

Briefings on Financial Results

For the 1st half of the fiscal year ended Mar. 31, 2021

ADEKA CORPORATION Nov. 27, 2020

【TSE 4401】



Financial Results Overview

FY2020 1st Half

Apr. 1, 2020 – Sep. 30, 2020

President and Chief Executive Officer

Hidetaka Shirozume



1. FY2020/1H Consolidated Results ... P3
2. FY2020 Consolidated Forecasts and Business Strategy ... P13
3. Progress of mid-term management plan “*BEYOND 300*” ... P23
4. For Reference ... P28

1. FY2020/1H Consolidated Results



FY2020/1H Consolidated Results

Unit: 100 million yen

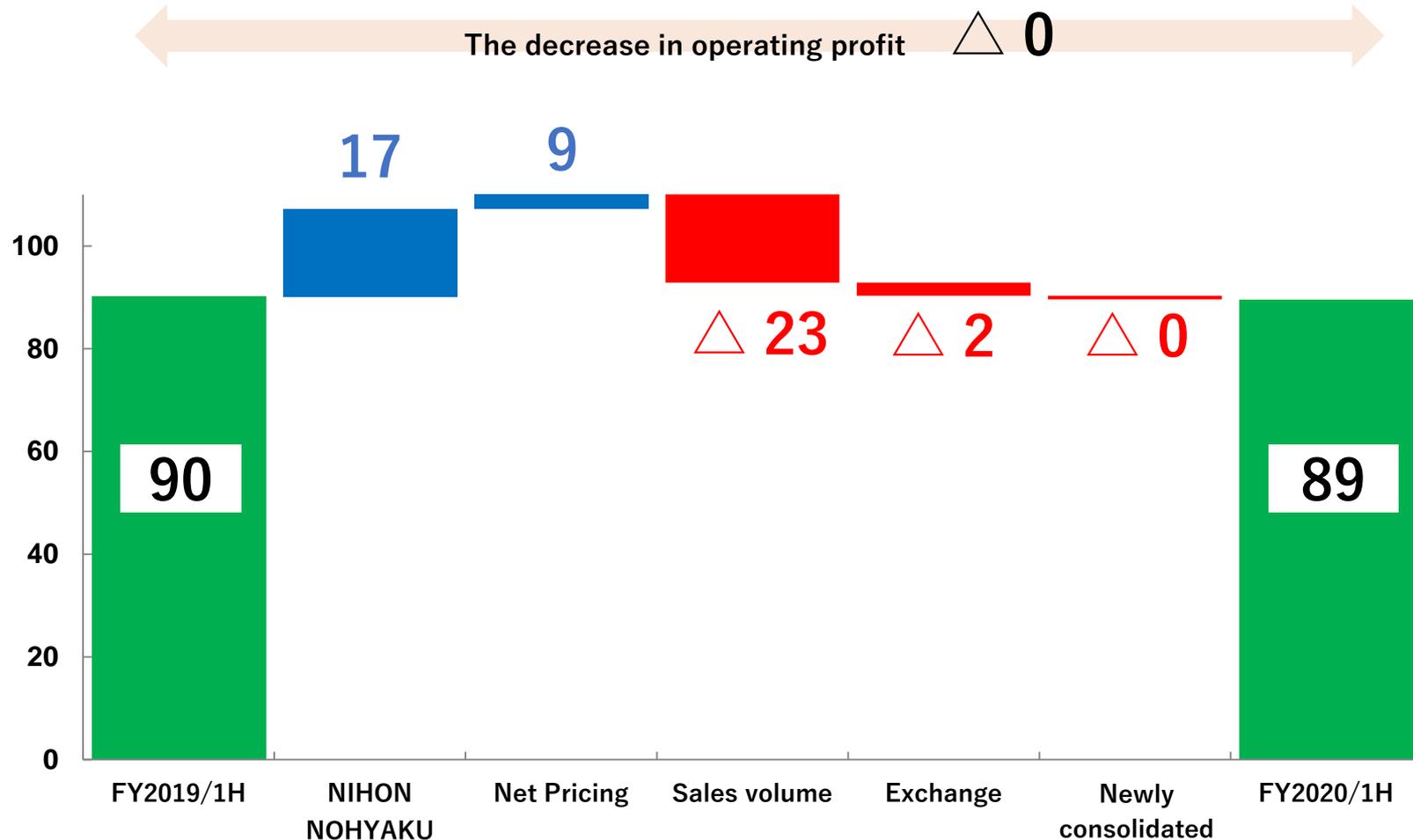
	Apr.-Sep.		YoY change	
	FY2019/1H	FY2020/1H	Amounts	Rate (%)
Sales	1,461	1,386	△ 75	△ 5.2
Operating profit	90	89	△ 0	△ 0.7
Current profit	82	83	0	1.0
Profit attributable to owners of parent	59	57	△ 1	△ 3.3
Net profit per share (yen/share)	57.5 yen	55.4 yen	△ 2.0 yen	

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

Analysis of Operating Profit

Consolidated

Unit: 100 million yen



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

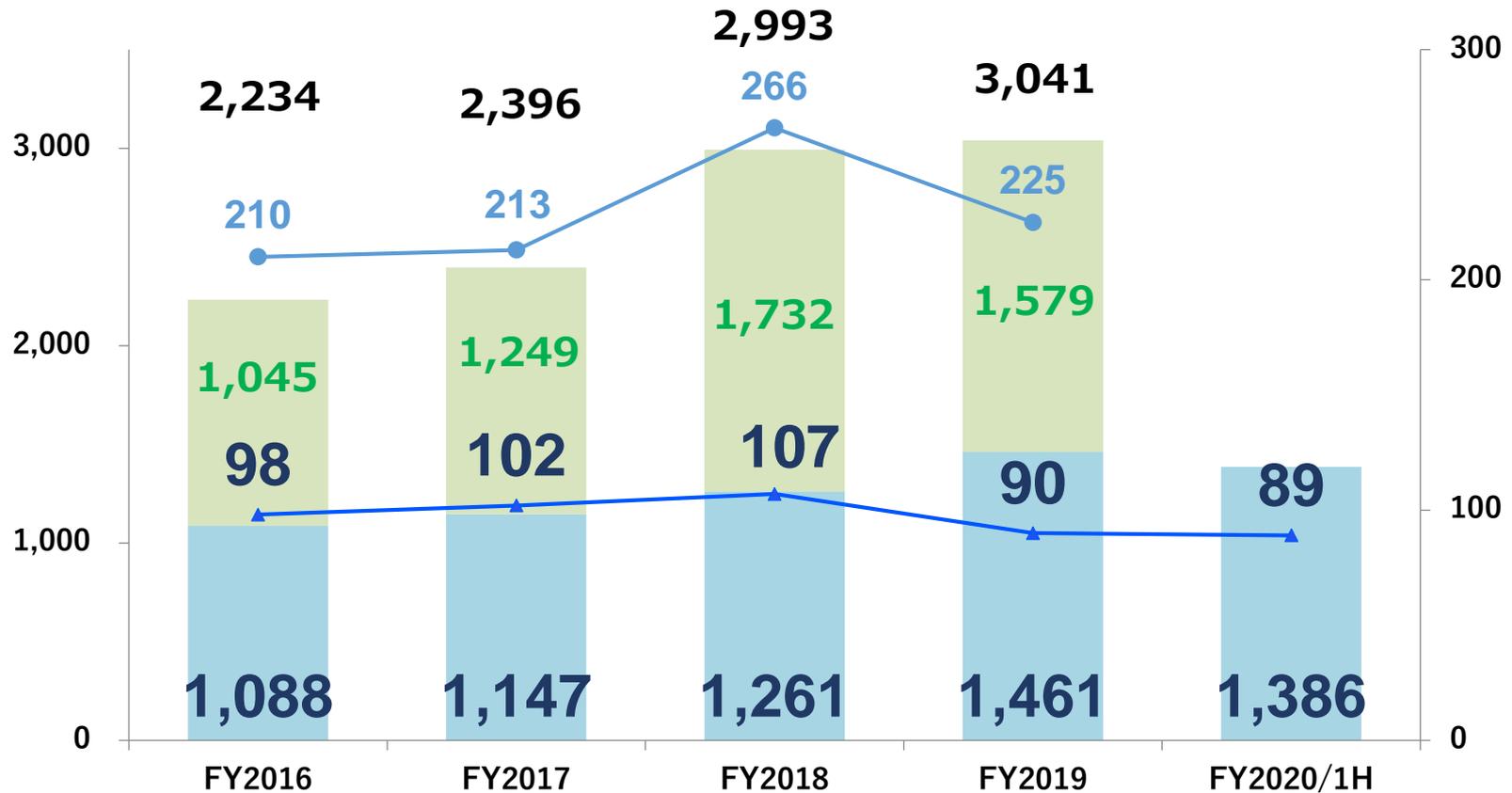
Trends in Consolidated Results

Consolidated

Sales:
100 million yen

■ Sales in FY/1H ■ Sales in FY/2H
▲ Operating profit for FY/1H ● Operating profit for FY

