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Summary of Consolidated Financial Results for the Three Months Ended June 30, 2025 [Japanese GAAP]

August 8, 2025

Company name: ADEKA CORPORATION

Listing: Tokyo Stock Exchange

Securities code: 4401

URL: <https://www.adeka.co.jp/en>

Representative: HIDEAKA SHIROZUME PRESIDENT & CHIEF EXECUTIVE OFFICER,
REPRESENTATIVE DIRECTOR

Inquiries: NAGATOSHI KIKUCHI
GENERAL MANAGER,
LEGAL AFFAIRS & PUBLICITY DEPARTMENT

Telephone: +81-3-4455-2803

Scheduled date to commence dividend payments: -

Preparation of supplementary material on financial results: Yes

Holding of financial results briefing: Yes

(Amounts of less than one million yen are rounded down.)

1. Consolidated Financial Results for the Three Months Ended June 30, 2025 (April 1, 2025 to June 30, 2025)

(1) Consolidated Operating Results

(Percentages indicate year-on-year changes.)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent	
Three months ended	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
June 30, 2025	101,600	3.5	10,996	26.6	11,064	13.7	7,245	6.2
June 30, 2024	98,160	3.8	8,688	17.1	9,731	19.4	6,821	33.2

(Note) Comprehensive income:	Three months ended June 30, 2025:	¥	10,227 million	[(19.0)%
	Three months ended June 30, 2024:	¥	12,626 million	[(5.6)%

	Basic earnings per share	Diluted earnings per share
Three months ended	Yen	Yen
June 30, 2025	71.22	-
June 30, 2024	66.79	-

(2) Consolidated Financial Position

	Total assets	Net assets	Capital adequacy ratio
As of	Millions of yen	Millions of yen	%
June 30, 2025	538,868	354,275	55.8
March 31, 2025	543,118	351,776	54.6

(Reference) Equity:	As of June 30, 2025:	¥	300,519 million
	As of March 31, 2025:	¥	296.690 million

2. Dividends

	Annual dividends				
	1st quarter-end	2nd quarter-end	3rd quarter-end	Year-end	Total
Fiscal year ended March 31, 2025	Yen -	Yen 48.00	Yen -	Yen 52.00	Yen 100.00
Fiscal year ending March 31, 2026	-				
Fiscal year ending March 31, 2026 (Forecast)		52.00	-	52.00	104.00

(Note) Revision to the forecast for dividends announced most recently: None

3. Consolidated Financial Results Forecast for the Fiscal Year Ending March 31, 2026(April 1, 2025 to March 31, 2026)

(Percentages indicate year-on-year changes.)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent		Basic earnings per share
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Yen
Six months ending September 30, 2025	207,000	6.1	18,300	0.0	18,300	8.5	12,100	5.3	118.93
Full year	441,000	8.3	43,000	4.9	43,000	9.3	26,400	5.5	259.49

(Note) Revision to the financial results forecast announced most recently: None

* Notes:

(1) Significant changes in the scope of consolidation during the period: None

(2) Adoption of accounting treatment specific to the preparation of quarterly consolidated financial statements: Yes

(3) Changes in accounting policies, changes in accounting estimates, and restatement

1) Changes in accounting policies due to revisions to accounting standards and other regulations: None

2) Changes in accounting policies due to other reasons: None

3) Changes in accounting estimates: None

4) Restatement: None

(4) Number of issued shares (common shares)

1) Total number of issued shares at the end of the period (including treasury shares):

June 30, 2025: 103,768,142 shares

March 31, 2025: 103,768,142 shares

2) Number of treasury shares at the end of the period:

June 30, 2025: 2,031,545 shares

March 31, 2025: 2,032,620 shares

3) Average number of shares outstanding during the period:

Three months ended June 30, 2025: 101,736,342 shares

Three months ended June 30, 2024: 102,131,553 shares

* Review of the Japanese-language originals of the attached consolidated quarterly financial statements by certified public accountants or an audit firm: None

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1. Overview of Operating Results, etc.

(1) Overview of Operating Results for the Period under Review

During the three months ended June 30, 2025, the global economy maintained solid growth, underpinned by fiscal policy revisions in major countries and robust corporate earnings, despite continuing uncertainties about the future outlook due to the impact of U.S. tariff policy.

Under these circumstances, the consolidated operating results for the three months under review were as follows.

