ADEKA

Add Goodness

ADEKA report 2026

Integrated Report

Corporate Slogan

ADEKA

Add Goodness

Corporate Statement

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.

The ADEKA Group Code of Conduct

1. Contribute to the creation of a sustainable and prosperous society through our core business
2. Abide by laws and regulations in all corporate activities and conduct fair business in an ethical manner
3. Foster corporate transparency by truthfully and accurately disclosing information regarding our business activities
4. Be serious about preserving the environment
5. Provide safe and high-quality products and services
6. Maintain a safe and healthy working environment for our employees
7. Open and friendly communication and activities, to serve the interests of society and stakeholders and to maintain their trust
8. Strive to achieve sustainable growth and success for the benefit of our employees, shareholders and society
9. Not tolerate anti-social forces or behavior
10. Thorough risk management
11. For the betterment of society

For further details, please take a look at the website.

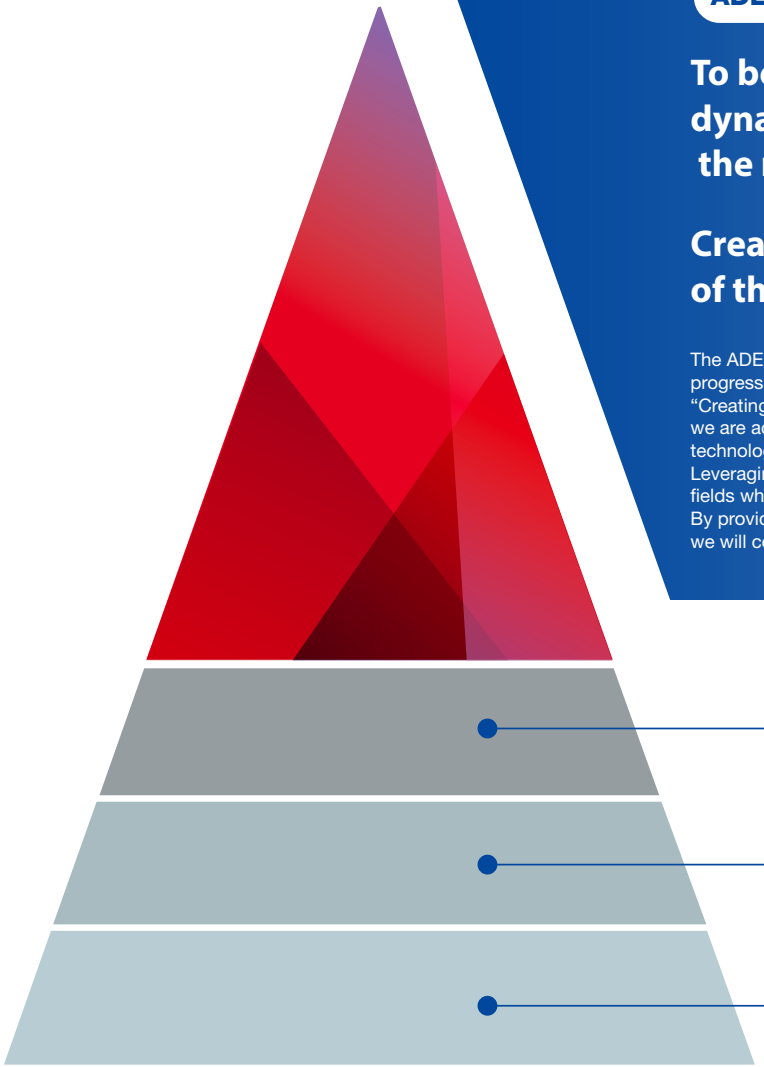
https://www.adeka.co.jp/en/company/philosophy.html

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

The ADEKA Group is guided by the management policies “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 are accelerating the global expansion of our businesses, centered on technologically superior product lines that are competitive in global markets. Leveraging our distinctive and outstanding technologies, we focus on growth fields while striving to become the No. 1 company in the areas where we excel. By providing cutting-edge products and products that meet customer needs, we will contribute to society worldwide.



ADEKA Group Fundamental Sustainability Policy

▶ P43

ADEKA VISION 2030

▶ P24

ADX 2026

▶ P24

At a Glance

As a “materials as treasure” manufacturer with a 109-year history, we operate distinctive businesses spanning chemicals, food products, and life sciences. Our products are used in essential applications such as semiconductors and automobiles and hold leading market shares.

ADEKA in Figures (FY2025 Results)

Net Sales

416.5 billion yen

Operating Profit

41.6 billion yen

Approximately **threefold** increase over roughly 10 years

(FY 2014: 14.0 billion yen)

Overseas Sales Ratio

54.4 %

Founding

109 years

Business Expansion

20 countries and regions

Number of employees

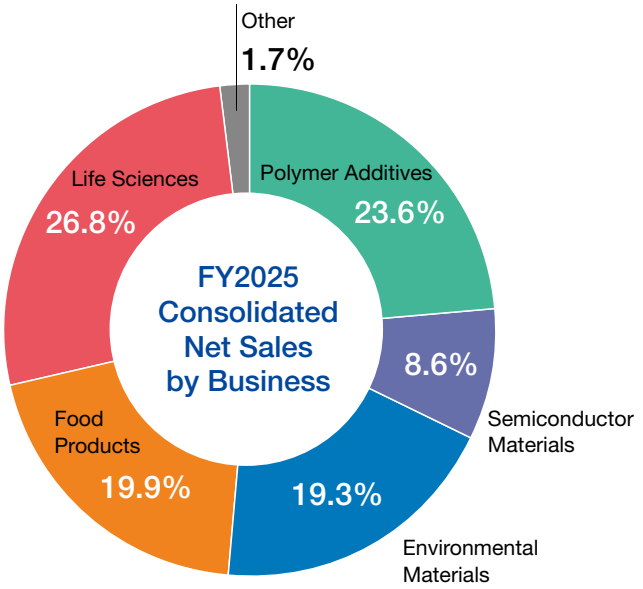
Consolidated **5,434** Non-consolidated **1,827**

(As of March 31, 2026)

R&D personnel as a proportion of all employees

Approximately 1 in 3

(As of March 31, 2026)



ADEKA, Supporting People’s Lifestyles

High-k materials for advanced semiconductor memory

Industry share

More than **50%**

Lubricant additives for engine oil

New car adoption rate in Japan

100%

Polymer additives

Industry share

NO. 2

On the Publication of ADEKA Report 2026

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. We will continue to deepen dialogue with our stakeholders through this report and reflect their feedback and expectations in our business activities as we strive to sustainably enhance corporate value.

Key Focus Areas of ADEKA Report 2026

1. Clarifying the strengths that underpin value creation and our business portfolio strategy
We provide an in-depth look at the background and strengths behind our diverse businesses spanning chemicals, food products, and life sciences, as well as our growth strategies for sustainable growth and the financial strategy that supports them.

2. Enhancing disclosure on growth drivers and the creation of social value
Through features such as the research and technology roundtable, the Semiconductor Materials Division, and plant-based foods, we aim to provide a clearer picture of our technological capabilities, competitiveness in growth markets, and contributions to solving social issues.

3. Improving readability
We have adopted a landscape A4 format designed for viewing on PCs and tablets and reviewed the volume and organization of content to improve readability.

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
The International Integrated Reporting Framework of the IFRS Foundation
Guidance for Collaborative Value Creation 2.0,
Ministry of Economy, Trade and Industry

Published

October 2026

Scope of This Report

Unless otherwise specified, all statements in this report refer to the entire ADEKA Group.

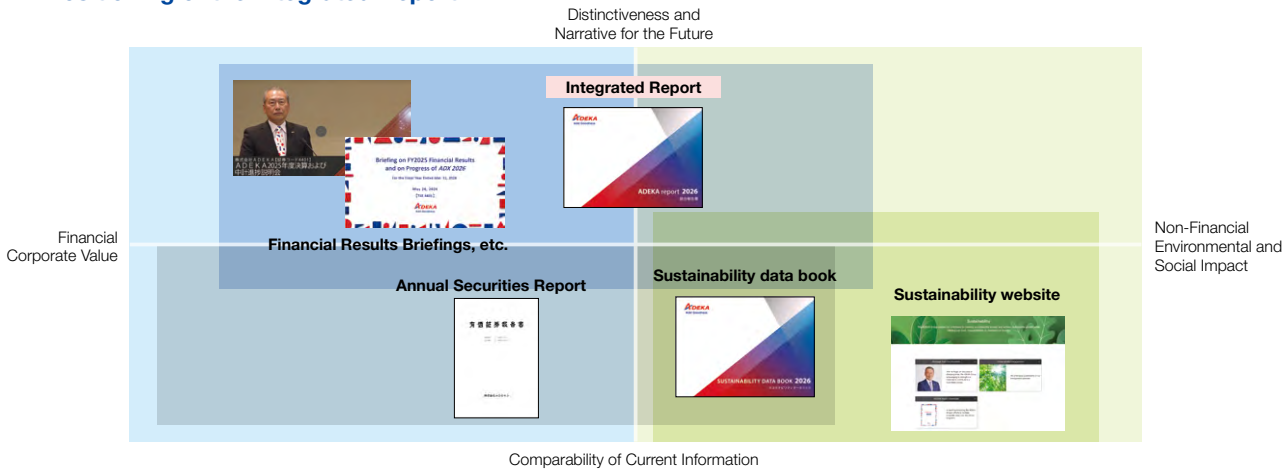
Period Covered by This Report

Fiscal 2025 (April 1, 2025 to March 31, 2026)
Some parts of this report refer to recent activities taking place in fiscal 2026.

Forward-Looking Statements

This report contains forward-looking statements, including forecasts and plans concerning future performance. These statements are based on information available at the time this report was prepared, and actual results may differ due to various factors.

Positioning of the Integrated Report



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Message from the President

Transforming the strength of our diverse businesses into value and achieving growth unique to the ADEKA Group



Hidetaka Shirozume
President and Chief Executive Officer,
Representative Director

Building a corporate structure resilient to change based on the achievements and challenges of ADX 2026

In fiscal 2025, the business environment remained highly uncertain due to factors such as U.S. tariff policies, slowing growth in the Chinese economy, and escalating tensions in the Middle East. Against this backdrop, ADEKA achieved record highs in net sales, operating profit, ordinary profit, and profit attributable to owners of the parent. This was certainly one achievement. However, from the perspective of progress under the ADX 2026 Mid-Term Management Plan, not all of our businesses were able to fully demonstrate their potential. As such, I personally view fiscal 2025 as a year that lacked sufficient impact in terms of business results.

Even under these circumstances, the resilience of each business is steadily increasing. The business environment is fluctuating dramatically as evidenced by such developments as rapidly expanding demand for semiconductors amid the spread of generative AI, mounting geopolitical risks, and fluctuating raw material prices. Nonetheless, we have cultivated the strengths needed for the ADEKA Group as a whole to withstand these changes without easily faltering and to prepare for the next phase of growth.

Resilience entails more than simply withstanding stiff headwinds. It also means having the ability to reassess our position amid change and seize opportunities for future growth. As the ADEKA Group approaches the final year of ADX 2026, we will take both our achievements and challenges into account as we further solidify the foundation for our next phase of growth.

Message from the President



Transforming our business diversity into corporate value unique to the ADEKA Group

The ADEKA Group operates a broad range of businesses, from its Chemicals Business, which consists of Polymer Additives, Semiconductor Materials, and Environmental Materials, to its Food Products and Life Sciences Businesses. A key management theme for the Group is to ensure that this diverse business portfolio creates corporate value. I am keenly aware that the market is calling for an easy-to-understand business portfolio and increased concentration on growth domains. Therefore, increasing profitability and capital efficiency and meeting the expectations of capital markets will be an important management responsibility.

On top of this, I believe the ADEKA Group possesses strengths that we have yet to fully unleash. I intend to utilize the technologies and customer base we have cultivated across our broad business domains to move beyond simply supplying individual products or technologies toward solving issues with a view to the entire supply chain and changing market trends. This is where I believe we have room for growth that is unique to the ADEKA Group. This growth that I envision involves ensuring that our strengths drive the creation of new value. We will link our technical capabilities and application development experience accumulated in each business and broaden our perspectives beyond the performance of materials themselves to include the value they bring to customers' products, production sites, and society as a whole. By building on these initiatives, I believe we can achieve sustainable increases in corporate value unique to the ADEKA Group.

This approach is also shared in the transformations we are promoting in each of our businesses. All of our businesses face different circumstances. Nevertheless, what these businesses have in common is that they assess shifts in the market and customers and try to expand their own respective roles and the value they provide. These businesses are all addressing their own respective issues while pushing ahead with transformation toward future growth whether they are businesses that promote growth-oriented investments, those that drove our fiscal 2025 business results, or those that cultivate new applications and markets while re-evaluating existing business assets.

Of course, at this point I do not believe that we have sufficiently realized the "conglomerate premium" that we are pursuing. ADEKA needs to more clearly demonstrate how its diverse businesses mutually raise value for the entire Group. This is precisely why we intend to steadily strengthen the content of each business, encourage mutual learning among businesses, and increase our ability to create value as the ADEKA Group. Through these initiatives, I am confident we can realize sustainable increases in corporate value for the ADEKA Group by meeting the expectations of a variety of stakeholders, including shareholders, investors, customers, employees, business partners, and local communities. We will transform the diversity of our businesses into a strength, advance our own position amid the changes taking place, and enhance the Group's growth potential.

Making concentrated investments in Semiconductor Materials and strengthening the growth foundation of the Life Sciences Business

As we head toward our next phase of growth, determining where to allocate management resources will be extremely important. We must determine priority areas while closely focusing on market changes, customer trends, ADEKA's own technological advantages, and growth stages as businesses. Among these, Semiconductor Materials is one domain where we must concentrate our resources.

The semiconductor market has been attracting significant attention amid the proliferation of generative AI. However, this market has historically experienced repeated cycles of ups and downs. There are periods of rapid growth in demand as well as times of market corrections. This is exactly why we must not only focus on temporary market surges but also push ahead with our business while carefully assessing the areas where semiconductor manufacturers are investing and the types of materials they will require over the medium to long term.

In Semiconductor Materials, a key will be to actively promote responses in cutting-edge domains. As we do so, however, we must not focus solely on leading-edge products. Top manufacturers are shifting their core toward higher-value-added domains and thus demand could expand into peripheral areas and mass-production markets. ADEKA will pursue cutting-edge fields while

Message from the President

also seizing demand in domains where commoditization will occur as well as in peripheral sectors. This dual-track approach will be essential for undertaking our Semiconductor Materials Business.

Furthermore, semiconductor manufacturing is not completed with just front-end processes. This means that there are also opportunities for deploying the ADEKA Group's technologies in back-end and packaging processes. I believe the ADEKA Group can provide unique value by uniformly increasing its capabilities in material synthesis, film deposition, film quality analysis, and evaluations tailored to specific customer processes.

As a foundation for these efforts, in July 2026 ADEKA newly established the Semiconductor Innovation Center within the ADEKA Center of Technology for Semiconductor and Sustainability in Kuki. In developing semiconductor materials, it is essential that we have an environment for handling sensitive chemical substances, a range of evaluation equipment, and the expertise of specialist engineers. Customers also have expectations of ADEKA, and steadily generating outcomes that meet these expectations will lead to growth in the future.

The Life Sciences Business was a major driver of the ADEKA Group's business results in fiscal 2025. The contribution of this business helped ADEKA achieve record-high profits despite facing a harsh external environment. ADEKA's Life Sciences Business is operated by NIHON NOHYAKU CO., LTD., a consolidated subsidiary. I believe that respecting its autonomy and spirit of challenge as a listed company has supported its growth. As the parent company, ADEKA has continuously been deeply involved in areas such as finance and risk management, where a misstep in the wrong direction could potentially damage the corporate value of the entire ADEKA Group. In doing so, I believe we have mutually influenced each other, including the approach to the relationships between the two companies, while achieving growth together.

NIHON NOHYAKU possesses strong R&D capabilities, product strengths, a solid customer base, and global business deployment capabilities. While leveraging these strengths, the ADEKA Group must bolster its financial position and solidify its management foundation to create the conditions enabling the next level of growth. As part of these efforts, in June 2026 Haruhiko Tomiyasu, a former ADEKA Representative Director, who has particular expertise in these areas, assumed the duties of Representative Director and Vice President of NIHON NOHYAKU. Moving forward, I believe ADEKA will play a significant role as a "best owner" that supports NIHON NOHYAKU's growth. We will further strengthen this business as a strong business segment and ensure that our fiscal 2025 business results are not just a one-time achievement. We will focus closely on the characteristics of this business and increase the growth potential of the entire ADEKA Group.

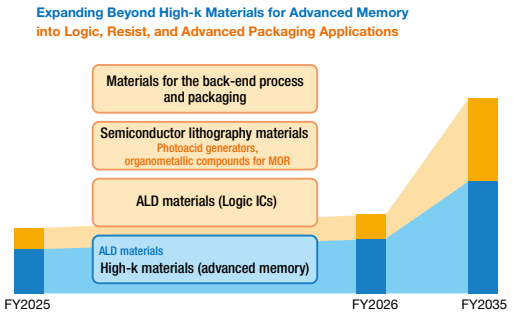
Expanding value across the entire supply chain starting with polymer additives

The Polymer Additives Business is one domain that clearly embodies change unique to the ADEKA Group. While supporting the commodity sector, this business has created new functional products in response to customer needs and has promoted selection and concentration of its product portfolio over a long period of time.

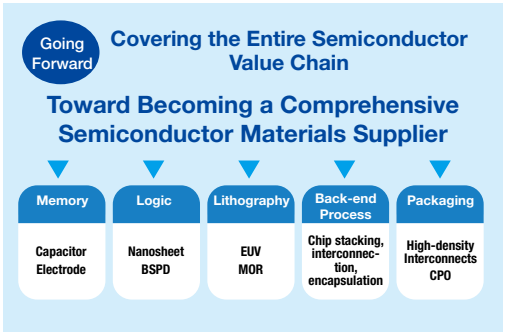
Commodity product sector is characterized by intense competition and is also easily affected by demand fluctuations. Furthermore, business cycles in this sector are longer than those in the Semiconductor Materials Business, which means that this is not a domain where investments can be immediately recouped by riding favorable market conditions. Even so, the Polymer Additives Business has some long-standing products that today continue to play a vital role for our customers. As we

■ **Direction of growth of semiconductor materials**

Revenue Growth Outlook



Driving Further Business Expansion

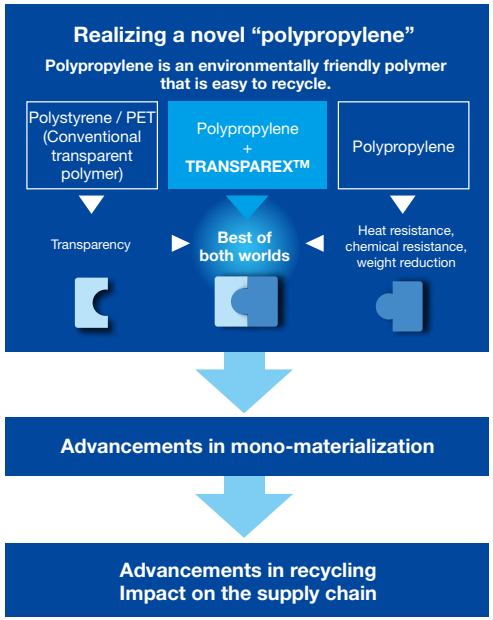


Message from the President

support certain markets, we need to increase profitability through high-functionality products and strengthen this business as a whole.

A representative product is TRANSPAREX™, a novel high-performance clarifier that enables polypropylene, a commodity polymer, to achieve world-class transparency. Although polypropylene offers excellent heat and chemical resistance and is easy to recycle, its applications were limited due to the difficulty of making it transparent. TRANSPAREX™ opens up the possibility of replacing other transparent polymers with polypropylene in products where different polymers were previously used to meet specific performance requirements. In other words, TRANSPAREX™ goes beyond simply increasing polymer performance and also facilitates the shift toward mono-materialization and contributes to the design of products that are easier to recycle.

■ **TRANSPAREX™ and Impact on the Supply Chain**



In the future, the role demanded of materials manufacturers will extend beyond merely supplying products. Manufacturers are now being asked what kinds of value they can provide throughout the entire supply chain encompassing polymer manufacturers, compounders, molders, brand owners, and end consumers. It is essential that we identify what end customers are demanding and, from there, understand the types of issues faced by brand owners and then consider what kinds of functionality should be provided as materials. Furthermore, we must act more proactively in terms of what value we provide to society and what markets we aim to create.

These initiatives that we are promoting in the Polymer Additives Business provide significant insights for the entire ADEKA Group. The Polymer Additives Business is one of the businesses spearheading the Group's transformation from a materials manufacturer into a company that proposes value across the entire supply chain. By expanding this approach to other businesses, we will further strengthen the value creation model unique to the ADEKA Group.

Promoting transformation of the Food Products and Environmental Materials Businesses to draw out growth potential

Although the Food Products and Environmental Materials Businesses each face different issues, these businesses have enormous potential and are essential for driving the growth of the ADEKA Group.

In the Food Products Business, a major transformation in thinking has progressed over the past several years. Previously, there was also a belief that "generating profits in the Food Products Business is difficult." Our thinking regarding profits has subsequently changed through price revisions, reviews of unprofitable transactions, and a focus on products for which functions can be evaluated. ADEKA provides functions that deliver true value to customers and sells these at prices commensurate with that value. Amid a market that has also changed, the structure of our Food Products Business is transforming by thoroughly adhering to these basics.

Overseas markets are key to the future growth of our Food Products Business. As we continue to value the domestic market, achieving highly profitable growth will be contingent on accelerating business development in promising overseas regions, particularly in India and the United States. Our future growth will depend on our proposal capabilities for how, where, and what applications our functional oils and fats should be used as well as the speed of our market deployment of these products.

In our Food Products Business, ADEKA needs to expand applications and markets from a food-tech perspective, starting with the technologies cultivated in processed oils and fats. It was for this purpose that we recently appointed the former head of the Food Development Laboratory as the General Manager of the Food Division. By focusing on plant-based foods, possibilities for expanding from our existing markets into new domains have come into sight. We will create new value by identifying what consumers are demanding and providing products that respond to those changing demands.

In our Environmental Materials Business, "selection and concentration" is a major theme. This business has numerous product lines and markets cultivated over our long history. Among these, we have appealing technologies and products that can achieve further growth. At the same time, there are also domains that need to be

Message from the President

re-evaluated. Accordingly, ADEKA must clarify which domains it will focus on and how it will increase value in these areas. I believe ADEKA can achieve further growth by accurately identifying the needs of markets beyond our direct customers and developing and supplying materials that truly meet those needs. There are also promising areas where the path to growth is clearly visible. By leveraging its solid technological capabilities and customer base, the Environmental Materials Business can steadily achieve growth in the future.

Both the Food Products and Environmental Materials Businesses are truly in the midst of transformation. Drawing out the latent strengths of existing businesses and transforming these into growth power will drive increases in the corporate value of the entire ADEKA Group.

Toward building an organizational culture that allows us to say “This is ADEKA” anywhere in the world

The ADEKA Group operates diverse businesses and undertakes these businesses in regions throughout the world. In carrying out these businesses, the Group’s business domains and product lines vary widely, as do regional cultures and business practices. Precisely for this reason, we must share the ways of thinking and principles that we cherish as a Group. For our approach to manufacturing, stance on safety and quality, and commitment to delivering value to customers, we aim to establish conditions that allow us to confidently state “This is ADEKA” anywhere in the world we operate.

The foundation of these operations consists of ensuring safe production, maintaining consistent quality, and keeping workplaces clean. ADEKA is a manufacturer that handles a variety of materials, including chemicals. Ensuring that each and every individual at worksites avoids hazardous practices and acts with priority given to safe production activities is a major prerequisite for business continuity. Furthermore, maintaining a clean workplace is not merely a matter of aesthetics. This is also a fundamental practice for creating an environment where abnormalities are easily detected and for ensuring stable quality and continuously undertaking safe production activities.

Continuously permeating this mindset across all our sites both in Japan and overseas, where work styles and values differ, is no easy matter. Nonetheless, precisely because of these cultural differences, we must carefully continue to communicate the matters we value as the ADEKA Group. Continuously communicating these matters can bring about remarkable changes at worksites. In the future, sharing principles of safety, cleanliness, and quality one by one and firmly entrenching these into the workplace will help bolster our competitiveness in undertaking global operations.

I should emphasize that my aim is not to make all bases uniform. The crucial point is to utilize the ideas of each base and the initiative of each workplace and share the fundamental principles of the ADEKA Group that must not be compromised. I intend to cultivate an organizational culture where, based on this shared foundation, each business and location thinks for itself, innovates, and creates new value in response to changing customer needs and market conditions.

In this age of change, a company will not become strong by simply formulating a strategy. Rather, we must have the organizational strengths needed to execute that strategy, give shape to the strategy at worksites, and make continuous improvements. The ADEKA Group is balancing a shared global philosophy everywhere in the world with the autonomy of each workplace as it builds an organization resilient to change.

Looking beyond ADX 2026, I aim to create value that is unique to the ADEKA Group, which possesses a diverse business foundation. We will continuously invest in growth domains. At the same time, we will work to improve capital efficiency, advance our business portfolio, and link the strengths of our diverse businesses to solving social issues and achieving sustainable growth. By building on these initiatives, we will increase corporate value that meets the expectations of all our stakeholders while contributing to society through our “materials as treasure.”



Value Creation Story

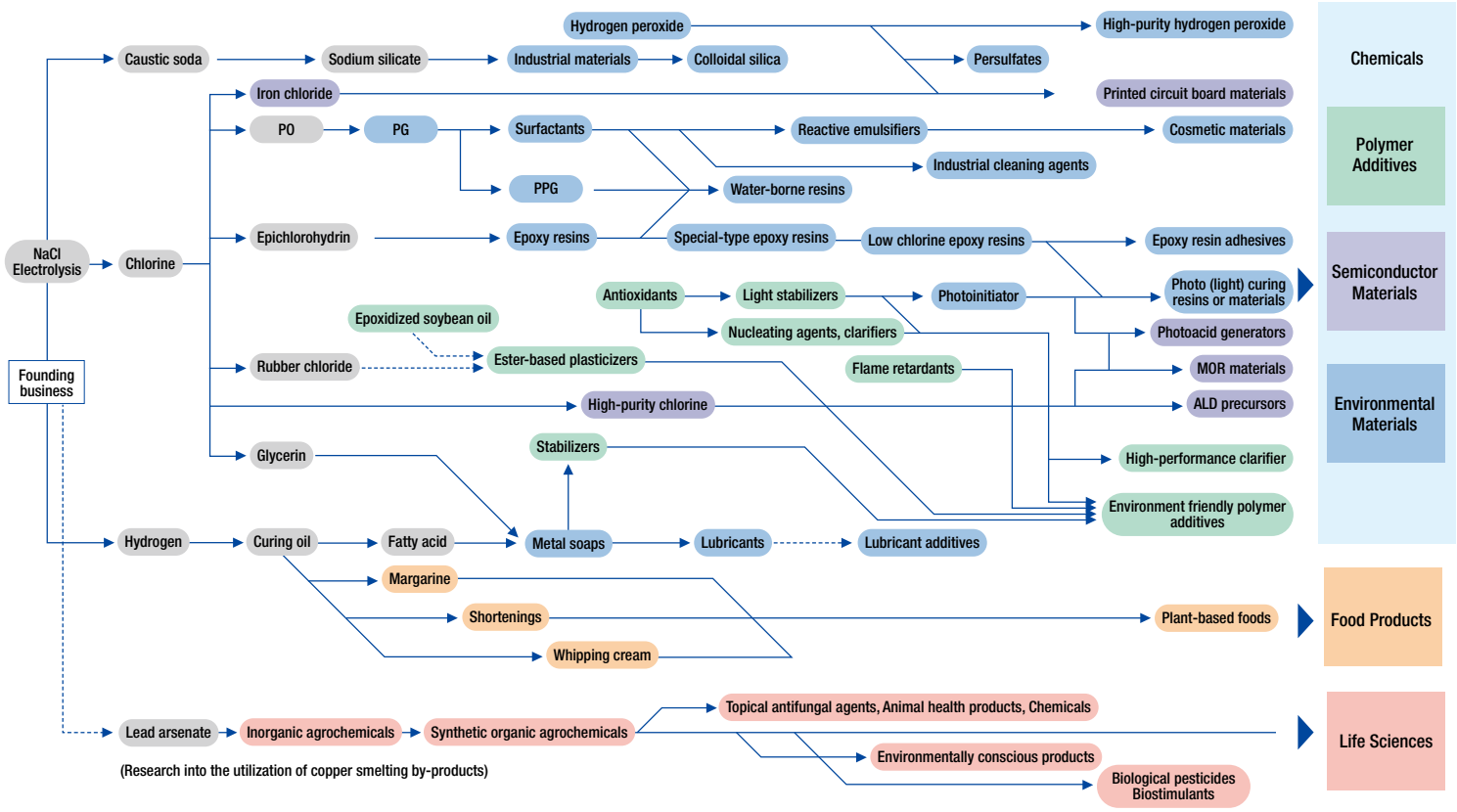
Technology has been the driving force behind the ADEKA Group's growth. By continually advancing and combining the technologies we have built up since our founding, we have created new value and expanded into a diverse range of businesses. Our current business portfolio is built on the technological expertise we have accumulated over many years.

Technological Transition of ADEKA Group

Founding Philosophy

The Company's prospectus at the time described its mission as follows: "With Japanese industry today on the verge of being significantly vitalized, we should question the continuing dependence on inconsistent supplies of an imported raw material that is vital to industrial activity. In the interest of Japan and its citizens, caustic soda production in Japan should be achieved as soon as possible, achieving technical innovations that will enable exporting to other countries."

ADEKA
Add Goodness



History of Value Creation in the ADEKA Group

Carrying forward the spirit of our founding, we have built on our technologies to address the needs of diverse customers and tackle environmental and social issues.

ADEKA's Development Over 109 Years

We have continuously passed down the spirit of wanting to enrich people's lives through our business since our founding.



1917–
Founded as Asahi Denka Kogyo K.K.

1917

Commenced sales of caustic soda



Succeeded in domestic production of caustic soda

1920 onwards

Commenced production of inorganic products such as soaps using byproducts of caustic soda

1929

Commenced production of margarine



High-quality fats and oils compensate for nutritional deficiencies of the people

1950–
Supported the foundation of "lifestyles" in Japan, which achieved rapid economic growth

1954

Commenced polymer additive operations



PVC plasticizer (ADK CIZER)

1959

Succeeded in domestic production of propylene oxide and propylene glycol

1950 onwards

Strengthened sales of household products



ADEKA Soap sign and synthetic detergent TERU

1970–
Developed eco-friendly products and accelerated overseas expansion

1971

Developed lubricant additives



Lubricant additives for engine oil that contribute to improved fuel efficiency

1981 onwards

Leveraged the development of high-purity chlorine gas to enter the semiconductor materials market

1988 onwards

Established a series of production and sales bases in the West and in Asia



Established a production and sales company in Singapore

1990–
Became a true fine-chemical company that supports energy conservation and sophistication

1990 onwards

Created products that contribute to reducing environmental impact



Developed waterborne resins that reduce VOCs (Left) and polymer additives that do not use lead or other harmful substances (Right)

Accelerated development of display materials and next-gen. semiconductor materials



ALD materials leading the way in semiconductor miniaturization

2006

Company name changed to ADEKA CORPORATION

2010–
Expanded into other business areas, such as Life Sciences

2011 onwards

Strengthened corporate research (environmental, energy, life sciences)



(Left) SPAN for next-gen. rechargeable batteries
(Right) Graphene conductive additive

2018

Made NIHON NOHYAKU a consolidated subsidiary



2020–
With management focused on sustainability to achieve affluent lifestyles and a sustainable society

2020

Accelerated production of ADEKA Environmental Contribution Products



(Left) ADK CYCLOAID Series of environmentally friendly polymer additives
(Right) "Marvelous" margarine, which contributes to reducing food waste

2022

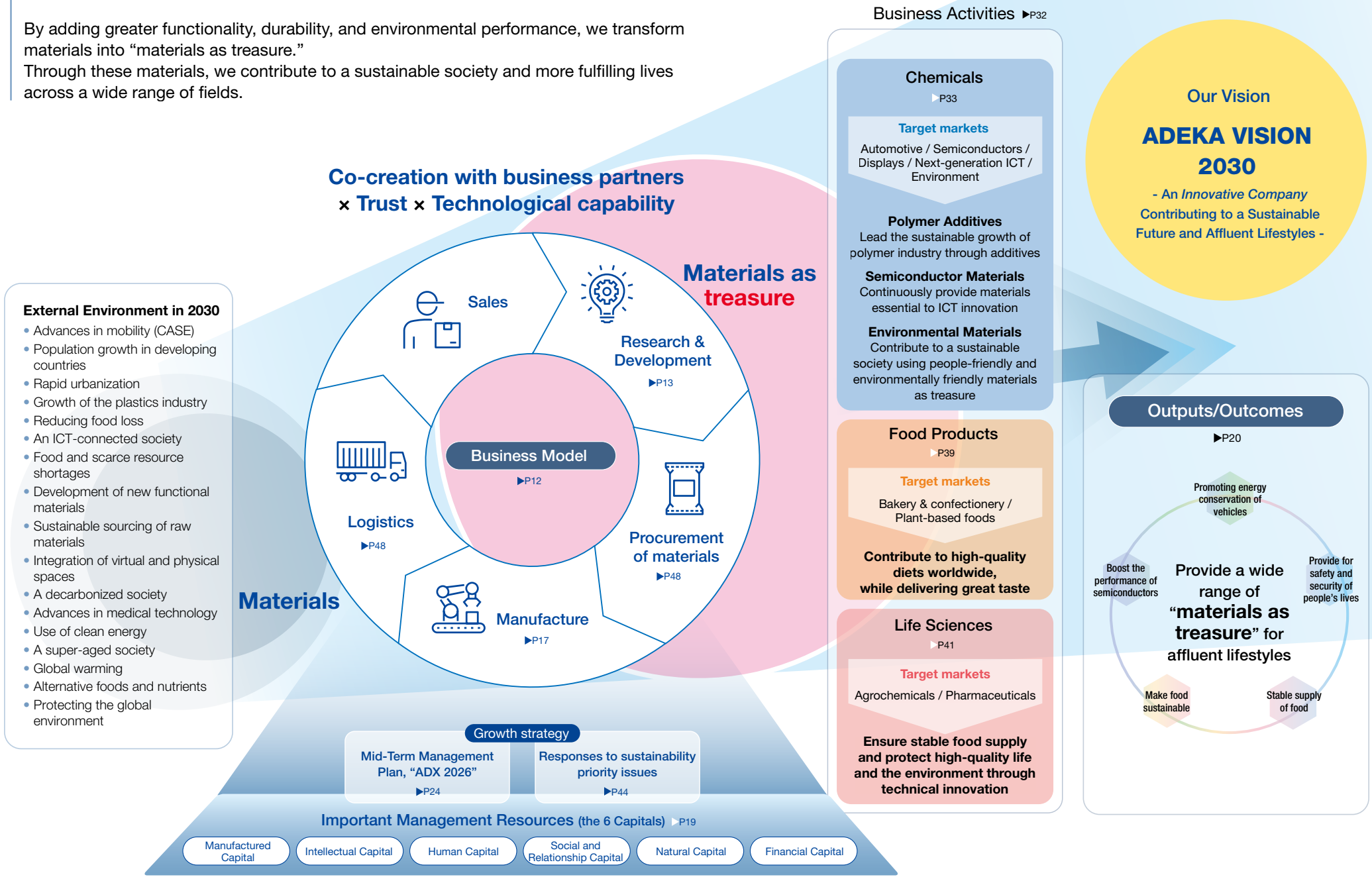
Built a new organizational structure to promote carbon neutrality

2024

Launched ADX 2026, the ADEKA Group Mid-Term Management Plan for FY2024-2026, which incorporates the ADEKA Group Sustainability Priority Issues

Value Creation Process

By adding greater functionality, durability, and environmental performance, we transform materials into “materials as treasure.”
Through these materials, we contribute to a sustainable society and more fulfilling lives across a wide range of fields.



