



# Briefings on Financial Results

## Of the Fiscal 2015

*May 30, 2016*

ADEKA Corporation  
(Securities code: 4401)



# Financial Results Overview

## Of the Fiscal 2015

[April 1, 2015 – March 31, 2016]

Representative Director and President Akio Kohri

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# 1. Fiscal 2015 Consolidated Performance

# Fiscal 2015 Consolidated Performance

(Unit: 100 million yen)

Consolidated  
data

	Fiscal 2014	Fiscal 2015	Increase/ decrease	Increase/ decrease ratio (%)
Sales	2,058	2,227	168	8.2
Operating profit	140	193	52	37.8
Current profit	165	195	30	18.6
Profit attributable to owners of parent	111	132	20	18.6
Net profit per share (yen/share)	¥ 108.3	¥ 128.4	¥ 20.1	
Dividend (yen/share)	¥ 26	¥ 30	¥ 4	

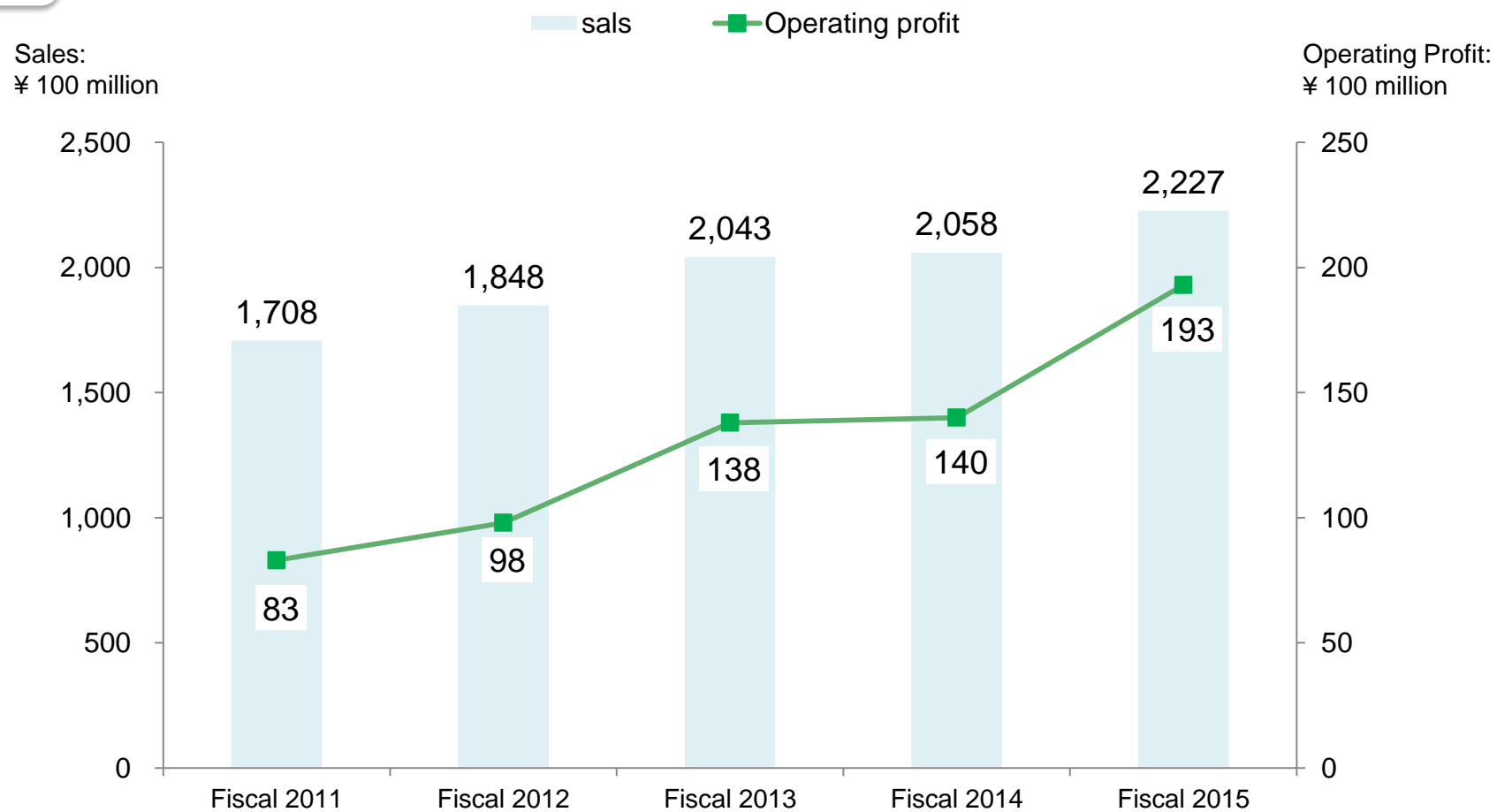
- Chemicals and foods businesses both continued to perform well and all of the sales, operating profit, ordinary profit, and net profit reached all-time highs.
- After comprehensively considering this fiscal year's conditions, such as our business performance and financing standing, we increased the dividend per share by 2 yen from the initially projected 28 yen/year (May 12, 2015) to 30 yen/year.
- Change in accounting methods  
In order to better reflect the performance of overseas subsidiaries in consolidated financial statements, we changed the method of converting the revenue and expenses of overseas subsidiaries into Japanese yen; instead of the end-of-term exchange rate, applied the average exchange rate for the term starting in FY 2015

Note 1 : The data of FY 2014 has been readjusted by applying the accounting method change retroactively.

Note 2 : Figures are expressed in units of 100 million yen and have been rounded off.

# Trends in Consolidated Performance

Consolidated data



Note 1 : The data of FY 2014 has been readjusted by applying the accounting method change retroactively.

Note 2 : Figures are expressed in units of 100 million yen and have been rounded off.

# Fiscal 2015 Consolidated Performance (By segment)

(Unit: 100 million yen)

Consolidated  
data

	Fiscal 2014	Fiscal 2015	Increase/ decrease	Increase/ decrease ratio (%)
<b>Sales</b>	2,058	2,227	168	8.2
<b>Chemicals</b>	1,424	1,538	113	8.0
<i>Electronics and IT materials</i>	192	217	25	13.1
<i>Functional chemicals</i>	1,074	1,136	62	5.8
<i>Commodity chemicals</i>	158	184	26	16.6
<b>Food products</b>	570	611	40	7.2
<b>Other</b>	63	77	14	22.0
<b>Operating profit</b>	140	193	52	37.8
<b>Chemicals</b>	123	171	47	38.8
<i>Electronics and IT materials</i>	34	47	13	40.4
<i>Functional chemicals</i>	81	98	17	21.5
<i>Commodity chemicals</i>	8	24	16	204.4
<b>Food products</b>	11	16	4	41.6
<b>Other</b>	5	5	0	4.8

Note 1 : The data of FY 2014 has been readjusted by applying the accounting method change retroactively.

