

Note: This document has been translated from a part of the Japanese original for reference purposes only. In the event of any discrepancy between this translated document and the Japanese original, the original shall prevail.

Securities code: 4401

June 6, 2022

To our shareholders

Hidetaka Shirozume
President and Chief Executive Officer
ADEKA Corporation
7-2-35 Higashi-ogu, Arakawa-ku, Tokyo 116-8554, Japan

Notice of the 160th Ordinary General Meeting of Shareholders

We are pleased to announce that the 160th Ordinary General Meeting of Shareholders will be held as indicated below. In order to prevent the spread of novel coronavirus infections, we urge that you exercise your voting rights for this General Meeting of Shareholders in advance in writing or via the Internet when possible.

You may exercise your voting rights in advance through either of the methods described below. After having reviewed the Reference Documents for the General Meeting of Shareholders, please exercise your voting rights by 5:15 p.m. on Thursday, June 23, 2022 (JST).

1. Date and Time: June 24, 2022 (Friday) 10:00 a.m. (JST)

2. Location: ADEKA Corporation Head Office, 15th Floor Hall
7-2-35 Higashi-ogu, Arakawa-ku, Tokyo, Japan

3. Purpose of the Meeting:

Matters to be reported:

1. Report on the content of the Business Report, Consolidated Financial Statements and Non-consolidated Financial Statements for the 160th fiscal year (from April 1, 2021 to March 31, 2022)
2. Report on the results of audits of the Consolidated Financial Statements by the Accounting Auditor and the Audit and Supervisory Committee

Matters to be resolved:

- Proposal 1** Appropriation of the Surplus
Proposal 2 Partial Amendments to the Articles of Incorporation
Proposal 3 Election of Twelve (12) Directors (Excluding Directors Who Are Audit and Supervisory Committee Members)
Proposal 4 Election of One (1) Director Who Is Audit and Supervisory Committee Member

4. Exercise of Voting Rights

(1) Exercise of voting rights in writing

Please indicate your approval or disapproval to each of the proposals on the enclosed voting form, and return it to us **by 5:15 p.m. on Thursday, June 23, 2022.**

(2) Exercise of voting rights via the Internet, etc.

Please access the dedicated website for exercising voting rights specified by the Company (<https://www.web54.net>), and, having used the voting code and password, follow the on-screen explanation to enter your approval or disapproval to each of the proposals **by 5:15 p.m. on Thursday, June 23, 2022.**

When exercising your voting rights via the Internet, please refer to the “Guide to Exercising Voting Rights” and the “Guide to Exercising Voting Rights via the Internet” on page 3 & 4 (Japanese version only).

In addition, in the event that voting rights are exercised multiple times when exercising voting rights in writing and via the Internet, etc., the most recent one to arrive with us shall be considered valid, but if both arrive on the same day, the exercise of voting rights via the Internet, etc. shall be considered valid.

- If you are attending the meeting in person, please submit the enclosed voting form at the reception of the venue.
- With regard to the following matters, in accordance with relevant laws and regulations, and as prescribed in Article 15 of the Company's Articles of Incorporation, the materials have been made available on the Company's website (<https://www.adeka.co.jp>), and are therefore not presented in the document appended to this Notice.
 - (1) From the Business Report, the "Outline of the content of resolutions regarding systems etc. put in place to ensure the appropriateness of operations, and the operational status of such systems," and the "Outline of the content of the basic policy regarding control of the Company," "Details of the principal business," "Principal sales offices and plants, etc.," "Status of employees," "Status of major lenders," and "Status of accounting auditor."
 - (2) The "Consolidated Statements of Changes in Equity" and "Notes to the Consolidated Financial Statements" from the Consolidated Financial Statements.
 - (3) The "Non-consolidated Statements of Changes in Equity" and "Notes to the Financial Statements" from the Non-consolidated Financial Statements.
- In the event that revisions are required to the Reference Documents for the General Meeting of Shareholders, the Business Report, the Non-consolidated Financial Statements, or the Consolidated Financial Statements, revised versions of these documents will be available on the Company's website (<https://www.adeka.co.jp>).
- In order to save electricity, on the day of the meeting, the temperature of the air conditioning in the venue will be set at a slightly higher level, and accordingly we respectfully suggest that you avoid heavy clothing.
- Please refer to the "Action Taken to Prevent the Spread of the Novel Coronavirus Infection at the 160th Ordinary General Meeting of Shareholders of ADEKA Corporation and Guidance on On-Demand Distribution of the General Meeting of Shareholder" enclosed with this convocation notice for details on the Company's response to the novel coronavirus.

Guidance on On-Demand Distribution of the General Meeting of Shareholders

Instead of attending the General Meeting of Shareholders in person, you will be able to watch the meeting via the on-demand distribution below.

Shareholders who wish to watch the program, please access the following URL:
<https://www.net-presentations.com/4401/20220624/o7348gr67/>

Or, please search the following in the search engine.

You can also access by scanning the following QR code from your smartphone.

Considerations for viewing

- Photography, video recording, sound recording, storing and disclosing via SNS or the like are strictly prohibited.
- Please note that due to internet communication environment, video and audio may be disrupted or distribution may be interrupted.
- There is a case not be able to watch the program depending on the device or network environment.
- Any costs incurred in accessing the viewing website (Internet access charges, communication charges, etc.) shall be borne by shareholders.

Reference Documents for the General Meeting of Shareholders

Proposals and Reference matters

Proposal 1 Appropriation of the Surplus

With regard to the appropriation of the surplus, the Company proposes the following.

Year-end dividends

The Company's basic policy is to return profits to shareholders in an appropriate manner, having considered the financial situation and performance etc., while at the same time working to strengthen and expand the financial position and the management base, and the dividend amount is determined accordingly. As a result of careful consideration based on this dividend policy, and after having taken into account performance for the fiscal year under review, the need to reinforce the management base and future business expansion, the Company proposes a year-end dividend for the 160th fiscal year as follows.

(1) Type of dividends

Cash

(2) Dividend allocation and their aggregate amount

Dividend per common share of the Company: ¥42

Adding the year-end dividend for the fiscal year under review to the interim dividend of ¥28 yields an annual dividend of ¥70 (the annual dividend for the previous fiscal year was ¥48 per share).

Total dividends: ¥4,344,381,636

Effective date of dividends of surplus on Monday, June 27, 2022

Proposal 2 Partial Amendments to the Articles of Incorporation

1. Reason for the amendments

The amended provisions stipulated in the proviso of Article 1 of the supplementary provisions of the “Act Partially Amending the Companies Act” (Act No. 70 of 2019) will be enforced on September 1, 2022. Accordingly, in order to prepare for the introduction of the system for electronic provision of materials for general meetings of shareholders, the Articles of Incorporation of the Company shall be amended as follows.

- (1) The proposed Article 15, Paragraph 1 provides that information contained in the reference documents for the general meeting of shareholders, etc. shall be provided electronically.
- (2) The purpose of the proposed Article 15, Paragraph 2 is to establish a provision to limit the scope of matters to be included in the paper copy to be sent to shareholders who have requested it.
- (3) The provisions related to the internet disclosure and deemed provision of the reference documents for the general meeting of shareholders, etc. (Article 15 of the current Articles of Incorporation) will become unnecessary and will therefore be deleted.
- (4) In line with the above establishment and deletion of the provisions, supplementary provisions related to the effective date, etc. shall be established.

2. Details of the amendments

The details of the amendments are as follows.

(The amendments are underlined.)

Current Articles of Incorporation	Proposed amendments
<p><u>(Disclosure through the Internet and Deemed Provision of Document for Reference Etc., for the General Meeting of Shareholders)</u> <u>Article 15</u> <u>In convening the general meeting of shareholders, the Company may be deemed to have provided the shareholders with necessary information that should be described or indicated in the reference document for the general meeting of shareholders, business report, non-consolidated financial report and consolidated financial report, on the condition that such information is disclosed through the Internet in accordance with ordinances of the Ministry of Justice.</u></p> <p style="text-align: center;"><Newly established></p>	<p style="text-align: center;"><Deleted></p> <p><u>(Measures for Electronic Provision, Etc.)</u> <u>Article 15</u> <u>The Company shall, when convening a general meeting of shareholders, provide information contained in the reference documents for the general meeting of shareholders, etc. electronically.</u> <u>2. Among the matters to be provided electronically, the Company may choose not to include all or part of the matters stipulated in the Ordinance of the Ministry of Justice in the paper copy to be sent to shareholders who have requested it by the record date for voting rights.</u></p>

Current Articles of Incorporation	Proposed amendments
<Newly established>	<p data-bbox="810 203 1126 232"><u>(Supplementary provisions)</u></p> <p data-bbox="810 239 1382 521"><u>1. The change of Article 15 of the current Articles of Incorporation shall come into effect on September 1, 2022, the date of enforcement of the amended provisions stipulated in the proviso of Article 1 of the supplementary provisions of the Act Partially Amending the Companies Act (Act No. 70 of 2019) (the “Effective Date”).</u></p> <p data-bbox="810 530 1382 741"><u>2. Notwithstanding the provisions of the preceding paragraph, Article 15 of the current Articles of Incorporation shall remain in force with respect to a general meeting of shareholders to be held on a date within six (6) months from the Effective Date.</u></p> <p data-bbox="810 750 1382 960"><u>3. These supplementary provisions shall be deleted after the lapse of six (6) months from the Effective Date or the lapse of three (3) months from the date of the general meeting of shareholders set forth in the preceding paragraph, whichever is later.</u></p>

Proposal 3 Election of Twelve (12) Directors (Excluding Directors Who Are Audit and Supervisory Committee Members)

Since the terms of office of all twelve (12) Directors will expire at the conclusion of the Meeting, the Company proposes the election of twelve (12) Directors (excluding Directors who are Audit and Supervisory Committee Members.)

Candidates for the role of Director are as follows:

Candidate No.	Name	Current position and responsibilities within the Company	Reelection / New election	Attendance rate at the Board of Directors meetings
1	Hidetaka Shirozume	President and Chief Executive Officer	Reelection	100% (17 out of 17)
2	Haruhiko Tomiyasu	Representative Director and Senior Managing Executive Officer Assistant to the President, Secretarial Department, Human Resources Department, Purchasing & Distribution Department, Chair of Internal Control Promotion Committee	Reelection	100% (17 out of 17)
3	Yoshiaki Kobayashi	Director and Managing Operating Officer General Manager, Foods Division Project Team Leader, East Asia Foods Business	Reelection	100% (17 out of 17)
4	Shigeki Fujisawa	Director and Managing Operating Officer General Manager, Chemicals Division	Reelection	100% (17 out of 17)
5	Youji Shiga	Director and Operating Officer General Manager, Finance & Accounting Department	Reelection	100% (17 out of 17)
6	Atsuya Yoshinaka	Director and Operating Officer General Manager, Research & Development Division	Reelection	100% (17 out of 17)
7	Susumu Yasuda	Director and Operating Officer Legal Affairs & Publicity Department, Corporate Planning & Strategy Division, Information System Department, Business Digitalization Department, Chair of Compliance Promotion Committee, and Chair of Capital Investment Committee	Reelection	100% (17 out of 17)
8	Naoshi Kawamoto	Director and Operating Officer General Manager, Polymer Additives Division	Reelection	100% (17 out of 17)
9	Noriyasu Kakuta	Director and Operating Officer General Manager, Production Division	Reelection	100% (13 out of 13)
10	Kazuyuki Nagai	Director	Reelection External Independent	100% (17 out of 17)
11	Shigeru Endo	Director	Reelection External Independent	100% (17 out of 17)
12	Makoto Horiguchi	Director	Reelection External Independent	92% (12 out of 13)

Reelection: Candidate for reelection as Director

External: Candidate for External Director

Independent: Registered with the Tokyo Stock Exchange as an Independent Officer

Note: The Company has concluded a directors and officers liability insurance contract which indemnifies the insured persons against damage compensation, legal costs, etc. arising from claims for damages caused by an act (including nonfeasance) based on the position of the insured persons as directors and officers of the company, and will renew this contract in August of this year. Among the candidates for Directors proposed in this Proposal, all candidates for reappointment have been insured under this insurance contract and will continue to be insured after their reappointment.

Candidate No.	Name (Date of birth)	Career summary, positions, responsibilities, and significant concurrent positions	Number of the Company's shares owned
1	Hidetaka Shirozume (November 10, 1961) [Reelection]	<p>Apr. 1985 Joined the Company</p> <p>Jun. 2005 General Manager, Electronic Materials Sales Department</p> <p>Jun. 2010 General Manager, Information & Electronic Materials Sales Department</p> <p>Jun. 2011 General Manager, Chemicals Planning & Marketing Department</p> <p>Jun. 2014 Operating Officer, General Manager, Chemicals Planning & Marketing Department</p> <p>Jun. 2015 Operating Officer, General Manager, Osaka Main Branch</p> <p>Jun. 2016 Director and Operating Officer, General Manager, Osaka Main Branch</p> <p>Jun. 2017 Director and Managing Operating Officer, General Manager, Corporate Planning & Strategy Division and Chair of Capital Investment Committee</p> <p>Jun. 2018 President and Chief Executive Officer (current position)</p>	53,600 shares
<p>[Reasons for nomination as candidate for Director] As the individual responsible for the Chemicals Department and the Chemicals Planning & Marketing Department, Hidetaka Shirozume has worked ceaselessly to stabilize and strengthen the chemicals business of the Company. Since June 2016, he has been involved as a Director in the management of the Company and, beginning in June 2018, his powerful leadership as President and Chief Executive Officer has been used to direct management from the front. Currently he guides them towards the goals of the Medium-Term Management Plan "ADX 2023." With the expectation of leveraging his abundant experience and track record for the benefit of the management of the Group, the Company requests that he be elected to continue serving as Director. Moreover, in the event that he is elected as Director, he is scheduled to be selected President and Chief Executive Officer at the subsequent meeting of the Board of Directors.</p>			
<p>[Other matters of note in relation to this candidate for Director] No special interests exist between the candidate and the Company.</p>			

