



# Briefings on Financial Results

For the 1st Quarter of the fiscal year ended Mar. 31, 2024

Aug. 29, 2023

【TSE 4401】



# Financial Results Overview

FY2023 1st Quarter

Apr. 1, 2023 – Jun. 30, 2023

President and Chief Executive Officer,  
Representative Director

**Hidetaka Shirozume**

1. **FY2023/1Q Consolidated Results** ... P3
2. **Revision of Consolidated Financial Forecasts  
for FY2023** ... P13
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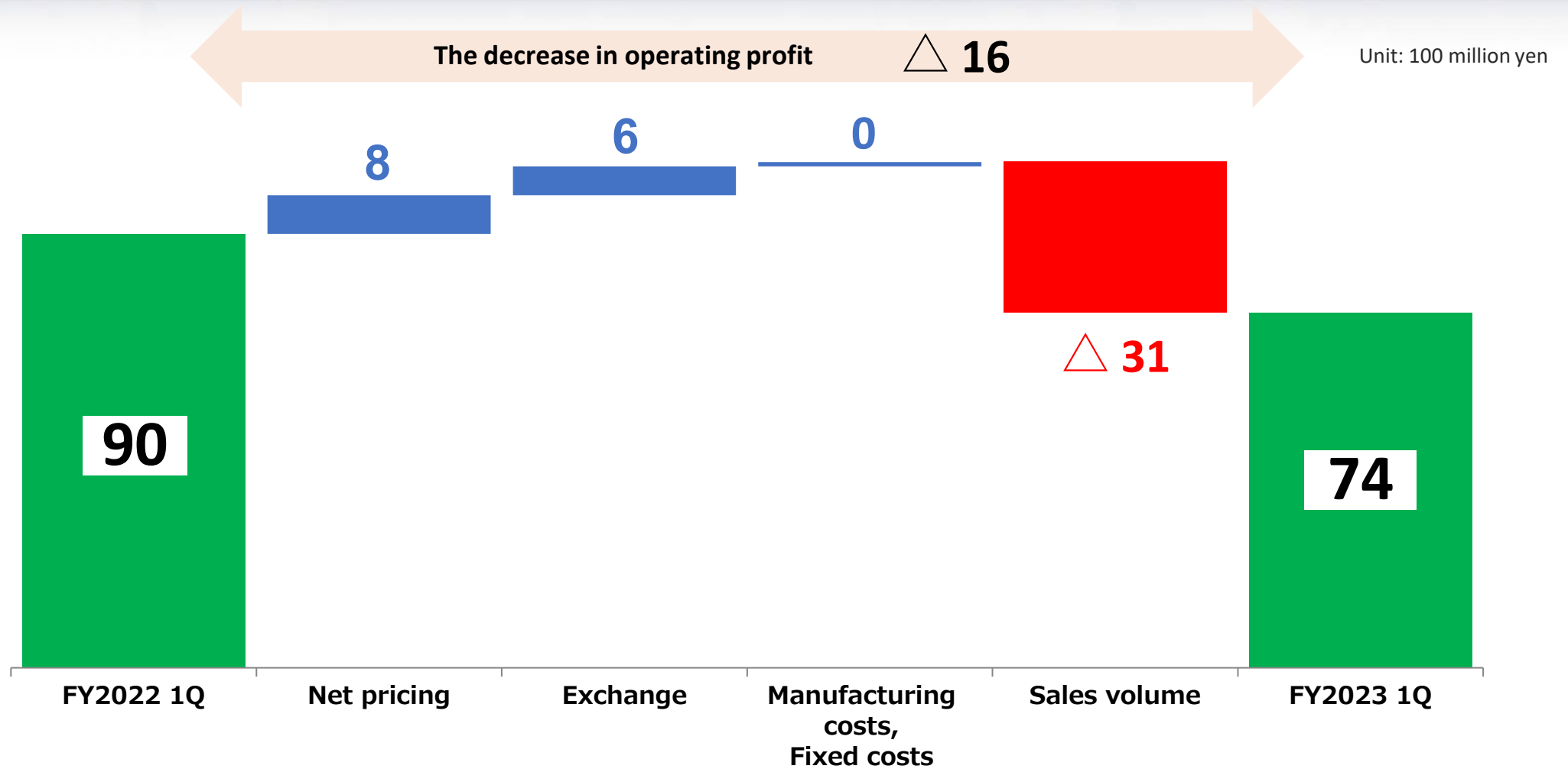
# 1. FY2023/1Q Consolidated Results

# FY2023/1Q Consolidated Results

Unit: 100 million yen

	FY2022 1Q	FY2023 1Q	Change	Rate (%)
Net sales	1,017	945	△ 71	△ 7.0
Operating profit	90	74	△ 16	△ 18.1
Current profit	104	81	△ 22	△ 21.9
Profit attributable to owners of parent	61	51	△ 10	△ 16.6
Net profit per share (yen/share)	¥ 59.6	¥ 50.0	△ ¥ 9.6	

