

# Briefings on Financial Results

For the 1st Quarter of the fiscal year ended Mar. 31, 2025

Aug. 29, 2024  
【TSE 4401】





# Financial Results Overview

**FY2024 1st Quarter**

**Apr. 1, 2024 – Jun. 30, 2024**

President and Chief Executive Officer,  
Representative Director

**Hidetaka Shirozume**

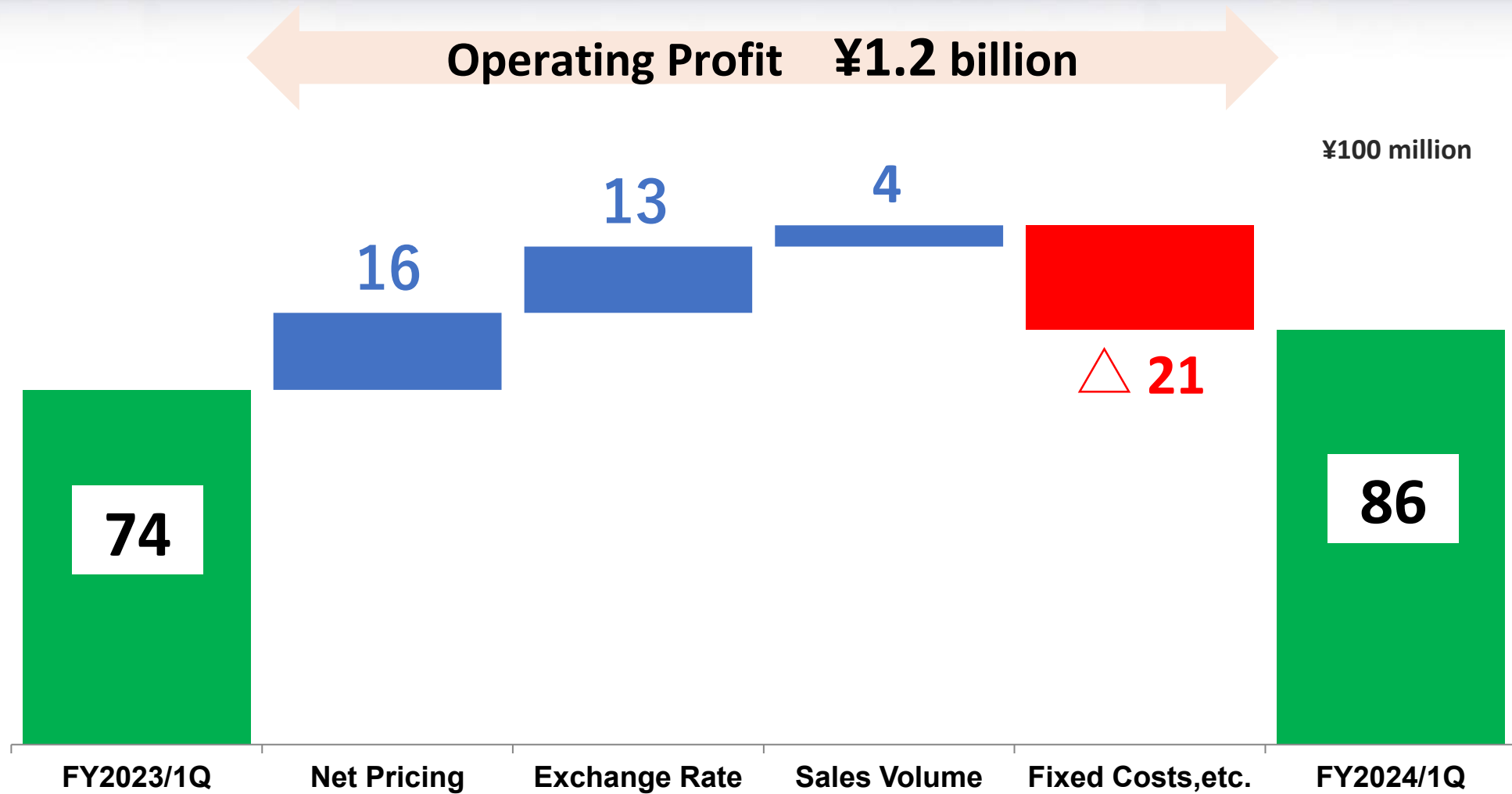
1. FY2024/1Q Consolidated Results ··· P3
2. Revision of Consolidated Financial Forecasts  
for FY2024 ··· P14
3. For Reference ··· P20

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## 1. FY2024/1Q Consolidated Results

¥100 million	FY2023/1Q	FY2024/1Q	Change	Rate(%)
Net Sales	945	981	35	3.8
Operating Profit	74	86	12	17.1
Ordinary Profit	81	97	15	19.4
Profit attributable to owners of parent	51	68	17	33.2
Net profit per share (yen/share)	¥50.0	¥66.8	¥16.8	

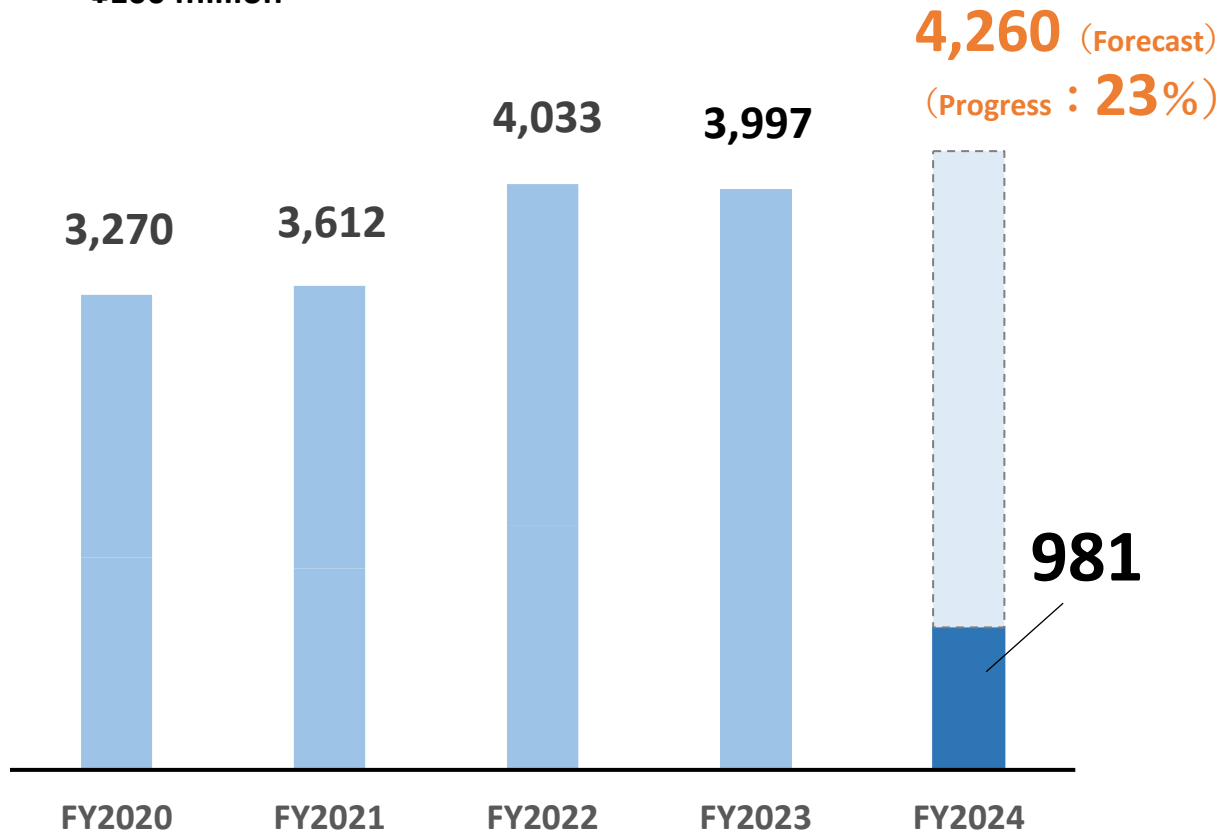
Note : Amounts are expressed in units of 100 million yen and have been rounded off and Net profit per share are rounded to the second decimal place.



