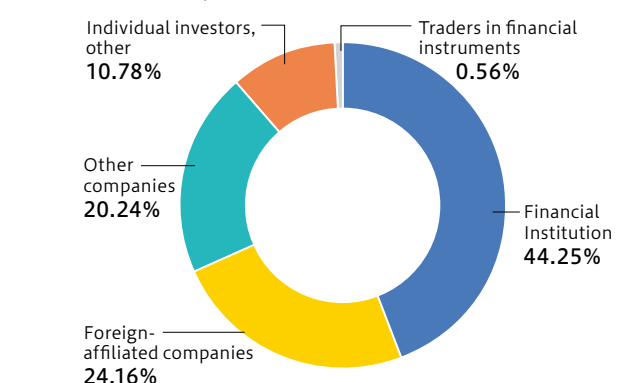
ADEKA redistributes its profits to shareholders based on an overall consideration of the management environment, business performance and financial condition.

With the understanding of its shareholders, ADEKA applies its internal reserves by placing priority on strengthening its management base and investing in growth businesses from a mid- to- long-term perspective.

Annual Cash Dividends



Distribution of ADEKA's Public Shares by Investor Type (As of March 31, 2022)



Governance

The ADEKA Group, under its management policies of “contributing to society through our business” and “harmonious and mutually beneficial coexistence with communities,” strives to meet public expectations and demands. At the same time, the ADEKA Group is consistently enhancing its brand and corporate value by reinforcing its corporate governance and rigorously managing compliance.

Corporate Governance

Basic Stance on Corporate Governance

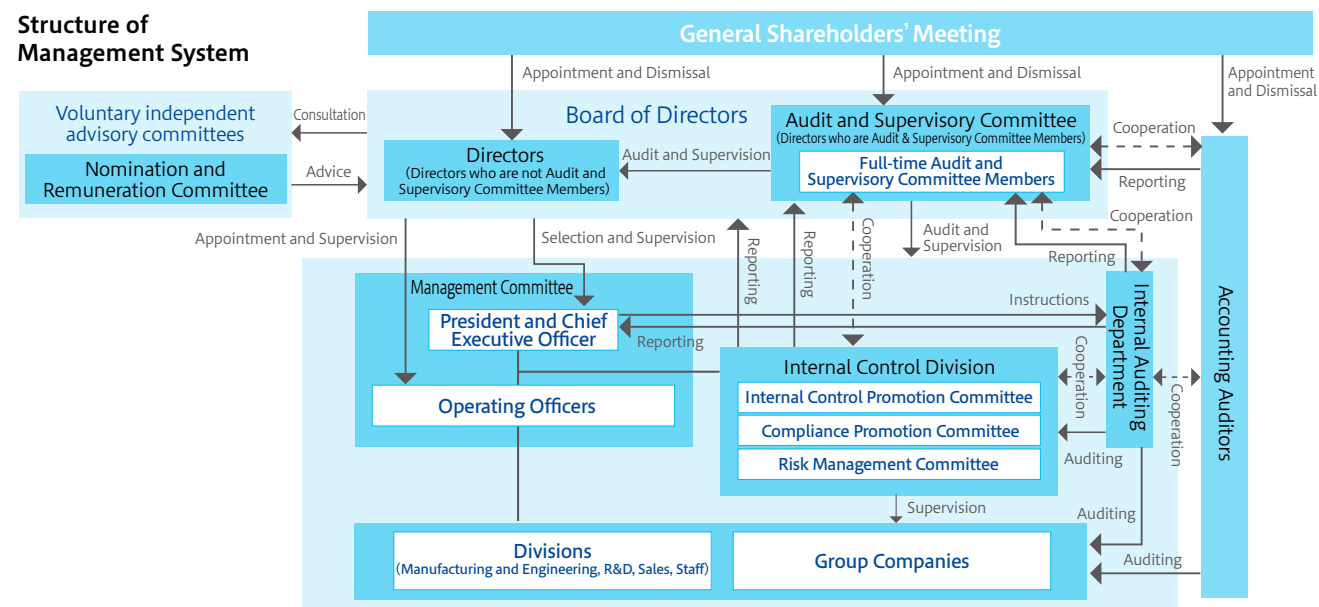
The ADEKA Group places top priority on the strengthening of corporate governance in order to realize its mission and management policies, as well as to achieve sustainable growth and enhance its mid-to-long-term corporate value.

ADEKA has repeatedly implemented innovations in governance to enable timely management decision-making and clarify roles (responsibilities and powers) in the execution of operations. To buttress the supervisory functions and framework of the Board of Directors, at the ordinary general meeting of shareholders for fiscal 2020 convened on June 18, 2021, the Company resolved to revise its Articles of Incorporation, changing the structure of

ADEKA from a “Company with Audit & Supervisory Board” to a “Company with Audit and Supervisory Committee.”

Furthermore, based on the ADEKA Group Corporate Governance Guidelines, going forward, ADEKA will continue to take committed action to reform its management structure and strengthen corporate governance by establishing a highly effective corporate governance system that allows the Board of Directors, Management Committee, voluntary advisory committees (Nomination and Remuneration Committee) and other bodies, as well as officers and employees, to fulfill their respective roles organically.

Structure of Management System



Changes in Corporate Governance Structure

	2006	2008	2015	2017	2020	2021	2022
Evolution of Governance		Review of the officer-remuneration system, including the abolition of the officer retirement benefit system					
			Establishment of Corporate Governance Guidelines				
				Introduction of a stock compensation plan using restricted stock compensation			
					Establishment of Nomination and Remuneration Committee		
						Transition to a Company with Audit and Supervisory Committee	
Number of external directors/directors (Ratio of external directors)	1/12 (8.3%)	1/10 (10.0%)	2/11 (18.2%)	2/11 (18.2%)	2/11 (18.2%)	6/17* (35.3%)	6/16* (37.5%)
						Directors: 3/12 Directors, Audit and Supervisory Committee members: 3/5	Directors: 3/12 Directors, Audit and Supervisory Committee members: 3/4

* From 2021, includes directors, Audit and Supervisory Committee members.

Overview of Corporate Governance

ADEKA's decision-making follows a process of flexible and thorough scrutiny in combination with the deliberations of the ordinary meetings of the Board of Directors, held once a month; extraordinary meetings of the Board of Directors, convened as necessary; and the Management Committee, which gathers several times a month. In fiscal 2021, the Board of Directors conducted 12 ordinary meetings and five extraordinary meetings for a total of 17 meetings.

To clarify executive responsibilities and powers and provide timely decision-making and efficient management, ADEKA has introduced an operating-officer system. ADEKA has also established a number of committees, such as the Internal Control Promotion Committee, the Compliance Promotion Committee and the Risk Management Committee. These bodies conduct deliberations necessary for execution of operations, implementing Companywide

measures for enhanced governance, compliance and risk management while striving for appropriate and rational management judgement.

Corporate Governance Overview (as of June 30, 2022)

Item	ADEKA
Governance structure	Company with Audit and Supervisory Committee
Chairman of the board of directors	President and Chief Executive Officer
No. of directors (of which: Audit and Supervisory Committee members)	16 (4)
Independent external directors (of which: Audit and Supervisory Committee members)	6 (3)
Number of female directors	1
Term of directors who are not Audit and Supervisory Committee members	1 year
Term of directors who are Audit and Supervisory Committee members	2 years
No. of operating officers	19
Of which: Also serving as directors	9

Composition and Roles of Committees

	Board of Directors	Nomination and Remuneration Committee	Audit and Supervisory Committee
Chairperson	President and Chief Executive Officer	Internal directors	Internal directors
Composition	Internal directors: 11 External directors: 6	Internal director: 1 External directors: 2	Internal directors: 2 External directors: 3
Number of meetings (FY2021)	Regular: 12; extraordinary: 5; total: 17	4	Audit & Supervisory Board: 2 Audit and Supervisory Committee: 4
Objectives	As a decision-making body for business execution, it decides important matters related to corporate management outside the authority of general meetings of shareholders, such as the election and dismissal of representative directors, supervision of directors' performance of their duties, and the issuance of new shares.	Further enhances corporate governance by improving the fairness, transparency, and objectivity of procedures related to the nomination of candidates for directors and the determination of their compensation, etc.	Fulfills the supervisory function over the directors' performance of duties by examining the status of operations and assets, and at the same time, works closely with the accounting auditors and the internal audit division (Internal Auditing Department) to improve their respective supervisory functions.

