



Communication with Stakeholders

The ADEKA Group actively communicates with its stakeholders to understand their needs and expectations, and pursues business activities in an effort to become a company that is indispensable to society.

Customers

As a materials manufacturer, the ADEKA Group serves a broad range of industries, including automotive, IT and electronic equipment, and social infrastructure. We identify and anticipate current and future problems while working with customers to develop solutions.

Technical Seminars for Customers

The ADEKA Group organizes technical seminars and lectures for customers to deepen their knowledge of materials and technologies, including other companies' products.

In February 2017, ADEKA AL GHURAIR ADDITIVES LLC (UAE) held a technical seminar on polymer additives to present the specific formulation technologies of our products and their application to customer manufacturing processes.

We will continue to hold these exchanges since they also provide us with excellent opportunities for understanding the problems customers are facing in their daily operations.

VOICE

Reflecting on the Technical Seminar

Dr. Thorsten Loehl
Vice President, Innovation
Borouge Pte. Ltd.

Throughout the technical seminar, I was impressed by the highly advanced clean plant and reminded of the ADEKA Group's technological strengths. The experience left me even more convinced that partnering with ADEKA will enhance our technological competence.



Participants of the technical seminar on polymer additives

Trade Show Exhibitions

The ADEKA Group participates in exhibits and conferences as a means of promoting its products, technologies, and solutions. In the areas of chemicals and foods, customer needs for products and technologies are growing in diversity and sophistication. And so these exhibitions provide us with invaluable opportunities to introduce our products in response to customer needs. In fiscal 2016, we participated in 26 exhibitions for chemicals and foods.



Exhibiting at a bread trade show in China

Customer Recognition

The ADEKA Group strives to provide quality products that contribute to the success of our customers and other stakeholders with a spirit of challenge shared throughout the Group. In recognition of the results of these efforts, and for providing a stable supply of quality products, ADEKA KOREA CORP. and the ADEKA Group received the Best Partner Award from Samsung Electronics Co. Ltd. in fiscal 2016. Moreover, we were encouraged by the expectations and recognition of many other customers in and outside of Japan.



Our Business Partners

The ADEKA Group builds and maintains just and fair relationships with its business partners and pursues co-existence and co-prosperity across the entire supply chain as partners united by common goals.

Forging Stronger Partnerships

The ADEKA Group will evolve in step with distributors who deliver products to our customers. Placing customers above all else, we promote initiatives that transcend corporate boundaries, such as holding regular meetings for special agents, in which we explain our business policies and plans. We also organize intensive seminars for new employees in the chemicals and food businesses, both at ADEKA and at our distributors, where participants learn about negotiation skills and acquire knowledge about products and technologies.



Seminar for new employees of ADEKA and its distributors (ADEKA University for the chemicals business and Risu University for the food business)

Secure and Safe Procurement of Raw Materials

• Basic Approach

In 2002, ADEKA established Procurement Management Standards to secure procurement activities based on trust and cooperation with customers. Ensuring a stable supply of products requires maintaining a reasonable level of inventory and efforts to secure an inventory of raw materials used in our products by suppliers, as well as safeguarding multiple procurement channels.

• Eliminating conflict minerals

As a company that seeks co-existence and co-prosperity with society, ADEKA does not purchase raw materials containing conflict minerals. To ensure this, we ask suppliers to respond to the Environmentally Hazardous Substance Survey when concluding a quality warranty agreement.

• Ensuring the compliance of suppliers

ADEKA ensures that suppliers understand its procurement policy by distributing its Risk Management Standards among food material suppliers and asking new suppliers to respond to the Compliance Survey.

We rigorously implement traceability management by conducting audits as necessary to inspect production sites and product quality at our business partners responsible for manufacturing raw materials and contract production in our chemicals and food businesses.

Safety Conference for Logistics Companies

To ensure that the ADEKA Group logistics system is capable of securely and safely delivering products to customers, we hold an annual safety conference for each section (chemicals, food, East Japan, West Japan, and lorry transport), which brings together ADEKA Logistics Corp. and all logistics partners.

We are boosting the level of all companies that share the responsibility of delivering ADEKA products by providing knowledge about the physical properties and optimal temperature conditions of products inside the containers they do not usually see. We also organize Group discussions on different types of logistics risks.



Group discussion

Initiatives for Developing a Global Logistics System

ADEKA is promoting halal certification at manufacturing sites that produce cosmetics raw materials for global markets and food products for Southeast Asia. ADEKA FOODS (ASIA) SDN. BHD. obtained halal certification in 2014 and has since become the leader in the Group's supply chain by training logistics suppliers in these standards to quickly establish a halal-compliant logistics system in Malaysia.