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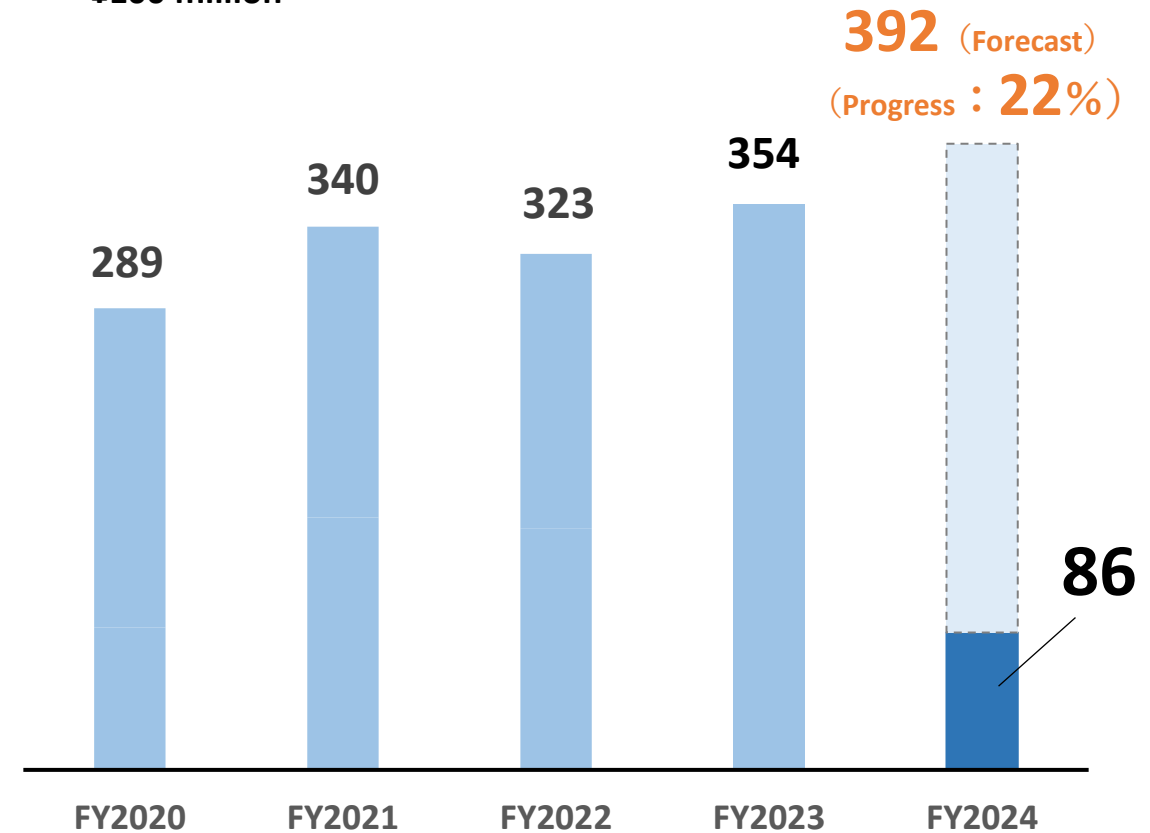
## Net Sales

¥100 million



## Operating Profit

¥100 million



Note 1 : Figures are expressed in units of 100 million yen and have been rounded off. Note 2 : FY2021 are the figures after retrospective application of a change in accounting policy.

# FY2024/1Q Consolidated Results - By Segment

FY2024/1Q Consolidated Results

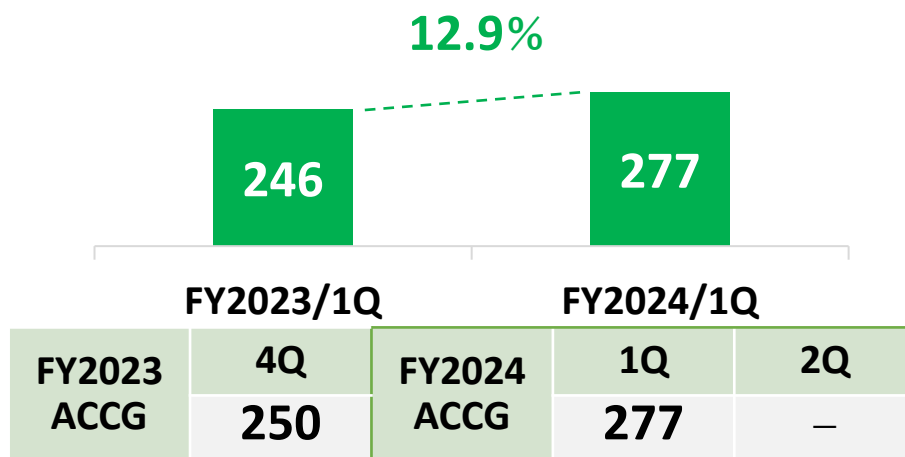
¥100 million	FY2023/1Q	FY2024/1Q	Change	Rate (%)
<b>Net Sales</b>	<b>945</b>	<b>981</b>	<b>35</b>	<b>3.8</b>
<b>Chemicals</b>	<b>497</b>	<b>564</b>	<b>66</b>	<b>13.4</b>
<i>Polymer additives</i>	<b>246</b>	<b>277</b>	<b>31</b>	<b>12.9</b>
<i>Electronics and IT materials</i>	<b>94</b>	<b>107</b>	<b>13</b>	<b>13.8</b>
<i>Functional chemicals</i>	<b>157</b>	<b>179</b>	<b>21</b>	<b>13.9</b>
<b>Food Products</b>	<b>207</b>	<b>209</b>	<b>2</b>	<b>1.1</b>
<b>Life Science</b>	<b>221</b>	<b>192</b>	△ 29	△ 13.3
<b>Other</b>	<b>18</b>	<b>14</b>	△ 3	△ 20.3
<b>Operating Profit</b>	<b>74</b>	<b>86</b>	<b>12</b>	<b>17.1</b>
<b>Chemicals</b>	<b>55</b>	<b>75</b>	<b>19</b>	<b>36.0</b>
<i>Polymer additives</i>	<b>17</b>	<b>31</b>	<b>13</b>	<b>74.7</b>
<i>Electronics and IT materials</i>	<b>25</b>	<b>23</b>	△ 1	△ 5.0
<i>Functional chemicals</i>	<b>12</b>	<b>20</b>	<b>7</b>	<b>63.2</b>
<b>Food Products</b>	<b>3</b>	<b>13</b>	<b>10</b>	<b>272.7</b>
<b>Life Science</b>	<b>11</b>	▲ 3	△ 15	-
<b>Other</b>	<b>3</b>	<b>1</b>	△ 2	△ 61.1

Note : Amounts are expressed in units of 100 million yen and have been rounded off and Percentage changes are rounded to the second decimal place.