Audit Framework

In June 2021, ADEKA reorganized to become a Company with Audit and Supervisory Committee. The Audit and Supervisory Committee consists of four directors, of whom three are independent external directors. This Committee audits and supervises the directors' execution of their duties. The Audit and Supervisory Committee members survey the Board of Directors' attendance rate and the status of ADEKA's operations and finances to perform a supervisory function with respect to directors' execution of their duties, based on the auditing policies and division of duties stipulated by the Audit and Supervisory Committee. Also, the Audit and Supervisory Committee maintains close liaison with the accounting auditors and internal auditing segment (Internal Auditing Department), playing a role in improving the auditing functions of each. The internal-auditing results of the Internal Auditing Department are reported to the president and CEO as well as to the Audit and Supervisory Committee, by means of a double reporting line.

In fiscal 2021, the Audit & Supervisory Board held two meetings and the Audit and Supervisory Committee held four meetings.

Providing Information and Support to External Officers

The ADEKA Group continues striving to improve its support system for external officers so that they can deepen their understanding of the Group's business

activities and make sound decisions.

Soon after external officers are appointed, the Group holds an orientation session on its business and financial affairs and provides learning opportunities such as facility tours. Before the Board of Directors' meetings, reference materials and overviews on important issues are provided by the secretariat to ensure that external officers are fully briefed and can engage in vigorous and constructive discussion.

Compliance with the Corporate Governance Code

In response to the Corporate Governance Code (hereafter, “CGC”), ADEKA operates a CGC Promotion Committee that meets on a quarterly basis to discuss the following matters.

- Study of measures to strengthen corporate governance
- Review of the ADEKA Group Corporate Governance Guidelines
- Matters disclosed in the Corporate Governance Report
- Review of the implementation status of ADEKA's governance based on the CGC and the Guidelines
- Review of the latest trends in corporate governance, based in part on input from institutional investors

In addition, in response to the revised 2021 Corporate Governance Code, we submitted a CG report in December 2021 in compliance with the new code. Furthermore, the ADEKA Group Corporate Governance Guidelines were revised in November 2021, March 2022, and June 2022.

Skills Matrix of Directors

The Company strives to ensure the diverse values and expertise of the members of the Board of Directors with fairness and a broad perspective when nominating candidates for Director in order to respond vigorously to change in the business environment and social issues.

We establish a skills matrix for the knowledge and experience of Directors, which is necessary in light of our management policies and strategy, and use it to confirm the skill balance of the members of the Board of Directors, as well as to provide information to shareholders.

The latest skills matrix is available on our website at the following link.
<https://www.adeka.co.jp/en/company/profile.html>

Name	Title	Knowledge and Experience that the Company Expects of Directors							
		Corporate Management	CSR	Global	R&D	Financial Strategy Accounting	Governance Risk Management	HR Management Diversity	Production Administration Technology & Engineering* (Including IT and DX)
Hidetaka Shirozume	President and Chief Executive Officer	●	●	●			●		
Haruhiko Tomiyasu	Representative Director and Senior Managing Executive Officer	●				●	●	●	
Yoshiaki Kobayashi	Director and Managing Operating Officer	●		●					
Shigeki Fujisawa	Director and Managing Operating Officer	●		●					
Youji Shiga	Director and Managing Operating Officer					●	●		
Atsuya Yoshinaka	Director and Managing Operating Officer			●	●				
Susumu Yasuda	Director and Managing Operating Officer		●				●	●	●
Naoshi Kawamoto	Director and Managing Operating Officer	●		●	●				
Noriyasu Kakuta	Director and Managing Operating Officer			●	●				●
Kazuyuki Nagai	Director External / Independent						●		
Shigeru Endo	Director External / Independent			●			●	●	
Makoto Horiguchi	Director External / Independent	●		●					
Koichi Taya	Director, Audit and Supervisory Committee Member (Chairperson)						●		
Akio Okuyama	Director, Audit and Supervisory Committee Member External / Independent					●	●		
Yoko Takemura	Director, Audit and Supervisory Committee Member External / Independent						●		
Yoshiki Sato	Director, Audit and Supervisory Committee Member External / Independent	●	●			●	●		

Skill	Applicable requirements
Corporate Management	Experience as an executive director of a listed company or equivalent company*1
CSR	● Practical experience*2 in the relevant skills or management experience*3 ● Advisory experience*4 in the relevant skills
Global	● Practical experience in overseas business or management ● Knowledge and experience in international business ● Experience in overseas postings (excluding short-term dispatches and study abroad)
R&D	● Practical experience in the relevant skills or management experience ● Experience working at universities, external research facilities, etc.
Financial Strategy Accounting	● Practical experience in the relevant skills or management experience ● Advisory experience in the relevant skills
Governance Risk Management	● Practical experience in legal, compliance, and internal control divisions or management ● Advisory experience in legal, compliance and internal control matters ● Experience of proactive involvement in corporate governance structure ● Proactive involvement in contingency response*5 or advisory experience
HR Management Diversity	● Practical experience in the relevant skills or management experience ● Advisory experience in the relevant skills
Production Administration Technology & Engineering (Including IT and DX)	● Practical experience in the relevant skills or management experience ● Advisory experience in the relevant skills

*1. "Equivalent company" refers to a company of a size equivalent to a publicly listed company.
*2. "Practical experience" refers to someone who has been engaged in the relevant work as their main work for a minimum of three years.
*3. "Management experience" refers to someone who has been engaged in a position of department head or higher in charge of the relevant work.
*4. "Advisory experience" refers to advisory experience provided outside of the Company in the relevant work.
*5. Responding to the 14 crises specified in the Crisis Management Manual.

Incentive Compensation for Officers

ADEKA's incentive compensation for officers is composed of remuneration paid as compensation for performing their duties, bonuses linked to performance of the Company and individuals and "restricted stock compensation" introduced as a medium-to-long-term incentive in June 2017.

Performance-based remuneration is paid on a particular schedule each year as officers' bonuses. This remuneration is calculated on the basis of three factors: financial value as evaluated from business results in the fiscal year (consolidated net sales, consolidated operating profit and consolidated profit); social value as evaluated from contributions to addressing environmental issues and the like in the fiscal year; and an amount calculated in overall consideration of a variety of other factors. To provide a remuneration structure that sustainably improves medium-to-long-term corporate value, and by extension shareholder value, non-monetary remuneration is provided as restricted stock compensation.

Nomination of Officer Candidates

Officer candidates are nominated based on general criteria such as character, discernment, knowledge, experience and track record. Candidates for the position of external officer are chosen for these attributes but must also hold no more than an acceptable number of other concurrent posts, to ensure that they can devote sufficient time to their duties with the Company. Before the Board of Directors deliberates on the selection of officer candidates, the Board requests the advice of the Nomination and Remuneration Committee. The candidates are then selected by resolution of the Board of Directors in careful consideration of the opinions and advice of the Nomination and Remuneration Committee.