Consolidated Operating Results

(100 million yen)

	Three months ended June 30, 2025	Three months ended June 30, 2024	Change	Change (%)
Net sales	1,016	981	34	3.5
Chemicals	523	564	(40)	(7.2)
<i>Polymer Additives</i>	251	277	(26)	(9.6)
<i>Semiconductor Materials</i>	73	86	(12)	(14.6)
<i>Environmental Materials</i>	198	200	(1)	(0.8)
Food Products	205	209	(4)	(2.1)
Life Science	271	192	78	41.0
Others	15	14	0	5.0
Operating profit (loss)	109	86	23	26.6
Chemicals	63	75	(12)	(16.2)
<i>Polymer Additives</i>	25	31	(5)	(17.5)
<i>Semiconductor Materials</i>	14	21	(6)	(31.7)
<i>Environmental Materials</i>	22	22	0	0.6
Food Products	11	13	(2)	(20.1)
Life Science	32	(3)	36	-
Others	3	1	1	112.8
Ordinary profit	110	97	13	13.7
Profit attributable to owners of parent	72	68	4	6.2

(Notes) Amounts of less than 100 million yen are rounded down. Percentage changes are rounded to the first decimal place.

An overview by reportable segment is as described in page 3.

Effective from April 1, 2025, we have changed the name of a sub-segment of the Chemicals Business “Electronic Materials” to “Semiconductor Materials.” Additionally, Electronics-Related Materials, which was previously included in Electronic Materials, has been reclassified under Environmental Materials. The results for the three months ended June 30, 2024, have also been restated to reflect the new segment classifications for comparison purposes.

(Chemicals Business) **Decreased sales and profit**

Overviews of the Polymer Additives, Semiconductor Materials, and Environmental Materials that comprise the Chemicals Business are as follows.

1) Polymer Additives: **Decreased sales and profit**

Sales of flame retardants for home appliance enclosures were sluggish due to the stagnant home appliance market. In addition, sales of antioxidants for engineering plastics used in automotive parts and other applications were weak, reflecting sluggish demand in the United States and China. On the other hand, sales of PVC stabilizers used in home interior materials, such as flooring, remained firm, particularly in the United States.

○ Major contributors

Net sales	Weak	- Flame retardants (home appliance enclosures) - Antioxidants (engineering plastics) - Plasticizers (food packaging materials)
	Steady	- PVC stabilizers (home interior materials)
Operating profit	Negative	- Prices - Sales volume - Foreign exchange
	Positive	- Fixed costs

2) Semiconductor Materials: **Decreased sales and profit**

Sales of high-k materials for advanced DRAM were sluggish, affected by price revisions implemented during the fiscal year ended March 31, 2025, and temporary market production adjustments associated with a generational transition. On the other hand, sales of semiconductor lithography materials for advanced photo resists were strong, driven by increased demand for data center investments and generative AI-enabled devices.

○ Major contributors

Net sales	Weak	- High-k materials (advanced DRAM)
	Strong	- Semiconductor lithography materials (advanced photo resists)
Operating profit	Negative	- Prices - Fixed costs - Foreign exchange
	Positive	- Sales volume

3) Environmental Materials: **Decreased sales and increased profit**

Sales of propylene glycols for industrial use were sluggish due to the influx of low-priced overseas products. In addition, sales of photo (light) curing resin for displays were weak, reflecting production adjustments in the large panel market. On the other hand, in response to growing demand for fuel efficiency in automobiles, sales of lubricant additives for engine oils were strong in Asia and the United States.

○ Major contributors

Net sales	Weak	- Propylene glycols (industrial use) - Lubricants for wiredrawing (rubber tires of automobiles) - Photo (light) curing resins (displays)
	Strong	- Lubricant additives (engine oils for automobiles)
Operating profit	Positive	- Sales volume - Prices
	Negative	- Foreign exchange - Fixed costs

(Food Products Business) **Decreased sales and profit**

Sales of shortenings and margarines used in bread and confectionery products were weak, reflecting continued price-consciousness in China amid a deteriorating economy. In addition, sales declined due to the impact of the sale of UEHARA FOODS INDUSTRY CO., LTD. on April 1, 2025. **The *Deli-PLANTS series*** maintained steady performance, supported by continued and expanding adoption in café menus in Japan.

○ Major contributors

Net sales	Weak	- Shortenings, margarines (breads, confectionery)
	Steady	- <i>Deli-PLANTS series</i> of plant-based foods (cafes, breads, etc.)
Operating profit	Negative	- Sales volume - Fixed costs
	Positive	- Prices - Foreign exchange

(Life Science Business) **Increased sales and profit**

In agrochemicals, sales of paddy rice products, led by key proprietary items, were strong, reflecting increased paddy rice planting areas in Japan driven by rising rice prices. Overseas, we worked to develop the market in North America, and sales of acaricides for fruits performed well. In addition, sales of herbicides were strong in Canada, reflecting accelerated shipments to distributors, partly due to such factors as the impact of U.S. tariff increases.

