

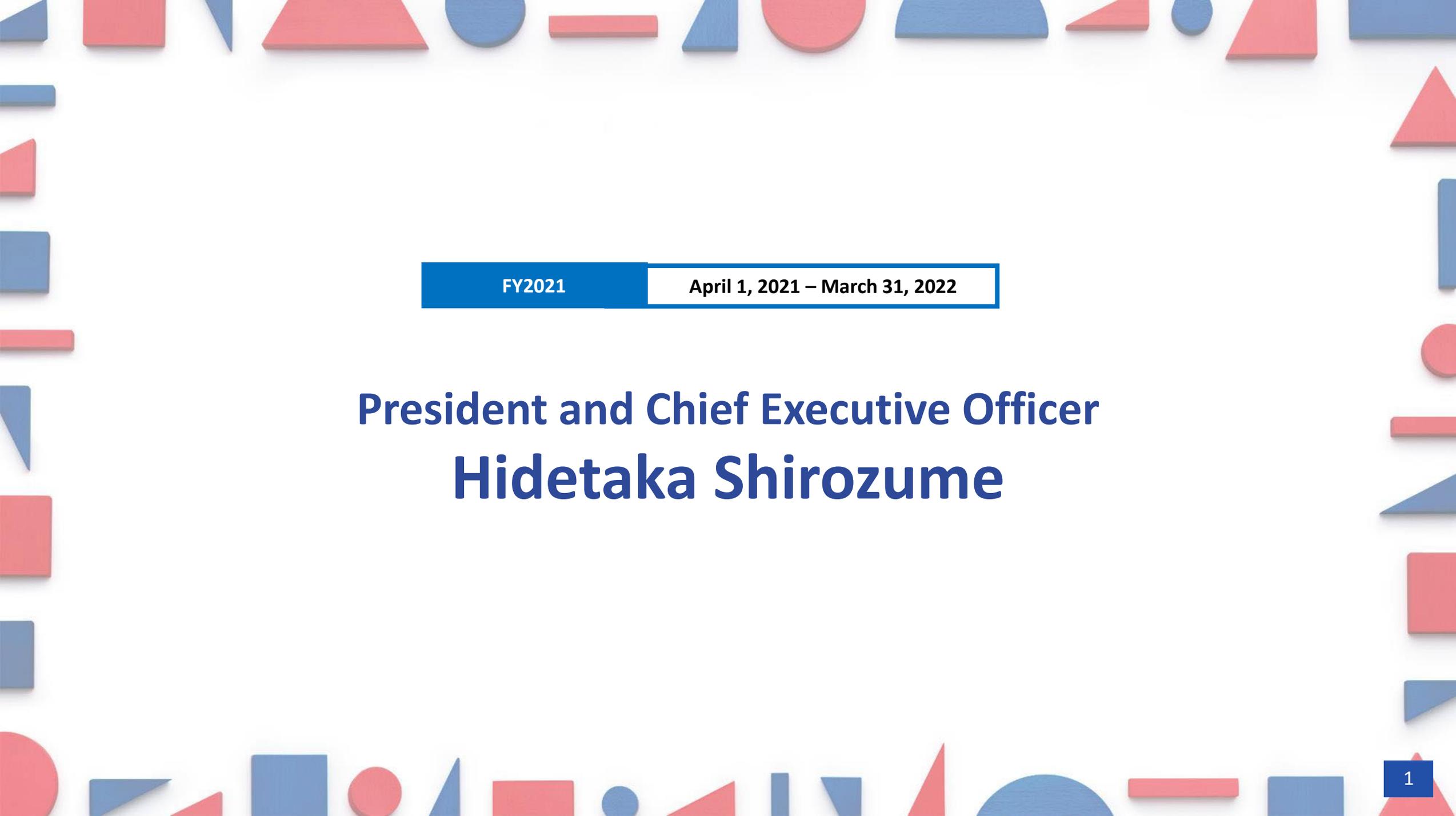
# Briefing on Financial Results and on Progress of *ADX 2023*

For the Fiscal Year Ended Mar. 31, 2022

Jun. 7, 2022

【TSE 4401】





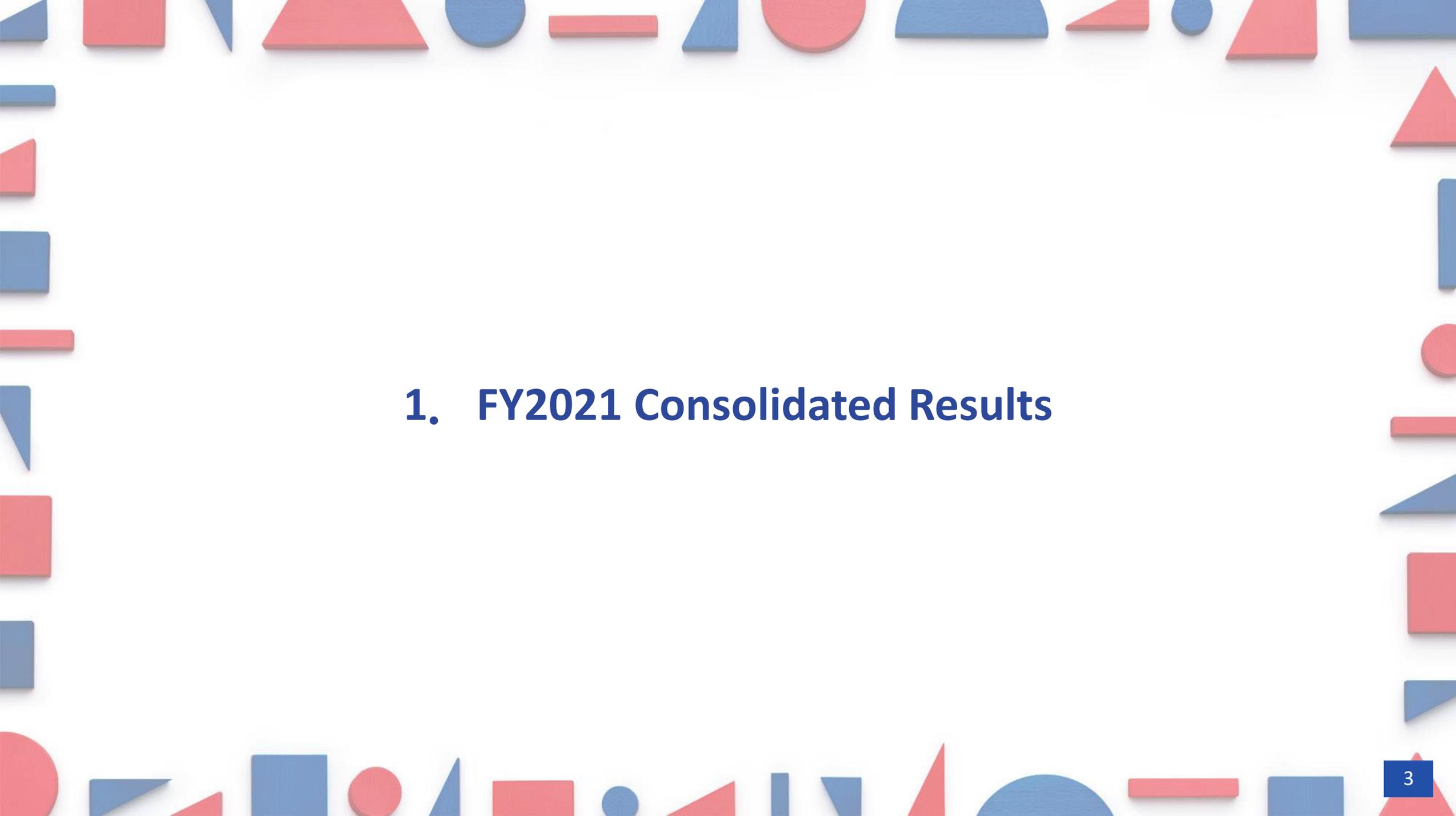
FY2021

April 1, 2021 – March 31, 2022

**President and Chief Executive Officer  
Hidetaka Shirozume**

- 1. FY2021 Consolidated Results** **••• P3**
- 2. FY2022 Consolidated Forecasts** **••• P13**
- 3. Progress of MTMP *ADX 2023*** **••• P21**



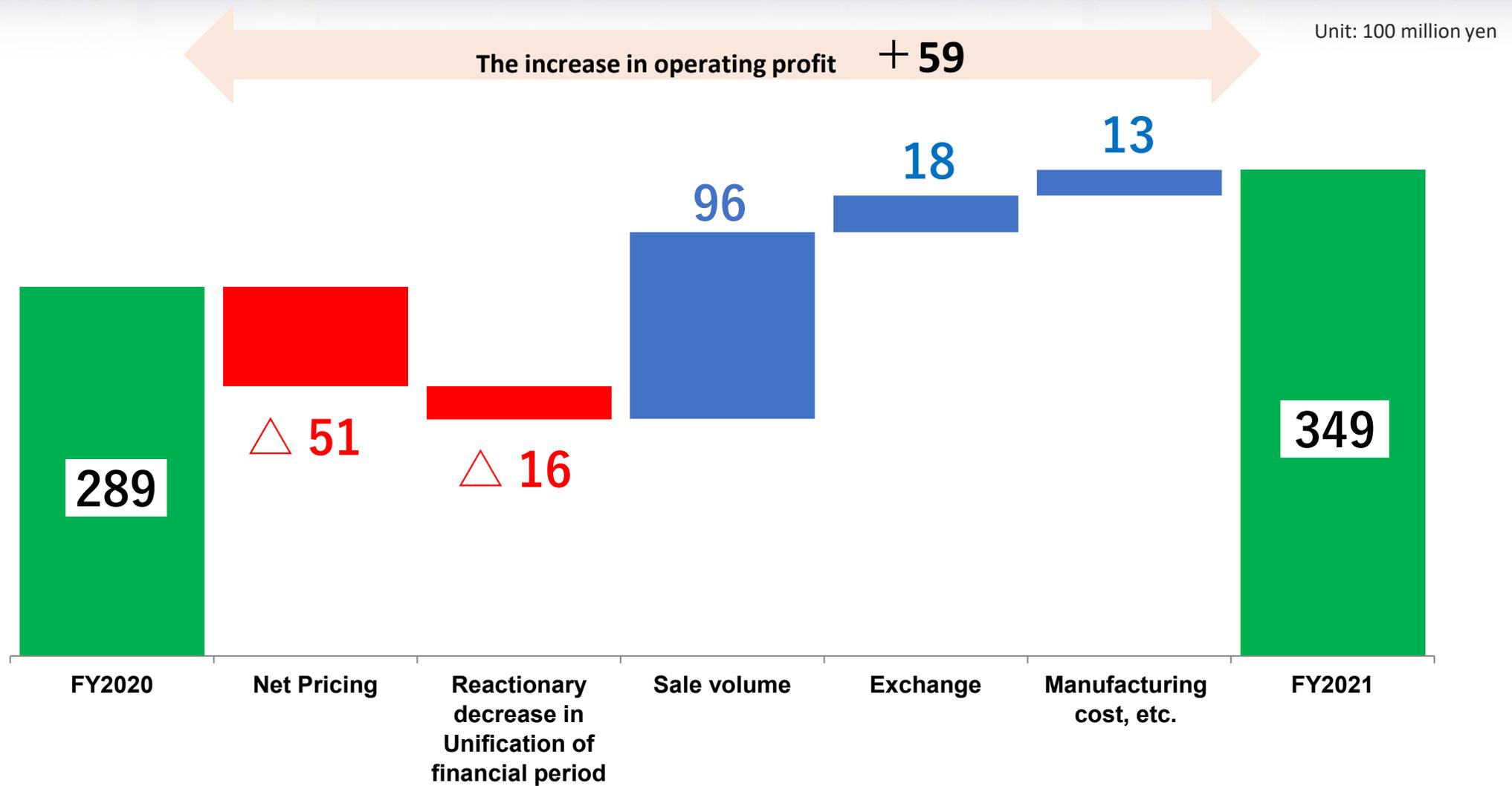
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# 1. FY2021 Consolidated Results

Unit: 100 million yen

	FY2020	FY2021	Amounts	Rate (%)
Sales	3,270	<b>New record high</b> 3,630	359	11.0
Operating profit	289	<b>New record high</b> 349	59	20.5
Current profit	292	<b>New record high</b> 357	64	22.2
Profit attributable to owners of parent	164	<b>New record high</b> 237	73	44.6
Net profit per share (yen/share)	¥ 159.0	¥ 230.2	¥ 71.2	

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

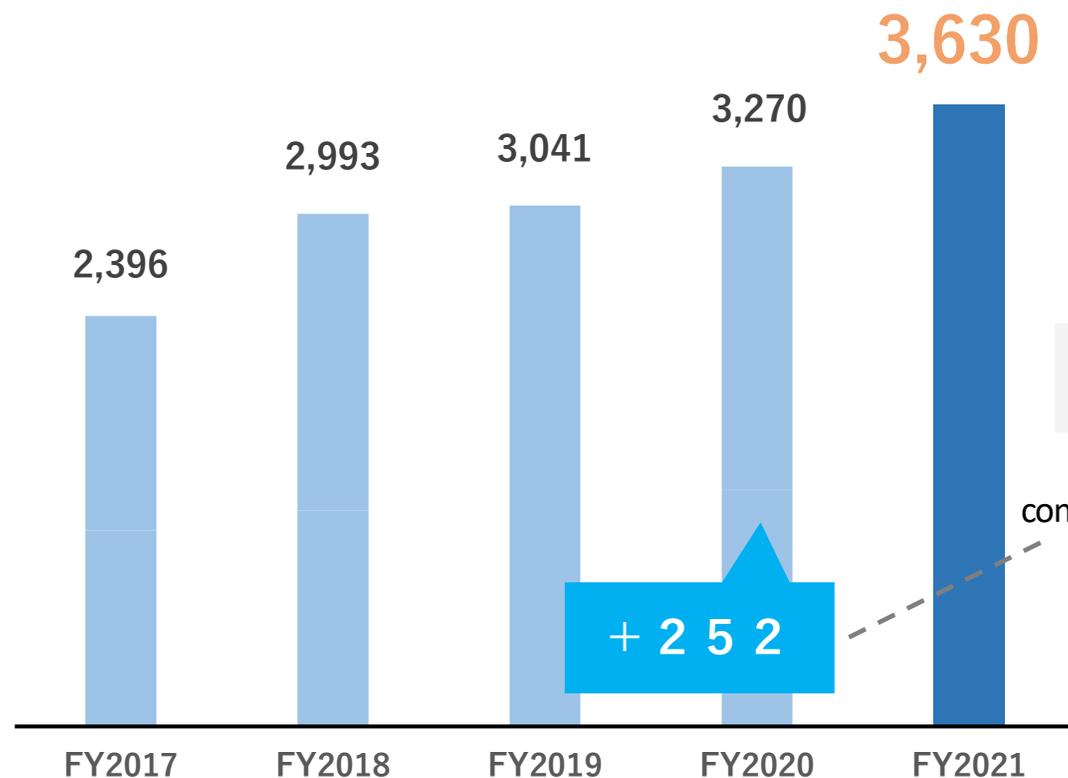


Note : Figures are expressed in units of 100 million yen and have been rounded off.



