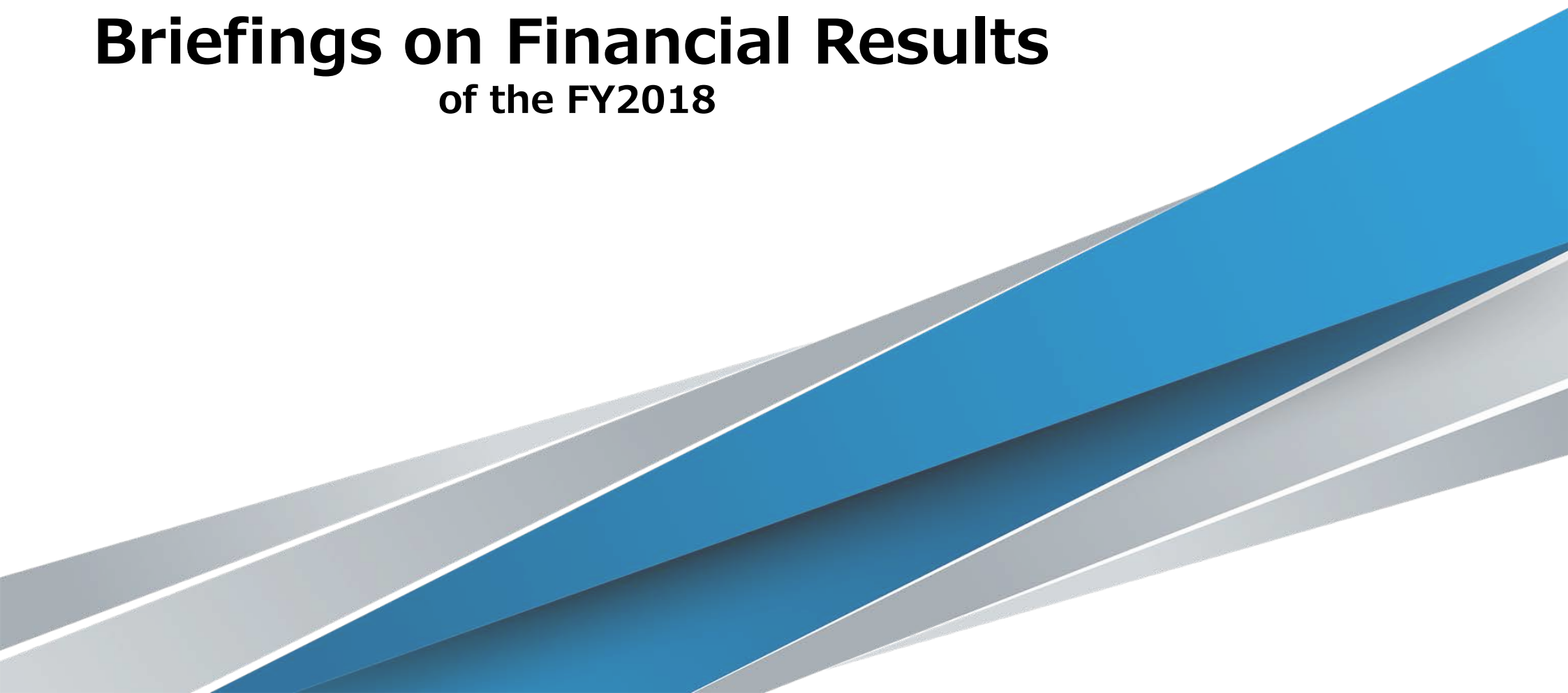


2018

ADEKA CORPORATION
Full-year Consolidated Financial Results

May 28, 2019

Briefings on Financial Results of the FY2018



Financial Results Overview

FY2018

April 1, 2018 – March 31, 2019

President and Chief Operating Officer
Hidetaka Shirozume

1. FY2018 Consolidated Performance
2. FY2019 Prospective Performance and Business Strategy
3. Progress of medium-term management plan *BEYOND 300*
4. For Your Reference

FY2018

Consolidated Performance

FY2018 Consolidated Performance

Consolidated

Seven consecutive years of increase in sales and profits

Unit: 100 million yen

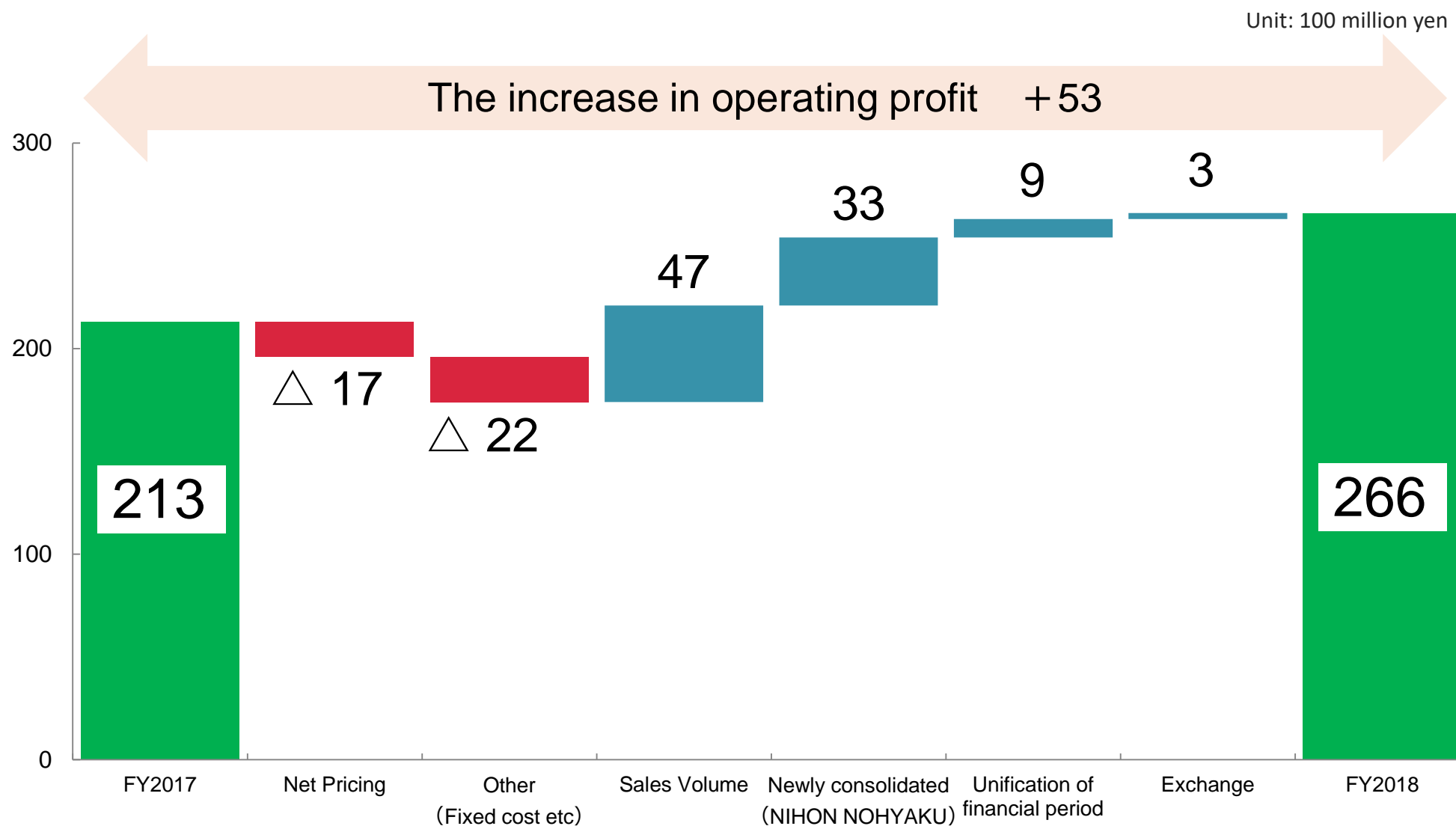
	FY2017	FY2018	Increase/ decrease	Increase/ decrease ratio : %
Net sales	2,396	2,993	597	24.9
Operating profit	213	266	53	24.9
Ordinary profit	223	266	42	19.1
Profit attributable to owners of parent	153	170	17	11.1
Net profit per share - yen/share -	149.2	165.8	16.6	
Dividend - yen/share -	39	45	6	

Record high
/ four consecutive years

- Sales increased after both chemicals and food products attained brisk sales.
- Operating profit grew overall, following favorable sales of electronics and IT materials, although profit was significantly affected by higher raw material costs, as well as by increased fixed costs due to active capital investment for future growth of both chemicals and food products.

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

Analysis of Operating Profit



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

Impact of newly consolidated and unification of financial period

Consolidation of NIHON NOHYAKU, etc.

- Added the performance of NIHON NOHYAKU and its nine subsidiaries to ADEKA's consolidated performance from the 3rd quarter of FY2018.

