



Briefings on Financial Results

For the 3rd Quarter of the fiscal year ended Mar. 31,2023

Mar. 3, 2023

【TSE 4401】





Financial Results Overview

FY2022 3rd Quarter

Apr. 1, 2022 – Dec. 31, 2022

President and Chief Executive Officer

Hidetaka Shirozume

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3. For Reference . . . P22
 - Progress of mid-term management plan *ADX 2023*
 - Overseas Sales

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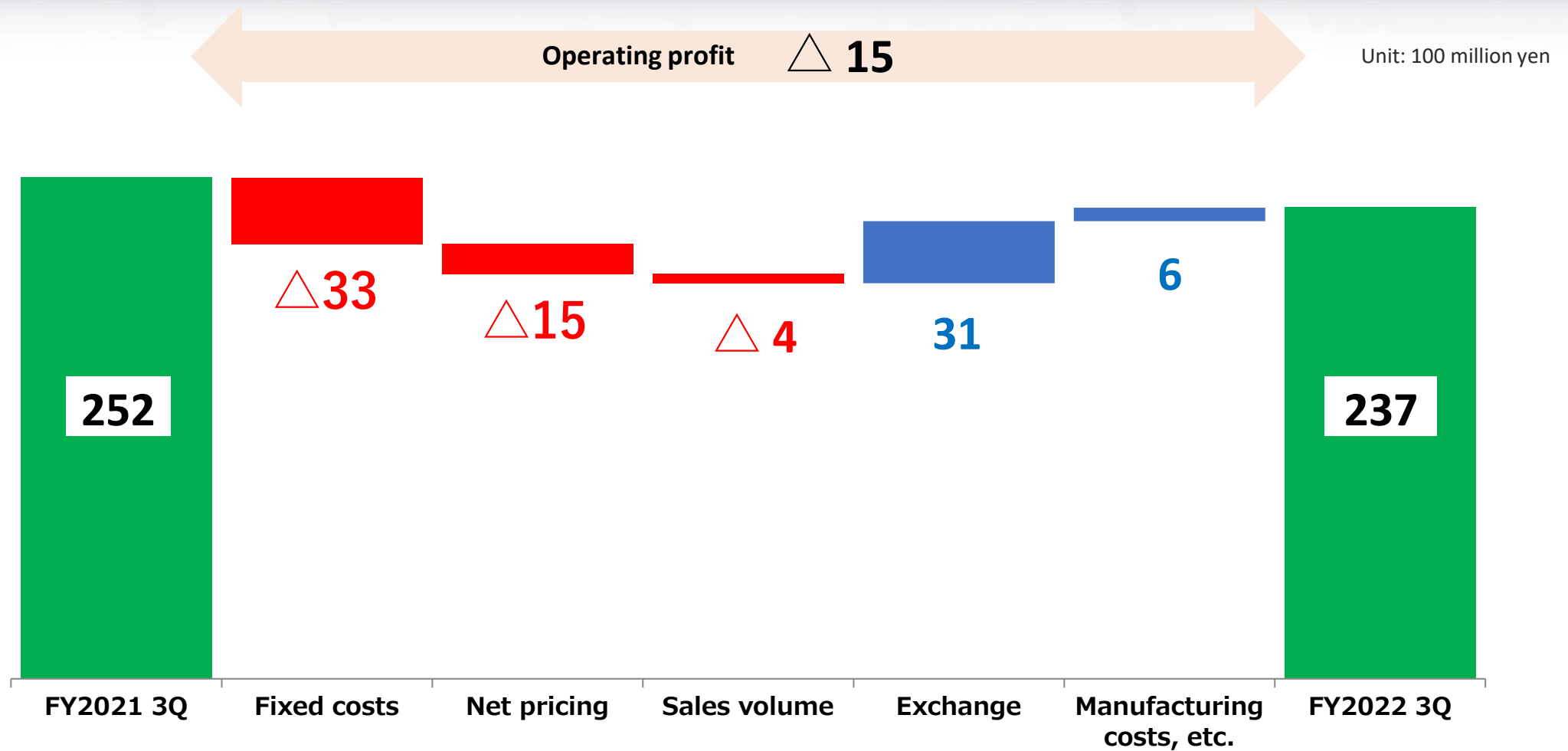
1. FY2022/3Q Consolidated Results

Unit: 100 million yen

| | FY2021 3Q | FY2022 3Q | Change | Rate (%) |
|---|-----------|-----------|---------|----------|
| Net sales | 2,605 | 2,961 | 356 | 13.7 |
| Operating profit | 252 | 237 | △ 15 | △ 6.1 |
| Current profit | 263 | 243 | △ 20 | △ 7.8 |
| Profit attributable to owners of parent | 191 | 146 | △ 44 | △ 23.2 |
| Net profit per share (yen/share) | ¥185.2 | ¥142.8 | △ ¥42.4 | |

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

Note 2 : FY2021 3Q are the figures after retrospective application of a change in accounting policy.

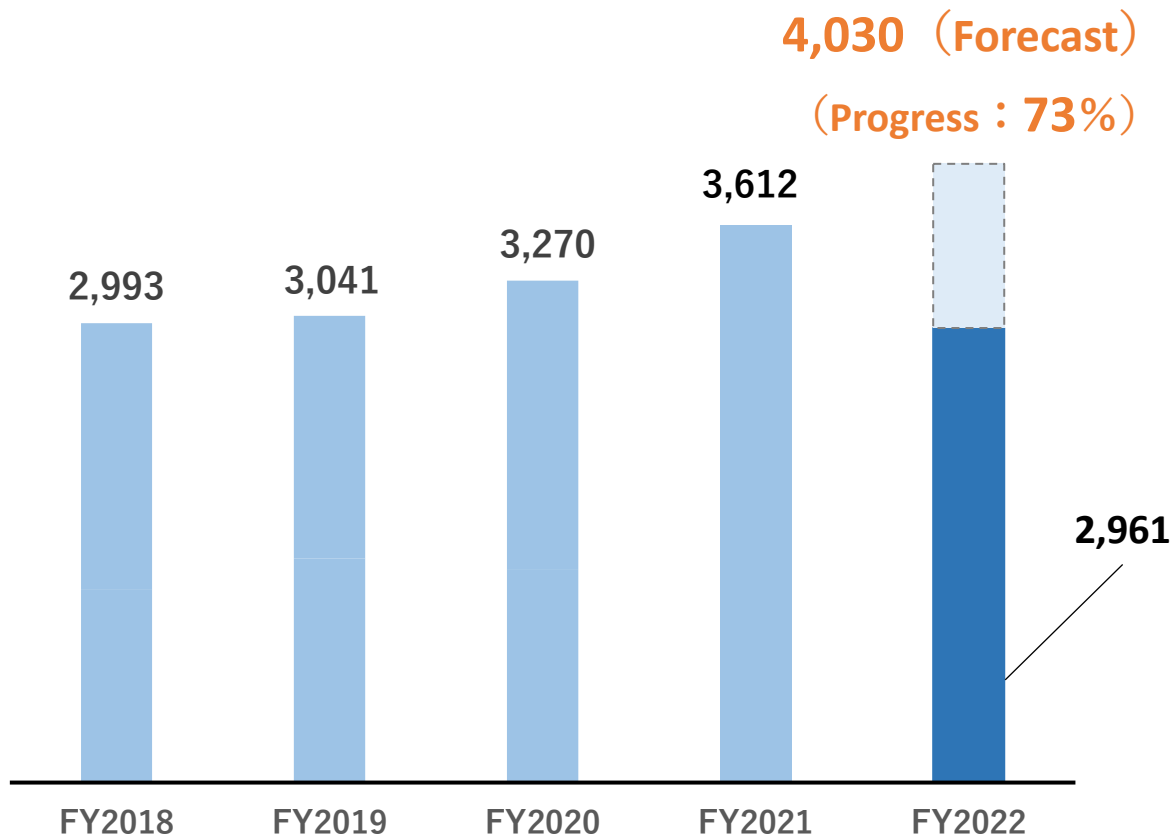


Note 1 : Figures are expressed in units of 100 million yen and have been rounded off.

