

## To our shareholders

### Create the Future with ADEKA's "SOZAI"

Hidetaka Shirozume  
President and Chief Executive Officer,  
Representative Director

I would like to express our sincere appreciation to all our shareholders for your continued support and understanding.

We are pleased to announce that the 164th Ordinary General Meeting of Shareholders will be held on Friday, June 19, 2026.

During the fiscal year ended March 31, 2026, the second year of its Medium-Term Management Plan, "ADX 2026," the Group continued to promote its basic strategies of strengthening its earning power, promoting sustainability initiatives, and building a resilient supply chain. Despite the high uncertainties surrounding the U.S. tariff policy, slowing growth of the Chinese economy, and growing tensions in the Middle East, net sales, operating profit, ordinary profit, and profit attributable to owners of parent all reached record highs for the full year. Under these business conditions, we propose a year-end dividend of 60 yen per share for FY2025. This will increase the annual dividend by 12 yen from the previous fiscal year to 112 yen per share.

In the final year of "ADX 2026," Mid-Term Management Plan, the ADEKA Group will continue to strongly promote various measure to enhance corporate and shareholder value.

Under the Management Policy of "To be a company that is progressive and dynamic with a keen attitude towards the new changing tide" and "Creating a better future for the people of the world," 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." 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.

The ADEKA Group is not simply a provider of materials. The "SOZAI (Materials as treasure)" we create have the potential to drive transformation in industry and society around the world. Maximizing its value to carve out the future is our very mission. The ADEKA Group will continue to contribute to affluent lifestyles of people by providing valuable "SOZAI" that can improve everything further.

We would like to request shareholders' continued support going forward.

June 2026

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 3, 2026

Date of commencement of electronic provision measures: May 22, 2026

To our shareholders

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

## Notice of the 164th Ordinary General Meeting of Shareholders

We are pleased to announce that the 164th Ordinary General Meeting of Shareholders will be held as indicated below.

When convening this General Meeting of Shareholders, the Company has taken measures for providing information in electronic format (the “electronic provision measures”) and has posted matters subject to the electronic provision measures as “Notice of the 164th Ordinary General Meeting of Shareholders” on the following website on the Internet.

The Company website

<https://www.adeka.co.jp/en/ir/library/results/index6.html>

In addition to the website shown above, the Company also has posted this information on the following websites.

1. The Tokyo Stock Exchange website

<https://www2.jpx.co.jp/tseHpFront/JJK020010Action.do?Show=Show>

Please enter the issue name (company name) or securities code, and click “Search,” and then click “Basic information” and select “Documents for public inspection/PR information.”

2. The Portal of Shareholders’ Meeting operated by Sumitomo Mitsui Trust Bank

<https://www.soukai-portal.net> (in Japanese only)

Please scan the QR code or enter the login ID and password shown on the enclosed voting form. Click on the “Notice of Ordinary General Meeting of Shareholders” tab on the Portal of Shareholders’

Meeting to view the information. \*QR Code is a registered trademark of DENSO WAVE INCORPORATED.

Instead of attending the meeting in person, you may exercise your voting rights in advance in writing or via the Internet, etc. as described in 4. on the next page. After having reviewed the Reference Documents for the General Meeting of Shareholders provided in the matters subject to the electronic provision measures, please exercise your voting rights **by 5:15 p.m. on Thursday, June 18, 2026 (JST).**

**1. Date and Time:** June 19, 2026 (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 164th fiscal year (from April 1, 2025 to March 31, 2026)
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** Election of Seven (7) Directors (Excluding Directors Who Are Audit and Supervisory Committee Members)

**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 18, 2026.**

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

When exercising your voting rights via the Internet, please refer to the “Guide to Exercising Voting Rights via the Internet” on page 6 (Japanese version only), and enter your approval or disapproval to each of the proposals **by 5:15 p.m. on Thursday, June 18, 2026.**

- If you are attending the meeting in person, please submit the enclosed voting form at the reception of the venue.
- In the event that revisions are required to the matters subject to the electronic provision measures, revised versions of the matters will be posted on the respective websites where the matters are posted.
- Among the matters subject to electronic provision measures, the following matters will not be provided in the paper copy mailed to shareholders who made a request for delivery of documents in accordance with the provisions of laws and regulations and Article 15, Paragraph 2 of the Company's Articles of Incorporation. Accordingly, the documents mailed to shareholders who made a request for delivery of documents constitute only part of the documents audited by the Audit and Supervisory Committee and the accounting auditor in the preparation of the Audit Report.
  - (1) From the Business Report, the "Details of the principal business," "Principal sales offices and plants, etc.," "Status of employees," "Status of major lenders," and "Status of accounting auditor," "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"
  - (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 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. In the event that voting rights are exercised multiple times via the Internet, etc., the most recent vote cast shall be considered valid.
- If there is no indication of approval or disapproval for a proposal on the voting form you have returned to us, we will assume that you have indicated your approval.
- You may exercise your voting rights by proxy by appointing another shareholder holding voting rights of the Company pursuant to Article 17 of the Company's Articles of Incorporation. In such cases, please present a document proving the proxy's power of representation.
- From the viewpoint of reducing the global environmental impact, 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.
- When attending this General Meeting of Shareholders, please give due consideration to your health condition on the day of the meeting and cooperate with our instructions, such as wearing a face mask as necessary.

We plan to hold a social gathering with our shareholders after the meeting. We would like to invite you to continue participating in this gathering.

## Guidance on Advance Questions and On-Demand Distribution of the General Meeting of Shareholders

<Guide for receiving advance questions>

Deadline for advance questions: **June 11, 2026 (Thursday) 5:15 p.m. (JST)**

For this meeting, we will receive questions from shareholders in advance about Purpose of the Meeting through the Portal of Shareholders' Meeting. At the meeting, we will take up questions which seem to be of high interest for shareholders among those received. From the URL below, please access to the Portal of Shareholders' Meeting, and tap/click the "To advance questions" button on the top screen. After the "Enter advance questions" screen is shown, please enter your question in accordance with the guidance on the screen afterwards.

\*We would appreciate your understanding that we will not reply to questions received individually.

The Portal of Shareholders' Meeting <https://www.soukai-portal.net> (in Japanese only)

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

A portion of the General Meeting of Shareholders will be available on demand at a later date. Please access the program via the URL or QR code below.

Watching period: June 30, 2026 (Tuesday) 10:00 a.m. – June 18, 2027 (Friday) 6:00 p.m. (JST)  
(Watching period may change according to circumstances)

Shareholders who wish to watch the program, please access the following URL:  
<https://www.net-presentations.com/4401/20260619/k49sp14/>

Or, please search the following in the search engine.

You can also access by scanning the QR code on page 5 of the Japanese version of this Notice 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 where you are not 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 164th fiscal year as follows.

(1) Type of dividends

Cash

(2) Dividend allocation and their aggregate amount

Dividend per common share of the Company: ¥60

Adding the year-end dividend for the fiscal year under review to the interim dividend of ¥52 yields an annual dividend of ¥112 (the annual dividend for the previous fiscal year was ¥100 per share).

Total dividends: ¥5,903,062,740

(3) Effective date of dividends of surplus

Monday, June 22, 2026

**Proposal 2** Election of Seven (7) Directors (Excluding Directors Who Are Audit and Supervisory Committee Members)

The terms of office of all seven (7) Directors (excluding Directors who are Audit and Supervisory Committee Members) will expire at the conclusion of the Meeting. In order to further strengthen and enhance the Company's management base through a new management structure, the Company proposes the election of seven (7) Directors.

Candidates for the role of Director are as follows:


| Candidate No. | Name               | Gender | Current position and responsibilities within the Company   | Reelection / New election             | Attendance rate at the Board of Directors meetings |
|---------------|--------------------|--------|--|---------------------------------------|--|
| 1             | Hidetaka Shirozume | Male   | President and Chief Executive Officer, Representative Director   | Reelection                            | 100%<br>(17 out of 17)                             |
| 2             | Yoshiaki Kobayashi | Male   | Senior Managing Executive Officer<br>General Manager, Foods Division, Project Team Leader, Global Foods Business   | New election                          | –  |
| 3             | Youji Shiga        | Male   | Director and Managing Operating Officer<br>Finance & Accounting Department, Information System Department  | Reelection                            | 100%<br>(17 out of 17)                             |
| 4             | Kiyoshi Masamune   | Male   | Director and Operating Officer<br>Legal Affairs & Publicity Department, Corporate Planning & Strategy Division, Chair of Compliance Promotion Committee, and Chair of Capital Investment Committee | Reelection                            | 100%<br>(17 out of 17)                             |
| 5             | Shigeru Endo       | Male   | Director   | Reelection<br>External<br>Independent | 100%<br>(17 out of 17)                             |
| 6             | Makoto Horiguchi   | Male   | Director   | Reelection<br>External<br>Independent | 100%<br>(17 out of 17)                             |
| 7             | Naoya Takahashi    | Male   | Director   | Reelection<br>External<br>Independent | 100%<br>(17 out of 17)                             |


New election: Candidate for new Director



Reelection: Candidate for reelection as Director


External: Candidate for External Director

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


| Candidate No. | Name<br>(Date of birth)   | Career summary, positions, responsibilities,<br>and significant concurrent positions   | Number of the<br>Company's<br>shares owned |
|---------------|---|--|--|
| 1             | <br>Hidetaka Shirozume<br>(November 10, 1961)<br>[Reelection]  | Apr. 1985    Joined the Company<br>Jun. 2005    General Manager, Electronic Materials Sales Department<br>Jun. 2010    General Manager, Information & Electronic Materials Sales Department<br>Jun. 2011    General Manager, Chemicals Planning & Marketing Department<br>Jun. 2014    Operating Officer, General Manager, Chemicals Planning & Marketing Department<br>Jun. 2015    Operating Officer, General Manager, Osaka Main Branch<br>Jun. 2016    Director and Operating Officer, General Manager, Osaka Main Branch<br>Jun. 2017    Director and Managing Operating Officer, General Manager, Corporate Planning & Strategy Division and Chair of Capital Investment Committee<br>Jun. 2018    President and Chief Executive Officer<br>Jun. 2023    President and Chief Executive Officer, Representative Director (current position) | 77,200 shares                              |
| Reelection    | <ul style="list-style-type: none"> <li>Reasons for nomination as candidate for Director</li> </ul> <p>As the individual responsible for the Chemicals Department and the Chemicals Planning &amp; Marketing Department, Hidetaka Shirozume has worked ceaselessly to stabilize and strengthen the chemicals products business of the Company. Since June 2018, he has been serving as President and Chief Executive Officer, and has led the Group by transforming its earnings structure, expanding new business fields and strengthening the group management foundation. He has also strived to increase sustainable corporate value of the Group such as proactively integrating management and sustainability. Currently, he directs management from the front towards the key strategies of Mid-Term Management Plan “ADX 2026”; transition to a high profitability structure, a resilient management foundation, sustainability-focused management, and capital efficiency-oriented management. With his abundant experience and extensive knowledge of the businesses of the Group and broad insights and track record in company management and business strategies as a corporate head, he strives for a sustainable enhancement of the corporate value, and 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, Representative Director at the subsequent meeting of the Board of Directors.</p> |  |  |

| Candidate No. | Name<br>(Date of birth)   | Career summary, positions, responsibilities, and significant concurrent positions   | Number of the Company's shares owned |
|---------------|---|---|--------------------------------------|
| 2             | <br>Yoshiaki Kobayashi<br>(May 7, 1962)<br>[New election]  | Apr. 1985    Joined the Company<br>Feb. 2011    General Manager, West Japan Foods Sales Department<br>Jun. 2012    General Manager, East Japan Foods Sales Department<br>Jun. 2016    Operating Officer, Deputy General Manager, Foods Division, and General Manager, East Japan Foods Sales Department<br>Jun. 2017    Director and Operating Officer, General Manager, Foods Division, and Project Team Leader, East Asia Foods Business (current: Project Team Leader, Global Foods Business)<br>Mar. 2018    Managing Director, ADEKA FOODS (CHANGSHU) CO., LTD. (current position)<br>Jun. 2021    Director and Managing Operating Officer, General Manager, Foods Division<br>Jun. 2023    Managing Operating Officer, General Manager, Foods Division<br>Jun. 2025    Senior Managing Executive Officer, General Manager, Foods Division (current position)<br>(Significant concurrent positions outside the Company)<br>Managing Director, ADEKA FOODS (CHANGSHU) CO., LTD. | 45,900 shares                        |
| New election  | <ul style="list-style-type: none"> <li>Reasons for nomination as candidate for Director</li> </ul> <p>Yoshiaki Kobayashi has been engaged in sales for the food products business for many years, and as the individual responsible for the sales department, he has worked to strengthen and stabilize the Food Products business. He has also contributed to the global expansion of the Food Products business as Managing Director of a food products business subsidiary in China and as Project Team Leader of the Global Foods Business. He has been involved in the management of the Company as a Director since June 2017 and has been appropriately performing his duties under strong leadership as Senior Managing Executive Officer since June 2025. 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 serve as 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> |   |                                      |

| Candidate No. | Name<br>(Date of birth)  | Career summary, positions, responsibilities,<br>and significant concurrent positions   | Number of the<br>Company's<br>shares owned |
|---------------|--|--|--|
| 3             | <br>Youji Shiga<br>(August 3, 1962)<br>[Reelection]   | Apr. 1985    Joined the Company<br>Jun. 2006    General Manager, Finance & Accounting Department<br>Jun. 2014    Operating Officer, General Manager, Finance & Accounting Department<br>Jun. 2018    Director and Operating Officer, General Manager, Finance & Accounting Department<br>Jun. 2022    Director and Operating Officer, Finance & Accounting Department, Information System Department, Business Digitalization Department<br>Apr. 2024    Director and Operating Officer, Finance & Accounting Department, Information System Department<br>Jun. 2025    Director and Managing Operating Officer, Finance & Accounting Department, Information System Department (current position) | 38,000 shares                              |
| Reelection    | <ul style="list-style-type: none"> <li>Reasons for nomination as candidate for Director</li> </ul> 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 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, and for the achievement of Mid-Term Management Plan, as a Director and Managing Operating Officer, he is currently leading the formulation and promotion of financial strategy and the transformation to management focused on the capital efficiency and the efficiency of invested capital. Moreover, he contributes to a sustainable growth and an increased corporate value of the Company over medium to long term by promoting DX themes and developing DX human resources across the company and proactively promoting DX of the Company, as well as by strengthening the information security system and raising awareness across the entire Group. 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.   |  |  |
| 4             | <br>Kiyoshi Masamune<br>(March 13, 1964)<br>[Reelection]  | Apr. 1988    Joined the Company<br>Jun. 2018    Operating Officer, General Manager, Corporate Planning & Strategy Division<br>Jun. 2024    Director and Operating Officer, Legal Affairs & Publicity Department, Corporate Planning & Strategy Division, Chair of Compliance Promotion Committee, and Chair of Capital Investment Committee (current position)   | 19,500 shares                              |
| Reelection    | <ul style="list-style-type: none"> <li>Reasons for nomination as candidate for Director</li> </ul> Kiyoshi Masamune held important positions of the Company's laboratories, where he promoted the strengthening of the Company's R&D system in functional polymers. Afterwards, based on his experience and knowledge as a researcher and since June 2018 as General Manager of Corporate Planning & Strategy Division, he worked on to expand and strengthen each business and took the initiative in promoting business alliances and strengthening cooperation between affiliated companies in and outside Japan while promoting enhancement of the Group's global management system. Since June 2024, he has been involved in the management of the Company as Director, and for the achievement of Mid-Term Management Plan, he significantly contributes to enhance the growth strategy and group management foundation including strengthening business strategies, promoting the M&A strategy, and reinforcing a ROIC-driven and sustainability management. Furthermore, he contributes to strengthen the relationship of trust through dialogue with key stakeholders. 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. |  |  |

| Candidate No.   | Name<br>(Date of birth)   | Career summary, positions, responsibilities,<br>and significant concurrent positions   | Number of the<br>Company's<br>shares owned |
|---|---|--|--|
| 5   | <br>Shigeru Endo<br>(October 16, 1948)<br>[Reelection]<br>[External]<br>[Independent]<br><br>Years of service<br>(as of the conclusion<br>of this general meeting<br>of shareholders)<br>8 years | Apr. 1974 Joined Ministry of Foreign Affairs<br>Feb. 1989 Seconded to International Energy Agency<br>Apr. 2001 Deputy Director-General in the Middle Eastern and African<br>Affairs Bureau, Ministry of Foreign Affairs<br>Feb. 2002 Deputy Director-General in the Consular and Migration<br>Affairs Bureau, Ministry of Foreign Affairs<br>Aug. 2003 Ambassador to the Permanent Mission of Japan to the<br>International Organizations in Geneva, and Consul General<br>of Japan in the Japanese Consulate in Geneva<br>Mar. 2007 Ambassador Extraordinary and Plenipotentiary to Republic<br>Tunisia<br>Jul. 2009 Ambassador Extraordinary and Plenipotentiary to Saudi<br>Arabia<br>Oct. 2012 Retired from Ministry of Foreign Affairs<br>Jun. 2013 External Director, JGC CORPORATION<br>External Director, IINO KAIUN KAISHA, LTD.<br>Apr. 2014 Special Assistant to the Ministry of Foreign Affairs,<br>Ambassador for Iraq Affairs<br>Apr. 2015 Special Assistant to the Ministry of Foreign Affairs, Gulf<br>Cooperation Council and Ambassador for Gulf Region<br>Dec. 2017 Special Assistant to the Ministry of Foreign Affairs, Special<br>Envoy for EXPO 2025<br>Jun. 2018 External Director of the Company (current position)<br>(Significant concurrent positions outside the Company)<br>None | 0 shares                                   |
| Reelection  |   |  |  |
| External  |   |  |  |
| Independent   |   |  |  |
| <p>● Reasons for nomination as candidate for External Director and expected roles</p> <p>Shigeru Endo spent many years as an active diplomat, and has a broad range of knowledge and a global perspective. Since his appointment as External Director, he has been striving to strengthen the management supervision function and auditing capability by providing useful advice on the global business development from a perspective of geopolitical risks, etc., utilizing such abundant experience and insight. Although he has never been involved in corporate management other than as an outside director, the Company expects that his knowledge and insights mentioned above enable him to offer appropriate supervision and advice on the general management of the Company contributing to the enhancement of the corporate value of the Company, and we therefore request that he be reelected to continue serving as External Director.</p> |   |  |  |

| Candidate No. | Name<br>(Date of birth)   | Career summary, positions, responsibilities,<br>and significant concurrent positions   | Number of the<br>Company's<br>shares owned |
|---------------|---|--|--|
| 6             | <br>Makoto Horiguchi<br>(December 5, 1955)<br>[Reelection]<br>[External]<br>[Independent]<br><br>Years of service<br>(as of the conclusion<br>of this general meeting<br>of shareholders)<br>5 years   | Apr. 1979 Joined Iwatani Corporation<br>Jun. 2012 Executive Officer, Iwatani Corporation<br>Jun. 2016 Member of the Board, Executive Officer, General Manager,<br>Industrial Gases & Machinery Business Group, Iwatani<br>Corporation<br>Apr. 2017 Executive Director and Executive Officer, Iwatani<br>Corporation<br>Apr. 2019 Member of the Board, Senior Managing Officer, Industrial<br>Gases Division; Hydrogen Division; Machinery Division,<br>General Manager, Customer Relations and Services<br>Division<br>Apr. 2020 Member of the Board, Vice President, Responsible for<br>Sales, Iwatani Corporation<br>Jun. 2021 External Director of the Company (current position)<br>Apr. 2022 Member of the Board, Vice President, in charge of New<br>Product Development & Market Research, and Chair of<br>Crisis Management Committee, Iwatani Corporation<br>Apr. 2024 Member of the Board, Iwatani Corporation<br>Chairman, Higashi-Nippon Iwatani Gas Corporation<br>President, Kashima L.P.G. Joint Stockpiling Co., Ltd.<br>(current position)<br>Jun. 2024 Senior Associate Director, Iwatani Corporation (current<br>position)<br><br>(Significant concurrent positions outside the Company)<br>Senior Associate Director, Iwatani Corporation<br>President, Kashima L.P.G. Joint Stockpiling Co., Ltd. | 7,900 shares                               |
|               | Reelection<br>External<br>Independent   |  |  |
|               | <p>●Reasons for nomination as candidate for External Director and expected roles</p> <p>Makoto Horiguchi has served as Member of the Board, Vice President and Executive Officer of Iwatani Corporation and Member of the Board of its overseas operating companies. He possesses abundant experience in corporate management and corporate governance, broad insights, global knowledge and excellent personality. Since his appointment as External Director, utilizing the abovementioned experience, knowledge and insight, he has been playing an important role in securing adequacy and appropriateness of decision-making by the Board of Directors, by providing useful advice and recommendations on the progress of business strategies and management plans, and contributes to a sustainable growth and an increased corporate value of the Company over medium to long term. As the Chairperson of the Nomination and Remuneration Committee, he has made great efforts to strengthen the fairness, transparency, and objectivity of procedures related to the nomination and remuneration of Directors to meet the expectations of stakeholders. The Company expects that he will continue to 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 reelected to continue serving as External Director.</p> |  |  |

| Candidate No. | Name<br>(Date of birth)  | Career summary, positions, responsibilities,<br>and significant concurrent positions  | Number of the<br>Company's<br>shares owned |
|---------------|--|---|--|
| 7             | <br>Naoya Takahashi<br>(October 17, 1948)<br>[Reelection]<br>[External]<br>[Independent]<br><br>Years of service<br>(as of the conclusion<br>of this general meeting<br>of shareholders)<br>2 years   | Apr. 1973 Joined Hitachi, Ltd.<br>Apr. 2006 Vice President and Executive Officer, Executive Vice President and Chief Technology Officer of Information & Telecommunication Systems Group of Hitachi Ltd.<br>Apr. 2009 Representative Executive Officer, Executive Vice President, in charge of Information Infrastructure Business [Information Business], Research & Development and Information System, Hitachi Group Chief Technology Officer, Hitachi Group Chief Innovation Officer and Hitachi Group Chief Information Security Officer<br>Apr. 2011 President and Chief Executive Officer of Hitachi Electronics Services Co., Ltd.<br>Oct. 2011 President and Chief Executive Officer of Hitachi Systems, Ltd.<br>Apr. 2016 Chairman Emeritus of Hitachi Systems, Ltd.<br>Apr. 2020 Special Advisor of Hitachi Systems, Ltd.<br>Apr. 2023 Honorary Advisor of Hitachi Systems, Ltd.<br>Apr. 2023 Executive Advisor of Cloud Service Platform Business Unit, Hitachi Ltd.<br>Apr. 2024 Executive Advisor of Hitachi Vantara, Ltd. (current position)<br>Jun. 2024 External Director of the Company (current position) (Significant concurrent positions outside the Company)<br>Executive Advisor of Hitachi Vantara, Ltd. | 0 shares                                   |
|               | Reelection<br>External<br>Independent  |   |  |
|               | <p>●Reasons for nomination as candidate for External Director and expected roles</p> <p>Naoya Takahashi, who has long years of experience in corporate management as a top management executive at Hitachi Group in charge of the information infrastructure, information system business and R&amp;D, has a wealth of experience in corporate management and the use of digital technologies (IT/DX), broad insight, global knowledge and excellent personality. Since his appointment as External Director, utilizing the abovementioned experience, knowledge and insight, he has been playing an important role in securing adequacy and appropriateness of decision-making by the Board of Directors, by providing useful advice and recommendations on the business structure and growth investment as well as progress of management plans, and contributes to a sustainable growth and an increased corporate value of the Company over medium to long term. The Company expects that he will continue to 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 reelected to continue serving as External Director.</p> |   |  |

Note:

- Special interest relationship between each candidate and the Company

No special interests exist between the Company and Hidetaka Shirozume, Youji Shiga, Kiyoshi Masamune, Shigeru Endo, Makoto Horiguchi, and Naoya Takahashi.