Note 2 : Figures are expressed in units of 100 million yen and have been rounded off.

## Electronics and IT materials

Consolidated  
data

### Electronics and IT materials ( increase in both sales and profit )

1. Semiconductor materials: the sales of products for DRAM and NAND memories available in cutting-edge miniaturized processes increased, especially in overseas markets.
2. Electronic circuit materials: overall sales remained low due to the domestic market shrinking and overseas customers adjusting their production.
3. Concerning photosensitive materials used for optical films and photoresists, against the backdrop of the enhancement of display resolutions and semiconductor miniaturization, our highly competitive proprietary products achieved sales growth in the domestic and overseas markets.

(Unit: ¥100 million)

	Fiscal 2014	Fiscal 2015	Increase/decrease
Sales	192	217	25
Operating profit	34	47	13

Note 1: The data of FY 2014 has been readjusted by applying the accounting method change retroactively.

Note 2: Figures are expressed in units of 100 million yen and have been rounded off.



# Functional Chemicals

Consolidated  
data

## Functional chemicals ( increase in both sales and profit )

1. Polymer additives: the domestic production of resins used for automotive and building materials held steady and the sales of clarifiers, nucleators, and light stabilizers increased. In overseas markets, high-functional products such as clarifiers, light stabilizers and general-purpose antioxidants is extended.
2. Surfactants: while the sales volume of cosmetic raw materials decreased, products for paints and adhesives increased both in the domestic and overseas markets.
3. Lubricants: the sales for engine oil increased in the domestic and overseas markets.
4. Functional polymer: highly-functional special epoxy resin for the car was extended, especially in overseas markets.

(Unit: ¥100 million)

	Fiscal 2014	Fiscal 2015	Increase/decrease
Sales	1,074	1,136	62
Operating profit	81	98	17

Note 1: The data of FY 2014 has been readjusted by applying the accounting method change retroactively.

Note 2: Figures are expressed in units of 100 million yen and have been rounded off.

# Commodity Chemicals

Consolidated  
data

## Commodity chemicals ( increase in both sales and profit )

1. Propylene glycols: those for daily necessities such as toiletries remained firm partially due to the expansion of inbound demand.
2. Hydrogen peroxide: we continued striving for cost reduction throughout the year by revising sales prices and reviewing productions and logistics bases.  
Hydrogen peroxide derivatives: the sales for electronic materials and industrial cleaning agent is extended .

(Unit: ¥100 million)

	Fiscal 2014	Fiscal 2015	Increase/decrease
Sales	158	184	26
Operating profit	8	24	16

Note 1: The data of FY 2014 has been readjusted by applying the accounting method change retroactively.

Note 2: Figures are expressed in units of 100 million yen and have been rounded off.

## Segmental Information : Food products

Consolidated  
data

### Food products ( increase in both sales and profit )

1. For the domestic market, the sales of margarine, whipping cream, and fillings for bakery products, western confectioneries, and desserts remained strong.
2. For the Overseas market, the sales of Processed Oil and Fats and fillings for bakery products, confectionery, is extended.

(Unit: ¥100 million)

	Fiscal 2014	Fiscal 2015	Increase/decrease
Sales	570	611	40
Operating profit	11	16	4

Note 1: The data of FY 2014 has been readjusted by applying the accounting method change retroactively.

Note 2: Figures are expressed in units of 100 million yen and have been rounded off.

## 2. Progress of the mid-term management plan

# Overview of the mid-term management plan

ADEKA  
Envisioned  
for 2025

## ADEKA VISION 2025

A global company that creates value for tomorrow and contributes to affluent lifestyles through innovative technologies

### Mid-term Management Plan

### 『STEP 3000-Ⅱ —Creating “a Good Company”—』

Period

Fiscal 2015-2017 (3 years)

Positioning

- A plan that will ensure we create “a Good Company” with annual sales of 300 billion
- The first three years toward achievement of ADEKA VISION 2025

#### Basic Strategy

##### 1. Expand business with a focus on core business

『Polymer additives』 『Food products』

##### 2. Develop a third core business

『Electronics and IT materials』

##### 3. Create new business and expand into other fields

『Life science』 『Environmental energy』

#### Three Fundamental Policies

##### 1. Global operations

Expanding globalization and accelerating localization

##### 2. Technology

Encouraging innovation by our fundamental and core technologies

##### 3. Human resources

Developing globally competitive and strategically-minded human resources

# Progress towards Targets

(Unit: ¥100 million)

	Fiscal 2014 Final year of 「STEP 3000」	Fiscal 2015 First year of 「STEP 3000- II」	Fiscal 2017 Final year of 「STEP 3000- II」
Sales	2,058	2,227	3,000
Operating profit	140	193	240
Operating profit ratio	6.8%	8.7%	8.0%
Overseas sales	843	973	1,500
Overseas sales ratio	41.0%	43.7%	50.0%

Note 1: The data of FY 2014 has been readjusted by applying the accounting method change retroactively.

Note 2: Figures are expressed in units of 100 million yen and have been rounded off.

# Electronics and IT materials

**To form our third core business, we aim to have the top market share globally in the field of strategic products.**

## ■ Electronics

- At the Kashima plant and ADEKA KOREA CORPORATION in Korea, investments are being made in equipment for high dielectric materials for which increase of demand is expected.
- At ADEKA KOREA CORPORATION, research facilities and analytical instruments were improved and a research and development system that allows product development for rapid response to innovations was built.

## ■ IT materials

- At the Chiba plant, productivity of light curing resins used for electronic equipment was increased.
- As for Photoinitiators, new products that allow displays to achieve both a high level of sensitivity and brightness were developed to expand the product lineup.
- Production of black matrix resists was concentrated at ADEKA FINE CHEMICAL TAIWAN CORPORATION in Taiwan to improve cost competitiveness.

# Functional Chemicals

## Further accelerate overseas expansion

### ■ Polymer additives

- Production of condensed phosphate ester flame retardants was concentrated in China and Taiwan to improve competitiveness.
- The supply system for general-purpose antioxidants was further strengthened.
- The research system (experimental/product evaluation facilities) of ADEKA FINE CHEMICAL (THAILAND) CO.,LTD. was strengthened.

### ■ Surface active agents

- Lubricant for engine oils: new product evaluation facilities were introduced and the research and development system for products for diesel engines was strengthened.
- Cosmetic raw materials: novel glycols characterized by low irritation were developed and promotional activities, including participating in trade shows, were strengthened.