Candidate No.	Name (Date of birth)	Career summary, positions, responsibilities, and significant concurrent positions	Number of the Company's shares owned
2	Haruhiko Tomiyasu (July 7, 1956) [Reelection]	<p>Apr. 1979 Joined DAI-ICHI KANGYO BANK, LTD. (present MIZUHO BANK, LTD.)</p> <p>Jul. 2005 General Manager, Administration Department, MIZUHO BANK, LTD.</p> <p>Jun. 2007 Audit & Supervisory Board Member of the Company</p> <p>Jun. 2009 Resigned from position of Audit & Supervisory Board Member of the Company</p> <p>Director and Operating Officer, Legal Affairs & Publicity Department, Finance & Accounting Department, and Chair of Internal Control Promotion Committee</p> <p>Dec. 2009 External Auditor of NIHON NOHYAKU CO., LTD.</p> <p>Jun. 2010 Director and Operating Officer, Legal Affairs & Publicity Department, Finance & Accounting Department, Information System Department, and Chair of Internal Control Promotion Committee</p> <p>Jun. 2012 Director and Operating Officer, Human Resources Department, Finance & Accounting Department, Information System Department and Chair of Internal Control Promotion Committee</p> <p>Jun. 2014 Director and Managing Operating Officer, Human Resources Department, Finance & Accounting Department, Information System Department, and Chair of Internal Control Promotion Committee</p> <p>Jun. 2015 Director and Managing Operating Officer, Human Resources Department, Finance & Accounting Department, Purchasing & Distribution Department and Chair of Internal Control Promotion Committee</p> <p>Jun. 2018 Director and Senior Managing Executive Officer, Assistant to the President, Secretarial Department, Human Resources Department, Purchasing & Distribution Department, and Chair of Internal Control Promotion Committee</p> <p>Sep. 2018 Corporate Auditor of NIHON NOHYAKU CO., LTD.</p> <p>Jun. 2020 Director, Audit & Supervisory Committee Member, NIHON NOHYAKU CO., LTD. (current position)</p> <p>Representative Director and Senior Managing Executive Officer, Assistant to the President, Secretarial Department, Human Resources Department, Purchasing & Distribution Department, and Chair of Internal Control Promotion Committee (current position)</p>	43,500 shares
<p>[Reasons for nomination as candidate for Director]</p> <p>Haruhiko Tomiyasu possesses long years of experience in the financial industry, coupled with a high level of knowledge, and has been involved in the management of the Company and provided valuable opinions on management in general, including the treatment of important issues related to the finances of the Company as Audit & Supervisory Board Member and Director. Since June 2020, he has displayed his powerful leadership and high job performance in the management of the Company as Representative Director and Senior Managing Executive Officer. In addition, as Chair of the Internal Control Promotion Committee, he has pushed for the strengthening of the Group's internal control promotion systems. With the expectation of leveraging his abundant experience, knowledge and track record for the benefit of the management of the Group, the Company requests that he be elected to continue serving as a Director. Moreover, in the event that he is elected as Director, he is scheduled to be selected Representative Director and Senior Managing Executive Officer at the subsequent meeting of the Board of Directors.</p>			
<p>[Other matters of note in relation to this candidate for Director]</p> <p>No special interests exist between the candidate and the Company.</p>			

Candidate No.	Name (Date of birth)	Career summary, positions, responsibilities, and significant concurrent positions	Number of the Company's shares owned
3	Yoshiaki Kobayashi (May 7, 1962) [Reelection]	<p>Apr. 1985 Joined the Company</p> <p>Feb. 2011 General Manager, West Japan Foods Sales Department</p> <p>Jun. 2012 General Manager, East Japan Foods Sales Department</p> <p>Jun. 2016 Operating Officer, Deputy General Manager, Foods Division, and General Manager, East Japan Foods Sales Department</p> <p>Jun. 2017 Director and Operating Officer, General Manager, Foods Division, and Project Team Leader, East Asia Foods Business</p> <p>Mar. 2018 Managing Director, ADEKA FOODS (CHANGSHU) CO., LTD. (current position)</p> <p>Jun. 2021 Director and Managing Operating Officer, General Manager, Foods Division, and Project Team Leader, East Asia Foods Business (current position)</p> <p>(Significant concurrent position outside the Company) Managing Director, ADEKA FOODS (CHANGSHU) CO., LTD.</p>	27,300 shares
<p>[Reasons for nomination as candidate for Director]</p> <p>Yoshiaki Kobayashi has been involved in foods product sales for many years, and, as the individual responsible for the sales department, has worked ceaselessly to strengthen and stabilize the foods business. In addition, he has contributed to the global expansion of the food business as Managing Director of the food subsidiary in China and Project Team Leader of the East Asia Food Business. Since June 2017, he has been involved in the management of the Company as a Director, and has performed his duties in an appropriate manner. With the expectation of leveraging his abundant experience and track record for the benefit of the management of the Group, the Company requests that he be elected to continue serving as Director.</p>			
<p>[Other matters of note in relation to this candidate for Director]</p> <p>The Company has a transactional relationship involving the buying and selling of products, and technology licensing and financial loans with ADEKA FOODS (CHANGSHU) CO., LTD.</p>			

Candidate No.	Name (Date of birth)	Career summary, positions, responsibilities, and significant concurrent positions	Number of the Company's shares owned
4	Shigeki Fujisawa (May 26, 1963) [Reelection]	<p>Apr. 1987 Joined the Company</p> <p>Jun. 2009 General Manager, Functional Resins Sales Department</p> <p>Jun. 2011 General Manager, Information & Electronic Materials Sales Department</p> <p>Jun. 2015 General Manager, Chemicals Planning & Marketing Department</p> <p>Jun. 2016 Operating Officer, Deputy General Manager, Chemicals Division, and General Manager, Chemicals Planning & Marketing Department</p> <p>Mar. 2017 Managing Director, ADEKA FINE CHEMICAL TAIWAN CORP. (current position) Managing Director, ADEKA FINE CHEMICAL (SHANGHAI) CO., LTD. (current position)</p> <p>Jun. 2017 Director and Operating Officer, General Manager, Chemicals Division</p> <p>Jun. 2021 Director and Managing Operating Officer, General Manager, Chemicals Division (current position)</p> <p>(Significant concurrent positions outside the Company) Managing Director, ADEKA FINE CHEMICAL TAIWAN CORP. Managing Director, ADEKA FINE CHEMICAL (SHANGHAI) CO., LTD.</p>	22,900 shares
<p>[Reasons for nomination as candidate for Director] Shigeki Fujisawa has been involved in chemical product sales for many years, and, as the individual responsible for the Chemicals Department and the Chemicals Planning & Marketing Department, has worked unceasingly to strengthen the chemicals business. Since June 2017, he has been involved in the management of the Company as a Director, and has performed his duties in an appropriate manner. With the expectation of leveraging his abundant experience and track record for the benefit of the management of the Group, the Company requests that he be elected to continue serving as a Director.</p>			
<p>[Other matters of note in relation to this candidate for Director] The Company has transactional relationships involving the buying and selling products, as well as technology licensing, with ADEKA FINE CHEMICAL TAIWAN CORP. and ADEKA FINE CHEMICAL (SHANGHAI) CO., LTD.</p>			

Candidate No.	Name (Date of birth)	Career summary, positions, responsibilities, and significant concurrent positions	Number of the Company's shares owned
5	Youji Shiga (August 3, 1962) [Reelection]	Apr. 1985 Joined the Company	27,500 shares
		Jun. 2006 General Manager, Finance & Accounting Department	
		Jun. 2014 Operating Officer, General Manager, Finance & Accounting Department	
Jun. 2018 Director and Operating Officer, General Manager, Finance & Accounting Department (current position)			
[Reasons for nomination as candidate for Director] Youji Shiga has many years of experience as the individual responsible for the Finance & Accounting Department, working to strengthen the financial position of the Group by drawing up and promoting the financial strategy as the General Manager of the Financial & Accounting Department. Since June 2018, he has been involved in the management of the Company as a Director. With the expectation of leveraging his abundant experience and track record for the benefit of the management of the Group, the Company requests that he be elected to continue serving as a Director.			
[Other matters of note in relation to this candidate for Director] No special interests exist between the candidate and the Company.			

Candidate No.	Name (Date of birth)	Career summary, positions, responsibilities, and significant concurrent positions	Number of the Company's shares owned
6	Atsuya Yoshinaka (February 10, 1963) [Reelection]	<p>Apr. 1985 Joined the Company</p> <p>Sep. 2009 General Manager, Electronic Materials Development Laboratory</p> <p>Jun. 2014 Operating Officer, General Manager, Electronic Materials Development Laboratory</p> <p>Jun. 2015 Operating Officer, General Manager, R&D Planning Department</p> <p>Jun. 2018 Director and Operating Officer, General Manager, Research & Development Division (current position)</p> <p> President & Chief Executive Officer, TOKYO ENVIRONMENTAL MEASUREMENT CENTER CO., LTD. (current position)</p> <p>(Significant concurrent positions outside the Company)</p> <p> President & Chief Executive Officer, TOKYO ENVIRONMENTAL MEASUREMENT CENTER CO., LTD.</p>	23,900 shares
	<p>[Reasons for nomination as candidate for Director]</p> <p>Atsuya Yoshinaka has many years of experience as the individual responsible for research and development in the electronic materials field and the R&D Planning Department, driving R&D and implementing initiatives promote the Company's R&D and planning development activities. Since June 2018, he has been involved in the management of the Company as Director. With the expectation of leveraging his abundant experience and track record for the benefit of the management of the Group, the Company requests that he be elected to continue serving as Director.</p>		
	<p>[Other matters of note in relation to this candidate for Director]</p> <p>There is a transactional relationship involving consignment of analytical operation between the Company and TOKYO ENVIRONMENTAL MEASUREMENT CENTER CO., LTD.</p>		

Candidate No.	Name (Date of birth)	Career summary, positions, responsibilities, and significant concurrent positions	Number of the Company's shares owned
7	Susumu Yasuda (April 29, 1959) [Reelection]	<p>Apr. 1985 Joined the Company</p> <p>Jun. 2009 General Manager, Legal Affairs & Publicity Department</p> <p>Jun. 2012 General Manager, Human Resources Department</p> <p>Jun. 2015 Operating Officer, General Manager, Human Resourced Department</p> <p>Jun. 2017 Operating Officer, General Manager, Osaka Main Branch</p> <p>Jun. 2020 Director and Operating Officer, Legal Affairs & Publicity Department, Corporate Planning & Strategy Division, Information System Department, Chair of Compliance Promotion Committee, and Chair of Capital Investment Committee</p> <p>Oct. 2020 Director and Operating Officer, Legal Affairs & Publicity Department, Corporate Planning & Strategy Division, Information System Department, Business Digitalization Department, Chair of Compliance Promotion Committee, and Chair of Capital Investment Committee (current position)</p>	19,000 shares
<p>[Reasons for nomination as candidate for Director]</p> <p>Susumu Yasuda held important positions such as General Manager of the Legal Affairs & Publicity Department and General Manager of Human Resources Department, where he promoted the strengthening of the Company's management structure. In addition, as General Manager of the Osaka Main Branch, he has worked to stabilize and strengthen the company's domestic business. Since June 2020, he has been involved in the management of the Company as Director and has performed his duties in an appropriate manner such as strengthening the information security management system and promoting the digitalization of operations of the Company. With the expectation of leveraging his abundant experience and track record for the benefit of the management of the Group, the Company requests that he be elected to continue serving as Director.</p>			
<p>[Other matters of note in relation to this candidate for Director]</p> <p>No special interests exist between the candidate and the Company.</p>			

Candidate No.	Name (Date of birth)	Career summary, positions, responsibilities, and significant concurrent positions	Number of the Company's shares owned
8	Naoshi Kawamoto (December 17, 1962) [Reelection]	<p>Jan. 2002 Joined the Company</p> <p>Jun. 2014 General Manager, Polymer Additives R&D Laboratory</p> <p>Jun. 2017 Operating Officer, General Manager, Polymer Additives R&D Laboratory</p> <p>Jun. 2020 Director and Operating Officer, General Manager, Polymer Additives Division (current position)</p> <p>Mar. 2021 Managing Director, ADEKA FINE CHEMICAL (ZHEJIANG) CO., LTD. (current position)</p> <p>Apr. 2021 Managing Director, CHANG CHIANG CHEMICAL CO., LTD. (current position)</p> <p> Managing Director, ADEKA FINE CHEMICAL (CHANGSHU) CO., LTD. (current position)</p> <p>Jun. 2021 Chairman & Director, ADEKA INDIA PVT. LTD. (current position)</p> <p> President and Chief Executive Officer, OXIRANE CHEMICAL CORP. (current position)</p> <p>(Significant concurrent positions outside the Company)</p> <p>Managing Director, ADEKA FINE CHEMICAL (ZHEJIANG) CO., LTD.</p> <p>Managing Director, CHANG CHIANG CHEMICAL CO., LTD.</p> <p>Managing Director, ADEKA FINE CHEMICAL (CHANGSHU) CO., LTD.</p> <p>Chairman & Director, ADEKA INDIA PVT. LTD.</p> <p>President and Chief Executive Officer, OXIRANE CHEMICAL CORP.</p>	16,600 shares
<p>[Reasons for nomination as candidate for Director]</p> <p>As the individual responsible for the research and development department within the Polymer Additives Division, Naoshi Kawamoto has contributed to the global expansion of the business through the strengthening of the research and development system of the Company and the development of products that meet the needs of the market and customers. Since June 2020, he has been involved in the management of the Company as Director and has performed his duties in an appropriate manner. With the expectation of leveraging his abundant experience and track record for the benefit of the management of the Group, the Company requests that he be elected to continue serving as Director.</p>			
<p>[Other matters of note in relation to this candidate for Director]</p> <p>The Company has a transactional relationship involving technology licensing and financial loans with ADEKA FINE CHEMICAL (ZHEJIANG) CO., LTD. The Company has a transactional relationship involving the buying and selling products with CHANG CHIANG CHEMICAL CO., LTD., ADEKA INDIA PVT. LTD. and OXIRANE CHEMICAL CORP. The Company has a transactional relationship involving the buying and selling products, as well as technology licensing, with ADEKA FINE CHEMICAL (CHANGSHU) CO., LTD.</p>			

Candidate No.	Name (Date of birth)	Career summary, positions, responsibilities, and significant concurrent positions	Number of the Company's shares owned
9	Noriyasu Kakuta (April 2, 1959) [Reelection]	Apr. 1985 Joined the Company Jun. 2014 General Manager, Kashima Plant Jun. 2016 Operating Officer, General Manager, Kashima Plant Jun. 2018 Operating Officer, Deputy General Manager, Production Division Dec. 2018 Operating Officer, General Manager, Environmental and Safety Division Mar. 2019 Operating Officer, General Manager, Environmental and Safety Division, and General Manager, Technology & Engineering Department Jun. 2020 Senior Operating Officer, General Manager, Environmental and Safety Division Jun. 2021 Director and Operating Officer, General Manager, Production Division (current position)	15,200 shares
<p>[Reasons for nomination as candidate for Director] As the individual responsible for supervising the Production Division and the Environmental and Safety Division, Noriyasu Kakuta has worked to strengthen the production system, environmental measures, quality audits, safety management, etc. of the Company. He has been involved in the management of the Company as Operating Officer since June 2016 and as a Director since June 2021, and has performed his duties in an appropriate manner. With the expectation of leveraging his abundant experience and track record for the benefit of the management of the Group, the Company requests that he be elected to continue serving as Director.</p>			
<p>[Other matters of note in relation to this candidate for Director] No special interests exist between the candidate and the Company.</p>			