Yoshiaki Kobayashi is the Managing Director of ADEKA FOODS (CHANGSHU) CO., LTD. and there is a business relationship of product sales and purchase, technical license, and loan between the Company and ADEKA FOODS (CHANGSHU) CO., LTD.

Yoshiaki Kobayashi is scheduled to retire from the position of Managing Director of ADEKA FOODS (CHANGSHU) CO., LTD. by the time of this General Meeting of Shareholders.
- Directors and Officers Liability Insurance Contract

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 candidates for Directors proposed in this Proposal have already been insured under this insurance contract and will continue to be insured after their reappointment.
- Independence

Shigeru Endo, Makoto Horiguchi, and Naoya Takahashi all satisfy the requirements of the Tokyo Stock Exchange for the independence of directors, and also meet the criteria prescribed by the Company for assessing the independence of external directors. Accordingly, the Company has registered them with the Tokyo Stock Exchange as Independent Directors. If they are reelected as External Directors, the Company will continue their registration as Independent Directors. Moreover, please refer to <Reference> Criteria for assessing the independence of external directors as described below for the criteria prescribed by the Company for assessing the independence of external directors.

4. Limitation of liability contract

Pursuant to the provisions of Article 427, Paragraph 1 of the Companies Act, the Company has concluded with Shigeru Endo, Makoto Horiguchi, and Naoya Takahashi 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. If the reelection of each candidate is approved at this General Meeting of Shareholders, the Company intends to roll over this limitation of liability contract.

(Reference) Skills Matrix of Directors

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 Proposal 2 is approved as originally proposed, the composition of Directors will be as follows.

| Name               | Title (as proposed)  | Knowledge and Experience that the Company Expects of Directors |                |        |                                   |                |   |                     |                                |
|--------------------|--|--|----------------|--------|-----------------------------------|----------------|---|---------------------|--------------------------------|
|                    |  | Corporate Management   | Sustainability | Global | Financial Strategy and Accounting | HR Development | Research, Production Management, and Technology (including IT and DX) | Sales and Marketing | Governance and Risk Management |
| Hidetaka Shirozume | President and Chief Executive Officer, Representative Director             | ●  | ●              | ●      |                                   |                |   | ●                   | ●                              |
| Yoshiaki Kobayashi | Representative Director and Senior Managing Executive Officer              | ●  |                | ●      |                                   |                |   | ●                   |                                |
| Youji Shiga        | Director and Managing Operating Officer                                    |  |                |        | ●                                 |                | ●   |                     | ●                              |
| Kiyoshi Masamune   | Director and Operating Officer   |  | ●              | ●      |                                   |                | ●   |                     | ●                              |
| Shigeru Endo       | Director<br>External / Independent   |  |                | ●      |                                   | ●              |   |                     | ●                              |
| Makoto Horiguchi   | Director<br>External / Independent   | ●  |                | ●      |                                   |                |   | ●                   | ●                              |
| Naoya Takahashi    | Director<br>External / Independent   | ●  |                | ●      |                                   |                | ●   |                     | ●                              |
| Koichi Taya        | Director, Full-Time Audit and Supervisory Committee Member (Chairperson)   |  |                |        |                                   |                |   | ●                   | ●                              |
| Ikuko Hirasawa     | Director, Audit and Supervisory Committee Member<br>External / Independent |  | ●              |        |                                   |                |   |                     | ●                              |
| Yukiko Fujikawa    | Director, Audit and Supervisory Committee Member<br>External / Independent |  | ●              |        | ●                                 |                |   |                     | ●                              |

### Reason for selecting each item of the skills matrix

| Skill items   | Reason for selection   |
|---|--|
| Corporate Management  | To realize ADEKA VISION 2030, the Company needs directors who have management experience and management track record in each of our businesses to achieve sustainable growth while envisioning the business environment in 2030.   |
| Sustainability  | To promote sustainability as a growth strategy, enhance social value, and achieve sustainable growth, the Company needs directors with knowledge on and experience in sustainability.  |
| Global  | To seek global management, which is essential for the Company's growth, the Company needs directors with overseas management experience and knowledge on and experience in the overseas business environment.  |
| Financial Strategy and Accounting                                     | To develop a financial strategy that achieves both a strong financial foundation and a balance between investment and shareholder returns to increase corporate value, the Company needs directors with knowledge on and experience in the relevant field.   |
| HR Development  | To develop a human capital strategy that maximizes the abilities of its employees as assets, the Company needs directors with knowledge on and experience in the relevant field.   |
| Research, Production Management, and Technology (including IT and DX) | To optimize R&D, operations, production processes, and B-to-B transactions using digital technology (IT/DX) and to enhance competitiveness, we need directors with knowledge on and experience in the relevant field.  |
| Sales and Marketing   | In order to strengthen earnings power and achieve sustainable growth with an emphasis on profits, we need directors with knowledge and experience in grasping market trends and formulating sales strategies.  |
| Governance and Risk Management  | As governance and risk management, which are the foundation for increasing corporate value, are essential elements for improving the effectiveness of management and supervision, the Company needs directors with knowledge on and experience in corporate governance, risk management, and compliance. |

### Relevant requirements for each item of the skills matrix

| Skill items   | Relevant requirements  |
|---|--|
| Corporate Management  | <ul style="list-style-type: none"> <li>Persons with experience as executive directors of listed companies or equivalent companies<sup>*1</sup></li> </ul>  |
| Sustainability  | <ul style="list-style-type: none"> <li>Practical experience<sup>*2</sup> or management experience<sup>*3</sup> in the relevant skill</li> <li>Advisory experience<sup>*4</sup> for the relevant skill</li> </ul>   |
| Global  | <ul style="list-style-type: none"> <li>Overseas business experience or management experience</li> <li>Knowledge on and experience in international business</li> <li>Experience in overseas assignments (excluding short-term dispatch and study abroad)</li> </ul>  |
| Financial Strategy and Accounting                                     | <ul style="list-style-type: none"> <li>Practical experience or management experience in the relevant skill</li> <li>Advisory experience for the relevant skill</li> </ul>  |
| HR Development  | <ul style="list-style-type: none"> <li>Practical experience or management experience in the relevant skill</li> <li>Advisory experience for the relevant skill</li> </ul>  |
| Research, Production Management, and Technology (including IT and DX) | <ul style="list-style-type: none"> <li>Practical experience or management experience in the relevant skill</li> <li>Advisory experience for the relevant skill</li> <li>Work experience at universities, external research facilities, etc.</li> </ul>   |
| Sales and Marketing   | <ul style="list-style-type: none"> <li>Practical experience or management experience in the relevant skill</li> <li>Advisory experience for the relevant skill</li> </ul>  |
| Governance and Risk Management  | <ul style="list-style-type: none"> <li>Practical experience or management experience in legal affairs, compliance or internal control department</li> <li>Advisory experience for legal affairs, compliance, and internal control</li> <li>Experience in playing a leading role in the establishment of corporate governance</li> <li>Experience in playing a leading role in response to emergency situation<sup>*5</sup> or advisory experience for response to emergency situation</li> </ul> |

\*1: The term "equivalent companies" refers to those with the size comparable with listed companies.

\*2: The term "practical experience" means that a person has experience in being primarily engaged in the relevant work for at least three years.

\*3: The term "management experience" means that a person has experience in being engaged in the relevant work in the position of division manager or higher.

\*4: The term "advisory experience" means that a person has experience in being engaged in advisory service for the relevant work outside the Company.

\*5: The term "response to emergency situation" refers to response to 14 items of emergency situations stipulated in the ADEKA Group Risk Management Manual.

<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).

Note:

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, 2025–March 31, 2026)

## I. Overview of the Group

### 1. Business Progress and Results

During the fiscal year ended March 31, 2026, the global economy remained on a moderate recovery trend, underpinned by monetary easing and expansion of AI-related investments in various countries. Meanwhile, uncertainty remained high amid the U.S. tariff policy, concerns over a slowdown in demand associated with slower growth in the Chinese economy, and rising resource prices and impacts on logistics resulting from heightened tensions in the Middle East.

Financial results for the fiscal year under review were net sales of 416,563 million yen (up 2.3% year on year), operating profit of 41,614 million yen (up 1.5% year on year), ordinary profit of 42,772 million yen (up 8.7% year on year), and profit attributable to owners of parent of 27,866 million yen (up 11.4% year on year), and the full year net sales, operating profit, ordinary profit and profit attributable to owners of parent all reached new record highs.

An overview by reportable segment is as follows.

Effective from April 1, 2025, we have changed the name of a sub-segment of the Chemicals Business “Electronic Materials” to “Semiconductor Materials.” Additionally, Electronics-Related Materials, which was previously included in Electronic Materials, has been reclassified under Environmental Materials. The results for the fiscal year ended March 31, 2025, have also been restated to reflect the new segment classifications for comparison purposes.

(Chemicals Business)    Decreased sales and profit

The Chemicals Business posted net sales of 214,810 million yen (down 1.7% year on year) and operating profit of 26,353 million yen (down 6.0% year on year).

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

1) Polymer Additives    Decreased sales and profit

Sales of flame retardants were weak, particularly in Europe and the United States, due to intensified price competition amid stagnancy in the home appliance and EV markets. In addition, sales of antioxidants used for plastic products in general were sluggish since production was slow in the petrochemical market despite automobile production showing signs of recovery. On the other hand, sales of PVC stabilizers for electrical wires remained strong, supported by increased data center investments.

○ Major contributors

|                  |          |  |
|------------------|----------|--|
| Net sales        | Weak     | - Flame retardants (home appliance enclosures and automotive parts)<br>- Antioxidants, one-pack granule additives (plastic products in general)<br>- Plasticizers (food packaging materials) |
|                  | Strong   | - PVC stabilizers (electric wire and home interior materials)  |
| Operating profit | Negative | - Sales volume<br>- Prices   |
|                  | Positive | - Fixed costs  |

2) Semiconductor Materials Increased sales and decreased profit

Sales of semiconductor lithography materials for advanced photo resists were strong, driven by broader introduction of EUV exposure equipment and increased demand for a transition to PFAS-free alternatives. In addition, sales of high-k materials turned to an expansionary trend from the third quarter and remained firm for the full year due to shipments of new products designed for the launch of production of latest generation DRAM. Meanwhile, fixed cost burden increased due to upfront investments, including increased research and development personnel and the construction of new production plants.

○ Major contributors

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

3) Environmental Materials Increased sales and profit

Sales of lubricant additives for automotive engine oils and special epoxy resins for electronic components were strong in Asia and the United States. In addition, sales of photo (light) curing resin for displays remained firm. Sales of reactive emulsifiers were solid due to expanding applications, including use in adhesives, despite being affected by sluggish construction demand in China.

○ Major contributors

|                  |          |   |
|------------------|----------|---|
| Net sales        | Strong   | - Lubricant additives (engine oils for automobiles)<br>- Special epoxy resins (electronic components)     |
|                  | Steady   | - Photo (light) curing resins (displays)<br>- Reactive emulsifiers (architectural coatings and adhesives) |
| Operating profit |          | - Sales volume  |
|                  | Positive | - Prices  |
|                  | Negative | - Foreign exchange  |

(Food Products Business) Increased sales and decreased profit

The Food Product Business posted net sales of 83,003 million yen (up 0.6% year on year) and operating profit of 4,363 million yen (down 0.6% year on year).

In Japan, we focused on improving profitability and expanding the use of eco-friendly products. Sales of high-performance kneading ingredients that contribute to reducing food production losses and the *Deli PLANTS series*, centered on plant-based cheese, were steady. Sales of shortenings and margarines used in bread and confectionery products were weak in China, where the economic slowdown continued.

○ Major contributors

|                  |          |   |
|------------------|----------|---|
| Net sales        | Steady   | -Highly functional kneaded ingredients (bread making, etc.)<br>- <i>Deli-PLANTS series</i> of plant-based foods (cafes, breads, etc.) |
|                  | Weak     | - China: Shortenings, margarines (breads, confectionery)  |
| Operating profit | Negative | - Sales volume  |
|                  | Positive | - Prices  |

(Life Science Business) Increased sales and profit

The Life Science Business posted net sales of 111,797 million yen (up 11.8% year on year) and operating profit of 9,823 million yen (up 26.4% year on year).

Overseas, sales of herbicides for fruits and potatoes performed well in Europe. In addition, sales of insecticides for fruits and nuts remained strong in the United States. In Japan, herbicides, insecticides, etc. for paddy rice were strong, reflecting increased paddy rice planting areas driven by heightened production motivation as a result of rising rice prices.

○Major contributors

|                  |          |   |
|------------------|----------|---|
| Net sales        | Strong   | - Europe: Active ingredients of Insecticides, herbicides (fruits and potatoes)<br>- North America: Insecticides (fruits and nuts)<br>- Japan: Herbicides, insecticides, etc. (paddy rice) |
| Operating profit | Positive | - Sales volume<br>- Prices<br>- Foreign exchange  |
|                  | Negative | - Fixed costs   |

## 2. Status of Capital Investments

Total capital investments made during the fiscal year under review were 21,674 million yen. The main items are as follows.

### (1) Main facilities, etc. completed in the fiscal year under review

| Business          |                   | Company               | Item   |
|-------------------|-------------------|-----------------------|--|
| Chemical Products | Polymer Additives | AMFINE CHEMICAL CORP. | Installation of tanks for additive raw materials |

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

| Business          |                         | Company                               | Item   |
|-------------------|-------------------------|---------------------------------------|--|
| Chemical Products | Semiconductor Materials | ADEKA CORP. (Kashima Chemicals Plant) | Establishment of new production facilities of semiconductor materials                        |
|                   |                         | ADEKA CORP. (Kuki R&D Center)         | Establishment of a new research building   |
|                   | Environmental Materials | ADEKA CORP. (Soma Plant)              | Establishment of new building for analysis and evaluation of environmental material products |
|                   |                         | ADEKA CORP. (Soma Plant)              | Establishment of new shipping facilities for environmental material products                 |

### (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 material financing conducted through capital increase or bond issuance.

## 4. Status of Material Corporate Restructuring, etc.

Effective on April 1, 2025, the Company transferred all shares of its consolidated subsidiary, UEHARA FOODS INDUSTRY CO., LTD., to Kobe Bussan Co., Ltd.

## 5. 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 second stage in realizing ADEKA VISION 2030, the Group has started “ADX 2026,” Mid-Term Management Plan for Fiscal 2024 to 2026.

ADX is short for “ADEKA Transformation,” expressing the Group’s commitment to transform itself. “ADX 2026” defines its three-year period as a period for continuing the transformation to achieve ADEKA VISION 2030. Under “ADX 2026,” we will promote sustainability as a growth strategy and strengthen our earning power through the creation of social value. In addition, we will endeavor to increase eco-friendly products and to reduce its greenhouse gas (GHG) emissions towards attaining carbon neutrality. On the basis of a more resilient management foundation, we will seek to continuously increase its corporate value.

### Medium-Term Management Plan (Fiscal 2024–2026) ADX 2026 Targets

|  |   |   |
|--|---|---|
| <b>Financial indicators<br/>(FY2026)</b>                   | <b>Operating profit</b>                           | <b>53 billion yen</b><br>(Net sales: 500 billion yen)                                       |
|  | <b>ROE</b>  | <b>11.0%</b>  |
|  | <b>ROIC</b>                                       | <b>10.5%</b>  |
| <b>Sustainability indicators*<sup>1</sup><br/>(FY2026)</b> | <b>Sales of<br/>Eco-friendly products</b>         | <b>115 billion yen</b><br>(2.5 folds the FY2019 level)                                      |
|  | <b>GHG emissions</b>                              | <b>199 thousand t-CO<sub>2</sub>e*<sup>2</sup></b><br>(13% reduction from the FY2013 level) |
|  | <b>Ratio of women in managerial<br/>positions</b> | <b>6% or more</b><br>(non-consolidated)   |
| <b>Capital investment amount</b>                           |   | <b>75 billion yen</b><br>(3 years)  |
| <b>Dividend policy (Dividend payout ratio)</b>             |   | <b>40% or more*<sup>3</sup></b>   |

\*1 Indicators associated with the ADEKA Group Sustainability Priority Issues

\*2 A unit for indicating different GHG emissions in a uniform manner by converting them into CO<sub>2</sub> equivalent amounts.

\*3 Based on our comprehensive consideration of appropriate shareholder returns, maintaining stable dividends as our policy.

### [Fundamental policy]

Promoting sustainability initiatives for greater social value and continuous growth  
—Earning power, sustainability and a resilient management foundation—

The ADEKA Group will construct a resilient management foundation that responds flexibly to changes. Seeing the expansion of eco-friendly products as an opportunity for growth, it will increase its earning strength and achieve continuous growth.

### [Key strategies]

In a bid for greater corporate value through the co-creation of social value and profit, the ADEKA Group will work to transition to a high profitability structure, to increase eco-friendly products and reduce GHG emissions through business structure transformation and to establish a resilient management foundation.

- ◆ Transition to a high profitability structure  
While proactively introducing management resources to semiconductor materials as a revenue pillar, the ADEKA Group will restructure its businesses looking ahead to the future. It will carry out growth strategies for individual businesses to increase their profitability, expanding new products and driving the growth of new businesses, seeing them as pillars of future growth. It will also carry out measures aimed at improving capital efficiency in order to increase its earnings strength. By strengthening our earning power, we will aim for business growth with a focus on profit rather than expansion of scale.
- ◆ Increase eco-friendly products and reduce GHG emissions through business structure transformation  
The ADEKA Group will continue with expansion and the creation of eco-friendly products and will pursue growth strategies to integrate opportunities for addressing social issues. To attain carbon neutrality, its individual business will work to cut GHG emissions to help build a sustainable society. It will move ahead with diversity, equity and inclusion (DE&I). It will create opportunities for its diverse human resources to play active roles and it will conduct human rights due diligence to ensure respect for human rights in its overall supply chain.
- ◆ Establish a resilient management foundation  
To constantly produce strategic products in individual business, the ADEKA Group will understand and manage important raw materials and build a resilient supply chain ensuring business continuity even at times of significant change in the external environment. It will develop and utilize human capital in accordance with the growth stages of each business. It will introduce digital technologies to carry out operational and business reforms.

### (2) Initiatives for FY2025

In the fiscal year under review, the second year of its Mid-Term Management Plan “ADX 2026,” we strived to enhance our corporate value on a sustainable basis over the medium to long term.

#### Three basic strategies of “ADX 2026”

##### 1. Transition to a high profitability structure

###### ◆ Chemicals Business

In the Chemicals Business, the Company continues to strengthen its development and production capacity through capital investment measures. In the fiscal year under review, in order to further expand its business into the area of back-end process products in addition to front-end process products in the semiconductor market, progress was made in the decision to construct a new plant for organometallic compounds for MOR used of Next-Generation EUV Lithography at the Kashima Chemicals Plant, the completion of a new research building at the Kuki R&D Center, and the start of operation of the manufacturing equipment of epoxy resin adhesive for in-vehicle electronic components at the Mie Plant.

In addition, with regard to our civil engineering & construction materials business, in order to ensure a stable supply of products and to further develop the business, the Company has decided to transfer the business to its consolidated subsidiary, ADEKA CHEMICAL SUPPLY CORP., on April 1, 2026.

###### ◆ Food Products Business

In the Food Products Business, the Company has been promoting the global development of strategic products centered on environmentally friendly products and highly functional products that take advantage of food tech. For the plant-based foods\* *Deli-PLANTS series*, it has targeted North

America, India, and Europe as new targets, and this fiscal year it has begun trial exports of products to North America. Furthermore, trial exports to India and Europe are also planned.

\* The Company refers to products that do not directly contain animal ingredients as raw materials or food additives as “plant-based.”

◆ Life Science Business

In September 2025, its consolidated subsidiary NIHON NOHYAKU CO., LTD. reached an agreement with BASF Japan Ltd. for the exclusive supply and sale of its products for the fruit tree sector in the domestic agrochemical market, and started sales in October 2025. With the addition of BASF Japan Ltd.’s products for the fruit tree sector to its portfolio, NIHON NOHYAKU CO., LTD. will expand its sales in the domestic agrochemical market.

