

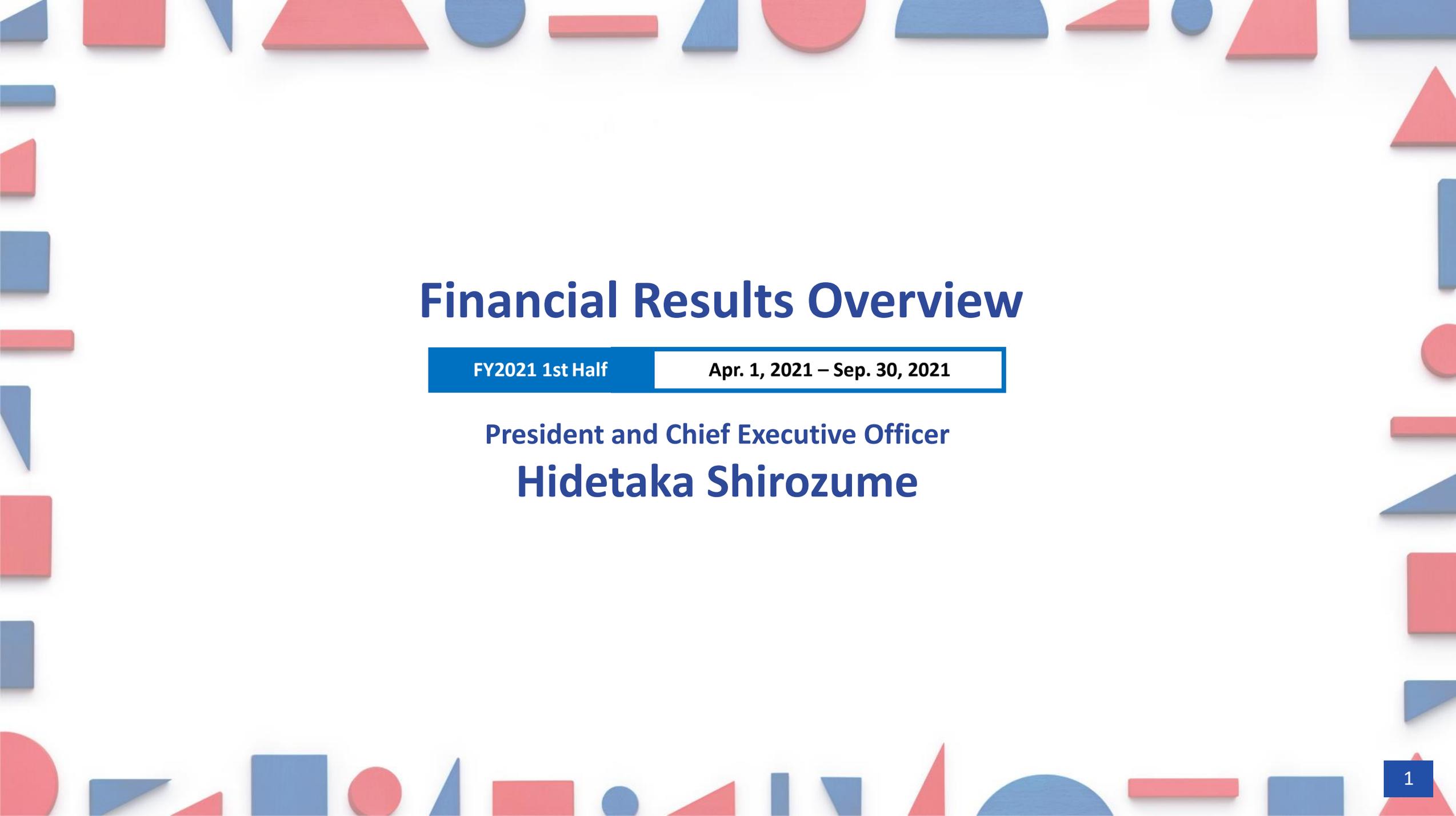
Briefings on Financial Results

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

Nov. 25, 2021

【TSE 4401】





Financial Results Overview

FY2021 1st Half

Apr. 1, 2021 – Sep. 30, 2021

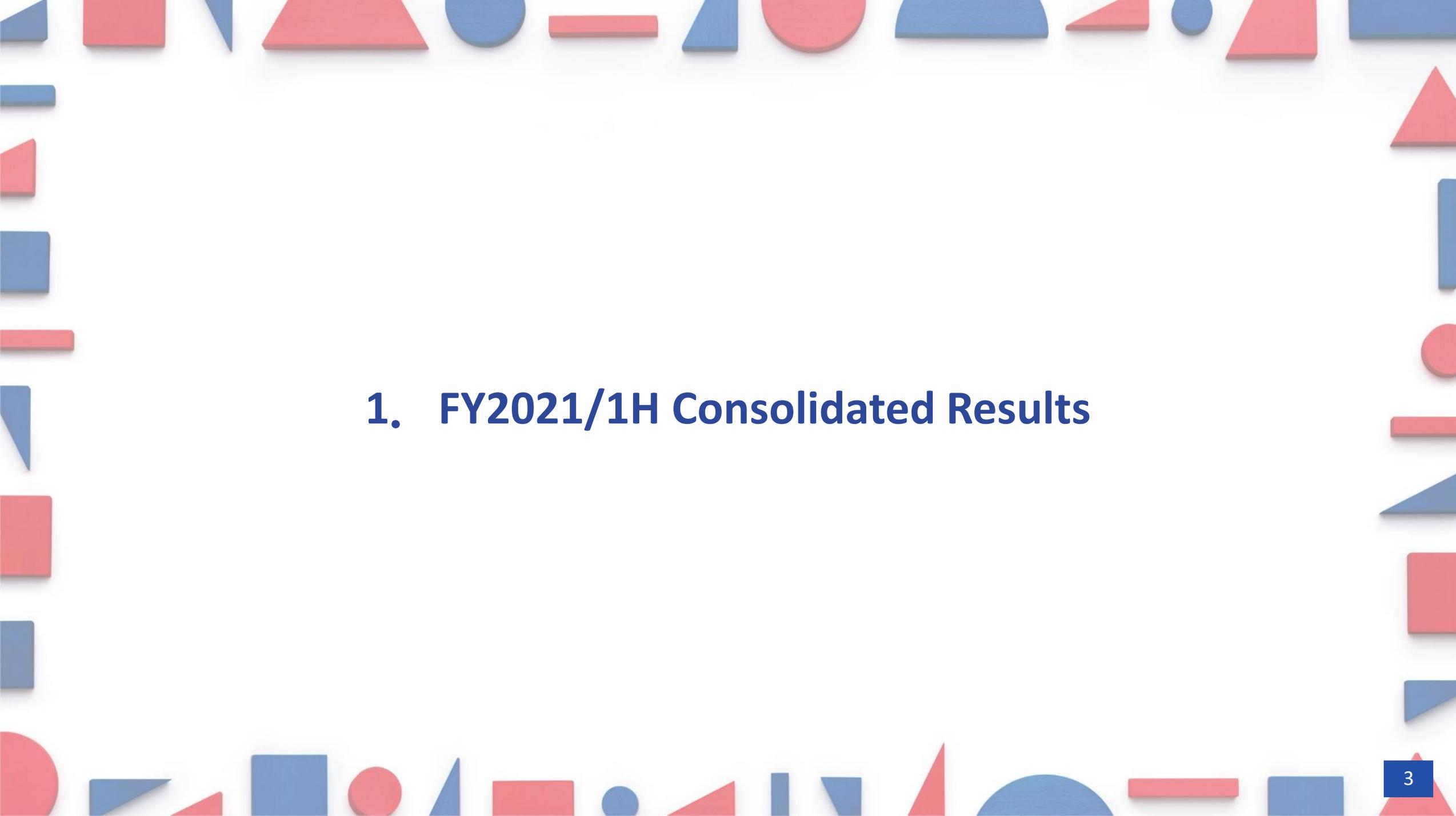
President and Chief Executive Officer

Hidetaka Shirozume

1. **FY2021/1H Consolidated Results** ••• P3

2. **FY2021 Consolidated Forecasts and Business Strategy** ••• P13

3. **For Reference** ••• P27
 - Progress of mid-term management plan *ADX 2023*
 - Overseas Sales

A decorative border consisting of various geometric shapes in red and blue, including squares, triangles, circles, and rectangles, arranged along the top, bottom, and sides of the page.

