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ADEKA report

2023

Integrated Report



Everything can be made better.
We can add functionality to materials. We can add durability
and environmental friendliness.
This in turn makes our lives more enjoyable, convenient,
and secure.
We raise the value of materials.
In doing so, we change the world.
We are ADEKA.

ADEKA Group Management Policies

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

Business Environment

Editorial Policy

This report is compiled as an integrated report to serve as a communication tool to inform shareholders, investors, and other stakeholders of our efforts to enhance corporate value over the medium to long term.
Going forward, through the publication of this report, we will continue to deepen our business activities and provide our stakeholders with a deeper understanding of the Group.

Reference Guidelines

Environmental Reporting Guidelines (Fiscal Year 2018 Version) of the Japan Ministry of the Environment
Japanese Standards Association ISO 26000:2010 Guidance on social responsibility
GRI Sustainability Reporting Standard
Guidance for Collaborative Value Creation 2.0, Ministry of Economy, Trade and Industry

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September 2023 (next publication date: September 2024)

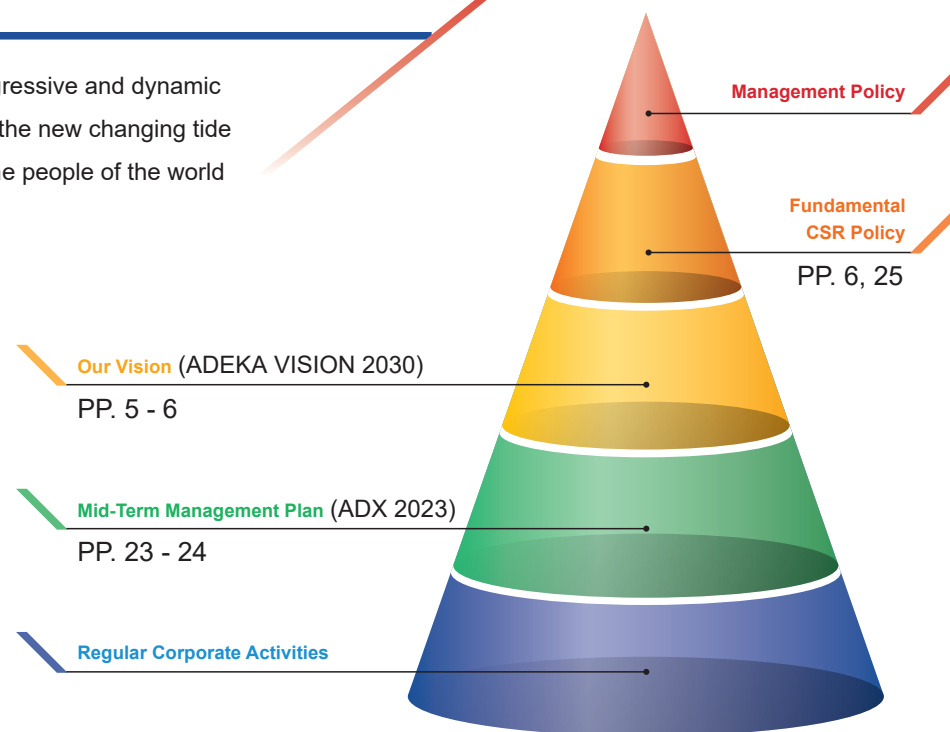
Scope of This Report

Unless otherwise specified, all statements in this report refer to the entire ADEKA Group.
The environmental data to be reported is shown on the right.

Period Covered by This Report

Fiscal 2022 (April 1, 2022 to March 31, 2023)
Some parts of this report refer to recent activities taking place in fiscal 2023.

ADEKA Group Management System



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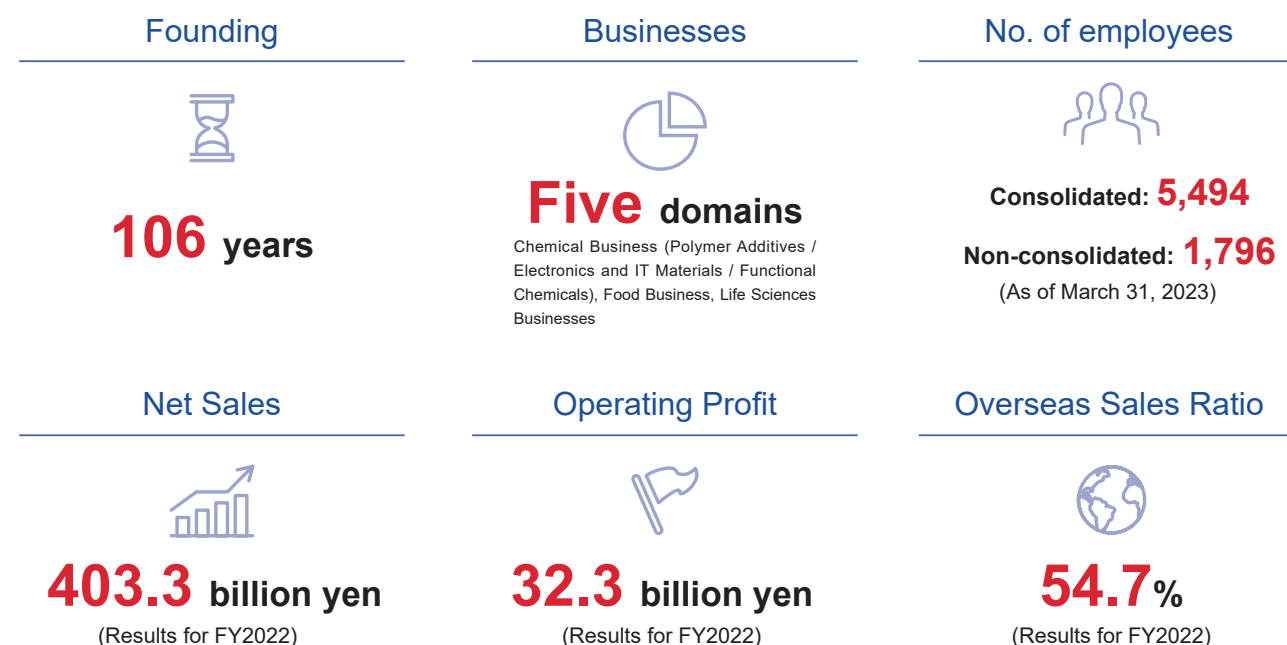
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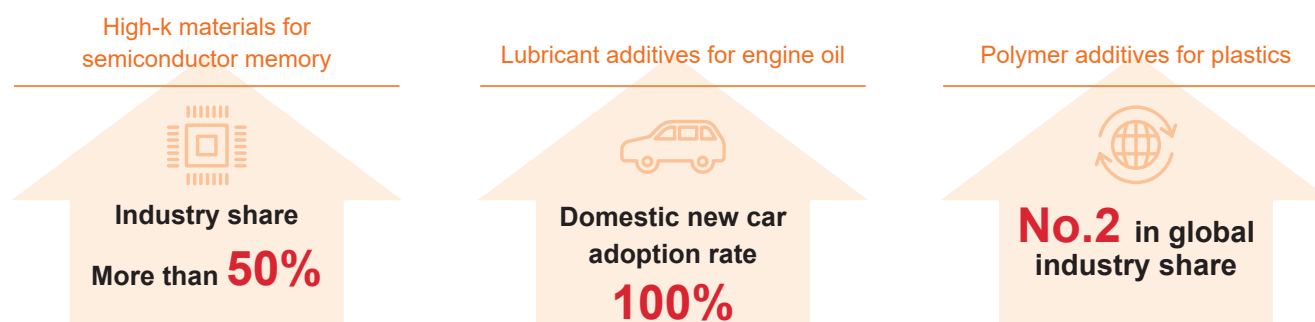
ADEKA	All Plants, R&D Laboratories, Offices		
Domestic Group Companies	■ ADEKA CHEMICAL SUPPLY CORP.	■ ADEKA ENGINEERING & CONSTRUCTION CORP.	■ UEHARA FOODS INDUSTRY CO., LTD.
	■ ADEKA LIFE-CREATE CORP.	■ ADEKA LOGISTICS CORP.	■ NIHON NOHYAKU CO., LTD.
	■ OXIRANE CHEMICAL CORP.	■ ADEKA FOODS SALES CORP.	■ NICHINO SERVICE CO., LTD.
	■ ADEKA CLEAN AID CORP.	■ YONGO CO., LTD.	
Overseas Group Companies (Plants)	■ ADEKA FINE FOODS CORP.	■ CROWN CO., LTD.	
	■ ADEKA FINE CHEMICAL (ZHEJIANG) CO., LTD.	■ ADEKA KOREA CORP.	■ ADEKA FINE CHEMICAL (THAILAND) CO., LTD.
	■ ADEKA FINE CHEMICAL (CHANGSHU) CO., LTD.	■ ADEKA FOODS (ASIA) SDN.BHD.	■ ADEKA AL OTAIBA MIDDLE EAST LLC
	■ ADEKA FOODS (CHANGSHU) CO., LTD.	■ ADEKA (SINGAPORE) PTE.LTD.	■ AMFINE CHEMICAL CORP.
	■ ADEKA FINE CHEMICAL TAIWAN CORP.	■ ADEKA POLYMER ADDITIVES EUROPE SAS	■ AM STABILIZERS CORP.
		■ SIPCAM NICHINO BRASIL S.A.	
		■ NICHINO INDIA PVT. LTD.	

■ Chemical Business ■ Food Business ■ Life Sciences Business ■ Other Businesses

At a Glance ADEKA in Figures



ADEKA, Supporting People's Lifestyles



Recognition by Society

Major External Evaluations

CDP2022 "B" for both Climate Change and Water Security
 "Bronze" rating in the EcoVadis sustainability assessment
 2023 Certified Health & Productivity Management Outstanding Organizations Recognition Program



*Health Management® is a trademark of the Nonprofit Organization KenkoKeiei

Status of Inclusion in Indexes

2023 SOMPO Sustainability Index

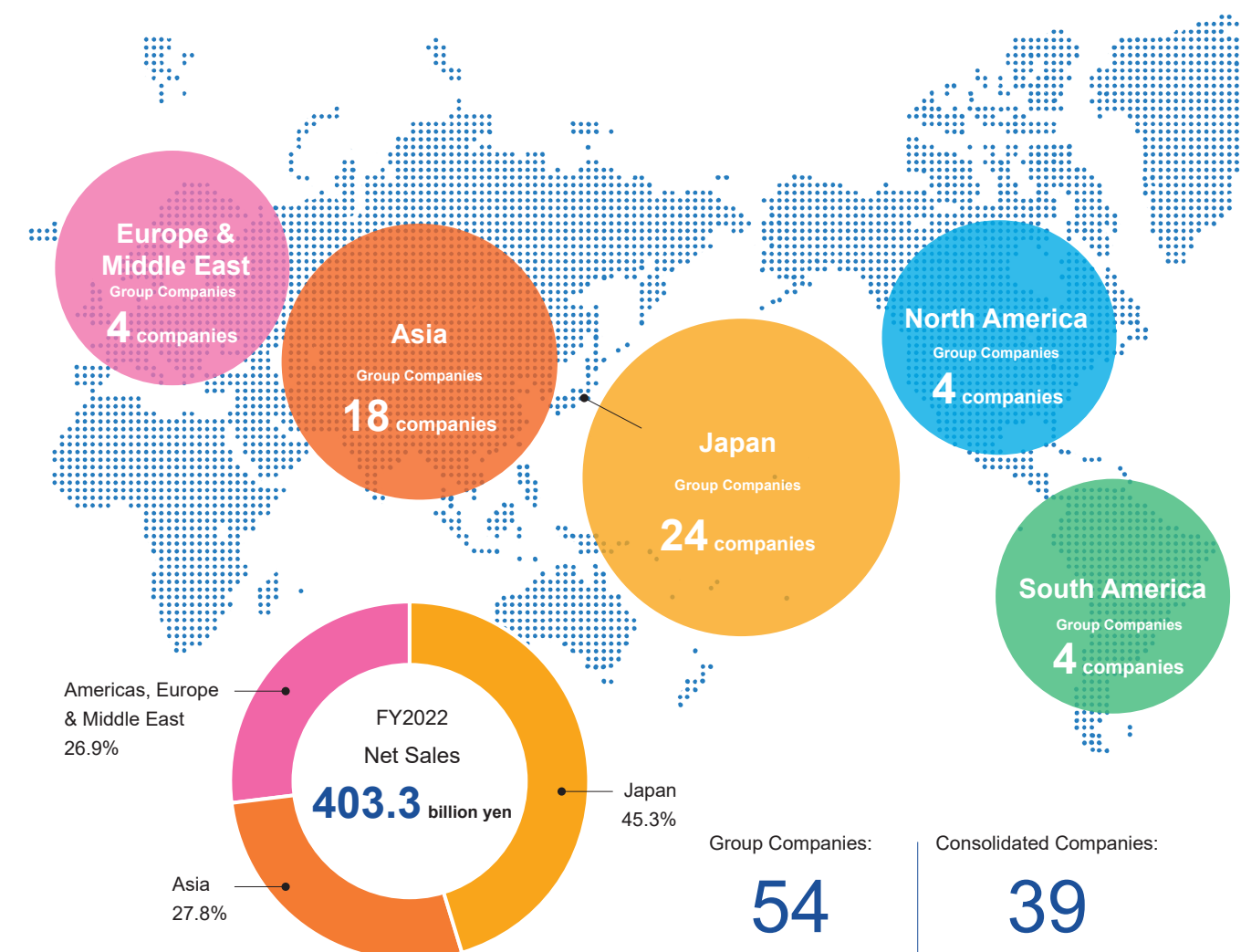


The Company was selected for the first time as a component of the "JPX Nikkei Index 400" for FY2023.



ADEKA Global Network

We are aggressively pursuing global expansion based on our management philosophy of "Creating a better future for the people of the world."



Participation in Initiatives

UN Global Compact

The ADEKA Group endorses the Ten Principles of the UN Global Compact on human rights, labor, environment, and anti-corruption, and was registered as a participating company as of April 6, 2021. We will clearly state our corporate stance toward the integration of management and CSR, conduct our business in compliance with accepted norms, and at the same time, enhance our corporate value by meeting the ever-changing expectations of our stakeholders and contributing to a sustainable society through our core business.



Task Force on Climate-related Financial Disclosures (TCFD)

In February 2022, the ADEKA Group expressed its agreement with the TCFD. Through proactive promotion of preservation of the global environment (reduction of GHG emissions, etc.) and provision of eco-friendly products, ADEKA will contribute to reduced environmental burden for its supply chain as a whole.



Sedex

ADEKA joined Sedex in August 2019. We will continue to promote the creation of a sustainable supply chain while eliminating risks related to labor practices.



ADEKA VISION 2030

ADEKA VISION 2030 has been formulated by envisioning the society in 2030, the ADEKA Group's Fundamental CSR Policy, and our CSR Priority Issues. Our three-year Mid-Term Management Plan, ADX 2023, which runs from fiscal 2021 to 2023, is positioned as the first stage toward realizing this vision.

Back Cast

Specific measures to achieve
our Vision: Mid-Term Management Plan

ADX 2023

(FY 2021-2023)

"ADEKA Transformation" is a catchphrase coined to express ADEKA's intent to transform itself for sustainable growth.

[Basic Policies]

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

For more information, see pp. 23 - 24 "Overview and Progress of the ADEKA Group's Mid-Term Management Plan"

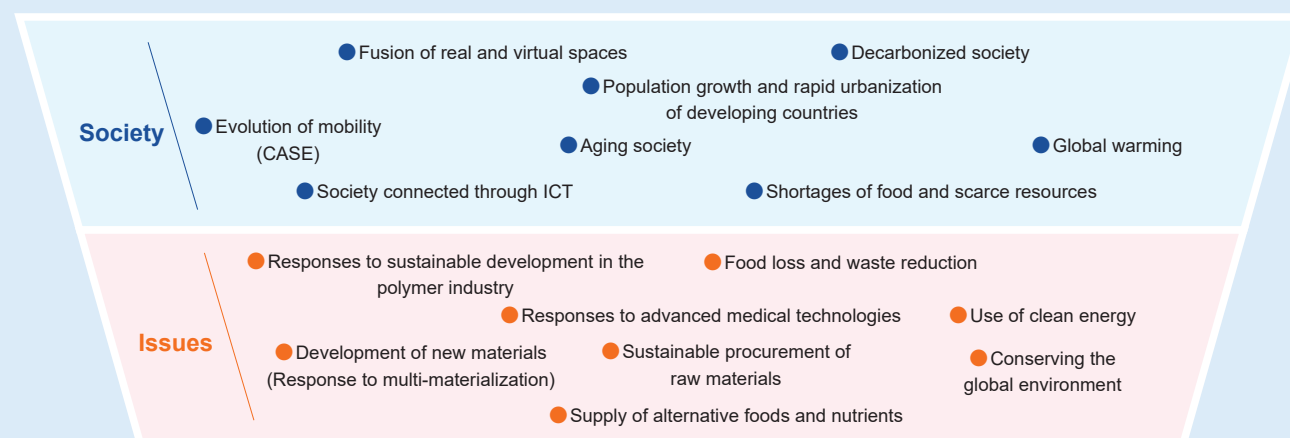
VISION: ADEKA VISION 2030

-An Innovative Company
Contributing to a Sustainable Future
and Affluent Lifestyles-

Assumptions underlying the formulation of ADEKA VISION 2030: Two backgrounds

Background 1

Consideration of business direction based on the ADEKA Group's strengths (technological capabilities, human resources, etc.)



Background 2

Integration with the ADEKA Group's Fundamental CSR Policy and CSR priority issues

Fundamental CSR Policy

(Fundamental stance to meet societal expectations and enhance corporate value)

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.

CSR priority issues

(Social issues that should be prioritized by the Company)

E	Conserving the global environment	13. Climate Action	14. Life Below Water	15. Life on Land	16. Peace, Justice and Strong Institutions
	Supply of eco-friendly products	12. Responsible Consumption and Production	13. Climate Action	14. Life Below Water	15. Life on Land
S	Creating value that meets society's expectations	1. Innovation	2. Digital	3. Environmental	4. Social
	Dialogue with stakeholders	10. Reduced Inequalities	11. Sustainable Cities and Communities	12. Responsible Consumption and Production	13. Climate Action
G	Respect for Human Rights	8. Decent Work and Economic Growth	9. Industry, Innovation and Infrastructure	10. Reduced Inequalities	11. Sustainable Cities and Communities
	Expanding Opportunities for Utilizing Human Resources	8. Decent Work and Economic Growth	9. Industry, Innovation and Infrastructure	10. Reduced Inequalities	11. Sustainable Cities and Communities
G	Strengthening Group governance and Risk management	16. Peace, Justice and Strong Institutions	17. Partnerships for the Goals	18. Local Communities	19. Global Compact
		16. Peace, Justice and Strong Institutions	17. Partnerships for the Goals	18. Local Communities	19. Global Compact

Message from the President

We are committed to enhancing our
corporate value and emphasize dialogue
with stakeholders

Hidetaka Shirozume

President and Chief Executive Officer,
Representative DirectorReflecting on the five years since
assuming the position of President and
Chief Executive Officer

Five years have passed since I assumed the position of President in 2018. Over the past five years, we have been compelled to respond to major changes in the business environment triggered by the COVID-19 pandemic. During this period I have made significant changes to the business portfolio of the ADEKA Group and decisively implemented various reforms.

During the global economic slowdown in 2018 and 2019, the ADEKA Group performance was different from our expectations from my first year as president. This was also a period of significant change in the Group's business structure, as we welcomed NIHON NOHYAKU Co., Ltd. into the ADEKA Group in September 2018. Against this backdrop, my personal focus was to "fulfill our accountability to our stakeholders." In order to respond to your strong expectations for the further growth of the ADEKA Group, it is important to engage in constructive dialogue with our stakeholders to ensure that they understand our current situation. I personally have been involved in the Electronics and IT Materials division, a growing business, for many years and have had opportunities to discuss the future of the business at plant tours and other events, and thoroughly understood its significance. Therefore, in our IR activities, including results briefings, I made every effort to explain the results in front of the attendees, answer their questions in detail, and gain their understanding.

As for the importance of accountability and speaking directly to our shareholders and investors, I recall, during the Ordinary General Meeting of Shareholders for fiscal 2018 when I was approved for the position of President, that I was again strongly aware of the importance of speaking directly to them. After being introduced by the then President Kohri, who was the Chairperson of the Ordinary General Meeting of Shareholders, I spoke to the shareholders before me, sharing my aspirations about the future of the Company management. I still occasional-

ly think back to the kind eyes and expectations of the shareholders that were then cast upon me.

As we entered the year 2020, the world was transformed by the COVID-19 pandemic. Economic and social status, as well as corporate activities and people's sense of values, have changed profoundly; indeed, the business environment has undergone a radical transformation. At the time, the ADEKA Group was facing various challenges both in terms of its business and management, and was also accumulating new challenges in dealing with the COVID-19 pandemic. I personally, on the contrary, saw this situation as "good timing" to resolve the various issues facing the ADEKA Group and thought that I would be able to resolve my own management and business problems all at once. Of course, I was apprehensive, but it was very natural for me, as a person who inherently has a positive outlook on things, to think this way.

Even taking remote work as just one example, the ADEKA Group had not made much progress in this area, yet it has made a quick change from 2020, including the introduction of a free address system at the Head Office and the development of a digital environment. Also, in formulating the grand design for the new Mid-Term Management Plan that began in fiscal 2021, we felt a growing sense that, in an unpredictable business environment, priority should be placed on creating a profitable organization rather than merely pursuing expansion of the scale of our business. As president, I consider it my mission to further expand the ADEKA Group, to enhance its profitability, and to appropriately and consistently return the profits earned through our business to not only our shareholders and investors, but also to our various stakeholders, including our employees.

While there are still issues to be addressed, I feel that over the past five years, the management of the ADEKA Group has significantly grown stronger.

Management Policy and its Dissemination

The ADEKA Group management policy consists of two components: "To be a company that is progressive and dynamic with a keen attitude towards the new changing tide" and "Creating a better future for the people of the world." It is also filled with the managers' desire to be such a company. Although it may be necessary to modify this expression to reflect the current times, I understand that this approach itself is a very appropriate philosophy in light of the direction in which the ADEKA Group aims to pursue our business. However, we recognize that the Group has still far from achieving this philosophy.

Currently, there is an impression of a mix of both divisions that are moving closer to embodying the philosophy and those that are still in the process of doing so. Until now, due to the COVID-19 pandemic, I have not had the opportunity to go directly to business sites and communicate directly with them about our philosophy and strategy. However, going forward, my plan is to increase such opportunities. The ADEKA Group will also strive to promote our global business development with a sense of solidarity through our technologically superior product lineup that is competitive in the global marketplace.

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

It is the Electronics and IT Materials division that embodies this part of our management policy. The fields of electronic materials and flat panel display materials are characterized by rapid technological advancements and the speed of customers. To handle such customers, it is not enough to simply continue to deliver cutting-edge materials; it is important to receive hints from communication with customers, anticipate their moves, and proceed in consultation with them. It is essential to take an attitude of co-creation, taking on a reasonable amount of risk,

while communicating with customers and other relevant platform participants. If we can apply this attitude to our other businesses, I believe the Group's potential for future growth will be further enhanced.

2) Creating a better future for the people of the world

On this part as well, there are some divisions that have been able to embody it and others that are still in the process of doing so. For example, in the Polymer Additives division, given that our major customers are overseas companies, we have taken our time to build the infrastructure necessary for overseas expansion, while building relationships with our customers. As a result, with overseas sales accounting for approximately 70% of total net sales, the remaining domestic sales also include a small portion of exports to other countries, which truly embodies "Creating a better future for the people of the world." On the other hand, the Food Business has so far been slow to expand overseas. For example, it was 35 years ago that we established a local subsidiary in Singapore to manufacture edible oils and fats. However, our food business is still primarily focused on the domestic market, with overseas sales accounting for only 10% of our total net sales. Of course, it is difficult to speak in general terms because of the different business models, but we need to change our mindset and challenge ourselves according to our management policy.



We are working to shift to high value-added products and to control costs in order to achieve appropriate operating profit.

Progress and Outlook of our Mid-Term Management Plan

In the previous Mid-Term Management Plan, (BEYOND 300) which ended in fiscal 2020, the fundamental policy was to "become a good company with net sales exceeding 300 billion yen. Due in part to the addition of NIHON NOHYAKU Co.,Ltd. to the ADEKA Group in 2018, the consolidated net sales target was achieved, but the operating profit margin target was not met.

When formulating the Mid-Term Management Plan "ADX 2023: ADEKA Transformation," our thinking underwent significant changes due to the various environmental changes brought about by the COVID-19 pandemic. In ADX 2023, we decided to aim for both "emphasis on profit and expansion of scale" and decided to remove the net sales target from the management index and set an operating profit target. Amid the unpredictable business environment, we decided to first aim to build the ability to generate solid profits rather than pursue scale. In order to achieve appropriate operating profit, for one thing, we are working on reviewing various costs, in addition to shifting from general-purpose products to high-value-added products with advanced functions. While continuing to make capital investments to maintain and expand existing businesses, we are currently working to transform our business structure and develop a framework capable of anticipating future fixed costs, based on a clear understanding of the market outlook. Although we have faced various issues, we are challenging ourselves to make drastic changes and to see the harsh business environment as an opportunity for change.

In fiscal 2022, the second year of the new Mid-Term Management Plan, the Electronics and IT Materials division experienced a decline in sales of semiconductor-related materials due to production cutbacks by semiconductor manufacturers and a significant drop in sales of display-related materials due to significant inventory adjustments by panel manufacturers. However,



we made progress in expanding strategic products and new products to transform our earning structure, as well as in expanding eco-friendly products. Furthermore, we are rigorously managing total costs, and the earning structure of the ADEKA Group is steadily strengthening.

Regarding the operating profit target of 35 billion yen for fiscal 2023 set at the time of the Plan's formulation, we have revised it upward to 42 billion yen due to a better-than-expected start in the first fiscal year. However, given the current business environment, we have a harsh forecast for achieving this goal. We are also looking to achieve this goal in the next Mid-Term Management Plan, which will start in 2024. Fiscal 2023 is seen as the year to carry out activities on issues that have remained unresolved amid the COVID-19 pandemic and to make firm preparations to restore the company's brilliance.

For sustainability management, we will cultivate a corporate culture and achieve a conglomerate premium from a medium- to long-term perspective.

Thoughts on Sustainability Management

In the past, many people have described the ADEKA Group's corporate culture as "at home" and "people-friendly." As the mobility of human resources accelerates, it seems that the corporate culture of the past is fading away in the ADEKA Group. This is an issue that all companies and organizations are facing, but with the proliferation of telecommuting and such, opportunities to work face-to-face are decreasing, and communication is becoming diluted. I believe that this situation is also a "opportune time" to make changes.

To date, our personnel system has been focused more on ADEKA's non-consolidated employees, but in the future we would like to create a corporate climate and promote cultivating human resources for the entire ADEKA Group. This being said, corporate culture is not something that can be instilled simply by thinking about it in one's head and disseminating it as information. Building a corporate culture is gradually cultivated through repeated actions, such as visiting work sites, establishing opportunities for dialogue with employees, and engaging in direct conversations with them.

Amid the increasing mobility and globalization of human resources, an opportunity is presenting itself to build a new corporate climate and corporate culture.

The ADEKA Group has a wide range of human resources with various qualities. As we expand the scale of our business and undergo globalization, as well as continuously increasing our corporate value, identifying and cultivating the next generation of management personnel who are flexible and capable of leading us into the future and appropriately evaluating and conditioning human resources, who are becoming increasingly mobile are important issues in order to pave the way for the future of the ADEKA Group.

It is also critical to make the business itself more resilient and sustainable. The ADEKA Group is a "conglomerate" that has diverse businesses in chemicals, food products, and life science, all of which share the common keyword of science. The term "conglomerate discounting" is often used to illustrate the challenges associated with operating and strengthening a diverse portfolio of businesses. It is also true that there exist some businesses in our Group that do not contribute to the profits of the entire Group. However, in a business environment where the future is unclear, we believe that conglomerates can be effective in some aspects, without judging them only on short-term pros and cons. I believe that drastic decisions will be necessary if a business that is not doing well cannot be improved by any means. However, beginning with the Food Business, which until recently has been in a difficult business environment, there is still potential for development, and the Group will endeavor to become a "conglomerate premium" by making every effort to build a diverse and resilient business portfolio.

Addressing environmental issues is also extremely critical. In addition to expanding the number of eco-friendly products and other business opportunities, we must not shy away from addressing the environmental issues facing the chemical industry as a whole. We will seriously address these issues, including our contribution to carbon neutrality.

Message to Our Stakeholders

At the June 2023 Ordinary General Meeting of Shareholders, we were able to welcome many of our shareholders to the venue for the first time in truly four years. I was able to meet with our shareholders in person at the venue, and was reminded of the importance and pleasure of communicating the status of the ADEKA Group to them.

Strengthening corporate governance essential to take on management issues directly and make sound judgments. The other day, I had a conversation with External Director Nagai, Chairperson of the Nomination and Remuneration Committee, and he gave me some valuable feedback. (See "Discussion Between the President and External Director" on pp. 13-14) We will continue to focus on further increasing sophistication of our governance system and improving the effectiveness of the Board of Directors.