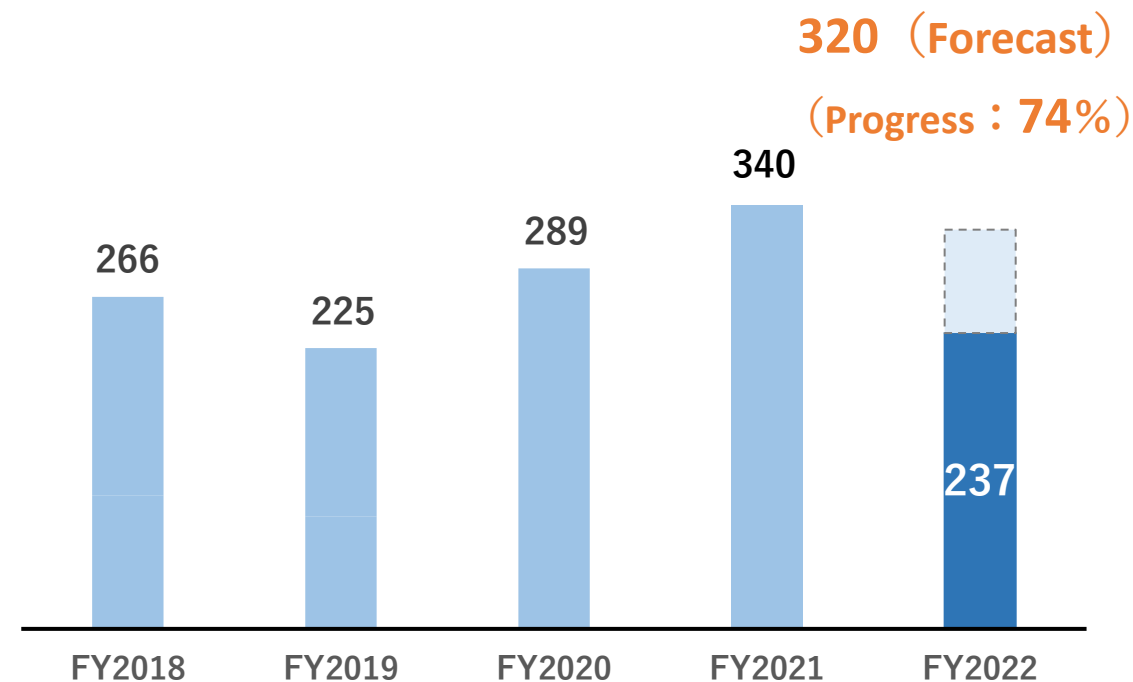
Note 2 : FY2021 3Q are the figures after retrospective application of a change in accounting policy.

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.

Unit: 100 million yen

| | FY2021/3Q | FY2022/3Q | Change | Rate (%) |
|-------------------------------------|--------------|--------------|------------|--------------|
| Sales | 2,605 | 2,961 | 356 | 13.7 |
| Chemicals | 1,484 | 1,623 | 138 | 9.3 |
| <i>Polymer Additives</i> | 784 | 862 | 77 | 9.9 |
| <i>Electronics and IT materials</i> | 276 | 269 | △ 6 | △ 2.3 |
| <i>Functional chemicals</i> | 423 | 491 | 67 | 16.0 |
| Food products | 553 | 623 | 70 | 12.7 |
| Life Science | 508 | 660 | 151 | 29.9 |
| Other | 59 | 54 | △ 4 | △ 7.8 |
| Operating profit | 252 | 237 | △ 15 | △ 6.1 |
| Chemicals | 223 | 208 | △ 15 | △ 7.1 |
| <i>Polymer Additives</i> | 80 | 76 | △ 4 | △ 5.3 |
| <i>Electronics and IT materials</i> | 89 | 81 | △ 7 | △ 8.7 |
| <i>Functional chemicals</i> | 54 | 50 | △ 3 | △ 7.0 |
| Food products | 3 | ▲ 19 | △ 22 | - |
| Life Science | 21 | 44 | 22 | 101.5 |
| Other | 4 | 4 | 0 | 17.0 |

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

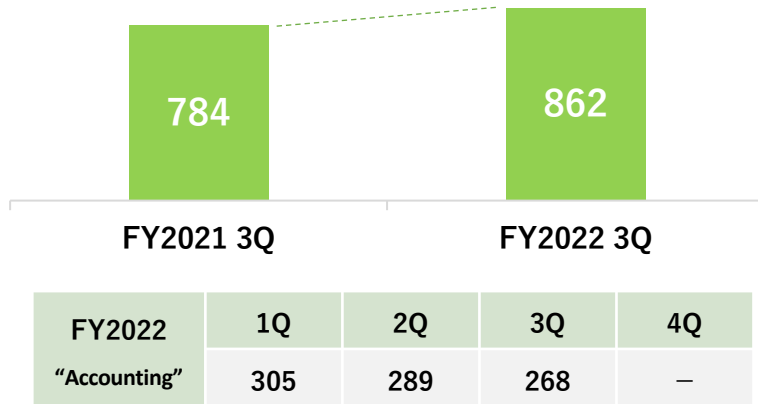
Note 2 : FY2021 3Q are the figures after retrospective application of a change in accounting policy.

Chemicals “Polymer additives”

◆ Sales

9.9%

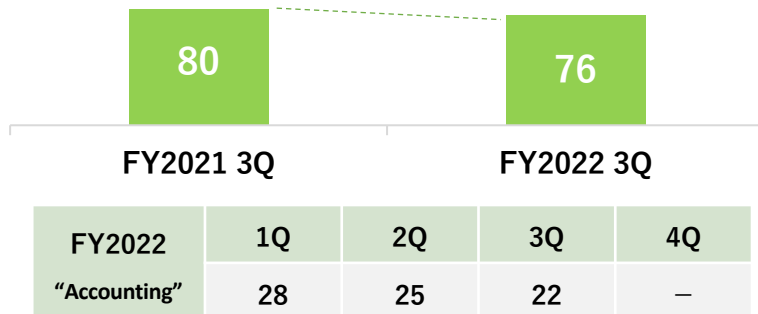
Unit: 100 million yen



◆ Operating profit

△ 5.3%

Unit: 100 million yen



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

Main factor (YoY)

- Sales of clarifying agents for food packaging were strong in the U.S.A and EUROPE due to an increase in demand for takeout food.
- Sales increased due to sales price revisions and exchange rates, despite a decrease in the sales volume of items for automobiles.

◆ Food packaging, Medical use

strong Clarifying Agents

◆ Automobile

growth Nucleating Agents, Plasticizers for Rubbers

◆ All plastic products

growth One-pack granule additive、Antioxidants

◆ Building material

weak PVC Stabilizers for home interior materials

◆ Home appliances frame

weak Flame retardants for Engineering plastics

Main factor (YoY)

Sales volume

△ 15

Net pricing

△ 2

Exchange

11

Manufacturing cost

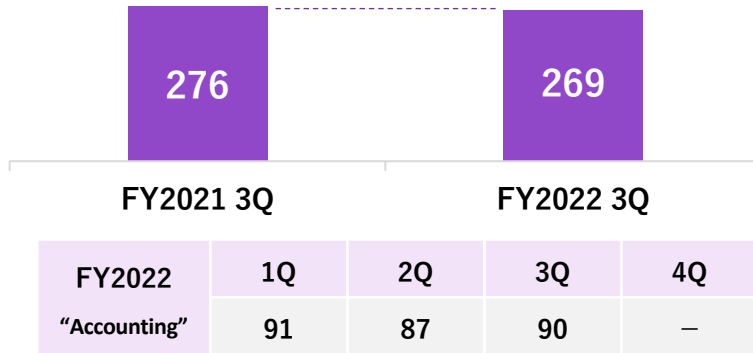
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Chemicals “Electronics and IT materials”

◆ Sales

Unit: 100 million yen

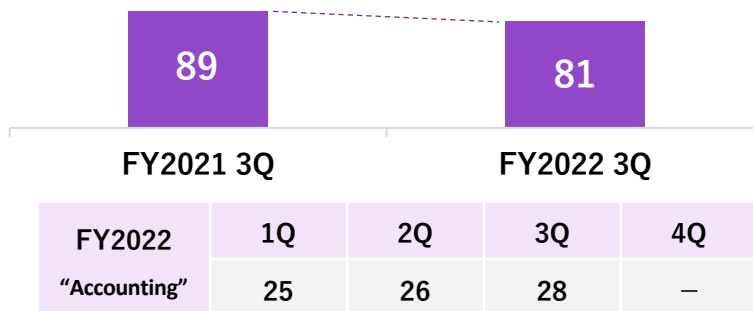
△ 2.3%



◆ Operating profit

Unit: 100 million yen

△ 8.7%



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

Main factor (YoY)

- Sales of high-k materials for cutting-edge semiconductors, among other items, grew against the background of accelerating digitalization.
- The demand for panels bottomed out but the demand for materials did not recover, resulting in a significant decrease in sales of display-related materials.

