

2019

ADEKA CORPORATION
Full-year Consolidated Financial Results

July 17, 2020

Briefings on Financial Results For the fiscal year ending March 31, 2020

Financial Results Overview

FY2019

April 1, 2019 – March 31, 2020

President and Chief Executive Officer
Hidetaka Shirozume

1. Preface
2. FY2019 Consolidated Performance
3. Forecasts for FY2020 and Business Strategy
4. Progress of mid-term management plan
BEYOND 300
5. For Your Reference

1 . Preface

The members of Adeka Corporation would like to express our deepest condolences to the families of the victims and offer sympathy to the patients of the novel coronavirus “COVID-19”.

We would also like to express our sincere appreciation to those who have been working to prevent the spread of the disease.

Delay in the announcement of results for the FY2019

Countries such as INDIA, in which our overseas group companies operate, have issued stay-at-home orders and repeatedly extended city-wide lockdowns to prevent the spread of COVID-19.

This caused a significant delay in the process of compiling consolidated financial data.

We apologize for any inconvenience and concern caused to our stakeholders by this delay.

2. FY2019 Consolidated Performance

FY2019 Consolidated Performance

Consolidated

Unit: 100 million yen

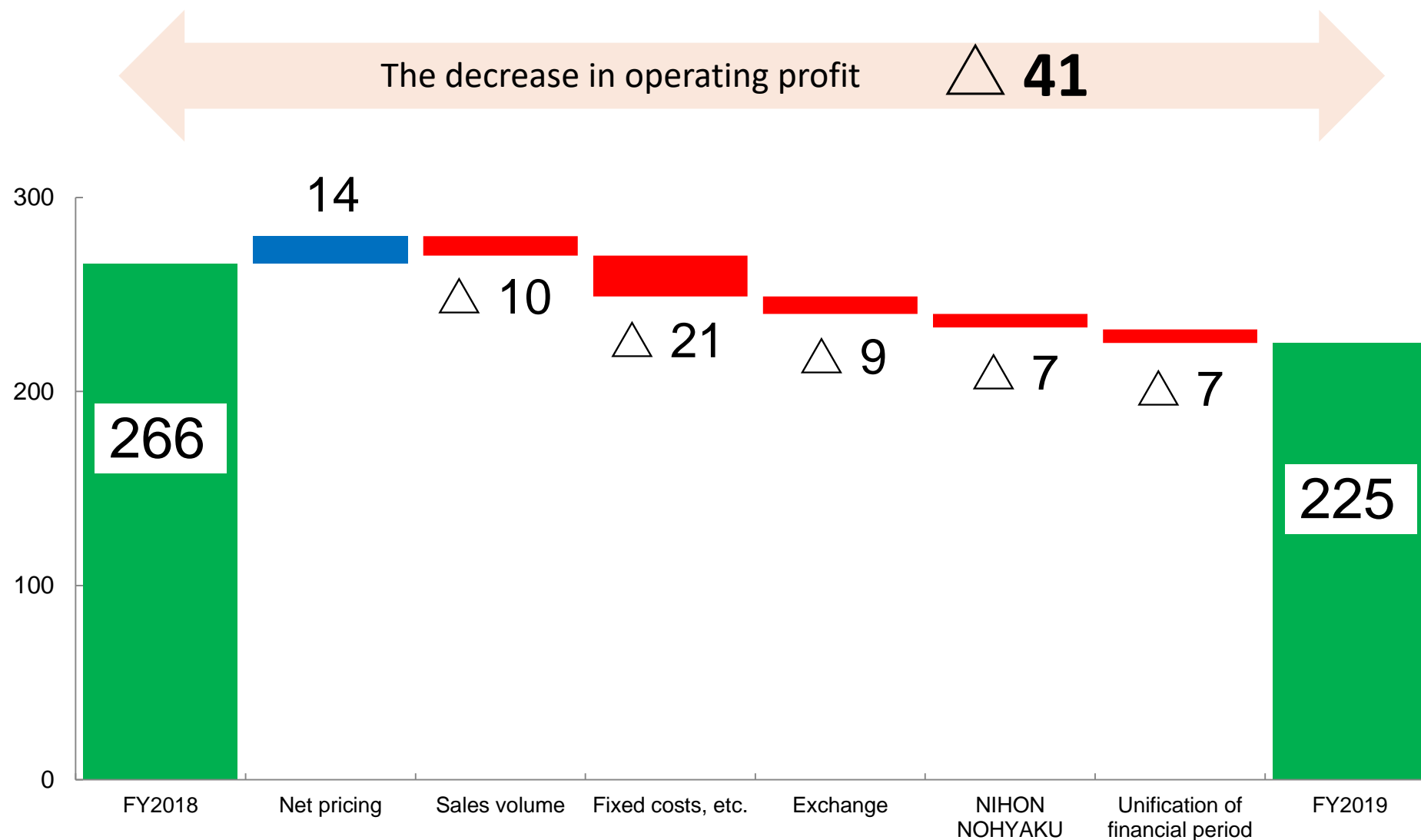
	FY2018	FY2019	Increase/ decrease	Increase/ decrease ratio : %
Net sales	2,993	3,041	47	1.6
Operating profit	266	225	△ 41	△ 15.5
Ordinary profit	266	219	△ 46	△ 17.4
Profit attributable to owners of parent	170	152	△ 18	△ 10.8
Net profit per share - yen/share -	165.8	147.7	△ 18.1	
Dividend - yen/share -	45	48	3	

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

Analysis of Operating Profit

Consolidated

Unit: 100 million yen



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

Impact of COVID-19

Plants and sales offices of group companies in Japan and overseas mostly maintained normal operation.

The operational setback caused by infection prevention measures is minimal.

Demand for some products such as automotive, housing, and cosmetics decreased.

Demand for products for PCs and data centers is recovering.

The fiscal year end of the office in CHINA, which was affected the most by COVID-19 in the 4th quarter, is December.



The impact on business activities and results for FY2019 is negligible.

Impact of unification of financial period

Fiscal year end of four overseas consolidated subsidiaries was changed from **December 31** to **March 31**.

Consolidated results for FY2019 include the results of the four companies for **15 months**.

Companies included

- **ADEKA FINE CHEMICAL TAIWAN**

TAIWAN | Manufacture and sales of chemical products

- **ADEKA (ASIA)**

SINGAPORE | Sales of chemical products

- **ADEKA Europe**

GERMANY | Sales of chemical products

- **ADEKA (SINGAPORE)**

SINGAPORE | Manufacture and sales of edible processed oils and fats, frozen pie crusts, and related foods