1. FY2021/1H Consolidated Results

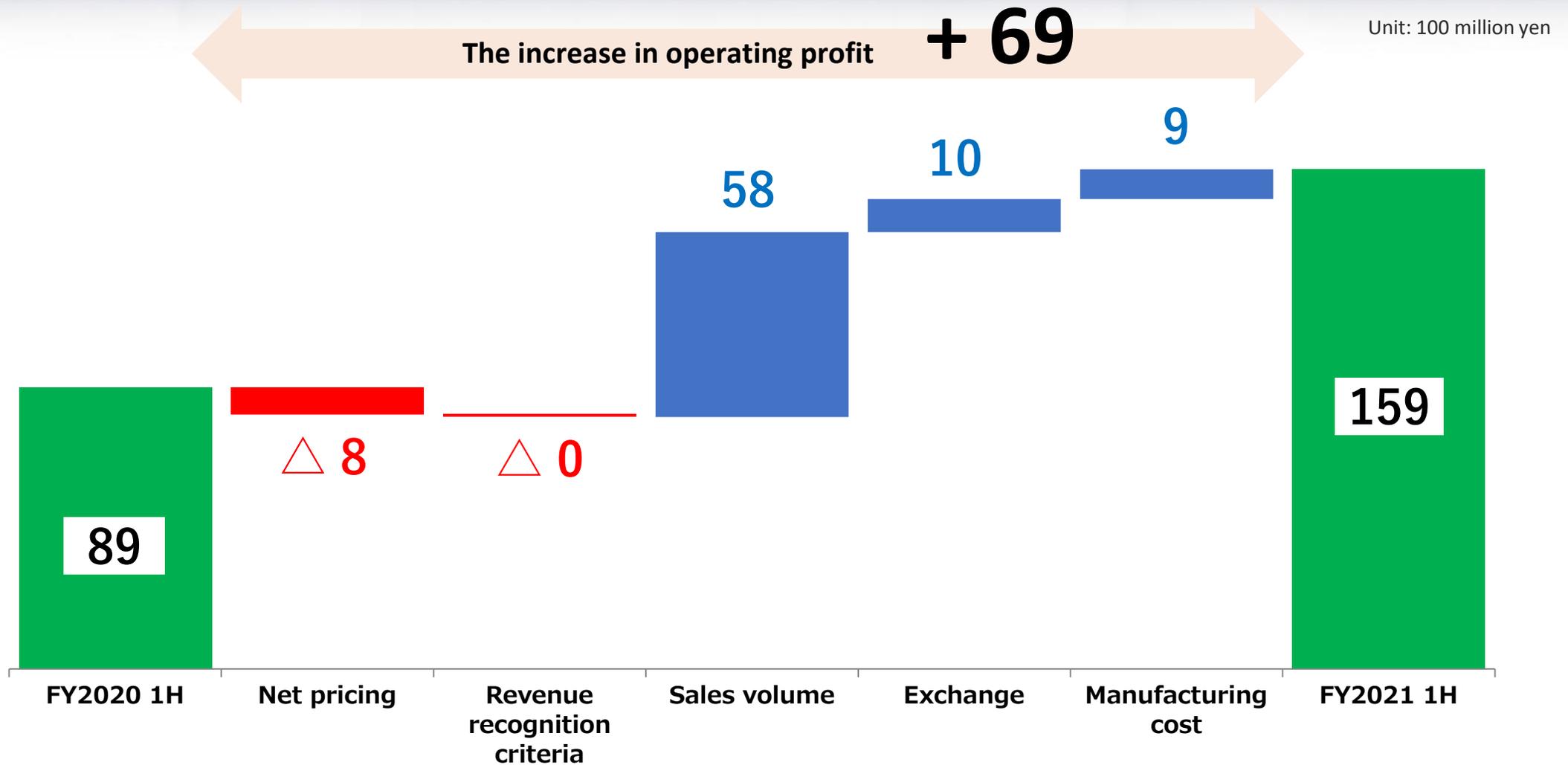
FY2021/1H Consolidated Results

Unit: 100 million yen

	FY2020 1H	FY2021 1H	Change	Rate (%)
Net sales	1,386	1,684	297	21.5
Operating profit	89	159	69	77.6
Current profit	83	161	77	92.8
Profit attributable to owners of parent	57	106	49	86.7
Net profit per share (yen/share)	55.4 yen	103.5 yen	48.0 yen	

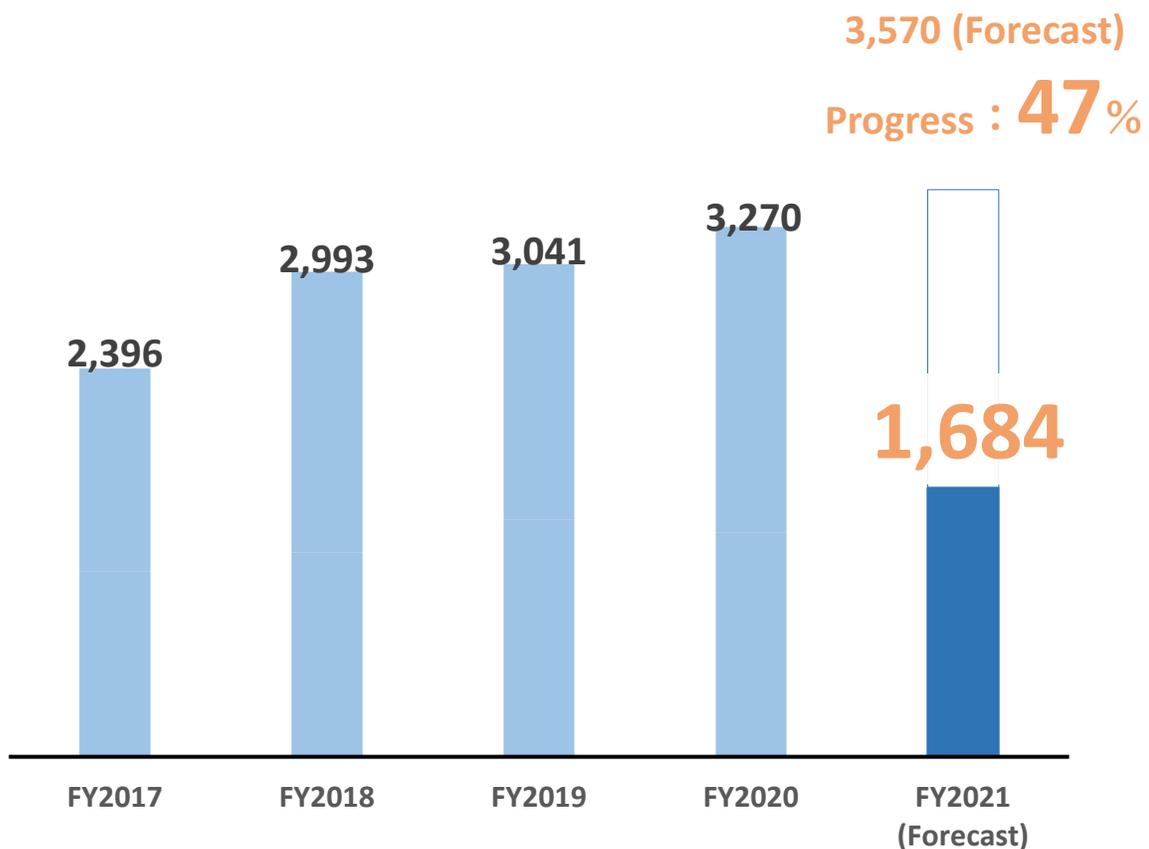
Note : Figures are expressed in units of 100 million yen and have been rounded off.

Analysis of Operating Profit

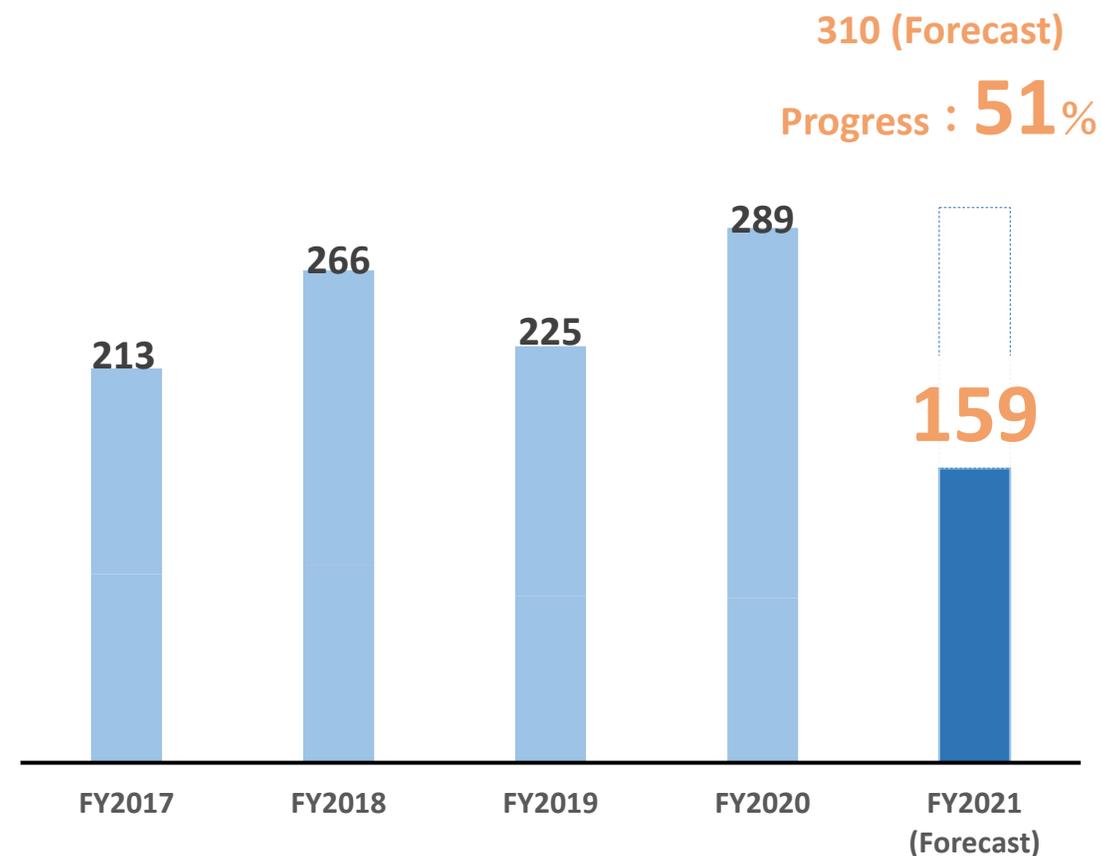


Note : Figures are expressed in units of 100 million yen and have been rounded off.

Net sales



Operating profit



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

FY2021/1H Consolidated Results - By segment -

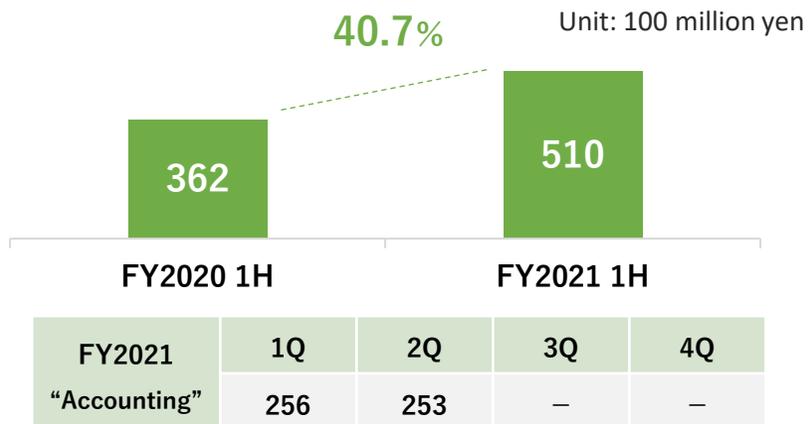
FY2021/1H
Consolidated Results

Unit: 100 million yen

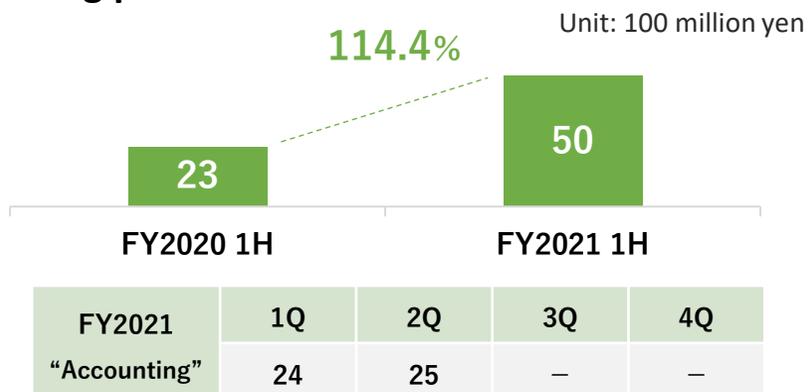
	FY2020/1H	FY2021/1H	Change	Rate (%)
Sales	1,386	1,684	297	21.5
Chemicals	729	963	234	32.1
<i>Polymer Additives</i>	<i>362</i>	<i>510</i>	<i>147</i>	<i>40.7</i>
<i>Electronics and IT materials</i>	<i>133</i>	<i>179</i>	<i>46</i>	<i>34.7</i>
<i>Functional chemicals</i>	<i>233</i>	<i>273</i>	<i>40</i>	<i>17.2</i>
Food products	327	359	32	9.9
Life Science	289	319	29	10.1
Other	39	41	1	4.4
Operating profit	89	159	69	77.6
Chemicals	71	142	70	97.6
<i>Polymer Additives</i>	<i>23</i>	<i>50</i>	<i>26</i>	<i>114.4</i>
<i>Electronics and IT materials</i>	<i>31</i>	<i>56</i>	<i>25</i>	<i>83.0</i>
<i>Functional chemicals</i>	<i>17</i>	<i>35</i>	<i>17</i>	<i>101.0</i>
Food products	2	1	△ 0	△ 36.9
Life Science	10	10	0	1.2
Other	4	4	0	4.5