Candidate No.	Name (Date of birth)	Career summary, positions, responsibilities, and significant concurrent positions	Number of the Company's shares owned
10	<p>Kazuyuki Nagai (September 24, 1945) [Reelection] [External] [Independent]</p> <p>Years of service (as of the conclusion of this general meeting of shareholders) Twelve (12) years</p>	<p>Apr. 1981 Professor, Faculty of Law, CHUO UNIVERSITY (Companies Act)</p> <p>Nov. 1999 Dean, Faculty of Law, CHUO UNIVERSITY</p> <p>May 2004 Registered as attorney (current position)</p> <p>Nov. 2005 President, CHUO UNIVERSITY</p> <p>Dec. 2005 Chancellor, CHUO UNIVERSITY</p> <p>Jun. 2010 External Director of the Company (current position)</p> <p>Jun. 2012 Chairman, UNIVERSITY CORRESPONDENCE EDUCATION (current position)</p> <p>Apr. 2016 Professor Emeritus, CHUO UNIVERSITY (current position)</p> <p>(Significant concurrent positions outside the Company) Chairman, UNIVERSITY CORRESPONDENCE EDUCATION Professor Emeritus, CHUO UNIVERSITY</p>	9,100 shares
<p>[Reasons for nomination as candidate for External Director and expected roles] Kazuyuki Nagai has taught commercial law (Companies Act) in the University's Law Faculty for many years, and is also a qualified attorney. He has had no direct experience of involvement in company management in the past except through his role as External Director of the Company, but the Company expects that his abundant practical experience in the management of university as Chancellor and President of the University in combination with his highly specialized knowledge, enables him to offer advice on the general management of the Company, and we therefore request that he be elected to continue serving as External Director.</p>			
<p>[Matters related to independence] The candidate satisfies the requirements of the Tokyo Stock Exchange for the independence of directors, and also meets the criteria prescribed by the Company for assessing the independence of external directors. Accordingly, the Company has registered him with the Tokyo Stock Exchange as Independent Director. In the event that the candidate is reelected as External Director, the Company will continue his registration as Independent Director. Moreover, the criteria prescribed by the Company for assessing the independence of external directors can be found on page 22.</p>			
<p>[Limitation of liability contract] Pursuant to the provisions of Article 427, Paragraph 1 of the Companies Act, the Company has concluded with the candidate a contract with the effect of limiting the liability as stipulated in Article 423, Paragraph 1 of the same act. The maximum amount of liability pursuant to such contract is the minimum amount prescribed under Article 425, Paragraph 1 of the Companies Act. In the event that the reelection of the candidate is approved at this general meeting of shareholders, the Company intends to roll over this limitation of liability contract.</p>			
<p>[Other matters of note in relation to this candidate for External Director] No special interests exist between the candidate and the Company.</p>			

Candidate No.	Name (Date of birth)	Career summary, positions, responsibilities, and significant concurrent positions	Number of the Company's shares owned
11	<p>Shigeru Endo (October 16, 1948) [Reelection] [External] [Independent]</p> <p>Years of service (as of the conclusion of this general meeting of shareholders) Four (4) years</p>	<p>Apr. 1974 Joined Ministry of Foreign Affairs Feb. 1989 Seconded to International Energy Agency Apr. 2001 Deputy Director-General in the Middle Eastern and African Affairs Bureau, Ministry of Foreign Affairs Feb. 2002 Deputy Director-General in the Consular and Migration Affairs Bureau, Ministry of Foreign Affairs Aug. 2003 Ambassador to the Permanent Mission of Japan to the International Organizations in Geneva, and Consul General of Japan in the Japanese Consulate in Geneva Mar. 2007 Ambassador Extraordinary and Plenipotentiary to Republic Tunisia Jul. 2009 Ambassador Extraordinary and Plenipotentiary to Saudi Arabia Oct. 2012 Retired from Ministry of Foreign Affairs Jun. 2013 External Director, JGC CORPORATION External Director, IINO KAIUN KAISHA, LTD. (current position) Apr. 2014 Special Assistant to the Ministry of Foreign Affairs (current position) Dec. 2017 Special Envoy for EXPO 2025 Jun. 2018 External Director of the Company (current position) Oct. 2019 Outside Director, JGC HOLDINGS CORPORATION (current position)</p> <p>(Significant concurrent positions outside the Company) External Director of IINO KAIUN KAISHA, LTD. Special Assistant to the Ministry of Foreign Affairs Outside Director of JGC HOLDINGS CORPORATION</p>	0 shares
<p>[Reasons for nomination as candidate for External Director and expected roles] Shigeru Endo spent many years as an active diplomat, and has abundant international experience. He has had no direct experience of involvement in company management in the past except through his role as External Director of the Company, but the Company expects that his broad knowledge and insights into international affairs and his international sense, enable him to offer advice on the general management of the Company, and we therefore request that he be elected to continue serving as External Director.</p>			
<p>[Matters related to independence] The candidate satisfies the requirements of the Tokyo Stock Exchange for the independence of directors, and also meets the criteria prescribed by the Company for assessing the independence of external directors. Accordingly, the Company has registered him with the Tokyo Stock Exchange as Independent Director. If he is reelected as Director, the Company will continue his registration as Independent Director. Moreover, the criteria prescribed by the Company for assessing the independence of external directors can be found on page 22.</p>			
<p>[Limitation of liability contract] Pursuant to the provisions of Article 427, Paragraph 1 of the Companies Act, the Company has concluded with the candidate a contract with the effect of limiting the liability as stipulated in Article 423, Paragraph 1 of the same act. The maximum amount of liability pursuant to such contract is the minimum amount prescribed under Article 425, Paragraph 1 of the Companies Act. In the event that the reelection of the candidate is approved at this general meeting of shareholders, the Company intends to roll over this limitation of liability contract.</p>			
<p>[Other matters of note in relation to this candidate for External Director] No special interests exist between the candidate and the Company. Note that Shigeru Endo is scheduled to retire from the position of External Director of IINO KAIUN KAISHA, LTD. at the conclusion of the company's ordinary general meeting of shareholders of this year.</p>			

Candidate No.	Name (Date of birth)	Career summary, positions, responsibilities, and significant concurrent positions	Number of the Company's shares owned
12	<p>Makoto Horiguchi (December 5, 1955) [Reelection] [External] [Independent]</p> <p>Years of service (as of the conclusion of this general meeting of shareholders) One (1) year</p>	<p>Apr. 1979 Joined Iwatani Corporation Jun. 2012 Executive Officer, Iwatani Corporation Apr. 2015 Managing Officer, Iwatani Corporation Apr. 2016 Deputy General Manager (East), Industrial Gases & Machinery Business Group, Iwatani Corporation Jun. 2016 Member of the Board, Executive Officer, General Manager, Industrial Gases & Machinery Business Group, Iwatani Corporation Apr. 2017 Executive Director and Executive Officer, Iwatani Corporation Jul. 2018 General Manager, Customer Relations and Services Division, Iwatani Corporation Apr. 2019 Member of the Board, Senior Managing Officer, Industrial Gases Division; Hydrogen Division; Machinery Division, Iwatani Corporation Apr. 2020 Member of the Board, Vice President, Iwatani Corporation (current position) Responsible for Sales, Iwatani Corporation (current position) Jun. 2021 External Director of the Company (current position) Apr. 2022 In charge of New Product Development & Market Research, Iwatani Corporation (current position) (Significant concurrent positions outside the Company) Member of the Board, Vice President, Iwatani Corporation Member of the Board, Iwatani (China) Limited Director, Iwatani Australia Pty. Ltd.</p>	0 shares
<p>[Reasons for nomination as candidate for External Director and expected roles] Makoto Horiguchi currently supervises the Sales Division of Iwatani Corporation as Member of the Board, Vice President of Iwatani Corporation, and has been involved in the management of its overseas operating companies. He possesses abundant experience in management and corporate governance, broad insights, global knowledge and excellent personality. The Company expects that he will offer appropriate supervision and advice on the general management of the Company and contribute to the enhancement of the corporate value of the Company, and we therefore request that he be elected to continue serving as External Director.</p>			
<p>[Matters related to independence] The candidate satisfies the requirements of the Tokyo Stock Exchange for the independence of directors, and also meets the criteria prescribed by the Company for assessing the independence of external directors. Accordingly, the Company has registered him with the Tokyo Stock Exchange as Independent Director. If he is reelected as Director, the Company will continue his registration as Independent Director. Moreover, the criteria prescribed by the Company for assessing the independence of external directors can be found on page 22.</p>			
<p>[Limitation of liability contract] Pursuant to the provisions of Article 427, Paragraph 1 of the Companies Act, the Company has concluded with the candidate a contract with the effect of limiting the liability as stipulated in Article 423, Paragraph 1 of the same act. The maximum amount of liability pursuant to such contract is the minimum amount prescribed under Article 425, Paragraph 1 of the Companies Act. In the event that the reelection of the candidate is approved at this general meeting of shareholders, the Company intends to roll over this limitation of liability contract.</p>			
<p>[Other matters of note in relation to this candidate for External Director] No special interests exist between the candidate and the Company.</p>			

Proposal 4 Election of One (1) Director Who Is Audit and Supervisory Committee Member

Yoshito Hayashi and Akimasa Yajima will resign and retire from the position of Directors Who are Audit and Supervisory Committee Members at the conclusion of this General Meeting of Shareholders. In this regard, with the aim of more prompt decision-making and agile audit operation, the Company proposes the reduction of one (1) Director Who is Audit and Supervisory Committee Member and the election of one (1) Director who is Audit and Supervisory Committee Members for the Substitute of Yoshito Hayashi.

The term of office of Director Who is Audit and Supervisory Committee Member to be elected at this General Meeting shall expire at such time as the term of office of the retired Director Who is Audit and Supervisory Committee Member Yoshito Hayashi would expire, in line with the Articles of Incorporation

In addition, this proposal has obtained the consent of the Audit and Supervisory Committee.

Candidates for Director Who is Audit and Supervisory Committee Members is as follows:

Name (Date of birth)	Career summary, positions, responsibilities, and significant concurrent positions	Number of the Company's shares owned
Koichi Taya (June 16, 1962) [New election]	Apr. 1976 Joined the Company Apr. 2007 General Manager, Electronic Circuit Materials Sales Department Jun. 2010 General Manager, Secretarial Department Jun. 2014 General Manager, Purchasing & Distribution Department Jun. 2018 Operating Officer, Purchasing & Distribution Department Jun. 2020 Operating Officer, General Manager, Osaka Main Branch (current position)	12,500 shares
[Reasons for nomination as candidate for Director who is an Audit and Supervisory Committee Member] Koichi Taya's career background and practical experience includes business execution in a wide range of departments as General Managers of Sales, Secretarial Department, Purchasing and Osaka Main Branch, and he possesses in depth knowledge or the Company's operations. In addition, having served as Secretariat of the Board of Directors and the Audit & Supervisory Board as General Manager, Secretarial Department, and participated in Management Committee as Operating Officer since June 2018, he possesses a significant level of knowledge regarding company management and audit operations. With the expectation of leveraging his abundant experience and track record to strengthen the audit structure, the Company proposes that he be elected to serve as Director who is an Audit and Supervisory Committee Member.		
[Limitation of liability contract] In the event that the election of the candidate is approved at this general meeting of shareholders, pursuant to the provisions of Article 427, Paragraph 1 of the Companies Act, the Company intends to conclude with the candidate a contract with the effect of limiting the liability as stipulated in Article 423, Paragraph 1 of the same act. The maximum amount of liability pursuant to such contract is the minimum amount prescribed under Article 425, Paragraph 1 of the Companies Act.		
[Other matters of note in relation to this candidate for Director who is an Audit and Supervisory Committee Member] No special interests exist between the candidate and the Company.		

(Note) The Company has concluded a directors and officers liability insurance contract which indemnifies the insured persons against damage compensation, legal costs, etc. arising from claims for damages caused by an act (including nonfeasance) based on the position of the insured persons as directors and officers of a company, and will renew this contract in August of this year. The aforementioned new candidate for Director will be insured under this insurance contract after his appointment.

(Reference)

The Company strives to ensure the diverse values and expertise of the members of the Board of Directors with fairness and a broad perspective when nominating candidates for Director in order to respond vigorously to change in the business environment and social issues. We establish a skills matrix for the knowledge and experience of Directors, which is necessary in light of our management policy and strategy, and use it to confirm the skill balance of the members of the Board of Directors, as well as to provide information to shareholders. If Proposals 3 and 4 are approved as proposed, the composition of Directors will be as follows.

Name	Title (as proposed)	Knowledge and Experience that the Company Expects of Directors							
		Corporate Management	CSR	Global	R&D	Finance Strategy Accounting	Governance Risk Management	HR Management Diversity	Production Administration Technology & Engineering*
Hidetaka Shirozume	President and Chief Executive Officer	●	●	●			●		
Haruhiko Tomiyasu	Representative Director and Senior Managing Executive Officer	●				●	●	●	
Yoshiaki Kobayashi	Director and Managing Operating Officer	●		●					
Shigeki Fujisawa	Director and Managing Operating Officer	●		●					
Youji Shiga	Director and Operating Officer					●	●		
Atsuya Yoshinaka	Director and Operating Officer			●	●				
Susumu Yasuda	Director and Operating Officer		●				●	●	●
Naoshi Kawamoto	Director and Operating Officer	●		●	●				
Noriyasu Kakuta	Director and Operating Officer			●	●				●
Kazuyuki Nagai	Director <u>External / Independent</u>						●		
Shigeru Endo	Director <u>External / Independent</u>			●			●	●	
Makoto Horiguchi	Director <u>External / Independent</u>	●		●					
Koichi Taya	Director, Audit and Supervisory Committee Member (Chairperson)						●		
Akio Okuyama	Director, Audit and Supervisory Committee Member <u>External / Independent</u>					●	●		
Yoko Takemura	Director, Audit and Supervisory Committee Member <u>External / Independent</u>						●		
Yoshiki Sato	Director, Audit and Supervisory Committee Member <u>External / Independent</u>	●	●			●	●		

<Reference> Criteria for assessing the independence of external directors

The Board of Directors of the Company shall nominate candidates for external directors (independent external directors), for whom there is no risk of conflict of interest with general shareholders, based on the existence or otherwise of personal relationships, capital relationships or transactional relationships with the Company, and the scale of the same relationships.

In cases where the requirements prescribed below are deemed satisfied, the candidate shall be considered to be sufficiently independent.

1. The candidate shall not be an executive officer of the Group, nor shall they have come from such a background.
In addition, close family members (Note 1) of the candidate shall not have been executive officers of the Group within the past five (5) years.
2. The candidate shall not, either now or for the past five (5) years, correspond to one of the following categories.
 - (1) An executive officer of a major shareholder (Note 2) of the Company
 - (2) An executive officer of a major customer (Note 3), or an executive officer of a company for which the Company constitutes a major customer
 - (3) An executive officer of a major creditor of the Group (Note 4)
 - (4) A person affiliated with an auditing firm that performs statutory audits of the Company
 - (5) A person receiving large (Note 5) sums of money, other than director's remuneration, from the Company
 - (6) An executive officer from a company where directors of the Company have taken on roles, and vice versa
 - (7) A person executing the business of an organization receiving large amounts of donations or subsidies (Note 6) from the Company
3. Close family members of the candidate shall not correspond currently to 2. (1) or 2. (7).