Drafting and Execution of Succession Plans and Successor Training

The president and CEO of ADEKA drafts a succession plan. The purpose of this plan is to ensure that the next person elevated to the post of CEO is the best person for the job, capable of handling the business environment and management issues that confront the ADEKA Group, ensuring sustainable growth for the entire ADEKA Group and improving corporate value over the medium-to-long-term. The succession plan does not specially provide for deliberation on approval by or reporting to the Board of Directors. However, before agenda items for the nomination of officer candidates (including candidates for CEO) are presented to the Board of Directors, the president and CEO explains in the Nomination and Remuneration Committee that persons expected to be nominated as officer candidates satisfy the conditions in the successor plan and for nomination as officer candidates. The officer candidates are decided by resolution of the Board of Directors, in careful consideration of the opinions and advice of the Nomination and Remuneration Committee. This system maintains the transparency and objectivity of the processes by which successors to senior management positions are nominated.

Anti-Takeover Measures

We had adopted advance-warning anti-takeover measures since 2007, but after careful consideration of the opinions of our shareholders, including domestic and foreign institutional investors, recent trends in anti-takeover measures, and changes in the business environment surrounding our company, on May 23, 2022 our Board of Directors decided not to continue with these measures and scrap them.

Assessment of the Effectiveness of the Board of Directors

At ADEKA, members of the Board of Directors complete a self-assessment questionnaire. Among other aspects, this questionnaire covers the number of members of the Board of Directors, members' diversity and specialization and the items they present for deliberation; the Board of Directors' preparations for each meeting, management of proceedings and vigor of discussion; and the strategic decision-making and supervisory functions of the Board of Directors. The results of tabulation of these questionnaires are evaluated and analyzed by a meeting of the Board of Directors and external directors only. An overview of the results is disclosed at the end of each fiscal year.

- **Fiscal 2021 Assessment Result**
- We have confirmed that our Board of Directors has a well-balanced composition, that we have appointed highly professional external directors, that there is smooth communication among directors, and that the proceedings are carried out in such a way as to make it easy for them to speak up. Therefore, we have determined that the effectiveness of the Board of Directors is appropriately ensured.
 - At the same time, we recognize that there are issues to be addressed, including further consideration of the separation of supervision and execution, further enhancement of discussions on medium- to long-term business strategies and sustainability, and further strengthening of the audit and supervisory functions in line with the transition to a Company with Audit and Supervisory Committee.

Internal Control System

ADEKA recognizes that internal controls are vital processes for uniting the Board of Directors, managers and other Company personnel in providing reasonable guarantees that duties will be performed efficiently and effectively; financial reporting will be trustworthy; related laws and regulations, as well as the Articles of Incorporation, will be strictly complied with; and preservation of assets will be achieved. Based on that understanding, the Internal Control Promotion Committee leads the Company's efforts to build and strengthen the Company-wide internal control system.

The Internal Control Promotion Committee builds, operates and checks the internal control system, based on the Companies Act, and ensures the appropriateness of its financial reporting, based on the Financial Instruments and Exchange Act.

Promotion of Paperless Board Meetings

Our Board of Directors has adopted a paperless system in which meeting materials are shared electronically via a cloud server and viewed on dedicated tablets. This paperless system reduces the number of meeting materials by approximately 15,000 sheets of paper per year and improves information security.

Compliance

Basic Stance on Compliance

The management policies of the ADEKA Group support effective responses to changes in the social and managerial environment. They are intended to realize sound management and harmony with international society by sufficiently protecting stakeholders' interests.

The Group's compliance management is intended to fulfill public expectations and demands through the provision of new value that is useful for addressing social issues. This is done by providing high-quality products and services created using ADEKA's unique technologies and through actively communicating with stakeholders, as well as engaging in social contribution activities.

In fiscal 2021, the ADEKA Group Code of Conduct was revised to include elements of social contribution and sustainable management through our core businesses.

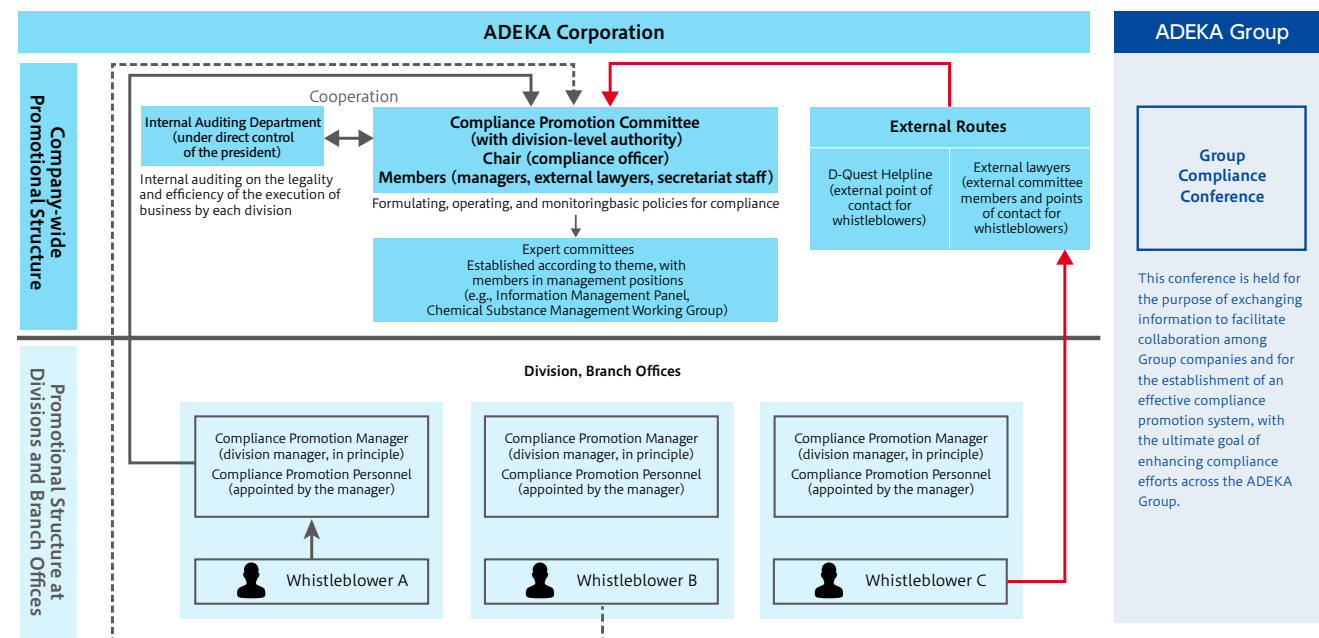
System for Promoting Group Compliance

The Compliance Promotion Committee meets quarterly to implement and monitor compliance at ADEKA.

A system for instilling the Basic Compliance Policy across the Company and swiftly collecting information has been established by appointing Compliance Leaders in each section.

In addition, representatives and compliance officers of major Group companies meet twice a year for the Group Compliance Conference.

Compliance Structure



Dates of Convening of the Compliance Promotion Committee and Content (four times in fiscal 2021)

Ordinal number	Date	Content
68th	April 27, 2021	<ul style="list-style-type: none"> Report on the FY2020 activities of the Compliance Promotion Committee Report of the Chemical Substance Management Working Group
69th	July 29, 2021	<ul style="list-style-type: none"> Summary of FY2021 Antitrust Act seminars and compliance seminars Report on FY2020 compliance activities by each division and consolidation of tasks to be completed in FY2021
70th	October 21, 2021	<ul style="list-style-type: none"> Survey of compliance awareness (interim report)/Report of the Chemical Substance Management Working Group Report on the interim activities of the Compliance Promotion Committee in FY2021 Regarding draft materials for compliance seminars in FY2021
71st	January 31, 2022	<ul style="list-style-type: none"> Final report on the FY2021 survey of compliance awareness (questionnaire) Draft of FY2022 basic policies for compliance/Revision of the ADEKA Group Code of Conduct Draft of FY2022 policies for compliance leader training

Group Compliance Conference (held twice in fiscal 2021)

The ADEKA Group holds a Group Compliance Conference twice a year (in March and September). At this Conference, Group companies make efforts to strengthen overall Group compliance by confirming compliance issues at each company and measures to deal with them and by otherwise exchanging information.