OP:
100 million yen



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

FY2020/1H Consolidated Results - By segment -

Unit: 100 million yen

Consolidated

	Apr.-Sep.		YoY change	
	FY2019/1H	FY2020/1H	Amounts	Rate (%)
Sales	1,461	1,386	△ 75	△ 5.2
Chemicals	812	729	△ 83	△ 10.2
<i>Polymer Additives</i>	406	362	△ 43	△ 10.7
<i>Electronics and IT materials</i>	129	133	3	2.4
<i>Functional chemicals</i>	276	233	△ 42	△ 15.5
Food products	345	327	△ 18	△ 5.4
Life Science	261	289	28	11.0
Other	42	39	△ 2	△ 5.9
Operating profit	90	89	△ 0	△ 0.7
Chemicals	87	71	△ 15	△ 18.0
<i>Polymer Additives</i>	32	23	△ 8	△ 27.0
<i>Electronics and IT materials</i>	30	31	0	1.5
<i>Functional chemicals</i>	24	17	△ 7	△ 30.2
Food products	4	2	△ 1	△ 41.4
Life Science	△ 6	10	17	-
Other	4	4	△ 0	△ 2.8

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

◆ Sales

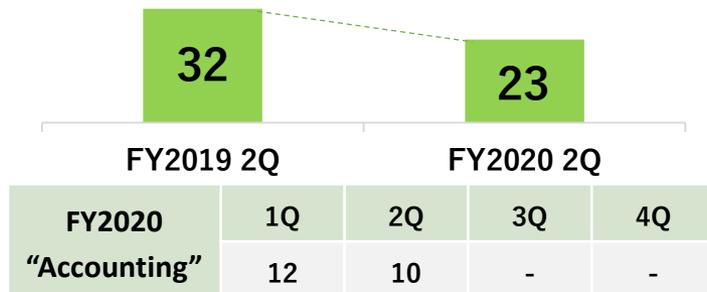
△ 10.7% Unit: 100 million yen



◆ Operating profit

Unit: 100 million yen

△ 27.0%



Main factor (YoY)

- ◆ **Automobile**
 - weak Nucleating Agents, Light Stabilizers, Plasticizers for Rubbers
- ◆ **Building material**
 - weak PVC Stabilizers
- ◆ **Food packaging, Medical use**
 - grew Clarifying Agents, PVC Stabilizers
- ◆ **All plastic products**
 - weak Antioxidants
- ◆ **Home appliances frame**
 - strong Flame retardants for Engineering plastics

Main factor (YoY)

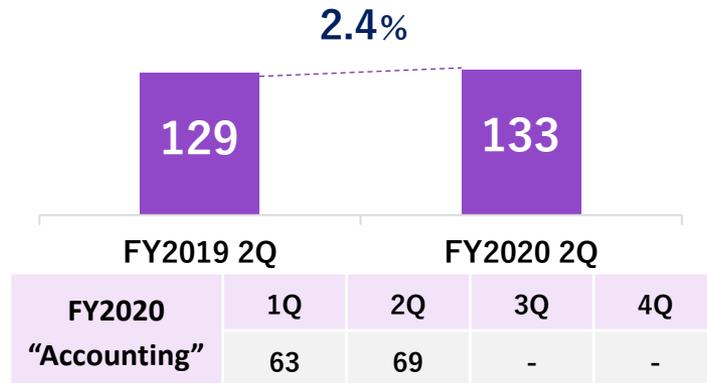


Note : Figures are expressed in units of 100 million yen and have been rounded off.

Chemicals “Electronics and IT materials”

◆ Sales

Unit: 100 million yen



Main factor (YoY)

◆ Semiconductor

strong

Photoacid generator used for semiconductor lithography

grew

New products for advanced DRAM (High-k materials)
Products for NAND

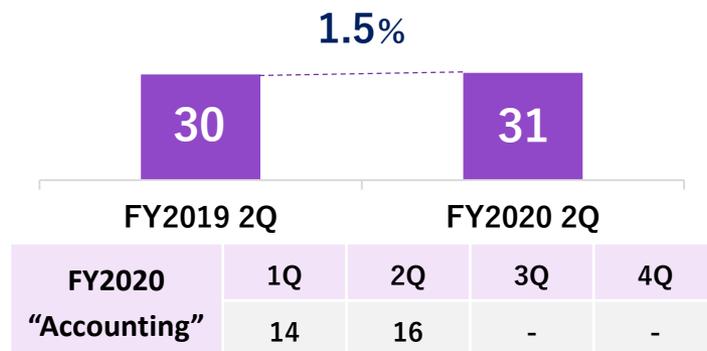
◆ Display

steady

Photo(Light) Curing Resins, Photoinitiator, Etchants for printed circuit boards

◆ Operating profit

Unit: 100 million yen



Main factor (YoY)

Sales volume

1

Fixed costs, etc.

0

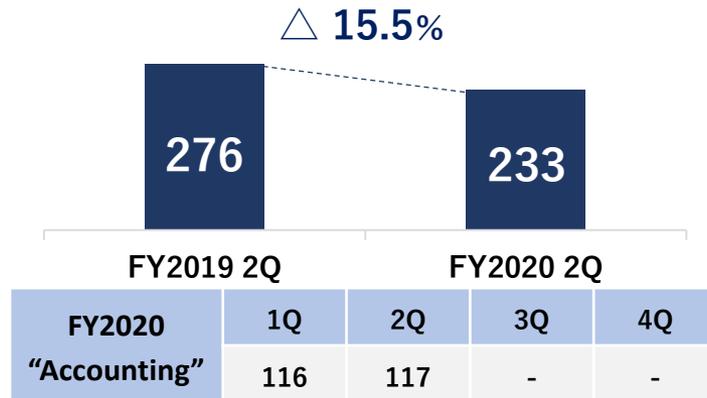
Net pricing

△ 0

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

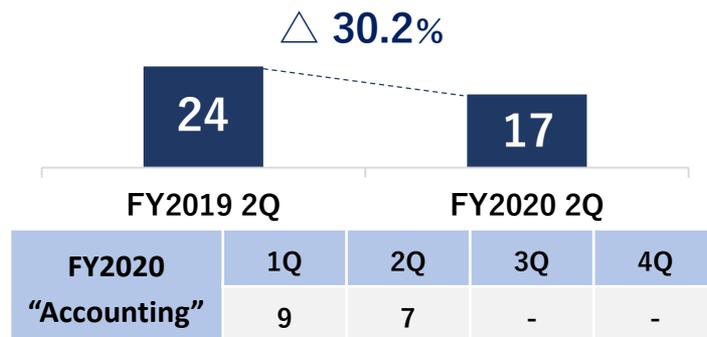
◆ Sales

Unit: 100 million yen



◆ Operating profit

Unit: 100 million yen



Main factor (YoY)

◆ Automobile

weak

Lubricant additive for engine oil,
Special Type Epoxy Resins

◆ Civil engineering and construction, Industrial Agents

weak

Surfactants, Peroxygen Chemicals,
Propylene Glycol

◆ Cosmetics, toiletries

steady

Surfactants for hand soap, disinfectant

weak

Cosmetic Ingredients

Main factor (YoY)

Sales volume

△ 11

Net pricing

7

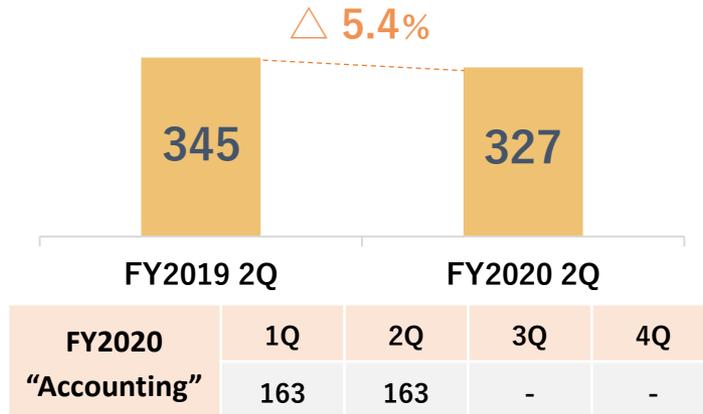
Fixed costs, etc.