◆ Semiconductor

strong

New products for advanced DRAM (High-k materials)

steady

Photoacid generator used for semiconductor lithography
Products for NAND

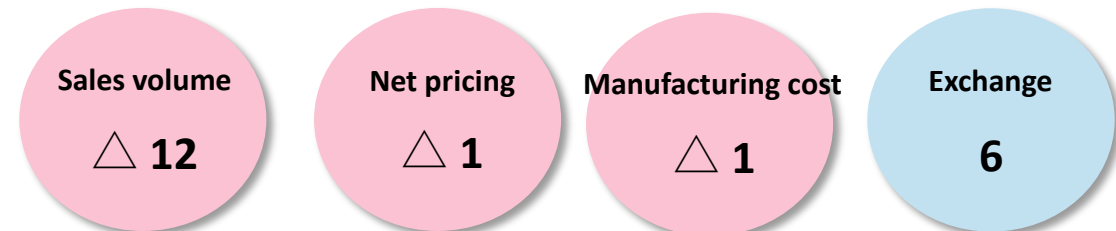
◆ Display

weak

Photo(Light) Curing Resins for Optical film
Photoinitiator for color filter
Black matrix resists and Etching materials for LCD panels

Main factor (YoY)

Unit: 100 million yen

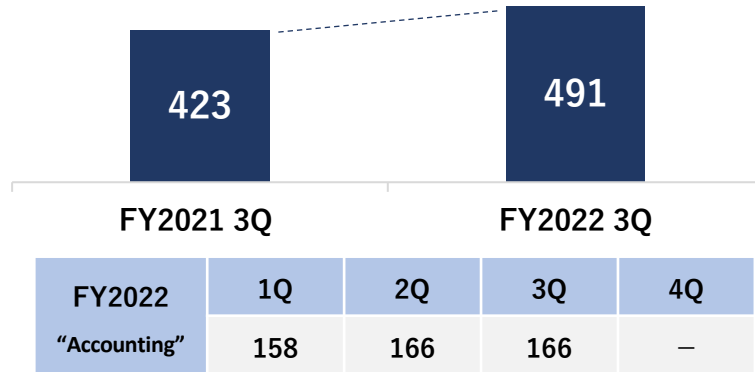


Chemicals “Functional chemicals”

◆ Sales

16.0%

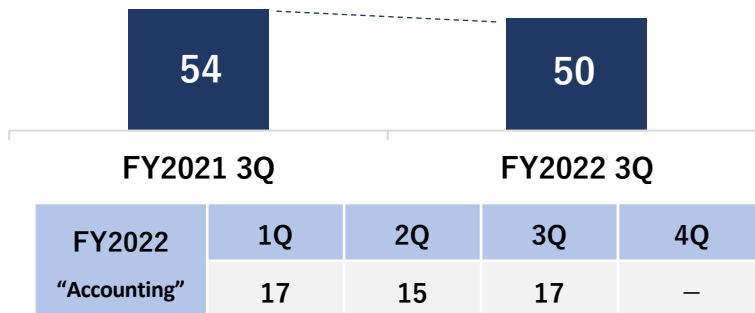
Unit: 100 million yen



◆ Operating profit

△ 7.0%

Unit: 100 million yen



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

Main factor (YoY)

- ◆ Sales of lubricant additives for engine oils expanded mainly due to the adoption by new customers overseas.
- ◆ Sales of surfactants were trending toward recovery , reflecting a pick-up in the cosmetics market in both JAPAN and overseas.

◆ Automobile

strong

Lubricant additive for engine oil

steady

Special epoxy resins for structural bonding

◆ Building material

strong

Reactive emulsifier for paint

◆ Cosmetics

steady

Surfactants

◆ Chemicals for general industrial use

Weak

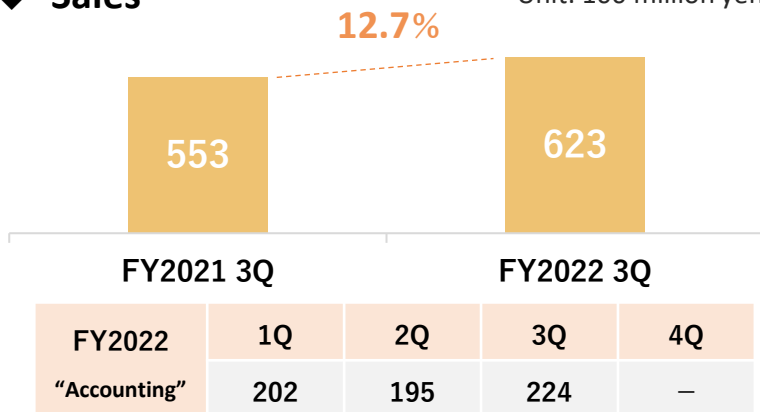
Polypropylene glycol, Peroxide products for LCD panels

Main factor (YoY)



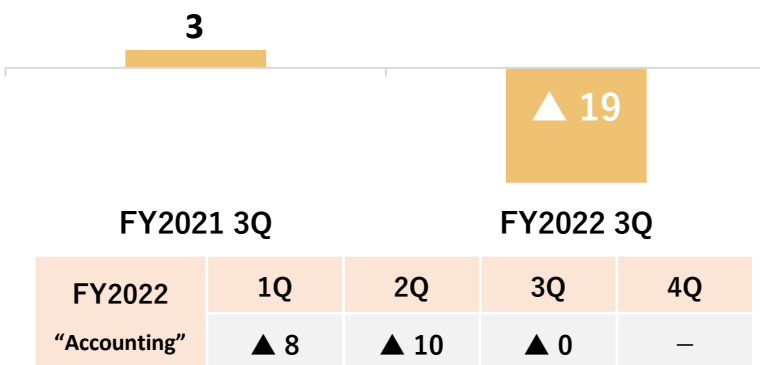
◆ Sales

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)

- Sales volume of margarines and shortening decreased due to the downsizing of final products.
- Sales increased, reflecting the expansion of sales in Japan and the revision of prices that the Company started to implement in the previous year.

◆ Bread, confectionery

growth

Functional Margarine for kneading "Marvelous"

weak

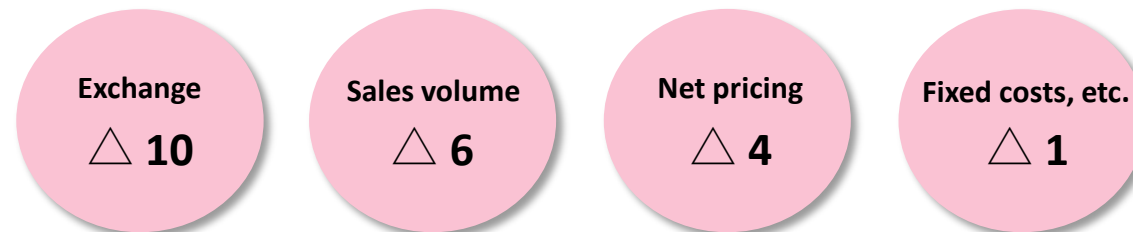
Margarines, shortening, fillings

◆ souvenir confections

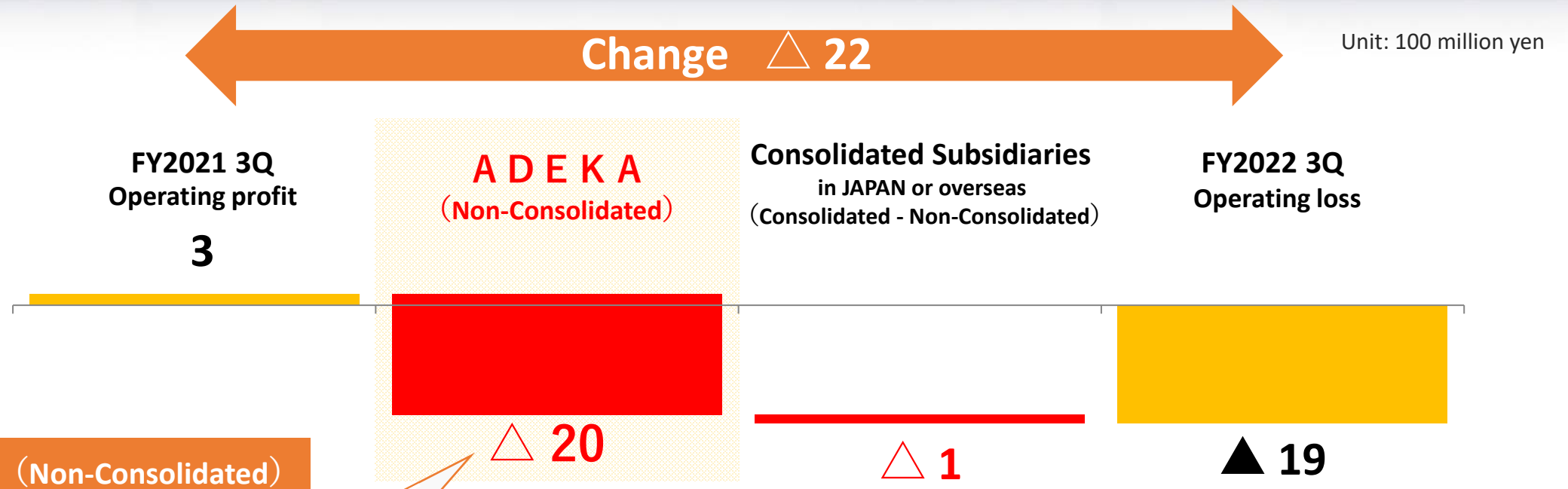
steady

Fillings

Main factor (YoY)



Food Products “Analysis of Operating Profit”



ADEKA (Non-Consolidated)

Bread, confectionery, Western-style confectionery and desserts in **JAPAN** constitute main markets