Halal-compliant truck

Shareholders and Investors

The ADEKA Group seeks to maximize corporate value through its business activities to meet the expectations of shareholders and investors.

Proper Disclosure of Information

ADEKA strives to disclose accurate corporate information in a fair and timely manner to all stakeholders based on its disclosure policy. Moreover, the Group actively discloses important information pertaining to company management, including business plans, to enhance understanding of ADEKA.

The company observes a silent period preceding the announcement of its financial results to refrain from commenting on specific topics and from disclosing any unconfirmed information prior to the announcement. However, the company will disclose information should it determine that the content of its financial results would significantly impact shareholders and investors.



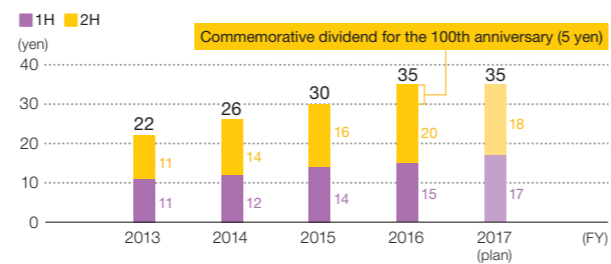
155th Annual General Meeting of Shareholders

Dividend Policy

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 a priority on strengthening its management base and investing in growth businesses from a mid- to long-term perspective.

Annual Cash dividends



IR Activities

The company actively engages in IR activities, including briefing sessions on financial results and the issuing of a tool for explaining the results for the benefit of institutional investors and analysts. In fiscal 2016, briefings on financial results took place twice, and 145 IR meetings were also held.

Competitors

By enhancing mutual value through fair competition grounded in rules and ethics, the ADEKA Group aspires to achieve sustainable development for the entire industry and society at large.

Participation in the Industry Organization that Promotes Understanding of PVC in Southeast Asia

In fiscal 2016, ADEKA FINE CHEMICAL (THAILAND) CO., LTD. became a member of the ASEAN Vinyl Council (AVC), which comprises ten PVC-related manufacturers in Southeast Asia. This group's main purpose is to promote environmental consideration of the PVC industry by shifting

the emphasis to eco-friendly products, instead of solely focusing on cost.

The ADEKA Group has been an industry leader in eliminating the use of heavy metals in the area of PVC stabilizers, and it consistently communicates the elimination of hazardous substances such as heavy metals as a common goal for the industry.



Local Community

The ADEKA Group believes that companies can only exist through the understanding and cooperation of the local community. It works alongside local communities as a good corporate citizen, seeking co-existence and co-prosperity by participating in policy initiatives and events.

Activities for Local Communities



ADEKA KOREA CORP. (South Korea) participates in a river purification project



ADEKA FINE CHEMICAL TAIWAN CORP. (Taiwan) receives the Excellent Bonded Factory Award



CSR activity presentation for the local community by the Mie Plant (Japan)



Kashima Plant (Japan) exhibiting at a local industry festival



Rendering of completed R&D and production facility for fisheries and seeding of Fukushima Prefecture

Security and Disaster Prevention

Security and disaster prevention are the most important responsibilities of ADEKA Group production sites that handle hazardous and toxic materials. To gain the trust of the local community, we not only comply with relevant laws and regulations but also rigorously manage processes, facility maintenance, and voluntary safety.



Akashi Plant (Japan) representatives drill to prevent abnormal discharge of wastewater



ADEKA FOODS (CHANGSHU) CO., LTD. (China) conducts a firefighting gear drill



ADEKA KOREA CORP. (South Korea) participates in a joint government-private sector drill for preventing leakage of toxic substances

Initiatives for Earthquake Reconstruction

The Soma Plant was seriously damaged by the Great East Japan Earthquake on March 11, 2011, resuming delivery of products to customers three months later. ADEKA has been supporting recovery and reconstruction efforts by extending donations and supplies and continues to provide land for emergency housing free of charge while leasing idle plant land for reconstruction work.

In September 2016, a groundbreaking ceremony for Fukushima Prefecture's R&D and production facility for fisheries and seeding took place, and construction is underway for its scheduled opening in April 2018.

Supporting Children who Carry the Future on Their Shoulders

The ADEKA Group engages in a broad range of activities in the hope of contributing to the healthy development of children as they head into the future. Also, in fiscal 2016 we actively supported students, who share in our quest for science, through a 2.9 million yen donation.



Holding the ADEKA Cup, a judo and kendo tournament for elementary and junior high school students



Mie Plant (Japan) accepts elementary and junior high school students for a work experience program



AMFINE CHEMICAL CORP. (United States) participates in a church program