

May 29, 2012

Overview of Closing Accounts of fiscal 2011 and Prospective Performance of fiscal 2012

Fiscal 2011 [April 1, 2011 – March 31, 2012]

President Kunihiro Sakurai

1. Fiscal 2011 Consolidated Performance
2. Fiscal 2012 Prospective Performance
3. For your reference
 - Investment Schedule
 - Overseas Sales

Overview of Fiscal 2011 Consolidated Performance



Consolidated
data

(Unit: 100 million yen)

For Your Reference

	Fiscal 2010	Fiscal 2011	Increase/ decrease	Increase/ decrease ratio (%)	Fiscal 2011 initial projection	Increase/ decrease	%age of target achieved
Sales	1,781	1,708	△ 73	△ 4.1	1,720	△ 11	99.3
Operating profit	145	83	△ 62	△ 42.8	85	△ 1	98.1
Current profit	143	86	△ 57	△ 40.0	80	6	107.9
Net profit of the term	69	37	△ 31	△ 45.1	30	7	126.6
Net profit per share (yen/share)	67.0	36.8					
Dividend	¥22.0	¥22.0					

- Our business performance for this term was adversely affected by the Great East Japan Earthquake of March 2011, Europe's debt problem, slower growth in China's economy, the floods in Thailand and the strong yen.
- In order to achieve a better profit structure, we have made progress with the selection and concentration of operations, such as the expansion of strategic product sales and the decision to withdraw our capital investment from joint ventures for the Kashima complex (Kashima Chlorine & Alkali Co., Ltd. and Kashima Vinyl Chloride Monomer Co., Ltd.). For laying the foundations for future growth, we have also advanced into the UAE market and established new domestic and overseas plants.
- Despite these challenging business performance results, we have decided to pay an annual dividend of 22 yen as scheduled, because of our strong commitment to early business recovery.

Trends in Consolidated Performance (5 Years)



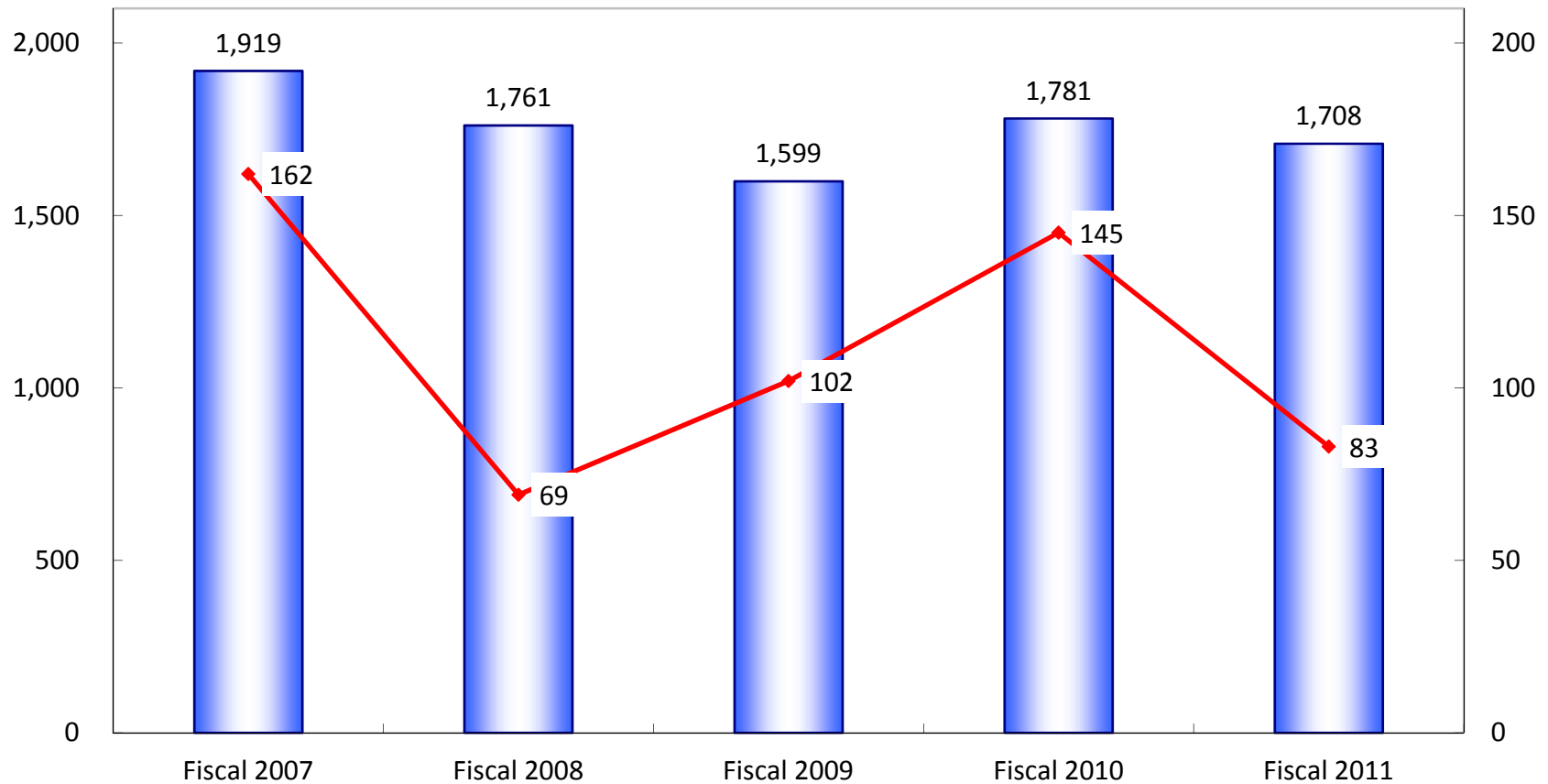
Consolidated data

■ Sales ◆ Operating profit

Sales: 100 million yen

Operating profit:

100 million ye



Fiscal 2011 Consolidated Performance (Figures)



Consolidated
data

(Unit: 100 million yen)

	Fiscal 2010	Fiscal 2011	Increase /decrease	Increase /decrease ratio (%)
Sales	1,781	1,708	△ 73	△ 4.1
Electronics and IT materials	168	181	13	7.7
Functional chemicals	809	790	△ 19	△ 2.4
Commodity chemicals	246	198	△ 47	△ 19.4
Chemicals	1,225	1,171	△ 54	△ 4.4
Food products	511	492	△ 19	△ 3.7
Other	44	43	△ 0	△ 1.6
Operating profit	145	83	△ 62	△ 42.8
Electronics and IT materials	31	30	△ 1	△ 3.3
Functional chemicals	70	45	△ 24	△ 35.2
Commodity chemicals	13	0	△ 13	△ 96.4
Chemicals	116	77	△ 39	△ 33.7
Food products	24	0	△ 23	△ 97.2
Other	4	5	0	14.6

The amounts are indicated after rounding off figures less than 100 million yen.