- | | |
|-------------------|--------------------------|
| • NIHON NOHYAKU | • Nichino America |
| • Nichino Ryokka | • Taiwan Nihon Nohyaku |
| • Nichino Service | • Nichino India |
| • Nihon Ecotech | • Nichino Chemical India |
| • AgriMart | • Sipcam Nichino Brasil |

Unit: 100 million yen

	Influence amount
Net sales	344
Operating profit	33

Unification of financial period

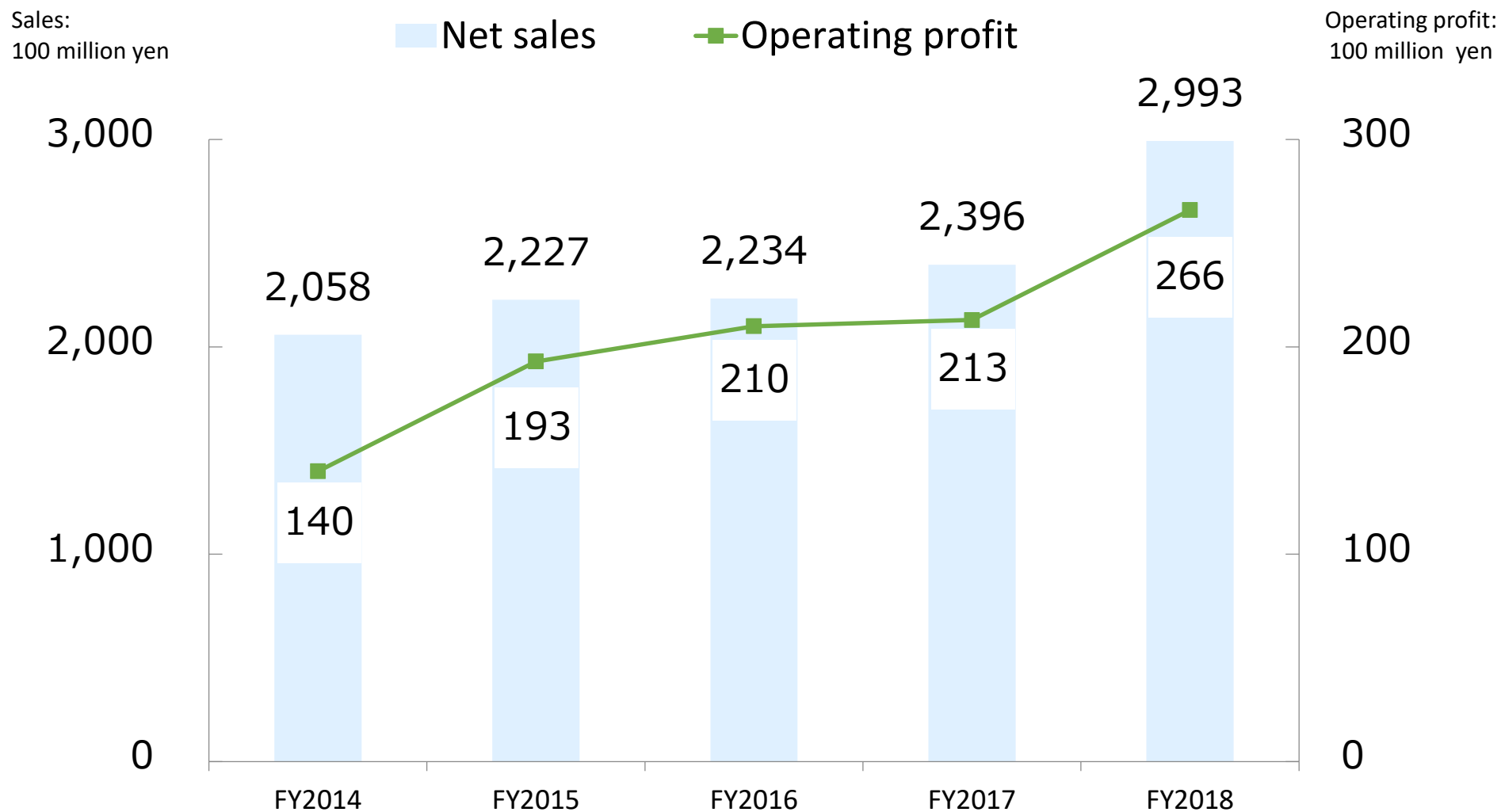
- FY-end of the three consolidated subsidiaries was changed from the December to March.
- The 15-month performance of the three companies was added to the consolidated performance of FY2018.

- | |
|----------------------------------|
| • ADEKA KOREA |
| • ADEKA POLYMER ADDITIVES EUROPE |
| • ADEKA FOODS (ASIA) |

Unit: 100 million yen

	Influence amount
Net sales	98
Operating profit	9

Trends in Consolidated Performance



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

Consolidated Performance - By segment -

Unit: 100 million yen

Consolidated

	FY2017	FY2018	Increase/ decrease	Increase/ decrease ratio : %
Sales	2,396	2,993	597	24.9
Chemicals	1,585	1,807	221	14.0
<i>Polymer additives</i>	825	946	120	14.7
<i>Electronics and IT materials</i>	232	301	69	29.7
<i>Functional chemicals</i>	528	559	31	6.0
Food products	698	717	18	2.7
Life science	—	344	344	—
Other	111	123	12	11.3
Operating profit	213	266	53	24.9
Chemicals	197	215	18	9.5
<i>Polymer additives</i>	73	69	△ 4	△ 5.7
<i>Electronics and IT materials</i>	52	82	29	56.3
<i>Functional chemicals</i>	71	64	△ 6	△ 9.2
Food products	13	12	△ 1	△ 9.3
Life science	—	33	33	—
Other	2	4	2	99.2

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

Polymer additives : Increase in sales/decrease in profit

Consolidated

1. Additives for polyolefins, which are mainly used in automobiles, electrical appliances and food packaging and containers, sales expanded in Europe, the Middle East and South America, resulting in a strong sales trend of general-purpose antioxidants and other related products. In addition, sales of light stabilizers increased for automobile components in Europe.
 2. Flame retardants for engineering plastics used in electrical appliance housing and cases, business expanded with the strength of stable supply, reflecting strong sales, particularly in China.
 3. PVC stabilizers and plasticizers, sales of plasticizers for rubber used in automobile components were strong, whereas sales of stabilizers for PVC used in building materials and others were weak due to intensified competition in North America. Overall, sales fell slightly below the level of the previous year.
- ◆ Polymer additives overall, due to the increased fixed costs caused by the impact of higher raw material prices and active capital investment, profits declined overall.

Unit: 100 million yen

	FY2017	FY2018	Increase/decrease
Sales	825	946	120
Operating profit	73	69	△ 4

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

Electronics and IT materials : Increase in both sales and profit

Consolidated

1. Information media materials, along with the trend of higher-definition, large LCDs, sales of photo (light) curing resins, which increase the adherence of substrates in optical films, and sales of photoinitiators, which contribute to achieving high optical sensitivity and transparency in photoresists, trended strongly.
In addition, sales of materials for semiconductor photolithography including photoacid generators grew throughout the period.
2. Electronic materials, despite slow demand for memory in data centers and other locations after the 4th quarter, sales of dielectric constant materials used in DRAM and 3D-NAND grew strongly throughout the year.
In addition, sales of etching chemicals and other products for LCD-related items showed a firm rise.

Unit: 100 million yen

	FY2017	FY2018	Increase/decrease
Sales	232	301	69
Operating profit	52	82	29

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

Functional Chemicals : Increase in sales/decrease in profit

Consolidated

1. In surface specialties, lubricant additives that contribute to improving fuel efficiency and reducing CO₂ emissions in automobiles showed strength in Japan and overseas.
Sales of special surfactants for cosmetics were strong, especially outside Japan.
 2. In functional polymers, sales of waterborne resins used for paints and others remained robust.
Moreover, sales of epoxy resin-related products used for adhesion in electronics, which are installed in automobiles and others, were strong.
 3. In industrial chemicals, sales of propylene glycols for daily necessities such as toiletries and cosmetics remained firm.
In addition, sales of peroxygen chemicals showed underlying strength, remaining at the level of the previous year.
- ◆ Functional chemicals overall, due to the increased fixed costs caused by the impact of higher raw material prices and active capital investment, profits declined overall.

Unit: 100 million yen

	FY2017	FY2018	Increase/decrease
Sales	528	559	31
Operating profit	71	64	△ 6

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

Food Products : Increase in sales/decrease in profit

Consolidated

1. In Japan, the focus on sales of strategic products contributed to the firm sales of products such as functional margarine for use in bakery products and confectioneries, which helps to improve texture and flavor and is also labor saving.
However, sales of cream products used for daily items were sluggish due to factors such as the impact from natural disasters and increasing awareness of food waste.
 2. Overseas, the company achieved strong sales of margarine and shortening for use in bakery products and confectioneries in China and Southeast Asia by strengthening its sales system and developing products that meet local needs.
- ◆ The food business as a whole, despite efforts to rectify profitability, profits declined as a result of rising prices for raw materials such as milk ingredients.