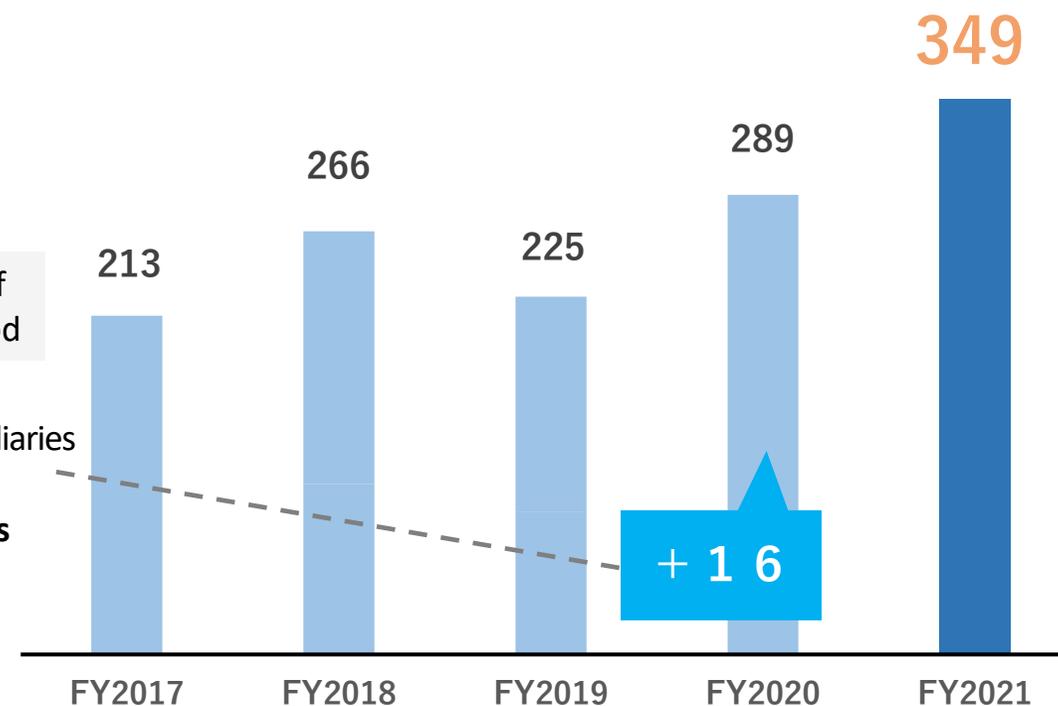
## Net sales

Unit: 100 million yen



## Operating profit

Unit: 100 million yen



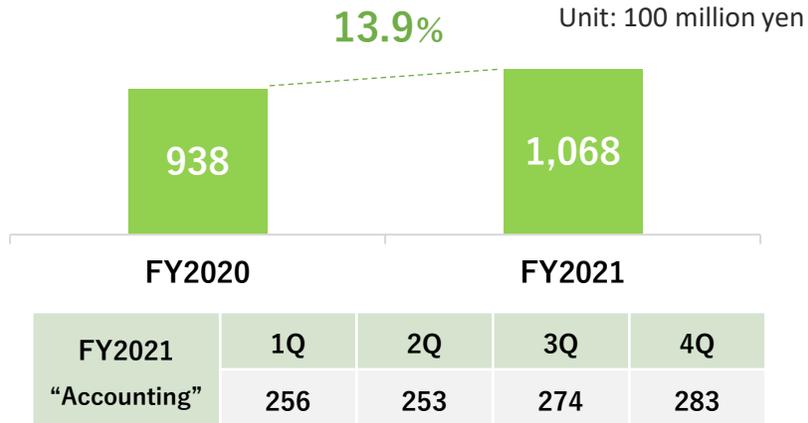
Note : Figures are expressed in units of 100 million yen and have been rounded off.

Unit: 100 million yen

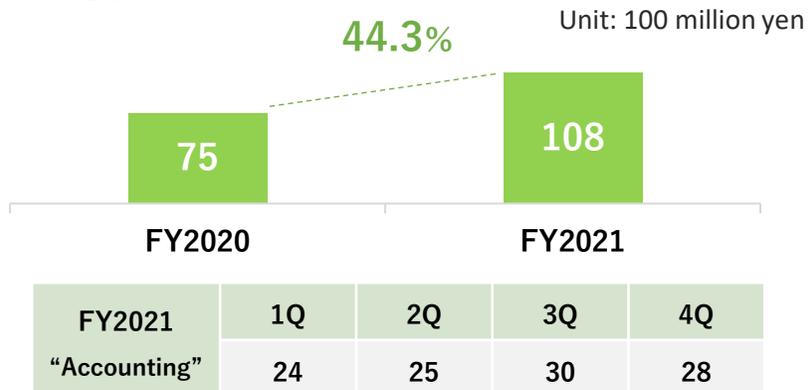
	FY2020	FY2021	Amounts	Rate (%)
<b>Sales</b>	<b>3,270</b>	<b>3,630</b>	<b>359</b>	<b>11.0</b>
<b>Chemicals</b>	<b>1,758</b>	<b>2,001</b>	<b>242</b>	<b>13.8</b>
<i>Polymer Additives</i>	<i>938</i>	<i>1,068</i>	<i>130</i>	<i>13.9</i>
<i>Electronics and IT materials</i>	<i>297</i>	<i>364</i>	<i>67</i>	<i>22.7</i>
<i>Functional chemicals</i>	<i>522</i>	<i>567</i>	<i>44</i>	<i>8.6</i>
<b>Food products</b>	<b>700</b>	<b>733</b>	<b>32</b>	<b>4.7</b>
<b>Life Science</b>	<b>714</b>	<b>818</b>	<b>104</b>	<b>14.6</b>
<b>Other</b>	<b>97</b>	<b>76</b>	△ 20	△ 21.1
<b>Operating profit</b>	<b>289</b>	<b>349</b>	<b>59</b>	<b>20.5</b>
<b>Chemicals</b>	<b>203</b>	<b>293</b>	<b>89</b>	<b>44.2</b>
<i>Polymer Additives</i>	<i>75</i>	<i>108</i>	<i>33</i>	<i>44.3</i>
<i>Electronics and IT materials</i>	<i>76</i>	<i>119</i>	<i>42</i>	<i>55.8</i>
<i>Functional chemicals</i>	<i>52</i>	<i>66</i>	<i>14</i>	<i>27.1</i>
<b>Food products</b>	<b>13</b>	▲ 6	△ 20	—
<b>Life Science</b>	<b>60</b>	<b>56</b>	△ 3	△ 5.7
<b>Other</b>	<b>11</b>	<b>5</b>	△ 6	△ 52.2

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)

- Orders for flame retardants increased in EV-related applications and sales of automobile-related products also grew YoY.
- Expansion of sales of environmentally friendly heavy metal-free stabilizers owing to a tightening of environmental regulations in Southeast Asia.

#### ◆ Automobile

steady

Nucleating Agents

growth

Flame retardants, Light Stabilizers

#### ◆ Building material

strong

PVC Stabilizers, heavy-metal-free stabilizers

#### ◆ Food packaging, Medical use

steady

Clarifying Agents

#### ◆ All plastic products

strong

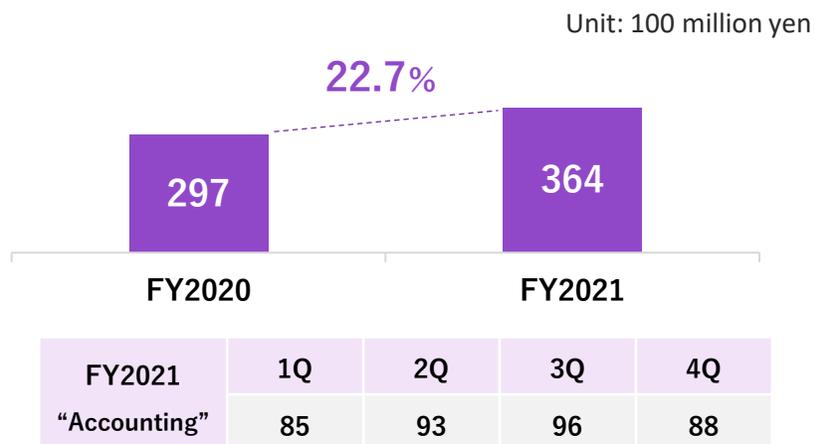
Antioxidants

### Main factor (YoY)

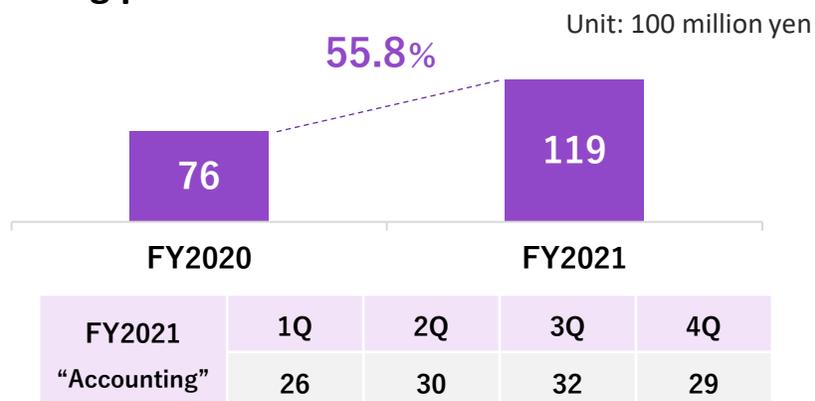
Unit: 100 million yen



## ◆ Sales



## ◆ Operating profit



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

### Main factor (YoY)

- Favorable sales of High-k materials for cutting-edge DRAM against a 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)  
Products for NAND

### ◆ Display

strong

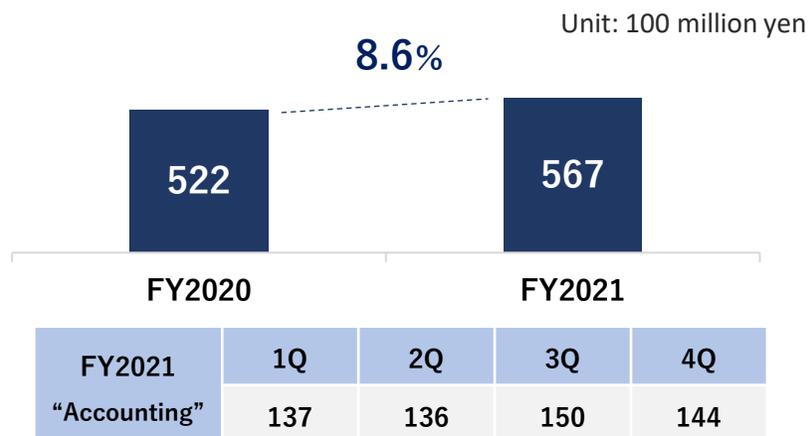
Photo(Light) Curing Resins for Optical film  
Photoinitiator for color filter  
Etchants for Display

### Main factor (YoY)

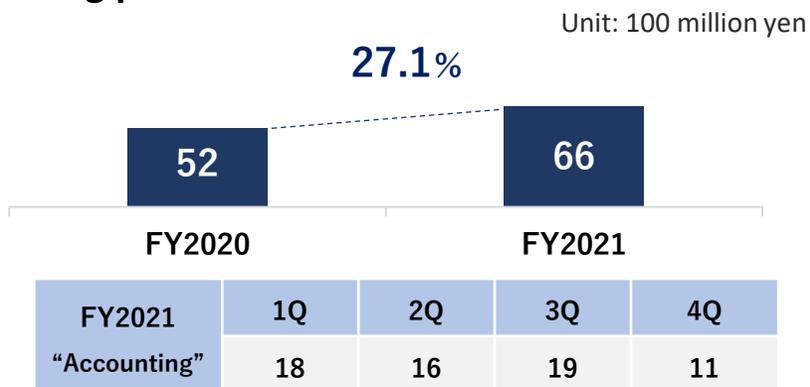
Unit: 100 million yen



## ◆ Sales



## ◆ Operating profit



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

### Main factor (YoY)

- Sales of epoxy resin adhesives increased in applications involving the adhesion of vehicle electronic components. Sales of automobile-related products increased YoY.
- Sales of environmentally friendly reactive emulsifiers for construction paints and adhesive resin are strong both domestically and internationally.