Going forward, to further strengthen our relationship of trust with our shareholders and investors, our first priority is to accomplish the strategies set forth in ADX 2023, and we are fully committed to achieving profitability and growth potential that surpasses your expectations. We also recognize that in order to receive even greater recognition from our customers, it is essential for us to firmly illustrate our value creation story for further growth and to gain their understanding of our efforts. I perceive it as my important mission as president to communicate and persuade people of the effectiveness of the ADEKA Group's value creation story.

Please be sure to keep your eyes on the ADEKA Group as we embark on a path toward further growth.

President and Chief Executive Officer,
Representative Director **Hidetaka Shirozume**



Discussion Between the President and External Director



President and Chief Executive Officer,
Representative Director
Hidetaka Shirozume

External Director
Kazuyuki Nagai

At the ADEKA Group, we are accelerating our ongoing initiatives to strengthen corporate governance. Here, discussions have taken place between President and Chief Executive Officer Shirozume, who is the Chairman of the Board of Directors, and External Director Nagai, who is also the Chairperson of the Nomination and Remuneration Committee, to revitalize the new Board of Directors, which will be revamped in June 2023.

The “past” and “future” of corporate governance

Shirozume: To date, ADEKA has sought and developed a form of governance that matches the ADEKA Group's business, while responding to the demands of society. Specifically, in addition to increasing the number of External Director, establishing a Nomination and Remuneration Committee in 2020, and changing the structure of ADEKA to a Company with Audit and Supervisory Committee in 2021, we have optimized the size and composition of the Board of Directors, including reducing the number of directors (from 16 to 10) in June 2023. In this way, the ADEKA Group has been speeding up the development of a system to strengthen its corporate governance. Going forward, however, it will be essential to devise operational improvements to realize the effectiveness of these measures. In the ADEKA Group, which operates a variety of businesses, each business is independent and works together to achieve their respective goals. On the other hand, the conglomerate has long faced the challenges of being a conglomerate with a somewhat fragmented structure and a tendency not to interfere in each other's business. I personally have been aware of these issues and have been working to improve the situation. In recent years, I have begun to see improvements, and I feel that I am getting a sense of what is happening. Although we will continue to have full-time directors serving concurrently as operating officers for the time being, we will continue discussions to guide the ADEKA Group a Group that combines sound corporate governance with agility by separating execution from oversight. Then, on the executive side, we will promote a change in mindset to assess the direction of the busi-

ness and expand it with a sense of urgency, and quickly establish a system for directors to manage and supervise the business. With regard to the diversity of the Board of Directors, we are mindful of achieving a 30% ratio of female directors. However, without being overly mindful of the term “promotion of women's participation and advancement,” we will seek an appropriate composition of officers that is appropriate for the ADEKA Group and improve it to fulfill its governance function.

Nagai: I have seen the changes in the ADEKA Group since I became an External Director, and the evolution of corporate governance has been remarkable. At the time of my appointment, I was the only External Director on the Board of Directors, but subsequently the Board of Directors transitioned to a multiple system, and the current number and ratio of External Director has been expanded to five out of the ten directors. As for my own remarks at Board of Directors meetings, I had previously provided advice related to legal matters, which is my area of expertise, and I also provided advice from a legal perspective when a proposal was put on the agenda regarding the company's expansion into China. Over the past few years, the content of matters to be discussed and reported to the Board of Directors has substantially improved in terms of quality. Normally, matters to be brought before the Board of Directors are discussed in advance at Management Committee meetings, and the minutes of those meetings indicate that the matters to be discussed and reported are very carefully considered, and that the legal aspects have already been thoroughly discussed. Accordingly, in recent Board of Directors meetings, I have sought to convey a variety

of insights, not only from a legal perspective, but also from the perspective of enhancing our corporate value. Personally, I believe that there should be a great deal of discussion at the Board of Directors on how to identify important stakeholders for ADEKA, and also how the profits earned should be allocated to the stakeholders. Also, I have been the Chairperson of the Nomination and Remuneration Committee since December 2022. In addition to the necessity of appointing the next-generation management executive through a certain process, I also feel the need to judge the person to be appointed flexibly according to the management environment at the time of appointment, for example, this person in a difficult business environment and this person in a period of calm.

Improvement of the Board of Directors Effectiveness

Shirozume: As mentioned in Mr. Nagai's statement, now that the Management Committee meetings have been enriched with discussions, it is imperative for the Board of Directors to enhance the discussions from a slightly different perspective. Of course, as in the past, it is essential to hold deliberations on important investment proposals, but it is also extremely important to discuss how to increase corporate value over the medium to long term. I also received an important suggestion from Mr. Nagai. I was reminded that it is indeed important to have thorough discussions not only on how to boost profits, but also on how profits should be allocated to stakeholders. The reduction in the number of directors from 16 to 10 will also significantly change the skills matrix of the Board of Directors. Since directors cannot cover all domains, the Board of Directors may need to be creative in its operations. This is just my personal idea, but for example, depending on the agenda, it might be worthwhile to invite a highly specialized operating officers to the Board of Directors on a case-by-case basis to provide opportunities for discussions that include both directors and operating officers.

Nagai: In terms of the skills of our External Director, I think we have a very good balance of current External Director, each with varying backgrounds and different skills. Each of them also arrives at the office very early on the day

of Board of Directors meetings to engage in a variety of discussions, both with other External Director and with those on the executive side, in preparation for useful discussions at the Board of Directors meetings. I think, perhaps, opinions based on such communication can be used as a reference for our business activities. Mr. Shirozume has just spoken about discussing new directions and eliminating the disadvantages of being a conglomerate. I think it is crucial for the Board of Directors to engage in deep discussions about various options, including proposals from outside parties, in order to improve corporate value over the medium to long term.

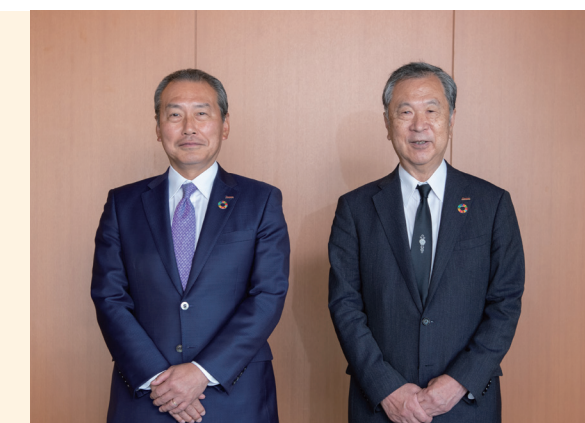
Discussions at Board of Directors meetings to enhance corporate value

Nagai: Mr. Shirozume mentioned at the beginning about the governance structure of the ADEKA Group, I think it was a very significant event for the ADEKA Group that the Board of Directors approved, after much discussion, the abolition of the advance-warning anti-takeover measures. By abolishing anti-takeover measures, in the event of a takeover bid from an outside party, a serious challenge will be made to judge which is more beneficial to stakeholders: the takeover bid or the company's plan to improve corporate value in line with its Mid-Term Management Plan. I believe that creating this kind of tension within the Company is a good thing and will considerably contribute to strengthening the governance of the Company going forward.

Shirozume: With respect to anti-takeover measures, I had expressed my own personal opinion at Management Committee meetings prior to assuming the presidency. I stated that continuing anti-takeover measures is not the high road, but that the high road is to increase corporate value and thus obtain a fair share price. I feel a sense of irony that I, who expressed such opinions, ended up in the debate on anti-takeover measures as President and Chief Executive Officer of the Company. As you have pointed out, we will first firmly establish a path to increase our corporate value and diligently carry out ongoing initiatives to manage our business to achieve this goal.

In June 2023, it was my sixth year of being president, and in chairing the Board of Directors in the unique environment of the COVID-19 pandemic, I have become keenly aware of the importance of communication. Now that COVID-19 pandemic is subsiding and we are finally able to hold face-to-face Board of Directors meetings, we would like to have more frequent and individual opportunities to exchange ideas with our outside Directors as well. Though this, I believe we can further energize discussions within the Board of Directors.

Chairman of the Board **Hidetaka Shirozume**



Message from the Officer in Charge of Finance

Financial Strategy

Transformation from P/L oriented management to capital efficiency oriented management

Director and Managing Operating Officer
Youji Shiga



1 Status of progress of the Mid-Term Management Plan, ADX 2023

Under our Mid-Term Management Plan, ADX 2023 started in April 2021, the KPIs for the final year are "operating profit of 42 billion yen," "ROE of 9%," "capital investment of 50 billion yen (three-year total)," and a "dividend payout ratio maintained at 30% or more."

Operating profit was 34.0 billion yen in fiscal 2021 (the first year of the Mid-Term Management Plan), which was a good start. However, due to the impact of reduced automobile production, reduced production of display panels, and soaring raw material and service prices, operating profit was 32.3 billion yen in fiscal 2022 (the second year of the Mid-Term Management Plan), which was a severe result.

ROE was able to clear the final year target of 9.9% in fiscal 2021, but it remained low at 6.6% in fiscal 2022 due to a decline in operating profit and an impairment loss on fixed assets in the Food Business.

Capital investment is progressing largely according to plan, with 14.6 billion yen in fiscal 2021 and 20.4 billion yen in fiscal 2022, for a two-year total of 35.0 billion yen.

For fiscal 2023, the final year of the Mid-Term Management Plan, we plan operating profit of 36.0 billion yen, a decrease of 6.0 billion yen from the target, ROE of 8.0%, a decrease of 1.0 point, capital investment of 15.5 billion yen, a three-year total of 50.5 billion yen, an increase of 0.5 billion yen, and a dividend payout ratio of 39.1%.

Status of progress of the Mid-Term Management Plan, ADX 2023

	Results for FY2021 (1st year of Mid-Term Management Plan)	Results for FY2022 (2nd year of Mid-Term Management Plan)	Forecast for FY2023 (final year of Mid-Term Management Plan)	Targets for FY2023 (final year of Mid-Term Management Plan)
Operating Profit	34.0 billion yen	32.3 billion yen	36.0 billion yen	42.0 billion yen
ROE	9.9%	6.6%	8.0%	9%
Capital Investment	14.6 billion yen/year	20.4 billion yen/year	15.5 billion yen/year	50.0 billion yen/3 years
		50.5 billion yen/3 years		
Payout Ratio	30.5%	42.9%	39.1%	Maintained at 30% or more
Annual Dividend Forecast	70 yen per share	70 yen per share	80 yen per share	

Note 1: Amounts are rounded down to the nearest 100 million yen.

Note 2: Figures for FY2021 are retroactively applied due to a change in accounting policy.

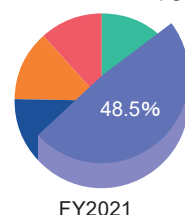
2 Policy on Capital Investment

Capital investments in fiscal 2021 and 2022 account for a higher proportion of the Electronics and IT Materials segment. We will continue to invest in the Electronics and IT Materials segment, which we expect to be the most promising growth driver.

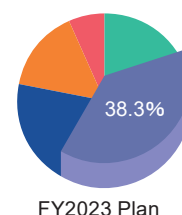
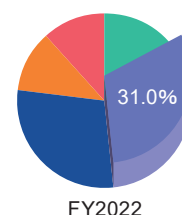
In Japan, investment in the maintenance and upgrading of

Capital Investment (by segment)

- Polymer Additives
- Electronics and IT Materials
- Functional Chemicals
- Food Products
- Life Sciences



aging plant facilities is needed. By firmly measuring the effectiveness of capital investment and implementing the PDCA cycle, our policy is to accelerate the recovery of funds from new and increased capacity capital investment, increase the accumulation of funds after recovery, and use them as a source of funds for maintenance and upgrading investment.



3 Dividend Policy

Our Company recognizes that returning profits to shareholders is one of the most important management issues.

Under our Mid-Term Management Plan, ADX 2023, we set a goal of a "dividend payout ratio maintained more than 30%," which was 30.5% in fiscal 2021 and 42.9% in fiscal 2022. For

fiscal 2023, we plan to pay 80 yen per share/year (dividend payout ratio of approximately 40%).

The Group is emphasizing not only the rate (dividend payout ratio) but also the amount (dividend payments), striving for continuous dividend increases driven by improved performance.

4 Status of the reduction of cross-held shares

The number of policy shareholdings reduced so far in response to the Corporate Governance Code and the amount of reduction are shown in the table below: 19 completely sold off

stocks, 2.94 billion yen in total sales (based on the amount recorded in the fiscal 2014 BS), and a 14% reduction rate.

Fiscal year of sale	FY2015	FY2016	FY2017	FY2018	FY2019	FY2020	FY2021	FY2022	Total	Rate of decline
Completely sold off stocks	6	4	1	2	1	1	3	1	19	
Partially sold off stocks	1	0	2	0	1	0	2	5	11	
Amount recorded in BS in FY2014 (Unit: billion yen)	0.06	0.27	0.07	0.01	1.66	0.05	0.16	0.67	2.94	14%
Balance of stocks held	113	107	108	106	105	104	101	101		

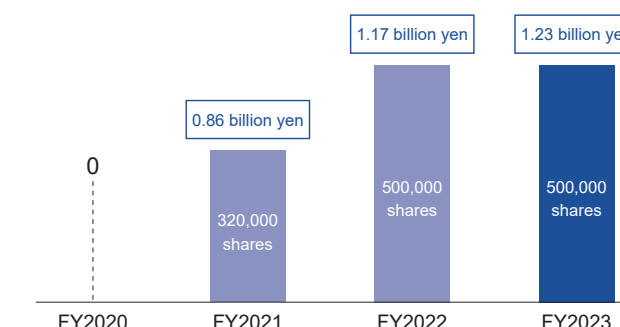
5 Status of purchase of treasury shares

As part of the reduction of cross-held shares, we conducted a purchase of treasury shares as shown in the graph on the right, as a recipient of our company's shares disposed of by our mutual shareholding partners.

Purchase of treasury shares

Mid-Term Management Plan, ADX 2023

Flexibly purchase of treasury shares



6 Transitioning from P/L focused management to capital efficiency-focused management

Under our Mid-Term Management Plan "ADX 2023," we are preparing for the transformation to a management focused on capital efficiency. Specifically, ROIC (Return on Invested Capital) will be introduced in our next Mid-Term Management Plan as a management control method.

In the new core system that was launched in April 2023, we will accumulate data to calculate ROIC by segment. At the present stage, the ROIC calculation method by segment is in stages of consideration, but the table on the right shows the results of the calculation using the calculation method under consideration for fiscal 2022 results.

- ROIC (return on invested capital) estimated for fiscal 2022.
- Under the next Mid-Term Management Plan, the new core system ABS will be used to improve the accuracy of numerical values.

Results for FY2022

Companywide: **7.6%***

* ROIC (return on invested capital): operating profit x (1 - effective tax rate) / invested capital (%)

Polymer Additives	Electronics and IT Materials	Functional Chemicals	Food Products	Life Sciences
7	17	6	-	5

The next Mid-Term Management Plan will enhance the accuracy of the plan so that all concerned parties in each segment will be able to implement initiatives to improve ROIC, take actions to promote the penetration of ROIC.

ADEKA's Value Creation Story

Business Model and Growth Strategy

Growth Strategies and Priority Issue Responses

Responding to CSR priority issues

1. Conserving the global environment
2. Supply of eco-friendly products
3. Creating value that meets society's expectations
4. Dialogue with stakeholders
5. Respect for Human Rights
6. Expanding Opportunities for Utilizing Human resources
7. Strengthening Group Governance and Risk Management

ADEKA Transformation

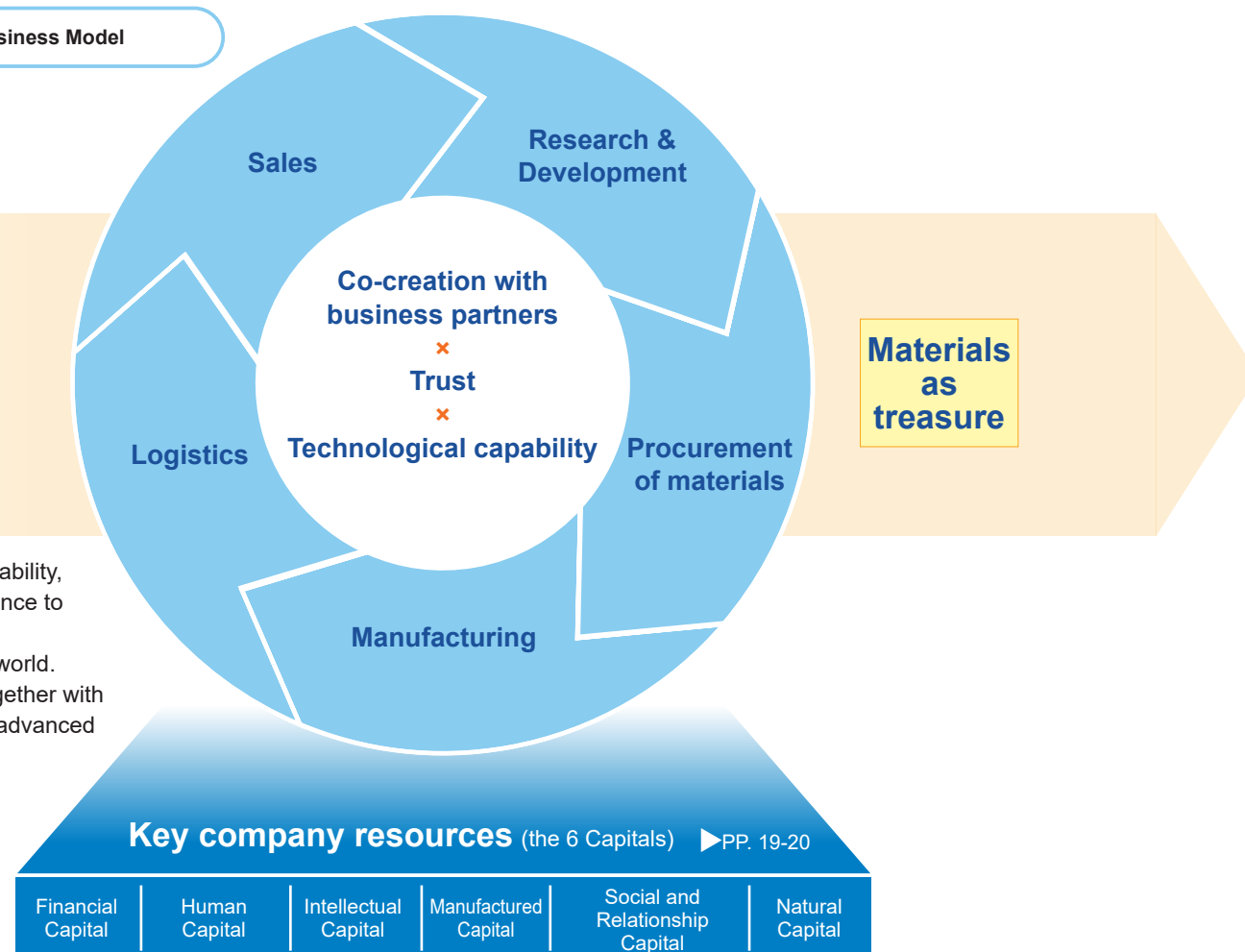
Transform the management to be compatible with the new social environment, aiming to achieve sustainable growth with an emphasis on profitability.

1. Transforming the earnings structure
2. Achieving sustainable growth through growth with new domains
3. Reinforcing Group management

Business Model

Materials

Add further functionality, durability, and environmental performance to materials.
In doing so, we change the world.
We will create new value together with our customers by providing advanced materials and solutions.



Business Activities and Outputs

Chemicals ▶ PP. 56-58

Target markets

Automotive / Polymers / Semiconductors / Displays / Next-generation ICT / Environment

Polymer Additives

Lead the sustainable growth of polymer industry by additives

Evolution of mobility

Electronics and IT Materials

Continuously provide materials essential to ICT innovation

Evolution of ICT

Functional Chemicals

Contribute to a sustainable society using people- and eco-friendly materials

Conserving the global environment

Promotion of the Circular Economy

Food Products ▶ PP. 59-60

Target markets

Bakery & confectionery / Plant-based foods

Globally contribute to high quality diets in addition to tastiness

Solving Global food crisis

Improving healthcare

Life Science ▶ PP. 61-62

Target markets

Agrochemicals / Pharmaceuticals

Ensure stable food supply and protect high-quality life and the environment through technical innovation

Development of regional communities

Value Provided (Outcomes)

Achieving ADEKA VISION 2030
- An Innovative Company
Contributing to a Sustainable Future and Affluent Lifestyles-

Improving corporate value

Contributing to the achievement of the SDGs through business activities

Capitalize on **residual profit** for further value creation

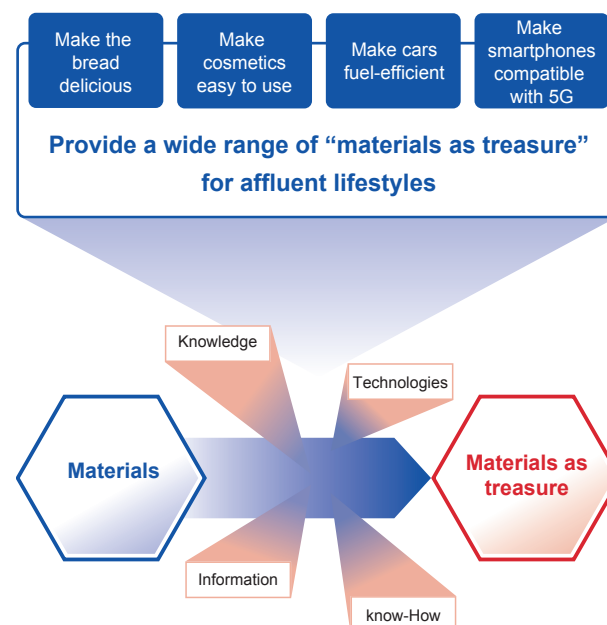
Key Company Resources

Introducing the key company resources that support the sustainable growth of the ADEKA Group.

Intellectual Capital

Relationship to Value Creation

Shifting to a "Materials as treasure" That is the mission of the R&D divisions. Approximately one-third of ADEKA's total workforce are comprising researchers and they are active across a wide range of business activities, driven by the corporate slogan "Add Goodness." They aim to expand existing businesses and create new ventures in frontier domains, and engage in diverse research themes. Based on core technologies, they are taking on the challenge of creating new products and solutions through collaboration in the R&D divisions and co-creation with related companies in the supply chain as well as with universities in Japan and overseas.



Features

In order to create innovative technical capabilities, it is necessary to proactively incorporate new ideas. Our company provides "Materials" that enrich people's lives in an extensive range of fields, and we share information and technologies obtained from these products across our laboratories. From that broad domain of research and development, we will also create new innovative technologies. This is precisely what makes our company's intellectual capital unique.

Human Capital

Relationship to Value Creation

The ADEKA Group has set "Expanding Opportunities for Utilizing Human Resources" as one of the CSR priority issues under the ADEKA VISION 2030, and is working for sustainable growth and medium- to long-term enhancement of corporate value by utilizing the perspectives and values of our diverse human capital. We provide a work environment where each indi-

vidual, regardless of gender, age, or nationality, can make the most of their individuality and demonstrate their abilities. We are proactive in hiring diverse human resources, including women, non-Japanese, people with experience, the elderly, and people with disabilities.

KPIs to 2030

<Promote Diversity and Inclusion>

• Human Resource Portfolio:

Female manager percentage of 10% (non-consolidated)

• Improving employee satisfaction, diversity and inclusion (D&I) education and training and other initiatives

<Promote Health Management>

Obtain certification for Health & Productivity Management Outstanding Organization (White 500)

Ongoing Initiatives in Recent Years

April 2021: ADEKA Group Health Management Declaration issued

February 2022: ADEKA Group Human Rights Policy established

March 2022: 2022 Certified Health & Productivity Management Outstanding Organizations Recognition Program (large enterprise category)

June 2022: Established the D&I Project Team

September 2022: Prepared and implemented Health and Productivity Management Strategy Map

March 2023: 2023 Certified Health & Productivity Management Outstanding Organizations Recognition Program (large enterprise category)

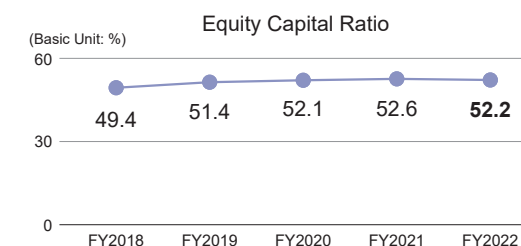
From April 2023: An inter-service intervals program was implemented on a trial basis (applied to exempt employees, with an interval of 10 hours)



Financial Capital

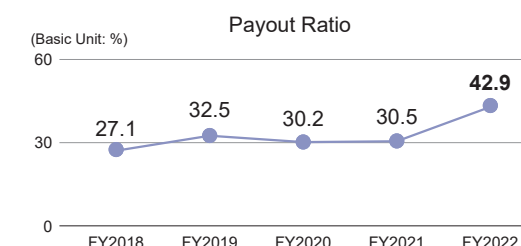
Relationship to Value Creation

Financial capital is indispensable for business operations. Our capital adequacy ratio is stable at over 50%, ensuring sufficient financial stability. Regarding our cash flow, it is relatively stable, and we will continue to allocate it to investments and shareholder returns as needed. As a result of our emphasis also on dividend amounts, the dividend payout ratio for fiscal year 2022 was over 40%.



Future Initiatives

- In order to emphasize capital efficiency in our management, we plan to introduce segment ROIC starting from the next Mid-Term Management Plan.
- As part of our shareholder return policy, we are committed to a "dividend payout ratio maintained at 30% or more," but we also emphasize not only the dividend payout ratio but also the dividend amount, and work to continuously raise the dividend through improved performance.



Natural Capital

Relationship to Value Creation

We recognize that reducing our environmental impact, such as energy and water use and greenhouse gas emissions, and properly managing chemical substances are important environmental issues in achieving sustainable business activities and manufacturing products while preserving the global environment.

As the ADEKA Group, we are pushing forward with "2030:

46% reduction in CO₂ emissions from 2013 (Scope 1 + 2)" with an eye to the realization of a carbon-neutral society by 2050." We are also concurrently carrying out ongoing initiatives to create products and technologies that contribute to the carbon neutrality of society, aiming to contribute to the reduction of greenhouse gas emissions in the markets and in society.



Manufactured Capital

Relationship to Value Creation

Our mission is to maintain top-level productivity and quality, and to provide a stable supply of materials to various industries.

The ADEKA Group provides products in areas of Chemicals, Food Products, and Life Science (agrochemicals) through 54 Group companies in Japan and overseas.

Improvements in security capabilities based on the Safety

Quartet, process improvements aimed at enhancing productivity and quality, and optimization of the number of personnel and minimization of manufacturing costs through the humanization and smartization* will continue to support the growth of the ADEKA Group.

*Humanization: Activation of human resources: Reviewing manual work and having people do even more high-value work through smarter plants (automation, robotization, use of AI, etc.) (i.e., utilizing human resources to generate significant added value).

*Smart plant: A plant where various factory production facilities, such as production lines and manufacturing machinery, are connected via a network to optimize production activities and improve the efficiency of information management.



Social and Relationship Capital

Relationship to Value Creation

At the ADEKA Group, we believe that a strong relationship of trust with its diverse stakeholders is important social capital for the Group.

The ADEKA Group has global operations in an extensive range of business domains, with 54 companies in 16 countries and regions (24 in Japan and 30 overseas).

Innovative Technological Capabilities (R&D)



Senior Operating Officer General Manager,
Research & Development Division
Atsuya Yoshinaka

Add Goodness Shifting to a Materials as Treasure

The ADEKA Group is a materials manufacturer. We perceive the materials we handle to be much more than mere materials. To us, they are treasure. Since our founding, we have always maintained a corporate culture and climate of developing products with a sense of mission and providing them to the world in order to enrich people's lives. From general-purpose to advanced products, the ADEKA Group's products add further functionality, durability, and environmental performance to existing materials, enhancing the value of materials as treasure and delivering them to customers around the world. We develop innovative products and solutions to contribute to people's affluent lives around the world, as we work to realize our vision for the future of R&D: "Blazing a trail for the future of humanity through materials."

R&D Vision: "Blazing a trail for the future of humanity through materials."

ADEKA's R&D division has characterized its target state for 2030 as "contributing to a sustainable society and the enrichment of people's lives by continually developing and providing innovative materials and solutions." By fusing technologies developed over the Company's more than a century of history, and by actively adopting technologies it lacks from outside resources, ADEKA delivers products offering ADEKA Innovative

Value (AIV), bringing comfort, convenience and affluence to people around the world. In the same way, ADEKA creates a wide range of eco-friendly products, contributing to the protection of the Earth's environment. Through these efforts, ADEKA's R&D Division seeks to fulfill its vision of the future of R&D: "Blazing a trail for the future of humanity through materials."



Research and Development Policy

- 1 We are working to promote research and development that contributes to a sustainable society and the enrichment of people's lives.
- 2 We focus on market development and new product development, especially in strategic product groups and eco-friendly products, to further expand our business.
- 3 We are moving forward with the creation of businesses in frontier domains such as energy, the environment, next-generation ICT and the life science.
- 4 To achieve carbon neutrality, we will engage in research and development to reduce GHG emissions and utilize CO₂.