△ 3

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

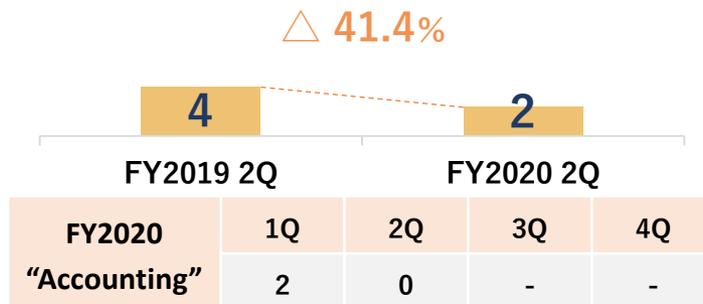
◆ Sales

Unit: 100 million yen



◆ Operating profit

Unit: 100 million yen



Main factor (YoY)

- ◆ Bread, confectionery in JAPAN, CHINA and SOUTHEAST ASIA
 - weak Margarines, shortening
- ◆ Souvenir sweets
 - weak Margarines, shortening, fillings
- ◆ Bread "food loss reduction and labor saving"
 - steady Margarine for kneading "Marvelous"
- ◆ Western confectionery, dessert
 - strong Whipping cream

Main factor (YoY)



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

2. FY2020 Prospective Forecasts and Business Strategy



Revision of Consolidated Annual Forecasts

Consolidated

Unit: 100 million yen

FY2020 Consolidated Annual Forecasts

	Previous forecast	Revised forecast	Amounts
Sales	2,900	2,900	-
Operating profit	160	200	40
Current profit	160	192	32
Profit attributable to owners of parent	100	120	20

▼ Comparison of full-year forecast by segment “Previous forecast and Revised forecast”

Sales	
	Polymer Additives, Electronics and IT materials, Life Science
	Functional chemicals, Food products, Other

Operating profit	
	Upward revision in all segments
1H	<ul style="list-style-type: none"> • Strong overseas sales of agrochemicals • Efficient use and control of fixed expenses
2H	<ul style="list-style-type: none"> • Demand recovery particularly in the automobile and building material segments is faster than expected. • Demand for IT and home appliances is sustained.

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

Outlook for Market Environment in FY2020/2H

World economy:

Pace of recovery varies among countries, but prospects remain unclear.

Impact of the COVID-19 pandemic on the market

Segment	Market	YoY change	FY2020 1H=>2H	Impact on business
Chemicals	Automotive, Building materials			Polymer additives (Additives, Plasticizers, PVC Stabilizers) Functional Chemicals (Lubricant Additives, Special Type Epoxy Resins, Painting materials, Industrial Agents)
	Electronic device (PCs / TVs)			Electronics and IT materials (Photo(Light) Curing Resins, Photoinitiator, Photoacid generator)
	Cosmetics			Functional Chemicals (Cosmetic ingredients, Industrial Agents)
	Hand wash, Disinfectant			Functional Chemicals (Surfactants)
Food	Tourism, Restaurant industry (Souvenir sweets)			Foods products (Margarines, shortening, fillings)
	Consumption from staying at home (Plain bread, Assorted sweets)			Foods products (Margarines, shortening)
Life Science	<p>Agrochemicals has little negative impact from COVID-19 However, there are concerns over a reactionary fall from advance demand caused by concern over the impact on distribution and the indirect impact of changes in the environment of agriculture.</p>			

FY2020 Prospective Performance

Consolidated

Unit: 100 million yen

	FY2020			FY2019 Results	Amounts	Rate (%)
	1H Results	2H Forecasts	Annual Forecasts			
Sales	1,386	1,513	2,900	3,041	△ 141	△ 4.6
Operating profit	89	110	200	225	△ 25	△ 11.2
Current profit	83	108	192	219	△ 27	△ 12.6
Profit attributable to owners of parent	57	62	120	152	△ 32	△ 21.1
Net profit per share - yen/share -	55.4	60.8	116.2	147.7	△ 31.5	
Dividend - yen/share -	24	24	48	48	—	

		FY2020 Assumption		FY2019 Results
		Beginning	FY2020/2H	
Exchange rates	¥/\$	108.00	107.00	108.65
	¥/€	120.00	119.00	120.82
Naphtha	¥/KL	45,000	33,000	42,925

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

Note2 : Effect of exchange rate when 1 yen depreciation (operating profit) : Profit plus about 100 million yen per year and about 50 million yen per euro

FY2020 Prospective Performance - By segment -

Consolidated

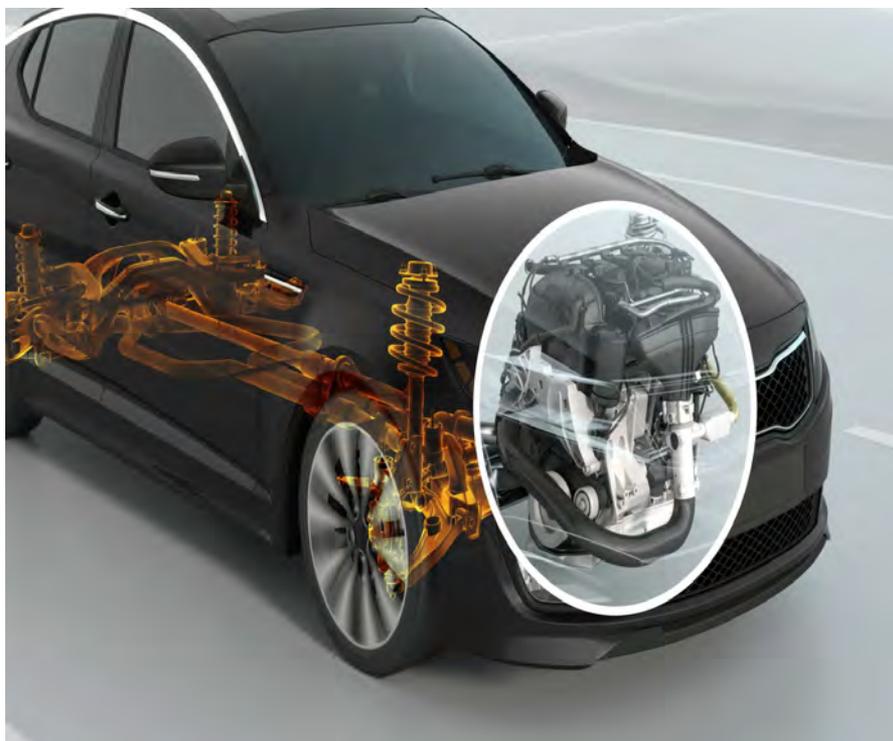
Unit: 100 million yen

	FY2020			FY2019 Results	YoY change	
	1H Results	2H Forecasts	Annual Forecasts		Amounts	Rate (%)
Sales	1,386	1,513	2,900	3,041	△ 141	△ 4.6
Chemicals	729	768	1,498	1,641	△ 143	△ 8.8
<i>Polymer Additives</i>	362	374	737	821	△ 84	△ 10.3
<i>Electronics and IT materials</i>	133	132	266	264	1	0.6
<i>Functional chemicals</i>	233	261	495	556	△ 61	△ 11.0
Food products	327	332	660	710	△ 50	△ 7.1
Life Science	289	380	670	604	65	10.9
Other	39	32	72	85	△ 13	△ 15.7
Operating profit	89	110	200	225	△ 25	△ 11.2
Chemicals	71	83	155	175	△ 20	△ 11.6
<i>Polymer Additives</i>	23	26	50	66	△ 16	△ 24.5
<i>Electronics and IT materials</i>	31	34	66	59	6	10.2
<i>Functional chemicals</i>	17	21	39	49	△ 10	△ 20.8
Food products	2	7	10	15	△ 5	△ 36.3
Life Science	10	16	27	26	0	3.1
Other	4	3	8	7	0	0.6

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

Automotive “Functional Chemicals, Polymer Additives”

Improvement in the second half over the first half is expected due to recovery in the automobile industry.



Lubricant additives for engine oil

- Improve operation in the US and Chinese markets, including response to fuel-efficient new oil standard “GF-6”
- Promotion of cost reduction



Facilities for lubricant additives at Soma Plant, whose capacity has increased

Polymer additives for automobile materials

- Expand market share and sales areas

Nucleating Agents

Light Stabilizers

Plasticizers for Rubbers

Electronic Devices “Polymer additives, Electronics and IT materials”

Flame Retardant for Engineering Plastics

Home appliance housing (frame) such as PC

Telecommuting
Digitization

Growing demand for computers

- Flame retardant, which realizes thin, non-flammable and strong plastics.
- Sales remained strong thanks to stable supply conforming to environmental regulations.