Ordinal number	Date	Content
34th	September 3, 2021	Report on the status of each company's compliance efforts (held online)
35th	March 4, 2022	Report on the results of the survey of compliance awareness (2021) (held online)

Raising Awareness Among Group Employees

Compliance Education

ADEKA provides education and training to employees at various levels, through e-learning courses, level-based training, and training on specific themes, laws and regulations. Moreover, each workplace is required to conduct "workplace compliance training," compliance training tailored to its own unique needs, more than once a year.

Under normal circumstances, level-based compliance-training events and seminars (Antitrust Act seminars, seminars on insider-trading regulations and compliance seminars) are conducted as group sessions. This year, however, due to the COVID-19 pandemic, lectures were pre-recorded and distributed as on-demand video.

Basic e-Learning Courses

The system of basic e-learning courses was introduced to enable each workplace to conduct on-site training efficiently, at any time or location as convenient or necessary. Original training materials composed in familiar formats such as PowerPoint, PDF and Excel are converted into e-learning content by a simple process, to enable course-participation management. All 13 Japan-based subsidiaries that are members of the Group Compliance Conference (only Nihon Nohyaku Co., Ltd. is excepted) have adopted educational accounts for all employees and are expanding the adoption and use of this training system to strengthen Group compliance.

Compliance Training

Type of training	Course title	Period	Number of participants
e-learning	Lecture on the fundamental of SDGs	From mid-May 2021 to the end of December 2021	2,551
	E-learning for improving risk sense through safety culture education	From late May 2021 to the end of March 2022	1,298
	Education on security export controls: "Cargo" 2021 fiscal year	From mid-November 2021 to mid-February 2022	930
	Insider- trading regulations: affiliated company edition	From early December 2021 to the end of March 2022	646
	Learning about compliance from case studies (part 1 of 2)	From early December 2021 to the end of March 2022	162
	Learning about compliance from case studies (part 2 of 2)	From early December 2021 to the end of March 2022	163
	Strengths unique to ADEKA	From mid-February 2022 to the end of March 2022	2,222
	ADEKA CLEAN AID CORP. new mid-term management plan (2021-2023)	From mid-May 2021 to Mid-June 2021	155
	ADEKA CLEAN AID CORP. compliance training: Poisonous and Deleterious Substances Control Act	From late August 2021 to the end of September 2021	155

Compliance-related education and training

- ▶ Information management and security: Revision of rules and standards related to information management and security, and implementation of education and training
- ▶ Anti-harassment measures: Formulation of Policies for Preventing Harassment and their roll-out to subsidiaries, and implementation of education and training
- ▶ Education and training activities: Level-based training, training on specific themes, laws and regulations., in-house training, seminars, e-learning, etc.

- Hold seminars on insider-trading regulations annually
- Training conducted through the video "Competition Law and Anti-Bribery Compliance Training"
- Hold Antitrust Act seminars annually
- Training to develop skills for responding to whistleblower reports (for Group Compliance Conference members)

Strengthening Group Compliance

One-on-one interviews were conducted with the representatives and compliance officers of affiliates in Japan. Feedback was provided on the results of a survey of compliance awareness, along with proposals for improvement.

■ Main Topics

- ①Sharing and creating awareness of ADEKA Group management policies and the Group Code of Conduct
- ②Strengthening of Group compliance systems
 - i) Feedback of results of surveys on compliance awareness
 - ii) Educational support to affiliated companies
- ③Response to global compliance risk

Notification of and Familiarization with the ADEKA Group Code of Conduct and Other Regulations

The Code of Conduct, compliance regulations and other provisions are shared in common within the ADEKA Group. Group Compliance Conferences are held twice a year, providing opportunities to share compliance awareness and information. At compliance seminars for major Group companies in Japan, education and awareness-raising are conducted.

In response to changes in the environment surrounding the international community and the growing expectations and demands of stakeholders, the ADEKA Group Code of Conduct, established in April 2003, has been revised to incorporate elements such as social contribution and sustainable management through our core businesses, and to increase the number of articles to 11.

Monitoring and Evaluation

Bribery Risk Assessment

Every year ADEKA conducts bribery risk assessment, confirming the progress of efforts by companies to prevent overseas bribery and obtaining a grasp of current conditions. To reinforce efforts to prevent bribery, ADEKA offers e-learning courses and implements risk assessment online.

ADEKA Group Basic Policy Against Corruption and Anti-Bribery Guidelines were revised to address Global Compact risks. (September 2021)

Compliance Consultation and Internal Reporting System

The ADEKA Group has maintained an internal reporting system since 2003, and it received nine reports in fiscal 2021. Users can provide information anonymously to protect them from the negative repercussions of reporting non-compliance issues. Details about the cases and the actions taken are shared with Audit & Supervisory Board members and outside legal counsel, and reported to the Board of Directors.

In addition, the Compliance Whistleblower Regulations were revised to add provisions such as the designation of whistleblower response personnel and prohibition of out-of-scope sharing. (June 1, 2022)

Number of Internal Reports

FY	2016	2017	2018	2019	2020	2021
Reports	9	9	8	6	9	9

Compliance with Fair Business Practices and Prevention of Corruption

Fair Business Practices

(Anti-Monopoly Act, Subcontract Act)

Each year the ADEKA Group offers seminars on the Anti-Monopoly Act and Subcontract Act, presented by specialists in the field. Employees are also individually encouraged to improve their knowledge of these topics through e-learning.

Preventing Bribery

Around the world, the legal framework concerning bribery and corruption is being steadily tightened. Examples of pertinent legislation include the Foreign Corrupt Practices Act in the United States, the United Kingdom Bribery Act in the United Kingdom and Japan's Unfair Competition Prevention Act. As exposure of bribery and corruption intensifies, the ADEKA Group is providing employee training and conducting risk assessment and other measures as described above based on the ADEKA Group Basic Policy Against Corruption, related regulations and the ADEKA Group Anti-Bribery Guidelines.

Management of Chemicals and Export Controls

In close liaison with overseas bases, ADEKA complies strictly with laws of each country concerning regulations on the inspection and manufacture of chemical substances, as well as laws and regulations related to the Globally Harmonized System of Classification and Labelling of Chemicals (GHS) used in safety data sheets, and responds appropriately to HS codes (customs classification numbers). ADEKA established a Trade Control Committee, a security export control organization under the direct authority of the president of ADEKA. Under the direction of the Trade Control Committee (secretariat: Environmental Safety & Quality Assurance Department), education on security export controls (e-learning) was provided to all employees.

Tax Matters

One of the basic and important responsibilities companies must fulfill is appropriate payment of taxes in compliance with the applicable tax laws in each country. In the fiscal year under review, ADEKA provided e-learning on basic knowledge regarding international taxation and overseas donations.

Risk Management

Basic Stance on Risk Management

As business risks increase in the management environment, the ADEKA Group seeks to prevent incidents and minimize the damage they can cause. In one approach, the Group outlined a system for managing risks in the ADEKA Group Risk Management Manual, focusing on prevention and countermeasure efforts.