Notes:

1. Close family members shall mean a spouse of the candidate, or relations in the second degree, or family living with the candidate.
2. Major shareholders shall mean entities with 10% or more of the voting rights at the end of the fiscal year.
3. Major customers shall mean a customer of the Company for which the annual value of transactions has accounted to more than 2% of the consolidated total revenue of the Company during the previous three fiscal years, or of the consolidated total revenue of the other party.
4. Major creditors shall mean financial institutions from which the Group has borrowed money, and for which the total outstanding loan balance at the end of the fiscal year exceeds 2% of the consolidated total assets of the Company, or of the financial institution in question.
5. Large sums of money shall mean cases in which payments received by individuals from the Company average more than 10 million yen annually over the past three fiscal years, or in cases where the consideration paid by the Company to the organization to which they belong exceeds 2% of the average revenues, or total income, of the organization over the past three fiscal years.
6. Organizations in receipt of large amounts of donations or subsidies shall mean an organization that receives more than 10 million yen annually from the Company in donations or subsidies.

Moreover, when external directors are elected, in addition to their independence from the Company, candidates shall be required to be of good character and discernment, and possess a high level of specialized knowledge of, or practical experience in, management, law or accounting etc.

Business Report

(April 1, 2021 - March 31, 2022)

I. Overview of the Group

1. Business Progress and Results

During the fiscal year under review, the global economy continued to be on a moderate recovery trend, as economic and social activities being moving toward nominalization as a result of measures to prevent the spread of COVID-19 infection. However, the resurgence of infections driven by the Omicron strain and logistics restriction due to parts and material shortage and higher prices of raw fuels are downward pressure to economic recovery.

In the automobile-related sector, which is the ADEKA Group's main target market, automobile production showed only slight recovery due to prolonged impact of semiconductor shortages and logistics disruptions. In the ICT (information and communications technology) and consumer electronics sectors, investment in data centers continued expanding as society generally became rapidly digitalized. The shipment volume of smartphones supporting 5G communications also increased. In the food products sector, the food industry as a whole, especially the souvenir and food service industries, continued to face challenging conditions, with impacts such as lingering concerns about the resurgence of infections, the mood of staying home and overseas lockdown. In the life science sector, the domestic agrochemicals market held firm, although inclement weather conditions in summer made disease and pest extermination less necessary. Overseas, with increasing major crop acreage, demand for agrochemicals expanded in general.

Under these conditions, the Group launched ADX 2023, a Medium-Term Management Plan covering the three period from Fiscal 2021 to Fiscal 2023, starting in April 2021, ADX 2023 is aimed at achieving ADEKA Group's vision for 2030, ADEKA VISION 2030 — An Innovative Company Contributing to a Sustainable Future and Affluent Lifestyles —. Based on the fundamental strategies of “transforming the earnings structure,” “achieving sustainable growth with new domains,” and “reinforcing Group management,” the Group began to pursue a range of transformation measures to increase the scale of business with an emphasis on maximizing profitability. For polymer additives, the Company began to reinforce facilities for stabilizers for PVC, which continues to grow in demand for use in building materials and as a substitute for tin in the U.S. The Company is also enhancing its equipment for one-pack granule additives in UAE. In the electronics and IT materials sector, the Chiba plant decided to invest to increase the production of peripheral semiconductor materials including photoacid generators used in advanced photo resists. In addition, the ADEKA FINE CHEMICAL TAIWAN CORP decided to build a new plant for materials used of cutting-edge logic IC. The Group decided to acquire an industrial site in Wanju County, North Jeolla Province, South Korea, with a view to increasing future production for further growth of the Chemical Products Business and development into new sectors. In the functional chemicals sector, the Company is expanding its Mie Plant facilities for epoxy resin adhesives, which enable high-precision adhesion and fixation of in-vehicle electronic components. In the life science sector, the Company is expanding production facilities in India, to launch full-fledged sale of a new rice insecticide in Japan and overseas. In response to climate change issues, the Company established a roadmap for carbon neutral policy, while revising upward the greenhouse gas reduction target for 2030 to 46% from the Fiscal 2013 level. Furthermore, with the announcement of supporting TCFD (Task Force of Climate Financial Disclosure) in February 2022, the Company is discussing and promoting impact analysis and evaluation that climate change could give to its business activities as well as countermeasures to contribute to materializing sustainable society.

Financial results for the fiscal year under review were net sales of 363,034 million yen (up 11.0% year on year), operating profit of 34,927 million yen (up 20.5%), ordinary profit of 35,770 million yen (up 22.2%), and profit attributable to owners of parent of 23,744 million yen (up 44.6%), all of which reached record highs.

The Company has applied the Accounting Standard for Revenue Recognition (ASBJ Statement No. 29, issued March 31, 2020) and other standards. from the beginning of the current consolidated fiscal year. In addition, TAMA KAGAKU KOGYO CO., LTD. is included in the scope of application of the equity method from the current consolidated fiscal year. NICHINO CHEMICAL INDIA PVT. LTD., a consolidated subsidiary, is excluded from the scope of consolidation because the company disappeared

due to an absorption-type merger in which NICHINO INDIA PVT. LTD, a consolidated subsidiary of the Company, is the surviving company.

An overview by reporting segment is as follows.
(Chemicals Business)

The Chemical Products Business posted net sales of 200,119 million yen (up 13.8% year on year) and operating profit of 29,347 million yen (up 44.2%).

1) Polymer additives

In products for automobile applications, sales of nucleating agents were solid and sales of light stabilizers were strong compared with the year-ago level, offsetting the impact of a decrease in automobile production due to shortage of semiconductor and other materials.

In products for construction materials, sales of PVC stabilizers were strong due to expanding demand for flooring and other home interior materials in North America. Meanwhile, against the backdrop of a surge in tin prices, coupled with the tightening of regulations in Southeast Asia with respect to lead-based stabilizers, sales of heavy-metal-free stabilizers for use in infrastructure were strong.

In products for food packaging and medical care applications, clarifying agents sold well, especially overseas, due to expanding in demand for home-cooked food and disposal medical equipment.

Antioxidants, which are widely used in plastic products, including automobiles, consumer appliances and daily necessities, sold briskly, reflecting tight supply as a result of supply problems among competitors overseas in the first half.

Flame retardants were supported by solid demand for engineering plastics used in electronic enclosures. In products for polyolefin resin, sales also rose steadily due mainly to an increase in EV-related and other applications.

Overall, the Polymer additives posted year-on-year gains in sales and profit, with the revision of prices of certain products and the impact of the exchange rate offsetting the impact of rising materials prices.

2) Electronics and IT Materials

Among products for semiconductors, high dielectric constant materials used in advanced DRAM and products for NAND sold briskly, against the backdrop of the increasing functionality of digital devices and expanding investment in data centers in line with the growing popularity of IoT technologies and 5G communications. Meanwhile, sales of photoacid generators used in advanced photo resists, such as EUV and ArF, increased steadily.

Among products for displays, etching solutions for LCDs, photo (light) curing resin for optical film, and photo initiators for color filters sold strongly, with the production of panels hovering at high levels despite the plateauing of a rise in stay-at-home demand for television sets and PCs after the third quarter, and strong sense of the oversupply of panels.

Overall, the Electronics and IT Materials reported higher sales and profit than in the previous year due to an increase in sales volume and the exchange rate.

3) Functional chemicals

Among functional chemicals used in automobile applications, sales of lubricant additives for engine oil, lubricants for tire steel cord drawing, special epoxy resins and epoxy resin adhesive were strong compared with the previous year, offsetting the impact of a decline in production due to shortage of semiconductor and other materials.

Among products for general industries, sales of raw materials used in cosmetics were weak due to an ongoing slump in inbound demand. On the other hand, reactive emulsifiers for architectural coatings and adhesives sold well in both Japan and overseas. Sales of propylene glycol products were also solid for industrial and personal care uses for the full year despite the impact of rising raw material prices in the fourth quarter.

Overall, the Functional Chemicals Business achieved year-on-year gains in sales and profit due to an increase in sales volume and the revision of the prices as well as exchange rate, which offset the impact of rising raw material prices and logistics disruptions.

(Food Products Business)

The Food Products Business reported net sales of 73,337 million yen (up 4.7% year on year) and operating loss of 686 million yen (while reporting operating profit of 1,397 million yen in the same period a year earlier).

Sales of margarines, shortening and fillings for breads and confectionery were solid compared with the previous year mainly reflecting a recovery in sweet bread demand in Japan, despite sluggish overseas sales due to the impact of intermittent measures to curb the flow of people in Asian countries. However, profitability was a challenge both in Japan and overseas because of the continuing record-high prices of animal fats and oils as well as vegetable oils such as palm oil, although the Company implemented unprecedented three-time revision of prices. The Marvelous Series, which contributes to the reduction of food loss, keeping bread products fresh for longer and extending used-by date, achieved steady sales growth in recognition of its functionality.

Among confectionary products, whipping cream performed strongly for use in desserts sold at mass retailers and convenience stores.

Overall, the Food Products Business achieved gains in sales, reflecting the revision of prices due to rising raw materials prices. However, the Company posted operating loss because surges in raw materials and utilities costs were not offset by the reduction of fixed costs such as SG&A expenses, improvement of productivity at plants and higher sales of functional ingredients, in addition to the ongoing depreciation of yen.

(Life Science Business)

The Life Science Business posted net sales of 81,899 million yen (up 14.6% year on year) and operating profit of 5,695 million yen (down 5.7%).

Overall, domestic sales of agrochemicals exceeded those of previous year, due to the launching of sales of products of Corteva Agriscience Japan Ltd. since October 2021. Overseas, sales mainly in the Americas and Asia were strong.

Among pharmaceuticals, topical antifungal agent Luliconazole did not sell well mainly because fewer patients visited hospitals due to COVID-19.

Overall, the Life Science Business achieved year-on-year gains in sales due to increased sales of agrochemicals overseas. Meanwhile it posted less profit than in the previous year due to declining sales of pharmaceuticals

(Millions of yen)

Business Segment	Net Sales
Chemicals Business	200,119
Food Products Business	73,337
Life Science Business	81,899
Other Business	7,677

Topics in the Fiscal Year Under Review

During the fiscal year under review, with the aim of sustained growth with sustainable management based on the Medium-Term Management Plan, “ADX 2023,” the Company facilitated the development and sales promotion of products that contribute to reducing environmental footprint and solving social challenges to raise corporate value by maximizing both social and economic value.

In the Chemical Products Business, the Company decided to expand production capacity for Photoacid generators, one of the electronics and IT materials, in its Chiba Plant. Photoacid generator is chemical substance that generates acids through reaction to specific light and electron rays, which are contained photoresists used for the lithography process of semiconductors. The Photoacid generator ADEKA ARKLS series boasts the world’s top performance with its excellent light control technology and quality control, as a product for the latest lithographic technology with argon fluoride (ArF) and extreme ultraviolet (EUV). In order to accelerate the provision of cutting-edge materials in respond to the increasing demand and the advances in the refinement of semiconductors, the Chiba Plant will introduce state-of-the-art equipment in a newly-established plant to expand its production capacity by at least twice. It also plans to produce peripheral materials for semiconductors that become needed as refinement advances. The commencement of its commercial operation is scheduled within Fiscal 2023.

The Company decided to construct a new plant for materials used of cutting-edge logic IC at ADEKA FINE CHEMICAL TAIWAN CORP, its consolidated subsidiary. The plant will be an overseas production

site for semiconductor materials, following ADEKA KOREA CORP. The Company maximizes its strength, technologies of quality control and highly purification, in response to upcoming technological innovation logic IC, which performs controls and arithmetic operations. The commencement of its commercial operation is scheduled on April 2024. Triggered by this plant construction, the Company will enter in full-scale logic IC business in Taiwan with the aim of expanding its semiconductor business. Going forward, we will aim to expand the lineups of materials for cutting-edge semiconductors by entering into the field of materials for 3D mounting technologies which increase IC density. The Company will contribute to realizing an advanced ICT society by providing cutting-edge semiconductor materials.

In the Food Products Business, under the theme of “Contributing through Deliciousness and Caring to responding to changes and challenges in the society,” the Company made the Marvelous, contributing to the reduction of food waste, into a series and lined up as a new product. The Marvelous SL, margarine for functional kneading has additional features of clear-cut texture and resistance to microwave heating to the original Marvelous, which is characterized by functions of reducing food waste by preserving deliciousness and quality as well as less production loss through higher production efficiency. The bread sold frozen or chilled and the bread stocked at home has a problem of worse texture after heated in a microwave oven. However, the Marvelous SL controls and preserves the soft and clear-cut texture. The Marvelous Associe, functional pounds margarine adds effects of bringing out flavors and texture of ingredients to the original functions of Marvelous. As specialty of retail bakeries, it preserves deliciousness while keeping freshly baked quality and also responds to consumers’ demand for stocking up on products. The Company continues to offer products that contribute to solving issues of customers and the society.

In the Life Science Business, Nihon Nohyaku Co., Ltd., our consolidated subsidiary, obtained an agrochemical registration for Orchestra 10SC as a new rice insecticide in India, as of February 3, 2022. Rice is one of the most important staple crops in India as well as in Japan, and control of plant hoppers and leafhoppers in rice is the highest priority because it could give huge damages to rice production. Benzpyrimoxan, as a new effective ingredient of Orchestra® 10SC, is highly effective in such hoppers and its high efficacy is observed even to the species already built up resistance to existing products. Orchestra® 10SC is expected to be launched in the forthcoming monsoon crop season this year and improve agricultural productivity in India, leading to contributing to the achievement of one of SDGs goals, "Zero hunger".

2. Status of Capital Investments

Total capital investments made during the fiscal year under review were 14,627 million yen. The main items are as follows.

(1) Main facilities completed in the fiscal year under review

Business		Company	Item
Chemicals Business	Polymer additives	AMFINE CHEMICAL CORP.	Expansion of production facilities of high functional additives for polyolefin
	Electronics and IT Materials	ADEKA KOREA CORP.	Expansion of production facilities of semiconductor materials
	Functional chemicals	ADEKA CORP. (Soma Plant)	Expansion of production facilities of lubricant additives

(2) Main facilities being built or expanded during the fiscal year under review

Business		Company	Item
Chemicals Business	Polymer additives	ADEKA AL OTAIBA MIDDLE EAST LLC	Expansion of production facilities of one-pack granule additives
	Electronics and IT Materials	ADEKA KOREA CORP.	Expansion of production facilities of semiconductor materials
		ADEKA FINE CHEMICAL TAIWAN CORP.	Expansion of production facilities of semiconductor materials
		ADEKA CORP. (Chiba Plant)	Expansion of production facilities of semiconductor materials
Life Science Business	NICHINO INDIA PVT. LTD.	Expansion of production facilities of agrochemicals	

(3) Sale, removal, and loss of significant fixed assets

There are no items corresponding to the sale, removal, or loss of fixed assets that have a significant impact on production capacity.

3. Status of Financing

In the fiscal year under review, there was no financing conducted through capital increase or bond issuance.

4. Medium- to Long-Term Management Strategy and Issues to Be Addressed

(1) Medium- to long-term management strategy

The Group has established a vision for 2030 that expresses its medium- to long-term direction, “ADEKA VISION 2030: An Innovative Company Contributing to a Sustainable Future and Affluent Lifestyles.” To achieve the Sustainable Development Goals (SDGs), the Group aspires to be a corporate entity that helps build a sustainable future and supports affluent living by developing a wide range of businesses around the globe and leading the world with innovative technologies.