Work to maintain the share in 2nd Half



Semiconductor materials for cutting-edge devices

DRAM, Photoresist

5 G
EUV

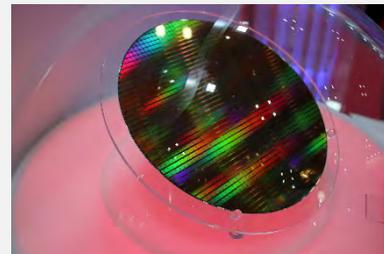
Higher functions of electronic devices
miniaturization of semiconductors

DRAM

- Shipment of new high-K materials steadily increased. Strong growth is also expected in 2nd half.
- Accelerate localization (South Korea) of production and R&D.

Photoresist

- Miniaturization of semiconductors through EUV exposure progressed => Develop semiconductor-related materials such as photoacid generators.



Bread Making “Foods products”

“RISU BRAND” FY2020 NEW Products



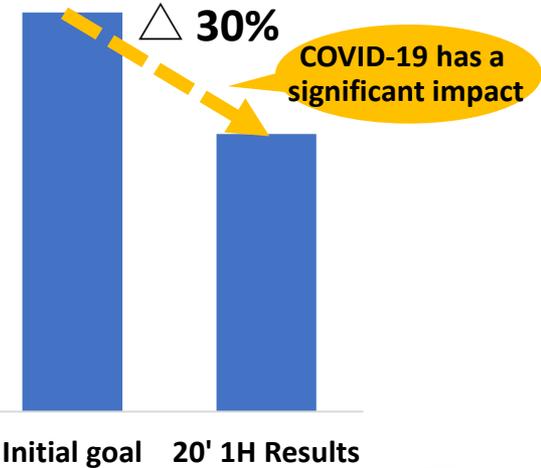
New products (10 items) launched in Apr. 2020 have been selling steadily.

Positive: Products that solve challenges in the food industry, such as the reduction of food waste and resolving labor shortages

=> Accepted by both large producers and retailers

Negative: Impact of a fall in consumption due to the COVID-19 pandemic

Sales of 10 new products in the first half of FY2020



● Functional margarine for kneading “Marvelous”

Food loss reduction:

Function to maintain the taste about 1.5 times longer by preventing bread from going bad

Solves labor shortages:

Function to raise work efficiency by making fats and oils easier to handle

Six months from launch:

FY2020 1H	Increasingly selected particularly for bagged bread products => Contributing to food waste reduction, increased work efficiency
FY2020 2H	<ul style="list-style-type: none"> ◆ Market expansion => Improve promotion targeting retail bakeries ◆ Increase the use => Not only for bagged bread and bakeries <p><u>Product line for frozen baked bread from which market growth based on labor shortages can be expected.</u></p>



Agrochemicals “Life Science”

New development

Benzpyrimoxan

New insecticide for paddy rice “*ORCHESTRA*”

Effective against plant hoppers and leafhoppers

- ✓ Acquired agrochemical registration in Japan in September 2020
- ✓ Schedule for sales launch in May 2021
- ✓ Eagerly working to acquire registration and start sales in India ahead of schedule



Promotion of Smart Agriculture

Smartphone app, “*LeiMe’s AI Diagnosis for Pests and Weeds*”

Exceeded 40,000DL after the release in Apr. 2020.

Aug. 2020

Established Smart Agricultural Promotion Dept. in the Domestic Sales Division.

Promotion of development of existing chemicals

Pyraziflumid

Wide spectrum fungicide “*PARADE*”

- ✓ Encourage development of drench application to plug seedling, a labor-saving spraying method, in Japan.
=> Acquired registration for green onion in addition to conventional lettuce, cabbage, and Chinese cabbage.
- ✓ Aim for more registration overseas.
=> Launched in South Korea from Mar. 2020. Evaluating possibilities for development in Europe and Brazil.



iOS/Android

Topics “Functional Chemicals”

Glycol “Moisturizer” for cosmetics

Development of glycol using natural content

* ADEKA NOL NHG eco/CGE eco

European market needs

Paraben “preservative” free

+α

Natural

Sustainable



Technology to achieve preservative-free formula

×

Sustainable procurement and natural content

ADEKA NOL NHG eco/ CGE eco

- ◆ Acquired RSPO supply chain certification “Chiba Plant”
- ◆ Conforming to ISO 16128, products with Natural Index of 100%

Sample testing with large-scale customers is underway.

Reactive emulsifiers for adhesives

Sep. 2020

Approved by U.S. FDA*

* ADEKA REASOAP series

FDA

Public organization that verifies the safety of food and pharmaceuticals based on strict guidelines

Acquired approval

Able to expand into uses that contact food products in the US market

Highlight FDA approval and increase sales in the European and Japanese markets

- Applications
Packages of frozen and chilled products and confectionery, beverage bottle labels



Increased water resistance (maintaining good appearance) and fissility (recycled)

* Allowed to add up to 3% of the product to films and resin such as food packages and labels.

3. Progress of mid-term management plan “*BEYOND 300*”



Progress of mid-term management plan “BEYOND 300”

	FY2018 Performance 1st year of “BEYOND 300”	FY2019 Performance 2nd year of “BEYOND 300”	FY2020 Forecast Final-year of “BEYOND 300”	FY2020 Target Final-year of BEYOND 300
Consolidated sales	299.3 billion yen	304.1 billion yen	290.0 billion yen	Over 300 billion yen - Via organic growth -
<i>Organic growth</i>	255.0 billion yen	238.8 billion yen		
Operating income margin	8.9%	7.4%	6.9%	10%
ROE	8.5%	7.3%	5.6%	10%
Investment and finance	36.2 billion yen/year	17.2 billion yen/year	15.0 billion yen/year	100 billion yen/3 years
<i>Capital investment</i>	17.4 billion yen/year	17.2 billion yen/year	15.0 billion yen/year	50 billion yen/3 years
<i>M&A funds</i>	18.8 billion yen execution	—	—	50 billion yen/3 years
Dividend	Dividend payout ratio 27.1%	Dividend payout ratio 32.5%	Dividend payout ratio 41.3%	Dividend payout ratio 30% (Target for the final year of the plan after incremental increases)

Organic growth : Aims to reach sales exceeding 300 billion yen with business growth from polymer additives, chemicals and food products.

- Excluding contributions from M&A -

Capital investment for growth

ADEKA FINE CHEMICAL (ZHEJIANG) CO.,LTD.



Aug. 2020

New plant that manufactures chemical products such as polymer additives starts operation

ADEKA AL OTAIBA MIDDLE EAST LLC



Sep. 2020

For polyolefin resin
Decided to invest in one-pack granule additives
(Start of operation scheduled for Jan. 2022)

Major investments in FY2020

Ongoing capital investments will continue, and new capital investments will halt.
While examining the situation, we will develop an investment plan to support mid-to-long term growth.

Polymer additives	U.S.	Polymer additives / new	Electronics and IT materials	KOREA	Semiconductor material for DRAM / expansion
				JAPAN/ Chiba	Semiconductor peripheral materials / expansion

Expansion of global R&D bases

ADEKA (CHINA) CO.,LTD.



Full operation of Innovation Center Shanghai

R&D and analysis center (VOC regulations, etc.) for environmentally friendly products

COVID-19

Given the restrictions on movement, the role of the Innovation Center in the development of the Chinese market will increase.

Water-borne paint resin

Response to GB regulations*
(reduction of amount of solvents)

Water-borne coating materials

Improve proposals to customers and technical support

Corporate with the new plant of ADEKA FINE CHEMICAL (ZHEJIANG) to accelerate development in China

* GB regulations: Chinese national standard (Guóbìāo)

ADEKA KOREA CORPORATION

Oct. 2020



Expansion of R&D Center Suwon

R&D and analysis center responding to miniaturization of semiconductors

Double laboratory size

- ◆ Expand clean rooms, evaluation equipment, etc.