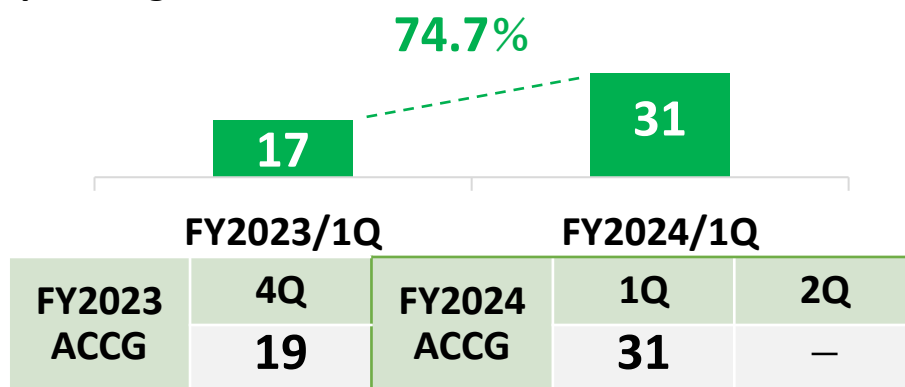
## ◆ Net Sales

¥100 million



## ◆ Operating Profit

¥100 million



### Main factor of Sales (YoY)

Sales of flame retardants for home appliance enclosures and electric vehicle components, and light stabilizers for automobiles remained strong as excess inventories in the supply chain were dissolved and automobile production recovered.

#### ◆ Home appliance enclosures

strong

Flame retardants for Engineering plastics

#### ◆ Automobile • E V (interior and exterior components)

strong

Light Stabilizers, Intumescent Flame retardants,  
Nucleating Agents

#### ◆ Building materials

strong

PVC Stabilizers for Home interior materials

#### ◆ All plastic products

weak

General-purpose antioxidants

### Main factor of Operating Profit (YoY)

Net pricing  
10

Sales volume  
4

Exchange rate  
4

Fixed costs, etc.  
△ 4

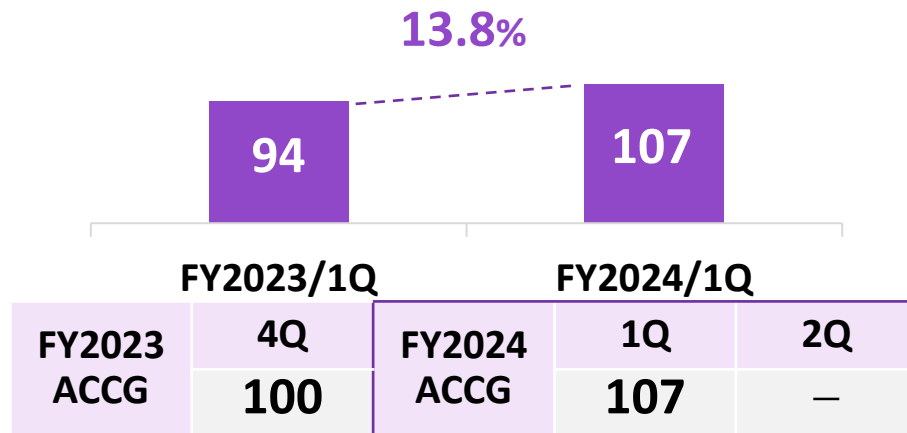
Note : Amounts are expressed in units of 100 million yen and have been rounded off and Percentage changes are rounded to the second decimal place.

# Chemicals “Electronics and IT materials”

Segmental Information

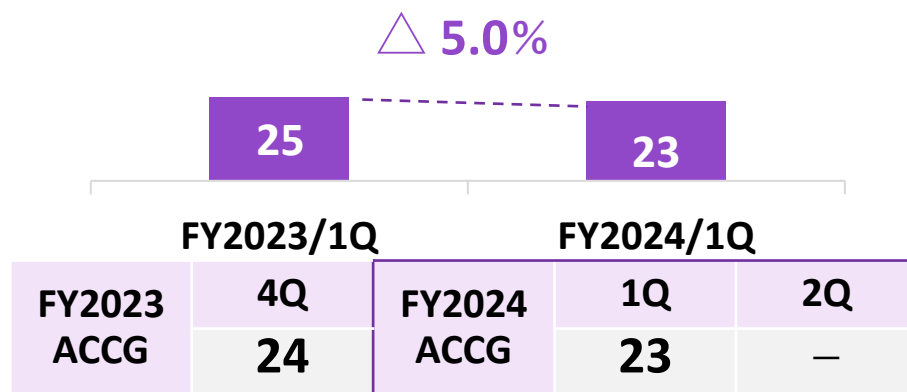
## ◆ Net Sales

¥100 million



## ◆ Operating Profit

¥100 million



## Main factor of Sales (YoY)

Sales of high-K materials for advanced DRAM and photoacid generators for advanced photo resists remained strong supported by a recovery in demand for semiconductors on the back of robust investments in AI-related fields.

### ◆ Semiconductors

strong

High-k materials for advanced DRAM

Photoacid generator used for semiconductor  
Lithography + Semiconductor peripheral materials

### ◆ Displays

strong

for color filter  
Black matrix resin , Photoinitiators  
Photo(Light) Curing materials for Optical film

weak

Etching Materials for LCD panels

## Main factor of Operating Profit (YoY)

Net pricing

△ 5

Fixed costs, etc.

△ 4

Sales volume

6

Exchange rate

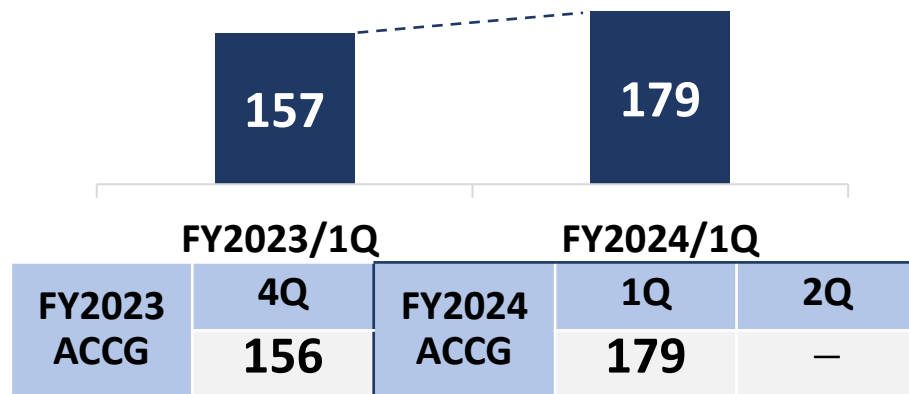
2

Note : Amounts are expressed in units of 100 million yen and have been rounded off and Percentage changes are rounded to the second decimal place.

## ◆ Net Sales

¥100 million

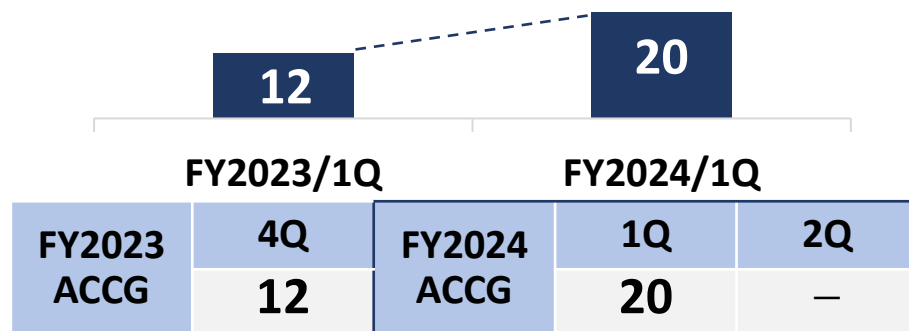
13.9%



## ◆ Operating Profit

¥100 million

63.2%



## Main factor of Sales (YoY)

- Sales of lubricant additives were strong, reflecting increased usage in the United States and China and a rebound in the production of hybrid vehicles.
- The usage of reactive emulsifiers in residential paint increased in India and China, leading to strong sales.