As the first stage in realizing ADEKA VISION 2030, the Group commenced a new medium-term management plan, “ADX 2023.” in fiscal 2021.

ADX is short for “ADEKA Transformation,” expressing the Group’s commitment to transform itself. Toward achievement of the SDGs, whose target year is 2030, the Group will accommodate the new social environment including carbon neutrality, place emphasis on profitability, and transform itself into a robust corporate entity in order to raise corporate value through the pursuit of both social and economic value.

In fiscal 2023, the final year of the Medium-Term Management Plan, the Group is targeting operating profit of 35.0 billion yen and ROE of 9%.

Fundamental Policy

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

Helping build a sustainable future, the Group will maximize sales and profit by addressing social issues through developing its products and services. The Group will build an earnings structure capable of sustained growth from a medium- to long-term perspectives and pursue social and economic value in order to raise corporate value.

Three Key Strategies

ADEKA will transform itself in order to accommodate the new social environment including carbon neutrality. To maximize both social and economic value, the Group will promote the following three strategies, while facilitating HR and DX strategies as the foundation for executing these key strategies.

1) Transforming the earnings structure

In order to help achieve the SDGs, the Group will include eco-friendly products—products that contribute to addressing climate change, reducing environmental impact, utilizing resources effectively, and other related initiatives—and ADEKA Innovative Value Products, which are intended to create value in line with society’s expectations, within the strategic products of each of its businesses, polymer additives, chemicals, foods, and life science. Through this, it will pursue both social and economic value. In addition, the Group will work to optimize total costs by raising the productivity of its business activities overall.

2) Achieving sustainable growth with new domains

The Group will seek to create new businesses as growth drivers in the target domains of life science, the environment, energy, and next-generation ICT. In addition, it will enhance and optimize its portfolio through M&A activities.

3) Reinforcing Group management

In order to raise its cohesiveness, the Group will further strengthen governance and work to become a more robust corporation with a sound financial foundation. The Group also plans to incorporate new working styles.

ADX 2023 Management Indicators

Financial indicator (Fiscal 2023)	Operating profit	35.0 billion yen
	ROE	9%
Capital investment		50.0 billion yen (total over three years)
Payout ratio (Dividend Policy)		Maintain 30% or higher (Basic policy of comprehensively considering appropriate returns and maintaining a stable dividend.)

(2) Corporate management with awareness of sustainability

Working on sustainability-related issues from mid-to-long-term perspectives, the Group materializes to raise corporate value through its sustained and stable growth, thus contributing to sustainable future and affluent lifestyle.

In Fiscal 2021, the following sustainability-related activities were implemented toward raising corporate value in the pursuit of social and economic value. In addition, the Company created Corporate Sustainability Department and Carbon-Neutral Strategy Department under the umbrella of Corporate Planning & Strategy Division, as of April 2022, with the aim of flexible and agile promotion of initiatives throughout the organization.

[Major latest activities]

- Signing the U.N. Global Compact in April 2021
- Announcing the ADEKA Group Health Management Declaration in April 2021
- Setting an in-house task team to accelerate women's active participation in the workplace in April 2021
- Establishing the ADEKA Group Human Rights Policy in February 2022
- Announcing its support of recommendations from TCFD, Task Force on Climate-related Financial Disclosures in February 2022 *
- Publishing the ADEKA Group Carbon Neutral Road Map in March 2022
- Revising upward the target of reducing GHG emission (to 46% in 2030 from 2013 level) in March 2022
- Obtaining certification for Health & Productivity. Management Outstanding Organization 2022 (White 500) in March 2022

* In advance to announcement of its support of recommendation from TCFD, the Company started scenario analysis of risk and opportunity from climate change. The Functional Chemicals segment was selected as the first target to analyze scenarios based on 4 core elements of TCFD, governance, strategy, risk management and metrics & targets. Going forward, we will sequentially analyze other businesses and segments.

(3) Issues to be addressed

The global economy is expected to continue gradual recover as a result of effects of economic policies in each country, gradual easing of action restrictions and restrictions on overseas travel in line with the progress of vaccinations. On the other hand, the business environment is expected to remain unpredictable due to the growth uncertainly of the global economy caused by the worsening situation in Ukraine such as the further rise in raw material, fuel prices, the stagnation of logistics, and accelerated inflation in addition to the impact of COVID-19.

In the automobile-related sector, one of the Group's main target sectors, concerns remain for the shortage of semiconductors and the difficulty in procuring materials, but production volume is expected to gradually recover since demand for new vehicles remain at a high level. In the ICT & home electronics sector, growth trend in semiconductors and electronics component are expected to continue against the backdrop of the increased functionality of handsets and the sophistication of communication networks and data centers accompanying the spread of 5G communications. In the food products sector, the delay in resolving the mood to refrain from going out and the rising costs for raw materials and packaging materials are expected to weigh on the industry, and a full-fledged recovery in the souvenirs and the restaurant industries are expected in the second half or later. In the life science sector, demand for agrochemicals is expected to expand globally due to the expansion of food demand against the backdrop of global population growth and economic development in emerging countries.

Amid such conditions, the Group will implement various measures to enhance the corporate value based

on social and economic values and further contribute to a sustainable society as the second year of the key strategies of its Medium-Term Management Plan, ADX 2023. In the first year of ADX 2023, the Group has reached the level of the target of achieving financial indicators (operating profit of 35.0 billion yen, ROE of 9 % in the final year of fiscal 2024). To further improve our business performance, the Group will promote sales expansion of the competitive products, which are expected to expand the market.

The Group would like to thank shareholders for your continuing support and encouragement.

5. Trends in Assets and Income

(Millions of yen, unless otherwise specified)

Item	157th fiscal year ended March 31, 2019	158th fiscal year ended March 31, 2020	159th fiscal year ended March 31, 2021	160th fiscal year ended March 31, 2022 (Fiscal year under review)
Net sales	299,354	304,131	327,080	363,034
Operating profit	26,602	21,976	29,270	35,770
Profit attributable to owners of parent	17,055	15,216	16,419	23,744
Earnings per share (Yen)	165.78	147.69	159.01	230.21
Total assets	414,549	409,452	437,657	475,304
Net assets	244,500	250,634	271,485	296,871

Note: 1. Earnings per share is calculated using the average number of shares outstanding during the fiscal year.
2. The Company has applied the Accounting Standard for Revenue Recognition (ASBJ Statement No. 29, issued March 31, 2020) and other standards. Therefore, calculations for the 160th fiscal year are after the applying the accounting standard.

6. Significant Subsidiaries and Associates (As of March 31, 2022)

(1) Significant subsidiaries

Business	Company	Head office location	Paid-in capital (Millions of yen, unless otherwise specified)	Percentage of voting rights held (%)	Major business activities
Chemicals	ADEKA CHEMICAL SUPPLY CORP.	Tokyo	104	100.00 (Indirect, 5.57)	Sale of chemical products and development, manufacture, and sale of metal processing oils, etc.
	ADEKA CLEAN AID CORP.	Tokyo	140	100.00	Development and sale of commercial kitchen detergents and industrial detergents, etc.
	AMFINE CHEMICAL CORP.	U.S.	16.0 million USD	60.00	Manufacture and sale of polymer additives, etc.
	OXIRANE CHEMICAL CORP.	Tokyo	600	51.00	Manufacture and sale of epoxy plasticizers, etc.
	CHANG CHIANG CHEMICAL CO., LTD.	Taiwan	30.0 million TWD	50.50	Sale of polymer additives and specialty plasticizers, etc.
	ADEKA KOREA CORP.	Korea	15.0 billion KRW	100.00	Manufacture and sale of chemical products
	ADEKA (ASIA) PTE. LTD.	Singapore	800,000 USD	100.00	Sale of chemical products
	ADEKA Europe GmbH	Germany	500,000 EUR	100.00	Sale of chemical products
	ADEKA FINE CHEMICAL TAIWAN CORP.	Taiwan	200 million TWD	100.00	Manufacture and sale of LCD panel related chemicals, import and sale of chemical products
	ADEKA POLYMER ADDITIVES EUROPE SAS	France	3.0 million EUR	100.00 (Indirect, 100.00)	Manufacture and sale of polymer additives
	ADEKA (CHINA) CO., LTD.	China	31.0 million USD	100.00	Sale of chemical products and raw materials
	ADEKA FINE CHEMICAL (SHANGHAI) CO., LTD.	China	20.5 million USD	100.00	Manufacture and sale of polymer additives, functional polymers, electronic materials, etc.
	ADEKA FINE CHEMICAL (CHANGSHU) CO., LTD.	China	21.54 million USD	50.00	Manufacture and sale of polymer additives
	ADEKA FINE CHEMICAL (THAILAND) CO., LTD.	Thailand	350 million THB	81.00	Manufacture, sale, and import and sale of polymer additives
	AM STABILIZERS CORP.	U.S.	8.5 million USD	100.00 (Indirect, 100.00)	Manufacture and sale of polymer additives
	ADEKA USA CORP.	U.S.	1.0 million USD	100.00	Sale of chemical products
	ADEKA FINE CHEMICAL (ZHEJIANG) CO., LTD.	China	30.0 million USD	100.00 (Indirect, 100.00)	Manufacture and sale of polymer additives, functional polymers, and electronic materials, etc.
	ADEKA AL OTAIBA MIDDLE EAST LLC	UAE	45.46 million AED	49.00	Manufacture and sale of polymer additives, sale of chemical products and food products

Business	Company	Head office location	Paid-in capital (Millions of yen, unless otherwise specified)	Percentage of voting rights held (%)	Major business activities
Foods	ADEKA FINE FOODS CORP.	Tottori Pref.	50	100.00	Manufacture and sale of mayonnaise products, processed oil and fat food products, and processed products with seafood
	ADEKA (SINGAPORE) PTE. LTD.	Singapore	8.0 million SGD	90.00	Manufacture and sale of edible processed oils and fats, frozen pie crusts, and related food products
	ADEKA FOODS SALES CORP.	Tokyo	42	100.00	Sale of edible oils and fats for confections and bread products, and other food product ingredients, etc.
	YONGO CO., LTD.	Aichi Pref.	18	92.64	Wholesale of commercial materials for confection and bread products
	UEHARA FOODS INDUSTRY CO., LTD.	Tokyo	70	100.00	Manufacture and sale of flower paste, red bean paste, and pouch-packed food products
	ADEKA FOODS (CHANGSHU) CO., LTD.	China	23.0 million USD	70.00	Manufacture and sale of edible oils and fats and processed oil and fat food products
	ADEKA FOODS (ASIA) SDN. BHD.	Malaysia	90.0 million MYR	60.00	Manufacture and sale of edible processed oils and fats, margarine, shortening, and fat spreads
	CROWN CO., LTD.	Osaka Pref.	10	100.00	Manufacture and sale of edible oils and fats and processed oil and fat food products

Business	Company	Head office location	Paid-in capital (Millions of yen, unless otherwise specified)	Percentage of voting rights held (%)	Major business activities
Life Science	NIHON NOHYAKU CO., LTD.	Tokyo	14,939	51.00	Manufacture and sale of agrochemicals, and pharmaceutical products, etc.
	NICHINO RYOKKA CO., LTD.	Tokyo	160	100.00 (Indirect, 100.00)	Landscaping and other construction, design, installation, supervision, and sale, etc. of horticultural chemicals
	NICHINO SERVICE CO., LTD.	Tokyo	3,400	100.00 (Indirect, 100.00)	Contracting for production, order processing, storage, and delivery of agrochemicals, real estate leasing and contract management, warehousing, etc.
	NICHINO AMERICA, INC.	U.S.	700,000 USD	100.00 (Indirect, 100.00)	Production, development, and sale, etc. of agrochemicals
	NIHON ECOTECH CO., LTD.	Tokyo	20	100.00 (Indirect, 100.00)	Residual agrochemical analysis, chemical substance safety testing, environmental consulting, etc.
	TAIWAN NIHON NOHYAKU CO., LTD.	Taiwan	40.0 million TWD	57.00 (Indirect, 57.00)	Development, promotion, and sale, etc. of agrochemicals
	AGRIMART CORP.	Tokyo	50	100.00 (Indirect, 100.00)	Sale, etc. of termite control materials and insecticides for infectious disease control
	NICHINO INDIA PVT. LTD.	India	3.85 million INR	100.00 (Indirect, 100.00)	Production, development, and sale, etc. of agrochemicals
	SIPCAM NICHINO BRASIL S.A.	Brazil	223.89 million BRL	50.00 (Indirect, 50.00)	Production, promotion, and sale, etc. of agrochemicals
	NICHINO EUROPE CO., LTD.	U.K.	30,000 GBP	100.00 (Indirect, 100.00)	Production and sale of agrochemicals
	NICHINO VIETNAM CO., LTD.	Vietnam	22.680 billion VND	100.00 (Indirect, 100.00)	Sale of agrochemicals
Other	ADEKA ENGINEERING & CONSTRUCTION CORP.	Tokyo	130	100.00	Plant engineering, construction, and construction management, and plant maintenance
	ADEKA LOGISTICS CORP.	Tokyo	50	100.00	Freight forwarding, warehousing, and leasing of vehicles, etc.
	ADEKA LIFE-CREATE CORP.	Tokyo	65	100.00 (Indirect, 20.00)	Trading, brokerage, and management of real estate, non-life and life insurance agency services, OA equipment office sales, and management of buildings and company-owned apartments, etc.

(2) Significant associates

Business	Company	Head office location	Paid-in capital (Millions of yen, unless otherwise specified)	Percentage of voting rights held (%)	Major business activities
Chemicals	CO-OP CLEAN CO., LTD.	Saitama Pref.	80	46.88	Development and sale of soaps and detergents, etc.
	SHOWA KOSAN CO., LTD.	Tokyo	550	21.78	Sale of synthetic resins, chemicals, industrial materials, information electronic materials, and environment-related materials, etc.
Life Science	AGRICULTURAL CHEMICALS (MALAYSIA) SDN. BHD.	Malaysia	2.05 million MYR	24.18 (Indirect, 24.18)	Production and sale of agrochemicals
	SIPCAM EUROPE S.P.A.	Italy	36.94 million EUR	20.00 (Indirect, 20.00)	Production and sale of agrochemicals
	TAMA KAGAKU KOGYO CO., LTD.	Saitama Pref.	126	31.07 (Indirect, 31.07)	Manufacture and sale of organic synthetic chemicals

II. Current Status of the Company

1. Status of Shares (As of March 31, 2022)

(1) Total number of shares outstanding: 103,768,142

(2) Number of shareholders: 6,225

(3) Major shareholders (top ten)

Shareholder	Number of shares held (Thousands of shares)	Shareholding ratio (%)
*The Master Trust Bank of Japan, Ltd. (Trust Account)	15,209	14.70
*Custody Bank of Japan, Ltd. (Trust Account)	7,750	7.49
Asahi Mutual Life Insurance Company	4,053	3.92
*Custody Bank of Japan, Ltd., as trustee for Mizuho Bank, Ltd. Retirement Benefit Trust Account re-entrusted by Mizuho Trust and Banking Co., Ltd.	3,770	3.64
ADEKA Business Partners Shareholding Association	3,131	3.03
National Federation of Agricultural Cooperative Associations	2,334	2.26
The Norinchukin Bank	2,244	2.17
ZEON CORPORATION	2,188	2.12
Showa Kosan Co., Ltd.	1,870	1.81
JP MORGAN CHASE BANK 385632	1,664	1.61

Notes: 1. Shareholding ratios are calculated after deducting treasury shares (330,484 shares).