Sample synthesis of semiconductor materials that was conducted in Japan

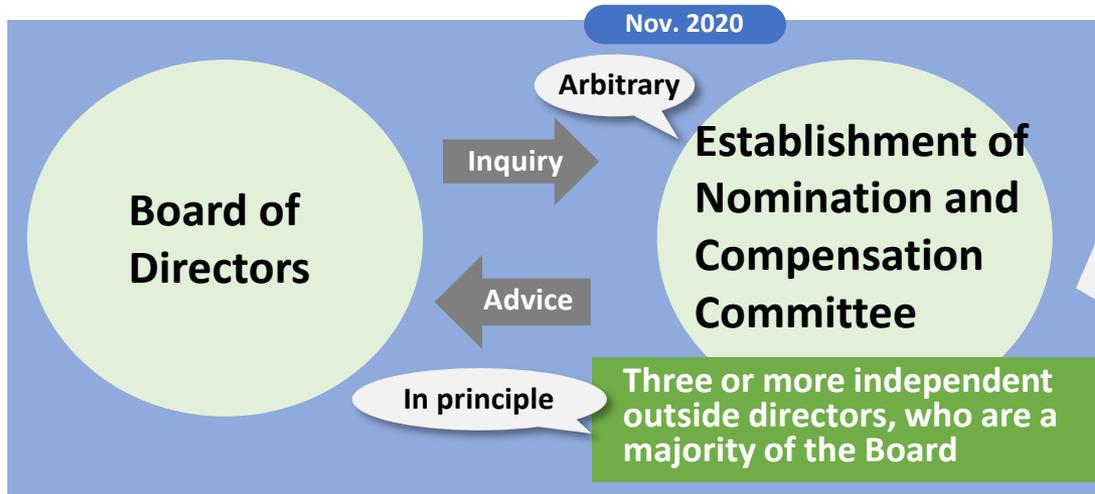
Build a system for quick supply in South Korea

Accelerate development of high-function products that increase with the miniaturization of the semiconductor process.

Establishment of Arbitrary Nomination and Remuneration Committee

Objectives

Improve fairness, transparency, and objectivity of the procedures for deciding nomination, remuneration, etc. of director and auditor candidates.



Roles

- Basic policies for composition of the Board of Directors
- Planning of successors, such as the CEO
- Nomination of candidates for directors and auditors, and standards for the selection of executive officers
- Standards for assessing the independence of outside directors
- Policies to determine remuneration of directors and auditors, and remuneration standards based on these policies
- Other important matters concerning nomination and remuneration of corporate officers

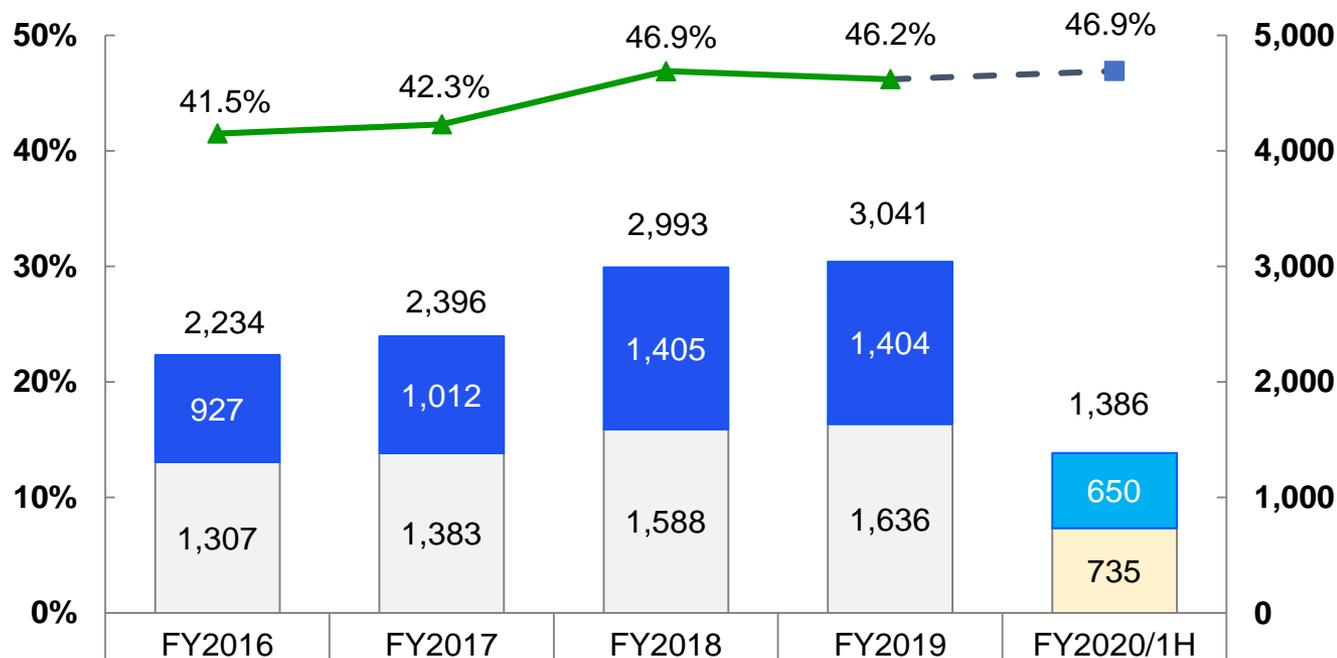
Improvement and strengthening of corporate governance

4. For Reference



Overseas Sales - For reference -

Unit: 100 million yen



Overseas sales	927	1,012	1,405	1,404	650
Domestics sales	1,307	1,383	1,588	1,636	735
Overseas sales ratio	41.5%	42.3%	46.9%	46.2%	46.9%
sales	2,234	2,396	2,993	3,041	1,386

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

FY2020 1st Half

Supplemental Documents for Financial Results Overview

1. Supplementary Data for consolidated Closing of Accounts
2. Management indexes, etc.
3. For Reference

Director and Operating Officer
Youji Shiga



1. Supplementary Data for consolidated Closing of Accounts

1 Consolidated Balance Sheet

Consolidated	As of Mar. 31, 2020	As of Sep. 30, 2020	increase/ decrease
Assets			
Current assets	2,276	2,234	△ 41
Fixed assets	1,818	1,798	△ 19
Tangible fixed assets	1,132	1,196	64
Intangible fixed assets	163	160	△ 2
Investment and other assets	522	440	△ 81
Total assets ①	4,094	4,033	△ 60
Liabilities			
Current liabilities	927	903	△ 23
Long-term liabilities	661	595	△ 65
Total liabilities ②	1,588	1,499	△ 88
Net assets			
Shareholders' equity	2,014	2,038	24
Capital stock	229	229	-
Capital surplus	199	200	0
Retained earnings	1,588	1,612	23
Treasury stock	△ 4	△ 4	0
Accumulated other comprehensive income	88	100	12
Valuation difference on available-for-sale securities	65	79	13
Reserve for land revaluation	42	42	-
Translation adjustment	1	△ 1	△ 2
Adjustments for retirement Benefits	△ 20	△ 19	1
Minority interests	403	394	△ 9
Total net assets	2,506	2,533	27
Total liabilities and net assets	4,094	4,033	△ 60