○ Major contributors

Net sales	Strong	- Japan: Herbicides, insecticides, etc. (paddy rice) - North America: Acaricides (fruits), herbicides (wheat, rapeseed, etc.) - Europe: Insecticides (active ingredients), herbicides (fruits and potatoes)
	Positive	- Sales volume - Prices
Operating profit	Negative	- Fixed costs - Foreign exchange

(2) Overview of Financial Position for the Period under Review

Consolidated Financial Position

(100 million yen)

	June 30, 2025	March 31, 2025	Change	Change (%)
Total assets	5,388	5,431	(42)	(0.8)
Total liabilities	1,845	1,913	(67)	(3.5)
Total net assets	3,542	3,517	24	0.7

(Notes) Amounts of less than 100 million yen are rounded down. Percentage changes are rounded to the first decimal place.

○ Major contributors

- Total assets: A decrease in cash and deposits
- Total liabilities: A decrease in short-term borrowings
- Total net assets: An increase in retained earnings

(3) Explanation of Consolidated Financial Results Forecast and Other Forward-looking Information

There have been no changes to the forecast of consolidated financial results for the fiscal year ending March 31, 2026, announced on May 14, 2025.

2. Quarterly Consolidated Financial Statements and Principal Notes

(1) Quarterly Consolidated Balance Sheets

(Millions of yen)

	As of March 31, 2025	As of June 30, 2025
Assets		
Current assets		
Cash and deposits	110,117	101,734
Notes and accounts receivable - trade, and contract assets	110,057	110,163
Securities	5,493	8,993
Merchandise and finished goods	61,507	65,932
Work in process	8,427	9,177
Raw materials and supplies	43,431	41,145
Other	12,231	11,798
Allowance for doubtful accounts	(1,375)	(1,394)
Total current assets	349,889	347,551
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	38,452	38,759
Machinery, equipment and vehicles, net	34,504	36,012
Land	29,882	29,943
Other, net	23,026	20,055
Total property, plant and equipment	125,866	124,770
Intangible assets		
Technical assets	3,481	4,019
Customer related assets	2,168	2,127
Other	8,995	9,755
Total intangible assets	14,645	15,903
Investments and other assets		
Investment securities	42,803	41,315
Other	9,913	9,328
Total investments and other assets	52,716	50,643
Total non-current assets	193,228	191,317
Total assets	543,118	538,868

	As of March 31, 2025	As of June 30, 2025
Liabilities		
Current liabilities		
Notes and accounts payable - trade	60,212	61,875
Short-term borrowings	18,549	15,544
Income taxes payable	4,888	3,685
Provision for bonuses	3,848	1,824
Provision for environmental measures	809	870
Other provisions	126	20
Other	33,809	31,840
Total current liabilities	122,244	115,661
Non-current liabilities		
Bonds payable	11,505	11,536
Long-term borrowings	26,142	26,250
Retirement benefit liability	19,361	19,453
Provision for environmental measures	927	618
Other provisions	434	415
Other	10,726	10,657
Total non-current liabilities	69,097	68,931
Total liabilities	191,341	184,593
Net assets		
Shareholders' equity		
Share capital	23,048	23,048
Capital surplus	20,348	20,486
Retained earnings	228,109	229,944
Treasury shares	(4,667)	(4,667)
Total shareholders' equity	266,838	268,811
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	12,249	13,037
Deferred gains or losses on hedges	-	(15)
Revaluation reserve for land	3,240	3,240
Foreign currency translation adjustment	14,010	15,084
Remeasurements of defined benefit plans	351	360
Total accumulated other comprehensive income	29,852	31,708
Non-controlling interests	55,085	53,755
Total net assets	351,776	354,275
Total liabilities and net assets	543,118	538,868

(2) Quarterly Consolidated Statements of Income and Comprehensive Income

Quarterly Consolidated Statements of Income (For the three months)

(Millions of yen)