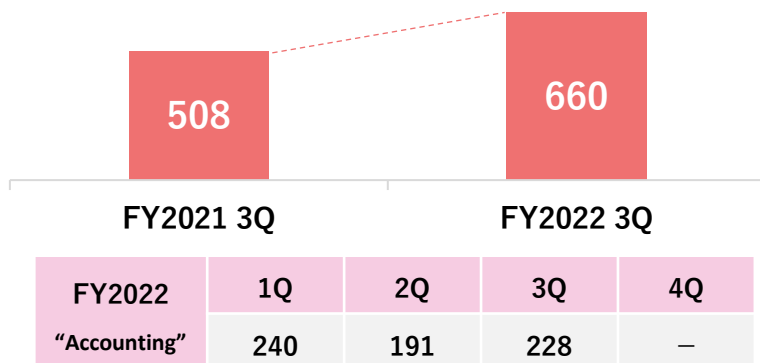
Unit: 100 million yen

| Exchange | Sales volume | Net pricing | Manufacturing cost , Fixed cost | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
|--|--------------|-------------|---------------------------------|----|-----|----|-----|--|-----|----|-----|----|-----|----|---|--|-----|----|-----|----|-----|----|---|--|-----|----|---|----|-----|----|-----|
| <table border="1"> <tr> <td rowspan="3">△ 9</td> <td>1Q</td> <td>△ 3</td> </tr> <tr> <td>2Q</td> <td>△ 3</td> </tr> <tr> <td>3Q</td> <td>△ 2</td> </tr> </table> | △ 9 | 1Q | △ 3 | 2Q | △ 3 | 3Q | △ 2 | <table border="1"> <tr> <td rowspan="3">△ 6</td> <td>1Q</td> <td>△ 3</td> </tr> <tr> <td>2Q</td> <td>△ 3</td> </tr> <tr> <td>3Q</td> <td>0</td> </tr> </table> | △ 6 | 1Q | △ 3 | 2Q | △ 3 | 3Q | 0 | <table border="1"> <tr> <td rowspan="3">△ 3</td> <td>1Q</td> <td>△ 7</td> </tr> <tr> <td>2Q</td> <td>△ 0</td> </tr> <tr> <td>3Q</td> <td>3</td> </tr> </table> | △ 3 | 1Q | △ 7 | 2Q | △ 0 | 3Q | 3 | <table border="1"> <tr> <td rowspan="3">△ 1</td> <td>1Q</td> <td>2</td> </tr> <tr> <td>2Q</td> <td>△ 0</td> </tr> <tr> <td>3Q</td> <td>△ 2</td> </tr> </table> | △ 1 | 1Q | 2 | 2Q | △ 0 | 3Q | △ 2 |
| △ 9 | | 1Q | △ 3 | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| | | 2Q | △ 3 | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| | 3Q | △ 2 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| △ 6 | 1Q | △ 3 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| | 2Q | △ 3 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| | 3Q | 0 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| △ 3 | 1Q | △ 7 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| | 2Q | △ 0 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| | 3Q | 3 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| △ 1 | 1Q | 2 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| | 2Q | △ 0 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| | 3Q | △ 2 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |

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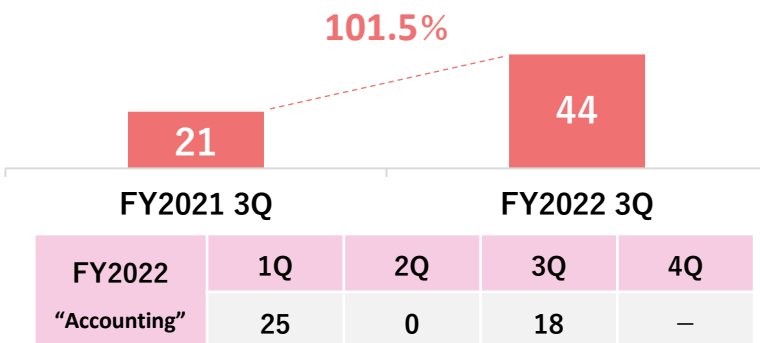
◆ Sales

Unit: 100 million yen



◆ Operating profit

Unit: 100 million yen



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

Note 2 : FY2021 3Q are the figures after retrospective application of a change in accounting policy.

Main factor (YoY)

- Sales increased, reflecting the expansion of plant areas for major crops in BRAZIL the world’s largest agrochemical market.
- Sales of herbicides mainly for potato crops were strong in Europe

◆ Agrochemicals

strong

BRAZIL Sugarcane herbicides
 NORTH AMERICA Fungicides for cottons
 EUROPE Herbicides for potato crops
 JAPAN Corteva’s products

◆ Pharmaceuticals, others

steady

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

Main factor (YoY)



















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2. FY2022 Consolidated Forecasts and Dividend Forecast

World economy

Signs of an economic recession have increased against the backdrop of the global energy crisis and prolonged inflation.

Market trend

| Segment | Market | FY2022 3Q | FY2022 3Q ⇒ 4 Q | Impact on business |
|--------------|--|--|--|---|
| Chemicals | Automobile | UP  |  | Polymer additives (Additives, Plasticizers, PVC Stabilizers) |
| | Building material | DOWN  | FLAT  | Functional chemicals (Lubricant Additives, Special Type Epoxy Resins, Painting materials, Industrial Agents) |
| | Electronic device |  |  | Electronics & IT materials (Semiconductor materials, Photoacid generator, Photo(Light) Curing Resins, Photoinitiator) |
| | Cosmetics |  |  | Functional chemicals (Cosmetic ingredients, Industrial agents) |
| | Hand wash, Disinfectant |  |  | Functional chemicals (Surfactants) |
| Food | Mass merchants, CVS (Breads, sweets and desserts) |  |  | Food Products (Margarines, shortening, fillings, etc.) |
| | Tourism, Restaurant industry (Souvenir sweets) |  |  | |
| Life Science | Agriculture |  |  | Agrochemicals (Insecticide, fungicide, herbicide) |

Revision of Consolidated Financial Forecasts for FY 2022

FY2022 Consolidated Forecasts

Unit: 100 million yen

| | Previous forecast | Newly revised forecast (Feb. 10, 2023) | | | FY2021 (Results) (b) | Change | |
|---|-------------------|--|--------|------------------|----------------------------|-------------------|-------------|
| | Full Year | 3Q (Results) | 4Q | Full Year (a) | | Amount (a)-(b) | Rate (%) |
| Sales | 4,200 | 2,961 | 1,068 | 4,030 | 3,612 | 417 | 11.6 |
| Operating profit | 370 | 237 | 82 | 320 | 340 | △ 20 | △ 6.0 |
| Current profit | 369 | 243 | 76 | 320 | 356 | △ 36 | △ 10.3 |
| Profit attributable to owners of parent | 220 | 146 | 43 | 190 | 236 | △ 46 | △ 19.8 |
| Net profit per share - yen/share - | ¥ 213.6 | ¥ 142.8 | ¥ 42.4 | ¥ 185.3 | ¥ 229.7 | - | - |

| | | FY2022/4Q Assumption | | FY2021 Results | |
|---------------|------|----------------------|--------|----------------|--|
| Exchange rate | ¥/\$ | unchanged | 130.00 | 112.42 | |
| | ¥/€ | unchanged | 140.00 | 130.55 | |
| Naphtha | ¥/KL | unchanged | 85,000 | 56,625 | |

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.

FY2022 Consolidated Forecasts- By segment -

FY2022 Consolidated Forecasts

| Unit: 100 million yen | Previous forecast | Newly revised forecast (Feb. 10, 2023) | | | FY2021 (Results) (b) | Change | |
|-------------------------------------|-------------------|--|--------------|------------------|----------------------------|-------------------|---------------|
| | Full Year | 3Q (Results) | 4Q | Full Year (a) | | Amount (a)-(b) | Rate (%) |
| Net sales | 4,200 | 2,961 | 1,068 | 4,030 | 3,612 | 417 | 11.6 |
| Chemicals | 2,320 | 1,623 | 530 | 2,154 | 2,001 | 152 | 7.6 |
| <i>Polymer Additives</i> | <i>1,230</i> | <i>862</i> | <i>274</i> | <i>1,137</i> | <i>1,068</i> | <i>68</i> | <i>6.4</i> |
| <i>Electronics and IT materials</i> | <i>400</i> | <i>269</i> | <i>81</i> | <i>351</i> | <i>364</i> | <i>△ 13</i> | <i>△ 3.7</i> |
| <i>Functional chemicals</i> | <i>690</i> | <i>491</i> | <i>174</i> | <i>666</i> | <i>567</i> | <i>98</i> | <i>17.3</i> |
| Food products | 820 | 623 | 191 | 815 | 733 | 81 | 11.1 |
| Life Science | 980 | 660 | 319 | 980 | 801 | 178 | 22.3 |
| Other | 80 | 54 | 26 | 81 | 76 | 4 | 5.5 |
| Operating profit | 370 | 237 | 82 | 320 | 340 | △ 20 | △ 6.0 |
| Chemicals | 298 | 208 | 44 | 253 | 293 | △ 40 | △ 13.8 |
| <i>Polymer Additives</i> | <i>103</i> | <i>76</i> | <i>13</i> | <i>90</i> | <i>108</i> | <i>△ 18</i> | <i>△ 16.9</i> |
| <i>Electronics and IT materials</i> | <i>126</i> | <i>81</i> | <i>21</i> | <i>103</i> | <i>119</i> | <i>△ 16</i> | <i>△ 13.5</i> |
| <i>Functional chemicals</i> | <i>69</i> | <i>50</i> | <i>9</i> | <i>60</i> | <i>66</i> | <i>△ 6</i> | <i>△ 9.2</i> |
| Food products | ▲ 15 | ▲ 19 | 0 | ▲ 19 | ▲ 6 | △ 12 | — |
| Life Science | 81 | 44 | 36 | 81 | 48 | 32 | 68.7 |
| Other | 6 | 4 | 0 | 5 | 5 | △ 0 | △ 12.4 |