Unit: 100 million yen

	FY2017	FY2018	Increase/decrease
Sales	698	717	18
Operating profit	13	12	△ 1

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

Segmental Information : Life Science

Consolidated

1. In agrochemicals, the company achieved robust sales especially with *DANIKONG*, a key miticide product in Japan, and *PARADE*, a new fungicide product for gardening.
2. Overseas, sales in South America were firm, following increasing demand due to recovery in the Brazilian market. However, sales in Asia were weak due to customers' prolonged inventory adjustments caused by factors such as unseasonable weather in the previous year.
3. Income from agrochemical-related technical know-how fees was on the rise due to an increase in sales of the applicable items in out-licensing destinations.
4. In pharmaceuticals, sales of *Luliconazole*, an antifungal agent for external application, grew strongly in the trichophytosis unguium field.

Unit: 100 million yen

	FY2017	FY2018	Increase/decrease
Sales	—	344	344
Operating profit	—	33	33

Note 1 : Figures are expressed in units of 100 million yen and have been rounded off.

Note 2 : Life Science segment established in the second quarter of FY 2018.

FY2019 Prospective Performance and Business Strategy

The FY2019 Prospective Performance

Unit: 100 million yen

Consolidated

	FY2019			FY2018	Increase /decrease	Increase/ decrease ratio : %
	1st half - Forecast -	2st half - Forecast -	Whole FY - Forecast -			
Sales	1,610	1,790	3,400	2,993	406	13.6
Operating profit	106	161	267	266	0	0.2
Current profit	104	165	269	266	2	1.1
Profit attributable to owners of parent	67	105	172	170	1	0.8
Net profit per share - yen/share -	65.1	102.0	167.0	165.8	1.2	
Dividend - yen/share -	24	24	48	45	3	

		1st half FY2019 Prerequisite	FY2018
	¥ / \$	110.00	110.90
Exchange rates	¥ / €	128.00	128.40
Naphtha	¥ / KL	47,000	49,400

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

Prospective Performance - By segment -

Unit: 100 million yen

Consolidated

	the 1st half (a)	the 2nd half (b)	FY2019 (a+b)	FY2018 (c)	Increase /Decrease (a+b-c)	Increase /decrease ratio : %
Sales	1,610	1,790	3,400	2,993	406	13.6
Chemicals	894	906	1,800	1,807	△ 7	△ 0.4
<i>Polymer additives</i>	466	464	930	946	△ 16	△ 1.7
<i>Electronics and IT materials</i>	150	160	310	301	8	2.7
<i>Functional chemicals</i>	278	282	560	559	0	0.0
Food products	366	402	768	717	50	7.0
Life science	290	420	710	344	365	106.3
Other	60	62	122	123	△ 1	△ 1.6
Operating profit	106	161	267	266	0	0.2
Chemicals	99	110	209	215	△ 6	△ 3.2
<i>Polymer additives</i>	33	33	66	69	△ 3	△ 4.5
<i>Electronics and IT materials</i>	38	45	83	82	0	1.1
<i>Functional chemicals</i>	28	32	60	64	△ 4	△ 7.3
Food products	7	13	20	12	7	59.0
Life science	△ 2	36	34	33	0	2.3
Other	2	2	4	4	△ 0	△ 13.2

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

Business Strategy - Polymer additives -

Target market

Automobile

Packaging related
• Food packaging
• Container etc.

IT,
Home appliances,
Building materials

Priority measures

- Expand sales of nucleating/clarifying agents, which have been enhanced in facilities
- Further expand sales of general-purpose antioxidants and flame retardants to meet strong demand
- Strengthen sales of PVC stabilizers and plasticizers by developing low-price products

For example

Nuclating agent, Light stabilizers : Panel
Plasticizers, PVC stabilizers : Dashboard, Sheet

Automobile



Nuclating agent, Light stabilizers :
Bumper

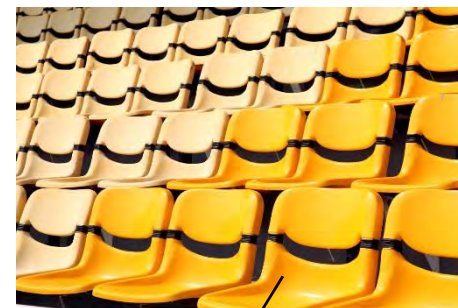
Plasticizers, PVC stabilizers :
Undercoating, Rubber parts

Packaging related



Clarifying agents, Light stabilizers,
Antioxidants : Food container etc.

Building material, etc.



Flame retardants :
Stadium chair etc.

Target market

Display

Semiconductor

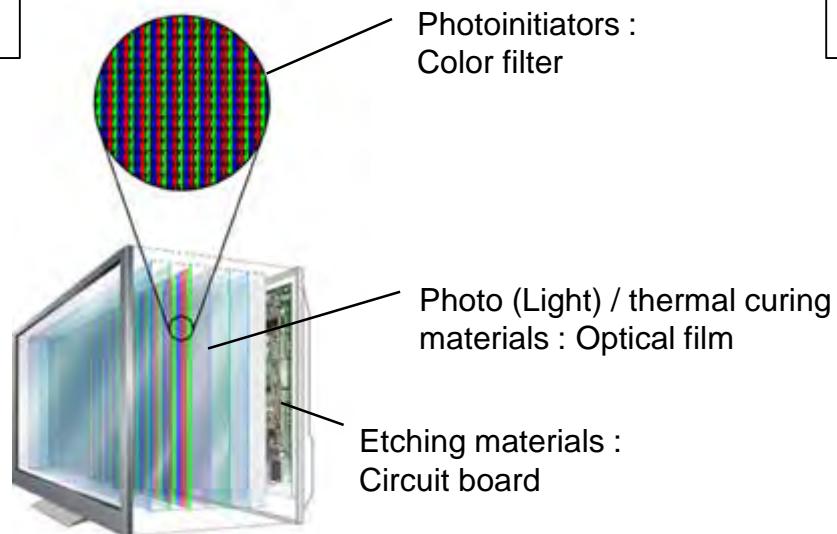
Electronic parts
• circuit board etc.

Priority measures

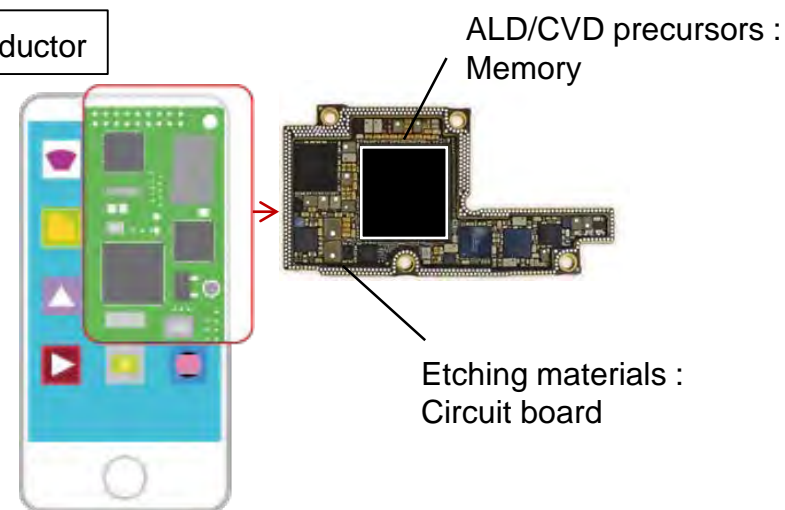
- Expand sales of photo (light) / thermal curing resins for optical films
- Stably supply products for semiconductor memory and launch new products

For example

LCD



Semiconductor



Business Strategy - Functional chemicals -

Target market

Cosmetics,
toiletries

Lubricant

Coating,
adhesion related

Priority measures

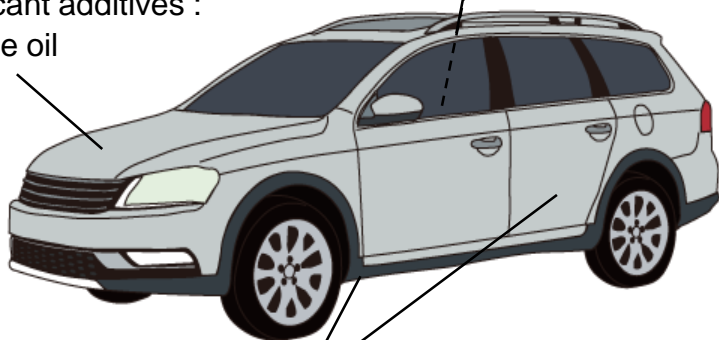
- Expand sales of engine oil additives in the U.S. and China
- Strengthen the promotion of cosmetic ingredients and expand sales in Europe and Asia
- Expand sales of epoxy resins for automobiles and other applications

For
example

Automobile

Functional polymers :
Cushion, Sheet

Lubricant additives :
Engine oil



Functional polymers :
Undercoating, Paint, Structural adhesive

Cosmetics - Ingredients -

Glycol for cosmetics :
Moisturizing agents



Gelling agent :
Cosmetic base

Propylene glycol : Moisturizing agents

Business Strategy - Food products -

Target market

Baking

Confectionery

Western
confectionery,
dessert

For
example



▲ Product example using processed fats and oils : Margarine, Shortening etc.