Business Model and Strengths

Building on the technological capabilities developed over many years, we work with customers to open up new fields and services and create new value that meets increasingly diverse needs.

ADEKA Group's Strengths

109 Years of Trust
Strong relationships of trust with business partners built since our founding in 1917

11 Core technologies
A unique technology platform that meets diverse market and product needs

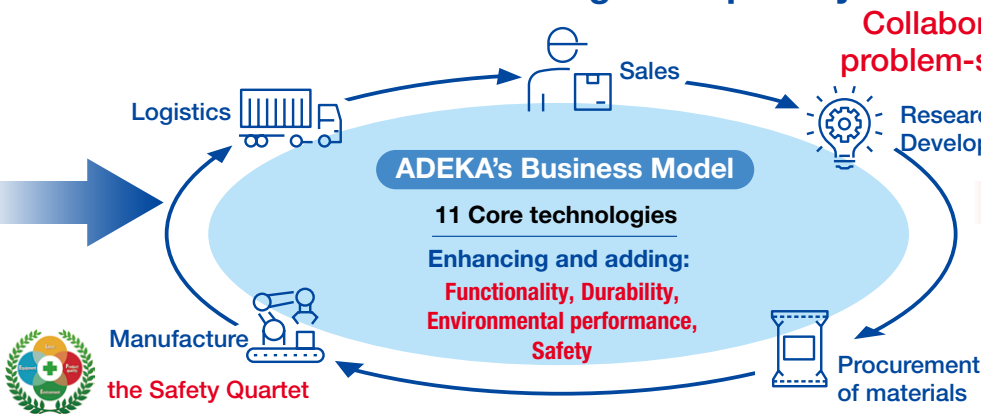
The Power of Our People
People with diverse expertise and a drive to take on challenges, powering innovation

ADEKA Group's Global Network
A global presence spanning more than 20 countries, enabling us to create value close to our customers

Co-creation with Customers
Sales, marketing, and customers working together to create new value through collaborative problem-solving

Co-creation with business partners × Trust × Technological capability

Materials
Advanced use of raw materials such as petroleum and natural resources



Materials as treasure
High-value-added materials that help solve social issues

Resilient Business Portfolio

A foundation for growth that combines strengths across diverse markets, technologies, and regions

- **Chemicals**
  - Polymer Additives
  - Semiconductor Materials
  - Environmental Materials
- **Food Products**
- **Life Sciences**

Foundations Supporting Our Business

Digitalization and DX Promotion
Transforming operations and productivity through digital technologies

Intellectual Capital
Building technological advantages through R&D and intellectual property strategies

Human Capital
Supporting the growth of diverse talent and their drive to take on challenges

Financial Capital
Profitability and cash flow generation capabilities

Research and Development

To strengthen the technological capabilities that underpin the creation of a conglomerate premium, we are pursuing R&D that builds on technologies developed across our businesses to deliver new value. We have introduced a business headquarters system and are putting structures in place to strengthen R&D. We have also established the R&D Technology Coordination Division to drive new business creation and collaboration across business divisions.

Message from the General Manager, R&D Technology Coordination Division



Yukio Tatsumi
Senior Operating Officer General Manager, R&D Technology Coordination Division

Accelerating Collaboration and Technology Exchange Across R&D to Create New Value

To realize ADEKA VISION 2030: An Innovative Company Contributing to a Sustainable Future and Affluent Lifestyles, we are promoting the sharing of technological information and improving R&D efficiency through the use of digital transformation (DX) and AI. We are also strengthening four key areas: the use of internal technologies (core competencies), the introduction of external technology, building a new value chain through external partnerships, and the introduction of DX technology and development of human resources.

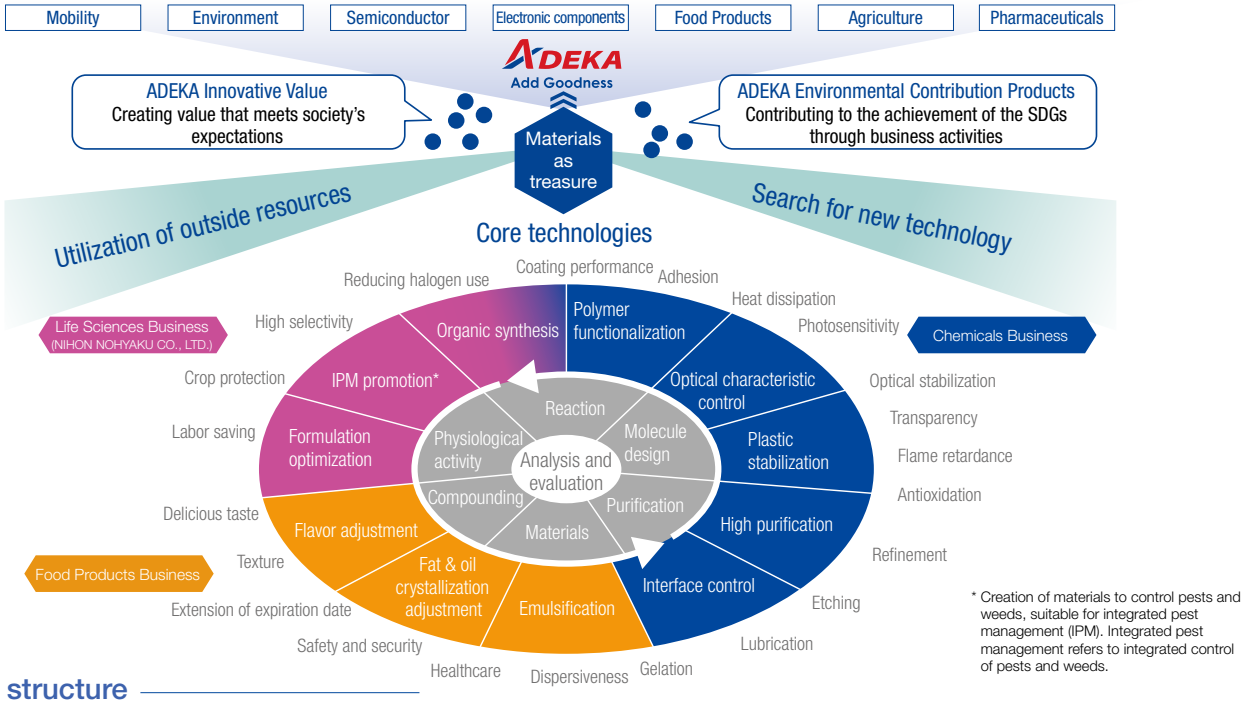
We will continue to strengthen our research capabilities by creating new businesses and new research themes and efficiently managing and utilizing our intangible assets, with the aim of creating new value.

In conjunction with the construction of a new research building, we will also strengthen the foundations of our research sites and put in place a structure that enables more efficient R&D.

Features of ADEKA's 11 Core Technologies

The technologies developed across our food products, chemicals, and life sciences businesses, together with analytical and evaluation technologies tailored to customer needs, create new value as "materials as treasure" not simply as individual technologies, but through the ways they are applied and combined.

Eleven core technologies that generate ADEKA materials as "treasure" which contribute to a sustainable society and enrich the lives of people



* Creation of materials to control pests and weeds, suitable for integrated pest management (IPM). Integrated pest management refers to integrated control of pests and weeds.

Overview of R&D structure

Under the business headquarters system, authority and responsibility are clearly defined for each business, enabling faster decision-making and greater profitability. R&D for each business is undertaken by its respective development research laboratory.

The system, however, presents challenges in terms of creating new businesses with an eye to the future and maintaining collaboration across business divisions as each pursues its own optimization. To address these challenges, we established the R&D Technology Coordination Division. It comprises the Advanced Technology Development Department, which performs corporate R&D functions; the Technical Information Management Department, which manages and utilizes intangible assets and gathers information on regulatory approvals in different countries; and the R&D Technology Planning Department, which oversees technologies across the Company and strengthens collaboration between business divisions.

R&D Technology Coordination Division	R&D Technology Planning Department
	Technical Information Management Department
	Advanced Technology Development Department
Polymer Additives Division	Polymer Additives Planning & Marketing Department
	Polymer Additives Sales Department
	Polymer Additives R&D Laboratory
Semiconductor Materials Division	Semiconductor Materials Planning & Marketing Department
	Semiconductor Materials Sales Department
	Semiconductor Materials Development Laboratory
Environmental Materials Division	Environmental Materials Planning & Marketing Department
	Environmental Materials Sales & Marketing Department
	Environmental Materials Development Laboratory
	Battery Materials Development Laboratory
Foods Division	Foods Planning & Development Department
	Foods Sales Department
	Food Development Laboratory

Research and Development

To drive innovation, we are reviewing our technologies and developing a foundation for effective use of information, while promoting cross-divisional information sharing, DX literacy education, and the development of specialized talent.
Looking ahead to more efficient open innovation and greater use of laboratory automation in R&D, we will continuously advance our R&D capabilities by applying the PDCA cycle to each of these initiatives.

Driving Innovation		Vision	Initiatives
Use of internal technologies 	**(1) Use of Internal Technologies (Core Competencies)** Leveraging our core competencies is essential to concentrating management resources and using them more efficiently. It also has the potential to drive the creation of high-value-added new businesses and advance external collaboration toward open innovation. We aim to identify and evaluate the technologies in which each business excels and establish a framework for generating themes with high technological value.	**Advancing internal technologies and creating closed and open innovation**	● Identifying core competencies and reviewing our technology portfolio ● Sharing and promoting the use of core competencies and technologies e.g., cross-laboratory information-sharing sessions, theme-based discussions, and forums for younger researchers ● Developing an open innovation platform
Introduction of external technology 	**(2) Introduction of External Technology** Introducing external technology is not simply a means of supplementing our own capabilities. It is a strategic tool for strengthening competitiveness and accelerating innovation, while significantly shortening R&D lead times compared with developing technologies from scratch in-house. We will make our search for external technology more efficient and combine it with our core competencies to create new value.	**Strengthening competitiveness and accelerating innovation through technology introduction**	● Identifying technology gaps ● Identifying differentiated and promising technologies ● Collaboration and technology development with companies and academia ● Developing a technology-matching system for startups
Building a new value chain 	**(3) Building a New Value Chain Through External Partnerships** By partnering with others to complement areas we cannot cover on our own, we can expand the scope of our value creation. Through specialization and co-creation with companies both upstream and downstream, we aim to maximize development efficiency while enhancing value creation and competitiveness across the entire value chain.	**Enhancing value delivery and competitiveness across the entire value chain**	● Participating in and leveraging consortiums and cross-industry forums ● Collaboration and joint proposals with upstream and downstream companies ● Building win-win relationships through specialization and co-creation ● Developing value chain platforms
Introduction of DX technology and development of human resources 	**(4) Introduction of DX Technology and Development of Human Resources** We believe the true purpose of DX goes beyond simply improving operational efficiency. It is about redesigning how value is created through data and digital technologies. Alongside advancing data-driven R&D tailored to each business division, we will focus on developing digital talent.	**Data-driven R&D Accelerating laboratory automation**	● Promoting the use of materials informatics and generative AI ● Developing a platform for data utilization ● Providing literacy training and developing data scientists ● Applying robotics and implementing laboratory automation

PICK UP

In May 2026, ADEKA consolidated some of its chemicals R&D functions at the Kuki site. In conjunction with this move, we redefined the names of our research sites and clarified the role of each, strengthening our R&D structure in growth areas.

ACT-S
ADEKA Center of Technology for Semiconductor and Sustainability
(ADEKA Technology Center Kuki)
Semiconductor Innovation Center
Material Solutions Center
Semiconductor Materials / Environmental Materials

ACT-P
ADEKA Center of Technology for Polymer Additives
(ADEKA Technology Center Urawa)
Polymer Additives

ACT-F
ADEKA Center of Technology for Foods and Future Products
(ADEKA Technology Center Tokyo)
Food Products / Cosmetic Materials / Battery Materials / Advanced Technologies



Hiroaki Shirai
General Manager,
Advanced Technology
Development Department

Koichi Shigeno
General Manager,
Technical Information
Management Department

Kentaro Kimura
General Manager,
R&D Technology
Planning Department

ADEKA's Value Creation Story

Special Feature

R&D Roundtable

One Year Since the Launch of the R&D Technology Coordination Division
Turning the Progress Achieved Through Change into Future Value Creation

One year has passed since the R&D Technology Coordination Division was established in April 2025, and steady progress is being made in strengthening R&D capabilities across the Company. In this special feature, the heads of its three departments discuss the changes over the past year, the ADEKA Group's capabilities, and the challenges ahead.

—The R&D Technology Coordination Division: Objectives and Changes in Its First Year
Growing Commitment to Company-wide Optimization and Stronger Internal Collaboration

Kimura: The R&D Technology Coordination Division was established to strengthen our R&D capabilities for medium- to long-term themes that span multiple businesses. Since July 2024, we have transitioned from a centralized R&D structure to a business headquarters system, with R&D conducted in line with the policies of each business. This has brought sales and R&D closer together, strengthening customer-focused development. However, there were concerns that technology exchange between business headquarters could decline and that fewer resources would be available for medium- to long-term research themes. The R&D Technology Planning Department was therefore established to provide a cross-business link for technology and support research on medium- to long-term themes.

Shigeno: The Technical Information Management Department, established in April 2025, brought together functions that had previously handled intellectual property and regulatory approvals. With the shift to the business headquarters system, the importance of a department that takes a Company-wide perspective rather than focusing on optimization within individual businesses has grown. Since both intellectual property and regulatory approvals involve every department, we aim to serve as a kind of "Company-wide hub."

Shirai: The Advanced Technology Development Department has also changed. Previously, as the Life Science Materials Laboratory, it had a strong focus on corporate R&D. Since becoming the current department, I feel that management has sent a clear message that we should not only explore new technologies, but also think about markets and how those technologies will be put to practical use. Rather than conducting research solely "for the future," we also need to consider "how it can be used today." I see that as a major change over the past year.

Kimura: During the first year, we took time to carefully explain the role and mission of the R&D Technology Planning Department to the business divisions and deepen discussions on how we should work together to advance R&D. Researchers who had moved to the business divisions were also coming to terms with the change in environment, and some were uncertain about how to set the direction of their R&D. We have begun working with them to chart the way forward while proposing ways in which the R&D Technology Planning Department can support them.

Shigeno: We have also been working to change mindsets within the Technical Information Management Department. In the past, there was a strong tendency to see our role as supporting the research laboratories, but I feel that the focus is now shifting toward contributing to each business headquarters and the Company as a whole. Intellectual property and regulatory approvals are directly tied to how we operate our businesses and create value, and I am encouraging the members of the department to keep that in mind.

Shirai: In the Advanced Technology Development Department, we reviewed our research themes. For our corporate R&D themes, we reorganized them with a greater emphasis on market needs, while the Animal Health and GX Technology Laboratories have begun engaging with the market on themes that are closer to commercialization. For medium- to long-term themes, we have deepened mutual understanding and collaboration with NIHON NOHYAKU.

—Advancing Data Utilization
Creating an Environment for Research and New Value Creation

Kimura: The use of materials informatics (MI) and AI is advancing. For example, in optimizing formulations for etching chemicals, MI enabled us to use data-driven predictions to identify optimal conditions that we would not have arrived at through experience alone. We discovered that the answer actually lay in conditions that had previously been given low priority and therefore not investigated. Once data recorded in laboratory notebooks is digitized and can be analyzed using AI and MI, it becomes a new asset. That is what makes MI and AI so interesting.

Shigeno: We also have an active program of study sessions on MI and AI. Led mainly by younger employees, these sessions are held regularly and bring together people from different fields, including food products and chemicals. It is interesting to see discussions naturally move beyond individual technologies to topics such as how to interpret and approach data, with a common language gradually emerging among participants. I hope these sessions will become a forum for the kind of technology integration we are seeking to achieve.

Shirai: Literature searches and information gathering have also changed dramatically. Things that once took days to track down can now be found in a matter of minutes. As a researcher, I

really appreciate having this kind of environment in place. We are already seeing tangible benefits in our R&D work. With these tools at our disposal, the way we think about what to tackle next is also changing.

Kimura: Exactly. We will place even greater emphasis on creating an environment that enables researchers to spend more time on the creative work they should be focusing on.

—The ADEKA Group's Strengths
Combining Diverse Technologies to Drive Innovation and Build New Competitive Advantages

Shirai: I think ADEKA's greatest advantage is its diversity. Our businesses span polymer additives, semiconductor materials, environmental materials, food products, and life sciences, each with its own pace, market needs, and sales approach. Some products, such as polymer additives, remain on the market for decades, while others, such as semiconductor materials, require rapid product development tailored to individual customers. What makes ADEKA unique is this breadth and its ability to embrace such a wide range of businesses and technologies.

Kimura: Moreover, ADEKA's diversity is not simply a collection of different businesses. We have core competencies in each of these fields, and that is a key competitive advantage. The ability to integrate technologies in-house, combining inorganic and organic technologies to create new materials, is a distinctive feature of ADEKA. Metal oxide resist (MOR), a next-generation photoresist material for which ADEKA is currently building a new plant, is one such example.

Shigeno: I feel we have reached the stage where, having deepened the technologies within each business, we are now looking at how to combine their respective core competencies. ADEKA's broad range of businesses gives us many possibilities for new combinations. Rather than simply responding to requests from individual businesses, we can proactively identify combinations that could lead to new patents or businesses. Combining existing technologies can generate innovation.

Shirai: The addition of NIHON NOHYAKU has also broadened ADEKA's capabilities. For example, its biological evaluation technologies and long-term approach to business management, reflecting the lengthy timelines involved in pharmaceutical development, bring perspectives and capabilities that ADEKA had previously found difficult to develop on its own. By combining NIHON NOHYAKU's synthesis technologies and expertise in biological evaluation, built up over many years in its chemical pesticide business, with ADEKA's own capabilities, the two companies can complement each other and generate synergies.

Kimura: ADEKA occupies a strategic midstream position in the chemical industry value chain, giving us connections both upstream and downstream. Our activities span a broad range of the supply chain, and we serve a diverse customer base. A challenge that one business headquarters cannot address on its own may be solved using technology from another. I believe there is also considerable scope to leverage resources within the Company to expand into new markets. ADEKA has a long history of expanding overseas, led by its polymer additives business, while NIHON NOHYAKU has built a strong global business base, with overseas sales accounting for more than 70% of its total. Our semiconductor business is also expanding, and in recent years, our food products business has increasingly been leveraging our global network.



—Looking Ahead
Building on Results, Staying Focused on Value, and Taking on the Next Challenge

Shigeno: In the R&D Technology Coordination Division, we express our mission with the phrase "Turning Wisdom into Value." To build on the progress made over the past year, I believe technology information management must go beyond its traditional administrative role to create value. Intellectual property and regulatory approvals are not simply about protecting what we have. Our mission in the Technical Information Management Department is to consider how they can contribute to our businesses and markets and to turn data and knowledge into value. The key will be an intellectual property strategy that takes a comprehensive view of the entire supply chain. Until now, intellectual property has played a role in establishing competitive advantage, but going forward, I believe its role in enabling co-creation with others will become increasingly important.

Shirai: I agree. Materials that facilitate recycling and chemical recycling technologies could also give rise to businesses built around a new value chain.

Kimura: Using our "materials as treasure" with new functionality to fill gaps in the circular economy and help improve recycling across the entire supply chain is exactly the kind of approach that will make ADEKA a company of even greater excellence.

Shigeno: At a time when no company can create value on its own, we need to build opportunities for co-creation while pursuing mutual benefits with our partners. As a company operating in the midstream of the supply chain, we aim to position ourselves to co-create an ecosystem that connects companies both upstream and downstream, thereby enhancing corporate value through technology.

Shirai: From the perspective of corporate R&D, our advantage lies in pursuing research with a long-term vision for future businesses, while also focusing on how quickly we can bring that value to market. To develop businesses together with our customers, it is important that the evaluations they conduct are closely aligned with our own. Achieving that alignment should significantly accelerate development.

Shigeno: Regulations governing chemical products vary by country and region and are changing rapidly. Going forward, we want to further strengthen our information gathering and networks, not only to comply with regulations in each country but also to determine where best to expand our businesses from a global perspective. Intellectual property and regulatory approvals also involve a great many stakeholders, so we are encouraging younger employees to grow by collaborating with other departments, customers, and many others both inside and outside the Company.

Kimura: We will keep a firm focus on customer value, connecting technologies with consistency and a clear sense of purpose to create new businesses. We will also consciously create opportunities for these connections to take place and support the further growth of our researchers.

ADEKA's diverse technologies and broad range of businesses become all the more valuable in times of change. The R&D Technology Coordination Division will play a central role in translating these capabilities into growth across the Company, while continuing to pursue our unwavering focus on value.



Manufacturing Technology (Technological Capabilities)

ADEKA develops manufacturing technologies that enable us to provide customers with a stable supply of products of consistent quality. We also apply our proprietary technologies to develop new manufacturing technologies.

Message from the General Manager, Production Division



Shin Takahashi
Senior Operating Officer
General Manager, Production Division.

Manufacturing technology refers to the methods used to produce existing products and new products developed by our research laboratories more safely and efficiently at our plants. At ADEKA, we use these technologies to provide customers with a stable supply of products of consistent quality. Each of our plants has developed its own proprietary manufacturing technologies, and by applying these technologies and those developed at other plants, we continue to develop new manufacturing technologies on a daily basis.

ADEKA-developed manufacturing technologies are used throughout all four processes involved in semiconductor materials production. By continuing to advance our six manufacturing technology elements, we produce “materials as treasure” that customers can use with confidence.

The ADEKA Group will continue to manufacture and provide materials as treasure that can contribute to the happiness of people around the world.

ADEKA’s Proprietary Manufacturing Technologies

Leveraging a wide range of proprietary manufacturing technologies developed through many years of experience across multiple businesses

Speed | Reaction control technology | Equipment design
Quality design | Cost | GHG reduction

Customer needs (examples)

Mass production of new products
Manufacturing process improvement

R&D
Product design

Collaboration

Manufacturing technology
Manufacturing process development

Materials as treasure

[case study] Semiconductor Materials Manufacturing Processes and Technologies

We employ proprietary manufacturing technology to provide materials as treasure used in cutting-edge semiconductors by the largest manufacturers.

Synthesis → **Purification (high purification)** → **Preparing clean containers / Filling** → **Analysis** → **Shipment**


Synthesis technology

- ▶ Strict management of raw materials and processes
- ▶ Reducing costs by bringing manufacturing in-house and improving processes
- ▶ Promoting recycling


High purification technology

- ▶ Refining process management
- ▶ Reducing impurities and improving the degree of purity
- ▶ Introduction of new purification processes
- ▶ Ensuring consistent quality


Clean container preparation technology

- ▶ Refining process management
- ▶ Introducing new technology for process management


Analytical technology

- ▶ Refining analytical data management
- ▶ Introduction of new analytical technology
- ▶ DX Promotion

Process management: Blue Technology: Red

Manufacturing Technology (The Safety Quartet)

We operate our proprietary “Safety Quartet” initiative to provide stakeholders with safety and peace of mind and contribute to a sustainable society.

Message from the General Manager, Environmental and Safety Division



Hiroto Matsuyoshi
Operating Officer
General Manager, Environmental and Safety Division

The ADEKA Group is pursuing a range of initiatives to provide stakeholders with safety and peace of mind while contributing to the realization of a sustainable society. The Environmental and Safety Division has established two overarching policies: “fostering a safety culture” to raise awareness and “strengthening the foundations of safety” to put the necessary systems in place. We have also established our proprietary “Safety Quartet,” comprising occupational safety, environmental safety, product quality safety, and equipment safety. Activities in these four areas are closely interconnected and implemented across the Company.

To help realize a sustainable society, we are working to reduce GHG emissions, conserve energy, and reduce waste, while strengthening the appropriate management of chemical substances and trade controls. We are also systematically implementing safety and disaster preparedness measures for earthquakes, heavy rainfall, fires, and other emergencies. We audit the implementation of these initiatives at each site and department and pursue continuous improvement through an ongoing PDCA cycle.

The Safety Quartet



The Safety Quartet symbol mark

The “Safety Quartet” is a concept unique to ADEKA, comprising four areas: occupational safety, environmental safety, product quality safety, and equipment safety. We promote initiatives in these four areas company-wide, ensuring that they are closely coordinated. These initiatives are implemented in accordance with the Safety Quartet Global Rules.

The Environmental and Safety Division formulates and communicates policies and measures, reviews plans, and evaluates implementation through on-site audits and other activities. Following an annual review, the Division formulates policies for the following fiscal year.

In fiscal year 2025, we adopted the policy of “Providing safety and security by fostering a safety culture and strengthening the foundations of safety.” Through activities emphasizing firsthand engagement with actual sites, equipment, and the people involved, as well as dialogue, we worked to advance the Safety Quartet, aiming to ensure safe and efficient corporate activities and provide safety and security to our stakeholders.

Occupational safety

We define occupational safety as a state in which there are no unacceptable risks to employees’ physical or mental well-being in the workplace. With a shared commitment to putting safety first, the ADEKA Group works to ensure occupational health and safety and strengthen process safety and disaster preparedness. At our production sites in Japan and overseas, we have implemented management systems based on ISO 45001, with certification obtained at all plants in Japan and eight overseas Group companies. Through various committee activities and hands-on safety training, we are raising safety awareness and working to prevent accidents before they occur.

Product quality safety

We define product quality safety as a state in which there are no unacceptable risks associated with the use of our products throughout the supply chain, taking an integrated approach to quality assurance and product safety. We regard this as an important priority for ensuring confidence in our products and enhancing corporate value. In our chemicals and food products businesses, we share product quality safety information globally and work to prevent customer complaints from recurring and arising in the first place. At our production sites, we operate management systems based on ISO 9001 and FSSC 22000 to continuously improve our quality management standards.

Equipment safety

We define equipment safety as a state in which there are no unacceptable equipment-related risks to business continuity. Stable equipment operation is fundamental to our business, and we regard preventing accidents and other equipment-related problems as an important priority for maintaining and enhancing corporate value. To prevent equipment accidents and shutdowns, our production sites work closely with relevant departments, while we are also strengthening recovery systems and expanding our inventories of spare parts based on lessons learned from past earthquakes.

Environmental safety

We define environmental safety as a state in which there are no unacceptable risks that could disrupt business continuity, taking an integrated approach to the operating environment and the global environment. Reducing GHG emissions and environmental impact are key priorities, and we are pursuing initiatives in these areas toward achieving carbon neutrality by 2050. We are closely monitoring progress toward our interim FY2030 target of reducing GHG emissions by 46% from FY2013 levels, while also working to reduce our environmental impact by expanding the use of renewable energy.

Management Resources (the 6 Capitals)

6 important management resources that support the sustainable growth of the ADEKA Group

Capital	Strengths	Strengthening measures
Manufactured Capital	● Productivity and quality ● Process safety capabilities Capital investment: ¥21.6 billion ISO45001 coverage: 100% (* All plants in Japan)	● Process improvements to enhance productivity and quality ● Workforce optimization through automation and smart factories ● Minimization of manufacturing costs
Intellectual Capital	● 11 core technologies that address customers' advanced and diverse needs ● Collaboration between R&D in each business and corporate R&D R&D expenses: ¥19.3 billion	● Promotion of technology and innovation led by the R&D Technology Coordination Division ● Accumulation of expertise through the promotion of DX
Human Capital	● Strong ties between the Company and its employees and a high level of identification with the management philosophy ● Strong R&D talent base, with researchers accounting for one-third of all employees Positive response rate in engagement survey: 67% Consolidated employees: 5,434	● Ensuring workforce diversity ● Promoting appropriate talent allocation and development
Social and Relationship Capital	● 109 years of trust ● Co-creation relationships that enable us to identify customer needs at the front line Company name recognition: 25%	● Increasing recognition through branding activities
Natural Capital	● Business portfolio capable of addressing environmental issues through our businesses ● Production systems designed to reduce environmental impact GHG emissions: 213 thousand t-CO_{2e} RSPO-certified palm oil: 33%	● Practicing responsible procurement ● GHG emissions reduction target: 46% reduction by FY2030
Financial Capital	● Financial stability ● High growth potential (net sales approximately doubled and operating profit approximately tripled over the past 10 years) Equity ratio: 56% ROE: 9.1%	● Execution of planned investments ● Enhancing ROIC management ● Business portfolio that enables continuous investment

PICK UP

ADEKA's branding activities

As part of our efforts to enhance corporate value, we are stepping up initiatives to raise awareness of the ADEKA name.

To increase recognition of ADEKA, it is important to communicate how we address social issues and the value we provide to society. With this in mind, rather than treating public relations, advertising, and IR as separate activities, we communicate a consistent message to all stakeholders by using common core messages and foundational materials across these activities. The brand also plays an important role in recruitment and internal branding.

With our broad range of businesses and products and expanding global presence, we established the corporate slogan "Add Goodness" in 2020 as our core message and stepped up our public relations and IR activities. We also resumed television advertising at the end of 2022. Prioritizing awareness of the ADEKA name, we focused our key messages and broadcast periods and aired commercials featuring actress Erika Ikuta.

A brand is shaped by more than advertising and logos. The day-to-day actions of every employee, our dialogue with customers, our R&D, and our commitment to product quality all contribute to what the ADEKA brand represents. We will continue to communicate our brand consistently to make ADEKA's value more widely known, while working to raise awareness of the ADEKA name and enhance corporate value.

▶ Related special site (Japanese only)

Five Key Themes and the Value They Create

By pursuing innovation across five key themes, we are creating new value and working toward the realization of a sustainable society.

Theme 1

Contributing to the Popularization of Next-generation Automobiles

Contributing to the Popularization of Safe and Comfortable Next-generation Automobiles

Social issues

Environmentally conscious
- Controlling CO_2 emissions
- Adaptation to a recycling society

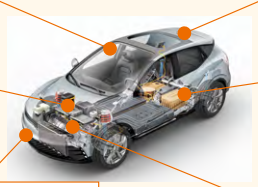
Improving safety performance

Social value of ADEKA

Creating strong and long-lasting plastics	Polymer additives
Reducing CO_2 emissions via better fuel economy	Lubricant additives
Driving support systems and other systems are key to popularization	Ultra-fast curing laser adhesives

ADEKA's products related to next-generation automobiles

: Increased demand



- In-vehicle camera module: Autonomous driving and popularization of safe driving systems → **Ultra-fast curing laser adhesives**
- Wire harnesses: Increased demand due to electrification → **PVC stabilizers**
- Exterior components: Metal substitute for vehicle weight reduction → **Nucleating Agents, light stabilizers, antioxidants, novel clarifiers**
- Windows: Polymerized to reduce vehicle weight → **Light stabilizers**
- Battery enclosures: Ensure safety in case of ignition → **Flame retardants**
- Contributing to improvement in HEV and PHEV fuel economy → **Lubricant additives**

Theme 2

Enhancement of Semiconductor Performance

Global Development of Cutting-edge Semiconductor Materials

Social issues

Increased data traffic
Boosting the Performance of Semiconductors

DATA Number of silicon wafers used/ ADEKA's DATA material growth transition*



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

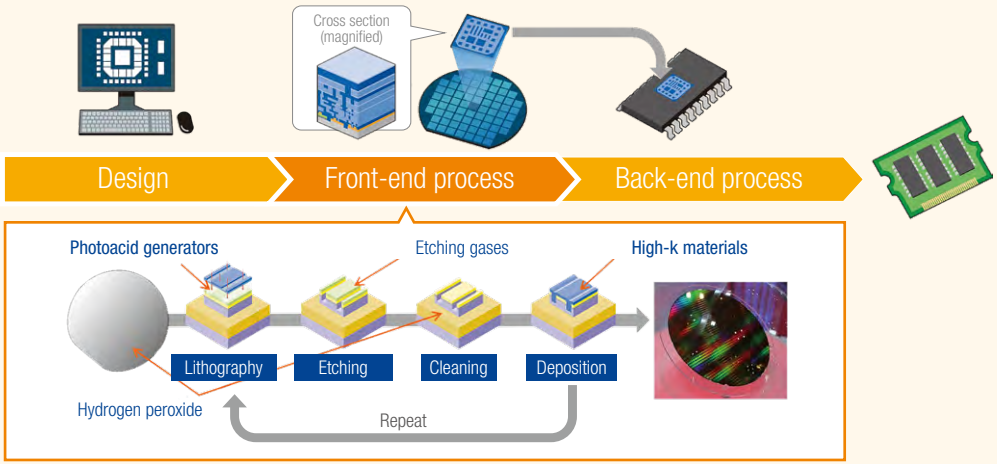
Social value of ADEKA

High-k materials
leading the way in miniaturization and multilayering of semiconductors

Photoacid generators
MOR* Materials
indispensable for advanced lithography processes (EUV)

* Metal Oxide Resist

ADEKA products related to semiconductors



Five Key Themes and the Value They Create

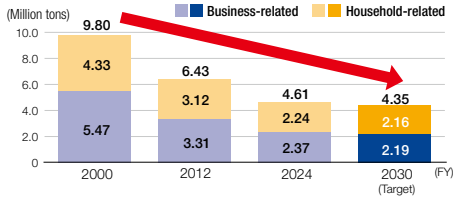
Theme 3

Reduction of Food Loss and Waste

Contributing to Food Loss and Waste Reduction Throughout the Supply Chain

Social issues

Trends in food loss and waste, and reduction targets



Annual per capita food loss and waste: 37 kg

→ Works out to throwing away food equivalent to one rice ball per day (102 g)

Source: "Reference materials on food loss and waste" (June 30, 2026) Consumer Affairs Agency, Government of Japan

Social value of ADEKA

- Reduction of production loss by improving quality at the time of production
- Reduction of disposal loss through the extension of shelf life





We will contribute to food loss and waste reduction throughout the entire supply chain by supplying "materials as treasure" that enable food loss and waste reduction by improving stability at the time of production and extending "delicious taste" and shelf life.