#### ◆ 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

weak

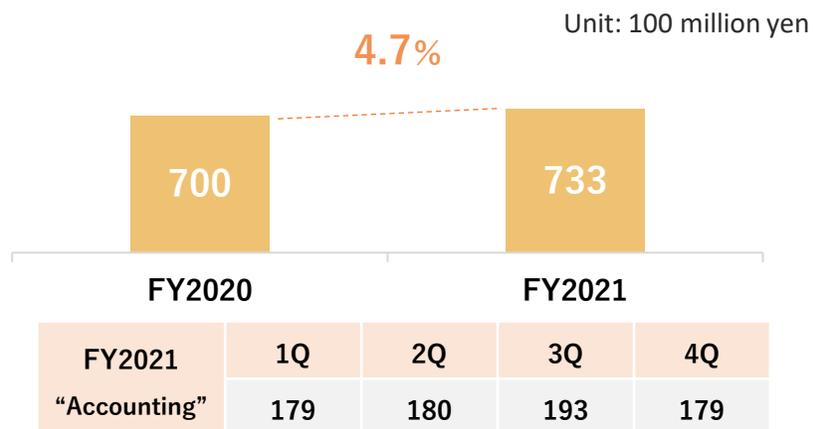
Surfactants

### Main factor (YoY)

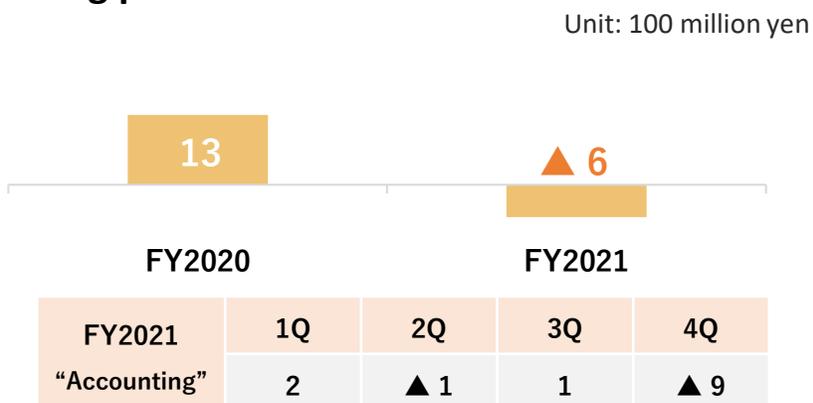
Unit: 100 million yen



## ◆ Sales



## ◆ Operating profit



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

### Main factor (YoY)

- The measures to control the flow of people in Asian nations caused our overseas sales to slump. Despite this, sales of margarines and shortening have done well, partly because of price revisions and recovery of pastries demand in Japan.
- Expansion of sales of the "Marvelous" series, which contributes to reducing food loss.

#### ◆ Bread, confectionery

steady

Margarines, shortening, fillings

growth

Functional Margarine for kneading "Marvelous"

#### ◆ Western confectionery, dessert

strong

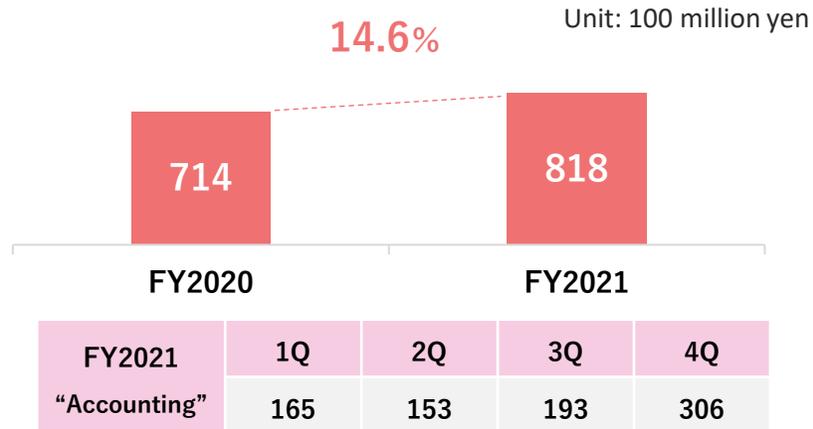
Whipping cream

### Main factor (YoY)

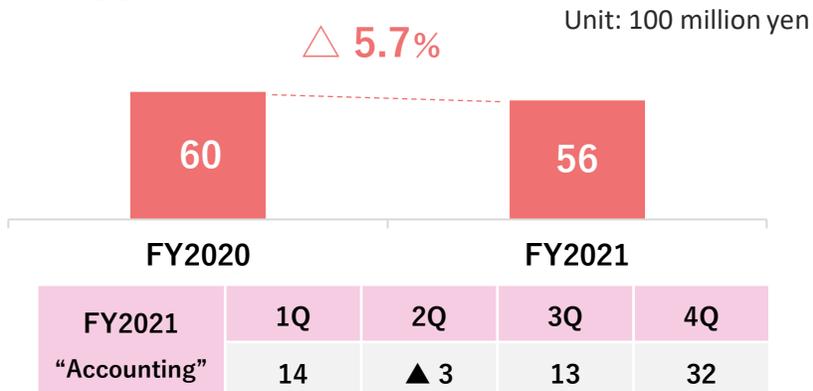
Unit: 100 million yen



## ◆ 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 higher than in the previous fiscal year. This is due chiefly to the start of domestic sales of Corteva’s products.
- Topical antifungal agent *Luliconazole* did not sell well because fewer patients visited hospitals due to COVID-19.

### ◆ Agrochemicals

steady

JAPAN

strong

AMERICAS, EUROPE, ASIA

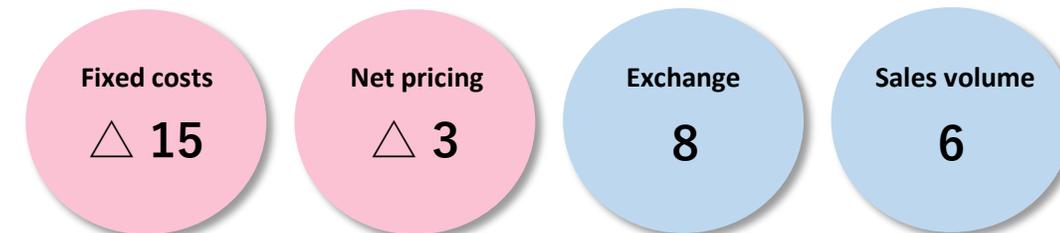
### ◆ Pharmaceuticals, others

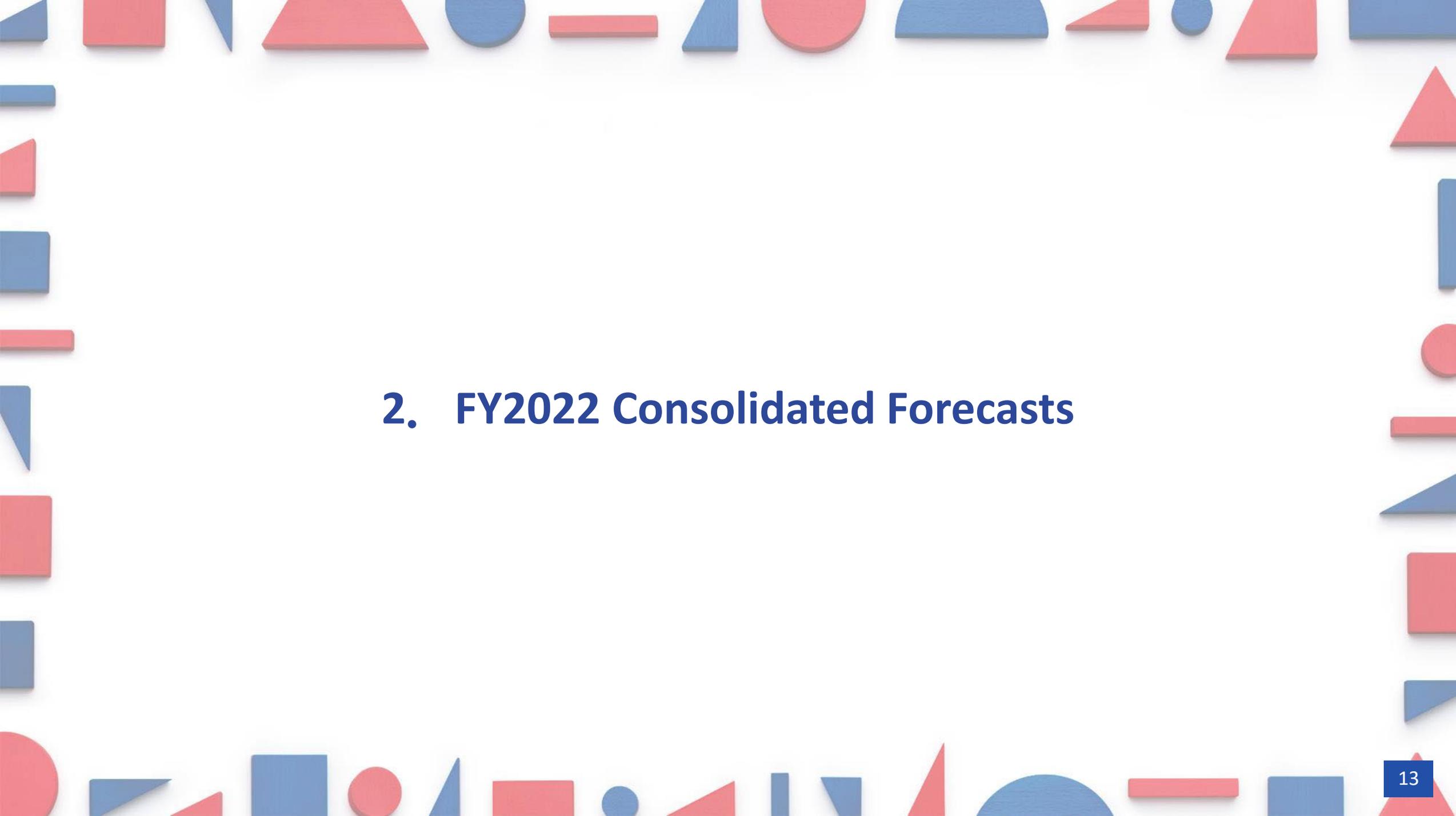
weak

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

### Main factor (YoY)

Unit: 100 million yen



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## 2. FY2022 Consolidated Forecasts

**World economy**

The recovery from the COVID pandemic continues.  
The pressure comes from the slowing of the U.S. and Chinese economies and continuing inflation.

Segment	Market	Market trend		Impact on business
		FY2021 YoY	FY2022 YoY	
Chemicals	Automobile	UP		<b>Polymer additives</b> (Additives, Plasticizers, PVC Stabilizers) <b>Functional chemicals</b> (Lubricant Additives, Special Type Epoxy Resins, Painting materials, Industrial Agents) <b>Electronics &amp; IT materials</b> (Semiconductor materials, Photoacid generator, Photo(Light) Curing Resins, Photoinitiator) <b>Functional chemicals</b> (Cosmetic ingredients, Industrial agents) <b>Functional chemicals</b> (Surfactants)
	Building material			
	Electronic device			
	Cosmetics	FLAT		
	Hand wash, Disinfectant	DOWN		
Food	Mass merchants, CVS (Breads, sweets and desserts)			<b>Food Products</b> (Margarines, shortening, fillings, etc.)
	Tourism, Restaurant industry (Souvenir sweets)			
Life Science	Agriculture			<b>Agrochemicals</b> (Insecticide, fungicide, herbicide)



Unit: 100 million yen

	FY2022			FY2021 Results	Amounts	Rate (%)
	1H (Forecasts)	2H (Forecasts)	FY2022 (Forecasts)			
Sales	1,930	2,130	4,060	3,630	429	11.8
Operating profit	156	214	370	349	20	5.9
Current profit	156	213	369	357	11	3.2
Profit attributable to owners of parent	98	122	* 1 220	* 2 237	△ 17	△ 7.3
Net profit per share - yen/share -	¥ 95.1	¥ 118.4	¥ 213.6	¥ 230.2	¥ △ 16.6	
Dividend- yen/share -	¥ 35	¥ 35	¥ 70	¥ 70	¥ 0	

		FY2022 Assumption	FY2021 Results
Exchange rate	¥/\$	114.00	112.42
	¥/€	130.00	130.55
Naphtha	¥/KL	57,000	56,625

\*1 : The impact of tax and tax effect adjustment are taken into consideration.