Collaboration among R&D divisions

In order to promote timely product development based on an acute awareness of changes in the market environment and user needs, we promote collaboration with group companies and internal cooperation.



For example, each Group facility around the globe is equipped with its own development lab, which serves as a front-line base for identifying local trends as early as possible.

Also, at theme-specific discussion meetings focusing on industry and technology themes, and at various study groups on specific themes, we promote this as a cross-sectional effort across all of our laboratories. The In-House Young Researchers' Group, which aims to promote interaction among young researchers and to invigorate R&D through interdepartmental collaboration, is taking on the challenge of creating new themes through group training and tours of other divisions' research laboratories.

Promotion of open innovation

The ADEKA Group promotes the creation of novel businesses in frontier areas such as energy, environment, next-generation ICT, and life science by fusing technologies in ways that transcend the traditional barriers between organizations.



We actively promote dialogue and joint research with universities, research institutes, and companies in Japan and around the world, using open innovation to accelerate the creation of novel businesses. Currently, we have established a joint research course at Shiga University of Medical Science, where we are engaged in the research and development of new functional polymer materials. We also actively undertake external collaboration efforts, including information gathering, such as participation in various consortiums.

Intellectual property strategy

We have enhanced our IP (Intellectual Property) landscaping through such measures as the training of IP analysts and the establishment of expert groups. We promote research theme selection, new business creation, and value co-creation through analysis that incorporates IP information, technology trends, and market information through IP landscaping.



With regard to the inventions we create, we identify and delve deeper into the inventions in the flow from creation to commercialization, and continuously and multilaterally file and obtain patents with a clear vision as to the final result, thereby forming a patent portfolio that contributes to value co-creation.

Toward a carbon-neutral society

We are promoting various research and development activities that will enable us to reduce GHG emissions with an eye to the realization of a carbon-neutral society by 2050. A dedicated team for research and development and exploratory studies focuses on carbon neutral research themes, and is accelerating efforts to synthesize functional materials using CO₂ to create new research themes.



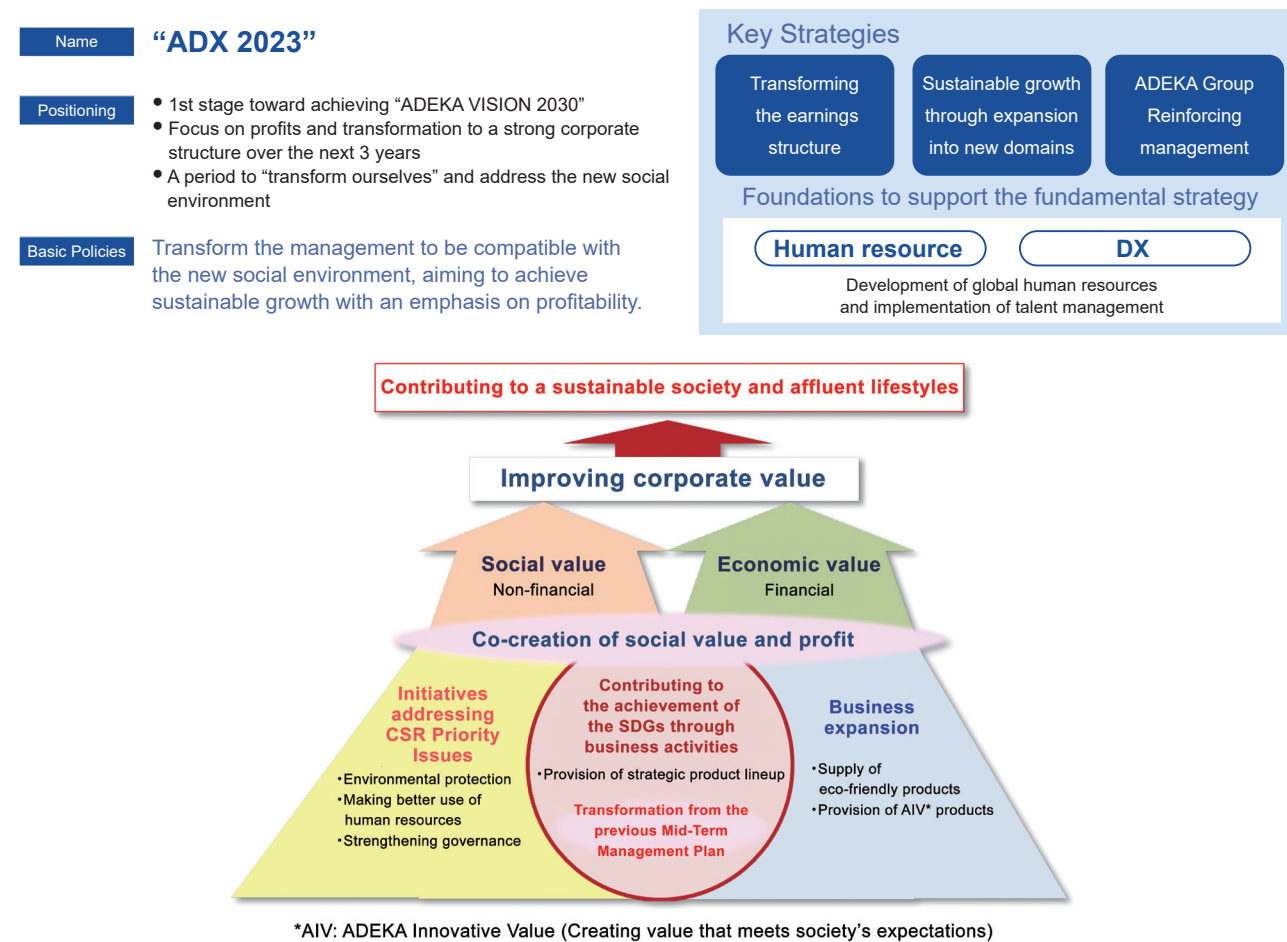
In addition, we promote collaboration with related companies and public organizations with the recognition that this is an important step in reducing GHG emissions throughout the entire supply chain.

R&D Topics

- Introduction of a limited menu using the "Deli-PLANTS" series of plant-based foods at Isetan Shinjuku Store.
- Exhibited at "Green Material 2023" as a member of CLOMA, which works to solve the problem of marine plastics litter.
- Strengthening the R&D of Korean subsidiary. Established cutting-edge deposition and evaluation process system in Hwaseong.
- Received the 45th Japan Thermosetting Plastics Industry Association Award for Academic Achievement for research on polymer networks.
- In recognition of the demonstration of the world's lightest rechargeable battery using the active material "SPAN" for next-generation rechargeable batteries, we received the METI Minister's Award, the "36th Advanced Technology Awards for Creating Originality."

ADX 2023 ADEKA Transformation

Overview of “ADX 2023”



Status of progress on ADX 2023

Although the targets for the final year of the Mid-Term Management Plan were revised upward during fiscal 2022, achieving the revised targets for operating profit and ROE remains challenging given the current market environment. Capital investment is expected to total 50.5 billion yen over the three-year period.

	Results for FY2021 (1st year of Mid-Term Management Plan)	Results for FY2022 (2nd year of Mid-Term Management Plan)	FY2023 Forecast (final year of Mid-Term Management Plan)	Targets for FY2023 (final year of Mid-Term Management Plan)
Operating Profit	34.0 billion yen	32.3 billion yen	36.0 billion yen	42.0 billion yen
ROE	9.9%	6.6%	8%	9%
Capital Investment	14.6 billion yen/year	20.4 billion yen/year	15.5 billion yen/year	50.0 billion yen/3 years
Payout Ratio	30.5%	42.9%	39.1%	Maintained at 30% or more
Annual Dividend Forecast	70 yen/share	70 yen/share	80 yen/share	

Note 1: Amounts are rounded down to the nearest 100 million yen.

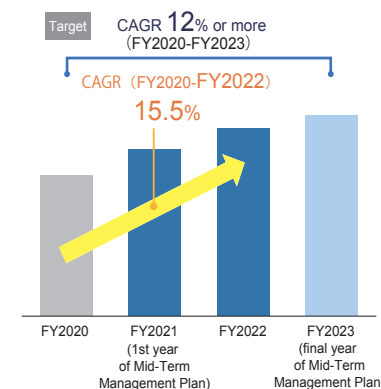
Note 2: Figures for FY2021 are retroactively applied due to a change in accounting policy.

Progress of Basic Strategy

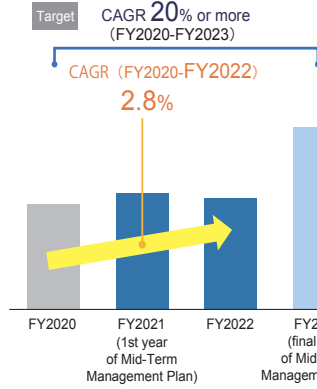
(Transforming the earnings structure)

Strategic products

Trends exceed planning

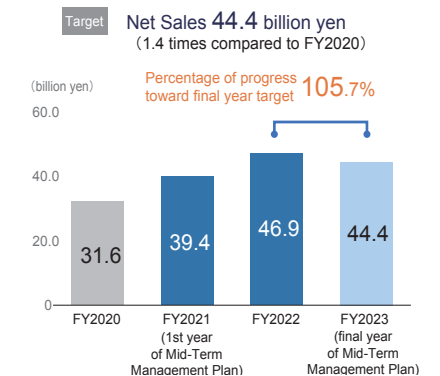


New products



Eco-friendly products

Achieved final fiscal year targets in the second year



(Achieving sustainable growth with new domains)

Energy

Expand the Graphene Business

Acquire shares of Incubation Alliance (In ALA), Inc.



Next-gen. ICT

Address the evolution of logic semiconductors

Toward EUV resist
Accelerate Development of
Photoacid Generators

Capital Investment for Photoacid Generators (PAG)
Start operation of
production capacity
expansion facility
(Chiba Plant)

(Reinforcing Group management)

Response to Climate Change

(September 2022 onwards)
Prepared “Strategies for
Promoting Carbon Neutrality”

(May 2023 onwards)
Enhanced disclosure of information
based on TCFD recommendations

*For details, see pp. 29-30

Human Resource Activity

(June 2022)
Established
the D&I Project Team

(September 2022)
Prepared and implemented
Health and Productivity Management
Strategy Map

*For details, see pp. 41-46

Reinforcing Governance

(June 2022)
Sophistication of risk management

(December 2022)
Nomination and Remuneration Committee
chair changed to External Director

(June 2023)
Introduced a delegated
operating officer system

*For details, see pp. 47-50

CSR Management

Based on its management policies, the ADEKA Group will continue to leverage its proprietary technologies to create products and services that society and people demand, and to work together with stakeholders to create value for society.

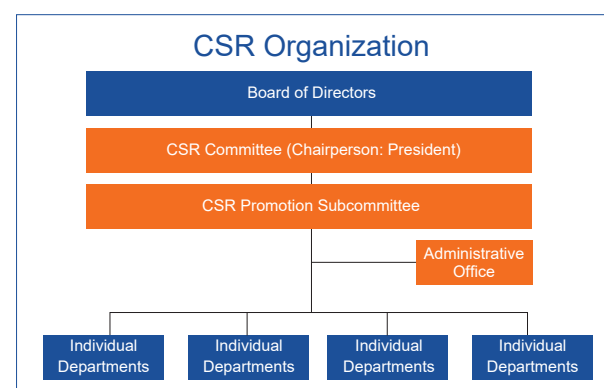
In formulating ADX 2023, we reviewed our Fundamental CSR Policy and identified new CSR priority issues to respond to the new social environment. We will further integrate management and CSR by clarifying the relationship between CSR priority issues and SDGs targets, and by reflecting CSR priority issues and KPIs in measures taken under ADX 2023.

ADEKA Group Fundamental CSR 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.

CSR Organization

In 2019, the ADEKA Group established the CSR Committee, a CSR decision-making body chaired by the president, and the CSR Promotion Subcommittee, which promotes Company-wide CSR initiatives. In April 2022, we established the Carbon-Neutral Strategy Department and the Corporate Sustainability Department with the aim of achieving carbon neutrality and sustainable growth through sustainable management. We will accelerate our efforts by ambitiously integrating management and CSR.



Decision-Making Process for CSR Priority Issues

Determined to achieve sustainable growth as a good corporate citizen, the ADEKA Group recognizes the importance of addressing social issues through its business activities and contributing to the advancement of society.

To share this commitment Group-wide and execute these efforts as a team, the ADEKA Group has identified a series of CSR priority issues. The CSR priority issues were selected in light of their importance to internal and external stakeholders as well as to the Group's business.

Expected features of the business environment in 2030

- Evolution of mobility (CASE)
- Population growth and rapid urbanization of developing countries
- Responses to sustainable development in the polymer industry
- Food loss and waste reduction
- Society connected through ICT
- Shortages of food and scarce resources
- Development of new materials
- Sustainable procurement of raw materials
- Fusion of real and virtual spaces
- Decarbonized society
- Responses to advanced medical technologies
- Use of clean energy
- Super ageing society
- Global warming
- Supply of alternative foods and nutrients
- Conserving the global environment

STEP
1

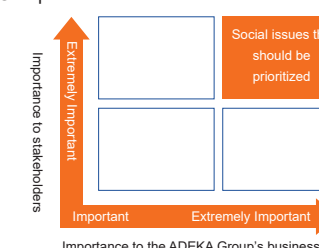
Extracting Potential CSR Priority Issues

Based on international guidelines, benchmark case studies, investment-related indexes and internal interviews, thoroughly examine the ESG risks and opportunities in the corporate activities of the ADEKA Group and select 38 items.

STEP
2

Scoring and Visualizing the CSR Priority Issues

Through discussions in the CSR Committee, CSR Promotion Subcommittee and internal divisions, sort the items based on the importance to the ADEKA Group's stakeholders on one axis and the importance to the Group's business on the other axis.



STEP
3

Identifying Priority Domains and CSR Priority Issues

Categorize the CSR priority issues according to each ESG aspect and each related priority domain.

CSR Priority Issues and KPIs

The Group identified seven CSR priority issues in four priority domains and specified a series of key performance indicators (KPIs) for realizing ADEKA VISION 2030.

	Priority Domains	CSR priority issues	ADEKA VISION 2030	KPIs in 2030
E	Environment	Conserving the global environment	<ul style="list-style-type: none"> Minimize the environmental impact of business operations Make a substantial contribution to the reduction of our customers' environmental impact through eco-friendly products 	<ul style="list-style-type: none"> Gather ideas from all members of ADEKA to achieve carbon neutrality by 2050 2030: Reduce CO₂ emissions by 46% from 2013 (Scope 1+2)
		Supply of eco-friendly products		<ul style="list-style-type: none"> Net sales of eco-friendly products: Increase to triple the level of 2019
S	Better living conditions and communication	Creating value that meets society's expectations	<ul style="list-style-type: none"> Create and share products that contribute to affluent lifestyles globally through safe, stable business activities 	<ul style="list-style-type: none"> Number of ADEKA Innovative Value (AIV) certifications: twice the number in 2019
		Dialogue with stakeholders		<ul style="list-style-type: none"> Establish methods and opportunities for communication with each stakeholder
	Human rights and human resources	Respect for Human Rights		<ul style="list-style-type: none"> Establish and disseminate ADEKA Group Human Rights Policy
		Expanding Opportunities for Utilizing Human Resources	<ul style="list-style-type: none"> Respect the human rights of individuals throughout the supply chain Enable all Group employees to work actively 	<ul style="list-style-type: none"> Promote Diversity and Inclusion (D&I) Human Resource Portfolio: Female manager percentage of 10% (non-consolidated), Diversity of personnel in management positions Develop Climate: Increase employee satisfaction, D&I-related educational training, etc. Promote Health Management: Obtain certification for Health & Productivity Management Outstanding Organization (White 500)
G	Governance	Strengthening Group governance and risk management	<ul style="list-style-type: none"> A group governance system in place Have a business continuity plan in place for contingencies 	<ul style="list-style-type: none"> Spread awareness of the Group Code of Conduct and the strengths unique to ADEKA Promote Group BCP

Eco-friendly Products

The Group defines "eco-friendly products" as products that contribute to reducing the environmental impact throughout the product lifecycle, from resource gathering to final disposal.

Currently 14 product lines

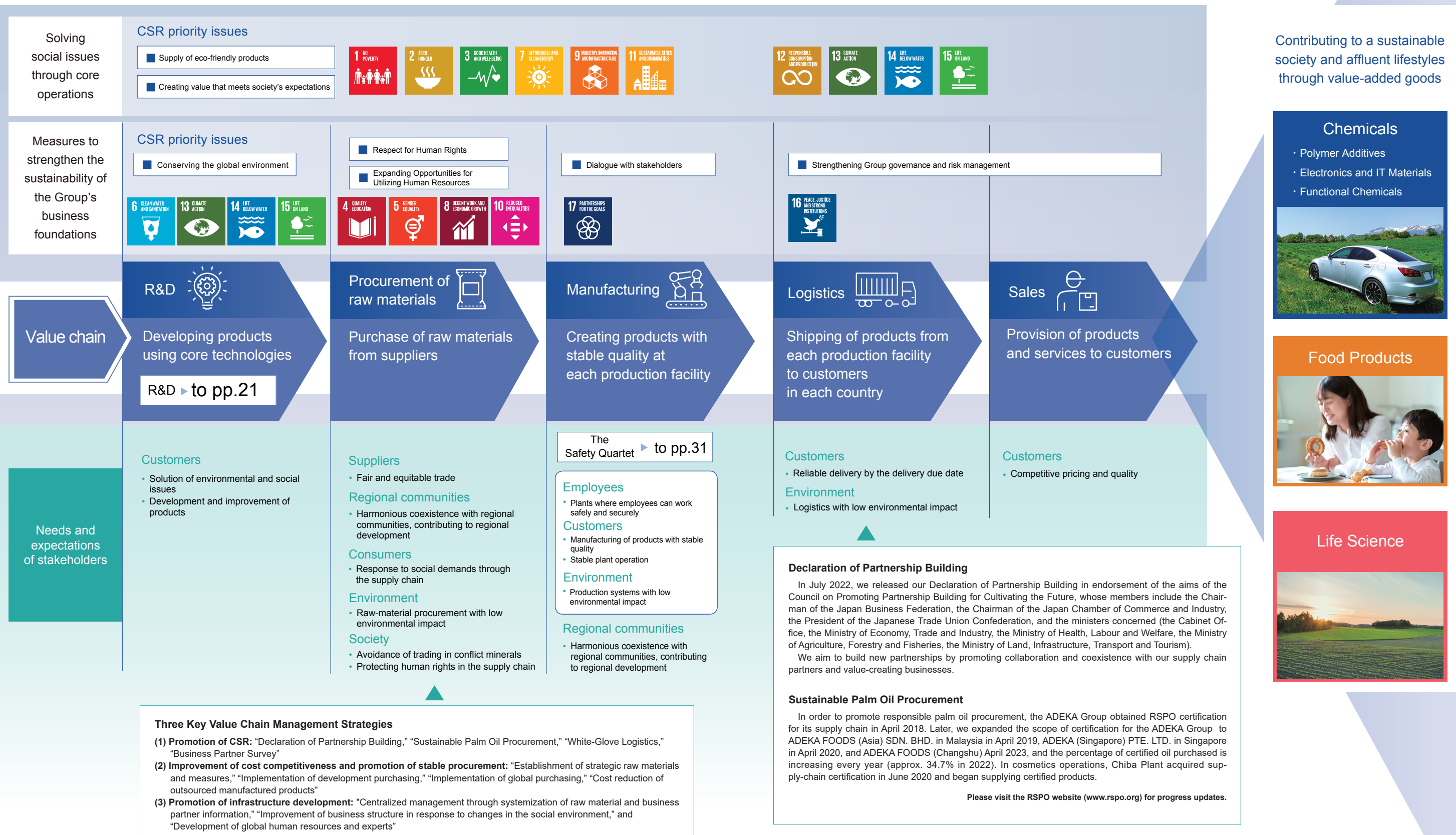
AIV (ADEKA Innovative Value)

ADEKA certifies its products whose value is recognized by the public both in name and practice based on recommendations from external parties, net sales, profitability, etc.

Currently 14 products

Value Chain

The environment surrounding raw material procurement is becoming increasingly difficult year by year, with the increasing geopolitical risks, supply chain disruptions due to the growing block economy against the backdrop of the U.S.-China trade friction and the COVID-19 pandemic, as well as the trend toward decarbonization in the wake of climate change. We are collaborating with our stakeholders to build a sustainable and resilient supply chain capable of addressing changes in the social environment.



Responding to Climate Change

The ADEKA Group declared its support for Task Force on Climate-related Financial Disclosures recommendations in February 2022. Amid the worldwide acceleration of the pursuit of a decarbonized society, the ADEKA Group will actively promote “conserving the global environment (e.g. reducing GHG emissions)” and “supplying eco-friendly products,” the Group’s CSR priority issues, particularly in terms of the environment. In this way, the Group will contribute to reducing the impact on the environment throughout its supply chain.

Governance

Important matters for resolution that include climate change issues are reported to the Board of Directors so that the Board’s supervision is properly ensured. To promote appropriate assessment and management of climate change-related risks and opportunities in our business activities, the CSR Committee is

chaired by the President and Chief Executive Officer, while its members are full-time directors, managing operating officers, senior operating officers, and the general manager of the Environmental and Safety Division.

Risk Management

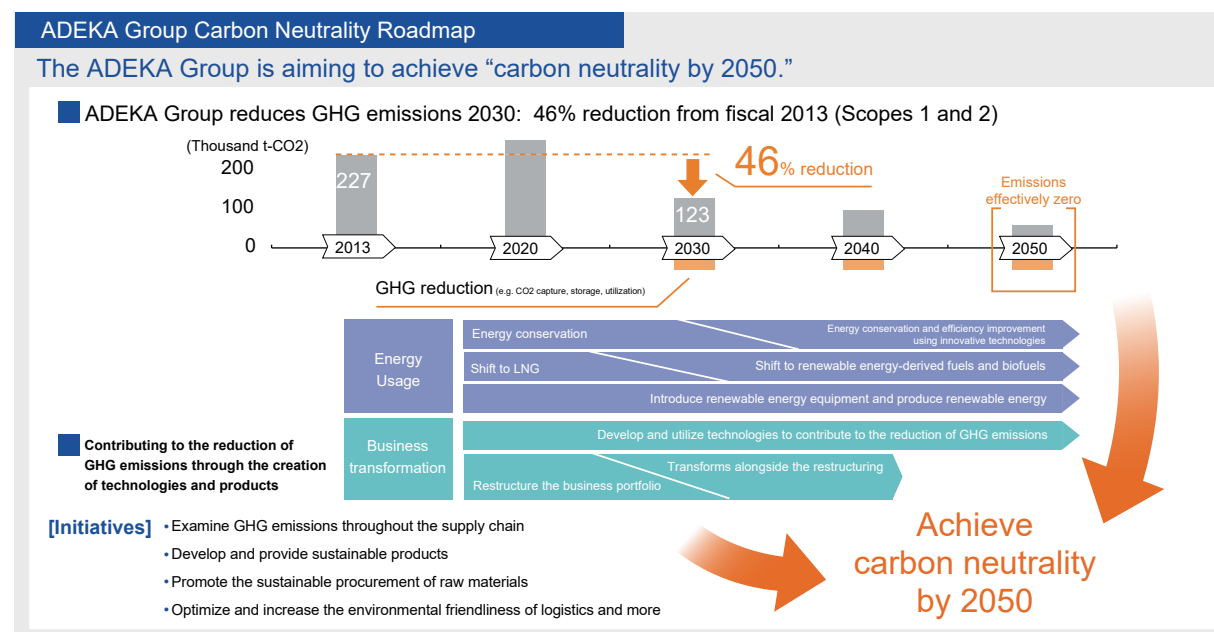
The ADEKA Group is continuously working to manage risks at a Group-wide level, including global risk management, crisis management, business continuity management, and information security, as well as through the PDCA cycle based on our company’s unique concept of the “Safety Quartet” (occupational safety, environmental safety, product quality safety, and equipment safety).

At the ADEKA Group, climate change issues are included in the CSR priority issues, the progress of these efforts is regularly discussed by the CSR Promotion Subcommittee and reported to the CSR Committee for discussion and approval. The assessment of material risks and opportunities is decided after deliberation by the CSR Committee and reported to the Board of Directors.

Metrics and Targets

The ADEKA Group established a roadmap for achieving carbon neutrality by 2050 based on two pillars, including: I. “2030: 46% reduction in GHG emissions (Scopes 1 and 2)” and

II. Contributing to GHG reduction through the creation of technologies and products.



Aiming to achieve “carbon neutrality by 2050,” we established the Carbon-Neutral Strategy Department within the Corporate Planning & Strategy Division on April 1, 2022, to accelerate our efforts to reduce greenhouse gas (GHG) emissions and our environmental footprint.

* The ADEKA Group updated its GHG emissions figures in May 2023.

Strategy

The TCFD recommendations recommend that, in disclosing the strategy, the analysis be conducted under multiple climate scenarios, including scenarios below 2°C. Therefore, we have established a “less than 1.5°C/2°C scenario” in which the impacts in terms of transitional aspects become apparent, and a “4°C scenario” in which the impacts in terms of physical aspects become apparent.

The scenario analysis covered all of our company’s businesses: Polymer Additives, Electronics and IT Materials, Functional Chemicals, Food Products, and Life Science. We consider the entire value chain from raw material procurement to product demand to identify climate change risks and opportunities, and study the impact of these on our business and countermeasures.

Financial Impact Assessment

● Based on the scenarios we set, we have organized the risks and opportunities related to climate change in the ADEKA Group and we also evaluated their size and timelines.

● We made assumptions (impact of GHG emissions and carbon tax) as of 2030.

Forecast of the ADEKA Group’s GHG emissions in 2030 (with emission reduction targets achieved and business growth taken into consideration): 123 thousand tons (Scope 1 + 2)

Projected additional cost burden due to carbon tax based on future forecasts* of carbon prices for the year 2030: 2 billion yen

* The carbon price as of 2030 under the external scenario “WEO2022 NZE Scenario” (developed countries: 140\$/t-CO₂, emerging countries: 90\$/t-CO₂), converted to Japanese yen assuming 1\$=130 yen.

Key Risks and Opportunities, Impact, and Response Measures

[Target Businesses] All businesses -> “All,” Polymer Additives -> “Additives,” Electronics and IT Materials -> “Electronics and IT”, Functional Chemicals -> “Functional”, Food Products -> “Food Products,” Life Science -> “Life”

Category	Scenario	Key risks and opportunities	Target businesses	Overview	Timeline	Degree of impact	Response measures
Transition risks	less than 1.5°C / 2°C	Tightening of regulations	All	Introduction of carbon tax, increased carbon price	Medium to long term	Large	Review the business portfolio Encourage suppliers to identify and reduce emissions Utilization of internal carbon pricing, etc.
		Soaring raw material prices	All	Rising prices caused by climate change Cost increases as a result of using certified sustainable raw materials	Medium to long term	Large	Diversification of procurement sources, research and development of alternative raw materials, etc.
		Decarbonization of raw materials and fuels	All	Additional costs incurred in renewable energy procurement	Short to Medium term	Medium	Consideration of renewable energy procurement, investment in energy conservation, etc.
		Reputation risks	All	Reputational damage due to delay in response to climate change	Short to Medium term	Small	Disclosure of information on initiatives, etc.
		Changing customer requirements	Additives Functional	Reduction in demand for internal combustion engine vehicles due to the shift to EVs	Medium to long term	Small	Promote the provision of next-generation mobility components Review product portfolio, etc.
Physical risks	4°C	Impact of extreme weather (Supply chain disruption/stagnation)	All	Stagnation of production activities and logistics due to severe wind and flood damage	Short to long term	Medium	Advance response strengthening (Review inventory levels, multiple purchasing, etc.) Research and development of alternative raw materials, etc.
		Impact of extreme weather (drought)	Additives Electronics and IT	Lack of industrial water	Short to long term	Medium	Consideration of measures to secure industrial water for emergency use, water recycling, etc.
Opportunities	less than 1.5°C / 2°C	Changing customer requirements	All	Other than the above: Increase in demand for products that are adapted to the transition of society (e.g., eco-friendly products)	Short to long term	Large	Develop new products, promote research and development, review product portfolio, etc.
			Additives	Increased demand for environmentally friendly polymers	Medium to long term	Medium	Increase production capacity and boost competitiveness to meet demand Development of material formulations that facilitate product recycling, etc.
			Additives Functional	Increased demand for next-generation mobility products	Medium to long term	Medium	Promote the provision of next-generation mobility components Review product portfolio, etc.
			Food Products	Increased demand for plant-based foods	Medium to long term	Large	Develop new products and promote research and development Increase production capacity and boost competitiveness to meet demand, etc.
			Food Products	Increased demand for products used sustainable certified raw materials	Short to long term	Small	Strengthened procurement of certified raw materials in consideration of the environment and human rights, etc.
			Life	Increased demand for products used sustainable certified raw materials	Long term	Medium	The field of crop protection materials, development of smart agriculture related products, etc.
			All	Improved reputation for leadership in response to climate change	Short to Medium term	Small	Disclosure of information on initiatives, etc.