Theme 4

Food Shortage Issues

Contributing to Stable Production of Agricultural Crops

Social issues

Food Crisis due to population growth

DATA DATA Global population (future population projection: mid-level projection)

8.2 billion people (2024) ▶ 9.7 billion people (2050) ▶ 10.2 billion people (2100)

World population of undernourished people (2023)

730 million people

(equivalent to 9.1% of the world's population)

Source: World Population Prospects: The 2024 Revision, United Nations The State of Food Security and Nutrition in the World 2023, Food and Agriculture Organization of the United Nations (FAO)

Social value of ADEKA and NIHON NOHYAKU Co.,Ltd.

Around 10% of the Earth's surface can be used for growing crops and raising livestock (land covers 30%)



Compared to the required cultivation land area of 0.5 ha per capita, the land area that can be used as agricultural land is 0.2 ha per capita. An improvement in productivity per hectare is needed.

Protecting crops from pests and diseases will increase crop yields per unit area on limited agricultural land.

We will continue to create and provide agrochemicals with superior performance, selectivity, and environmental friendliness in the world to fulfill our mission and role in contributing to agricultural production activities aimed at the stable supply of safe food.
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 future of food and agriculture.

Theme 5

Expanding the Possibilities of Plastic

Meeting Diverse Manufacturing Needs with Polymer Additives

Social issues

Creating plastics that are friendly to people and the environment
Achieving a circular economy
Environmental pollution from waste plastics

Social value of ADEKA

Promoting recycling by switching to mono-material products ▶ Ultimate performance novel clarifier

Promoting re-use of plastics
Using environmentally friendly materials ▶ Environmentally friendly polymer additives

ADEKA polymer additives for creating plastics that are friendly to people and the environment, high-performance, and long-lasting

Cosmetic bottles



Automotive parts



Food containers



A novel high-performance clarifier
ADK TRANSPAREX™ series

Achieves the highest transparency in the world

Adding a small amount of the ultimate performance novel clarifier to polypropylene, one type of plastic, achieves the highest level of transparency* in the world. Using this as an alternative to polystyrene, PET, and other transparent plastics expands the possibilities in manufacturing.

* The transparency of polypropylene was evaluated using test samples 1 mm thick (Haze value). The lowest haze value on the market was 3.2. Polypropylene with the addition of TRANSPAREX™ achieved a Haze value of 2.2. Lower Haze values indicate higher transparency. (Verified by a third-party)

Environmentally friendly polymer additives
ADK CYCLOAID series

Promoting material recycling / Utilizing biomass feedstocks

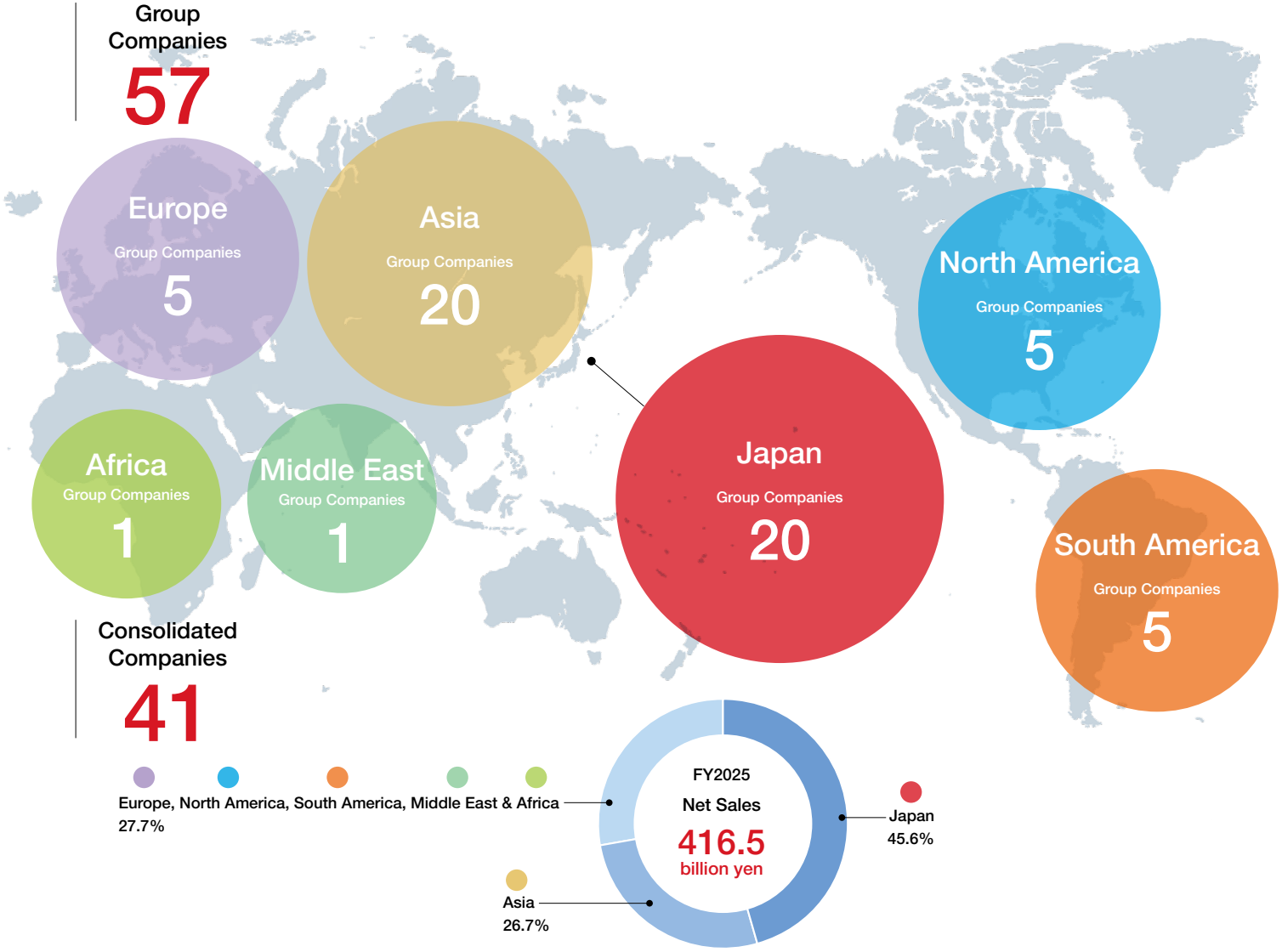
This product series contributes to a circular economy by enabling the upcycling of recycled materials through enhanced functionality and by utilizing biomass feedstocks. By increasing the proportion of recycled materials used in final products and expanding their applications, the series helps reduce CO_2 emissions. Products made using naturally derived plant-based feedstocks and mass-balance biomass feedstocks also support the transition to a low-carbon society.

Growth Strategy

The ADEKA Group is accelerating the global expansion of its businesses, centered on technologically advanced, globally competitive products, as it works toward "ADEKA VISION 2030 – An Innovative Company Contributing to a Sustainable Future and Affluent Lifestyles." We are advancing our Mid-Term Management Plan, ADX 2026, positioning this period as one for implementing further transformation toward realizing this vision.

ADEKA's Global Network

Under our management philosophy of "creating a better future for the people of the world," we are expanding our global operations for sustainable growth while helping customers and communities around the world address the challenges they face.



Message from Management



Kiyoshi Masamune
Director and Operating Officer

Bringing ADX 2026 to Completion
Sustainability Management Moves to the Next Stage

The Mid-Term Management Plan, ADX 2026, positions the three years through fiscal 2026 as a period of continued transformation toward realizing ADEKA VISION 2030. Under the plan, we have placed sustainability at the core of our growth strategy and are working to sustainably enhance corporate value through the co-creation of social and economic value.

Based on this approach, ADX 2026 sets out three key strategies: “strengthening earning power,” “promoting sustainability,” and “establishing a resilient management foundation.” We are expanding our strategic product portfolio and creating new products, contributing to solutions to social issues by expanding ADEKA Environmental Contribution Products, advancing management with an emphasis on capital efficiency, and building a management foundation capable of responding flexibly to changes in the business environment.

In fiscal 2025, the second year of the Mid-Term Management Plan, we continued to face a challenging external environment, including heightened geopolitical risks and sluggish conditions in some markets. Despite these conditions, we balanced growth in the Life Sciences Business with continued upfront investment in the Semiconductor Materials Business and set new record highs for both net sales and operating profit. In terms of shareholder returns, we also took concrete steps to improve capital efficiency through dividend increase and share buybacks.

The ADEKA Group has a diverse range of businesses. We will strengthen the growth and profitability of each business while expanding our strategic product portfolio, accelerating global expansion, and generating synergies across businesses.

In fiscal 2026, the final year of the plan, we aim to once again achieve record-high performance and ensure that the initiatives set out in ADX 2026 translate into tangible results. In doing so, we will seek to further enhance corporate value and achieve a conglomerate premium.

COMMUNICATION ON PROGRESS
UN GLOBAL COMPACT

COMMITTED
ecovadis
Sustainability Rating
OCT 2025

EcoVadis Committed Badge received in October 2025
Click here for details of the EcoVadis recognition and information on its assessment methodology.

2026
健康経営優良法人
KENKO Investment for Health
大規模法人部門

2026
Sompo Sustainability Index

JPX-NIKKEI 400

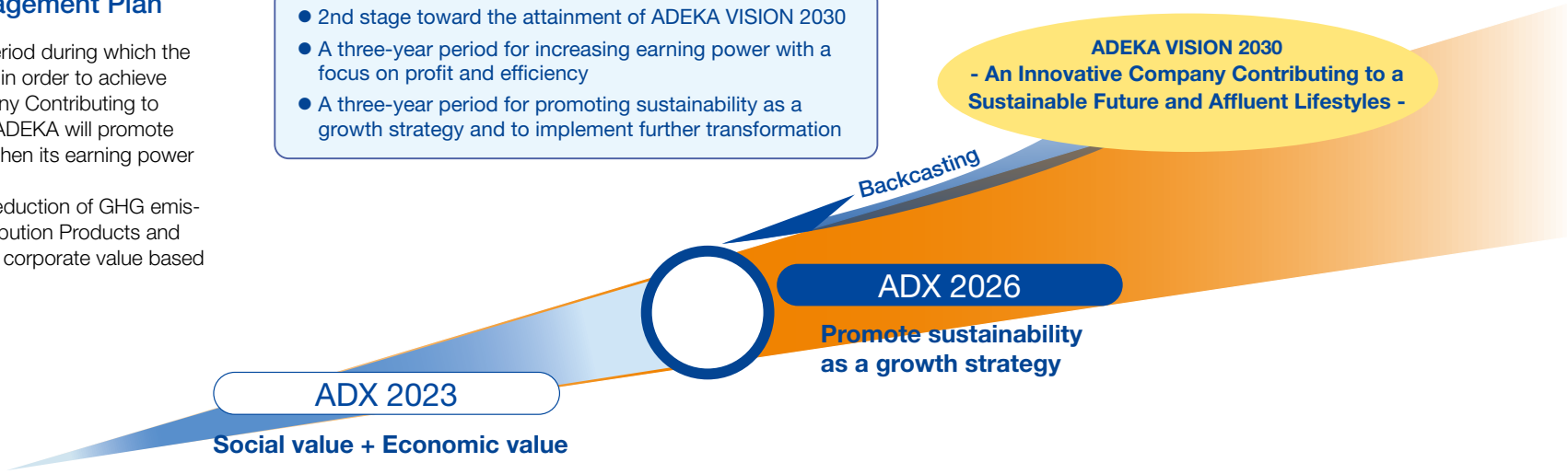
Positioning and Overview of the Mid-Term Management Plan, ADX 2026

About ADX 2026, Mid-Term Management Plan

"ADX 2026" is positioned as the three-year period during which the ADEKA Group will continue to transform itself in order to achieve "ADEKA VISION 2030 - An Innovative Company Contributing to a Sustainable Future and Affluent Lifestyles." ADEKA will promote sustainability as a growth strategy and strengthen its earning power through the creation of social value.

In addition, we will strive to promote the reduction of GHG emissions to expand ADEKA Environmental Contribution Products and achieve carbon neutrality, and further improve corporate value based on a more resilient management foundation.

- 2nd stage toward the attainment of ADEKA VISION 2030
- A three-year period for increasing earning power with a focus on profit and efficiency
- A three-year period for promoting sustainability as a growth strategy and to implement further transformation



Fundamental Policy

Improving social value and achieving sustainable growth through the promotion of sustainability
– Earning power, sustainability, and a resilient management foundation –

● Key Strategy

1. Transition to a high profitability structure
2. Increase ADEKA Environmental Contribution Products and reduce GHG emissions through business structure transformation
3. Establish a resilient management foundation

● Management Indicators

		Results for FY2024	Results for FY2025	Target for FY2026
Financial indicators	Operating profit	41.0 billion yen (Net sales: 407.1 billion yen)	41.6 billion yen (Net sales: 416.5 billion yen)	53.0 billion yen (Net sales: 500.0 billion yen)
	ROE	8.6%	9.1%	11.0%
	ROIC	9.1%	9.1%	10.5%
Sustainability indicators	Net sales of ADEKA Environmental Contribution Products	86.8 billion yen	92.4 billion yen	115.0 billion yen
	GHG emissions	211 kt-CO_2e	213 kt-CO_2e	199 kt-CO_2e
	Percentage of female managers	5.8% (non-consolidated)	5.9% (non-consolidated)	6% or more (non-consolidated)
Capital investment		18.6 billion yen	21.6 billion yen	75.0 billion yen (3 years)
Dividend policy (dividend payout ratio)		40.7%	40.3%	40% or more

Note: Amounts are rounded down to the nearest 100 million yen. Percentages are rounded to the first decimal place.

Three Key Strategies of ADX 2026

We have reviewed the progress and challenges of the fiscal year under our three key strategies covering earning power, sustainability, and the management foundation, and are applying the findings to our initiatives for the final year of ADX 2026.

Results and challenges for the fiscal year

Key strategies 1

Transition to a high profitability structure

Strengthen earning power to shift from growth focused on scale to business growth focused on profitability.

- Enlarge electronics and IT materials and restructure underperforming businesses
- Expand strategic products (execute growth strategies for each segment and SBU)
- Promote new products and implement new businesses
- Increase capital efficiency

Progress was made in strengthening the R&D foundation, although challenges remain in expanding the Strategic Product Lines.

- The Semiconductor Innovation Center was completed as a new R&D base for semiconductor materials, and a decision was made to construct manufacturing facilities for next-generation resist materials.
- Strategic Product Lines, a growth engine for the ADEKA Group, performed well in polymer additives but fell short of the Company-wide target.
- In ROIC management, we developed systems to visualize invested capital and worked to reduce assets, while promoting understanding throughout the Company through internal briefings.

Examples of products that exceeded the plan

Polymer Additives	Enhance the functionality and extend the service life of plastics and other materials when added	Clarifier HALS* High-performance plasticizer
Environmental Materials	Added to engine oil to reduce engine internal friction/wear	Lubricant additives
Life Sciences	Fast-acting control of broadleaf weeds	Herbicides (for field crops and orchard groundcover)

* Hindered amine light stabilizer

Key strategies 2

Increase ADEKA Environmental Contribution Products and reduce GHG emissions through business structure transformation

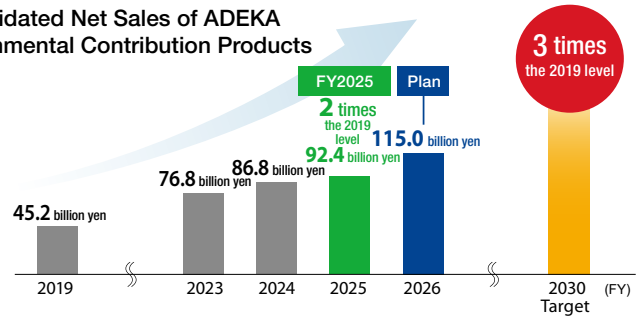
Promote sustainability initiatives and execute growth strategies that capitalize on opportunities to address social issues.

- Expand and create ADEKA Environmental Contribution Products
- Reduce GHG emissions with a view towards carbon neutrality
- Address ADEKA Group's priority sustainability issues

Sustainability initiatives progressed, although some ADEKA Environmental Contribution Products fell short of the plan.

- ADEKA Environmental Contribution Products recorded year-on-year growth, driven by lubricant additives and RSPO-certified food products, but fell short of the plan due to weak performance in semiconductor materials and polymer additives.
- GHG emissions remained in line with the plan. We continued to promote the use of electricity from renewable energy sources.
- As part of our human rights due diligence, we identified human rights issues related to food products.
- We promoted DE&I initiatives, including training to enhance psychological safety. The percentage of female managers at ADEKA on a non-consolidated basis rose 0.1 percentage points year on year to 5.9%.

Consolidated Net Sales of ADEKA Environmental Contribution Products



P.47 ► ADEKA Environmental Contribution Products

Key strategies 3

Establish a resilient management foundation

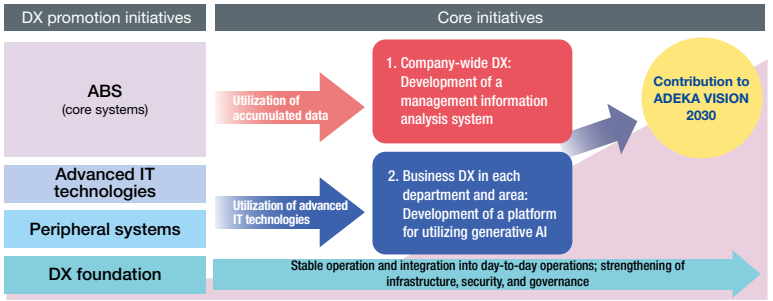
Strengthen the management foundation and establish a structure capable of responding flexibly even in a highly uncertain environment.

- Strengthen supply chains
- Enhance human capital
- Promote DX

Ongoing initiatives to strengthen the management foundation and enhance its effectiveness

- Strengthen supply stability for key raw materials through multiple sourcing and appropriate inventory management
- Develop the foundation for optimal talent allocation and development
- Advance business transformation by promoting DX initiatives and building a digital foundation
- Advance R&D and business operations through the use of generative AI and materials informatics (MI)

DX Roadmap



P.31 ► DX Roadmap



Atsushi Horiguchi
General Manager, Semiconductor Materials Planning & Marketing Department

Kenji Seki
Operating Officer
General Manager, Semiconductor Materials Sales Department

Atsuya Yoshinaka
Managing Operating Officer
General Manager, Semiconductor Materials Division

Mitsutoshi Sasajima
Operating Officer
General Manager, Semiconductor Materials Development Laboratory

Growth strategy
Special Feature 1

One year since the launch of the Semiconductor Materials Division

Business transformation has accelerated since the launch of the Semiconductor Materials Division. This feature highlights the progress achieved and initiatives toward the next stage of growth.

Building a foundation for growth through a shift in mindset and stronger R&D

The organizational restructuring in April 2025 clarified the mission of the Semiconductor Materials Division: to concentrate management resources on the Semiconductor Materials Business and drive the ADEKA Group's further growth. The most important priority in the Semiconductor Materials Business is to provide users with the materials and solutions they need in a timely manner. To keep pace with rapid technological innovation in semiconductors, we increased the number of researchers as part of the restructuring, who now account for 80% of the Division's workforce. We also established a management structure that enables swift decisions on forward-looking capital investment.

Above all, I strongly feel that a new mindset has taken root throughout the Division, with greater emphasis on communication with users and within the Company and a willingness to proactively take on new challenges and overcome obstacles.

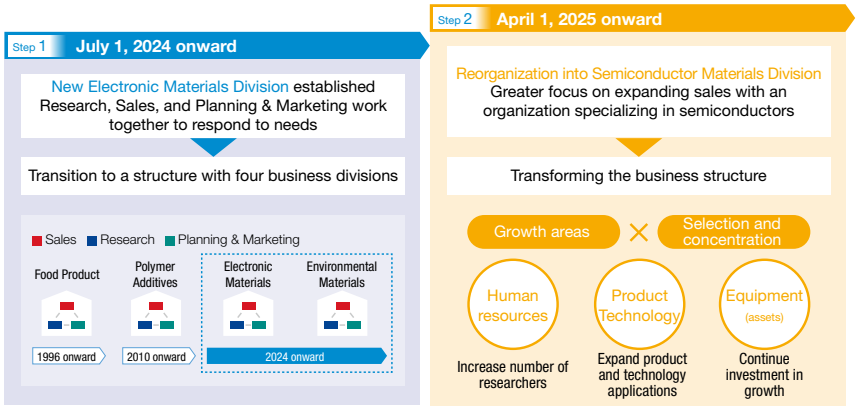
Looking ahead

The Semiconductor Materials Division's business strategy calls for sustainable business expansion through growth investment and the advancement of business portfolio management. To achieve sustainable growth, we aim to: (1) continue growth investment in ALD materials to support cutting-edge R&D and the timely supply of products and continue to lead the market; (2) aim to capture the leading market share in semiconductor lithography materials through the two pillars of photoacid generators for chemically amplified resists (CAR) and metal complex materials for metal oxide resists (MOR); and (3) enter the semiconductor back-end process materials market by identifying the material needs of advanced semiconductor packaging and combining the core technologies developed through our work on packaging materials with external collaboration.

We will also expand our business domains through external collaboration and promote business portfolio renewal by reassessing our approach to legacy businesses as we seek to further expand our Semiconductor Materials Business.

Established Semiconductor Materials Division, targeting organizational improvements / business division system

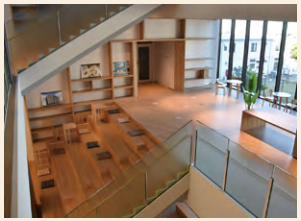
Focus on Semiconductor Market: **Concentration of Management Resources**



Semiconductor Innovation Center Full-scale operations launched in July 2026

—A core research center creating key materials for next-generation semiconductors

In July 2026, ADEKA launched full-scale operations at the Semiconductor Innovation Center to create key materials for next-generation semiconductors. As a core research center specializing in semiconductor materials, it brings together R&D, analysis, and evaluation functions. The Center features spaces that encourage interaction across departmental boundaries and foster open innovation and collaboration. It has also established an integrated research structure spanning materials development, film deposition, analysis, and evaluation. As ADEKA's new innovation hub, the Center will support advances in AI and increasingly sophisticated semiconductor technology.





Growth strategy
Special Feature 2

The expanding frontier of alternative foods: beyond plant-based foods

The origins of our R&D

Against the backdrop of global population growth and climate change, ensuring a stable food supply while reducing environmental impact has become an increasingly important challenge, driving growing interest in alternative foods, including plant-based foods made from plant-derived ingredients. Alternative foods are new foods and food ingredients that broaden the range of choices available to consumers. Unlike conventional alternatives designed to replace premium or scarce ingredients, ADEKA aims to improve the supply stability and sustainability of staple ingredients that underpin a rich and varied diet, such as eggs, dairy products, and animal fats and oils.

Drawing on the oils and fats processing technologies we have developed over many years, we began R&D on the Deli-PLANTS Series with the aim of supporting rich and varied diets well into the future and contributing to a sustainable food system by providing ingredients for food manufacturers that combine the ease of use they require with the great taste consumers expect.

Combining great taste with ease of use

Our advantage lies in our ability to combine great taste with ease of use. By combining the flavor design and oils and fats processing technologies developed over many years in our Food Products Business with carefully selected plant-derived ingredients, we recreate the rich flavor, body, and texture of dairy products and other animal-based foods.

Fresh cream and cream cheese show a noticeable decline in quality when frozen. The Deli-PLANTS Series, however, maintains good quality even after freezing and thawing. This enables customers to store and distribute their products frozen, helping address labor shortages and reduce food loss by extending shelf life.

Strategic roadmap toward 2030

We have positioned alternative foods that leverage food technology, including the Deli-PLANTS Series, as a growth driver for our Food Products Business. Toward 2030, we will expand our product lineup while pursuing both great taste and functionality and work to raise awareness in Japan and overseas.

Overseas, we will focus on East Asia, South Asia, North America, and Europe, developing these markets through our Group bases and participation in local trade shows.

By helping address social issues such as constraints on food supplies, climate change, and allergen management, we will drive growth in our Food Products Business through high-value-added products while contributing to a sustainable food future.

Initiatives to expand sales

Japan

The Deli-PLANTS Series is used across a wide range of markets, including HoReCa,* bakery products, confectionery, and beverages. While it has primarily been adopted for products marketed as plant-based, its use has recently expanded for a variety of purposes beyond its value as a plant-derived alternative, including replacing certain animal-derived ingredients affected by rising prices and supply concerns and developing products free from specific allergens.

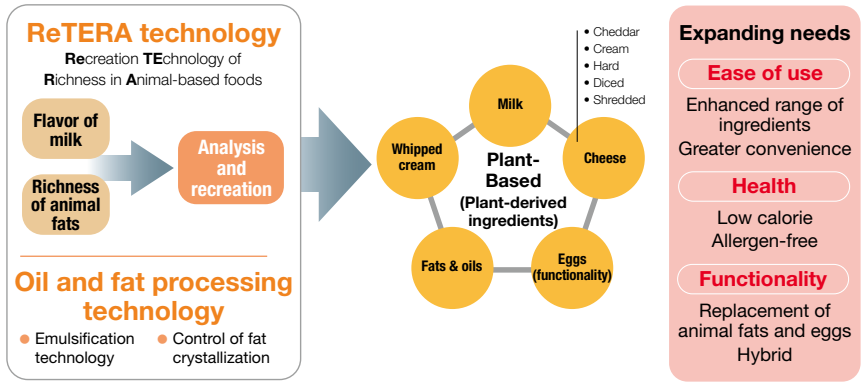
* HoReCa: The food service and commercial food sector, including hotels, restaurants, and cafés.

Overseas

The plant-based food market is expected to continue growing strongly, particularly in Europe, the United States, and India, driven by increasing awareness of environmental issues, health, and animal welfare. We are accelerating the global expansion of the high-quality Deli-PLANTS Series and will develop it into a strategic pillar of our business that supports future growth.

Easy-to-Use Plant-Based Foods with the Great Taste of Animal-Based Foods

* ADEKA defines "plant-based foods" as products in which no animal-derived ingredients are directly incorporated as raw materials or food additives.



Accelerating Global Expansion

● Market research ● Product launches (including outsourced sales)
● Export-related ● Production-related

Region	FY2022	FY2023	FY2024	FY2025	FY2026	FY2027
Japan	● Oat Conc, Cheese Creamy, Whip	● Koku-Butter, Koku Fat, Cheddar Cheese flavor	● Diced Cheese	● Shredded Cheese, Frozen Whip, Egg (for sponge cakes)	● Trial exports (Whip, Oat Conc)	
East Asia	● Market research (Southeast Asia)	● Cheese Creamy, Shredded Cheese	● Koku Fat	● Egg (for glazing)	● Koku-Butter	
	● Market research (China) →				● Koku Fat, Cheese Creamy, Koku-Butter, Egg (for glazing)	
South Asia			● Market research (India) →		● Trial exports (egg)	● Search for production partners
North America			● Market research (North America) →		● Trial exports (Frozen Whip)	● Search for production partners
Europe			● Product market research (Europe) →		● Trial exports (cheese)	● Search for production partners

Message from the Officer in Charge of Finance

Accelerating Growth Investment and ROIC Management Built on a Sound Financial Foundation

Youji Shiga
Director and Managing Operating Officer



Capturing growth opportunities on the foundation of financial soundness

The ADEKA Group has long placed a strong emphasis on financial soundness. This approach is rooted in difficult experiences from our past. Before I joined the Company in 1985, ADEKA took on a substantial debt burden to relocate its plants from Ogu in Tokyo, where our head office is now located, to Kashima in Ibaraki Prefecture and Chiba Prefecture. Although these investments were necessary to sustain our business, interest rates were high at the time, and even when we generated operating profit, heavy interest expenses made it difficult to retain net income. As a result, we went through an extended period without paying dividends. From this experience, we learned that even when a business generates profits, a heavy financial burden can limit the funds available for growth investment and shareholder returns, and that a company's financial position can have a major bearing on the choices it is able to make for the future.

This is why I believe we should continue to value the commitment to maintaining a sound financial foundation that has taken root throughout the ADEKA Group. Financial soundness is not simply about avoiding risk. It is also about maintaining the financial capacity to seize growth opportunities and make necessary investments in a timely manner. Indeed, ADEKA was able to take a major step into the semiconductor materials field in the early 1990s and subsequently expand the business into what it is today because we had worked to improve our financial position and had the support of our Food Products Business, which generated stable cash flows.

Today, the Group's equity ratio stands at 56.0%, which I consider a sufficiently sound level. As semiconductor materials have grown to account for a larger share of our business portfolio, the scale of our investments has increased. At the same time, rapid technological innovation and changes in customer needs mean that we need to shorten the payback periods for these investments. Going forward, it will therefore become increasingly important to determine how best to allocate funds for future growth while maintaining financial soundness.

To achieve this, we must reliably convert the profits generated by our businesses into cash and put that cash to effective use. By appropriately managing working capital, including inventories, receivables, and payables, as well as funds within the Group and idle assets, we will strengthen our cash-generating capacity and appropriately allocate cash to growth investment, shareholder returns, and preparations for the future.

Message from the Officer in Charge of Finance

Balancing growth investment and shareholder returns through cash allocation

One of the key themes of our current financial strategy is cash allocation. ADEKA is a manufacturer with a long history, and many of our factories and plants are aging. We will therefore need to continue allocating a certain amount of funds to maintenance and renewal investment. We must steadily make the investments necessary to sustain our businesses and support safety, quality, and stable supply.

However, there can be no future without growth. Maintenance and renewal investment has accounted for a considerable portion of our capital expenditures to date, but going forward, we need to allocate more funds to growth investment that will generate future profits. Growth investment in this context is not limited to capital expenditures to expand production capacity. ADEKA is an R&D-driven company, and we regard investment in R&D that will create future businesses as another important form of growth investment.

One example is the Semiconductor Innovation Center newly established at the ADEKA Center of Technology for Semiconductor and Sustainability (ACT-S) in Kuki. At approximately 12.0 billion yen, it represents one of the largest capital investments in ADEKA's history. In the semiconductor materials field, product cycles are short and customer needs change rapidly, making sophisticated evaluation equipment, analytical instruments, and research environments directly relevant to competitiveness. Providing researchers with the equipment and instruments they need and an environment in which they can conduct evaluations and verification under conditions equivalent to those of our customers is essential to future growth.

Capital Investment Plan (Three Years of the Mid-Term Management Plan)

		Investment amount	Percentage of total
Companywide (3 years)		75.0	
Plant investment	Polymer Additives	6.2	8.3%
	Semiconductor Materials	15.8	21.1%
	Environmental Materials	4.4	5.9%
	Food Products	10.1	13.5%
	Life Sciences	4.2	5.6%
	Other	5.0	6.7%
Research investment*		19.7	26.3%
Common and other items		9.2	12.3%

(Unit: billion yen)

* Amounts of less than 100 million yen are rounded down.
* Research investment includes the cost of constructing a new research building at the Kuki site.

Investment Amount

FY2024	18.6
FY2025	21.6
FY2026 (Forecast)	24.0

(On an investment basis, billion yen)

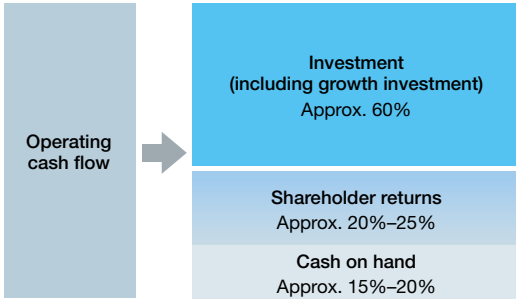
Semiconductor Innovation Center: Investment Overview

Total investment	Laboratories	Cleanroom
Approx. 12.0 billion yen	2.7 times the previous space	Over 850m² on a single floor

Significantly expanding the research workforce to accelerate R&D

As for cash allocation, my current thinking is that, assuming operating cash flow of 50.0 billion yen, an appropriate allocation might be around 60%, or 30.0 billion yen, to investments including growth investment; 20%–25%, or 10.0–12.5 billion yen, to shareholder returns; and the remaining 7.5–10.0 billion yen retained as cash on hand to prepare for the future. Going forward, however, we will need to consider the appropriate allocation in light of the strategies to be set out in our next Mid-Term Management Plan.

Approach to Cash Allocation



* Assuming operating cash flow of ¥50.0 billion.