Priority measures

- Strengthen the business' foundations in Japan
– Expand sales of new and strategic products –
- Accelerate business development outside Japan
– Increase production capacity
and strengthen the sales system in China –



▲ Product example using processed food : Cream etc.

Target market

Agrochemicals

Pharmaceuticals

Regenerative medicine,
Preventive medicine,
Improvement of the quality of life

For
example

Fungicide for paddy rice,
Plant Growth Regulator
FUJI-ONE
- Launched in 1975 -



Active ingredient for Topical
antifungal agent
• **Laniconazole**
• **Luliconazole**



Priority measures

- Strengthen the agrochemicals and pharmaceuticals business's foundations and expand the business scale
NIHON NOHYAKU Group
- Promote the commercialization of regenerative medicine materials by acquiring ISO 13485 certification
Life Science Materials Laboratory, Kashima Plant-West

* ISO 13485 :
International standard concerning QC system for medical devices.
This involves specifying rules concerning the design, development, manufacturing, maintenance and other related products, with a purpose of stably supplying a certain quality.



▲ Medical Material Research Laboratory
- Kashima Plant-West -

Progress of medium-term management plan *BEYOND 300*

The mid-term management plan

Progress of "BEYOND 300"

	FY2018 1st year of <i>BEYOND 300</i>	FY2019 2nd year of <i>BEYOND 300</i>	FY2020 Final-year of <i>BEYOND 300</i>
Consolidated sales	299.3 billion yen	340.0 billion yen	Over 300 billion yen - Via organic growth -
Organic growth	255.0 billion yen	269.0 billion yen	
Operating income margin	8.9%	7.9%	10%
ROE	8.5%	8.4%	10%
Investment and finance	36.2 billion yen/year	—	100 billion yen/3 years
Capital investment	17.4 billion yen/year	16.0 billion yen/year	50 billion yen/3 years
M&A funds	18.8 billion yen execution	—	50 billion yen/3 years
Dividend	Dividend payout ratio 27.1%	Dividend payout ratio 28.7%	Dividend payout ratio 30% (Target for the final year of the plan after incremental increases)

- Achieved favorable progress and strengthened confidence for the final-year management targets.
- In FY 2018, forged ahead with the expansion of business scale through active capital investment, the strengthening of alliances and the development of new domains through M&A.

* 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 -

Create synergy with NIHON NOHYAKU

ADEKA's additional acquisition of up to 51% of shares converted NIHON NOHYAKU into a consolidated subsidiary

▶ We promote activities such as exchange among human resources, mutual benefits in the R&D and shared use of sales channels, manufacturing technologies and bases, and other resources.

R&D	◆ Search for collaborative research themes especially in the life science field	<ul style="list-style-type: none">◆ Aim to transfer our products to agrochemical adjuvants and started considering the transfer thickening or gelling agents to spreading agents.◆ Started searching for new cosmetic ingredients using NIHON NOHYAKU's compound database.<ul style="list-style-type: none">- Approx. 230,000 compounds -
Industrial science	◆ Establish the entrusting manufacture system between both companies	<ul style="list-style-type: none">◆ Share technical information about entrusting candidate products with NIHON NOHYAKU, and started to confirm the availability and viability of manufacturing.
Purchasing & Distribution	◆ Reduce costs with such measures as jointly purchasing common ingredients etc.	<ul style="list-style-type: none">◆ Selected items applicable to these joint purchases. Promptly establish joint purchase schemes and take measures to reduce costs.
Others	◆ Link management accounting systems	<ul style="list-style-type: none">◆ Made plans with a view to integrate management accounting systems within five years.

Capital investment for growth

Polymer additives

- The Mie Plant increases the production capacity of **additives for polyolefins (e.g. light stabilizers)** and commences commercial operation. 【Mar. 2018】
- China-based ADEKA FINE CHEMICAL (ZHEJIANG) CO., LTD. is constructing a new plant for **chemicals such as polymer additives**. 【Scheduled to be completed in summer 2019】
- The Mie Plant is enhancing facilities for the production of **additives for polyolefins (e.g. nucleating/clarifying agents and antioxidants)**. 【Scheduled to be completed in July 2019】

Chemicals

- The Chiba Plant increases the production capacity of functional **cosmetic Ingredients** and commences commercial operation. 【Oct. 2018】
- Kashima Plant and ADEKA KOREA CORP. plan to sequentially enhance facilities for the production of **dielectric constant materials for semiconductors**.
- At ADEKA KOREA CORP., the **R&D center for materials such as semiconductor materials** is planned to be expanded. 【Scheduled to be completed in Oct. 2019】
- The Soma Plant is enhancing facilities for the production of **lubricant additives**. 【Scheduled to be completed in Aug. 2019】
- The Chiba Plant is enhancing facilities for the production of **water-borne polyurethane**. 【Scheduled to be completed in July 2019】
- At ADEKA (CHINA) CO.,LTD., **a new development center for products including water-borne resins** is planned to be built. 【Scheduled to be completed in July 2019】

Food products

- China-based ADEKA FOODS (CHANGSHU) CO., LTD. increases the production capacity of **processed foods** and commences commercial operation. 【Oct. 2018】
- The Kashima Plant-west increases the production capacity of **whipping cream** and commences commercial operation. 【Mar. 2019】
- ADEKA FOODS (CHANGSHU) CO., LTD. is enhancing facilities for the production of **processed fats and oils**. 【Scheduled to be completed in Aug. 2019】

- Plant of ADEKA FINE CHEMICAL (ZHEJIANG) CO., LTD. under construction
-Business operation planned to start in 2020 -



▲ As of Sep. 2017



▲ As of Mar. 2019

New product development - Polymer additives -

- **Flame retardant for engineering plastics, which realizes thin, non-flammable and strong plastics "ADK STAB FP-900L"**

Innovation - new value creation -

With an accelerating trend of thinner and lighter electrical appliances, automobiles etc., even thinner housing and cases are also in demand.

Although it was difficult to add a flame retardant property to thin resins while maintaining their strength using conventional technologies, it was enabled through ADK STAB FP-900L.

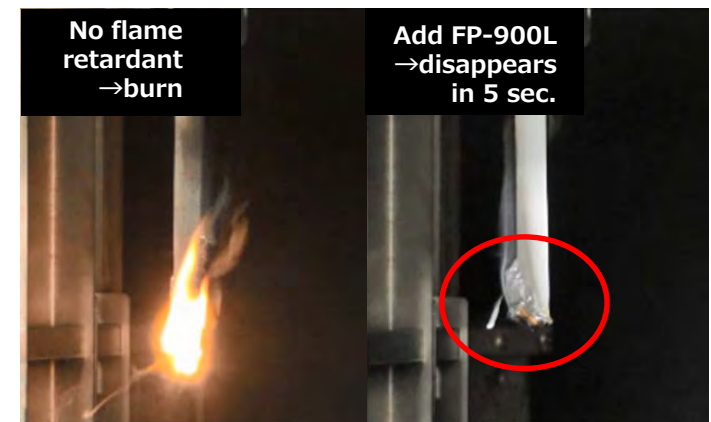
	When thinning the resin	
	Flame retardance	Heat resistance - Strength -
FP-900L	○	○
Conventional product	○	△ or ×
No additive	×	○

Impact of development

- ✓ **For finished product makers:**
TVs, PCs and automobiles with thin and non-flammable properties.
- ✓ **For component makers:**
Achieved thin components used for housing and cases etc.
- From thin plate to film levels -
⇒ **Contributes to an affluent, comfortable and safe society.**

Characteristic

- ✓ **High flame retardant:**
Reached the highest classification of V-0 in UL-94V testing*
* The most common flame retardancy test in the world
- ✓ **Improved heat resistance:**
Adding FP-900L does not decrease the characteristics of resins
- ✓ **Environmentally Friendly:** Bisphenol-A free



▲ Flame retardant test on Polycarbonate ABS/UL-94V

New product development - Chemicals and Food products -

Chemicals

People- and eco-friendly, brand-new photo curing material a water-soluble UV curing material

Development background

Volatile organic compounds (VOCs) emitted mainly from organic solvents can cause air pollution and adversely affect the human body, resulting in the global tightening of VOC emissions. Accordingly, there is increasing demand for organic, solvent-free materials for UV ink, coating agents etc..

Characteristic

- ✓ Not using organic solvents minimizes risks to operators' health and environmental burdens such as air pollution.
- ✓ There is no need for organic solvents for photo curing materials with ADEKA's unique, water-soluble molecular structure design.

Main application

Printing ink, Coating agents, Photoresist materials, Circuit materials, Paints, Adhesives etc.