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.

| Segment | Operating profit (FY2022 Consolidated Forecasts) | Outlook for Sales | |
|-------------------------------------|--|--|--|
| Polymer additives | <p>Previous forecast: 10.3 billion → Newly revised forecast: 9.0 billion</p> <hr/> <p>• FY2021 results : 10.8 billion • Forecasts(4Q) : 1.3 billion</p> | All plastic products | <p>Decrease of business confidence Inventory adjustments by customers</p> <p>→ Sales volume of all products will decline.</p> |
| | Automobile | <p>Delay in the recovery of automobile production in JAPAN</p> <p>→ Additives, Plasticizers, PVC Stabilizers</p> | |
| | Building material | <p>Deterioration of housing market conditions in NORTH AMERICA</p> <p>→ PVC Stabilizers</p> | |
| | Home appliances | <p>Excess inventory of home appliances</p> <p>→ Flame retardants Recovery expected in FY2023</p> | |
| Electronics and IT materials | <p>Previous forecast: 12.6 billion → Newly revised forecast: 10.3 billion</p> <hr/> <p>• FY2021 results : 11.9 billion • Forecasts(4Q) : 2.1 billion</p> | Semiconductor | <p>Continuing demand → High-k materials and peripheral materials (for advanced DRAM) Photoacid generator, peripheral materials</p> <p>Semiconductor production adjustment, etc. → Products for NAND, Commodity Chemicals</p> |
| | Display | <p>Panel production adjustments → Photo(Light) Curing Resins, Photoinitiator etc. All products for display Recovery expected in FY2023</p> | |

| Segment | Operating profit (FY2022 Consolidated Forecasts) | Outlook for Sales | |
|-----------------------------|---|---|--|
| Functional chemicals | <p>Previous forecast: 6.9 billion</p> <p>Newly revised forecast: 6.0 billion</p> <hr/> <p>• FY2021 results : 6.6 billion</p> <p>• Forecasts(4Q) : 0.9 billion</p> | Automobile | <p>Demand will remain high mainly in overseas markets</p> <p>➡ Lubricant additive for engine oil</p> |
| | Building material | <p>Decline in construction demand in JAPAN and CHINA</p> <p>➡ Epoxy Resins, Painting materials, etc.</p> | |
| | general industrial use | <p>Market downturn</p> <p>Panel production adjustments</p> <p>➡ Polypropylene glycol</p> <p>➡ Peroxide products</p> | |
| Food products | <p>Previous forecast: ▲ 1.5 billion</p> <p>Newly revised forecast: ▲ 1.9 billion</p> <hr/> <p>• FY2021 results : ▲ 0.6 billion</p> <p>• Forecasts(4Q) : 0.0 billion</p> | Bread , confectionery Western-style confectionery | <p>Consumers: Price-sensitive and budget-minded</p> <p>Manufacturers: Downsizing products</p> <p>➡ Margarines Fat spread, Whipping cream, etc.</p> |
| | Souvenir sweets | <p>Increase in the number of travelers and foreigners visiting Japan</p> <p>➡ Fillings</p> <p>Increased costs related to services, raw materials, packaging materials and logistics: sales prices being revised (with time lag)</p> | |
| Life Science | <p>unchanged</p> <p>8.1 billion</p> <hr/> <p>• FY2021 results : 4.8 billion</p> <p>• Forecasts(4Q) : 3.6 billion</p> | <p>■ Agriculture</p> <p>No change to the plan.</p> <p>Sales of agrochemicals are expected to remain strong in BRAZIL and other overseas markets.</p> | |

Topic : Relocating the semiconductor R&D center to Hwaseong (expansion)



ADEKA KOREA CORPORATION

Relocating the ADEKA KOREA R&D center

Suwon ⇒ Hwaseong

Investment amount

1.3 billion

Total floor area

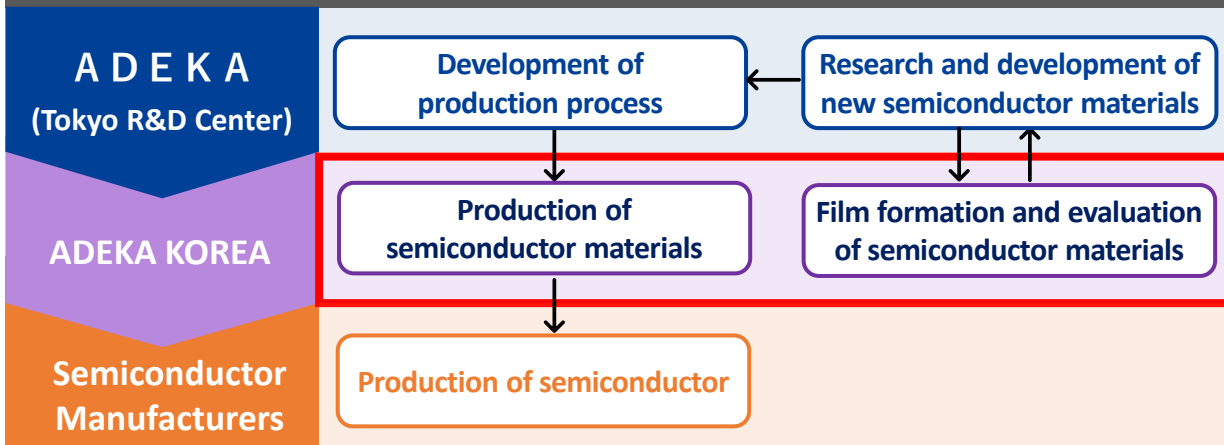
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Cleanrooms

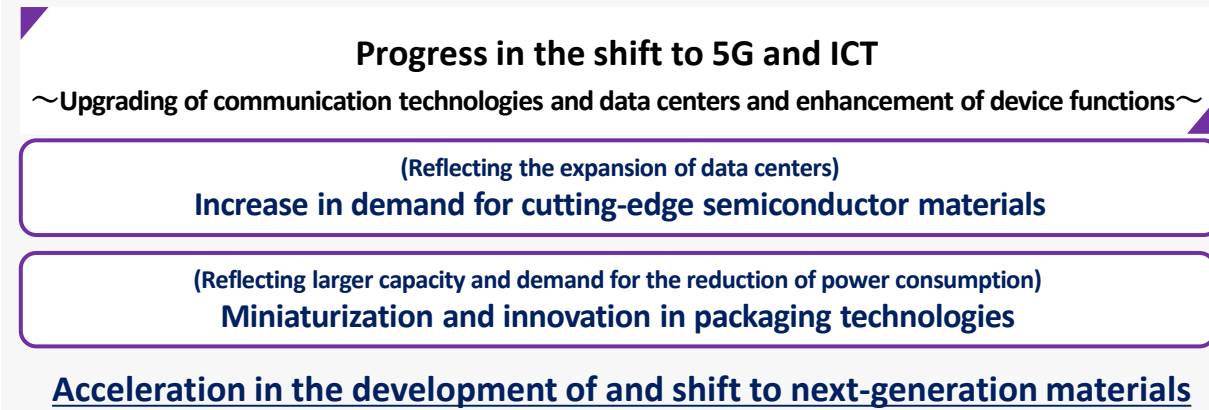
2 times

Planned to open in August 2023

The role of ADEKA KOREA CORPORATION



Semiconductor market outlook



Expanding the system of film formation and evaluation processes for semiconductor materials to enhance the ability to propose solutions to customers and respond to market needs

| | 2nd quarter-end | Year-end | Total | Dividend payout ratio (%) |
|------------------------------------|---------------------|------------|------------|---------------------------|
| FY2022 forecast (Feb. 10, 2023) | ¥35 *results | ¥35 | ¥70 | 37.8 |
| FY2021 result | ¥28 | ¥42 | ¥70 | 30.5 |

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3. For Reference

| | FY2021 1st year of ADX 2023 | FY2022 Forecast 2nd year of ADX 2023 | FY2023 Target Final-year of ADX 2023 |
|------------------------------|---------------------------------------|--|--|
| Operating profit | 34 billion yen | 32 billion yen | 42 billion yen |
| R O E | 9.9% | 7.4% | 9% |
| Capital investment | 14.6 billion yen / Year | 16.0 billion yen / Year | 50.0 billion yen / 3Year |
| Dividend Payout Ratio | 30.5% | 37.8% | 30% or higher |

| | | |
|---------------------------------|-----------------------|----------------------------------|
| Annual dividend forecast | 70 yen / share | (Forecast) 70 yen / share |
|---------------------------------|-----------------------|----------------------------------|