* Degree of impact of risks and opportunities

Large: Impact on profits is expected to be 2 billion yen or more

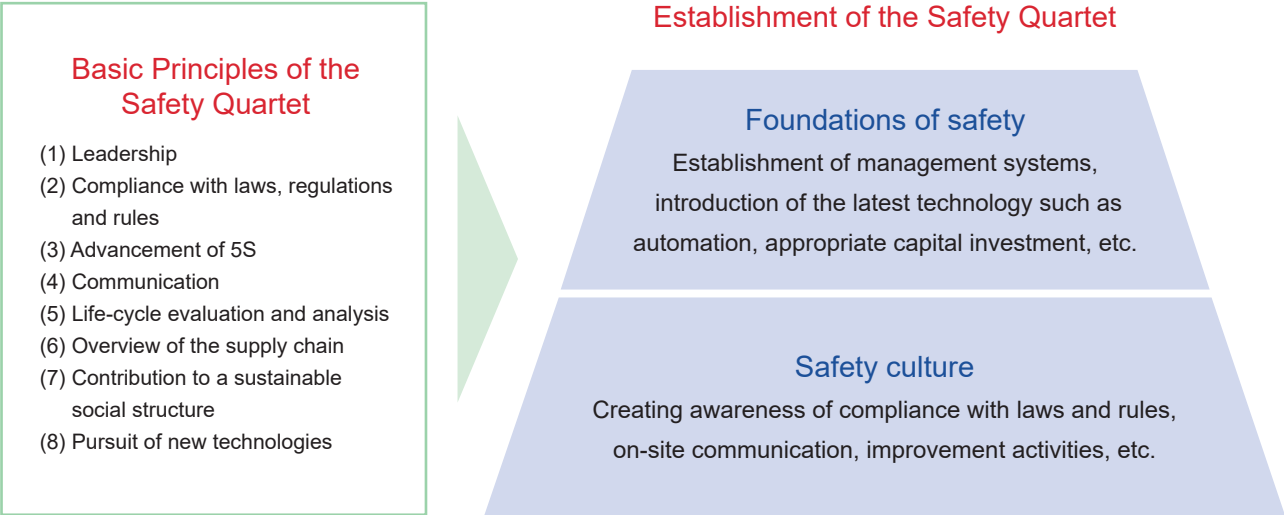
Medium: Impact on profit is expected to be 500 million yen or more but less than 2 billion yen

Small: Impact on profit is expected to be less than 500 million yen.

The Safety Quartet

About the Safety Quartet

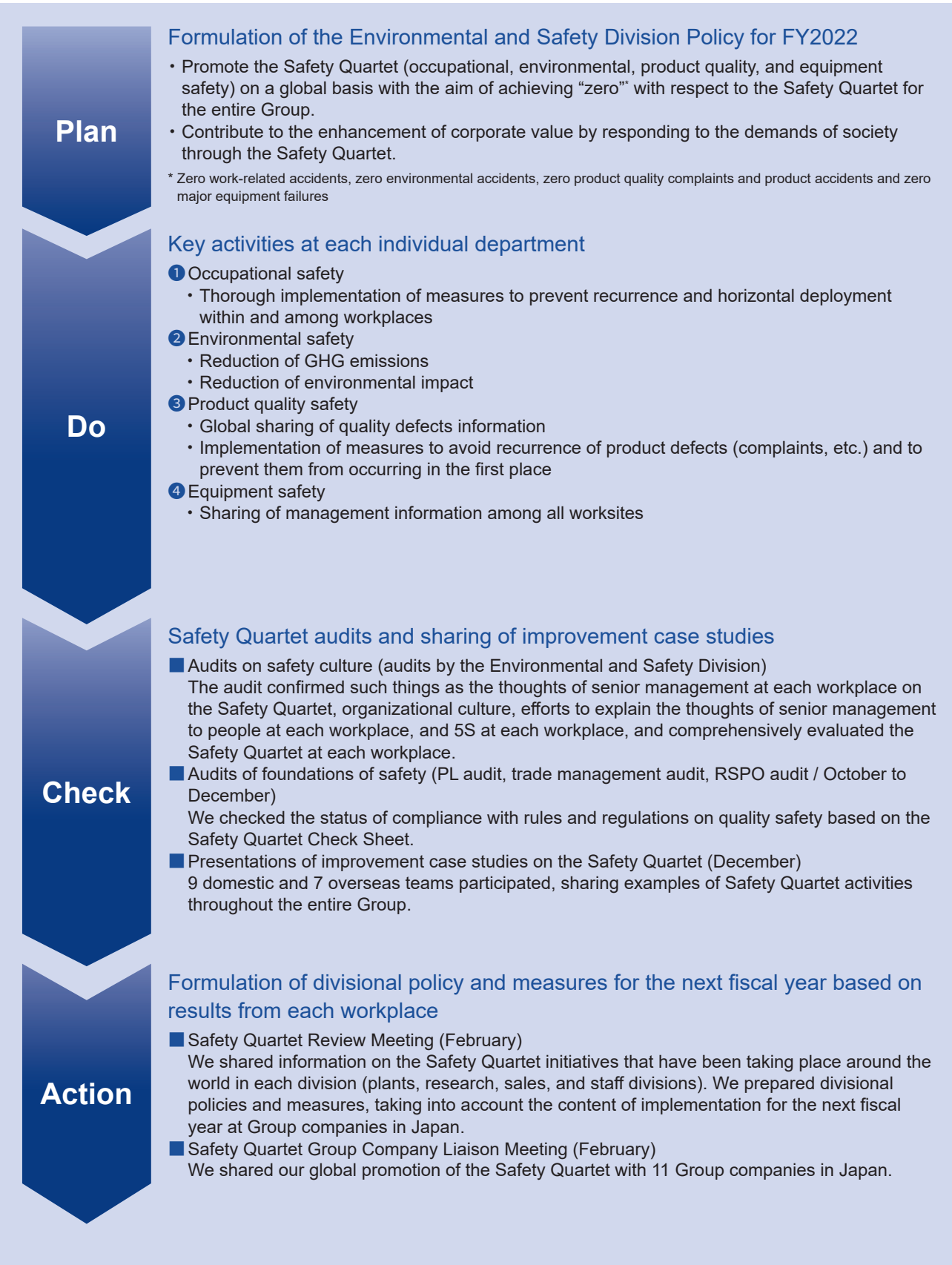
The Safety Quartet is a concept unique to the ADEKA Group. The term refers to harmoniously and organically interwoven safety activities in four categories of safety: occupational safety, environmental safety, product quality safety and equipment safety. We promote the Safety Quartet based on basic principles that apply throughout the Group. Through continuous improvement using the PDCA (Plan-Do-Check-Act) cycle, we aim to continue safe and efficient corporate activities and provide safety and security to our stakeholders.

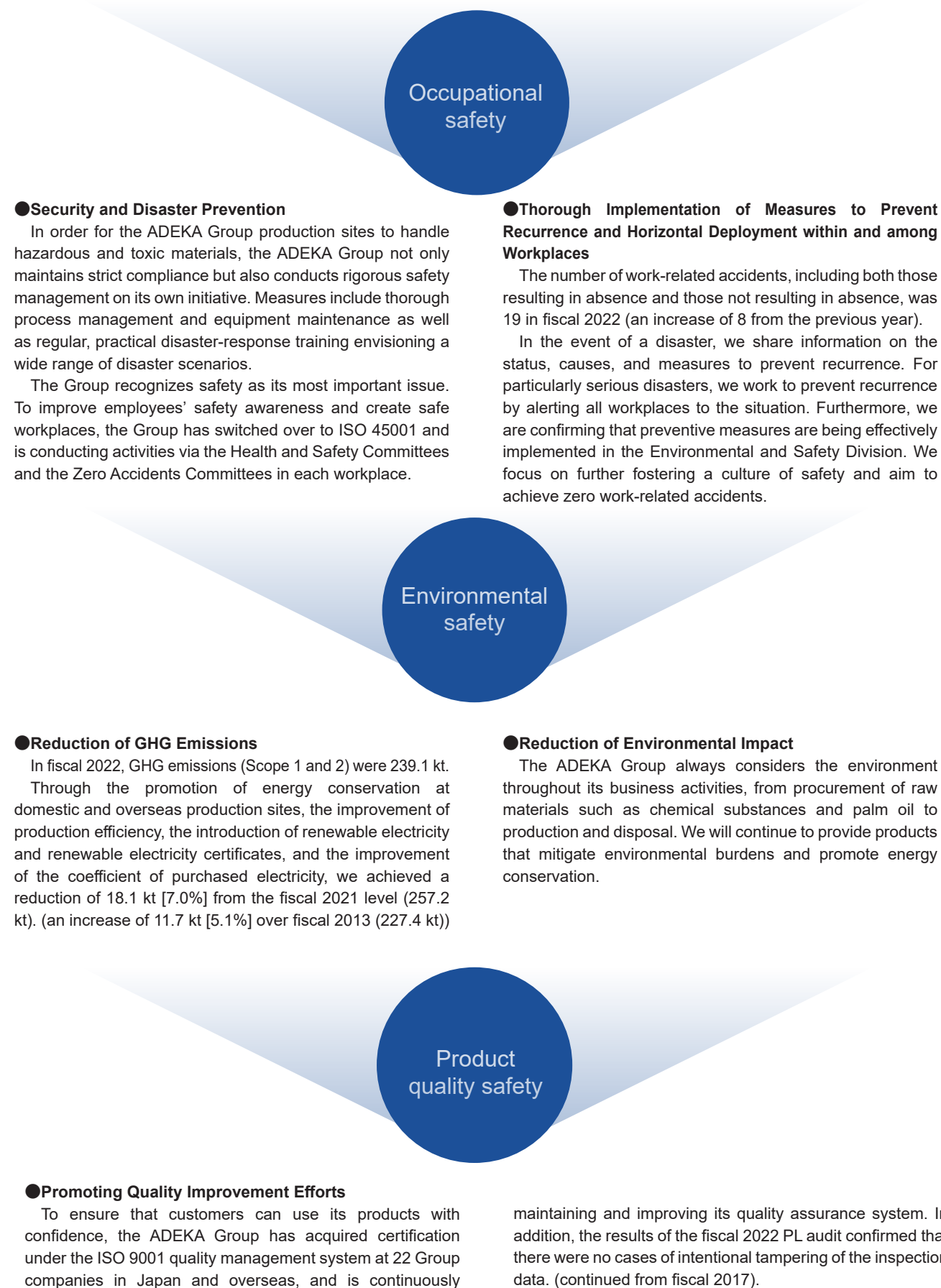


Definition of the Safety Quartet

Occupational safety	There are no unacceptable risks to the employee's wellbeing in the work environment, both physically and mentally.
Environmental safety	The business environment and the global environment are considered as one and the same, and there are no unacceptable risks for the continuation of our business activities.
Product quality safety	Quality assurance and product safety are considered as one and the same, and there are no unacceptable risks in the entire supply chain when our customers use our products.
Equipment safety	There are no unacceptable risks associated with equipment for the continuation of our business activities.

Activities in FY2022





●Global Sharing of Quality and Safety Information

In April 2022, we established a group-wide system to share information on complaints that occur at each workplace and all Safety Quartet categories, including occupational accidents, environmental accidents, major equipment failures. In fiscal 2022, we checked the status of the outbreak at each location and confirmed that it is operating without problems.

●Implementation of measures to avoid recurrence of product defects (complaints, etc.) and to prevent them from occurring in the first place

The occurrence of product defects, measures to avoid recurrence of product defects, and the effectiveness of these countermeasures is horizontally disseminated to related departments through Product Quality Safety Conferences, etc., and we work to prevent similar incidents from occurring. Also, we analyzed the trends in the product defects that occurred and determined priority items for the following year (e.g., foreign material contamination, filling issues at outsourced manufacturers, risk of missing delivery dates, etc.) prevent the occurrence of product defects.

●Control of Chemical Substances

The ADEKA Group aims to manage and use chemical substances sustainably in consideration of people and the environment. In line with countries around the world adopting stricter regulations, the Group works to ensure that our customers can feel safe about using our products by addressing them promptly and providing detailed information about chemical substances.

●Food Safety and Hygiene

As a manufacturing Group that handles food ingredients, in addition to our hygiene management and compliance, seven food production sites in the Group have all obtained certification under the FSSC 22000 food-safety management system and we are implementing hygiene and process management. We also hold Product Quality Safety Conference twice a year, attended by food-related departments, to share information and exchange opinions on food safety and to improve the level of food safety in the Group.

●Facility Management Systems at Each Workplace

The Environmental and Safety Division and Equipment Safety Conferences work to ensure and confirm stable production. The ADEKA Group established a definition for "major equipment failure" in December 2018.

●Sharing of Workplace Management Information

We implemented the sharing of information on maintenance methods and equipment problems at Equipment Safety Conferences, and surveyed the status of spare parts management at each plant.

Safety Quartet Topics in FY2022

In fiscal 2022, based on the Global Regulations on the Safety Quartet, we have begun implementation of the following measures at our overseas production bases.

- Improvement of the management level, based on Safety Quartet promotion plans
- Strengthening of supply chain management by sharing information on quality defects and horizontally deploying countermeasures
- Development of a long-term plan for GHG reduction in line with the Carbon Neutral Roadmap and confirmation of progress

Business Continuity Plan Support for Domestic Plants

The following are being promoted with the aim of creating a framework to speed up recovery time in the event of a disaster at the Soma Plant.

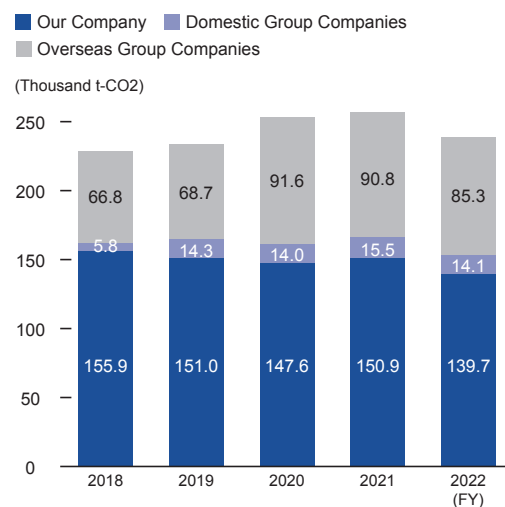
- Recovery human capital plan: Identify human capital with the necessary skills for recovery and formulate a backup plan.
- Expansion of insurance spare parts: Identify necessary insurance spare parts by tying them to allowable recovery time for the business continuity plan and parts delivery time.
- Shared recognition of disaster status chart: In fiscal 2023, the chart was established and the effectiveness was verified at the Soma Plant, and introducing the chart to other plants is being considered

Environment

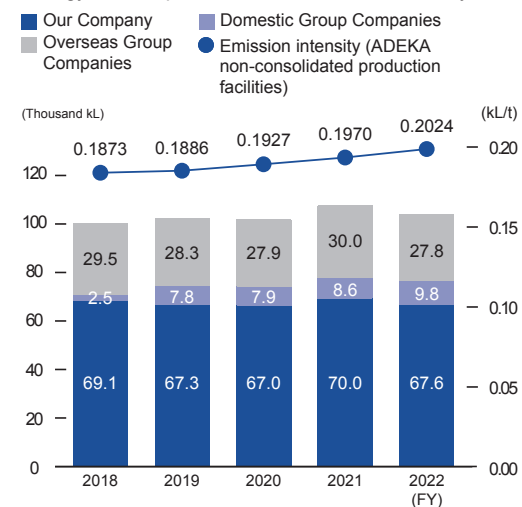
Addressing the Environment

The ADEKA Group always considers the environment throughout its business activities, from procurement of raw materials such as chemical substances and palm oil to production and disposal. Recognizing global trends related to climate change and the global environment, such as the Paris Agreement and the SDGs, we are promoting ongoing initiatives to achieve a sustainable society by providing products that mitigate environmental burdens, promoting energy conservation, reducing waste, and conserving fossil resources.

Greenhouse Gas Emissions

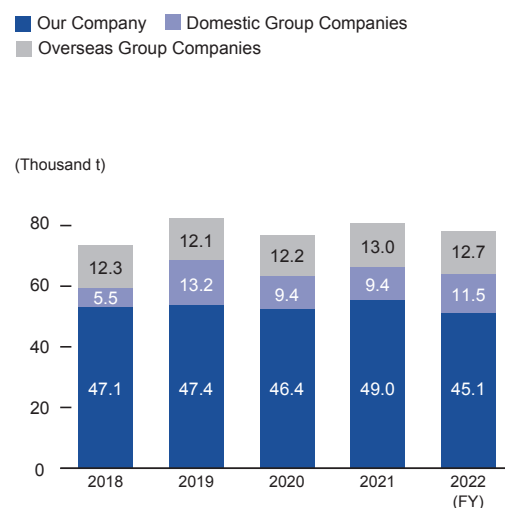


Energy consumption (thousand kL) /emission intensity (kL/t)



*Excluding overseas consolidated subsidiaries of Nihon Nohyaku Co., Ltd.

Amount of Industrial Waste Generated



*Excluding overseas consolidated subsidiaries of Nihon Nohyaku Co., Ltd.

Notes:

Environmental performance data is calculated for major consolidated Group Companies.

Furthermore, during the past five years, the scope of coverage has been expanded as follows

•NIHON NOHYAKU Co.,Ltd. and its domestic consolidated subsidiaries were added from fiscal 2019

•Overseas consolidated subsidiaries of NIHON NOHYAKU Co.,Ltd. were added from fiscal 2020

However, the amount of energy usage, amount of industrial waste generated, amount of water usage, and amount wastewater are calculated excluding NIHON NOHYAKU Co.,Ltd.'s overseas consolidated subsidiaries.

1 Reduction of GHG emissions

The ADEKA Group uses energy and emits GHGs at each step of its value chain, including plant operations, procurement of raw materials, and transportation. In fiscal 2022, our Company and the Group's GHG emissions totaled 239.1 kt, 93.0% of the previous year's level. Aiming to achieve the GHG emission reduction target for 2030, we are systematically reducing emissions from plants during production, including the use of electricity as energy and the combustion of fuels, by improving pro-

cesses and introducing high-efficiency facilities at production sites.

Also, outside our production sites, we are promoting the transition to LED lighting in our head office building and laboratories, painting heat-reflective coating on roofs and exterior walls, and introducing electricity derived from virtually renewable energy sources through the purchase of renewable energy electricity certificates.

Key Activities to Reduce GHG Emissions at Production Sites in Fiscal 2022

Location	Key Activities
Kashima Plant	<ul style="list-style-type: none"> Improving through changes in production conditions, etc. Reducing electricity consumption by improving equipment performance Reducing steam volume by improving thermal-insulation materials and upgrading steam traps Reducing power consumption by switching to LED lighting
Chiba Plant	<ul style="list-style-type: none"> Improved incineration processing methods Reduction of power consumption by switching to LED lighting
Mie Plant	<ul style="list-style-type: none"> Reduction of steam volume by upgrading steam traps and renewal of steam piping Reduction of power consumption by switching to LED lighting Heat recovery from utility incinerators and boilers
Fuji Plant	<ul style="list-style-type: none"> Upgrading to energy-efficient air conditioners Reduction of power consumption by switching to LED lighting

In addition to our domestic production sites, we are also working to reduce GHG emissions at our overseas production sites.

Ongoing Initiatives to Expand Scope 3 Coverage

Our Company has started to compile Scope 3 data for domestic and overseas Group companies (Plants) since fiscal 2022 in order to reduce Scope 3 emissions.

Scope category		Emissions (kt-CO ₂)
Scope 1		103.0
Scope 2		136.1
Scope 3		1,042.6
Category 1	Purchased goods and services	678.0
Category 2	Capital goods	41.6
Category 3	Fuel- and energy-related activities not included in Scope 1 or 2	53.2
Category 4	Transportation and delivery (upstream)	69.5
Category 5	Waste generated in operation	51.3
Category 6	Business travel	0.8
Category 7	Employee commuting	2.2
Category 9	Transportation and delivery (downstream)	23.1
Category 11	Use of sold products	0.7
Category 12	End-of-life treatment of sold products	122.2
Total		1281.7 kt-CO ₂

Scope3 emission is calculated based on the Database on Emissions Intensities for Calculating Greenhouse Gas Emissions, etc. through a Supply Chain (Ministry of the Environment)

Responding to the Environment

2 Promotion of energy conservation

Although we established a target of improving energy intensity and GHG emission intensity (by 1.0% or more compared to the previous year), ADEKA's non-consolidated energy intensity and GHG emission intensity deteriorated by 2.8% and 1.7%, respectively, in fiscal 2022.

3 Waste reduction

The ADEKA Group is working to reduce the final disposal volume of industrial waste generated as a result of its business activities.

The ADEKA Group generated 69.3 Kt of industrial waste in fiscal 2022. For the entire Group, the amount of waste generated was reduced by 2.9% from the previous fiscal year. The reason for the increase in the amount of industrial waste generated by domestic Group companies from the previous fiscal year was a temporary increase in emissions due to the partial demolition of ADEKA's deteriorating research building in fiscal 2022.

The ADEKA is working toward zero emissions through recycling, where the landfill disposal volume accounts for less than 0.5% of the total amount industrial waste generated. We have set a unique goal of "complete zero emissions" where the landfill disposal volume accounts for less than 0.1% of the total amount of industrial waste generated. In fiscal 2022, we continued to achieve complete zero emissions at 0.028%.

The main factors were an increase in the fixed energy ratio caused by a decrease in production volume and an increase in the manufacture of products that use a lot of energy.

(1) Recycling of Cyclical Food Resources

The Company is working to recycle food resources with the goal of achieving a recycling rate target of 95% or more in accordance with the Food Recycling Law. In fiscal 2022, our food recycling rate was 97.0%, an improvement of 1.6 percentage points from the previous year.

(2) Activities to Reduce Waste Plastics Emissions

The Company is working to calculate and reduce the amount of waste plastics generated by the use of containers and packaging materials in the manufacturing process. In fiscal 2022, we achieved our reduction target at 97.5% of the previous year's level (1.0% reduction from the previous year).

Fiscal year	FY2021	FY2022
Amount generated	865.8	844.2

4 Actions for promoting diversity

The ADEKA Group is promoting efforts to conserve biodiversity by participating in Japan Clean Ocean Material Alliance: CLOMA, a platform that works to solve the problem of marine

plastic litter, and participating in (Japan Business Initiative for Biodiversity: JBIB as a network member.

"ADEKA Group Biodiversity Policy"

- 1 Consider biodiversity when procuring naturally derived raw materials
- 2 Promote activities for conserving biodiversity at our business premises
- 3 Strive to develop biodiversity-oriented products
- 4 Work in collaboration with local communities

5 Resource recycling water resources

The ADEKA Group uses large quantities of high-quality fresh-water as a raw material for food products and chemical products, as cleaning and cooling water for production facilities, and as a source of steam generated by boilers, which makes water resources indispensable for the Group. For this reason, the Aqueduct Water Risk Atlas is used to identify water stress at our production facility locations (Japan, China, Taiwan, Malaysia, Singapore, United Arab Emirates, Korea, France, and the United States).

Also, in Japan, based on laws and ordinances, there are tap water quality standards, standard values, and frequency of analysis for water supply systems, and we only purchase from those that meet these standards. Even outside of Japan, water quality standards, standard values, and frequency of analysis are stipulated based on local laws and regulations, and we only purchase water from those that meet these standards.

As a company with plants that manufacture chemical prod-

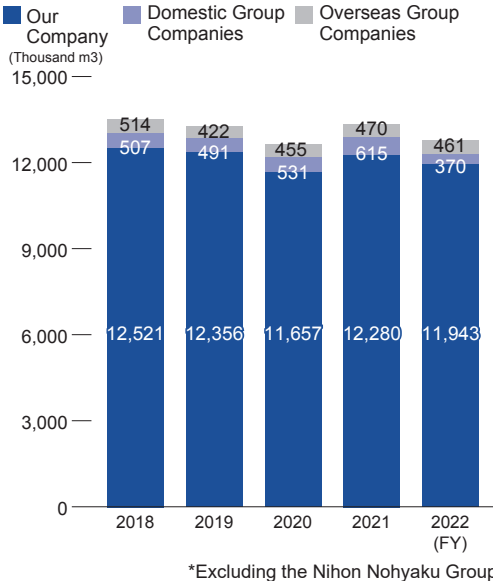
ucts, we strictly control chemical substances.

Chemical substances contained in raw materials and packaging materials are identified by SDS obtained from our suppliers. Through risk assessments, we quantitatively analyze and evaluate the impact and risk of our products and manufacturing processes on human health and the environment, such as rivers and streams.

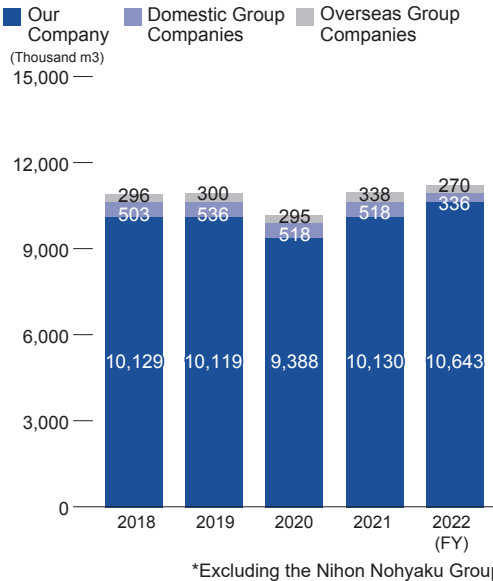
If the risk is high, we take both hard and soft measures to reduce it to an acceptable risk level as defined by our internal standards.

With respect to outsourced manufacturers, the status of compliance with environmental regulations is included in the items of the supplier environmental audit checklist, and we check the status of conformity through periodically conducting audits to confirm that there are no discrepancies with our own policies.

Water Usage



Wastewater



6 Control of chemical substances

In compliance with domestic and international environmental laws and regulations, we are working to reduce the use of chemical substances that impact the environment.

We are working hard to control the manufacture, use, and other handling of hazardous chemicals and to ensure greater protection of human safety, health, and the environment.

In the wastewater treatment process, we manage and operate our processing facilities to comply with our own standards, which are stricter than the standards for pollution indicators stipulated by related laws and regulations. Even in the unlikely event of a higher-than-standard reading, we manage the situation in such a way that it does not flow out from the plant.

Society

Better Living Conditions and Communication

Creating value that meets society's expectations: Dialogue with stakeholders

The ADEKA Group coexists harmoniously and in mutual benefit with society through business activities that respond to the needs and expectations of each stakeholder. With the aim of achieving a sustainable society, the Group strives to create systems and products that solve a wide range of issues with which society is grappling.

Enhancing corporate value through direct dialogue with investors

Engaging in constructive dialogue with shareholders and investors to enhance corporate value over the medium to long term and to deepen investors' understanding of ADEKA, the Company actively discloses business plans and other key management information. At the same time, the Company conveys to senior management the opinions and desires expressed through dialogue with investors, as it strives for constant improvement and maximization of enterprise value.

In fiscal 2022, ADEKA conducted 154 IR meetings and held briefings for institutional investors on our Functional Chemicals Business and Food Business, and posted videos and materials related to these briefings on its website. Additionally, the Company participated in two individual investor fairs, where President and Chief Executive Officer explained the Company's growth strategy and the materials that contribute to the world's affluent lifestyles under the themes of "EV," "5G," and "food loss."

Based on dialogue with institutional investors and subsequent feedback, the Company expanded the business-specific briefings, the composition and size of the Board of Directors and its functions and roles, etc., and disclosed the estimated ROIC (reference) for each business. We also reference our dialogue with shareholders in preparing the Integrated Report and in considering its structure and content.

Labor-Management Relations

Under the terms of a union-shop agreement concluded with the ADEKA Labor Union, union membership among general employees is 100%.

The Company conducts ongoing dialogue with the labor union. In addition to labor-management councils, held to establish consensus on management issues and workplace environments, the Company and the union meet in the Workstyle Reform Committee, Personnel System Step-Up Committee and Physical and Mental Health Promotion Committee, in which the two parties discuss themes such as personnel systems and workplace environments.

Issues such as union members' wages, bonuses and work conditions are decided through the annual collective-bargaining process.

Dialogue with stakeholders through our socially responsible procurement activities

The Company is continuing dialogue with its stakeholders through our socially responsible procurement activities.

- (1) We are promoting "White-Glove Logistics" with the aim of reducing the burden on the drivers of our logistics partners. Currently, we are focusing on promoting pallet stacking, but going forward we will work on reducing waiting time and reviewing incidental work, etc.
- (2) In the promotion of the "Declaration of Partnership Building," we hold technical exchange meetings with each of our outsourcing partners to exchange information on safety and to resolve production technology issues faced by each company.
 - We conducted three technical exchange meetings in fiscal year 2022
 - *We plan for three companies also in fiscal 2023.
 - Issues in Manufacturing Technology
 - Specific examples: Optimization of tank cleaning methods, higher efficiency, etc.
- (3) In promoting the "Business Partners Questionnaire," we request our business partners to submit a self-check sheet to confirm their understanding of The Company's "Purchase Guidelines." For business partners with low scores, we encourage them to work with us to improve.
 - Submission of the self-check sheet
 - Number of companies: 213
 - (Business partners who have agreed to the Purchase Guidelines certificates of agreement to the Guidelines)
 - Submission ratio: 191 companies (92%)
- (4) We are pursuing social and economic value through collaboration with packaging material suppliers. ADEKA was awarded the "Transport Packaging Award" at the "Japan Packaging Contest 2022" sponsored by the Japan Packaging Institute.