Received the Publicity Prize from the Public Relations Committee of the Society of Polymer Science, Japan at the 27th Polymer Materials Forum [Nov. 2018]

The society, renowned as an authority on polymer chemistry in Japan, certified this material as an excellent product. Out of 181 entrants, 10 including ADEKA received awards.



▲ Patterning on plastic using ink containing the developed product

Food products



Supporting delicious tastes and solutions to issues faced by the food industry

Placing new RISU BRAND products

Development background

Due to a decrease in the labor force, progress on work-style reform and other factors, food manufacturers are facing a variety of demands such as labor saving, work efficiency and cost reduction.

Characteristic

- ✓ In addition to pursuing delicious tastes by using excellent-quality ingredients, our new products offer functions such as contributing to improved production efficiency.
- ✓ Our new products enable efficient, stable manufacturing of high-quality finished products.

EZ Margarine CP - compound margarine -

Features a natural butter flavor.

It can be used after being taken out of the refrigerator and kneaded into dough quickly, reducing work time.

Use : Bakery, confectioneries, sweets sold as souvenirs.



◀ Example of finished products in which the ADEKA product is used

New product development - Environment and Energy -

For next-generation rechargeable batteries

➤ Providing samples of rare-metal-free active material *SPAN*

What is *SPAN*

Material that can contribute to the light weight, resource saving, high safety, and long-life characteristics of batteries, when used as an active material (electrode material) for next-generation rechargeable batteries.

Development background

- Rechargeable batteries are indispensable for our lives as represented by smart devices and electric vehicles. As demand for more sophisticated batteries grows in terms of reduced size, higher energy density, longer life.
- Rare metals are used for electrodes on LIB. Accordingly, as demand for it grows, resource depletion and rising costs are becoming serious concerns.
Although research on alternative materials is in progress, extensive application has not yet been found.

Characteristic

- ✓ Rare-metal-free
⇒ **Weight reduction and resource saving (cost reduction) for batteries**
- ✓ Confirmed that cell temperature rise was inhibited in safety tests
⇒ **High safety of batteries**
- ✓ With its sound charge-discharge cycles, stable performance can be achieved for a long time
⇒ **Long battery life**

Main application

Energy storage systems, rechargeable batteries for electric vehicles, next-generation rechargeable batteries, all-solid-state batteries.
- Aiming to commercialize this product in 2020 -



▲ Rare-metal-free active materials *SPAN*

Promote CSR activities toward sustainable growth

- **Strengthen our CSR promotion system**
- **Identify ADEKA's priority challenges from existing social challenges**

New CSR Promotion System

- **CSR Committee :**

Consists of the president as chairperson and the board directors as committee members.

- Examining and deciding policies, plans and other key matters
- Supervising and checking the status of the activities.

- **CSR Promotion Subcommittee :**

- Implements company-wide CSR measures and controls the progress.
- Provides internal education concerning CSR.

Initiatives for Promoting CSR Activities

- **Identifying priority challenges :**

As a 1st step, Selecting priority challenges that should be taken from various social challenges.

- Scheduled in 1st half of 2019 -

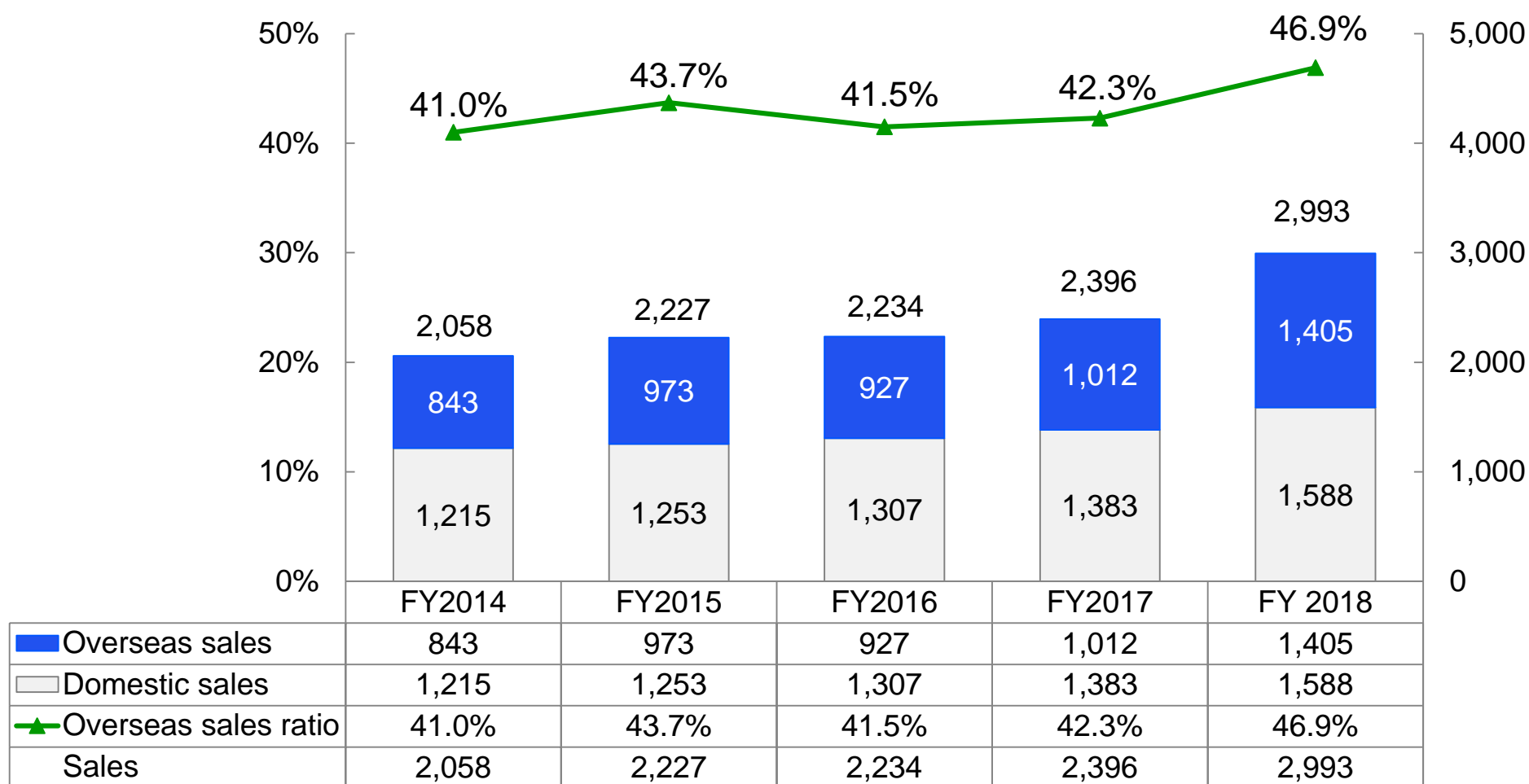
- **Enriching disclosed information on ESG :**

Actively disclose information concerning initiatives taken for social challenges such as climate change and governance.

For Reference

Overseas Sales - For reference -

Unit: 100 million yen



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

The FY2018

Supplemental Documents for Financial Results Overview

Director and Operating Officer Youji Shiga

- I .Supplementary Data for consolidated Closing of Accounts
- II .Management indexes, etc.
- III .For information purposes:
 - ◆ Overview of non-consolidated and consolidated closing accounts
 - ◆ Overview of ADEKA Group
 - ◆ Core products of each business segments

I . Supplementary Data for consolidated Closing of Accounts

1.Consolidated Balance Sheet

Consolidated

Unit: million yen

	As of Mar 31, 2018	As of Mar 31, 2019	increase/ decrease
Assets			
Current assets ①	164,953	233,087	68,134
Fixed assets	147,198	181,462	34,263
Tangible fixed assets	85,546	108,672	23,126
Intangible fixed assets	4,080	17,596	13,515
Investment and other assets	57,571	55,193	△ 2,378
Total assets	312,152	414,549	102,397
Liabilities			
Current liabilities ②	75,815	107,156	31,340
Long-term liabilities	31,248	62,893	31,645
Total liabilities	107,063	170,049	62,985
Net assets			
Shareholders' equity	178,363	190,772	12,409
Capital stock	22,944	22,944	—
Capital surplus	19,985	20,023	38
Retained earnings	135,988	148,630	12,642
Treasury stock	△ 554	△ 825	△ 271
Accumulated other comprehensive income	18,256	13,807	△ 4,448
Valuation difference on available-for-sale securities	12,002	10,098	△ 1,904
Reserve for land revaluation	4,276	4,253	△ 22
Translation adjustment	4,346	1,867	△ 2,478
Adjustments for retirement Benefits	△ 2,368	△ 2,411	△ 43
Minority interests	8,468	39,919	31,451
Total net assets	205,088	244,500	39,412
Total liabilities and net assets	312,152	414,549	102,397

Unit: 100 million yen

POINT①

Increase in total assets 1,023

Increase due to NIHON NOHYAKU becoming a consolidated subsidiary 1,104

POINT②

Increase in total liabilities 629

Increase due to NIHON NOHYAKU becoming a consolidated subsidiary 498

Increase due to the first issuance of straight bonds (Mar. 2019) 100

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

2. Cash Flow Statement

Consolidated

Unit: million yen

	FY2017 from April 1, 2017 to March 31, 2018	FY2018 from April 1, 2018 to March 31, 2019
Cash flows from operating activities ①	22,221	18,331
Cash flows from investing activities	△ 19,139	△ 18,258
Cash flows from financing activities ②	△ 5,825	8,995
Effect of exchange-rate changes on cash and cash equivalents	883	△ 1,465
Net increase/decrease in cash and cash equivalents - increase)	△ 1,860	7,602
Cash and cash equivalents at the beginning of period	50,762	48,902
Cash and cash equivalents from newly consolidated subsidiaries	—	—
Cash and cash equivalents at the end of period	48,902	56,504

POINT① The main factor for the decrease in cash provided by operating activities is an increase in trade receivables.