\*2 : Gains on sale of real estate at consolidated subsidiaries: including a surplus of 1.5 billion yen

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

## Negative factors

**COVID-19**  
Impact of China's zero-COVID strategy

**Deteriorating situation  
in Ukraine**

**Sharp increase of  
raw materials prices**

**Stagnation of logistics puts  
limitations on supply**

Polymer additives

Functional chemicals

Food Products

The impact on production is a concern



## Positive factors

Sales growth of  
highly competitive products

### Automobile

- Growing needs for a reduction of the environmental impact and the spread of EVs

Functional chemicals

Lubricant Additives

Polymer additives

Nucleating Agents,  
Flame retardants

### Semiconductor

- The use of 5G communication technologies to upgrade and expand digital infrastructure

Electronics and IT materials

High-k materials, Photoacid generator

### Food

- Launch of a new product (JAPAN)

Food Products

A New Brand of Plant-Based Foods  
"Deli-PLANTS series"

Sales start from  
Apr. 2022

### Agriculture

- Launch of a new product (INDIA)

Life Science

A new rice insecticide  
"Orchestra 10SC"

Schedule  
Sales start from  
Jun. 2022

Unit: 100 million yen

	1H(Forecasts) (a)	2H(Forecasts) (b)	FY2022 (a)+(b)	FY2021 Results (c)	Amounts (a)+(b)-(c)	Rate (%)
<b>Sales</b>	<b>1,930</b>	<b>2,130</b>	<b>4,060</b>	<b>3,630</b>	<b>429</b>	<b>11.8</b>
<b>Chemicals</b>	<b>1,110</b>	<b>1,137</b>	<b>2,247</b>	<b>2,001</b>	<b>245</b>	<b>12.3</b>
<i>Polymer Additives</i>	590	603	1,193	1,068	124	11.6
<i>Electronics and IT materials</i>	200	222	422	364	57	15.8
<i>Functional chemicals</i>	320	312	632	567	64	11.3
<b>Food products</b>	<b>405</b>	<b>432</b>	<b>837</b>	<b>733</b>	<b>103</b>	<b>14.1</b>
<b>Life Science</b>	<b>390</b>	<b>523</b>	<b>913</b>	<b>818</b>	<b>94</b>	<b>11.5</b>
<b>Other</b>	<b>25</b>	<b>38</b>	<b>63</b>	<b>76</b>	<b>△ 13</b>	<b>△ 17.9</b>
<b>Operating profit</b>	<b>156</b>	<b>214</b>	<b>370</b>	<b>349</b>	<b>20</b>	<b>5.9</b>
<b>Chemicals</b>	<b>139</b>	<b>158</b>	<b>297</b>	<b>293</b>	<b>3</b>	<b>1.2</b>
<i>Polymer Additives</i>	47	48	95	108	△ 13	△ 12.3
<i>Electronics and IT materials</i>	60	76	136	119	16	14.3
<i>Functional chemicals</i>	32	34	66	66	△ 0	△ 0.2
<b>Food products</b>	<b>2</b>	<b>8</b>	<b>10</b>	<b>▲ 6</b>	<b>16</b>	<b>—</b>
<b>Life Science</b>	<b>15</b>	<b>44</b>	<b>59</b>	<b>56</b>	<b>2</b>	<b>3.6</b>
<b>Other</b>	<b>0</b>	<b>4</b>	<b>4</b>	<b>5</b>	<b>△ 1</b>	<b>△ 29.9</b>

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

## ADX 2023

Based on our comprehensive consideration of appropriate shareholder returns, maintaining stable dividends as our policy.

**Dividend payout ratio maintained More than 30%**

	2nd quarter-end	Year-end	Total	YoY	Dividend payout ratio (%)
FY2022 forecasts * 2022/5/13	¥ 35	¥ 35	¥ 70	¥ 0	32.8
FY2021 results	¥ 28	¥ 42	¥ 70	¥ 22	30.4

Place importance on both the “rate” and “amount” of dividends and seek to continue increasing dividends through performance improvements.

May 23, 2022

Announced the discontinuation (abolition) of takeover defense measures

Shareholders' views

Recent trends of anti-takeover measures

Changes in the surrounding business environment

**Abolished**

The term expires without an extension at the 160<sup>th</sup> Ordinary General shareholders' meeting in Jun., 2022.

May 10, 2022

Announced the disbandment of a joint venture, KANTO SODIUM SILICATE GLASS CO., LTD.

**KANTO SODIUM SILICATE GLASS CO., LTD.**

Production and sale of sodium silicate glass, colloidal silica, etc.

Feb., 2021 Three investing companies\* reached an agreement on the disbandment.

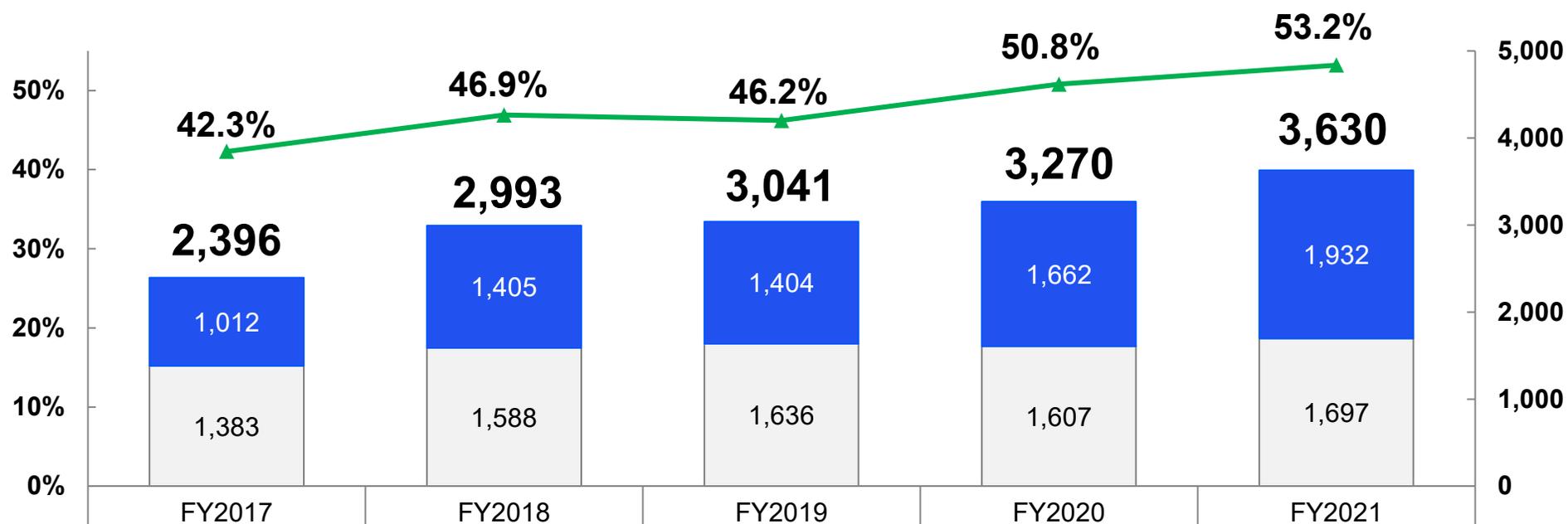
Apr., 2022 The disposal of assets and liabilities was completed.

Aug., 2022 **Completion of liquidation** (scheduled)

\* ADEKA, NIPPON CHEMICAL INDUSTRIAL, FUJI CHEMICAL

# Overseas Sales - For reference -

Unit: 100 million yen



Overseas sales	1,012	1,405	1,404	1,662	1,932
Domestics sales	1,383	1,588	1,636	1,607	1,697
Overseas sales ratio	42.3%	46.9%	46.2%	50.8%	53.2%
sales	2,396	2,993	3,041	3,270	3,630

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

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### 3. Progress of MTMP *ADX 2023*

Fundamental policy

Transform the management foundation to be compatible with the new social environment, aiming to achieve sustainable growth with an emphasis on profitability.

**Contributing to a sustainable future and affluent lifestyles**

**improving corporate value**

**Social value**

Non-financial

**Economic value**

Financial

**Co-creation of social value and profit**

**Initiatives addressing CSR Priority Issues**

- Environmental protection
- Making better use of human resources
- Strengthening governance

**Contributing to the achievement of the SDGs through business activities**

- Supply eco-friendly products

**Transformation from the previous Mid-Term Management Plan**

**Business expansion**

- Provision of strategic product lineup
- Provision of AIV\* products

\* AIV : ADEKA Innovative

Key Strategies



Transforming the earnings structure



Achieving sustainable growth with new domains



Reinforcing Group management

Foundation

**Human resource**

**D X**

Development of global human resources and implementation of talent management

\* AIV : ADEKA Innovative Value (Creating value that meets society's expectations)

# Management Indexes and 1st year of Performance

		FY2021 Results <small>1st year of ADX 2023</small>	FY2023 Target <small>Final-year of ADX 2023</small>
The Financial Indicators	Operating profit	<b>34.9</b> billion yen	<b>35</b> billion yen
	R O E	<b>9.9%</b>	<b>9%</b>
Capital investment		<b>14.6</b> billion yen / Year	<b>50</b> billion yen / 3 years
Dividend Payout Ratio		<b>30.4 %</b>	<b>30% or higher</b>

Annual dividend forecast	<b>70 yen / share</b> *Results
--------------------------	--------------------------------

The figures are being examined in detail for the review of the business plan.

ADEKA will be published around the time the financial results for the 1Q of FY2022 are announced.



## Progress Versus Operating Profit Target - By segment -

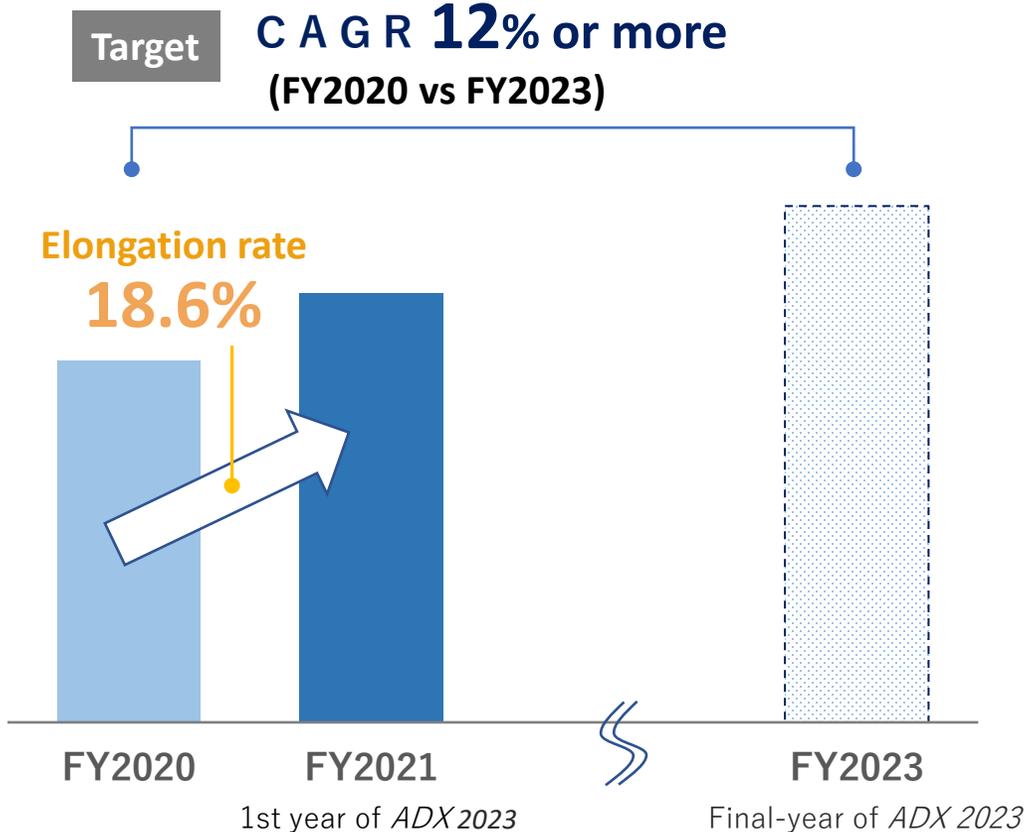
= Target level reached    Unit: 100 million yen

【Exchange】 107yen/US\$ 119yen/€	FY2023 Target Final-year of ADX 2023		FY2021 Results 1st year of ADX 2023	Progress (%)	FY2022 Forecast 2nd year of ADX 2023	Progress (%)
	Management Indexes					
<b>Operating profit</b>	350		349	99.8	370	105.7
<b>Chemicals</b>	260		293	112.9	297	114.2
<i>Polymer Additives</i>	84		108	129.0	95	113.1
<i>Electronics and IT materials</i>	110		119	108.2	136	123.6
<i>Functional chemicals</i>	66		66	100.2	66	100.0
<b>Food products</b>	35		▲ 6	—	10	28.6
<b>Life Science</b>	54		56	105.5	59	109.3
<b>Other</b>	12		5	47.6	4	33.3

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

# Key Strategies : Transforming the earnings structure / strategic product

## Strategic product - Sales -



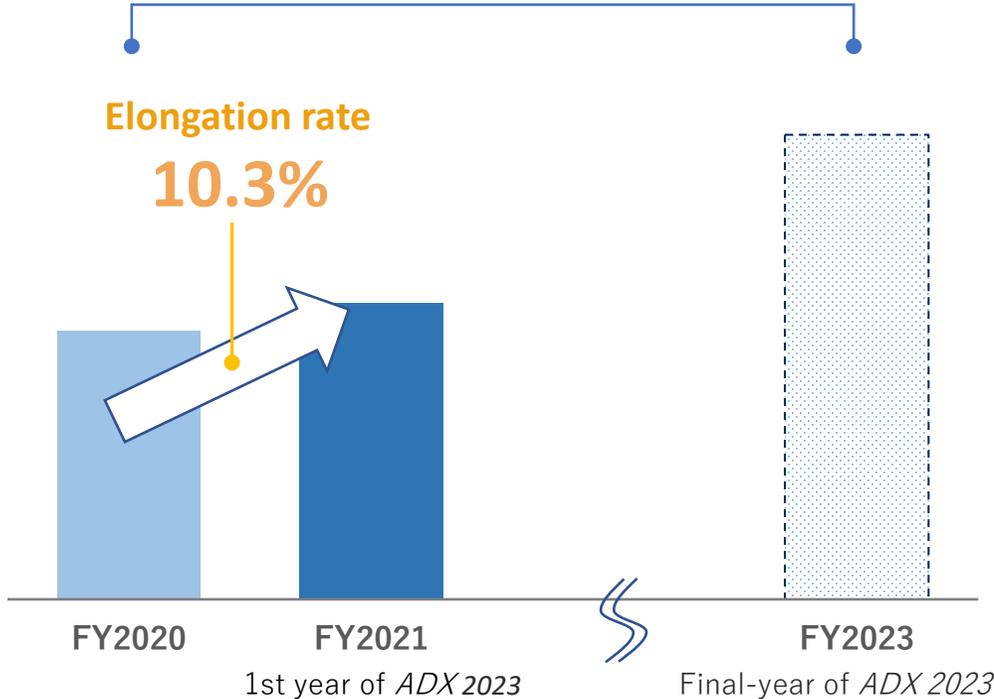
## Example of products outperforming the plan

