

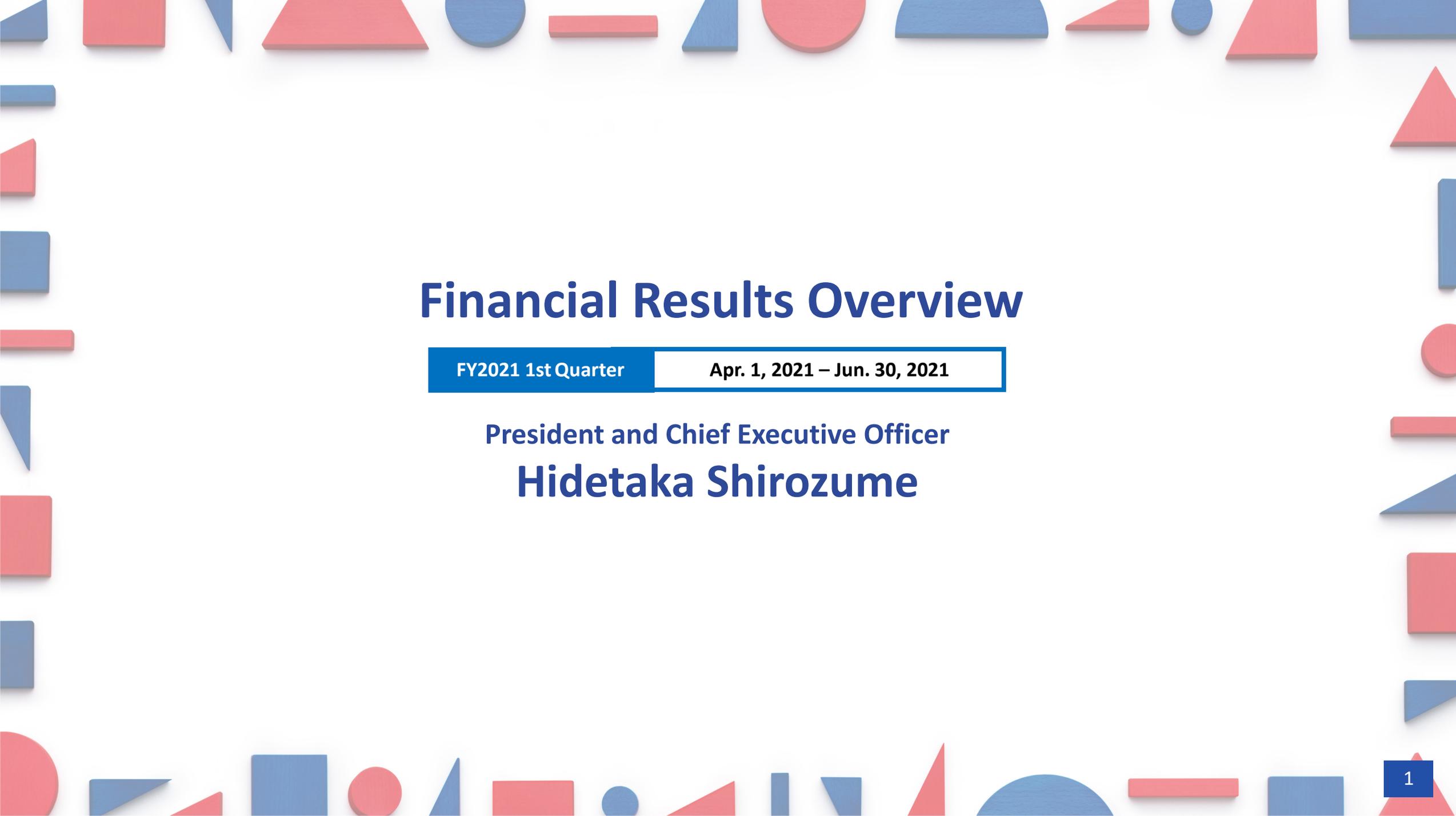
# Briefings on Financial Results

For the 1st Quarter of the fiscal year ended Mar. 31,2022

Sep. 2, 2021

【TSE 4401】





# Financial Results Overview

FY2021 1st Quarter

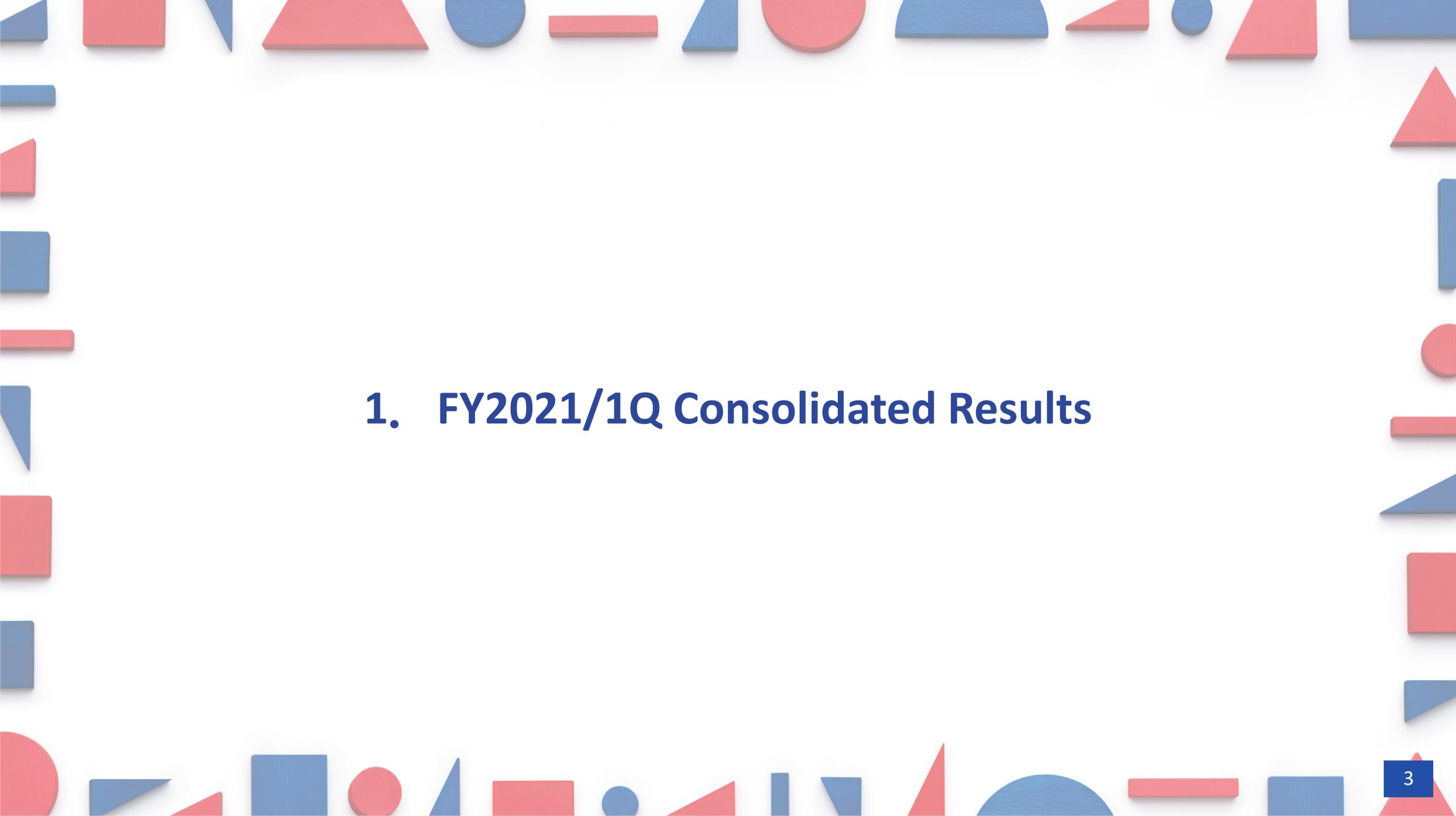
Apr. 1, 2021 – Jun. 30, 2021

President and Chief Executive Officer

**Hidetaka Shirozume**

1. **FY2021/1Q Consolidated Results** ••• P3
2. **Revision of Consolidated Financial Forecasts  
and Dividend Forecast for FY 2021** ••• P13
3. **For Reference** ••• P17



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# 1. FY2021/1Q Consolidated Results