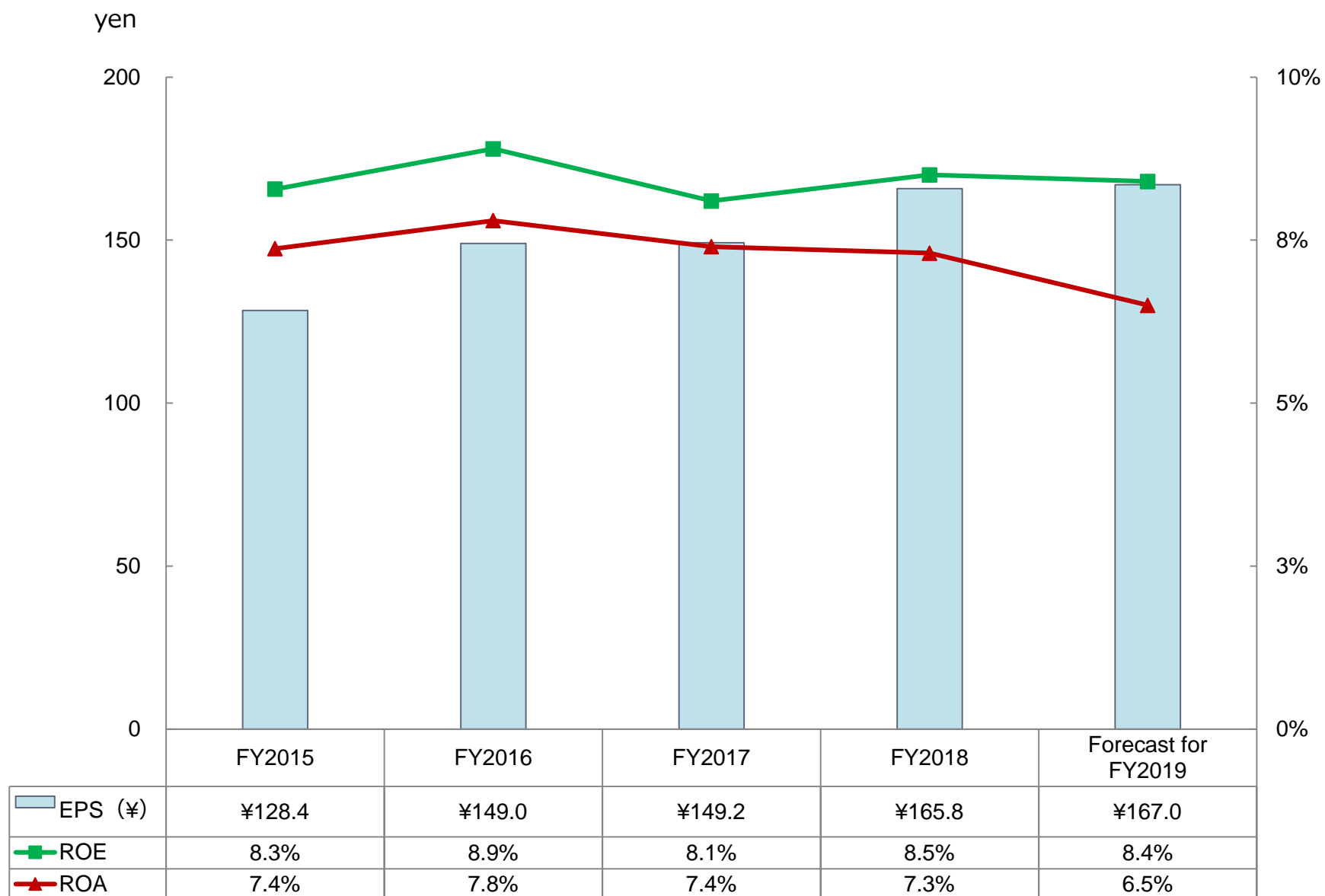
POINT② The main factor of the increase of the cash provided by financing activities was the income gained through the issuance of corporate bonds in this consolidated FY year.

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

II. Management Indexes, etc.

1. Profitability

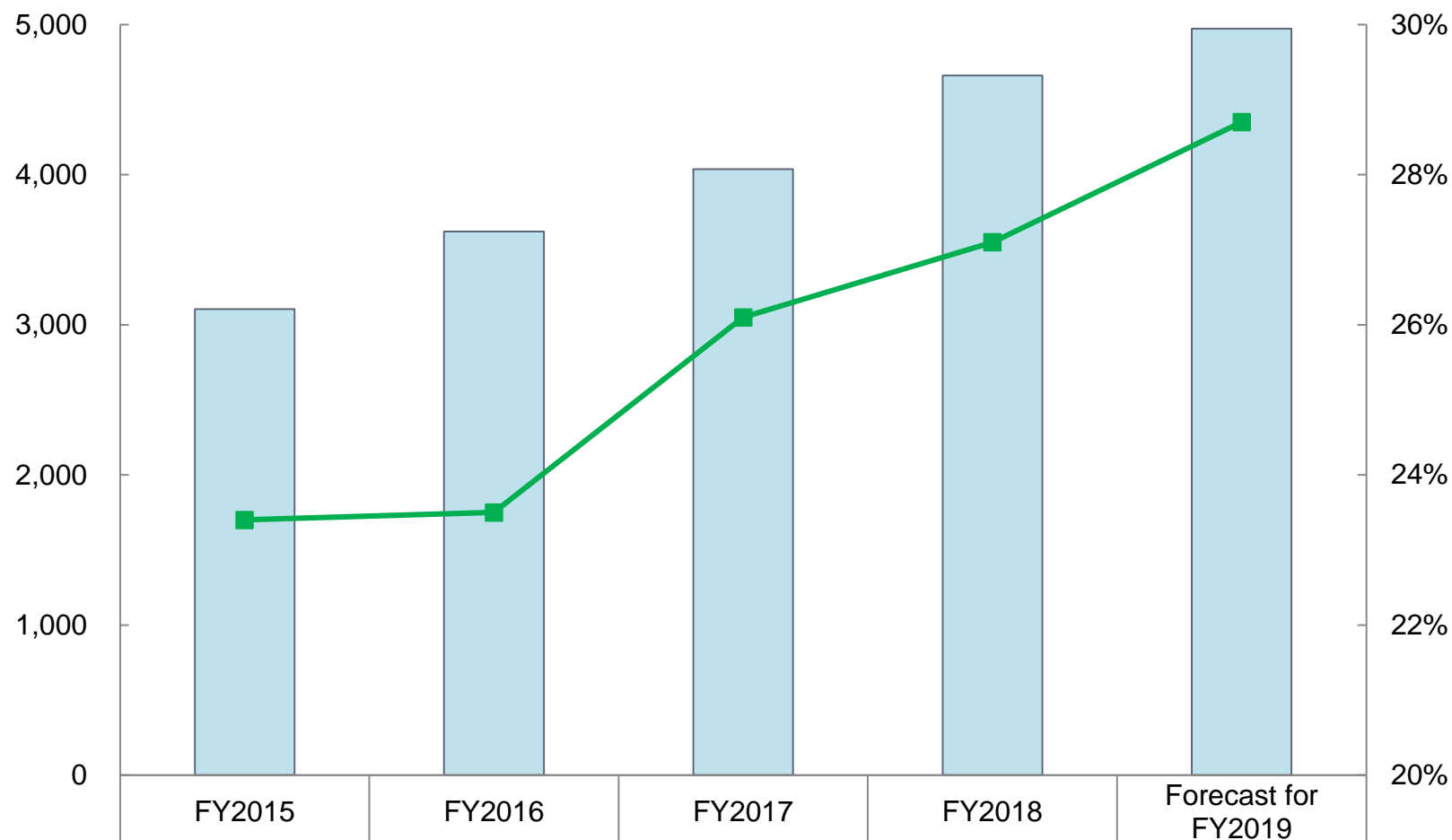
Consolidated



2. Dividend payout ratio and dividends

Consolidated

million yen



Dividend (¥)	FY2015	FY2016	FY2017	FY2018	Forecast for FY2019
— Total Dividend	3,104	3,621	4,037	4,661	4,972
— Dividend payout ratio	23.4%	23.5%	26.1%	27.1%	28.7%