- Polymer additives**
  - Industrial machinery: High-performance plasticizers
- Electronics and IT materials**
  - Semiconductor: ALD Precursors, high-k materials etc.
- Functional chemicals**
  - Architectural, infrastructure: Water-borne coating materials
- Life Science**
  - Agriculture: Insecticide for against lepidopteran

# Key Strategies : Transforming the earnings structure / New products

## New products - Sales -

Target CAGR **20% or more**  
(FY2020 vs FY2023)



## Example of products outperforming the plan

Food products

Baking / Confectionery

Functional margarine

*Marvelous*

Preserving deliciousness  
Effects of an extended durable life

Improving production efficiency

Reduction of food waste

Solving the labor shortage issue

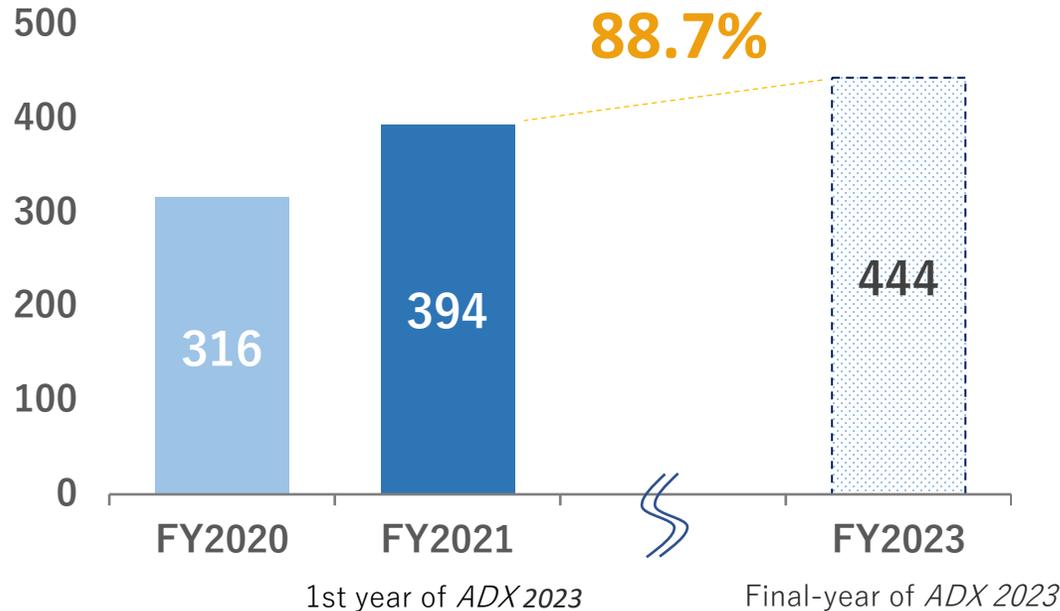


# Key Strategies : Transforming the earnings structure / Eco-friendly products

## Eco-friendly products - Sales -

**Target** **44.4 billion yen**  
(1.4 times compared to FY2020)

(100 million yen)



## Example of products outperforming the plan

Polymer additives

### Intumescent-type flame retardant

Eco-friendly

#### Air quality protection

(making plastics more flame retardant and curbing the generation of smoke and toxic gas in the event of fire)

Food products

### Products certified by RSPO\* and others

Eco-friendly

#### Protection of natural environment & ecosystems

\*RSPO = Roundtable on Sustainable Palm Oil

**Market Trends**

**FY2021**

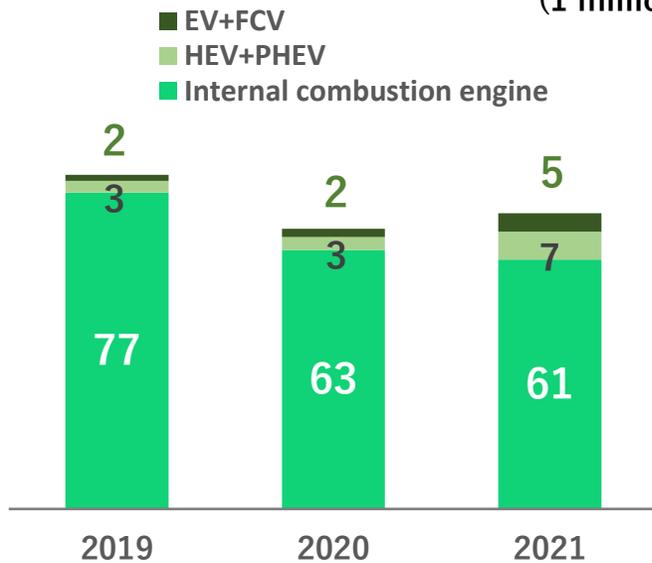
5% increase YoY (recovery)

**FY2022**

The impact of the semiconductor shortage is a concern

◆ **Numbers of vehicles produced around the world**

(1 million units)



\* MarkLines

Quickly respond to the evolution of mobility and keep offering and increasing materials that are indispensable for next-gen. automobiles.

Example of today's major automobile-related materials

Automobile body weight reduction	Automotive parts	Nucleating agents, Light stabilizers, Antioxidants, Flame retardants
		Structural adhesive
Introduction of electric components (Automatic driving etc.)	Wire harnesses	Stabilizers for PVC
	Vehicle electronic equipment	Epoxy resin adhesives
Fuel efficiency improvement	Engine Oil	Lubricant additives

Reduction of environmental impact/Improvement in comfort and safety

- Automobile body weight reduction  
(Automobile components resinify)

Steel plates

Resin  
Composite materials

### Sophistication of resins

- Light-weight and durable
- High stability against heat and light
- Long service life, etc.

- Vehicles with electric power trains ( xEV )

Engine  
Gasoline tank  
Power generator

Motor  
Battery  
Inverter

Ensure safety in the event of ignition

## Polymer additives

Automobile body weight reduction (Polyolefin additives for use in bumpers and other exterior/interior parts)

### Nucleating Agents **ADK STAB NA series**

- Sales increased mainly in the U.S. thanks to the recovery of automobile production in the 1H of FY2021.

Improve development in the U.S. and make the products available in more regions :  
**SOUTH AMERICA, CHINA, MIDDLE EAST**

## Polymer additives

Making plastics flame retardant (curbing generation of hazardous substances, CO and smoke)

### Intumescent flame retardants **ADK STAB FP series**

- Restrictions on halogen flame retardants overseas and the rise in prices of bromine and other substances have increased alternative demand.
- The trend toward a reduction of vehicle weight after the transition to EVs also worked as a boost.

Stimulate demand for the alternative for halogen flame retardants and improve sales in household appliances, EVs and other applications.

● Technologies required of automated driving

Sensing

- Imaging sensor
- Millimeter-wave radar
- Laser, etc.

ECU\*

- Drive control
- Brake control, etc.

▶ Safety improvements through high-precision adhesion & connection of electronic components

\* ECU : Electronic Control Unit

● Fuel efficiency improvement (Engine Oil)

Gasoline vehicles  
ICE\*

hybrid vehicles  
HEV,PHEV

▶ Fuel additives enhancing fuel saving performance

- ICE : Internal-combustion engine

Functional chemicals

Adhesion and connection of automotive camera modules, etc. (Curing Adhesive Epoxy resin)

Epoxy resin adhesives **ADEKA REMYLOP Series**

- Next-gen. materials for automobiles are increasingly developed and commercialized, and sales of our materials are expanding steadily.

- Improve proposals to automobile component manufacturers to expand adoption.
- A production increase at, and an investment in, the Mie Plant have been decided. (commercial operation: scheduled within FY2023)

Functional chemicals

Fuel efficiency IMP and reduction of CO<sub>2</sub> emissions (reduction of friction and abrasion inside an engine)

Lubricant Additives **ADEKA SAKURA-LUBE series**

- We felt the impact of decreased automobile production but achieved the initial year's plan partly because of exchange rates and price revisions.

By regarding the increase of hybrid vehicles as an opportunity, we will focus on boosting sales in the U.S. and CHINA.



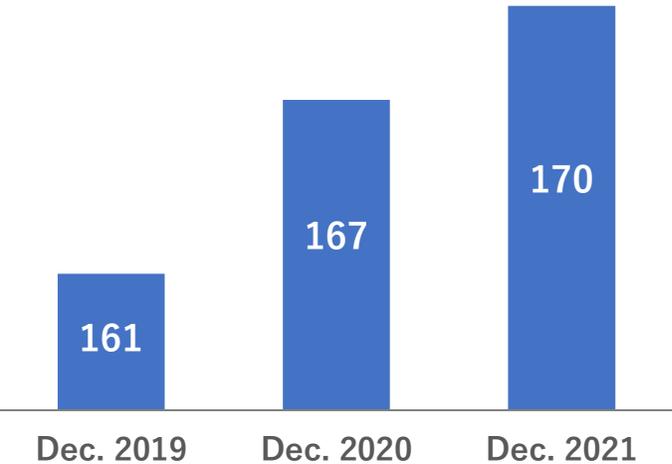
# Construction • Infrastructure

## Market Trends

**FY2021**  
**Approx. 15% increase year on year**

**FY2022**  
**Trending upward**

Numbers of housing starts in the United States  
 (after adjustment of annual rates and seasons)  
 (10,000 units)



\* Data published by the U.S. Department of Commerce

### Functional chemicals

Available for aqueous paints and coating, viscosity adjustment and adhesion of food packages

#### Reactive emulsifier **ADEKA REASOAP Series**

- Tighter VOC restrictions in the emerging countries are working as a tailwind. The series will be expanded into **construction paints applications** through proposals leveraging the **FDA certification**.

- U.S. , EUROPE, + **CHINA, INDIA**
- Expanding in the architecture and **food contact applications**.

### Polymer Additives

Prevention of deterioration of vinyl chloride resin (e.g. infrastructure, automobile interior, housing)

#### PVC Stabilizers **ADK STAB Series**

Tighter regulations on heavy metal in Thailand and the rise in prices of lead and tin are working as a tailwind.

**Sales of lead- and tin-free stabilizers are increasing.**

**Sales are increasing, mainly in NORTH AMERICA, SOUTHEAST ASIA & MIDDLE EAST.**

# Semiconductor

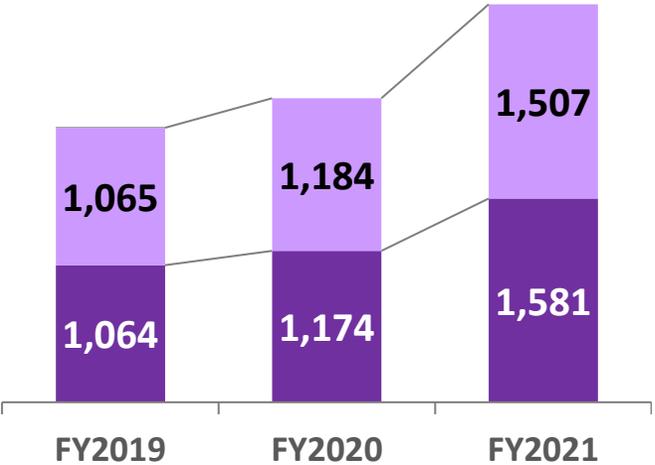
## Market Trends

**FY2021**  
**Approx. 18% increase year on year**

**FY2022**  
**The growth trend continues**

Statistics on the size of the global semiconductor market (100 million dollars)

■ Memory ■ Logic IC



\* WSTS(World Semiconductor Trade Statistics)

### Electronics and IT materials

Film formation applications of semiconductor memories (DRAM, NAND flash), etc.

### High-k materials **ADEKA ORCERA Series**

- Sales increased, centering on products for advanced semiconductor memories.
- Maintain (increase) the world's top share and develop next-gen. materials.
- A new plant for cutting-edge logic semiconductor materials is under construction in Taiwan. (commercial operation: scheduled in April 2024)

### Electronics and IT materials

Most advanced photolithography process (circuit formation)

### Photoacid generator **ADEKA ARKLS Series**

- Sales of the products for EUV lithography process are consistently increasing.
- Our share for ArF, EUV is increasing partly because of new orders.

**Investment in increased production is underway at the Chiba Plant.**  
 (commercial operation: scheduled within FY2023)

Market Trends

FY2021

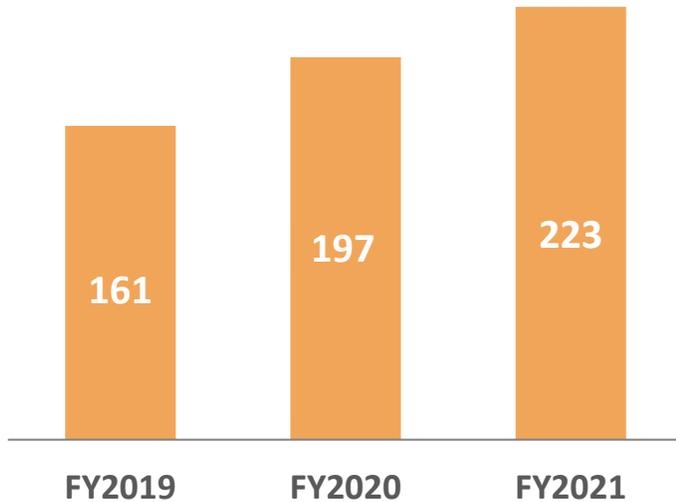
Mildly trending upward

Future

CAGR for FY2021 - 2028: 13.3%

Changes in the size of the global alternative milk market

(100 million dollars)



\* Fortune Business Insights

Food products

Plant-Based Foods *Deli-PLANTS Series*

Professional-use PBF foodstuffs that are **tasty and user-friendly**

Launch a New Brand  
Apr. 2022



Highly concentrated Oat milk

Plant-Based Cheese cream

Plant-Based Whipped cream

Plant-Based Margarine

✓ **Delicious and Easy to use**

Easy realization of “Delicious PBF”

✓ **Health**

Low cholesterol, low fat, etc.