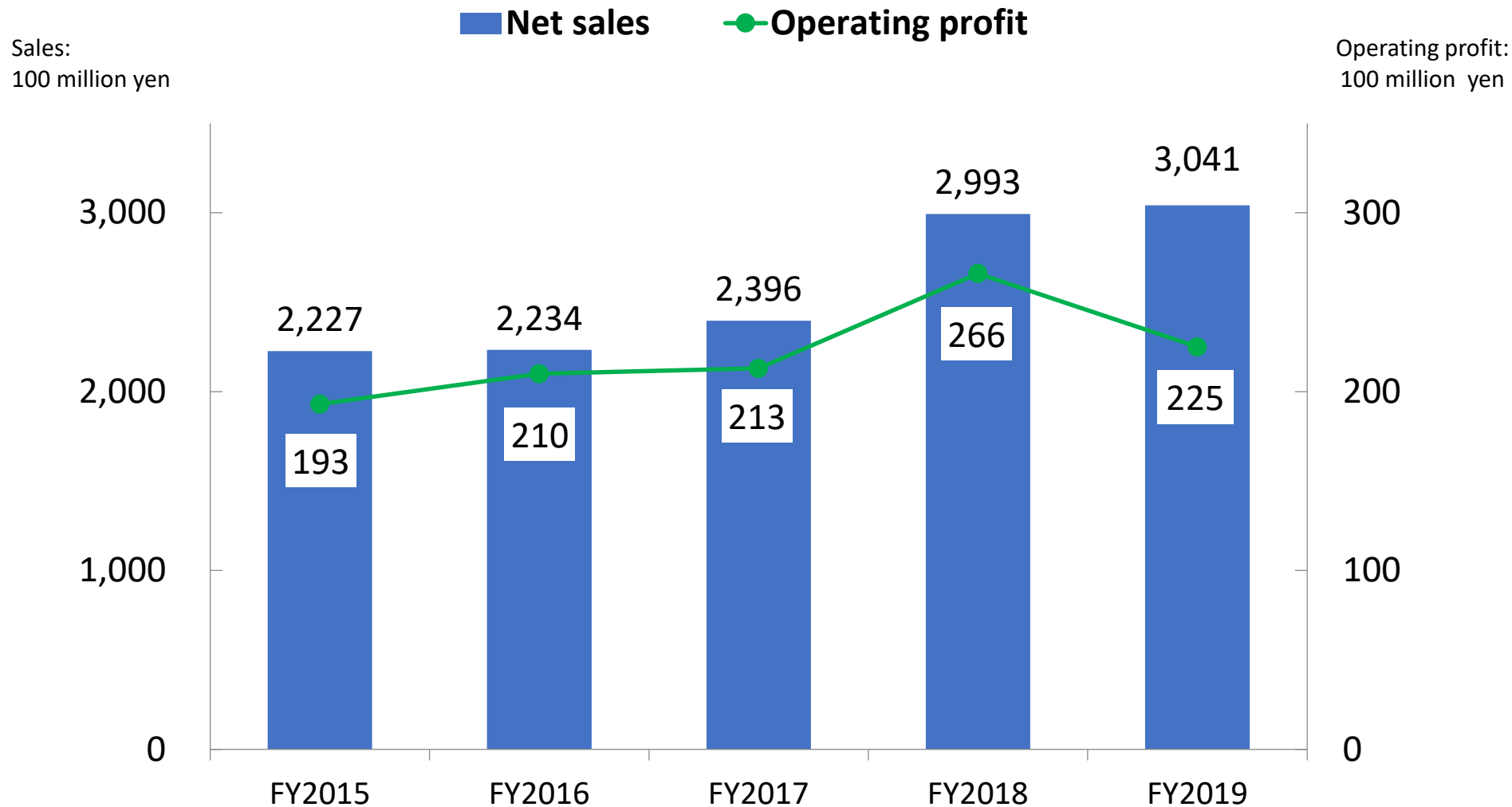
Unit: 100 million yen

	Influence amount
Net sales	32
Operating profit	2

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

Trends in Consolidated Performance

Consolidated



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

Consolidated Performance - By segment -

Unit: 100 million yen

Consolidated

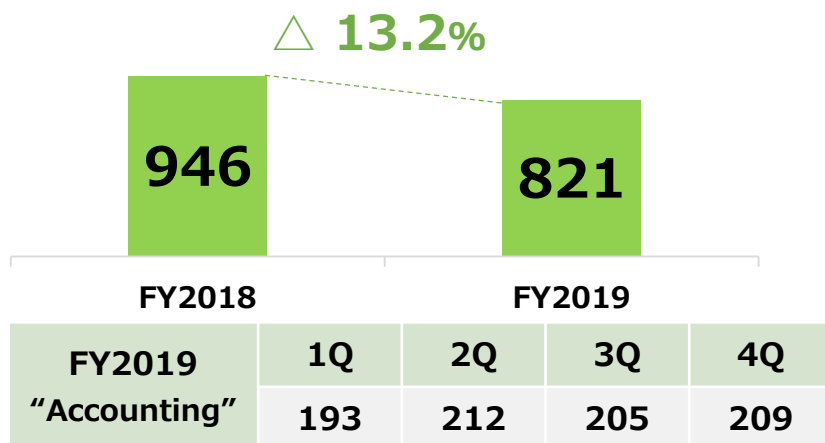
	FY2018	FY2019	Increase/ decrease	Increase/ decrease ratio : %
Sales	2,993	3,041	47	1.6
Chemicals	1,807	1,641	△ 166	△ 9.2
<i>Polymer additives</i>	946	821	△ 124	△ 13.2
<i>Electronics and IT materials</i>	301	264	△ 37	△ 12.4
<i>Functional chemicals</i>	559	556	△ 3	△ 0.7
Food products	717	710	△ 7	△ 1.0
Life science	344	604	259	75.5
Other	123	85	△ 38	△ 31.1
Operating profit	266	225	△ 41	△ 15.5
Chemicals	215	175	△ 40	△ 18.8
<i>Polymer additives</i>	69	66	△ 2	△ 4.2
<i>Electronics and IT materials</i>	82	59	△ 22	△ 27.1
<i>Functional chemicals</i>	64	49	△ 15	△ 23.9
Food products	12	15	3	24.9
Life science	33	26	△ 7	△ 21.2
Other	4	7	3	72.4

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

Segmental Information : Chemicals “Polymer additives”

◆ Sales

Unit: 100 million yen



Main factor (YoY)

◆ Additives for polyolefin

weak • General-purpose antioxidant

◆ Plasticizers, Stabilizers

Supply-demand balance deteriorated in the US, CHINA, SOUTHEAST ASIA

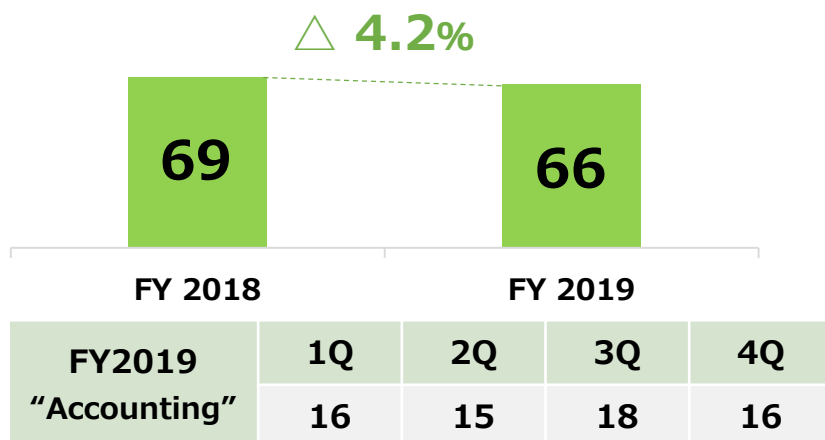
weak • Product in general

◆ Flame retardants

strong • Product for Engineering plastics

◆ Operating profit

Unit: 100 million yen



Main factor (YoY)