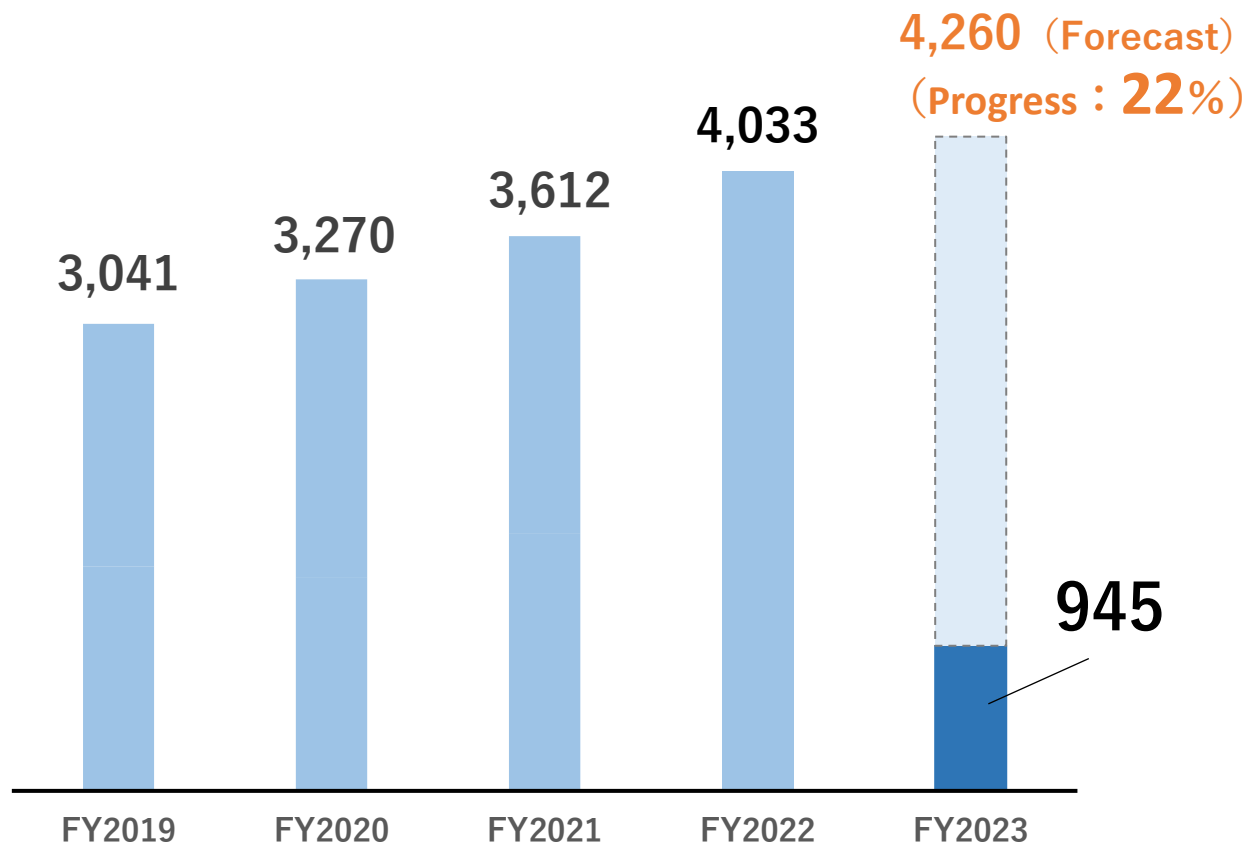
Note : Amounts are expressed in units of 100 million yen and have been rounded off and net profit per share are rounded to the second decimal place.



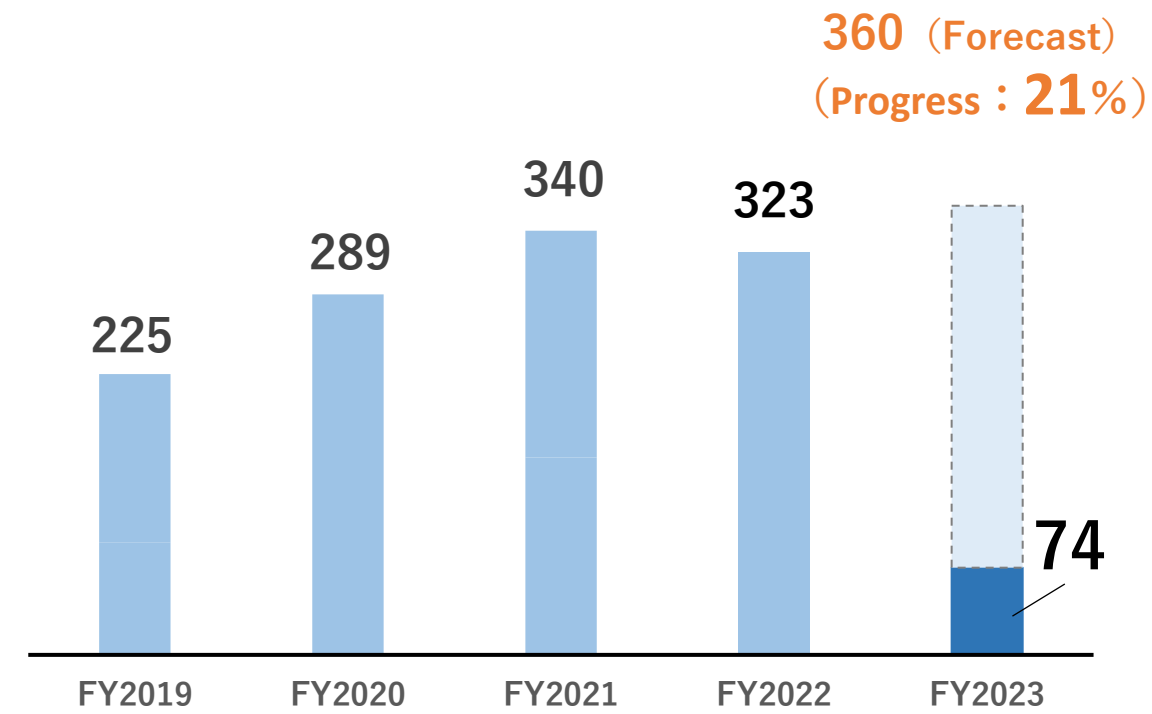
Note : Amounts are expressed in units of 100 million yen and have been rounded off and net profit per share are rounded to the second decimal place.

Unit: 100 million yen

## Net sales



## Operating profit



Note 1 : Figures are expressed in units of 100 million yen and have been rounded off.  
 Note 2 : FY2021 are the figures after retrospective application of a change in accounting policy.

# FY2023/1Q Consolidated Results - By segment

FY2023/1Q Consolidated Results

Unit: 100 million yen

	FY2022/1Q	FY2023/1Q	Change	Rate (%)
<b>Sales</b>	<b>1,017</b>	<b>945</b>	△ 71	△ 7.0
<b>Chemicals</b>	<b>555</b>	<b>497</b>	△ 58	△ 10.4
<i>Polymer Additives</i>	<i>305</i>	<i>246</i>	△ 58	△ 19.3
<i>Electronics and IT materials</i>	<i>91</i>	<i>94</i>	2	2.8
<i>Functional chemicals</i>	<i>158</i>	<i>157</i>	△ 1	△ 1.1
<b>Food products</b>	<b>202</b>	<b>207</b>	4	2.4
<b>Life Science</b>	<b>240</b>	<b>221</b>	△ 18	△ 7.6
<b>Other</b>	<b>18</b>	<b>18</b>	0	1.9
<b>Operating profit</b>	<b>90</b>	<b>74</b>	△ 16	△ 18.1
<b>Chemicals</b>	<b>72</b>	<b>55</b>	△ 16	△ 23.2
<i>Polymer Additives</i>	<i>28</i>	<i>17</i>	△ 10	△ 36.8
<i>Electronics and IT materials</i>	<i>25</i>	<i>25</i>	△ 0	△ 2.7
<i>Functional chemicals</i>	<i>17</i>	<i>12</i>	△ 5	△ 31.1
<b>Food products</b>	<b>▲ 8</b>	<b>3</b>	12	-
<b>Life Science</b>	<b>25</b>	<b>11</b>	△ 14	△ 55.0
<b>Other</b>	<b>1</b>	<b>3</b>	1	99.9