2. Increase eco-friendly products and reduce GHG emissions through business structure transformation

◆ Chemicals Business

We are promoting business expansion of environment-friendly polymer additives through co-creation with external partners. In February 2026, the Company participated in the joint establishment of a global supply chain to produce plastics from renewable biomass resources for Sony Corporation’s high-performance products. In this project, the Company produces flame retardants with biomass characteristics assigned. In addition, as one of the subcontractors, we analyzed and evaluated drifting plastics and provided polymer additives for improving the quality of recycled materials in the small mobility vehicle driving demonstration on Maesato Beach, Ishigaki Island, conducted by TAISEI CORPORATION from February to March 2026.

3. Establish a resilient management foundation

Continuing from the previous year, the Company is continuing its efforts to improve human capital. In the fiscal year under review, the second DE&I project team promoted measures to enhance women’s active participation in the workplace and achieved a 5.9% ratio of women in management positions at the Company on a non-consolidated basis. As a result of its efforts, the Company has been recognized for the fifth consecutive year as a “Outstanding Organization of KENKO Investment for Health (Large Enterprise Category),” which is jointly implemented and certified by the Ministry of Economy, Trade and Industry and Nippon Kenko Kaigi. Furthermore, the Company has earned high marks from outside the company, including being selected for the first time as a component of the JPX-Nikkei Index Human Capital 100 for the year, a new stock price index that JPX Market Innovation & Research Inc. and Nikkei Inc. started to calculate in July 2025.

Transformation to capital efficiency-oriented management

In order to fulfill the transformation to capital efficiency-oriented management in “ADX 2026,” the Group is executing its capital policy from the perspectives of growth investments, strengthening management of fixed assets, reducing debt, and enhancing shareholder returns. In the fiscal year under review, as part of this capital policy, the Company has decided to repurchase and retire its treasury shares, taking into consideration its stock price, financial condition, capital needs for growth investments, and capital structure. In addition to improving capital efficiency through the reduction of shareholders’ equity, we aim to further enhance shareholder returns by diversifying profit return methods in addition to the “dividend payout ratio of 40% or more” set forth in “ADX 2026.” The Company will continue to consider all possible measures to enhance corporate value, taking into account future investments, stock price levels, and financial security, in order to achieve sustainable, medium- to long-term corporate value enhancement.

### (3) Corporate management with awareness of sustainability

The Group is committed to materializing to raise corporate value through its sustained and stable growth and the pursuit of social and economic values and contributing to sustainable future and affluent lifestyle by addressing issues in “sustainability” from a medium- to long-term perspective.

The ADEKA Group Fundamental Sustainability Policy “The ADEKA Group contributes to the creation of a sustainable future by meeting stakeholders’ expectations with technologies and reliability through fair and transparent corporate activities.” expresses the Group’s basic stance of contributing to a sustainable society through its core business, while fulfilling its fundamental responsibilities as a member of society, and ultimately aiming for its own sustainable growth.

In order to specifically promote corporate activities based on this policy, the Sustainability Committee (chaired by the President and Chief Executive Officer) has established Sustainability priorities in the three areas of the environment (E), society (S), and governance (G), as well as targets (KPIs for 2030) with the year 2030, the target year for achieving the SDGs, in mind, and is carrying out company-wide initiatives.

In Mid-Term Management Plan “ADX 2026,” the Group has introduced three new sustainability indicators: sales of eco-friendly products, GHG emissions, and the ratio of female managers. In terms of the environment (E), in order to “Gather ideas for achieving carbon neutrality by 2050 from all ADEKA, Achieving Carbon Neutrality in 2050,” we promoted the reduction of energy loss and the introduction of electricity derived from renewable energy in our production plants, and for the purpose of ensuring continued proper information disclosure, we also shared information with domestic and overseas group companies. In the area of society (S), as the sophistication of initiatives for human rights, the Group continued to promote human rights due diligence as it did last year. Further, we are also accelerating the promotion of women’s active participation in the workplace through the second DE&I Project Team. In the area of governance (G), the Group implemented the initiatives for strengthening corporate governance, including enhancing the group management system and improving the effectiveness of the Board of Directors.

**[Major activities in Fiscal 2025]**

|                 |   |
|-----------------|---|
| Environment (E) | <ul style="list-style-type: none"> <li>• Implemented the “Carbon Neutrality Strategy” and activities to disseminate it.</li> <li>• Introduced renewable energy-derived electricity at 14 domestic bases, mainly non-production bases, of which 11 bases achieved effectively 100% renewable energy consumption of electricity</li> <li>• Expanded sales of eco-friendly products by 2 times in FY2025 compared to FY2019</li> </ul>   |
| Society (S)     | <ul style="list-style-type: none"> <li>• As the initiatives for human rights, promoted human rights due diligence In FY2025, reassessed occupational health and safety and strengthened supply chain management in the Chemicals Business to reduce human rights risks, and conduct human rights impact assessments in the Food Products business</li> <li>• As part of the DE&amp;I promotion, various measures were promoted in the second DE&amp;I project, including the posting of DE&amp;I posters, holding exchange meetings, and lectures on psychological safety. The ratio of female managers reached 5.9% in FY2025, achieving the FY2025 target</li> <li>• Promoted initiatives to improve employee engagement based on engagement surveys</li> <li>• Certified as a “2026 Outstanding Organization of KENKO Investment for Health (Large Enterprise Category)” (March 2026). Certified as an Outstanding Organization of KENKO Investment for Health (Large Enterprise Category) for the fifth consecutive year</li> </ul> |
| Governance (G)  | <ul style="list-style-type: none"> <li>• Strived to make employees understand and familiarize with “ADEKA Group's Code of Conduct” on a global basis</li> <li>• Strengthened the normal time and emergency risk management systems for the entire Group (Strengthened operations of ERM (Enterprise Risk Management))</li> <li>• Strengthened responses to geopolitical risks (Developed the Emergency Response Guideline, etc.)</li> <li>• Strengthened information security (Strengthened information security system at domestic and overseas group companies (upgraded technical measures based on fact-finding surveys, developed and enhanced information security-related regulations), implemented cyber-attack response training and information security education)</li> <li>• Improved the effectiveness of the Board of Directors (Enhanced opportunities for discussion of management strategies, etc. at Board of Directors meetings)</li> <li>• Operated a succession plan</li> </ul>                                    |

(4) Issues to be addressed

The global economy is expected to grow gradually in the fiscal year ending March 31, 2027. However, uncertainty about the future is expected to remain high due to high uncertainty over resource price trends due to heightened tensions in the Middle East and concerns about risks such as the resurgence of inflation.

The semiconductor sector, which is a primary target of ADEKA group (the Group), is on an expansionary trend in the advanced memory and logic fields against the backdrop of increased AI and data center investments. In the automotive, food, agriculture, and other sectors, medium- to long-term growth opportunities are expected in all areas against the backdrop of global population growth, while the business environment is expected to remain highly uncertain due to factors such as geopolitical risks and fluctuations in raw material market conditions.

In this business environment, the Mid-Term Management Plan, “ADX 2026”, enters its final year. The Group will continue to steadily implement various measures to strengthen its earning power, promote sustainability initiatives, and build a resilient supply chain capable of flexibly responding to changes in the external environment, as outlined in its basic strategy, towards achieving the co-creation of social value and profits.

The table on the next page shows outlook by reportable segment.

(Impact of the current situation in the Middle East on businesses and financial position)

The Group conducts its business operations using raw materials derived from Naphtha for certain products. Although tightness in the supply of certain raw materials has arisen at present due to heightened tensions in the Middle East, the Group expects to be able to maintain its supply system for the time being. On the other hand, depending on future developments, increases in raw material and packaging material prices, disruptions in the supply chain, and other issues may arise. In such a case, while the Group will strive to minimize the impact by taking measures such as passing on costs to product prices, there is a possibility that this may have a certain impact on the Group’s businesses and financial results.

## Outlook for the fiscal year ending March 31, 2027 by reportable segment

| Business                | YoY change in net sales / operating profit | Contributing factors   |
|-------------------------|--|--|
| Chemicals Products      | Up / Up                                    |  |
| Polymer Additives       | Up / Up                                    | Sale of new clarifying agents to expand in Japan and overseas. Sales of flame retardants for home appliances, nucleating agents for automobiles, and light stabilizers to expand.  |
| Semiconductor Materials | Up / Up                                    | Sales of high-k materials and semiconductor lithography materials to expand. Research and development capabilities to be enhanced through the operation of the new research building and production facilities to be expanded. |
| Environmental Materials | Up / Up                                    | Sales for lubricant additives for automobiles to expand primarily overseas. Sales of reactive emulsifiers for architectural coatings and photo (light) curing resin for optical film to expand in Asia.                        |
| Food Products           | Up / Up                                    | Sales of high-performance products and plant-based foods to expand. Sales in the China market to recover. Sales prices to be optimized in response to increases in raw material and packaging material costs.                  |
| Life Science            | Up / Up                                    | Sales of agricultural chemicals to continue to be steady in North America and Japan. Measures to improve profitability to be promoted in Brazil and India. In Europe, market penetration to deepen.                            |

Note: The statements on forecasts contain projections based on assumptions, outlooks, and plans related to the future as of the date of this document.

Please note that actual results may differ due to risks and uncertainties associated with economic conditions surrounding the Group's business, market trends, exchange rate fluctuations, and other factors.

## 6. Trends in Assets and Income

(Millions of yen, unless otherwise specified)

| Category                                | 161st fiscal year ended March 31, 2023 | 162nd fiscal year ended March 31, 2024 | 163rd fiscal year ended March 31, 2025 | 164th fiscal year ended March 31, 2026<br>(Fiscal year under review) |
|---|--|--|--|--|
| Net sales                               | 403,343                                | 399,770                                | 407,145                                | 416,563  |
| Ordinary profit                         | 32,579                                 | 35,763                                 | 39,346                                 | 42,772   |
| Profit attributable to owners of parent | 16,778                                 | 22,977                                 | 25,019                                 | 27,866   |
| Earnings per share (Yen)                | 163.30                                 | 224.87                                 | 245.55                                 | 277.95   |
| Total assets                            | 500,068                                | 543,057                                | 543,118                                | 559,987  |
| Net assets                              | 311,709                                | 339,682                                | 351,776                                | 371,572  |

Note: 1. Earnings per share is calculated using the average number of shares outstanding during the fiscal year.

2. Starting from the 163rd fiscal year, we have introduced the "Stock Benefit Trust (J-ESOP)," and ADEKA shares held by Custody Bank of Japan, Ltd. (Trust E Account) as trust property are included in the treasury stock deducted in the calculation of the average number of shares during the period for the purpose of calculating net income per share.

## 7. Significant Subsidiaries and Associates (As of March 31, 2026)

### (1) Significant subsidiaries

| Business             | Company   | Location  | Share capital<br>(Millions of yen,<br>unless otherwise<br>specified) | Percentage of<br>voting rights<br>held (%) | Major business activities  |
|----------------------|---|-----------|--|--|--|
| Chemical<br>Products | ADEKA CHEMICAL<br>SUPPLY CORP.                    | Tokyo     | 104  | 100.00<br>(Indirect, 5.57)                 | Sale of chemical products<br>and development,<br>manufacture, and sale of<br>metal processing oils, etc. |
|                      | ADEKA CLEAN AID<br>CORP.                          | Tokyo     | 140  | 100.00                                     | Development and sale of<br>commercial kitchen<br>detergents and industrial<br>detergents, etc.           |
|                      | AMFINE CHEMICAL<br>CORP.                          | U.S.      | 16.0 million USD   | 60.00                                      | Manufacture and sale of<br>polymer additives, etc.   |
|                      | OXIRANE<br>CHEMICAL CORP.                         | Tokyo     | 600  | 51.00                                      | Manufacture and sale of<br>epoxy plasticizers, etc.  |
|                      | CHANG CHIANG<br>CHEMICAL CO.,<br>LTD.             | Taiwan    | 30.0 million TWD   | 50.50                                      | Sale of polymer additives,<br>etc.   |
|                      | ADEKA KOREA<br>CORP.<br>ADEKA KOREA<br>CORP.      | Korea     | 15.0 billion KRW   | 100.00                                     | Manufacture and sale of<br>chemical products   |
|                      | ADEKA(ASIA)PTE.L<br>TD.                           | Singapore | 800,000 USD  | 100.00                                     | Sale of chemical products  |
|                      | ADEKA EUROPE<br>GMBH                              | Germany   | 500,000 EUR  | 100.00                                     | Sale of chemical products  |
|                      | ADEKA FINE<br>CHEMICAL TAIWAN<br>CORP.            | Taiwan    | 200 million TWD  | 100.00                                     | Manufacture and sale of<br>semiconductor materials   |
|                      | ADEKA POLYMER<br>ADDITIVES EUROPE<br>SAS          | France    | 3.0 million EUR  | 100.00<br>(Indirect,<br>100.00)            | Manufacture and sale of<br>polymer additives   |
|                      | ADEKA (CHINA)<br>CO., LTD.                        | China     | 31.0 million USD   | 100.00                                     | Sale of chemical products<br>and raw materials   |
|                      | ADEKA FINE<br>CHEMICAL<br>(CHANGSHU) CO.,<br>LTD. | China     | 21.54 million USD  | 50.00                                      | Manufacture and sale of<br>polymer additives   |
|                      | ADEKA FINE<br>CHEMICAL<br>(THAILAND)CO.,LT<br>D.  | Thailand  | 658 million THB  | 81.00                                      | Manufacture, sale, and<br>import and sale of polymer<br>additives  |
|                      | AM STABILIZERS<br>CORP.                           | U.S.      | 8.5 million USD  | 100.00<br>(Indirect,<br>100.00)            | Manufacture and sale of<br>polymer additives   |
|                      | ADEKA USA CORP.                                   | U.S.      | 1.0 million USD  | 100.00                                     | Sale of chemical products  |
|                      | ADEKA FINE<br>CHEMICAL<br>(ZHEJIANG) CO.,<br>LTD. | China     | 30.0 million USD   | 100.00<br>(Indirect,<br>100.00)            | Manufacture and sale of<br>polymer additives and<br>chemical products                                    |
|                      | ADEKA AL OTAIBA<br>MIDDLE EAST LLC                | UAE       | 45.46 million AED  | 75.00                                      | Manufacture and sale of<br>polymer additives, sale of<br>chemical products and food<br>products          |

Note: Effective on May 12, 2025, the Company acquired additional shares of ADEKA AL OTAIBA MIDDLE EAST LLC, a consolidated subsidiary of the Company, increasing its ownership of voting rights from 49% to 75%.

| Business         | Company                                | Location         | Share capital<br>(Millions of yen,<br>unless otherwise<br>specified) | Percentage of<br>voting rights<br>held (%) | Major business activities   |
|------------------|--|------------------|--|--|---|
| Food<br>Products | ADEKA FINE FOODS<br>CORP.              | Tottori<br>Pref. | 50   | 100.00                                     | Manufacture and sale of<br>mayonnaise products,<br>processed oil and fat food<br>products, and processed<br>products with seafood |
|                  | ADEKA<br>(SINGAPORE) PTE.<br>LTD.      | Singapore        | 8.0 million SGD  | 100.00                                     | Manufacture and sale of<br>edible processed oils and<br>fats, frozen pie crusts, and<br>related food products                     |
|                  | ADEKA FOODS<br>SALES CORP.             | Tokyo            | 42   | 100.00                                     | Sale of edible oils and fats<br>for confections and bread<br>products, and other food<br>product ingredients, etc.                |
|                  | ADEKA FOODS<br>(CHANGSHU) CO.,<br>LTD. | China            | 23.0 million USD   | 70.00                                      | Manufacture and sale of<br>edible oils and fats and<br>processed oil and fat food<br>products                                     |
|                  | ADEKA FOODS<br>(ASIA) SDN.BHD.         | Malaysia         | 90.0 million MYR   | 60.00                                      | Manufacture and sale of<br>edible processed oils and<br>fats, margarine, shortening,<br>and fat spreads                           |

Note: Effective on April 1, 2025, the Company transferred all shares of its consolidated subsidiary, UEHARA FOODS INDUSTRY CO., LTD., to Kobe Bussan Co., Ltd.

| Business                                | Company                                 | Location         | Share capital<br>(Millions of yen,<br>unless otherwise<br>specified) | Percentage of<br>voting rights<br>held (%)  | Major business activities   |
|---|---|------------------|--|---|---|
| Life<br>Science                         | NIHON NOHYAKU<br>CO., LTD.              | Tokyo            | 14,939   | 51.00   | Manufacture and sale of<br>agrochemicals, and<br>pharmaceutical products,<br>etc.   |
|   | Nichino Ryokka Co.,<br>Ltd.             | Tokyo            | 160  | 100.00<br>(Indirect,<br>100.00)   | Construction, design,<br>contracting, and<br>supervision of<br>greenification gardens, etc.,<br>and sales of<br>chemicals/pesticides for<br>gardens and greenification,<br>etc. |
|   | Nichino Service Co.,<br>Ltd.            | Fukushi<br>ma    | 3,400  | 100.00<br>(Indirect,<br>100.00)   | Production, order receipt,<br>storage, and transport of<br>agrochemicals, real estate<br>leasing and management,<br>and warehousing, etc.                                       |
|   | Nichino America, Inc.                   | U.S.             | 700,000 USD  | 100.00<br>(Indirect,<br>100.00)   | Production, development,<br>and sales of agrochemicals<br>in the United States, etc.  |
|   | Nihon Ecotech Co.,<br>Ltd.              | Tokyo            | 20   | 100.00<br>(Indirect,<br>100.00)   | Analysis of agrochemical<br>residue, safety testing of<br>chemical substances,<br>consulting regarding<br>environmental safety, etc.  |
|   | Taiwan Nihon Nohyaku<br>Co., Ltd.       | Taiwan           | 40 million TWD   | 57.00<br>(Indirect,<br>57.00)   | Production, promotion, and<br>sale, etc. of agrochemicals<br>in Taiwan  |
|   | AgriMart Corp.                          | Tokyo            | 50   | 100.00<br>(Indirect,<br>100.00)   | Sale, etc. of termite control<br>materials and insecticides<br>for infectious disease<br>control  |
|   | Nichino India Pvt. Ltd.                 | India            | 4.36 million INR   | 100.00<br>(Indirect,<br>100.00)   | Production, development,<br>and sale, etc. of<br>agrochemicals in India   |
|   | Sipcam Nichino Brasil<br>S.A.           | Brazil           | 223.89 million<br>BRL  | 50.00<br>(Indirect,<br>50.00)   | Production, promotion, and<br>sale, etc. of agrochemicals<br>in Brazil  |
|   | Nichino Europe Co.,<br>Ltd.             | U.K.             | 30,000 GBP   | 100.00<br>(Indirect,<br>100.00)   | Production, development,<br>and sale, etc. of<br>agrochemicals in Europe  |
|   | Nichino Vietnam Co.,<br>Ltd.            | Vietnam          | 22.6 billion VND   | 100.00<br>(Indirect,<br>100.00)   | Production, development,<br>and sale, etc. of<br>agrochemicals in Southeast<br>Asia   |
|   | Interagro (UK) Ltd.                     | U.K.             | 33,073 GBP   | 100.00<br>(Indirect,<br>100.00)   | Production and sales of<br>adjuvants and biostimulants<br>in the U.K.   |
|   | Nichino Netherlands<br>B.V.             | Nether-<br>lands | 1 EUR  | 100.00<br>(Indirect,<br>100.00)   | Production and sales of<br>adjuvants and<br>biostimulants in Europe   |
|   | Nichino South Africa<br>(Pty) Ltd       | South<br>Africa  | 0  | 100.00<br>(Indirect,<br>100.00)   | Development of adjuvant<br>and biostimulant business  |
|   | Nichino do Brasil<br>Agroquímicos Ltda. | Brazil           | 64.00 million<br>BRL   | 100.00<br>(Indirect,<br>100.00)   | Development and<br>registration of<br>agrochemicals in Brazil   |
| Nichino Mexico de S.<br>de R.L. de C.V. | Mexico                                  | 40 million MXN   | 100.00<br>(Indirect,<br>100.00)                                      | Sale, promotion,<br>development and<br>registration of<br>agrochemicals in Mexico |   |

| Business | Company   | Location | Share capital<br>(Millions of yen,<br>unless otherwise<br>specified) | Percentage of<br>voting rights<br>held (%) | Major business activities  |
|----------|---|----------|--|--|--|
| Other    | ADEKA<br>ENGINEERING &<br>CONSTRUCTION<br>CORP. | Tokyo    | 130  | 100.00                                     | Plant engineering,<br>construction, and<br>construction management,<br>and plant maintenance   |
|          | ADEKA LOGISTICS<br>CORP.                        | Tokyo    | 50   | 100.00                                     | Freight forwarding,<br>industrial waste disposal<br>brokerage, and logistics<br>materials sales  |
|          | ADEKA LIFE-<br>CREATE CORP.                     | Tokyo    | 65   | 100.00<br>(Indirect,<br>20.00)             | Trading, brokerage, and<br>management of real estate,<br>non-life and life insurance<br>agency services, OA<br>equipment office sales, and<br>management of buildings<br>and company-owned<br>apartments, etc. |

## (2) Significant associates

| Business             | Company  | Location | Share capital<br>(Millions of yen,<br>unless otherwise<br>specified) | Percentage of<br>voting rights held<br>(%) | Major business activities   |
|----------------------|--|----------|--|--|---|
| Chemical<br>Products | CO-OP CLEAN CO.,<br>LTD.                       | Saitama  | 80   | 46.88                                      | Development and sale of<br>soaps and detergents, etc.   |
|                      | SHOWA KOSAN CO.,<br>LTD.                       | Tokyo    | 550  | 21.38                                      | Sale of synthetic resins,<br>chemicals, civil<br>engineering &<br>construction materials,<br>information electronic<br>materials, and<br>environment-related<br>materials, etc. |
| Life<br>Science      | Agricultural Chemicals<br>(Malaysia) Sdn. Bhd. | Malaysia | 2.05 million<br>MYR  | 24.18<br>(Indirect, 24.18)                 | Production and sales of<br>agrochemicals in<br>Malaysia   |
|                      | Sipcam Europe S.P.A.                           | Italy    | 36.94 million<br>EUR   | 20.00<br>(Indirect, 20.00)                 | Production and sales of<br>agrochemicals in Europe  |
|                      | TAMA KAGAKU<br>KOGYO CO., LTD.                 | Saitama  | 126  | 33.59<br>(Indirect, 33.59)                 | Manufacture and sale of<br>pharmaceutical and<br>agrochemical<br>intermediates and other<br>chemical products   |

## 8. Details of the Principal Business (As of March 31, 2026)

|                    |                         |   |
|--------------------|-------------------------|---|
| Chemicals Products | Polymer Additives       | Additives for polyolefins, PVC plasticizers/stabilizers, Flame retardants, etc.   |
|                    | Semiconductor Materials | High-purity semiconductor materials, Semiconductor lithography materials, Electronic circuit board etching device and chemicals, etc.   |
|                    | Environmental Materials | Epoxy resins, Polyurethane raw materials, Water borne resins, Surfactants, Lubricant additives, Kitchen detergents, Cosmetic ingredients, Propylene glycol, Hydrogen peroxide and derivatives, Water-swelling seal materials, Battery materials, Photo (light) curing resins, Photo initiators, Imaging materials, etc. |
| Food Products      |                         | Margarines, Shortenings, Fats and oils for chocolate, Frying and cooking fats and oils, Plant-based foods, Whipping cream, Kneading cream, Fillings, Mayonnaise and dressing, Functional food ingredients, etc.   |
| Life Science       |                         | Agrochemicals, Pharmaceuticals, Quasi-drugs, Veterinary drugs, Chemicals for wood, Medical materials, etc.  |
| Others             |                         | Plant engineering, construction, and construction management, and plant maintenance, Logistic services, Warehousing, Leasing of vehicles, Real estate and insurance business, etc.  |

## 9. Principal Sales Offices and Plants, etc. (As of March 31, 2026)

### (1) ADEKA Corporation

|               |                         |            |                        |             |
|---------------|-------------------------|------------|------------------------|-------------|
| Sales offices | Head Office             | (Tokyo)    |                        |             |
|               | Osaka Main Branch       | (Osaka)    |                        |             |
|               | Nagoya Branch           | (Aichi)    | Fukuoka Branch         | (Fukuoka)   |
|               | Sapporo Regional Office | (Hokkaido) | Sendai Regional Office | (Miyagi)    |
| Plants        | Kashima Chemicals Plant | (Ibaraki)  | Fuji                   | (Shizuoka)  |
|               | Kashima Foods Plant     | (Ibaraki)  | Akashi                 | (Hyogo)     |
|               | Chiba                   | (Chiba)    | Soma                   | (Fukushima) |
|               | Mie                     | (Mie)      |                        |             |
| Laboratories  | Tokyo                   |            | Saitama Pref.          |             |
|               | Osaka                   |            |                        |             |

### (2) Subsidiaries

For information on the Company's major subsidiaries and their locations, please refer to "7. Significant Subsidiaries and Associates (1) Significant subsidiaries."