Unit: 100 million yen

Net pricing

3

Exchange

△ 3

Unification of
financial period

△ 2

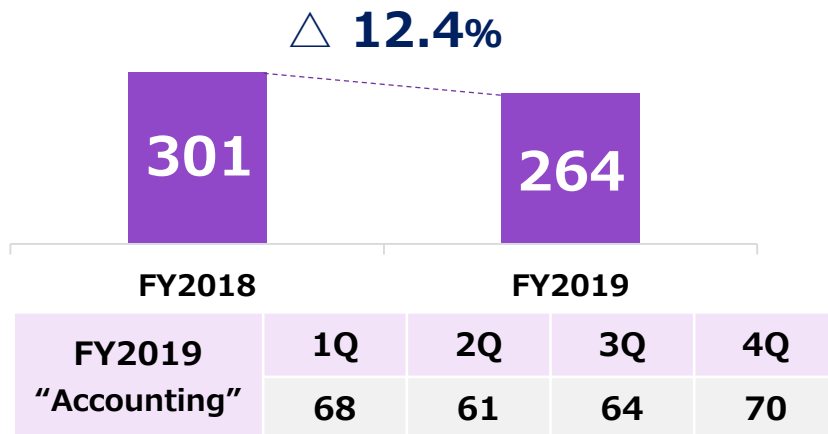
Note1 : Figures are expressed in units of 100 million yen and have been rounded off.

Note2 : The fiscal periods of three overseas subsidiaries including in FRANCE were made consistent in FY2018, the FY2018 results include results for 15 months.

Segmental Information : Chemicals “Electronics and IT materials”

◆ Sales

Unit: 100 million yen



Main factor (YoY)

◆ Information media materials

strong

- **Photoacid generator**
used for semiconductor lithography

◆ Electronic Materials

grew

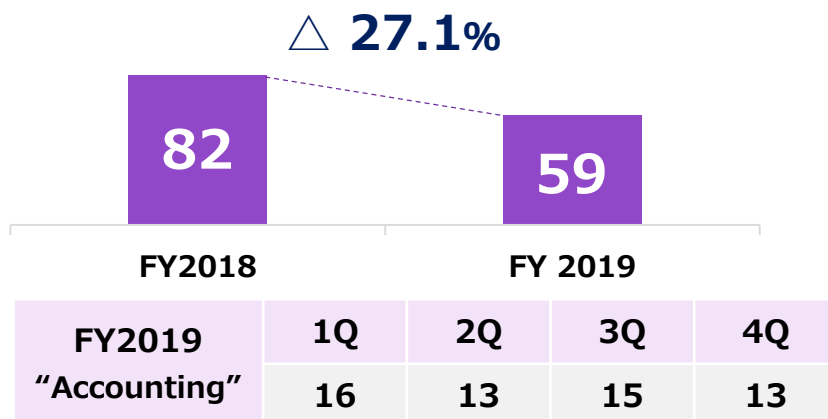
- **Etchants** used for LCD panel

weak

- **High-K materials for DRAM**
- **Materials for NAND flash**

◆ Operating profit

Unit: 100 million yen



Main factor (YoY)

Net pricing

△ 9

Unification of financial period

△ 6

Fixed costs, etc.

△ 3

Unit: 100 million yen

Note1 : Figures are expressed in units of 100 million yen and have been rounded off.

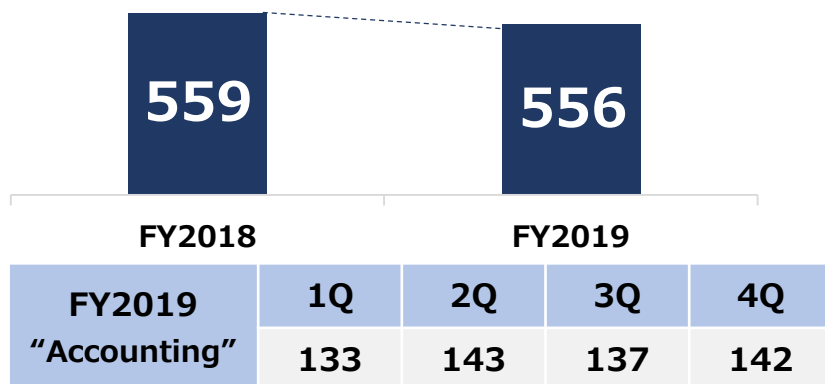
Note2 : The fiscal periods of three overseas subsidiaries including in KOREA were made consistent in FY2018, the FY2018 results include results for 15 months.

Segmental Information : Chemicals “Functional chemicals”

◆ Sales

Unit: 100 million yen

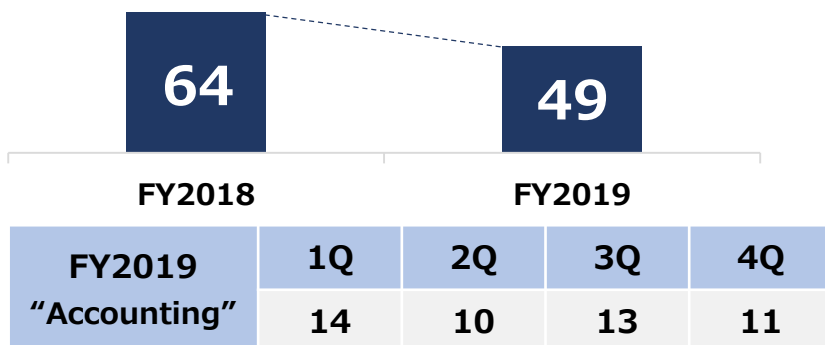
△ 0.7%



◆ Operating profit

Unit: 100 million yen

△ 23.9%



Main factor (YoY)

◆ Surfactants

strong

- **Cosmetics ingredients**
used for moisturizing and gelling
- **Reactive type emulsifiers**
used for paint and adhesives

◆ Functional polymers

strong

- **Epoxy resin related products**
used for adhesion of electronic devices

◆ Industrial agents

weak

- **Peroxygen chemicals**
used to bleach paper and pulp

Main factor (YoY)

Unit: 100 million yen

Net pricing

13

Sales volume

△ 13

Fixed costs, etc.

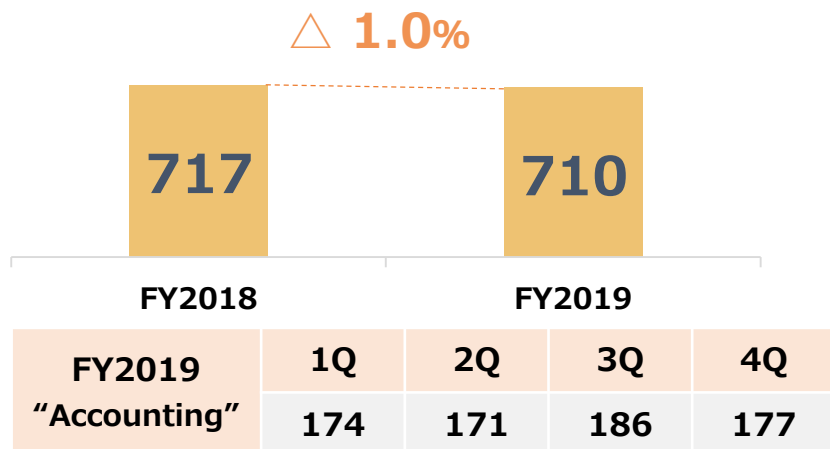
△ 13

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

Segmental Information : Food Products

◆ Sales

Unit: 100 million yen



Main factor (YoY)