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

◆ Sales



◆ Operating profit



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

Main factor (YoY)

- Increased sales of automobile-related products from a year earlier, despite being affected by reduced automobile production.
- 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, heavy-metal-free stabilizers

◆ Food packaging, Medical use

steady Clarifying Agents

◆ All plastic products

strong Antioxidants

◆ Home appliances frame

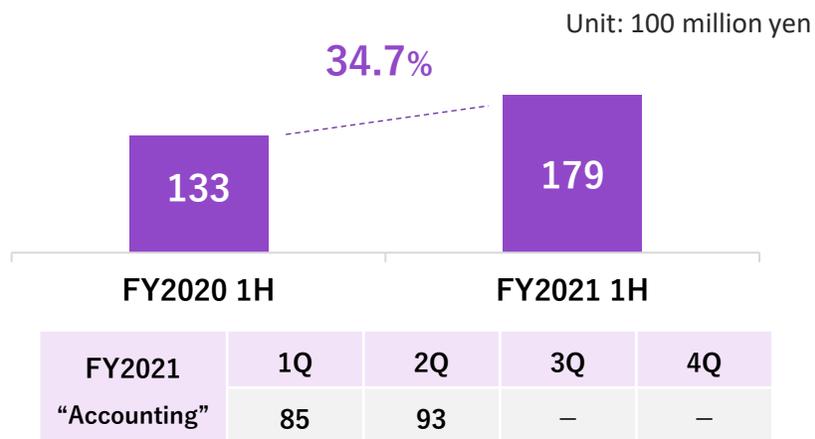
strong Flame retardants for Engineering plastics

Main factor (YoY)

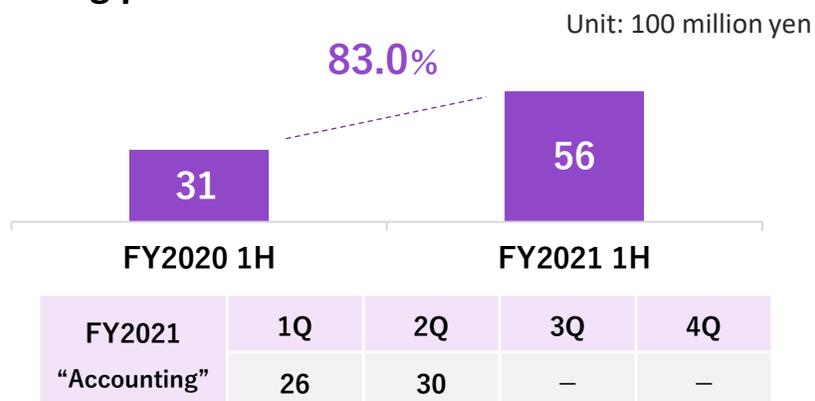
Unit: 100 million yen



◆ Sales



◆ Operating profit



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

Main factor (YoY)

- Expansion of sales of High-k materials for cutting-edge DRAM against the background of the acceleration of 5G communications and IoT.
- High-level production of panels and strong sales of all display-related materials although consumption as a result of people staying at home, for products such as TVs, has run its course.

◆ Semiconductor

strong

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

steady

Products for NAND

◆ Display

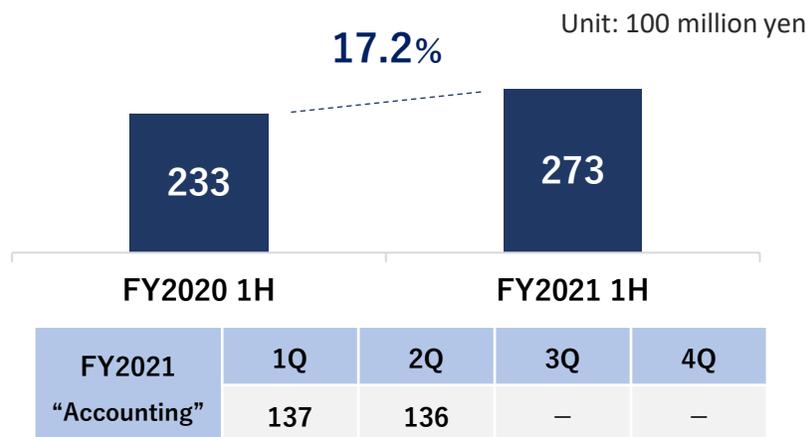
strong

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

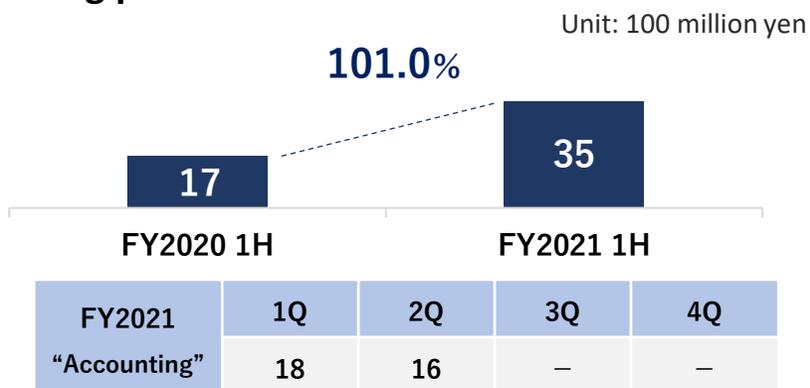
Main factor (YoY)



◆ Sales



◆ Operating profit



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

Main factor (YoY)

- Increased sales of automobile-related products from a year earlier, despite being affected by reduced automobile production.
- Expansion of sales of environmentally friendly reactive emulsifiers, for overseas construction paints in particular.

◆ 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

strong

Peroxygen chemicals, Polypropylene glycol

◆ Cosmetics and detergents

weak

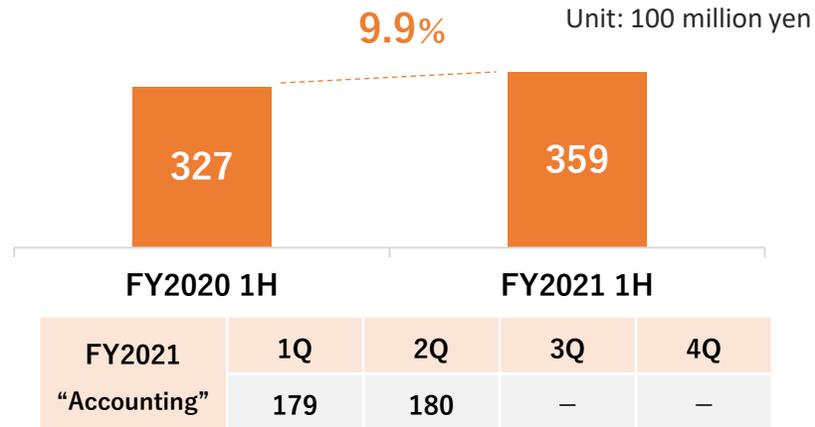
Surfactants

Main factor (YoY)

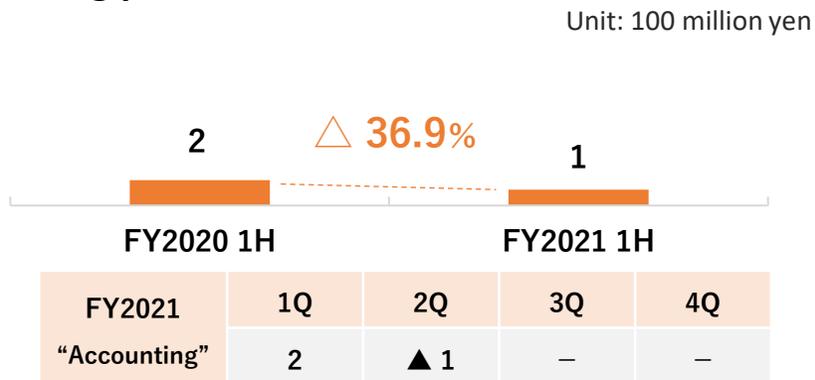
Unit: 100 million yen



◆ Sales



◆ Operating profit



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

Main factor (YoY)

- Steady sales of margarines and shortening, against the background of a recovery of domestic demands for sweet bread.
- 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

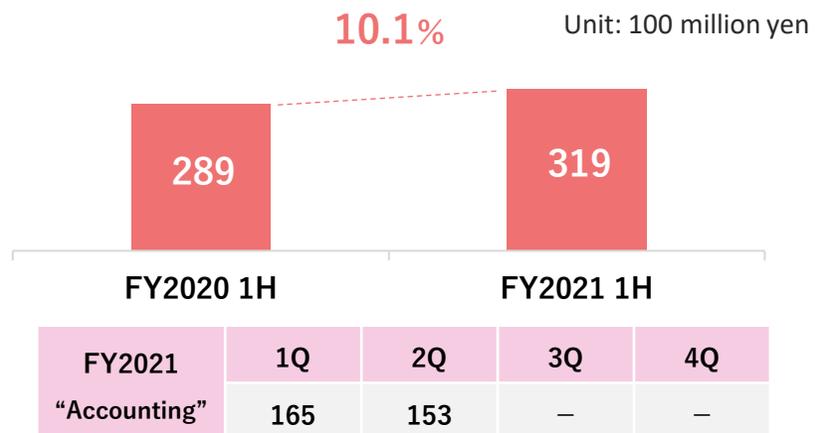
strong Whipping cream

Main factor (YoY)

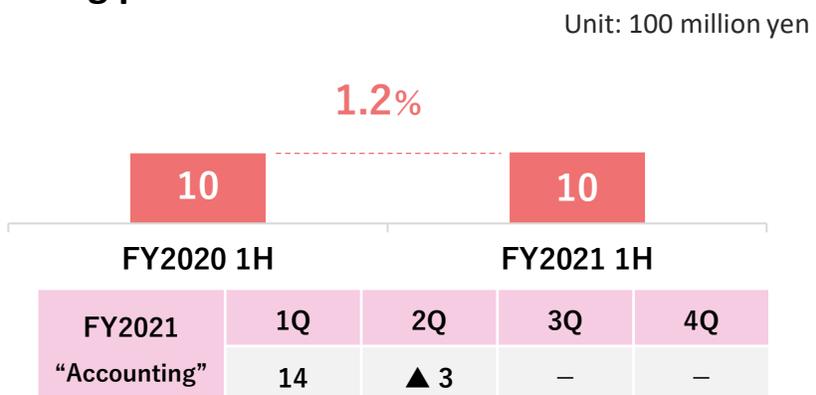
Unit: 100 million yen



◆ Sales



◆ Operating profit



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

Main factor (YoY)

- Sales in Japan were made up for by 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.