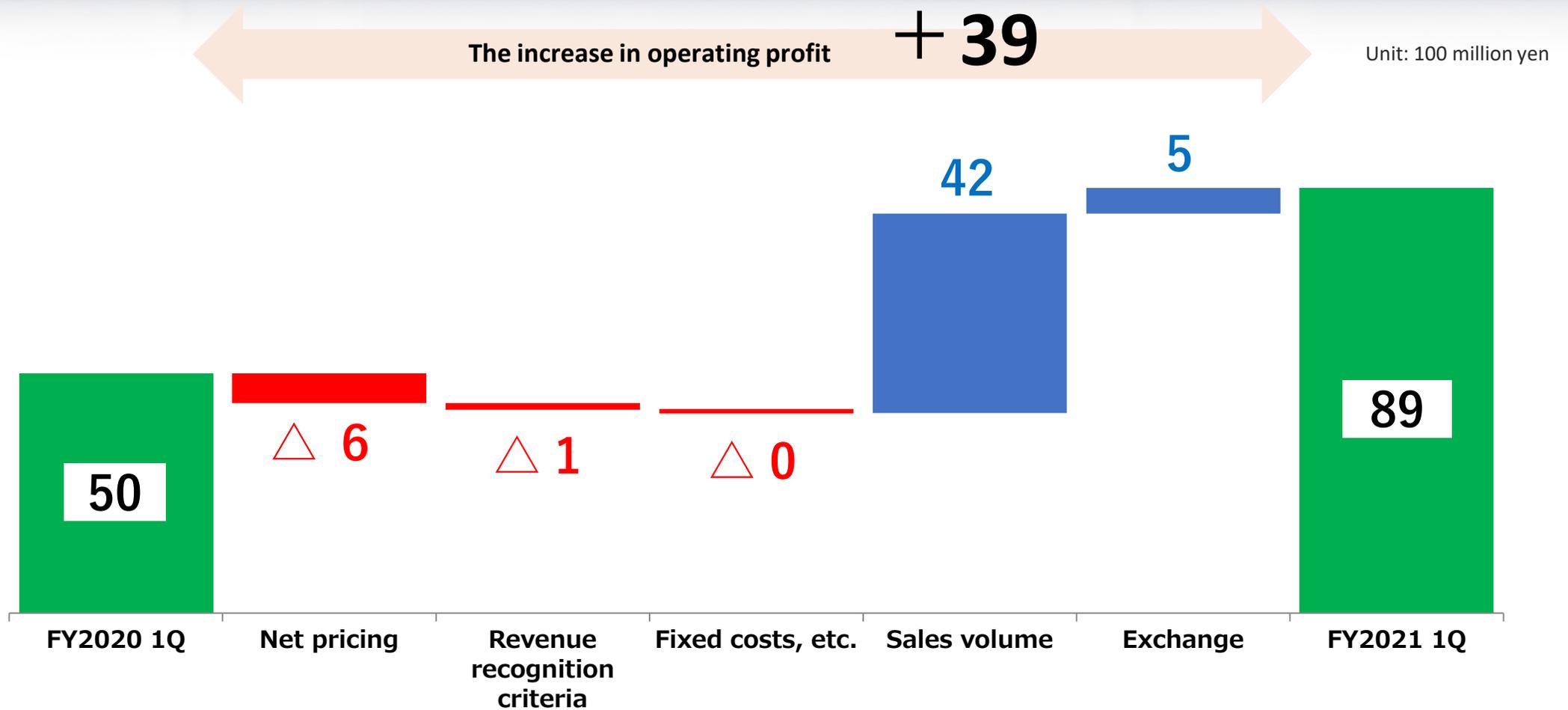
# FY2021 Consolidated Results

Unit: 100 million yen

|   | FY2020 1Q | FY2021 1Q | Change  | Rate (%) |
|---|-----------|-----------|---------|----------|
| Net sales                               | 678       | 840       | 162     | 23.9     |
| Operating profit                        | 50        | 89        | 39      | 77.4     |
| Current profit                          | 45        | 92        | 47      | 105.0    |
| Profit attributable to owners of parent | 31        | 59        | 28      | 91.8     |
| Net profit per share (yen/share)        | 30.1yen   | 57.7yen   | 27.6yen |          |

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

# Analysis of Operating Profit

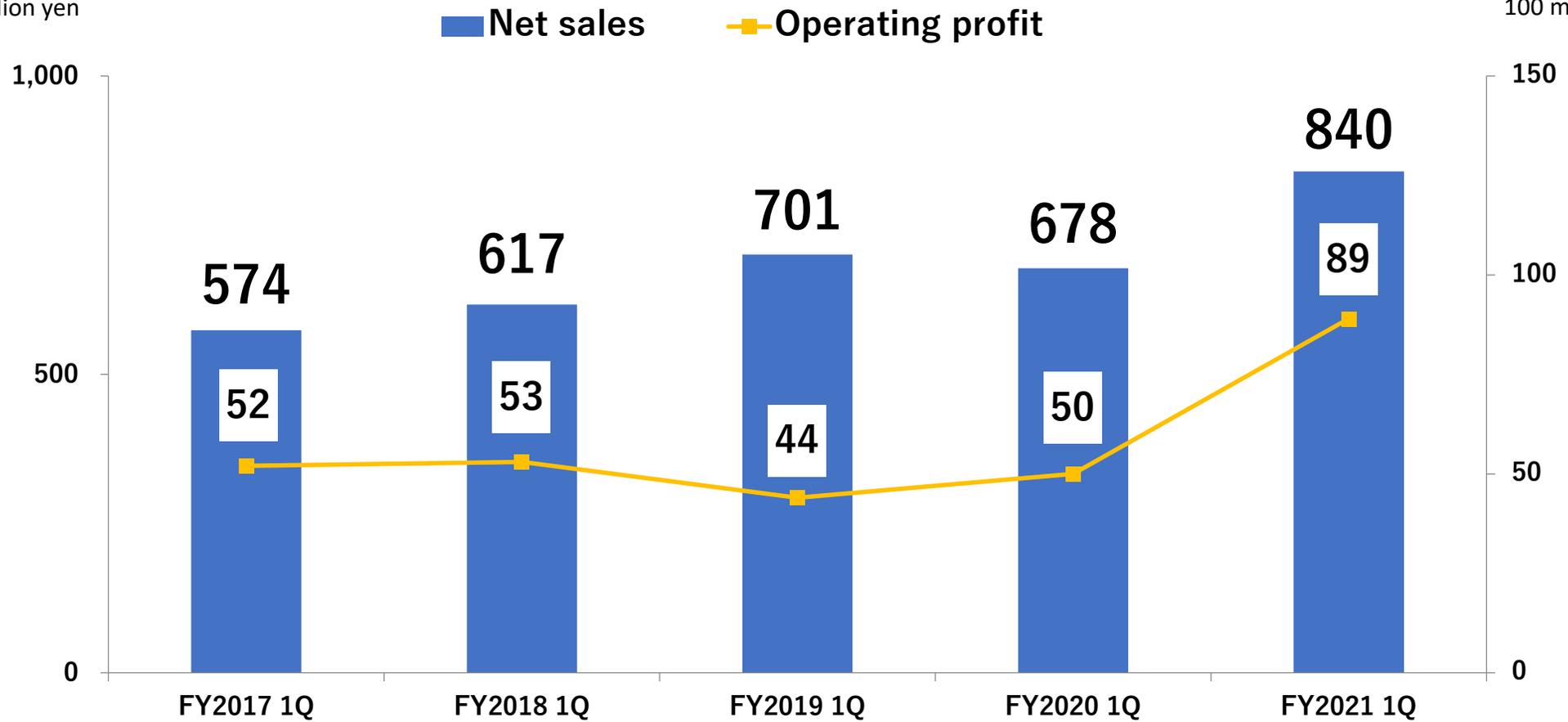


Note : Figures are expressed in units of 100 million yen and have been rounded off.