◆ Domestic

weak

• Margarine, shortening

Reduced food waste and enhanced tastiness

grew

• Functional margarine, whipping cream

◆ Overseas (China, Southeast Asia)

strong

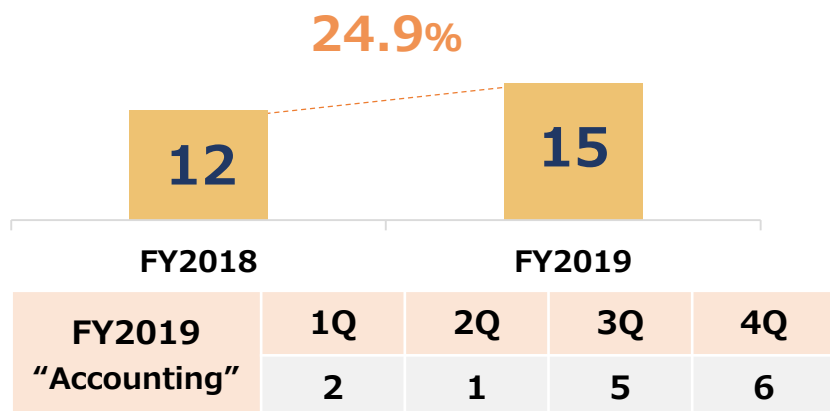
• Margarine, shortening

steady

• Flower paste

◆ Operating profit

Unit: 100 million yen



Main factor (YoY)

Unit: 100 million yen

Net pricing

6

Fixed costs, etc.

△ 2

Sales volume

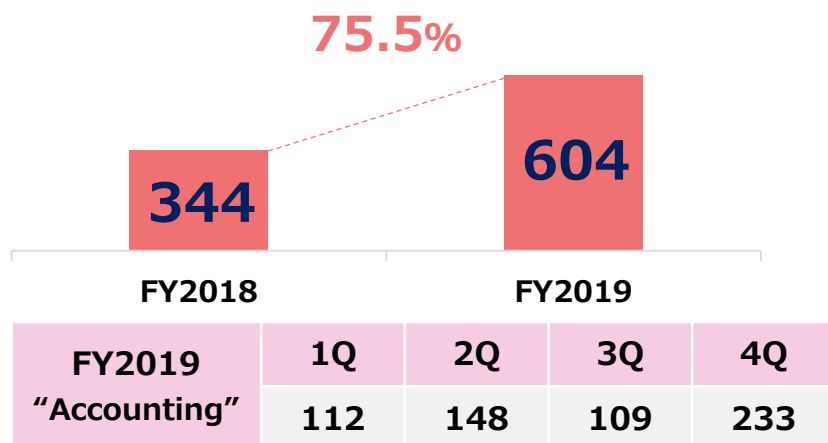
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Note : Figures are expressed in units of 100 million yen and have been rounded off.

Segmental Information : Life Science

◆ Sales

Unit: 100 million yen



Main factor

◆ Agrochemicals

steady

INDIA, EUROPE, NORTH AMERICA

Impact of inventory adjustment

weak

JAPAN, CENTAL and SOUTH AMERICA, SOUTHEAST ASIA

◆ Pharmaceuticals, others

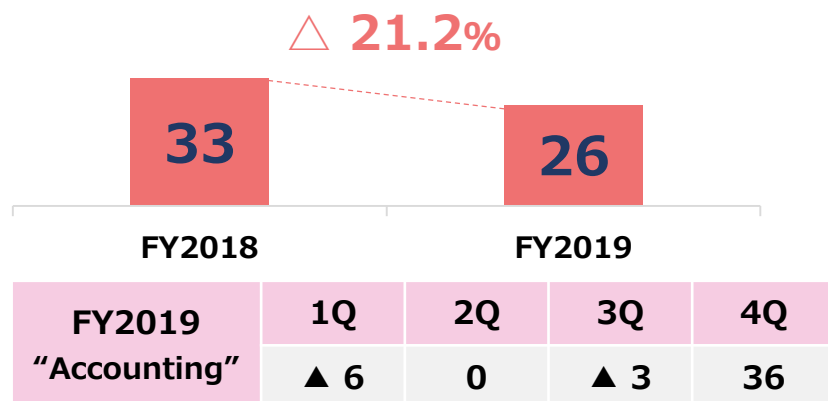
weak

Field of Athlete's foot

Topical antifungal agent *Luliconazole*

◆ Operating profit

Unit: 100 million yen



Main factor

Profit decreased due to the inclusion of the period in which there was low demand for agrochemicals.

Note1 : Figures are expressed in units of 100 million yen and have been rounded off.

Note2 : Results for the second half of FY2018 (6 months) are included due to the consolidation of NIHON NOHYAKU Co., Ltd. at the end of September 2018.

3 . Forecasts for FY2020 and Business Strategy

ADEKA Group is currently examining the impact of COVID-19 on our key markets and businesses activities.

Schedule for announcement of forecasts for business results and dividends

August 12, 2020 (scheduled)

The announcement is scheduled to be made in the Summary of consolidated financial results for the three months ended June 30, 2020.

Consolidation of Overseas Subsidiaries

Two non-consolidated subsidiaries are consolidated in FY2020.

Reason

Their materiality in financial statements increased.

- Business expansion of the UAE subsidiary
- launch of production at the Chinese subsidiary (completion of a new plant)

Name	ADEKA AL OTAIBA MIDDLE EAST
Business	Manufacture and sales of polymer additives, Sales for Chemicals and Foods
Established	April 2011
Location	Abu Dhabi, UAE



Name	ADEKA FINE CHEMICAL (ZHEJIANG)
Business	Manufacture and sales of chemical products such as polymer additives
Established	January 2017
Location	Zhejiang, CHINA



Prospects of Market Environment in FY2020

World economy : May enter a recession phase and slowdown may be prolonged

Prolonged U.S.-CHINA trade friction

Global tightening of environmental regulations

Slowdown in growth of the Chinese economy

Climate change and unseasonable weather

Continuous export issue between South KOREA and JAPAN

Fluctuations in oil and resource prices

Automotive



Demand decreases globally and concerns over stagnation of production activities rise.

Interruption of parts supply chains

Increase in investment in CASE

Connected / Autonomous /
Shared & Services / Electric & Weight saving

IT·Semiconductor



Mid- and long-term growth will continue despite concerns over a decline in consumption.

Increase in investment in 5G and data centers

Reorganization of LCD industry

Rapid increase in teleworking

Food



Demand for inbound tourism significantly declines.

Safety and security

Tastiness

Reduction of food waste and increase in productivity

Rise in health consciousness

Business Strategy “Polymer additives”

Target market

Automobile/Packaging related/IT, Home appliances, Building materials

Improve the sales of general-purpose antioxidants

Raise price competitiveness by **reducing the total cost** of the process from material procurement and product supply.