## ◆ Automobile

strong

Lubricant additive for engine oil

Special epoxy resins for structural bonding

Epoxy resin adhesives for automotive electronic components

## ◆ Building materials

strong

Reactive Emulsifiers for paint , Water Borne Resins

## ◆ Electronics

steady

Peroxide products

## Main factor of Operating Profit (YoY)

Sales volume  
6

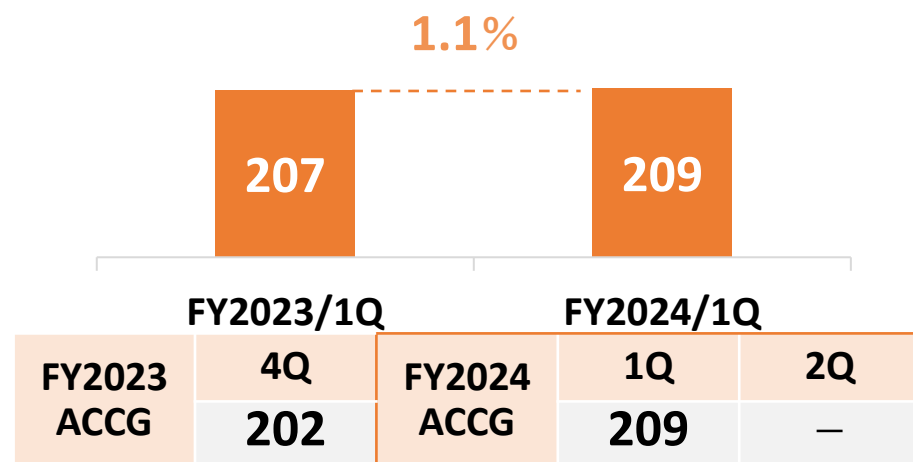
Exchange rate  
4

Fixed costs, etc.  
△ 2

Note : Amounts are expressed in units of 100 million yen and have been rounded off and Percentage changes are rounded to the second decimal place.

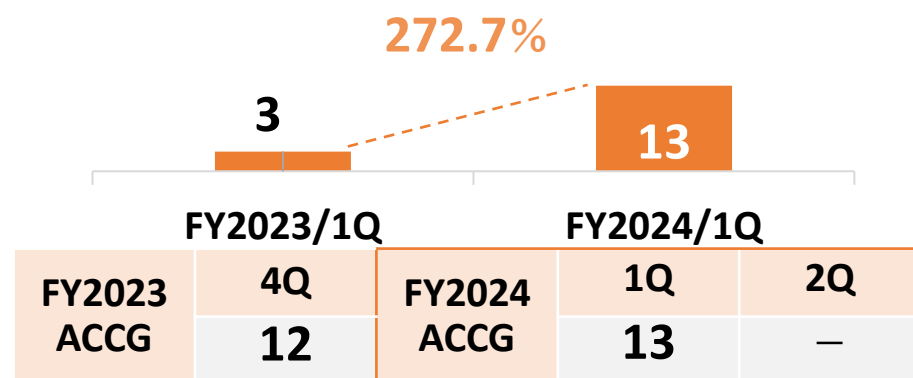
## ◆ Net Sales

¥100 million



## ◆ Operating Profit

¥100 million



### Main factor of Sales (YoY)

- Sales of functional fats and oils remained strong in Southeast Asia.
- The number of adoptions of the “*Deli-PLANTS*” series of plant-based foods experienced a steady growth in the use for breads and café menus in Japan.

### ◆ Breads • Confectionery

strong

Southeast Asia • Japan

Functional Margarine for kneading “*Marvelous*” series, etc.

### ◆ Confectionery • Desserts

strong

Whipping cream

### ◆ Breads • Café, etc.

strong

Plant-Based Foods “*Deli-PLANTS*” series

### Main factor of Operating Profit (YoY)

Net pricing  
11

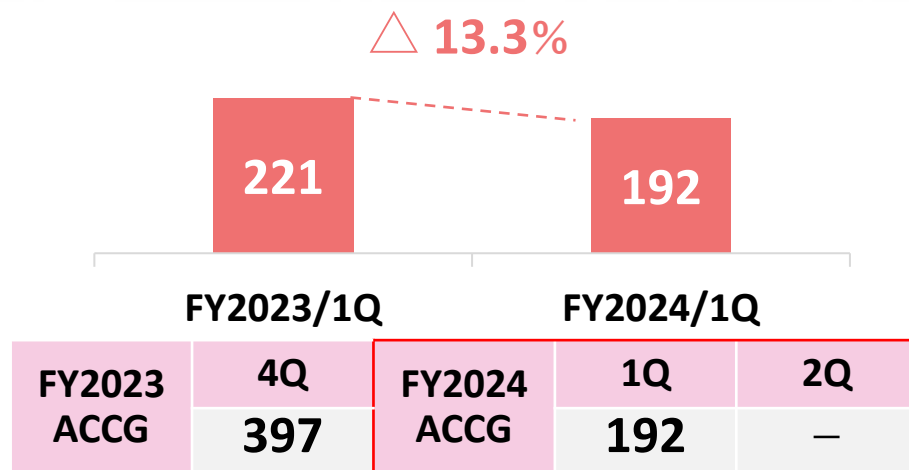
Sales volume  
1

Fixed costs, etc.  
△ 3

Note : Amounts are expressed in units of 100 million yen and have been rounded off and Percentage changes are rounded to the second decimal place.

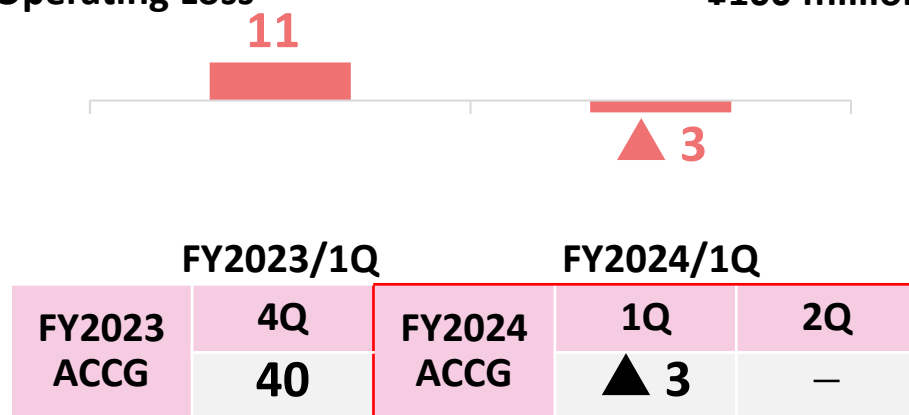
## ◆ Net Sales

¥100 million



## ◆ Operating Loss

¥100 million



## Main factor of Sales (YoY)

Sales of agrochemicals remained weak affected by inventory adjustment in India, as well as a reaction to the front-loaded shipments of fungicides in North America at the end of the previous fiscal year.

### ◆ Agrochemicals

weak	India (Agrochemicals in general)
	North America (Fungicides)
	Europe (Sales of raw ingredients to BAYER)
steady	Japan (CORTEVA product)
	Brazil (Fungicides, etc.)

### ◆ Pharmaceuticals, others

weak	Field of Nail Athlete's foot
	Topical antifungal agent “Luliconazole”

## Main factor of Operating Loss (YoY)

Sales volume	Fixed costs	Exchange rate	Net pricing
△ 14	△ 5	3	1

Note : Amounts are expressed in units of 100 million yen and have been rounded off and Percentage changes are rounded to the second decimal place.

An operating loss was recorded in 1Q, but the full-year forecasts remain unchanged.

## Full Year Earnings Forecasts

Operating Profit  
¥7.3 bn

1Q

Operating Loss  
¥▲0.3 bn

from  
2Q onward

## Outlook of the market environment

The demand for food increased due to the growth of the population and the economy in emerging economies.

► It is projected that global demand for agrochemicals will continue to grow.