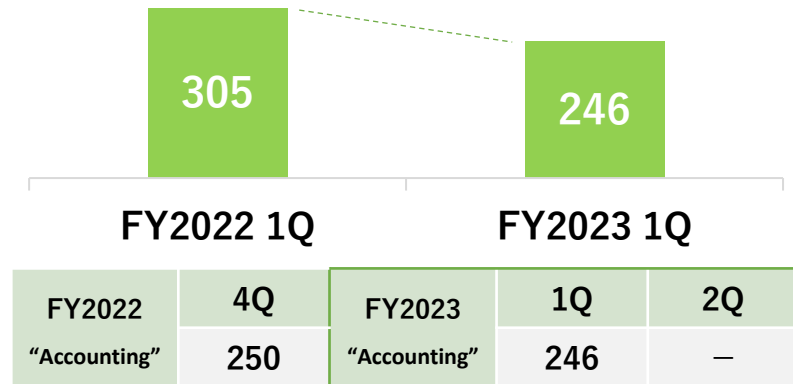
Note : Figures are expressed in units of 100 million yen and have been rounded off.



# Chemicals “Polymer additives”

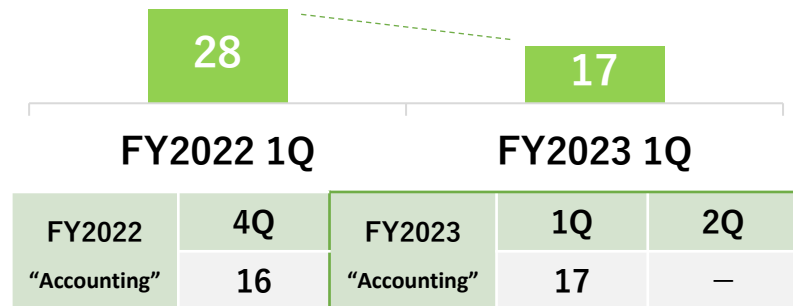
## ◆ Sales

△ 19.3% Unit: 100 million yen



## ◆ Operating profit

△ 36.8% Unit: 100 million yen



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

### Main factor (YoY)

- Sales of one-pack granule additives and antioxidants were weak due to intensified competition mainly in Europe.
- In products for construction materials, sales of PVC stabilizers stagnated due to lower demand for home appliances in North America and China.

#### ◆ All plastic products

**weak** One-pack granule additive, Antioxidants

#### ◆ Home appliances frame

**weak** Flame retardants for Engineering plastics

#### ◆ Building material

**weak** PVC Stabilizers

#### ◆ Automobile

**steady** Nucleating Agents, Light Stabilizers

#### ◆ Food packaging, Medical use

**steady** Clarifying Agents

### Main factor (YoY)

Sales volume

△ 12

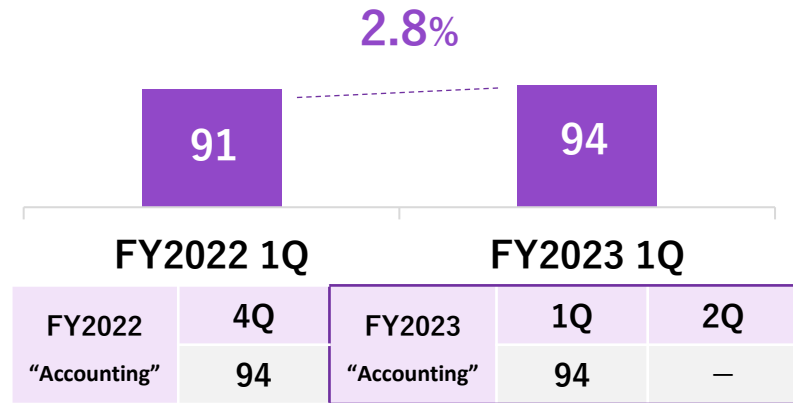
Exchange

1

# Chemicals “Electronics and IT materials”

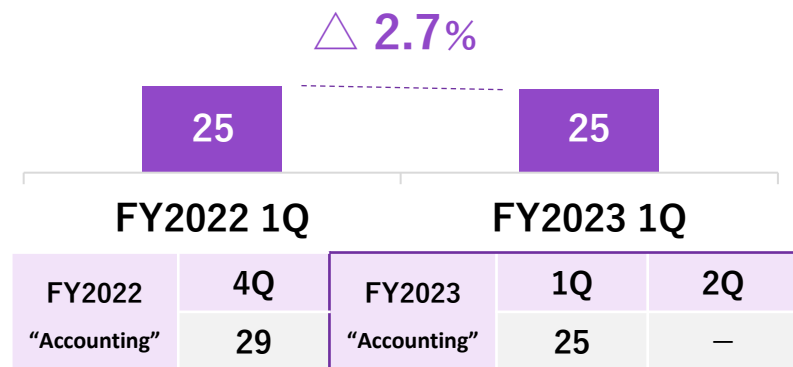
## ◆ Sales

Unit: 100 million yen



## ◆ Operating profit

Unit: 100 million yen



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

### Main factor (YoY)

YoY increase in sales as a result of a decrease in sales of materials due to production adjustment of smartphones, personal computers, etc. being offset by strong sales of products for advanced semiconductors.

#### ◆ Semiconductor

strong

New products for advanced DRAM (High-k materials)

weak

Products for NAND

Photoacid generator used for semiconductor lithography

#### ◆ Display

steady

Photoinitiator for color filter

Etching Materials for LCD panels

weak

Photo(Light) Curing Resins for Optical film

### Main factor (YoY)

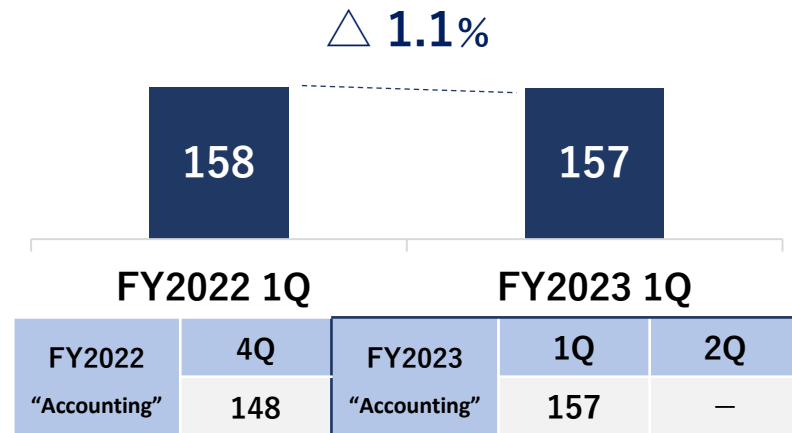
Fixed costs, etc.