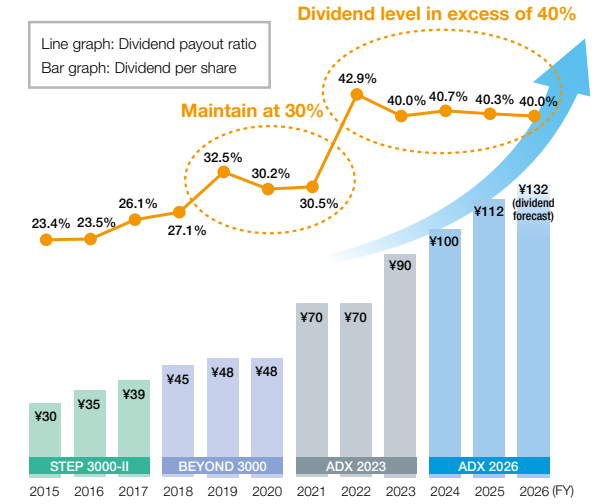
We have steadily strengthened shareholder returns with each successive Mid-Term Management Plan. Under our previous plan, ADX 2023, we targeted a dividend payout ratio of at least 30%, and under the current plan, ADX 2026, we have raised this to at least 40%. The dividend payout ratio for fiscal 2025 was 40.3%. We have increased dividends for four consecutive fiscal years and have not reduced dividends for 18 consecutive fiscal years. In fiscal 2025, we also repurchased approximately 18.0 billion yen of our own shares. Various metrics can be used as the basis for dividends, but we have adopted the dividend payout ratio because our approach is to grow earnings and strengthen our cash-generating capacity, return the resulting benefits to shareholders in a stable and flexible manner, and enable shareholders and investors to look forward to ADEKA's growth. Moving ahead, we will continue to consider and implement flexible shareholder returns, including dividends and share buybacks, while carefully balancing these with growth investment.

Dividend Performance and Policy

"ADX 2026" dividend policy

Maintain a dividend payout ratio of 40% or more

Our policy is to maintain stable dividends based on comprehensive consideration of appropriate shareholder returns



Message from the Officer in Charge of Finance

Making ROIC management a framework that changes decision-making on the front lines

Another important priority for the ADEKA Group is embedding ROIC management across the organization. Until now, our management has tended to focus primarily on the income statement, but this alone can lead to the accumulation of inventories, equipment, idle assets, and other items, leaving room for improvement in capital efficiency. We will continuously review the assets we hold and shift toward management centered on ROIC, using capital efficiently to generate profits.

As part of this effort, we are making significant progress in identifying and disposing of idle assets. Given the ADEKA Group's long history and extensive product portfolio, some plants and equipment have been retained on the assumption that they might be needed someday. We are now carefully assessing whether they are likely to be used in the future and establishing rules for disposing of assets that have remained unused for a certain period. What matters is not simply completing a one-time disposal exercise, but establishing a mechanism to ensure that these reviews continue.

We are currently developing a framework to visualize ROIC by product group, segment, plant, and other categories. We will begin by tracking actual performance and then expand the framework to budgeting and budget-to-actual management, thereby embedding ROIC into our management processes.

Inventory is particularly important in embedding ROIC management on the front lines. ROIC management enables employees to look beyond the traditional focus on quantities and view the business from the perspective of capital efficiency, taking into account invested capital, inventories, fixed assets, and profitability. Even if an item is held in small quantities, reducing its inventory can have a significant impact if it is a high-value raw material or product. This makes it easier for employees on the front lines to identify where action will lead to improvements in capital efficiency.

Of course, inventory should not simply be reduced across the board. For products that are widely used around the world and difficult to replace, we need to maintain appropriate inventory levels to ensure stable supply and prepare for geopolitical risks. The key is to distinguish necessary inventory from excess inventory. Going forward, we will also incorporate AI-based demand forecasting as we work to optimize production and inventory levels.

ROIC must not remain merely a metric managed at the head office. It needs to become a framework that supports improvement activities on the front lines and changes the way decisions are made. I envision ROIC as the heart, connected like blood vessels to each department and workplace and supporting day-to-day activities throughout the organization. If we can reach that point, I believe the ADEKA Group will become a leaner, more resilient company capable of sustainable growth.

Turning our diverse businesses into corporate value through optimal capital allocation across the Group

We operate a diverse range of businesses spanning chemicals, food products, life sciences, and other fields. Translating this diversity into corporate value is an important management priority. One of the keys is to allocate the cash generated by each business from the perspective of what is optimal for the Group as a whole.

Some investments may be difficult for an individual business to fund on its own but should nevertheless be pursued from a Group-wide perspective. At the same time, some investments and assets need to be reassessed from the standpoint of capital efficiency. I intend to allocate the necessary funds appropriately by understanding the growth opportunities and challenges of each business while taking into account the Group's overall cash-generating capacity and financial foundation.

Advancing ROIC management will provide greater clarity on the profitability and capital efficiency of each business. However, we must not focus solely on short-term ROIC at the expense of future growth opportunities. I see it as an important part of my role to support investment decisions from a Group-wide perspective, while strengthening discipline around capital efficiency and assessing future growth potential.

In this regard, the financial planning and analysis (FP&A) function, which connects business and finance, will become increasingly important. Rather than leaving decisions solely to the finance and accounting functions, we need to work with the planning functions of each business division and develop people who can support decision-making from a financial perspective while understanding the realities of each business and its market environment. If more people within each business division can think in terms of capital efficiency and cash-generating capacity while maintaining a firm understanding of the business, ROIC management will become more effective.

The diverse businesses in the ADEKA Group's portfolio cannot realize their full value simply by operating independently. It is important to connect the cash, technologies, talent, and customer bases of each business to growth across the Group. Finance will play its part by providing the capital allocation and discipline needed to achieve this.

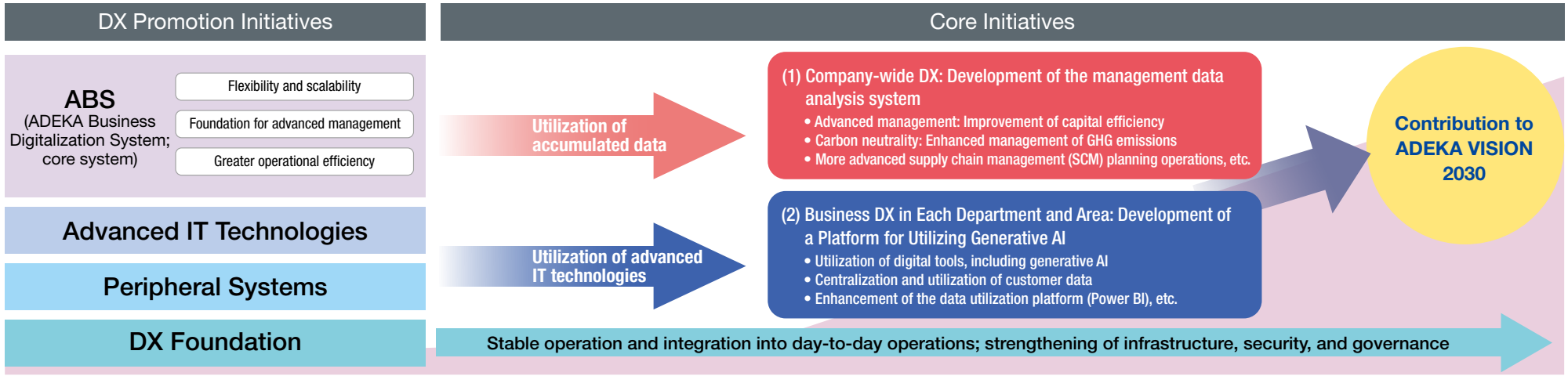
We are currently discussing how we can present our approach to cash allocation and capital efficiency more clearly as part of the development of our next Mid-Term Management Plan. While maintaining a sound financial foundation, we will pursue growth investment and shareholder returns with discipline through ROIC management and use the cash generated by our diverse businesses to enhance the corporate value of the ADEKA Group as a whole.



DX Promotion

ADEKA is promoting digital transformation (DX) to implement data-driven company activities, improve productivity, stimulate innovation, and generate results. We aim to enhance corporate value through digital technology by pushing ahead with “Group DX,” equipped with an advanced management data analysis system that uses data accumulated from the core systems of Group companies, and “Business DX,” which is equipped with a generative AI platform and uses other advanced IT technologies.

DX Roadmap



- The purpose of the management data analysis system is to support the achievement of consolidated management KPIs through data-driven business activities. We aim to establish a data utilization platform that enables all employees to act autonomously based on data, thereby promoting data-driven management.
- We will collect data from the head office’s ABS and each Group company and build a data utilization platform encompassing not only the already operational profit and loss data by business, but also ROIC by business, which is currently under development, and, going forward, non-financial data.

Case Study 1 Company-wide DX: Development of a ROIC Management System

- **Purpose:** An enterprise performance management (EPM) platform for calculating ROIC by business and visualizing ROIC trees. For management, it serves as a decision-support tool for optimally allocating resources across the business portfolio. For businesses and departments, it provides a platform for understanding asset efficiency at the product group and process levels and making improvements.
- **Progress: We** are developing the system for displaying actual performance data, designing operational frameworks, and promoting adoption. In May 2026, actual performance data for ADEKA on a non-consolidated basis was made available internally.
- **Next steps:** Consolidated actual performance data will be made available internally in November 2026. We will work to embed ROIC management in day-to-day operations while progressively enhancing functionality to cover the Mid-Term Management Plan, budgets, simulations, and other areas.

Case Study 2 Company-wide DX: Development of a Product Carbon Footprint (CFP) Calculation System

- **Purpose:** Develop a framework for analysis, management, and evaluation that enables KPIs to be set in support of both business strategies and GHG emissions reduction targets. The system will also be used to manage targets by business division and respond promptly to customer inquiries.
- **Progress:** We conducted verification of GHG emissions (CFP) calculations for individual products. Calculations using fiscal 2025 data, including non-fossil certificates, were completed in June 2026.
- **Next steps:** With a view to also covering GHG emissions (Scopes 1, 2, and 3) by organizational unit, we will proceed with system design in stages, taking into account revisions to the GHG Protocol, with the aim of full-scale implementation in fiscal 2027.

Strategy by Business

The ADEKA Group pursues innovation across its Chemicals, Food Products, and Life Sciences businesses, creating new value as it works toward realizing a sustainable society.
In Chemicals, we offer a diverse range of products spanning polymer additives, semiconductor materials, and environmental materials, supporting technological innovation and value creation across various industries. In Food Products, we provide high-value-added products developed using our proprietary technologies, including margarine and plant-based foods. In Life Sciences, we offer agrochemicals and pharmaceuticals that contribute to a stable food supply and people's health.

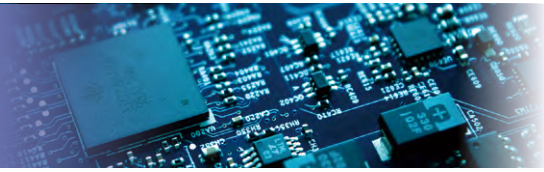
Chemicals

Polymer Additives



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

Semiconductor Materials



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

Environmental Materials



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

Food Products



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

Life Sciences



We provide agrochemicals, pharmaceuticals, veterinary pharmaceuticals, and other products to help ensure a safe and stable food supply and support healthy lives.

Other



We engage in plant design, construction management, equipment maintenance, logistics, warehousing, vehicle and other leasing services, real estate, insurance agency services, and other activities.

Polymer Additives

We aim to become a leading company in polymer additives by leveraging our capabilities in extending product life and promoting resource circulation to support the continued, responsible use of polymer materials (plastics).



Naoshi Kawamoto
Managing Operating Officer
General Manager, Polymer Additives Division

Our 2030 Aspiration

Leading the sustainable development of the polymer industry as a global leader in high-performance polymer additives.

In Polymer Additives, we contribute to the development of the polymer industry and the sustainable use of materials by enhancing the functionality of polymer materials through additives.

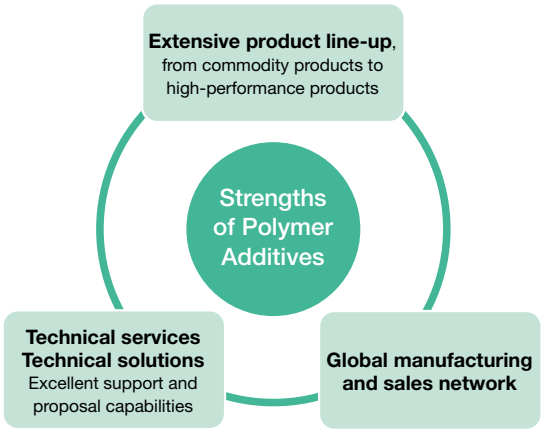
In FY2025, we launched TRANSPAREX, a new high-performance clarifier that significantly outperforms conventional clarifiers. Through TRANSPAREX, we aim to expand the applications of polypropylene by enhancing its functionality, promote recycling, and reduce environmental impact by enabling polypropylene to replace other materials.

The business environment surrounding the polymer industry is undergoing significant change, driven in part by heightened geopolitical risks. Against this backdrop, the Polymer Additives Division will provide solutions through high-performance additives, including those used in polymer materials that support food safety and healthcare. By responding closely to the needs of society and our customers, we will contribute to the realization of a sustainable society.

Strengths

We offer a diverse range of polymer additives, including nucleating agents and clarifiers, antioxidants, light stabilizers, plasticizers, and PVC stabilizers, to meet a wide variety of customer needs.

Leveraging our comprehensive technical services and support, together with our global network of bases, we provide optimal solutions to customers around the world.



Business Environment

- Significant changes in supply chains due to shifts in U.S. policies and restructuring in the petrochemical industry
- Persistently low operating rates at polymers production facilities in Europe, the Middle East, and South Korea
- Restrictions or disruptions in raw material supplies and declining customer operating rates due to the situation in the Middle East

Risks

- Rising raw material prices and logistics costs due to conflicts in the Middle East, the closure of shipping straits, and other factors
- Tightening regulations on plastics
- Foreign exchange fluctuations

Opportunities

- Growing demand for polymers driven by global population growth
- Increasing substitution with polypropylene polymers that can reduce environmental impact
- Growing demand for recycled polymers

Strategies

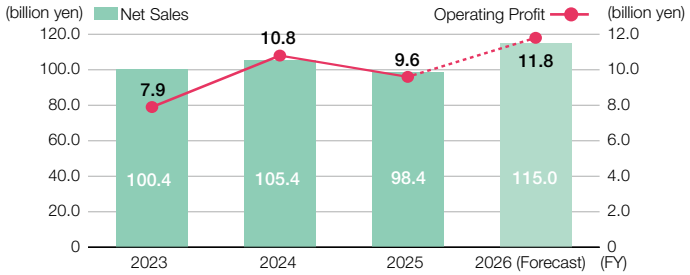
- Shift toward high-value-added products
- Launch TRANSPAREX, a new high-performance clarifier, and other technologically advanced products
- Enter new global markets, particularly regions where we have no presence
- Strengthen supply chains and diversify the product portfolio
- Optimize global production and supply structures
- Set appropriate prices that reflect costs and market conditions

Progress in the Second Year of the Mid-Term Management Plan and the Road Ahead

Amid continued weakness in the home appliance and electric vehicle (EV) markets, intensifying price competition led to sluggish sales of flame retardants, particularly in Europe and the United States. Although automobile production showed signs of recovery, slowing production in the petrochemical industry weighed on sales of antioxidants, which are widely used in plastic products. Meanwhile, sales of PVC stabilizers for electric cables remained strong, supported by growing investment in data centers. As a result, sales and profits declined in FY2025 due to deteriorating global market conditions. However, high-performance products helped support profit margins, enabling operating profit to exceed the Mid-Term Management Plan target.

With the petrochemical industry facing challenging conditions, particularly amid developments in the Middle East, we will work to maintain stable supplies by strengthening our production structure and implementing business continuity planning (BCP) measures. At the same time, we will expand sales of TRANSPAREX, our new high-performance clarifier, and develop and strengthen product lines with leading market shares. We aim to achieve steady growth through our portfolio of high-performance products, including existing offerings. We will also expand sales of ADEKA Environmental Contribution Products, including the ADK CYCLOAID series, to drive business growth while contributing to society.

Trends in Polymer Additives Net Sales and Operating Profit



Polymer Additives

Characteristics across the value chain

Research and development

As a comprehensive polymer additives manufacturer, we pursue R&D through two complementary functions: a development function that addresses customer challenges and promotes market development through comprehensive technical services and support, and a research function that develops new products in anticipation of future societal needs.

Our development function provides total solutions by combining a diverse range of polymer additives with our evaluation capabilities and ability to propose solutions, helping create new applications and markets. Our research function has successfully developed TRANSPAREX™, which gives polypropylene world-leading levels of transparency, and is advancing the development of polymer additives that help address social challenges such as resource circulation and reducing environmental impact.



▶ ADK TRANSPAREX™ Special Website
▶ ADK TRANSPAREX™ Introduction Video

Production structure

- **Domestic: Mie Plant, Chiba Plant, OXIRANE CHEMICAL CORP.**
- **Overseas: China, Taiwan, Korea, Thailand, USA, UAE, France**

The Mie Plant serves as the mother plant for our global production network, playing a central role in production operations worldwide.

This global production structure enables us to maintain a stable supply of ADEKA-quality products, earning the trust of customers around the world and delivering sustainable value.

Main customers

- **Polymers manufacturers and compounders**

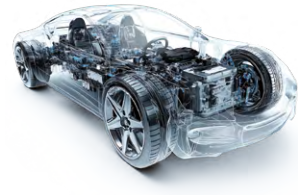
We supply polymer additives to a wide range of industries that support society, including automotive components, food packaging, housing and construction materials, and healthcare.

Through our global sales and supply network, we provide product proposals and technical support tailored to market and customer needs in each region, helping address local challenges while driving business expansion in overseas markets and achieving sustainable growth.

Main products

● **Additives for polyolefins**	ADK STAB series
● **Plasticizers/PVC stabilizers**	ADK CIZER and ADK STAB series
● **Flame retardant**	ADK STAB FP series
● **Environmentally friendly polymer additives**	ADK CYCLOAID series
● **New high-performance clarifier**	ADK TRANSPAREX series


Cosmetic bottles


Automotive parts

TOPICS



Accelerating the practical adoption of environmentally friendly, polymer additives ADK CYCLOAID products across global supply chains

In Polymer Additives, we are working to reduce environmental impact while enhancing product functionality in response to growing concerns over plastic waste and the transition to a circular economy. At the core of these efforts is our ADK CYCLOAID series, a brand of additives that impart functionality to environmentally conscious plastics, enabling them to achieve performance equal to or greater than that of conventional materials.

Through this brand, we are creating environmental value while pursuing sustainable business growth. One example is the adoption of ADK CYCLOAID FP-600I, a flame retardant incorporating biomass-based raw materials through the mass balance approach, in Sony's BRAVIA 9 II 4K LCD TV. This flame retardant delivers flame retardancy and thermal stability equal to or better than those of conventional products, as well as enhanced safety through its halogen-free formulation and the use of biomass-based raw materials under ISCC PLUS certification.

This initiative demonstrates the practical application of renewable plastics through a global supply chain involving multiple companies, representing an important step toward accelerating the adoption of environmentally friendly materials.

Going forward, we will expand applications, particularly in home appliances, office automation equipment, and electronics, and strengthen collaboration across the entire supply chain. By providing environmentally friendly solutions, we will continue contributing to the realization of a sustainable society.

[Related Press Releases]

▶ Environmentally Friendly Polymer Additive "ADK CYCLOAID FP-600I" Adopted for select models of Sony's BRAVIA® 9 II RGB TVs
▶ Establishment of the World's First Global Supply Chain to Introduce the Use of Renewable Plastics in Sony's High-Performance Products

Semiconductor Materials

We provide a diverse range of products essential to the development of an ICT-based society, contributing to richer lives for people around the world.



Atsuya Yoshinaka
Managing Operating Officer
General Manager,
Semiconductor Materials Division

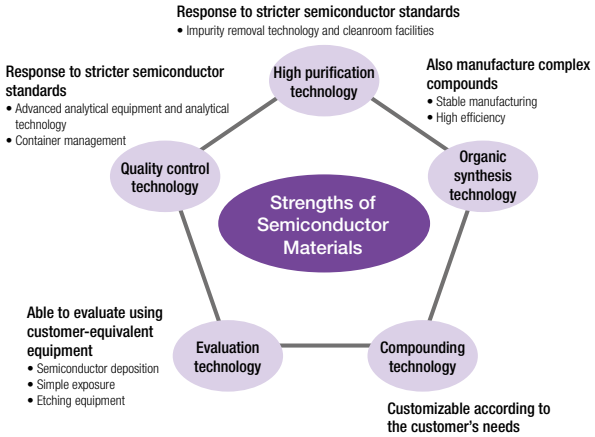
Our 2030 Aspiration

Supporting the development of an ICT-based society amid profound changes driven by paradigm shifts, creating new value through innovative and advanced materials, and contributing to richer lives for people around the world.

Semiconductors underpin the development of an ICT-based society, and we aim to create social and corporate value by developing materials essential to semiconductor manufacturing. In FY2025, we reorganized our operations to establish a business headquarters dedicated exclusively to semiconductors. This has enabled us to establish R&D and management structures that keep pace with rapid technological advances in the semiconductor industry. By responding to diverse customer and market needs and continuously delivering new materials and technologies in a timely manner, we will support the foundations of an increasingly AI-driven society and work toward realizing our 2030 aspiration.

Strengths

We develop high-performance, high-quality semiconductor materials using advanced organic synthesis and purification technologies. We also employ instrumental analysis technologies to ensure product quality and specialized container technologies to preserve that quality during delivery to customers. Furthermore, by leveraging evaluation equipment and technologies comparable to those used by our customers, we go beyond supplying materials to offer solutions that maximize their value.



Organizational structure comprising 80% R&D personnel

Business Environment

- Further growth in demand for advanced semiconductors driven by the rapid expansion of an AI-driven society
- Changes in global supply chains
- Emerging geopolitical risks arising from conflicts

Risks

- Rising raw material prices
- Heightened geopolitical risks
- Market fluctuations

Opportunities

- Growing demand for advanced semiconductors used in AI applications
- Increasingly sophisticated material requirements
- Shifts in technology trends

Strategies

- ALD materials: Expand the development of ALD materials from memory to logic semiconductors, and from high-k materials to interconnect materials and low-k materials
- Semiconductor lithography materials: Focus on developing photoacid generators for advanced photoresists (ArF and EUV) and metal oxide resist (MOR) materials for next-generation EUV lithography
- Semiconductor back-end process materials: Enter the semiconductor back-end process market by applying technologies developed for packaging process materials
- Advance R&D in collaboration with customers and continuously introduce analytical and evaluation equipment to provide solutions that address challenges in next-generation semiconductor development

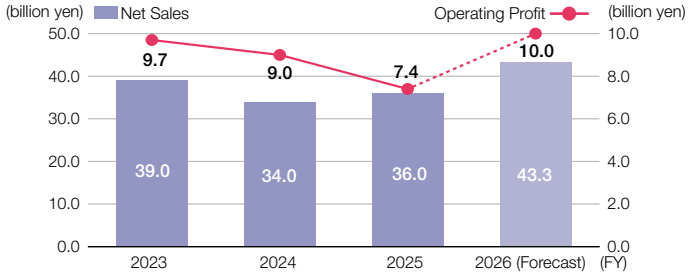
Progress in the Second Year of the Mid-Term Management Plan and the Road Ahead

Sales of high-k materials began to increase in the third quarter, driven by growing demand for advanced DRAM used in AI semiconductors. Sales of semiconductor lithography materials for advanced photoresists were also strong, supported by the increasing adoption of EUV lithography equipment and growing demand for PFAS-free materials. Overall, progress in the second year of the Mid-Term Management Plan was solid. However, increased costs associated with capital investment and the expansion of our research workforce to support medium- to long-term growth temporarily reduced profitability in FY2025. From FY2026 onward, we aim to realize the benefits of these investments as advances in AI drive further growth in the memory and logic semiconductor markets.

In South Korea, shipments of new products for advanced DRAM are increasing from our newly established ALD materials plant. In Taiwan, customer evaluations of products manufactured at our semiconductor materials plant, built to serve the logic semiconductor market, are progressing. In Japan, to meet growing demand for metal oxide resists (MORs) in advanced semiconductor manufacturing processes, we have begun construction of a new plant for metal complex materials used in MORs at the Kashima Chemicals Plant. We have also decided to expand production capacity for photoacid generators used in advanced semiconductor photoresists at the Chiba Plant.

Moving ahead, we will continue investing in growth to ensure timely product supply and capitalize on expanding demand for AI semiconductors.

Trends in Semiconductor Materials Net Sales and Operating Profit



* Figures reflect the revised product classifications.

Semiconductor Materials

Characteristics across the value chain

Research and development



The seven-story Semiconductor Innovation Center, built at our Kuki site, has approximately three times the laboratory and cleanroom space of our previous research facilities in Ogu, providing room for additional researchers and evaluation equipment. This will enable us to expand ALD materials development from memory to logic semiconductors and accelerate the development of lithography materials for next-generation EUV applications. We will also continue expanding our ALD equipment and film analysis capabilities to provide solutions that go beyond materials supply and address customer challenges in next-generation semiconductor development.

Production structure

- **Domestic: Kashima Chemicals Plant, Chiba Plant, Fuji Plant**
- **Overseas: ADEKA KOREA Corporation, Jeonju Plant (South Korea), ADEKA Fine Chemical Taiwan Corporation, Tainan Plant (Taiwan)**

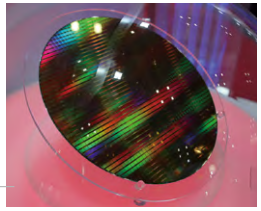
We entered the semiconductor materials market in 1988 with the production of TEOS at the Kashima Chemicals Plant. We subsequently began producing high-k dielectric materials for DRAM at the same plant in 2004 and at ADEKA KOREA in 2006, expanding the business through a two-base production structure in Japan and South Korea. In 2012, we began operating a photoacid generator plant at the Chiba Plant, followed by the establishment of a new plant for logic semiconductors in Taiwan in 2024. As our business domains have expanded, so too has our global production network. The Kashima Chemicals Plant serves as the mother plant for our global semiconductor materials operations and plays a central role in production technology.

Main customers

- **Device manufacturers in Japan and overseas**
- **Photoresist manufacturers in Japan and overseas**
- **Package substrate manufacturers in Japan and overseas**

We currently supply packaging process materials to package substrate manufacturers and are expanding into semiconductor back-end process materials. As a result, we expect to broaden our customer base to include outsourced semiconductor assembly and test (OSAT) providers, electronic component and module manufacturers, and automotive substrate manufacturers in Japan and overseas.

Main products

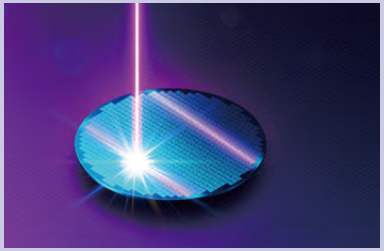




High-k materials for semiconductors	ADEKA ORCERA series
Photoacid generators for semiconductor photoresists	ADEKA ARKLS series
Etching solutions	ADEKA CHELUMICA series
Insulation and heat dissipation adhesive sheets for multilayer boards	ADEKA FILTERA series

TOPICS

Toward mass production of next-generation MOR photoresist materials leveraging our metal complex synthesis technologies



Metal oxide resist (MOR) is a next-generation photoresist material used in advanced semiconductor manufacturing processes and is essential for cutting-edge EUV lithography. In lithography, which forms fine circuit patterns, high-numerical-aperture EUV (High-NA EUV) lithography equipment is expected to see widespread adoption to meet the demand for further miniaturization, enabling even finer patterns through higher exposure resolution. This is driving a fundamental shift in photoresist materials, with adoption of MOR expected to expand alongside the chemically amplified resists (CARs) that currently dominate the market.

We recognized the potential of this growth area early and are advancing the commercialization of organometallic compounds for MOR by leveraging our expertise in metal complex synthesis. With the Kashima Chemicals Plant as our core production base, we are establishing mass production capabilities and strengthening our quality assurance systems through the construction of a new plant. We will also continue developing our global supply network in collaboration with major photoresist manufacturers.

Environmental Materials

Aiming to become "An Innovative Company Contributing to a Sustainable Future and Affluent Lifestyles," we provide products that are considerate of people and the environment to enable convenient, comfortable lifestyles.



Shigeki Fujisawa
Managing Operating Officer
General Manager, Environmental Materials Division

Our 2030 Aspiration

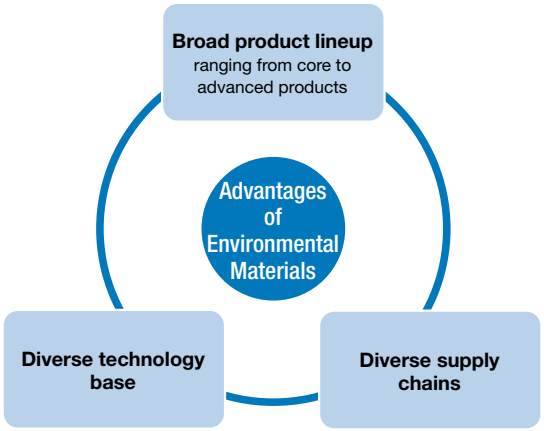
A company creating the future toward 2050 through ADEKA's technologies, realizing a sustainable society and affluent lifestyles

To help ADEKA become "An Innovative Company Contributing to a Sustainable Future and Affluent Lifestyles," the Environmental Materials Division will expand globally, create new businesses, and pursue structural reforms through selection and concentration. To help address social issues, including climate change, we will bring together ADEKA's diverse technologies and expertise to pursue both social and economic value.

Strengths

The Environmental Materials Division has a diverse range of technologies, products, and supply chains.

By providing customers with high-performance, high-value-added products with a low environmental impact that meet their needs, we create essential value and contribute to a sustainable society.



Business Environment

- Heightened geopolitical tensions and increasing natural disasters
- Rapid proliferation and expansion of AI and data centers
- Increasing energy consumption
- Conflicting challenges of decarbonization and energy and economic security

Risks

- Uncertainty in raw material procurement
- Rising raw material and fuel prices
- Increasing energy costs
- Influx of low-priced overseas products into the Japanese market

Opportunities

- Advances in digital technologies
- Tighter environmental regulations
- Demand for energy savings and products with a low environmental impact

Strategies

- Global expansion of strategic products and ADEKA Environmental Contribution Products
- Creation of new businesses (battery materials, semiconductor materials, etc.)
- Promotion of selection and concentration

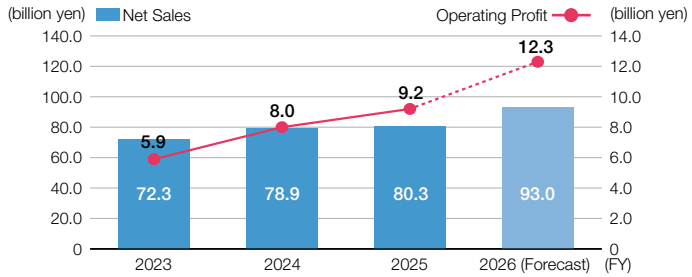
Progress in the Second Year of the Mid-Term Management Plan and the Road Ahead

In the second year of the Mid-Term Management Plan, we focused on the electronics, mobility, and consumer goods industry (GX) fields and pursued three basic strategies: "global expansion," "creation of new businesses," and "selection and concentration." In electronics, we advanced technology development in step with the spread of AI and ongoing digitalization, focusing on market development for high-performance products for advanced semiconductors. In mobility, we worked to expand lubricant additives globally while developing and promoting products that address needs related to autonomous driving and weight reduction, adapting our business to changes in the market environment. In the consumer goods industry (GX), we expanded products and technologies that help reduce environmental impact and strengthened initiatives aimed at realizing a sustainable society.

Meanwhile, we pursued selection and concentration in our existing businesses and worked to improve profitability by reviewing our business portfolio. With an eye to future business growth, we also continued R&D investment in new fields, including materials for next-generation rechargeable batteries, thereby strengthening the foundation for medium- to long-term growth.

Going forward, we will closely track changes in market and customer needs and work to sustainably enhance business value by addressing environmental and social issues while achieving business growth.

Trends in Environmental Materials Net Sales and Operating Profit



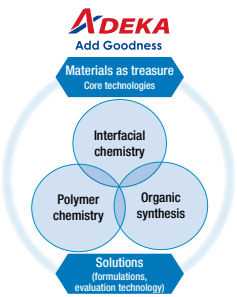
* Figures reflect the revised product classifications

Environmental Materials

Characteristics across the value chain

Research and development

For our target fields of electronics, mobility, and the consumer goods industry (GX), we provide new “materials as treasure” and solutions created through the core technologies we have cultivated over many years. To quickly identify changes in the market environment and customer needs, we have established development bases in Taiwan and China, creating a global R&D structure. We are also conducting R&D for new businesses, including ADEKA Environmental Contribution Products and materials for next-generation rechargeable batteries.



Production structure

- **Domestic: Chiba Plant, Soma Plant, Fuji Plant, Mie Plant, Kashima Chemicals Plant**
- **Overseas: ADEKA FINE CHEMICAL (ZHEJIANG) CO., LTD. (China)**
  ADEKA FINE CHEMICAL TAIWAN CORP. (Taiwan)
  AMFINE CHEMICAL CORP. (U.S.A.)

The Environmental Materials Division offers a diverse product lineup, with many products having earned longstanding support in global markets. To accommodate this broad product portfolio, we have established an optimal production structure that leverages the distinctive capabilities of each of our plants in Japan and overseas.

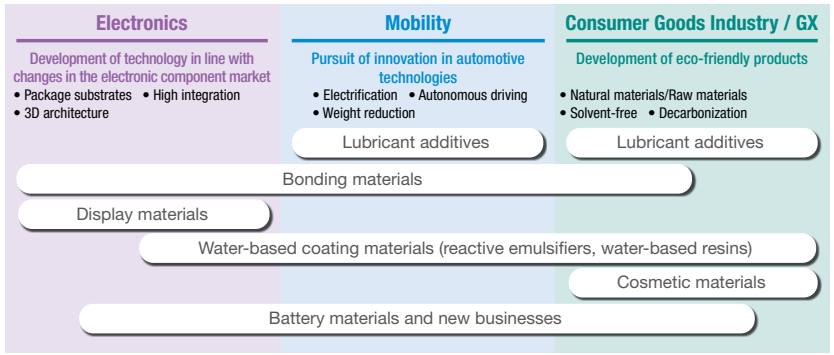
Main customers

Electronics: LCD panel manufacturers, electronic component manufacturers
Mobility: Oil manufacturers, automotive component manufacturers, adhesive manufacturers
Consumer goods industry (GX): Paint manufacturers, cosmetics manufacturers, household and consumer goods manufacturers

The Environmental Materials Division primarily serves companies in the electronics, mobility, and consumer goods industry (GX) in Japan and overseas, providing high-performance materials for semiconductors and displays, automobiles, paints, cosmetics, and household products.