# Trends in Consolidated Performance

Sales:  
100 million yen

Operating profit:  
100 million yen



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

# FY2021/1Q Consolidated Results - By segment -

Unit: 100 million yen

|                                     | FY2020/1Q  | FY2021/1Q  | Change     | Rate (%)    |
|-------------------------------------|------------|------------|------------|-------------|
| <b>Sales</b>                        | <b>678</b> | <b>840</b> | <b>162</b> | <b>23.9</b> |
| <b>Chemicals</b>                    | <b>360</b> | <b>480</b> | <b>119</b> | <b>33.2</b> |
| <i>Polymer Additives</i>            | <i>180</i> | <i>256</i> | <i>76</i>  | <i>42.4</i> |
| <i>Electronics and IT materials</i> | <i>63</i>  | <i>85</i>  | <i>22</i>  | <i>35.0</i> |
| <i>Functional chemicals</i>         | <i>116</i> | <i>137</i> | <i>21</i>  | <i>18.1</i> |
| <b>Food products</b>                | <b>163</b> | <b>179</b> | <b>15</b>  | <b>9.5</b>  |
| <b>Life Science</b>                 | <b>140</b> | <b>165</b> | <b>24</b>  | <b>17.7</b> |
| <b>Other</b>                        | <b>13</b>  | <b>15</b>  | <b>1</b>   | <b>12.7</b> |
| <b>Operating profit</b>             | <b>50</b>  | <b>89</b>  | <b>39</b>  | <b>77.4</b> |
| <b>Chemicals</b>                    | <b>37</b>  | <b>70</b>  | <b>33</b>  | <b>90.8</b> |
| <i>Polymer Additives</i>            | <i>12</i>  | <i>24</i>  | <i>12</i>  | <i>97.2</i> |
| <i>Electronics and IT materials</i> | <i>14</i>  | <i>26</i>  | <i>11</i>  | <i>80.6</i> |
| <i>Functional chemicals</i>         | <i>9</i>   | <i>18</i>  | <i>9</i>   | <i>98.1</i> |
| <b>Food products</b>                | <b>2</b>   | <b>2</b>   | <b>0</b>   | <b>20.2</b> |
| <b>Life Science</b>                 | <b>10</b>  | <b>14</b>  | <b>4</b>   | <b>41.9</b> |
| <b>Other</b>                        | <b>1</b>   | <b>1</b>   | <b>0</b>   | <b>72.5</b> |

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

## Chemicals “Polymer additives”

## ◆ Sales

42.4%

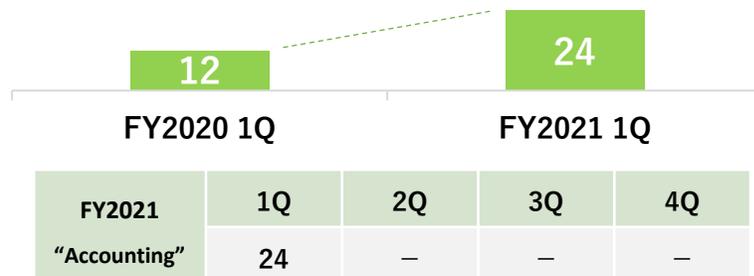
Unit: 100 million yen



## ◆ Operating profit

97.2%

Unit: 100 million yen



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

## Main factor (YoY)

- Recovery in automobile production, which fell a year earlier.
- Expansion of sales of environmentally friendly heavy-metal-free stabilizers owing to a tightening of environmental regulations in Southeast Asia.

## ◆ Automobile

strong

Nucleating Agents, Light Stabilizers, Plasticizers for Rubbers

## ◆ Building material

strong

PVC Stabilizers

## ◆ Food packaging, Medical use

steady

Clarifying Agents

## ◆ All plastic products

strong

Antioxidants

## ◆ Home appliances frame

strong

Flame retardants for Engineering plastics

## Main factor (YoY)

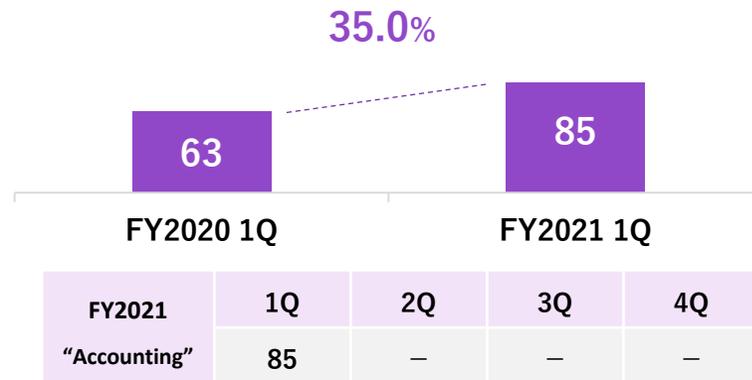
Unit: 100 million yen



# Chemicals “Electronics and IT materials”

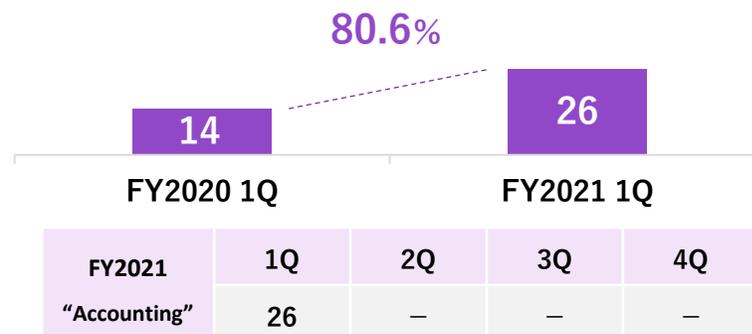
## ◆ Sales

Unit: 100 million yen



## ◆ Operating profit

Unit: 100 million yen



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

### Main factor (YoY)

- Global expansion of demand related to digitalization reflecting the expansion of 5G communications and telework.
- Growing demand for LCD and OLED panels due to changing lifestyles.

### ◆ Semiconductor

strong

Photoacid generator used for semiconductor lithography  
New products for advanced DRAM (High-k materials)

steady

Products for NAND

### ◆ Display

strong

Photo(Light) Curing Resins for Optical film  
Photoinitiator for color filter  
Etchants for Display

### Main factor (YoY)

Unit: 100 million yen

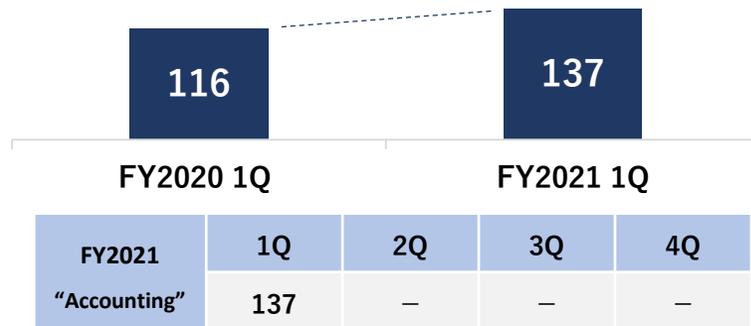


# Chemicals “Functional chemicals”

## ◆ Sales

Unit: 100 million yen

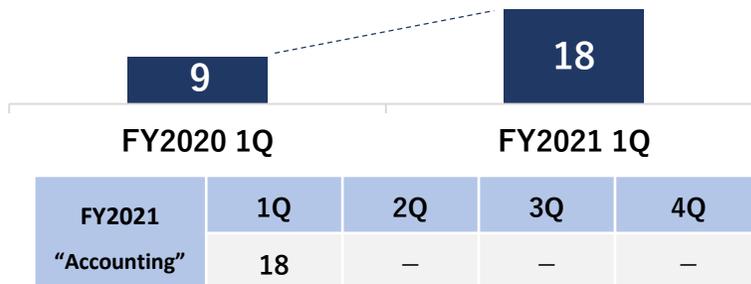
18.1%



## ◆ Operating profit

Unit: 100 million yen

98.1%



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

### Main factor (YoY)

- Recovery in automobile production, which fell a year earlier and recovery of demand for general industrial products.
- Successful sales activities for a reactive emulsifier, taking advantage of its approval by the U.S. FDA (Sep. 2020).

#### ◆ Automobile

strong

Lubricant additive for engine oil,  
Special-type epoxy resins, epoxy resin adhesives

#### ◆ Architectural coatings and food packaging labels

strong

Reactive emulsifier for water-based adhesive resin

#### ◆ Chemicals for general industrial use

steady

Polypropylene glycol

#### ◆ Cosmetics and detergents

weak

Surfactants

### Main factor (YoY)

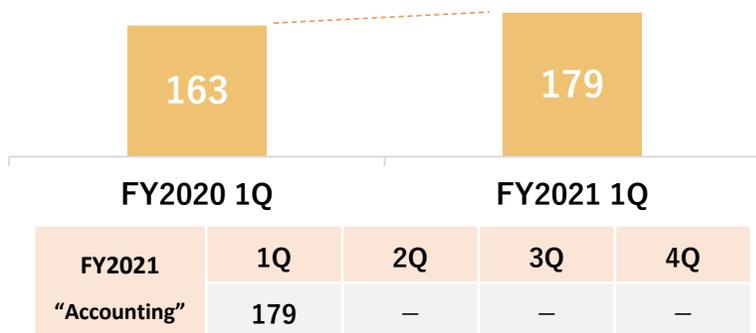
Unit: 100 million yen



## ◆ Sales

Unit: 100 million yen

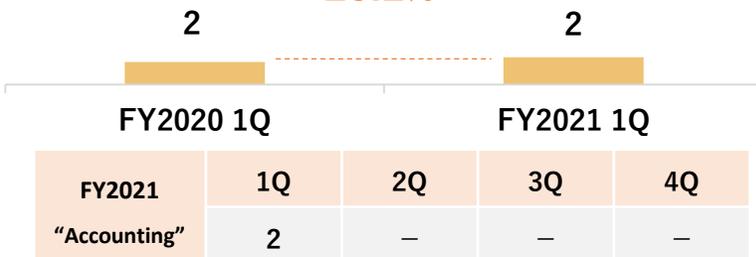
9.5%



## ◆ Operating profit

Unit: 100 million yen

20.2%



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

### Main factor (YoY)

- Recovery in demand for products for convenience stores in Japan.
- Expansion of sales of the "Marvelous" series, which contributes to reducing food loss, reflecting the needs for stocking up on bread, etc. and new uses, including freezing and refrigerating.