△ 1

# Chemicals “Functional chemicals”

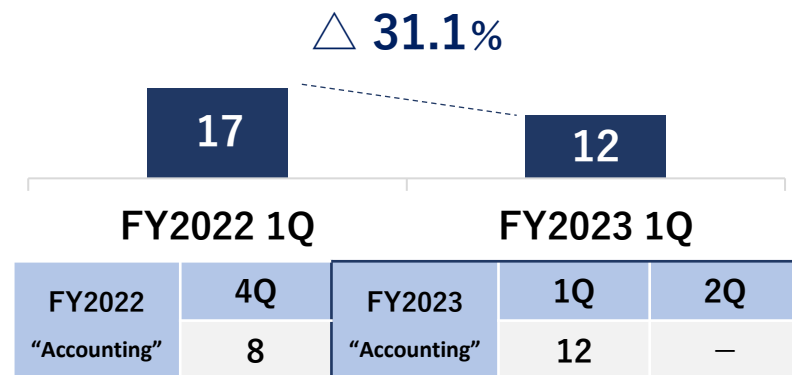
## ◆ Sales

Unit: 100 million yen



## ◆ Operating profit

Unit: 100 million yen



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

### Main factor (YoY)

- Expansion of sales of lubricant additives for engine oils mainly in the U.S.
- Demand for automobiles, consumer electronics, smartphones and PCs remained weak, and sales of water-based resins and special epoxy resins were weak.

#### ◆ Automobile, home appliances, smartphones and PCs

**weak** Water Borne Resins, Epoxy Resins

#### ◆ Chemicals for general industrial use

**weak** Polypropylene glycol, peroxide products

#### ◆ Cosmetics

**weak** Surfactants

#### ◆ Automobile

**strong** Lubricant additive for engine oil

**steady** Special epoxy resins for structural bonding  
Epoxy resin adhesives for automotive electronic components

### Main factor (YoY)

Sales volume

△ 9

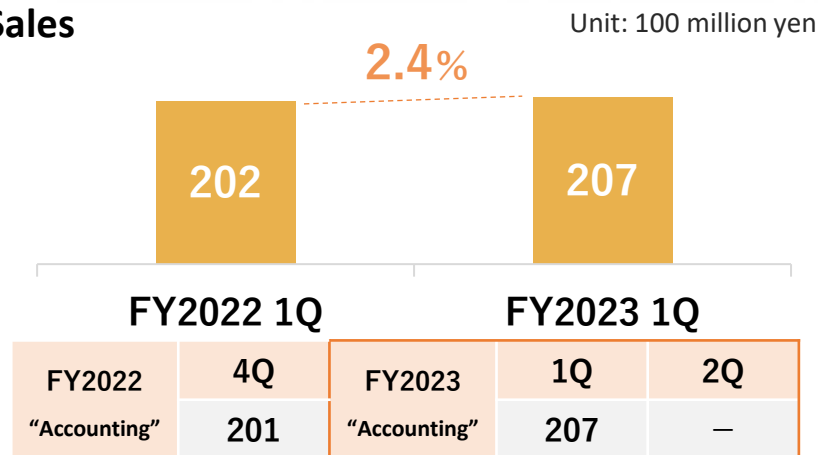
Exchange

2

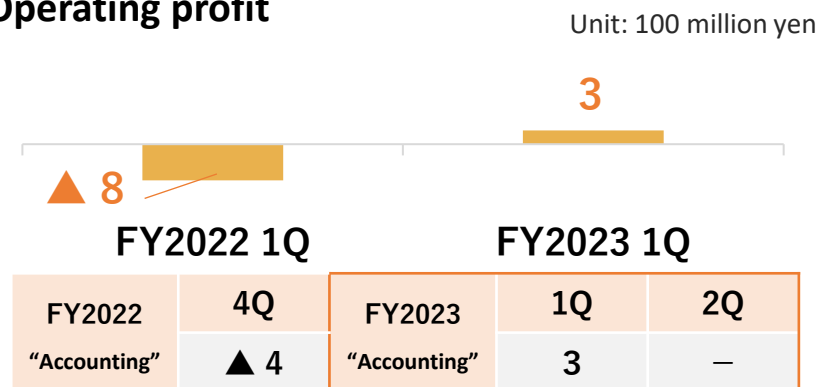
Manufacturing costs, etc.

1

## ◆ Sales



## ◆ Operating profit



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

### Main factor (YoY)

- Sales of the *Marvelous* series of functional margarines, which contributes to keeping bread and other products fresher for longer and extending their used-by date, continued to hold firm.
- Overseas, recovery of both sales and profits proceeded as demand picked up in China, and sales remained strong in Southeast Asia.

### ◆ Souvenir confections

**strong** Margarines, fillings

### ◆ Bread, confectionery

**steady** Functional Margarine for kneading "*Marvelous*" series

**weak** General-purpose fats and oils (Margarines, shortening etc.)

### ◆ Plant-Based Foods

**growth** Plant-Based Foods "*Deli-PLANTS*" series

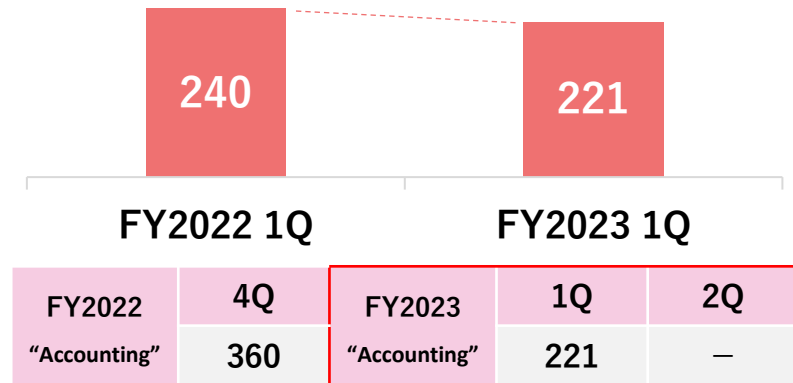
### Main factor (YoY)