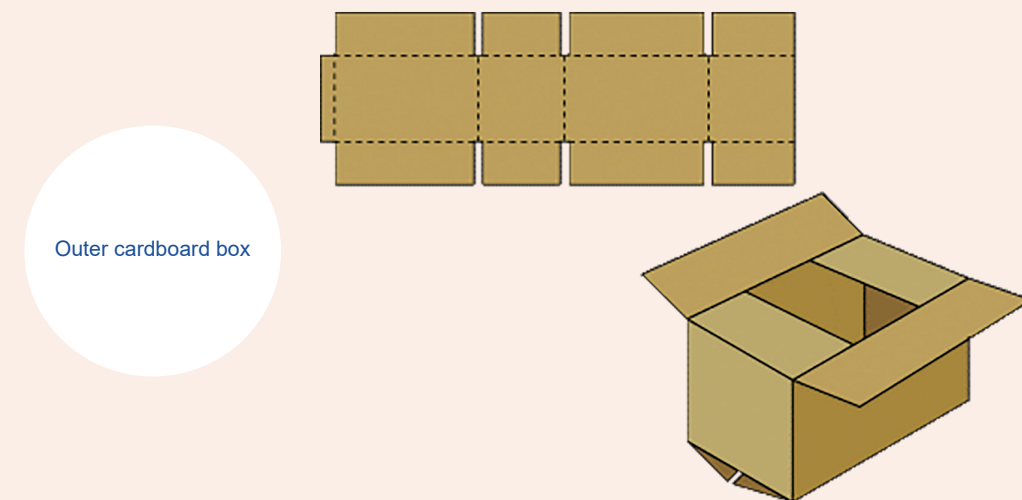
Note: this was a joint submission with Oji Container Co., Ltd.

Received an award at the "Japan Packaging Contest 2022" - Flap Repulsion Suppressing Arched Crease Line-

This time's award was given for the development of an outer cardboard box using the 0201 model box which can prevent repulsion of the flaps and be sealed tightly and prevents gaps in the tape sealing process.

Conventionally, flap crease lines were staggered as a way to reduce flap repulsion in 0201 model, which is made of a strong material. The manufacturing process with staggered crease lines required a full punching process, resulting in having an extra manufacturing step than the normal production of 0201 model, which led to higher costs. Therefore, arched crease line have been added to the outer flaps to decrease the repulsion and straight lines to the inner flaps to help them overlap easily. As a result, the same manufacturing process as the 0201 model is applicable, while reducing the cardboards used by approximately 6% and lead time as well. The reduction in greenhouse gas emissions will also be approximately 20,000 kg-CO₂/year (calculated based on the amount of outer cardboard boxes used by the Company).

At the Company, it is used in corrugated cardboard for whipped cream for commercial use.



Note: 0201 model; 0201 model is the most widely used type of outer cardboard box worldwide, and is a representative type of cardboard. It is characterized by the fact that all flaps are the same length and the flaps on the long side are butt-jointed.

Human Rights and Human Capital Strategy

1 Respect for human rights

The ADEKA Group has established the ADEKA Group Human Rights Policy as its basic approach to human rights based on international norms such as the Universal Declaration of Human Rights and the United Nations Global Compact, as well as the ADEKA Group Code of Conduct.

Based on this policy, the ADEKA Group will respect the human rights of all people involved in all aspects of its corporate activities, fulfill its responsibilities as a company, and contribute to the realization of a sustainable society.

ADEKA Group Human Rights Policy

The ADEKA Group's management policies consist of two phrases that express our desire to respect each other's diverse values and develop together: "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."

Based on these policies, we will fulfill our social responsibility to respect the human rights of all stakeholders in all aspects of our corporate activities, and contribute to the realization of a sustainable society that is fair, just, and free from discrimination and prejudice.

2 Ensuring diversity and human resource development

Basic policies on human capital investment
Policies for human resource development and internal environment development to ensure diversity

One of the Company's human resource principles is "Respect for the human nature and personal qualities of employees." Based on this principle, we hire people with diverse values, careers, and backgrounds, and implements a policy of career training and other development programs so that all employees can maximize their abilities and individuality and be active on a global scale.

Also, in order for diverse human resources to play an active role in the Company, we believe we need a system which allows for a work-life balance and flexible work styles that meet the needs of each individual. At the Company, we have introduced working styles that are not restricted by time or space, such as a flextime system, a specialized/planned discretionary labor system, and a teleworking system.

Going forward, we will continue to work on further system revisions, including the formal introduction of an interoffice interval system, which is currently being tested. In addition, we believe that for individual human resources to thrive within the organization, it is necessary to understand each person's aptitude and develop career and training plans that are tailored to their individual needs. For this reason, we are introducing and deploying a talent management system with the plan to provide more suitable job assignments and individualized training plans based on job aptitude, the individual's preferences, motivation, and other factors. Also, in order to create an environment of mutual acceptance and respect for each other's individuality, we are imple-

menting diversity and inclusion training, including the promotion of understanding of LGBTQ. We will continue to promote efforts to ensure diversity, both in terms of hard and soft aspects.

■ Promotion of female employees

The Company works to expand its childcare leave system and promote work-life balance with the aim of creating an environment in which female employees can fully demonstrate their abilities and a workplace where employees can balance work and childcare. The Company is also proactively promoting initiatives for expanding its accumulated special leave system for childcare, and preparing brochures to inform employees of its systems for childcare and nursing care.

By reorganizing the task teams for promoting women's participation and advancement in the workplace, which was established in April 2021, into the D&I Project Team in June 2022, the Company is implementing initiatives to foster a culture in which women can play an even more active role. Currently, the percentage of female employees in the Company's workforce is approximately 16%, and that in managerial positions is 4.6%. Our goal is to increase the percentage of female employees in managerial positions to 10% or more by 2030.



Ratio of female managers: 4.6%
2030 goal: 10% or more

Please refer to "Next generation nurturing support / Action plan to promote women's participation and advancement in the workplace" on our website for details on the current status and goals regarding the women's participation and advancement in the workplace.

■ Promotion of foreign nationals

The Company has hired five foreign employees in the four years from fiscal 2019 to fiscal 2022. The Group has expanded its global operations, and the ratio of overseas sales to total sales exceeded 50% in fiscal 2020. The percentage of foreign employees in the Group is over 40%. The Group has many overseas bases, and the percentage of foreign employees at overseas sites (including subsidiaries) has exceeded 90%. Since localization is being promoted in overseas offices, many foreign executives and managers are playing an active role (as of the end of March 2023, foreign executives account for 23.1% of all executives, and foreign managers account for 83.6% of all managers in overseas offices). We will accelerate the assignment of global human resources, including foreign nationals, to the right positions throughout the Group, by promoting the introduction of the talent management system.

Currently, one of our 12 foreign employees has been appointed to managerial position. The percentage of foreign employees in the Company's workforce is approximately 0.6%, and that in managerial positions is approximately 0.2%. Aiming to raise the latter ratio to the same level as the former by 2030, we will work to promote foreign employees to managerial positions.



Ratio of managerial positions held by foreign national employees: 0.2%
2030 goal: Equal to the ratio of foreign national employees

■ Promotion of mid-career hires

The Company believes that hiring human resources with experience in upstream and downstream industries in the value chain or those with a high level of expertise is indispensable for the promotion of new innovation or business reform and is proactively recruiting mid-career hires. Currently, mid-career hires account for 15% of our workforce, however, the percentage has increased in recent years. The Company employed 55 mid-career hires in the three years from fiscal 2020 to fiscal 2022, and the average ratio of mid-career hires over the past three years has been 27%. Currently, mid-career hires account for 11% of employees in managerial positions, and the Company will continue to promote mid-career hires to managerial positions, with the goal to achieving a level equivalent to the ratio of mid-career hires by 2030.



Percentage of mid-career hires in managerial positions: 11%
2030 Target: Equal to mid-career hires employee ratio

(Note) Each of the following ratios is calculated for employees affiliated with the Company (not including seconded employees).

- Ratio of foreign employees, ratio of foreign employees to managerial positions
- Ratio of mid-career hires, ratio of mid-career hires to managerial positions
- Ratio of female employees, ratio of female employees occupying managerial positions

■ Hiring of Mandatory Retirees

ADEKA is implementing a program of rehiring interested mandatory retirees up to 65 years of age (unless special reasons exist not to do so). In fiscal 2022, the Company rehired 93.3% of that year's mandatory retirees. The rehired employees play a precious role in passing on skills and knowledge to the next generation and serve as experts in the knowledge, experience and skills they have acquired over many years. The Company supports a wide range of work formats, including full-time work and a three-day work week. In fiscal 2022 the Company had 36 employees aged 60 and over.

■ Employment of Persons with Disabilities


The ADEKA Group is committed to leveraging the capabilities of persons with disabilities and encouraging their self-actualization. To this end the Group prepares workplace environments in which the disabled can flourish and works hard to expand the scope in which they can be active. In fiscal 2022, 2.11% of employees, 35 people, were persons with disabilities. The Group will continue its proactive efforts to employ persons of all abilities.

■ Introduction of a talent management system

As values and work styles become more diverse, approaches to work, advancement, and careers are also becoming more diverse, and it is necessary to consider job assignments and career development that focus more on the individuality of each individual. For this reason, a talent management system was introduced in October 2022 to achieve visualization of human resources and appropriate human resources management. While we combine this with Career training by age group, we will focus on achieving individual career aspirations and further enhance employee engagement.

Human Capital Strategy

3 Promote Diversity and Inclusion (D&I)



Director and Managing Operating Officer
D&I Project Leader

Susumu Yasuda

With the belief that each and every employee is an important asset of the Company, the ADEKA Group aims to be a company where everyone can play an active role.

The Group's Fundamental CSR Policy also positions human rights and human resources as priority domains, and positions human resources as "human assets." As one of our priority issues, we are working to promote diversity and inclusion (D&I) by expanding opportunities for our human resources to play an active role in the Company.

The Group's D&I started with the promotion of women's participation and advancement, but our ideal state is to secure more diverse human resources than ever before and to support the growth of those who are willing to continue to take on challenges, aiming for the ADEKA Group's sustainable growth (economic value) and contribution to a sustainable society (social value).

We aim to "be a company where everyone can play an active role" more than ever before, by enhancing the abilities and job satisfaction of each individual, respecting each other, and taking advantage of each other's strengths. This will lead to a more positive organizational climate, which will be the driving force behind the ADEKA Group's sustainable growth. We aim to be a corporate group that continues to take on greater and greater challenges.

Overview of the D&I Project Team

Established the D&I Project Team: June 2022
Composition: Project leader: Director Yasuda (in charge of Corporate Planning & Strategy Division)
Group Staff General Manager, selected members from each occupational group
Total number of members: 37 (at the time of formation of the project in 2022)

History of the D&I Project

From the investigation phase by the task teams to the execution phase by the project teams

Time series	Initiatives	Phase
April 2021	Launched the task teams for promotion of women's participation and advancement	Surveys/ Selection of strategies Phase
August 2021	Carried out analysis of current situation (questionnaires, interviews, quantitative analysis)	
November 2021	Identified issues and formulated direction	
February 2022	Formulated strategy	
April 2022	Selection of "4 areas that need to be addressed" and "9 strategies" in line with the Company's issues	Implemen- tation Phase
June 2022	Formed project teams for planning and implementation of strategies	
July 2022	Kicked off the D&I Project	
FY2022	Planned and executed strategies	
FY2023	Implemented trial operation and executed strategies	
FY2024	Full operation of strategies and PDCA	

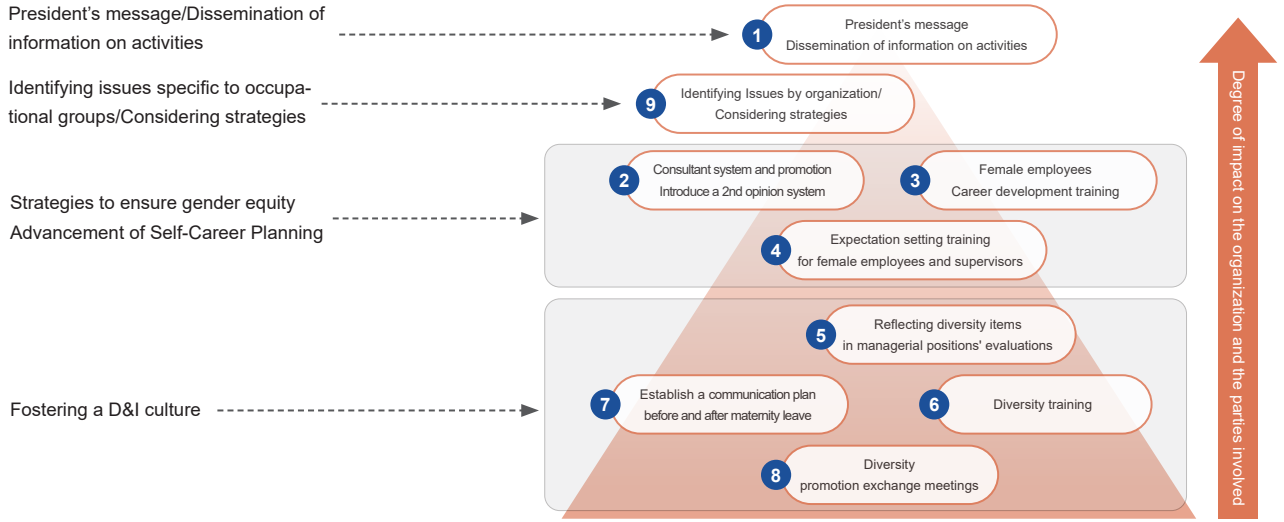
Objective of the D&I Project Team

To be a company where everyone can play an active role regardless of gender.

The Company's "four areas that need to be addressed" in D&I Promotion

The Company's four areas that need to be addressed	Details
President's message Dissemination of information on activities	Promoting the understanding and awareness that diversity and promotion of women's participation and advancement are indispensable to the Company's management strategy.
Strategies to ensure gender equity Advancement of Self-Career Planning	<ul style="list-style-type: none">Setting roles/assigning work that trust female employees' abilities/participation and advancementWe will create an environment where employees can be promoted to achieve KPIs and where they can ask for advice and receive support so that they can draw up their own career plans.
Fostering a D&I culture	Start to raise the consciousness of transformation of the whole organization, including the management level
Identifying issues specific to occupational groups/ Considering strategies	<ul style="list-style-type: none">Share and resolve issues based on the characteristics and circumstances of each organizationEach occupational group will play a greater role than ever in correcting gender minorities.

"Nine strategies" to be developed from the "four areas that need to be addressed"




Introducing behavioral evaluation of D&I to managerial positions

To strengthen managerial positions' commitment to D&I and promote appropriate actions, we have introduced a D&I-related behavior evaluation items in the managerial positions evaluation starting in October 2022. We will continue our efforts to foster awareness of D&I throughout the Company and promote proactive action.

Conducting D&I training

ADEKA conducted video-based D&I training in fiscal 2022. All of our 1,849 employees participated in "Diversity Overview" and "Unconscious Bias" to deepen their understanding of diversity.

D&I project (promotion of women's participation and advancement)



Left: Naoko Dai Right: Yui Asuka

A company is composed of a variety of human resources. A "variety" indicates the existence of all kinds of differences in gender, age, experience level, physical characteristics, and approaches. We believe that the basis of D&I is to consider what is necessary for each individual to reach his or her full potential while understanding each other's differences. To understand, it is important to talk about it, and when there are few women in the workplace, women tend to have a difficult time discussing it, and those around them do not know how to care for them. We support women in multiple situations, including long-term careers, before and after maternity leave, and communication with supervisors during periodically scheduled interviews, and other strategies are being considered to make it easier for women to take on new challenges.

Naoko Dai, General Manager, Polymer Additives R&D Laboratory

We believe that the "promotion of women's participation and advancement" means increasing the number of "vigorous working women." The issues we face are that female employees are unable to gain work experience and believe in their own abilities because they avoid taking on challenges due to concerns about balancing work and family life, or they shy away from difficult goals due to excessive consideration by superiors and others, an unconscious bias, and other factors. In the D&I project, we hope to create an environment where employees who think they really want to "take on the challenge" are given the push they need to say, "You can do it." I believe that if one has confidence in one's own abilities and is able to challenge oneself to do the work one wants to do, one will be able to "work with vigor."

Yui Asuka, Information & Electronics Department

Human Capital Strategy

Human resource development (Training)

The ADEKA Group recognizes employees as key company resources. We therefore view employees as assets and respect the aspirations of each individual while striving to cultivate human resources that will lead the next generation. In fiscal 2022 the Group moved many of its training programs online, as part of efforts to counteract the COVID-19 pandemic. Depending on the nature of each program, some programs are now conducted in real time using online conferencing systems, while others consist of on-demand distribution of prepared content. The Group aims to provide training that is flexible in terms of both time and space.

■ Language study program

ADEKA conducts in-house language lessons at each location and department. In fiscal 2022, 39 employees took advantage of the program. A total of 31 employees also took advantage of support for outside language schools. Moreover, employees heading to overseas posts complete training programs before their posting, on a selective basis.

■ Business-School Secondment System

Using a system for online attendance of outside business schools, younger-generation and core employees study topics such as marketing and leadership theory. Through these studies, participants learn about the actions they need to take and viewpoints they need to adopt to reach their goals in terms of a wide variety of perspectives and roles. In fiscal 2022, a total of 49 employees were seconded to these business schools.

4 Health and Productivity Management

Maintaining a Balance Between Work and Childcare or Nursing Care

ADEKA has introduced programs to support employees in balancing work with childcare or nursing care. For employees who take childcare leave, the Company provides support for obtaining knowledge and skills they can use when they return to work. In fiscal 2022, a total of 17 employees made use of this program. A total of 41 employees (15 women and 26 men) took childcare leave in fiscal 2022, while 2 employees took nursing-care leave of absence. The return-and-retention rate for employees who took childcare leave was 100%. Our program for shorter work hours after return to work from childcare leave was taken up by 26 employees, while 116 employees took sick/injured childcare leave.

Also, in order to facilitate the return of employees from childcare leave, a return-to-work interview sheet and communication chart were introduced in April 2023 to facilitate communication between supervisors and subordinates. Going forward, we will continue to focus on providing support for balancing work and childcare.

■ New-Employee Mentoring System

To bring new hires up to full capability as quickly as possible, and to burnish the guidance and leadership skills of core employees, ADEKA operates a mentoring system. Under this system, each new employee is assigned a mentor (advisor and guide), who provides the new employee with continuous support.

■ Career training by age group

In response to the diversification of values and careers, we have introduced a "Career Training System" with the aim of raising employees' awareness of skill acquisition for autonomous career development. In fiscal year 2023, all employees will participate in "Career Training by Age Group," in which they will consider career design as their own personal matter and think about what they should work on in their current jobs to achieve their ideal state in a few years' time. Managerial positions that support the career development of their subordinates participated in Career Support Guidance for Supervisors in fiscal 2022.

■ Individual Recognition System

Starting in 2021, we established the "Individual Recognition Award" system as a new award system to commend the actions and achievements of employees who have worked together to improve our corporate value. In the first year (fiscal 2022), one "President's Award" and five "Special Awards" were presented to the winners. For the fiscal 2023 awards, the scope has been expanded to include Group companies.

Promoting a Work-Life Balance

The ADEKA Group emphasizes the importance of a work-life balance, which encourages each employee to demonstrate their capabilities fully. Also, ADEKA is introducing a system to support flexible and diverse working styles and foster awareness. In April 2023, we commenced a trial of the interoffice interval system and are focusing on further promotion of work-life balance.

■ Optimizing Working Hours

As part of its efforts to provide employees with a healthy, dynamic and supportive work climate, ADEKA is striving to reduce long work hours Company-wide. For example, the Company is establishing days when everyone leaves work at a set time. The Company is also adjusting work hours through the labor-management committee. In fiscal 2022, average overtime clocked in at 13.7 hours per month, compared with 14.6 hours per month in the previous fiscal year.

For fiscal year 2022 (July 2022 to June 2023), the paid leave rate was 70.7% (69.6% in the previous year). All employees also took five days paid leave or more per year.

Health and productivity Management and Employee Health Management

■ Health and Productivity Management Measures

In April 2021, the president announced the ADEKA Group Health Management Declaration, both internally and externally, and in March 2022, we obtained certification under the 2022 Certified Health & Productivity Management Outstanding Organizations Recognition Program (large enterprise category). Also, as a result of our initiatives in fiscal 2022, we obtained certification under the 2023 Certified Health & Productivity Management Outstanding Organizations Recognition Program (large enterprise category) for the second consecutive year. We will continue to work with the Health Management Promotion Project Team, which is under the direct control of the president, and labor unions to further improve our employee health management and health promotion measures and systems.



■ Measures for Mental Healthcare

ADEKA is committed to supporting and improving employees' mental and physical health. Stress checks are made available to all employees, with an uptake rate of over 99%. Based on the results of group analysis, the Company considers measures for each workplace and carries out improvements to the work environment according to need. Consultation with physicians is arranged based on the results of stress checks, while health consultations with industrial healthcare staff are available at a clinic at the Company's Head Office whenever necessary, supporting employees' self-care efforts.

In fiscal 2022, certain measures were introduced in the context of the COVID-19 pandemic. In level-based training, discussions of mental health topics were circulated by video. At the management level, information on line care was distributed by e-mail. Correspondence education was made available on demand regardless of time and place, including a wide variety of classes on mental and physical health management. ADEKA supports efforts to improve employees' health and raise awareness of health matters.

Stress Checks: Rate of uptake Company-wide

	2020	2021	2022
Uptake rate	99.5%	99.9%	100%

■ Measures Against Infectious Diseases

ADEKA takes decisive measures against infectious diseases. Inoculation against influenza is offered in-house every year, with the Company and the health-insurance society bearing a part of the cost. We also conducted COVID-19 workplace vaccinations at our Head Office, for ADEKA Group employees in the Greater Tokyo Area. In addition to encouraging employees actively to get inoculated, the Company instructs employees to report any infections to ADEKA immediately and to stay home for a certain amount of time if they have contracted a disease. Reminders are routinely sent to related departments and sections. In these and other ways, ADEKA will continue to take infection prevention measures to ensure the continuation of our business while placing the highest priority on safety.

■ Health management initiatives for employees stationed overseas

As the number of ADEKA Group employees working overseas or traveling on business overseas grows, the ADEKA Group is strengthening health management outside Japan. The Group actively encourages overseas workers to undergo annual health check-ups, conducts web interviews with industrial physicians and interviews workers on temporary returns to Japan. The ADEKA Group also uses medical assistance services, providing round-the-clock access to consultation with doctors and emergency support, in case of emergency when stationed abroad. Persons expected to work overseas and their families are also provided with external training on physical and mental healthcare.

■ Regular Health Check-Ups

ADEKA provides regular health check-ups twice a year. The Company also offers various health check-ups based on the Industrial Safety and Health Act, including special health check-ups and health check-ups for people working overseas. The uptake rate for these health check-ups holds consistently at 100%. In addition, we are also working to improve the uptake rate for family members by establishing a system to enable the dependents of employees to receive specified health examinations at our business locations.

After the health check-ups are conducted, follow-up examinations or further diagnosis at a medical institution are recommended for employees whose test results pick up anything unusual. If necessary, industrial physicians, public health nurses or other medical professionals conduct interviews and provide health guidance, providing enhanced support for employees' health management.

We implement thorough health management to ensure that employees can work safely and healthily by helping to detect and treat lifestyle-related diseases and other illnesses at an early stage.

Governance

Corporate Governance

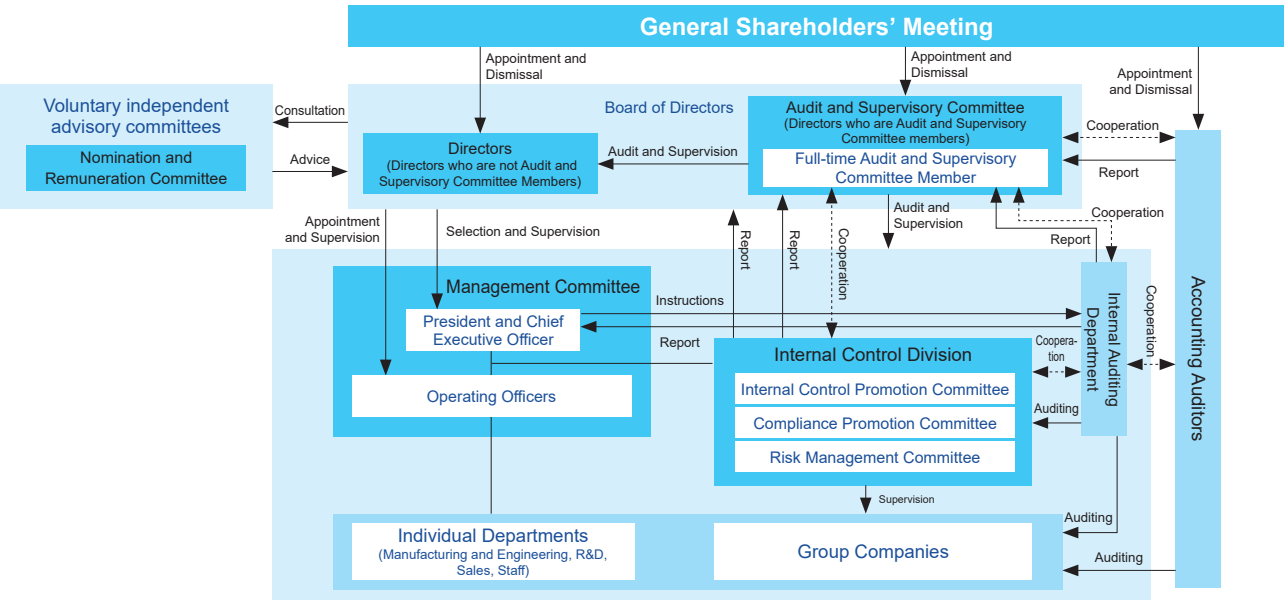
Basic Stance on Corporate Governance

The ADEKA Group places top priority on the strengthening of corporate governance in order to realize its mission and management policies, as well as to achieve sustainable growth and enhance its mid-to-long-term corporate value. ADEKA has repeatedly implemented innovations in governance to enable timely management decision-making and clarify roles (responsibilities and powers) in the execution of operations. At the 161st Ordinary General Meeting of Shareholders held on June 23, 2023, the composition of the Board of Directors was revised to reduce the number of directors (from 16 to 10) and increase the ratio of independent external directors (5 out of 10 are external directors).

In addition, following the resignation of Yoko Takemura, a female external director, Ikuko Hirasawa was appointed as a new female external directors (the ratio of female Directors is 10%).

Based on the ADEKA Group Corporate Governance Guidelines, going forward, ADEKA will continue to take committed action to reform its management structure and strengthen corporate governance by establishing a highly effective corporate governance system that allows the Board of Directors, Management Committee, voluntary advisory committees (Nomination and Remuneration Committee) and other bodies, as well as officers and employees, to fulfill their respective roles organically.

Structure of Management System



Changes in Corporate Governance Structure

	2006	2008	2015	2017	2020	2021	2022	2023
Evolution of Governance		Review of the officer-remuneration system, including the abolition of the officer retirement benefit system						
			Establishment of Corporate Governance Guidelines					
				Introduction of a stock compensation plan using restricted stock compensation				
					Establishment of Nomination and Remuneration Committee			
						Transition to a Company with Audit and Supervisory Committee		
Number of external directors/ directors (Ratio of external directors)	1/12 (8.3)	1/10 (10.0%)	2/11 (18.2%)	2/11 (18.2%)	2/11 (18.2%)	6/17* (35.3%)	6/16* (37.5%)	5/10* (50%)
						Directors 3/12 Director and Audit and Supervisory Committee Member 3/5	Directors 3/12 Director and Audit and Supervisory Committee Member 3/4	Directors 3/7 Director and Audit and Supervisory Committee Member 2/3

* From 2021, includes directors, Audit and Supervisory Committee members.

Overview of Corporate Governance

ADEKA's decision-making follows a process of flexible and thorough scrutiny in combination with the deliberations of the ordinary meetings of the Board of Directors, held once a month; extraordinary meetings of the Board of Directors, convened as necessary; and the Management Committee, which gathers several times a month. In fiscal 2022, the Board of Directors conducted 12 ordinary meetings and five extraordinary meetings for a total of 17 meetings.

To clarify executive responsibilities and powers and provide timely decision-making and efficient management, ADEKA has introduced an operating-officer system. Furthermore, in June 2023, we introduced a delegated executive officer system to further promote the separation of supervision and execution.

Also, the Internal Control Promotion Committee, the Compliance Promotion Committee and the Risk Management Committee conduct deliberations necessary for execution of operations, implementing companywide measures for enhanced governance, compliance and risk management while striving for appropriate and rational management judgement.