#### ◆ Bread, confectionery

steady Margarines, shortening

growth Functional Margarine for kneading "Marvelous"

#### ◆ Western confectionery, dessert

strong Whipping cream

### Main factor (YoY)

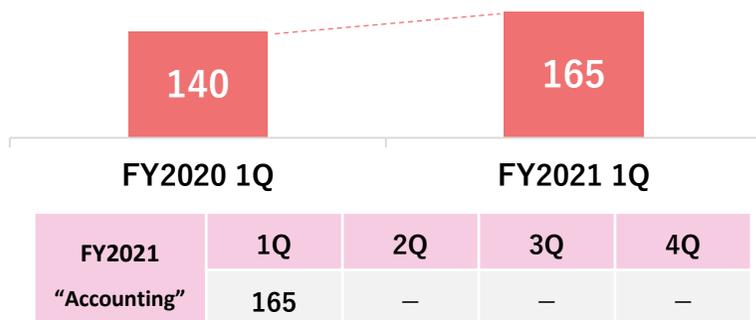
Unit: 100 million yen



## ◆ Sales

Unit: 100 million yen

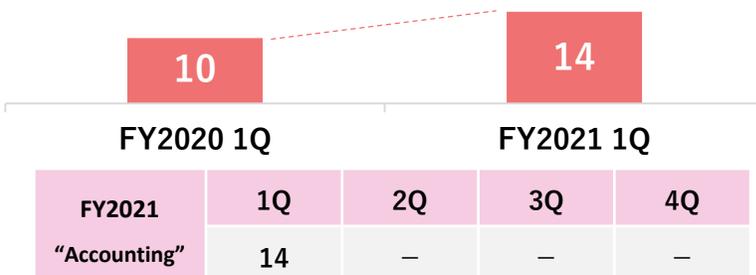
17.7%



## ◆ Operating profit

Unit: 100 million yen

41.9%



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

### Main factor (YoY)

- Increase in sales due to strong sales of agrochemicals abroad, despite sluggish sales of agrochemicals and pharmaceuticals in Japan.
- Expansion of demand for acaricides due to increases in pests in NORTH AMERICA.
- Expansion of share in the herbicides market in EUROPE.

#### ◆ Agrochemicals

**strong** NORTH AMERICA, EUROPE, BRASIL

**weak** JAPAN

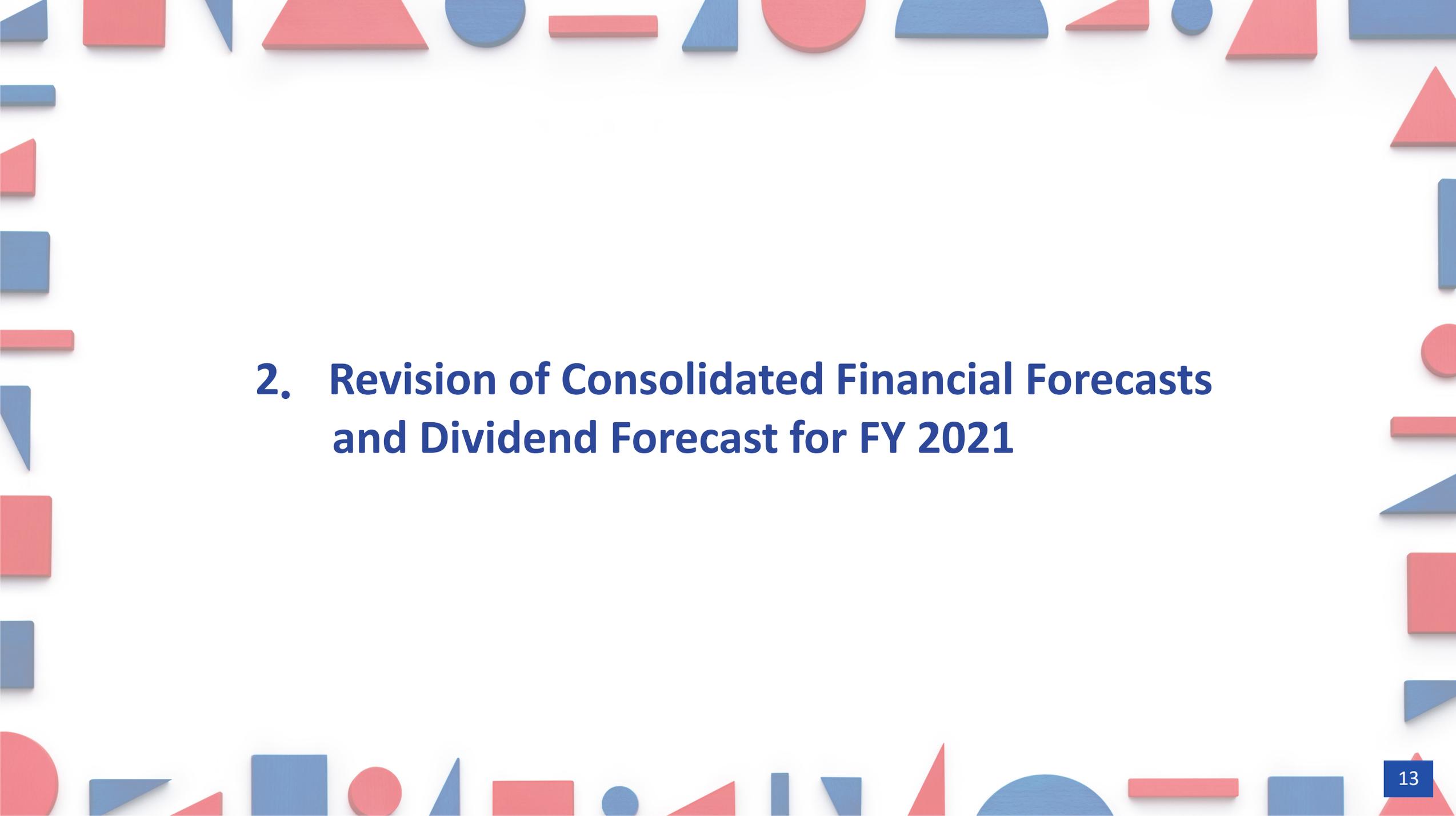
#### ◆ Pharmaceuticals, others

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

### Main factor (YoY)

Unit: 100 million yen



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## **2. Revision of Consolidated Financial Forecasts and Dividend Forecast for FY 2021**

# Revision of Consolidated Financial Forecasts for FY2021

Unit: 100 million yen

|   | Previous forecast (May 13, 2021) |                      |                  | Newly revised forecast (Aug. 11, 2021) |                      |                      |                  | Change            |             | FY2020<br>(Results) |
|---|----------------------------------|----------------------|------------------|--|----------------------|----------------------|------------------|-------------------|-------------|---------------------|
|   | 1 <sup>st</sup> half             | 2 <sup>nd</sup> half | Full Year<br>(a) | 1Q                                     | 1 <sup>st</sup> half | 2 <sup>nd</sup> half | Full Year<br>(b) | Amount<br>(b)-(a) | Rate<br>(%) |                     |
| Sales                                   | 1,530                            | 1,760                | 3,290            | 840                                    | 1,660                | 1,840                | 3,500            | 210               | 6.4         | 3,270               |
| Operating profit                        | 98                               | 158                  | 256              | 89                                     | 150                  | 150                  | 300              | 44                | 17.2        | 289                 |
| Current profit                          | 99                               | 161                  | 260              | 92                                     | 156                  | 149                  | 305              | 45                | 17.3        | 292                 |
| Profit attributable to owners of parent | 67                               | 97                   | 164              | 59                                     | 99                   | 91                   | 190              | 26                | 15.9        | 164                 |
| Net profit per share - yen/share -      | ¥ 64.9                           | ¥ 93.9               | ¥ 158.8          | ¥ 57.7                                 | ¥ 95.9               | ¥ 88.1               | ¥ 184.0          | ¥ 25.2            | -           | ¥ 159.0             |

|               |        | FY2021/2H Assumption |
|---------------|--------|----------------------|
| Exchange rate | ¥ / \$ | 110.00               |
|               | ¥ / €  | 133.00               |
| Naphtha       | ¥ / KL | 52,000               |