Increase sales in the global market



Increase the sales of original products that have technological advantages

- 1 Increase global sales of **high-performance nucleating agent**
- 2 Boost sales of **intumescent flame retardants**
- 3 Strengthen sales of **PVC stabilizers and plasticizers** through environmental products

Improve global production and supply systems

- Full operation of the new, completed Chinese plant (Zhejiang Province)
- Early start of mass production using new additive facilities at the Mie plant



Target market

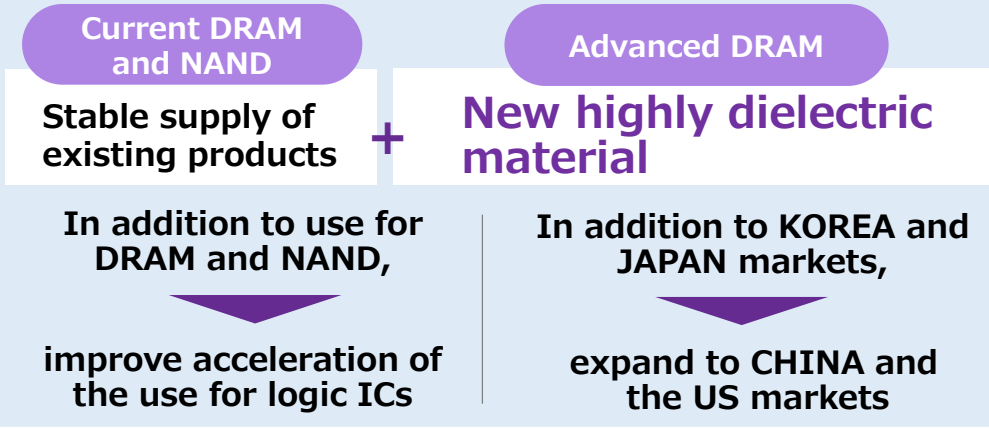
Display / Semiconductor / Electronic parts

1 Boost sales of optical materials particularly in Asia

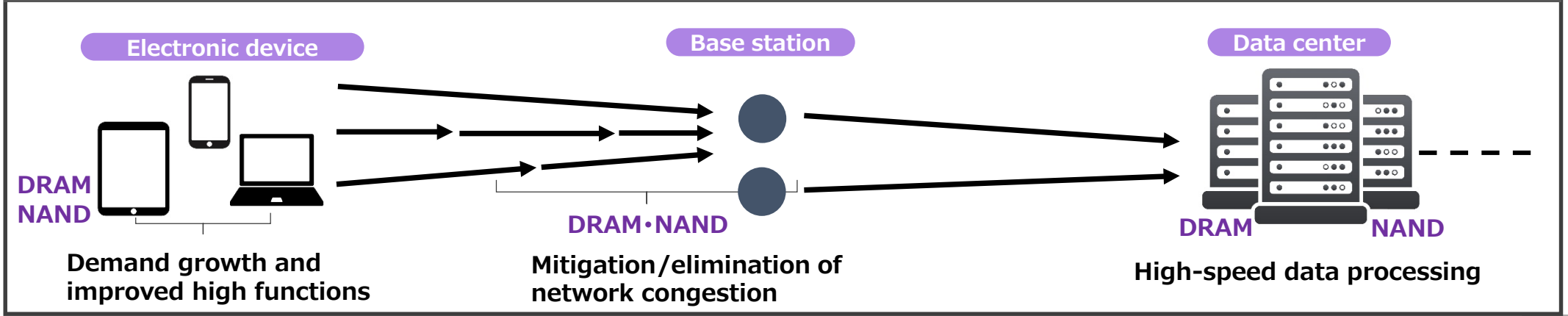
Photo(Light) Curing Resin	Boost sales of materials for optical films and accelerate business in CHINA
Photoinitiator	Boost sales of new products for large panel Color filter
photoacid generator	Boost sales for use in semiconductor lithography

2 Boost sales of Etchants for LCD panel in JAPAN

3 Boost sales of products for advanced DRAM and expand business domains



Growth in demand for advanced semiconductor memory due to acceleration of 5G and teleworking



Business Strategy "Functional chemicals"

"Related to automobiles and transportation"

"Electronic parts, infrastructure"

Target market

Lubricant / Cosmetics, toiletries / Coating, adhesion related

**Lubricant
Ocean vessels**

Contribution to ship industry

- Risk of problems in device operation increased due to changes in fuel oils
- Demand for fuel additives grew in view of safe operation

Fuel additive for ships "ADEKA ECOROYAL" series



Past efforts

Product capacity "Functionality"

Recognized by large shipping companies, increased orders

Problem solving Technical support

Provided technical support such as fuel oil analysis using the strengths of a chemical manufacturer

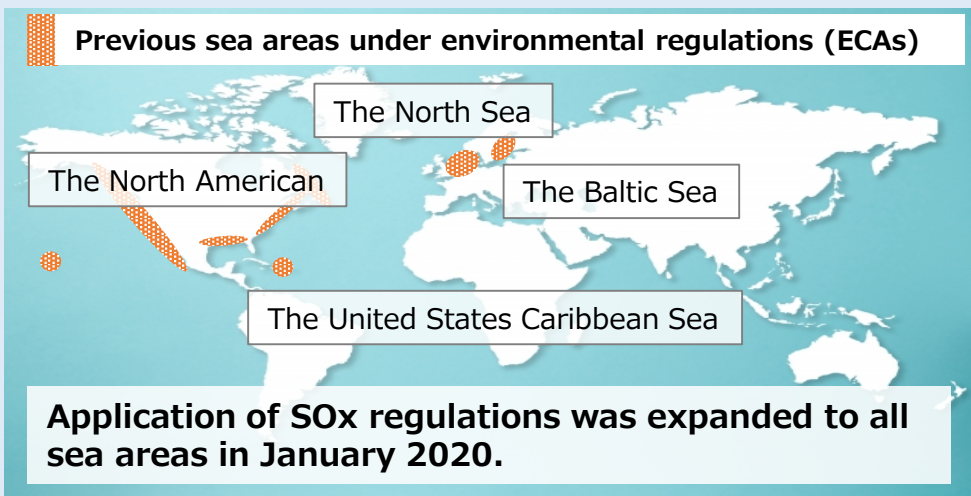
Supply system

Built product logistics and supply systems at major overseas ports

Key policies

- Product development meeting Customers' needs (one-stop system)
- Building cooperative systems with facility manufacturers

Build new platforms and aim to increase sales in global market.



* ECA : Emission Control Area

Target market

Baking/Confectionery/Western confectionery, dessert

Boost sales of products that contribute to food waste reduction

FY2020 “RISU BRAND” New products Margarine for kneading “*Marvelous*”



1 Solve labor shortages by increasing work efficiency

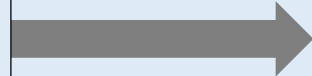
2 Reduce food waste by extending best-before period



- Ready for use (no need to control temperature)
- Easy to knead oil into dough
- No need for precision tasks



Conventional product



Marvelous



Expiration date extended to **1.5 times**

- Moisture and savory characteristics of freshly baked bread are maintained.
- Quality is maintained and best-before period can be extended.
- Dough becomes stable and rejected products can be reduced.



Expand the product into one that sells more than a billion yen.