Main products

● Epoxy resin adhesives	ADEKA REMYLOP series
● Display materials	ADEKA ARKLS series
● Reactive emulsifiers	ADEKA REASOAP series
● Lubricant additives	ADEKA SAKURA-LUBE series
● Cosmetic materials	ADEKA NOL series









TOPICS

Reducing CO_2 emissions through improved fuel efficiency: ADEKA SAKURA-LUBE Lubricant Additives

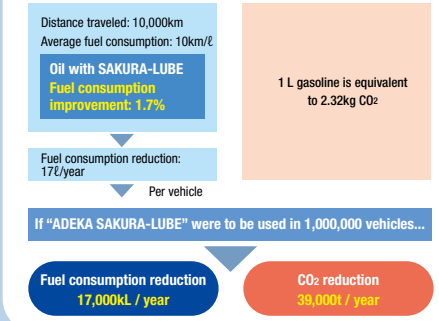
The ADEKA SAKURA-LUBE series comprises organo-molybdenum lubricant additives developed using ADEKA’s proprietary technologies. When added to lubricants, they significantly reduce friction. These multifunctional additives also help prevent wear and inhibit oxidative degradation.

Their friction-reducing performance, which contributes to lower energy consumption, is highly regarded worldwide. In the automotive industry in particular, they are used in engine oils, greases, and other lubricants, helping improve fuel efficiency.

Adding ADEKA SAKURA-LUBE to engine oil can improve fuel efficiency by up to 1.7%. While 1.7% may not seem like a significant difference, the impact at a societal level can be substantial. For example, if ADEKA SAKURA-LUBE were used in one million vehicles, it is estimated that fuel consumption would be reduced by 17,000 kL per year and CO_2 emissions by 39,000 t per year. ADEKA SAKURA-LUBE is highly valued both in Japan and overseas as one of ADEKA’s “materials as treasure” capable of meeting increasingly stringent fuel-efficiency regulations worldwide.



CO_2 emissions reduction figures



Food Products

With "The Delicious Taste You Can Rely On" as our brand slogan, we provide high-value-added processed oils and fats and processed food products for commercial use, developed using our proprietary technologies.



Kenji Ikeda
Senior Operating Officer,
General Manager, Foods Division

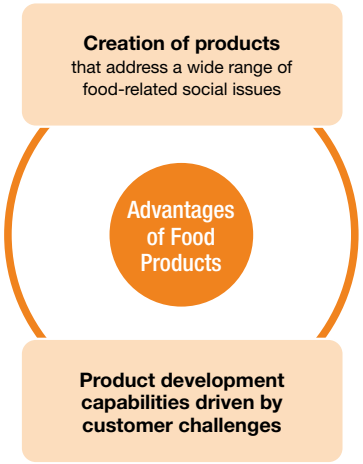
Our 2030 Aspiration

Contributing to a sustainable society and rich and varied diets worldwide through food technology centered on oil and fat processing technology

Building on its oil and fat processing technology, the Food Products Business has worked to address a wide range of social issues in the food sector. By engaging with customers from the earliest stages of identifying their needs, we have created high-value-added products that contribute to higher quality and greater production efficiency. Going forward, we will accelerate growth in global markets while responding to emerging demand for environmentally conscious and health-oriented products, thereby contributing to a sustainable society and rich and varied diets.

Strengths

Our competitive advantage lies in our ability to provide high-performance materials that address customer challenges, drawing on proprietary technologies such as oil and fat crystallization control and emulsification. Our ability to help customers achieve both higher quality and optimized costs further enhances our competitiveness.



Business Environment

- Global population growth
- Declining and aging population in Japan and rising labor costs
- Tightening environmental and other regulations
- Heightened geopolitical risks and prolonged economic downturn in China

Risks

- Increasing volatility in raw material prices
- Foreign exchange impacts (yen depreciation)
- Rising costs across a wide range of areas
- Prolonged instability in the Middle East

Opportunities

- Growing demand for health-oriented and environmentally conscious products
- Inbound tourism and export demand

Strategies

- Strengthen our ability to propose solutions that directly address customer challenges, centered on functional oils and fats and plant-based ingredients
- Accelerate global expansion and achieve sustainable growth by developing products tailored to regional characteristics and optimizing supply structures

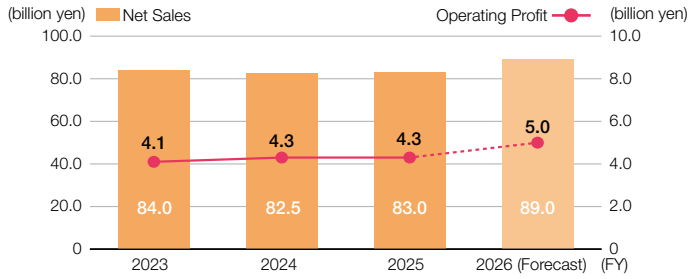
Progress in the Second Year of the Mid-Term Management Plan and the Road Ahead

The Food Products Business has evolved beyond simply supplying ingredients to providing high-value-added proposals and solutions that enhance the value of customers' products. In particular, oil and fat products with added functionality, such as texture control and extended shelf life, are helping customers enhance the value of their products, enabling us to establish a business model with strong pricing power. Similar needs are also growing in overseas markets, and we see significant scope for earnings growth through global expansion. By increasing the proportion of high-value-added products, we will continue to evolve our business portfolio to achieve both sales growth and higher profit margins.

Building on these initiatives, in FY2026, the final year of the Mid-Term Management Plan, we will further accelerate sales expansion and market development for strategic products in Japan and overseas. Overseas in particular, we will expand into Europe, the United States, and India in addition to Southeast Asia, thereby strengthening our earnings base. We will also optimize our production structure, improve efficiency through DX and automation, expand ADEKA Environmental Contribution Products, and advance sustainability initiatives such as reducing GHG emissions, while continuing the shift toward a business portfolio in which high-value-added products drive growth.

Over the medium to long term, we will accelerate investment in growth areas, including plant-based foods, and advance global business expansion and production innovation. By expanding high-value-added products that leverage our proprietary technologies, we aim to achieve sustainable earnings growth and enhance corporate value.

Trends in Food Products Net Sales and Operating Profit



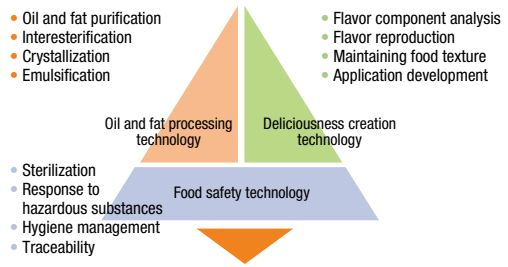
Food Products

Characteristics across the value chain

Research and development

● Accelerating R&D

By establishing an R&D structure within the business headquarters, we are able to rapidly incorporate market needs into product development. We will further enhance the functionality of oil and fat products to increase the added value of customers' products and accelerate the creation of differentiated, highly profitable products.



Contributing to solving issues in the food industry

Production structure

- **Domestic: Kashima Foods Plant, Akashi Plant, ADEKA FINE FOODS CORP.**
- **Overseas: Singapore, Malaysia, China**

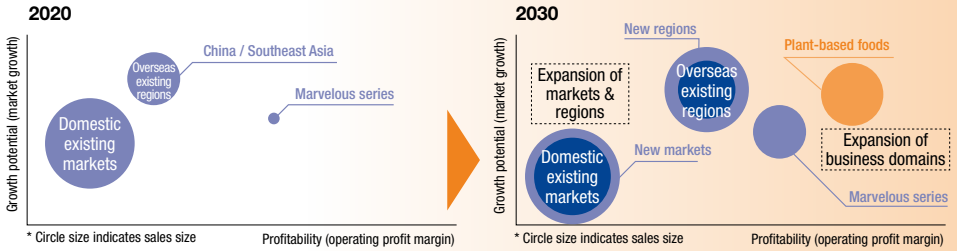
Optimizing the global production structure

We have clarified the roles of our production bases in Japan and overseas and established a structure that combines production efficiency with supply stability. By strengthening supply capacity in markets where demand is expected to grow and optimizing costs, we are working to strengthen our earnings base.

Main customers

- **Food manufacturers in Japan and overseas (bakery and confectionery), food service and prepared meal providers, and processed food companies**

We have built a stable customer base centered on a wide range of food manufacturers in Japan and overseas. In addition, by expanding our overseas bases, we are strengthening our supply structure close to markets where demand is concentrated, enabling us to both capture growth in these markets and expand earnings.



Main products

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

Example of Deliciousness Creation Technology

ReTERA technology

Recreation TEchnology of Richness in Animal-based foods

ADEKA's unique technology to reproduce the deliciousness and satisfaction without using animal-based ingredients

Development of the Deli-PLANTS series combining great taste with ease of use

12-Product lineup (as of April 2026)



TOPICS

Overseas expansion

At our existing bases, primarily in East Asia, earnings have declined amid the prolonged economic downturn in China and intensifying competition, making the restructuring of our product portfolio an urgent priority. We will work to increase adoption rates and improve pricing by introducing functional products suited to market conditions, strengthening relationships with key customers, and enhancing application proposals. In the new markets of North America, Europe, and India, we will progressively transition from an export-based approach to locally based operations, accelerating our efforts to capture growth markets and diversify our earnings base.

ADEKA Environmental Contribution Products

Sales and profits both exceeded the plan, driven by expanded sales of RSPO-certified oils and products that help reduce food loss, further reinforcing this area's position as a core growth driver that combines business growth with sustainability. Alongside initiatives to reduce GHG emissions, we will expand ADEKA Environmental Contribution Products to address customers' needs for decarbonization and resource circulation, thereby strengthening our competitive advantage and enhancing corporate value.

Life Sciences

As a "Global Innovator for Crop & Life," we will accelerate the expansion of our business domains into animal health and pharmaceuticals as we pursue sustained growth in corporate value over the medium to long term.



Ken-ichi Hashizume
Senior Executive Officer, General Manager, Corporate Planning Division
In Charge of the Environment, Safety & Quality Assurance Department
NIHON NOHYAKU CO., LTD.

Our 2030 Aspiration

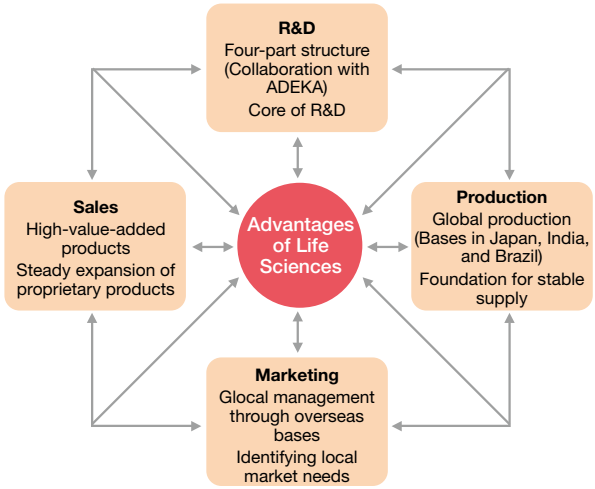
Social recognition as a life sciences company

Since its establishment in 1928, NIHON NOHYAKU has contributed to the development of agriculture worldwide through its proprietary drug discovery technologies, guided by its mission of "ensuring a safe and steady food supply and protecting quality of life." Today, we are accelerating the development of environmentally friendly products that support sustainable agriculture, while expanding our business domains into animal health and pharmaceuticals through collaboration with ADEKA. Going forward, we will transcend the boundaries of an agrochemical manufacturer to become a "Global Innovator for Crop & Life," pursuing sustained growth in corporate value over the medium to long term through management focused on capital efficiency.

Strengths

Our greatest advantage is our efficient "four-part structure" for R&D, which brings together synthesis, biological research, safety, and research support functions at a single location, together with our proprietary intellectual property creation capabilities. Through the twin pillars of "glocal management," which feeds needs identified in markets around the world back into R&D, and "global production," with production hubs in Japan, India, and Brazil, we provide a stable supply of products to more than 100 countries worldwide. We are also expanding our business domains through high-value-added initiatives that benefit our stakeholders.

Advantages of Life Sciences



Business Environment

- Growing food demand driven by population growth and increasing geopolitical risks
- Tighter environmental regulations and the impacts of climate change
- Accelerating declines in productivity due to the shrinking and aging agricultural workforce
- Expansion of the life sciences domain across the ADEKA Group

Risks

- Rising raw material and energy costs
- Risk of registration expiration for existing products
- Production disruptions due to labor shortages
- Declining investment efficiency due to longer R&D timelines (increasing difficulty of drug discovery)

Opportunities

- Expansion of growth markets, including India and Brazil
- Rapidly growing demand for environmentally friendly products, biological pesticides, and biostimulants
- Growing adoption of smart agriculture and labor-saving technologies
- **Expansion into animal health and other fields through collaboration between the R&D divisions of ADEKA and NIHON NOHYAKU**

Strategies

- Expand overseas direct sales bases and diversify manufacturing sources
- Accelerate the full-scale rollout of environmentally friendly products, biological pesticides, and biostimulants
- Provide crop protection optimization services utilizing AI and digital technologies
- **Accelerate the commercialization of veterinary pharmaceuticals through joint research between the R&D divisions of ADEKA and NIHON NOHYAKU**

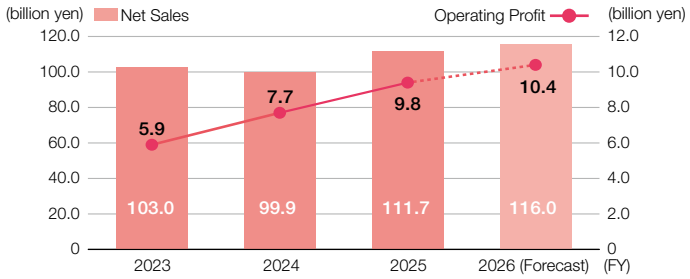
Progress in the Second Year of the Mid-Term Management Plan and the Road Ahead

In FY2025, the second year of the Mid-Term Management Plan, the continued expansion of our global direct sales structure delivered results, with consolidated net sales reaching a record-high ¥111.7 billion, up 11.8% year on year, and operating profit a record-high ¥9.8 billion, up 26.4% year on year. Expansion of direct sales in Europe and the United States and strong domestic demand offset the impact of unfavorable weather conditions in Latin America and other regions, demonstrating the resilience of our earnings base.

On the non-financial front, we made steady progress in strengthening environmental, social, and human capital through initiatives including the wider adoption of environmentally friendly products, the promotion of smart agriculture, and recognition as a Health & Productivity Management Outstanding Organization. R&D in the life sciences domain through collaboration between ADEKA and NIHON NOHYAKU is also accelerating, with steady progress in building a distinctive base of technologies and expertise to support future growth.

In FY2026, the final year of ADX 2026, we will further strengthen the sales capabilities of our global direct sales network while improving profitability in growth markets such as India and Brazil. We will also work to maximize the value of newly developed agrochemicals and build the foundations for our next stage of growth. With our proprietary drug discovery platform at the core, we will drive our transformation into a "Global Innovator for Crop & Life," pursuing sustainable enhancement of corporate value and returns to stakeholders.

Trends in Life Sciences Net Sales and Operating Profit



Life Sciences

Characteristics across the value chain

R&D and marketing structure (coordination between planning functions within the business headquarters and the R&D Headquarters)

The marketing functions within the business headquarters work closely with the General Research Center to accurately analyze market needs and disease and pest outbreaks in each country. Through this data-driven, market-in approach and our "Global Strategy Project," which promotes cross-functional collaboration among Group companies and departments, we maximize the speed of the entire process, from new drug discovery through simultaneous global development, enabling us to develop products that directly address challenges in the field.

Production structure (major plants in Japan and overseas)

We have manufacturing bases in Japan and overseas, forming a resilient global supply chain.

- **Nichino Service Co., Ltd. (Fukushima, Kashima, and Saga sites)**
- **Sipcam Nichino Brasil S.A. (Brazil)**
- **Nichino India Pvt. Ltd. (India)**

With three sites in Japan serving as its main production bases, NIHON NOHYAKU also operates local manufacturing bases in Brazil, the world's largest agrochemical market, and rapidly growing India. We are diversifying sources for raw materials and active ingredients to ensure a stable supply of products while reducing costs.

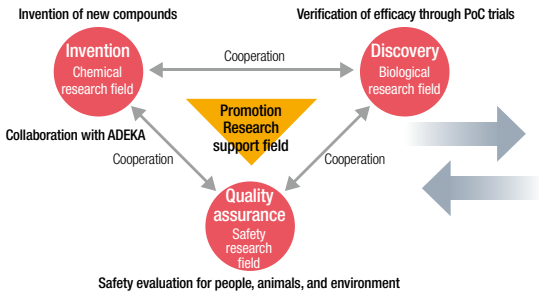
Main customers

We serve customers through diverse channels via a network of 20 NICHINO Group companies worldwide.

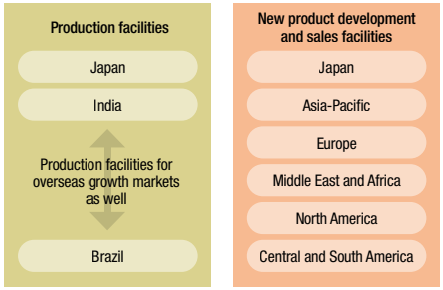
- **National Federation of Agricultural Cooperative Associations (ZEN-NOH) and domestic distributors**
- **Local distributors, agricultural cooperatives, and growers served by overseas Group companies**
- **Supply of raw materials to and collaboration with global agrochemical manufacturers, including Bayer**

In major markets worldwide, we are expanding locally based direct sales operations while building diversified sales networks, supplying NIHON NOHYAKU products to more than 100 countries.

An efficient structure integrating chemical, biological, and safety research



Expanding our global presence to drive in-house product development and sales



Main products





Minimizing damage to crops with pest control materials that demonstrate long-term effectiveness



Flubendiamide (insecticide)

- **Agrochemicals (insecticides, fungicides, herbicides)**
- **Pharmaceuticals (topical antifungal agents)**
- **Crop aid products (biostimulants)**
- **Home and garden agents (soil treatment agents, pest control agents, etc.)**

TOPICS

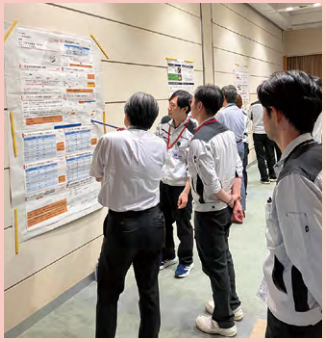
Co-creating value in life sciences through collaboration between ADEKA and NIHON NOHYAKU

NIHON NOHYAKU was established in 1928 through the merger of the Agricultural Chemical Department of Asahi Denka Kogyo (now ADEKA) and Fujii Seiyaku as Japan's first company specializing in agrochemicals. Since its establishment, guided by the philosophy of "ensuring a safe and steady food supply and protecting quality of life," NIHON NOHYAKU has been a pioneer in establishing an R&D foundation and has grown to establish direct sales networks in major markets worldwide. Its extensive compound library, accumulated over nearly 100 years, and advanced safety evaluation technologies developed through agrochemical development are now creating value beyond the agricultural field. One example is its expansion into veterinary pharmaceuticals through joint research with ADEKA.

By combining ADEKA's capabilities in precision organic synthesis and analytical technologies and its expertise in various additives with NIHON NOHYAKU's biological evaluation expertise, the two companies are significantly increasing the accuracy and speed of new drug discovery. Multiple candidate compounds for veterinary pharmaceuticals have now been identified, with a view to advancing them to the development phase.

Synergies are also deepening on the operational front through the sharing of ADEKA's global procurement and sales networks, including more stable procurement of raw materials and greater logistics efficiency.

Going forward, we will accelerate co-creation by leveraging the technologies, talent, and R&D foundations of both companies, developing life sciences into the next pillar of earnings for the ADEKA Group and meeting stakeholder expectations.



Sharing research results to expand the life sciences domain

Sustainability

Sustainability Management

Guided by the Fundamental Sustainability Policy, the ADEKA Group aims to ensure that each and every employee is aware of sustainability, fulfill its corporate social responsibilities throughout the value chain, and provide value as a manufacturer of "materials as treasure" to address a variety of social issues. Furthermore, we will respond to the ever-evolving expectations of our stakeholders and enhance our corporate value by contributing to a sustainable society through our core business.

To translate the Fundamental Sustainability Policy into specific actions, the Sustainability Committee has identified seven sustainability priority issues categorized under Environmental (E), Social (S), and Governance (G) themes. The Committee has also established targets for 2030, the target year for achieving the SDGs, and the Group is implementing cross-functional initiatives to achieve these targets.

Fundamental Sustainability Policy

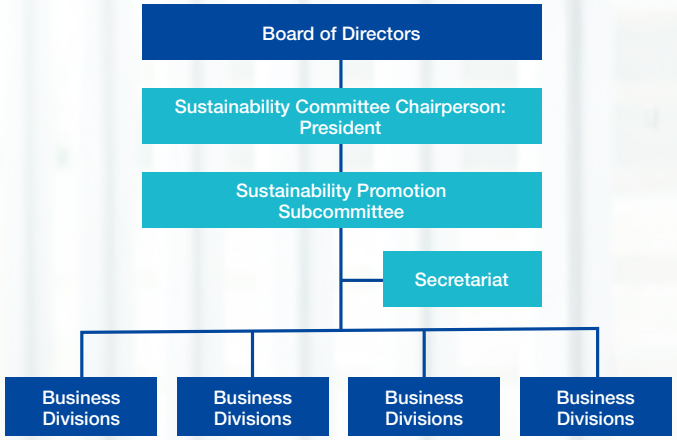
The ADEKA Group contributes to the creation of a sustainable society by meeting stakeholders' expectations with technologies and trust through fair and transparent corporate activities.

System for Promoting Sustainability

The ADEKA Group has established the Sustainability Committee, a decision-making body for sustainability-related matters, and the Sustainability Promotion Subcommittee, which is subordinate to the Committee, and has been promoting company-wide initiatives.

The Sustainability Promotion Subcommittee holds discussions and prepares proposals to be submitted to the Sustainability Committee, which in turn determines policies, deliberates on measures, and performs monitoring.

The responsibilities of the President and CEO as the chair of the Sustainability Committee include determining policies for sustainability-related matters, promoting initiatives concerning related risks and opportunities, and making efforts to achieve defined targets. We report important matters requiring resolution to the Board of Directors and thus have in place a system to ensure that the Board exercises appropriate supervision.

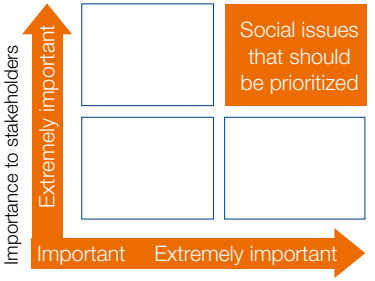


Sustainability Priority Issues

In order for the ADEKA Group to achieve sustainable growth as a member of society, it is essential to proactively contribute to the advancement of society by resolving social issues through its core business. With the aim of sharing this approach throughout the Group and making concerted efforts, we have identified sustainability priority issues based on their importance to our internal and external stakeholders and to our businesses.

Process to Identify Sustainability Priority Issues

STEP 1	**Extracting Potential Sustainability Priority Issues**	Based on international guidelines, benchmark case studies, investment-related indexes, and internal interviews, we have thoroughly examined the ESG risks and opportunities in the corporate activities of the ADEKA Group and selected 38 items.
STEP 2	**Scoring and Visualizing the Sustainability Priority Issues**	Through discussions in the Sustainability Committee, Sustainability Promotion Subcommittee, and internal divisions, the items have been sorted 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 Sustainability Priority Issues**	The sustainability priority issues have been categorized according to each of the ESG aspects and each related priority domain.



Importance to the ADEKA Group’s businesses

Priority domains	Sustainability priority issues	2030 KPIs	FY2025 results
Environment	**Conserving the global environment**	Bring together ideas from across the ADEKA Group with the aim of achieving carbon neutrality by 2050 (2030: 46% reduction from FY2013 (Scopes 1 + 2))	GHG emissions in FY2025: 212.9 kt-CO2e (6.4% reduction from FY2013)
	Supply of ADEKA Environmental Contribution Products	2030 KPI: Increase net sales of ADEKA Environmental Contribution Products to three times the FY2019 level.*1	FY2025 net sales of ADEKA Environmental Contribution Products: ¥92.4 billion, twice the FY2019 level.
Social Better living conditions and communication	**Creating value that meets society’s expectations**	Number of certified ADEKA Innovative Value (AIV) products: Twice the number*2 in FY2019	Number of certified AIV products*3: 41 (1.5 times the number in FY2019)
	Dialogue with stakeholders	Maintaining and improving sound relationships with stakeholders	● Dialogue with investors: Held 154 individual IR meetings with institutional investors in FY2025 ● Dialogue with shareholders: Conducted engagement with 13 major shareholders and proxy advisory companies
Human rights and human resources	**Respect for human rights**	**Enhancement of human rights initiatives** ● Promoting human rights due diligence ● Establishing and operating a grievance handling mechanism ● Promoting human rights education and awareness-raising activities	Promoted human rights due diligence (Conducted human rights impact assessment in the Food Business)
	Expanding Opportunities for People to Thrive	**Increasing employee engagement** ● Positive overall satisfaction response percentage: 75% or more (ADEKA, non-consolidated) **Promoting diversity, equity, and inclusion (DE&I)** ● Promotion of diversity of personnel in management positions Percentage of female managers: 10% (ADEKA, non-consolidated) Percentages of foreign national and mid-career hire managers: Corresponding to their respective percentages in our workforce **Promoting health management** ● To be recognized as an Outstanding Organization of KENKO Investment for Health (White 500) (ADEKA Group (in Japan))	● Positive overall satisfaction response percentage: 67% (ADEKA, non-consolidated) ● Percentage of female managers: 5.9% (ADEKA, non-consolidated) ● Foreign national managers: 1 ● Percentage of foreign national employees: Approx. 0.8% ● Percentage of managers who are mid-career hires: 11% ● Percentage of mid-career employees: 17% ● Recognized as an Outstanding Organization of KENKO Investment for Health (large enterprise category) for 5 consecutive years
Governance	**Strengthening Group governance and risk management**	● Spreading awareness of the ADEKA Group Code of Conduct globally ● Establishing and operating the ADEKA Group’s overall risk management system for both ordinary times and during an emergency	● Fostered an understanding of and instilled awareness of the ADEKA Group Code of Conduct at a global meeting ● Reinforced the risk management system of the entire Group during ordinary times and in an emergency (Strengthened the operation of our enterprise risk management (ERM)) ● Augmented response to geopolitical risks (including formulation of the Emergency Response Guidelines) ● Enhanced information security (at Group companies both in and outside Japan)

*1 FY2019 net sales of ADEKA Environmental Contribution Products were ¥45.2 billion after the retroactive inclusion of additional eligible products.
*2 The unit of certification has been standardized as an individual product.
*3 Products that ADEKA considers to have gained recognition from society for their distinctive value and that are certified under its internal certification system based on factors such as external awards, profitability, and innovation.

PICK UP

Augmenting Our Response to Risks Affecting Our Business Foundation

The ADEKA Group has further strengthened its framework for responding to unexpected and wide-ranging risks that could affect its supply chain and business foundation.

We have enhanced Group-wide risk visualization and continue to implement measures to address key management risks, including geopolitical risks and cyberattacks.

To prepare for potentially severe natural disasters, we continuously review our response framework to ensure that we can respond swiftly and systematically, thereby strengthening our resilience and supporting the sustainability of our corporate value.

Environment

Initiatives toward Carbon Neutrality

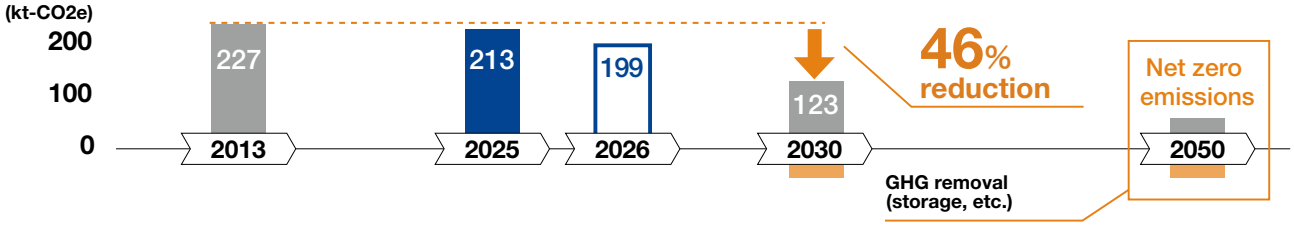
The ADEKA Group has formulated a roadmap toward achieving carbon neutrality by 2050 and has been working to reduce greenhouse gas (GHG) emissions from business activities. We are also pursuing initiatives across the entire supply chain to contribute to GHG emissions reductions through the development of technologies and products.

ADEKA Group Carbon Neutrality Roadmap: Actual Results and Planned Figures

The ADEKA Group is aiming to achieve "carbon neutrality by 2050."

(1) Reducing GHG emissions from business activities

2030 target for Scope 1 and 2 GHG emissions: 46% reduction from the FY2013 level



Energy usage	Conserve energy	Conserve energy and improve energy efficiency using innovative technologies
	Shift to LNG	Shift to renewable energy-derived fuels and biofuels
	Introduce renewable energy equipment and procure renewable energy	
Business transformation	Develop and utilize technologies to contribute to the reduction of GHG emissions	
	Restructure the business portfolio	Transform our businesses along with the restructuring

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

- Examine GHG emissions throughout the supply chain
- Develop and provide products that support sustainability objectives
- Promote the sustainable procurement of raw materials
- Optimize logistics and promote measures to reduce the environmental impacts of logistics, etc.

Toward achieving carbon neutrality by 2050

Please refer to the following page for details of our information disclosure based on the TCFD recommendations.
https://www.adeka.co.jp/csr/en/tcfd01.html

PICK UP

Shifting from Fuel Oil A to LNG at the Soma Plant

As part of efforts to achieve carbon neutrality by 2050, at the Soma Plant, we converted the submerged combustion equipment from fuel oil A to liquefied natural gas (LNG), and the equipment began operating on LNG in September 2025. Compared with continued use of fuel oil A, the conversion is expected to reduce annual GHG emissions by approximately 26%, or up to 2.6 kt-CO_2e per year. Meanwhile, we again purchased Feed-in Tariff (FIT) non-fossil certificates in fiscal 2025. Through the purchase of these certificates, the plant has maintained 100% renewable electricity use since fiscal 2023. Through these efforts, and despite an anticipated increase in GHG emissions resulting from increased production of the ADEKA SAKURA-LUBE, an ADEKA Environmental Contribution Product, our GHG emissions (Scopes 1 and 2) in fiscal 2025 decreased by 1.3 kt-CO_2e from the previous fiscal year to 8.6 kt-CO_2e.



Environment

Environmental Conservation and Resource Recycling

The ADEKA Group seeks to contribute to the realization of a sustainable society through its long-term efforts for environmental conservation and resource recycling.

Management of 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. Tap water in Japan is regulated by laws and ordinances, which specify water quality standards, standard values, and frequency of analysis. We only purchase tap water that meets these standards. Overseas, water quality standards, standard values, and frequency of analysis are based on local laws and regulations, and we only purchase tap water that meets these local standards.

PICK UP

Initiative to Reduce Water Usage at the Chiba Plant

The Chiba Plant generates electricity and steam within the plant by using a co-generation system (CGS)* and boilers. The steam generated is used mainly to heat reaction vessels during manufacturing. After use, the steam is cooled and condensed, stored in a tank, and reused for purposes such as cleaning reaction vessels, thereby reducing water use.

* System that uses LNG and generates electricity and steam by gas turbines.

Analysis of Water Risks

The ADEKA Group has evaluated the physical and transition risks related to water resources by business and region as part of our scenario analysis based on the TCFD recommendations. We have used a 4°C scenario as our climate change scenario and the Aqueduct Water Risk Atlas provided by the World Resources Institute (WRI) to evaluate water stress. For countries in which our production facilities are located, namely Japan, South Korea, China, Taiwan, Malaysia, Singapore, the United Arab Emirates, France, and the United States, we have performed an analysis of physical risks associated with climate change by using the two indicators of "water demand" and "available water resources." The results of the analysis indicated disruptions to production and logistics caused by increasingly severe storms and floods as a shared risk for all facilities, and stagnation of production activities due to industrial water shortages as a risk for some facilities, with a possibility of facing medium-level impact (impact on profit amounting to 0.5 billion yen to less than 2 billion yen) over the long term.

We are strengthening our proactive response by reviewing inventory levels, using multiple procurement sources, securing emergency water for plant use, and considering water recycling. Through these measures, we are strengthening our preparedness for water-related risks and supporting sustainable business operations.

Conserving Biodiversity

As a beneficiary of ecosystem services, the ADEKA Group develops products and engages in activities that take biodiversity into consideration in order to protect biodiversity, which is the foundation of the Earth's sustainability. We have also established the ADEKA Group Biodiversity Policy and pursue initiatives aimed at conserving biodiversity.

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 take biodiversity into consideration in product development.
4. Work in collaboration with local communities.

Control of Chemical Substances

As a company with plants that manufacture chemical products, we strictly control the manufacture, use, and handling of hazardous chemical substances. We comply with applicable laws and regulations in Japan and overseas and reduce environmental impact to protect the safety and health of people and the environment.

Chemical substances contained in raw materials and packaging materials

We identify the chemical substances contained in raw materials and packaging materials based on safety data sheets (SDS) provided by suppliers. And we perform risk assessment to evaluate its impact on products and manufacturing processes. Based on the assessment results, we implement measures both in terms of equipment and operation and reduce each risk to a level specified by our internal standards.

Control of chemical substances in contract manufacturing

We strive to reduce risks throughout our supply chain by checking the status of legal compliance using the environmental audit checklist and through periodic audits conducted by ADEKA and its contractors.

Wastewater treatment

We have defined internal standards that are more stringent than those stipulated by the relevant laws and regulations, and by appropriately operating and monitoring wastewater treatment equipment, we work to reduce environmental impacts and prevent unintended releases outside our facilities.