# Revision of Consolidated Financial Forecasts for FY2021 - By segment -

| Unit: 100 million yen               | Previous forecast (May 13, 2021) |                      |                  | Newly revised forecast (Aug. 11, 2021) |                      |                      |                  | Change            |               | FY2020<br>(Results) |
|-------------------------------------|----------------------------------|----------------------|------------------|--|----------------------|----------------------|------------------|-------------------|---------------|---------------------|
|                                     | 1 <sup>st</sup> half             | 2 <sup>nd</sup> half | Full Year<br>(a) | 1Q                                     | 1 <sup>st</sup> half | 2 <sup>nd</sup> half | Full Year<br>(b) | Amount<br>(b)-(a) | Rate<br>(%)   |                     |
|                                     |                                  |                      |                  |  |                      |                      |                  |                   |               |                     |
| <b>Net sales</b>                    | <b>1,530</b>                     | <b>1,760</b>         | <b>3,290</b>     | <b>840</b>                             | <b>1,660</b>         | <b>1,840</b>         | <b>3,500</b>     | <b>210</b>        | <b>6.4</b>    | <b>3,270</b>        |
| <b>Chemicals</b>                    | <b>855</b>                       | <b>889</b>           | <b>1,744</b>     | <b>480</b>                             | <b>945</b>           | <b>920</b>           | <b>1,865</b>     | <b>121</b>        | <b>6.9</b>    | <b>1,758</b>        |
| <i>Polymer Additives</i>            | <i>433</i>                       | <i>454</i>           | <i>887</i>       | <i>256</i>                             | <i>475</i>           | <i>455</i>           | <i>930</i>       | <i>43</i>         | <i>4.8</i>    | <i>938</i>          |
| <i>Electronics and IT materials</i> | <i>161</i>                       | <i>173</i>           | <i>334</i>       | <i>85</i>                              | <i>190</i>           | <i>180</i>           | <i>370</i>       | <i>36</i>         | <i>10.8</i>   | <i>297</i>          |
| <i>Functional chemicals</i>         | <i>261</i>                       | <i>262</i>           | <i>523</i>       | <i>137</i>                             | <i>280</i>           | <i>285</i>           | <i>565</i>       | <i>42</i>         | <i>8.0</i>    | <i>522</i>          |
| <b>Food products</b>                | <b>356</b>                       | <b>379</b>           | <b>735</b>       | <b>179</b>                             | <b>363</b>           | <b>387</b>           | <b>750</b>       | <b>15</b>         | <b>2.0</b>    | <b>700</b>          |
| <b>Life Science</b>                 | <b>284</b>                       | <b>453</b>           | <b>737</b>       | <b>165</b>                             | <b>317</b>           | <b>493</b>           | <b>810</b>       | <b>73</b>         | <b>9.9</b>    | <b>714</b>          |
| <b>Other</b>                        | <b>35</b>                        | <b>39</b>            | <b>74</b>        | <b>15</b>                              | <b>35</b>            | <b>40</b>            | <b>75</b>        | <b>1</b>          | <b>1.4</b>    | <b>97</b>           |
| <b>Operating profit</b>             | <b>98</b>                        | <b>158</b>           | <b>256</b>       | <b>89</b>                              | <b>150</b>           | <b>150</b>           | <b>300</b>       | <b>44</b>         | <b>17.2</b>   | <b>289</b>          |
| <b>Chemicals</b>                    | <b>96</b>                        | <b>110</b>           | <b>206</b>       | <b>70</b>                              | <b>129</b>           | <b>108</b>           | <b>237</b>       | <b>31</b>         | <b>15.0</b>   | <b>203</b>          |
| <i>Polymer Additives</i>            | <i>33</i>                        | <i>36</i>            | <i>69</i>        | <i>24</i>                              | <i>47</i>            | <i>35</i>            | <i>82</i>        | <i>13</i>         | <i>18.8</i>   | <i>75</i>           |
| <i>Electronics and IT materials</i> | <i>44</i>                        | <i>50</i>            | <i>94</i>        | <i>26</i>                              | <i>50</i>            | <i>50</i>            | <i>100</i>       | <i>6</i>          | <i>6.4</i>    | <i>76</i>           |
| <i>Functional chemicals</i>         | <i>19</i>                        | <i>24</i>            | <i>43</i>        | <i>18</i>                              | <i>32</i>            | <i>23</i>            | <i>55</i>        | <i>12</i>         | <i>27.9</i>   | <i>52</i>           |
| <b>Food products</b>                | <b>4</b>                         | <b>10</b>            | <b>14</b>        | <b>2</b>                               | <b>5</b>             | <b>5</b>             | <b>10</b>        | <b>△ 4</b>        | <b>△ 28.6</b> | <b>13</b>           |
| <b>Life Science</b>                 | <b>▲ 4</b>                       | <b>35</b>            | <b>31</b>        | <b>14</b>                              | <b>13</b>            | <b>34</b>            | <b>47</b>        | <b>16</b>         | <b>51.6</b>   | <b>60</b>           |
| <b>Other</b>                        | <b>2</b>                         | <b>3</b>             | <b>5</b>         | <b>1</b>                               | <b>3</b>             | <b>3</b>             | <b>6</b>         | <b>1</b>          | <b>20.0</b>   | <b>11</b>           |

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

# Revision of Dividend forecast

|   | FY2021          |          |       | Dividend payout ratio (%) |
|---|-----------------|----------|-------|---------------------------|
|   | 2nd quarter-end | Year-end | Total |                           |
| Previous forecast<br>(May 13, 2021)       | ¥ 25            | ¥ 25     | ¥ 50  | 31.5                      |
| Newly revised forecast<br>(Aug. 11, 2021) | ¥ 28            | ¥ 28     | ¥ 56  | 30.4                      |
| FY2020 results                            | ¥ 24            | ¥ 24     | ¥ 48  | 30.2                      |