## 10. Status of Employees (As of March 31, 2026)

### (1) Status of employees of the Group

| Business department     | Number of employees | Year-on-year change |
|-------------------------|---------------------|---------------------|
| Chemicals Products      | 2,565               | 12                  |
| Food Product            | 912                 | (52)                |
| Life Science            | 1,528               | 6                   |
| Others                  | 251                 | 11                  |
| Company-wide Businesses | 178                 | 4                   |
| Total                   | 5,434               | (19)                |

Note: The number of employees refers to the number of persons employed (including those seconded from outside to the Group) but excludes those seconded from the Group to outside, temporary employees, etc.

### (2) Status of employees of the Company

| Category         | Number of employees | Year-on-year change | Average age (years) | Average length of service (years) |
|------------------|---------------------|---------------------|---------------------|-----------------------------------|
| Male             | 1,515               | 8                   | 40.7                | 17.7                              |
| Female employees | 312                 | 9                   | 37.9                | 14.3                              |
| Total            | 1,827               | 17                  | 40.2                | 17.1                              |

Note: The number of employees refers to the number of persons employed excluding 130 seconded employees, one accepted seconded employee, temporary employees, etc.

## 11. Status of Major Lenders (As of March 31, 2026)

### (1) Status of lenders of the Group

| Lender                                   | Amount borrowed (millions of yen) |
|--|-----------------------------------|
| Mizuho Bank, Ltd.                        | 20,757                            |
| The Norinchukin Bank                     | 4,463                             |
| MUFG Bank, Ltd.                          | 4,368                             |
| Sumitomo Mitsui Trust Bank, Limited      | 3,207                             |
| Asahi Mutual Life Insurance Company      | 2,450                             |
| Japan Bank for International Cooperation | 2,420                             |

### (2) Status of lenders of the Company

| Lender                              | Amount borrowed (millions of yen) |
|-------------------------------------|-----------------------------------|
| Mizuho Bank, Ltd.                   | 3,000                             |
| The Norinchukin Bank                | 2,450                             |
| Asahi Mutual Life Insurance Company | 2,000                             |
| Sumitomo Mitsui Trust Bank, Limited | 1,150                             |
| Chugoku Bank LTD.                   | 550                               |
| Sumitomo Mitsui Banking Corporation | 500                               |

## II. Current Status of the Company

### 1. Status of Shares (As of March 31, 2026)

- (1) Total number of shares outstanding: 103,768,142
- (2) Number of shareholders: 18,789  
(Increased by 5,510 compared to the end of the previous fiscal year)
- (3) Major shareholders (top ten)

| Shareholder   | Number of shares held<br>(Thousands of shares) | Shareholding ratio<br>(%) |
|---|--|---------------------------|
| * The Master Trust Bank of Japan, Ltd. (Trust Account)  | 11,224   | 11.41                     |
| * Custody Bank of Japan, Ltd. (Trust Account)   | 6,958  | 7.07                      |
| Asahi Mutual Life Insurance Company   | 4,053  | 4.12                      |
| * 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  | 3.83                      |
| ADEKA Business Partners Shareholding Association  | 3,136  | 3.19                      |
| National Federation of Agricultural Cooperative Associations  | 2,334  | 2.37                      |
| STATE STREET BANK AND TRUST COMPANY 505001  | 2,296  | 2.33                      |
| ZEON CORPORATION  | 2,188  | 2.22                      |
| THE BANK OF NEW YORK MELLON 140042  | 1,888  | 1.92                      |
| SHOWA KOSAN CO., LTD.   | 1,870  | 1.90                      |

- Notes: 1. The Company holds 5,383,763 shares of treasury shares, but is excluded from the list of major shareholders above. Shareholding ratios are calculated after deducting treasury shares.  
5,383,763 shares of treasury shares do not include 97,200 shares of ADEKA's stock held by Custody Bank of Japan, Ltd. (Trust E Account) as trust assets of the "Stock Benefit Trust (J-ESOP)".
2. The number of shares held by trust banks with an asterisk (\*) 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 20, 2025, the Company resolved to dispose of treasury shares and disposed of 22,800 shares of common stock on July 17, 2025. 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 |
|---|----------------------|---------------------------|
| Director (excluding Director and External Director who are an Audit and Supervisory Committee Member) | 4                    | 22,800                    |

## 2. Company Officers (As of March 31, 2026)

### (1) Directors

| Position   | Name               | Responsibilities and Significant Concurrent Positions  |
|--|--------------------|--|
| President and Chief Executive Officer                            | Hidetaka Shirozume | President and Chief Executive Officer,<br>Representative Director  |
| Representative Director  | Haruhiko Tomiyasu  | Senior Managing Executive Officer<br>Assistant to the President, Secretarial Department, Human Resources Department, Purchasing & Distribution Department,<br>Chair of Internal Control Promotion Committee, Chair of Risk Management Committee<br>Director, NIHON NOHYAKU CO., LTD.                   |
| Director   | Youji Shiga        | Managing Operating Officer<br>Finance & Accounting Department, Information System Department   |
| Director   | Kiyoshi Masamune   | Operating Officer<br>Legal Affairs & Publicity Department, Corporate Planning & Strategy Division, Chair of Compliance Promotion Committee, and Chair of Capital Investment Committee  |
| Director (External)  | Shigeru Endo       |  |
| Director (External)  | Makoto Horiguchi   | Senior Associate Director, Iwatani Corporation<br>President, Kashima L.P.G. Joint Stockpiling Co., Ltd.  |
| Director (External)  | Naoya Takahashi    | Executive Advisor of Hitachi Vantara, Ltd.   |
| Director<br>Full-Time Audit and Supervisory Committee Member     | Koichi Taya        |  |
| Director<br>Audit and Supervisory Committee Member<br>(External) | Ikuko Hirasawa     | Lawyer<br>Partner of Oozora Law Office<br>Chairperson of Board of Trustees, Nihon University<br>Vice Chair, The Japan Council for Quality Health Care<br>Member of the Certification Committee on Compensation for the former Eugenic Protection Act, Children and Families Agency                     |
| Director<br>Audit and Supervisory Committee Member<br>(External) | Yukiko Fujikawa    | Chief, Yukiko Fujikawa CPA Office<br>Representative Member, Kaikei Jissen Kenkyujyo (Tax Accountancy Corporation)<br>Supervisory Director, Hoshino Resorts REIT, Inc.<br>Outside Director, Sotetsu Holdings Inc.<br>Outside Director and Audit and Supervisory Committee Member, Lacto Japan Co., Ltd. |

Note: 1. Directors Shigeru Endo, Makoto Horiguchi, Naoya Takahashi, Ikuko Hirasawa, and Yukiko Fujikawa are External Directors.

2. Strengthening functions of audit and supervision and efficient operation of the Audit and Supervisory Committee, a full-time Audit and Supervisory Committee Member is selected.

3. Audit and Supervisory Committee Member Koichi Taya is familiar with the Company's business operations, with his practical experience in business execution mainly in the sales and purchasing departments. He also possesses significant knowledge of corporate management in general as he has been involved in the Company's management as an Executive Officer since June 2018, and serves as the General Manager of the Osaka Main Branch.

Audit and Supervisory Committee Member Ikuko Hirasawa is well versed in all aspects of corporate legal affairs including labor laws though services as an attorney for years.

Audit and Supervisory Committee Member Yukiko Fujikawa is well versed in corporate accounting and finance though services as a certified public accountant and tax accountant for years and possesses a significant level of knowledge of finance and accounting.

4. Changes in Directors and Audit and Supervisory Committee Members during the fiscal year under review
  - (1) At the 163rd Ordinary General Meeting of Shareholders held on June 20, 2025, Yukiko Fujikawa was newly appointed as a Director and Audit and Supervisory Committee Member and took office on the same day.
  - (2) Akio Okuyama, Director and Audit and Supervisory Committee Member, retired due to expiration of his term of office at the conclusion of the 163rd Ordinary General Meeting of Shareholders held on June 20, 2025.
5. Haruhiko Tomiyasu, Representative Director (Senior Managing Executive Officer), will retire from his position at the conclusion of this General Meeting of Shareholders due to the expiration of his term of office.
6. 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 non-executive 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 non-executive 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, and retired officers of the Company and its certain subsidiaries, and officers of its certain subsidiaries who are seconded from or concurrently serve at the Company or certain subsidiaries. The Company or the subsidiaries that have such insurance 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 June 21, 2024.

#### 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 (monetary 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 financial performance (consolidated net sales, consolidated operating profit, and consolidated profit) for each fiscal year, the sustainability indicators defined in Mid-Term Management Plan (sales of eco-friendly products and GHG emissions) as subjects of evaluation, and other various circumstances.  
The results related to these financial performance indicators are as described in "1. Business Progress and Results" and "6. Trends in Assets and Income" under "I. Overview of the Group."  
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 President and Chief Executive Officer | 51%                | 19%                                     | 30%  |
| Director & Senior Managing Executive Officer                            | 54%                | 18%                                     | 28%  |
| Director and Managing Operating Officer                                 | 56%                | 15%                                     | 29%  |
| Director and Operating Officer  | 56%                | 13%                                     | 31%  |

(Note: Performance-linked compensation is bonuses and non-monetary compensation is restricted stocks.)

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 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 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, the President and Representative Director shall be given delegation to determine the specific details by the Board of Directors within the maximum amount resolved at the 159th Ordinary General Meeting of Shareholders. The President and Representative Director shall draft a remuneration plan by comprehensively considering financial performance (consolidated sales, consolidated operating profit, consolidated net profit) of each fiscal year and the performance of each fiscal year against the sustainability indicators (sales of eco-friendly products, GHG emissions) set out in Mid-Term Management Plan, and all other circumstances. The President and Representative Director shall then 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 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. With respect to any compensation, he 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

| Officer category   | Total remuneration, etc. (millions of yen) | Total remuneration, etc. by type (millions of yen) |         |                    | Number of recipients (名) |
|--|--|--|---------|--------------------|--------------------------|
|  |  | Basic compensation                                 | Bonuses | Stock remuneration |                          |
| Directors (excluding Audit and Supervisory Committee Members) (of which, External Directors) | 308<br>(35)                                | 174<br>(35)  | 70      | 63                 | 7<br>(3)                 |
| Directors (Audit and Supervisory Committee Members) (of which, External Directors)           | 48<br>(23)                                 | 48<br>(23)   | –       | –                  | 4<br>(3)                 |

Notes: 1. None of the Directors above are employees concurrently serving as directors. Accordingly, the amount of remuneration, etc. for Directors does not include their salaries as employees.

2. Remuneration amount 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 Directors) and five (5) Directors (Audit and Supervisory Committee Members) (including three (3) External Directors).

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 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 Horiguchi: Senior Associate Director, Iwatani Corporation

President, Kashima L.P.G. Joint Stockpiling Co., Ltd.

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

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

Director Takahashi: Executive Advisor of Hitachi Vantara, Ltd.

Director Hirasawa (Audit and Supervisory Committee Member):

Partner of Oozora Law Office

Chairperson of Board of Trustees, Nihon University

Vice Chair, The Japan Council for Quality Health Care

Member of the Certification Committee on Compensation for the former Eugenic Protection Act, Children and Families Agency

Director Fujikawa (Audit and Supervisory Committee Member):

Chief, Yukiko Fujikawa CPA Office

Representative Member, Kaikei Jissen Kenkyujyo (Tax Accountancy Corporation)

Supervisory Director, Hoshino Resorts REIT, Inc.

Outside Director, Sotetsu Holdings Inc.

Outside Director and Audit and Supervisory Committee Member, Lacto Japan Co., Ltd.

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

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

| Category                              | Number of Meetings per Year | Average Attendance Rate   | Main Topics   |
|---------------------------------------|-----------------------------|---|---|
| Board of Directors                    | 17                          | 100%<br>(Directors and Audit and Supervisory Committee Members) | <ul style="list-style-type: none"> <li>• Annual reporting on the activities of the Risk Management Committee (report on the preparation of the Emergency Response Guideline)</li> <li>• Reporting on the internal audit plan (reporting started by the Internal Auditing Department)</li> <li>• Progress report on Mid-Term Management Plan “ADX 2026” (Started discussions on business portfolio management and ROIC management system)</li> <li>• Acquisition and cancellation of treasury shares (the Company’s first treasury share acquisition through market transactions; prior explanatory briefing for External Directors also held)</li> </ul>  |
| Audit and Supervisory Committee       | 6                           | 100%<br>(Audit and Supervisory Committee Members)               | <ul style="list-style-type: none"> <li>• Policy for audits by the Audit and Supervisory Committee, and audit and other plans and assignment of duties</li> <li>• Selection of the Chairperson, etc. of the Audit and Supervisory Committee</li> <li>• Consent of the appointment and compensation of the Accounting Auditor</li> <li>• Judgment and verification of the appropriateness of the audit and review by the Accounting Auditor, including the audit plans and audit results</li> <li>• Judgment and verification of the appropriateness of the report on results of non-assurance services provided by the Accounting Auditor</li> <li>• Audit results &amp; Audit and Supervisory Committee’s Audit Report</li> </ul> |
| Nomination and Remuneration Committee | 4                           | 100%<br>(All committee members)                                 | <ul style="list-style-type: none"> <li>• Approval of proposed nomination of candidates for officers for the next fiscal year</li> <li>• Approval of proposed payment of bonus for the Directors</li> </ul>  |

#### 4) Main activities of External Directors

| Category  | Name             | Attendance at the Board of Directors meetings (Attendance rate) | Attendance at the Audit and Supervisory Committee meetings (Attendance rate) | Attendance at the Nomination and Remuneration Committee meetings (Attendance rate) | Major statements made and summary of duties performed with respect to the role expected of an External Director   |
|---|------------------|---|--|--|---|
| Director  | Shigeru Endo     | 17/17 (100%)  | –  | 4/4 (100%)   | 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 | 17/17 (100%)  | –  | 4/4 (100%)   | 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.                    |
|   | Naoya Takahashi  | 17/17 (100%)  | –  | –  | Based on his ample experiences, a wide range of insight and global knowledge on management and the use of digital technologies (IT/DX), 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) | Ikuko Hirasawa   | 17/17 (100%)  | 6/6 (100%)   | –  | 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.  |
|   | Yukiko Fujikawa  | 13/13 (100%)  | 4/4 (100%)   | –  | As needed, she asked questions when appropriate and expressed his opinions from professional standpoints as a certified public accountant and tax accountant. In doing so, she played sufficient roles as external personnel with fair and objective perspectives that the Company expected.  |

Note: At the 163rd Ordinary General Meeting of Shareholders held on June 20, 2025, Yukiko Fujikawa was newly appointed as Director (Audit and Supervisory Committee Member) and took office on the same day.

#### 5) Total remuneration for External Officers

External Officers 58 million yen for 6 External Officers

### 3. Status of Accounting Auditor

(1) **Name of Accounting Auditor** Ernst & Young ShinNihon LLC

(2) **Amount of remuneration, etc. for Accounting Auditor concerning the fiscal year under review**

- a. Total amount of money and other economic benefit to be paid to auditing certified public accountants, etc. by the Company and its subsidiaries

(millions of yen)

| Category  | Remuneration for audit attestation services | Remuneration for non-audit services |
|---|---|-------------------------------------|
| ADEKA Corporation   | 80  | --                                  |
| Subsidiaries  | --  | --                                  |
| Total amount of money and other economic benefit to be paid by the Company and its subsidiaries | 80  | --                                  |

- b. Remuneration for organizations that belong to the same network as auditing certified public accountants, etc. (Ernst & Young) (excluding a.)

(millions of yen)

| Category  | Remuneration for audit attestation services | Remuneration for non-audit services |
|---|---|-------------------------------------|
| ADEKA Corporation   | --  | 16                                  |
| Subsidiaries  | 68  | 30                                  |
| Total amount of money and other economic benefit to be paid by the Company and its subsidiaries | 68  | 46                                  |

- Note:
1. Since the audit contract between the Company and the Accounting Auditor does not distinguish between the amount of audit remuneration, etc. for audits based on the Companies Act and for audits based on the Financial Instruments and Exchange Act, and the two cannot be effectively distinguished, the total of these remuneration figures are stated in the above amount.
  2. NIHON NOHYAKU CO., LTD., the Company's consolidated subsidiary, and its subsidiaries have been audited by Kyowa Audit Corporation, and the amount of remuneration paid to Kyowa for the audit certification work is 47 million yen.
  3. Non-audit services the Company and its subsidiaries commissioned to an organization that belongs to the same network (Ernst & Young) as the Company's Accounting Auditor are mainly tax-related advisory services.

(3) **Reasons for the Audit and Supervisory Committee's consent on the amount of remuneration, etc. for the Accounting Auditor**

Based on the "Practical Guidelines on Cooperation with Accounting Auditors" published by the Japan Audit & Supervisory Board Members Association, the Audit and Supervisory Committee has consented to the remuneration of the Accounting Auditor under Article 399, Paragraphs 1 and 3 of the Companies Act. The Committee gave its consent after reviewing the comparison of the audit plan and audit results of the previous fiscal year, confirming the trends of audit hours and remuneration amounts, and examining the appropriateness of the estimated audit hours and remuneration amount for the fiscal year under review.

(4) **Policy for determining dismissal or refusal of reelection of accounting auditor**

The Audit and Supervisory Committee shall determine the content of a proposal to the General Meeting of Shareholders for the dismissal or non-reappointment of the Accounting Auditor, if it is deemed necessary for the reasons among others that the accounting auditor is unable to carry out its duties duly. In addition, if the Audit and Supervisory Committee determines that the Accounting Auditor falls under any of the items stipulated in Article 340, Paragraph 1 of the Companies Act, the Audit and Supervisory Committee shall dismiss the Accounting Auditor based on the consent of all the Audit and Supervisory Committee Members. In this case, the Audit and Supervisory Committee Members selected by the Audit and Supervisory Committee will report the fact that the Accounting Auditor has been dismissed and the reason for the dismissal at the first General Meeting of Shareholders convened after the dismissal.

#### **4. 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**

The outline of the Basic Policy for the Systems to Secure Appropriateness of Operations (Internal Control System) resolved by the Board of Directors of the Company is as follows.

##### **(1) Basic policy for business operations**

###### **1) ADEKA Group Management Policy**

“To be a company that is progressive and dynamic with a keen attitude towards the new changing tide”

“Creating a better future for the people of the world”

###### **2) ADEKA Group Code of Conduct**

- (i) Contribute to the creation of a sustainable and prosperous society through our core business
- (ii) Abide by laws and regulations in all corporate activities and conduct fair business in an ethical manner
- (iii) Foster corporate transparency by truthfully and accurately disclosing information regarding our business activities
- (iv) Be serious about preserving the environment
- (v) Provide safe and high quality products and services
- (vi) Maintain a safe and healthy working environment for our employees
- (vii) Open and friendly communication and activities, to serve the interest of society and shareholder and to maintain their trust
- (viii) Strive to achieve sustainable growth and success for the benefit of our employees, shareholders and society
- (ix) Not tolerate anti-social forces or behavior
- (x) Thorough risk management
- (xi) For the betterment of society

##### **(2) System to ensure that performance of duties by Directors or employees conforms to the provisions of applicable laws and the Articles of Incorporation (Compliance)**

###### **1) Compliance promotion organization**

The Company shall establish the Compliance Promotion Committee (headquarters level) and strive to put in place a compliance system. Each department shall have a Compliance Promotion Responsible Manager and a Compliance Promotion Manager.