Response to PFAS regulations

Based on the trends in regulations in Japan and overseas, including the Stockholm Convention on Persistent Organic Pollutants, we have been collecting information on legal regulations on an ongoing basis and strengthening our internal management framework.

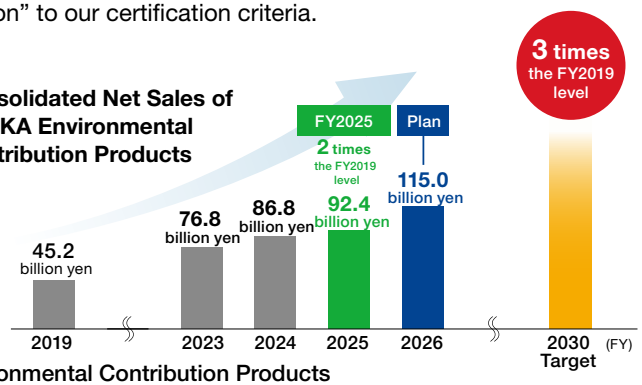
Environment

Expanding and Developing ADEKA Environmental Contribution Products

As one sustainability priority issue, the ADEKA Group has been focusing on expanding and creating ADEKA Environmental Contribution Products, which are internally certified as contributing to at least one of the following areas: addressing climate change, reducing environmental impacts, or promoting the effective use of resources.
Under the ADX 2026 Mid-Term Management Plan, we have added “alignment with the growth strategies of each business division” to our certification criteria.
This addition supports the integrated advancement of our growth strategies and sustainability initiatives.

“ADEKA Environmental Contribution Products” are products and technologies internally certified by the Sustainability Committee under ADEKA’s criteria relating to climate change, the reduction of environmental impacts, and the effective use of resources. We have defined a target of tripling net sales of ADEKA Environmental Contribution Products over fiscal 2019 as a 2030 KPI. Through the development of these products and technologies, we aim to balance sustainable business growth with progress on sustainability.

Consolidated Net Sales of ADEKA Environmental Contribution Products



Lineup of ADEKA Environmental Contribution Products

ADX 2026 ADEKA Environmental Contribution Products	
■ Lead-free stabilizers ■ Nucleating agents for automobile components ■ Intumescent-type flame retardant ■ Polymer additives designed to support environmental objectives, including additives for recycled polymer	Polymer Additives
■ Recycled materials for circuit formation ■ ALD precursors for semiconductors ■ Semiconductor-related materials	Semiconductor Materials
■ UV curable materials ■ Water-based coating materials ■ Bonding materials ■ Lubricants for the reduction of friction ■ Materials for the reduction of SOx ■ Battery materials	Environmental Materials
■ Products made with RSPO-certified palm oil ■ Products for the reduction of food loss and waste ■ Plant-based foods	Food Products
■ Nursery box application agents for paddy rice	Life Sciences

Major contribution examples of ADEKA Environmental Contribution Products

Example product	Overview of product / technology	Main Areas of Potential Environmental Contribution
Nucleating agents for automobile components	Polymer additives that make vehicles lighter with strong, lightweight plastic	Potential contribution to improved fuel efficiency and reduced GHG emissions
ALD precursors for semiconductors	Semiconductor materials that support device miniaturization and enhanced performance while enabling lower power consumption	Saving power / Potential contribution to reduced GHG emissions
Lubricants for the reduction of friction	Engine oil additives that can reduce friction and wear inside an engine	Potential contribution to improved fuel efficiency and reduced GHG emissions
Products made with palm oil certified by the Roundtable on Sustainable Palm Oil (RSPO)	Processed oils and fats made with RSPO-certified palm oil	Supporting environmental and ecosystem conservation through the use of RSPO-certified palm oil
Nursery box application agents for paddy rice	Agents with lower GHG emissions in their heat-drying process	Saving power / Potential contribution to reduced GHG emissions

Providing “materials as treasure” to a wide range of fields for affluent lifestyles

P20: Five Key Themes and the Value They Create; Business Activities and Outputs

Supply Chain

To ensure business continuity amid changes in the external environment, we are working to enhance the resilience of our supply chain mainly by setting up a supply chain management framework that enables us to respond swiftly to such changes.
In addition, as one key strategy under our Mid-Term Management Plan, we are augmenting our capability to deal with supply risks while reducing environmental impact and promoting respect for human rights throughout our supply chain.

Overview of Our Supply Chain

ADEKA's Chemicals Business is closely linked to petrochemical complexes. These complexes produce ethylene, propylene, and various other derivatives mainly from crude oil and naphtha, and we purchase these derivatives as raw materials. Because the supply of crude oil and naphtha depends largely on imports, particularly from the Middle East, the Chemicals Business is susceptible to geopolitical risks and fluctuations in energy costs.

Palm oil, a major raw material for the Food Business, is procured from Southeast Asia, and the stability and cost of its supply are susceptible to climate change, environmental regulations, and other external factors. As a result, our supply chain is particularly susceptible to changes in global conditions and other external factors.

To Procure Sustainable Palm Oil

We have been extending the scope of application of palm oil certified by the Roundtable on Sustainable Palm Oil (RSPO) in the Food Business and cosmetics business. The certified oil procurement ratio was 33% in fiscal 2025.

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Participation in an Initiative

ADEKA joined the Supplier Ethical Data Exchange (Sedex) in August 2019 to help assess ethical business practices and promote the development of a sustainable supply chain.

Supply Chain Resilience Enhancement

Establishing a resilient management foundation, a key strategy in our Mid-Term Management Plan

Measures for supply chain resilience enhancement

- **Procurement and traceability of raw materials aligned with our business strategies**

Supply and tracking of raw materials

- Supply and tracking of important raw materials linked to strategic product groups
- Identify the processing locations and countries of origin of key raw materials used in strategic product groups

Response to supply chain disruptions

- Purchasing from multiple sources aimed at stable procurement
- **Establishing a risk management system**
- **Responding to industry restructuring driven by the transition toward carbon neutrality**

As one strategy under the Mid-Term Management Plan, ADEKA is working to build a resilient supply chain by securing key raw materials that support business continuity and improving visibility into its supply chains. We are also setting up a supply chain management (SCM) structure, given the rapid changes in the global environment, including the prolonged instability in the Middle East and other rapid changes in the global business environment. To date, we have mapped raw material supply chains and enhanced visibility into naphtha import flows at petrochemical complexes, procurement sources, and supply networks.

Going ahead, we will undertake data integration and visualization throughout the supply chain with the intention of establishing a system that can both manage information on business partners and information going upstream, encompassing Tier 1 and Tier 2 suppliers. In the future, we plan to use the system to strengthen our response to supply risks, support efforts to reduce Scope 3 emissions, and enhance human rights due diligence.

Promoting Sustainable Procurement

Conducting a questionnaire survey of business partners

We have checked the status of corporate social responsibility (CSR) activities of business partners by distributing the CSR Procurement Self-Assessment Questionnaire (SAQ) for supply chains, which has been created by the Global Compact Network Japan (GCNJ), and provided feedback about the assessment results to all business partners who have responded to the questionnaire. We have visited 17 companies with relatively low assessment scores and held in-person interviews to share the details of the feedback, exchange views for improvement, and foster an understanding of CSR activities. After the visits, we again asked the 17 companies to perform self-assessment using the SAQ. The second questionnaire showed improved results for 12 companies. For companies not showing significant improvement, we plan to hold additional interviews as an effort to improve the overall assessment results.

Major initiatives under the Declaration of Partnership Building in fiscal 2025

As in the previous year, we conducted a questionnaire survey on our small and medium-sized business partners about price revision, the adequacy of delivery periods, and health management, in order to deepen our relationships of trust with them. In terms of logistics, we endeavored to ease the burden on drivers by promoting the reduction of ancillary tasks and driver waiting times. As for reducing ancillary tasks, we have held interviews with transportation companies to capture their requests for improvement and have made improvement proposals to customers jointly with sales departments. To reduce waiting time, we held meetings with plant personnel in charge of logistics to share related issues in each plant and are making step-by-step improvements. In the future, we will continue to make improvements based on actual operating conditions at each site.

Human Rights

Respect for Human Rights

Under the ADX 2026 Mid-Term Management Plan, the ADEKA Group has identified respect for human rights as one of its sustainability priority issues for sustainable growth and has been promoting initiatives to respect the human rights of all people involved in our corporate activities.

Basic Approach to 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. 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

Promotion Structure

The company-wide policy on human rights initiatives is formulated by the Human Rights Subcommittee (Members: Legal Affairs & Publicity Department, Purchasing & Distribution Department, and Human Resources Department; Secretariat: Corporate Planning & Strategy Division) and approved by the Sustainability Promotion Subcommittee and the Sustainability Committee, the latter of which is chaired by the President and CEO. Each department takes ownership of relevant human rights initiatives while working with Group companies in Japan and overseas.

Grievance Mechanism

The ADEKA Group has established and operates an internal reporting system for Group employees, including non-regular employees. We also joined the Japan Center for Engagement and Remedy on Business and Human Rights (JaCER) in April 2024. We have established a system through JaCER's Engagement and Remedy Platform Contact Desk to accept complaints from all domestic and overseas stakeholders of the ADEKA Group and respond appropriately to them. The grievance reporting channel is available in Japanese, English, and Chinese and accepts anonymous reports.

▶ Japanese ▶ English ▶ Chinese

Pursuing Human Rights Due Diligence

● Human rights impact assessment

The ADEKA Group has been promoting human rights due diligence.* Following the Chemicals Business in fiscal 2024, in fiscal 2025, we conducted a human rights impact assessment of the Food Products Business to identify high-priority human rights issues. The assessment process and results were reviewed by an independent third party, which concluded that they were appropriate and reasonable.

Currently, we are checking the status of our response to the identified human rights issues and examining and promoting specific improvement measures. At the same time, we are working to establish a monitoring structure to continuously check and verify progress.

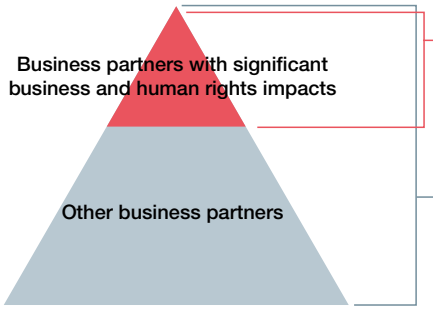
* A series of actions through which a company identifies, prevents, and mitigates adverse human rights impacts associated with its own operations, Group companies, suppliers, and other business relationships; assesses the effectiveness of its actions; and communicates how those impacts are addressed.

Chemicals and Food Products Businesses – High-Priority Human Rights Issues

Risk type	Major risk	Stakeholders potentially affected by human rights violations		
		Employees	Suppliers	Consumers and local communities
Occupational safety and health	Injury or harm resulting from hazardous work or unsafe working conditions	✓	✓	
Long working hours	Health problems and adverse effects on daily life	✓	✓	
Harassment	Psychological and physical harm resulting from harassment	✓	✓	
Discrimination	Adverse effects on recruitment, employment conditions, or the performance of work due to discrimination based on gender, employment status, religion, race, or other characteristics	✓	✓	
Child labor and forced labor	Violation of basic human rights by forcing people to work in ways contrary to their own free will		✓	
Limited access to remedy	Continued or intensifying damage due to a lack of a means to file claims or access remedy			✓
Product safety	Harm to health or other adverse impacts arising from product use			✓
Adverse impacts on living conditions	Negative impacts on life caused by environmental pollution, noise, foul odors, etc.			✓
Privacy violations	Leakage and loss of personal and customer information			✓

● Focused theme: Strengthening supply chain management

Based on the results of the human rights impact assessment, we have been striving to strengthen our supply chain management. We have completed the establishment of a scheme to identify business partners with significant business and human rights impacts. In the future, we will strengthen dialogue with these business partners for continuous improvement.



In-depth assessment through dialogue
- Conducting questionnaire surveys and interviews
- Exploring joint efforts for improvement as necessary

Self-check using the SAQ

P.48 ▶ "Promoting Sustainable Procurement" in the "Supply Chain" section

Expanding Opportunities for People to Thrive

Human Capital Enhancement

The ADEKA Group believes that harnessing the strengths of its diverse workforce will help build a management foundation that is resilient to change, contributing to sustainable growth and enhanced corporate value over the medium to long term.
We are proactively investing in human capital so that each employee can fully demonstrate their capabilities.

Investing in Human Resources to Pursue Dreams and Achieve Sustainable Corporate Growth

In order for the ADEKA Group to realize its vision and achieve sustainable growth, it is essential to make continuous investment in human capital, such as creating an environment in which people with diverse backgrounds can make full use of their individual strengths and setting up various personnel systems.

Since 2006, ADEKA has upheld the basic philosophy that human resources are “human assets.” Believing in the potential of people, we have been encouraging individual employees to exercise their capabilities and working to enhance their engagement on a continuous basis by organically linking recruitment, assignment, development, evaluation, and compensation.

Going ahead, we will continue to make proactive investment in human resources and foster a corporate culture in which each employee can envision their aspirations, take on challenges in pursuing them, and grow through those experiences. By linking employees' growth to corporate growth, we will boost our business competitiveness and spur innovation, and by doing so, achieve sustainable growth and enhance corporate value over the medium to long term.

Yoshiaki Kobayashi
Representative Director and Senior Managing Executive Officer



Basic Approach to Human Resources Development

Under its basic philosophy that human resources are “human assets” and in seeking to ensure that each employee will grow and evolve together with ADEKA, ADEKA has established “Trust and Reform” as the guiding principles of its human resource development and has been making proactive efforts accordingly.



Human Capital Strategy

Toward achieving sustainable growth and enhancing our corporate value over the medium to long term, we have been implementing various measures under our human capital strategy that focuses on “putting the right people in the right roles at the right time,” “strengthening the Global Human Resources Development System,” and “increasing investment in people and enhancing employee engagement.”

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

(1) Putting the right people in the right roles at the right time

Examples of key initiatives and programs
- Visualizing employee information by introducing a talent management system
- Compensation management
- Ensuring diversity

Related indicators
- Percentage of female managers
- Percentage of male employees taking childcare leave

(2) Strengthening the Global Human Resources Development System

Examples of key initiatives and programs
- Global human resources development training
- Overseas trainee system
- Support for language study

Related indicator
- Number of participants in training programs and other development initiatives

(3) Increasing investment in people and enhancing employee engagement

Examples of key initiatives and programs
- Investment in human resources
- Career training system
- Utilizing an engagement survey
- Promoting health management

Related indicators
- Training costs and hours
- Engagement scores

Expanding Opportunities for People to Thrive

Human Capital Enhancement

(1) Putting the right people in the right roles at the right time

We believe that, in order to maximize the performance of the entire organization, it is essential to ensure the optimal allocation of human capital by placing the right people in the right roles at the right time, encourage individual employees to demonstrate their capabilities, and increase their engagement. In addition, as the values and work styles of employees have become more diverse, the ways they think about their careers are also becoming more diverse. We promote career development and job assignments that reflect each employee's individual strengths and aspirations, and we aim to achieve the sustainable growth of both our people and our businesses.

● Talent management

We have introduced a talent management system as a core platform for placing the right people in the right roles at the right time. Through the system, we centrally manage personnel information, including information on employees' backgrounds, evaluation results, and skills. This gives us greater visibility into our talent pool and supports informed job assignments.

In addition, the system is linked to our goal-setting interview program and is used not only to review work progress and performance, but also to facilitate communication through four individual meetings each year between supervisors and their direct reports.

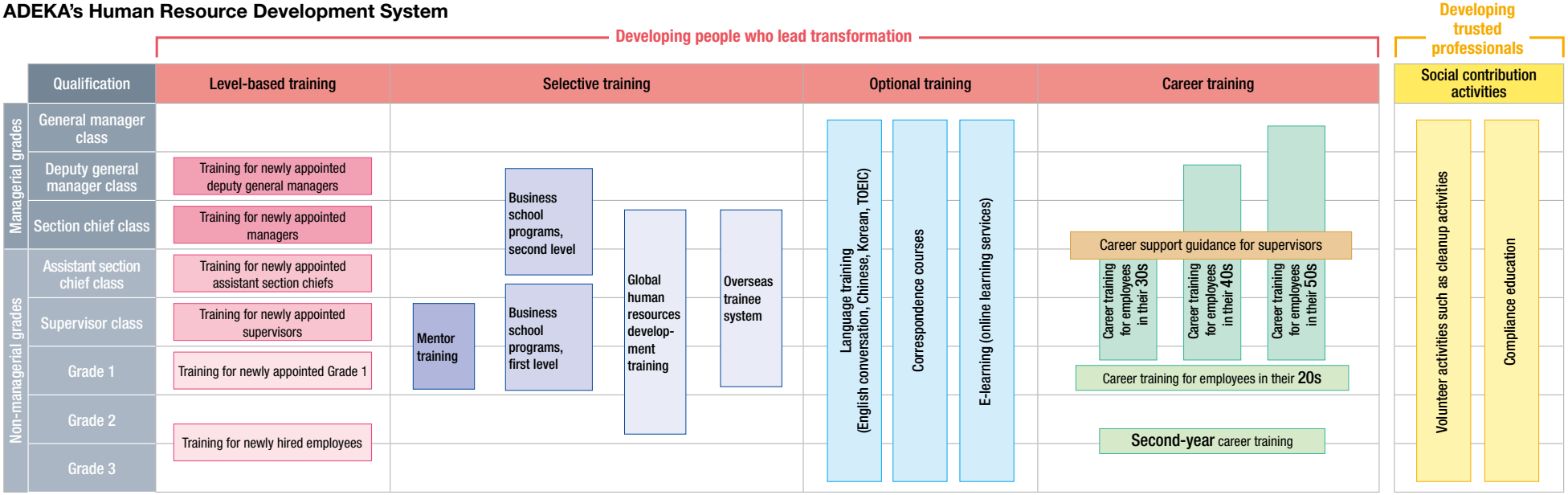
● Compensation management

We have a differentiated compensation system under which salaries reflect each employee's role and performance. For promoting sustainable growth of both our human resources and our businesses, we encourage employees to take on greater responsibilities and pursue opportunities for growth. For employees with advanced expertise who perform strategically important roles, we offer incentives individually while comprehensively taking into account such factors as the degree of contribution to our businesses and how they are demonstrating their individual capabilities, in order to attract and retain highly skilled talent.

● Ensuring diversity

Based on the belief that securing and strengthening diversity in human resources will create a flexible and strong management foundation that is resilient to changes in the environment and lead to the sustainable growth of the ADEKA Group, we have created working environments where each individual, regardless of gender, age, or nationality, can make the most of their individuality and demonstrate their abilities.

ADEKA's Human Resource Development System



Expanding Opportunities for People to Thrive

Human Capital Enhancement

(2) Strengthening the Global Human Resources Development System

As overseas sales account for a growing share of total sales, we believe it is essential to recruit and develop people who can contribute globally in line with market needs and the development of our businesses for ADEKA to achieve further growth.

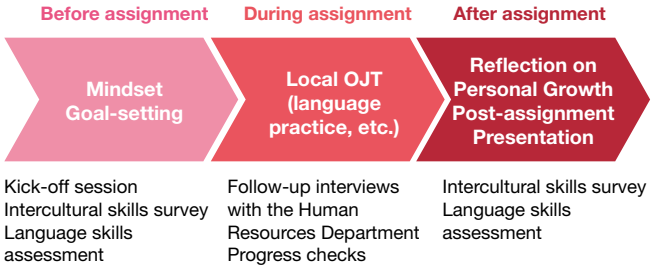
● Global human resources development training

Our global human resources development training program for future management candidates at overseas Group companies provides language lessons in addition to training in marketing, finance and accounting, labor management, and other aspects of business. Over the period from 2017 to 2024, 110 employees completed the program. In fiscal 2025, an additional 17 employees completed the program as part of the next generation of global talent.

● Overseas trainee system

An overseas trainee system has been established as part of global human resources development. The program provides selected early- and mid-career employees with opportunities to gain practical experience at overseas locations for periods ranging from six months to two years. Unlike regular overseas assignments, the program is primarily designed for employee development, and trainees meet regularly with the Human Resources Department during the period to set development goals and regularly review their progress, according to their individual career needs and circumstances. In fiscal 2025, one employee was assigned to each of our locations in India and France. In the future as well, we will enhance the system with a view to nurturing employees being developed for future overseas assignments and global leadership.

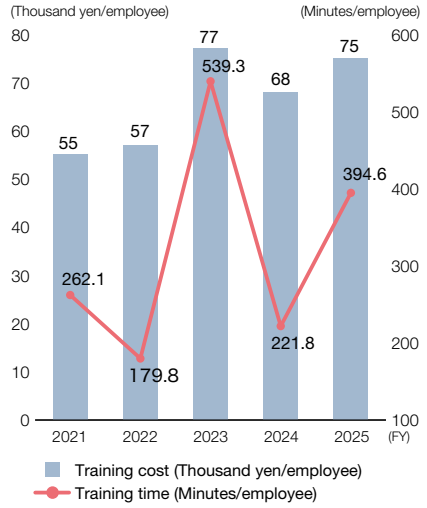
Overseas Trainee Program Structure



(3) Increasing Investment in People and Enhancing Employee Engagement

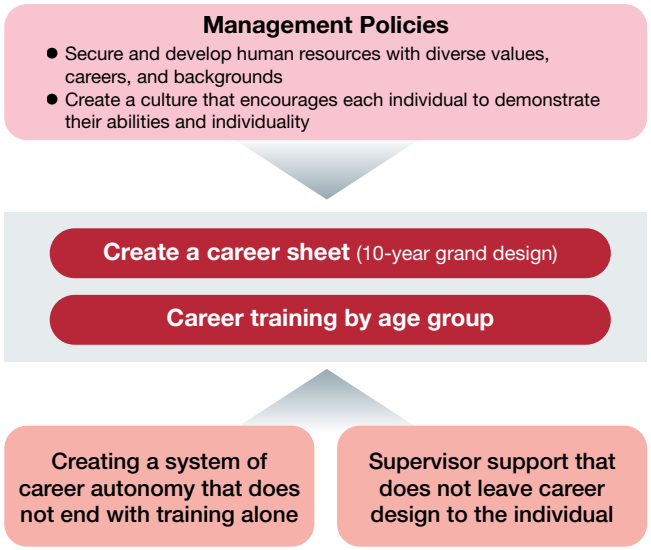
We are working to strengthen our human capital through various training programs as part of our efforts to establish a resilient management foundation, a key strategy in our Mid-Term Management Plan.

Investment in Human Resources



● Career training system

As employees' values and work styles have become more diverse, their career visions are also growing more diverse. The career training system was introduced in 2023 to encourage autonomous career formation by employees and provide seamless follow-up from the time an employee enters the Company to their second career after retirement, in addition to assuaging the concerns of each employee over their personal growth and work. In fiscal 2025, 232 employees participated in the training. We are increasing the effectiveness of the training further by having participants meet with their supervisors after completion. As an effort to encourage career autonomy, we also started providing online learning services.



Expanding Opportunities for People to Thrive

Human Capital Enhancement

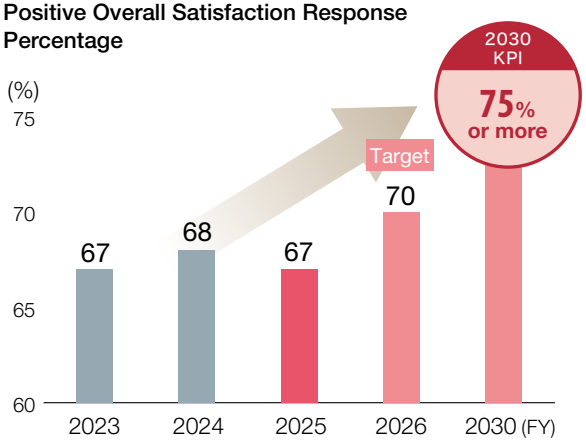
● Conducting an engagement survey

To continue creating and delivering value, the ADEKA Group believes it is essential to create an environment in which people with diverse backgrounds can feel secure, thrive, and fully contribute. We conduct an engagement survey to assess employees' sense of personal growth, satisfaction with the Company, and sense of connection to the organization, and we use the survey results to consider and develop appropriate measures.

For "overall satisfaction level," which is one of the 11 survey categories of our engagement survey, we have set a KPI of achieving a positive response rate of at least 75% for overall satisfaction by fiscal 2030.

In fiscal 2025 survey, the positive response rate for overall satisfaction was 67%, down 1 percentage point from fiscal 2024. Nonetheless, the results for all of the other 10 categories were equal to or higher than in the previous fiscal year, indicating steady progress in our related initiatives.

Positive Overall Satisfaction Response Percentage



As a characteristic of ADEKA, the past survey results revealed that while "alignment with Management Policies," "relationships with supervisors and colleagues," and "ease of taking days off or paid leave" showed high scores, issues remained in "perceived fairness and transparency of compensation," "a supportive work environment," and "anxiety over personal growth." Based on the results, we are implementing the measures shown on the right.

Initiatives based on the results of the engagement survey

Perceived fairness and transparency of compensation

● Annual review of role grades and individual notification of results

We have introduced a differentiated compensation framework that reflects employees' roles and performance, and once a year, representatives from each business division convene as the Role Grade Review Committee to review and determine the role grades of all permanent employees. The review results are communicated to individual employees by their respective supervisors.

A Supportive Work Environment

● Enhancing special accumulated leave

Employees may accumulate up to 100 days of unused annual paid leave that would otherwise expire after two years. We also provide 30 days of special accumulated leave to all employees when they join ADEKA (for fixed-term employees, the leave is granted once it has been confirmed that their total contract period will exceed one year), which can be used for various purposes, such as treating non-occupational diseases or injuries, childcare, nursing care for children and other family members, and refreshment.

● Childcare leave work-coverage allowance program

To promote the use of childcare leave and foster a culture of proactively supporting employees taking the leave, we started providing an allowance to employees who temporarily take over the responsibilities of those on childcare leave in October 2025.

Anxiety over personal growth

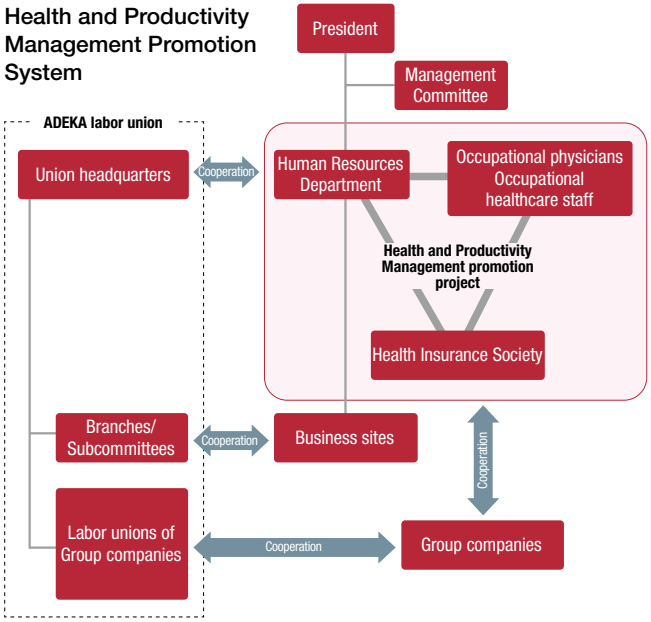
● Support for career formation

When participating in the career training by age group, employees enter their career sheet into the talent management system to share their career aspirations and perspectives with their supervisors. The training thus incorporates a system to provide organizational support for employees' career formation.

● Promoting health and productivity management

We are implementing health and productivity management as part of efforts to expand opportunities for people to thrive, which is one of our sustainability priority issues. We are undertaking initiatives to maintain and improve the health of employees and create an appropriate workplace environment, two of the factors serving as the foundation for employees to work with vitality, and we also aim to improve productivity by enabling employees to perform consistently at their best.

Health and Productivity Management Promotion System



External evaluations

2021 – 2026: Recognized as an Outstanding Organization of KENKO Investment for Health in the large enterprise category
2025: Recognized as an Outstanding Organization of KENKO Investment for Health in the large enterprise category and included in White 500

2026 健康経営優良法人 KENKO Investment for Health 大規模法人部門

Expanding Opportunities for People to Thrive

Diversity, Equity, and Inclusion (DE&I)

ADEKA's Basic Approach to DE&I

The ADEKA Group promotes DE&I to support sustainable growth and enhance corporate value. Recognizing that DE&I is an important factor in creating corporate value, we aim to build an organization that embraces diversity, ensures equitable opportunities, and enables every employee to contribute their full potential.

Overview of the DE&I Project

"Expanding Opportunities for People to Thrive" is one of our sustainability priority issues, and we have set a 2030 KPI of increasing the percentage of female managers to at least 10% at ADEKA on a non-consolidated basis. The DE&I Project was established under the Sustainability Committee in 2022. As an initial step toward advancing workforce diversity, the project has focused on supporting women, who are currently underrepresented in management and certain job groups.

Initiatives in Four Areas That Need to be Addressed

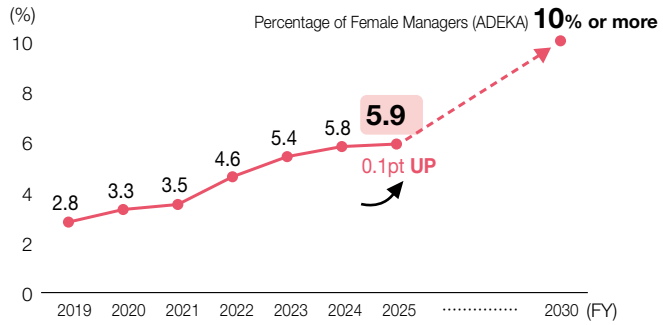
Areas that need to be addressed	Initiative overview	Progress and results
Communicating Messages from Senior Management and Information on DE&I Activities	Raising awareness internally of the importance of DE&I in management strategy	Continued to internally disseminate information on project activities to facilitate an understanding of the importance of DE&I within ADEKA. Also held a round-table discussion with the President to share perspectives and deepen understanding of DE&I through dialogue.
Promoting self-directed career planning that supports equitable career opportunities for all employees	Support for women's self-directed career development	Provided opportunities for female employees to think about their careers on their own by offering support in preparation for internal promotion assessments and through upskilling training, which in turn has led to increased awareness for career formation and creation of growth opportunities.
Fostering a DE&I culture	Promoting a change in mindset throughout the entire organization	We conducted training on psychological safety, with 65.6% of eligible employees participating. The training received positive feedback from participants and contributed to greater mutual understanding within the organization. Also held an exchange meeting on the theme of male employees taking childcare leave to foster a workplace culture that supports diverse workstyles.
Realization of the 2030 Vision for each job group*	Solving issues specific to each job group, including addressing numerical underrepresentation.	Employees in each job group took the initiative in examining and addressing issues specific to their group. This helped employees view DE&I as personally relevant and take greater ownership of related initiatives.

* "R&D," "Manufacturing," "Sales," and "Staff" job categories

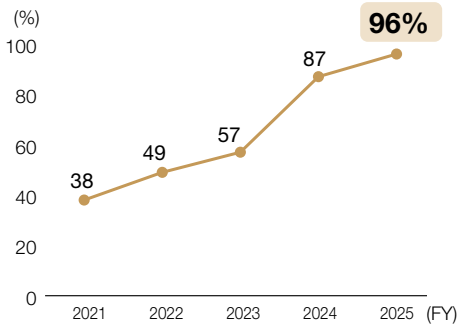
● Outcomes of the DE&I Project

We have set a 2030 KPI of increasing the percentage of female managers to 10% at ADEKA on a non-consolidated basis, and the percentage increased to 5.9% in fiscal 2025. Meanwhile, the childcare leave uptake rate among male employees reached 96%, suggesting steady progress in our efforts to support employees in balancing work and family responsibilities. Going forward, we will promote initiatives related to DE&I and link the outcome to sustainable corporate growth.

Percentage of Female Managers (ADEKA)



Percentage of Male Employees Taking Childcare Leave



● Major activities (Scope: on a non-consolidated basis)



Round-table discussion with the President
Top management and employees exchanged candid opinions in an amicable atmosphere.



"Let's share – Exchange meeting to support employees taking childcare leave in the workplace"
Panelists shared their experiences of supporting colleagues who took childcare leave and exchanged views with participants.

Group Governance

We are working to strengthen the ADEKA Group's management foundation by fostering shared values across the Group, reinforcing Group governance and compliance, and developing risk management frameworks that encompass the supply chain.

Approach and Policies for Group Management

Based on the ADEKA Group management policies of being "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," in line with these management policies, we manage the Group with the aim of realizing ADEKA VISION 2030: "An Innovative Company Contributing to a Sustainable Future and Affluent Lifestyles." ADX 2026, the Mid-Term Management Plan positioned as the second stage toward realizing ADEKA VISION 2030, identifies the establishment of a resilient management foundation as one of its key strategies. To establish a resilient management foundation for the ADEKA Group, we aim to become a financially sound and resilient corporate group by strengthening Group governance and Group-wide risk management further and building a sound financial base. We view enhancing the collective strength of the Group and, by extension, the corporate value of the Group as a whole as our fundamental policy for management of the ADEKA Group. Group companies work together and collaborate toward the shared mission of contributing to a sustainable society and enriching people's lives. To accomplish this mission, we strive to improve the resilience of the management foundation by building and maintaining a risk management system encompassing our supply chain, in addition to fostering a shared sense of values in the ADEKA Group and strengthening Group governance and compliance.

For more information, please refer to our latest Corporate Governance Report.
https://www.adeka.co.jp/en/ir/library/pdf/260710cgre.pdf

Global Initiatives to Promote Understanding of the ADEKA Group Code of Conduct

Foreign national employees account for more than 40% of the Group's workforce, and the percentage is over 90% at our overseas sites, including subsidiaries. As we promote the appointment of local talent to management positions, the percentages of foreign national officers and foreign national managers at our overseas sites as of March 31, 2026 were 26.1% and 83.9%, respectively, and people from diverse backgrounds play key roles in management and business operations.

Employees assigned overseas from the Head Office in Japan serve to instill the values and principles shared across the ADEKA Group in cooperation with the Head Office, while working to understand local values and cultures. We are also raising awareness of compliance by providing e-learning courses on the Code of Conduct globally and utilizing multilingual training materials.

In addition, we periodically provide Global Administration Training for local management candidates and are developing human resources who can support our global business management through education on accounting and compliance.