Risk Management System

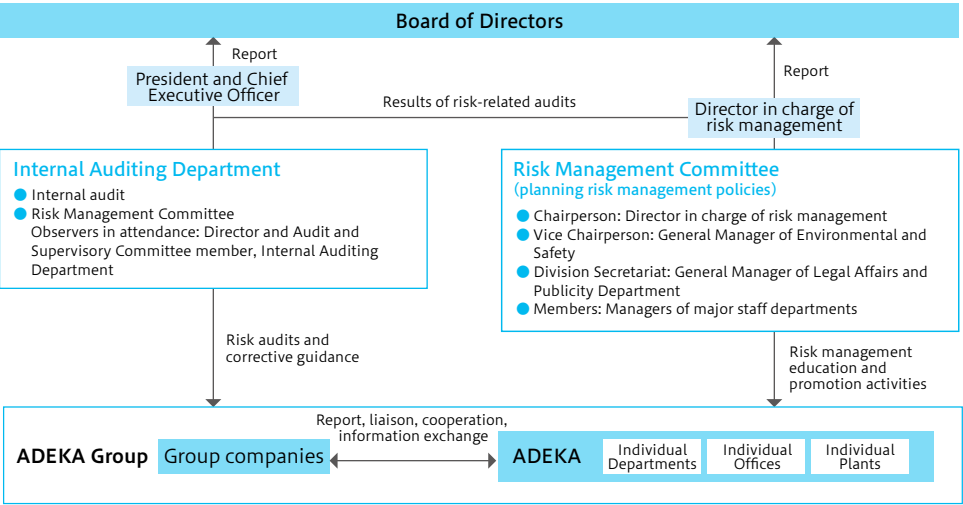
The Risk Management Committee meets regularly (twice a year). This Committee is chaired by the officer in charge of risk management and consists of managers of major staff departments, with the Legal Affairs & Publicity Department serving as the secretariat. In addition to discovering and evaluating risks in each department and operating and reviewing the risk-management framework, the Committee prepares the ADEKA Group Risk Management Manual. When emergencies arise, departments responsible for each risk category are specified based on the Manual and systems are implemented to minimize any damage. In cases of acute emergency and importance, an Emergency Headquarters

is established to coordinate operations. To minimize damage from loss of confidence in the Company when unforeseen incidents and accidents occur, ADEKA has prepared an Emergency Public Relations Manual.

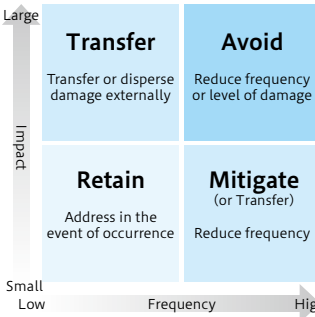
In risk monitoring, risk assessment surveys are conducted with the general managers of divisions and business locations. Information-management, security and business continuity risks are mapped and tested based on the frequency of occurrence and impact, and measures are examined.

We revised the division of responsibilities of the Risk Management Committee. (June 1, 2022)

Overview of Risk Management



Selection of Countermeasures



Strengthening Global Risk Management

To ensure the safety of ADEKA officers and employees who transfer to, study in, reside in or are seconded to overseas countries and regions, as well as their accompanying families, the Group has established the Overseas Risk Management Regulations, Standards on Measures Against Overseas Risks and Safety Guidelines for Personnel Stationed Overseas.

Business Continuity Management

The Business Continuity Management (BCM) Committee takes the initiative on business continuity management for minimizing any damage to business assets and enabling the continuation or early recovery of business activities in the event of an emergency.

In fiscal 2021, we introduced an emergency information collection and information sharing system utilizing Information and Communication Technology.

Information Security and Information Management Training

The Information Management Subcommittee, a subordinate body of the Compliance Promotion Committee, is carrying out an array of measures aimed at strengthening information security and information management. In fiscal 2020 the Subcommittee provided training for all directors and employees on dealing with targeted e-mail attacks (January to March 2021).

Directors (as of June 24, 2022)



Hidetaka Shirozume
President and
Chief Executive Officer

1985 Joined the Company
2005 General Manager, Electronic Materials Sales Department
2010 General Manager, Information & Electronic Materials Sales Department
2011 General Manager, Chemicals Planning & Marketing Department
2014 Operating Officer, General Manager, Chemicals Planning & Marketing Department
2015 Operating Officer, General Manager, Osaka Main Branch
2016 Director and Operating Officer, General Manager, Osaka Main Branch
2017 Director and Managing Operating Officer, General Manager, Corporate Planning & Strategy Division and Chair of Capital Investment Committee
2018 President and Chief Executive Officer (current position)



Youji Shiga
Director

1985 Joined the Company
2006 General Manager, Finance & Accounting Department
2014 Operating Officer, General Manager, Finance & Accounting Department
2018 Director and Operating Officer, General Manager, Finance & Accounting Department
2022 Director and Operating Officer, Finance & Accounting Department, Information System Department, Business Digitalization Department (current position)



Kazuyuki Nagai
[External](#) Director

1981 Professor, Faculty of Law, CHUO UNIVERSITY (Companies Act)
1999 Dean, Faculty of Law, CHUO UNIVERSITY
2004 Registered as attorney (current position)
2005 President, CHUO UNIVERSITY
2005 Chancellor, CHUO UNIVERSITY
2010 External Director of the Company (current position)
2012 Chairman, UNIVERSITY CORRESPONDENCE EDUCATION (current position)
2016 Professor Emeritus, CHUO UNIVERSITY (current position)



Koichi Taya
[New election](#)
Director (Full-Time Audit and Supervisory Committee Member)

1986 Joined the Company
2007 General Manager, Electronic Circuit Materials Sales Department
2010 General Manager, Secretarial Department
2014 General Manager, Purchasing & Distribution Department
2018 Operating Officer, Purchasing & Distribution Department
2020 Operating Officer, General Manager, Osaka Main Branch
2022 Director and Full-time Statutory Auditor (current position)



Haruhiko Tomiyasu
Representative Director and Senior Managing Executive Officer

1979 Joined DAI-ICHI KANGYO BANK, LTD. (present MIZUHO BANK, LTD.)
2005 General Manager, Administration Department, MIZUHO BANK, LTD.
2007 Audit & Supervisory Board Member of the Company
2009 Resigned from position of Audit & Supervisory Board Member of the Company Director and Operating Officer, Legal Affairs & Publicity Department, Finance & Accounting Department, and Chair of Internal Control Promotion Committee
2009 External Auditor of NIHON NOHYAKU CO., LTD.
2010 Director and Operating Officer, Legal Affairs & Publicity Department, Finance & Accounting Department, Information System Department, and Chair of Internal Control Promotion Committee
2012 Director and Operating Officer, Human Resources Department, Finance & Accounting Department, Information System Department and Chair of Internal Control Promotion Committee
2014 Director and Managing Operating Officer, Human Resources Department, Finance & Accounting Department, Information System Department, and Chair of Internal Control Promotion Committee
2015 Director and Managing Operating Officer, Human Resources Department, Finance & Accounting Department, Purchasing & Distribution Department and Chair of Internal Control Promotion Committee
2018 Director and Senior Managing Executive Officer, Assistant to the President, Secretarial Department, Human Resources Department, Purchasing & Distribution Department, and Chair of Internal Control Promotion Committee
2018 Corporate Auditor of NIHON NOHYAKU CO., LTD.
2020 Director, Audit & Supervisory Committee Member, NIHON NOHYAKU CO., LTD. (current position) Representative Director and Senior Managing Executive Officer, Assistant to the President, Secretarial Department, Human Resources Department, Purchasing & Distribution Department, and Chair of Internal Control Promotion Committee (current position)