###### **2) ADEKA Group Compliance Regulations**

In accordance with the ADEKA Group Compliance Regulations, the Company shall put in place an organizational system for promoting compliance, and promote education and awareness-raising activities, as well as operations of the whistle-blowing system, etc.

###### **3) Codes of ethics/manuals**

The Company shall thoroughly comply with laws and regulations by utilizing codes and manuals such as the ADEKA Group Code of Conduct, the Compliance Action Guidelines, and the Compliance Casebook.

###### **4) Compliance education/training**

By utilizing the education and training system that combines stratified training with training based on a specific theme, laws or regulations, as well as in-house media such as company newsletters and e-mail magazines, the Company shall ensure that compliance awareness is widely and thoroughly raised across the Company.

###### **5) Monitoring and business audit**

- (i) Periodic monitoring and investigation of the status of compliance with laws and regulations and the level of compliance awareness across the Company

- (ii) Cooperation between the Compliance Promotion Committee and the Internal Auditing Department, such as the Internal Auditing Department reporting the results of internal audits regarding compliance to the Compliance Promotion Committee
  - (iii) Reporting to the Board of Directors and Audit and Supervisory Committee on the status of the Committee's activities and compliance issues
- 6) Whistle-blowing system
- In accordance with the Compliance Whistle-blowing Regulations, the Company shall strive to detect compliance violations at an early stage and secure information about violations through the appropriate operation of the Whistle-blowing Hot-line.
- 7) Internal control system promotion organization
- The Company shall establish the Internal Control Promotion Committee (headquarters level) to build and put in place an internal control system.
- 8) Prevention of damage caused by, and ban on relations with, anti-social forces
- In order to prevent damage from and exclude any relations with antisocial forces, the Company shall designate the Legal Affairs & Publicity Department as the department in charge of responses to the anti-social forces. The Company shall formulate manuals, etc. on reports and responses to be made in the event of a possible case, and take a firm stand against antisocial forces, cooperating with the police and other agencies.
- (3) System concerning storage and control of information pertaining to exercise by Directors of their duties**
- Important matters in management shall be determined at Board of Directors' meetings and Management Committee meetings, and the minutes of the meetings shall be preserved together with related materials. Regarding operations for which authority is delegated to the executive line members, procedures for approval and authorization shall be conducted, and the approval and authorization documents shall be preserved together with related materials. The storage and control of the above shall be conducted as follows.
- 1) Preserve documents in accordance with the document management regulations and the standards for storage and disposal of documents
  - 2) Preserve documents in a highly searchable manner via indexing and utilization of electronic files
- (4) Rules and other systems for management of risk of loss (Risk management system)**
- 1) Establishment of the Risk Management Committee and development of a system based on the ADEKA Group Risk Management Regulations and Manual
- The Risk Management Committee identifies and evaluates risks across the entire Company, drafts the Risk Management Regulations and Manual, and checks the risk management system. Based on the Risk Management Manual, the Company shall designate responsible departments for each risk category, and formulate a system to keep damages to a minimum in the event of an emergency.
- 2) Establishment of the Emergency Headquarters
- In the event of an incident of high degree of urgency/importance, the Company shall establish the Emergency Headquarters (with the officer of the department in charge of the said incident appointed as chief of headquarters), and address the said incident in an organized manner in accordance with the Risk Management Manual.
- 3) Audit on risk management
- The Internal Auditing Department shall conduct, and regularly report to the Representative Directors and Audit and Supervisory Committee the result of, an audit on the status of the risk management made by each department.

**(5) System to secure efficient performance by Directors of their duties**

**1) Operating Officer System**

The Company shall strive to speed up decision-making procedures and to clarify the responsibility for business execution by separating decision-making from business execution, based on the Operating Officers System.

**2) Management Committee**

The Company shall establish the Management Committee to deliberate on matters to be resolved by the Board of Directors in advance, for the purpose of expediting deliberations and sharing information on important matters in management execution. The Management Committee shall deliberate and make decisions on the agenda items stipulated in the Management Committee Regulations.

**3) Term of office of Officers**

With the aims of defining the management responsibilities of Directors (excluding Audit and Supervisory Committee Members) and Operating Officers and promoting efficiency, the term of office of Officers shall be one (1) year (the term of office for Directors who serve as Audit and Supervisory Committee Members is two (2) years.)

**4) Clarifying of rules on authorities, decision-making and business execution**

The Company shall create a system capable of securing appropriate and efficient execution by officers of their duties by clarifying rules on authorities, decision-making and business execution based on the internal regulations.

**5) Budgetary management system**

The Company shall secure efficiency of business operation by setting numerical targets for each department at the beginning of a term, reviewing progress and status of the achievement using the managerial accounting method, and providing feedback on the results.

**(6) System to secure proper operations in business group**

**1) Framework for reporting to the Company by subsidiaries of their business executions**

The Representative Director of the Company requests for reports on the status of business execution at each subsidiary and strives to gather relevant information through the weekly reports and monthly reports system, participating in meetings of the ADEKA Group President Meeting, Global Strategy Meeting, and the general shareholders' meeting of each subsidiary, and through the Directors or the Audit and Supervisory Committee Members who are dispatched to subsidiaries ("Dispatched Officers.")

**2) System for the risk management of subsidiaries**

Each subsidiary shall be asked to construct and establish a risk management system according to their business type and scale, and to report on the operational status of the system. In addition, in the event of an emergency at a subsidiary where there is a concern of a significant impact on the Company or other subsidiaries, a Joint Emergency Team will be formed by the Company and said subsidiary, and both companies will cooperate in the response.

**3) System to secure efficient performance by Directors, etc. of their duties in subsidiaries**

The Company shall review and provide feedback on the status of progress and achievement of subsidiaries' budgets using managerial accounting methods. In addition, the Company strives to improve operational efficiency by using the global business management system, which enables the collection of information from subsidiaries without delay.

**4) System to ensure that the execution by subsidiaries' Directors, etc. and employees of their duties conforms to the provisions of applicable laws and the Articles of Incorporation**

The Company shall formulate a common code of ethics, various regulations and manuals, etc. for the entire Group, and adopt a group-wide compliance system. Each subsidiary shall be asked

to construct and establish a compliance promotion system according to their business type and scale, and to report on the operational status of the system. In addition, the Company shall hold Group Compliance Council meetings and compliance lectures to cultivate awareness of compliance and share information. The Company strives to detect compliance violations at an early stage through the monitoring of subsidiaries by Dispatched Officers, the Company's Audit and Supervisory Committee, and the Internal Auditing Department, and via the group-wide whistle-blowing Hot-line.

**(7) Employees who should assist Audit and Supervisory Committee's duties**

The Company shall establish the following system for securing the independence of employees who should assist the Audit and Supervisory Committee's duties ("Assistant Employees") and the effectiveness of instructions of Audit and Supervisory Committee, and then appoint Assistant Employees:

- 1) Assistant Employees who have received any instructions from Audit and Supervisory Committee necessary for audit operations shall not accept any instructions or orders from Directors, etc. (excluding Audit and Supervisory Committee Members) with regard to said instructions;
- 2) The Company shall appoint as Assistant Employees only persons who have skills and experience required to carry out the Audit and Supervisory Committee's instructions; and
- 3) Internal transfer, personnel evaluation, reward and punishment and so on of Assistant Employees shall be subject to a prior consent of the Audit and Supervisory Committee.

**(8) Systems for reporting to Audit and Supervisory Committee, and other systems to secure the effectiveness of audits conducted by Audit and Supervisory Committee**

- 1) Attendance at the Board of Directors' meeting, etc., and regular liaison conference with the Representative Director

Audit and Supervisory Committee Members shall, in addition to attending the Board of Directors' meeting and other important meetings, regularly have a liaison conference with, and receive reports on important matters including those concerning management and compliance from, the Representative Director.

- 2) Authorities of Audit and Supervisory Committee

Audit and Supervisory Committee shall have the rights to ask for a report on the result of internal audit from the Internal Auditing Department through full-time Audit and Supervisory Committee Members, and to demand inspection of any materials of important in-house meetings and any materials concerning decision procedures to Directors, Operating Officers and employees.

- 3) Cooperation with the Compliance Promotion Committee

- (i) Attendance at the Compliance Promotion Committee's meeting

Full-time Audit and Supervisory Committee Members shall attend the Compliance Promotion Committee's meetings and receive a report on the status of the compliance activities from the Committee.

- (ii) Whistle-blowing Hot-line

- a) Upon receiving any whistle-blowing, the Secretariat of the Compliance Promotion Committee shall report it to the full-time Audit and Supervisory Committee Members.
- b) In accordance with the internal regulations stipulating the securement of anonymity of whistle-blowers, confidentiality, prohibition of disadvantageous treatment to whistle-blowers, and so on, the Company shall, in cooperation with Audit and Supervisory Committee Members, strive to fairly operate the Whistle-blowing Hot-line, appropriately deal with the whistle-blowing cases, and protect the whistle-blowers.

**(9) Matters concerning the processes for advance payment or reimbursement of expenses arising from the execution of the duties of the Audit and Supervisory Committee and other policies for the process of expenses or liabilities arising from the execution of such duties**

The Audit and Supervisory Committee or Audit and Supervisory Committee Members may request the Company to pay necessary expenses, such as seeking advice from attorneys at law, certified public accountants, or other outside experts for the purpose of conducting audits, or entrusting investigation, expert testimony or other affairs to the Company. The Company shall respond to such request unless it is deemed that the expenses relating to such request are not necessary for the execution of the duties of the Audit and Supervisory Committee or the audit.

The operational status of the system put in place to ensure appropriate operations is as follows.

(1) Compliance system

Compliance Promotion Committee meetings were held for four times and Group Compliance Council meetings were held twice to conduct the analysis, formulation of responses, implementation and management of issues related to compliance.

To strengthen Group-wide compliance, efforts are made to disseminate the Group Management Policy and Code of Conduct throughout the Group. Regarding education and training on compliance, compliance lectures, trainings based on a specific theme, laws or regulations, stratified training, e-learning lectures, etc. were conducted for the Group's Officers and employees.

In the fiscal year under review, the Company developed learning materials in multiple languages to familiarize employees of the Company and its domestic and overseas subsidiaries with the ADEKA Group's Code of Conduct, which incorporates the element of "contributing to society through our core business" and "sustainability management." We also conducted a compliance awareness survey (questionnaires) targeting employees of the Company and its domestic subsidiaries, analyzed the survey results, and provided feedback in an effort to improve issues and strengthen compliance across the Group.

In the fiscal year under review, we held our first Global Legal and Compliance Conference to share our compliance activity policies with our overseas subsidiaries and discuss the compliance challenges faced by each company. We worked to strengthen our global compliance system by sharing knowledge across the Group and deepening relationships of trust.

(2) Risk management system

Risks have become more diverse and complex in recent years, including climate change risks, intensification of natural disasters, and geopolitical risks. The Companies Act, the Ordinance for Enforcement of the Companies Act, and the Corporate Governance Code also call for strengthening risk management systems, including those of group companies. In response to these, the Company will strive to further strengthen the risk management system all across the Group through activities hosted by the Risk Management Committee and the Group Risk Management Council.

The Company operates a cloud integrated ERM system at the Company and its domestic subsidiaries to enable centralized management of risk information. In the fiscal year under review, we utilized this system to create a risk map for the Group and assessed our risk profile and the potential impact of those risks. Going forward, the Company will prepare to expand this system to overseas subsidiaries.

In response to cyberattacks, which are an important management risk, the Group's Information Management Subcommittee, a subordinate organization of the Compliance Promotion Committee, takes the lead in implementing various initiatives to strengthen information security and information management, including measures against hacking, computer viruses, and cyberattacks as well as employee education, based on the information security policy and security-related regulations.

Furthermore, in response to the recent rise in geopolitical risks, the Risk Management Committee is taking the lead in strengthening the Group's system by gathering external

information such as trends in legislation and policies of various countries in a timely manner and analyzing the potential impact on our business. To address geopolitical risks, the Company has established the Geopolitical Risk Measures Study Group under the Risk Management Committee and developed the Emergency Response Guideline (proposal) for overseas offices and conducts on-site surveys.

Through these initiatives, the Company will strive to further strengthen Group risk management.

(3) Business management of subsidiaries

The Company shall ensure that subsidiaries thoroughly abide by the system of making weekly and monthly reports to the Company. In addition, the Company conducts the management and supervision of subsidiaries by receiving reports on business execution from subsidiaries at the Board of Directors' meetings of subsidiaries, the general shareholders' meeting, Global Strategy Meeting organized by each business division, and meetings of the ADEKA Group President Meeting.

Through the dispatch of Officers to subsidiaries, audits of subsidiaries conducted by the Audit and Supervisory Committee Members, and internal audits conducted by the Internal Auditing Department, the Company strives to ensure the appropriateness of operations carried out at subsidiaries. During the fiscal year under review, the Audit and Supervisory Committee Members and the Internal Auditing Department conducted audits in accordance with their respective audit plans.

Furthermore, the Company strives to build up the structure of business management at subsidiaries through the global business management system, in order to improve the operational efficiency of subsidiaries.

(4) System for reporting to the Audit and Supervisory Committee

Full-time Audit and Supervisory Committee Members attend Board of Directors' meetings, Management Committee's meetings, and other important meetings. In addition, they generally attend meetings of the Compliance Promotion Committee, the Group Compliance Council, the Risk Management Committee, and the Group Risk Management Council as observers. In addition, full-time Audit and Supervisory Committee Members receive monthly reports from domestic and overseas subsidiaries and attend quarterly interviews conducted by the Accounting Auditor with the Legal Affairs & Publicity Department and Corporate Planning & Strategy Division. Through these systems, the Company monitors the status of the Group's compliance and risk management.

In accordance with the Compliance Whistle-blowing Regulations, whistle-blowing reports made to the Whistle-blowing Hot-line shall be reported to the full-time Audit and Supervisory Committee Members on the same day or as soon as possible. Furthermore, the said regulations stipulate the securement of anonymity of whistle-blowers, confidentiality, and prohibition of disadvantageous treatment of whistle-blowers, and so on. Accordingly, the Company shall, in cooperation with the full-time Audit and Supervisory Committee Members, strive to fairly operate the Whistle-blowing Hot-line.

## **5. Outline of the Content of the Basic Policy Regarding Control of the Company**

### **(1) Basic policy on the persons who control decisions on the Company's financial and business policies**

The Company has formulated a basic policy on the persons who control decisions on the Company's financial and business policies (hereinafter the "Basic Policy"). The details, etc. of the Basic Policy (matters listed in Article 118, Item (iii) of the Ordinance for Enforcement of the Companies Act) are as follows.

(Details of the Basic Policy)

The Company believes that the stance of its shareholders should be determined through free transactions of the Company's shares in the market. In the event that a large-scale purchase involving the transfer of control of the Company is made, the Company shall not automatically disprove of the act if the purchase contributes to the Company's corporate value and common interests with shareholders. However, the Company believes that the decision on whether to agree to a large-scale purchase should ultimately be based on the will of its shareholders.

In recent years, there have been movements in capital markets where forceful purchases of large amount of shares are made unilaterally, without the consent of the management of the target company. Some of these large-scale stock purchases result in clear damage to corporate value and the common interests of shareholders due to their purpose, may effectively force shareholders to sell their shares, or are cases where the Board of Directors and shareholders of the target company are not given sufficient time to deliberate the conditions of the large-scale purchase, or the Board of Directors of the target company is not provided with sufficient time and information to propose alternatives. In such cases, the purchase often does not contribute to the corporate value of the target company and the common interests of shareholders.

The Board of Directors of the Company believes that persons who control decisions on the Company's financial and business policies should have deep understanding of the details of the Company's finances and businesses as well as the sources of the Company's corporate value. Moreover, such persons need to have the ability to sustain and improve the Company's corporate value and of the common interests of the Company's shareholders. If the persons engage in an inappropriate large-scale purchase or similar acts that may damage the Company's corporate value and the common interests of shareholders, the Company believes that it is not appropriate for them to control decisions on the Company's financial and business policies.

### **(2) Special initiatives that contribute to the effective use of the Company's assets, the formation of an appropriate Corporate Group, and the realization of other basic policies**

#### **1) Sources of the Company's corporate value**

##### **(a) Management Policy**

Under the Management Policy of "To be a company that is progressive and dynamic with a keen attitude towards the new changing tide" and "Creating a better future for the people of the world," the Group continues to accelerate global business development through a technologically superior product group that is competitive in the global market, and continues to provide products that set the trends of the times, are environmentally friendly, and meet customer needs.

At the root of the above Management Policy is a Sustainability (Corporate Social Responsibility) mindset of "contributing to society through our core business." In other words, by keenly monitoring changes in the social environment and actively making full use of advanced technologies that the Company has, the Company can provide solutions to new social issues and conduct business activities that take into account the interests of all stakeholders, including shareholders and investors, customers, business partners, employees, and local communities. Accordingly, we aim to be a company that is trusted and truly needed by society.

The basic policy of the Company's management is to increase corporate value through contributing to a wide range of stakeholders and, going a step further, to continue sound and sustainable growth and development through an increase in the common interests of

shareholders. The healthy relationships of trust that the Company has built since its founding with its stakeholders, including customers, business partners, employees and local communities, are the true source of its corporate value.

(b) Businesses of the Company and its characteristics

The Company conducts business activities as a unique corporation with the Chemicals products business, the Food Products business and the Life Science business. In the Chemicals products business, the Company handles polymer additives, semiconductor materials, and environmental materials, while in the Food Products business, it handles products such as processed fat and oil products and processed food products. In the Life Science business, the Company handles agrichemicals and pharmaceuticals. Therefore, the Company operates an extremely wide range of business fields, but simultaneously keeps these businesses organically linked to each other, thereby formulating its unique characteristics.

The Company aims to be a corporation that can contribute to the international community by continuously developing and providing pioneering products that contribute to environmental conservation and people's healthy and affluent lives, achieved by creating new technologies and integrating them with its specialty technologies. We shall continue to develop highly unique technologies and create new value through co-creation with customers, merchants, and other business partners in each business field. Furthermore, by integrating the strong technological capabilities the Company has cultivated in each business field, the Company is focusing on new business fields such as environment and energy, and next-generation ICT.

The Company's highly original technological capabilities, cultivated since its founding under strong relationships of trust with business partners in a wide range of business fields, are also a source of its corporate value.

(c) Medium-Term Management Plan

As stated in "5. (1) Medium- to long-term management strategy" in "I. Overview of the Group," the Group has positioned Mid-Term Management Plan "ADX 2026" as the second stage for achieving the Group's vision for 2030 "ADEKA VISION 2030." During this period, the Group will promote the integration of management and sustainability, transform its management base into the one that addresses the new social environment, and pursue sustainable growth with an emphasis on profits.

The Company aims to increase its corporate value by building an earnings structure that allows for its sustainable growth from a medium- to long-term perspective and pursuing social and economic values.

(d) Strengthening of corporate governance

In promoting the above measures, the Company shall strive to further strengthen corporate governance, compliance, and risk management, which are the foundations of sound, highly transparent, and stable management.

Also, the Company has formulated the "ADEKA Group Corporate Governance Guidelines," which stipulates the basic stance and basic policy on corporate governance, with the aim of realizing the Group's corporate mission and Management Policy, and of achieving sustainable growth and improving corporate value over the medium to long term. Going forward, the Group will continue to work on strengthening corporate governance throughout the Group, in line with the purpose and spirit of the Corporate Governance Code.

**(3) Outline of initiatives for preventing inappropriate persons from controlling decisions on the Company's financial and business policies, in light of the basic policy**

In light of the basic policy described in (1) above, as one of the initiatives to prevent inappropriate persons from controlling decisions on the Company's financial and business policies, the Company introduced the response measures to large-scale purchases of its shares in

2007. Subsequently, the policy has been revised triennially and continued thus far. Yet as a result of careful consideration into the matters such as opinions of shareholders, especially the ones from domestic and overseas institutional investors, recent trends regarding takeover defense measures, and changes in the business environment surrounding the Company, the Company determined to discontinue and abolish the policy at the Board of Directors meeting on May 23, 2022.

Even though the policy was abolished, the Company will continue to strive to ensure and enhance the corporate value of the Company and the common interests of its shareholders, and for those who purchase or intend to purchase the Company's shares on a large scale, the Company will require that the persons should provide necessary and sufficient information so that the shareholders can adequately determine the appropriateness of the purchase. The Company will also take appropriate measures including disclosing of the opinions of the Board of Directors of the Company, and securing of time and information that are necessary for the shareholders to take the matter into consideration, within the scope permitted by the Financial Instruments and Exchange Act, the Companies Act and other related laws and regulations.

**(4) The Board of Directors' judgment on initiatives stated in (2) and (3) above and the reasons thereof**

The Company determines that the greatest defense against proposals is to sustainably improve the Group's corporate value and the common interests of the shareholders through steady implementation of the Group's Medium-Term Management Plan, initiatives to strengthen corporate governance, and business activities based on the Group's Management Policy, business characteristics, and medium- to long-term vision, and others. The response policy regarding large-scale purchases of the Company's shares was introduced with a view to preventing abusive acquisitions and avoiding damage to the corporate value and common interests of shareholders. However, institutional investors are starting to raise concerns more vocally saying that the policy limits the rights of shareholders, weakens the self-discipline of management and leads to self-protection. In addition to the opinions of the institutional investors, the revision of the TOB rules by the Financial Instruments and Exchange Act of 2009 and the rise on the Company's stock price led us to conclude that it was becoming less and less important to maintain the policy, and thus, we should discontinue (abolish) the policy.