	For the three months ended June 30, 2024	For the three months ended June 30, 2025
Net sales	98,160	101,600
Cost of sales	71,779	72,649
Gross profit	26,380	28,950
Selling, general and administrative expenses	17,691	17,953
Operating profit	8,688	10,996
Non-operating income		
Interest income	623	559
Dividend income	284	372
Share of profit of entities accounted for using equity method	202	213
Foreign exchange gains	537	221
Other	445	512
Total non-operating income	2,092	1,879
Non-operating expenses		
Interest expenses	937	828
Loss on valuation of derivatives	-	867
Other	112	115
Total non-operating expenses	1,049	1,811
Ordinary profit	9,731	11,064
Extraordinary income		
Gain on sale of non-current assets	27	19
Gain on sale of shares of subsidiaries and associates	-	323
Total extraordinary income	27	342
Extraordinary losses		
Loss on abandonment of non-current assets	122	127
Loss on valuation of investment securities	21	-
Total extraordinary losses	144	127
Profit before income taxes	9,614	11,280
Income taxes - current	3,419	3,447
Income taxes - deferred	(913)	(815)
Total income taxes	2,506	2,632
Profit	7,108	8,648
Profit attributable to non-controlling interests	286	1,402
Profit attributable to owners of parent	6,821	7,245

Quarterly Consolidated Statement of Comprehensive Income (For the three months)

(Millions of yen)

	For the three months ended June 30, 2024	For the three months ended June 30, 2025
Profit	7,108	8,648
Other comprehensive income		
Valuation difference on available-for-sale securities	(25)	849
Deferred gains or losses on hedges	-	(29)
Foreign currency translation adjustment	5,495	887
Remeasurements of defined benefit plans, net of tax	(4)	0
Share of other comprehensive income of entities accounted for using equity method	52	(129)
Total other comprehensive income	5,517	1,579
Comprehensive income	12,626	10,227
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	10,836	9,100
Comprehensive income attributable to non-controlling interests	1,789	1,126

(3) Notes to Quarterly Consolidated Financial Statements

(Notes on accounting methods adopted particularly for the preparation of quarterly consolidated financial statements)

(Calculation of tax expenses)

For certain subsidiaries, the Company has adopted a method of making a reasonable estimate of the effective tax rate after application of tax effect accounting to profit before income taxes for the consolidated fiscal year to which the three months under review belong and multiplying the profit before income taxes for the three months under review by such estimated effective tax rate.

(Notes on segment information, etc.)

[Segment information]

I. For the three months ended June 30, 2024 (from April 1, 2024 to June 30, 2024)

1. Information on net sales and profit (loss) by reportable segment

(Million yen)

	Reportable segment				Others (Note 1)	Total	Adjustment (Note 2)	Amount recorded in consolidated statements of income (Note 3)
	Chemicals Business	Food Products Business	Life Science Business	Total				
Net sales								
(1) Net sales to outside customers	56,455	20,995	19,239	96,689	1,470	98,160	–	98,160
(2) Inter-segment net sales or transfers	36	37	1	75	2,988	3,063	(3,063)	–
Total	56,491	21,032	19,241	96,765	4,458	101,224	(3,063)	98,160
Segment profit (loss)	7,524	1,381	(361)	8,544	74	8,618	70	8,688

(Notes) 1. “Others” refers to business segments not included in the reportable segments and includes construction and construction management, logistics, and real estate businesses.

2. The adjustment of segment profit (loss) of 70 million yen includes the elimination of inter-segment transactions.

3. Segment profit (loss) is adjusted with operating profit in the quarterly consolidated statements of income.

II. For the three months ended June 30, 2025 (from April 1, 2025 to June 30, 2025)

1. Information on net sales and profit (loss) by reportable segment

(Million yen)

	Reportable segment				Others (Note 1)	Total	Adjustment (Note 2)	Amount recorded in consolidated statements of income (Note 3)
	Chemicals Business	Food Products Business	Life Science Business	Total				
Net sales								
(1) Net sales to outside customers	52,371	20,553	27,132	100,057	1,543	101,600	–	101,600
(2) Inter-segment net sales or transfers	46	17	1	66	3,191	3,257	(3,257)	–
Total	52,418	20,571	27,133	100,123	4,735	104,858	(3,257)	101,600
Segment profit	6,307	1,103	3,278	10,689	245	10,934	62	10,996

(Notes) 1. “Others” refers to business segments not included in the reportable segments and includes construction and construction management, logistics, and real estate businesses.

2. The adjustment of segment profit of 62 million yen includes the elimination of inter-segment transactions.

3. Segment profit is adjusted with operating profit in the quarterly consolidated statements of income.

(Notes in case of significant changes in shareholders' equity)

Not applicable.

(Notes on going concern assumption)

Not applicable.

(Notes on statements of cash flows)

Quarterly consolidated statements of cash flows for the three months ended June 30, 2025 have not been prepared. Depreciation (including amortization of intangible assets other than goodwill amortization) for the first three months under review are as follows.

	(Million yen)	
	For the three months ended June 30, 2024	For the three months ended June 30, 2025
Depreciation	4,385	4,490