✓ **Reliability and Safety**

RSPO-certified oil used, Trans-fatty acid reduced

New value creation

Reducing Environmental Impact

Health and Prevention

Food diversity

Expand market

Sustainable and Affluent  
Dietary Lifestyle

Business model free from  
influence of raw materials

• Improve our proposals mainly **for restaurant and meal delivery companies and PBF ventures.**

**Focus on developing the menu, improving advertising and expanding the lineup.**

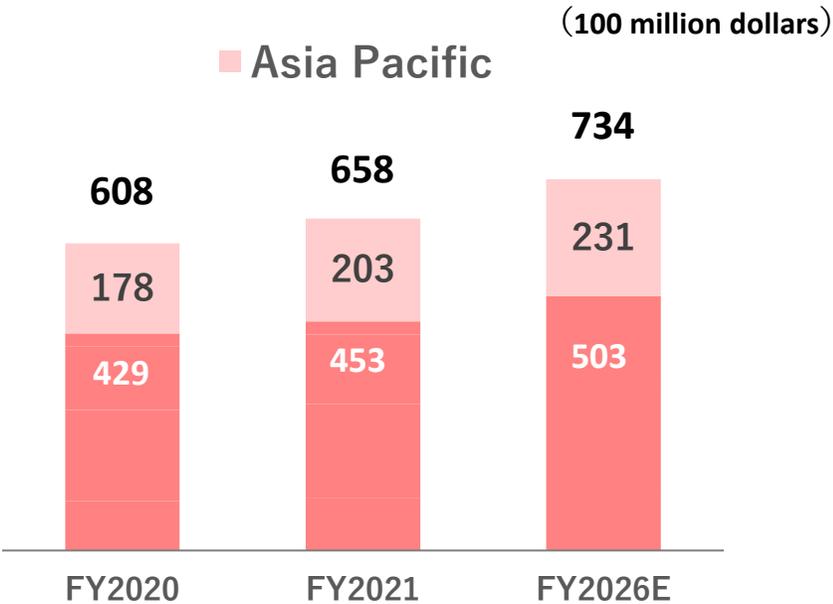
# Agriculture

**Market Trends**

**FY2021**  
Trending upward worldwide

**Future**  
11.5% increase in 2026 (compared with 2021 levels)

Changes in the size of the global agrochemicals market



\* Agbio Investor

## Life Science

## Orchestra, an insecticide for paddy rice

**Orchestra-like spraying**

**Pests**  
Leafhoppers

**Useful insects**  
Honey bees, Spiders

Highly effective against leafhoppers, which are rice pests.

## Contributing to wet-rice farmers' food production

**INDIA**

Start working on agrochemicals registration and the construction of production facilities.

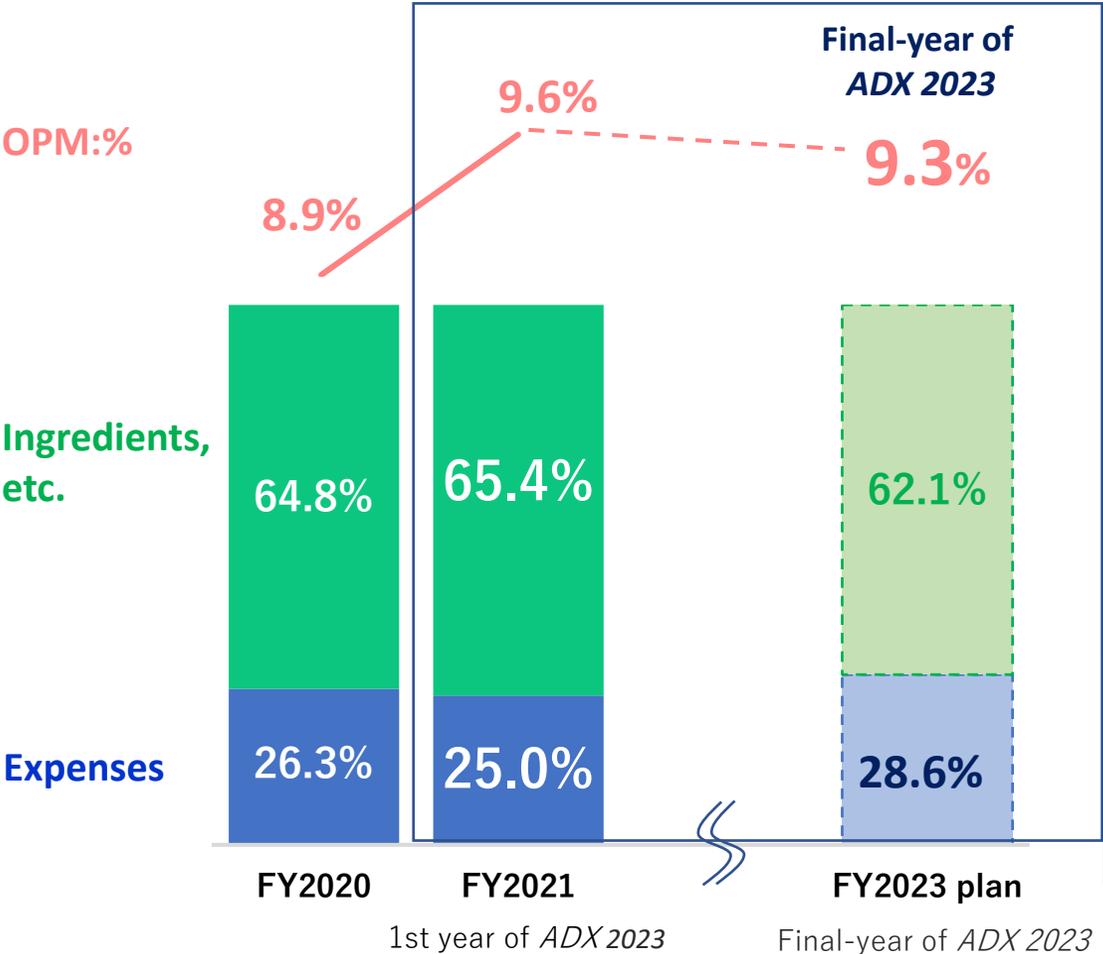
▶ Launched at the time of rainy-season cropping, around June 2022.

**Target Sales 6.0 billion yen\***

\*Peak sales in India : FY2030~

# Key Strategies: Reform Earnings Structure/Increase Productivity

Appropriate management of total cost to develop an earnings structure with a strong backbone.



### 1st year of ADX 2023 (FY2021)

Implement global purchasing

Shared use of distribution warehouses, etc. and cooperative delivery

- ADEKA Group



Curtail SG&A expenses and other fixed costs.

Streamline manufacturing at plants.

# Key Strategies : Sustainable Growth through Expansion of New Business Domains

Implementation of new product development and commercialization in four fields as growth drivers.



■ **Materials for wind power generation**

**Social issues**

**Shift to renewable energy.**

**Make windmill blades larger.**

= Increase the use of wind power generation through improvements in its power generation efficiency.

**Product under development**

**Highly oriented FRP**  
(fiber-reinforced plastic)

forming

**Strong**

**Light**

**Quick**

**Make windmill blades larger and longer lasting.**



# Key Strategies: Strengthening the Foundation for Group Management

## ● Strengthening Group Governance

### Organization change and directors



Transitioned to a company with an Audit and Supervisory Committee.

Ratio of External Directors : **35.2%**

※as of March 31, 2022 Six of 17 directors

(Number of female directors included: 1)

### Responses to new governance codes



Revision of guidelines.

ADEKA Group  
Corporate Governance Guidelines

### Improvement in disclosure



Declared support for the TCFD\* recommendations.

Started disclosures relating to climate change.

\* TCFD : Task Force on Climate-related Financial Disclosures



# Key Strategies: Strengthening the Foundation for Group Management

## ● Human Rights and Human Resources

(Large enterprise category)

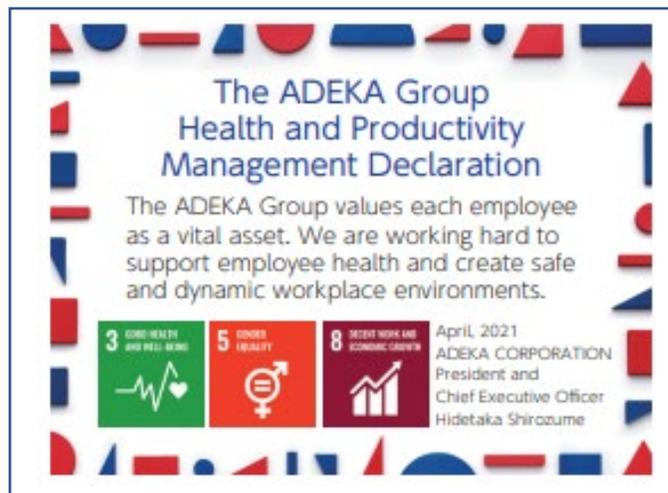
### Formulation of “ADEKA Group Human Rights Policy”

#### ADEKA Group Human Rights Policy

The ADEKA Group has a management policy of aiming to be a company that is progressive and dynamic with a keen attitude towards the new changing tide and creating a better future for the people of the world. It embodies our aspiration to achieve mutual respect for diverse values that individuals have and their mutual development.

In accordance with this policy, we will fulfill our social responsibility of respecting the human rights of all stakeholders in all situations of corporate activities and contribute to realizing a sustainable society that is fair, impartial and free of discrimination and prejudice.

### Publication of “Health and Productivity Management Declaration”



### Certified as Outstanding Health & Productivity Management Organization 2022



## ● Achieving a strong Financial Base Increasing the Group’s Cash and Asset Efficiency.

### FY2021

Introduce and expand the two-generation mortgage system with an eye to cash pooling.

Control and manage cash and curtail liabilities within the ADEKA Group.

# Achieve Carbon Neutrality

Gather ideas for achieving carbon neutrality by 2050 from all ADEKA,

**2050 : Achieving Carbon Neutrality**

**2030 : Reduce CO2 emissions by 46% compared to 2013 (Scope 1+2)**

(1) Reduce GHG emissions from our business activities

Energy

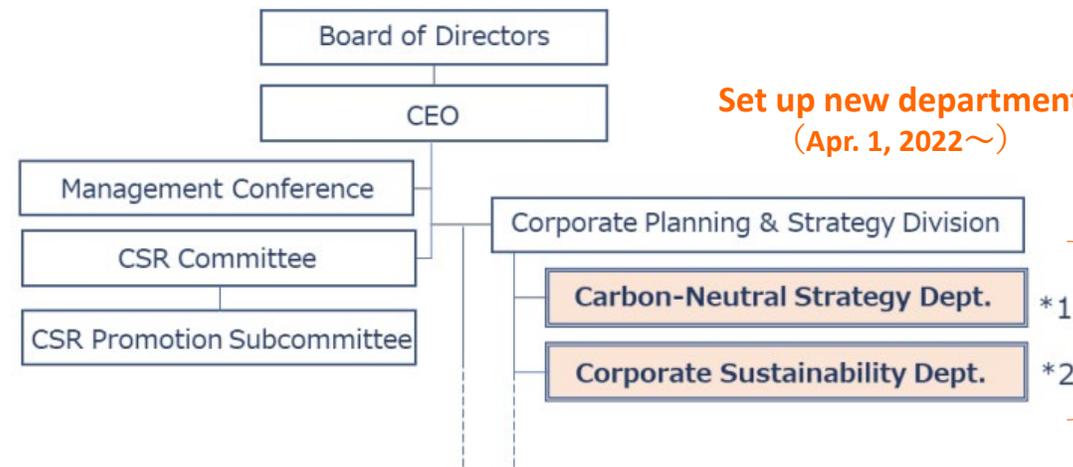
Business Transformation

(2) Contributing to the reduction of GHG emissions through the creation of technologies and products

- Examine GHG emissions throughout the supply chain.
- Promote the sustainable procurement of raw materials.
- Optimize and increase the environmental friendliness of logistics.

\* G H G ; greenhouse gas

## Organization to promote carbon neutrality



# Capital Investment Plan

**Polymer additives** **UAE**

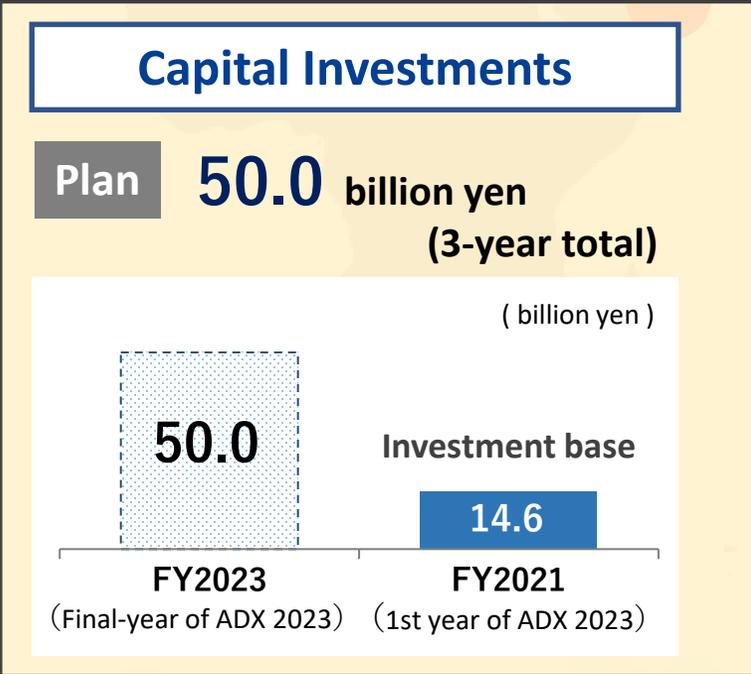
Enhancement of equipment for one-pack granule additives.