### ■ Functional polymers

- Epoxy resins: the development and sales system for highly functional resins targeting the automotive industry was strengthened.
- The adhesion system in which resin is cured by laser was developed by making use of the compounding technique of low chlorine epoxy resins and curing agents. Full-scale market development was started for products for electronic materials.



# Commodity Chemicals

## Consolidate our foundation through thorough cost reductions and enter into new fields.

### ■ Hydrogen peroxide and its derivatives

- we continued striving for cost reduction by reviewing productions and logistics bases and conducted a price revision.

### ■ Propylene glycols

- Propylene glycols Industrial chemicals: sales expansion and market development of highly functional chemicals were promoted targeting products for cosmetics.

### ■ Civil engineering and construction materials

- Water expansible sealing materials: sales expansion of new products in the domestic market and market development in emerging markets, including China, were promoted.

## We will sophisticate our oil and fat processing techniques to contribute to rich diets for Asian people.

### ■ Strengthening of national foundation

- Promoting development of new products and focus on expanding sales of strategic products that combines the taste and high functionality.
  - ◆ Functional margarine : 「SUPER BERNARD」 (New product of Fiscal 2015)  
Its bread-softening function and flavor-enhancing property were highly evaluated and sales were strong.
- Akashi plant has acquired the international food safety management system “FSSC 22000” certification on April, 2015. Therefore, all domestic food plant were certified.
  - \* Kashima plant : Certification in December, 2014  
Kashima plant-west : Certification in December, 2011 and Update in December, 2014

### ■ Acceleration of overseas expansion

- At ADEKA FOODS (CHANGSHU) CO., LTD. in China, the development of products suited to local tastes is being promoted and the sales system was strengthened.
- At ADEKA FOODS (ASIA) SDN. BHD. in Malaysia, manufacturing facilities are in full operation and the sales of processed oils and fats products to Southeast Asia started.
- ADEKA FOODS (ASIA) SDN. BHD. Obtains HACCP Certification on April, 2015, in Malaysia.

# New Business

## Accelerate creation of new businesses by fusing in-house technologies as well as utilizing external resources.

– Area of particular focus 『Life sciences』 『Environmental energy』

### ■ Life sciences

Themes: regenerative medicine, preventive medicine, and improvement of quality of life.

- Decellularized regenerative medicine materials, which are next-generation medical materials, and adjuvants for nasal absorbing vaccine were developed and efforts were made for commercialization.
- As for nano-beacon, a diagnostic agent for very early detection of colon cancer developed in collaboration with a university, a clinical study began in cooperation with medical institutions.

### ■ Environmental energy

Themes: electricity generation and storage, energy conservation, and low environmental impact.

- An exclusive license of the patent on a production technique of graphene\*, which is expected to have applications in a wide variety of fields including field of next-generation electronics, was acquired from the University of Tokyo and sample began being distributed.
- We participated in the NEDO project of “Research and Development for Advanced Practical Application of Wind Power Generation” and developed a heat curing epoxy resin for fiber reinforced plastics used in blades for wind power generation.

\* Graphene : It has properties of being highly electrically conductive, light and strong, etc. and is expected to be material for fuel cells, semiconductors, touch panels, etc. in the future.

# Overseas expansion - Trends in major overseas subsidiaries -

## ■ ADEKA (SHANGHAI) CO.,LTD. 【CHINA】

Established in 2001 for the import, export, sales, and marketing research of ADEKA Group products (chemicals and foods) and supervision in China.

In 2015, the sales system and technical customer service of resin additives business were strengthened. The sales of IT and electronics chemicals and lubricants additives increased.

## ■ ADEKA KOREA CORPORATION 【KOREA】

Established in 2000 for the sale of resin additives and IT and electronics chemicals.

The production and sale of novel high dielectric materials for leading edge DRAMs were started and both the sales and profit greatly increased.

## ■ ADEKA FOODS (CHANGSHU) CO.,LTD. 【CHINA】

Established in 2004 for the production and sale of processed oils and fats and processed foods.

In FY 2015, the sale of creams for bakery and confectionery were strong and both the sales and profit increased.

## The main overseas investment

### ■ Polymer additives

- At AMFINE CHEMICAL CORPORATION in the United States, the expansion of facilities for producing highly functional additives began.
- At ADEKA PALMAROLE SAS in France, the expansion of facilities for producing the packaged granular additives began.

### ■ Foods business

At ADEKA FOODS (CHANGSHU) CO., LTD. in China, production lines for processed foods were added.

### ■ Electronics and IT materials

At ADEKA KOREA CORPORATION, the expansion of facilities for producing High dielectric material began.



### 3. Fiscal 2015 Prospective Performance

# Fiscal2016 Prospective performance

Consolidated  
data

(Unit: ¥ 100 million)

	Fiscal 2016			Increase /decrease	Increase/ decrease ratio (%)
	1st half (forecast)	2st half (forecast)	Whole FY (forecast)		
Sales	1,115	1,195	2,310	82	3.7
Operating profit	89	105	194	1	0.5
Current profit	85	113	198	2	1.2
Profit attributable to owners of parent	58	77	135	2	1.8
2nd-quarter net profit per share (yen/share)	¥ 56.2	¥ 74.6	¥ 130.7	¥ 2.3	
Dividend (yen/share)	¥ 15	¥ 15	¥ 30	¥ 0	

		Fiscal 2016 Prerequisite	Fiscal 2015 Performance
Exchange	¥/\$	115.00	119.14
	¥/€	125.00	131.08
Naphtha	¥/KL	40,000	42,800

Note : Figures are expressed in units of 100 million yen and have been rounded off.

# Fiscal 2016 Prospective performance (By segment)

(Unit:¥ 100 million)

Consolidated  
data

	the 1st half (a)	the 2nd half (b)	Forecast for fiscal 2016 (a+b)	Fiscal 2015 performance (c)	Increase /Decrease (a+b-c)	Increase /decrease ratio (%)
<b>Sales</b>	1,115	1,195	2,310	2,227	82	3.7
<b>Chemicals</b>	775	805	1,580	1,538	41	2.7
<i>Electronics and IT materials</i>	120	125	245	217	27	12.7
<i>Functional chemicals</i>	572	598	1,170	1,136	33	3.0
<i>Commodity chemicals</i>	83	82	165	184	△ 19	△ 10.5
<b>Food products</b>	312	343	655	611	43	7.2
<b>Other</b>	28	47	75	77	△ 2	△ 3.8
<b>Operating profit</b>	89	105	194	193	1	0.5
<b>Chemicals</b>	81	89	170	171	△ 1	△ 0.8
<i>Electronics and IT materials</i>	25	27	52	47	4	8.8
<i>Functional chemicals</i>	49	54	103	98	4	4.5
<i>Commodity chemicals</i>	7	8	15	24	△ 9	△ 39.7
<b>Food products</b>	7	13	20	16	3	23.6
<b>Other</b>	1	3	4	5	△ 1	△ 27.3

Note : Figures are expressed in units of 100 million yen and have been rounded off.