Unit: 100 million yen

POINT①

Decrease in total assets △ 60

Decrease in notes and accounts receivable - trade △ 139

POINT②

Decrease in total liabilities △ 88

Decrease in notes and accounts payable - trade △ 47

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

2 Cash Flow Statement (Summary)

Consolidated

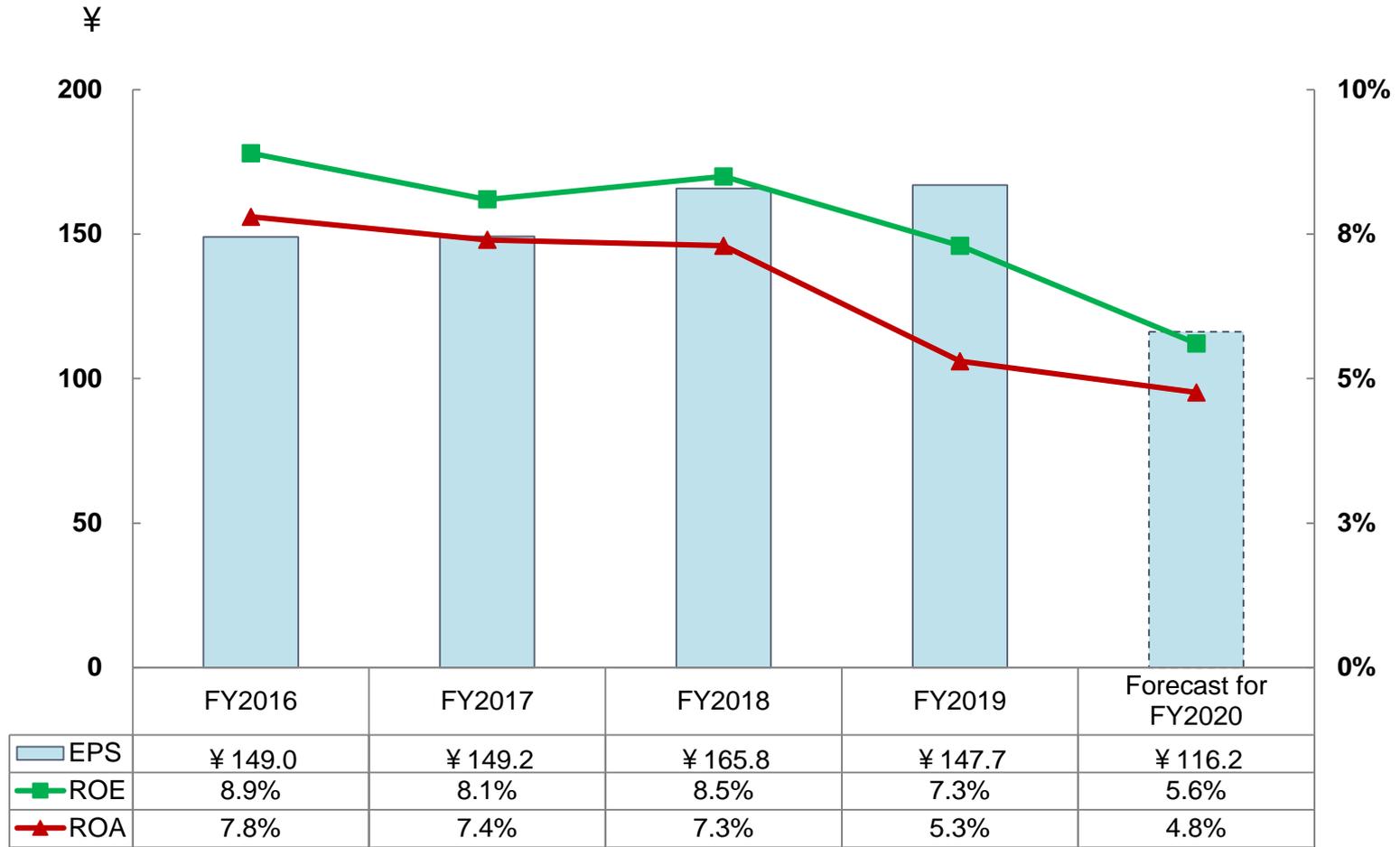
Unit: ¥ million

	FY2019/1H (Apr. - Sep.)	FY2020/1H (Apr. - Sep.)
Cash flows from operating activities	16,056	20,355
Cash flows from investing activities	△ 7,891	△ 6,255
Cash flows from financing activities	△ 7,171	△ 7,136
Effect of exchange-rate changes on cash and cash equivalents	△ 589	△ 940
Net increase/decrease in cash and cash equivalents (increase)	404	6,022
Cash and cash equivalents at the Beginning of period	56,504	60,888
Cash and cash equivalents from newly consolidated subsidiaries	—	3,982
Cash and cash equivalents at the end of period	56,909	70,893

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

1 Profitability

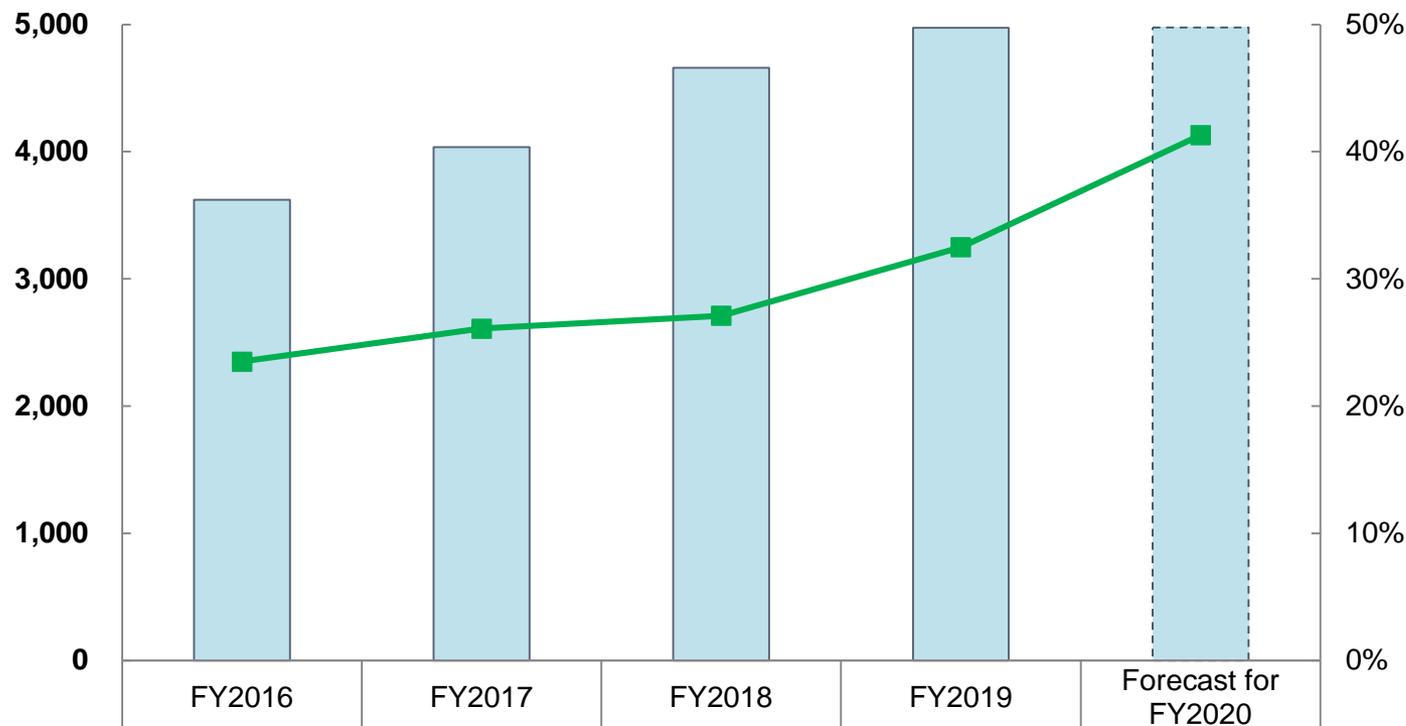
Consolidated



2 Dividend payout ratio and dividends

Consolidated

¥ million



Dividend	¥35	¥39	¥45	¥48	¥48
Total Dividend	3,621	4,037	4,661	4,975	4,977
Rate of dividend payout	23.5%	26.1%	27.1%	32.5%	41.3%

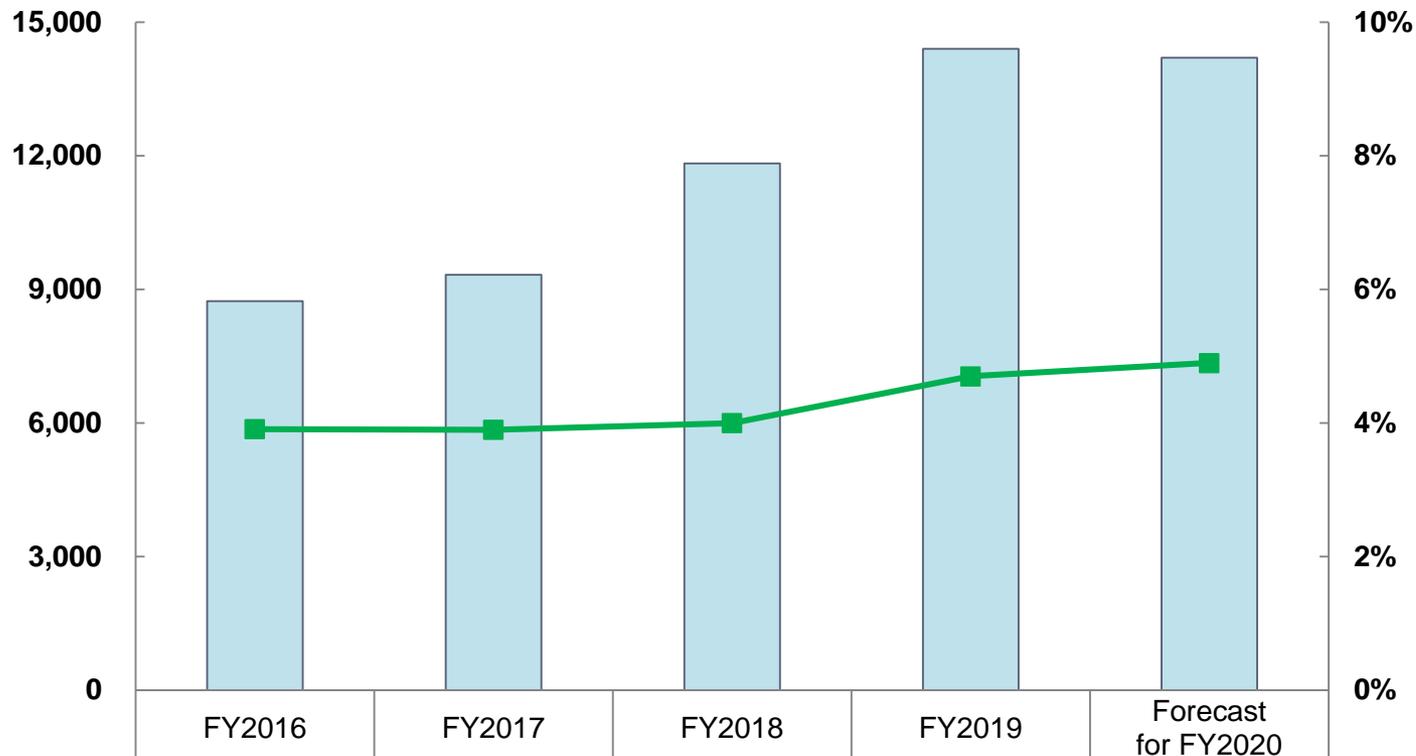
Note 1: Dividends in FY2016 include a commemorative dividend of five yen in commemoration of the 100th anniversary.