Use of sustainable raw materials and appeal to health-conscious consumers

- All raw materials (palm oil) of new products for FY2020 **meet the RSPO standard.**
- Promote **products with low trans-fatty acid** introduced ahead of the industry (continue)

Target market

Agrochemicals/Pharmaceuticals/Regenerative medicine, Preventive medicine, Improvement of the quality of life

Domestic sale of agrochemicals

- Promote sales of products such as *Parade*, a fungicide product for gardening**
 - Completed registration of agrochemicals for cabbage etc. to be used for cell seedling irrigation in January 2020.
- Increase and promote mainstay products developed in house**
 - Insecticide for horticultural and turf “*PHOENIX*”
 - Insecticide for horticultural “*COLT*”
 - Acaricide for horticultural “*DANIKONG*”

Overseas sale of agrochemicals

- INDIA
 - Raise the sales base and improve manufacturing function for ingredients.
 - Accelerate the development of *Orchestra*, a new insecticide for rice paddies.

Chemical Products, Pharmaceuticals

- Boost sales of mainstay products in the termite chemical category.
- Boost sales of *Luliconazole* in the trichophytosis unguium category.

Promote activities for Smart Agriculture

Started distribution service in April 2020.

- Smartphone app, *Raimy's AI Diagnosis for Pests and Weeds* (rice paddy version)
 - Tool for finding information on agrochemicals appropriate for the control of pests and weeds that grow in agricultural products and cultivated land (part of producer support by raising efficiency of agricultural production)
- App for agrochemical adjustment support
- Chatbot service for agrochemicals
- Development of products suitable for drone spraying

4 . Progress of mid-term management plan *"BEYOND 300"*

The mid-term management plan

Progress of "BEYOND 300"

	FY2018 Performance 1st year of <i>BEYOND 300</i>	FY2019 Performance 2nd year of <i>BEYOND 300</i>	FY2020 Target Final-year of <i>BEYOND 300</i>
Consolidated sales	299.3 billion yen	304.1 billion yen	Over 300 billion yen - Via organic growth -
Organic growth	255.0 billion yen	238.8 billion yen	
Operating income margin	8.9%	7.4%	10%
ROE	8.5%	7.3%	10%
Investment and finance	36.2 billion yen/year	17.2 billion yen/year	100 billion yen/3 years
Capital investment	17.4 billion yen/year	17.2 billion yen/year	50 billion yen/3 years
M&A funds	18.8 billion yen execution	—	50 billion yen/3 years
Dividend	Dividend payout ratio 27.1%	Dividend payout ratio 32.5%	Dividend payout ratio 30% (Target for the final year of the plan after incremental increases)

Organic growth : Aims to reach sales exceeding 300 billion yen with business growth from polymer additives, chemicals and food products.
- Excluding contributions from M&A -

Scale up with new products

Automotive

- ✓ Activities to promote next-generation cars increased.

Polymer additives

Nucleating Agent for polypropylene

- ◆ Adding it to PP resin makes the material stronger and thinner
- ◆ Reduce weight of car body while maintaining rigidity, **increasing fuel efficiency**

IT·Semiconductor

- ✓ Trend of sophistication of electronics continues due to diffusion of 5G communications.

Chemicals

High-k material

- ◆ Makes thin and even DRAM capacitors
- ◆ Contributes to development of very large memory, device miniaturization and cost saving

Food

- ✓ New demand is appearing for contribution to reduction of food waste and labor shortages.

Food products

Whipping cream for frozen and chilled desserts

- ◆ Cream whose flavor and mouthfeel do not change after freezing and thawing
- ◆ Enable for delivery in freezing and unfreezing only the necessary portion, **helping reduce food loss**

Develop products considering market changes
to expand business in polymer additives, chemicals and foods

Sales Promotion of Semiconductor Peripheral Material

Consumer needs

Pursuit of comfort with high performance electronic devices

Challenges of semiconductor resist maker

Advanced lithography technology to support fine semiconductors

Photoacid generators "ADEKA ARKLS" series



Sales expanded with the semiconductor photoresist material (ArF immersion)

Form fine circuits / suppress metal impurities

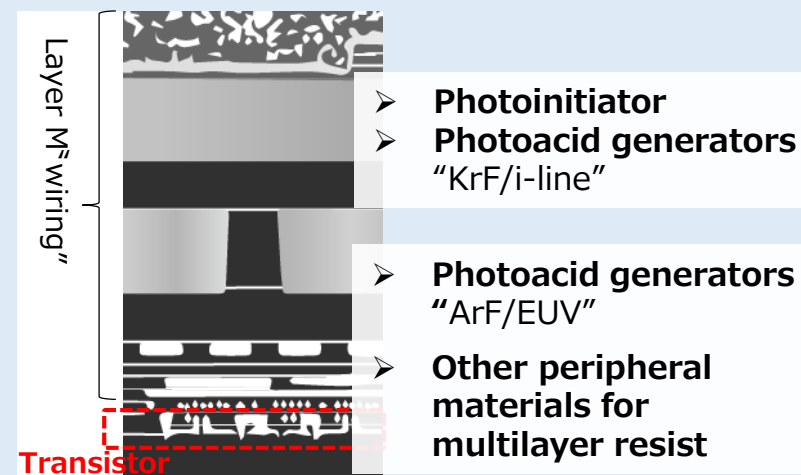
- ◆ Usage amount increased by users
- ◆ New adoption by users

1 Reinforce production systems on semiconductor peripheral materials such as photoacid generators

2 The semiconductor industry starts mass-production with EUV exposure equipment, which will expand to full-scale in the future. Focus on development of new photoacid generators

3 Expand materials for semiconductor multilayer resist by applying the technology accumulated in photoacid generators

Product development for lithography



Application Expansion of Fiber Reinforced Plastic

Fiber to composite Direct Molding Process "ADEKA Lasimec" series



×



Joint development

Enable FRP formation that is mold free, short curing, with high rigidity

Market needs

Automotive (body)



- Low fuel consumption, energy saving
- Shift to EV, higher performance

Wind-power generation (blades)



- Renewable energy expansion
- Power generation efficiency improvement

Infrastructure (bridges)



- Aging infrastructure increase
- Stricter regulations on seismic reinforcement

Propose to various markets and accelerate FRP application expansion

Create synergy with NIHON NOHYAKU



NIHON NOHYAKU CO., LTD.

R&D

Industrial science

Establish the entrusting manufacture system between both companies

Purchasing & Distribution

Co-purchasing and/or commonality for raw materials.

Others

Unification of financial period, Link management accounting systems

Determined theme of joint research and development

Conglomerate two companies' technologies to work on creating new inventions



Quick commercialization of medical materials

- ◆ Acquire evaluation methods in the life science field
- ◆ Share and use compound databases
- ◆ Commercialize seed research