Segmental Information : Electronics and IT materials



Consolidated data

Electronics and IT materials

Functional chemicals

commodity chemicals

Food products

(Increase in sales and slight decrease in profit)

1. For semiconductor materials, the sales of high-dielectric constant materials used in leading-edge semiconductor memories in overseas markets increased significantly, thanks to the widespread use of smartphones and other multifunctional devices.
2. As for the products related to liquid crystal panels, the sales of chemicals for flat panel displays, etchants for ultrafine circuit fabrication and high-purity gases were sluggish, mainly due to our customers manufacturing at lowered plant operating rates.
3. The sales of photo-curing resins increased because customer demand for various products, such as digital home appliances, expanded.
4. The Great East Japan Earthquake increased the costs of electronic materials, resulting in lower earnings.

(Unit: ¥100 million)

	Fiscal 2010	Fiscal 2011	Increase/decrease
S a l e s	168	181	13
Operating profit	31	30	△ 1

Segmental Information: Functional Chemicals

(Polymer additives, Surface active agents, functional polymers)



Consolidated data

Electronics and IT materials

Functional chemicals

commodity chemicals

Food products

(Decrease in both sales and profit)

1. Demand for polymer additives was increased by the recovery in demand for automobiles and building materials in the second half of this term. However, the sales of light stabilizers and other high-performance additives were sluggish, mainly due to customers' production adjustments prompted by the global economic slowdown.
2. While the sales of competitive surface acting agents used for paint and cosmetics grew, the sales of other surface acting agents used for general purposes were sluggish.
3. The sales of lubricant additives were sluggish, despite our efforts to minimize the impact of production having been suspended because of the March 2011 tsunami under the business continuity management system (BCMS) and to make up for the lost sales after the re-starting of the plant.
4. The sales of epoxy resins and environmentally-friendly water-borne resins were sluggish, due to decreased demand.

(Unit: ¥100 million)

	Fiscal 2010	Fiscal 2011	Increase/decrease
S a l e s	809	790	△ 19
Operating profit	70	45	△ 24

Segmental Information: Commodity Chemicals



Consolidated data

Electronics and IT materials

Functional chemicals

commodity chemicals

Food products

(Decrease in both sales and profit)

1. Sales of propylene glycols, especially those for toiletries, were brisk.
2. Sales of caustic soda and other chlor-alkali products were sluggish because the Kashima production complex was damaged by the Great East Japan Earthquake.
3. Sales of hydrogen peroxide and its derivatives were sluggish, mainly due to production having been suspended because of the rolling blackouts in the wake of the Great East Japan Earthquake and decreased demand for products used for paper and pulp.

(Unit: ¥100 million)

	Fiscal 2010	Fiscal 2011	Increase/decrease
S a l e s	246	198	△ 47
Operating profit	13	0	△ 13

Segmental Information: Food products



Consolidated
data

Electronics and
IT materials

Functional
chemicals

commodity
chemicals

Food products

(Decrease in both sales and profit)

1. Sales of modified fats and processed foods such as margarine for commercial use decreased because the Great East Japan Earthquake damaged main plants and stopped the production of these products.
2. Our share of the food market almost recovered in the second half of this term because we boosted the sales of rich-butter-flavored margarine and the sales of a new margarine enhancing the flavors of other ingredients and other unique products.
3. Profits from the food product business were reduced due to continuing high raw material prices and other factors.

(Unit: ¥100 million)

	Fiscal 2010	Fiscal 2011	Increase/decrease
S a l e s	511	492	△ 19
Operating profit	24	0	△ 23

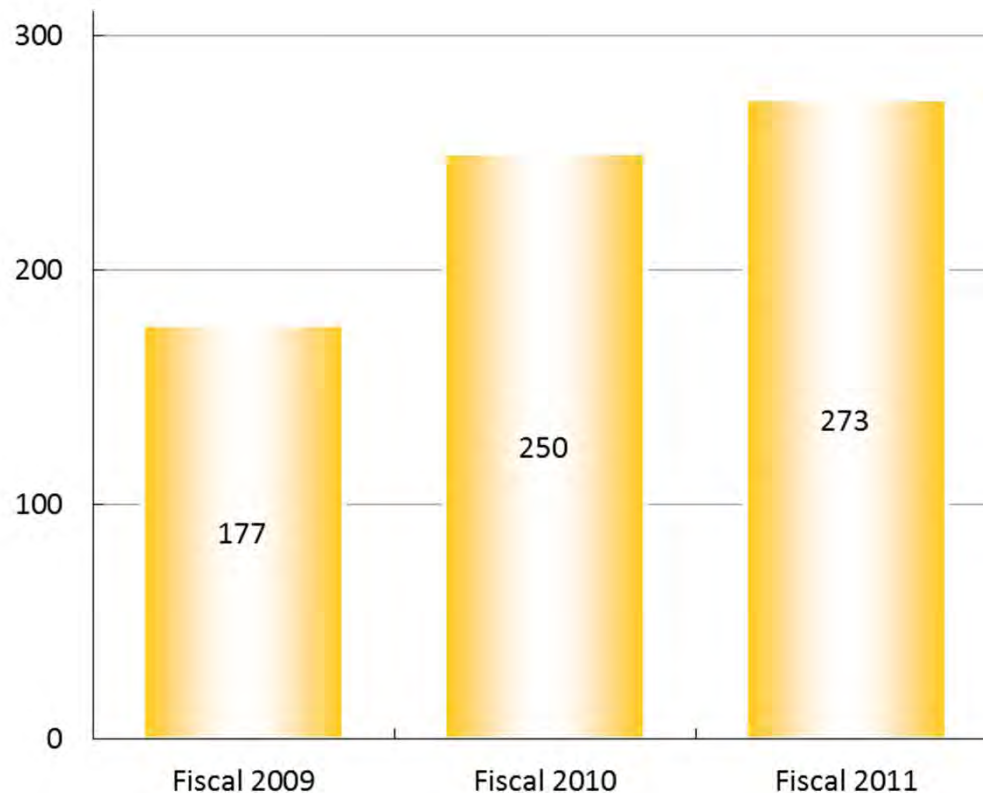
Promotion of the twenty-four products featured under the strategy



Consolidated data

As our business operations were adversely affected by the Great East Japan Earthquake and other factors, our consolidated sales in fiscal 2011 were only 27.3 billion yen, falling below our target of 30 billion yen. However, high-dielectric constant materials for semiconductors, rich-butter-flavored margarine and other products developed into core products for our overall business.