## 4. Business Strategy

# Business Strategy

## Electronics and IT materials

- Semiconductor materials: we aim to maintain our share of products for DRAMs by steady supply and strengthening sales of products for NAND and logic semiconductors.
- Optronic materials: we aim to expand the sales of light curing resins and photoinitiators for optical films and color filters and to develop the market for leading-edge products and acquire new customers.

## Functional chemicals

- Polymer additives: we will increase highly functional products including ultraviolet absorbers and light stabilizers and the sales of general-purpose products including antioxidants in cooperation with overseas bases and develop new products that should lead the global market.
- Engine oil additives: we will increase sales to automakers in Japan and Europe.
- Cosmetic raw materials: we aim to expand sales in domestic and overseas markets by improving compliance with the regulations and the registration systems outside Japan and strengthening the production system.
- Reactive emulsifiers: we will accelerate sales expansion mainly in overseas markets and accelerate the new market development.

## Commodity chemicals

- Hydrogen peroxide: we aim to further improve the profitability and accelerate the development of products with high added value.
- Propylene glycols: we aim to accelerate the Applications deployment of products with high added value.

## Foods products

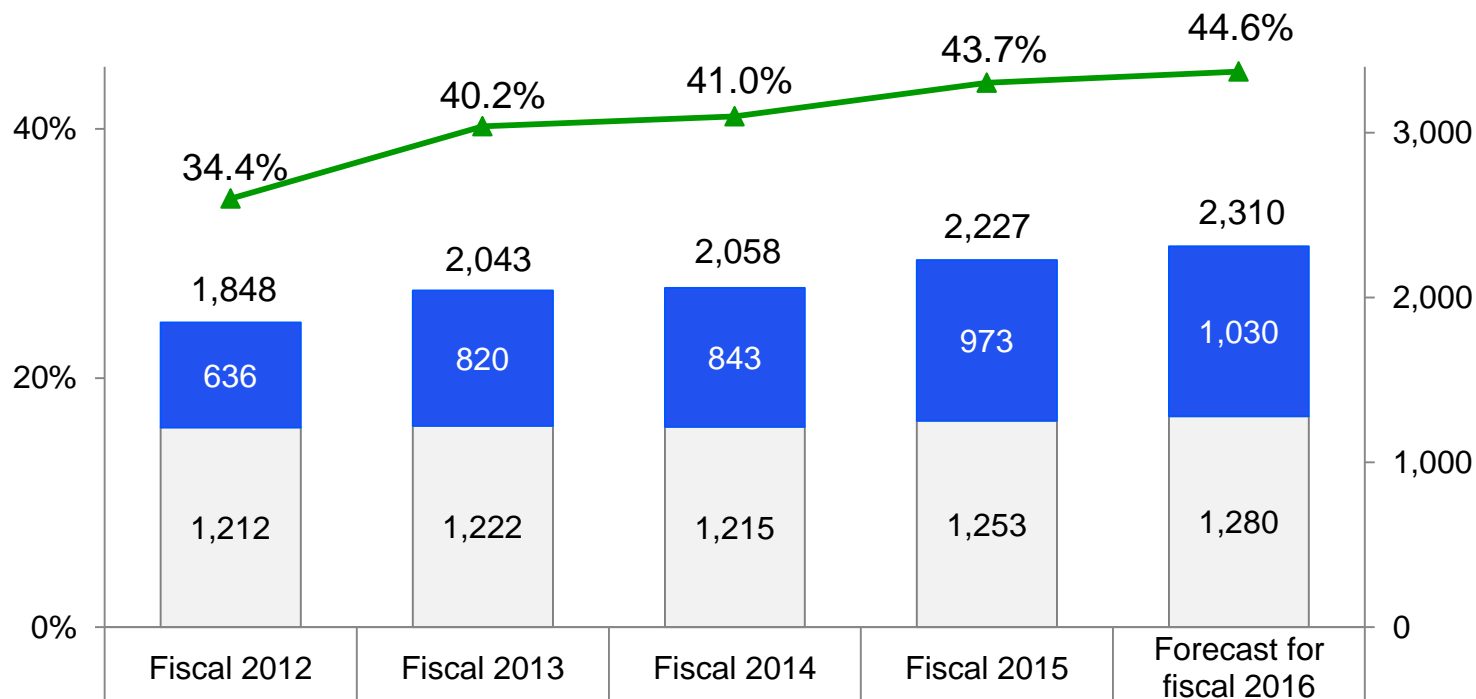
- we will expand sales of strategic products and new products in the domestic bakery, confectionery, and western confectionery markets as well as strengthen their business foundation. We will also implement price revisions and cost reduction measures, including product model integration, to increase profit.
- For the overseas, we aim to promote the development of products suited to local tastes and those that improve texture and flavors and to increase the sales of processed oils and fats and processed foods for the Asian market.



## 5. For Your Reference

# Overseas Sales (for reference purposes)

(Unit: ¥ 100 million)



Overseas sales	636	820	843	973	1,030
Domestic sales	1,212	1,222	1,215	1,253	1,280
Overseas sales rate	34.4%	40.2%	41.0%	43.7%	44.6%
Sales	1,848	2,043	2,058	2,227	2,310

Note 1: The data of FY 2014 has been readjusted by applying the accounting method change retroactively.

Note 2: Figures are expressed in units of 100 million yen and have been rounded off.