Stimulate researcher exchange



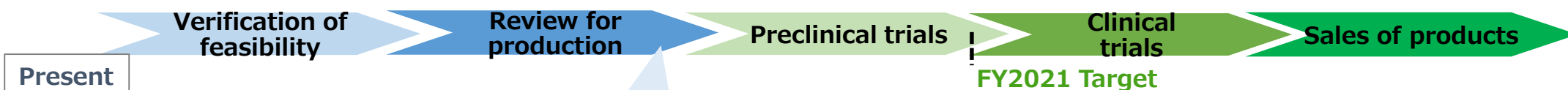
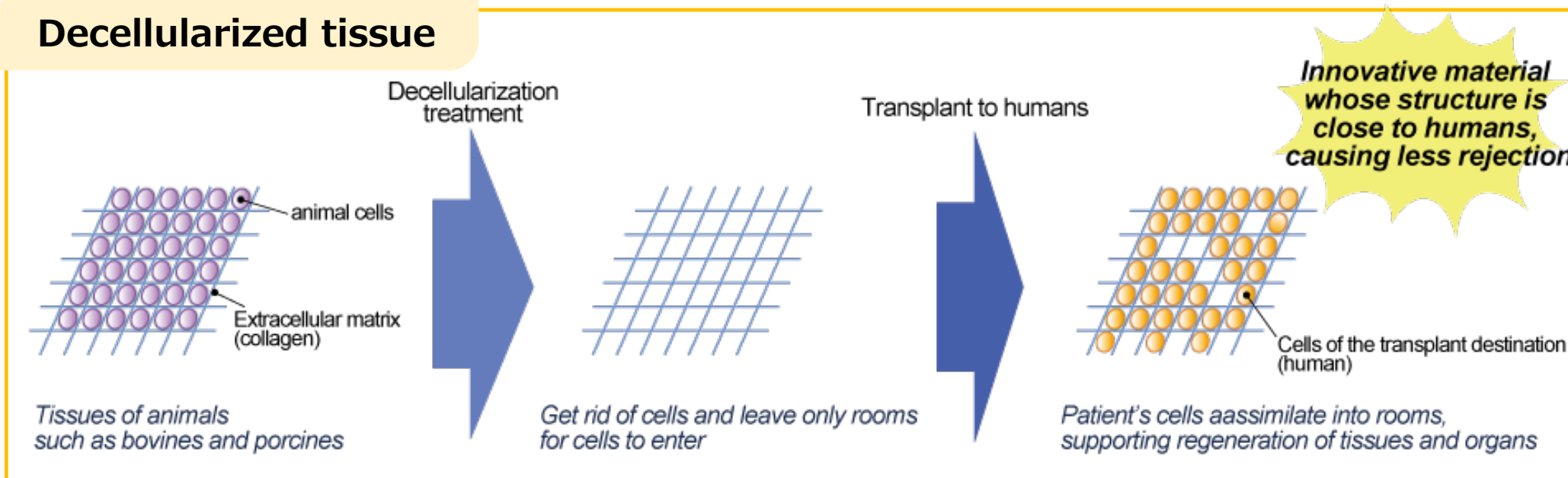
NIHON NOHYAKU CO., LTD.

System reinforcement of agricultural chemicals and drug businesses

- ◆ Develop new chemicals and drugs
- ◆ Apply ADEKA's existing technologies to agriculture

Commercialization plan for life science business

Decellularized tissue



Obtained *ISO 13485* certification and started delivering samples

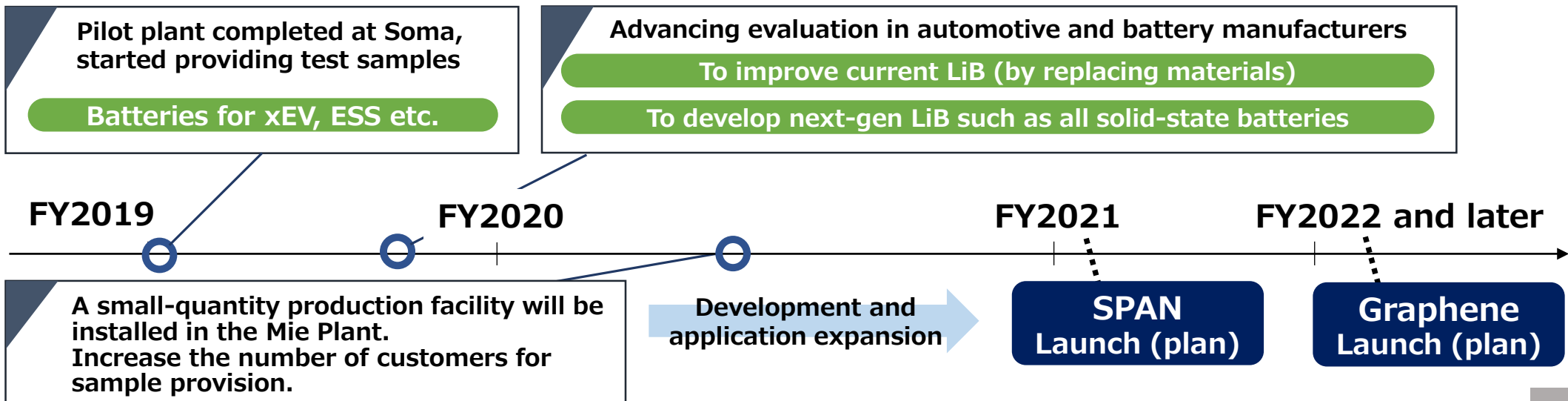
Bovine's decellularized pericardium

Causes less rejection when implanting to organism and function as a scaffold for cells (settlement and rebuilding of cells)

- 1 Proposing to and hearing needs from medical institutions globally
- 2 Establishing a safe supply chain

Promote commercialization in the environment and energy

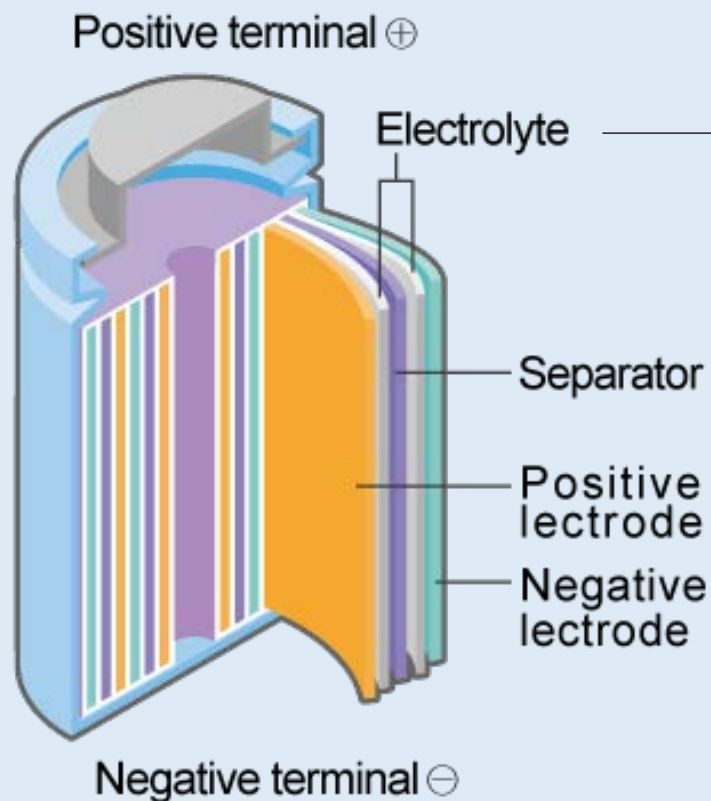
Materials for lithium-ion batteries "LiB"		High capacity	Safety	Long life
<p>1 Electrode active material <i>SPAN</i></p> <p>Rare-metal-free Prominent battery safety in short-circuit Better charge/discharge cycle property</p> <p>Application</p> <ul style="list-style-type: none"> • Electrode active material of LiB <p>"Next-gen LiB such as all solid-state batteries"</p>	<p>2 Nano carbon material <i>Graphene</i></p> <p>Thermal conductivity Conductivity Mechanical strength</p> <p>Application</p> <ul style="list-style-type: none"> • Conductive material for LiB • Functional filler for next-gen electronic devices <p>And for other applications</p>			



Expected roles and effects of our LIB materials

LiB Materials under development

LiB (cylindrical type)



Electrolyte additive

Supports smooth passage of lithium ion

- Long life "preventing deterioration of battery performance"
- Safety "preventing fuming and firing"

Electrode active material *SPAN*

- hold and release lithium ions
- can be used as cathode and anode
















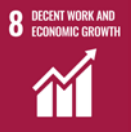



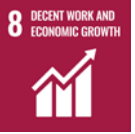


- Safety "Lowering the risk of fuming and firing"
- Long life
- Weight saving

Conductive material *Graphene*

This enhances the charge/discharge performance by increasing conductivity of positive and negative electrodes.