(Unit: 100 million yen)



Market competitiveness

Unique functionality

- Dielectric materials for semiconductors
- Photo-curing resins
- Etchants for ultrafine circuit fabrication
- Flame retardants for resins
- Water-borne resins
- Rich-butter-flavored margarine, etc.

Fiscal 2012 Prospective Performance



(Unit: ¥100 million)

Consolidated
data

	Results in fiscal 2011		Projections for fiscal 2012		Year-on-year increase/decrease
	1st half		1st half		
Sales	854	1,708	900	1,870	161
Electronics and IT materials	90	181	98	200	18
Functional chemicals	414	790	420	880	89
Commodity chemicals	98	198	100	200	1
Chemicals	603	1,171	618	1,280	108
Food products	227	492	257	540	47
Others	23	43	25	50	6
Operating profit	43	83	58	120	36
Electronics and IT materials	15	30	15	23	△ 7
Functional chemicals	27	45	28	62	16
Commodity chemicals	2	0	2	5	4
Chemicals	45	77	45	90	12
Food products	△ 4	0	10	25	24
Others	2	5	2	5	0
Current profit	40	86	55	120	33
Net profit	19	37	32	70	32
Net profit per share	36.8		67.8		
Dividend	¥ 11.0	¥ 22.0	¥ 11.0	¥ 22.0	

The amounts are indicated after rounding off figures less than 100 million yen.

Electronics and IT Materials

- In the field of high-dielectric constant materials, we will continue to focus on developing new materials that keep abreast of the technological progress of semiconductor processes as well as keeping focus on increasing the sales of products for semiconductor memories and seeking new markets, such as a product market for semiconductor logic. We will also step up our production efforts in South Korea to cope with increasing demand and to ensure a stable supply of products.
- The sales of products for flat panel displays will continue to struggle, as the LCD panel market is unlikely to recover, so we will expand the sales of competitive products such as light-curing adhesives and etchants for ITO and touch panels.

Functional Chemicals

- In expectation of increasing resin demand prompted by economic recovery in developed countries and economic growth in emerging countries, we will find new markets for and expand the sales of polymer additives in Asia, Central and South America and other regions likely to display growing resin demand. We will also proceed with the establishment of a sales company in Brazil (scheduled to start operations in May 2013).
- We will focus on expanding the sales of polymer additives, lubricant additives and other products expected to enjoy higher demand prompted by global expansion of automobile production.

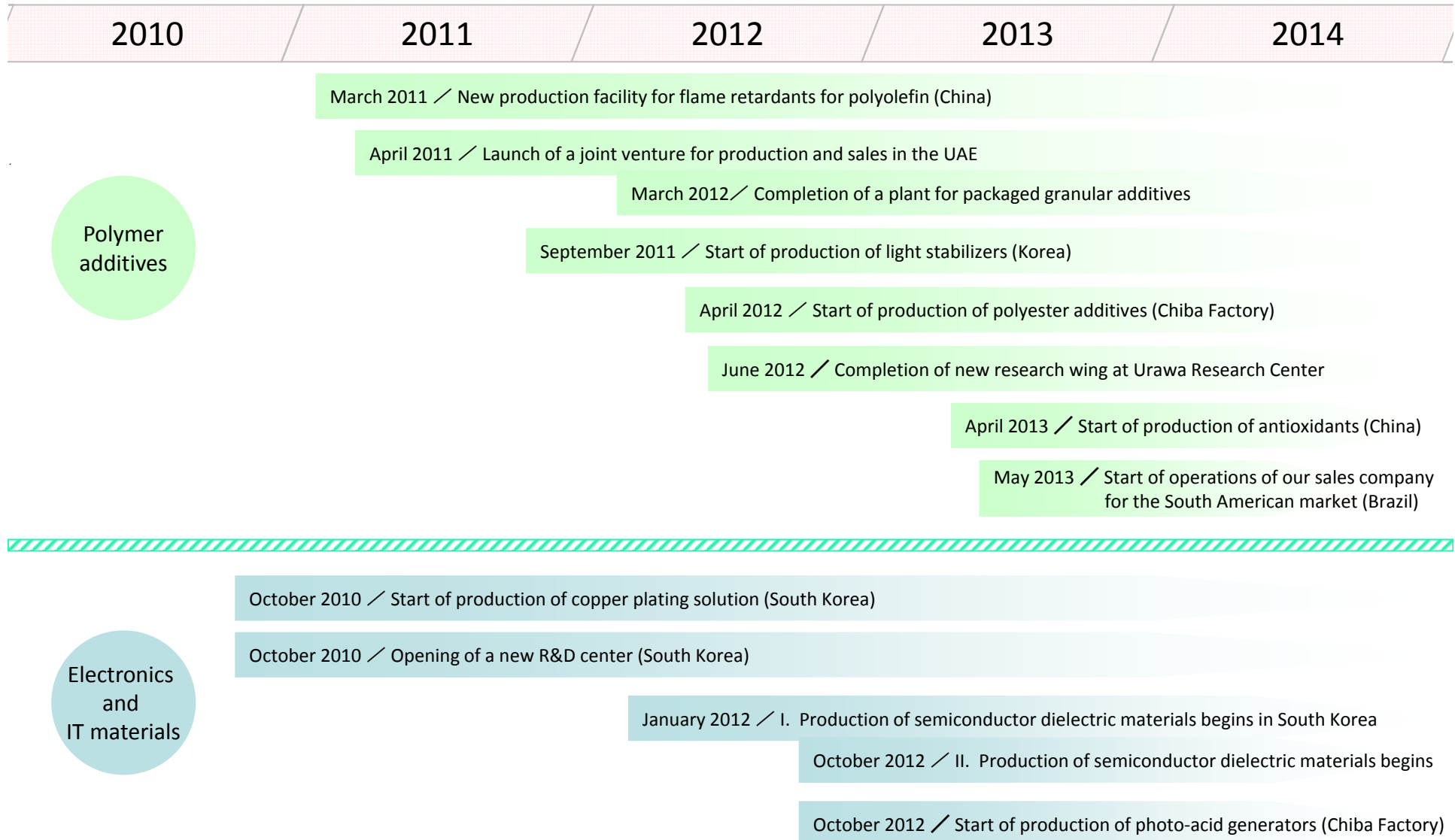
Commodity Chemicals

- We will focus on expanding the sales of civil engineering and building materials products, which are expected to enjoy higher demand prompted by disaster reconstruction efforts.
- We will revive the sales of hydrogen peroxide and its derivatives in order to improve the profit levels of these products.