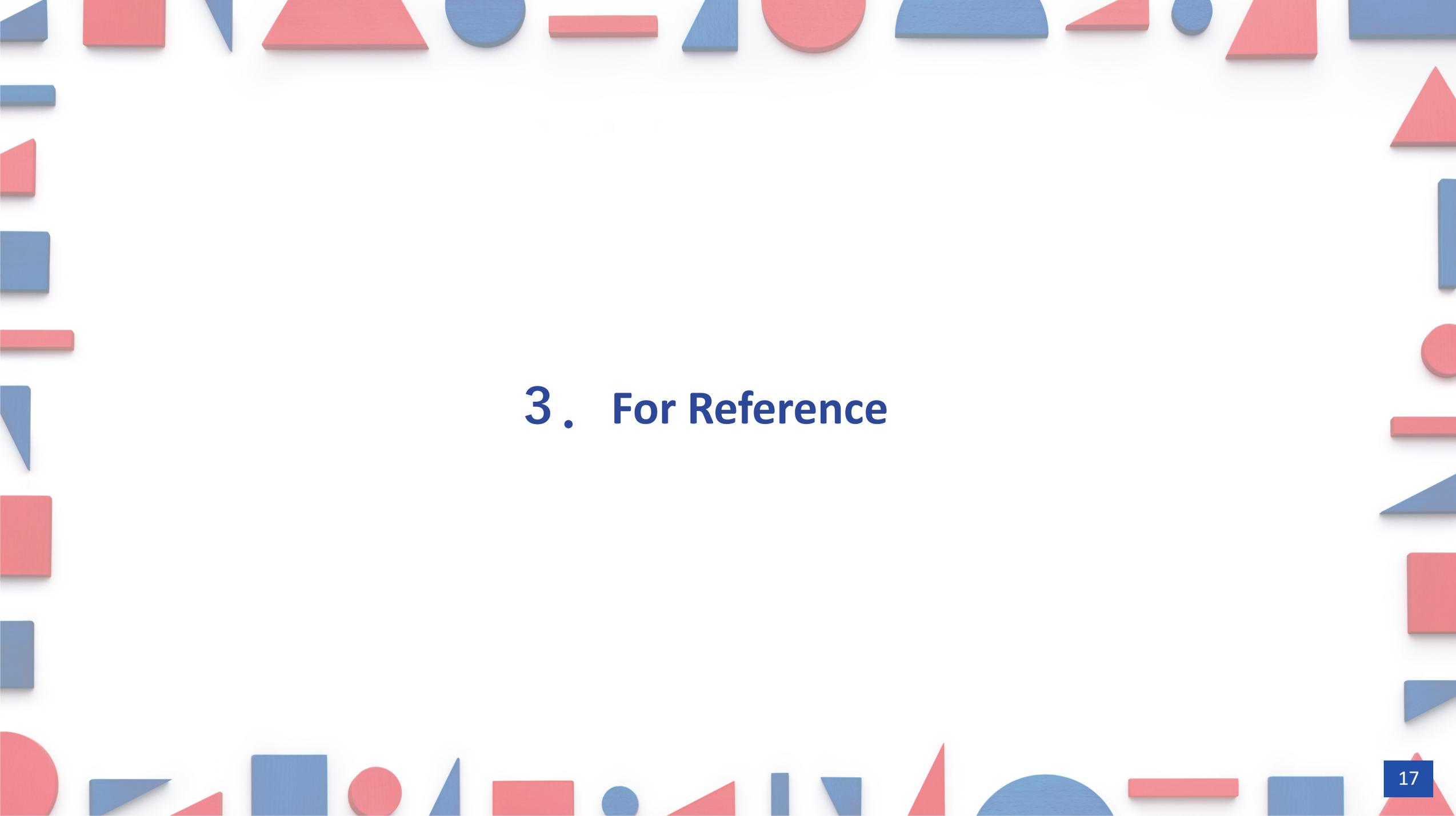
Reason for the revision

MTMP ADX 2023

Dividend payout ratio  
maintained More than 30%

Consolidated Financial Forecasts for FY2021

Revised upward

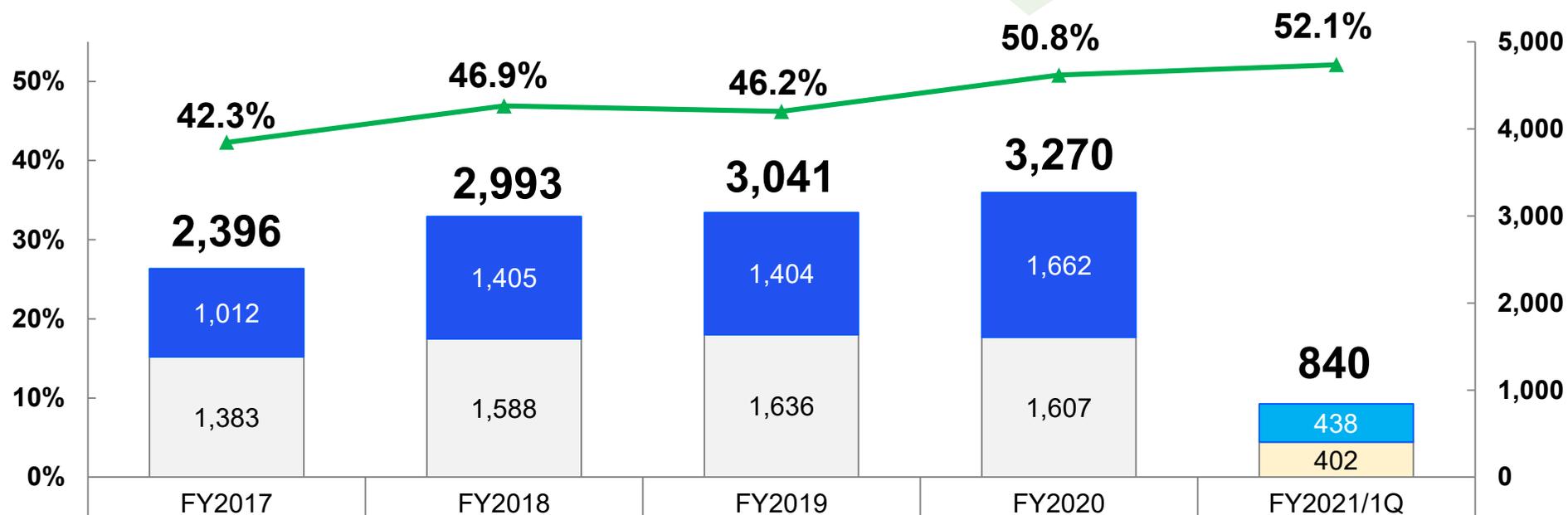
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### 3. For Reference

# Overseas Sales - For reference -

Unification of financial period of 10 overseas consolidated

Unit: 100 million yen



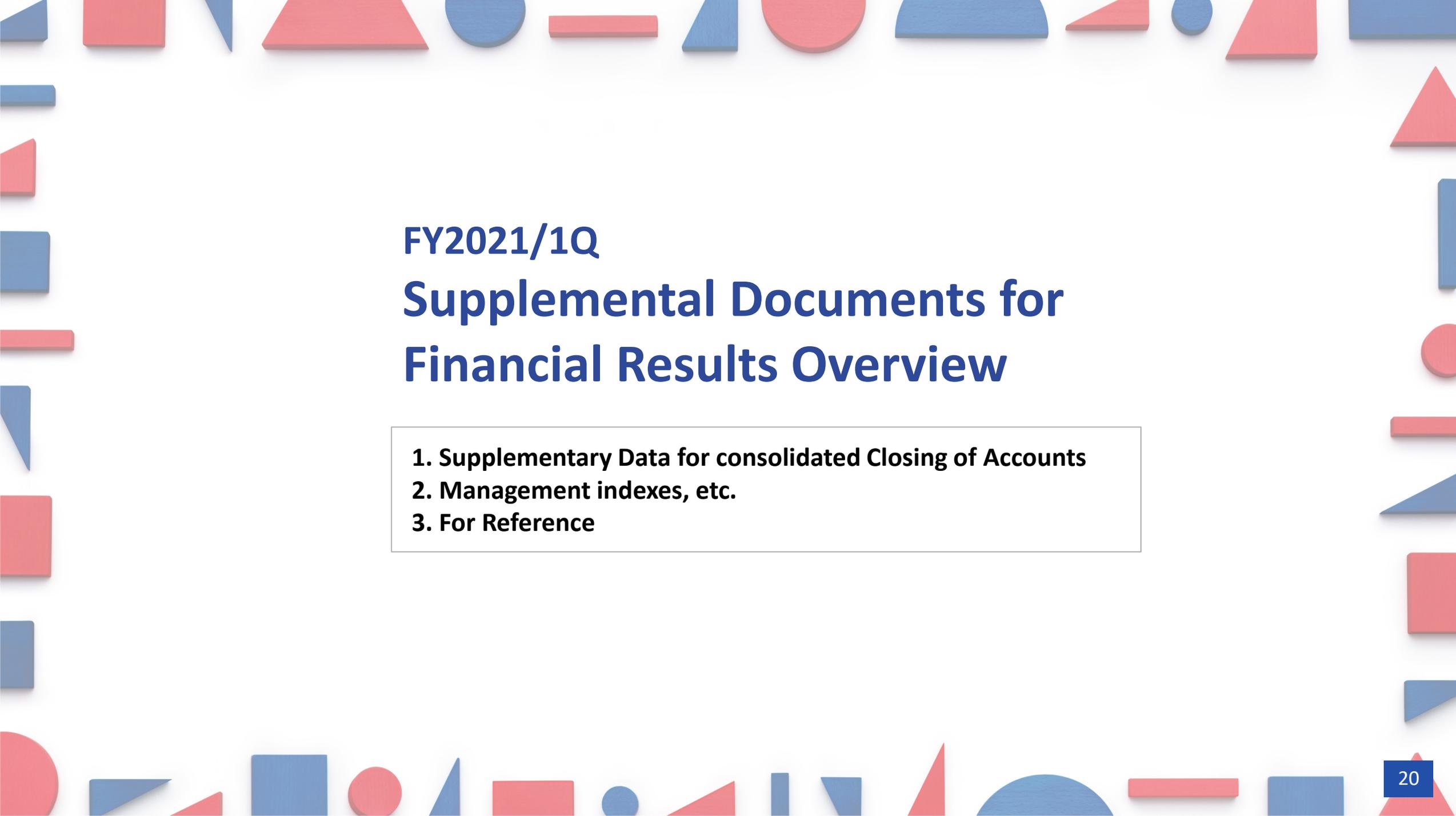
|                      |       |       |       |       |       |
|----------------------|-------|-------|-------|-------|-------|
| Overseas sales       | 1,012 | 1,405 | 1,404 | 1,662 | 438   |
| Domestic sales       | 1,383 | 1,588 | 1,636 | 1,607 | 402   |
| Overseas sales ratio | 42.3% | 46.9% | 46.2% | 50.8% | 52.1% |
| sales                | 2,396 | 2,993 | 3,041 | 3,270 | 840   |

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

The logo for ADEKA features a stylized letter 'A' on the left, composed of two overlapping shapes: a red one on top and a blue one on the bottom, both slanted to the right. To the right of this 'A' is the word 'DEKA' in a bold, red, italicized sans-serif font. The entire logo is centered horizontally.