**Electronics and IT materials** **TAIWAN**

Build a new plant for cutting-edge logic semiconductor materials.

**Polymer additives** **U.S.**

Enhancement of facilities for stabilizers for polyvinyl chloride (PVC).



**JAPAN**

**Electronics and IT materials** **Chiba Plant**

Invest in increased production of photoacid generators for advanced photo resists and other peripheral semiconductor materials.

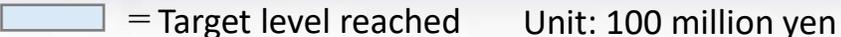
**Functional chemicals** **Mie Plant**

Reinforce facilities for epoxy resin adhesives.

**Life Science** **INDIA**

Reinforce facilities for wet-paddy insecticides.

## Progress Versus Operating Profit Target - By segment -



【Exchange】  
107yen/US\$  
119yen/€

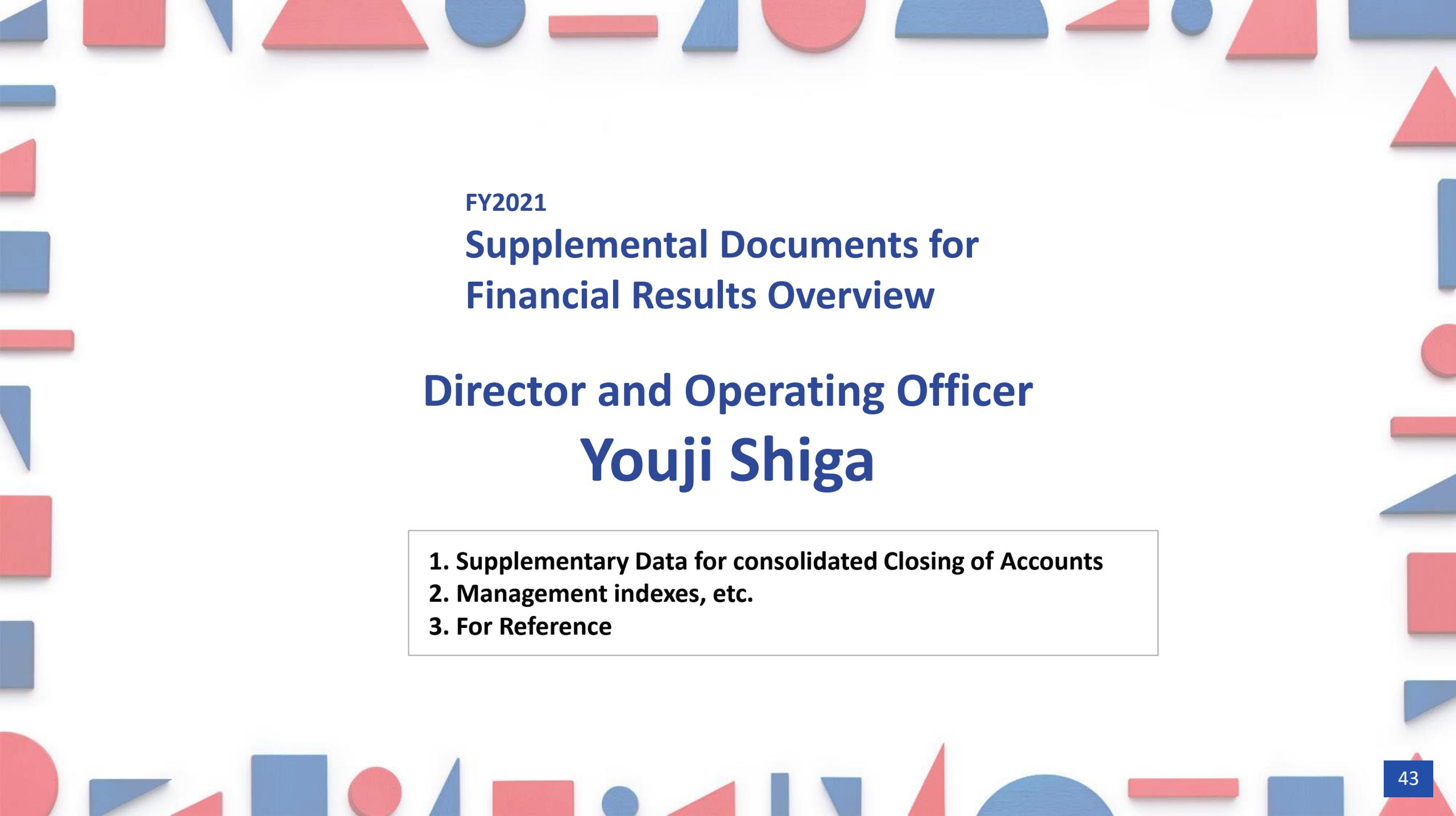
	FY2023 Target Final-year of ADX 2023	FY2021 Results 1st year of ADX 2023	Progress (%)	FY2022 Forecast 2nd year of ADX 2023	Progress (%)
<b>Sales</b>	3,800	3,630	95.5	4,060	106.8
<b>Chemicals</b>	2,078	2,001	96.3	2,247	108.1
<i>Polymer Additives</i>	1,007	1,068	106.1	1,193	118.5
<i>Electronics and IT materials</i>	441	364	82.7	422	95.7
<i>Functional chemicals</i>	630	567	90.1	632	100.3
<b>Food products</b>	814	733	90.1	837	102.8
<b>Life Science</b>	890	818	92.0	913	102.6
<b>Other</b>	88	76	87.2	63	71.6

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 a red upper half and a blue lower half. To the right of the 'A' is the word 'DEKA' in a bold, red, italicized sans-serif font. The entire logo is centered horizontally.

**ADEKA**

**Add Goodness**



FY2021

## 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 Consolidated Balance Sheet

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

Unit: 100 million yen	As of Mar. 31,2021	As of Mar. 31,2022	Change		As of Mar. 31,2021	As of Mar. 31,2022	Change
<b>Current assets</b>	2,555	2,938	383	<b>liabilities</b>	1,661	1,784	122
Cash and deposits	842	842	0	Current liabilities	1,072	1,148	75
Notes and accounts receivable – trade, etc.	910	1,004	93	Long-term liabilities	588	635	46
Inventories	697	960	263	<b>Net assets</b>	2,714	2,968	253
Other	104	130	26	Shareholders' equity	2,120	2,301	180
<b>Fixed assets</b>	1,821	1,814	△ 6	Capital stock	229	230	0
Tangible fixed assets	1,189	1,193	4	Capital surplus	200	201	1
Intangible fixed assets	161	168	6	Retained earnings	1,694	1,882	187
Investment and other assets	470	452	△ 17	Treasury stock	△ 4	△ 12	△ 8
				Accumulated other comprehensive income	159	197	38
				Minority interests	434	469	34
<b>Total assets</b>	<b>4,376</b>	<b>4,753</b>	<b>376</b>	<b>Total liabilities and net assets</b>	<b>4,376</b>	<b>4,753</b>	<b>376</b>

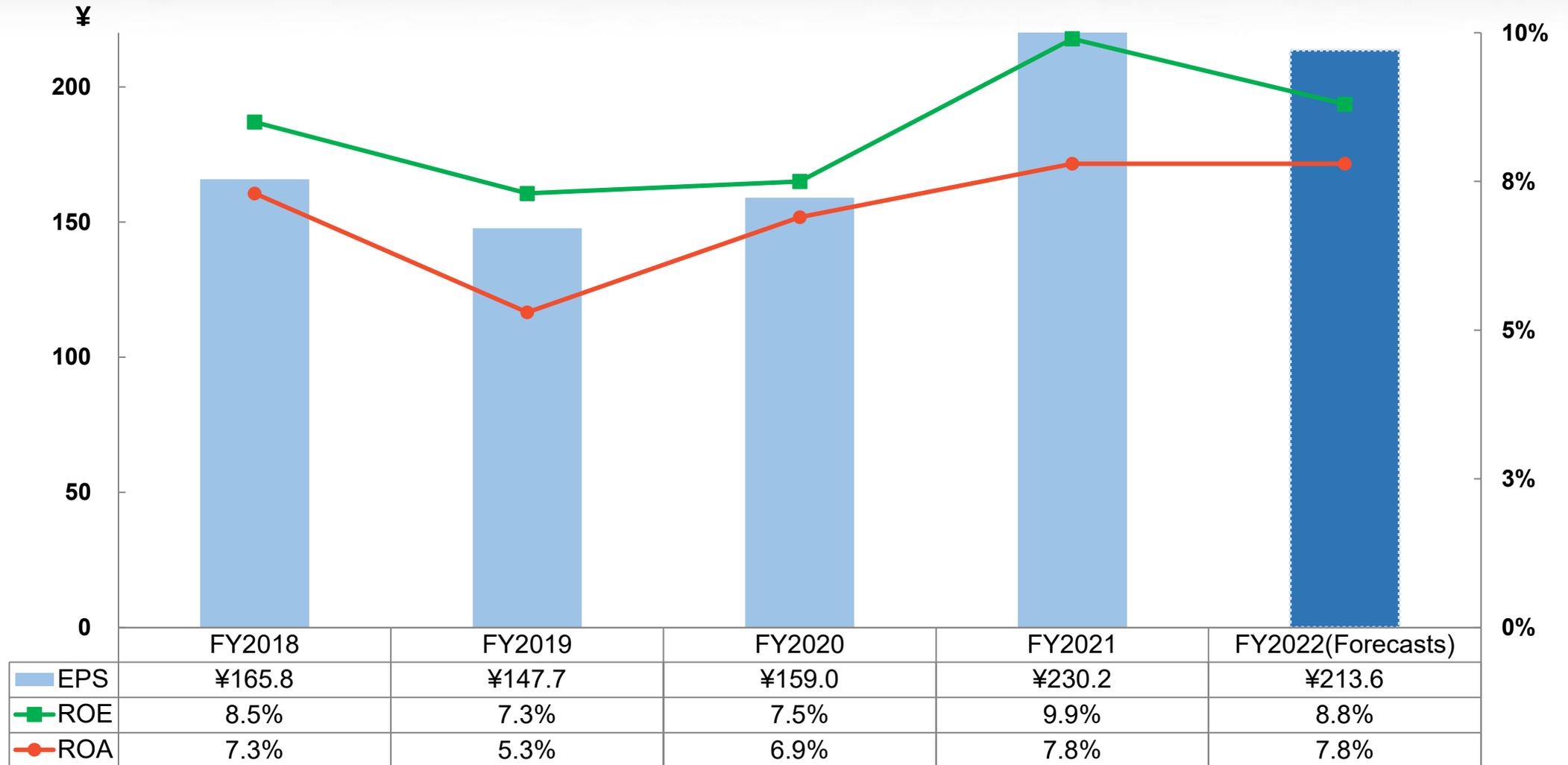
Note : Figures are expressed in units of 100 million yen and have been rounded off.

Unit: 100 million yen

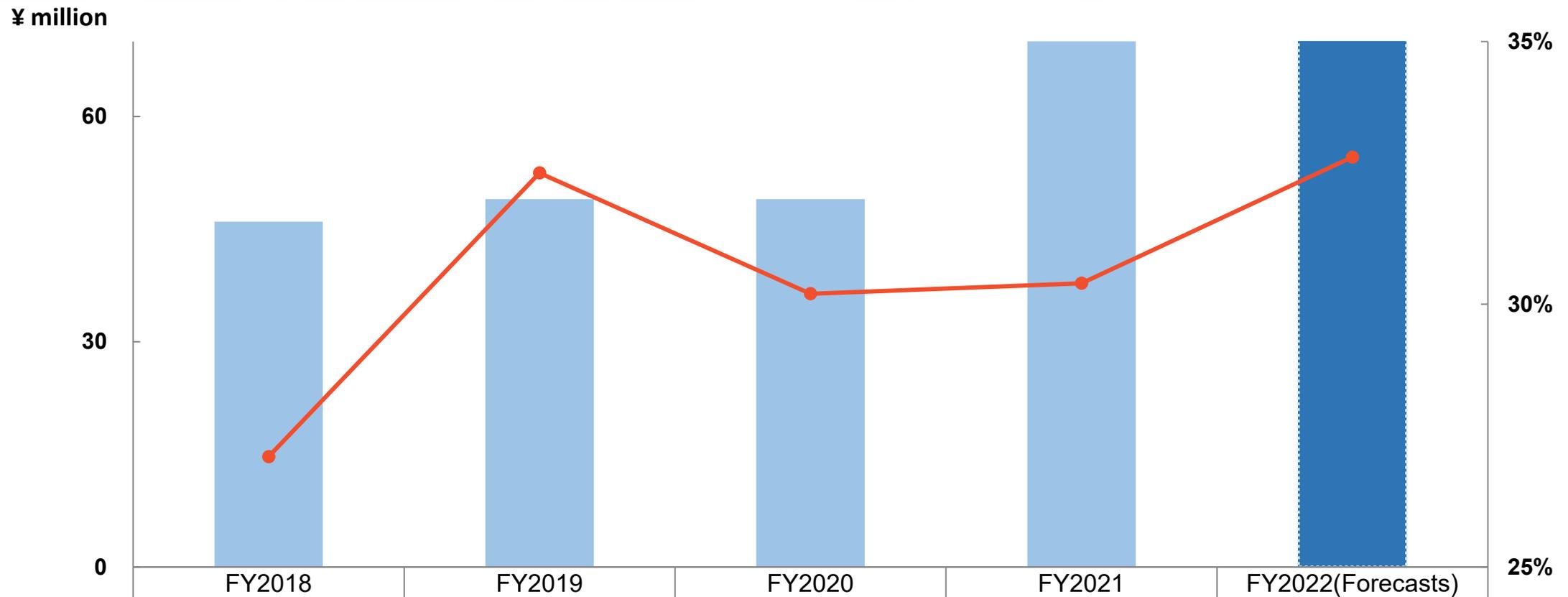
	FY2020 from April 1, 2020 to March 31, 2021	FY2021 from April 1, 2021 to March 31, 2022
Cash flows from operating activities	368	213
Cash flows from investing activities	△ 141	△ 113
Cash flows from financing activities	△ 65	△ 118
Effect of exchange-rate changes on cash and cash equivalents	11	24
Net increase/decrease in cash and cash equivalents -increase)	172	6
Cash and cash equivalents at the beginning of period	608	821
Increase in cash and cash equivalents resulting from the inclusion of subsidiaries in consolidation	39	—
Cash and cash equivalents at the end of period	821	827