Food Products

- We will expand our domestic market share through stronger cooperation between our sales, production and development sections.
- We will revise prices to reflect rising crude oil prices.
- We will expand the sales of and improve the profit levels of our consolidated subsidiaries.

Investment schedule (For your reference)

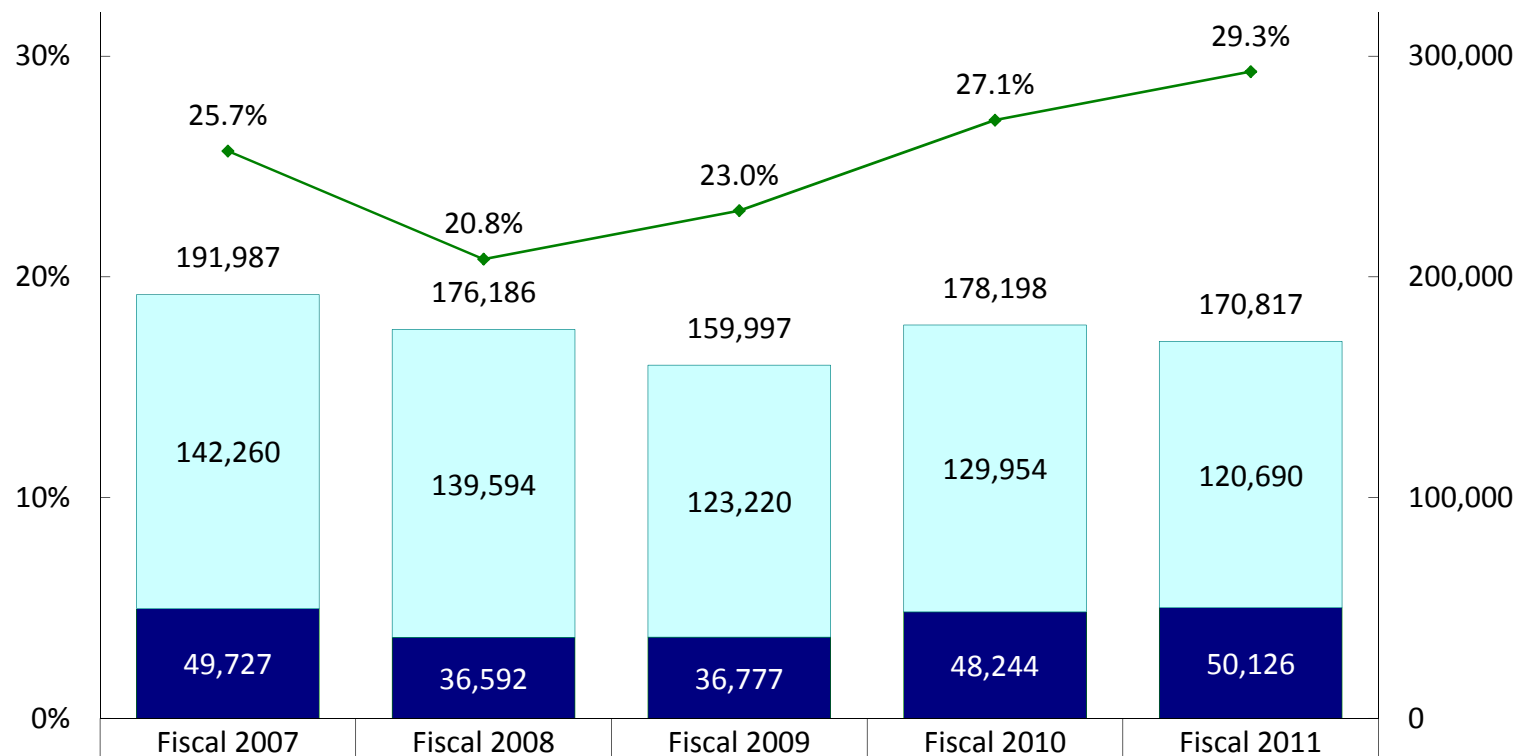


Overseas Sales (For your reference)



Consolidated data

(Unit: ¥ million)



Domestic sales	142,260	139,594	123,220	129,954	120,690
Overseas sales	49,727	36,592	36,777	48,244	50,126
Overseas sales rate	25.7%	20.8%	23.0%	27.1%	29.3%
Sales	191,987	176,186	159,997	178,198	170,817

Supplementary Data for FY2011 Business Results

- I. Supplementary Data for the Consolidated Closing Accounts
- II. Management Indexes, etc.
- III. Reference Data
 - Overview of non-consolidated and consolidated closing accounts
 - Overview of the ADEKA Group (consolidated subsidiaries & equity method-applicable companies)
 - Core products of each business division

Director and Operating Officer Haruhiko Tomiyasu

-1. Consolidated Balance Sheet



(Unit: ¥ million)

	As of March 31, 2010	As of March 31, 2011	Annual increase
Assets			
Current assets ①	106,847	110,009	3,161
Fixed assets	100,932	100,757	△ 174
Tangible fixed assets	68,049	68,582	533
Intangible fixed assets	3,533	3,237	△ 295
Investment and other assets	29,349	28,937	△ 411
Total assets	207,779	210,766	2,986
Liabilities			
Current liabilities ②	53,876	60,820	6,944
Long-term liabilities ③	27,118	21,345	△ 5,773
Total liabilities	80,995	82,166	1,171
Net assets			
Shareholders' equity	121,248	122,826	1,578
Capital stock	22,899	22,899	—
Capital surplus	19,925	19,925	—
Retained earnings	78,647	80,225	1,578
Treasury stock	△ 224	△ 224	0
Accumulated other comprehensive income	2,307	2,422	115
Valuation difference on available-for-sale securities	1,001	984	△ 16
Reserve for land revaluation	3,270	3,791	520
Translation adjustment	△ 1,964	△ 2,353	△ 388
Minority interests	3,228	3,351	122
Total net assets	126,784	128,600	1,815
Total liabilities and net assets	207,779	210,766	2,986

POINT①

Increase in current assets

Increase in inventories 3,213million yen

POINT②

Increase in current liabilities

Increase in long-term debt to be repaid within one year
5,355million yen

POINT③

Decrease in long-term liabilities

Decrease in long-term debts payable
5,591million yen

(Note 1) The amounts are indicated after rounding off figures less than 1million yen.