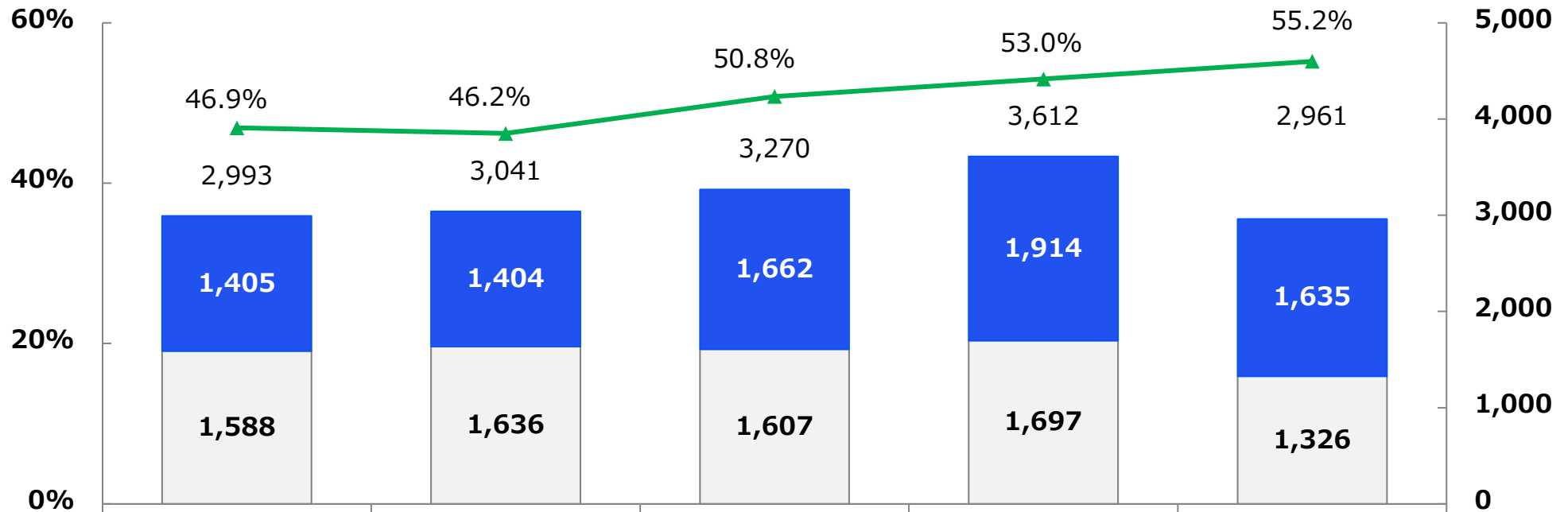
Interim dividend
35 yen / share
As originally planned

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.

Overseas Sales - For reference -

Unit: 100 million yen



| | FY2018 | FY2019 | FU2020 | FY2021 | FY2022 3Q |
|----------------------|--------|--------|--------|--------|-----------|
| Overseas sales | 1,405 | 1,404 | 1,662 | 1,914 | 1,635 |
| Domestics sales | 1,588 | 1,636 | 1,607 | 1,697 | 1,326 |
| Overseas sales ratio | 46.9% | 46.2% | 50.8% | 53.0% | 55.2% |
| Sales | 2,993 | 3,041 | 3,270 | 3,612 | 2,961 |

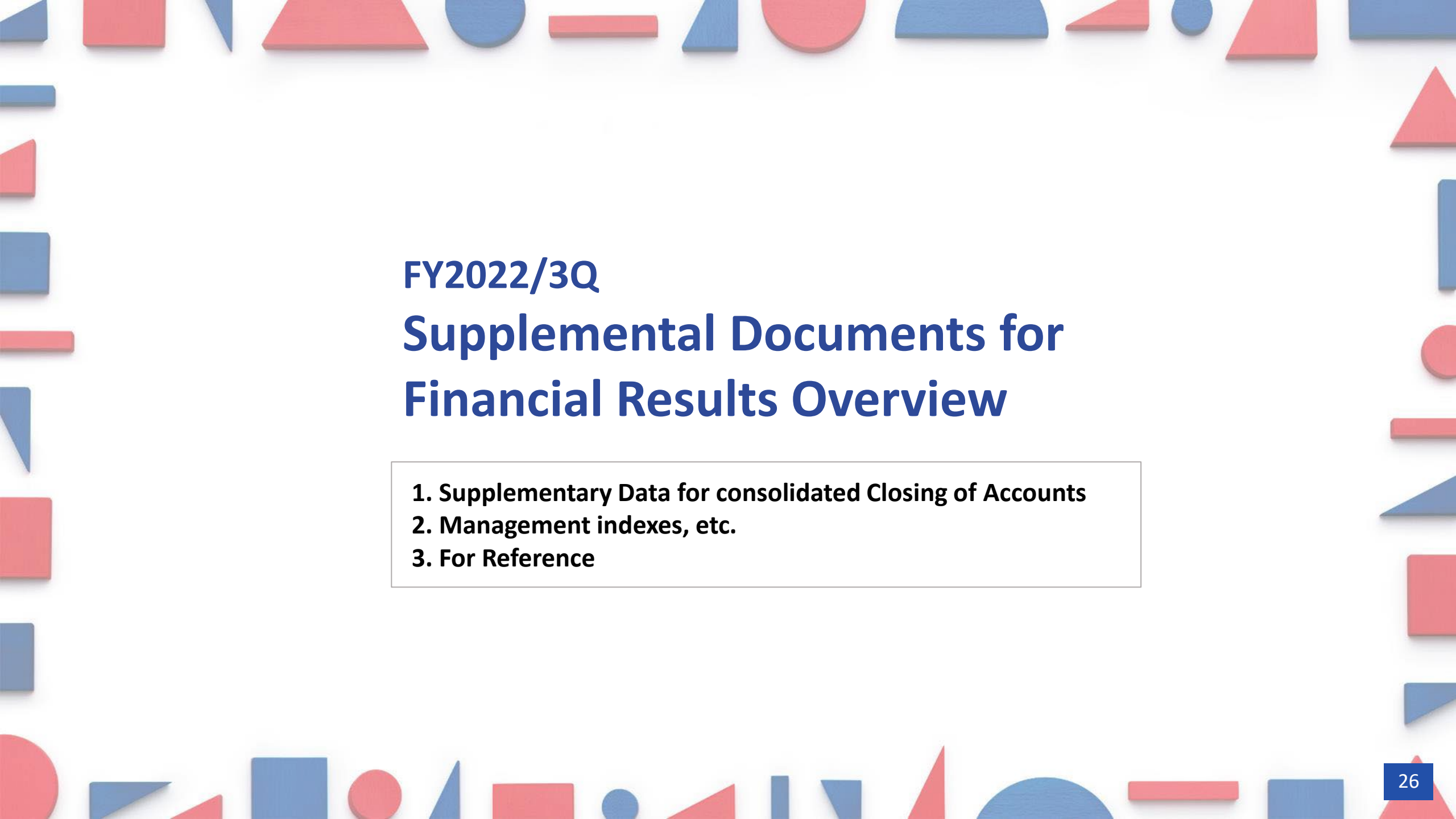
Note 1 : Figures are expressed in units of 100 million yen and have been rounded off.