**ADEKA**

**Add Goodness**



# FY2021/1Q 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 consolidated Closing of Accounts

Unit: 100 million yen

|   | As of Mar. 31, 2021 | As of Jun. 30, 2021 | increase/<br>decrease |
|---|---------------------|---------------------|-----------------------|
| <b>Assets</b>   |                     |                     |                       |
| Current assets ①                                      | 2,555               | 2,591               | 36                    |
| Fixed assets  | 1,821               | 1,814               | △ 6                   |
| Tangible fixed assets                                 | 1,189               | 1,178               | △ 10                  |
| Intangible fixed assets                               | 161                 | 163                 | 1                     |
| Investment and other assets                           | 470                 | 472                 | 2                     |
| Total assets  | 4,376               | 4,406               | 29                    |
| <b>Liabilities</b>                                    |                     |                     |                       |
| Current liabilities                                   | 1,072               | 1,012               | △ 60                  |
| Long-term liabilities                                 | 588                 | 647                 | 58                    |
| Total liabilities                                     | 1,661               | 1,659               | △ 1                   |
| <b>Net assets</b>                                     |                     |                     |                       |
| Shareholders' equity                                  | 2,120               | 2,159               | 38                    |
| Capital stock   | 229                 | 229                 | -                     |
| Capital surplus                                       | 200                 | 200                 | △ 0                   |
| Retained earnings                                     | 1,694               | 1,733               | 38                    |
| Treasury stock  | △ 4                 | △ 4                 | △ 0                   |
| Accumulated other comprehensive income                | 159                 | 158                 | △ 1                   |
| Valuation difference on available-for-sale securities | 99                  | 93                  | △ 5                   |
| Reserve for land revaluation                          | 42                  | 42                  | -                     |
| Translation adjustment                                | 33                  | 37                  | 3                     |
| Adjustments for retirement Benefits                   | △ 15                | △ 15                | 0                     |
| Minority interests                                    | 434                 | 428                 | △ 5                   |
| Total net assets ②                                    | 2,714               | 2,746               | 31                    |
| Total liabilities and net assets                      | 4,376               | 4,406               | 29                    |

### POINT①

**Increase in Current assets** 36

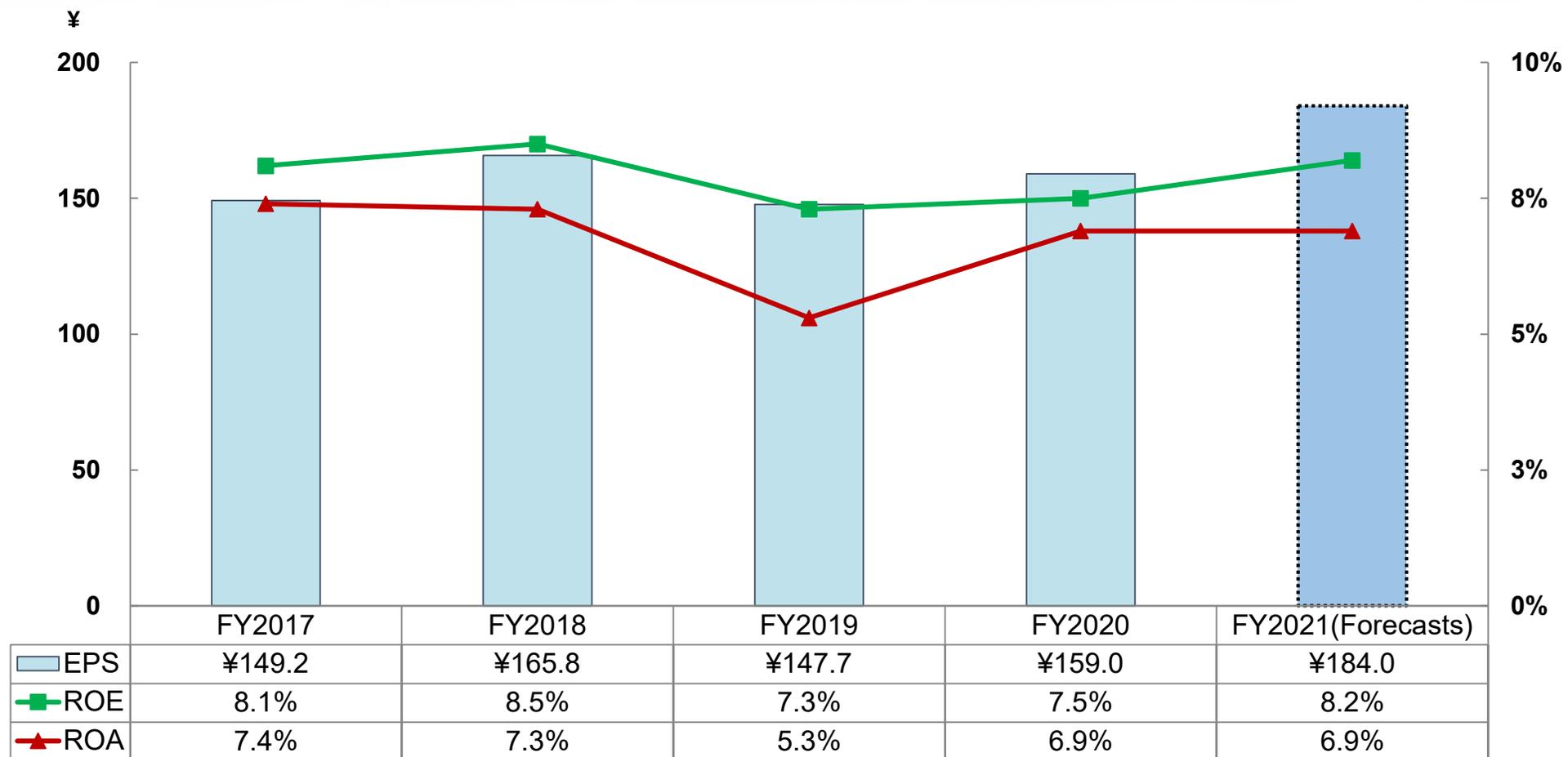
**Increases in raw materials and supplies** 44