(Note 2) Accumulated depreciation of tangible fixed assets 130,740million

. Supplementary Data for the Consolidated Closing of Accounts

-2. Cash Flow Statement (Summary)



(Unit :million)

	fiscal 2010 (from April 1, 2010 to March 31, 2011)	fiscal 2011 (from April 1, 2011 to March 31, 2012)
Cash flows from operations		
Income before income taxes, etc.	11,230	6,198
Increase/decrease in accident and natural disaster reserves (decrease)	1,497	△1,497
Increase/decrease in inventories (increase)	△1,711	△3,507
Cash flows from operations	16,200	7,751
Cash flows from investing activities		
Proceeds from sale and redemption of marketable securities	18,011	24,005
Cash flows from investing activities	△10,646	△4,424
Cash flows from financing activities		
Increase/decrease in short-term debt (decrease)	△2,149	1,762
Dividends paid	△2,277	△2,275
Cash flows from financing activities	△5,046	△964
Effect of exchange-rate changes on cash and cash equivalents	△460	△163
Net increase/decrease in cash and cash equivalents (decrease)	48	2,199
Cash and cash equivalents at beginning of period	23,507	23,555
Cash and cash equivalents at end of period	23,555	25,755

Cash flows from operations

The decrease in cash inflows from operations is mainly due to decreased accident and natural disaster reserves, as well as increased cash outflows caused by decreased income before income taxes, etc., increased inventories and other factors.

Cash flows from investing activities

The decrease in cash outflows from investment activities is mainly due to increased cash inflows caused by sale or redemption of marketable securities and other factors.

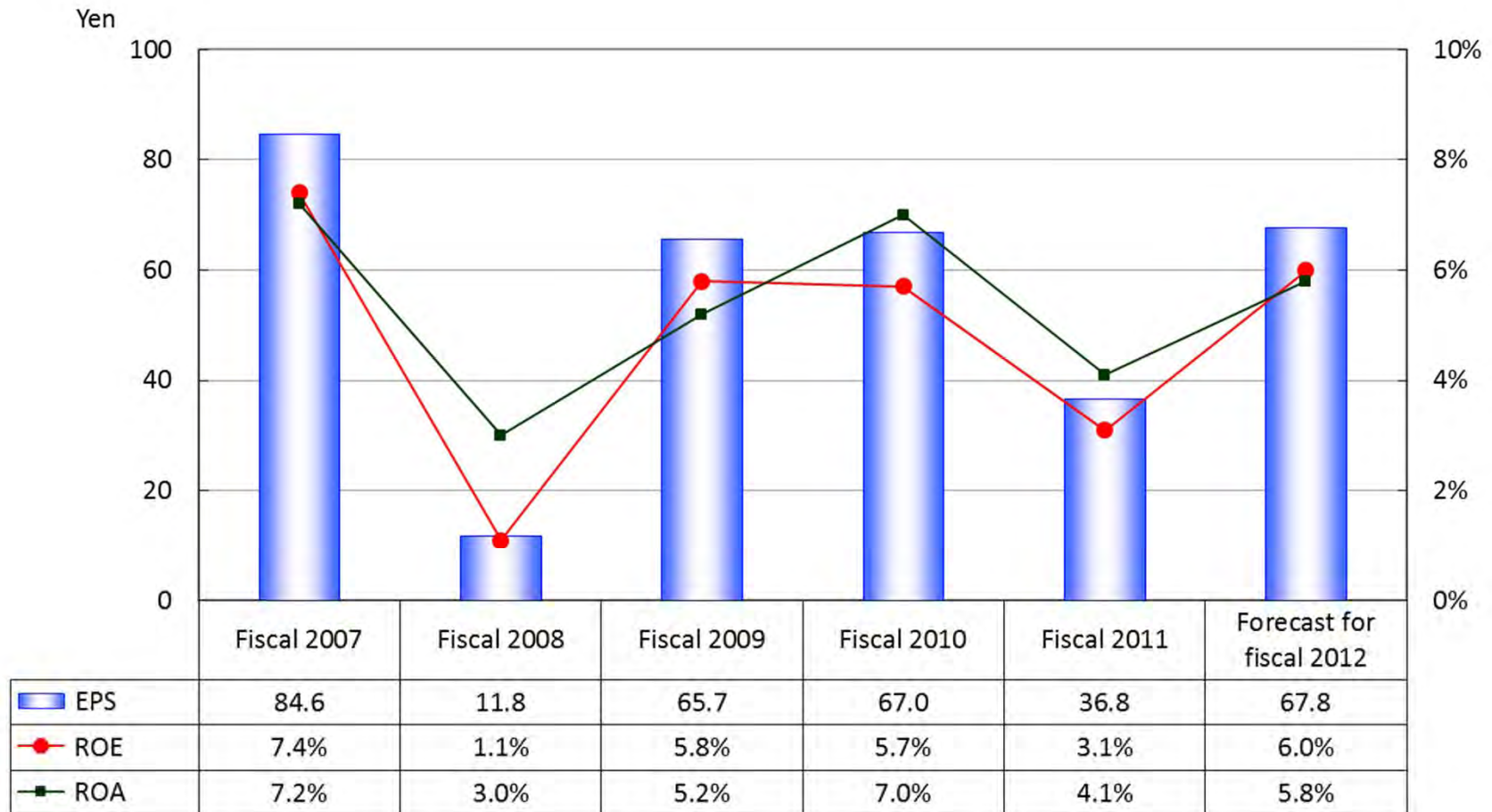
Cash flows from financing activities

The decrease in cash outflows from financing activities is mainly due to increased cash inflows brought about by short-term debts.