## Consolidated Balance Sheet

(As of March 31, 2026)

(Millions of yen)

| Item   | Amount         |
|--|----------------|
| <b>(Assets)</b>  |                |
| <b>Current assets</b>                                      | 354,352        |
| Cash and deposits  | 96,536         |
| Notes and accounts receivable - trade, and contract assets | 116,772        |
| Securities   | 8,993          |
| Merchandise and finished goods                             | 69,412         |
| Work in process  | 8,749          |
| Raw materials and supplies                                 | 41,382         |
| Other  | 14,085         |
| Allowance for doubtful accounts                            | (1,579)        |
| <b>Non-current assets</b>                                  | 205,634        |
| <b>Property, plant and equipment</b>                       | 131,748        |
| Buildings and structures                                   | 40,801         |
| Machinery, equipment and vehicles                          | 36,792         |
| Land   | 30,135         |
| Leased assets  | 709            |
| Construction in progress                                   | 14,191         |
| Other  | 9,118          |
| <b>Intangible assets</b>                                   | 15,352         |
| Technical assets   | 3,241          |
| Customer related assets                                    | 2,007          |
| Goodwill   | 757            |
| Software   | 5,284          |
| Leased assets  | 18             |
| Other  | 4,042          |
| <b>Investments and other assets</b>                        | 58,533         |
| Investment securities                                      | 49,745         |
| Long-term loans receivable                                 | 677            |
| Retirement benefit asset                                   | 2,321          |
| Other investments  | 2,740          |
| Deferred tax assets  | 2,493          |
| Other  | 1,343          |
| Allowance for doubtful accounts                            | (790)          |
| <b>Total assets</b>  | <b>559,987</b> |

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

## Consolidated Balance Sheet

(As of March 31, 2026)

(Millions of yen)

| Item   | Amount   |
|--|----------|
| <b>(Liabilities)</b>   |          |
| <b>Current liabilities</b>   | 115,429  |
| Notes and accounts payable - trade                                   | 64,349   |
| Short-term borrowings  | 15,600   |
| Current portion of long-term borrowings                              | 6,667    |
| Lease obligations  | 274      |
| Accrued expenses   | 9,156    |
| Income taxes payable   | 4,638    |
| Provision for bonuses  | 4,233    |
| Provision for bonuses for directors (and other officers)             | 200      |
| Provision for environmental measures                                 | 309      |
| Other  | 10,000   |
| <b>Non-current liabilities</b>                                       | 72,984   |
| Bonds payable  | 15,924   |
| Long-term borrowings   | 23,703   |
| Lease obligations  | 552      |
| Deferred tax liabilities   | 5,455    |
| Deferred tax liabilities for land revaluation                        | 3,103    |
| Provision for retirement benefits for directors (and other officers) | 96       |
| Provision for environmental measures                                 | 618      |
| Provision for share awards   | 348      |
| Retirement benefit liability   | 17,774   |
| Other  | 5,407    |
| <b>Total liabilities</b>   | 188,414  |
| <b>(Net assets)</b>  |          |
| Shareholders' equity   | 270,060  |
| Share capital  | 23,048   |
| Capital surplus  | 20,463   |
| Retained earnings  | 245,544  |
| Treasury shares  | (18,995) |
| <b>Accumulated other comprehensive income</b>                        | 43,377   |
| Valuation difference on available-for-sale securities                | 18,589   |
| Revaluation reserve for land   | 3,240    |
| Foreign currency translation adjustment                              | 20,380   |
| Remeasurements of defined benefit plans                              | 1,166    |
| <b>Non- controlling interests</b>                                    | 58,134   |
| <b>Total net assets</b>  | 371,572  |
| <b>Total liabilities and net assets</b>                              | 559,987  |

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

## Consolidated Statement of Income

(April 1, 2025–March 31, 2026)

(Millions of yen)

| Item  | Amount |         |
|---|--------|---------|
| <b>Net sales</b>  |        | 416,563 |
| <b>Cost of sales</b>  |        | 297,860 |
| <b>Gross profit</b>   |        | 118,703 |
| <b>Selling, general and administrative expenses</b>           |        | 77,088  |
| <b>Operating profit</b>                                       |        | 41,614  |
| <b>Non-operating income</b>                                   |        |         |
| Interest and dividend income                                  | 3,790  |         |
| Share of profit of entities accounted for using equity method | 715    |         |
| Foreign exchange gains  | 1,261  |         |
| Other   | 2,137  | 7,905   |
| <b>Non-operating expenses</b>                                 |        |         |
| Interest expenses   | 3,588  |         |
| Loss on valuation of derivatives                              | 2,334  |         |
| Other   | 824    | 6,747   |
| <b>Ordinary profit</b>  |        | 42,772  |
| <b>Extraordinary income</b>                                   |        |         |
| Gain on sale of non-current assets                            | 125    |         |
| Gain on sale of investment securities                         | 2,065  |         |
| Gain on sale of shares of subsidiaries and associates         | 323    | 2,513   |
| <b>Extraordinary losses</b>                                   |        |         |
| Loss on abandonment of non-current assets                     | 946    |         |
| Impairment losses   | 381    |         |
| Environmental expenses  | 6      |         |
| Settlement payments   | 1,072  | 2,408   |
| <b>Profit before income taxes</b>                             |        | 42,878  |
| Income taxes-current  | 11,591 |         |
| Income taxes-deferred   | (429)  | 11,161  |
| <b>Profit</b>   |        | 31,716  |
| Profit attributable to non-controlling interests              |        | 3,850   |
| <b>Profit attributable to owners of parent</b>                |        | 27,866  |

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

## Consolidated Statement of Changes in Net Assets

(April 1, 2025–March 31, 2026)

(Millions of yen)

|   | Shareholders' equity |                 |                   |                 |                            |
|---|----------------------|-----------------|-------------------|-----------------|----------------------------|
|   | Share capital        | Capital surplus | Retained earnings | Treasury shares | Total shareholders' equity |
| Balance on April 1, 2025  | 23,048               | 20,348          | 228,109           | (4,667)         | 266,838                    |
| Changes during period   |                      |                 |                   |                 |                            |
| Dividends of surplus  |                      |                 | (10,565)          |                 | (10,565)                   |
| Profit attributable to owners of parent   |                      |                 | 27,866            |                 | 27,866                     |
| Change in scope of consolidation  |                      |                 | 133               |                 | 133                        |
| Purchase of treasury shares   |                      |                 |                   | (14,501)        | (14,501)                   |
| Disposal of treasury shares   |                      | 1               |                   | 172             | 174                        |
| Change in treasury shares arising from change in equity in entities accounted for using equity method |                      |                 |                   | 1               | 1                          |
| Change in ownership interest of parent due to transactions with non-controlling interests             |                      | 113             |                   |                 | 113                        |
| Net changes of items other than shareholders' equity  |                      |                 |                   |                 | –                          |
| Total changes during period   | –                    | 115             | 17,434            | (14,327)        | 3,221                      |
| Balance on March 31, 2026   | 23,048               | 20,463          | 245,544           | (18,995)        | 270,060                    |

|   | Accumulated other comprehensive income                |                              |                              |   |  | Non-controlling interests | Total net assets |
|---|---|------------------------------|------------------------------|---|--|---------------------------|------------------|
|   | Valuation difference on available-for-sale securities | Revaluation reserve for land | Foreign currency translation | Remeasurements of defined benefit plans | Total accumulated other comprehensive income |                           |                  |
| Balance on April 1, 2025  | 12,249  | 3,240                        | 14,010                       | 351                                     | 29,852                                       | 55,085                    | 351,776          |
| Changes during period   |   |                              |                              |   |  |                           |                  |
| Dividends of surplus  |   |                              |                              |   | –  |                           | (10,565)         |
| Profit attributable to owners of parent   |   |                              |                              |   | –  |                           | 27,866           |
| Change in scope of consolidation  |   |                              |                              |   | –  |                           | 133              |
| Purchase of treasury shares   |   |                              |                              |   | –  |                           | (14,501)         |
| Disposal of treasury shares   |   |                              |                              |   | –  |                           | 174              |
| Change in treasury shares arising from change in equity in entities accounted for using equity method |   |                              |                              |   | –  |                           | 1                |
| Change in ownership interest of parent due to transactions with non-controlling interests             |   |                              |                              |   | –  |                           | 113              |
| Net changes of items other than shareholders' equity  | 6,340   | –                            | 6,369                        | 814                                     | 13,525                                       | 3,048                     | 16,574           |
| Total changes during period   | 6,340   | –                            | 6,369                        | 814                                     | 13,525                                       | 3,048                     | 19,796           |
| Balance on March 31, 2026   | 18,589  | 3,240                        | 20,380                       | 1,166                                   | 43,377                                       | 58,134                    | 371,572          |

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

## Notes to the Consolidated Financial Statements

### [Significant Accounting Policies for Preparation of Consolidated Financial Statements]

#### 1. Scope of consolidation

##### (1) Number and names of major consolidated subsidiaries

Number of consolidated subsidiaries: 41

Names of major consolidated subsidiaries:

NIHON NOHYAKU CO., LTD.

ADEKA CHEMICAL SUPPLY CORP.

ADEKA CLEAN AID CORP.

ADEKA ENGINEERING & CONSTRUCTION CORP.

ADEKA FOODS SALES CORP.

OXIRANE CHEMICAL CORP.

AMFINE CHEMICAL CORP.

CHANG CHIANG CHEMICAL CO., LTD.

ADEKA KOREA CORP.

ADEKA Europe GmbH

ADEKA (CHINA) CO., LTD.

UEHARA FOODS INDUSTRY CO., LTD. was sold to an outside company. As a result, this company has been excluded from the scope of consolidation.

In addition, NICHINO MEXICO S. DE R.L. DE C.V. and NICHINO DO BRASIL AGROQUIMICOS LTDA., which were non-consolidated subsidiaries, and INTERAGRO (UK) LTD. and two other companies, which were non-consolidated subsidiaries accounted for using equity method, have been included in the scope of consolidation starting the fiscal year under review as their significance has increased.

##### (2) Names of major non-consolidated subsidiaries

Names of major non-consolidated subsidiaries:

TOKYO ENVIRONMENTAL MEASUREMENT CENTER CO., LTD.

ADEKA INDIA PVT.LTD.

Reasons for exclusion from the scope of consolidation:

These non-consolidated subsidiaries have been excluded from the scope of consolidation as they are all small in scale and none of their combined total assets, net sales, profit and loss (amount corresponding to equity interest) and retained earnings (amount corresponding to equity interest) significantly affect the consolidated financial statements.

#### 2. Application of the equity method

##### (1) Number of non-consolidated subsidiaries and associates accounted for using equity method and names of major companies, etc.

Number of non-consolidated subsidiaries and associates accounted for using equity method: 5

Names of major companies, etc.:

CO-OP CLEAN CO., LTD.

SHOWA KOSAN CO., LTD.

SIPCAM EUROPE S.P.A.

As INTERAGRO (UK) LTD. and two other companies have been included in the scope of consolidation, they have been excluded from the scope of application of the equity method.

Additionally, IA AGRICULTURE HUNGARY KFT. has been excluded from the scope of application of the equity method due to the completion of its liquidation.

**(2) Names of non-consolidated subsidiaries and associates not accounted for using equity method**

Names of major companies, etc.:

TOKYO ENVIRONMENTAL MEASUREMENT CENTER CO., LTD.

YOSHIDA SANGYO CO., LTD.

Reasons for not applying equity method

Regarding non-consolidated subsidiaries and associates not accounted for using the equity method, upon examining their profit and loss (amount corresponding to equity interest) and retained earnings (amount corresponding to equity interest), they are deemed that the exclusion from the scope of equity method application will create an insignificant effect on the consolidated financial statements, and their impact is immaterial on the whole.

**3. Fiscal years of consolidated subsidiaries**

The account closing date of SIPCAM NICHINO BRASIL S.A. and one other subsidiary is December 31. When preparing the consolidated financial statements, the Company used their financial statements as of December 31 and made necessary adjustments for consolidation regarding significant transactions that occurred during the period between the consolidated account closing date and the above closing date.

The account closing date of ADEKA (CHINA) CO., LTD. and six other companies is December 31. When preparing the consolidated financial statements, the Company made a provisional settlement of accounts on March 31 based on the settlement of accounts on the above closing date.

**4. Accounting policies**

**(1) Valuation standards and methods for significant assets**

**1) Valuation standards and valuation methods for securities**

Available-for-sale securities

Securities with market value

Fair value method (Valuation differences are all reported as a component of shareholder's equity and cost of securities sold is calculated by the moving average method)

Securities without market value

Moving average cost method

**2) Valuation standards and valuation method for derivatives**

Derivatives

Fair value method

**3) Valuation standards and valuation methods for inventories**

Finished goods and merchandise

Mainly cost method based on the gross average method (with amount shown on the consolidated balance sheet written down as profitability declines)

Work in process

Mainly cost method based on the gross average method (with amount shown on the consolidated balance sheet written down as profitability declines)

Raw materials and supplies

Mainly cost method based on the moving average method (with amount shown on the consolidated balance sheet written down as profitability declines)



- 4) Provision for retirement benefits for directors (and other officers)  
To provide for the payment of retirement benefits for directors (and other officers) upon their retirement, the amount payable at the end of the fiscal year under review based on internal regulations is recorded.
- 5) Provision for environmental measures  
To provide for the payment for soil investigation, etc. for redevelopment of land owned by the Group, a reasonable estimated amount at the end of the fiscal year under review is recorded.
- 6) Provision for share awards  
To prepare for providing shares of the Company to the Group's directors and employees in accordance with the Stock Benefit Regulations, the estimated amount of share awards liabilities at the end of the fiscal year under review is recorded.

#### **(4) Accounting method concerning retirement benefits**

To provide for the payment of retirement benefits to employees, the expected amount of retirement benefit obligations at the end of the fiscal year under review is recorded.

- 1) Method of attributing the estimated amount of retirement benefits to periods  
When calculating retirement benefit obligations, the method of attributing the estimated amount of retirement benefits to the period until the end of the fiscal year under review is based on the benefit formula.
- 2) Amortization of actuarial differences  
Actuarial gains and losses are amortized in an amount proportionally divided by the straight-line method over a fixed number of years (13 years and 17 years) within the average remaining service period of employees at the time of incurrence in each fiscal year and expensed from the following consolidated fiscal year of incurrence.
- 3) Accounting method for unrecognized actuarial differences  
Unrecognized actuarial differences are recorded as remeasurements of defined benefit plans under accumulated other comprehensive income in the net assets section, after adjusted for the tax effect.

#### **(5) Significant revenue and expense recognition standards**

The details of the main performance obligations in the major businesses related to revenue from contracts with customers of the Company and its consolidated subsidiaries and the timing at which the Group typically satisfies these performance obligations (when it typically recognizes revenue) are as follows:

- 1) Chemicals and food products sector  
The Group is engaged in manufacturing and sales of chemical products including polymer additives, semiconductor materials, and environmental materials, and food products. Revenue from sales of these goods is recognized when goods are transferred to, or accepted by, a customer in the case of the domestic sales transactions. For the export sales transactions, revenue is recognized when control of the goods is transferred to the customer on the basis of trade terms such as incoterms.  
The transaction price is calculated at the amount of consideration promised with the customer and does not include any significant financing component because the Group generally receives consideration within a year after the performance obligation is fulfilled. There is no significant variable consideration that affects the amount of consideration. For sales of the products that the Company and its consolidated subsidiaries act as agents, the Group recognizes revenue at the gross amount of consideration received from the customer less the amount paid to the supplier.

2) Life science sector

The Group is engaged in manufacturing and sales of insecticides, fungicides, insect-fungicides, herbicides, technical grade agrochemicals etc.

The Group deems the performance obligation is satisfied when control of the goods is transferred to a customer by delivery of the goods. Revenue from sales of these goods is recognized when the goods are shipped for domestic transactions, and when the control of the goods is transferred to the customer on the basis of trade terms such as incoterms for the export transactions because the period between the release of the goods and the transfer of control of the goods to the customer is typical.

The transaction price is calculated at the amount of consideration stipulated in the contract less the estimated amount of rebates, discounts, returns, etc. only to the extent that it is highly probable that there will be no significant reversal.

The Company receives consideration based on sales contracts mostly within a year after delivery of the goods, and no significant financing component is included. Some overseas subsidiaries, however, receive some considerations more than one year after delivery of the goods. If it is deemed that they may have a large impact on financing components due to considerably high interest rates related to such considerations, we consider that they include significant financing components and allocate an amount equivalent to the amount of interest that constitutes the significant financing components to profit and loss for the applicable periods until the relevant settlement dates.

For sales of the products that the Company and its consolidated subsidiaries act as agents, the Group recognizes revenue at the gross amount of consideration received from the customer less the amount paid to the supplier.

**(6) [Other Significant Accounting Policies for Preparation of Consolidated Financial Statements]**

Amortization method and amortization period of goodwill

Goodwill is amortized by the straight-line method over a reasonable amortization period not exceeding 20 years.

**[Notes to Revenue Recognition]**

**1. Information on disaggregation of revenue**

[By Region]

(Millions of yen)

|                                      | Reporting segment |               |              |         | Other | Total   |
|--------------------------------------|-------------------|---------------|--------------|---------|-------|---------|
|                                      | Chemicals         | Food Products | Life Science | Total   |       |         |
| Japan                                | 77,395            | 72,286        | 33,155       | 182,836 | 6,593 | 189,429 |
| China                                | 28,325            | 6,377         | 318          | 35,021  | 9     | 35,030  |
| Asia (excl. Japan and China)         | 58,969            | 4,222         | 12,912       | 76,104  | 44    | 76,149  |
| Other                                | 50,111            | 49            | 65,223       | 115,385 | 1     | 115,386 |
| Revenue from contract with customers | 214,801           | 82,935        | 111,610      | 409,347 | 6,648 | 415,995 |
| Revenue from other sources           | 9                 | 68            | 186          | 264     | 303   | 567     |
| Sales to external customers          | 214,810           | 83,003        | 111,797      | 409,611 | 6,951 | 416,563 |

[By Goods or Service]

(Millions of yen)

|                                      | Reporting segment |               |              |         | Other | Total   |
|--------------------------------------|-------------------|---------------|--------------|---------|-------|---------|
|                                      | Chemicals         | Food Products | Life Science | Total   |       |         |
| Polymer Additives                    | 98,437            | –             | –            | 98,437  | –     | 98,437  |
| Semiconductor Materials              | 36,006            | –             | –            | 36,006  | –     | 36,006  |
| Environmental Materials              | 80,357            | –             | –            | 80,357  | –     | 80,357  |
| Processed fat and oil food products  | –                 | 82,935        | –            | 82,935  | –     | 82,935  |
| Agrochemicals, pharmaceuticals, etc. | –                 | –             | 111,610      | 111,610 | –     | 111,610 |
| Other                                | –                 | –             | –            | –       | 6,648 | 6,648   |
| Revenue from contract with customers | 214,801           | 82,935        | 111,610      | 409,347 | 6,648 | 415,995 |
| Revenue from other sources           | 9                 | 68            | 186          | 264     | 303   | 567     |
| Sales to external customers          | 214,810           | 83,003        | 111,797      | 409,611 | 6,951 | 416,563 |

## 2. Useful information in understanding revenue from contracts with customers

Useful information in understanding revenue is as presented in [Significant Accounting Policies for Preparation of Consolidated Financial Statements], 4. Accounting Policies, (5) Significant revenue and expense recognition standards.

## 3. Useful information in understanding the revenue amounts in the fiscal year under review and subsequent fiscal years

### (1) Contract balance etc.

(Millions of yen)

|   | As of April 1, 2025 | As of March 31, 2026 |
|---|---------------------|----------------------|
| Receivables arising from contracts with customers | 109,922             | 116,695              |
| Contract assets                                   | 134                 | 76                   |
| Contract liabilities                              | 1,056               | 816                  |

### (2) Transaction price allocated to the remaining performance obligations

The Group has no significant transactions with estimated contract terms of over one year and omitted information on the remaining performance obligations applying practical convenience. There is no material amount of consideration excluded from the transaction price arising from contracts with customers.

## [Notes to Accounting Estimates]

Valuation of non-current assets

### (1) Amount recorded in the consolidated financial statements for the fiscal year under review

(Millions of yen)

|                               | Fiscal year under review |
|-------------------------------|--------------------------|
| Property, plant and equipment | 131,748                  |
| Intangible assets             | 15,352                   |

### (2) Information regarding the content of significant accounting estimates related to identified items

For property, plant and equipment and intangible assets, we judge the sign of impairment loss for assets or asset groups based on by plant and by business in principle, and if there is a sign of impairment loss, we will estimate recoverable amount using future cash flows.

As the Group engages in several businesses globally, unexpected events may affect our supply chains depending on the asset group, and may affect the assumptions for the estimate of future cash flows.

## [Notes to Consolidated Balance Sheet]

### 1. Assets supplied as collateral and liabilities concerning collateral

|  |                           |
|--|---------------------------|
| (1) Assets pledged as collateral                           |                           |
| Cash and deposits  | 25 million yen            |
| Notes and accounts receivable - trade, and contract assets | 6,130 million yen         |
| Merchandise and finished goods                             | 1,480 million yen         |
| Raw materials and supplies                                 | 1,054 million yen         |
| Buildings and structures                                   | 2,174 million yen         |
| Machinery, equipment and vehicles                          | 1,656 million yen         |
| Land   | 2,904 million yen         |
| Total  | <u>15,426 million yen</u> |
| (2) Collateral-related liabilities                         |                           |
| Short-term borrowings                                      | 8 million yen             |
| Current portion of long-term borrowings                    | 116 million yen           |
| Long-term borrowings                                       | 2,371 million yen         |
| Total  | <u>2,496 million yen</u>  |

### 2. Accumulated depreciation concerning property, plant and equipment

271,504 million yen

### 3. Application of the Land Revaluation Act

The Company conducted a revaluation of the land for business use based on the “Act on Revaluation of Land” (Act No. 34 of March 31, 1998) and the “Partial Revision of the Act on Revaluation of Land” (Act No. 24 of March 31, 1999; Act No. 19 of March 31, 2001). Regarding the revaluation difference, the Company posted the tax equivalent amount concerning the said revaluation difference under the liabilities section as “deferred tax liabilities for land revaluation,” and posted the amount with the tax equivalent portion deducted to the net assets section as “revaluation reserve for land.”

- Method of revaluation:  
The revaluation amount was calculated by making reasonable adjustments to the price registered in the land tax ledger provided in Article 341, Item 10 of the Local Tax Act, as stipulated in Article 2, Item 3 of the “Enforcement Order for the Act on Revaluation of Land” (Cabinet Order No. 119 of March 31, 1998).
- Date of revaluation: March 31, 2002
- Market value of land at end of fiscal year under review and difference between market value and book value after revaluation: (2,518) million yen

## [Notes to Consolidated Statement of Income]

### 1. Revenue from contract with customers

The Company does not disaggregate revenues from contracts with customers and other sources of revenue. The amount of revenue from contracts with customers is presented in “1. Information on disaggregation of revenue” under [Notes to Revenue Recognition] of Notes to the Consolidated Financial Statements.