### Brazil

Intensifying competition in markets  
Sales prices fell.

Cultivation areas will expand.  
Raw material prices  
will improve (at ADEKA)

### India

Insufficient monsoon rain fall  
Demand for  
agrochemicals decreased.

Rainfall will increase.

### North America

Advance shipments due to  
concerns about shipping  
Inventories were adjusted.

Logistics is tight  
but will improve gradually  
and inventories will normalize.

We expect that we will be able to compensate for delayed overseas agrochemical sales.



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## **2. Revision of Consolidated Financial Forecasts for FY2024**

# Revision of FY2024 Consolidated Financial Forecast

¥100 million	Previous Forecast (May 14, 2024)			Newly Revised Forecast (Aug. 9, 2024)				FY2023 (Results)
	1H	2H	FY2024	1Q	1H	2H	FY2024	
Net Sales	1,960	2,290	4,250	981	1,970	2,290	4,260	3,997
Operating Profit	151	222	373	86	170	222	392	354
Ordinary Profit	147	217	364	97	169	215	384	357
Profit attributable to owners of parent	98	132	230	68	117	125	242	229
Net profit per share - yen /share -	96.0	129.2	225.2	66.8	114.6	122.4	237.0	224.9

		FY2024 Assumption
Exchange Rate	¥/\$	140.00
	¥/€	152.00
Naphtha	¥/KL	68,000

Exchange Rate Sensitivity  
(current fiscal year)

¥△0.1 bn

¥△0.03 bn

Impact of the yen appreciating one yen on operating profit

Note : Amounts are expressed in units of 100 million yen and have been rounded off and Net profit per share are rounded to the second decimal place.



# FY2024 Consolidated Forecast - By Segment-

¥100 million	Previous Forecast			Newly Revised Forecast				Amounts	FY2023 (Results)
	1H	2H	FY2024	1Q	1H	2H	FY2024		
Net Sales	1,960	2,290	4,250	981	1,970	2,290	4,260	10	3,997
Chemicals	1,131	1,170	2,301	564	1,158	1,170	2,328	27	2,041
Polymer additives	561	578	1,139	277	586	578	1,164	25	1,004
Electronics and IT materials	218	230	448	107	214	230	444	△ 4	390
Functional chemicals	352	362	714	179	358	362	720	6	646
Food Products	410	427	837	209	400	427	827	△ 10	840
Life Science	387	658	1,045	192	387	658	1,045	—	1,030
Others	32	35	67	14	25	35	60	△ 7	86
Operating Profit	151	222	373	86	170	222	392	19	354
Chemicals	125	133	258	75	138	133	271	13	236
Polymer additives	40	41	81	31	49	41	90	9	79
Electronics and IT materials	53	59	112	23	55	59	114	2	97
Functional chemicals	32	33	65	20	34	33	67	2	59
Food Products	16	21	37	13	23	21	44	7	41
Life Science	8	65	73	▲ 3	8	65	73	—	59
Others	2	3	5	1	1	3	4	△ 1	17

Unchanged

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

# Topics : Organizational Change in the Chemicals Business①

Jul. 2024

The Chemicals Div. and the Research and Development Div. were abolished, and the **Electronic materials Div.** and the **Environmental materials Div.** have been established.

## Electronic materials Div.

Focus on “Semiconductors” as a top priority

Expanding sales channels: Being involved in logic ICs and post processes in addition to memory

New materials  
Semiconductor peripheral materials

Proactive Investment

## Environmental materials Div.

Focus on “the Environment” as a top priority

- Narrowing the focus to restructure the business
- Commercializing battery materials as quickly as possible

Carbon-neutral

Promote energy

People- and eco-friendly

Strengthening the cooperation between Sales, Research, and Planning and responding to needs promptly

Aiming to expand the businesses



# Topics : Organizational Change in the Chemicals Business②

As of FY2024/2Q, the Chemicals sub-segments have been renamed in line with the organizational change

【 At Present 】	【 FY2024/2Q ~ 】
Segment	Segment
Chemicals	Chemicals
<i>Polymer additives</i>	<i>Polymer additives</i>
<i>Electronics and IT materials</i>	<i>Electronic materials</i>
<i>Functional chemicals</i>	<i>Environmental materials</i>
Food Products	Food Products
Life Science	Life Science
Other	Other

Battery materials will be included in environmental materials.

Research phase

Commercialization  
as quickly as possible

■ Corporate research  
(New areas, exploration research)

Battery materials

The impact on segment results  
will be minor and insignificant.

Environmental materials

# Topics : Acquisition of Treasury Shares and Inclusion in Indices

## Acquisition of Treasury Shares

Aug. 2024

Acquiring treasury shares through off-floor purchases

Acquisition Price

**¥3,012**  
/shares

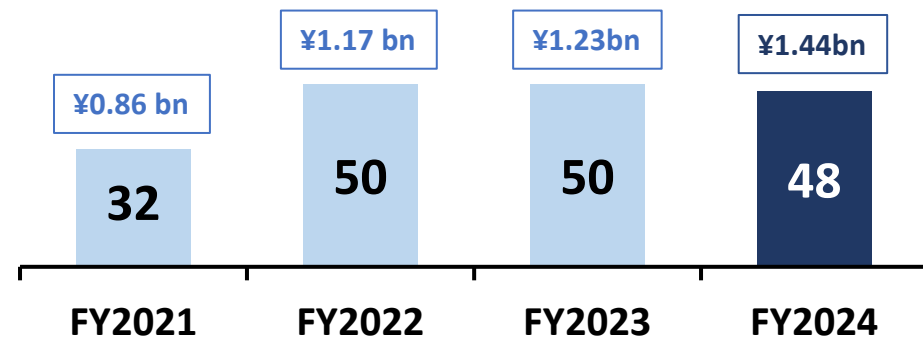
Number of  
Shares Acquired

**480 k shares**

Acquisition Cost

**¥1.4 bn**

Unit : 10 thousand shares



Note : The acquisition price was the closing price on Aug. 22, the date of the resolution of the Board of Directors.

## Inclusion in Indices

Aug. 2024

**ADEKA (TSE 4401)**

was selected to be a constituent stock of  
**the “JPX-Nikkei Index 400”**

Selected for the second consecutive year  
(FY2023 and FY2024)