- 1. Profitability



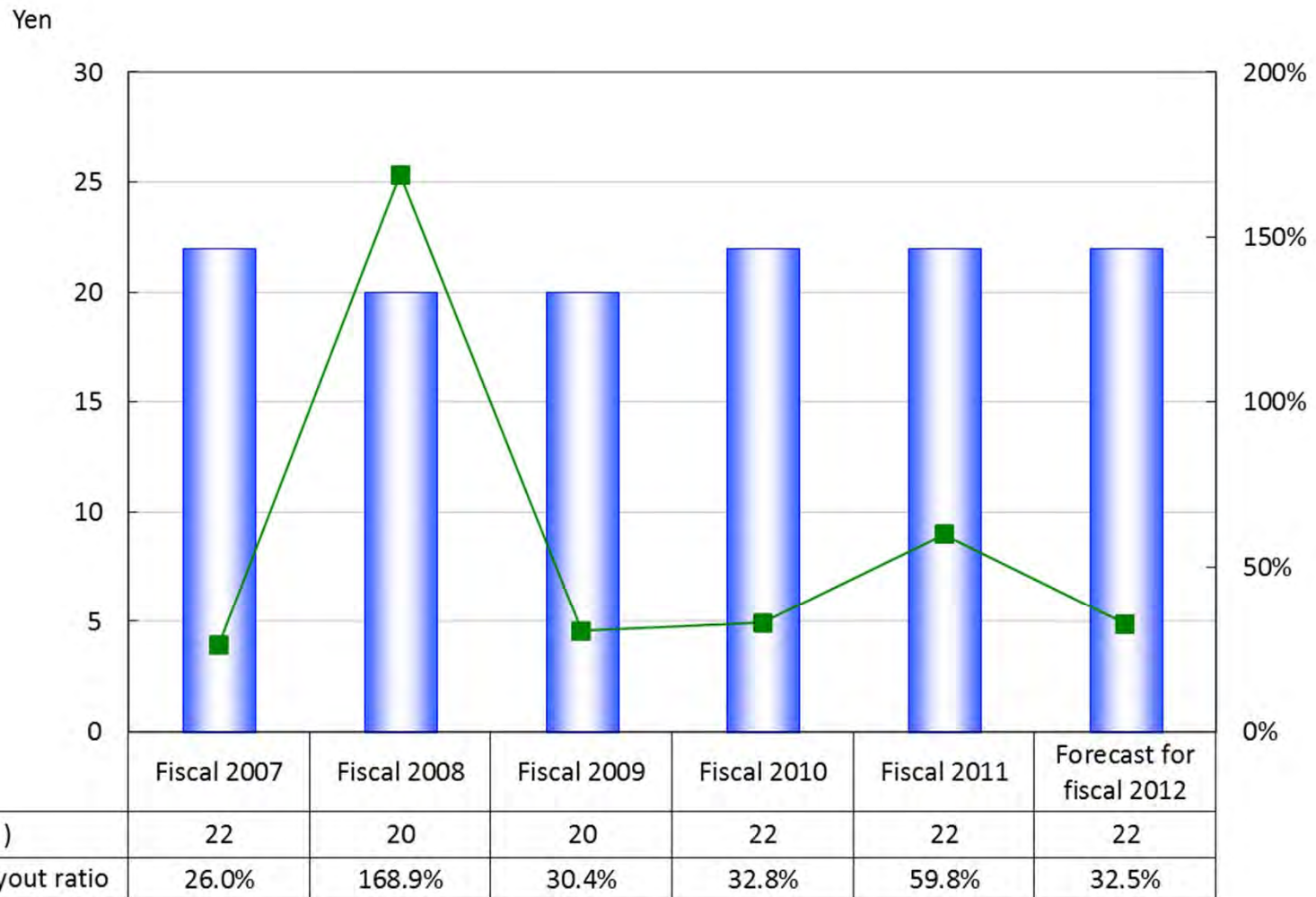
Consolidated data



- 2. Dividend payout ratio and dividends



Consolidated data

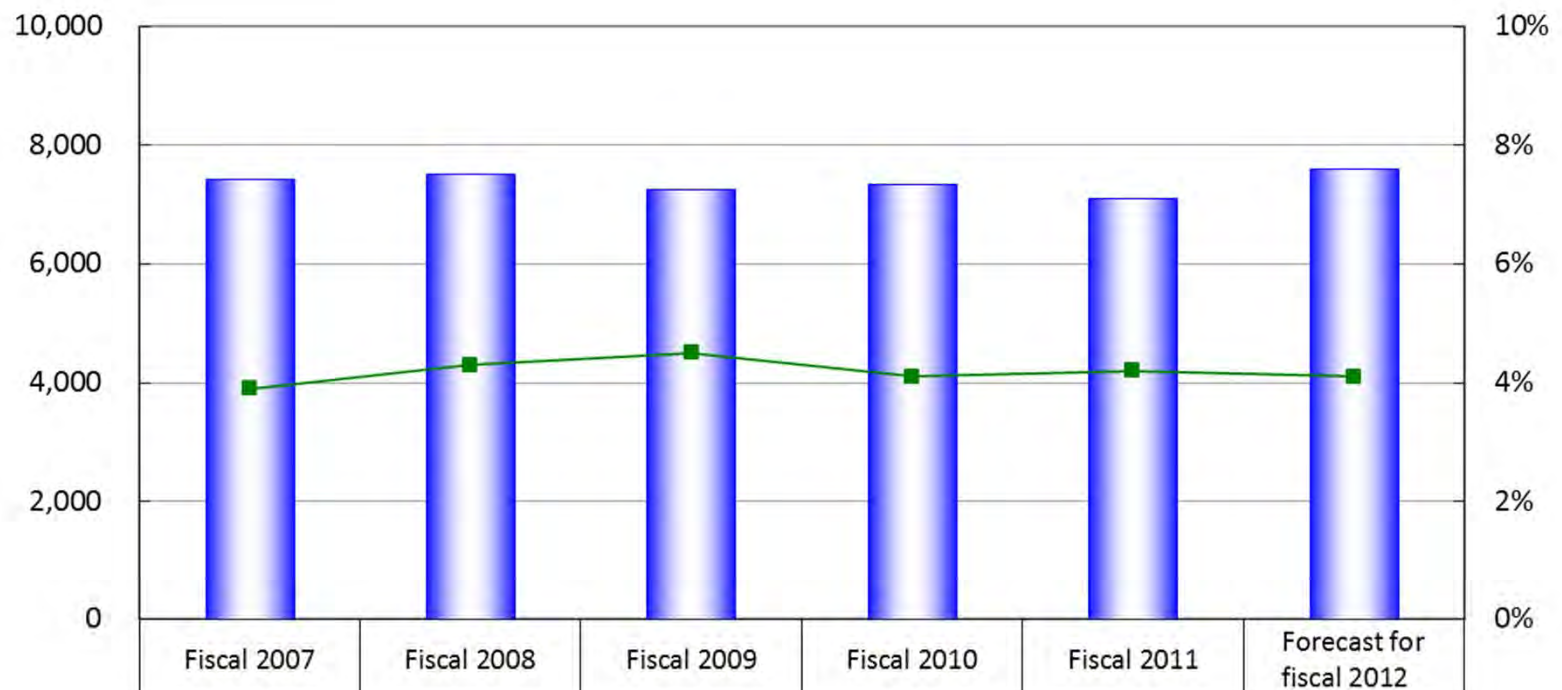


- 3. Research and development costs