Atsuya Yoshinaka
Director

1985 Joined the Company
2009 General Manager, Electronic Materials Development Laboratory
2014 Operating Officer, General Manager, Electronic Materials Development Laboratory
2015 Operating Officer, General Manager, R&D Planning Department
2018 Director and Operating Officer, General Manager, Research & Development Division (current position) President & Chief Executive Officer, TOKYO ENVIRONMENTAL MEASUREMENT CENTER CO., LTD. (current position)



Shigeru Endo
[External](#) Director

1974 Joined Ministry of Foreign Affairs
1989 Seconded to International Energy Agency
2001 Deputy Director-General in the Middle Eastern and African Affairs Bureau, Ministry of Foreign Affairs
2002 Deputy Director-General in the Consular and Migration Affairs Bureau, Ministry of Foreign Affairs
2003 Ambassador to the Permanent Mission of Japan to the International Organizations in Geneva, and Consul General of Japan in the Japanese Consulate in Geneva
2007 Ambassador Extraordinary and Plenipotentiary to Republic Tunisia
2009 Ambassador Extraordinary and Plenipotentiary to Saudi Arabia
2012 Retired from Ministry of Foreign Affairs
2013 External Director, JGC CORPORATION
External Director, IINO KAIJUN KAISHA, LTD. (current position)
2014 Special Assistant to the Ministry of Foreign Affairs (current position)
2017 Special Envoy for EXPO 2025
2018 External Director of the Company (current position)
2019 Outside Director, JGC HOLDINGS CORPORATION (current position)



Akio Okuyama
[External](#) Director
(Audit and Supervisory Committee Member)

1968 Joined Chuo Accounting Firm
1971 Registered as a certified public accountant (current position)
1983 Representative partner of Chuo Accounting Firm (later MISUZU Audit Corporation)
2001 Chairman of the Japanese Institute of Certified Public Accountants
2005 Chairman, Chuo Aoyama Audit Corporation (later MISUZU Audit Corporation)
2006 Visiting Professor, Graduate School of Accountancy, Waseda University
2007 Director, Okuyama Accounting Firm (current position)
2009 Audit & Supervisory Board Member of the Company
2010 Outside Corporate Auditor, Nippon Flour Mills Co., Ltd. (current Nippon Corporation)
2014 Auditor, Shinkin Central Bank (current position)
2020 Outside Director and Audit Committee Member, Nippon Flour Mills Co., Ltd. (current Nippon Corporation)
2021 External Director and Audit and Supervisory Committee Member of the Company (current position)



Yoshiaki Kobayashi
Director

1985 Joined the Company
2011 General Manager, West Japan Foods Sales Department
2012 General Manager, East Japan Foods Sales Department
2016 Operating Officer, Deputy General Manager, Foods Division, and General Manager, East Japan Foods Sales Department
2017 Director and Operating Officer, General Manager, Foods Division, and Project Team Leader, East Asia Foods Business
2018 Managing Director, ADEKA FOODS (CHANGSHU) CO., LTD. (current position)
2021 Director and Managing Operating Officer, General Manager, Foods Division, and Project Team Leader, East Asia Foods Business (current position)



Naoshi Kawamoto
Director

2002 Joined the Company
2014 General Manager, Polymer Additives R&D Laboratory
2017 Operating Officer, General Manager, Polymer Additives R&D Laboratory
2020 Director and Operating Officer, General Manager, Polymer Additives Division (current position)
2021 Managing Director, ADEKA FINE CHEMICAL (ZHEJIANG) CO., LTD. (current position)
2021 Managing Director, CHANG CHIANG CHEMICAL CO., LTD. (current position)
Managing Director, ADEKA FINE CHEMICAL (CHANGSHU) CO., LTD. (current position)
2021 Chairman & Director, ADEKA INDIA PVT. LTD. (current position)
President and Chief Executive Officer, OXIRANE CHEMICAL CORP. (current position)



Makoto Horiguchi
[External](#) Director

1979 Joined Iwatani Corporation
2012 Executive Officer, Iwatani Corporation
2015 Managing Officer, Iwatani Corporation
2016 Deputy General Manager (East), Industrial Gases & Machinery Business Group, Iwatani Corporation
2016 Member of the Board, Executive Officer, General Manager, Industrial Gases & Machinery Business Group, Iwatani Corporation
2017 Executive Director and Executive Officer, Iwatani Corporation
2018 General Manager, Customer Relations and Services Division, Iwatani Corporation
2019 Member of the Board, Senior Managing Officer, Industrial Gases Division; Hydrogen Division; Machinery Division, Iwatani Corporation
2020 Member of the Board, Vice President, Iwatani Corporation Responsible for Sales, Iwatani Corporation (current position)
2021 External Director of the Company (current position)
2022 In charge of New Product Development & Market Research, Iwatani Corporation (current position)



Yoko Takemura
[External](#) Director
(Audit and Supervisory Committee Member)

1990 Registered as a lawyer (member of Tokyo Bar Association) (present position)
1997 Partner, Miyake Imai Ikeda Law Office (current position)
2004 Outside Corporate Auditor, Seiyo Food Systems Inc. (current Compass Group Japan Inc.)
2005 Outside Corporate Auditor, Wacoal Corporation (currently Wacoal Holdings Corporation)
2011 Audit & Supervisory Board Member of the Company
2021 External Director and Audit and Supervisory Committee Member of the Company (current position)



Shigeki Fujisawa
Director

1987 Joined the Company
2009 General Manager, Functional Resins Sales Department
2011 General Manager, Information & Electronic Materials Sales Department
2015 General Manager, Chemicals Planning & Marketing Department
2016 Operating Officer, Deputy General Manager, Chemicals Division, and General Manager, Chemicals Planning & Marketing Department
2017 Managing Director, ADEKA FINE CHEMICAL TAIWAN CORP. (current position)
Managing Director, ADEKA FINE CHEMICAL (SHANGHAI) CO., LTD. (current position)
2017 Director and Operating Officer, General Manager, Chemicals Division
2021 Director and Managing Operating Officer, General Manager, Chemicals Division (current position)

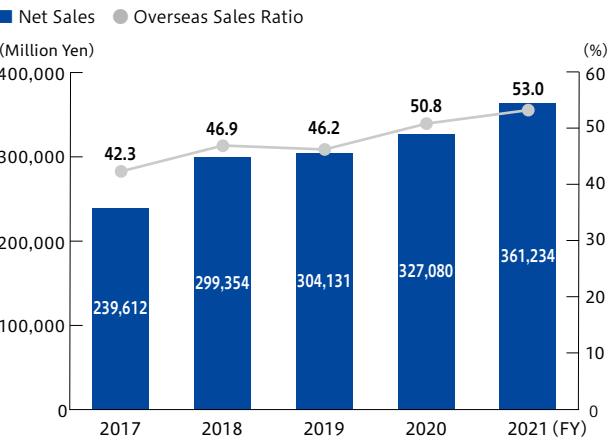


Noriyasu Kakuta
Director

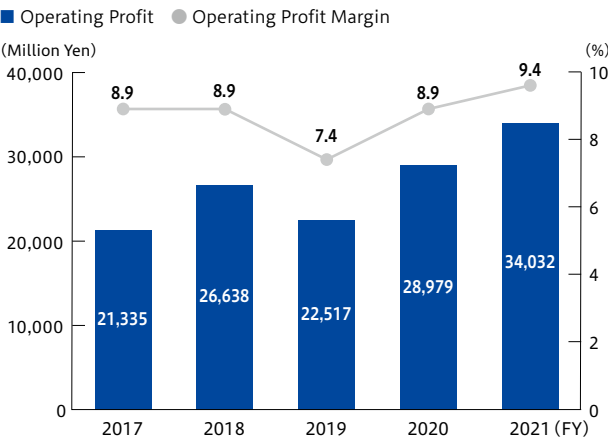
1985 Joined the Company
2014 General Manager, Kashima Plant
2016 Operating Officer, General Manager, Kashima Plant
2018 Operating Officer, Deputy General Manager, Production Division
2018 Operating Officer, General Manager, Environmental and Safety Division
2019 Operating Officer, General Manager, Environmental and Safety Division, and General Manager, Technology & Engineering Department
2020 Senior Operating Officer, General Manager, Environmental and Safety Division
2021 Director and Operating Officer, General Manager, Production Division (current position)