# Supplemental Documents for Financial Results Overview

- I. Supplemental documents for consolidated financial performance
- II. Management indexes
- III. For information purposes:
  - Overview of information on financial results of single-base and consolidated subsidiaries
  - Overview of ADEKA Group  
(consolidated subsidiaries/affiliated company accounted for by the equity-method)
  - Major products by the business segments

Director and Managing Operating Officer Haruhiko Tomiyasu

# I . Supplementary Data for the Consolidated Closing of Accounts

## 1. Consolidated Balance Sheet

	As of Mar 31, 2015	As of Mar 31, 2016	increase/ decrease
<b>Assets</b>			
Current assets ①	135,558	145,076	9,518
Fixed assets	125,553	124,962	△ 591
Tangible fixed assets ②	76,640	78,529	1,888
Intangible fixed assets	3,460	3,818	358
Investment and other assets ③	45,452	42,613	△ 2,838
Total assets	261,112	270,038	8,926
<b>Liabilities</b>			
Current liabilities ④	69,493	65,991	△ 3,501
Long-term liabilities ⑤	28,385	33,461	5,075
Total liabilities	97,878	99,452	1,574
<b>Net assets</b>			
Shareholders' equity	143,251	153,363	10,112
Capital stock	22,899	22,899	—
Capital surplus	19,925	19,926	0
Retained earnings	100,652	110,764	10,112
Treasury stock	△ 226	△ 227	△ 0
Accumulated other comprehensive income	13,667	9,945	△ 3,721
Valuation difference on available-for-sale securities	6,363	4,490	△ 1,872
Reserve for land revaluation	4,095	4,276	180
Translation adjustment	5,316	4,082	△ 1,233
Adjustments for retirement Benefits	△ 2,108	△ 2,904	△ 796
Minority interests	6,314	7,276	962
Total net assets	163,233	170,586	7,352
Total liabilities and net assets	261,112	270,038	8,926

(Unit: ¥ million)

### POINT①

#### Increase in current assets

Increase in cash and deposits	7,741
Increase in securities	1,500

### POINT②

#### Increase in tangible fixed assets

Increase in buildings and structures	3,059
Decrease in construction account	△ 1,875

### POINT③

#### Decrease in investments and other assets

Decrease in investment securities	△ 2,372
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### POINT④

#### Decrease in current liabilities

Decrease in short-term debts payable	△ 4,032
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### POINT⑤

#### Increase in long-term liabilities

Increase in long-term debts payable	3,348
Increase in liabilities due to retirement benefits	1,900

Note1: Figures are expressed in units of 100 million yen and have been rounded off.

Note2: Accumulated depreciation of tangible fixed assets 159,252million yen

# I . Supplementary Data for the Consolidated Closing of Accounts

## 2. Cash Flow Statement (Summary)

Consolidated  
data

(Unit: ¥ million)

	Fiscal 2014 (from April 1, 2014 to March 31, 2015)	Fiscal 2015 (from April 1, 2015 to March 31, 2016)
Cash flows from operating activities ①	17,419	23,806
Cash flows from investing activities	△ 12,867	△ 10,673
Cash flows from financing activities	△ 2,813	△ 4,566
Effect of exchange-rate changes on cash and cash equivalents	1,288	△ 860
Net increase/decrease in cash and cash equivalents (increase)	3,027	7,706
Cash and cash equivalents at the beginning of period	38,670	41,697
Cash and cash equivalents from newly consolidated subsidiaries	—	577
Cash and cash equivalents at the end of period	41,697	49,981

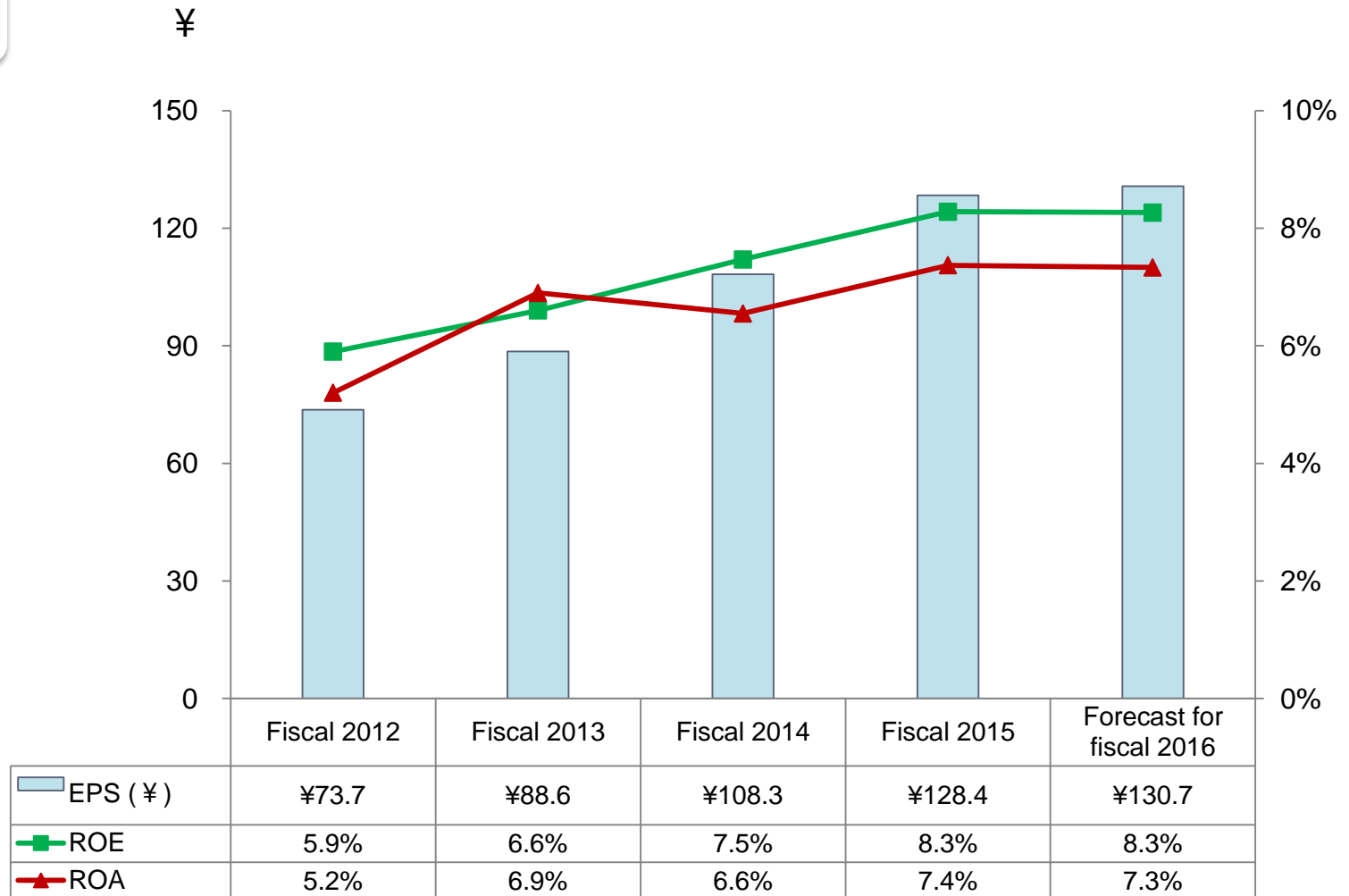
**POINT①** The income increase in cash flow by operating activities is mainly due to an increase in income before income taxes and a decrease in inventories.