### 2. Impairment losses

In the fiscal year under review, impairment losses totaling 381 million yen were recorded as extraordinary losses for the following asset groups.

The Group classifies business assets into groups based on management accounting categories (by plant and by business unit), while idle assets are classified by individual property.

| Location                                     | Usage                         | Category   | Impairment loss amount<br>(millions of yen) |
|--|-------------------------------|--|---|
| ADEKA (SINGAPORE)<br>PTE.LTD.<br>(Singapore) | Food production<br>facilities | (Property, plant and<br>equipment)<br>Machinery, equipment<br>and vehicles | 174   |
|  |                               | Other<br>(Intangible asset)<br>Software                                    | 105<br>16                                   |
|  |                               | Subtotal   | 296   |
|  |                               | NIHON NOHYAKU<br>CO., LTD.<br>(Yotsukaido-shi, Chiba)                      | Business assets                             |
| Land   | 85                            |  |   |
| Subtotal                                     | 85                            |  |   |
| Total  |                               |  | 381   |

Impairment losses were recorded for the food production facilities of ADEKA (SINGAPORE) PTE.LTD. upon reducing the carrying amount to the recoverable amount because the recovery of the investment is no longer expected over the estimated period of future cash flows.

The recoverable amount for this asset group is measured based on net realizable value, which is set at zero because the assets are difficult to sell.

With regard to the business assets of NIHON NOHYAKU CO., LTD., based on a review of our future business plans in light of changes in the business environment, the Company has determined that there is no prospect of future use for these assets.

Therefore, impairment losses were recorded for such idle assets that are no longer expected to be used.

**[Notes to Consolidated Statement of Changes in Net Assets]**

**1. Class and total number of issued shares at the end of the fiscal year under review**

(Shares)

|                 | Number of shares at beginning of fiscal year under review | Increase during fiscal year under review | Decrease during fiscal year under review | Number of shares at end of fiscal year under review |
|-----------------|---|--|--|---|
| Issued shares   |   |  |  |   |
| Common shares   | 103,768,142   | –  | –  | 103,768,142   |
| Total           | 103,768,142   | –  | –  | 103,768,142   |
| Treasury shares |   |  |  |   |
| Common shares   | 2,032,620   | 3,943,080                                | 65,652                                   | 5,910,048   |
| Total           | 2,032,620   | 3,943,080                                | 65,652                                   | 5,910,048   |

Notes 1: Treasury shares (common shares) as of the end of the fiscal year under review include 97,200 shares of the Company held under the Stock Benefit Trust (J-ESOP).

2: The breakdown of the increase in treasury shares (common shares) is as follows:

|  |                  |
|--|------------------|
| Purchase of treasury shares based on the resolution of the Board of Directors      | 3,941,800 shares |
| Acquisition of parent company shares by entities accounted for using equity method | 1,155 shares     |
| Purchase of shares less than one unit  | 125 shares       |

The breakdown of the decrease in treasury shares (common shares) is as follows:

|   |               |
|---|---------------|
| Disposal of treasury shares as restricted stock remuneration    | 63,000 shares |
| Benefits of the Stock Benefit Trust (J-ESOP)                    | 1,600 shares  |
| Changes in equity in entities accounted for using equity method | 1,052 shares  |

## 2. Matters regarding dividends

### (1) Dividends paid

| Resolution   | Class of shares | Total amount of dividends (millions of yen) | Dividend per share (yen) | Record date        | Effective date   |
|--|-----------------|---|--------------------------|--------------------|------------------|
| Ordinary General Meeting of Shareholders to be held on June 20, 2025 | Common shares   | 5,317                                       | 52                       | March 31, 2025     | June 23, 2025    |
| Board of Directors meeting held on November 11, 2025                 | Common shares   | 5,247                                       | 52                       | September 30, 2025 | December 4, 2025 |

Notes 1: The total amount of dividends resolved on June 20, 2025 includes 5 million yen in dividends on shares of ADEKA's stock held by Custody Bank of Japan, Ltd. (Trust E Account) as trust property of the "Stock Benefit Trust (J-ESOP)."

2: The total amount of dividends resolved on November 11, 2025 includes 5 million yen in dividends on shares of ADEKA's stock held by Custody Bank of Japan, Ltd. (Trust E Account) as trust property of the "Stock Benefit Trust (J-ESOP)."

### (2) Dividends with a record date in the fiscal year under review, and an effective date after the end of the fiscal year under review

| Resolution   | Class of shares | Total amount of dividends (millions of yen) | Source of dividends | Dividend per share (yen) | Record date    | Effective date |
|--|-----------------|---|---------------------|--------------------------|----------------|----------------|
| Ordinary General Meeting of Shareholders to be held on June 19, 2026 | Common shares   | 5,903                                       | Retained earnings   | 60                       | March 31, 2026 | June 22, 2026  |

Note: The total amount of dividends includes 5 million yen in dividends on shares of ADEKA's stock held by Custody Bank of Japan, Ltd. (Trust E Account) as trust property of the "Stock Benefit Trust (J-ESOP)."

## [Notes to Financial Instruments]

### 1. Status of financial instruments

The Group raises necessary funds in light of its capital investment plans mainly by borrowing from financial institutions and issuing bonds. Temporary surplus funds are managed mainly through short-term deposits and bonds, and short-term working capital is raised through borrowing from banks. The Group uses derivative transactions only for the purpose of hedging risks described below, and does not engage in speculative transactions.

The Group strives to reduce customer credit risk related to notes and accounts receivable - trade in accordance with the Credit Sales Standards and the Credit Management Standards. In addition, the Group's investment securities mainly consist of shares, and the fair values of listed shares are ascertained on a quarterly basis.

Borrowings and bonds payable are used mainly for the purpose of procuring funds necessary for working capital and capital investment. A portion of these is exposed to interest rate fluctuation risk, which is hedged by derivative transactions (interest rate swap transactions).

For some receivables and payables denominated in foreign currency, in order to reduce the risk of foreign exchange fluctuations, forward exchange contracts are concluded within the range of the sales amount and purchase amount.

### 2. Fair values of financial instruments

Amounts recorded on the consolidated balance sheet, fair values as of March 31, 2026 and the differences between them are as below.

Note that shares that do not have market prices are not included in the table below (see the following Note).

Also, for cash, the notes are omitted, and for deposits, notes and accounts receivable - trade, notes and accounts payable - trade, and short-term borrowings, the notes are omitted because the fair values approach the book values since they are settled in the short term.

(Millions of yen)

|                               | Amount recorded on the Consolidated Balance Sheet | Fair value | Difference |
|-------------------------------|---|------------|------------|
| Investment securities         |   |            |            |
| Available-for-sale securities | 43,425  | 43,425     | —          |
| Bonds payable                 | 15,924  | 15,599     | (325)      |
| Long-term borrowings          | 30,370  | 29,794     | (575)      |
| Derivatives(*)                | (525)   | (525)      | —          |

(\*) Receivables and payables arising out of derivative transactions are shown on a net basis.

Note: Securities without market value

(millions of yen)

| Category        | Amount recorded on the Consolidated Balance Sheet |
|-----------------|---|
| Unlisted shares | 15,313  |

### 3. Matters regarding the breakdown of financial instruments by each fair value level

The fair values of financial instruments are categorized into the following three levels, in accordance with the observability and importance of the inputs used in the fair value calculation.

Level 1 fair value: Fair value calculated using the unadjusted market price in an active market for an identical asset or liability.

Level 2 fair value: Fair value calculated using inputs that are directly or indirectly observable, other than the Level 1 inputs.

Level 3 fair value: Fair value calculated using important inputs that cannot be observed.

In cases where multiple inputs which have a material effect on the calculation of the fair value are used, among the levels to which the respective inputs belong, the fair value is categorized at the level with the lowest priority in the fair value calculation.

#### (1) Financial assets and financial liabilities with the carrying amount recorded using the fair value

(Millions of yen)

| Category                      | Fair value |         |         |        |
|-------------------------------|------------|---------|---------|--------|
|                               | Level 1    | Level 2 | Level 3 | Total  |
| Investment securities         |            |         |         |        |
| Available-for-sale securities | 34,432     | 8,993   | –       | 43,425 |
| Derivatives                   | –          | (525)   | –       | (525)  |

#### (2) Financial assets and financial liabilities with the carrying amount not recorded using the fair value

(Millions of yen)

| Category             | Fair value |         |         |        |
|----------------------|------------|---------|---------|--------|
|                      | Level 1    | Level 2 | Level 3 | Total  |
| Bonds payable        | –          | 15,599  | –       | 15,599 |
| Long-term borrowings | –          | 29,794  | –       | 29,794 |

Note: Explanation of the valuation methods and inputs used in calculating fair values.

##### Investment securities

Listed shares are valued using the market price. Because listed shares are traded on active markets, their fair value is categorized as a Level 1 fair value. In addition, securities other than listed stocks are transactions with short remaining maturities. Since their fair values are assumed to approximate their book values, the book values are used as fair values and classified as Level 2.

##### Derivatives

The fair values are calculated using observable inputs such as fair values provided by financial institutions and exchange rates and classified as Level 2.

##### Bonds payable

The fair values of bonds issued by the Company are calculated using market values (Reference Statistical Prices for OTC Bond Transactions) and classified as Level 2. The fair values of bonds issued by consolidated subsidiaries are calculated by discounting the total amount of principal and interest by the interest rate assumed when similar bonds are issued, and are classified as Level 2.

##### Long-term borrowings

These fair values are calculated by discounting the total amount of principal and interest by the interest rate assumed when similar new borrowings are made and are classified as Level 2.

**[Notes to Per Share Information]**

- |                              |              |
|------------------------------|--------------|
| 1. Net assets per share:     | 3,202.99 yen |
| 2. Basic earnings per share: | 277.95 yen   |

Note: The shares of the Company held by the Custody Bank of Japan, Ltd. (Trust E Account) as trust property of J-ESOP are included in the treasury shares deducted from the number of shares issued at the end of the period when calculating net assets per share (97,200 shares for the fiscal year under review). Such shares are also included in the treasury shares that are deducted in the calculation of average number of shares during the period when calculating basic earnings per share (97,439 shares for the fiscal year under review).

## [Additional Information]

(Transactions to grant shares of the Company to employees through a trust)

The Company resolved, at the meeting of the Board of Directors held on April 19, 2024, to introduce an incentive plan, “Stock Benefit Trust (J-ESOP),” under which the Company’s shares are provided to employees of the Company and some of the Group companies, (hereinafter referred to as the “Plan,” and a trust established under the trust agreement concluded with Mizuho Trust & Banking Co., Ltd. with respect to the Plan is referred to as the “Trust”), in order to enhance the linkage between the Company’s stock price and performance and the treatment of employees, and to share the economic effects with shareholders, thereby raising the motivation and morale of employees to improve the stock price and performance.

### 1. Overview

The Plan is a trust-type scheme based on the U.S. ESOP (Employee Stock Ownership Plan). Under the Stock Benefit Regulations stipulated in advance by the Company, the Company will provide employees who meet certain conditions with shares of the Company and cash equivalent to the amount of shares of the Company converted at market price (hereinafter referred to as “shares of the Company, etc.”).

The Company grants points to employees in accordance with their individual contributions and positions, etc. and provide shares of the Company, etc. corresponding to the applicable points granted when such employees acquire the rights to receive benefits under certain conditions. Shares to be provided to employees shall be acquired in the future, including the amount of money set in the trust in advance, and shall be segregated and managed as trust property.

### 2. Shares of the Company remaining in the trust

Shares of the Company remaining in the trust are recorded as treasury shares under net assets in the book value in the trust (excluding incidental expenses). The book value and the number of shares of such treasury shares is 312 million yen and 97,200 shares respectively for the fiscal year under review.

(Occurrence of a disputed incident)

A claim for damages was filed against Sipcam Nichino Brasil S.A. (“SNB”), a consolidated subsidiary of the Company, by FMC QUÍMICA DO BRASIL LTDA. (“FMC”) in connection with an incident in which products that SNB had been packaging in fulfillment of a contract with FMC were stolen by a heavily armed robbery. On December 31, 2025, at the meeting of the Board of Directors of NIHON NOHYAKU CO., LTD. (“Nihon Nohyaku”), a consolidated subsidiary of the Company and the parent company of SNB, Nihon Nohyaku resolved that SNB would enter into a settlement with FMC.

### 1. Summary of the process from litigation to settlement

On July 26, 2023, a heavily armed robbery took place at SNB, during which products that SNB had been packaging in fulfillment of a contract with FMC were stolen. In response, FMC filed a claim for damages of 45 million reais against SNB on October 10, 2023. On May 14, 2025, the court ordered SNB to pay 45 million reais along with interest on this amount and the cost of the litigation. As stated in Nihon Nohyaku’s “Notice Regarding Judgment in Damages Claim against Our Consolidated Subsidiary and Our Decision to Appeal” dated June 24, 2025, the Group decided to appeal against the judgment, based on the understanding that there were differences in opinion regarding the contractual scope of liabilities. After comprehensively considering the terms of the proposed settlement, the Nihon Nohyaku determined that resolving the matter through a settlement would be the most reasonable course of action. Accordingly, at the meeting of its Board of Directors held on December 31, 2025, Nihon Nohyaku resolved that SNB would enter into a settlement with FMC. As a result, all litigation related to this matter has been concluded

### 2. Details of the plaintiff

(1) Name: FMC QUÍMICA DO BRASIL LTDA.

(2) Address: Avenida Doutor José Bonifácio Coutinho Nogueira, No. 150, Commercial Complexes 103, 105, 107, 108 and 109, Jardim Madalena District, in the municipality of Campinas, State of São Paulo, CEP 13091-611

### 3. Recording of extraordinary losses due to this settlement

As a result of this matter, the Company recognized an extraordinary loss of 1,072 million yen for the fiscal year ended March 31, 2026.

**[Notes to Significant Subsequent Events]**

Not applicable.

## Non-Consolidated Balance Sheet

(As of March 31, 2026)

(Millions of yen)

| Item  | Amount         |
|---|----------------|
| <b>(Assets)</b>                                       |                |
| <b>Current assets</b>                                 | 148,167        |
| Cash and deposits                                     | 44,552         |
| Notes receivable - trade                              | 457            |
| Accounts receivable - trade                           | 39,942         |
| Electronically recorded monetary claims               | 2,948          |
| Securities  | 8,993          |
| Merchandise and finished goods                        | 17,946         |
| Work in process                                       | 7,328          |
| Raw materials and supplies                            | 16,609         |
| Prepaid expenses                                      | 425            |
| Accounts receivable - other                           | 1,876          |
| Other   | 7,099          |
| Allowance for doubtful accounts                       | (13)           |
| <b>Non-current assets</b>                             | 152,687        |
| <b>Property, plant and equipment</b>                  | 72,442         |
| Buildings   | 16,284         |
| Structures  | 2,783          |
| Machinery and equipment                               | 19,907         |
| Vehicles  | 28             |
| Tools, furniture and fixtures                         | 3,058          |
| Land  | 16,752         |
| Leased assets   | 446            |
| Construction in progress                              | 13,180         |
| <b>Intangible assets</b>                              | 5,574          |
| Rights  | 1,328          |
| Right to use facilities                               | 99             |
| Software  | 3,603          |
| Software in progress                                  | 543            |
| <b>Investments and other assets</b>                   | 74,670         |
| Investment securities                                 | 31,226         |
| Shares of subsidiaries and associates                 | 32,234         |
| Investments in capital of subsidiaries and associates | 5,321          |
| Long-term loans receivable                            | 3,911          |
| Long-term prepaid expenses                            | 182            |
| Deferred tax assets                                   | 918            |
| Other   | 1,419          |
| Allowance for doubtful accounts                       | (543)          |
| <b>Total assets</b>                                   | <b>300,854</b> |

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

## Non-Consolidated Balance Sheet

(As of March 31, 2026)

(Millions of yen)

| Item  | Amount   |
|---|----------|
| <b>(Liabilities)</b>  |          |
| <b>Current liabilities</b>                                    | 47,934   |
| Accounts payable - trade                                      | 23,647   |
| Electronically recorded obligations                           | 1,011    |
| Short-term borrowings   | 3,750    |
| Lease obligations   | 160      |
| Accounts payable - other                                      | 3,894    |
| Accrued expenses  | 3,778    |
| Income taxes payable  | 2,906    |
| Provision for bonuses   | 2,401    |
| Provision for bonuses for directors (and other officers)      | 70       |
| Other   | 6,315    |
| <b>Non-current liabilities</b>                                | 38,576   |
| Bonds payable   | 10,000   |
| Long-term borrowings  | 7,000    |
| Lease obligations   | 342      |
| Deferred tax liabilities for land revaluation                 | 3,103    |
| Provision for retirement benefits                             | 16,412   |
| Provision for share awards                                    | 195      |
| Long-term deposits received                                   | 1,450    |
| Other   | 72       |
| <b>Total liabilities</b>                                      | 86,511   |
| <b>(Net assets)</b>   |          |
| <b>Shareholders' equity</b>                                   | 196,970  |
| <b>Share capital</b>  | 23,048   |
| <b>Capital surplus</b>  | 20,249   |
| Legal capital surplus   | 20,074   |
| Other capital surplus   | 175      |
| <b>Retained earnings</b>                                      | 172,260  |
| Legal retained earnings                                       | 1,096    |
| Other retained earnings                                       | 171,164  |
| Reserve for dividends   | 90       |
| Reserve for tax purpose reduction entry of non-current assets | 34       |
| General reserve   | 51,241   |
| Retained earnings brought forward                             | 119,798  |
| <b>Treasury shares</b>  | (18,587) |
| <b>Valuation and translation adjustments</b>                  | 17,373   |
| <b>Valuation difference on available-for-sale securities</b>  | 14,132   |
| <b>Revaluation reserve for land</b>                           | 3,240    |
| <b>Total net assets</b>                                       | 214,343  |
| <b>Total liabilities and net assets</b>                       | 300,854  |

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

## Non-Consolidated Statement of Income

(April 1, 2025–March 31, 2026)

(Millions of yen)

| Item  | Amount |         |
|---|--------|---------|
| <b>Net sales</b>                                      |        | 164,659 |
| <b>Cost of sales</b>                                  |        | 117,366 |
| <b>Gross profit</b>                                   |        | 47,292  |
| <b>Selling, general and administrative expenses</b>   |        | 31,092  |
| <b>Operating profit</b>                               |        | 16,200  |
| <b>Non-operating income</b>                           |        |         |
| Interest income                                       | 197    |         |
| Dividend income                                       | 11,772 |         |
| Foreign exchange gains                                | 488    |         |
| Miscellaneous income                                  | 330    | 12,789  |
| <b>Non-operating expenses</b>                         |        |         |
| Interest expenses                                     | 187    |         |
| Interest expenses on bonds                            | 69     |         |
| Provision of allowance for doubtful accounts          | 120    |         |
| Commitment fees                                       | 35     |         |
| Miscellaneous losses                                  | 117    | 529     |
| <b>Ordinary profit</b>                                |        | 28,459  |
| <b>Extraordinary income</b>                           |        |         |
| Gain on sale of investment securities                 | 2,021  |         |
| Gain on sale of shares of subsidiaries and associates | 699    | 2,721   |
| <b>Extraordinary losses</b>                           |        |         |
| Loss on abandonment of non-current assets             | 777    | 777     |
| <b>Profit before income taxes</b>                     |        | 30,404  |
| Income taxes-current                                  | 5,248  |         |
| Income taxes-deferred                                 | (138)  | 5,109   |
| <b>Profit</b>   |        | 25,294  |

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

## Non-Consolidated Statement of Changes in Net Assets

(April 1, 2025–March 31, 2026)

(Millions of yen)

|  | Shareholders' equity |                       |                       |                       |                         |                         |   |                 |                                   |                         |
|--|----------------------|-----------------------|-----------------------|-----------------------|-------------------------|-------------------------|---|-----------------|-----------------------------------|-------------------------|
|  | Share capital        | Capital surplus       |                       |                       | Retained earnings       |                         |   |                 |                                   |                         |
|  |                      | Legal capital surplus | Other capital surplus | Total capital surplus | Legal retained earnings | Other retained earnings |   |                 |                                   | Total retained earnings |
|  |                      |                       |                       |                       |                         | Reserve for dividends   | Reserve for tax purpose reduction entry of non-current assets | General reserve | Retained earnings brought forward |                         |
| Balance on April 1, 2025                             | 23,048               | 20,074                | 173                   | 20,247                | 1,096                   | 90                      | 35  | 51,241          | 105,068                           | 157,531                 |
| Changes during period                                |                      |                       |                       |                       |                         |                         |   |                 |                                   |                         |
| Dividends of surplus                                 |                      |                       |                       |                       |                         |                         |   |                 | (10,565)                          | (10,565)                |
| Reversal of reserve for tax purpose reduction entry  |                      |                       |                       |                       |                         |                         | (1)   |                 | 1                                 | -                       |
| Profit   |                      |                       |                       |                       |                         |                         |   |                 | 25,294                            | 25,294                  |
| Purchase of treasury shares                          |                      |                       |                       |                       |                         |                         |   |                 |                                   |                         |
| Disposal of treasury shares                          |                      |                       | 1                     | 1                     |                         |                         |   |                 |                                   |                         |
| Net changes of items other than shareholders' equity |                      |                       |                       |                       |                         |                         |   |                 |                                   |                         |
| Total changes during period                          | -                    | -                     | 1                     | 1                     | -                       | -                       | (1)   | -               | 14,730                            | 14,728                  |
| Balance on March 31, 2026                            | 23,048               | 20,074                | 175                   | 20,249                | 1,096                   | 90                      | 34  | 51,241          | 119,798                           | 172,260                 |

|  | Shareholders' equity |                            | Valuation and translation adjustments                 |                              |   | Total net assets |
|--|----------------------|----------------------------|---|------------------------------|---|------------------|
|  | Treasury shares      | Total shareholders' equity | Valuation difference on available-for-sale securities | Revaluation reserve for land | Total valuation and translation adjustments |                  |
| Balance on April 1, 2025                             | (4,262)              | 196,564                    | 9,048   | 3,240                        | 12,289                                      | 208,854          |
| Changes during period                                |                      |                            |   |                              |   |                  |
| Dividends of surplus                                 |                      | (10,565)                   |   |                              |   | (10,565)         |
| Reversal of reserve for tax purpose reduction entry  |                      | –                          |   |                              |   | –                |
| Profit   |                      | 25,294                     |   |                              |   | 25,294           |
| Purchase of treasury shares                          | (14,497)             | (14,497)                   |   |                              |   | (14,497)         |
| Disposal of treasury shares                          | 172                  | 174                        |   |                              |   | 174              |
| Net changes of items other than shareholders' equity |                      |                            | 5,084   |                              | 5,084                                       | 5,084            |
| Total changes during period                          | (14,325)             | 405                        | 5,084   | –                            | 5,084                                       | 5,489            |
| Balance on March 31, 2026                            | (18,587)             | 196,970                    | 14,132  | 3,240                        | 17,373                                      | 214,343          |

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

## Notes to the Non-consolidated Financial Statements

[Matters regarding major accounting policies]

### 1. Valuation standards and valuation methods for securities

|   |  |
|---|--|
| (1) Shares of subsidiaries and associates | Moving average cost method   |
| (2) Available-for-sale securities         |  |
| Securities with market value              | Fair value method (Valuation differences are all reported as a component of shareholder's equity and cost of securities sold is calculated by the moving average method) |
| Securities without market value           | Moving average cost method   |

### 2. Valuation standards and valuation method for derivatives

Fair value method

### 3. Valuation standards and valuation methods for inventories

|                                    |   |
|------------------------------------|---|
| Finished goods and work in process | Mainly cost method based on the gross average method (with amount shown on balance sheet written down as profitability declines)  |
| Raw materials and supplies         | Mainly cost method based on the moving average method (with amount shown on balance sheet written down as profitability declines) |

### 4. Method of depreciation of non-current assets

#### (1) Property, plant and equipment (excluding leased assets)

Buildings (excluding facilities attached to buildings), and machinery and equipment      Straight-line method

Property, plant and equipment other than the above      Declining-balance method

For facilities attached to buildings and structures acquired on or after April 1, 2016, the straight-line method is applied.