Financial and Non-Financial Highlights

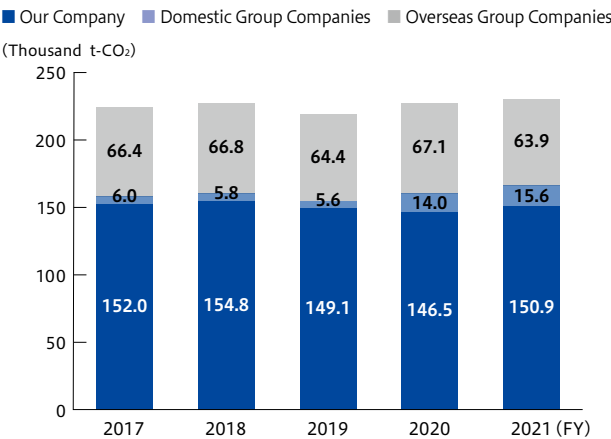
Net Sales / Overseas Sales Ratio



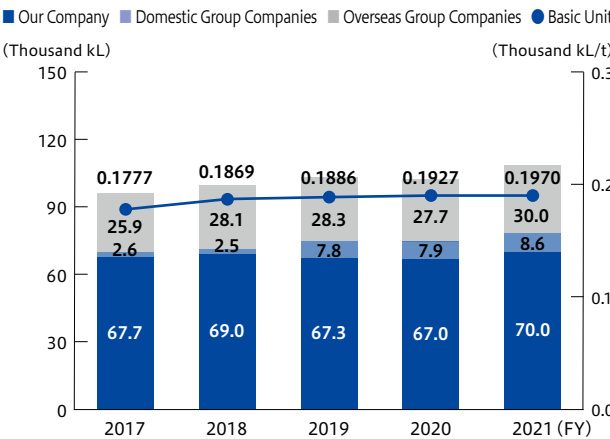
Operating Profit / Operating Profit Margin