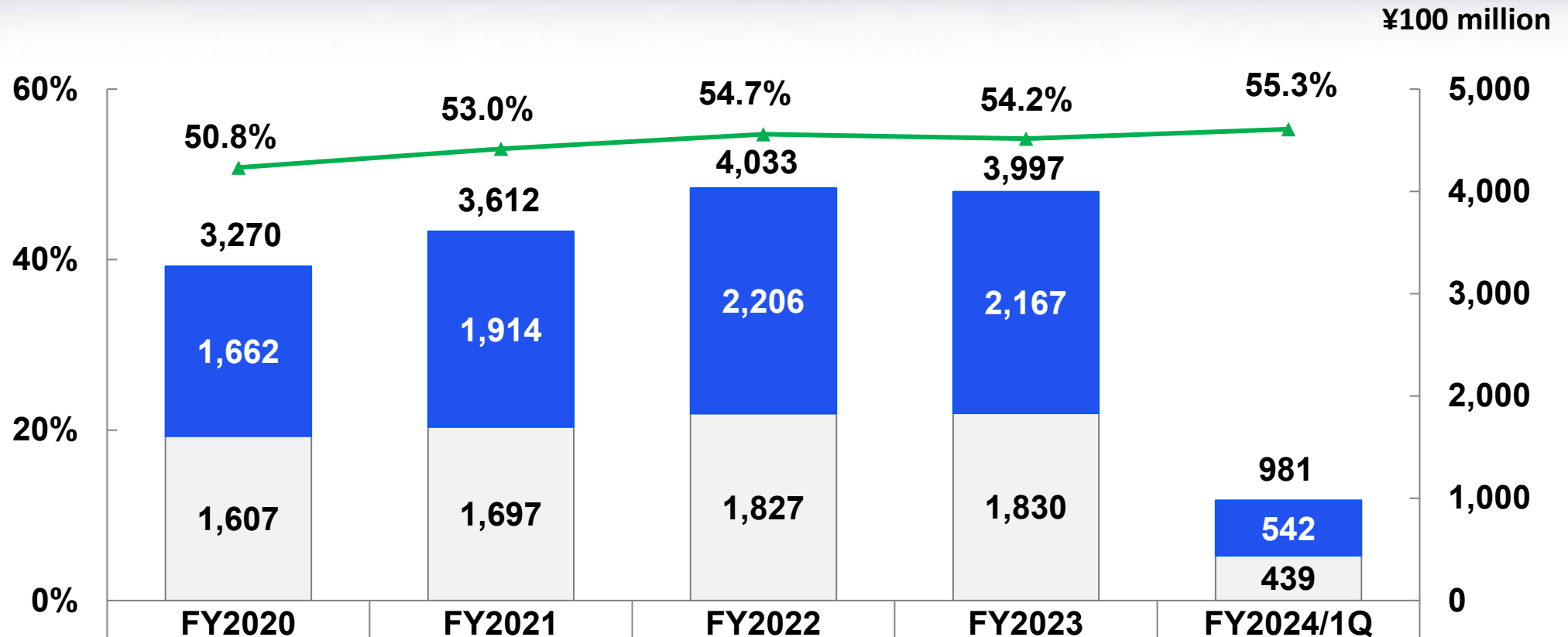
**JPX-NIKKEI 400**

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### 3. For Reference

# Overseas Sales - For Reference -

3.For Reference



	FY2020	FY2021	FY2022	FY2023	FY2024/1Q
Overseas Sales	1,662	1,914	2,206	2,167	542
Domestic Sales	1,607	1,697	1,827	1,830	439
Overseas Sales Ratio	50.8%	53.0%	54.7%	54.2%	55.3%
Net Sales	3,270	3,612	4,033	3,997	981

Note 1 : Figures are expressed in units of 100 million yen and have been round off and Ratio are rounded to the second decimal place.

Note 2 : FY2021 are the figures after retrospective application of a change in accounting policy.



# Overview of the New Mid-Term Management Plan ADX 2026

3.For Reference

		FY2024 Forecast	FY2026 Target
Financial Indicators	Operating Profit	¥39.2 billion (Net Sales : ¥426 billion)	¥53.0 billion (Net Sales : ¥500 billion)
	ROE	8.5%	11.0%
	ROIC	—	10.5%
Sustainability Indicators	Sales of Eco-friendly Products	—	¥115 billion
	GHG Emission	—	199 thousand t-CO2e
	Ratio of women in managerial positions	—	6% or more (non-consolidated)
Capital Investment Amount		¥20.7 billion / FY	¥75 billion (3 fiscal years)
Dividend Policy (Dividend Payout Ratio)		40%	40% or more

Note : Figures are expressed in units of 100 million yen and have been round off and Ratio are rounded to the second decimal place.



**Add Goodness**



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## FY2024/1Q Supplemental Documents for Financial Results Overview

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

# 1 Consolidated Balance Sheet

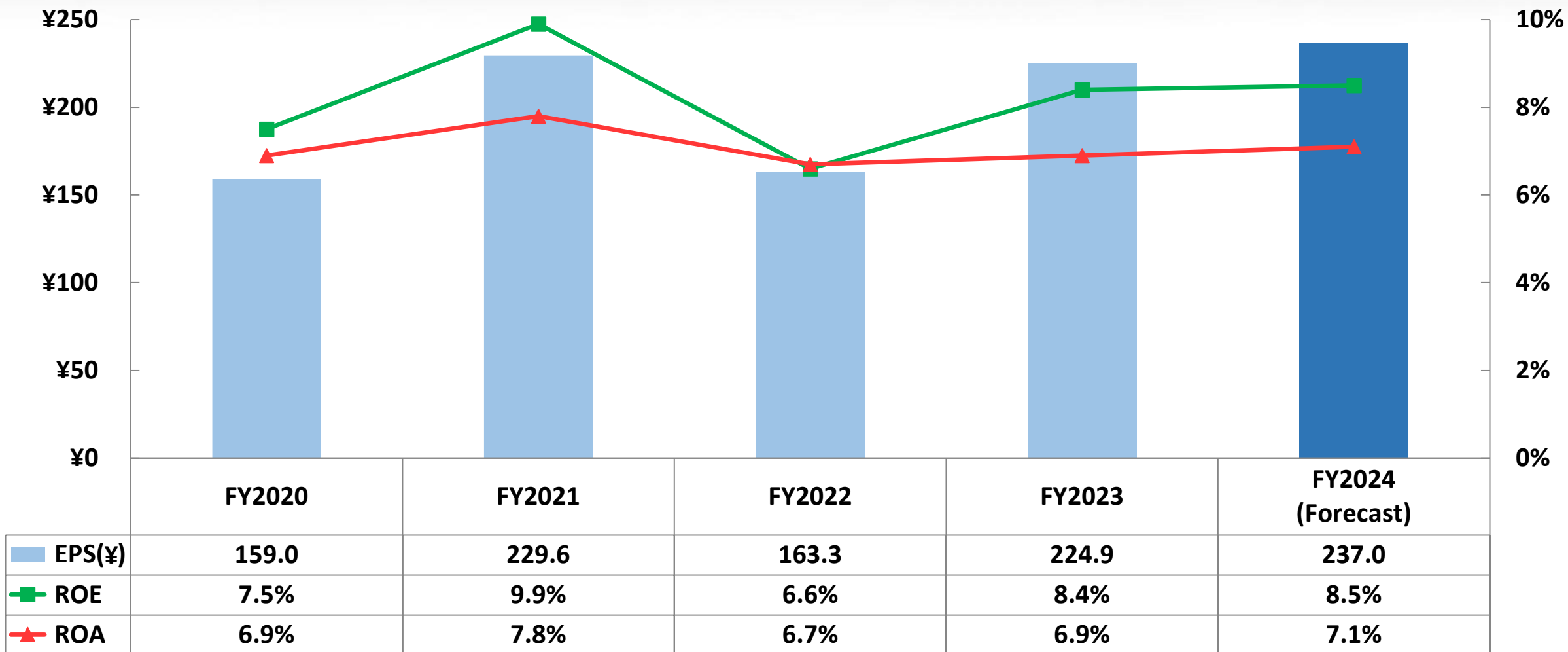
## 1. Supplementary Data for the Consolidated Closing of Accounts

¥100 million	As of Mar. 31, 2024	As of Jun. 30, 2024	Change		As of Mar. 31, 2024	As of Jun. 30, 2024	Change
<b>Current Assets</b>	<b>3,465</b>	<b>3,409</b>	△ 56	<b>Liabilities</b>	<b>2,033</b>	<b>1,983</b>	△ 50
Cash and deposits	984	938	△ 46	Current liabilities	1,344	1,242	△ 102
Notes and accounts receivable – trade, etc.	1,169	1,138	△ 30	Long-term liabilities	689	740	51
Inventories	1,146	1,176	30	<b>Net Assets</b>	<b>3,396</b>	<b>3,455</b>	58
Other	166	155	△ 10	Shareholders' equity	2,529	2,546	16
<b>Fixed Assets</b>	<b>1,964</b>	<b>2,029</b>	64	Capital stock	230	230	-
Tangible fixed assets	1,268	1,298	30	Capital surplus	201	202	0
Intangible fixed assets	164	163	△ 1	Retained earnings	2,131	2,148	16
Investment and other assets	531	566	35	Treasury stock	△ 33	△ 34	△ 0
				Accumulated other comprehensive income	321	361	40
				Minority interests	545	546	1
<b>Total Assets</b>	<b>5,430</b>	<b>5,438</b>	7	<b>Total Liabilities and Net Assets</b>	<b>5,430</b>	<b>5,438</b>	7