Note : Figures are expressed in units of 100 million yen and have been rounded off.

## II . Management Indexes, etc.

# II - 1. Profitability

Consolidated  
data



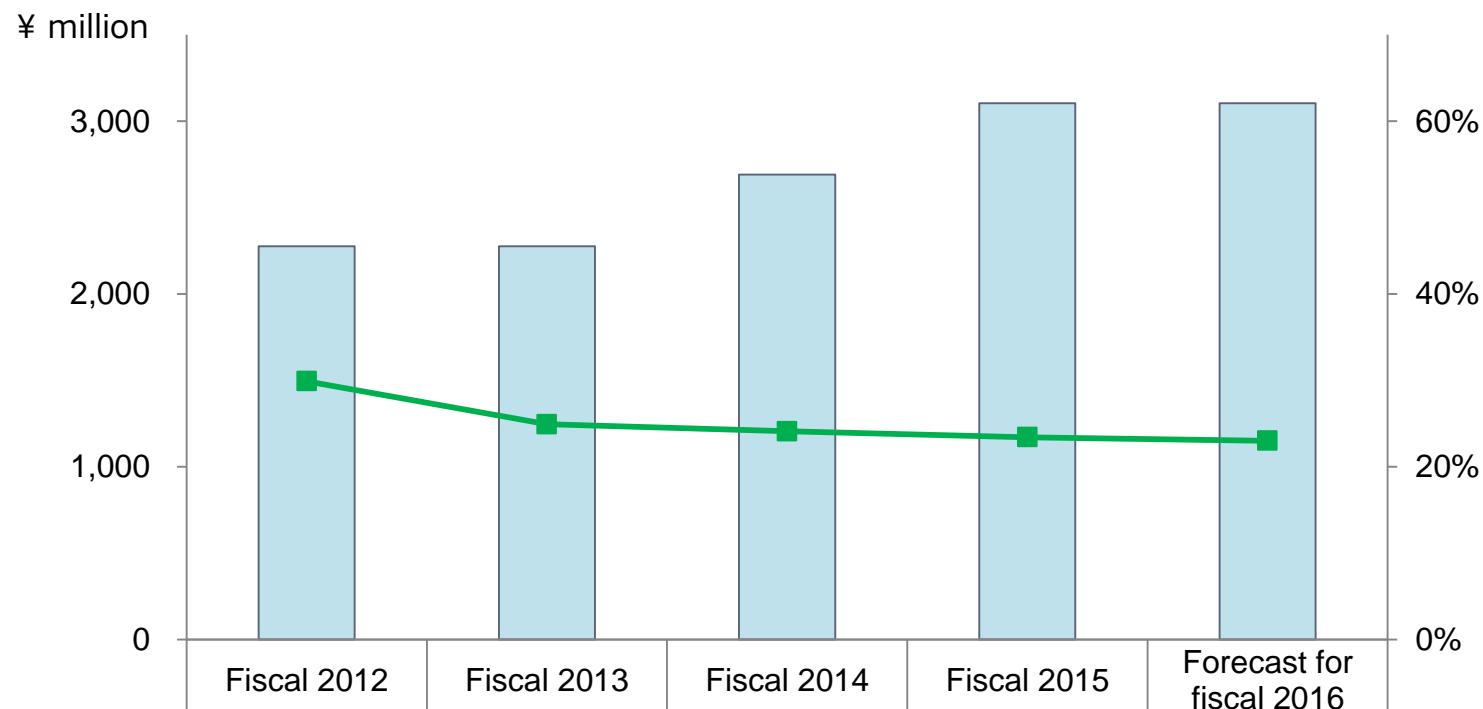
Note: The data of FY 2014 has been readjusted by applying the accounting method change retroactively.



## II . Management Indexes, etc.

# II - 2. Dividend payout ratio and dividends

Consolidated  
data



Dividend ( ¥ )	¥22	¥22	¥26	¥30	¥30
Total dividend	2,276	2,276	2,690	3,104	3,104
Dividend payout ratio	29.9%	24.9%	24.1%	23.4%	23.0%

Note 1: The data of FY 2014 has been readjusted by applying the accounting method change retroactively.

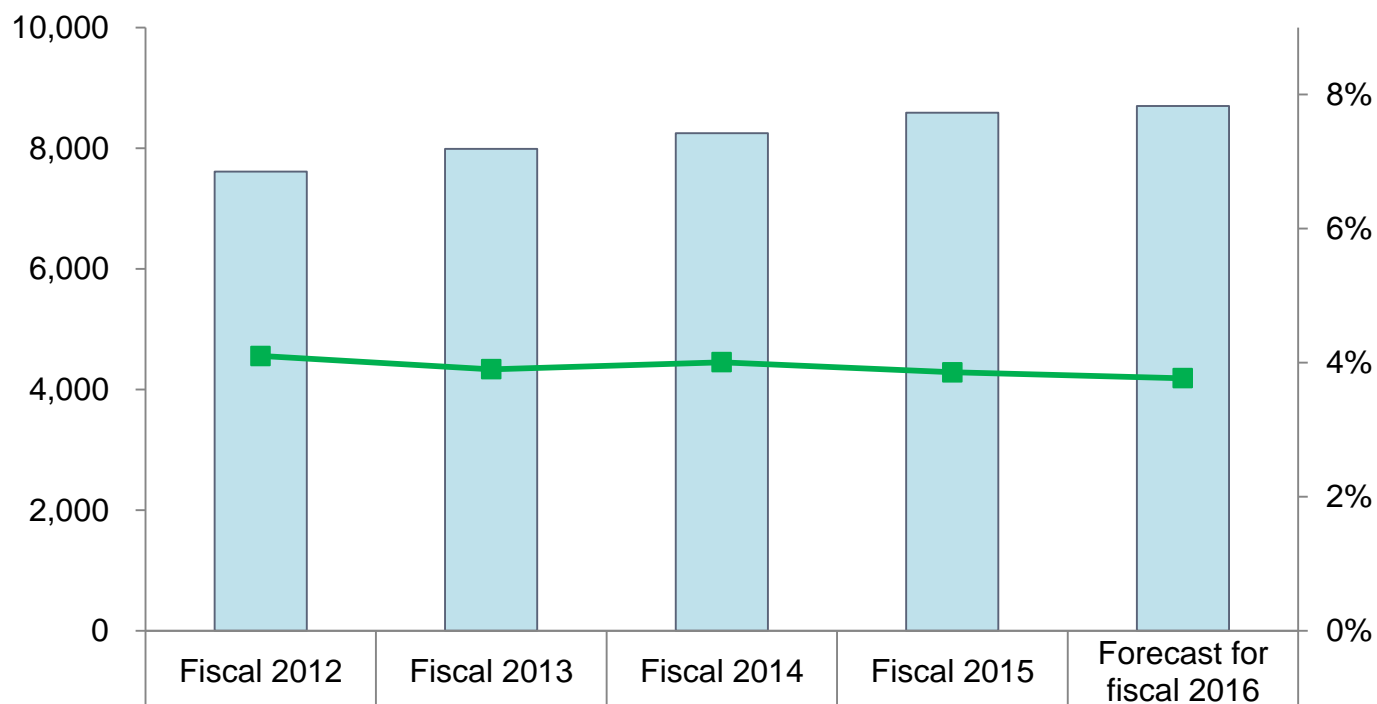
Note 2: Figures are expressed in units of 100 million yen and have been rounded off.