◆ Agrochemicals

strong NORTH AMERICA, ASIA, BRASIL

weak JAPAN

◆ Pharmaceuticals, others

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

Main factor (YoY)

Unit: 100 million yen



A decorative border composed of various geometric shapes in red and blue, including squares, triangles, circles, and rectangles, arranged in a pattern around the edges of the slide.

2. FY2021 Consolidated Forecasts and Business Strategy

Outlook for Market Environment in FY2021/2H

World economy

Dull growth rate and increased uncertainty despite recovery mainly in developed countries.

Segment	Market	Market trend (outlook)		Impact on business
		FY2021		
		1H	1 H=> 2 H	
Chemicals	Automobile	UP	DOWN	Polymer additives (Additives, Plasticizers, PVC Stabilizers)
	Building material	UP	DOWN	Functional chemicals (Lubricant Additives, Special Type Epoxy Resins, Painting materials, Industrial Agents)
	Electronic device (PCs · TVs)	UP	UP	Electronics & IT materials (Semiconductor materials, Photoacid generator, Photo(Light) Curing Resins, Photoinitiator)
	Cosmetics	FLAT	UP	Functional chemicals (Cosmetic ingredients, Industrial agents)
	Hand wash, Disinfectant	DOWN	UP	Functional chemicals (Surfactants)
Food	Mass merchants, CVS (Breads, sweets and desserts)	UP	FLAT	Food Products (Margarines, shortening, fillings, etc.)
	Tourism, Restaurant industry (Souvenir sweets)	DOWN	UP	
Life Science	Agriculture	UP	FLAT	Agrochemicals (Insecticide, fungicide, herbicide)

Business risk factors in FY2021/2H

Shortage of electricity in China

Anxiety regarding materials procurement

Effects on plant operations
(Zhejiang Jiangsu)

Reduced production of automobiles

Global shortage of semiconductors

Difficulty of parts procurement during the COVID-19 pandemic

Increased materials and logistics costs

Palm oil and petrochemical materials price increases

Logistics congestion

Businesses that are greatly affected

Polymer additives

Food Products

Polymer additives

Functional chemicals

Food Products

Polymer additives

Functional chemicals

Revision of Consolidated Financial Forecasts for FY2021

Unit: 100 million yen

	Previous forecast (Aug. 11, 2021)			Newly revised forecast (Nov. 12, 2021)			FY2020 Results (b)	Change	
	1H	2H	Full Year	1H Results	2H Forecast	Full Year (a)		Amounts (a)-(b)	Rate (%)
Sales	1,660	1,840	3,500	1,684	1,885	3,570	3,270	299	9.1
Operating profit	150	150	300	159	150	310	289	20	7.0
Current profit	156	149	305	161	153	315	292	22	7.6
Profit attributable to owners of parent	99	91	190	106	93	200	164	35	21.8
Net profit per share - yen/share -	¥ 95.9	¥ 88.1	¥ 184.0	¥ 103.5	¥ 90.7	¥ 194.2	¥ 159.0	¥ 35.2	-

		FY2021/2H Assumption	FY2020 Results
Exchange rate	¥ / \$	110.00	106.06
	¥ / €	133.00	123.70
Naphtha	¥ / KL	52,000	31,325

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

FY2021 Consolidated Forecasts- By segment -

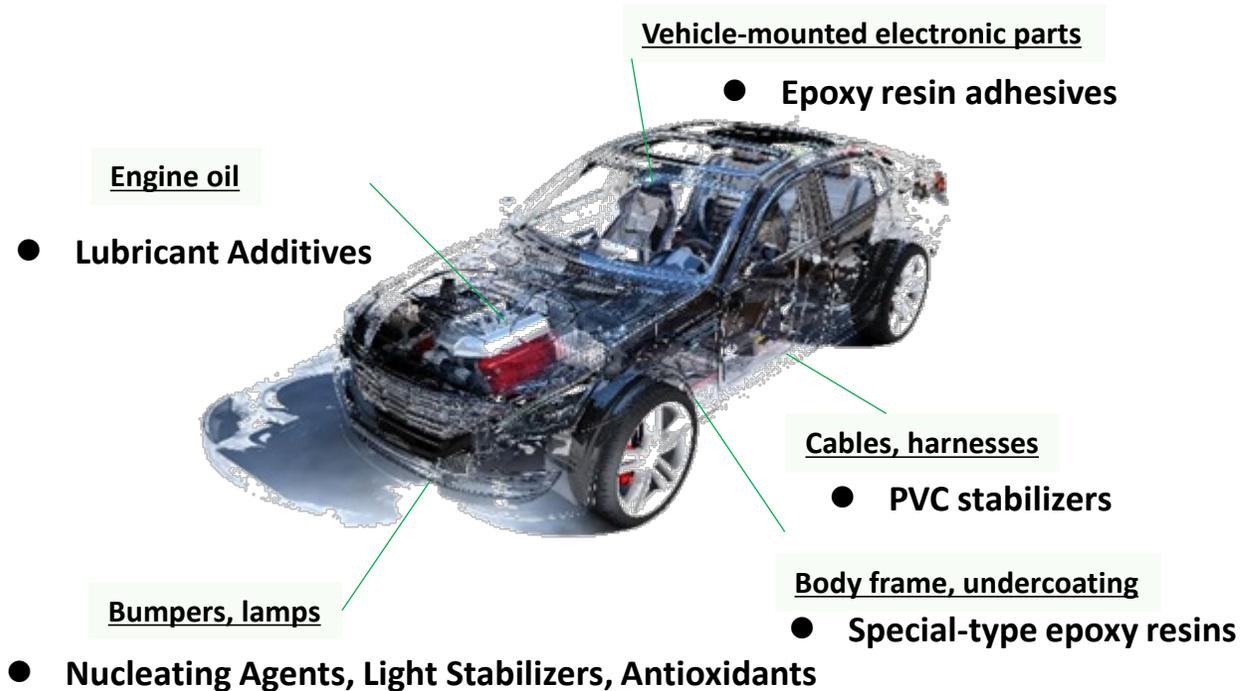
Unit: 100 million yen	Previous forecast (Aug. 11, 2021)			Newly revised forecast (Nov. 12, 2021)			FY2020 Results (b)	Change	
	1H	2H	Full Year	1H Results	2H Forecast	Full Year (a)		Amount (a)-(b)	Rate (%)
Sales	1,660	1,840	3,500	1,684	1,885	3,570	3,270	299	9.1
Chemicals	945	920	1,865	963	969	1,933	1,758	174	9.9
<i>Polymer Additives</i>	<i>475</i>	<i>455</i>	<i>930</i>	<i>510</i>	<i>489</i>	<i>1,000</i>	<i>938</i>	<i>61</i>	<i>6.6</i>
<i>Electronics and IT materials</i>	<i>190</i>	<i>180</i>	<i>370</i>	<i>179</i>	<i>185</i>	<i>365</i>	<i>297</i>	<i>67</i>	<i>22.9</i>
<i>Functional chemicals</i>	<i>280</i>	<i>285</i>	<i>565</i>	<i>273</i>	<i>294</i>	<i>568</i>	<i>522</i>	<i>45</i>	<i>8.6</i>
Food products	363	387	750	359	390	750	700	49	7.1
Life Science	317	493	810	319	490	810	714	95	13.3
Other	35	40	75	41	35	77	97	△ 20	△ 20.9
Operating profit	150	150	300	159	150	310	289	20	7.0
Chemicals	129	108	237	142	117	260	203	56	27.8
<i>Polymer Additives</i>	<i>47</i>	<i>35</i>	<i>82</i>	<i>50</i>	<i>39</i>	<i>90</i>	<i>75</i>	<i>14</i>	<i>19.9</i>
<i>Electronics and IT materials</i>	<i>50</i>	<i>50</i>	<i>100</i>	<i>56</i>	<i>54</i>	<i>111</i>	<i>76</i>	<i>34</i>	<i>45.3</i>
<i>Functional chemicals</i>	<i>32</i>	<i>23</i>	<i>55</i>	<i>35</i>	<i>23</i>	<i>59</i>	<i>52</i>	<i>6</i>	<i>13.4</i>
Food products	5	5	10	1	▲ 1	0	13	△ 13	△ 100.0
Life Science	13	34	47	10	34	45	60	△ 15	△ 25.5
Other	3	3	6	4	0	5	11	△ 6	△ 58.1

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

■ Prediction of automobile materials demand trends



Main automobile-related products



■ Technological changes along with the transition to next-gen. HV and EV

Provision of key materials

Comfort Safety	Advanced driver assistance systems
	Epoxy resin adhesives - Laser Curing Adhesive System
	Ensure safety in the event of ignition
	Flame Retardants
Electric installation	Thermal resistance
	PVC stabilizers
Energy saving	Maximization of energy efficiency
	Lubricant Additives
	Automobile body weight reduction (resinification)
	Nucleating Agents, Light Stabilizers, etc.
	Special-type epoxy resins
	- Structural adhesive

Semiconductor

Cutting-edge areas

High-k materials for advanced DRAM (New products)

In Korea from 2022 **Fully starting integrated production**

Striving to achieve the stable supply of major products to respond to the continuing increase of demand

Photoacid generator used for lithography processes



● Commodity Chemicals (Etching gas, low-K materials)

In China **Promotion of alliances with local companies**

Securing sales channels by improving market presence and licensing

Display

Understanding the demands of industry and technological trends and responding to change

Shift in Chinese market

Change of the supply chain

Panel supply-demand balance

Market cultivation in China

Strengthening sales in Japan, Korea, and Taiwan

Etchants for Display

Strengthening sales using technical service bases in China

Photoinitiator for color filter

Domestic and global expansion of sales of major products and acceleration of the expansion into the Chinese market

Photo(Light) Curing Resins for Optical film

Focusing on next-gen. display applications such as OLED

Responding to a record rise of oil and fat ingredient prices (Palm oil, soy oil, beef fat, pork fat)

Activities up to the first half

Revision of sales prices (twice)

Processed oils
2021/3/15 ~

Margarines,
Shortenings, etc.

Processed oils and foods
2021/9/1 ~

Margarines,
Shortenings,
Whipping cream, etc.

- Improvement of plant productivity
- Reduction of fixed costs
- Sales expansion of functional materials

▶ Net pricing (FY2021/1H Results) : △ 0.8 billion yen

Since Autumn 2021, there has been progress in the review of sales prices across the entire industry.