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

# 2 - 1 Profitability

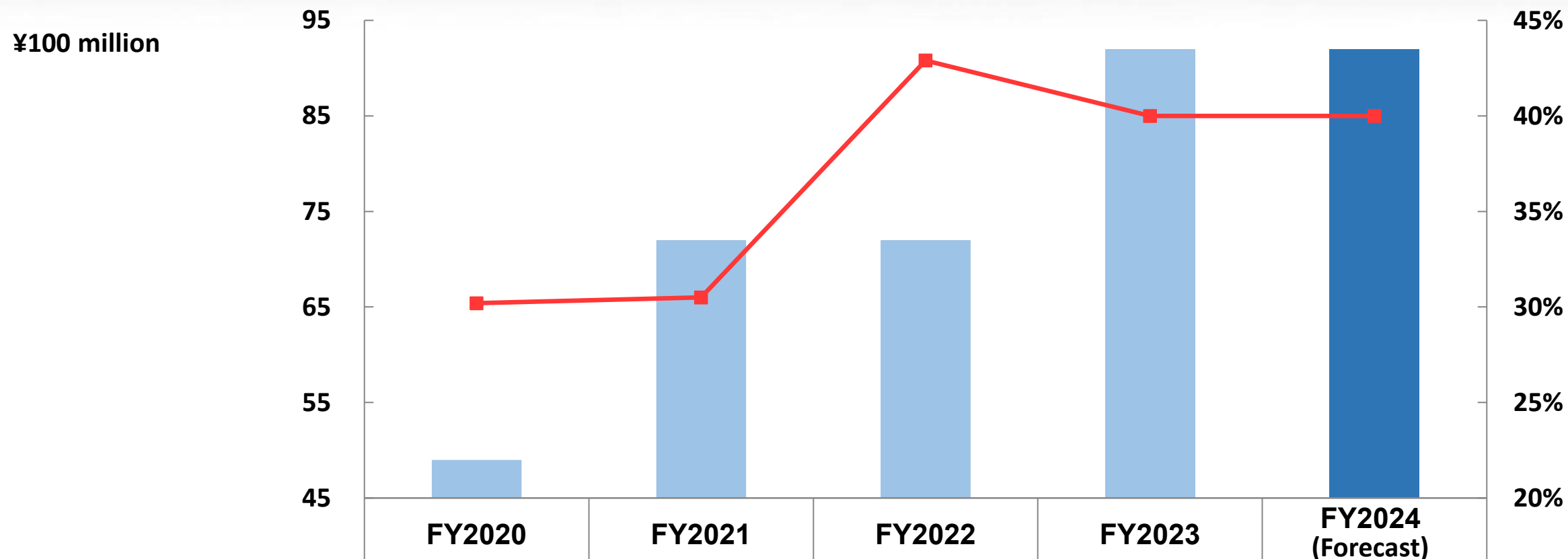
2. Management Indexes, etc.



Note 1 : Figures are expressed in units of 100 million yen and have been round off and Ratio are rounded to the second decimal place.

Note 2 : FY2021 are the figures after retrospective application of a change in accounting policy.

## 2 - 2 Dividends Payout Ratio and Dividends

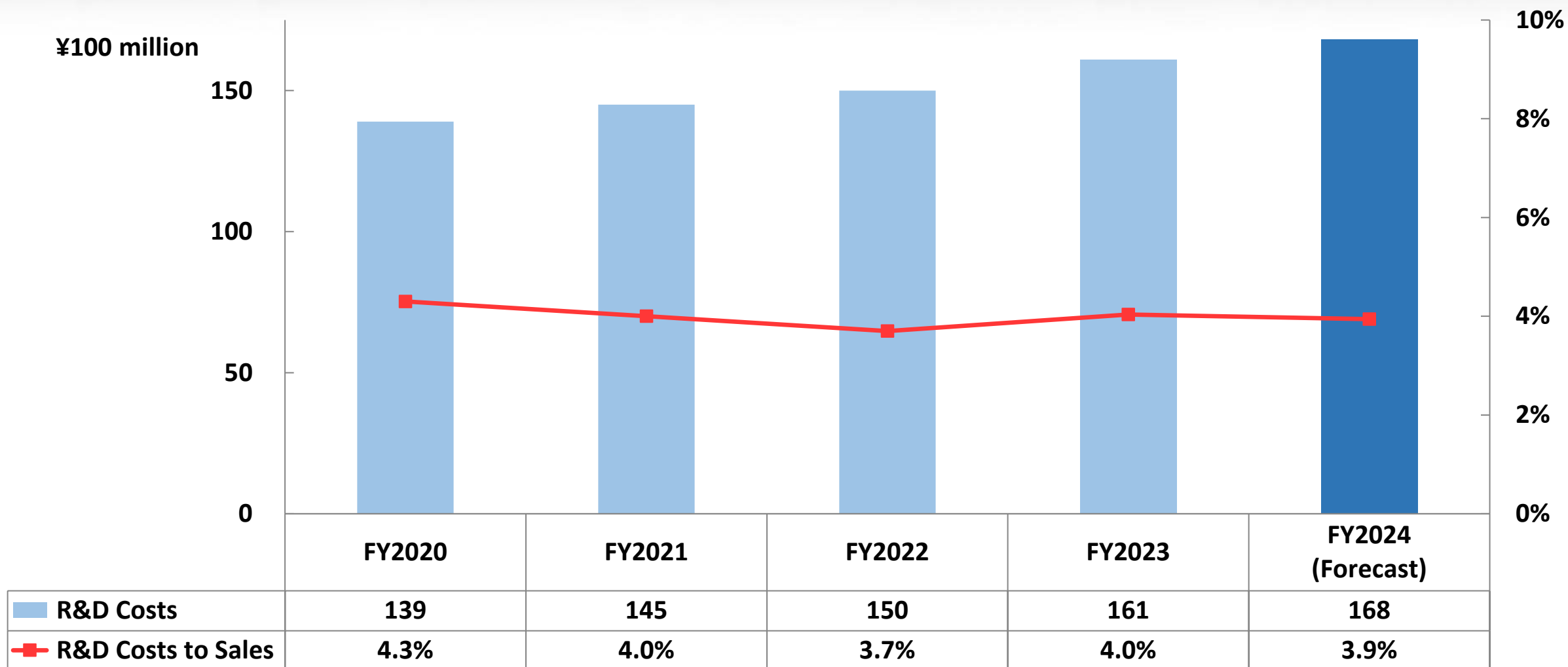


Note 1 : Figures are expressed in units of 100 million yen and have been round off and Ratio are rounded to the second decimal place.

Note 2 : FY2021 are the figures after retrospective application of a change in accounting policy. FY2024 are the figures dividend policy.