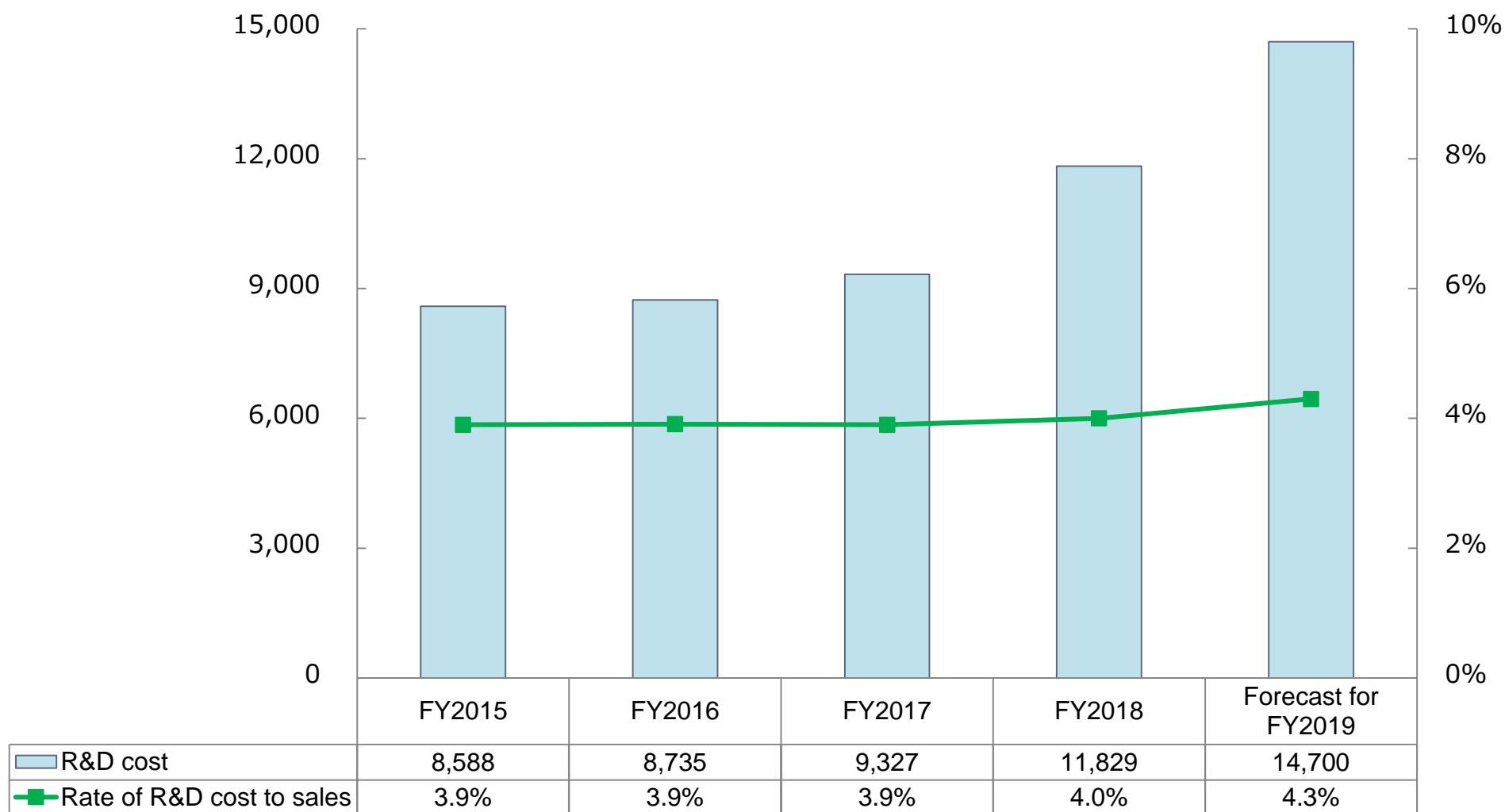
Note 1: Dividends in FY2016 include a commemorative dividend of 5 yen in commemoration of the 100th anniversary of our founding.

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

3. Research and development costs

Consolidated

million yen



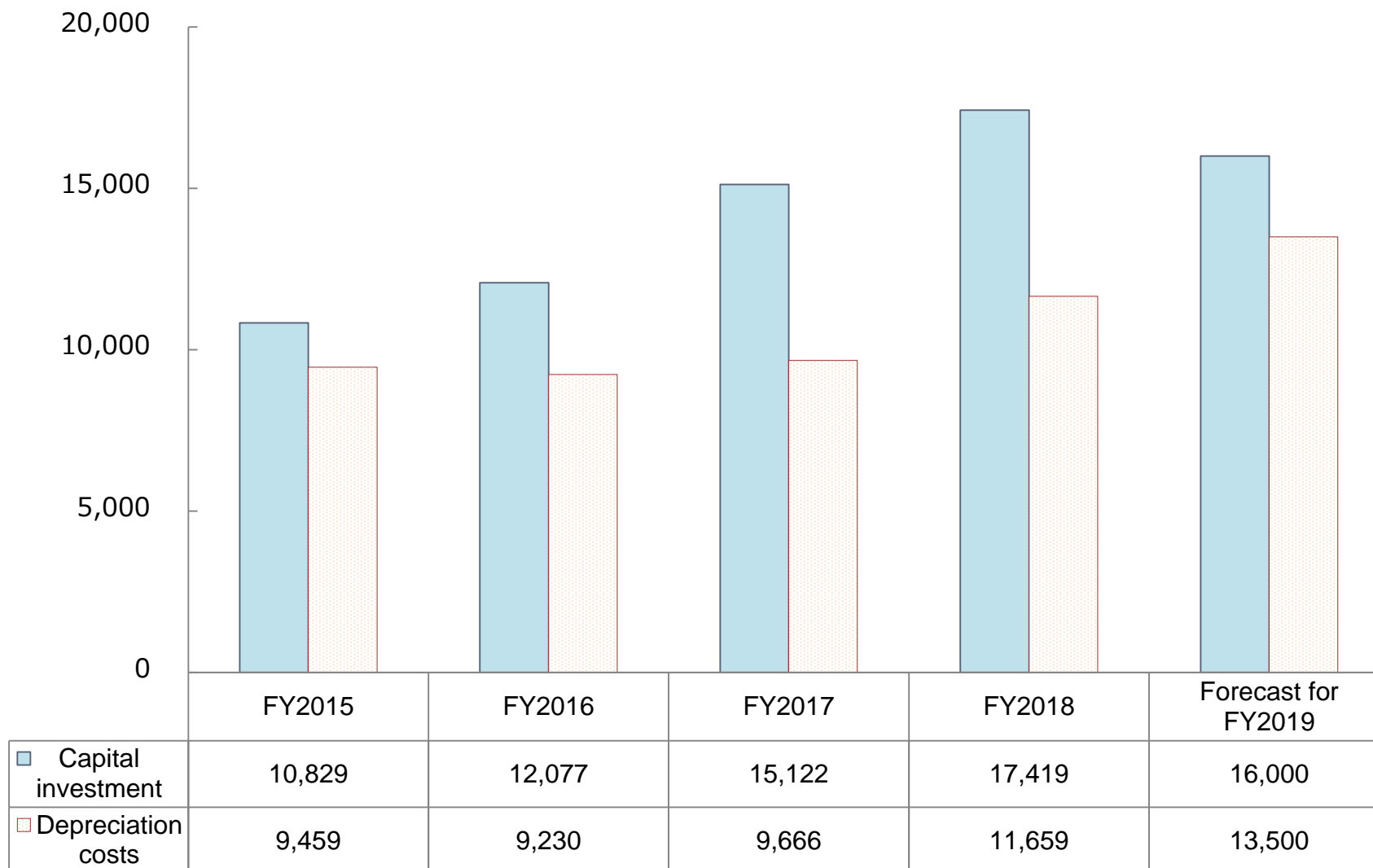
Note : Research and development expense are expressed in units of million yen and have been rounded off.