II . Management Indexes, etc.

## II - 3. Research and development costs

Consolidated data

¥ million



■ Research and development costs	7,614	7,988	8,247	8,588	8,700
■ Rate of research and development costs to sales	4.1%	3.9%	4.0%	3.9%	3.8%

Note : Research and development expense are expressed in units of 100 million yen and have been rounded off.

## II . Management Indexes, etc.

# II - 4. Capital investment

Consolidated  
data

¥ million

15,000

10,000

5,000

0

Fiscal 2012

Fiscal 2013

Fiscal 2014

Fiscal 2015

Forecast for  
fiscal 2016

■ Capital investment

11,448

12,282

10,867

10,829

11,500

■ Depreciation costs

8,638

9,418

9,237

9,459

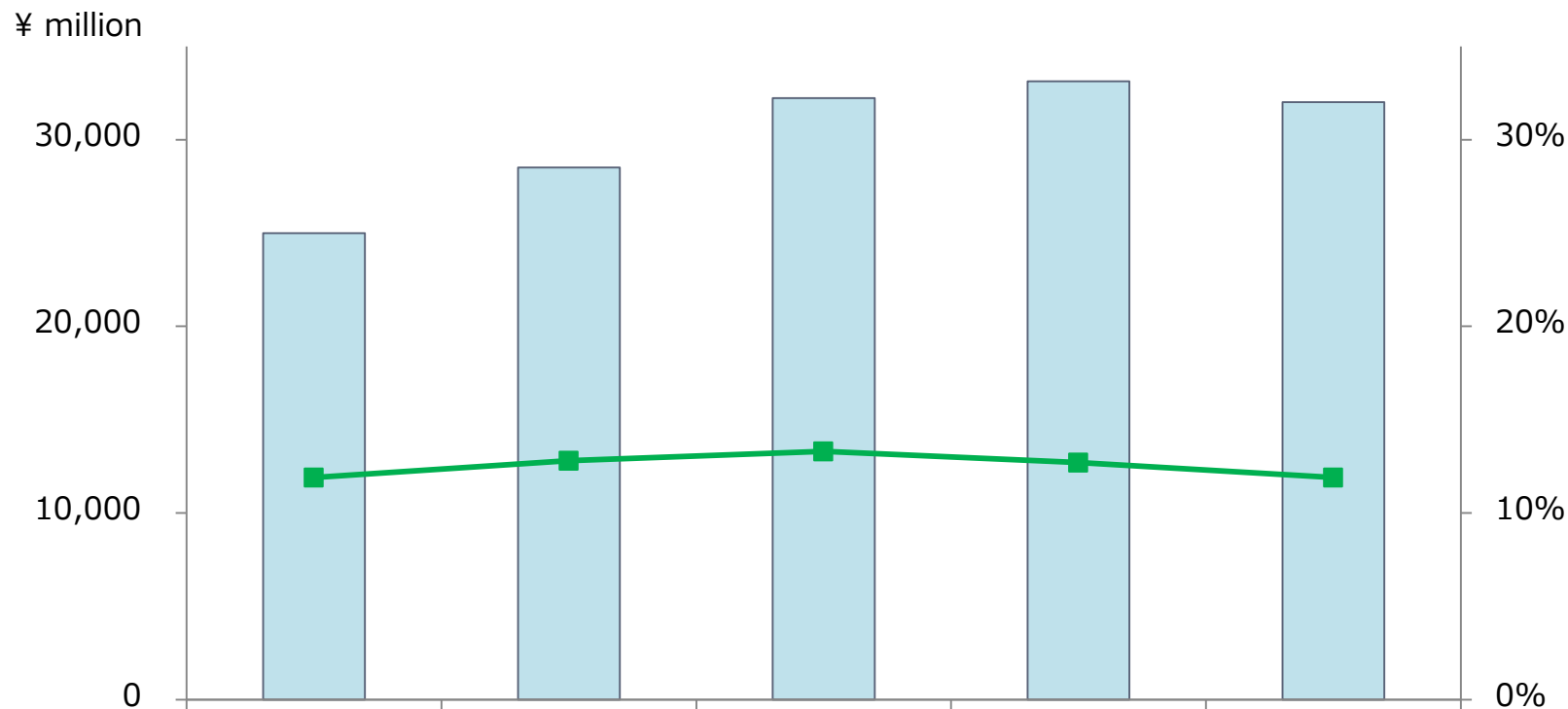
9,800

Note : Capital investment and depreciation are expressed in units of 100 million yen and have been rounded off.

## II . Management Indexes, etc.

# 5. Interest-bearing liabilities

Consolidated  
data



Liabilities with interest	24,992	28,513	32,222	33,123	32,003
Degree of dependence on interest-bearing liabilities	11.9%	12.8%	13.3%	12.7%	11.9%

Note : Liabilities with interest are expressed in units of 100 million yen and have been rounded off.

### III. for your reference

## 1. Overview of non-consolidated and consolidated closing accounts

(Unit: ¥100 million)

Non-consolidated closing of accounts				
	Results in fiscal 2014	Results in fiscal 2015	Increase/decrease	Increase/decrease ratio (%)
Sales	1,207	1,235	27	2.3
Operating profit	87	119	32	36.9
Current profit	106	134	28	26.8
NET profit for the Term	74	96	21	29.0
NET profit per share for the Term	72.1	93.0		

Domestic companies (10)				
	Results in fiscal 2014	Results in fiscal 2015	Increase/decrease	Increase/decrease ratio (%)
Sales	736	762	25	3.4
Operating profit	11	13	2	18.8

Overseas companies (15) note1				
	Results in fiscal 2014	Results in fiscal 2015	Increase/decrease	Increase/decrease ratio (%)
Sales	1,058	1,222	163	15.4
Operating profit	49	66	17	34.9

Consolidation adjustment accounts (deleted)		
	Results in fiscal 2014	Results in fiscal 2015
Sales	△944	△993
Operating profit	△7	△5

Note 1 : Add ADEKA FOODS (ASIA) of Malaysia in the scope of consolidation from fiscal 2015

Note 2 : Figures are expressed in units of 100 million yen and have been rounded off.