Corporate Governance (as of June 30, 2023)

	Board of Directors	Nomination and Remuneration Committee	Audit and Supervisory Committee
Chairperson	President and Chief Executive Officer	External Directors	Internal Directors
Composition	Internal directors: 5; external directors: 5	Internal directors: 1; external directors: 2	Internal directors: 1; external directors: 2
Number of times held (FY2022)	Regular: 12; extraordinary: 5; total: 17	3	Audit and Supervisory Committee: 6
Objectives	As a decision-making body for business execution, it decides important matters related to corporate management outside the authority of general meetings of shareholders, such as the election and dismissal of representative directors, supervision of directors' performance of their duties, and the issuance of new shares.	Further enhances corporate governance by improving the fairness, transparency, and objectivity of procedures related to the nomination of candidates for directors and the determination of their compensation, etc.	Fulfills the supervisory function over the directors' performance of duties by examining the status of operations and assets, and at the same time, works closely with the accounting auditors and the internal audit division (Internal Auditing Department) to improve their respective supervisory functions.

Audit Framework

In June 2021, ADEKA reorganized to become a Company with Audit and Supervisory Committee. The Audit and Supervisory Committee members survey the Board of Directors' attendance rate and the status of ADEKA's operations and finances to perform a supervisory function with respect to directors' execution of their duties, based on the auditing policies and division of duties stipulated by the Audit and Supervisory Committee. Also, the Audit and Supervisory Committee maintains close liaison with the accounting auditors and internal auditing segment (Internal Auditing Department), playing a role in improving the auditing functions of each. The internal-auditing results of the Internal Auditing Department are reported to the president and CEO as well as to the Audit and Supervisory Committee, by means of a dual reporting line.

Providing Information and Support to External Officers

The ADEKA Group continues striving to improve its support system for external officers so that they can deepen their understanding of the Group's business activities and make sound decisions. Soon after external officers are appointed, the Group holds an orientation session on its business and financial affairs and provides learning opportunities such as facility tours. Before the Board of Directors' meetings, reference materials and overviews on important issues are provided by the secretariat to ensure that external officers are fully briefed and can engage in vigorous and constructive discussion.

Corporate Governance Overview (as of June 30, 2023)

Item	Our Company
Governance structure	Company with Audit and Supervisory Committee
Chairman of the Board	President and Chief Executive Officer
Number of directors (of which: Audit and Supervisory Committee members)	10 (3)
Independent external directors (of which: Audit and Supervisory Committee members)	5 (2)
Number of female directors	1
Terms of directors who are not Audit and Supervisory Committee Members	1 year
Terms of directors who are Audit and Supervisory Committee members	2 years
Number of operating officers	20
Of which: Also serving as directors	4

Compliance with the Corporate Governance Code

In response to the Corporate Governance Code (hereafter, "CGC"), ADEKA operates a CGC Promotion Committee that meets on a quarterly basis to discuss the following matters.

- Study of measures to strengthen corporate governance
- Review of the ADEKA Group Corporate Governance Guidelines
- Matters disclosed in the Corporate Governance Report
- Review of the implementation status of ADEKA's governance based on the CGC and the Guidelines
- Review of the latest trends in corporate governance, based in part on input from institutional investors

Also, since December 2021, the Company has been submitting corporate governance reports in compliance with the revised 2021 CGC. Furthermore, we review and revise the ADEKA Group Corporate Governance Guidelines from time to time, with the most recent revisions made in November 2021, March 2022, June 2022, and June 2023..

Corporate Governance

Incentive Compensation for Officers

ADEKA's incentive compensation for officers is composed of remuneration paid as compensation for performing their duties, bonuses linked to performance of the Company and individuals and "restricted stock compensation" introduced as a medium-to-long-term incentive in June 2017.

Performance-based remuneration is paid on a particular schedule each year as officers' bonuses. This remuneration is calculated on the basis of three factors: financial value as evaluated from business results in the fiscal year (consolidated net sales, consolidated operating profit and consolidated profit); social value as evaluated from contributions to addressing environmental issues and the like in the fiscal year; and an amount calculated in overall consideration of a variety of other factors. To provide a remuneration structure that sustainably improves medium-to-long-term corporate value, and by extension shareholder value, non-monetary remuneration is provided as restricted stock compensation.

Nomination of Officer Candidates

Officer candidates are nominated based on general criteria such as character, discernment, knowledge, experience and track record. Candidates for the position of external officer are chosen for these attributes but must also hold no more than an acceptable number of other concurrent posts, to ensure that they can devote sufficient time to their duties with the Company. Before the Board of Directors deliberates on the selection of officer candidates, the Board requests the advice of the Nomination and Remuneration Committee. The candidates are then selected by resolution of the Board of Directors in careful consideration of the opinions and advice of the Nomination and Remuneration Committee.

Drafting and Execution of Succession Plans and Successor Training

The president and CEO of ADEKA drafts a succession plan. The purpose of this plan is to ensure that the next person elevated to the post of CEO is the best person for the job, capable of handling the business environment and management issues that confront the ADEKA Group, ensuring sustainable growth for the entire ADEKA Group and improving corporate value over the medium-to-long-term. Although the Board of Directors has not passed a resolution approving or reporting on the succession plan itself, the Nomination and Remuneration Committee held a meeting in April 2022 to exchange views on the succession plan. Also, before agenda items for the nomination of officer candidates (including candidates for CEO) are presented to the Board of Directors, the president and CEO explains in the Nomination and Remuneration Committee that persons expected to be nominated as officer candidates satisfy the conditions in the successor plan and for nomination as officer candidates. The officer candidates are decided by resolution of the Board of Directors, in careful consideration of the opinions and advice of the Nomination and Remuneration Committee. This system maintains the transparency and objectivity of the processes by which successors to senior management positions are nominated.

Assessment of the Effectiveness of the Board of Directors

At ADEKA, members of the Board of Directors complete a self-assessment questionnaire using an external organization. Among other aspects, this questionnaire covers the number of members of the Board of Directors, members' diversity and specialization and the items they present for deliberation; the Board of Directors' preparations for each meeting, management of proceedings and vigor of discussion; and the strategic decision-making and supervisory functions of the Board of Directors. The results of tabulation of these questionnaires are evaluated and analyzed by a meeting of the Board of Directors and external directors only. An overview of the results is disclosed at the end of each fiscal year.

■ Fiscal 2022 Assessment Result

- We have confirmed that our Board of Directors has a well-balanced composition, that we have appointed highly professional external directors, that there is smooth communication among directors, and that the proceedings are carried out in such a way as to make it easy for them to speak up. Therefore, we have determined that the effectiveness of the Board of Directors is appropriately ensured.
- Meanwhile, the Company recognized issues such as "reviewing the composition of the Board of Directors (the need to increase the ratio of external directors)" and "reviewing the standards for submitting proposals concerning matters to be reported and simplifying the content of reports," both of which were subsequently addressed through resolutions of the Board of Directors and Ordinary Meeting of Shareholders passed by the Board of Directors.

Internal Control System

ADEKA recognizes that internal controls are vital processes for uniting the Board of Directors, managers and other Company personnel in providing reasonable guarantees that duties will be performed efficiently and effectively; financial reporting will be trustworthy; related laws and regulations, as well as the Articles of Incorporation, will be strictly complied with; and preservation of assets will be achieved. Based on that understanding, the Internal Control Promotion Committee leads the Company's efforts to build and strengthen the Company-wide internal control system.

The Internal Control Promotion Committee builds, operates and checks the internal control system, based on the Companies Act, and ensures the appropriateness of its financial reporting, based on the Financial Instruments and Exchange Act.

Promotion of Paperless Board Meetings

Our Board of Directors has adopted a paperless system in which meeting materials are shared electronically via a cloud server and viewed on dedicated tablets. This paperless system reduces the number of meeting materials by approximately 15,000 sheets of paper per year and improves information security.

Risk Management

Basic Stance on Risk Management

As business risks increase in the management environment, the ADEKA Group seeks to prevent incidents and minimize the damage they can cause. In one approach, the Group outlined a system for managing risks in the ADEKA Group Risk Management Manual, focusing on prevention and countermeasure efforts.

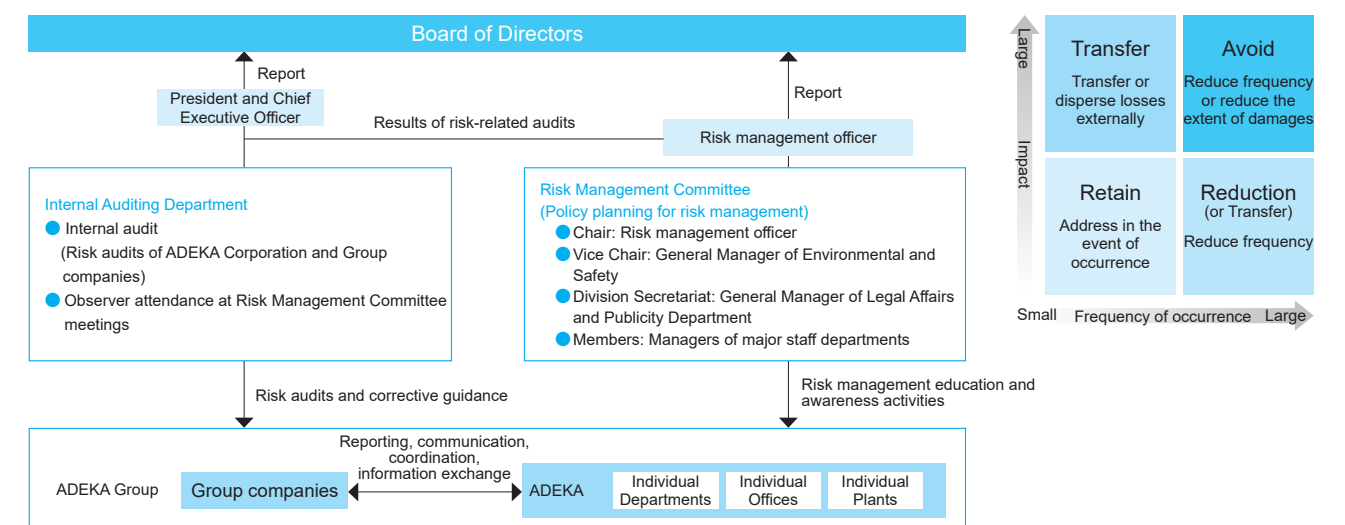
Risk Management System

The Risk Management Committee, chaired by the risk management officer and with the Legal Affairs and Publicity Department as its secretariat, is composed of department heads of major staff departments and meets periodically (twice a year). In addition to identifying and assessing risks in each department and operating and reviewing the risk management system, the ADEKA Group Risk Management Regulations and the ADEKA

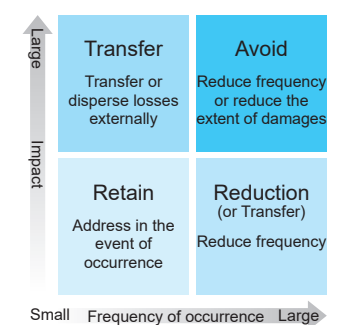
Group Risk Management Manual have been established and are in operation. When emergencies arise, departments responsible for each risk category are specified based on these Manuals and systems are implemented to minimize any damage. In cases of acute emergency and importance, an Emergency Headquarters is established to coordinate operations. To minimize damage from loss of confidence in the Company when unforeseen incidents and accidents occur, ADEKA has prepared an Emergency Public Relations Manual.

In risk monitoring, each department and implementing office will identify, identify, analyze, and evaluate risks (risk assessment), Information-management, security and business continuity risks are mapped and tested based on the frequency of occurrence and impact, and measures are examined. The Group Risk Management Conference was established in March 2023 to strengthen group risk management.

Diagram of the risk management system



Selection of Countermeasures



Strengthening of Global Risk Management

To ensure the safety of ADEKA officers and employees who transfer to, study in, reside in or are seconded to overseas countries and regions, as well as their accompanying families, the Group has established the Overseas Risk Management Regulations, Standards on Measures Against Overseas Risks and Safety Guidelines for Personnel Stationed Overseas. Also, as for activities related to global risk management in fiscal year 2022, the former Crisis Management Committee discussed the Company Group's response to the military invasion of Ukraine by Russia that occurred at the end of February 2022.

Business Continuity Management

The Business Continuity Management (BCM) Committee takes the initiative on business continuity management for mini-

mizing any damage to business assets and enabling the continuation or early recovery of business activities in the event of an emergency.

Information Security and Information Management Training

The Information Management Subcommittee, a subordinate body of the Compliance Promotion Committee, is carrying out an array of measures aimed at strengthening information security and information management. In fiscal 2022, the Subcommittee provided training for all directors and employees of ADEKA Corporation and key domestic affiliates on dealing with targeted e-mail attacks (December 2022 to January 2023).

Corporate Governance

Compliance

Basic Stance on Compliance

The management policies of the ADEKA Group support effective responses to changes in the social and managerial environment. They are intended to realize sound management and harmony with international society by sufficiently protecting stakeholders' interests.

The Group's compliance management is intended to fulfill public expectations and demands through the provision of new value that is useful for addressing social issues. This is done by providing high-quality products and services created using ADEKA's unique technologies and through actively communicating with stakeholders, as well as engaging in social contribution activities.

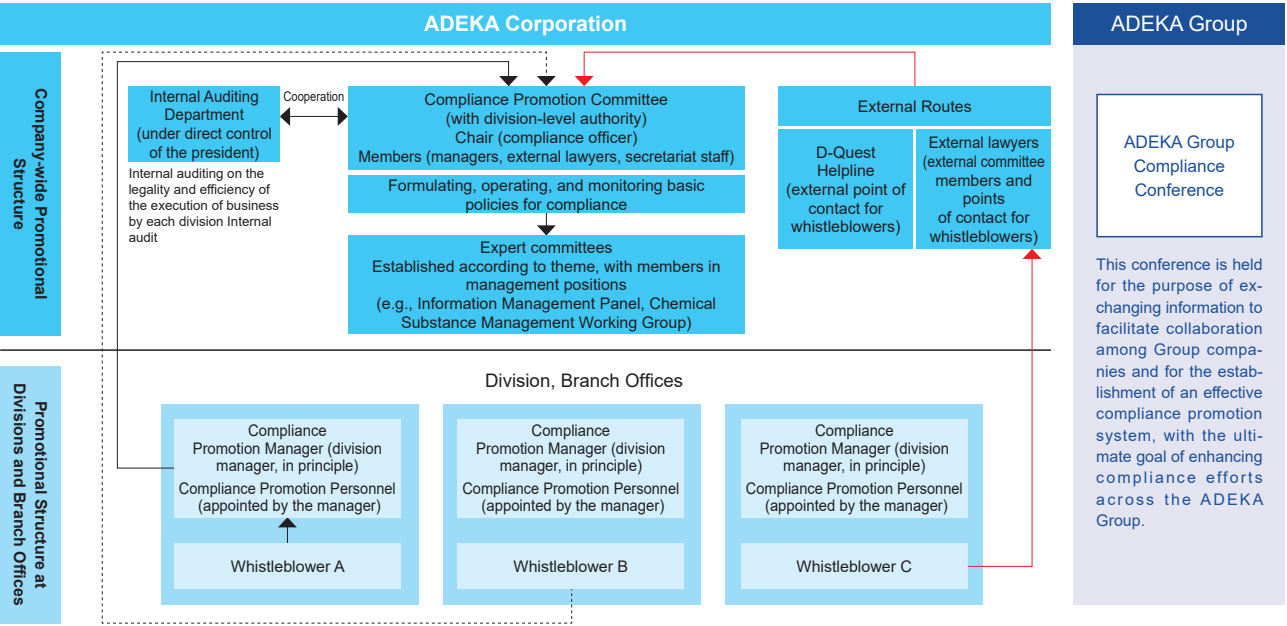
System for Promoting Group Compliance

The Compliance Promotion Committee meets quarterly to implement and monitor compliance at ADEKA.

A system for instilling the Basic Compliance Policy across the Company and swiftly collecting information has been established by appointing Compliance Leaders in each section.

Also, a Group Compliance Conference consisting of representatives of major group companies and compliance officers is held twice a year (in March and September). At this Conference, Group companies make efforts to strengthen overall Group compliance by confirming compliance issues at each company and measures to deal with them and by otherwise exchanging information.

Compliance Structure



Dates of Convening of the Compliance Promotion Committee and Content (FY 2022)

Compliance Promotion Committee

Ordinal number	Date	Content
72nd	April 27, 2022	<ul style="list-style-type: none">Report on the FY2021 activities of the Compliance Promotion CommitteeReport of the Chemical Substance Management Working Group
73rd	July 27, 2022	<ul style="list-style-type: none">Summary of FY2022 Antitrust Act seminars and compliance seminarsReport on FY2021 compliance activities by each division and consolidation of tasks to be completed in FY2022
74th	October 21, 2022	<ul style="list-style-type: none">Regarding overview for compliance seminars in FY2022Report on the interim activities of the Compliance Promotion Committee in FY2022Report on the FY2021 Results of the fiscal Bribery Risk AssessmentReport of the Chemical Substance Management Working Group
75th	January 23, 2023	<ul style="list-style-type: none">Draft of FY2023 basic policies for complianceMethod of conducting the FY2023 survey of compliance awareness (questionnaire)The Company's Draft Internal Control System Check Sheet

Group Compliance Conference

Ordinal number	Date	Content
36th	September 2, 2022	<ul style="list-style-type: none">Report on the status of each company's compliance efforts (held online)
37th	March 7, 2023	<ul style="list-style-type: none">Method of conducting the survey of compliance awareness (2023)Report on the results of dealing with targeted e-mail attacks (both actual and online)

Strengthening Group Compliance

In FY2022, the Compliance Promotion Committee promoted initiatives to further strengthen Group compliance, including (1) Implementation of compliance leader training; (2) Creation and distribution of posters, cards, and manuals to disseminate the revised ADEKA Group Human Rights Policy; (3) Revision of the Compliance Whistleblower Regulations to comply with the revised Whistleblower Protection Act; and (4) Review of the survey of compliance awareness, (questionnaire) and change of survey contractor, etc..

Monitoring and Evaluation

Bribery Risk Assessment

Every year ADEKA confirms the progress of efforts by companies to prevent overseas bribery to obtain an understanding of current conditions. To reinforce efforts to prevent bribery, ADEKA offers e-learning courses and implements risk assessment online.

Compliance Consultation and Internal Reporting System

The ADEKA Group has maintained an internal reporting system since 2003. Users can use this system without any disadvantages and with peace of mind. The system employs a reporting system that allows two-way communication while remaining anonymous. Details about the cases and the actions taken are shared with Audit & Supervisory Board members and outside legal counsel, and reported to the Board of Directors.

Number of Internal Reports

FY	2018	2019	2020	2021	2022
Reports	8	6	9	9	4

In addition, to respond to the effective implementation of the revised Whistleblower Protection Act, the Compliance Whistleblower Regulations were revised to add provisions such as the designation of whistleblower response personnel and prohibition of out-of-scope sharing. (June 1, 2022)

Compliance with Fair Business Practices and Prevention of Corruption

Fair Business Practices (Anti-Monopoly Act, Subcontract Act)

Each year the ADEKA Group offers seminars on the Anti-Monopoly Act and Subcontract Act, presented by specialists in the field. Employees are also individually encouraged to improve their knowledge of these topics through e-learning.

Preventing Bribery Efforts

Around the world, the legal framework concerning bribery and corruption is being steadily tightened. Examples of pertinent legislation include the Foreign Corrupt Practices Act in the United States, the United Kingdom Bribery Act in the United Kingdom and Japan's Unfair Competition Prevention Act. As exposure of bribery and corruption intensifies, the ADEKA Group is providing employee training and conducting risk assessment and other measures as described above based on the ADEKA Group Basic Policy Against Corruption, related regulations and

the ADEKA Group Anti-Bribery Guidelines.

Management of Chemicals and Export Controls

In addition to complying with laws and regulations related to chemical substances around the world, the Company also responds to the issuance of Safety Data Sheets (SDS) and HS code (tariff classification number) determinations for each country in accordance with the Globally Harmonized System of Classification and Labelling of Chemicals (GHS) in cooperation with its overseas offices. used in safety data sheets, and responds appropriately to HS codes (customs classification numbers). We have also organized a Chemical Substance Management Working Group under the Compliance Promotion Committee, which is responsible for company-wide cross-sectional measures. ADEKA established a Trade Control Committee, a security export control organization under the direct authority of the president of ADEKA. Under the direction of the Trade Control Committee (secretariat: Environmental Safety & Quality Assurance Department), education on security export controls (e-learning) was provided to all employees.

Tax Matters

As one of their basic and important responsibilities, companies must fulfill is appropriate payment of taxes in compliance with the applicable tax laws in each country.

Raising Awareness Among Group Employees

Compliance Education

ADEKA provides education and training to employees at various levels, through e-learning courses, level-based training, and training on specific themes, laws and regulations. Moreover, each workplace is required to conduct "workplace compliance training," compliance training tailored to its own unique needs, more than once a year.

Level-based compliance training events and seminars (Anti-trust Act seminars, seminars on insider-trading regulations and compliance seminars) were voluntarily suspended in response to the COVID-19 was resumed (partly in conjunction with the online sessions) due to the COVID-19 being reclassified as Class 5 disease.

Compliance-related education and training

- Education and training activities: Level-based training, training on specific themes, laws and regulations., in-house training, seminars, e-learning, etc.
- Information management and security: Revision of rules and standards related to information management and security, and implementation of education and training
- Anti-harassment measures: Formulation of Policies for Preventing Harassment and their roll-out to subsidiaries, and implementation of education and training
- Hold seminars on insider-trading regulations annually
- Hold Antitrust Act seminars annually
- Conduct "Preventing Bribery Efforts" e-learning

Special Feature: ADEKA Main Themes

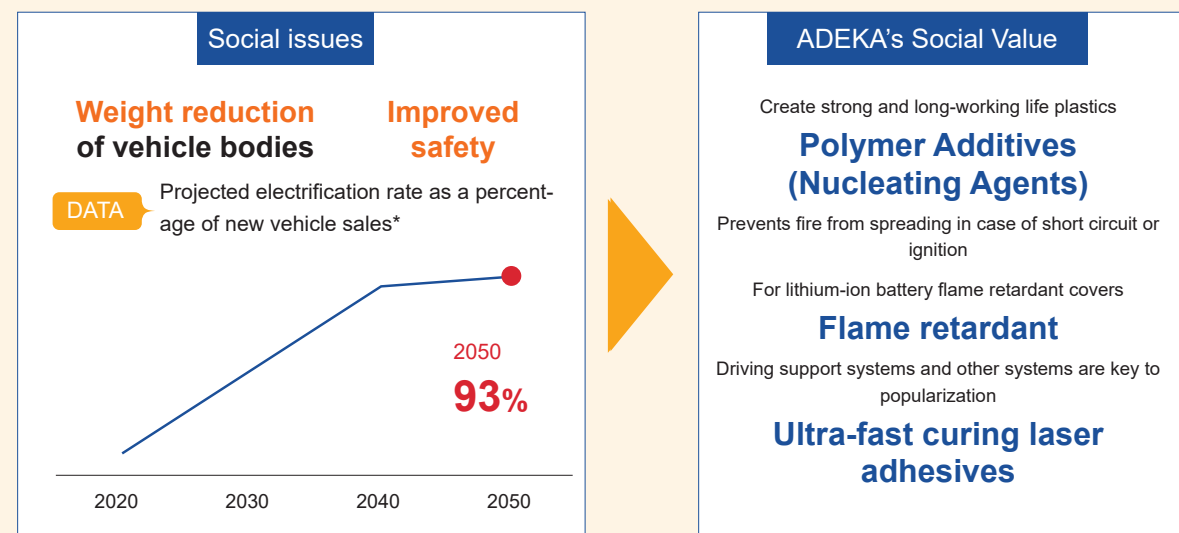
Driven by the desire to "enrich people's lives," we continue to take on the challenge of creating new society issues as they change with the times and to create new materials. We aim to achieve a sustainable society and affluent lives through the development and provision of valuable materials.

The ADEKA Group focuses on the following three themes in its core businesses of Chemicals, Foods, and Life Science.

Theme
1

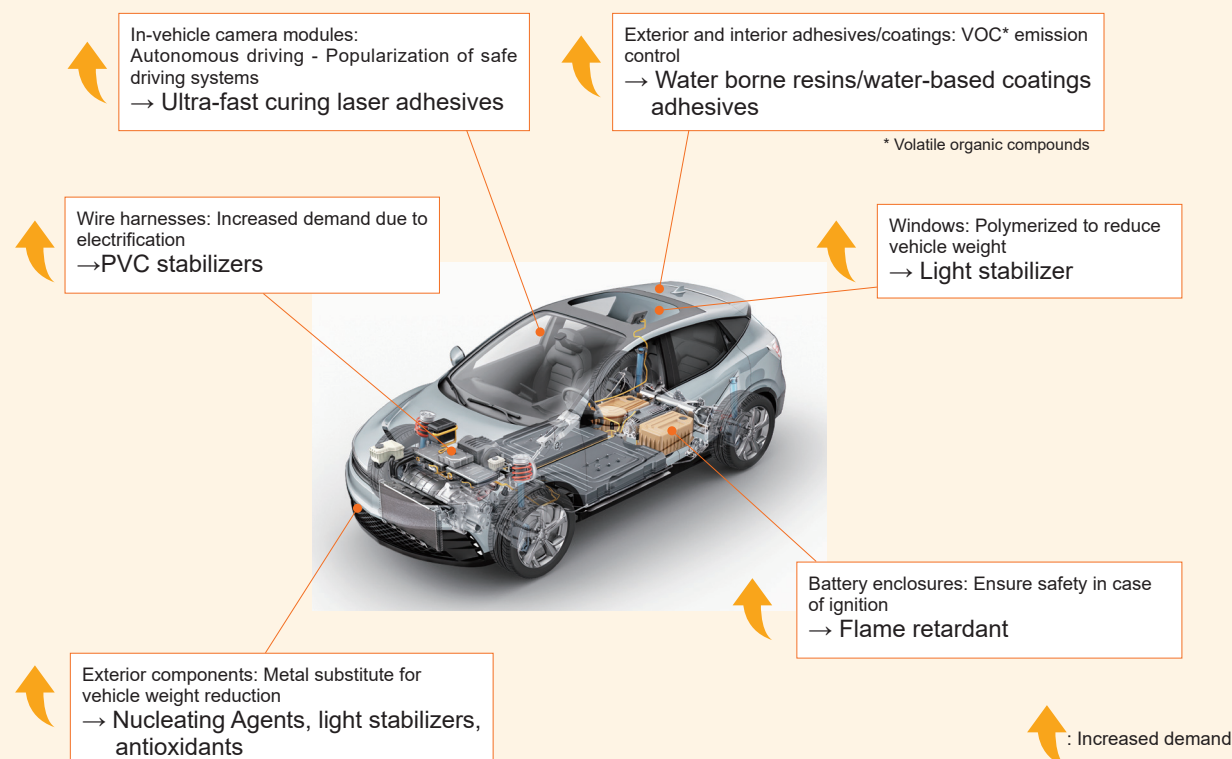
Contributing to the popularization of next-generation automobiles

Contributing to the popularization of safe and comfortable next-generation automobiles



*Estimated from IHS and IEA data

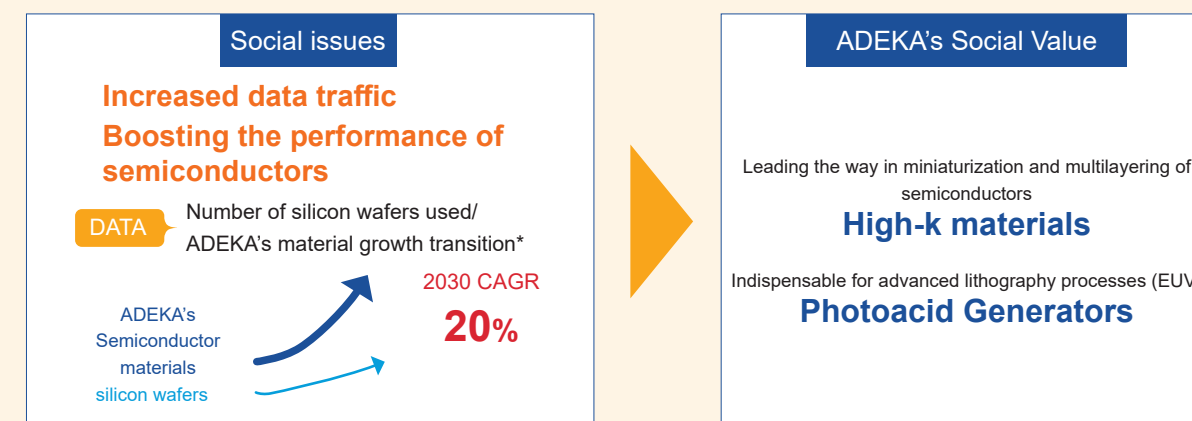
ADEKA's products related to next-generation automobiles



Theme
2

Boosting the performance of semiconductors

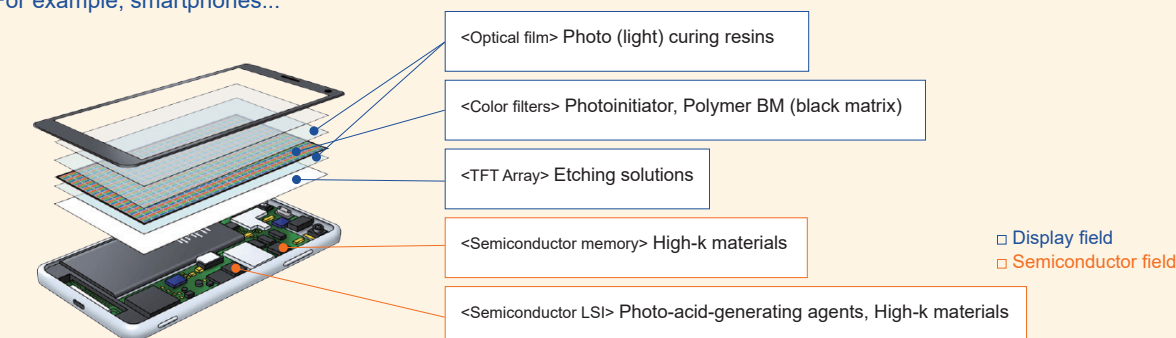
Global development of cutting-edge semiconductor materials



* Company estimates based on Fuji Chimera Research Institute, Inc. data

ADEKA products related to Advanced Devices

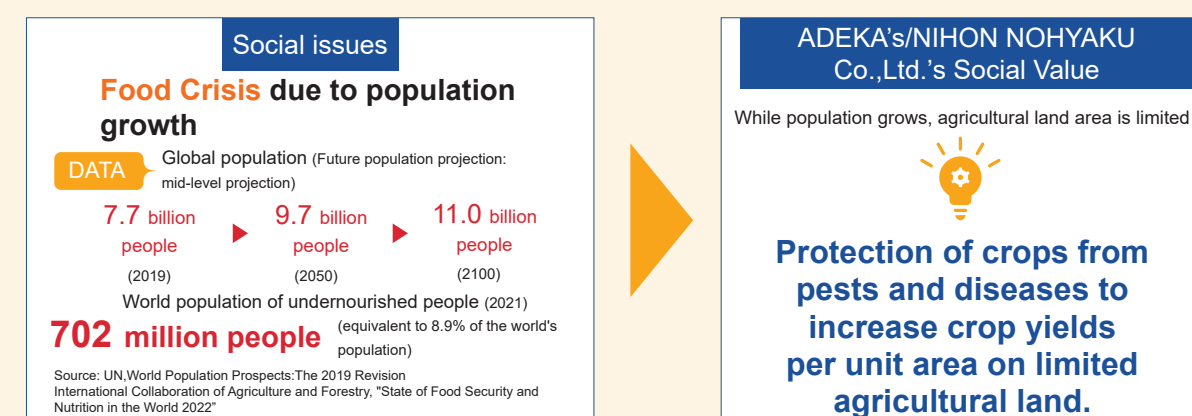
For example, smartphones...