# Life Science “NIHON NOHYAKU”

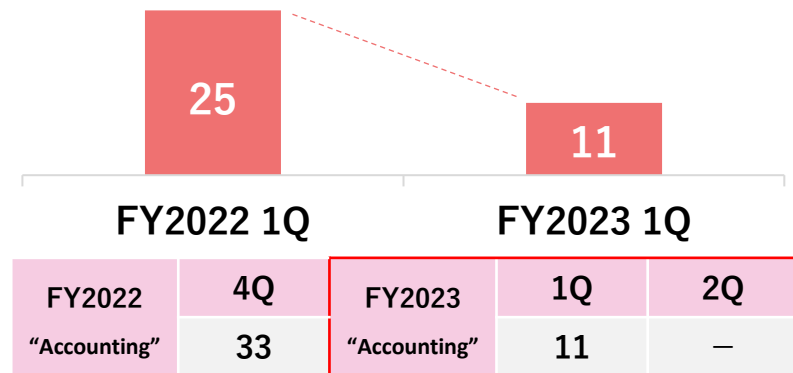
## ◆ Sales

△ 7.6% Unit: 100 million yen



## ◆ Operating profit

△ 55.0% Unit: 100 million yen



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

### Main factor (YoY)

- Demand for insecticides in North America decreased due to prolonged colder weather and fewer pests than usual.
- Sales were weak due to a decrease in opportunities to apply agricultural chemicals because of the late rainy season and other unfavorable weather conditions in India.

### ◆ Agrochemicals

weak	NORTH AMERICA	Insecticide
	INDIA	Agrochemicals in general
	JAPAN	Impact of circulating inventory
strong	BRASIL	Sugarcane herbicides

### ◆ Pharmaceuticals, others

weak	Field of Nail Athlete's foot
	Topical antifungal agent “Luliconazole”

### Main factor (YoY)

Sales volume	Fixed costs, etc.	Exchange	Net pricing
△ 14	△ 2	1	1

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## 2. Revision of Consolidated Financial Forecasts for FY2023

# Revision of Consolidated financial forecasts for the 1H of the FY2023

Unit: 100 million yen	Previous forecast (May 12, 2023)			Newly revised forecast (Aug. 9, 2023)				FY2022 (Results)
	1H	2H	Full Year	1Q	1H	2H	Full Year	
Sales	2,020	2,240	4,260	945	1,910	2,350	4,260	4,033
Operating profit	150	210	360	74	133	227	360	323
Current profit	147	208	355	81	137	218	355	325
Profit attributable to owners of parent	89	121	210	51	82	128	210	167
Net profit per share - yen/share -	86.8	118.0	204.8	50.0	80.0	124.8	204.8	163.3

		Assumption before the revision	Assumption after the revision
Exchange rate	¥/\$	130.00	138.00
	¥/€	138.00	149.00
Naphtha	¥/KL	67,000	64,000

Note : Amounts are expressed in units of 100 million yen and have been rounded off and net profit per share are rounded to the second decimal place.

# Revision of Consolidated Financial Forecasts for FY2023 - By segment -

Unit: 100 million yen	Previous forecast			Newly revised forecast				Change	FY2022 (Results)
	1H	2H	Full Year (a)	1Q	1H	2H	Full Year (b)	Amount (b)-(a)	
<b>Net sales</b>	<b>2,020</b>	<b>2,240</b>	<b>4,260</b>	<b>945</b>	<b>1,910</b>	<b>2,350</b>	<b>4,260</b>	—	<b>4,033</b>
<b>Chemicals</b>	<b>1,117</b>	<b>1,172</b>	<b>2,289</b>	<b>497</b>	<b>1,004</b>	<b>1,285</b>	<b>2,289</b>	—	<b>2,117</b>
<i>Polymer Additives</i>	<i>567</i>	<i>573</i>	<i>1,140</i>	<i>246</i>	<i>474</i>	<i>666</i>	<i>1,140</i>	—	<i>1,113</i>
<i>Electronics and IT materials</i>	<i>200</i>	<i>235</i>	<i>435</i>	<i>94</i>	<i>193</i>	<i>242</i>	<i>435</i>	—	<i>363</i>
<i>Functional chemicals</i>	<i>350</i>	<i>364</i>	<i>714</i>	<i>157</i>	<i>337</i>	<i>377</i>	<i>714</i>	—	<i>640</i>
<b>Food products</b>	<b>417</b>	<b>450</b>	<b>867</b>	<b>207</b>	<b>420</b>	<b>447</b>	<b>867</b>	—	<b>825</b>
<b>Life Science</b>	<b>450</b>	<b>590</b>	<b>1,040</b>	<b>221</b>	<b>450</b>	<b>590</b>	<b>1,040</b>	—	<b>1,020</b>
<b>Other</b>	<b>36</b>	<b>28</b>	<b>64</b>	<b>18</b>	<b>36</b>	<b>28</b>	<b>64</b>	—	<b>70</b>
<b>Operating profit</b>	<b>150</b>	<b>210</b>	<b>360</b>	<b>74</b>	<b>133</b>	<b>227</b>	<b>360</b>	—	<b>323</b>
<b>Chemicals</b>	<b>129</b>	<b>140</b>	<b>269</b>	<b>55</b>	<b>108</b>	<b>154</b>	<b>263</b>	△ 6	<b>262</b>
<i>Polymer Additives</i>	<i>45</i>	<i>45</i>	<i>90</i>	<i>17</i>	<i>34</i>	<i>55</i>	<i>90</i>	—	<i>92</i>
<i>Electronics and IT materials</i>	<i>53</i>	<i>64</i>	<i>117</i>	<i>25</i>	<i>48</i>	<i>66</i>	<i>115</i>	△ 2	<i>110</i>
<i>Functional chemicals</i>	<i>31</i>	<i>31</i>	<i>62</i>	<i>12</i>	<i>25</i>	<i>32</i>	<i>58</i>	△ 4	<i>59</i>
<b>Food products</b>	<b>5</b>	<b>8</b>	<b>13</b>	<b>3</b>	<b>7</b>	<b>11</b>	<b>19</b>	6	▲ 24
<b>Life Science</b>	<b>14</b>	<b>59</b>	<b>73</b>	<b>11</b>	<b>14</b>	<b>59</b>	<b>73</b>	—	<b>77</b>
<b>Other</b>	<b>2</b>	<b>3</b>	<b>5</b>	<b>3</b>	<b>3</b>	<b>1</b>	<b>5</b>	—	<b>7</b>

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



## Inclusion in indices

ADEKA Shares 【TSE 4401】

Aug. 2023

FY2023

Selected for the first time as a constituent of  
the “JPX-Nikkei Index 400”



## Commendations from outside organizations

Development of SPAN, a metal-free sulfur polymer positive-electrode material, and demonstration of the world’s lightest secondary cell

Jun. 2023

- Received **the Minister of Economy, Trade and Industry’s Prize** at the 36th Sankei Shimbun Advanced Technology Award.
- Received **the Encouragement Prize** at the Japan Association for Chemical Innovation’s 22nd GSC\*<sup>1</sup> Awards.