## 2 - 3 Research and Development Costs

2. Management Indexes, etc.



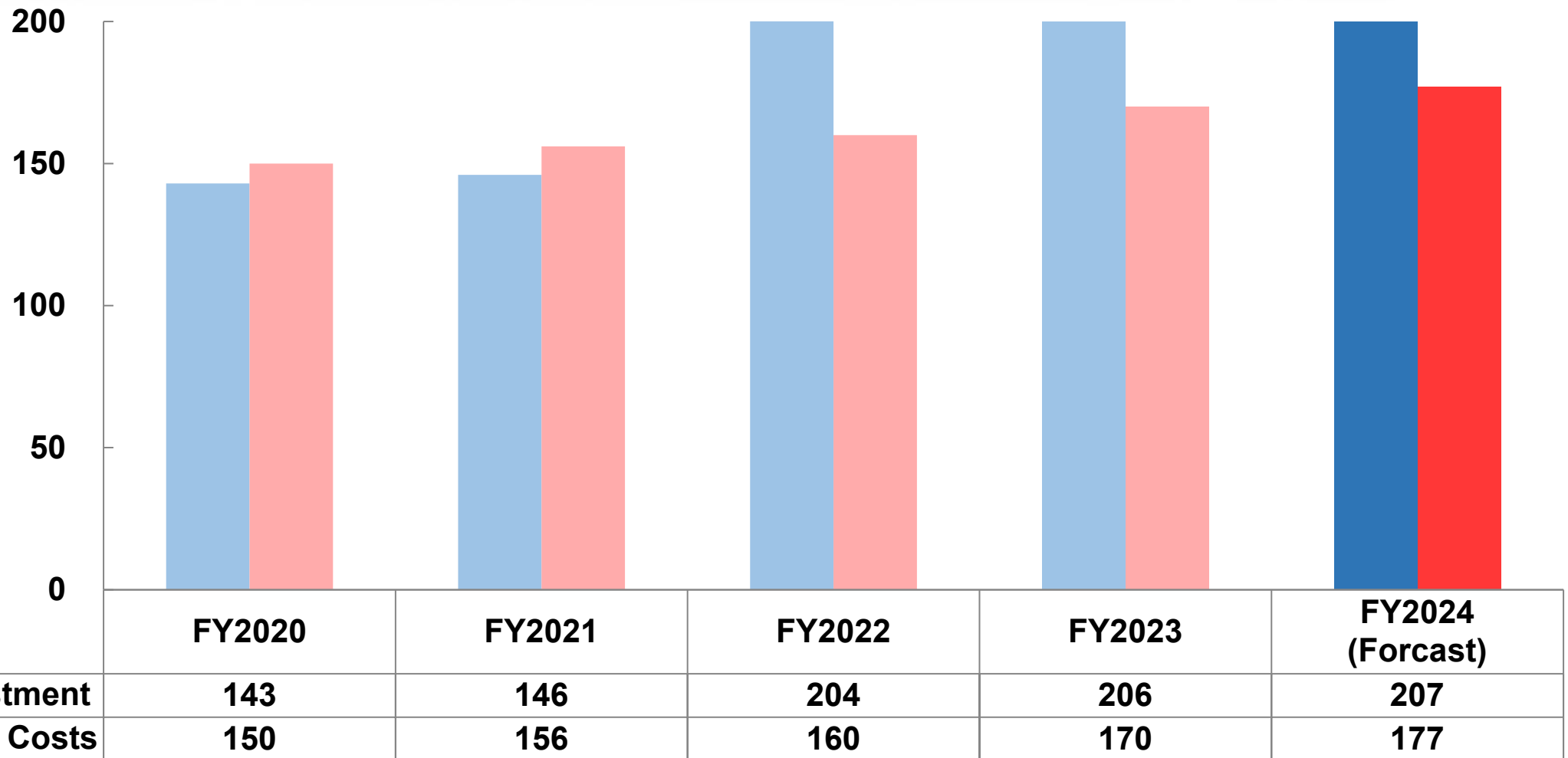
Note 1 : R&D costs are expressed in units of 100 million yen and have been rounded off and R&D costs to sales are rounded to the second decimal place.

Note 2 : Rate of R&D costs to sales (FY2021) are the figures after retrospective application of a change in accounting policy.

## 2 - 4 Capital Investment

2. Management Indexes, etc.

¥100 million

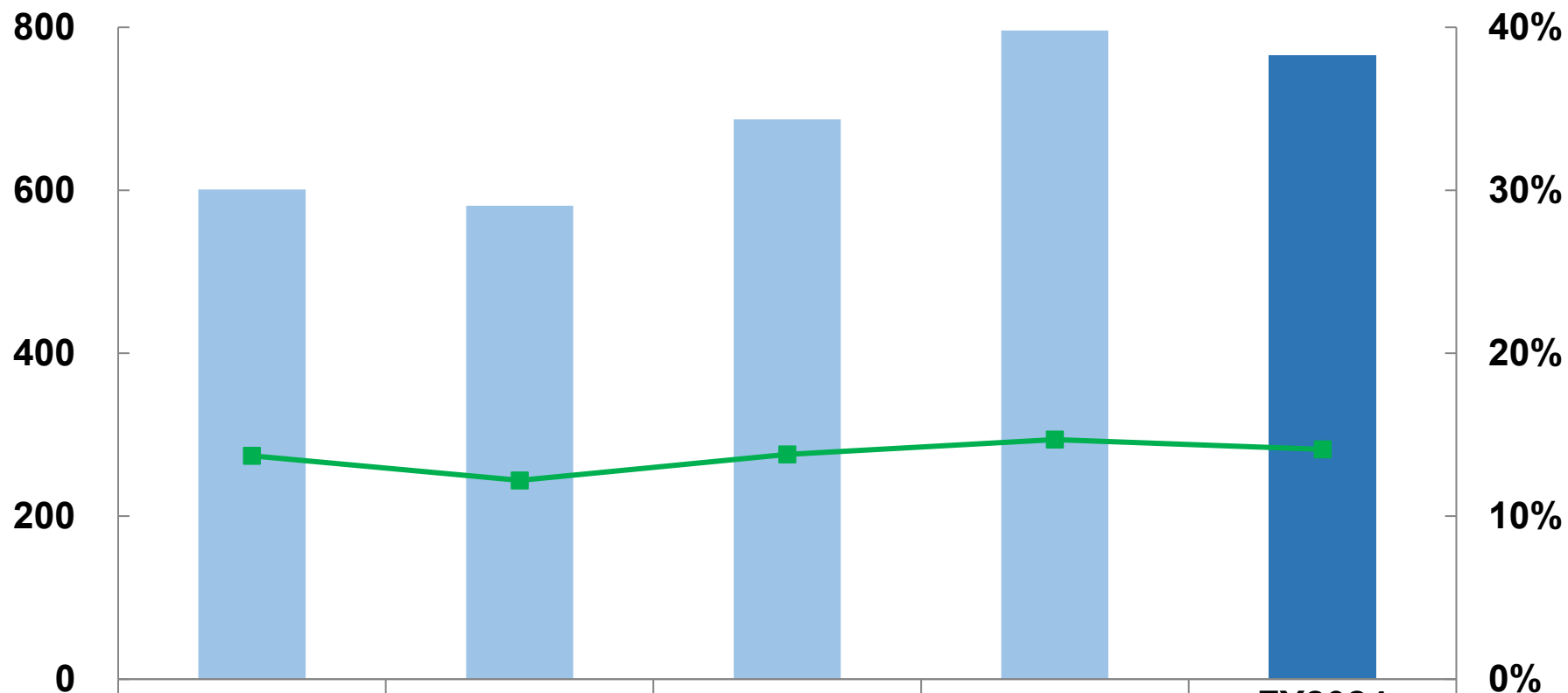


Note : Capital investment and depreciation are expressed in units of 100 million yen and have been rounded off.

## 2 - 5 Interest-bearing Liabilities

2. Management Indexes, etc.

¥100 million



Interest-bearing Dept	FY2020	FY2021	FY2022	FY2023	FY2024 /1Q
	601	581	687	796	766
Interest-bearing Dept Ratio	13.7%	12.2%	13.8%	14.7%	14.1%

Note : Interest-bearing dept are expressed in units of 100 million yen and have been rounded off and Interest-bearing dept ratio are rounded to the second decimal place.



### 3 Core Products of Each Business Segments

3. For Reference

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, Fats and oils for chocolate, frying and cooking fats and oils, Plant-based foods, Whipping cream, Kneading cream, Fillings, 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.