Theme
3

Food shortage issues

Contribution to stable production of agricultural crops



To fulfill our mission and role in contributing to agricultural production activities, aiming at the stable supply of safe food, we will continue to create and provide agrochemicals with superior performance, cost, and selectivity in the world. We will strengthen our discovery platform and business competitiveness by globally advancing our growth strategy in Europe, the U.S., India, Brazil, and elsewhere, and contribute to the food and agriculture into the future.

Strategy by Business

Overview of each Business

In addition to its two core businesses of chemicals and foods, the ADEKA Group has expanded into the new field of life sciences, offering a wide range of unique products with advanced technology and dependable quality.

Chemical Business



Polymer Additives
The ADEKA Group provides a variety of additives indispensable for boosting the performance, working life and recyclability of plastics.



Electronics and IT Materials
The Group provides products that apply leading-edge technologies that are indispensable for today's ICT-driven society.



Functional Chemicals
We provide a wide range of high value-added products in various fields ranging from infrastructure to automobiles, cosmetics, toiletries, and more.

Food Business



By providing processed oils, fats and processed foods, the Group contributes to safe, dependable and richly varied diets.

Consolidated Net Sales by Business



Business Segment	Percentage
Polymer Additives	27.6%
Life Sciences	25.3%
Food Products	20.5%
Electronics and IT Materials	9.0%
Other	1.7%

FY2022 Net Sales: 403.3 billion yen

Life Sciences Business



The Group provides agrochemicals, pharmaceuticals, animal healthcare products and other life-science-related products. We also conduct research and development focusing on regenerative and preventive medicine and improvement of the quality of life.

Other



Our other business primarily includes the maintenance of ADEKA Group plants and facilities, the design of various kinds of plants, logistics, and an insurance-agency business.

Positive factors and risk factors by segment

● are matters that are specific to the Company, ● are market conditions

	Positives factors	Risk factors (sources of concern)
Polymer Additives	<ul style="list-style-type: none">Moderate recovery in the automobile and home appliances markets	<ul style="list-style-type: none">Prolongation of inventory adjustments in the supply chainPrices of raw materials and fuels staying high
Electronics and IT Materials	<ul style="list-style-type: none">Continued demand for advanced semiconductors (progress in miniaturization)Moderate recovery in the display market	<ul style="list-style-type: none">Semiconductor production adjustment (Fiscal 2023)
Functional Chemicals	<ul style="list-style-type: none">A mild recovery in the automobile and cosmetics marketsIncreased environmental and energy-saving awareness	<ul style="list-style-type: none">Prices of raw materials and fuels staying highGlobal inflation concerns
Food Products	<ul style="list-style-type: none">COVID-19 being reclassified as Class 5 disease (turnaround in human activity)Progress in price revisions (improvement of price balance)Sales expansion of Deli-PLANTS series	<ul style="list-style-type: none">Continuation of consumers' price-sensitive and budget-minded behaviorsThe downsizing of final productsContinuously weakening of the yen
Life Science	<ul style="list-style-type: none">Increasing overseas demand for agrochemicals in Brazil and other countries	<ul style="list-style-type: none">Rise in agrochemical registration costs

Strategy by Business

Chemical Business

Polymer Additives

In order to help create a sustainable society, our company's raison d'être is to continue using polymer materials (plastics) that are useful to humankind in an appropriate manner rather than abandoning their use. We aim to be a leading company in the field of polymer additives by demonstrating our strengths in developing products with a long lifespan and resource recycling.

Main products

- Additives for polyolefins (ADK STAB) series
- Plasticizers/ PVC stabilizers "ADK CIZER" (ADK STAB) series
- Flame retardants (ADK STAB FP series)
- Additives for recycled polymers ADK CYCLOAID UPR series
- Biomass plasticizers for PVC ADK CYCLOAID PNB series

Strengths

- We provide one-step solutions through our extensive, global-leading product lineup
- We offer solutions that meet customers' needs by proposing additive formulations based on practical resin molding methods and molding machines, and by providing technical follow-up
- We support customers' development with detailed technical follow-up by utilizing our extensive global network of 16 bases in 12 countries/regions

Recognition of Business Environment and Vision

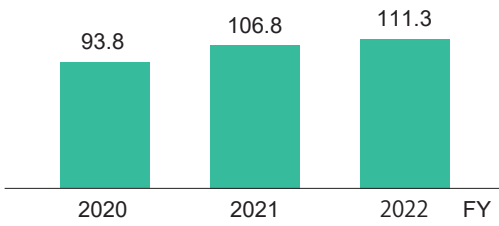
Lighter and easier to process, less conductive to electricity and heat, and more hygienic than metals and other materials, plastics are used in all aspects of daily life, including automobiles, building materials, home appliances, packaging materials, and the sanitary and medical fields, and are increasingly being consumed in emerging markets and elsewhere. The production of commodity resins is expected to expand, especially recycled resins, year after year, and additives are expected to play an even more active role.

To lead the sustainable development of the resin industry as a leading global company in the production of high-performance polymer additives, ADEKA will expand its one-pack additives in the global market, such as nucleating agents, phosphorus flame retardants for engineering plastics, light stabilizers for automobiles, and other products that boast top-class market shares and comprehensive strengths, targeting the automotive, construction materials, home appliances, medical, and food packaging industries.

Strategy

With the shift to electric vehicles, we will provide high-performance nucleating agents to realize lighter and stronger resins and flame retardants to ensure battery safety. In addition, we will aim to expand our proprietary products with technological superiority, such as the ADK CYCLOAID series of eco-friendly polymer additives that are kind to the global environment.

Polymer Additives Sales (billion yen)



Solving social issues through products

Provides transparency and improved heat resistance to molded products

"ADK STAB NA-21/NA-71"

ADK STAB NA-21/NA-71 are polymer additives that impart high transparency and heat resistance to polypropylene. Because they are odorless and have excellent extraction resistance, they are mainly used for food packaging containers and disposable medical devices. Our future efforts include the development and deployment of new products with a view to substituting transparent resins such as polystyrene and polyethylene terephthalate.



Strategy by Business

Chemical Business

Electronics and IT Materials

We contribute to the enrichment of people's lives with a diverse range of products that are indispensable to the realization of an ICT-based society, including semiconductors and display materials used in data centers and cutting-edge devices.

Main products

- High-k materials for Semiconductors ADEKA ORCERA Series
- Photoresists for semiconductors ADEKA ARKLS series
- Etching solutions ADEKA CHELUMICA series
- Curing resin for adhesion of optical film ADEKA ARKLS series
- Insulation and heat dissipation adhesive sheet for multilayer boards ADEKA FILTERA series

Strengths

- 1 Based on high-purification technology, organic synthesis technology, compounding technology, evaluation technology, and quality control technology, we can develop at the speed to meet customer requirements in the fast-paced Electronics and IT Materials fields, where the technology is evolving rapidly.
- 2 Our high-purification and quality control technologies enable us to meet even the ever increasingly strict semiconductor standards along with miniaturization.

Recognition of Business Environment and Vision

In Electronics and IT Materials, in a society experiencing a paradigm shift and undergoing significant changes, we aim to support the development of an ICT-based society, create new value with novel and advanced materials, and contribute to the enrichment of people's lives.

The demand for semiconductors is expanding against the backdrop of increasing digitization in the ICT society, and further boosting of the performance of semiconductors is also required. In Electronics and IT Materials, we will target advanced semiconductors, for which demand is growing worldwide, and provide advanced materials such as high-k materials and photoacid generators to industry leaders.

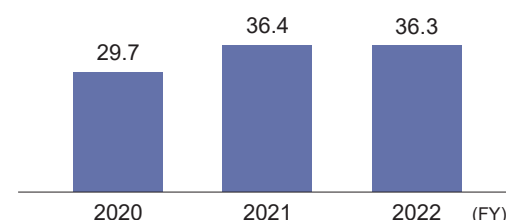
Strategy

In line with the semiconductor miniaturization roadmap, we will focus on research and development of key materials that are indispensable for advanced semiconductors. We will make investments to increase production capacity to meet growing demand for our products.

We will utilize the business know-how acquired in Japan and Korea, as well, to expand our business in Taiwan and the United States.

We will expand our target domain by leveraging our accumulated know-how.

Electronics and IT Materials Sales (billion yen)



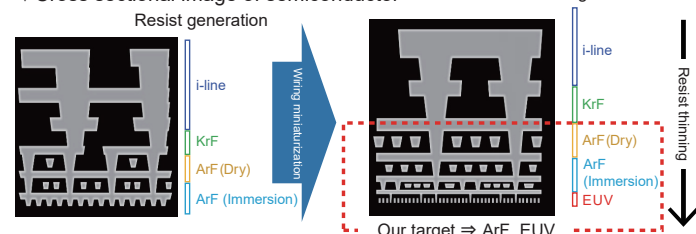
Solving social issues through products

Photoacid Generators

ADEKA ARKLS series

Photo-acid-generating agents are key materials for advanced photoresists (ArF and resists for EUV exposure), whose market is expanding along with semiconductor miniaturization, and are indispensable materials for forming fine semiconductor interconnections.

▼Cross sectional image of semiconductor



Strategy by Business

Chemical Business

Functional Chemicals

We provide a wide range of people-friendly and eco-conscious products from mobility to infrastructure, to help people lead convenient and comfortable lifestyles.

Main products

- Epoxy resin adhesives ADEKA REMYLOP series
- Special-type epoxy resins for vehicles ADEKA RESIN series
- Reactive emulsifiers ADEKA REASOAP series
- Water borne resins ADEKA BONTIGHTER/ADEKA RESIN series
- Matrix resin for FRP (developed product) ADEKA Lasimec series

Strengths

- 1 We create various products using stabilization technology, high-purity technology, polymer functionalization technology, interface control technology, organic synthesis technology, and compounding technology.
- 2 We possess a large number of unique, high value-added products through materials technological development based on extensive fundamental technologies

Recognition of Business Environment and Vision

The goal of Functional Chemicals is to achieve a future-creating company that uses ADEKA's technologies to realize a sustainable society and affluent lives.

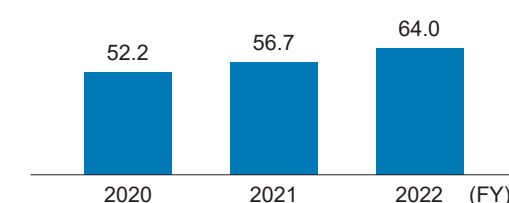
Targeting growth fields (next-generation automobiles, infrastructure), we aim to aggressively propose environmentally friendly products.

Next-generation vehicles will require EVs, electrification, and lighter weight, and there is also a need for water-based coatings and adhesives used in infrastructure and other components to respond to environmental regulations. In response to these demands, the people friendly and eco-conscious materials that we have been pursuing for many years are the preferred choice of customers.

Strategy

We target environmentally friendly materials for next-generation vehicles, which are growth areas. For automotive parts, we will expand business mainly in adhesives and lubricant additives, and for architectural coatings in reactive emulsifiers.

Functional Chemicals Sales (billion yen)



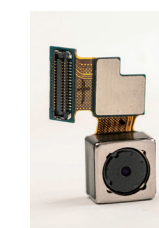
Solving social issues through products

ADEKA REMYLOP series

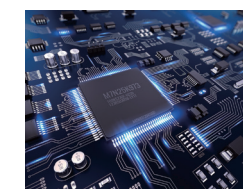
The electrification of next-generation automobiles is increasing. The electrification of automobiles enables the safe and comfortable use of automobiles.

ADEKA REMYLOP series enables high-precision adhesion, which is indispensable for manufacturing highly reliable automotive camera modules and heat-resistant ECU substrates.

It is also an environmentally friendly material, requiring less energy during curing.



Camera modules



ECU substrates

Strategy by Business

Food Business

Ever since we commenced production of RISU BRAND MARGARINE in 1929, we have been providing value-added processed oils, fats and processed foods for commercial use developed with our proprietary technologies to help deliver a variety of delicious foods to people's dining tables, including breads and sweets.

Main products

- Processed fats (margarine, shortenings, fats and oils for chocolate)
- Processed foods (whipping cream, fillings)
- Plant-based foods

Strengths

Based on the pursuit of "delicious taste," our strength lies in the development of products that support solutions to environmental issues surrounding the food industry, such as eco-friendly products and increased health awareness. We were the first in the industry to offer products with reduced trans fatty acids, and we are also committed to using sustainable raw materials (RSPO and others). We are expanding sales of "Marvelous", a functional margarine launched in 2020, as a product that contributes to food waste reduction by maintaining the original flavor and texture of freshly baked bread, thereby extending the shelf life of bread sold in convenience stores and supermarkets.

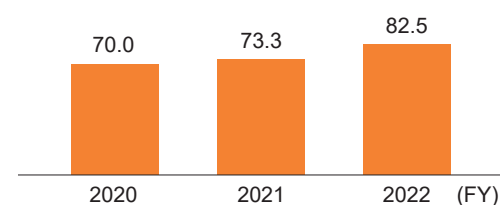
Recognition of Business Environment and Vision

In the food industry, in addition to providing delicious taste, there are some urgent needs to improve productivity and the working environment for food loss reduction, greenhouse gas emission reduction, address labor shortages and rising raw material prices. In addition, the idea of ethical consumption is beginning to take root as interest in the SDGs grows.

At ADEKA, we will continue to support our customers in finding solutions to their issues by providing materials for delicious food products that are safe and reliable, as well as considerate to society. We will expand our business domains into new markets, such as plant-based foods, create products that contribute

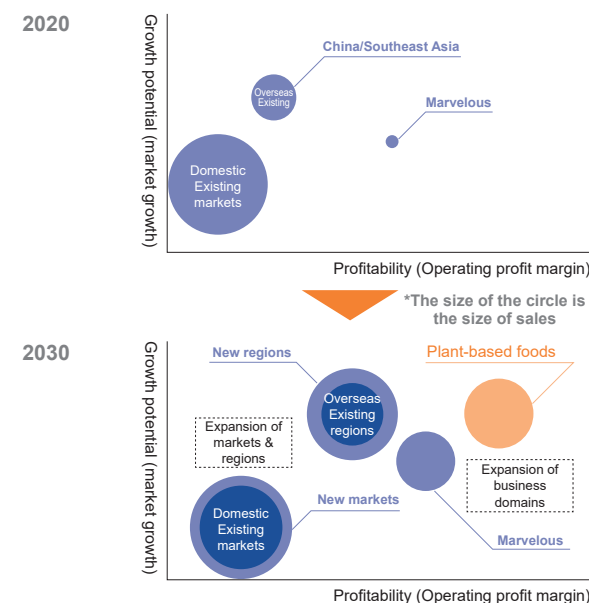
to food loss and waste reduction and sustainability, and establish a firm position as a leading company in Japan, while accelerating our overseas expansion, mainly in Asia.

Food Business Sales (billion yen)



Business structure reform to achieve high profitability

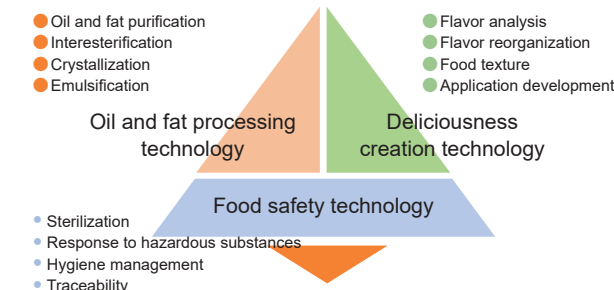
- Deepening of the domestic market
In existing markets where the Company has strengths (bakery and confectionery), demand is forecast to gradually decline due to the inevitable effects of the declining birthrate and aging population. We will expand the breadth and depth of our sales channels by developing high value-added products that meet market requirements such as "eco-friendly" or "healthy".
- Overseas market expansion
In addition to Southeast Asia, where the demographic dividend continues to grow, and China, where food is becoming more upscale, we will expand our sales channels to India and the Middle East, which are growing rapidly.
- Expansion of business domains
We will develop and expand sales of products that can contribute to solving issues in the food industry such as "food crisis" and "carbon neutrality". We position plant-based food as a new pillar of our growth engine, and will promote sales expansion not only in Japan and Asia, but also in Europe and the United States.



Food Business Technology (Strengths)

At our Food Business, we have been providing processed oils, fats and processed foods by utilizing various technologies, such as oil and fat processing technology and emulsification technology, that we have developed over the past 90 years.

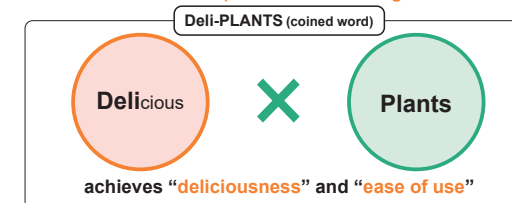
In recent years, we have been aiming to achieve both social and economic value by creating products that contribute to solving social issues. For example, Marvelous, a functional margarine that helps improve productivity and reduce food loss and waste, or "Deli-PLANTS", Plant-Based Food series that responds to growing awareness of environment or food diversification.



Contributing to solving issues in the food industry

Solving social issues through products

- Deli-PLANTS series
Development concept: "Delicious Plant-Based Foods" to have a natural place on the dining table"



Conventional products	Promoting the flavor of "plant-derived materials"
Deli-PLANTS	Restructure the "deliciousness" of animal products
Conventional products	Flavoring with spices, seasonings, etc.
Deli-PLANTS	Natural flavors

Building **richness** of the animal products, rather than taste itself

Promoting integration of types of products

Plan Reduce types of products by approx. 60% (Integrate into eco-friendly products)

Approx. 1,000 types of products → Approx. 600 types of products

By March 2023, we have reduced the number of types of products we produce by 320. We will continue to reduce the burden of expiration dates and inventory management in stages of storage and distribution at our customers through "integration of types of products" and aim to further contribute to "food loss and waste reduction" throughout the supply chain.

Also, by further promoting this time's integration of types of products, we will improve profitability by increasing yields through improved production efficiency and reducing labor costs.



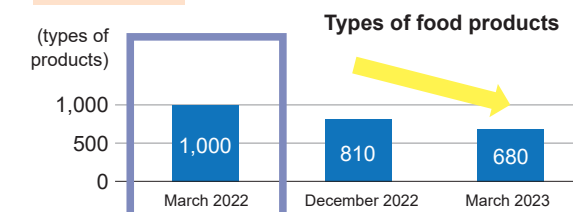
Point 1 Able to utilize recipes that use dairy products

Point 2 Easily accepted by consumers

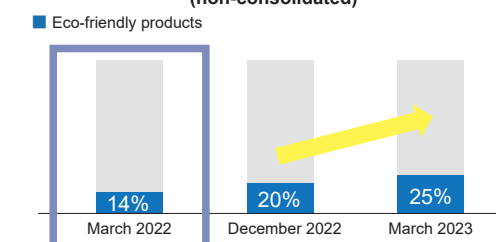
Easy development of Plant-Based food menu

* At our Company, products that do not directly contain animal ingredients as raw materials or food additives are defined as "plant-based food."

Progress



Ratio of net sales and eco-friendly products (non-consolidated)



Strategy by Business

Life Sciences Business

We support people's health and daily lives by providing advanced technologies to meet needs of society in a wide range of fields, including agrochemicals, pharmaceuticals, and animal healthcare products.

Main products

- Agrochemicals (insecticides, fungicides, herbicides)
- Pharmaceuticals (topical antifungal agents)

Strengths

In order to ensure a safe and stable food supply and to protect our affluent lifestyles, Nihon Nohyaku Co., Ltd., which is responsible for the life sciences business, continues to create new agrochemicals that meet the needs of the times. The Company continuously invests approximately 10% of its sales in research and development, which is the driving force behind its efforts.

The Company has developed and patented for 24 agrochemical active ingredients, and a total of seven active ingredients for pharmaceuticals, veterinary drugs, and chemical products. The goal is to continuously create new compounds at the rate of one new active ingredient every three years.

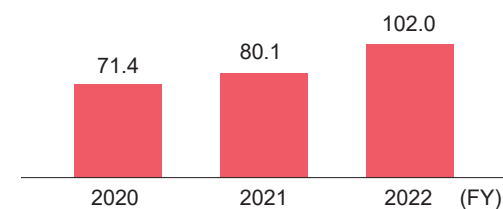
Recognition of Business Environment and Vision

The rapidly growing world population is expected to reach 9.7 billion by 2050. There are concerns on the strained world's food supply; increasing the yield per unit area of high-quality crops and improving agricultural productivity are urgent issues in the stable supply of food. As a solution to these issues, agricultural chemicals are expected to play a greater role than ever before.

To fulfill our mission and role in contributing to agricultural production activities, aiming at the stable supply of safe food, we will continue to create and provide agrochemicals with superior performance, cost, and selectivity in the world. We will strengthen our discovery platform and business competitiveness by globally advancing our growth strategy in Europe, the U.S.,

India, Brazil, and elsewhere, and contribute to the food and agriculture into the future.

Life Sciences Business Sales (billion yen)



Restructuring business structure to achieve high profitability

Solving social issues through products

The current Mid-Term Management Plan targets net sales of 89 billion yen and operating profit of 6.4 billion yen*. The numerical plan is progressing well, and we achieved the above target one year ahead of schedule. In fiscal 2023, the final year of current Mid-Term Management Plan, we will work to exceed the initial plan with the aim of achieving further growth. For this reason, we will continue to focus on expanding sales of key priority products such as benzpyrimoxan, pyrifluquinazon, pyraflufen-ethyl, and flubendiamide, as well as expanding Cortevea's products. For overseas agrochemical sales, which are a particular growth driver, we will focus on Brazil and India as our main strategic areas and work to expand the scale of our business in cooperation with Group companies. Risks have also emerged due to changes in the external business environment, such as abnormal weather and rising cost of goods. We aim to build a business structure that can absorb fluctuations in exchange rates and inflation through internalization of manufacturing technicals, inventory optimization, promotion of investment recovery, and selection and concentration of administrative expenses.



*Figures represent only Nihon Nohyaku Co., Ltd.

Life Sciences Business technologies (strengths)

With regard to the development of new chemically synthesized agrochemicals, we are making steady progress in multiple high-performance pipeline compounds despite the increasing difficulty of drug discovery. We will advance the commercialization and accelerate the pace through strategic research and development investments and collaboration with overseas Group companies.

We are also working to strengthen our evaluation and research capabilities and promoting the introduction of low-carbon products, such as biological pesticides and crop aid products (BS: biostimulants, etc.). In April 2023, we invested in Interagro (UK) Ltd., a manufacturer and distributor of adjuvants, other additives and BS. We will continue to work to expand our portfolio other than chemically synthesized agrochemicals and strive to expand our business in the life science field, including pharmaceuticals and veterinary drugs.

In addition, with regard to smart agriculture, we expanded the number of participants to "LeiMe AI Disease, Pest & Weed Analysis app," as well as the number of diagnosed crops, launched the application outside Japan, linked the system with Kubota and Zen-Noh, and started services of the "AI-based pest image diagnostic system."



Nihon Nohyaku Research Center (Kawachinagano-shi, Osaka)

Sustainable enhancement of corporate value

The Life Sciences business contributes to society by ensuring a safe and stable food supply and protecting our affluent lifestyles. Increasing food production is indispensable to feed the growing population, but there are limited lands that can be cultivated. The control of damages caused by pests and weeds with

pesticides and crop aid products will lead to increased crop production and, ultimately, the eradication of hunger. By improving the productivity of agricultural land, it also helps to reduce deforestation, which indirectly contributes to the reduction of CO₂.

Topic

We intensively conducted technology promotion activities to expand sales of benzpyrimoxan, an insecticide for paddy rice, which has been launched in India on a full-scale basis. In April 2023, we also established a new production facility in India, the largest market for planthoppers, for the production of technical and finished products. This picture shows a multi-purpose plant that can be utilized for the production of other technicals. This will contribute to India's economic development and mitigate environmental burdens compared to the transportation of products from other countries.