2. *The number of shares held by trust banks includes shares related to the trust business.

(4) Status of shares granted to corporate officers as compensation for performance of duties during the fiscal year under review

In order to incentivize the Company's Directors (excluding Directors who are Audit and Supervisory Committee Members and External Directors; hereinafter, "Eligible Directors") to work to sustainably raise the Company's corporate value and to have further value shared between Directors and shareholders, the Company resolved, at the 159th Ordinary General Meeting of Shareholders held on June 18, 2021, to introduce a remuneration system that allocates restricted stock to Eligible Directors. Based on this, at the meeting of the Board of Directors held on June 18, 2021, the Company resolved to issue new shares as restricted stock remuneration and issued 44,100 shares of common stock on July 15, 2021. The number of restricted stocks allocated to the Company's Eligible Directors is as shown below.

Officer category	Number of recipients	Number of shares allotted
Directors (excluding Audit and Supervisory Committee Members and External Directors)	9	44,100

2. Company Officers (As of March 31, 2022)

(1) Directors

Position	Name	Responsibilities and Significant Concurrent Positions
President and Chief Executive Officer	Hidetaka Shirozume	
Representative Director	Haruhiko Tomiyasu	Senior Managing Executive Officer Assistant to the President, Secretarial Department, Human Resources Department, Purchasing & Distribution Department, as well as Chair of Internal Control Promotion Committee Director, Audit & Supervisory Committee Member, NIHON NOHYAKU CO., LTD.
Director	Yoshiaki Kobayashi	Managing Operating Officer General Manager, Foods Division and Project Team Leader, East Asia Foods Business Managing Director, ADEKA FOODS (CHANGSHU) CO., LTD.
Director	Shigeki Fujisawa	Managing Operating Officer General Manager, Chemicals Division Managing Director, ADEKA FINE CHEMICAL TAIWAN CORP. Managing Director, ADEKA FINE CHEMICAL (SHANGHAI) CO., LTD.
Director	Youji Shiga	Operating Officer General Manager, Finance & Accounting Department
Director	Atsuya Yoshinaka	Operating Officer General Manager, Research & Development Division President & Chief Executive Officer, TOKYO ENVIRONMENTAL MEASUREMENT CENTER
Director	Susumu Yasuda	Operating Officer Legal Affairs & Publicity Department, Corporate Planning & Strategy Division, Information System Department, Business Digitalization Department, Chair of Compliance Promotion Committee, and Chair of Capital Investment Committee
Director	Naoshi Kawamoto	Operating Officer General Manager, Polymer Additives Division Managing Director, ADEKA FINE CHEMICAL (ZHEJIANG) CO., LTD. Managing Director, CHANG CHIANG CHEMICAL CO., LTD. Managing Director, ADEKA FINE CHEMICAL (CHANGSHU) CO., LTD. Chairman & Director, ADEKA INDIA PVT. LTD. President and Chief Executive Officer, OXIRANE CHEMICAL CORP.

Position	Name	Responsibilities and Significant Concurrent Positions
Director	Noriyasu Kakuta	Operating Officer General Manager, Production Division
Director (External)	Kazuyuki Nagai	Chairman, UNIVERSITY CORRESPONDENCE EDUCATION Professor Emeritus, CHUO UNIVERSITY Attorney
Director (External)	Shigeru Endo	External Director, IINO KAIUN KAISHA, LTD. Special Assistant to the Ministry of Foreign Affairs Outside Director, JGC HOLDINGSCORPORATION
Director (External)	Makoto Horiguchi	Member of the Board, Vice President, IWATANI CORPORATION Director, IWATANI (CHINA) LIMITED Director, Iwatani Australia Pty. Ltd.
Director Full-Time Audit and Supervisory Committee Member	Yoshito Hayashi	
Director Full-Time Audit and Supervisory Committee Member	Akimasa Yajima	
Director Audit and Supervisory Committee Member (External)	Akio Okuyama	Certified Public Accountant Outside Director who is an Audit and Supervisory Committee Member, NIPPON CORPORATION Corporate Auditor, SHINKIN CENTRAL BANK
Director Audit and Supervisory Committee Member (External)	Yoko Takemura	Attorney
Director Audit and Supervisory Committee Member (External)	Yoshiki Sato	Special Advisor, Asahi Mutual Life Insurance Company Outside Director, FUJI KYUKO CO., LTD. President, National Federation of UNESCO Association in Japan Deputy Director, Regional Culture Award Tax Accountant's Fund Outside Auditor, Nippon Light Metal Holdings Company, Ltd.

- Notes:
1. Directors Kazuyuki Nagai, Shigeru Endo, Makoto Horiguchi, Akio Okuyama, Yoko Takemura, and Yoshiki Sato are External Directors.
 2. Because of strengthening of functions of audit and supervision and efficient operation of the Audit and Supervisory Committee, a full-time Audit and Supervisory Committee Members are selected.
 3. Audit and Supervisory Committee Member Yoshito Hayashi's career background and practical experience include business execution, primarily in the sales departments as Operating Officer, and he possesses in-depth knowledge of the Company's operations. In addition, having served as representative director and corporate auditor at subsidiaries, he possesses a significant level of knowledge regarding company management and audit operations.

Audit and Supervisory Committee Member Akimasa Yajima's career background and practical experience include business execution, primarily in the Research & Development Division, and he possesses in-depth knowledge of the Company's operations. In addition, as the representative director of a subsidiary, he is involved in management, and since June 2013, has been involved in the management of the Company as a Director, and thus has a significant level of knowledge across the whole of management.

Audit and Supervisory Committee Member Akio Okuyama possesses a significant level of knowledge of finance and accounting with many years of practical experience as a certified public accountant.

Audit and Supervisory Committee Member Yoko Takemura is well versed in corporate legal affairs as an attorney and possesses a significant level of knowledge of finance and accounting.

Audit and Supervisory Committee Member Yoshiki Sato has experiences of serving as director and chairman of a financial institution and has considerable knowledge of corporate management overall as well as finance and accounting.

4. The Company designates all External Directors as independent directors based on the rules of the Tokyo Stock Exchange and has registered them as such with the exchange.

(2) Summary of limitation of liability contract

The Company has concluded with each External Director a contract with the effect of limiting the liability as stipulated in Article 423, Paragraph 1 of the Companies Act. The maximum amount of liability pursuant to such contract is the minimum amount prescribed under Article 425, Paragraph 1 of the Companies Act. if such External Director has performed his or her duties in good faith and without gross negligence.

(3) Summary of directors and officers liability insurance contract

The Company has entered into a directors and officers liability insurance contract stipulated in Article 430-3, Paragraph 1 of the Companies Act with an insurance company to allow the Company to obtain superior talent and to support active and bold management judgement toward the Company's growth.

The insured parties of the insurance contracts include Directors including Directors who are Audit and Supervisory Committee members, Operating Officers, managerial employees, outside loaned officers (however, there are no officers applied as of the end of this fiscal year.), and retired officers and the Company bears the entire premium for all the insured parties. Under the said insurance contracts, damage caused as a result of the insured Directors and officers assuming responsibilities regarding the execution of their duties or receiving claims pertaining to the pursuit of such responsibilities shall be covered. However, to avoid impairing the appropriateness of the execution of the insured duties, the insurance contract shall not cover damages arising from criminal acts, actions taken with the knowledge that they were in violation of laws and regulations, the insured's unlawful gain or benefit, or acts that provide benefit to others.

(4) Director remuneration

1) Policy for determining the amount of the remuneration of Directors

Remuneration for the Company's Directors is comprised of director remuneration as compensation for the performance of duties, director bonuses linked to company and individual performance in the fiscal year under review, and stock remuneration designed to incentivize efforts to improve business performance and raise the stock price over the medium to long term. Policies on determining remuneration for individual Directors were resolved as follows by the Board of Directors at the meeting held on May 21, 2021.

1. Basic policy

The remuneration of the Company's Directors (excluding Directors who are Audit and Supervisory Committee Members; the same shall apply hereinafter.) shall be arranged to duly function as a motivation for proper and sound performance so that it enables transparent, fair, prompt and bold decision-making that leads to an increase in corporate value and, by extension, the common interests of shareholders.

Specifically, remuneration for Directors shall consist of basic compensation as fixed compensation, director bonuses and stock remuneration as performance-linked compensation, etc. External Directors who have the supervising function shall only be paid basic compensation in view of their duties.

2. Policy for determining the amount of individual basic compensation (money compensation)

Basic compensation for the Company's Directors shall be monthly fixed compensation, and the payment amount shall be determined according to the rank and number of years in office.

3. Policy for determining performance-linked compensation and the contents and amount/number of non-monetary compensation

In terms of performance-linked compensation, etc., director bonuses shall be paid annually at a certain time. Their amounts shall be calculated by comprehensively considering business performance (consolidated net sales, consolidated operating profit, and consolidated profit) for each fiscal year, social value that regards contribution, etc. to environmental issues in each fiscal year as subjects of evaluation, and other various circumstances.

The Company's Medium-Term Management Plan, ADX 2023 aims to integrate management with CSR and optimize both social value and economic value through businesses leading to solution of social issues. Therefore, the aforementioned performance indicators were chosen because consolidated net sales and consolidated operating profit are set as targets in the Group's Medium-Term Management Plan and because consolidated profit is also a key performance indicator that is the source of shareholder returns (dividends), which is also set as a target in the Group's Medium-Term Management Plan. Social value such as contribution to environmental issues are evaluated as a non-financial performance indicator. Results related to these financial performance indicators are as indicated in "1. Business Progress and Results" (Pages 23 through 26) and "5. Trends in Assets and Income" (page. 29) of the Notice of the 160th Ordinary General Meeting of Shareholders).

Non-monetary compensation, etc. shall be restricted stock to have a remuneration structure aimed at the improvement of the Company's medium- to long-term corporate value and, by extension, the sustainable enhancement of shareholder value. Restricted stock shall be granted by the resolution of the Board of Directors adopted by the day on which one month has passed since the start date of the execution of duties of the Eligible Director, and the number of shares of restricted stock to be granted shall be determined according to rank. In addition, the transfer restriction period shall be three years or more from the payment date, and in principle, transfer restrictions shall be lifted on the condition that the Eligible Director has continuously served as Director during that period.

4. Policy for determining the proportion of monetary compensation, performance-linked compensation and non-monetary compensation among Directors' total compensation

The proportions of each type of remuneration for executive Directors shall be structured so that higher ranked Directors will receive a higher weight of director bonuses, which are performance-linked compensation.

A general guideline for the percentage of each type of remuneration, etc. is as follows (when performance indicators are achieved 100%).

Position	Basic compensation	Performance-linked compensation (Bonus)	Non-monetary compensation (Restricted stock)
Representative Director Chairman Representative Director President	55%	22%	23%
Director & Senior Managing Operating Officer	59%	20%	21%
Director & Managing Operating Officer	61%	17%	22%
Director & Senior Managing Officer	61%	15%	24%

5. Policy for determining the contents and amount of compensation by individual Directors

In terms of the basic compensation component of individual compensation, etc., President and Chief Executive Officer Hidetaka Shirozume shall be given delegation to determine specific details within the maximum amount resolved at the 159th Ordinary General Meeting of Shareholders. President and Chief Executive Officer Hidetaka Shirozume shall consult with the Nomination and Remuneration Committee regarding remuneration plans drafted based on the remuneration standards set according to the rank and number of years in office of Directors, and determine the individual remuneration amount of each Director in consideration of the committee's opinions and advice.

As for the director bonus component of individual remuneration, etc., President and Chief Executive Officer Hidetaka Shirozume shall be given delegation to determine specific details within the maximum amount resolved at the 159th Ordinary General Meeting of Shareholders. President and Chief Executive Officer Hidetaka Shirozume shall draft a remuneration plan by comprehensively considering business performance of each fiscal year, contribution, etc., to environmental issues, and other various circumstances, and consult with the Nomination and Remuneration Committee before the Board of Directors makes a decision in consideration of opinions and advice of the Nomination and Remuneration Committee.

President and Chief Executive Officer Hidetaka Shirozume shall consult with the Nomination and Remuneration Committee regarding the stock remuneration component of individual remuneration, etc., within the maximum amount resolved at the 159th Ordinary General Meeting of Shareholders, based on the stock remuneration regulations established by the Board of Directors, and the Board of Directors shall determine the number of shares to be allotted to each Director.

6. Person delegated with the authority to determine individual remuneration, etc. and reason thereof

As stated in 5. above, the Company has delegated President and Chief Executive Officer Hidetaka Shirozume the determination of individual remuneration etc. The reason for delegating the decision to him is that he supervises all operations as President and Chief Executive Officer, and that there exist clear

remuneration standards, etc. which were deliberated and appointed by the Nomination and Remuneration Committee as a premise for delegating decisions on individual remuneration, etc. drafts a remuneration plan based on remuneration standards, etc. within the maximum amount resolved by the General Meeting of Shareholders for each type of remuneration, consults with the Nomination and Remuneration Committee, and makes determinations based on the opinions and advice of the committee. Accordingly, the authority delegated to President and Chief Executive Officer Hidetaka Shirozume is exercised appropriately.

7. The reason why the Board of Directors determined that the content of remuneration, etc., for individual Directors pertaining to the fiscal year under review is consistent with said policy
The Board of Directors has determined that the method and content of decisions on the content of individual compensation for Directors are in line with the aforementioned policy, as the content of such decisions has been deliberated on the recommendations of the Nomination and Remuneration Committee and the remuneration standards, etc. by consultation with the Board of Directors.

2) Total remuneration for the fiscal year under review

Category	Total remuneration, etc. (millions of yen)	Total remuneration, etc. by type (millions of yen)			Number of recipients
		Basic compensation	Bonuses	Stock remuneration	
Directors (excluding Audit and Supervisory Committee Members) (of which, External Directors)	445 (28)	256 (28)	90	99	13 (3)
Directors (Audit and Supervisory Committee Members) (of which, External Directors)	63 (24)	63 (24)	-	-	5 (3)
Audit & Supervisory Board Members (of which, External Audit & Supervisory Board Members)	16 (4)	16 (4)	-	-	5 (3)

Notes: 1. The Company transitioned from a company with audit & supervisory board structure to a company with audit and supervisory committee structure on June 18, 2021.

2. The remuneration amount for Directors does not include their salaries as employees.

3. Remuneration for Directors before transitioning to the company with audit and supervisory committee structure was resolved for Directors, at within 336 million yen annually (within 30 million yen annually for External Directors), and for Audit & Supervisory Board Members, at within 70 million yen annually, by the 146th Ordinary General Meeting of Shareholders held on June 23, 2008.