Initiatives in the 2nd Half of FY2021

Continually focusing on ensuring the appropriateness of sales prices in and after 2H

Initiatives in the 2nd Half of FY2021

Establishment of a business model that is less affected by raw materials price changes

Expansion of sales of high-value-added products

Kneading oil and fats

Fillings

Cream

etc.

Integration of breed varieties

Sustainability

Future

Reduction of food waste

Health and ethics

Good taste

Safety and security

Further expansion of the *Marvelous* series

Overseas

SIPCAM NICHINO BRASIL

Establishment of a system for selling the insecticide flubendiamide

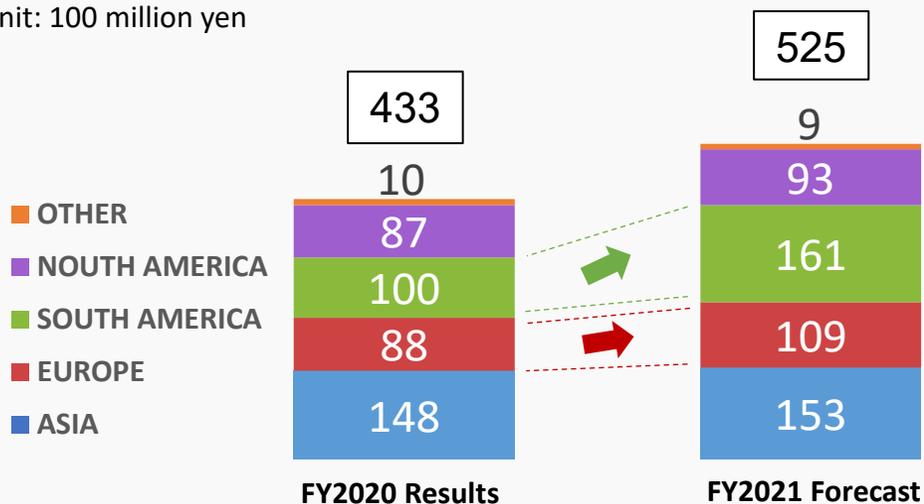
NICHINO EUROPE

Expansion of applications for the herbicide pyraflufen-ethyl (maximization of its sales volume)

Overseas sales forecast

of consolidated subsidiary NIHON NOHYAKU CO., LTD. (full year)

Unit: 100 million yen



JAPAN

From Oct. 1, 2021

Launch of Corteva’s products

- Expanding lineup of agrochemicals
- Proposing as a set with original developed items



Increasing market share by strengthening sales

Concluding sales contracts and strengthening partnerships

Third largest agrochemical manufacturer globally by market share*



* FY2020 Results

New product development “Polymer Additives”

Target

Reducing environmental impact and establishing a resource-circulating society



Eco-friendly products

Environment-Friendly Polymer Additives for recycled resins - ADK CYCLOAID UPR Series

- Adding functions to recycled resin equivalent to or higher than virgin materials
- While maintaining equivalent thermal stability, increasing the content of recycled materials in a composite by 200% or more

Expansion of applications for recycled materials



Making it possible to expand applications to applications that require higher performance

Improvement of the use rate of recycled materials

Before addition



Use rate

UP

After addition



■ Virgin PP

■ Recycle PP

From now on

Expand the lineup to respond to various issues in the future market

New product development “Functional chemicals”

Target

Decrease in car body weight due to electrification and FCV



Eco-friendly products
ADEKA Innovative Value

Conventional



Weight reduction

EV



Because of the multiple materials used in car bodies, it is necessary for assembly, bonding, and formation technologies to evolve and productivity to improve.

Bonding and adhesion

Structural adhesive-ADEKA Resin Series

◆ Promoting the shift from welding to bonding

Bonding of different types resins

Welding is not required

Reducing environmental impact

ADEKA technology that enables EV / FCV

➢ Accelerating market development in various fields



Molding

Resin for FRP/ Molding process

◆ Penetrating FRP / simplifying Molding process

● Matrix resin for FRP

Making FRP car bodies through conventional Molding

● F to C (fiber-to-composite) Molding Process

- Molds are not required
- Directly laminated on a steel plate, which eliminates assembly

➢ Accelerating the expansion of applications to car bodies and other industries, etc.

From now on

Aim to increase market share by changing processes and materials for multi-material cars

New product development “Food Products”



Target

Reduction of food waste, Solving the labor shortage issue,
New normal created by the COVID-19 pandemic



Eco-friendly products
ADEKA Innovative Value

Marvelous series , a functional margarine

Released in 2020

Sales result
125%



2 Q
Results

Gained a foothold

Major bread manufacturer

Effects of an extended durable life

Highly acclaimed

Expanding the series to meet new needs while
maintaining the functionality of *Marvelous*

- Continuation of deliciousness
- Improving production efficiency

FY2021 “RISU BRAND” New Products

● *Marvelous SL* (For kneading)

Functions of *Marvelous*
Preserving deliciousness



Microwave resistance
Good texture even
after heated



For chilled bun meals



Appealing to people with needs to stay at
home and eat deli foods

● *Marvelous Associe* (Pounds)

Functions of *Marvelous*
Preserving deliciousness



Specialty of bakeries
Bringing out flavors
and textures



For retailers



Appealing to people generating demand for stocking
up on products and planned production

From now on

Expanding high-value-added products to respond to the need for something extra for
deliciousness and the reduction of food waste

Main capital investments in progress

Chiba Plant

Electronics & IT materials

Photoacid generator and other semiconductor-related materials

Target Cutting-Edge Photoresists

Formation of microscopic circuits through EUV/ArF exposure

Operation

Planned by FY2023



Mie Plant

Functional chemicals

Epoxy resin adhesives

Target Vehicle-mounted electronic parts

High-accuracy bonding and attachment using laser bonding

Operation

Planned in Sep., 2023



ADEKA AL OTAIBA MIDDLE EAST

Polymer additives

One-pack granule additives

Target Plastic products

Sophistication of polyolefin resins

Operation

Impact of COVID-19

Planned by the FY2022/1H *



* At first, the start of operations was planned for Jan., 2022.

Topics

From Apr. , 2021

Publication of the ADEKA Group's Health and Productivity Management Declaration

CSR Expand opportunities for utilizing human resources

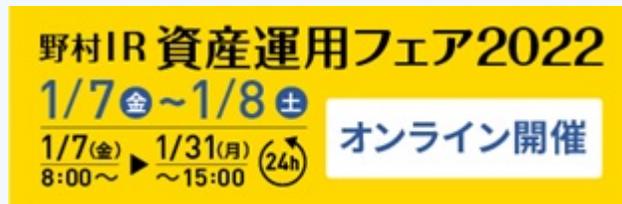
Promoting the creation of an environment where employees are able to **work healthily and actively**



Exhibited for the 1st time at IR Fair for individual investors



Announcement in Japanese



Nov. 2, 2021

ADEKA KOREA receives "Industrial Service Medal"

Assessment

Polymer additives

Electronics & IT materials

Activities contributing to the development of Korean and Asian industries and the Jeollabuk-do



Nov. 19, 2021

Tokyo Stock Exchange's New Market Segments

Selection of "Prime Market"

▶ Application is to be prepared

3. For Reference

Progress of mid-term management plan *ADX 2023*

Unit: 100 million yen

	FY2021 Forecast <small>1st year of <i>ADX 2023</i></small>	FY2023 Target <small>Final-year of <i>ADX 2023</i></small>
Operating profit	31 billion yen	35 billion yen
R O E	8.5 %	9 %
Capital investment	15 billion yen/Year	50 billion yen/3years
Dividend Payout Ratio	30 % or higher	30 % or higher

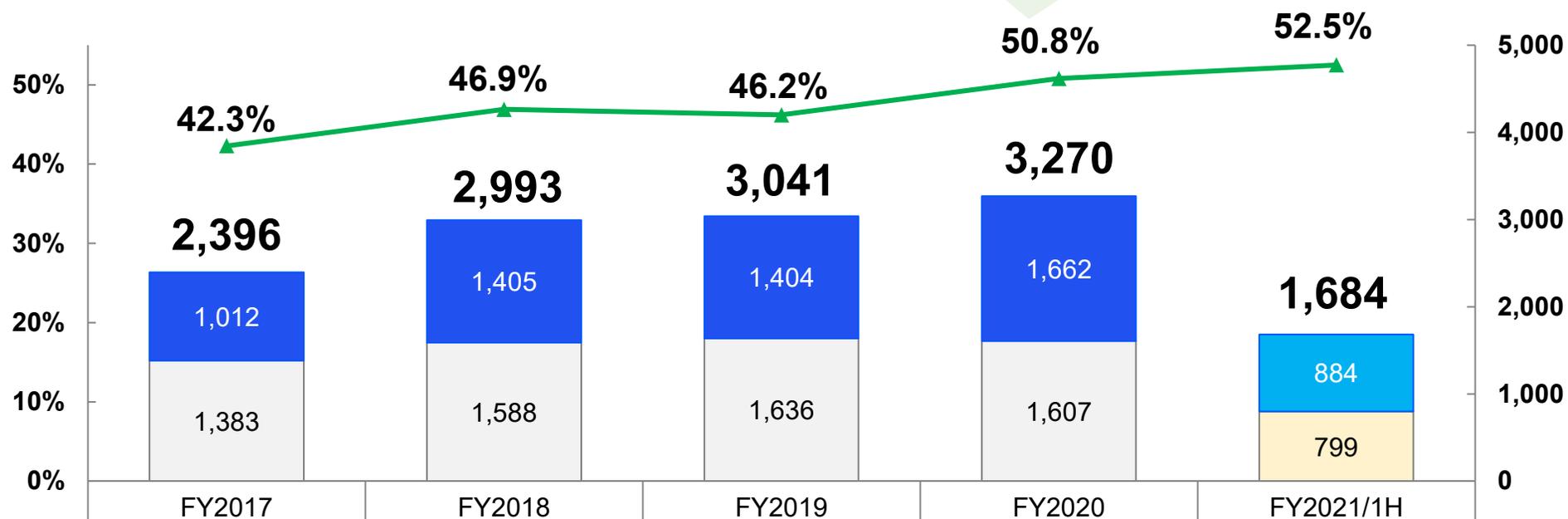
Annual dividend forecast	56 yen/share
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Continue to consider
the necessity of modification