The useful lives of major assets are as follows:

|                         |            |
|-------------------------|------------|
| Buildings               | 3–50 years |
| Structures              | 3–60 years |
| Machinery and equipment | 3–15 years |

#### (2) Intangible assets (excluding leased assets)

Software (for internal use)      Straight-line method based on expected internal useful life (5 years)

Other intangible assets      Straight-line method

#### (3) Leased assets

Leased assets related to finance lease transactions that do not transfer ownership

The straight-line method is applied using the lease period as service life and the residual value of zero.

## **5. Standards for provision of allowances**

### **(1) Allowance for doubtful accounts**

To make allowances for potential losses due to bad debts of notes receivables, accounts receivables, loans receivables, etc., an allowance is made for the estimated irrecoverable amount based on the actual default rate for general receivables. For specific doubtful receivables, the estimated irrecoverable amount is appropriated after considering the recoverability of each individual case.

### **(2) Provision for bonuses**

To provide for the payment of bonuses to employees, the estimated payment amount to be borne in the fiscal year under review is recorded.

### **(3) Provision for bonuses for directors (and other officers)**

To provide for the payment of bonuses to officers, the estimated payment amount to be borne in the fiscal year under review is recorded.

### **(4) Provision for retirement benefits**

To provide for the payment of retirement benefits to employees, the expected amount of retirement benefit obligations at the end of the fiscal year under review is recorded.

#### **1) Method of attributing the estimated amount of retirement benefits to periods**

When calculating retirement benefit obligations, the method of attributing the estimated amount of retirement benefits to the period until the end of the fiscal year under review is based on the benefit formula.

#### **2) Amortization of actuarial differences**

Actuarial gains and losses are amortized in an amount proportionally divided using the straight-line method over a fixed number of years (14 years and 17 years) within the average remaining service period of employees at the time of incurrence in each fiscal year and expensed from the following fiscal year of incurrence.

### **(5) Provision for share awards**

To prepare for providing shares of the Company to employees in accordance with the Stock Benefit Regulations, the estimated amount of share awards liabilities at the end of the fiscal year under review is recorded.

## **6. Revenue and expense recognition standards**

The details of the main performance obligations in the major businesses related to revenue from contracts with the Company's customers and the timing at which the Company typically satisfies these performance obligations (when it typically recognizes revenue) are as follows:

#### **Chemicals and food products sector**

The Company is engaged in manufacturing and sales of chemical products including polymer additives, semiconductor materials, and environmental materials, and food products.

Revenue from sales of these goods is recognized when goods are transferred to, or accepted by, a customer in the case of the domestic sales transactions. For the export sales transactions, revenue is recognized when control of the goods is transferred to the customer on the basis of trade terms such as incoterms.

The transaction price is calculated at the amount of consideration promised with the customer and does not include any significant financing component because the Company receives consideration within a year after the performance obligation is fulfilled. There is no significant variable consideration that affects the amount of consideration.

**[Notes to Changes in Presentation]**

“Interest expenses on bonds,” which was included in “Miscellaneous losses” under “Non-operating expenses” in the previous fiscal year exceeded 10% of total non-operating expenses. As a result, it is separately presented in the fiscal year under review.

“Interest expenses on bonds” for the previous fiscal year was 69 million yen.

**[Notes to Accounting Estimates]**

**Valuation of non-current assets**

**(1) Amount recorded in the financial statements for the fiscal year under review**

(Millions of yen)

|                               | Fiscal year under review |
|-------------------------------|--------------------------|
| Property, plant and equipment | 72,442                   |

**(2) Information regarding the content of significant accounting estimates related to identified items**

For property, plant and equipment and intangible assets, we judge the sign of impairment loss for assets or asset groups based on by plant and by business in principle, and if there is a sign of impairment loss, we will estimate recoverable amount using future cash flows.

As the Group engages in several businesses globally, unexpected events may affect our supply chains depending on the asset group, and may affect the assumptions for the estimate of future cash flows.

**[Notes to Non-consolidated Balance Sheet]**

**1. Accumulated depreciation of property, plant and equipment**

170,793 million yen

**2. Contingency liabilities**

Guarantee obligations

Guarantee for borrowings from financial institutions

by subsidiaries and associates

929 million yen

**3. Monetary receivables from and payables to subsidiaries and associates**

Short-term monetary receivables

23,367 million yen

Long-term monetary receivables

3,911 million yen

Short-term monetary payables

16,067 million yen

**4. Application of the Land Revaluation Act**

The Company conducted a revaluation of the land for business use based on the “Act on Revaluation of Land” (Act No. 34 of March 31, 1998) and the “Partial Revision of the Act on Revaluation of Land” (Act No. 24 of March 31, 1999; Act No. 19 of March 31, 2001). Regarding the revaluation difference, the Company posted the tax equivalent amount concerning the said revaluation difference under the liabilities section as “deferred tax liabilities for land revaluation,” and posted the amount with the tax equivalent portion deducted to the net assets section as “revaluation reserve for land.”

● Method of revaluation

The revaluation amount was calculated by making reasonable adjustments to the price registered in the land tax ledger provided in Article 341, Item 10 of the Local Tax Act, as stipulated in Article 2, Item 3 of the “Enforcement Order of the Act on Revaluation of Land” (Cabinet Order No. 119 of March 31, 1998).

● Date of revaluation

March 31, 2002

● Market value of land at end of fiscal year under review and difference between market value and book value after revaluation:

(2,518) million yen

**[Notes to Non-Consolidated Statement of Income]**

**Volume of transactions with subsidiaries and associates**

Net sales

76,570 million yen

Purchase of goods

34,080 million yen

Transactions other than operational transactions

11,063 million yen

**[Notes to Non-Consolidated Statement of Changes in Net Assets]**

**Class and number of treasury shares at end of fiscal year under review**

(Shares)

|               | Number of shares at beginning of fiscal year under review | Increase during fiscal year under review | Decrease during fiscal year under review | Number of shares at end of fiscal year under review |
|---------------|---|--|--|---|
| Common shares | 1,603,638   | 3,941,925                                | 64,600                                   | 5,480,963   |
| Total         | 1,603,638   | 3,941,925                                | 64,600                                   | 5,480,963   |

Note 1: Treasury shares (common shares) as of the end of the fiscal year under review include 97,200 shares of the Company held under the Stock Benefit Trust (J-ESOP).

Note 2: The breakdown of the increase in treasury shares (common shares) is as follows:

|   |                  |
|---|------------------|
| Purchase of treasury shares based on the resolution of the Board of Directors | 3,941,800 shares |
| Purchase of shares less than one unit   | 125 shares       |

The breakdown of the decrease in treasury shares (common shares) is as follows:

|  |               |
|--|---------------|
| Benefits of the Stock Benefit Trust (J-ESOP)                 | 1,600 shares  |
| Disposal of treasury shares as restricted stock remuneration | 63,000 shares |

**[Notes to Deferred Tax Accounting]**

**1. Breakdown of main causes of deferred tax assets and deferred tax liabilities**

Deferred tax assets

|   |                     |
|---|---------------------|
| Provision for retirement benefits   | 5,104 million yen   |
| Non-deductible impairment losses on non-current assets                    | 1,048 million yen   |
| Non-deductible loss on valuation of shares of subsidiaries and associates | 947 million yen     |
| Provision for bonuses   | 747 million yen     |
| Accrued business tax  | 220 million yen     |
| Non-deductible loss on valuation of inventories                           | 174 million yen     |
| Allowance for doubtful accounts   | 173 million yen     |
| Excess depreciation   | 51 million yen      |
| Other   | 564 million yen     |
| Subtotal deferred tax assets  | 9,028 million yen   |
| Subtotal valuation allowance  | (1,715) million yen |
| Total deferred tax assets   | 7,313 million yen   |

Deferred tax liabilities

|   |                     |
|---|---------------------|
| Reserve for tax purpose reduction entry of non-current assets | (15) million yen    |
| Valuation difference on available-for-sale securities         | (6,379) million yen |
| Total deferred tax liabilities                                | (6,394) million yen |
| Net deferred tax assets                                       | 918 million yen     |

Deferred tax liabilities concerning revaluation

|                              |                   |
|------------------------------|-------------------|
| Revaluation reserve for land | 3,103 million yen |
|------------------------------|-------------------|

## [Notes to Related Party Transactions]

### Subsidiaries, etc.

| Attribute    | Company name                           | Ratio of voting rights held (owned) (%)            | Relationship with the related party | Details of transactions              | Transaction amount (millions of yen) | Item   | Balance at end of fiscal year (millions of yen) |
|--------------|--|--|-------------------------------------|--------------------------------------|--------------------------------------|--|---|
| Subsidiaries | ADEKA CHEMICAL SUPPLY CORP.            | Held:<br>Directly:<br>94.43<br>Indirectly:<br>5.57 | Sale of the Company's products      | Sale of chemical products (Note 1)   | 14,048                               | Accounts receivable - trade  | 5,311   |
|              | ADEKA ENGINEERING & CONSTRUCTION CORP. | Held:<br>Directly:<br>100.00                       | Purchase of equipment, etc.         | Purchase of equipment, etc. (Note 2) | 11,248                               | Accounts payable - other<br>Accounts payable - trade<br>Accrued expenses | 3,026<br>1,444<br>24                            |
|              | ADEKA FOODS SALES CORP.                | Held:<br>Directly:<br>100.00                       | Sale of the Company's products      | Sale of food products (Note 1)       | 12,916                               | Accounts receivable - trade  | 3,165   |

Policy for determining trading conditions and terms, etc.

Note 1: As for the price and other transaction terms, the desired price is proposed by the Company considering actual market conditions and decided by price negotiations.

Note 2: Regarding the purchase of equipment, etc., the Company shall obtain multiple estimates, and determine where to make the purchase and the price considering the actual market price.

Officers and major shareholders, etc.

| Attribute | Company name or name | Ratio of voting rights held (owned) (%) | Relationship with the related party   | Details of transactions                                      | Transaction amount (millions of yen) | Item | Balance at end of fiscal year (millions of yen) |
|-----------|----------------------|---|---|--|--------------------------------------|------|---|
| Officer   | Hidetaka Shirozume   | Owned:<br>Directly:<br>0.08             | President and Chief Executive Officer, Representative Director of the Company | In-kind contributions of monetary compensation claims (Note) | 24                                   | –    | –   |
| Officer   | Haruhiko Tomiyasu    | Owned:<br>Directly:<br>0.06             | Representative Director and Senior Managing Executive Officer of the Company  | In-kind contributions of monetary compensation claims (Note) | 13                                   | –    | –   |
| Officer   | Youji Shiga          | Owned:<br>Directly:<br>0.04             | Director and Managing Operating Officer of the Company                        | In-kind contributions of monetary compensation claims (Note) | 12                                   | –    | –   |
| Officer   | Kiyoshi Masamune     | Owned:<br>Directly:<br>0.02             | Director and Operating Officer of the Company                                 | In-kind contributions of monetary compensation claims (Note) | 11                                   | –    | –   |
| Officer   | Yoshiaki Kobayashi   | Owned:<br>Directly:<br>0.05             | Senior Managing Executive Officer of the Company                              | In-kind contributions of monetary compensation claims (Note) | 13                                   | –    | –   |
| Officer   | Shigeki Fujisawa     | Owned:<br>Directly:<br>0.03             | Managing Operating Officer of the Company                                     | In-kind contributions of monetary compensation claims (Note) | 12                                   | –    | –   |
| Officer   | Atsuya Yoshinaka     | Owned:<br>Directly:<br>0.04             | Managing Operating Officer of the Company                                     | In-kind contributions of monetary compensation claims (Note) | 12                                   | –    | –   |
| Officer   | Naoshi Kawamoto      | Owned:<br>Directly:<br>0.03             | Managing Operating Officer of the Company                                     | In-kind contributions of monetary compensation claims (Note) | 12                                   | –    | –   |
| Officer   | Shin Takahashi       | Owned:<br>Directly:<br>0.01             | Senior Operating Officer of the Company                                       | In-kind contributions of monetary compensation claims (Note) | 11                                   | –    | –   |
| Officer   | Yukio Tatsumi        | Owned:<br>Directly:<br>0.02             | Senior Operating Officer of the Company                                       | In-kind contributions of monetary compensation claims (Note) | 11                                   | –    | –   |

Policy for determining trading conditions and terms, etc.

Note: In-kind contributions of monetary compensation claims are in line with the restricted stock remuneration system (transfer restriction period of three years).

[Notes to Revenue Recognition]

Notes are omitted because useful information in understanding revenue from contracts with customers is the same as presented in [Notes to Revenue Recognition] of the Notes to the Consolidated Financial Statements.

[Notes to Per Share Information]

- |                              |              |
|------------------------------|--------------|
| 1. Net assets per share:     | 2,180.79 yen |
| 2. Basic earnings per share: | 251.22 yen   |

Note: The shares of the Company held by the Custody Bank of Japan, Ltd. (Trust E Account) as trust property of J-ESOP are included in the treasury shares deducted from the number of shares issued at the end of the period when calculating net assets per share (97,200 shares for the fiscal year under review). Such shares are also included in the treasury shares that are deducted in the calculation of average number of shares during the period when calculating basic earnings per share (97,439 shares for the fiscal year under review).

[Additional Information]

(Transactions to grant shares of the Company to employees through a trust)

The Company resolved, at the meeting of the Board of Directors held on April 19, 2024, to introduce an incentive plan, “Stock Benefit Trust (J-ESOP),” under which the Company’s shares are provided to employees of the Company and some of the Group companies, (hereinafter referred to as the “Plan,” and a trust established under the trust agreement concluded with Mizuho Trust & Banking Co., Ltd. with respect to the Plan is referred to as the “Trust”), in order to enhance the linkage between the Company’s stock price and performance and the treatment of employees, and to share the economic effects with shareholders, thereby raising the motivation and morale of employees to improve the stock price and performance.

1. Overview

The Plan is a trust-type scheme based on the U.S. ESOP (Employee Stock Ownership Plan). Under the Stock Benefit Regulations stipulated in advance by the Company, the Company will provide employees who meet certain conditions with shares of the Company and cash equivalent to the amount of shares of the Company converted at market price (hereinafter referred to as “shares of the Company, etc.”).

The Company grants points to employees in accordance with their individual contributions and positions, etc. and provide shares of the Company, etc. corresponding to the applicable points granted when such employees acquire the rights to receive benefits under certain conditions. Shares to be provided to employees shall be acquired in the future, including the amount of money set in the trust in advance, and shall be segregated and managed as trust property.

2. Shares of the Company remaining in the trust

Shares of the Company remaining in the trust are recorded as treasury shares under net assets in the book value in the trust (excluding incidental expenses). The book value and the number of shares of such treasury shares is 312 million yen and 97,200 shares respectively for the fiscal year under review.

[Notes to Significant Subsequent Events]

Not applicable.

(Translation)  
**Independent Auditor's Report**

May 19, 2026

The Board of Directors  
ADEKA Corporation

Ernst & Young ShinNihon LLC  
Tokyo, Japan

Kenji Fujita  
Designated Engagement Partner  
Certified Public Accountant

Kazunori Onuki  
Designated Engagement Partner  
Certified Public Accountant

**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 notes to the consolidated financial statements of ADEKA Corporation and its consolidated subsidiaries (the Group) applicable to the fiscal year from April 1, 2025 to March 31, 2026.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position and results of operations of the Group applicable to the fiscal year ended March 31, 2026, in accordance with accounting principles generally accepted in Japan.

**Basis for Opinion**

We conducted our audit in accordance with auditing standards generally accepted in Japan. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Group in accordance with the ethical requirements that are relevant to our audit of the consolidated financial statements in Japan, including those applicable to audits of financial statements of public interest entities, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

**Other Information**

The other information comprises the information included in the Group's business report and its supplementary schedules. Management is responsible for preparation and disclosure of the other information. The Audit and Supervisory Committee is responsible for overseeing the Group's reporting process of the other information.

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

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

Management is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with accounting principles generally accepted in Japan, and for such internal control as management determines is necessary to enable the preparation of 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 the Group's ability to continue as a going concern and disclosing, as required by accounting principles generally accepted in Japan, matters related to going concern.

The Audit and Supervisory Committee is responsible for overseeing the Group's financial reporting process.

### **Auditor's Responsibilities for the Audit of the Consolidated Financial Statements**

Our objectives are 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 issue an auditor's report that includes our opinion. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with auditing standards generally accepted in Japan, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion.
- Consider internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances for our risk assessments, while the purpose of the audit of the consolidated financial statements is not expressing an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation in accordance with accounting principles generally accepted in Japan.
- Plan and perform the group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within the Group as a basis for forming an opinion on the consolidated financial statements. We are responsible for the direction, supervision and review of the group audit. We remain solely responsible for our audit opinion.

We communicate with the Audit and Supervisory Committee regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the Audit and Supervisory Committee with a statement that we have complied with the ethical requirements regarding independence that are relevant to our audit of the consolidated financial statements in Japan, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied to reduce threats to an acceptable level.

**Interest Required to Be Disclosed by the Certified Public Accountants Act of Japan**

Our firm and its designated engagement partners do not have any interest in the Group which is required to be disclosed pursuant to the provisions of the Certified Public Accountants Act of Japan.

(Translation)  
**Independent Auditor's Report**

May 19, 2026

The Board of Directors  
ADEKA Corporation

Ernst & Young ShinNihon LLC  
Tokyo, Japan

Kenji Fujita  
Designated Engagement Partner  
Certified Public Accountant

Kazunori Onuki  
Designated 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 notes to the financial statements and the related supplementary schedules of ADEKA Corporation (the Company) applicable to the 164th fiscal year from April 1, 2025 to March 31, 2026.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position and results of operations of the Company applicable to the 164th fiscal year ended March 31, 2026, in accordance with accounting principles generally accepted in Japan.

**Basis for Opinion**

We conducted our audit in accordance with auditing standards generally accepted in Japan. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the ethical requirements that are relevant to our audit of the financial statements in Japan, including those applicable to audits of financial statements of public interest entities, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

**Other Information**

The other information comprises the information included in the Company's business report and its supplementary schedules. Management is responsible for preparation and disclosure of the other information. The Audit and Supervisory Committee is responsible for overseeing the Company's reporting process of the other information.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

### **Responsibilities of Management, the Audit and Supervisory Committee for the Financial Statements**

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

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern and disclosing, as required by accounting principles generally accepted in Japan, matters related to going concern.

The Audit and Supervisory Committee is responsible for overseeing the Company's financial reporting process.

### **Auditor's Responsibilities for the Audit of the Financial Statements**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with auditing standards generally accepted in Japan, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion.
- Consider internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances for our risk assessments, while the purpose of the audit of the financial statements is not expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation in accordance with accounting principles generally accepted in Japan.

We communicate with the Audit and Supervisory Committee regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the Audit and Supervisory Committee with a statement that we have complied with the ethical requirements regarding independence that are relevant to our audit of the financial statements in Japan, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied to reduce threats to an acceptable level.

**Interest Required to Be Disclosed by the Certified Public Accountants Act of Japan**

Our firm and its designated engagement partners do not have any interest in the Company which is required to be disclosed pursuant to 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 164th fiscal year from April 1, 2025 through March 31, 2026, 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, 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), 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 20, 2026

Audit and Supervisory Committee, ADEKA Corporation

|  |                 |
|--|-----------------|
| Full-Time Audit and Supervisory Committee Member | Koichi Taya     |
| Audit and Supervisory Committee Member           | Ikuko Hirasawa  |
| Audit and Supervisory Committee Member           | Yukiko Fujikawa |

Note: External Audit and Supervisory Committee Members, Ikuko Hirasawa and Yukiko Fujikawa are External Directors as defined in Article 2, Item (xv) and Article 331, Paragraph (6) of the Companies Act.