The numbers of Directors and Audit & Supervisory Board Members following the aforesaid Ordinary General Meeting of Shareholders are ten (10) Directors (including one (1) External Director) and four (4) Audit & Supervisory Board Members.

Apart from the aforesaid remuneration category, a remuneration amount for allotting restricted stock to Directors (excluding External Directors) was resolved at within 150 million yen annually by the 155th Ordinary General Meeting of Shareholders held on June 23, 2017.

There are nine (9) Eligible Directors as of the conclusion of the aforementioned Ordinary General Meeting of Shareholders.

4. Remuneration for Directors after transitioning to the company with audit and supervisory committee structure was resolved for Directors (excluding Audit and Supervisory Committee Members) at within 480 million yen annually (within 60 million yen annually for External Directors), and for Directors (Audit and Supervisory Committee Members), at within 100 million yen annually, by the 159th Ordinary General Meeting of Shareholders held on June 18, 2021.

The numbers of Directors (excluding Audit and Supervisory Committee Members) and Directors (Audit and Supervisory Committee Members) following the aforesaid Ordinary General Meeting of Shareholders are twelve (12) Directors (excluding Audit and Supervisory Committee Members) (including three (3) External Director) and five (5) Directors (Audit and Supervisory Committee Members) (including three (3) External Director).

Apart from the aforesaid remuneration category, a remuneration amount for allotting restricted stock to Directors (excluding Audit and Supervisory Committee Members and External Directors) was resolved at within 150 million yen annually by the 159th Ordinary General Meeting of Shareholders held on June 18, 2021.

There are nine (9) Eligible Directors as of the conclusion of the aforementioned Ordinary General Meeting of Shareholders.

(5) Matters related to External Directors

1) Significant concurrent duties as business executives at other corporations, etc. and the relationship between those corporations and the Company

Director Nagai: Chairman, UNIVERSITY CORRESPONDENCE EDUCATION

Director Horiguchi: Member of the Board, Vice President, Iwatani Corporation;
Member of the Board, Iwatani (China) Limited;
Director, Iwatani Australia Pty. Ltd.

Director Sato (Audit and Supervisory Committee Member):

Special Advisor, Asahi Mutual Life Insurance Company;
President, National Federation of UNESCO Association in Japan;
Deputy Director, Regional Culture Award Tax Accountant's Fund

No special interests exist between the Company and the aforesaid corporations, etc.

2) Significant concurrent duties as external directors at other corporations, etc. and the relationship between those corporations and the Company

Director Endo: Outside Director, JGC HOLDINGS CORPORATION;

External Director, IINO KAIUN KAISHA, LTD.

Director Okuyama (Audit and Supervisory Committee Member):

Outside Director who is an Audit and Supervisory Committee Member, NIPPON CORPORATION;

Corporate Auditor, SHINKIN CENTRAL BANK

Director Sato (Audit and Supervisory Committee Member):

Outside Director, FUJI KYUKO CO., LTD.;

Outside Auditor, Nippon Light Metal Holdings Co., Ltd.

No special interests exist between the Company and the aforesaid corporations, etc.

3) Main activities of the Board of Directors and the Audit and Supervisory Committee in the fiscal year under review

Category	Name	Main Activities
Director	Kazuyuki Nagai	He attended all seventeen (17) meetings of the Board of Directors including twelve (12) ordinary meetings and five (5) special meetings held in the fiscal year under review. Based on his ample management experiences and expertise on the Companies Act, he asked questions when appropriate and expressed his opinions. In doing so, he played sufficient roles as External Director that the Company expected in deciding important matters of management and supervising business execution.
	Shigeru Endo	He attended all seventeen (17) meetings of the Board of Directors including twelve (12) ordinary meetings and five (5) special meetings held in the fiscal year under review. Based on his wide range of knowledge and insight on international affairs and ample international outlook, he asked questions when appropriate and expressed his opinions from global perspectives. In doing so, he played sufficient roles as External Director that the Company expected in deciding important matters of management and supervising business execution.
	Makoto Horiguchi	He attended twelve (12) meetings of the Board of Directors including nine (9) ordinary meetings and three (3) special meetings out of thirteen (13) meetings including nine (9) ordinary meetings and four (4) special meetings held in the fiscal year under review, after his assumption of office. Based on his ample experiences, a wide range of insight and global knowledge on management and corporate governance, he asked questions when appropriate and expressed his opinions from global perspectives. In doing so, he played sufficient roles as External Director that the Company expected in deciding important matters of management and supervising business execution.
Director (Audit and Supervisory Committee Member)	Akio Okuyama	He attended sixteen (16) meetings of the Board of Directors including eleven (11) ordinary meetings and five (5) special meetings out of seventeen (17) meetings including twelve (12) ordinary meetings and five (5) special meetings as well as all two (2) Audit & Supervisory Board meetings and all four (4) Audit and Supervisory Committee meetings held in the fiscal year under review. As needed, he asked questions when appropriate and expressed his opinions from professional standpoints as a certified public accountant. In doing so, he played sufficient roles as External personnel with fair and objective perspectives that the Company expected.
	Yoko Takemura	She attended fifteen (15) meetings of the Board of Directors including eleven (11) ordinary meetings and four (4) special meetings out of seventeen (17) meeting including twelve (12) ordinary meetings and five (5) special meetings, as well as all two (2) Audit &

Category	Name	Main Activities
		Supervisory Board meetings and all four (4) Audit and Supervisory Committee meetings held in the fiscal year under review. As needed, she asked questions when appropriate and expressed her opinions from professional standpoints mainly as an attorney. In doing so, she played sufficient roles as External personnel with fair and objective perspectives that the Company expected.
	Yoshiki Sato	He attended sixteen (16) meetings of the Board of Directors including twelve (12) ordinary meetings and four (4) special meetings out of seventeen (17) meetings including twelve (12) ordinary meetings and five (5) special meetings as well as all two (2) Audit & Supervisory Board meetings and three (3) Audit and Supervisory Committee meetings out of four (4) meetings held in the fiscal year under review. As needed, he asked questions when appropriate and expressed his opinions from standpoints with ample management experiences. In doing so, he played sufficient roles as External personnel with fair and objective perspectives that the Company expected.

Notes: The Company transitioned from a company with audit & supervisory board structure to a company with audit and supervisory committee structure on June 18, 2021.

4) Total remuneration for External Officers

External Officers 58 million yen for 6 External Officers

Consolidated Balance Sheet

(As of March 31, 2022)

(Millions of yen)

Item	Amount
(Assets)	
Current assets	293,867
Cash and deposits	84,249
Notes and accounts receivable - trade, and contract assets	100,459
Securities	2,499
Merchandise and finished goods	57,248
Work in process	6,238
Raw materials and supplies	32,595
Other	11,957
Allowance for doubtful accounts	(1,382)
Non-current assets	181,437
Property, plant and equipment	119,318
Buildings and structures	37,777
Machinery, equipment and vehicles	40,071
Land	30,446
Leased assets	700
Construction in progress	3,437
Other	6,885
Intangible assets	16,843
Technical assets	6,466
Customer related assets	2,649
Software	1,751
Leased assets	57
Other	5,918
Investments and other assets	45,276
Investment securities	33,586
Long-term loans receivable	778
Retirement benefit asset	1,527
Other investments	2,763
Deferred tax assets	4,342
Other	2,844
Allowance for doubtful accounts	(568)
Total assets	475,304

Note: Figures of less than one million yen are rounded down.

Consolidated Balance Sheet

(As of March 31, 2022)

(Millions of yen)

Item	Amount
(Liabilities)	
Current liabilities	114,852
Notes and accounts payable - trade	63,233
Short-term borrowings	23,802
Current portion of long-term borrowings	1,803
Lease obligations	300
Accrued expenses	7,073
Income taxes payable	5,930
Provision for bonuses	3,744
Provision for bonuses for directors (and other officers)	164
Provision for loss on disaster	126
Other	8,674
Non-current liabilities	63,580
Bonds payable	11,326
Long-term borrowings	18,131
Lease obligations	695
Deferred tax liabilities	3,639
Deferred tax liabilities for land revaluation	3,414
Retirement benefit liability	21,034
Provision for retirement benefits for directors (and other officers)	278
Other	5,058
Total liabilities	178,433
(Net assets)	
Shareholders' equity	230,181
Share capital	23,048
Capital surplus	20,146
Retained earnings	188,260
Treasury shares	(1,273)
Accumulated other comprehensive income	19,787
Valuation difference on available-for-sale securities	8,062
Revaluation reserve for land	4,253
Foreign currency translation adjustment	8,755
Remeasurements of defined benefit plans	(1,284)
Non-controlling interests	46,902
Total net assets	296,871
Total liabilities and net assets	475,304

Note: Figures of less than one million yen are rounded down.

Consolidated Statement of Income

(April 1, 2021 - March 31, 2022)

(Millions of yen)

Item	Amount	
Net sales		363,034
Cost of sales		266,511
Gross profit		96,523
Selling, general and administrative expenses		61,595
Operating profit		34,927
Non-operating income		
Interest and dividend income	1,242	
Share of profit of entities accounted for using equity method	463	
Other	857	2,564
Non-operating expenses		
Interest expenses	855	
Foreign exchange losses	181	
Other	684	1,721
Ordinary profit		35,770
Extraordinary income		
Gain on sale of non-current assets	1,871	
Gain on sale of investment securities	113	1,984
Extraordinary losses		
Impairment losses	141	
Loss on disaster	179	
Loss on abandonment of non-current assets	349	
Loss on sale of investment securities	41	712
Profit before income taxes		37,042
Income taxes-current	10,279	
Income taxes-deferred	(600)	9,678
Profit		27,363
Profit attributable to non-controlling interests		3,618
Profit attributable to owners of parent		23,744

Note: Figures of less than one million yen are rounded down.

Non-Consolidated Balance Sheet

(As of March 31, 2022)

(Millions of yen)

Item	Amount
(Assets)	
Current assets	115,732
Cash and deposits	37,879
Notes receivable - trade	4,134
Accounts receivable - trade	33,530
Securities	2,499
Merchandise and finished goods	14,620
Work in process	5,186
Raw materials and supplies	11,947
Prepaid expenses	335
Accounts receivable - other	2,292
Other	3,798
Allowance for doubtful accounts	(493)
Non-current assets	144,916
Property, plant and equipment	69,857
Buildings	16,618
Structures	2,981
Machinery and equipment	26,484
Vehicles	32
Tools, furniture and fixtures	3,165
Land	18,077
Leased assets	468
Construction in progress	2,028
Intangible assets	4,711
Rights	1,321
Right to use facilities	99
Software	1,002
Leased assets	30
Software in progress	2,258
Investments and other assets	70,346
Investment securities	20,111
Shares of subsidiaries and associates	30,440
Investments in capital of subsidiaries and associates	7,488
Long-term loans receivable	7,355
Long-term prepaid expenses	385
Deferred tax assets	4,076
Other	1,436
Allowance for doubtful accounts	(947)
Total assets	260,648

Note: Figures of less than one million yen are rounded down.

Non-Consolidated Balance Sheet

(As of March 31, 2022)

(Millions of yen)

Item	Amount
(Liabilities)	
Current liabilities	39,045
Notes payable - trade	1,207
Accounts payable - trade	22,271
Short-term borrowings	4,250
Lease obligations	167
Accounts payable - other	2,001
Accrued expenses	3,509
Income taxes payable	2,767
Provision for bonuses	2,295
Provision for bonuses for directors (and other officers)	90
Provision for loss on disaster	126
Other	359
Non-current liabilities	39,933
Bonds payable	10,000
Long-term borrowings	9,000
Lease obligations	390
Deferred tax liabilities for land revaluation	3,414
Retirement benefit liability	15,423
Asset retirement obligations	109
Long-term deposits received	1,594
Total liabilities	78,978
(Net assets)	
Shareholders' equity	171,545
Share capital	23,048
Capital surplus	20,148
Legal capital surplus	20,074
Other capital surplus	74
Retained earnings	129,222
Legal retained earnings	1,096
Other retained earnings	128,126
Reserve for dividends	90
Reserve for tax purpose reduction entry of non-current assets	58
General reserve	51,241
Retained earnings brought forward	76,736
Treasury shares	(873)
Valuation and translation adjustments	10,124
Valuation difference on available-for-sale securities	5,871
Revaluation reserve for land	4,253
Total net assets	181,670
Total liabilities and net assets	260,648

Note: Figures of less than one million yen are rounded down.

Non-Consolidated Statement of Income

(April 1, 2021 - March 31, 2022)

(Millions of yen)

Item	Amount	
Net sales		142,859
Cost of sales		102,834
Gross profit		40,024
Selling, general and administrative expenses		25,437
Operating profit		14,586
Non-operating income		
Interest income	161	
Dividend income	6,766	
Foreign exchange gains	631	
Miscellaneous income	228	7,787
Non-operating expenses		
Interest expenses	95	
Difference on seconded personnel	698	
Miscellaneous losses	273	1,067
Ordinary profit		21,306
Extraordinary income		
Gain on sale of investment securities	94	94
Extraordinary losses		
Loss on disaster	179	
Loss on abandonment of non-current assets	285	
Loss on valuation of investment securities	6	
Loss on valuation of shares subsidiaries and associates	338	810
Profit before income taxes		20,591
Income taxes-current	4,312	
Income taxes-deferred	(346)	3,965
Profit		16,626

Note: Figures of less than one million yen are rounded down.

Independent Auditor's Report
(English Translation)

May 20, 2022

To the Board of Directors
ADEKA Corporation

Ernst & Young ShinNihon LLC
Tokyo Office

Tatsuya Suzuki
Designated Limited Liability Partner
Engagement Partner
Certified Public Accountant

Kazunori Onuki
Designated Limited Liability Partner
Engagement Partner
Certified Public Accountant

Audit Opinion

Pursuant to Article 444, Paragraph 4 of the Companies Act, we have audited the accompanying consolidated financial statements, which comprise the consolidated balance sheet, the consolidated statement of income, the consolidated statement of changes in net assets and the notes to the consolidated financial statements of ADEKA Corporation for the fiscal year from April 1, 2021 through March 31, 2022.

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position and results of operations of the ADEKA Group, which consists of the Company and its consolidated subsidiaries, for the period covered by the consolidated financial statements in conformity with accounting principles generally accepted in Japan.

Basis for the Opinion

We conducted our audit in accordance with auditing standards generally accepted in Japan. Our responsibility under the auditing standards is stated in "Auditor's Responsibility for the Audit of the Consolidated Financial Statements." We are independent of the Company and its consolidated subsidiaries in accordance with the provisions related to professional ethics in Japan, and have fulfilled other ethical responsibilities as an auditor. We believe that we have obtained sufficient and appropriate audit evidence to provide a basis for our audit opinion.

Other Contents

Other contents to be stated are the business report and its supplementary schedules. Management's responsibility is to prepare and disclose other contents. The responsibility of the Audit and Supervisory Committee is to monitor the execution of duties by Directors in the development and operation of the reporting process for other contents.