\*1 Green Sustainable Chemistry

Carbon-neutral, laser-curing adhesion system\*<sup>2</sup>

Jun. 2023

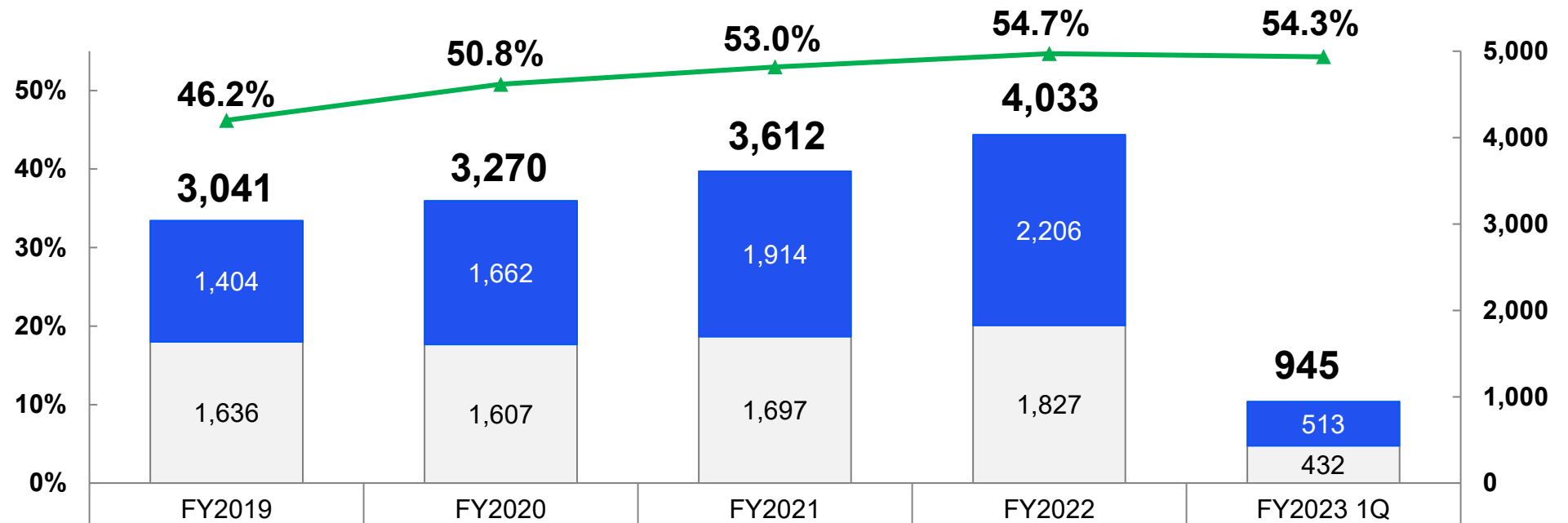
- Received **the 45th Technological Development Award** from the Adhesion Society of Japan

\*2 The laser-curing adhesion system was developed in collaboration with DENSO CORPORATION and the award went to both companies.

### 3. For Reference

# Overseas Sales - For reference -

Unit: 100 million yen



Overseas sales	1,404	1,662	1,914	2,206	513
Domestics sales	1,636	1,607	1,697	1,827	432
Overseas sales ratio	46.2%	50.8%	53.0%	54.7%	54.3%
sales	3,041	3,270	3,612	4,033	945

Note 1 : Figures are expressed in units of 100 million yen and have been rounded off.

Note 2 : FY2021 are the figures after retrospective application of a change in accounting policy.

# Management Indexes and Performance - For reference -

	FY2021 Results 1st year of ADX 2023	FY2022 Results 2nd year of ADX 2023	FY2023 Forecasts Final-year of ADX 2023	FY2023 Target Final-year of ADX 2023
Operating profit	<b>34.0</b> billion yen	<b>32.3</b> billion yen	<b>36.0</b> billion yen	<b>42.0</b> billion yen
ROE	<b>9.9%</b>	<b>6.6%</b>	<b>8.0%</b>	<b>9%</b>
Capital investment	<b>14.6</b> billion yen/year	<b>20.4</b> billion yen/year	<b>15.5</b> billion yen/year	<b>50.0</b> billion yen/ three years
		50.5 billion yen/three years		
Dividend payout ratio	<b>30.5%</b>	<b>42.9%</b>	<b>39.1%</b>	<b>30%</b> or higher
Annual dividend forecast	<b>70</b> yen/share	<b>70</b> yen/share	<b>80</b> yen/share	

Note 1 : Figures are expressed in units of 100 million yen and have been rounded off.

Note 2 : FY2021 are the figures after retrospective application of a change in accounting policy.

The logo for ADEKA features a stylized letter 'A' on the left, composed of a red upper half and a blue lower half. To the right of the 'A' is the word 'DEKA' in a bold, red, italicized sans-serif font. The entire logo is centered horizontally.