Overseas Sales - For reference -

Unification of financial period of 10 overseas consolidated

Unit: 100 million yen



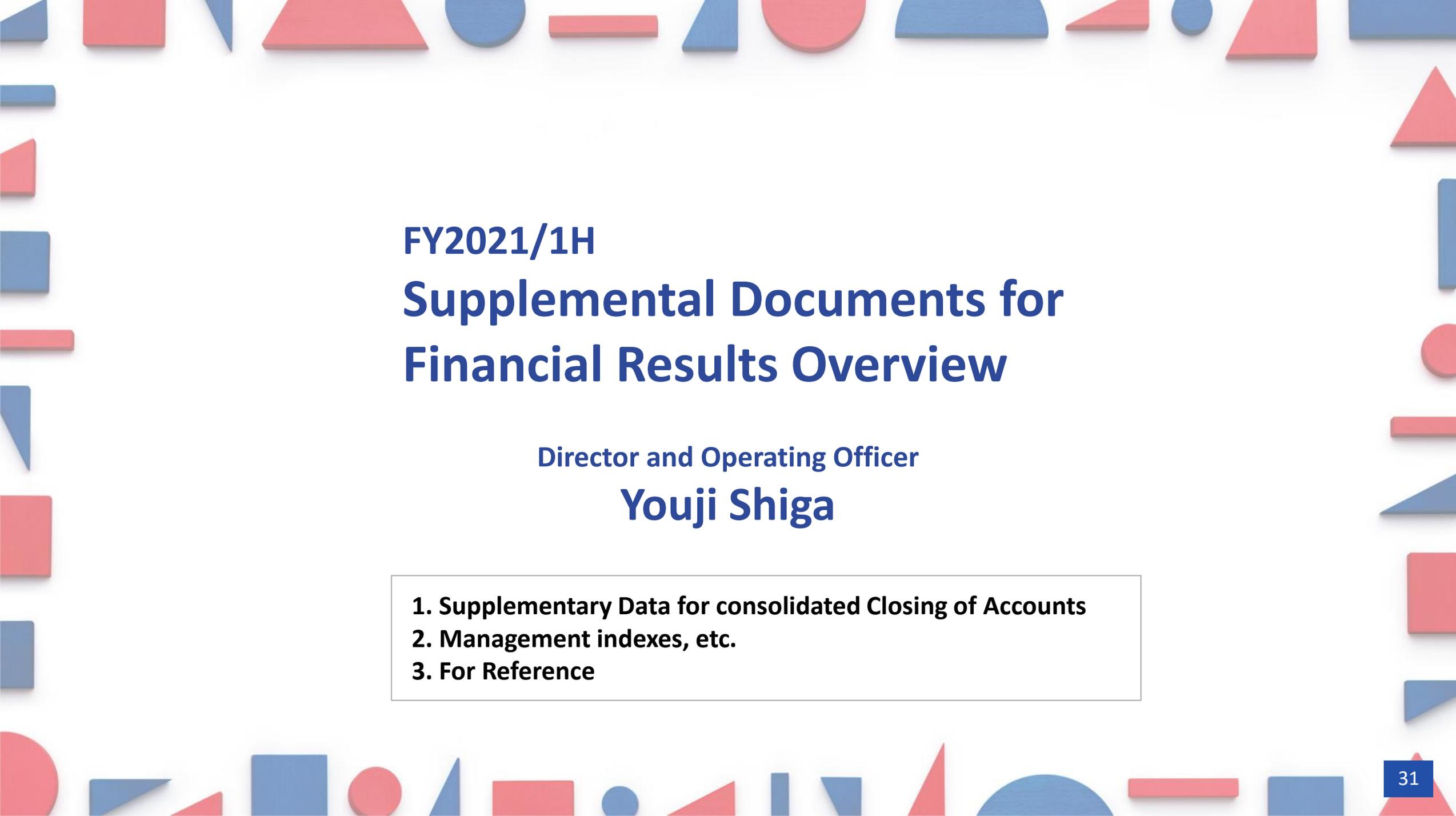
Overseas sales	1,012	1,405	1,404	1,662	884
Domestic sales	1,383	1,588	1,636	1,607	799
Overseas sales ratio	42.3%	46.9%	46.2%	50.8%	52.5%
sales	2,396	2,993	3,041	3,270	1,684

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 pointing 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



FY2021/1H Supplemental Documents for Financial Results Overview

Director and Operating Officer
Youji Shiga

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

1 - 1 Consolidated Balance Sheet

1. Supplementary Data for the Consolidated Closing of Accounts

Unit: 100 million yen	As of Mar. 31,2021	As of Sep. 31,2021	Change		As of Mar. 31,2021	As of Sep. 31,2021	Change
Current assets	2,555	2,634	79	liabilities	1,661	1,660	△ 1
Cash and deposits	842	876	33	Current liabilities	1,072	1,018	△ 54
Notes and accounts receivable – trade, etc.	910	798	△ 112	Long-term liabilities	588	642	53
Inventories	697	843	145	Net assets	2,714	2,792	77
Other	104	116	12	Shareholders' equity	2,120	2,199	78
Fixed assets	1,821	1,818	△ 2	Capital stock	229	230	0
Tangible fixed assets	1,189	1,176	△ 12	Capital surplus	200	200	0
Intangible fixed assets	161	166	5	Retained earnings	1,694	1,780	86
Investment and other assets	470	475	4	Treasury stock	△ 4	△ 12	△ 8
				Accumulated other comprehensive income	159	158	△ 1
				Minority interests	434	434	0
Total assets	4,376	4,452	76	Total liabilities and net assets	4,376	4,452	76

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

1 - 2 Cash Flow Statement

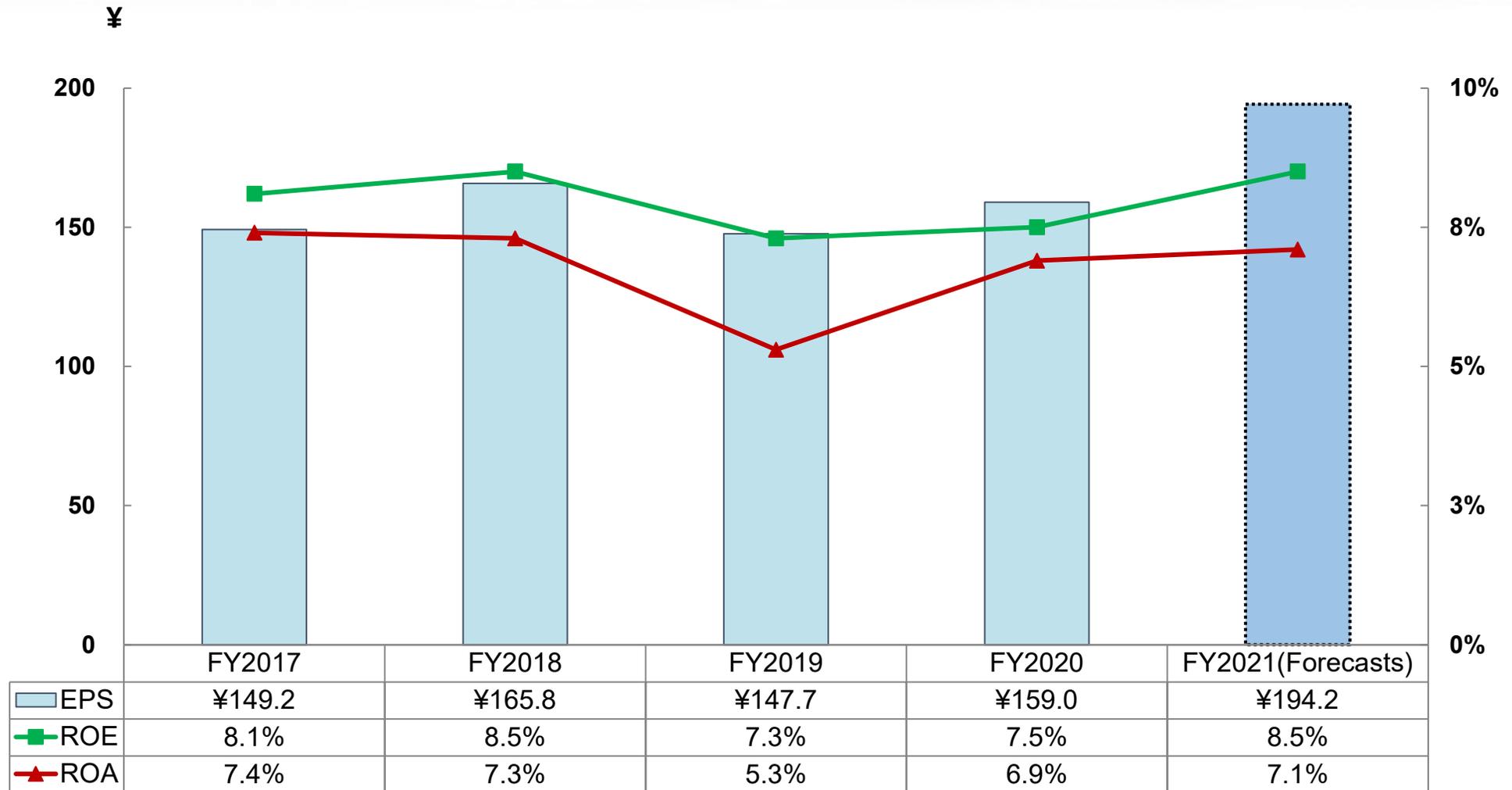
1. Supplementary Data for the Consolidated Closing of Accounts

Unit: 100 million yen

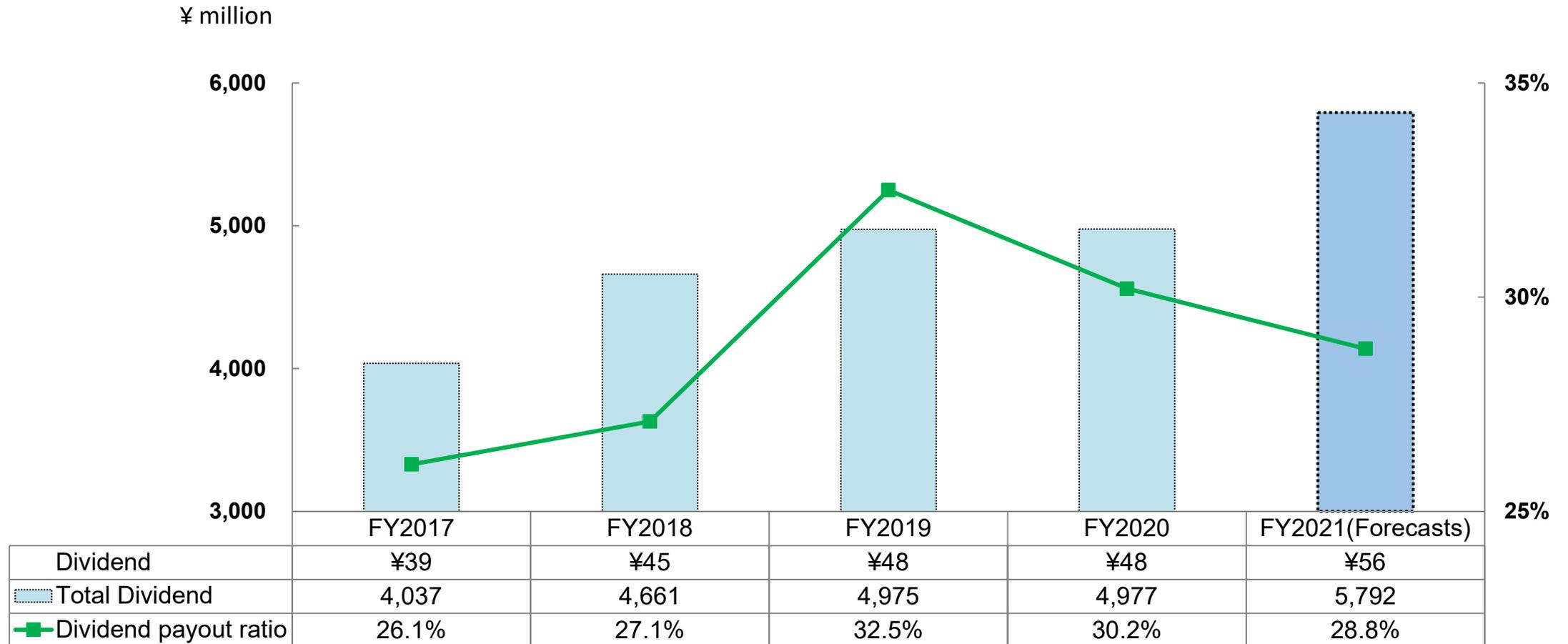
	FY2020/1H from April 1 to September 30, 2020	FY2021/1H from April 1 to September 30, 2021
Cash flows from operating activities	203	214
Cash flows from investing activities	△ 62	△ 54
Cash flows from financing activities	△ 71	△ 133
Effect of exchange-rate changes on cash and cash equivalents	△ 9	8
Net increase/decrease in cash and cash equivalents	60	36
Cash and cash equivalents at the beginning of period	608	821
Increase in cash and cash equivalents from inclusion of subsidiaries in consolidation	39	—
Cash and cash equivalents at the end of period	708	857