### III. for your reference

## 2. Consolidated Subsidiaries (10 companies in Japan)

Segment	Consolidated subsidiary	Capital	Controlling share(%)	Line of business
Chemicals	ADEKA CHEMICAL SUPPLY CORP.	¥ 104million	98.04 (Indirect ownership: 3.61)	Sales of chemical products, and the development, manufacturing and sales of metal processing oils, etc.
Chemicals	ADEKA CLEAN AID CORP.	¥ 140million	100.00	Development and sales of kitchen detergents for commercial use, industrial detergents, etc.
Chemicals	OXIRANE CHEMICAL CORP.	¥ 600million	51.00	Manufacturing and sales of epoxy plasticizers, etc.
Food products	ADEKA FOOD SALES CORP.	¥ 42million	100.00	Sales of edible processed oils and fats for confectionary and breads, and sales of other foodstuffs, etc.
Food products	YONGO CO.,LTD.	¥ 18million	92.14	Wholesaling of ingredients for confectionery and bakery business use.
Food products	ADEKA FINE FOODS CORP.	¥ 50million	100.00	Manufacturing and sales of mayonnaise products, oil and fat processed food products and processed products using seafood.
Food products	UEHARA FOOD INDUSTRY CO.,LTD.	¥ 70million	100.00	Manufacturing and sales of flour paste products, bean-jams and retort pouch foods.
Others	ADEKA LOGISTICS CORP.	¥ 50million	100.00	General and principal contracting of logistics for the company, warehousing, leasing of vehicles, etc.
Others	ADEKA ENGINEERING & CONSTRUCTION CORP.	¥ 130million	100.00	Design, construction, and construction supervision of facility plants, and facilities maintenance.
Others	ADEKA LIFE-CREATE CORP.	¥ 65million	90.00 (Indirect ownership: 10.00)	Trading, brokerage and management of real estate, property and life insurance agency, sales in the OA equipment area, and management of buildings and company-owned apartments

Note : Capitals are expressed in units of 100 million yen and have been rounded off.

III. for your reference

## 3. Consolidated Subsidiaries (15 overseas companies)

Country	Segment	Consolidated subsidiary	Capital	Controlling share(%)	Line of business
U.S.	Chemicals	AMFINE CHEMICAL CORP.	US\$16 million	60.00	Manufacturing and sales of polymer additives.
U.S.	Chemicals	AM STABILIZERS CORP.	US\$8.5 million	60.00 (Indirect ownership:60.00)	Manufacturing and sales of polymer additives.
GERMANY	Chemicals	ADEKA Europe GmbH	€0.5 million	100.00	Sales of chemical products.
FRANCE	Chemicals	ADEKA PALMAROLE SAS	€3 million	90.00 (Indirect ownership:90.00)	Manufacturing and sales of polymer additives.
CHINA	Chemicals	ADEKA (SHANGHAI) CO., LTD.	US\$1 million	100.00	Sales of chemical products.
CHINA	Chemicals	ADEKA FINE CHEMICAL (SHANGHAI) CO., LTD.	US\$20.50million	100.00	Manufacturing and sales of polymer additives, functional resins, electronic materials and similar products.
CHINA	Chemicals	ADEKA FINE CHEMICAL (CHANGSHU) CO., LTD.	US\$21.54million	50.00	Manufacturing and sales of polymer additives.
CHINA	Food products	ADEKA FOODS (CHANGSHU) CO., LTD.	US\$15 million	70.00	Manufacturing and sales of processed oils and fats, processed foods
TAIWAN	Chemicals	CHANG CHIANG CHEMICAL CO., LTD.	NT\$30 million	50.50	Sales of polymer additives and plasticizers .
TAIWAN	Chemicals	ADEKA FINE CHEMICAL TAIWAN CORP.	NT\$200 million	100.00	Manufacturing and sale of chemical products
SOUTH KOREA	Chemicals	ADEKA KOREA CORP.	₩15 billion	100.00	Manufacturing and sale of chemical products
THAILAND	Chemicals	ADEKA FINE CHEMICAL (THAILAND) CO., LTD.	฿ 350 million	81.00	Manufacturing and sale of chemical products
SINGAPORE	Chemicals	ADEKA (ASIA) PTE.LTD.	US\$ 0.8 million	100.00	Sales of chemical products.
SINGAPORE	Food Products	ADEKA(SINGAPORE)PTE.LTD.	S\$8 million	90.00	Manufacturing and sales of processed oils and fats, frozen piecrusts and related food products.
Malaysia	Food products	ADEKA FOODS(ASIA)SDN.BHD.	RM45million	60.00	Manufacturing and sales of processed oils and fats.

III. for your reference

## 4. Equity method-applicable companies

Two equity method-applicable companies	Capital	Controlling share	Line of business
<b>NIHON NOHYAKU CO., LTD.</b>	¥10,939 million	24.21%	Manufacturing and sales of agrichemicals and other products.
<b>CO-OP CLEAN CO., LTD.</b>	¥80 million	46.88%	Development and sales of soap, detergents and similar products.

※ There was no change in the number of equity method-applicable companies.

Note : Capitals are expressed in units of 100 million yen and have been rounded off.



III. for your reference

## 5. Core products of each business category

Business category		Core products
Reportable segment	Electronics and IT materials	High-purity materials for semiconductors, AFES System and etching agents, photo curing resins, recording materials, Imaging materials, and others.
	Functional chemicals	Additives for polyolefins, PVC plasticizers/stabilizers, Flame retardants, Epoxy resins, Polyurethanes, Water-borne resins, Surfactants, Lubricant, Metal working fluid, Cosmetic materials, and others.
	Commodity chemicals	Polypropylene glycol, Hydrogen peroxide, Industrial fats and oil-induced products, Water-swelling sealing materials, and others.
	Food products business	Margarines, Shortenings, Oil and fats for chocolate, Oils and fats for frying, Whipping cream, Enriched milk products, Fillings, Frozen pie crusts, Mayonnaise dressing, functional foods, and others.
Other business		Designing of equipment plants, Construction and construction management, Maintenance of equipment, Logistic services, Warehousing, Leasing of vehicles, Real estate and insurance business, and others.

## Notice on Forecast Performance and Business Plans

The forecast performance and business plans specified in this document have been prepared based on information available as of the date of publication, as well as on various prerequisites; therefore, the actual results may differ from these forecasts or plans depending on various factors that may arise hereafter.