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

3 Research and development costs

Consolidated

¥ million



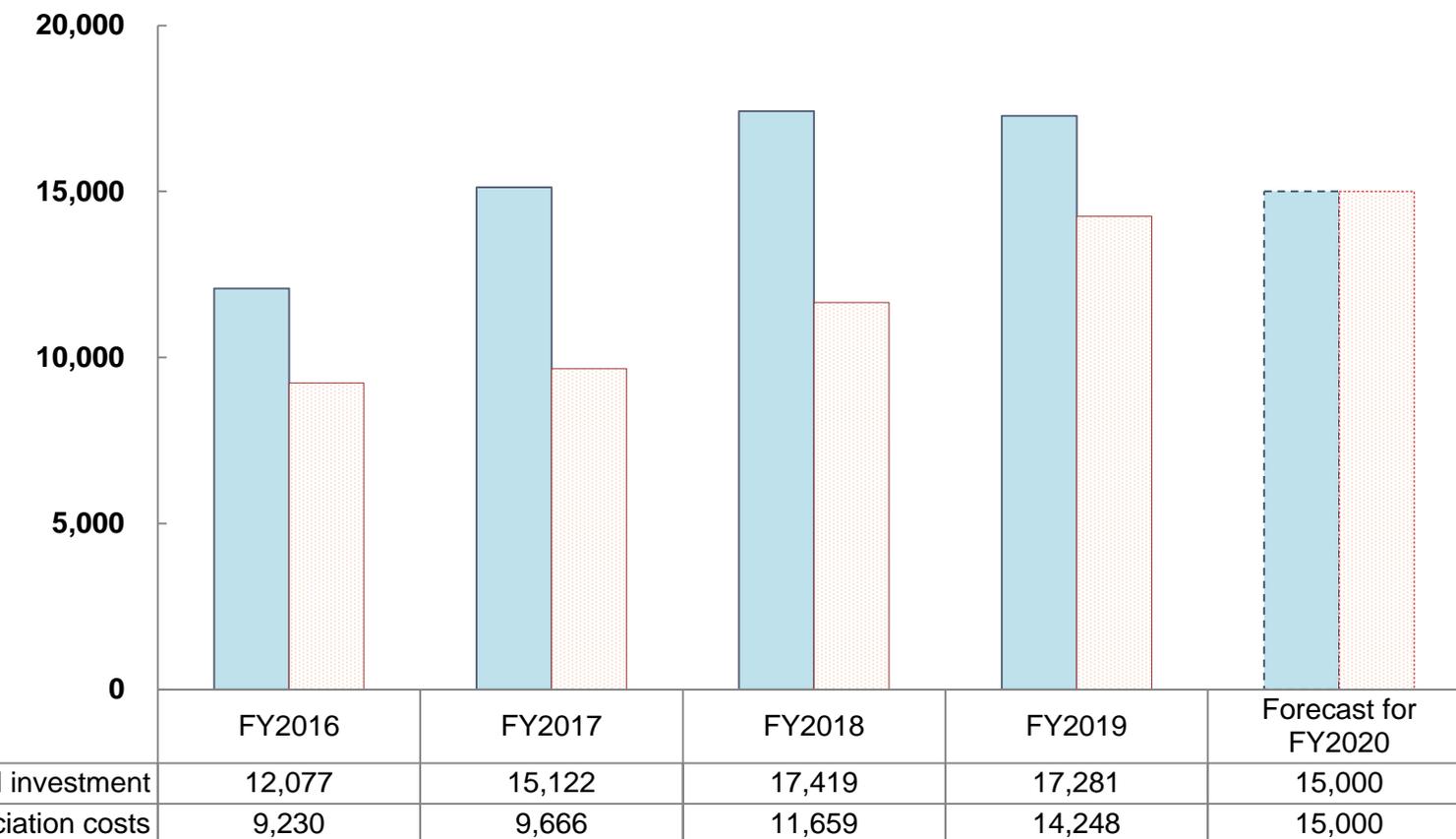
R&D costs	8,735	9,327	11,829	14,398	14,200
Rate of R&D costs to sales	3.9%	3.9%	4.0%	4.7%	4.9%

Note : R&D expense are expressed in units of million yen and have been rounded off.

4 Capital investment

Consolidated

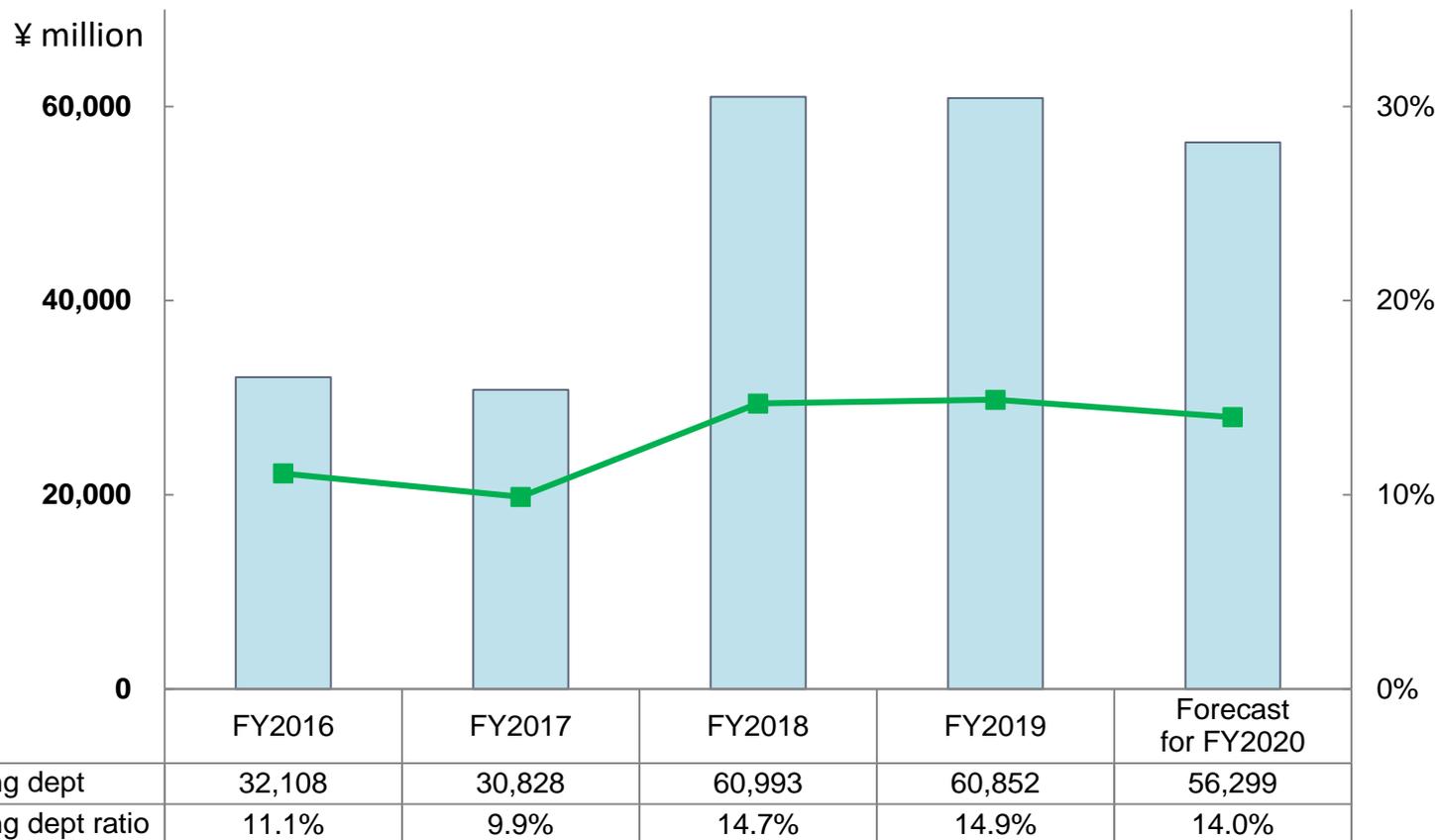
¥ million



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

5 Interest-bearing liabilities

Consolidated



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

1 Overview of non-consolidated and consolidated closing accounts

■ Non-consolidated
■ Consolidated

Unit: 100 million yen

Non-consolidated closing of accounts

	FY2019/1H	FY2020/1H	YoY change	
			Amount	Rate(%)
Sales	643	580	△ 63	△ 9.8
Operating profit	43	36	△ 6	△ 15.2
Current profit	61	61	0	0.9
NET profit	50	53	2	5.9
NET profit per share	48.4	51.2		