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

2 - 1 Profitability

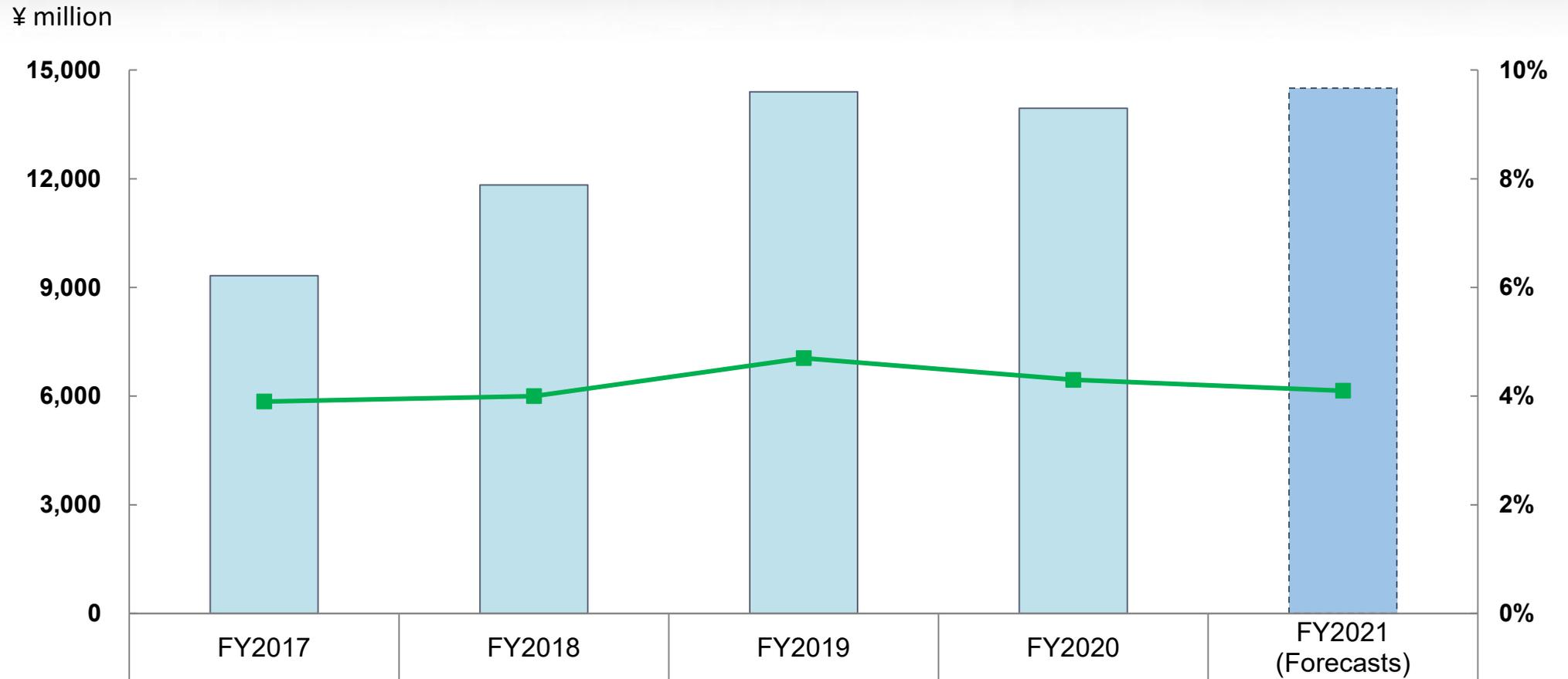


2 - 2 Dividend payout ratio and dividends



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

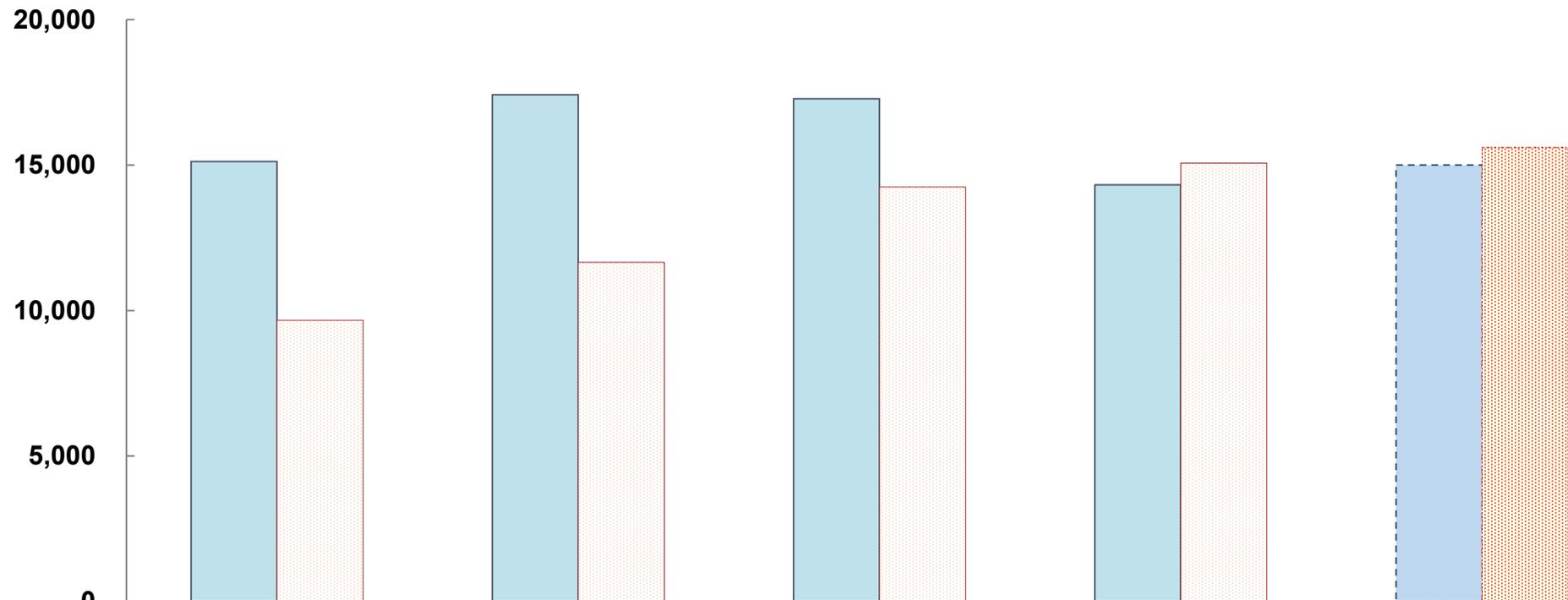
2 - 3 Research and development costs



■ 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.

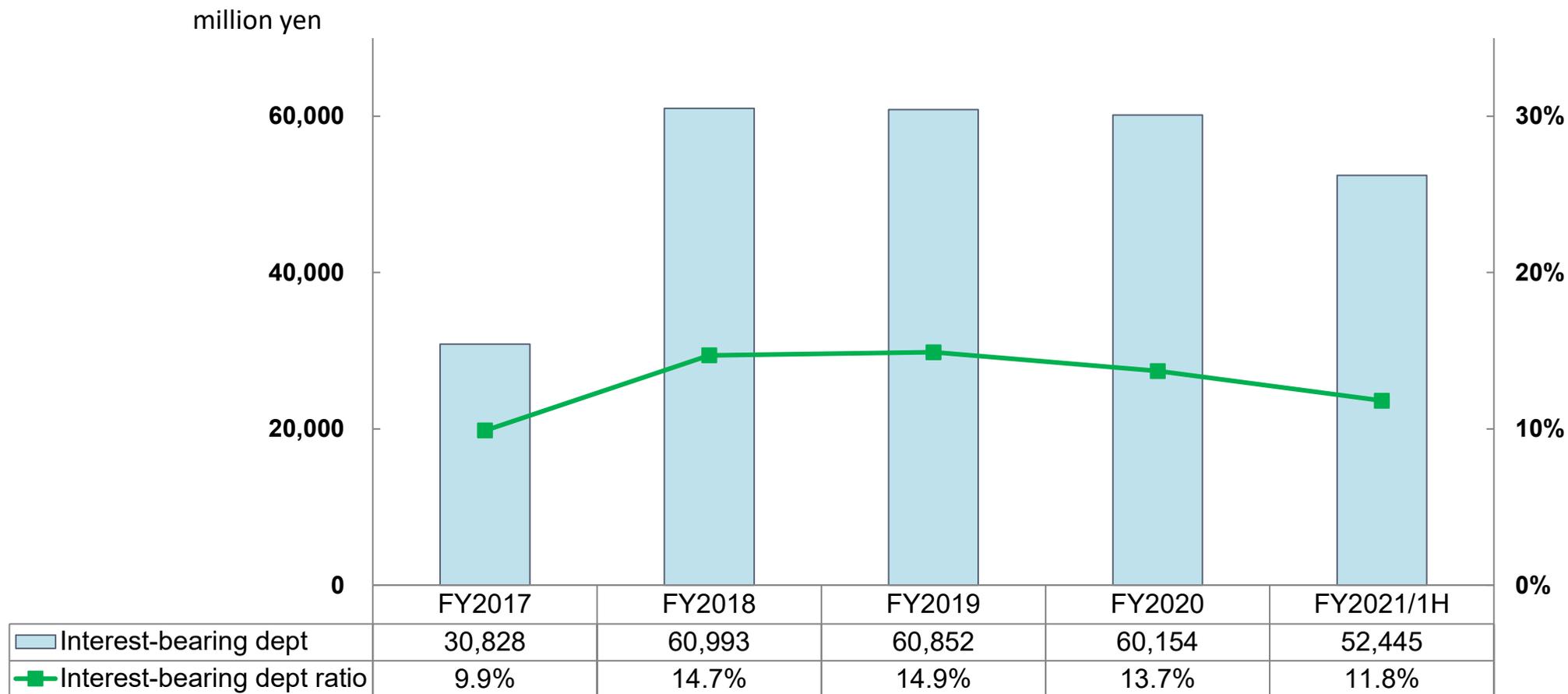
¥ million



	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.