Consolidated data

¥ million



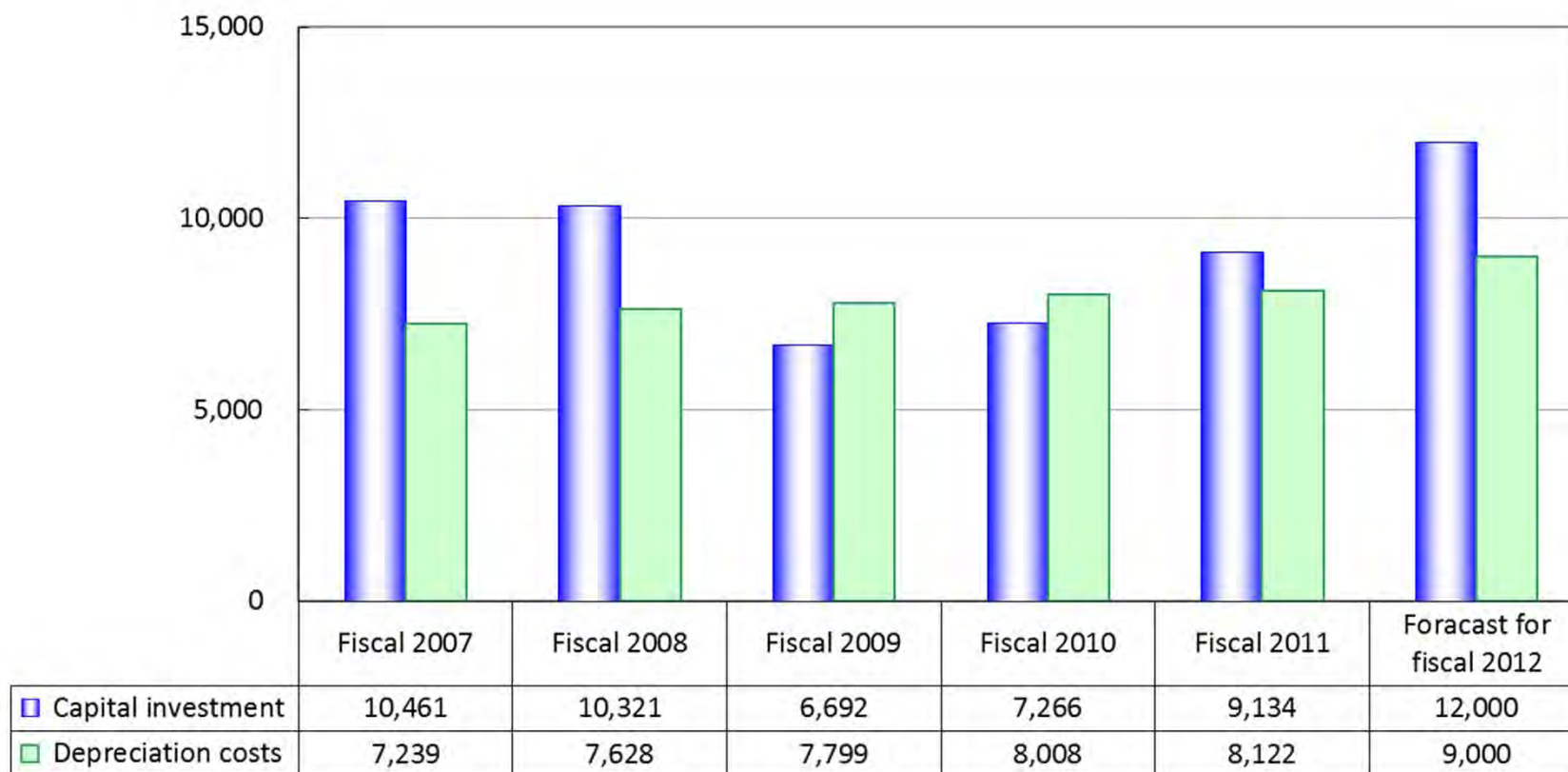
Research and development costs	7,414	7,507	7,251	7,339	7,101	7,600
Rate of research and development costs to sales	3.9%	4.3%	4.5%	4.1%	4.2%	4.1%