NIHON NOHYAKU (11)

	FY2019/1H	FY2020/1H	YoY change	
			Amount	Rate(%)
Sales	261	290	29	11.2
Operating profit	△ 2	15	18	—

Domestic companies (11)

	FY2019/1H	FY2020/1H	YoY change	
			Amount	Rate(%)
Sales	472	404	△ 68	△ 14.5
Operating profit	10	5	△ 4	△ 48.6

Overseas companies (18)

	FY2019/1H	FY2020/1H	YoY change	
			Amount	Rate(%)
Sales	676	609	△ 66	△ 9.8
Operating profit	46	30	△ 16	△ 34.9

Consolidation adjustment (deleted)

	FY2019/1H	FY2020/1H
Sales	△ 591	△ 498
Operating profit	△ 7	1

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

2 Consolidated Subsidiaries - 16 companies in Japan①-

Segment	Consolidated subsidiary	Capital	Controlling Share : %	Line of business
Chemicals	ADEKA CHEMICAL SUPPLY CORP.	¥ 104million	100.00 (Indirect ownership: 5.57)	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	92.64	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.
Food products	CROWN CO.,LTD.	¥ 10million	100.00	Wholesale business of food materials such as fatty oils, flour milling and flavors and processed foods.

2 Consolidated Subsidiaries - 16 companies in Japan②-

Segment	Consolidated subsidiary	Capital	Controlling share : %	Line of business
Life science	NIHON NOHYAKU CO.,LTD.	¥14,939million	51.00	Agrochemicals, Wood Preservative, Agricultural Materials, Pharmaceuticals & Veterinary Products
Life science	NICHINO RYOKKA CO.,LTD.	¥160million	100.00 (Indirect ownership: 100.00)	Sales of Chemical/Pesticides for Professional Turf, Planning for GOLF Courses and Amenity Areas
Life science	NICHINO SERVICE CO.,LTD.	¥3,400million	100.00 (Indirect ownership: 100.00)	Production and Logistic Services of Agrochemical, Cultivation & Management of Experimental Field/Laboratories
Life science	NIHON ECOTECH CO.,LTD.	¥20million	100.00 (Indirect ownership: 100.00)	Agrochemical Residue Analysis, Chemical Substance Safety Testing, and Related Activities
Life science	AGRIMART CORP.	¥50million	100.00 (Indirect ownership: 100.00)	Sales of Termite Control Agents/Devices, Pest Control Agents/Devices
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	100.00 (Indirect ownership: 20.00)	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

3. For Reference

3 Consolidated Subsidiaries - 24overseas companies① -

Country	Segment	Consolidated subsidiary	Capital	Controlling Share : %	Line of business
U.S.	Chemicals	ADEKA USA CORP.	US\$1 million	100.00	Sales of chemical products.
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	100.00 (Indirect ownership: 100.00)	Manufacturing and sales of polymer additives.
U.S.	Life science	NICHINO AMERICA, INC.	US\$0.7 million	100.00 (Indirect ownership: 100.00)	Sales and R&D of agrochemicals in U.S.
BLAZIL	Life science	SIPCAM NICHINO BRASIL S.A.	R\$223.89 million	50.00 (Indirect ownership: 50.00)	Production and sales of agrochemicals in BLAZIL
GERMANY	Chemicals	ADEKA Europe GmbH	€0.5 million	100.00	Sales of chemical products.
FRANCE	Chemicals	ADEKA POLYMER ADDITIVES EUROPE SAS	€3 million	100.00 (Indirect ownership: 100.00)	Manufacturing and sales of polymer additives.
U.K.	Life science	NICHINO EUROPE CO., LTD. *	GBP 30,000	100.00 (Indirect ownership: 100.00)	Sales and R&D of agrochemicals in EUROPE
CHINA	Chemicals	ADEKA (CHINA) CO., LTD.	US\$31 million	100.00	Sales of chemical products.
CHINA	Chemicals	ADEKA FINE CHEMICAL (SHANGHAI) CO., LTD.	US\$20.5 million	100.00	Manufacturing and sales of polymer additives, functional resins, electronic materials and similar products.
CHINA	Chemicals	ADEKA FINE CHEMICAL (CHANGSHU) CO., LTD.	US\$21.54 million	50.00	Manufacturing and sales of polymer additives.
CHINA	Food products	ADEKA FOODS (CHANGSHU) CO., LTD.	US\$23 million	70.00	Manufacturing and sales of processed oils and fats, processed foods.
CHINA	Chemicals	ADEKA FINE CHEMICAL (ZHEJIANG) CO.,LTD. *	US\$30 million	100.00 (Indirect ownership: 100.00)	Manufacture and sales of chemical products such as polymer additives.

Note: Companies with an asterisk (*) were included in the scope of consolidation in FY2020.

3 Consolidated Subsidiaries - 24overseas companies② -

Country	Segment	Consolidated subsidiary	Capital	Controlling Share : %	Line of business
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.
TAIWAN	Life science	TAIWAN NIHON NOHYAKU CO.,LTD	NT\$40 million	51.00 (Indirect ownership: 51.00)	Sales and R&D of agrochemicals in TAIWAN
INDIA	Life science	NICHINO INDIA PVT. LTD.	₹3.85 million	100.00 (Indirect ownership: 100.00)	Production, sales and R&D of agrochemicals in INDIA
INDIA	Life science	NICHINO CHEMICAL INDIA PVT. LTD.	₹10.5 million	100.00 (Indirect ownership: 100.00)	Production and sales of agrochemicals in INDIA
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.	MYR90 million	60.00	Manufacturing and sales of processed oils and fats.
UAE	Chemicals	ADEKA AL OTAIBA MIDDLE EAST LLC *	AED45.46 million	49.00	Manufacture and sales of polymer additives, Sales for Chemicals and Foods

Note: Companies with an asterisk (*) were included in the scope of consolidation in FY2020.

4 Equity method - applicable companies -

Equity method-applicable companies	Capital	Controlling Share : %	Line of business
CO-OP CLEAN CO., LTD.	¥80 million	46.88	Development and sales of soap, detergents and similar products.
SHOWA KOSAN CO.,LTD.	¥550 million	20.81	Sale of synthetic resins, chemical products, industrial materials, electronic materials and environmental concerns.
AGRICULTURAL CHEMICALS (MALAYSIA) SDN. BHD.	MYR2.05 million	24.18 (Indirect ownership: 24.18)	Production and sales of agrochemicals in MALAYSIA
SIPCAM EUROPE S.P.A.	€36.94 million	20.00 (Indirect ownership: 20.00)	Production and sales of agrochemicals in EUROPE
NICHINO VIETNAM CO.,LTD.	VND 22,680 million	100.00 (Indirect ownership: 100.00)	Production, sales and R&D of agrochemicals in VIETNAM

Note: Companies with an asterisk (*) were included in the scope of equity method application in FY2020.

3. For Reference

Core products of each business segments

Business category		Core products	
Reporting segment	Chemicals	Polymer Additives	Additives for polyolefins, PVC plasticizers/stabilizers, Flame retardants, and others.
		Electronics and IT materials	High-purity materials for semiconductors, AFES System and etching agents, Photo(Light)/heat curing materials, photoinitiators, Imaging materials, and others.
		Functional Chemicals	Epoxy resins, Polyurethanes, Water-borne resins, Surfactants, Lubricant additives, Kitchen detergent, Cosmetic ingredients, Polypropylene glycol, Hydrogen peroxide and derivative products, Water-swelling sealing materials, and others.
	Food products	Margarines, Shortenings, Oil and fats for chocolate, Oils and fats for frying, Whipping cream, Kneading cream, Fillings, Frozen pie crusts, Mayonnaise dressing, functional foods, and others.	
	Life science	Agrochemicals, Agricultural materials, Pharmaceuticals & Veterinary products, Wood preservative, 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.

In the event of any discrepancy between the Japanese original and this English translation, the Japanese original shall prevail.