Multipurpose Plant No. 4 (exterior view)



Orchestra produced in India

List of Officers

List of directors (as of June 23, 2023)



President and Chief Executive Officer, Representative Director
Hidetaka Shirozume

1985 Joined the Company
2018 President and Chief Executive Officer
2023 President and Chief Executive Officer, Representative Director (current position)



Representative Director and Senior Managing Executive Officer
Haruhiko Tomiyasu

1979 Joined the Dai-ichi Kangyo Bank, Limited (current MIZUHO BANK, LTD.)
2005 General Manager, Administration Department, MIZUHO BANK, LTD.
2007 Audit & Supervisory Board Member of the Company
2020 Representative Director and Senior Managing Executive Officer, Assistant to Assistant to the President of the Company, Secretarial Department, Human Resources Department, Purchasing & Distribution Department, and Chair of Internal Control Promotion Committee and Crisis Management Committee (current position)
2023 Director, NIHON NOHYAKU CO., LTD. (current position)



Director
Youji Shiga

1985 Joined the Company
2018 Director and Operating Officer, General Manager, Legal Affairs & Publicity Department of the Company
2022 Director and Operating Officer, Finance & Accounting Department, Information System Department, Business Digitalization Department (current position)



Director
Susumu Yasuda

1985 Joined the Company
2020 Director and Operating Officer, Legal Affairs & Publicity Department, Corporate Planning & Strategy Division, Information System Department, Chair of Compliance Promotion Committee, and Chair of Capital Investment Committee
2022 Director and Operating Officer for the Legal Affairs & Publicity Department and the Corporate Planning & Strategy Division, Chair of the Compliance Promotion Committee and Capital Investment Committee (current posts)



External Director
Kazuyuki Nagai

1981 Professor, Faculty of Law, CHUO UNIVERSITY (Companies Act)
1999 Dean, Faculty of Law, CHUO UNIVERSITY
2004 Registered as attorney (current position)
2005 President, CHUO UNIVERSITY
2005 Chancellor, CHUO UNIVERSITY
2010 External Director of the Company (current position)
2012 Chairman, UNIVERSITY CORRESPONDENCE EDUCATION (current position)
2016 Professor Emeritus, CHUO UNIVERSITY (current position)

[Significant concurrent positions outside of the Company]
Chairman, UNIVERSITY CORRESPONDENCE EDUCATION
Professor Emeritus, CHUO UNIVERSITY



External Director
Shigeru Endo

1974 Joined Ministry of Foreign Affairs
1989 Seconded to International Energy Agency
2001 Deputy Director-General in the Middle Eastern and African Affairs Bureau, Ministry of Foreign Affairs
2002 Deputy Director-General in the Consular and Migration Affairs Bureau, Ministry of Foreign Affairs
2003 Ambassador to the Permanent Mission of Japan to the International Organizations in Geneva, and Consul General of Japan in the Japanese Consulate in Geneva
2007 Ambassador Extraordinary and Plenipotentiary to Republic Tunisia
2009 Ambassador Extraordinary and Plenipotentiary to Saudi Arabia
2012 Retired from Ministry of Foreign Affairs
2013 Outside Director, JGC Japan Corporation (JGC Holdings Corporation)
Outside Director, Iino Kaisha, Ltd.
2014 Special Assistant to the Ministry of Foreign Affairs
2017 Special Envoy for EXPO 2025
2018 External Director of the Company (current position)
2019 Outside Director, JGC HOLDINGS CORPORATION (current position)

[Significant concurrent positions outside of the Company]
Outside Director, JGC HOLDINGS CORPORATION



External Director
Makoto Horiguchi

1979 Joined Iwatani Corporation
2012 Executive Officer, Iwatani Corporation
2015 Managing Officer, Iwatani Corporation
2016 Deputy General Manager (East), Industrial Gases & Machinery Business Group, Iwatani Corporation
2016 Member of the Board, Executive Officer, General Manager, Industrial Gases & Machinery Business Group, Iwatani Corporation
2017 Executive Director and Executive Officer, Iwatani Corporation
2019 Member of the Board, Senior Executive Officer, Industrial Gases Division, Hydrogen Division, Machinery Division, Iwatani Corporation
2020 Member of the Board, Vice President, Iwatani Corporation (current position)
Responsible for Sales, Iwatani Corporation (current position)
External Director of the Company (current position)
2021 In charge of New Product Development & Market Research, Iwatani Corporation (current position), Risk Management Committee Chairperson, Iwatani Corporation (current position)

[Significant concurrent positions outside of the Company]
Member of the Board, Vice President, Iwatani Corporation
Member of the Board, Iwatani (China) Limited
Director, Iwatani Australia Pty. Ltd.
Iwatani Corporation of America
Chairman and CEO
President and Chief Executive Officer, Advanced Specialty Gases
President and Chief Executive Officer, Aspen Air US, LLC



Director (Full-time Audit and Supervisory Committee Member)
Koichi Taya

1986 Joined the Company
2022 Director and Full-time Statutory Auditor (current position)



External Director (Audit and Supervisory Committee Member)
Akio Okuyama

1968 Joined Chuo Accounting Firm
1971 Registered as a certified public accountant
1983 Representative Partner, Chuo Accounting Firm (later MISUZU Audit Corporation)
2001 Chairman of the Japanese Institute of Certified Public Accountants
2005 Chairman, Chuo Aoyama Audit Corporation (later MISUZU Audit Corporation)
2006 Visiting Professor, Graduate School of Accountancy, Waseda University
2007 Director, Okuyama Accounting Firm (current position)
2009 External Audit & Supervisory Board Member of the Company
Outside Corporate Auditor, Nippon Flour Mills Co., Ltd. (current Nippon Corporation)
2014 Auditor, Shinkin Central Bank (current position)
2020 Outside Director, Nippon Flour Mills Co., Ltd. (current Nippon Corporation) Audit and Supervisory Committee Member (current position)
2021 External Director and Audit and Supervisory Committee Member of the Company (current position)

[Significant concurrent positions outside of the Company]
Director, Audit & Supervisory Committee Member, Nippon Flour Mills Co., Ltd. (outside) Auditor, Shinkin Central Bank



External Director (Audit and Supervisory Committee Member)
Ikuko Hirasawa

1989 Registered as an attorney (Tokyo Bar Association), Joined JT Kanto Law Office
2004 Opened and Joined Allegretto Law Office
2009 Public Member, Tokyo Metropolitan Government Labor Relations Commission
2012 Vice-Governor, Kanto Federation of Bar Associations
2013 Commissioner, Telecommunications Dispute Settlement Commission, Ministry of Internal Affairs and Communications
2017 Vice President, Tokyo Bar Association
2019 Vice President, Japan Federation of Bar Associations
2021 Former Eugenic Protection Act Lump-Sum Grant Certification, Children and Families Agency
Acting Chairman (current position) Regional Committee Member, Advisory Committee for the Nomination of Lower-Court Judges, Supreme Court of Japan (current position)
Chairperson pf Board of Trustees, Nihon University (current position)
Partner, Ozora Law Office (current position)
2023 External Director and Audit and Supervisory Committee Member of the Company (current position)

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

Name	Title	Knowledge and Experience that the Company Expects of Directors						
		Corporate Management	CSR	Global	Financial Strategy / Accounting	Governance / Risk Management	HR Management / Diversity	Research/ Manufacturing Management/ Technology (including IT / DX)
Hidetaka Shirozume	President and Chief Executive Officer, Representative Director	●	●	●		●		
Haruhiko Tomiyasu	Representative Director and Senior Managing Executive Officer	●			●	●	●	
Youji Shiga	Director and Managing Operating Officer				●	●		●
Susumu Yasuda	Director and Managing Operating Officer		●			●	●	●
Kazuyuki Nagai	Director [External / Independent]					●		
Shigeru Endo	Director [External / Independent]			●		●	●	
Makoto Horiguchi	Director [External / Independent]	●		●		●		
Koichi Taya	Director and Full-time Statutory Auditor (Chair)					●		
Akio Okuyama	Director and Audit and Supervisory Committee Member [External / Independent]				●	●		
Ikuko Hirasawa	Director and Audit and Supervisory Committee Member [External / Independent]					●	●	

List of Operating Officers

Hidetaka Shirozume	President and Chief Executive Officer, Representative Director
Haruhiko Tomiyasu	Senior Managing Executive Officer, Assistant to the President, Secretarial Dept., Human Resources Dept., Purchasing & Distribution Dept., and Chair of Internal Control Promotion Committee
Yoshiaki Kobayashi	Managing Operating Officer, General Manager, Foods Division, and Project Team Leader, East Asia Foods Business
Shigeiki Fujisawa	Managing Operating Officer, General Manager, Chemicals Division
Youji Shiga	Operating Officer, Finance & Accounting Dept., Information System Dept., Business Digitalization Dept.
Atsuya Yoshinaka	Senior Operating Officer General Manager, Research & Development Division
Susumu Yasuda	Operating Officer, Legal Affairs & Publicity Dept., Corporate Planning & Strategy Div., Chair of the Compliance Promotion Committee
Naoshi Kawamoto	Senior Operating Officer, General Manager, Research & Development Division
Noriyasu Kakuta	Senior Operating Officer General Manager, Production Div.

policies 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.

The latest skills matrix is available on our website at the following link.

<https://www.adeka.co.jp/en/company/profile.html>

Greetings from the inauguration

I am pleased to announce my appointment as an external director and Audit and Supervisory Committee Member. I am honored to be associated with a company with a history of more than 100 years that operates worldwide as a chemical materials manufacturer.

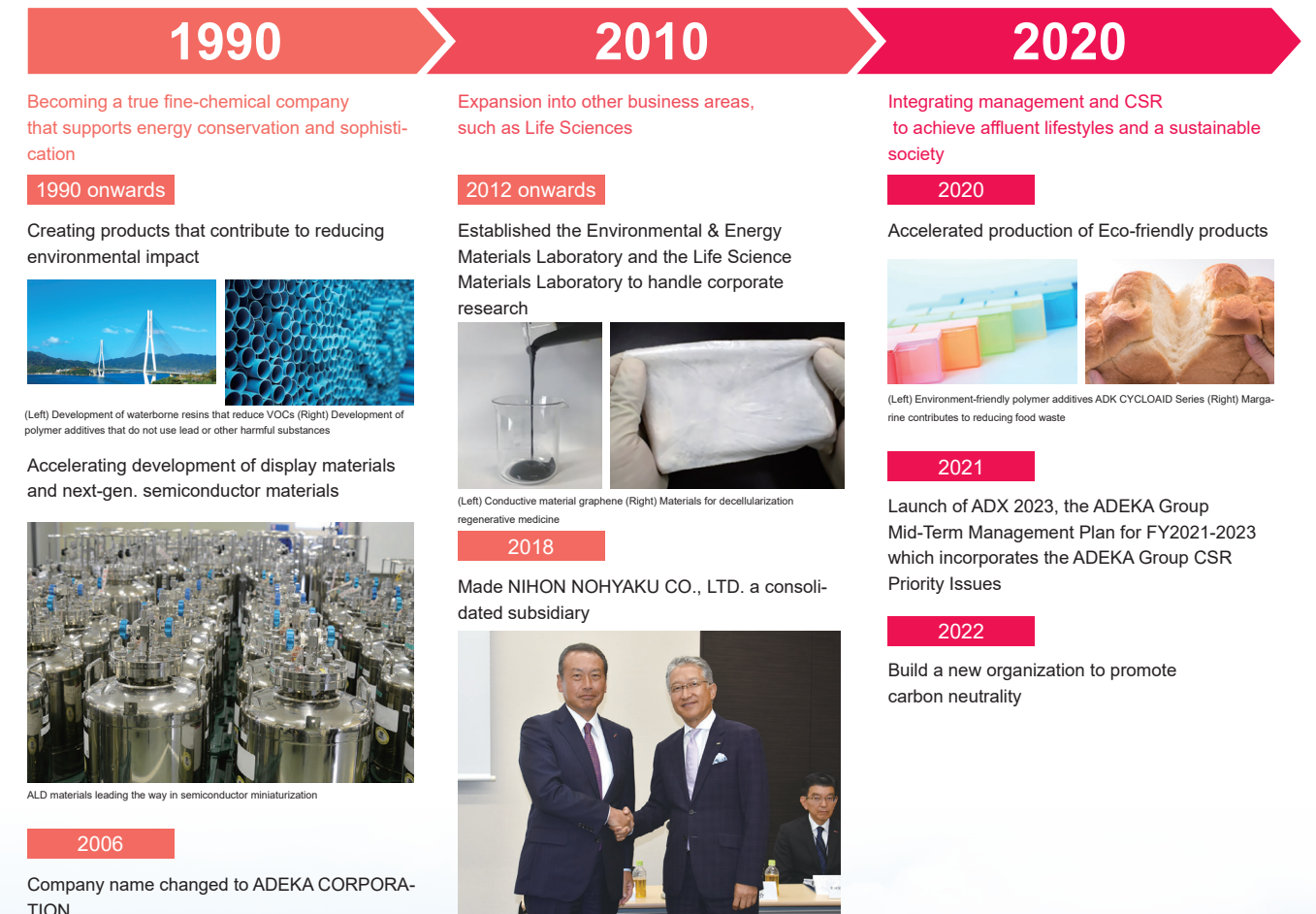
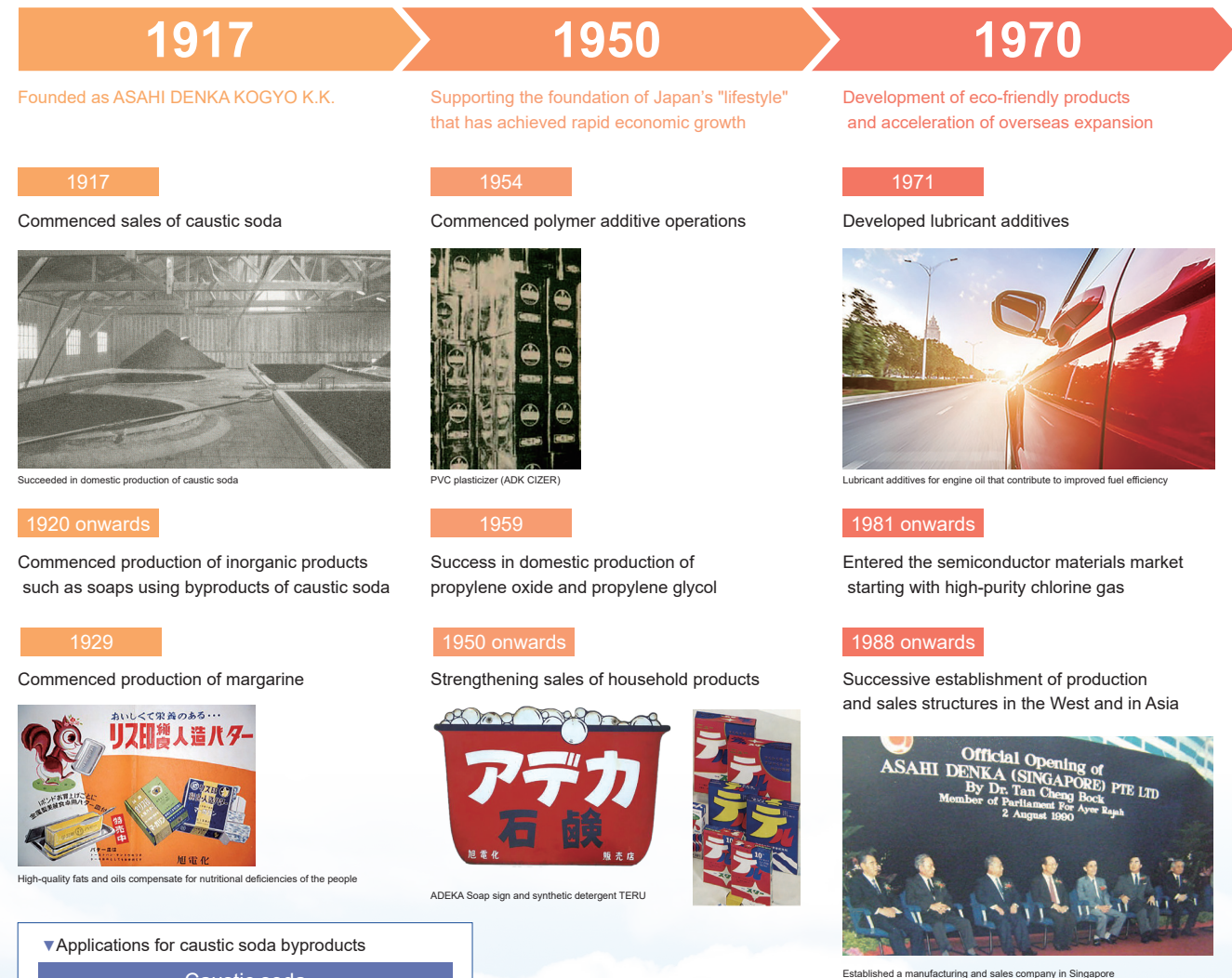
I have been active as a lawyer for over 30 years. I have predominantly handled cases involving civil matters, but at the same time I have also served as an officer of a bar association, a member of the Labor Relations Commission and the Ministry of Internal Affairs and Communications, and as an officer of a university. During this time, I have been thinking what I can do to enable diverse people to thrive and play an active role, especially women and young people.

ADEKA Corporation is a global company with a long history. However, in a world that demands change at an unprecedented speed, I would like to make further efforts to make it easier for women and young people to play an active role in the company. Thank you very much in advance.

External Director (Audit and Supervisory Committee member) **Ikuko Hirasawa**

History of Value Creation at the ADEKA Group

Manufacturing that enriches people's lives. Creating the raw materials that support manufacturing.
Our mission is to lay the groundwork for solutions, anticipating the issues that change with the times.



Social Itinerary

For The Future

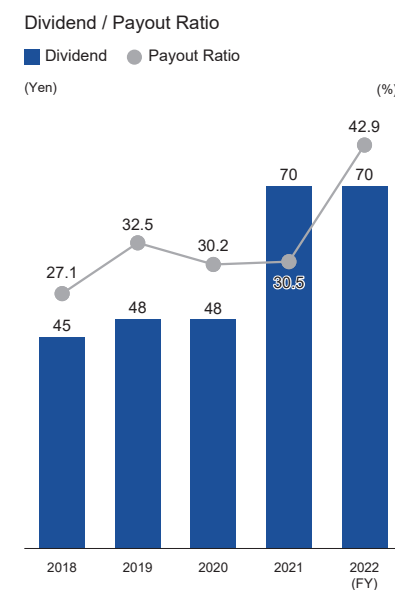
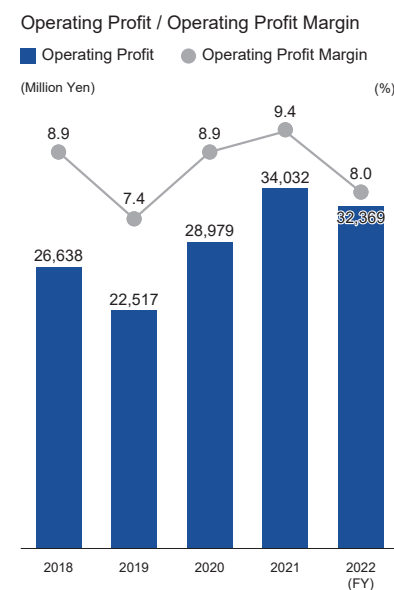
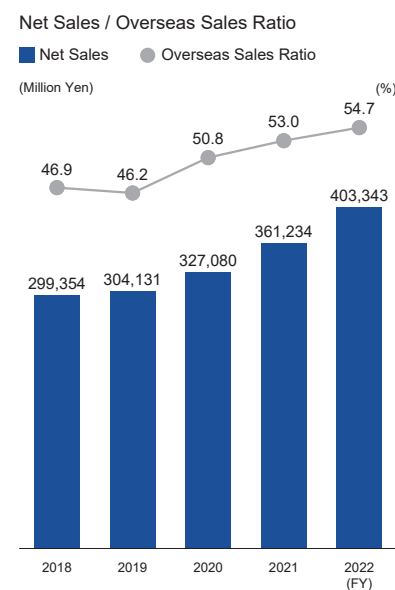


Consolidated 11-Year Financial Summary

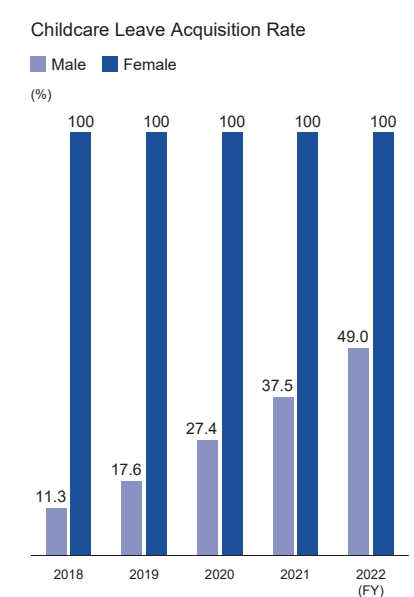
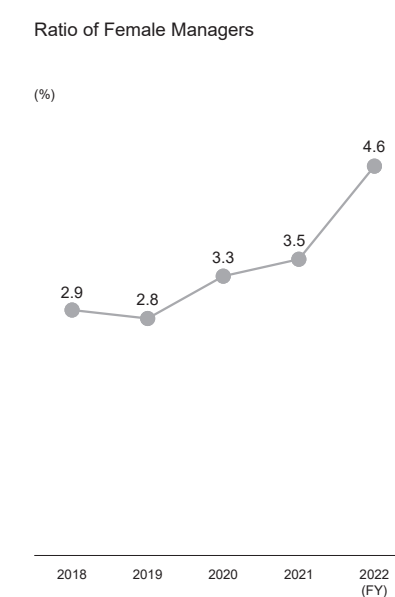
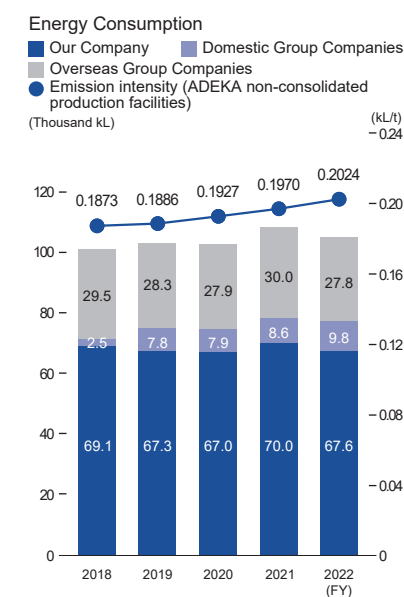
	FY 2012	FY 2013	FY 2014	FY 2015
Net Sales (Million Yen)	184,885	204,350	205,890	222,746
Operating Profit (Million Yen)	9,855	13,811	14,009	19,300
Operating Profit Margin (%)	5.3	6.8	6.8	8.7
Ordinary Profit (Million Yen)	11,324	15,959	16,506	19,569
Profit attributable to owners of parent (Million Yen)	7,616	9,152	11,183	13,259
Net Assets (Million Yen)	137,227	147,798	163,233	170,586
Total Assets (Million Yen)	222,604	242,741	261,112	270,038
Net Assets per Share (Yen)	1,288.44	1,379.36	1,519.25	1,581.14
Profile per Share (Yen)	73.74	88.61	108.28	128.38
Equity Capital Ratio (%)	59.8	58.69	60.10	60.48
ROE (%)	5.90	6.64	7.47	8.28
ROA (%)	5.2	6.9	6.6	7.4
Cash Flows from Operating Activities (Million Yen)	14,445	19,696	17,419	23,806
Cash Flows from Investing Activities (Million Yen)	(11,903)	(10,519)	(12,867)	(10,673)
Cash Flows from Financing Activities (Million Yen)	173	(1,074)	(2,813)	(4,566)
Cash and Cash Equivalents at End of Year (Million Yen)	29,210	38,670	41,697	49,981

FY 2016	FY 2017	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022
223,440	239,612	299,354	304,131	327,080	361,234	403,343
21,041	21,335	26,638	22,517	28,979	34,032	32,369
9.4	8.9	8.9	7.4	8.9	9.4	8.0
21,846	22,337	26,602	21,976	29,270	35,658	32,579
15,325	15,346	17,055	15,216	16,419	23,687	16,778
187,956	205,088	244,500	250,634	271,485	296,871	311,709
290,485	312,152	414,549	409,452	437,657	475,304	500,068
1,751.20	1,910.23	1,986.53	2,036.98	2,208.40	2,426.70	2,544.28
149.03	149.18	165.78	147.69	159.01	229.65	163.30
61.99	62.99	49.35	51.35	52.11	52.59	52.18
8.93	8.15	8.50	7.34	7.49	9.91	6.57
7.8	7.4	7.3	5.3	6.9	7.8	6.7
22,183	22,221	18,331	27,398	36,872	21,072	17,253
(16,666)	(19,139)	(18,258)	(15,228)	(14,189)	(11,330)	(19,520)
(3,805)	(5,825)	8,995	(7,496)	(6,551)	(11,804)	(2,618)
50,762	48,902	56,504	60,888	82,121	82,799	79,537

Financial Highlights



Non-Financial Highlights



*Excluding overseas consolidated subsidiaries of Nihon Nohyaku Co., Ltd.



Company Information

Corporate Profile

Name	ADEKA CORPORATION
Established	January 27, 1917
Representative	President and Chief Executive Officer, Representative Director Hidetaka Shirozume
Head Office	7-2-35 Higashi-ogu, Arakawa-ku, Tokyo
Domestic Offices	6 sales bases, 7 production facilities, 4 R&D bases

Group Companies	54 companies in 16 countries/regions (Domestic: 24 companies, Overseas: 30 companies)
Stock	23,048.14 million yen (As of March 31, 2023)
Number of employees	Consolidated: 5,494 (As of March 31, 2023)
Business	Chemical Business,Food Business, Life Sciences Business, Other Businesses

Stock Information

Listed on:	Tokyo Stock Exchange Prime Market (4401)
Authorized Shares	400,000,000
Shares Issued	103,768,142
Number of shares per unit	100
Number of shareholders	7,384
Fiscal year	From April 1 to March 31 of the following year

List of ADEKA Group Companies

<Group companies in Japan>

ADEKA CHEMICAL SUPPLY CORP. (Tokyo)
ADEKA LIFE-CREATE CORP. (Tokyo)
OXIRANE CHEMICAL CORP. (Tokyo)
ADEKA CLEAN AID CORP. (Tokyo)
ADEKA FINE FOODS CORP. (Tottori Prefecture)
ADEKA ENGINEERING & CONSTRUCTION
CORP. (Tokyo)
ADEKA LOGISTICS CORP. (Tokyo)
ADEKA FOODS SALES CORP. (Tokyo)
YONGO CORPORATION (Aichi Prefecture)
UEHARA FOODS INDUSTRY CO., LTD. (Tokyo)
CROWN CO., LTD. (Osaka)
NIHON NOHYAKU CO., LTD. (Tokyo)
NICHINO RYOKKA CO., LTD (Tokyo)
NICHINO SERVICE CO., LTD. (Tokyo)
NIHON ECOTECH CO., LTD. (Tokyo)
AGRIMART CORP. (Tokyo)
TOKYO ENVIRONMENTAL MEASUREMENT
CENTER CO., LTD. (Tokyo)
KS CORP. (Tokyo)
HIGASHI-NIPPON CLEAN AID CORP. (Tokyo)
ACCS Co .LTD. (Tokyo)
CHUBU CLEAN AID CORP. (Aichi Prefecture)
KINKI CLEAN AID CORP. (Osaka)
NISHI NIPPON CLEAN AID CORP. (Fukuoka
Prefecture)

<North, Central and South America>

AMFINE CHEMICAL CORP. (USA)
ADEKA USA CORP. (USA)
AM STABILIZERS CORP. (USA)
NICHINO AMERICA, INC. (USA)
NICHINO MEXÍCO S. DE R.L DE C.V. (Mexico)
ADEKA BRASIL LTDA. (Brazil)
SIPCAM NICHINO BRASIL S.A. (Brazil)
NICHNO DO BRASIL AGROQUIMICOS LTDA. (Brazil)
NIHON NOHYAKU ANDICA S.A.S. (Columbia)

<Europe>

ADEKA POLYMER ADDITIVES EUROPE SAS (France)
ADEKA EUROPE GMBH (Germany)
NICHINO EUROPE CO., LTD. (UK)
INTERGRO (UK) LTD. (UK) *Capital contribution in April 2023

<Asia / Middle East>

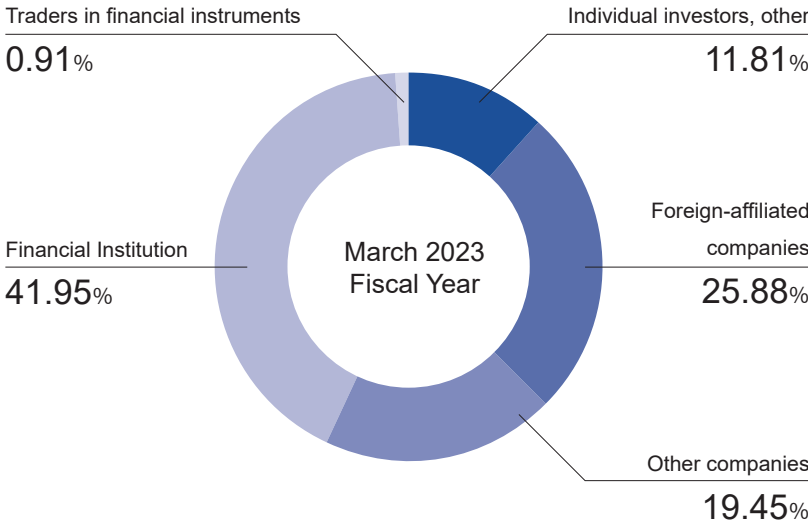
ADEKA (CHINA) CO., LTD. (China)
ADEKA FINE CHEMICAL (SHANGHAI) CO., LTD. (China)
ADEKA FINE CHEMICAL (CHANGSHU) CO., LTD. (China)
CHANG CHIANG CHEMICAL (SHANGHAI) CO., LTD. (China)
ADEKA FOODS (CHANGSHU) CO., LTD. (China)
ADEKA FINE CHEMICAL (ZHEJIANG) CO., LTD. (China)
ADEKA CLEAN AID (SHANGHAI) CO., LTD. (China)
NICHINO SHANGHAI CO., LTD. (China)
CHANG CHIANG CHEMICAL CO., LTD. (Taiwan)
ADEKA FINE CHEMICAL TAIWAN CORP. (Taiwan)
TAIWAN NIHON NOHYAKU CO., LTD. (Taiwan)
ADEKA INDIA PVT. LTD. (India)
NICHINO INDIA PVT. LTD. (India)
ADEKA KOREA CORP. (Korea)
NICHINO KOREA CO.,LTD. (Korea)
ADEKA FOODS (ASIA) SDN. BHD. (Malaysia)
ADEKA (SINGAPORE) PTE. LTD. (Singapore)
ADEKAASIA PTE. LTD. (Singapore)
ADEKA FINE CHEMICAL (THAILAND) CO., LTD. (Thailand)
ADEKA AL OTAIBA MIDDLE EAST LLC (UAE)
NICHINO VIETNAM CO.,LTD (Vietnam)

Major Shareholders

Shareholder name	Number of shares held (thousands)	As of March 31, 2023
		Percentage of shares held (%)
Master Trust Bank of Japan, Ltd. (trust account)	12,180	11.83
Custody Bank of Japan, Ltd. (trust account)	9,183	8.92
Asahi Mutual Life Insurance Company	4,053	3.94
Mizuho Trust & Banking Co., Ltd. retirement benefit trust Mizuho Bank, Ltd. Account Re-trustee Custody Bank of Japan, Ltd.	3,770	3.66
ADEKA Business Partners Shareholding Association	3,156	3.06
National Mutual Insurance Federation of Agricultural Cooperatives	2,334	2.27
The Norinchukin Bank	2,244	2.18
Zeon Corporation	2,188	2.12
THE BANK OF NEW YORK MELLON 140042	2,153	2.09
Showa kosan Co., LTD.	1,870	1.82

*The percentage of shares held is calculated excluding treasury stock (775,888 shares).

Status of shareholdings by type of shareholder





ADEKA CORPORATION

7-2-35 Higashi-ogu, Arakawa-ku, Tokyo
<https://www.adeka.co.jp/en/index.html>

Contact Information

Legal Affairs & Publicity Department

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e-mail: somu@adeka.co.jp