- 4. Capital investment



Consolidated data

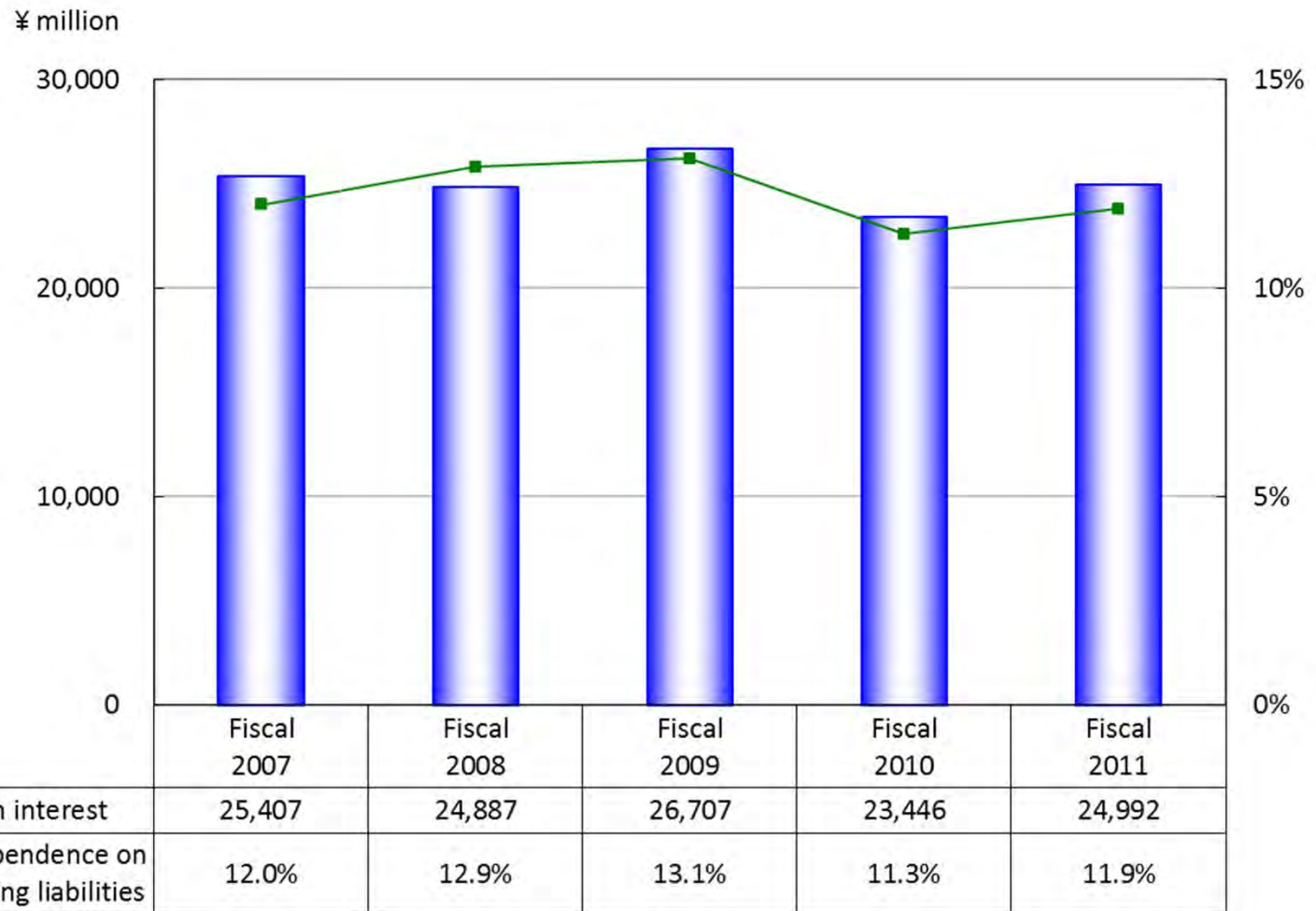
¥ million



- 5. Interest-bearing liabilities



Consolidated data



. for your reference

- 1. Overview of Fiscal 2011 Non-consolidated and Consolidated Closing of Accounts



(Unit: ¥100 million)

Non-consolidated closing of accounts

	Fiscal 2010	Fiscal 2011	Increase/decrease	Increase/decrease ratio(%)
Sales	1,224	1,131	△ 92	△ 7.6
Operating profit	108	50	△ 58	△ 53.4
Current profit	113	57	△ 56	△ 49.6
NET profit of the Term	54	22	△ 31	△ 58.9
NET profit per share of the Term	52.5	21.6		

(Unit: ¥100 million)

Domestic companies (10)

	Fiscal 2010	Fiscal 2011	Increase/decrease	Increase/decrease ratio(%)
Sales	697	693	△ 3	△ 0.5
Operating profit	11	11	△ 0	△ 2.6

Overseas companies (13)

	Fiscal 2010	Fiscal 2011	Increase/decrease	Increase/decrease ratio(%)
Sales	566	615	48	8.6
Operating profit	27	23	△ 4	△ 15.9

Consolidation adjustment accounts (deleted)

	Fiscal 2010	Fiscal 2011
Sales	△ 706	△ 732
Operating profit	△ 2	△ 1

The amounts are indicated after rounding off figures less than 100 million yen.

. for your reference

-2. Fiscal 2011 Consolidated Subsidiaries(10 companies in Japan)



The amounts are indicated after rounding off figures less than the unit shown.

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	50.00	Manufacturing and sales of epoxy elasticizers, 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	90.08	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

. for your reference

-3. Fiscal 2011 Consolidated Subsidiaries(13 overseas companies)



The amounts are indicated after rounding off figures less than the unit shown.

Segment	Consolidated subsidiary	Capital	Controlling share(%)	Line of business
Chemicals	AMFINE CHEMICAL CORP.	US\$7.5 million	60.00	Manufacturing and sales of polymer additives.
Chemicals	CHANG CHIANG CHEMICAL CO., LTD.	NT\$30.0 million	50.00	Sales of polymer additives, special elasticizers and similar products.
Chemicals	ADEKA KOREA CORP.	₩15 billion	100.00	Manufacturing and sale of chemical products
Chemicals	ADEKA (ASIA) PTE.LTD.	US\$0.8 million	100.00	Sales of chemical products.
Chemicals	ADEKA Europe GmbH	€0.5 million	100.00	Sales of chemical products.
Chemicals	ADEKA PALMAROLE SAS	€3.0 million	90.00 (Indirect ownership:90.00)	Sales of polymer additives.
Chemicals	ADEKA FINE CHEMICAL TAIWAN CORP.	NT\$200.0 million	100.00	Manufacturing and sale of liquid crystal panel-related chemicals, and import and sale of chemical products
Chemicals	ADEKA (SHANGHAI) CO., LTD	US\$1.0 million	100.00	Sales of chemical products.
Chemicals	ADEKA FINE CHEMICAL (SHANGHAI) CO., LTD	US\$20.5 million	100.00	Manufacturing and sales of polymer additives, functional resins, electrochemical materials and similar products.
Chemicals	ADEKA FINE CHEMICAL (CHANGSHU) CO., LTD	US\$16.7 million	50.00	Manufacturing and sales of polymer additives.
Chemicals	ADEKA FINE CHEMICAL (THAILAND) CO., LTD.	฿350.0 million	81.00	Sale of polymer additives and other chemicals.
Food products	ADEKA(SINGAPORE)PTE.LTD.	S\$8.0 million	90.00	Manufacturing and sales of edible processed oils and fats, frozen piecrusts and related food products.
Food products	ADEKA FOODS (CHANGSHU) CO., LTD.	US\$1,500 million	70.00	Manufacture and sale of edible oil products and processed foods.

. for your reference

-4. Equity method-applicable companies



The amounts are indicated after rounding off figures less than the unit shown.

Three equity method-applicable companies	Capital	Controlling share	Line of business
NIHON NOHYAKU CO., LTD.	¥10,939 million	24.17%	Manufacturing and sales of agrichemicals and other products.
KASHIMA CHEMICAL CO., LTD.	¥1,000 million	39.38%	Manufacturing and sales of epichlorohydrin, arylchloride, etc.
CO-OP CLEAN CO., LTD.	¥80 million	46.88%	Development and sales of soap, detergents and similar products.

Note: There has been no change in the number of equity method-applicable companies.

. 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, Optical hardening resins, Optical 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	Caustic soda, Silicate-induced products, Water-swelling sealing materials, Polypropylene glycol, Industrial fats and oil-induced products, Hydrogen peroxide, 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.

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.