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

The logo 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



FY2022/3Q Supplemental Documents for Financial Results Overview

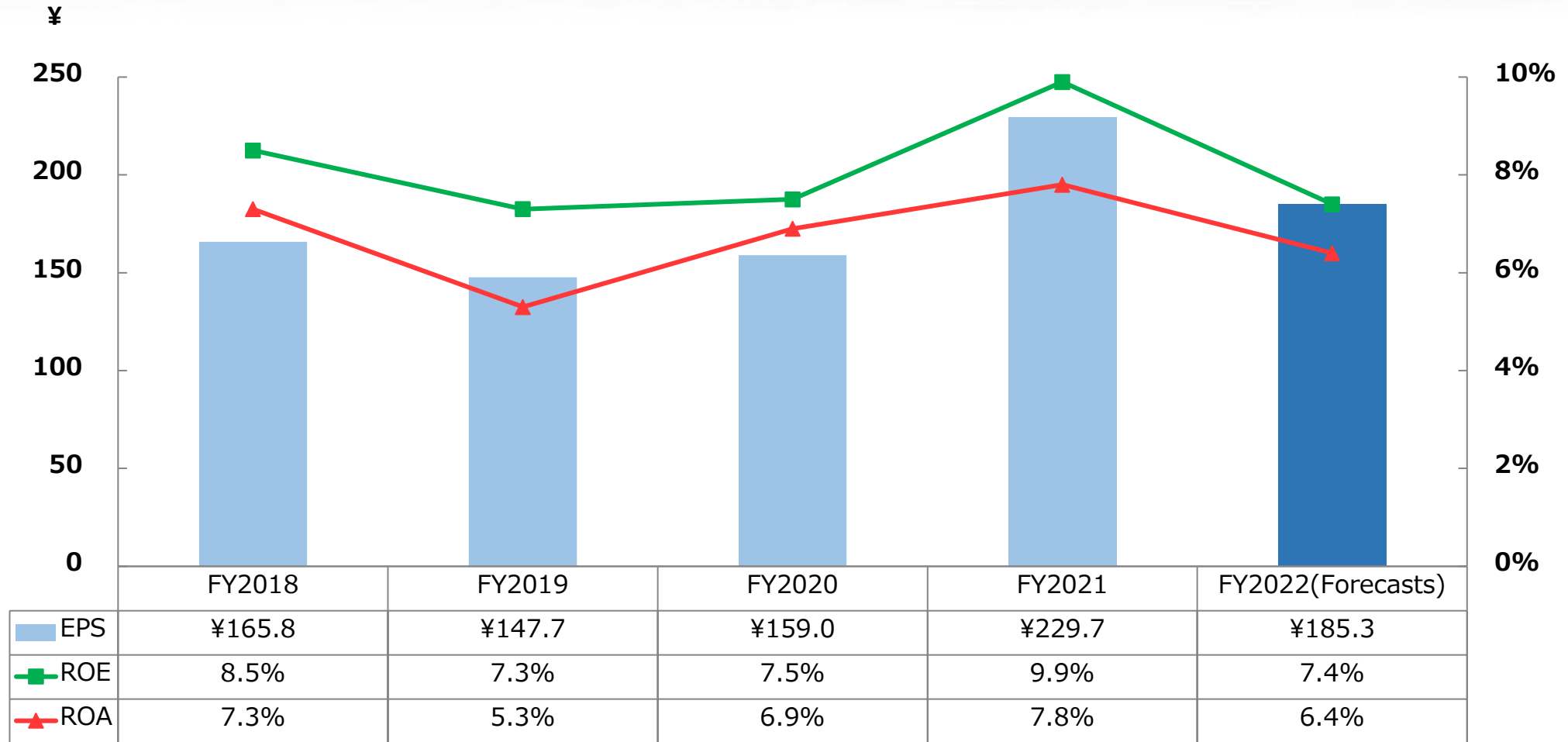
- 1. Supplementary Data for consolidated Closing of Accounts**
- 2. Management indexes, etc.**
- 3. For Reference**

1 Consolidated Balance Sheet

1. Supplementary Data for the Consolidated Closing of Accounts

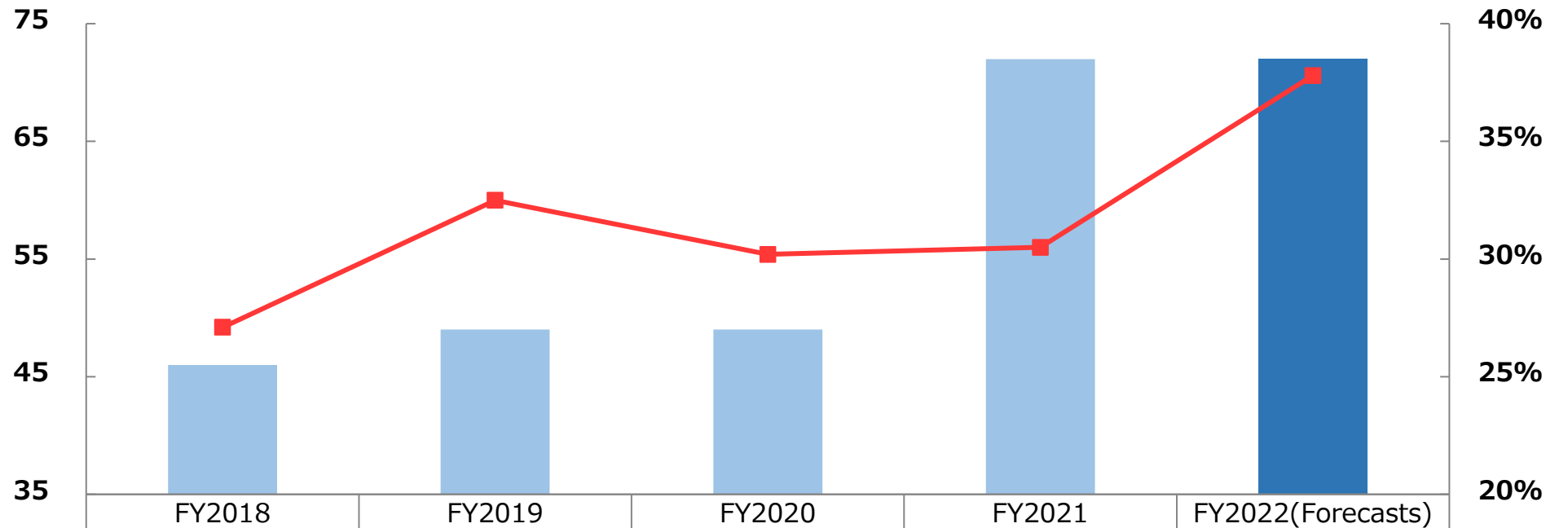
| Unit: 100 million yen | As of Mar. 31,2022 | As of Dec. 31,2022 | Change | | As of Mar. 31,2022 | As of Dec. 31,2022 | Change |
|---|-----------------------|-----------------------|------------|---|-----------------------|-----------------------|------------|
| Current assets | 2,938 | 3,190 | 251 | liabilities | 1,784 | 1,939 | 155 |
| Cash and deposits | 842 | 802 | △ 39 | Current liabilities | 1,148 | 1,288 | 140 |
| Notes and accounts receivable – trade, etc. | 1,004 | 932 | △ 72 | Long-term liabilities | 635 | 650 | 14 |
| Inventories | 960 | 1,252 | 291 | Net assets | 2,968 | 3,064 | 96 |
| Other | 130 | 202 | 72 | Shareholders' equity | 2,300 | 2,356 | 56 |
| Fixed assets | 1,814 | 1,814 | △ 0 | Capital stock | 230 | 230 | – |
| Tangible fixed assets | 1,193 | 1,188 | △ 4 | Capital surplus | 201 | 201 | △ 0 |
| Intangible fixed assets | 168 | 176 | 7 | Retained earnings | 1,880 | 1,948 | 67 |
| Investment and other assets | 452 | 449 | △ 3 | Treasury stock | △ 12 | △ 23 | △ 10 |
| | | | | Accumulated other comprehensive income | 199 | 223 | 23 |
| | | | | Minority interests | 469 | 484 | 15 |
| Total assets | 4,753 | 5,004 | 251 | Total liabilities and net assets | 4,753 | 5,004 | 251 |

Note 1 : Figures are expressed in units of 100 million yen and have been rounded off. Note 2 :The figures (as of March 31, 2022) are after retrospective application of a change in accounting policy.



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

¥ 100 million

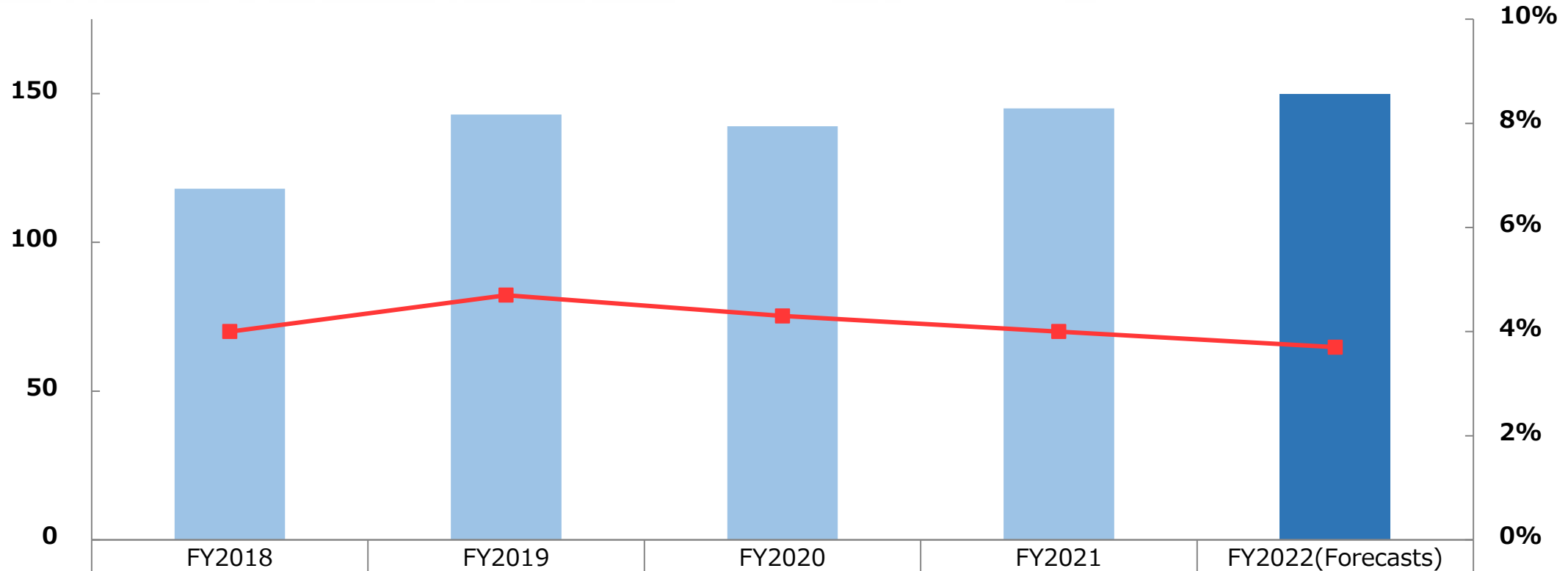


| | | | | | |
|-------------------------|-------|-------|-------|-------|-------|
| Dividend | ¥45 | ¥48 | ¥48 | ¥70 | ¥70 |
| Total Divident | 46 | 49 | 49 | 72 | 72 |
| Rate of dividend payout | 27.1% | 32.5% | 30.2% | 30.5% | 37.8% |