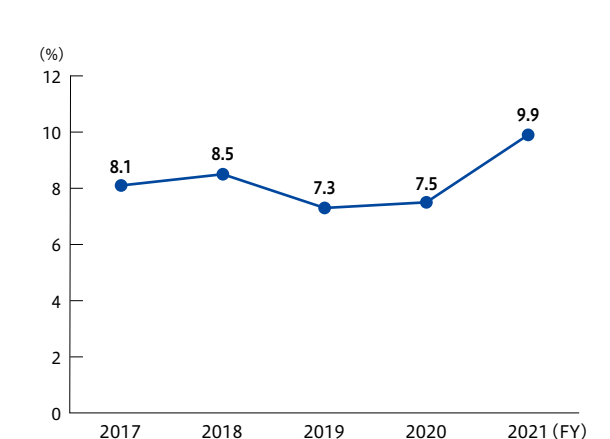
Greenhouse Gas Emissions



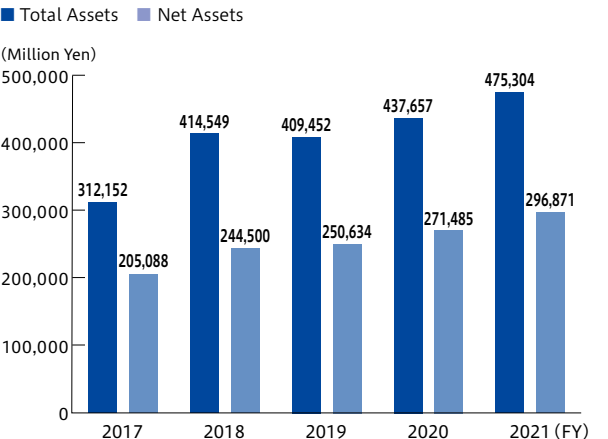
Energy Usage



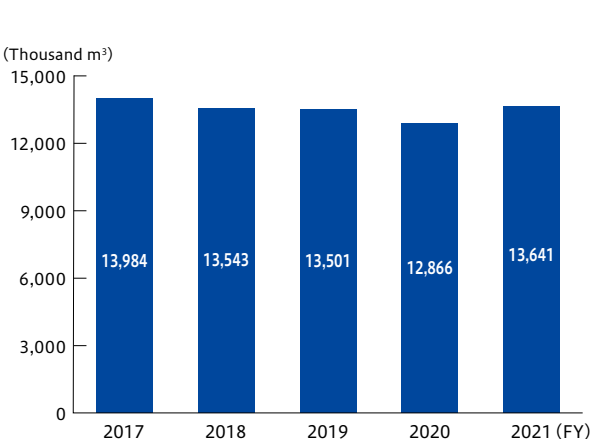
ROE



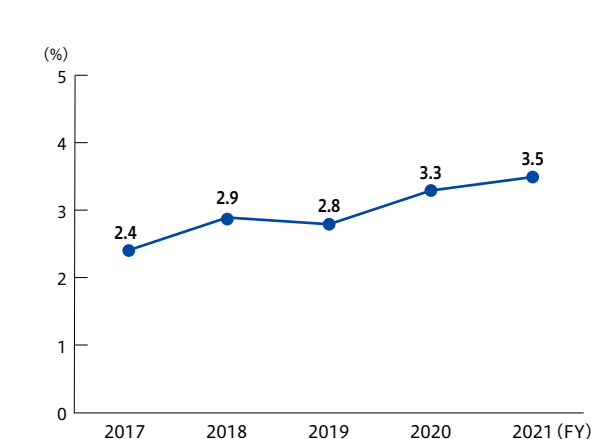
Total Assets / Net Assets



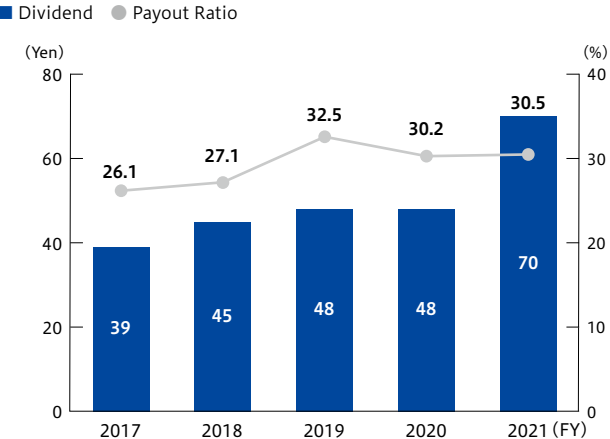
Water Usage



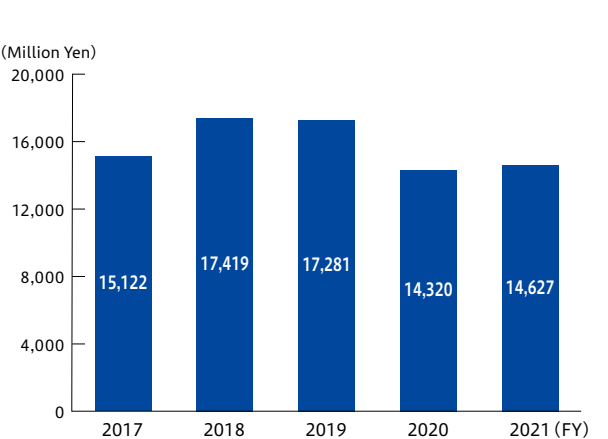
Ratio of Female Managers



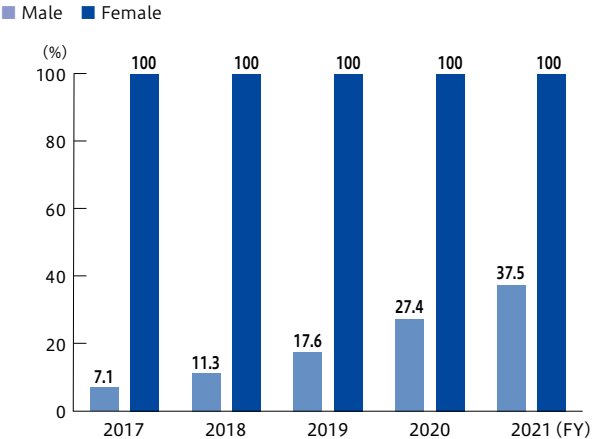
Dividend / Payout Ratio



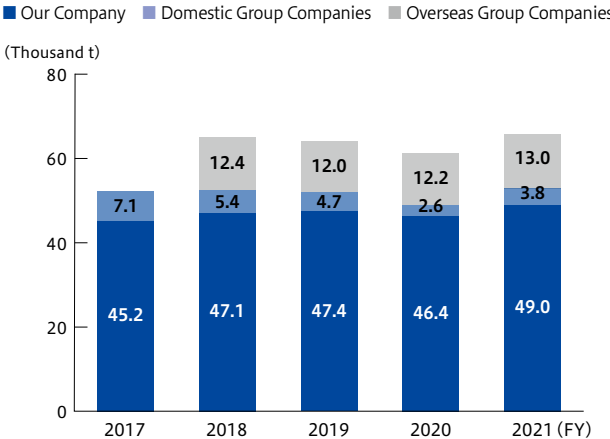
Capital Investment



Childcare Leave Acquisition Rate



Amount of Industrial Waste Generated



Corporate Profile and Stock Information

Corporate Profile

Name	ADEKA CORPORATION
Established	January 27, 1917
President and Chief Executive Officer	Hidetaka Shirozume
Head Office	7-2-35 Higashi-ogu, Arakawa-ku, Tokyo
Capital Stock	23,048.14 million yen (As of March 31, 2022)
Consolidated Employee Numbers	5,466 (As of March 31, 2022)
Business	Chemical, food, life sciences and other businesses

Stock Information

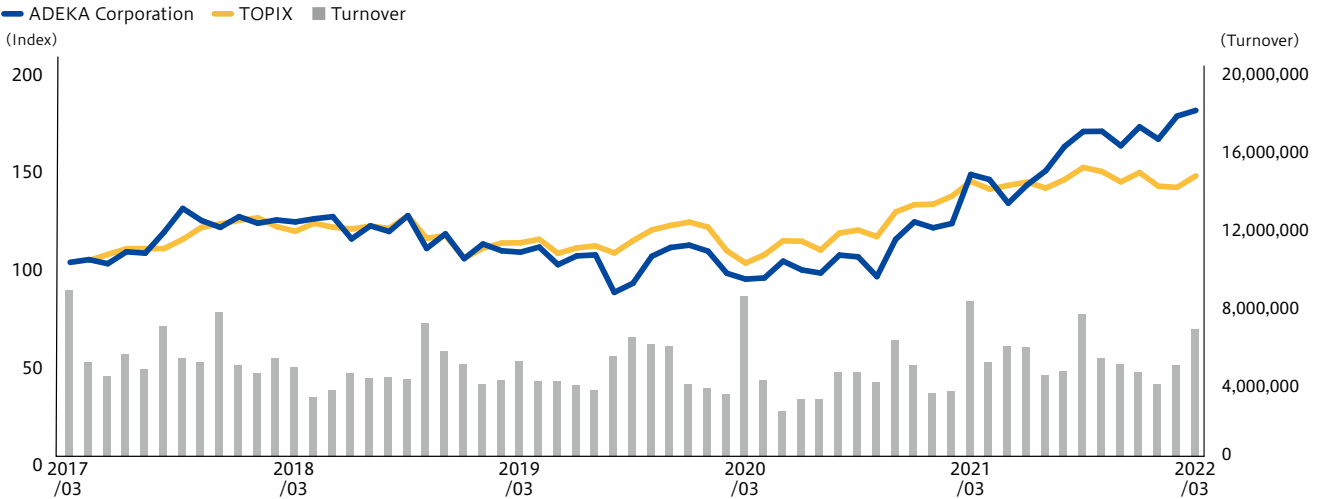
Authorized Shares	400,000,000
Shares Issued	103,768,142
Number of Shareholders as of the End of the Period	6,225 shareholders

Major Shareholders

Rank	Shareholder name	Number of shares (thousands)	Shareholding ratio (%)
1	Master Trust Bank of Japan, Ltd. (trust account)	15,209	14.70
2	Custody Bank of Japan, Ltd. (trust account)	7,750	7.49
3	Asahi Mutual Life Insurance Company	4,053	3.92
4	Mizuho Trust & Banking Co., Ltd. retirement benefit trust Mizuho Bank, Ltd. account Re-trustee Custody Bank of Japan, Ltd.	3,770	3.64
5	ADEKA Business Partners Shareholding Association	3,131	3.03
6	National Mutual Insurance Federation of Agricultural Cooperatives	2,334	2.26
7	The Norinchukin Bank	2,244	2.17
8	Zeon Corporation	2,188	2.12
9	Showa Kosan Co., Ltd.	1,870	1.81
10	JP MORGAN CHASE BANK 385632	1,664	1.61

Note: The Company holds 330,484 shares of treasury stock, and the shareholding ratio is calculated excluding treasury stock.

Total Shareholder Return (TSR) Over the Past 5 Years



Recognition by Society

Status of Inclusion in Indexes

- 2022 SOMPO Sustainability Index
- NIHON NOHYAKU Co., Ltd.
- FTSE Blossom Japan Sector Relative Index



Major External Evaluations

- CDP2020 “B-” for Climate Change, “B-” for Water Security
- “Bronze” in the EcoVadis sustainability assessment
- 2022 Certified Health & Productivity Management Outstanding Organizations Recognition Program



Participation in Initiatives

- UN Global Compact

The ADEKA Group endorses the Ten Principles of the UN Global Compact on human rights, labor, environment, and anti-corruption, and was registered as a participating company as of April 6, 2021. We will clearly state our corporate stance toward the integration of management and CSR, conduct our business in compliance with accepted norms, and at the same time, enhance our corporate value by meeting the ever-changing expectations of our stakeholders and contributing to a sustainable society through our core business.



- Task Force on Climate-related Financial Disclosures (TCFD)

In February 2022, the ADEKA Group expressed its agreement with the TCFD. Through proactive promotion of preservation of the global environment (reduction of GHG emissions, etc.) and provision of eco-friendly products, ADEKA will contribute to reduced environmental burden for its supply chain as a whole.



- Sedex

A non-profit membership organization that provides an online platform for companies to manage and improve working conditions in their global supply chains. More than 60,000 companies and organizations in 180 countries worldwide are members. This framework enables suppliers to respond to questionnaires on the environment and human rights, and multiple buyers can check their responses and evaluations, thereby ensuring responsible procurement.





ADEKA CORPORATION

7-2-35 Higashi-ogu, Arakawa-ku, Tokyo
<https://www.adeka.co.jp/en/index.html>

Contact Information

Legal Affairs & Publicity Department
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e-mail: somu@adeka.co.jp