### POINT②

**Increase in total net assets** 31

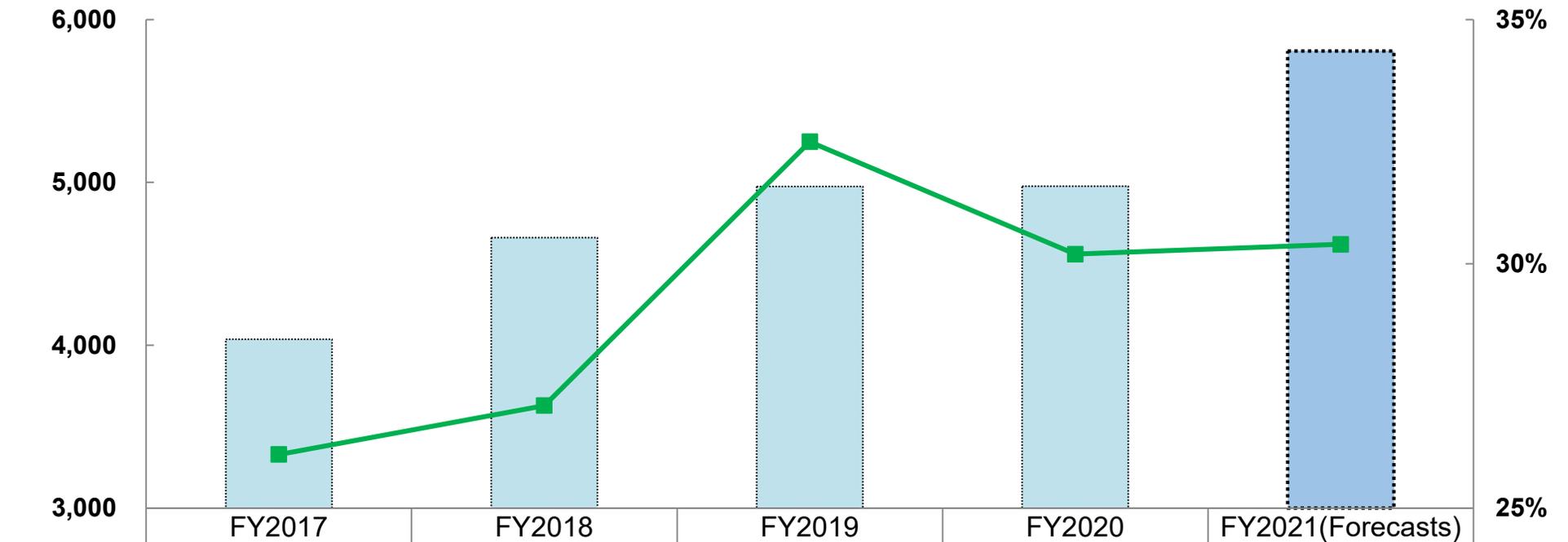
**Increase in retained earnings** 38

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



## 2 - 2 Dividend payout ratio and dividends

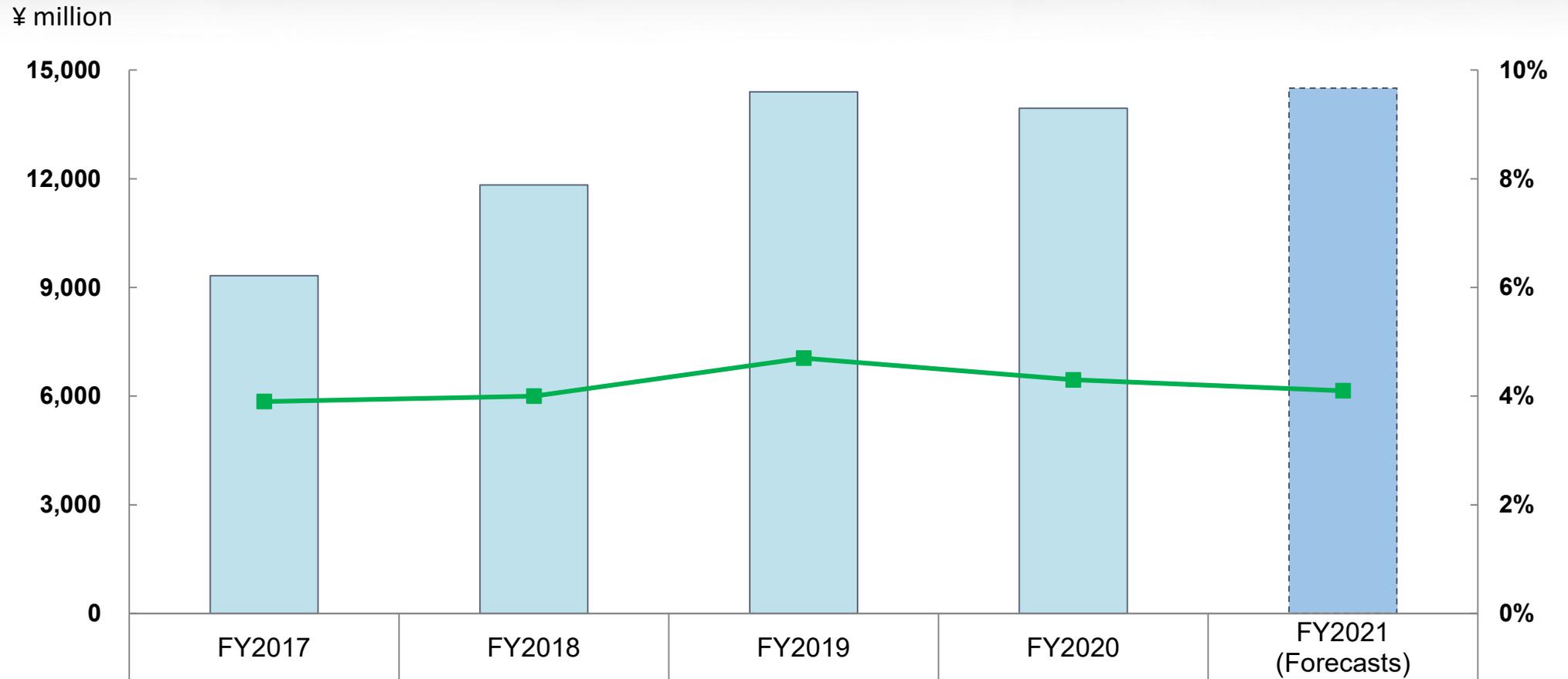
¥ million



|                         | FY2017 | FY2018 | FY2019 | FY2020 | FY2021(Forecasts) |
|-------------------------|--------|--------|--------|--------|-------------------|
| Dividend                | ¥39    | ¥45    | ¥48    | ¥48    | ¥56               |
| Total Dividend          | 4,037  | 4,661  | 4,975  | 4,977  | 5,807             |
| Rate of dividend payout | 26.1%  | 27.1%  | 32.5%  | 30.2%  | 30.4%             |

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

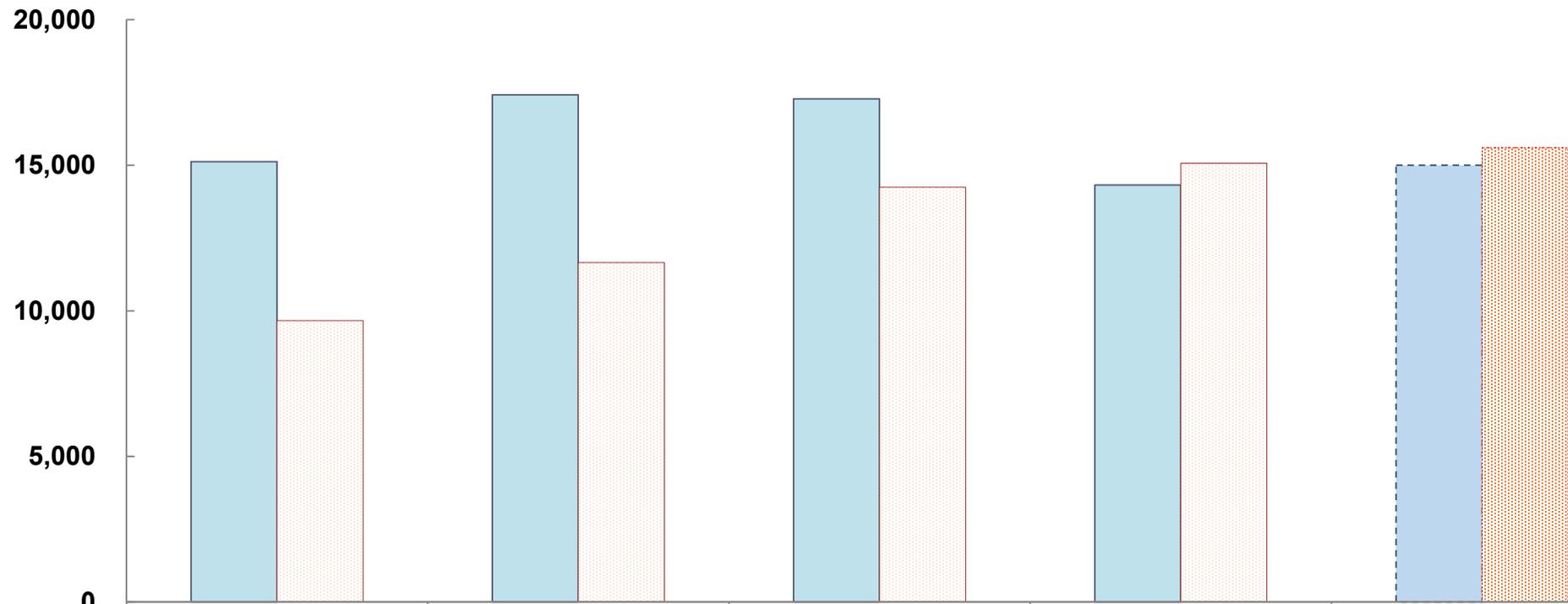
## 2 - 3 Research and development costs



|                              |       |        |        |        |        |
|------------------------------|-------|--------|--------|--------|--------|
| ■ R&D costs                  | 9,327 | 11,829 | 14,398 | 13,945 | 14,500 |
| ■ Rate of R&D costs to sales | 3.9%  | 4.0%   | 4.7%   | 4.3%   | 4.1%   |

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

¥ million



|                    | FY2017 | FY2018 | FY2019 | FY2020 | FY2021(Forecasts) |
|--------------------|--------|--------|--------|--------|-------------------|
| Capital investment | 15,122 | 17,419 | 17,281 | 14,320 | 15,000            |
| Depreciation costs | 9,666  | 11,659 | 14,248 | 15,069 | 15,600            |

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

# 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. |  |

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.