2 - 5 Interest-bearing liabilities



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

3 - 1 Overview of non-consolidated and consolidated closing accounts

3. For Reference

■ Non-consolidated
■ Consolidated

Unit: 100 million yen

Non-consolidated closing of accounts

	FY2020 1H	FY2021 1H	Amounts	Rate (%)
Sale	580	688	108	18.7
Operating profit	36	82	45	124.6
Current profit	61	130	68	111.4
Profit attributable to owners of parent	53	104	51	96.7
Net profit per share - yen/share -	51.2	100.7		

Domestic companies (11)

	FY2020 1H	FY2021 1H	Amounts	Rate (%)
Sale	404	430	26	6.5
Operating profit	5	8	3	67.9

Overseas companies (18)

	FY2020 1H	FY2021 1H	Amounts	Rate (%)
Sale	609	892	282	46.4
Operating profit	30	61	30	100.6

NIHON NOHYAKU (11)

	FY2020 1H	FY2021 1H	Amounts	Rate (%)
Sale	290	319	28	10.0
Operating profit	15	15	△ 0	△ 0.8

Consolidation adjustment accounts (deleted)

	FY2020 1H	FY2021 1H
Sale	△ 498	△ 646
Operating profit	1	△ 8

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

3 - 2 Consolidated Subsidiaries - 16 companies in Japan① -

3. For Reference

Segment	Consolidated subsidiary	Capital	Controlling Share : %	Line of business
Chemicals	ADEKA CHEMICAL SUPPLY CORP.	¥ 104million	100.00 (Indirect ownership: 5.57)	Sales of chemical products, and the development, manufacturing and sales of metal processing oils, etc.
Chemicals	ADEKA CLEAN AID CORP.	¥ 140million	100.00	Development and sales of kitchen detergents for commercial use, industrial detergents, etc.
Chemicals	OXIRANE CHEMICAL CORP.	¥ 600million	51.00	Manufacturing and sales of epoxy plasticizers, etc.
Food products	ADEKA FOOD SALES CORP.	¥ 42million	100.00	Sales of edible processed oils and fats for confectionary and breads, and sales of other foodstuffs, etc.
Food products	YONGO CO.,LTD.	¥ 18million	92.64	Wholesaling of ingredients for confectionary 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.

3 - 2 Consolidated Subsidiaries - 16 companies in Japan②-

3. For Reference

Segment	Consolidated subsidiary	Capital	Controlling share : %	Line of business
Life science	NIHON NOHYAKU CO.,LTD.	¥14,939million	51.00	Agrochemicals, Wood Preservative, Agricultural Materials, Pharmaceuticals & Veterinary Products
Life science	NICHINO RYOKKA CO.,LTD.	¥160million	100.00 (Indirect ownership: 100.00)	Sales of Chemical/Pesticides for Professional Turf, Planning for GOLF Courses and Amenity Areas
Life science	NICHINO SERVICE CO.,LTD.	¥3,400million	100.00 (Indirect ownership: 100.00)	Production and Logistic Services of Agrochemical, Cultivation & Management of Experimental Field/Laboratories
Life science	NIHON ECOTECH CO.,LTD.	¥20million	100.00 (Indirect ownership: 100.00)	Agrochemical Residue Analysis, Chemical Substance Safety Testing, and Related Activities
Life science	AGRIMART CORP.	¥50million	100.00 (Indirect ownership: 100.00)	Sales of Termite Control Agents/Devices, Pest Control Agents/Devices
Others	ADEKA LOGISTICS CORP.	¥ 50million	100.00	General and principal contracting of logistics for the company, warehousing, leasing of vehicles, etc.
Others	ADEKA ENGINEERING & CONSTRUCTION CORP.	¥ 130million	100.00	Design, construction, and construction supervision of facility plants, and facilities maintenance.
Others	ADEKA LIFE-CREATE CORP.	¥ 65million	100.00 (Indirect ownership: 20.00)	Trading, brokerage and management of real estate, property and life insurance agency, sales in the OA equipment area, and management of buildings and company-owned apartments

3 - 3 Consolidated Subsidiaries - 24overseas companies① -

3. For Reference

Country	Segment	Consolidated subsidiary	Capital	Controlling Share : %	Line of business
U.S.	Chemicals	ADEKA USA CORP.	US\$1 million	100.00	Sales of chemical products.
U.S.	Chemicals	AMFINE CHEMICAL CORP.	US\$16 million	60.00	Manufacturing and sales of polymer additives.
U.S.	Chemicals	AM STABILIZERS CORP.	US\$8.5 million	100.00 (Indirect ownership: 100.00)	Manufacturing and sales of polymer additives.
U.S.	Life science	NICHINO AMERICA, INC.	US\$0.7 million	100.00 (Indirect ownership: 100.00)	Sales and R&D of agrochemicals in America
U.K.	Life science	NICHINO EUROPE CO.,LTD	0.03 million	100.00 (Indirect ownership: 100.00)	Sales and R&D of agrochemicals in Europe
BLAZIL	Life science	SIPCAM NICHINO BRASIL S.A.	R\$223.89 million	50.00 (Indirect ownership: 50.00)	Production and sales of agrochemicals in Blazil
GERMANY	Chemicals	ADEKA Europe GmbH	€0.5 million	100.00	Sales of chemical products.
FRANCE	Chemicals	ADEKA POLYMER ADDITIVES EUROPE SAS	€3 million	100.00 (Indirect ownership: 100.00)	Manufacturing and sales of polymer additives.
CHINA	Chemicals	ADEKA (CHINA) CO., LTD.	US\$31 million	100.00	Sales of chemical products.
CHINA	Chemicals	ADEKA FINE CHEMICAL (SHANGHAI) CO., LTD.	US\$20.5 million	100.00	Manufacturing and sales of polymer additives, functional resins, electronic materials and similar products.
CHINA	Chemicals	ADEKA FINE CHEMICAL (CHANGSHU) CO., LTD.	US\$21.54 million	50.00	Manufacturing and sales of polymer additives.
CHINA	Food products	ADEKA FOODS (CHANGSHU) CO., LTD.	US\$23 million	70.00	Manufacturing and sales of processed oils and fats, processed foods.
CHINA	Chemicals	ADEKA FINE CHEMICAL (ZHEJIANG) CO.,LTD.	US\$30 million	100.00 (Indirect ownership: 100.00)	Manufacture and sales of chemical products such as polymer additives.

3 - 3 Consolidated Subsidiaries - 24overseas companies② -

3. For Reference

Country	Segment	Consolidated subsidiary	Capital	Controlling Share : %	Line of business
TAIWAN	Chemicals	CHANG CHIANG CHEMICAL CO., LTD.	NT\$30 million	50.50	Sales of polymer additives and plasticizers .
TAIWAN	Chemicals	ADEKA FINE CHEMICAL TAIWAN CORP.	NT\$200 million	100.00	Manufacturing and sale of chemical products.
TAIWAN	Life science	TAIWAN NIHON NOHYAKU CO.,LTD	NT\$40 million	57.00 (Indirect ownership: 57.00)	Sales and R&D of agrochemicals in Taiwan
INDIA	Life science	NICHINO INDIA PVT. LTD.	₹3.85 million	100.00 (Indirect ownership: 100.00)	Production, sales and R&D of agrochemicals in India
INDIA	Life science	NICHINO CHEMICAL INDIA PVT. LTD.	₹10.5 million	100.00 (Indirect ownership: 100.00)	Production and sales of agrochemicals in India
SOUTH KOREA	Chemicals	ADEKA KOREA CORP.	₩15 billion	100.00	Manufacturing and sale of chemical products.
THAILAND	Chemicals	ADEKA FINE CHEMICAL (THAILAND) CO.,LTD.	฿ 350 million	81.00	Manufacturing and sale of chemical products.
SINGAPORE	Chemicals	ADEKA (ASIA) PTE.LTD.	US\$ 0.8 million	100.00	Sales of chemical products.
SINGAPORE	Food products	ADEKA (SINGAPORE) PTE.LTD.	S\$8 million	90.00	Manufacturing and sales of processed oils and fats, frozen piecrusts and related food products.
Malaysia	Food products	ADEKA FOODS (ASIA) SDN.BHD.	MYR90 million	60.00	Manufacturing and sales of processed oils and fats.
UAE	Chemicals	ADEKA AL OTAIBA MIDDLE EAST LLC	AED45.46 million	49.00	Manufacture and sales of polymer additives, Sales for Chemicals and Foods

3 - 4 Equity method - applicable companies -

3. For Reference

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	21.78	Sale of synthetic resins, chemical products, industrial materials, electronic materials and environmental concerns.
AGRICULTURAL CHEMICALS (MALAYSIA) SDN. BHD.	MYR2.05 million	24.18 (Indirect ownership: 24.18)	Production and sales of agrochemicals in Malaysia
SIPCAM EUROPE S.P.A.	€36.94 million	20.00 (Indirect ownership: 20.00)	Production and sales of agrochemicals in Europe
NICHINO VIETNAM CO.,LTD	VND22,680 million	100.00 (Indirect ownership: 100.00)	Production and sales of agrochemicals in Vietnam
<u>TAMA KAGAKU KOGYO CO., LTD.</u>	¥126 million	31.07 (Indirect ownership: 31.07)	Production and sale of organic synthetic chemicals

Note: The underlined company was added to the scope of equity method of the fiscal 2021

3 - 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, Kneading cream, Fillings, Frozen pie crusts, Mayonnaise dressing, functional foods, and others.	
	Life science	Agrochemicals, Agricultural materials, Pharmaceuticals & Veterinary products, Wood preservative, and others.	
	Other business	Designing of equipment plants, Construction and construction management, Maintenance of equipment, Logistic services, Warehousing, Leasing of vehicles, Real estate and insurance business, and others.	

Notice on Forecast Performance and Business Plans

The forecast performance and business plans specified in this document have been prepared based on information available as of the date of publication, as well as on various prerequisites; therefore, the actual results may differ from these forecasts or plans depending on various factors that may arise hereafter.

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