The audit opinion on the consolidated financial statements, of the auditing corporation does not include other contents, and the party auditing corporation does not express its opinion on other contents.

Auditor's responsibility in the audit of the consolidated financial statements etc., is to review the contents of the consolidated financial statements, etc., and to examine whether there are any material differences between the contents of the consolidated financial statements, etc., and the information acquired by the auditors in the process of reading the consolidated financial statements, etc., and to pay attention to whether there are any other indications of material errors in the contents of the consolidated financial statements, other than such material differences.

In the event that Auditors determine, based on the work performed, that there are material errors in other contents, the auditors are required to report such facts.

The auditors do not have any items to report.

Responsibilities of Management and the Audit and Supervisory Committee for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with accounting principles generally accepted in Japan, and for designing and operating such internal control as management determines is necessary to enable the presentation and fair presentation of the consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing whether it is appropriate to prepare the consolidated financial statements in accordance with the premise of a going concern, and for disclosing matters relating to a going concern when it is required to do so in accordance with accounting principles generally accepted in Japan.

Audit and Supervisory Committee is responsible for monitoring the execution of Directors' duties related to designing and operating the financial reporting process.

Auditor's Responsibility for the Audit of the Consolidated Financial Statements

Our responsibility is to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to express an opinion on the consolidated financial statements from an independent standpoint in an audit report, based on our audit. Misstatements can occur as a result of fraud or error, and are deemed material if they can be reasonably expected to, either individually or collectively, influence the decisions of users taken on the basis of the consolidated financial statements.

We make professional judgment in the audit process in accordance with auditing standards generally accepted in Japan, and perform the following while maintaining professional skepticism.

- Identify and assess the risks of material misstatement, whether due to fraud or error. Design and implement audit procedures to address the risks of material misstatement. The audit procedures shall be selected and applied as determined by the auditor. In addition, sufficient and appropriate audit evidence shall be obtained to provide a basis for the audit opinion.
- In making those risk assessments, the auditor considers internal control relevant to the entity's audit in order to design audit procedures that are appropriate in the circumstances, although the purpose of the audit of the consolidated financial statements is not to express an opinion on the effectiveness of the entity's internal control.
- Assess the appropriateness of accounting policies adopted by management and the method of their application, as well as the reasonableness of accounting estimates made by management and the adequacy of related notes.
- Determine whether it is appropriate for management to prepare the consolidated financial statements on the premise of a going concern and, based on the audit evidence obtained, determine whether there is a significant uncertainty in regard to events or conditions that may cast significant doubt on the entity's ability to continue as a going concern. If there is a significant uncertainty concerning the premise of a going concern, the auditor is required to call attention to the notes to the consolidated financial statements in the audit report, or if the notes to the consolidated financial statements pertaining to the significant uncertainty are inappropriate, issue a modified opinion on the consolidated financial statements. While the conclusions of the auditor are based on the audit evidence obtained up to the date of the audit report, depending on future events or conditions, an entity may be unable to continue as a going concern.
- Besides assessing whether the presentation of and notes to the consolidated financial statements are in accordance with accounting principles generally accepted in Japan, assess the presentation, structure, and content of the consolidated financial statements including related notes, and whether the consolidated financial statements fairly present the transactions and accounting events on which they are based.
- Obtain sufficient and appropriate audit evidence regarding the financial information of the Company and its consolidated subsidiaries in order to express an opinion on the consolidated financial statements. The auditor is responsible for instructing, supervising, and implementing the audit of the consolidated financial

statements, and is solely responsible for the audit opinion.

The auditor reports to the Audit and Supervisory Committee regarding the scope and timing of implementation of the planned audit, material audit findings including material weaknesses in internal control identified in the course of the audit, and other matters required under the auditing standards.

The auditor reports to the Audit and Supervisory Committee regarding the observance of provisions related to professional ethics in Japan as well as matters that are reasonably considered to have an impact on the auditor's independence and any safeguards that are in place to reduce or eliminate obstacles.

Interest

Our firm and engagement partners have no interests in the Company or its consolidated subsidiaries requiring disclosure under the provisions of the Certified Public Accountants Act of Japan.

Independent Auditor's Report (English Translation)

May 20, 2022

To the Board of Directors
ADEKA Corporation

Ernst & Young ShinNihon LLC
Tokyo Office

Tatsuya Suzuki
Designated Limited Liability Partner
Engagement Partner
Certified Public Accountant

Kazunori Onuki
Designated Limited Liability Partner
Engagement Partner
Certified Public Accountant

Opinion

Pursuant to Article 436, Paragraph 2, Item 1 of the Companies Act, we have audited the accompanying financial statements, which comprise the balance sheet, the statement of income, the statement of changes in net assets and the related notes, and the accompanying supplementary schedules of ADEKA Corporation (the "Company") for the 160th fiscal year from April 1, 2021 through March 31, 2022.

In our opinion, the financial statements and the accompanying supplementary schedules referred to above present fairly, in all material respects, the financial position of the Company as of March 31, 2022, and the results of its operations for the year then ended in conformity with accounting principles generally accepted in Japan.

Basis for the Opinion

We conducted our audit in accordance with auditing standards generally accepted in Japan. Our responsibility under the auditing standards is stated in "Auditor's Responsibility for the Audit of the Financial Statements and the Accompanying Supplementary Schedules." We are independent of the Company in accordance with the provisions related to professional ethics in Japan, and have fulfilled other ethical responsibilities as an auditor. We believe that we have obtained sufficient and appropriate audit evidence to provide a basis for our audit opinion.

Other Contents

Other contents to be stated are the business report and its supplementary schedules. Management's responsibility is to prepare and disclose other contents. The responsibility of the Audit and Supervisory Committee is to monitor the execution of duties by Directors in the development and operation of the reporting process for other contents.

The audit opinion on the non-consolidated financial statements, of the auditing corporation does not include other contents, and the party auditing corporation does not express its opinion on other contents.

Auditor's responsibility in the audit of the non-consolidated financial statements etc., is to review the contents of the non-consolidated financial statements, etc., and to examine whether there are any material differences between the contents of the non-consolidated financial statements, etc., and the information acquired by the auditors in the process of reading the non-consolidated financial statements, etc., and to pay attention to whether there are any other indications of material errors in the contents of the non-consolidated financial statements, other than such material differences.

In the event that Auditors determine, based on the work performed, that there are material errors in other contents, the auditors are required to report such facts.

The auditors do not have any items to report.

Responsibilities of Management and the Audit and Supervisory Committee for the Non-consolidated Financial Statements and the Accompanying Supplementary Schedules

Management is responsible for the preparation and fair presentation of the financial statements and the accompanying supplementary schedules in accordance with accounting principles generally accepted in Japan, and for designing and operating such internal control as management determines is necessary to enable the preparation and fair presentation of the financial statements and the accompanying supplementary schedules that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements and the accompanying supplementary schedules, management is responsible for assessing whether it is appropriate to prepare the financial statements and the accompanying supplementary schedules in accordance with the premise of a going concern, and for disclosing matters relating to going concern when it is required to do so in accordance with accounting principles generally accepted in Japan.

Audit and Supervisory Committees is responsible for monitoring the execution of Directors' duties related to designing and operating the financial reporting process.

Auditor's Responsibility for the Audit of the Financial Statements and the Accompanying Supplementary Schedules

Our responsibility is to obtain reasonable assurance about whether the financial statements and the accompanying supplementary schedules as a whole are free from material misstatement, whether due to fraud or error, and to express an opinion on the financial statements and the accompanying supplementary schedules from an independent standpoint in an audit report, based on our audit. Misstatements can occur as a result of fraud or error, and are deemed material if they can be reasonably expected to, either individually or collectively, influence the decisions of users taken on the basis of the financial statements and the accompanying supplementary schedules.

We make professional judgment in the audit process in accordance with auditing standards generally accepted in Japan, and perform the following while maintaining professional skepticism.

- Identify and assess the risks of material misstatement, whether due to fraud or error. Design and implement audit procedures to address the risks of material misstatement. The audit procedures shall be selected and applied as determined by the auditor. In addition, sufficient and appropriate audit evidence shall be obtained to provide a basis for the audit opinion.
- In making those risk assessments, the auditor considers internal control relevant to the entity's audit in order to design audit procedures that are appropriate in the circumstances, although the purpose of the audit of the financial statements and the accompanying supplementary schedules is not to express an opinion on the effectiveness of the entity's internal control.
- Assess the appropriateness of accounting policies adopted by management and the method of their application, as well as the reasonableness of accounting estimates made by management and the adequacy of related notes.
- Determine whether it is appropriate for management to prepare the financial statements and the accompanying supplementary schedules on the premise of a going concern and, based on the audit evidence obtained, determine whether there is a significant uncertainty in regard to events or conditions that may cast significant doubt on the entity's ability to continue as a going concern. If there is a significant uncertainty concerning the premise of a going concern, the auditor is required to call attention to the notes to the financial statements and the accompanying supplementary schedules in the audit report, or if the notes to the financial statements and the accompanying supplementary schedules pertaining to the significant uncertainty are inappropriate, issue a modified opinion on the financial statements and the accompanying supplementary schedules. While the conclusions of the auditor are based on the audit evidence obtained up to the date of the audit report, depending on future events or conditions, an entity may be unable to continue as a going concern.
- Besides assessing whether the presentation of and notes to the financial statements and the accompanying supplementary schedules are in accordance with accounting principles generally accepted in Japan, assess the presentation, structure, and content of the financial statements and the accompanying supplementary schedules including related notes, and whether the financial statements and the accompanying supplementary schedules fairly present the transactions and accounting events on which they are based.

The auditor reports to the Audit and Supervisory Committee regarding the scope and timing of implementation of the planned audit, material audit findings including material weaknesses in internal control identified in the course of the audit, and other matters required under the auditing standards.

The auditor reports to the Audit and Supervisory Committee regarding the observance of provisions related

to professional ethics in Japan as well as matters that are reasonably considered to have an impact on the auditor's independence and any safeguards that are in place to reduce or eliminate obstacles.

Interest

Our firm and engagement partners have no interests in the Company requiring disclosure under the provisions of the Certified Public Accountants Act of Japan.

Audit Report (English Translation)

In regard to the Directors' performance of their duties for the 160th fiscal year from April 1, 2021 through March 31, 2022, the Audit and Supervisory Committee has prepared this Audit Report after deliberations based on the audit reports prepared by each Audit and Supervisory Committee Member and reports as follows.

1. Method and Contents of Audits by the Audit and Supervisory Committee

The Audit and Supervisory Committee received periodic reports from Directors and employees on the details of resolutions of the Board of Directors concerning matters listed in Article 399-13, paragraph (1), Item (i), (b) and (c) of the Companies Act and the status of the construction and operation of the system (internal control system) developed based on said resolutions, sought explanations as necessary, expressed opinions, and conducted the audit by the following method.

- 1) In accordance with the audit policy and division of duties stipulated by the Audit and Supervisory Committee, in cooperation with the Company's internal control division, the Audit and Supervisory Committee attended important meetings, received reports from Directors and other employees, etc. on their performance of duties, requested explanations as necessary, reviewed significant approval documents and other items, and examined business activities and assets at the head office and major business offices. With regard to subsidiaries, Audit and Supervisory Committee Members endeavored to communicate and exchange information with the Directors and Audit and Supervisory Committee Members, and received reports from them as necessary.
- 2) In regard to the basic policies provided for in Article 118, Item (iii)(a) of the Ordinance for Enforcement of the Companies Act, the efforts provided for in Item (iii)(b) of that article and the matters noted in Article 118, Item (v)(a) of the Ordinance for Enforcement of the Companies Act, and the decisions and reasons provided for in Item (v)(b) of that article, each as stated in the Business Report, the Audit and Supervisory Committee Members considered the contents thereof taking into account matters such as the status of deliberations at meetings of the Board of Directors and other deliberations.
- 3) The Audit and Supervisory Committee Members oversaw and verified whether the Accounting Auditor maintained an independent position and conducted an appropriate audit, received reports from the Accounting Auditor on the status of the performance of its duties, and requested explanations as necessary. Additionally, the Audit and Supervisory Committee Members received notification from the Accounting Auditor that, in accordance with the "Quality Control Standards for Audits" (Business Accounting Council, October 28, 2005), etc., it had developed systems in order to ensure that its duties are appropriately performed (i.e., notification of the matters stated in the items of Article 131 of the Ordinance on Accounting of Companies) and requested explanations as necessary.

Based on the above methods, Audit and Supervisory Committee Members examined the business report and its supplementary schedules, the non-consolidated financial statements (non-consolidated balance sheet, non-consolidated statement of income, non-consolidated statement of changes in net assets, and notes to the non-consolidated financial statements) and its supplementary schedules, and the consolidated financial statements (consolidated balance sheet, consolidated statement of income, consolidated statement of changes in net assets, and notes to the consolidated financial statements).

2. Results of Audit

(1) Results of Audit of Business Report and Other Relevant Documents

- i. We find that the Business Report and the supplementary schedules thereto accurately present the status of the company in accordance with laws, regulations, and the articles of incorporation.
- ii. We do not find any misconduct nor any material fact constituting a violation of any law, regulation, or the articles of incorporation in relation to the Directors' performance of their duties
- iii. We find the content of the resolutions of the Board of Directors regarding internal control systems to be reasonable. Additionally, we do not find any matters that should be commented upon in regard to the statements in the Business Report or the Directors' performance of their duties relating to the internal control systems.
- iv. We find the basic policy regarding the person who controls the determination of financial and business policies of the company stated in the business report is reasonable. We find that the efforts provided for in Article 118, Item (iii)(b) of the Ordinance for Enforcement of the Companies Act stated in the Business Report are in compliance with that basic policy and do not harm the common interests of the shareholders of the Company, and that their purpose is not to maintain the positions of the directors of the Company.

(2) Results of Audit of Financial Statements and Supplementary Schedules Thereto

We find the methods and results of the audit by the Accounting Auditor, Ernst & Young ShinNihon LLC, to be reasonable.

(3) Results of Audit of Consolidated Financial Statements

We find the methods and results of the audit by the Accounting Auditor, Ernst & Young ShinNihon LLC, to be reasonable.

May 23, 2022

Audit and Supervisory Committee, ADEKA Corporation

Full-Time Audit and Supervisory Committee Member	Yoshito Hayashi
Full-Time Audit and Supervisory Committee Member	Akimasa Yajima
Audit and Supervisory Committee Member	Akio Okuyama
Audit and Supervisory Committee Member	Yoko Takemura
Audit and Supervisory Committee Member	Yoshiki Sato

Note 1: External Audit and Supervisory Committee Member, Akio Okuyama, Yoko Takemura, and Yoshiki Sato are External Directors as defined in Article 2, Item 15 and Article 331, Paragraph 6 of the Companies Act.

- 2: As the 159th Ordinary General Meeting of Shareholders held on June 18, 2021, the Company adopted a resolution converting from a company with an Audit & Supervisory Board to a company with an Audit and Supervisory Committee as of the same date. Audits concluded from April 1, 2021 to the date of transition have been reported for the fiscal year under review, following the audit conducted by the Audit & Supervisory Board.