Governance of a Listed Subsidiary

Historical and technological background to making NIHON NOHYAKU a consolidated subsidiary

NIHON NOHYAKU CO., LTD. was established in 1928 through the spin-off of ADEKA's agricultural chemicals operations (then operated by Asahi Denka Kogyo KK). The company thus has a high degree of compatibility with ADEKA's businesses and corporate culture, and the research divisions of the two companies have engaged in a range of technical exchanges over many years. The two companies also share core capabilities in organic synthesis and formulation technology. For example, crystallization technology, which is used to manufacture polymer additives and agrochemicals and in the processing of edible oils and fats, is positioned as a shared core technology underpinning technological compatibility between the two companies. Based on this common technological platform, we have been promoting personnel exchanges, complementary capabilities in research and development, and the shared and complementary use of production technologies and facilities. Through these initiatives, we seek to generate synergies, create new business opportunities, and expand the ADEKA Group's Life Sciences business.

Measures to ensure the effectiveness of governance at listed subsidiary NIHON NOHYAKU

In accordance with the capital and business alliance agreement, ADEKA respects the autonomy and independence of NIHON NOHYAKU in its management. As the parent company, we also exchange information with and receive reports from NIHON NOHYAKU as needed, and provide advice and other support on strengthening corporate governance, compliance, and the system of internal controls. ADEKA does not directly participate in NIHON NOHYAKU's management decision-making. However, to fulfill its governance responsibilities as the parent company, ADEKA requires NIHON NOHYAKU to provide prior reports on certain material matters. NIHON NOHYAKU has established the Governance Committee led by an independent outside director, and has a Board of Directors comprised of a majority of independent outside directors and the Board of Directors is chaired by an outside director. The company is endeavoring to further improve the transparency of the Board of Directors and the effectiveness of its oversight of management.

For more information, please refer to our latest Corporate Governance Report.

Included in TSE's Compilation of Case Studies on Such Matters as Parent-Subsidiary Listings

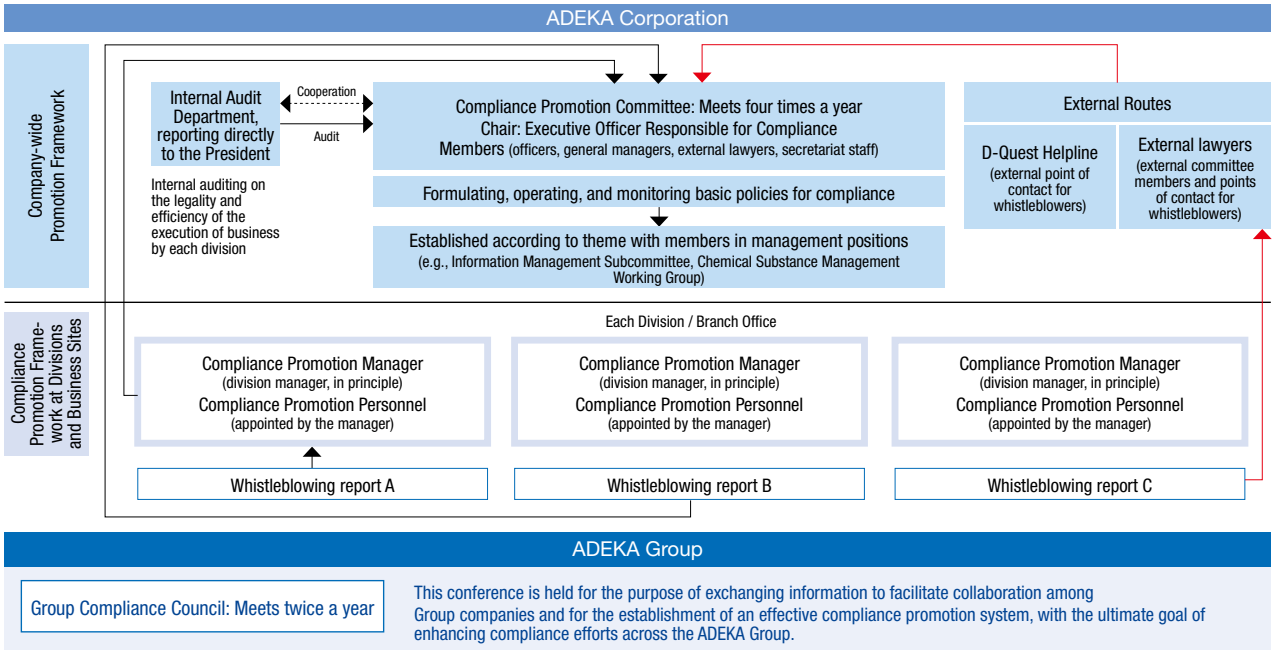
ADEKA was included in the Compilation of Case Studies on Such Matters as Parent-Subsidiary Listings, which was published by the Listing Department of Tokyo Stock Exchange, Inc. (TSE) on December 26, 2025, as an advanced governance practice for the protection of minority shareholders. The inclusion was in recognition of the fact that ADEKA, as the parent company, remains continuously involved in ensuring the effectiveness of governance at NIHON NOHYAKU, while NIHON NOHYAKU provides detailed disclosure on these initiatives. The compilation also notes favorably the parent company's commitment to protecting minority shareholders, contrasting it with cases in which parent companies limit their involvement on the grounds of maintaining subsidiary independence.

"Compilation of Case Studies on Such Matters as Parent-Subsidiary Listings," Listing Department, Tokyo Stock Exchange, Inc.
https://www.jpx.co.jp/english/news/1020/vk0khi000000gfs8-att/vk0khi000000gfv4.pdf

Compliance

In order to remain a trusted corporate group, the ADEKA Group promotes management grounded in compliance across the Group based on strict adherence to laws and regulations and high standards of corporate ethics.
Through appropriate governance and responsible action by every employee, we will conduct our business in a manner that meets society's expectations.

Compliance Promotion Framework



Strengthening Group Compliance

- We worked to reinforce Group compliance by promoting awareness and understanding of the ADEKA Group Management Policies and Code of Conduct.
- In fiscal 2025, for the purpose of promoting awareness and understanding and instilling the ADEKA Group Code of Conduct that incorporates the elements of "social contribution through core business" and "sustainability management," we created educational materials in multiple languages for ADEKA and its subsidiaries in and outside Japan and we used these materials to renew awareness of the Code of Conduct throughout the Group.
- Through these efforts, we are working to strengthen compliance across the ADEKA Group. We conducted a compliance awareness survey of employees at ADEKA and its subsidiaries in Japan. We analyze the survey results and provide feedback to support improvements in identified areas.
- We have been continuously providing education and training for officers and employees of the ADEKA Group, including compliance seminars, training on specific themes and applicable laws and regulations, level-based training, and e-learning.

Internal Reporting System

The ADEKA Group has operated a Group-wide internal reporting system since 2003. The system is designed to allow individuals to raise concerns safely and without fear of retaliation, and to enable anonymous two-way communication with reporters. The system is operated in accordance with internal regulations that protect reporters' anonymity, require confidentiality, and prohibit retaliation or other unfavorable treatment. The matters reported and the status of the responses are shared with the Director who is a full-time member of the Audit and Supervisory Committee and outside legal counsel, and reported to the Board of Directors.

Fair Business Practices and Anti-Corruption

Each year the ADEKA Group offers seminars on the Antimonopoly Act and SME Transactions Act, presented by specialists in the field and encourages individual employees to improve their knowledge of these topics through e-learning.

Laws and regulations addressing bribery and corruption are being strengthened globally, and enforcement is becoming increasingly rigorous. Examples of pertinent legislation include the Foreign Corrupt Practices Act of the United States, the United Kingdom Bribery Act, and Japan's Unfair Competition Prevention Act. The ADEKA Group is providing employee training, bribery risk assessments, and other measures as described above based on the ADEKA Group Basic Anti-Bribery Policy, related regulations, and the ADEKA Group Anti-Bribery Guidelines. Every year ADEKA conducts a bribery risk assessment to confirm the progress of efforts by Group companies to prevent overseas bribery and assess the current status of anti-bribery measures across Group companies.

Global Compliance Conference

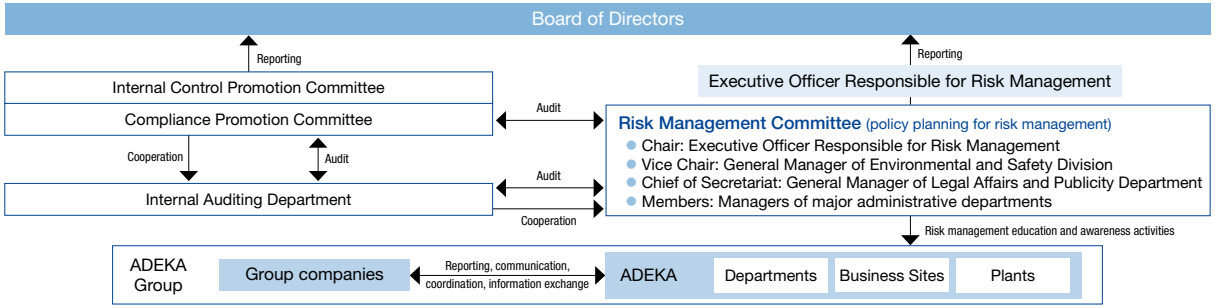
In fiscal 2025, we held our first Global Compliance Conference, bringing together employees from the legal, compliance, and administrative functions of overseas Group companies. During the conference, we shared the ADEKA Group's policies on compliance activities and actively exchanged opinions on initiatives and challenges at each company. Through this and similar activities, we promote knowledge-sharing across Group companies and strengthen our global compliance framework.



Risk Management

As business risks in the environment surrounding the ADEKA Group continue to increase, the ADEKA Group focuses on preventive measures to reduce the likelihood of risks materializing and on response measures to minimize losses if they do.

Risk Management Framework



Risk Management System

The Risk Management Committee, chaired by the Executive Officer Responsible for Risk Management and with the Legal Affairs and Publicity Department serving as its secretariat, is composed of department heads of major administrative departments and meets twice a year. From an enterprise risk management (ERM) perspective, the Committee identifies and assesses risks across departments and oversees the operation and review of risk management frameworks. As for Group companies, we are undertaking ERM activities under the Group Risk Management Council and working to promote consistent risk management across the Group.

We have established and implemented the ADEKA Group Risk Management Regulations and Risk Management Manual to minimize damage in the event of an emergency. In particular, to prepare for and respond to large-scale natural disasters and other crises, which could cause significant impact on the Group's management, we are fully revising our Crisis Management Manual (Emergency Response) in order to establish a structure to respond swiftly and effectively throughout the process, from the initial response through recovery. The revision of the manual will enable us to quickly set up an emergency response headquarters depending on the type and situation of an emergency, improve our chain of command and information distribution routes, and clarify the scope of responsibilities of each division for minimizing damage and swiftly resolving the situation.

As described above, ADEKA has been striving to increase the effectiveness of its risk management system under both normal and emergency conditions.

Strengthening Global Risk Management

To ensure the safety and well-being of ADEKA officers and employees traveling on business, studying abroad, posted overseas, or seconded to overseas entities, as well as their accompanying family members, we have been working to establish regulations and standards concerning our overseas crisis management system. As part of this effort, we have formulated the Emergency Response Guidelines to address emergency situations overseas. In addition to preparations for emergency supplies and other measures to be taken during ordinary times, the Guidelines stipulate the criteria for making an evacuation decision before an emergency actually occurs. We are thus making efforts to respond to the occurrence of a crisis swiftly and appropriately and help protect the safety of affected officers, employees, and accompanying family members.

Initiatives Related to AI Governance

The ADEKA Group is using generative AI to improve operational efficiency and support the creation of new ideas, while also working to manage risks including information leakage and the infringement of third-party intellectual property rights.

In October 2024, we established Guidelines on the Use of Generative AI, which specify what users must comply with when using generative AI in their work and explain effective methods of use. We require employees to comply with all Company regulations relating to information security and to use generative AI safely and appropriately in their work after fully understanding the Guidelines. The ADEKA Group continues to strengthen its AI governance framework.

Chemical Substance Management and Export Control

We comply with laws and regulations related to chemical substances around the world. We also work with our overseas locations to issue Safety Data Sheets (SDSs) that comply with the Globally Harmonized System of Classification and Labelling of Chemicals (GHS) and are tailored to each country's regulatory requirements, and to determine Harmonized System (HS) codes. The Chemical Substance Management Working Group, which has been formed under the Compliance Promotion Committee, coordinates cross-functional initiatives across the Company aimed at strengthening the internal safety management system for chemical substances and improving legal compliance and quality assurance. ADEKA has also established the Trade Control Committee, a security export control body reporting directly to the President, and has been providing education on security trade control (e-learning) to all employees.

Business Continuity Management

Our Business Continuity Management System (BCMS) Committee takes the initiative in business continuity management to minimize any damage to business assets and ensure the continuity and rapid recovery of business operations in the event of an emergency, such as disasters or accidents.

Strengthening the Information Security Framework

The Information Management Subcommittee, a subcommittee established under the Compliance Promotion Committee, plays a central role in carrying out an array of measures aimed at strengthening information security and information management, including measures against hacking, computer viruses, and cyberattacks, and employee education, based on the information security policy and security-related regulations. In fiscal 2025, we worked to strengthen information security at Group companies in Japan and overseas. Efforts included enhancing technical safeguards based on assessments of current conditions, developing and expanding information security policies and procedures related to information security, conducting cyber incident response exercises, and providing education on information security.

Corporate Governance

The ADEKA Group places top priority on the strengthening of corporate governance in order to realize its mission and management policies, and is continuously implementing various initiatives, such as streamlining management decision-making and clarifying roles in the execution of operations.



Corporate Governance (as of June 30, 2026)

Item	Contents
Governance structure	Company with an Audit and Supervisory Committee
Chair of the Board	President and Chief Executive Officer
Number of directors (of which: Audit and Supervisory Committee members)	10 (3)
Ratio of independent external directors/numbers (of which: independent external directors serving as Audit and Supervisory Committee members)	50%/5 (2)
Ratio of female directors/numbers	20%/2
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 (of which, also serve as directors)	24 (4)

Discussion Between the President and an External Director



Makoto Horiguchi
External Director

Hidetaka Shirozume
President and Chief Executive Officer, Representative Director

Board Challenges in Building a More Resilient ADEKA Group

Taking on challenges in a changing external environment

Shirozume: Fiscal 2025 began with the challenge of responding to U.S. tariff policies. In some of our businesses, overseas sales account for 70%–80% of total sales, and we also have four Group companies in the United States. Minimizing the impact of these policies on our business activities was therefore a key priority. Against this backdrop, our External Directors drew on their wide-ranging experience and expertise to offer valuable perspectives and recommendations, including insights we might otherwise have overlooked. These discussions enabled us to review and enhance our response measures and ultimately make more effective decisions. In terms of performance, we achieved increases in both net sales and profit in fiscal 2025, with net sales and profit at every level reaching record highs. While we steadily strengthened our resilience to change, the achievements and challenges of each business came into sharper focus. It was therefore also a year in which we gained a clearer understanding of the issues we need to address in fiscal 2026.

Horiguchi: As Chair of the Board, you have created an atmosphere in which everyone feels comfortable expressing their views. With directors from diverse backgrounds, questions and opinions are raised from a variety of perspectives, with management responding in turn. I feel that this ongoing process has steadily deepened our discussions and enhanced the Company's ability to respond effectively. In fiscal 2025, ensuring supply chain stability became increasingly important, particularly in light of developments in the Middle East. The year also gave us an opportunity to reassess how we secure reliable sources of supply and maintain stable supply to our customers.

Discussion Between the President and an External Director

Shirozume: Fiscal 2025 also provided us with important insights into the use of AI. We experimented with a data- and AI-driven decision-support system to analyze the impact of U.S. tariff policies but were unable to obtain sufficiently meaningful results. The issue was not the performance of AI itself, but rather the fact that our supply chain data was not yet sufficiently robust. This experience reinforced the importance of building a data foundation that enables us to gain a more accurate picture of business activities across the Group. We are now working to better visualize the Group's operations as a foundation for more advanced use of AI. AI not only helps us find answers; it can also bring to light issues that we ourselves had not previously recognized.

Horiguchi: Exactly. The value of AI lies not in giving us the answers, but in providing us with new insights. By drawing our attention to issues we might otherwise have overlooked, it prompts us to think more deeply about them.

Shirozume: The first challenge we face in fiscal 2026 is responding to developments in the Middle East. The impact of these developments has shown no signs of diminishing, and it remains extremely difficult to predict where or how the effects will materialize, whether large or small. With the ADEKA Group operating across many overseas markets, it is essential that we respond flexibly to local conditions while maintaining close dialogue with our customers. Rather than relying on individual locations to respond on their own, we need to leverage the Group's network as a whole to strengthen our resilience.

Taking on Challenges Through Dialogue with Shareholders and Investors

Shirozume: In fiscal 2025, we carried out share buybacks totaling approximately 18 billion yen, an unprecedented scale for ADEKA. There are naturally differing views on the role of share buybacks in capital management policy, but for ADEKA to earn the recognition it deserves as a listed company, we need to achieve a higher share price by enhancing corporate value. After careful deliberation, including consideration of alternatives such as capital investment and M&A, we decided to proceed with the share buybacks. I see this as another challenge we took on in our efforts to enhance corporate value.

Horiguchi: I believe the share buybacks were readily accepted by the directors because there was a shared understanding within the Board that they would be carried out only after ensuring sufficient funds were available for necessary investments. Share buybacks are not an end in themselves. What matters is how they are positioned in relation to growth investment. In this respect, I feel that our approach to capital management policy has steadily matured.

Shirozume: Our businesses span a wide range of fields, and many of our projects involve highly confidential information. I therefore believe it is important to give shareholders and investors a clear understanding of our business activities. To provide external stakeholders with a clearer picture of ADEKA, we proactively disclose information wherever possible and deepen mutual understanding through dialogue.

Horiguchi: When I participated in an engagement meeting with shareholders during the year, I found it extremely valuable to gain insight into the gap between the issues discussed by the Board and those considered important by investors. In particular, conglomerates tend to be valued at a discount, so pursuing a "conglomerate premium" represents a significant challenge. This dialogue prompted me to think again about how we can achieve such a premium in the capital markets. We need to tell a compelling story showing that the premium comes not simply from having a diverse range of businesses, but from each business being highly competitive in its respective niche, supported by quantitative indicators such as return on invested capital (ROIC) and weighted average cost of capital (WACC).



Discussion Between the President and an External Director

Shirozume: Achieving a true conglomerate premium will by no means be easy, but it is the responsibility of top management to take investors' perspectives seriously and to further refine and demonstrate the unique value and strengths that each business has developed over its history. ADEKA's distinctive business portfolio can itself be seen as one of our competitive advantages, but we need to make greater use of the uniqueness of each business, break down the barriers between them, and create new value. In our overseas operations, we have made progress in sharing successful practices and making effective use of our overseas bases, and I feel that the barriers between our businesses are gradually being removed.



Horiguchi: In addition to collaboration in our overseas operations, there is significant potential to create synergies by bringing together customer relationships and technologies across our businesses. The customer bases and technological assets that each business has developed not only create value in their own right but can also generate new business opportunities when leveraged across business boundaries. We are expected to create value in a way that is unique to the ADEKA Group, rather than simply operating as a collection of businesses.

Taking on Challenges Through the Power of Our People

Horiguchi: When I visited the NIHON NOHYAKU General Research Center in Kawachinagano, Osaka Prefecture, I was impressed by the researchers' high level of expertise and passion, which further heightened my expectations for what they will create in the years ahead. Wherever I visit, I am struck by how positive and enthusiastic employees are and by the sense of fulfillment they find in their work. Another distinctive feature of the ADEKA Group is that approximately one-third of its employees are engaged in research and development. I believe that by bringing together the capabilities of our research and development, production, sales, and administrative functions, we can create even greater value.

Shirozume: I would describe employees of the ADEKA Group as tenacious. They do not give up easily. That is precisely why we need to engage in ongoing dialogue with our diverse employees and align the direction of the Company with what each employee wants to achieve. By bringing out more of each individual's potential, we can create even greater value and continue reaching new heights.

Horiguchi: When considering how to respond to risks in the external environment and where to make growth investments, I place particular importance on whether we can leverage the ADEKA Group's unique strengths to create differentiated value and embody "Add Goodness." Our people are the driving force behind this value creation. Managers, in particular, have an important role to play in creating an environment where employees feel comfortable expressing their views and taking on challenges. Such a corporate culture will create new value and further enhance ADEKA's competitiveness.

Shirozume: Diversity will remain essential no matter how society changes. Diversity enables us to bolster the resilience of the Group and build an organization that can adapt to change. By continuing to hone their respective advantages and becoming competitive wherever they operate, our businesses can contribute to the Group earning a premium valuation in the capital markets. We will continue to move steadily forward by deepening discussions within our diverse Board of Directors.

After the Discussion

ADEKA's Board of Directors comprises members with diverse experience and expertise, fostering lively discussions from a broad range of perspectives. Director Horiguchi, in particular, provides us with valuable insights based on his extensive knowledge and objective perspective, underpinned by his international experience, and I place great trust in him. Since fiscal 2025, he has also played an important role from an independent standpoint as Chair of the Nomination and Remuneration Committee. Going forward, we will continue to draw on the expertise of our External Directors as we further sharpen ADEKA's competitive edge and create new value.

Hidetaka Shirozume Chair of the Board of Directors

Corporate Governance Structure

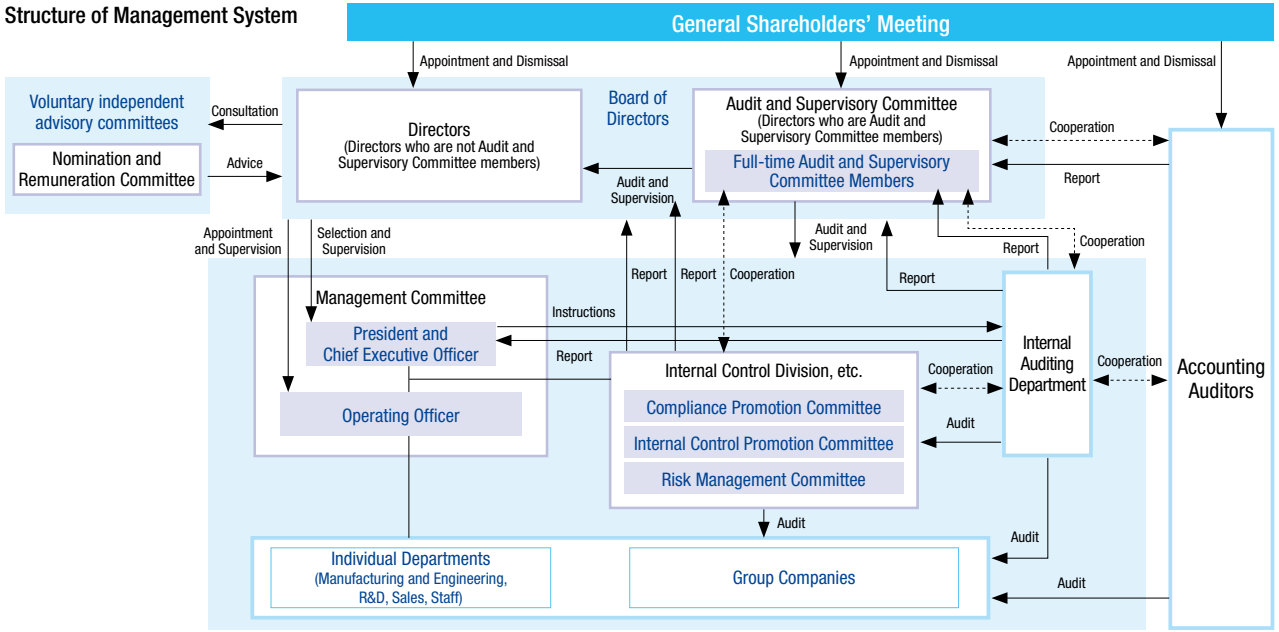
The ADEKA Group regards strengthening corporate governance as a key priority for achieving sustainable growth and enhancing corporate value.
We aim to achieve highly effective corporate governance through reforms to our management structure and the enhancement of our oversight functions.

Basic Approach to 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. To further enhance corporate governance by strengthening the Board of Directors' oversight functions and supervision framework, we passed a resolution at the 159th Ordinary General Meeting of Shareholders held on June 18, 2021, to amend the Articles of Incorporation and transition from a company with an Audit and Supervisory Board to a company with an Audit and Supervisory Committee. At the 161st Ordinary General Meeting of Shareholders held on June 23, 2023, we optimized the size and composition of the Board of Directors, introduced a delegated executive officer system, and revised the Board of Directors Regulations and the Detailed Regulations on Matters to Be Submitted to the Board of Directors, further promoting the separation of business execution and supervision (transition to a monitoring board).

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



Board of Directors
Decisions are made following flexible and thorough deliberations, which include monthly regular Board of Directors meetings, extraordinary Board of Directors meetings convened as needed, and Management Committee meetings held several times a month.

Audit Framework
Directors who are Audit and Supervisory Committee members survey 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 Department conducts internal auditing on the legality and appropriateness of the execution of business by each division from a fair and independent standpoint, based on operational audit regulations and audit plans.

Executive Structure
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. The Internal Control Promotion Committee, the Compliance Promotion Committee and the Risk Management Committee conduct deliberations necessary for the execution of operations, implementing company-wide measures for the execution governance, compliance and risk management while striving for appropriate and rational management judgment.

List of Officers

Director



Hidetaka Shirozume
President and Chief Executive Officer, Representative Director
Nomination and Remuneration Committee Member
77,200 shares*

Apr 1985 Joined the Company
Jun 2016 Director of the Company
Jun 2018 President and Chief Executive Officer of the Company
Jun 2023 President and Chief Executive Officer, Representative Director of the Company (current position)



Yoshiaki Kobayashi
Representative Director and Senior Managing Executive Officer
45,900 shares*

Apr 1985: Joined the Company
Jun 2017: Director of the Company
Jun 2026: Representative Director and Senior Managing Executive Officer of the Company (current position)



Youji Shiga
Director and Managing Operating Officer
38,000 shares*

Apr 1985 Joined the Company
Jun 2018 Director of the Company (current position)
Jun 2025: Managing Executive Officer of the Company (current position)
Jun 2026: Director of NIHON NOHYAKU CO., LTD. (current position)



Kiyoshi Masamune
Director and Operating Officer
19,500 shares*

Apr 1988 Joined the Company
Jun 2024 Director of the Company (current position)

External Director



Shigeru Endo
External Director
Nomination and Remuneration Committee Member
Years in office: 8
0 shares*

Apr 1974 Joined Ministry of Foreign Affairs
Jun 2018 External Director of the Company (current position)



Makoto Horiguchi
External Director
Nomination and Remuneration Committee
Chairperson
Years in office: 5
7,900 shares*

Apr 1979 Joined Iwatani Corporation
Jun 2021 External Director of the Company (current position)

◆ Significant concurrent positions
Part-time Advisor of Higashi-Nippon Iwatani Gas Corporation



Naoya Takahashi
External Director
Years in office: 2
0 shares*

Apr 1973 Joined Hitachi, Ltd.
Jun 2024 External Director of the Company (current position)

◆ Significant concurrent positions
Executive Advisor of Hitachi Vantara, Ltd.

Audit and Supervisory Committee Member



Koichi Taya
Director
(Full-time Audit and Supervisory Committee Member)
12,500 shares*

Apr 1986 Joined the Company
Jun 2022 Director and Full-time Audit and Supervisory Committee Member of the Company (current position)



Ikuko Hirasawa
External Director
(Audit and Supervisory Committee Member)
Years in office: 3
0 shares*

Dec 1989 Registered as an attorney (Tokyo Bar Association) and Joined Kanto Law Office
Jun 2023 External Director and Audit and Supervisory Committee Member of the Company (current position)

◆ Significant concurrent positions
- Partner, Oozora Law Office
- Chairperson of Board of Trustees, Nihon University
- Vice Chairperson of Japan Council for Quality Health Care
- Member of the Children and Families Agency



Yukiko Fujikawa
External Director
(Audit and Supervisory Committee Member)
Years in office: 1
0 shares*

Oct 1988 Joined Chuo Shinko Audit Corporation (later MISUZU Audit Corporation)
Mar 1992 Registered as a certified public accountant
Dec 2004 Registered as certified public tax accountant
Jun 2025 External Director and Audit and Supervisory Committee Member of the Company (current position)

◆ Significant concurrent positions
- Chief, Yukiko Fujikawa CPA Office
- Representative Member, Kaikei Jissen Kenkyujyo (Tax Accountancy Corporation)
- Supervisory Director, Hoshino Resorts REIT, Inc.
- Outside Director, Sotetsu Holdings, Inc.
- Outside Director and Audit and Supervisory Committee Member, Lacto Japan Co., Ltd.

* Number of ADEKA shares held

Internal Director External Director

List of Operating Officers

Hidetaka Shirozume	President and Chief Executive Officer, Representative Director
Yoshiaki Kobayashi	Representative Director and Senior Managing Executive Officer, Assistant to the President, Human Resources Department, Purchasing & Distribution Department, and Chair of Internal Control Promotion Committee
Shigeki Fujisawa	Managing Operating Officer, General Manager, Environmental Materials Division
Atsuya Yoshinaka	Managing Operating Officer, General Manager, Semiconductor Materials Division
Youji Shiga	Director and Managing Operating Officer, Finance & Accounting Department, Information System Department
Naoshi Kawamoto	Managing Operating Officer, General Manager, Polymer Additives Division
Kiyoshi Masamune	Director and Operating Officer, Legal Affairs & Publicity Department, Corporate Planning & Strategy Division, Chair of the Compliance Promotion Committee, Chair of the Capital Investment Committee
Shin Takahashi	Senior Operating Officer, General Manager, Production Division
Yukio Tatsumi	Senior Operating Officer, General Manager, R&D Technology Coordination Division
Kenji Ikeda	Senior Operating Officer, General Manager, Foods Division
Hirohide Kakimoto	Senior Operating Officer, General Manager, Secretarial Department
Takafumi Fujii	Senior Operating Officer, General Manager, Technology & Engineering Department
Toru Kajimura	Operating Officer, General Manager, Osaka Main Branch
Masaki Maeno	Operating Officer, General Manager, Polymer Additives Sales Department
Hiroto Matsuyoshi	Operating Officer, General Manager, Environmental and Safety Division
Kenji Seki	Operating Officer, General Manager, Semiconductor Materials Sales Department
Mitsutoshi Sasajima	Operating Officer, General Manager, Semiconductor Materials Development Laboratory
Takashi Tokuhashi	Operating Officer, General Manager, Corporate Planning & Strategy Division
Shinichi Ishikawa	Operating Officer, General Manager, Polymer Additives R&D Laboratory
Hidekazu Inaba	Operating Officer, General Manager, Environmental Materials Sales & Marketing Department
Yoshinao Ochiai	Operating Officer, General Manager, East Japan Foods Sales Department
Takahiro Mori	Operating Officer, General Manager, Environmental Materials Development Laboratory
Yutaka Sakuda	Operating Officer, General Manager, Purchasing & Distribution Department
Nagatoshi Kikuchi	Operating Officer, General Manager, Legal Affairs & Publicity Department

* Current titles are the most up-to-date.
* Brief personal histories are as of July 1, 2026

Skills Matrix

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 changes 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 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.

Name	Title	Corporate Management	Sustainability	Global	Financial Strategy and Accounting	HR Management	Research, Manufacturing Management, and Technology (including IT/DX)	Sales and Marketing	Governance and Risk Management
Hidetaka Shirozume	President and Chief Executive Officer, Representative Director	●	●	●				●	●
Yoshiaki Kobayashi	Representative Director and Senior Managing Executive Officer	●		●				●	
Youji Shiga	Director and Managing Operating Officer				●		●		●
Kiyoshi Masamune	Director and Operating Officer		●	●			●		●
Shigeru Endo	Director External Independent			●		●			●
Makoto Horiguchi	Director External Independent	●		●				●	●
Naoya Takahashi	Director External Independent	●		●			●		●
Koichi Taya	Director, (Full-Time) Audit and Supervisory Committee Member (Chair)							●	●
Ikuko Hirasawa	Director, Audit and Supervisory Committee Member External Independent		●						●
Yukiko Fujikawa	Director, Audit and Supervisory Committee Member External Independent		●		●				●

Skills	Reason for selection	Applicable requirements
Corporate Management	In order to realize ADEKA VISION 2030 and ensure sustainable growth while envisioning the business environment of 2030, management experience and business performance in each business area are needed.	• Experience as an executive director of a publicly traded company or equivalent company*1
Sustainability	To promote sustainability as a growth strategy and to enhance social value and achieve sustainable growth, directors with knowledge and experience in sustainability are needed.	• Work experience*2 or management experience*3 in applicable skills • Advisory experience*4 related to the applicable skills
Global	As we advocate global management, which is essential for our company's growth, directors with overseas management experience as well as knowledge and experience in the business environment are needed.	• Experience of being in charge of overseas operations or management • Knowledge and experience related to international business • Experience of working at overseas postings (excluding short-term dispatch and study abroad)
Financial Strategy and Accounting	In order to develop financial strategies that build a strong financial base and achieve investment and shareholder returns to improve corporate value, directors with knowledge and experience in the applicable fields are needed.	• Work experience or management experience in applicable skills • Advisory experience related to the applicable skills
HR Management	Human capital strategies must be developed to maximize the capabilities of employees as human resources, and directors with knowledge and experience in the applicable fields are needed.	• Work experience or management experience in applicable skills • Advisory experience related to the applicable skills
Research, Manufacturing Management, and Technology (including IT/DX)	In order to optimize R&D, operations, manufacturing processes, and business-to-business transactions through the use of digital technology (IT/ DX) and to strengthen competitiveness, directors with knowledge and experience in the applicable fields are needed.	• Work experience or management experience in applicable skills • Advisory experience related to the applicable skills • Work experience at universities, external research facilities, etc.
Sales and Marketing	In order to strengthen earning power and achieve sustainable growth with a focus on profit, directors who understand market trends and possess expertise and experience in formulating sales strategies are needed.	• Work experience or management experience in applicable skills • Advisory experience related to the applicable skills
Governance and Risk Management	Governance and risk management, the foundation for improving corporate value, are essential elements for improving the effectiveness of management and supervision, and directors with knowledge and experience in corporate governance, risk management, and compliance are needed.	• Work experience in or managing a legal affairs, compliance, or internal control division • Advisory experience in related to legal affairs, compliance, and internal control • Experience proactively engaging in the development of corporate governance, proactively engaging in contingency measures,*5 or in an advisory capacity

*1 Equivalent company is defined as a company of a size equivalent to a publicly listed company. *2 Work experience is defined as having been engaged in an applicable business as the main business for a minimum of three years.
*3 Management experience is defined as having held the title of department head or higher in charge of the applicable business. *4 Advisory experience is defined as having performed advisory work in the applicable business outside of the Company.
*5 Response to the 14 crisis items specified in the ADEKA Group Risk Management Manual

Activities of the Board of Directors and Related Bodies

The Company is working to strengthen deliberations on key management issues and the supervision functions of the Board of Directors and the Audit and Supervisory Committee. We are also working continuously to improve the Board of Directors' effectiveness through activities such as operational improvements based on effectiveness evaluations and on-site inspections.