II. Management Indexes, etc.

4. Capital investment

Consolidated

million yen

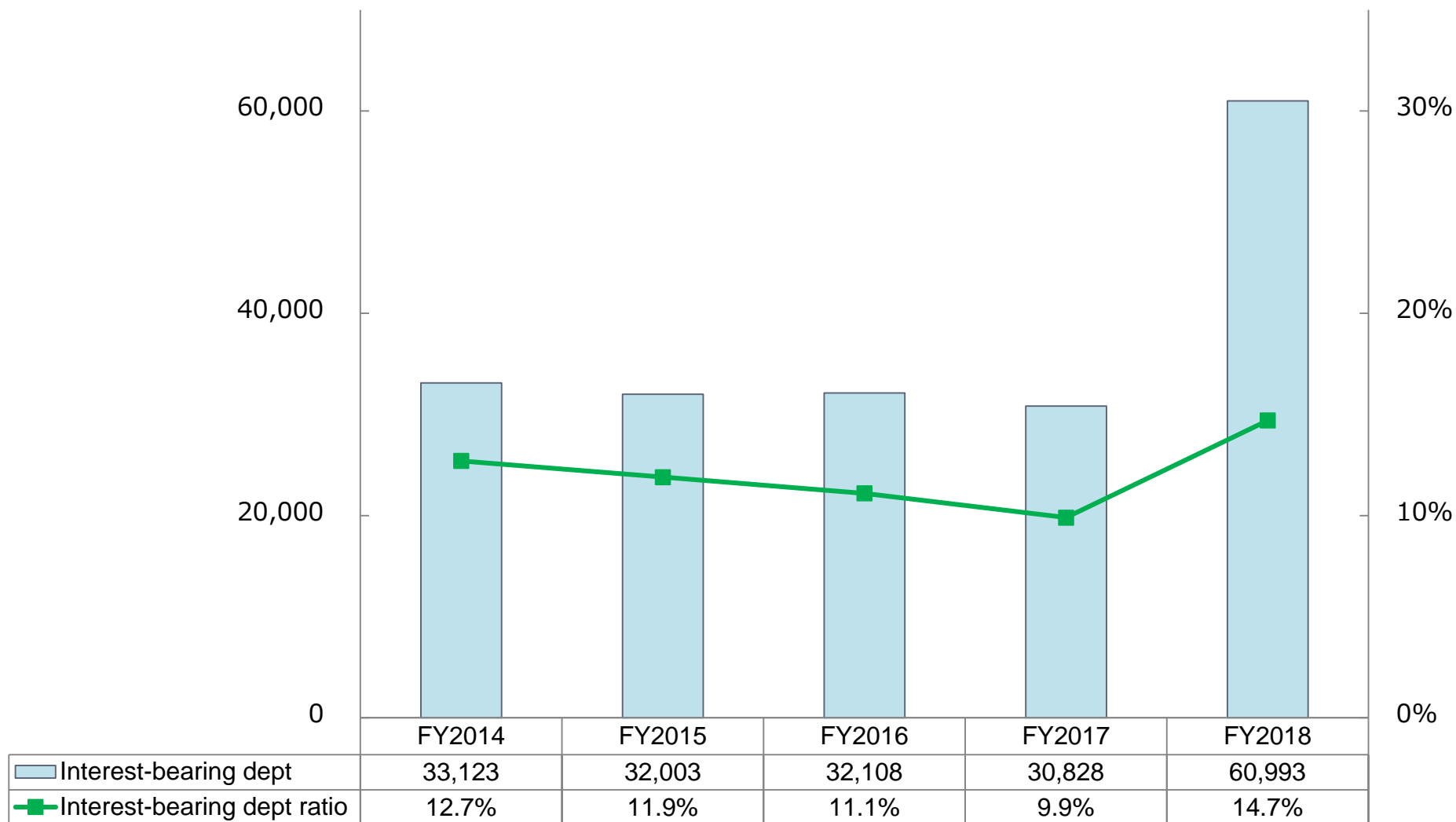


Note : Capital investment and depreciation are expressed in units of million yen and have been rounded off.

5. Interest-bearing liabilities

Consolidated

million yen



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

III. For information purposes

1. Overview of non-consolidated and consolidated closing accounts

Non-consolidated

Consolidated

Unit: 100 million yen

Non-consolidated closing of accounts

	FY2017	FY2018	Increase/ decrease	Increase/ decrease ratio : %
Sales	1,313	1,346	32	2.5
Operating profit	130	122	△ 8	△ 6.7
Current profit	154	157	3	2.1
NET profit for the Term	116	124	8	7.5
NET profit per share for the Term	112.3	120.6		

Domestic companies (11)

	FY2017	FY2018	Increase/ decrease	Increase/ decrease ratio : %
Sales	879	926	46	5.3
Operating profit	17	19	2	12.2

Overseas companies (16)

	FY2017	FY2018	Increase/ decrease	Increase/ decrease ratio : %
Sales	1,294	1,579	284	22.0
Operating profit	76	105	28	38.0

NIHON NOHYAKU (10)

	FY2017	FY2018	Increase/ decrease	Increase/ decrease ratio : %
Sales	—	371	371	—
Operating profit	—	40	40	—

Consolidation adjustment accounts (deleted)

	FY2017	FY2018
Sales	△ 1,090	△ 1,229
Operating profit	△ 11	△ 21

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

III. For information purposes

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	92.14	Wholesaling of ingredients for confectionery and bakery business use.
Food products	ADEKA FINE FOODS CORP.	¥ 50million	100.00	Manufacturing and sales of mayonnaise products, oil and fat processed food products and processed products using seafood.
Food products	UEHARA FOOD INDUSTRY CO.,LTD.	¥ 70million	100.00	Manufacturing and sales of flour paste products, bean-jams and retort pouch foods.
Food products	CROWN CO.,LTD.	¥ 10million	100.00	Wholesale business of food materials such as fatty oils, flour milling and flavors and processed foods.

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

III. For information purposes

2. Consolidated Subsidiaries - 16 companies in Japan② -

Segment	Consolidated subsidiary	Capital	Controlling share : %	Line of business
Life science	NIHON NOHYAKU CO.,LTD. Note)	¥14,939million	51.00	Agrochemicals, Wood Preservative, Agricultural Materials, Pharmaceuticals & Veterinary Products
Life science	NICHINO RYOKKA CO.,LTD. Note)	¥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. Note)	¥3,400million	100.00 (Indirect ownership: 100.00)	Production and Logistic Services of Agrochemical, Cultivation & Management of Experimental Field/Laboratories
Life science	NIHON ECHOTECH CO.,LTD. Note)	¥20million	100.00 (Indirect ownership: 100.00)	Agrochemical Residue Analysis, Chemical Substance Safety Testing, and Related Activities
Life science	AGRIMART CORP. Note)	¥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

Note 1: NIHON NOHYAKU and its nine subsidiaries have been included in the scope of consolidation because of share acquisition.

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

III. For information purposes

3. Consolidated Subsidiaries - 21overseas 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. (Note)	US\$0.7million	100.00 (Indirect ownership: 100.00)	Sales and R&D of agrochemicals in America
BLAZIL	Life science	SIPCAM NICHINO BRASIL S.A. (Note)	R\$223million	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	€3million	100.00 (Indirect ownership: 100.00)	Manufacturing and sales of polymer additives.
CHINA	Chemicals	ADEKA (CHINA) CO., LTD.	US\$31 million	100.00	Sales of chemical products.
CHINA	Chemicals	ADEKA FINE CHEMICAL (SHANGHAI) CO., LTD.	US\$20.50million	100.00	Manufacturing and sales of polymer additives, functional resins, electronic materials and similar products.
CHINA	Chemicals	ADEKA FINE CHEMICAL (CHANGSHU) CO., LTD.	US\$21.54million	50.00	Manufacturing and sales of polymer additives.
CHINA	Food products	ADEKA FOODS (CHANGSHU) CO., LTD.	US\$23 million	70.00	Manufacturing and sales of processed oils and fats, processed foods.

Note: NIHON NOHYAKU and its nine subsidiaries have been included in the scope of consolidation because of share acquisition.

III. For information purposes

3. Consolidated Subsidiaries - 21overseas 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 (Note)	NT\$40million	51.00 (Indirect ownership: 51.00)	Sales and R&D of agrochemicals in Taiwan
INDIA	Life science	NICHINO INDIA PVT. LTD. (Note)	₹3.27million	99.94 (Indirect ownership: 99.94)	Production, sales and R&D of agrochemicals in India
INDIA	Life science	NICHINO CHEMICAL INDIA PVT. LTD. (Note)	₹10.5million	100.00 (Indirect ownership: 100.00)	Production and sales of agrochemicals in India
SOUTH KOREA	Chemicals	ADEKA KOREA CORP.	₩1.5 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.	RM90million	60.00	Manufacturing and sales of processed oils and fats.

Note: NIHON NOHYAKU and its nine subsidiaries have been included in the scope of consolidation because of share acquisition.

III. For information purposes

4. Equity method - applicable companies -

Two 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. Note)	MYR2.05million	24.18 (Indirect ownership: 24.18)	Production and sales of agrochemicals in Malaysia
SIPCAM EUROPE S.P.A. Note)	€36.94million	20.00 (Indirect ownership: 20.00)	Production and sales of agrochemicals in Europe

Note: NIHON NOHYAKU was removed from equity method-applicable companies because of the share acquisition, and AGRICULTURAL CHEMICALS (MALAYSIA) SDN. BHD. and SIPCAM EUROPE S.P.A. have been added.

5. 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, Enriched milk products, 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.