**ADEKA**

**Add Goodness**



# FY2023/1Q Supplemental Documents for Financial Results Overview

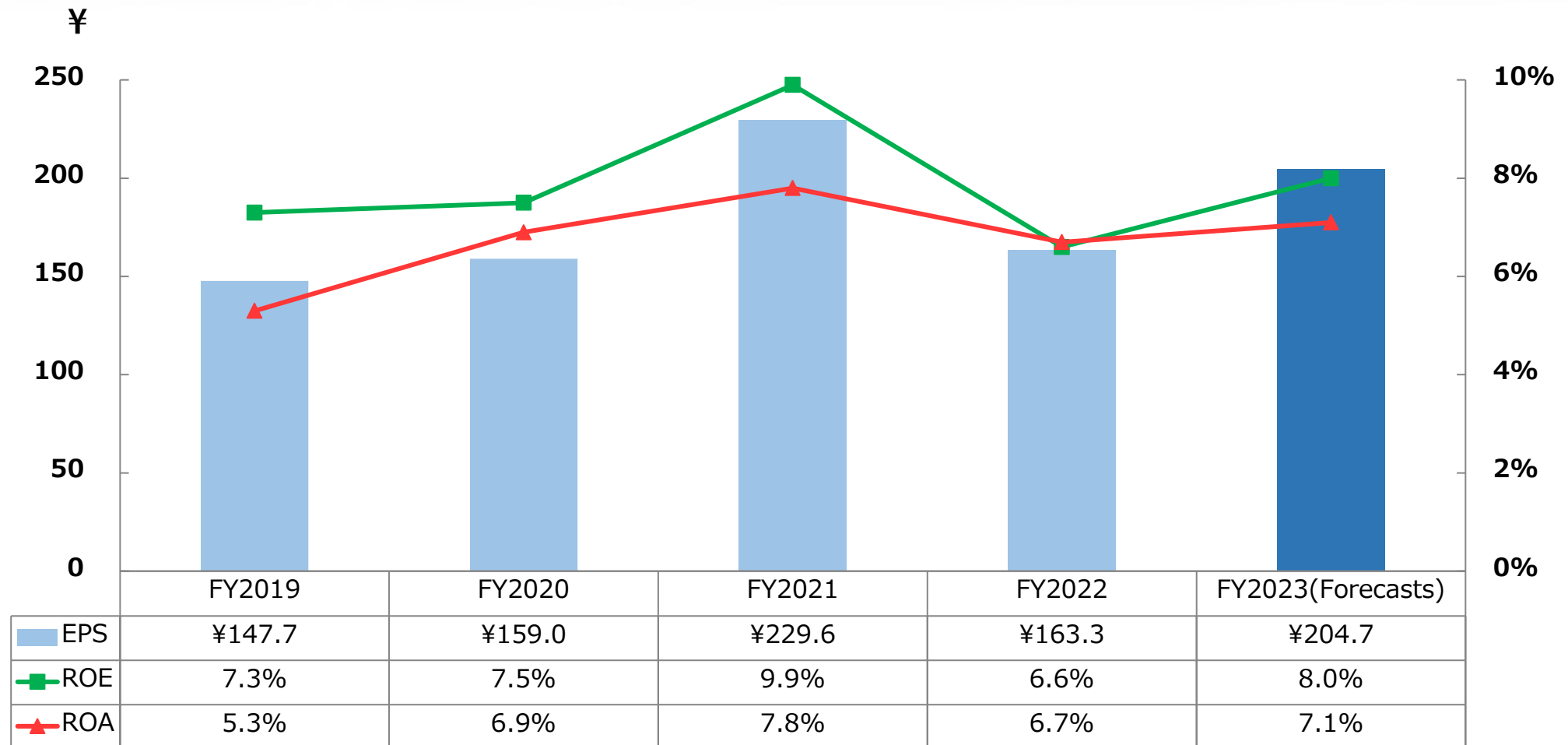
- 1. Supplementary Data for consolidated Closing of Accounts**
- 2. Management indexes, etc.**
- 3. For Reference**

# 1 - 1 Consolidated Balance Sheet

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

Unit: 100 million yen	As of Mar. 31,2023	As of Jun. 30,2023	Change		As of Mar. 31,2023	As of Jun. 30,2023	Change
<b>Current assets</b>	<b>3,154</b>	<b>3,135</b>	<b>△ 19</b>	<b>liabilities</b>	<b>1,883</b>	<b>1,866</b>	<b>△ 16</b>
Cash and deposits	811	749	△ 61	Current liabilities	1,294	1,347	52
Notes and accounts receivable – trade, etc.	996	1,013	17	Long-term liabilities	588	519	△ 69
Inventories	1,167	1,201	34	<b>Net assets</b>	<b>3,117</b>	<b>3,184</b>	<b>67</b>
Other	179	170	△ 8	Shareholders' equity	2,387	2,390	3
<b>Fixed assets</b>	<b>1,846</b>	<b>1,916</b>	<b>69</b>	Capital stock	230	230	-
Tangible fixed assets	1,194	1,215	20	Capital surplus	201	201	0
Intangible fixed assets	180	177	△ 3	Retained earnings	1,978	1,993	15
Investment and other assets	471	523	52	Treasury stock	△ 23	△ 35	△ 12
				Accumulated other comprehensive income	222	280	58
				Minority interests	507	513	5
<b>Total assets</b>	<b>5,000</b>	<b>5,051</b>	<b>50</b>	<b>Total liabilities and net assets</b>	<b>5,000</b>	<b>5,051</b>	<b>50</b>

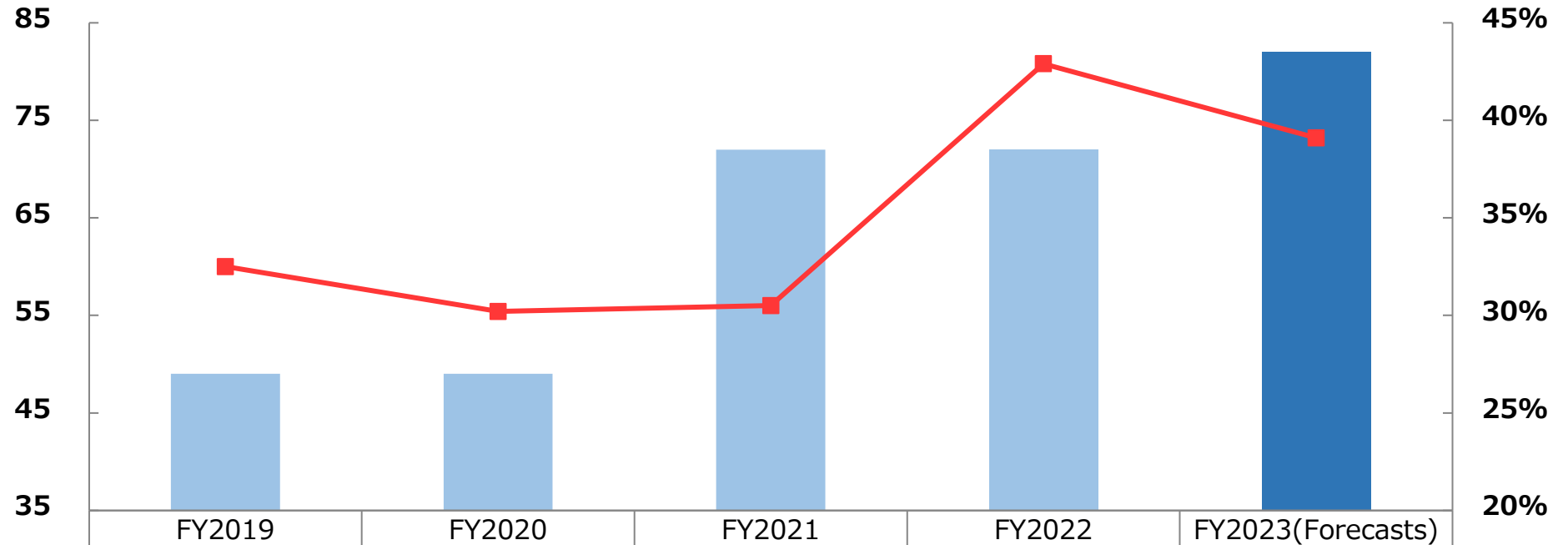
Note : Figures are expressed in units of 100 million yen and have been rounded off.