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

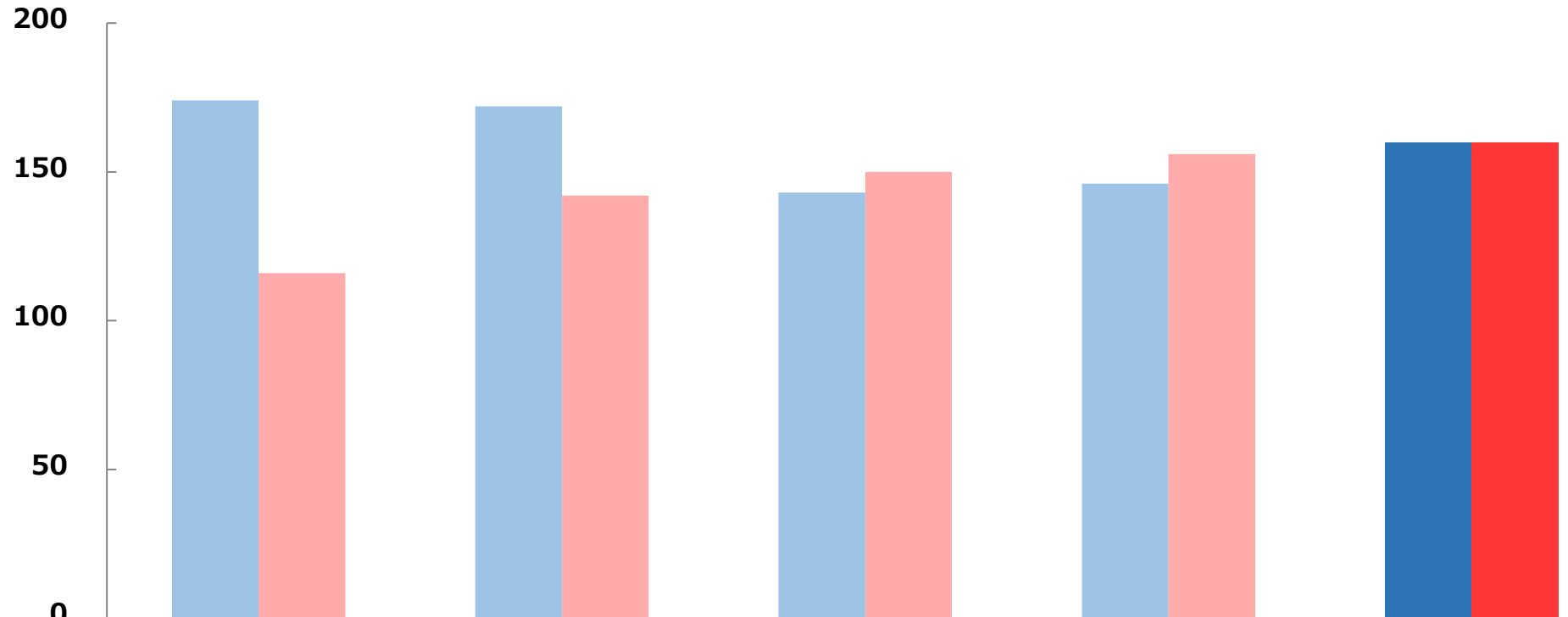


| | | | | | |
|-----------------------|------|------|------|------|------|
| ■ R&D costs | 118 | 143 | 139 | 145 | 150 |
| —■ R&D costs to sales | 4.0% | 4.7% | 4.3% | 4.0% | 3.7% |

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.

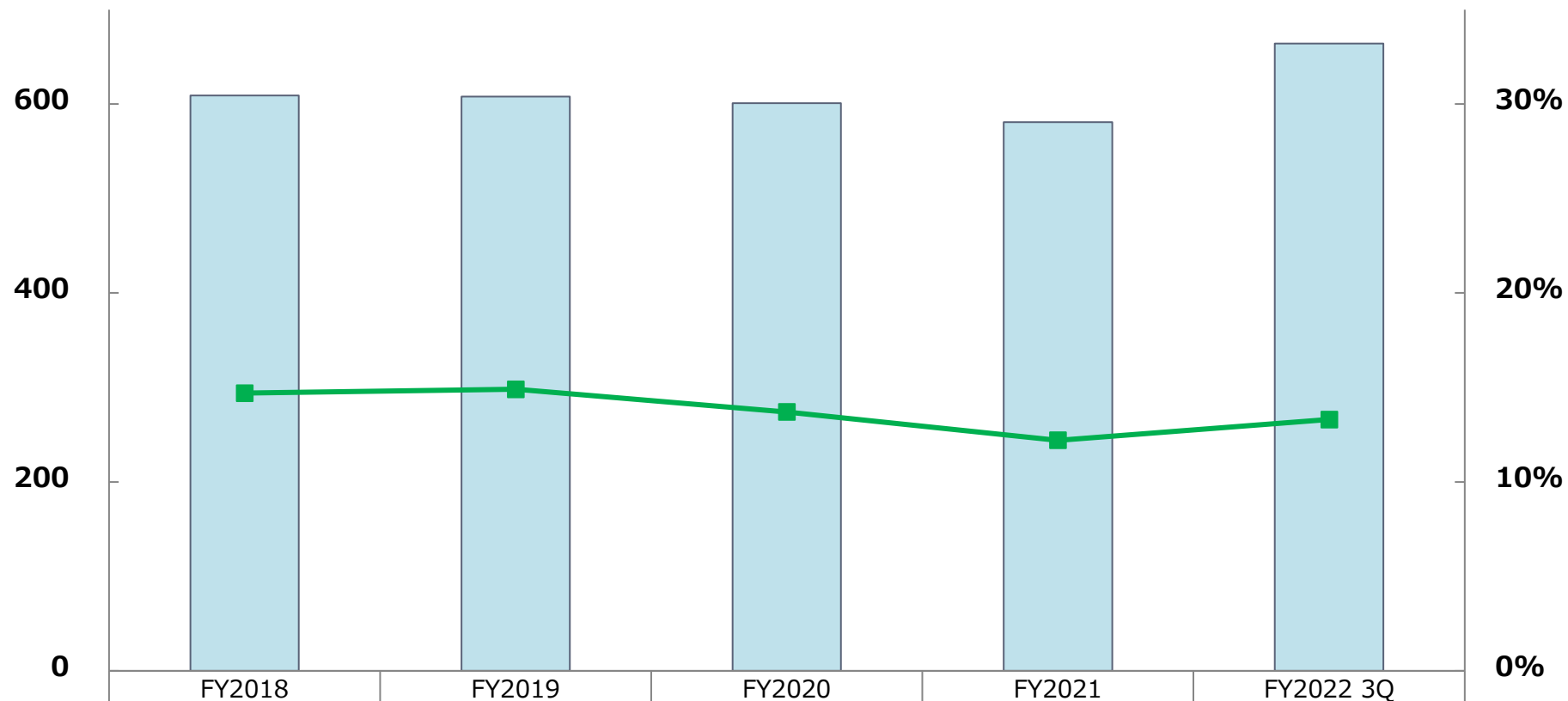
¥ 100 million



| | FY2018 | FY2019 | FY2020 | FY2021 | FY2022(Forecasts) |
|--------------------|--------|--------|--------|--------|-------------------|
| Capital investment | 174 | 172 | 143 | 146 | 160 |
| Depreciation costs | 116 | 142 | 150 | 156 | 160 |

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

¥ 100 million



| | | | | | |
|-----------------------------|-------|-------|-------|-------|-------|
| interest-bearing dept | 609 | 608 | 601 | 581 | 664 |
| interest-bearing dept ratio | 14.7% | 14.9% | 13.7% | 12.2% | 13.3% |

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



3 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, Oil and fats for chocolate, Oils and fats for frying, Whipping cream, Kneading cream, Fillings, Frozen pie crusts, 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.