	Board of Directors
Chairperson	President and Chief Executive Officer
Composition	Internal Directors: 5; External Directors: 5
Number of times held (FY2025)	Regular: 12; extraordinary: 5; total: 17
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.
Main themes	• Mid-Term Management Plan • Business strategy, business investments, business portfolio management, and M&A • ESG and sustainability • Employee engagement • Status of IR/SR initiatives, content of dialogue with shareholders • Enhancement of public relations activities • Capital efficiency and return on invested capital • Shareholder returns and fund procurement • Risk management and compliance • Internal control

Assessment of the Effectiveness of the Board of Directors

Members of the Board of Directors complete a self-assessment questionnaire. 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 the 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 2025 Assessment Results

[Summary of Assessment Results]

We have confirmed that our Board of Directors has a well-balanced composition, that we have appointed external directors possessing extensive expertise, and that there is smooth communication among directors and meeting proceedings that facilitate communication, resulting in robust discussions, and have therefore determined the effectiveness of the Board of Directors to be appropriately ensured.

[Issues and Responses]

• Progress on addressing FY2024 issues

In the fiscal 2024 assessment of the effectiveness of the Board of Directors, we identified securing time for discussions as an issue in order to provide for more in-depth discussion of management strategy and other important matters. By simplifying the explanation of proposals on the day of the meetings and creating opportunities for informal discussions as appropriate, we were able to receive a positive evaluation in the fiscal 2025 assessment of the effectiveness of the Board of Directors.

• Issues in FY2025

To provide for more in-depth discussion of management strategy and other important matters, we have identified the following as issues: "scheduling (systematizing) opportunities for discussion" and "early provision and improved quality of information necessary for discussions."

[Addressing these issues]

With regard to "scheduling (systematizing) opportunities for discussion," we are considering systematically establishing opportunities for discussion both within and outside the Board of Directors in preparation for the formulation of the next Mid-Term Management Plan, which starts in fiscal 2027. With regard to "early provision and improved quality of information necessary for discussions," while we are currently implementing measures such as managing deadlines for the preparation of Board of Directors materials based on the internal sharing of Board schedules in advance and holding pre-meeting briefings on important matters, we are considering initiatives to ensure the early provision of materials is carried out reliably.

PICK UP

Off-site Board of Directors meetings

The Company holds Board of Directors meetings at factories with the aim of expanding opportunities to know and feel the workplace. Following the 2024 meeting at the Chiba Plant, in 2025 we held a meeting at the Kashima Chemicals Plant/ Foods Plant site. On the day of the meeting, Board members toured and observed production facilities, manufacturing processes, and safety and quality initiatives, deepening their understanding of the frontline operations that support our manufacturing. After the Board meeting concluded, we also arranged an opportunity for dialogue between employees and Board members, deepening mutual understanding by hearing directly from frontline personnel. Through these initiatives, our Board members—particularly the Outside Directors—have gained an even deeper understanding of the Group's technological capabilities and business competitiveness.





September 2025: Board of Directors meeting held at Kashima Chemicals Plant/Kashima Foods Plant

Activities of the Audit and Supervisory Committee



Auditing and Supervision, May it be Clear — Continued

Koichi Taya
Director
Full-time Audit and Supervisory Committee Member
The Chair of Audit and Supervisory Committee

	Audit and Supervisory Committee
Chairperson	Internal Director
Composition	Internal Director: 1; External Directors: 2
Number of meetings held (FY2025)	6
Objectives	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.
Main themes	• Audit and Supervisory Committee audit policy, audit plans, and division of duties • Selection of candidates for Audit and Supervisory Committee members and the Chair of the Audit and Supervisory Committee, etc. • Appointment and remuneration for Accounting Auditors • Judgement and verification of the appropriateness of audit methods and results for audits and reviews by the Accounting Auditors • Judgment and verification of the appropriateness of the performance of, and reports on, non-assurance services provided by the Accounting Auditors • Results of the implementation of the audit and the Audit and Supervisory Committee's Audit Report

It has been a year since I delivered my message in ADEKA report 2025. Over this time, the Company's Audit and Supervisory Committee has audited the overall status of the ADEKA Group's business execution, in accordance with annual audit policies and plans. In addition to managing to implement these activities largely as planned, active communication took place between Audit and Supervisory Committee members, including committee members who also serve as external directors, and as a full-time committee member, I felt that this produced tangible results.

On the other hand, there are aspects to the effectiveness of the Audit and Supervisory Committee that need to be further enhanced. The Group has a parent and subsidiary listing structure, but we need to perform checks to ensure that governance for NIHON NOHYAKU CO., LTD., the Group's listed subsidiary, does not undermine corporate value for any of our stakeholders. That was one of the reasons that starting in fiscal 2025, we established a liaison council with the Audit and Supervisory Committee of NIHON NOHYAKU CO., LTD. and began an initiative to share details on the audit activities of both companies on a regular basis. Additionally, for subsidiaries that have expanded overseas operations, how to enhance the effectiveness of audits, including on-site inspections at those locations, will be important. We have been working to conduct audits and reviews online while maintaining communication with local top management teams.

As I mentioned earlier, there has been active information sharing along with a lively exchange of views between Audit and Supervisory Committee members. At the request of External Audit and Supervisory Committee member, the information reported by full-time committee member has been increased, both in quality and quantity, at committee meetings. As a result, External Audit and Supervisory Committee members have raised more specific and pointed observations, leading to more in-depth discussions. On many occasions, our meetings have run over their allotted time as a result. In addition, even outside meetings, members frequently exchange emails regarding individual matters. The two External Audit and Supervisory Committee members have a strong desire to gain a better understanding of the Group, and they have also actively engaged in auditing activities, such as accompanying us when conducting audits of affiliated companies. This has made them an extremely valuable presence. Through lively discussions, we have built a mutually complementary relationship, combined with outstanding teamwork.

Personally, in undertaking my duties as a full-time Audit and Supervisory Committee Member, I have continued to bear in mind the need to be fair, honest and forthright, while having a good understanding of frontline conditions and practical implementation. Having said that, I think there is still work to be done before achieving something ideal. I believe the job of auditing should be a virtuous cycle of sharing observations that are difficult for the executive side to notice, encouraging improvements, and following up on the progress of their implementation. Although the Audit and Supervisory Committee does not conduct detailed audits of every individual matter, we aim to be a committee that is able to focus on specific frontline issues, including further deepening coordination with the internal audit division.

Going forward, we will continue to properly check and verify whether the ADEKA Group has an appropriate risk management foundation and solid governance framework underpinning its growth story, and in doing so, contribute to the sound development of the Group and the enhancement of corporate value.

Activities of the Nomination and Remuneration Committee



Supporting ADEKA's nomination and remuneration practices for continuity and transformation after more than 100 years of history

Makoto Horiguchi
External Director
The Chair of the Nomination and Remuneration Committee

We believe that discussions regarding nominations and compensation are extremely important themes directly linked to the sustainable enhancement of corporate value and the establishment of sound governance, and should be carefully considered from a long-term perspective rather than a short-term one. For nominations in particular, it is not easy to fully assess a candidate's qualifications and suitability based solely on fragmented information. For this reason, the Committee strives to conduct multifaceted and comprehensive evaluations of candidates—taking into account their past track record, experience, character, and leadership abilities—rather than judging them based solely on short-term information or impressions.

Even in the case of candidates recommended by the President, we carefully verify the background of the recommendation, the role expected of the candidate, and the validity of the reasons for the recommendation, all from multiple perspectives. As a committee, we engage in repeated discussions from an independent standpoint, striving to reach a consensus while ensuring objectivity and transparency. Going forward, to meet the expectations of our shareholders and other stakeholders, we will continue to engage in sincere discussions regarding appropriate nomination and compensation practices, while balancing management continuity with the enhancement of corporate value.

	Nomination and Remuneration Committee
Chairperson	External Director
Composition	Internal Director: 1; External Directors: 2
Number of meetings held (FY2025)	4
Objectives	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.
Main themes	• Proposed nominations of officer candidates for the next fiscal year • Proposed individual bonuses to officers and proposed compensation for officers for the next fiscal year • Selection of the Chair of the Nomination and Remuneration Committee • Review and checking of the Skills Matrix for Directors of the Company, and reporting on officer compensation trends (including global companies)

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 Director are chosen for these attributes and with a focus on independence, 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. Furthermore, when selecting officer candidates, prior to submitting proposals to the Board of Directors, the President and CEO explains to the Nomination and Remuneration Committee whether the candidates meet the nomination criteria. The Nomination and Remuneration Committee deliberates on this information and provides opinions and advice. The Board of Directors then decides on officer candidates by resolution based on the results of these deliberations.

Details on Compensation for Individual Directors

ADEKA delegates the determination of individual director compensation to President and CEO Hidetaka Shirozume. He makes such decisions after consultation with the Nomination and Remuneration Committee and based on its opinion and advice.

He also formulates a compensation proposal based on compensation standards and other factors within the limits approved by the General Meeting of Shareholders. He makes decisions after consultation with the Nomination and Remuneration Committee and based on its opinion and advice. Accordingly, the authority delegated to him is exercised appropriately, and the objectivity of his judgment is ensured.

Formulation and Implementation of Succession Plans and Development of Successors

ADEKA formulates succession plans for promotion of the optimal successor to the position of President and CEO. The successor must be capable of responding to the management environment surrounding the Group and addressing management issues, and working for sustainable growth of the entire Group and enhancement of corporate value. This system maintains the transparency and objectivity of the processes by which successors to senior management positions are nominated. We are working through the process of nomination, in accordance with the succession plans.

Formulation and Implementation of Succession Plans and Development Steps

STEP	Main Contents
1	Formulation of a roadmap for succession plans
2	Establishment of an "ideal profile of the President and CEO" and evaluation criteria
3	Selection and presentation of successor candidates
4	Formulation and implementation of development plans
5	Evaluation, narrowing down, and rotation of succession candidates
6	Evaluation of final candidates and nomination of a successor
7	Post-nomination support

Officer Compensation / Cross-shareholdings

ADEKA's compensation for officers is designed to appropriately reflect business performance and the enhancement of medium- to long-term corporate value, with the aim of contributing to the improvement of the collective interests of shareholders. It combines base compensation, performance-based remuneration, and nonmonetary remuneration, etc. and is structured based on financial performance and sustainability metrics. In addition, we verify the significance of cross-shareholdings and strive to reduce the portfolio, such as by selling shares as appropriate when holding them is no longer deemed reasonable.

Incentive Compensation for Officers

Compensation for the Company's directors and executive officers is structured to serve as an appropriate and sound performance incentive, enabling them to make transparent, fair, prompt, and bold decisions that lead to the enhancement of corporate value and, ultimately, the collective interests of shareholders. Compensation standards are set taking into account industry standards from the perspectives of the Company's business scale and the need to secure global talent, and are subject to review as appropriate.

Design of Performance-Based Compensation

ADEKA's incentive compensation for officers is composed of remuneration paid as compensation for performing their duties (base compensation), bonuses for officers linked to the performance of the Company and individuals during the fiscal year (performance-based remuneration), and restricted stock compensation (nonmonetary remuneration) as an incentive for medium- to long-term performance and stock price improvement.

Performance-based remuneration is based on the financial results for each fiscal year (consolidated net sales, consolidated operating profit and consolidated net income) and the performance for each fiscal year against the sustainability indicators (net sales of ADEKA Environmental Contribution Products, GHG emissions) defined in the Mid-Term Management Plan. Bonuses are paid on a particular schedule each year as officers' bonuses and in 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, nonmonetary remuneration is provided as restricted stock compensation.

Reduction of Cross-shareholdings

ADEKA holds shares in companies that are expected to enhance corporate value and strengthen our financial base and which could contribute to the development of ADEKA's businesses over the medium to long term through business alliances with investees, business alliances relating to joint research and development of new technology, etc., stronger transactional relationships, and maintaining sustainable, friendly, and stable cooperative relationships.

Every year, we verify the appropriateness of cross-shareholdings and strive to reduce them, such as by selling shares of companies when holding them is no longer deemed reasonable. In fiscal 2025, we sold shares in 13 stocks, with a total sale value of 4.48 billion yen (based on the amount recorded on the fiscal 2014 balance sheet), representing a 22% reduction, and bringing the number of cross-shareholdings to 80 stocks.

Approximate percentage of each type of compensation, etc.
(if the achievement rate of the performance indicator is 100%)

Position	Base compensation	Performance-based remuneration	Non-monetary remuneration
Representative Director & Chairperson President and Chief Executive Officer	51%	19%	30%
Director and Senior Managing Executive Officer	54%	18%	28%
Director and Managing Operating Officer	56%	15%	29%
Director and Operating Officer	56%	13%	31%

Results for the Current Fiscal Year

Total compensation by officer category and by type of compensation, and the number of eligible officers

Position	Total compensation, etc. (millions of yen)	Total compensation, etc. by type (millions of yen)			Number of eligible officers (persons)
		Base compensation	Share-based compensation	Bonuses	
Directors (excluding Audit and Supervisory Committee members and External Directors)	273	139	63	70	4
Directors (Audit and Supervisory Committee members, excluding External Directors)	24	24	—	—	1
External Officers	58	58	—	—	6

(Units) Number of stocks: shares, Posted amount: 100 million yen

Fiscal year of sale	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	Total	Decrease rate
Stocks sold in full	6	4	1	2	1	1	3	1	8	5	9	41	
Stocks sold partially	1	0	2	0	1	0	2	5	1	3	4	19	
Sale amount (based on the amount recorded on the FY2014 balance sheet)	0.6	2.7	0.7	0.1	16.6	0.5	1.6	6.7	4.6	0.8	9.9	44.8	22%
Number of stocks held	113	107	108	106	105	104	101	101	94	89	80		

Messages from External Directors



Identifying change, creating opportunities, and turning them into value

Shigeru Endo
External Director
Nomination and Remuneration Committee Member

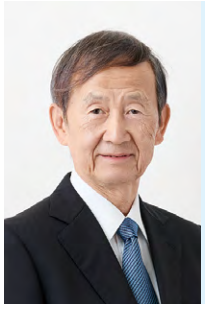
The source of ADEKA's value creation lies in its proprietary technological capabilities cultivated over many years, and its ability to quickly recognize social change, and turn that insight into new value. In the areas of chemicals, food and life sciences, ADEKA has positioned its technologies for "materials as treasure" as the starting point for delivering value that addresses a diverse range of social issues. I believe ADEKA's accumulated technologies and the relationship of trust it enjoys with customers represent a competitive advantage that cannot be easily replicated.

However, the world is in the midst of a significant environmental shift involving geopolitical and geoeconomic risks, fluctuating raw material and energy prices, and the rebuilding of supply chains. It is important to view these changes not as temporary but as structural issues, and to incorporate risk preparedness into management strategy. The Board of Directors has engaged in extensive discussions on how to respond to geopolitical and geoeconomic risks, crisis management, business continuity, and the Group's global supply structure.

Going forward, given rising costs across the supply chain, it will be even more important to demonstrate management capabilities that will maintain and enhance profit margins through improved added value, pricing strategy and more sophisticated production and procurement activities. In addition, to evolve our business portfolio and drive investments in growth areas, capital efficiency-oriented management that demonstrates an awareness of ROIC will be essential. We need to reinvest the value that is created into R&D, human resources, DX and AI, and translate those investments into sustained growth. We also need to balance the allocation of generated cash between reinvestment in areas such as R&D, human resources, DX and AI, and shareholder returns, leading to the sustained enhancement of corporate value.

In the era of VUCA, it is important to position wellbeing as a foundational aspect of our human capital, while focusing on the cultivation of resilient human resources who continually take on challenges, and global human resources capable of driving management in diverse cultures and market environments.

From my independent perspective as an external director, I hope to fulfill the role of linking ADEKA's strengths to further enhancements in corporate value.



Supporting the bold endeavors of top management with offensive and defensive governance

Naoya Takahashi
External Director

For ADEKA to achieve sustainable growth and enhance its corporate value in this rapidly changing global market, it must diligently pursue a selection and concentration strategy that plays to its strengths. Based on the experience I have gained in corporate management and R&D to date, I have focused on offering highly effective recommendations from an objective standpoint.

At present, various businesses supporting people's daily lives and industry, including polymer additives, environmental materials, foods and agrochemicals, represent a solid earnings base that guarantees ADEKA's sustainability. I firmly believe that the key to realizing dramatic advances in the future lies in maintaining and developing this stable base, while further refining ADEKA's world-class proprietary material technologies in the fast-growing semiconductor field, and making swift and bold investments in management resources.

At Board of Directors meetings, which are a forum for lively discussions, I will continue to support the bold endeavors of top management going forward. Through the practice of governance that strikes the right balance between offense and defense, along with appropriate oversight and support, we will meet the expectations of stakeholders in the form of enhanced corporate value.

Reasons for Appointing External Directors

External directors contribute to the sustainable enhancement of our corporate value by leveraging the specialized expertise they have cultivated in their respective fields, as well as their independence, to provide supervision and advice on management.

Name	Key Reasons for Appointment
Shigeru Endo	Possesses deep insight into international affairs, a global perspective, and rich international sensitivity cultivated through many years of experience as a diplomat.
Makoto Horiguchi	Possesses extensive experience and broad-ranging insight in corporate management and corporate governance, as well as global expertise and good character.
Naoya Takahashi	In addition to his experience in top management at the Hitachi Group, he possesses experience overseeing IT, DX, and R&D, as well as global expertise and good character.
Ikuko Hirasawa	As an attorney, she is well-versed in labor law and general corporate legal affairs. She has held key positions within the headquarters of the organization to which she belongs regarding the promotion of gender equality, and is also knowledgeable in human resources development and diversity and inclusion (D&I).
Yukiko Fujikawa	As a certified public accountant and tax accountant, she is well-versed in corporate accounting and finance. She also possesses extensive experience gained from her tenure at the Financial Supervisory Agency (now the Financial Services Agency) and from serving as an auditor and director of listed companies.

Messages from External Directors



Pursuing enhanced compliance and risk management toward the next Mid-Term Management Plan

Ikuko Hirasawa
External Director
(Audit and Supervisory Committee Member)

With a history spanning 109 years, ADEKA maintains multiple strong core businesses, enabling it to develop into a manufacturer of exceptional “materials as treasure” boasting a stable operating base. As ADEKA seeks to further enhance its corporate value, I believe it is also vital for it to ensure thorough compliance while enhancing its ability to swiftly address legal risks. To further this, looking beyond the materials distributed at Board of Directors meetings, I have recognized and acted on the need to take part in audit inspections, visit factories, training centers and subsidiaries in various locations, speak with frontline personnel, and obtain information for myself. As a result, I have learned firsthand that ADEKA’s philosophies have taken root even at the field level, and I feel there are aspects to ADEKA’s rich history that have helped preserve those elements of its culture from the past. As ADEKA has expanded its global operations, with overseas sales accounting for more than 50% of total sales, I believe it is important to steadily engage in oversight to verify that a thorough awareness of compliance is also instilled at overseas subsidiaries and other companies.

ADEKA has created opportunities for external directors to engage in discussions among themselves, and as this year involves the formulation of the next Mid-Term Management Plan, I will work to ensure that the discussions give due consideration to diverse risk management, including legal risks as well as the recent situation in the Middle East.



Supporting the evolution of ADEKA as an External Director and Audit and Supervisory Committee Member

Yukiko Fujikawa
External Director
(Audit and Supervisory Committee Member)

It has been a year since I was appointed an External Director and Audit and Supervisory Committee Member of ADEKA. In addition to attending meetings of the Board of Directors and Audit and Supervisory Committee, I have received briefings on each business, toured the Kashima Plant and Urawa R&D Center, taken part in audits of domestic subsidiaries by Audit and Supervisory Committee members, joined exchange sessions with the members of the Audit and Supervisory Committee of NIHON NOHYAKU CO., LTD., the Group’s listed subsidiary, and toured its General Research Center in Kawachinagano, Osaka Prefecture. Looking back, it was a year filled with many experiences.

Wherever I went, there was never an atmosphere that discouraged me from sharing my views or asking questions in my capacity as an Audit and Supervisory Committee Member. Even when I asked for more information or suggested certain improvements, people always responded promptly and with a smile, giving me the sense of a very healthy corporate culture. In the fiscal year under review, there were more opportunities for external directors to gain a deeper understanding of ADEKA, as a result of various actions including increasing the opportunities for external directors serving as Audit and Supervisory Committee members to speak directly with the accounting auditor, and newly creating opportunities only for external directors to share views among themselves following the completion of Board of Directors meetings.

Given current conditions, one area I would like to see further improvement is in increasing opportunities for coordination between the internal audit division and external directors serving as Audit and Supervisory Committee members. This is already being considered in the new fiscal year. I am proud to see how ADEKA always embraces evolution in a positive light!

History of Corporate Governance

The ADEKA Group is continuously working to enhance its governance to meet the expectations of its stakeholders.

2006
First appointment of external directors

2007
Establishment of the Internal Control Promotion Committee

2008
Abolition of the executive retirement benefit system

2015
Enactment of the Corporate Governance Guidelines

2017
Introduction of a restricted stock compensation plan

2020
Establishment of the Nomination and Remuneration Committee

2021
Transition to a company with an Audit and Supervisory Committee
Appointment of the first female director

2022
Abolition of takeover defense measures (discontinued)
Appointment of an external director as Chair of the Nomination and Remuneration Committee

2023
Introduction of the delegated executive officer system

2025
20% female director ratio

Dialogue with Shareholders and Investors

The ADEKA Group views dialogue with shareholders and investors as a crucial opportunity for the sustainable enhancement of corporate value.
We share the opinions and expectations gathered through these dialogues with management, the Board of Directors, and relevant departments, and utilize them to improve our management strategies, business operations, sustainability initiatives, and information disclosure.

Dialogue Results and Promotion Structure

In fiscal 2025, we engaged in dialogue with a wide range of stakeholders—including domestic and international institutional investors, analysts, fund managers, and professionals responsible for ESG, responsible investment, and stewardship—through the following activities.

Key Dialogue Opportunities	Results
Financial results briefings	4
Individual business strategy briefings	1
Small group meetings	2
Factory tours	1
Participation in IR fairs	2
Individual IR interviews	154
SR engagement with major institutional investors, etc.	13



Plant-based food tasting session at the financial results briefing

Executive management, including the Representative Director, the officer in charge of the Finance & Accounting Department, and the officer in charge of the Legal Affairs & Publicity Department, engages in ongoing dialogue with shareholders and investors. Led by the Legal Affairs & Publicity Department—the department responsible for SR and IR—with the officer in charge of that department serving as the overall coordinator, we have established a system to reflect the opinions gathered through these dialogues in management decisions, in collaboration with relevant departments, including the Corporate Planning & Strategy Division and the Finance & Accounting Department.

In fiscal 2025, we continued to hold meetings attended by external directors and also conducted on-site meetings with overseas institutional investors, striving to improve both the quality and quantity of our dialogues.



SR meeting attended by an external director

Main Themes of Dialogues

During these dialogues, we engaged in a broad exchange of views on the following themes.

Area	Main Themes
Environment	Carbon neutrality, GHG emissions reduction, ADEKA Environmental Contribution Products, sustainable raw material procurement (palm oil), TNFD (biodiversity, water resource management)
Social	Human capital strategy, DE&I, proportion of female managers, talent management, employee engagement, human rights initiatives
Governance	Effectiveness of the Board of Directors, nomination and remuneration systems, successor development plan, Board composition, diversity, independence, and skills matrix, treatment of listed subsidiaries (Group governance)
Business and Finance	Business portfolio (approach to the Life Sciences and Food Products Business), capital efficiency, ROIC-based management, cash allocation
Information Disclosure	Dialogue between external directors and investors, content and readability of the integrated report

Future Initiatives Based on Dialogue

We received a certain level of recognition and understanding regarding our initiatives related to environmental, human capital, governance, and financial strategies. On the other hand, we received feedback identifying future challenges, such as clarifying the link between financial and non-financial information and providing quantitative disclosures on the progress and effectiveness of individual measures.

Key expectations from shareholders and Investors	Future considerations
Clarifying the link between financial and non-financial information	Further specifying our value creation story
Visualizing progress on ESG measures	Enhancing quantitative information and roadmaps
Clarifying the impact of ADEKA Environmental Contribution Products	Disclosure of CO_2 reduction effects in addition to sales figures
Alignment of human capital strategy with business strategy	Improving alignment between management and business strategies and human capital strategies
Management with awareness of capital efficiency	Strengthening disclosure of ROIC management and cash allocation policies
Effectiveness of governance	Diversity of the Board of Directors, successor development, and expanding opportunities for dialogue with external directors

Reflecting Dialogue into Management

Opinions and requests obtained through dialogue are shared with the Board of Directors, external directors, members of the Management Committee, and relevant departments, and are utilized in the consideration of management issues and measures. Currently, we are advancing the development of a foundation for raising the level of management control centered on ROIC, while also incorporating insights gained from dialogue with shareholders and investors into the formulation of our next Mid-term Management Plan.

In this Integrated Report, we have sought to enhance content such as our value creation story, ESG measures and PDCA cycle, roadmap, links to business strategy, and insights from external directors. Going forward, we will continue to utilize insights gained through dialogue in our management, leading to improved disclosure and the sustainable enhancement of corporate value.

Company Information

We are committed to continuously enhancing corporate value through the disclosure of financial and non-financial information and constructive dialogue with investors.



Financial and Non-Financial Summary

11-year Financial Summary

Indicators	FY2015	FY2016	FY2017	FY2018	FY2019	FY2020	FY2021	FY2022	FY2023	FY2024	FY2025
Net Sales (Million Yen)	222,746	223,440	239,612	299,354	304,131	327,080	361,234	403,343	399,770	407,145	416,563
Chemicals	154,017	147,824	158,729	180,918	164,284	175,906	200,216	211,862	204,281	218,620	214,993
Food Products	61,137	66,421	69,897	71,783	71,041	70,089	73,384	82,616	84,336	82,680	83,106
Life Sciences	—	—	—	34,420	60,410	71,485	80,110	102,090	103,033	99,966	111,822
Other	20,009	21,753	25,265	27,121	23,148	24,790	25,471	25,751	30,174	23,295	19,860
Adjustments	(12,417)	(12,559)	(14,280)	(14,889)	(14,754)	(15,191)	(17,948)	(18,977)	(22,054)	(17,417)	(13,218)
Operating Profit (Million Yen)	19,300	21,041	21,335	26,638	22,517	28,979	34,032	32,369	35,428	41,010	41,614
Chemicals	17,131	18,332	19,716	21,594	17,530	20,349	29,347	26,260	23,699	28,028	26,353
Food Products	1,618	2,236	1,387	1,258	1,571	1,397	(686)	(2,403)	4,111	4,390	4,363
Life Sciences	—	—	—	3,324	2,620	6,038	4,801	7,793	5,907	7,770	9,823
Other	690	672	717	1,147	1,024	1,088	429	759	1,768	714	1,046
Adjustments	(140)	(200)	(485)	(686)	(229)	105	141	(39)	(58)	107	27
Operating Profit Margin (%)	8.7	9.4	8.9	8.9	7.4	8.9	9.4	8.0	8.9	10.1	10.0
Ordinary Profit (Million Yen)	19,569	21,846	22,337	26,602	21,976	29,270	35,658	32,579	35,763	39,346	42,772
Profit Attributable to Owners of Parent (Million Yen)	13,259	15,325	15,346	17,055	15,216	16,419	23,687	16,778	22,977	25,019	27,866
Net Assets (Million Yen)	170,586	187,956	205,088	244,500	250,634	271,485	296,871	311,709	339,682	351,776	371,572
Total Assets (Million Yen)	270,038	290,485	312,152	414,549	409,452	437,657	475,304	500,068	543,057	543,118	559,987
BPS (Book-value Per Share) (Yen)	1,581.14	1,751.20	1,910.23	1,986.53	2,036.98	2,208.40	2,426.70	2,544.28	2,791.92	2,916.30	3,202.99
EPS (Earnings Per Share) (Yen)	128.38	149.03	149.18	165.78	147.69	159.01	229.65	163.30	224.87	245.55	277.95
DPS (Dividend Per Share) (Yen)	30.00	35.00	39.00	45.00	48.00	48.00	70.00	70.00	90.00	100.00	112.00
Dividend Payout Ratio (%)	23.4	23.5	26.1	27.1	32.5	30.2	30.5	42.9	40.0	40.7	40.3
Equity Ratio (%)	60.5	62.0	63.0	49.4	51.4	52.1	52.6	52.2	52.5	54.6	56.0
ROE (%)	8.28	8.93	8.15	8.50	7.34	7.49	9.91	6.57	8.42	8.60	9.13
ROA (%)	7.4	7.8	7.4	7.3	5.3	6.9	7.8	6.7	6.9	7.2	7.8
ROIC (%)	—	—	—	—	—	—	—	7.6	8.3	9.1	9.1
Cash Flows from Operating Activities (Million Yen)	23,806	22,183	22,221	18,331	27,398	36,872	21,072	17,253	41,954	46,235	40,612
Cash Flows from Investing Activities (Million Yen)	(10,673)	(16,666)	(19,139)	(18,258)	(15,228)	(14,189)	(11,330)	(19,520)	(23,069)	(12,553)	(30,078)
Cash Flows from Financing Activities (Million Yen)	(4,566)	(3,805)	(5,825)	8,995	(7,496)	(6,551)	(11,804)	(2,618)	(4,559)	(22,288)	(35,301)
Cash and Cash Equivalents at End of Year (Million Yen)	49,981	50,762	48,902	56,504	60,888	82,121	82,799	79,537	96,901	107,768	87,884
Capital Investment (Million Yen)	10,829	12,077	15,122	17,419	17,281	14,320	14,627	20,434	20,664	18,683	21,674
Depreciation and Amortization (Million Yen)	9,459	9,230	9,666	11,659	14,248	15,069	15,620	16,003	17,065	17,555	18,835
R&D Expenses (Million Yen)	8,588	8,735	9,327	11,829	14,398	13,945	14,520	15,041	16,130	17,569	19,304
Number of Employees (Persons)	3,241	3,375	3,551	5,154	5,189	5,378	5,466	5,494	5,512	5,453	5,434

Non-Financial Data

Indicators	FY2021	FY2022	FY2023	FY2024	FY2025
GHG Emissions (kt-CO_2e)					
ADEKA Corporation	150.9	139.7	128.5	122.5	121.4
Domestic Group Companies	14.2	12.6	12.4	10.5	11.3
Overseas Group Companies	90.8	85.3	78.2	76.6	80.2

Indicators	FY2021	FY2022	FY2023	FY2024	FY2025
Percentage of Female Managers (%)	3.5	4.6	5.4	5.8	5.9
Serious violations of laws and regulations (cases)	0	0	0	0	0

Company Information

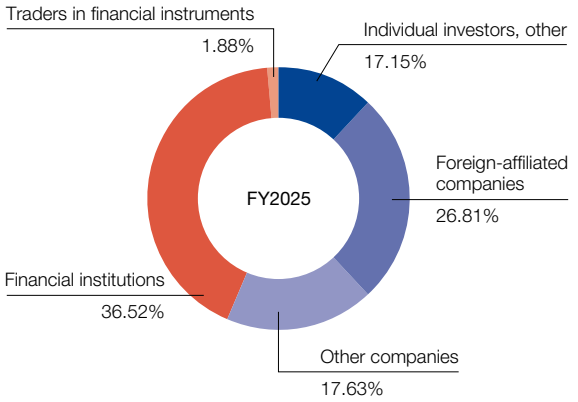
Corporate Profile

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	57 companies in 20 countries/regions (Domestic: 20 companies, Overseas: 37 companies)
Capital	23,048.14 million yen (as of March 31, 2026)
Number of Employees	Consolidated: 5,434 (as of March 31, 2026)
Business	Chemicals Business, Food Products Business, Life Sciences Business, Other Businesses

Stock Information

Listed on	Tokyo Stock Exchange Prime Market (4401)
Authorized Shares	400,000,000 shares
Shares Issued	98,944,242 shares (as of June 30, 2026)
Number of Shares Per Unit	100 shares
Number of Shareholders	18,789
Fiscal Year	From April 1 to March 31 of the following year

Status of Shareholdings by Type of Shareholder



Major Shareholders

As of March 31, 2026

Name	Number of Shares Held (thousands)	Percentage of Shares Held (%)
The Master Trust Bank of Japan, Ltd. (trust account)	11,224	11.41
Custody Bank of Japan, Ltd. (trust account)	6,958	7.07
Asahi Mutual Life Insurance Company	4,053	4.12
Mizuho Trust & Banking Co., Ltd. Retirement Benefit Trust, Mizuho Bank Ltd. Account Re-trustee: Custody Bank of Japan, Ltd.	3,770	3.83
ADEKA Business Partners Shareholding Association	3,136	3.19
National Mutual Insurance Federation of Agricultural Cooperatives	2,334	2.37
STATE STREET BANK AND TRUST COMPANY 505001	2,296	2.33
Zeon Corporation	2,188	2.22
THE BANK OF NEW YORK MELLON 140042	1,888	1.92
Showa Kosan Co., Ltd.	1,870	1.90

* The Company holds 5,383,763 shares of treasury stock, which are excluded from the list of major shareholders above. The percentage of shares held is calculated excluding treasury stock.
The 97,200 Company shares held by Custody Bank of Japan, Ltd. (trust account E) as trust assets of J-ESOP are not included in the 5,383,763 shares of treasury stock.

ADEKA

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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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