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





## 2 - 2 Dividend payout ratio and dividends

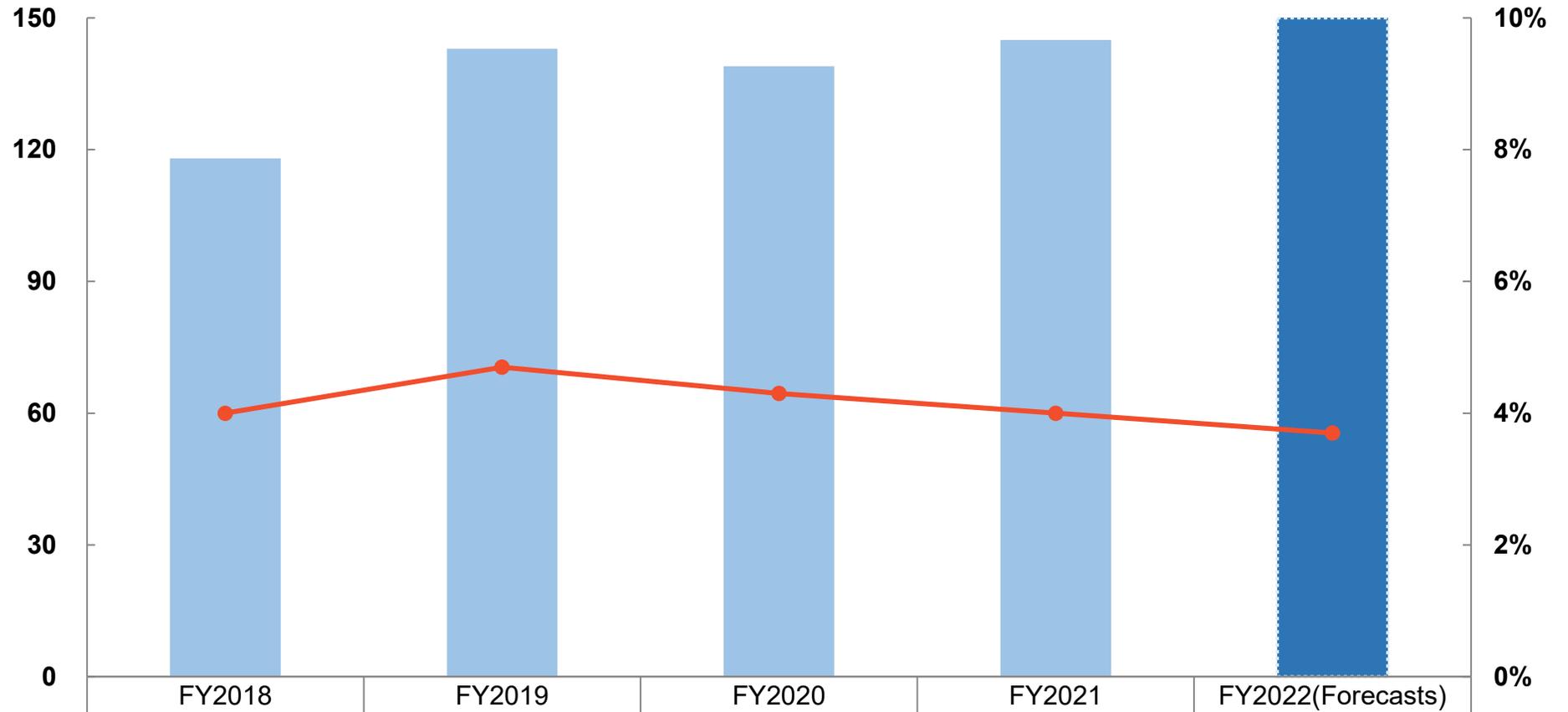


Dividend	¥45	¥48	¥48	¥70	¥70
Total Dividend	46	49	49	72	72
Rate of dividend payout	27.1%	32.5%	30.2%	30.4%	32.8%

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



¥ million

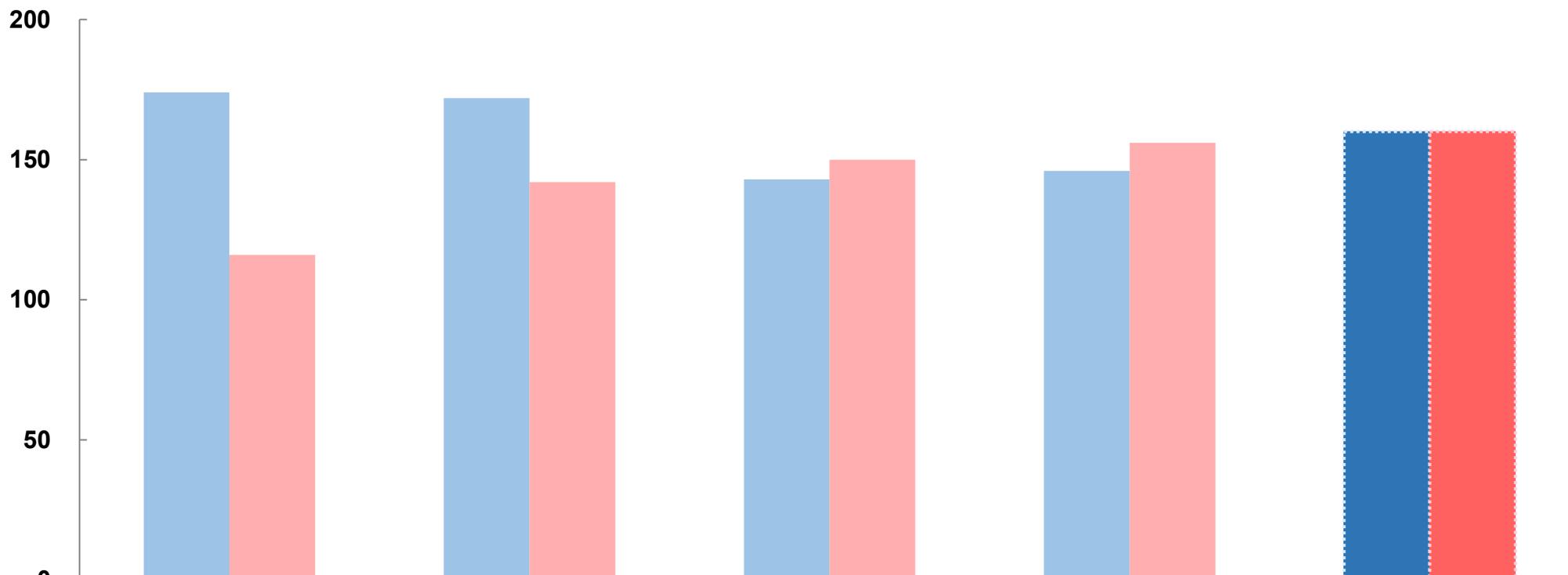


■ R&D costs	118	143	139	145	150
● Rate of R&D costs to sales	4.0%	4.7%	4.3%	4.0%	3.7%

Note : R&D costs are expressed in units of 100 million yen and have been rounded off.



¥ million

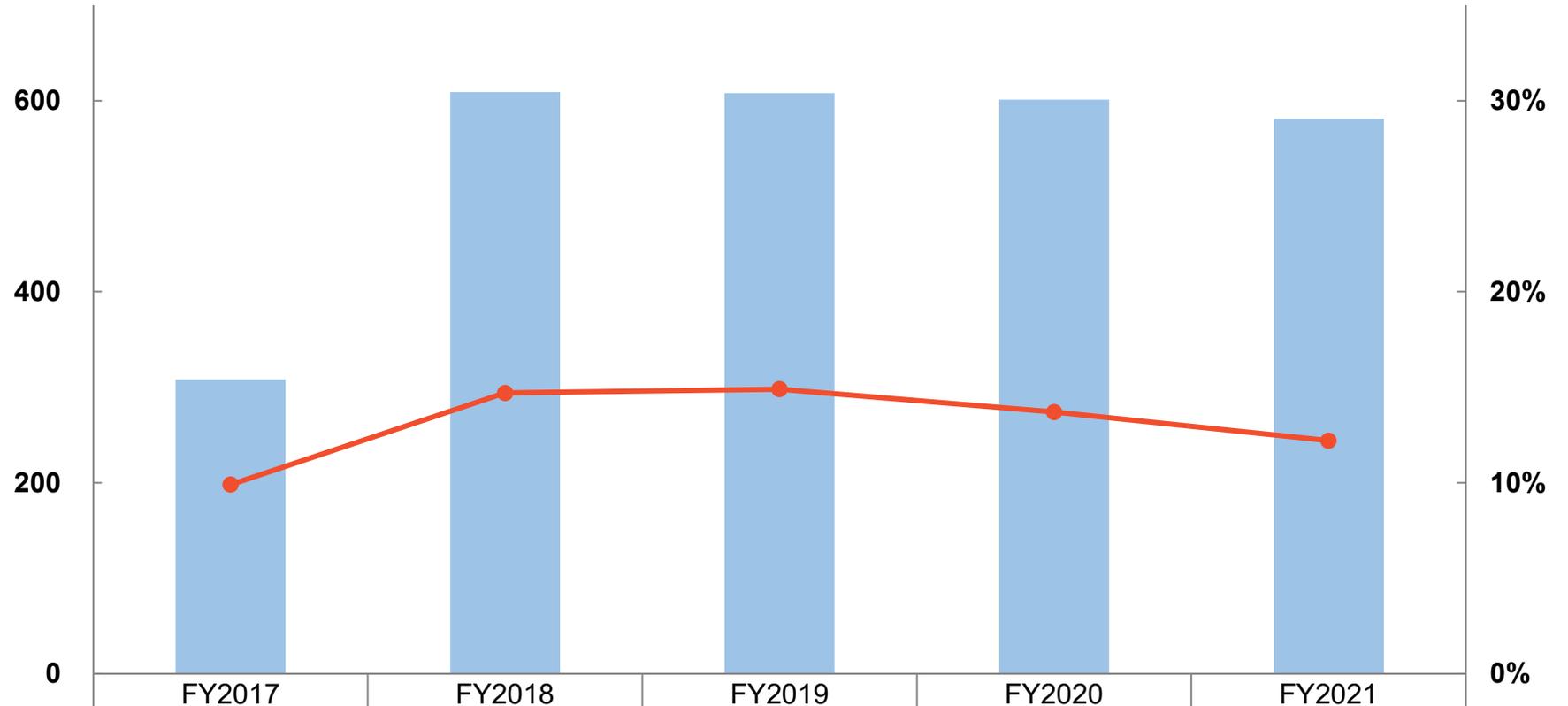


	FY2018	FY2019	FY2020	FY2021	FY2022(Forecasts)
Capital investment	174	172	143	146	160
Depreciation costs	116	142	150	156	160

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



¥ million



Interest-bearing dept	308	609	608	601	581
Interest-bearing dept ratio	9.9%	14.7%	14.9%	13.7%	12.2%

Note : Liabilities with interest are expressed in units of 100 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	FY2021	Amounts	Rate (%)
Sale	1,262	1,428	165	13.1
Operating profit	120	145	25	21.5
Current profit	161	213	51	31.8
Profit attributable to owners of parent	123	166	42	34.5
Net profit per share - yen/share -	119.2	160.5		

## Domestic companies (11)

	FY2020	FY2021	Amounts	Rate (%)
Sale	840	869	28	3.4
Operating profit	14	15	1	9.1

## Overseas companies (18)

	FY2020	FY2021	Amounts	Rate (%)
Sale	1,564	1,838	273	17.5
Operating profit	96	130	34	36.2

## NIHON NOHYAKU (11)

	FY2020	FY2021	Amounts	Rate (%)
Sale	715	819	103	14.5
Operating profit	69	66	△ 3	△ 4.9

## Consolidation adjustment accounts (deleted)

	FY2020	FY2021
Sale	△ 1,112	△ 1,324
Operating profit	△ 10	△ 9

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 - 23 overseas companies<sup>①</sup> -

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 - 23 overseas companies<sup>②</sup> -

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
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: 100.00)	Production and sales of agrochemicals in Europe
NICHINO VIETNAM CO.,LTD	VND22,680 million	20.00 (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 application of the



# 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.	



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.