Note : FY2021 are the figures after retrospective application of a change in accounting policy.



¥ 100 million

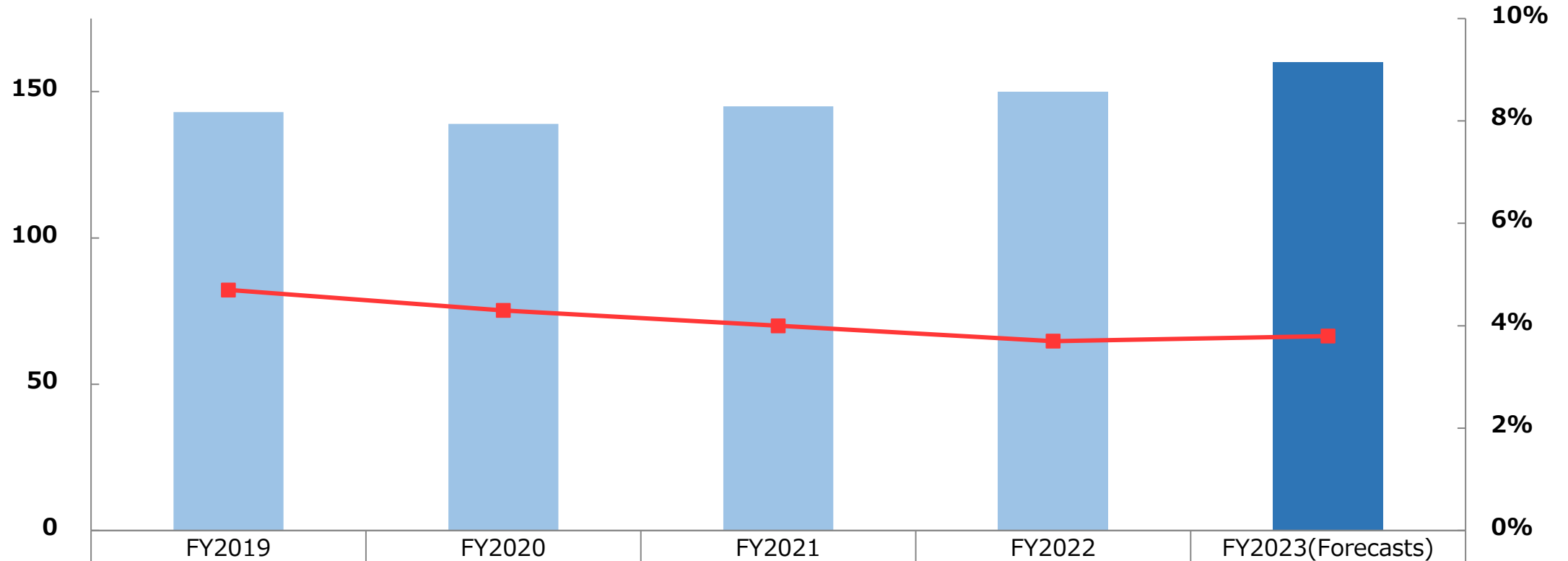


	FY2019	FY2020	FY2021	FY2022	FY2023(Forecasts)
Dividend	¥48	¥48	¥70	¥70	¥80
Total Dividend	49	49	72	72	82
Rate of dividend payout	32.5%	30.2%	30.5%	42.9%	39.1%

Note 1 : Total Dividend are expressed in units of 100 million yen and have been rounded off.

Note 2 : Rate of dividend payout(FY2021) are the figures after retrospective application of a change in accounting policy.

¥ 100 million



R&D costs	143	139	145	150	160
R&D costs to sales	4.7%	4.3%	4.0%	3.7%	3.8%

Note 1 : R&D costs are expressed in units of 100 million yen and have been rounded off.

Note 2 : Rate of R&D costs to sales (FY2021) are the figures after retrospective application of a change in accounting policy.

¥ 100 million



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

**Revised**  
**(186 previously)**

# 3 - 5 Core products of each business segments

Business category		Core products	
Reporting segment	Chemicals	Polymer Additives	Additives for polyolefins, PVC plasticizers/stabilizers, Flame retardants, and others.
		Electronics and IT materials	High-purity materials for semiconductors, AFES System and etching agents, Photo(Light)/heat curing materials, photoinitiators, Imaging materials, and others.
		Functional Chemicals	Epoxy resins, Polyurethanes, Water-borne resins, Surfactants, Lubricant additives, Kitchen detergent, Cosmetic ingredients, Polypropylene glycol, Hydrogen peroxide and derivative products, Water-swelling sealing materials, and others.
	Food products	Margarines, Shortenings, Fats and oils for chocolate, frying and cooking fats and oils, Plant-based foods, Whipping cream, Kneading cream, Fillings, Mayonnaise dressing, functional foods, and others.	
	Life science	Agrochemicals, Agricultural materials, Pharmaceuticals & Veterinary products, Wood preservative, and others.	
Other business		Designing of equipment plants, Construction and construction management, Maintenance of equipment, Logistic services, Warehousing, Leasing of vehicles, Real estate and insurance business, and others.	



# Notice on Forecast Performance and Business Plans

The forecast performance and business plans specified in this document have been prepared based on information available as of the date of publication, as well as on various prerequisites; therefore, the actual results may differ from these forecasts or plans depending on various factors that may arise hereafter.

In the event of any discrepancy between the Japanese original and this English translation, the Japanese original shall prevail.