- Improved charging speed
- Long life

CSR priority issues

	Priority Domain	Priority Issue
E	Environment	Conserve global environment    
		Supply of eco-friendly products   
S	Better living conditions communication	Create value that meets society's expectations      
		Conduct dialogue with stakeholders 
	Human rights, human resources	Respect human rights   
		Expand the opportunities for utilizing human resources    
G	Governance	Enhance group governance and risk management 

Current

Prioritize the reduction of infection risk at workplaces

- ✓ Mandate temperature measurement when arriving at the office and coming back from work, and health management
- ✓ Ensure hand washing, mask wearing and alcohol disinfection
- ✓ Deliver masks to employees in collaboration with Group companies in Japan and overseas

Diversify workstyles through remote work

- ✓ Lend computers and Wi-Fi for remote work to employees and have them work from home
- ✓ Encourage staggered working hours and conduct rotation work at offices
- ✓ Manage long-distance business trips and shift to online meetings internally and externally

Future

- Continue remote work and promote digitization of work
- Advance workstyle diversification to improve work-life balance, encourage personal empowerment and foster highly skilled human resources
- Expand opportunities for employees to play an active part even after the start of the new normal

FY2020 Capital Investment Policy

Ongoing capital investments will **continue**, and new capital investments will **halt**.

While examining the situation, we will develop an investment plan to support mid-to-long term growth.

Segment	Area	Products	Completion time
Polymer additives	USA	Polymer additives /new	By the end of FY2020 (planned)
Electronics and IT materials	KOREA	Semiconductor material for DRAM /expansion	
	JAPAN/ Chiba	Semiconductor peripheral materials /expansion	
Functional chemicals	JAPAN/ Soma	Lubricant additive related /expansion	
Food products	JAPAN/ Kashima	Raw oil storage tank /expansion	

5 . For Reference

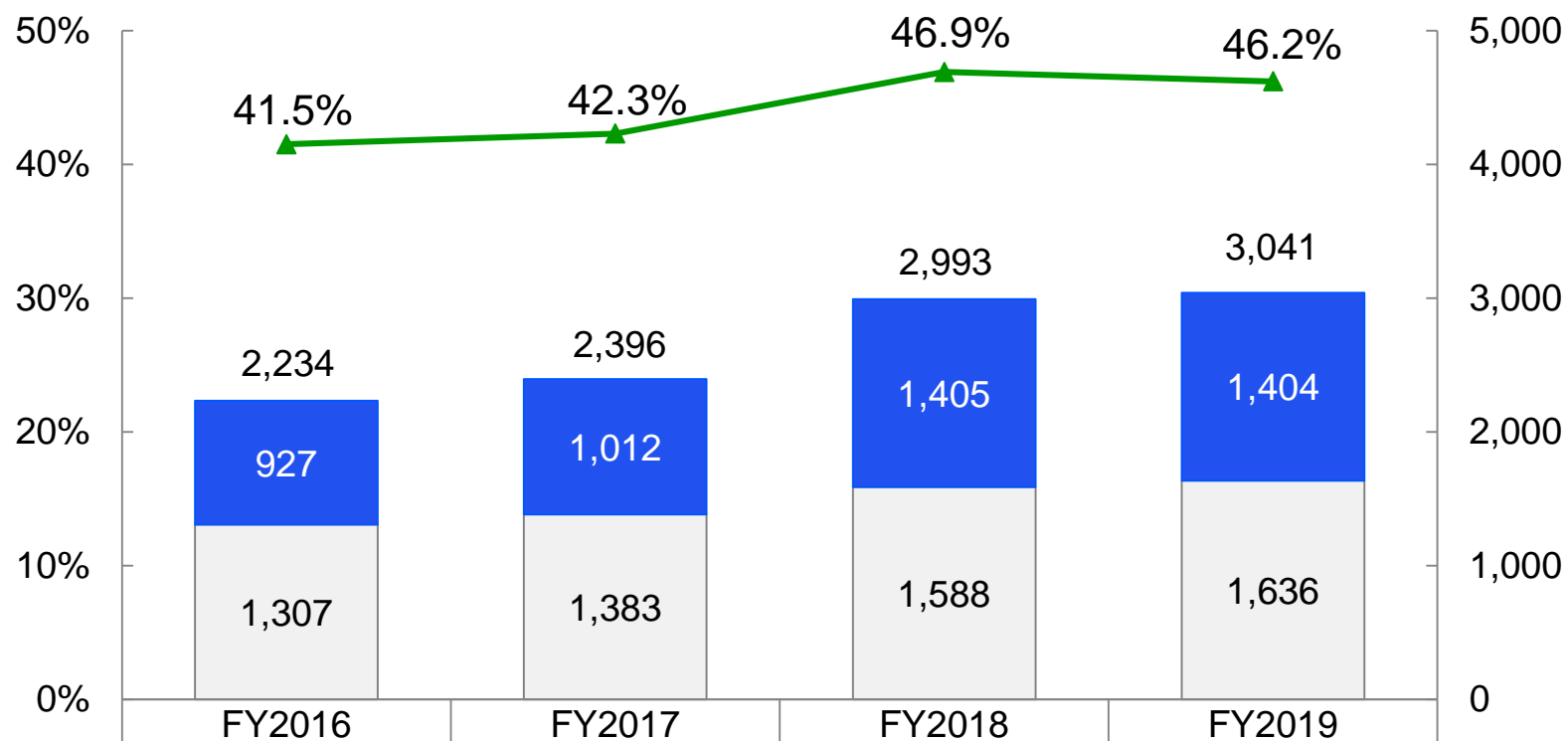
Unlock
the
Future
with Innovation

ADEKA

Turn out,
Change
the
WORLD

Overseas Sales - For reference -

Unit: 100 million yen



Overseas sales	927	1,012	1,405	1,404
Domestic sales	1,307	1,383	1,588	1,636
Overseas sales ratio	41.5%	42.3%	46.9%	46.2%
Sales	2,234	2,396	2,993	3,041

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

The FY2019

Supplemental Documents for Financial Results Overview

- I .Supplementary Data for consolidated Closing of Accounts
- II .Management indexes, etc.
- III .For information purposes:
 - ◆ Overview of non-consolidated and consolidated closing accounts
 - ◆ Overview of ADEKA Group
 - ◆ Core products of each business segments

I . Supplementary Data for consolidated Closing of Accounts

1.Consolidated Balance Sheet

Consolidated

Unit: million yen

	As of Mar 31, 2019	As of Mar 31, 2020	increase/ decrease
Assets			
Current assets	233,087	227,635	△ 5,452
Fixed assets	181,462	181,816	354
Tangible fixed assets	108,672	113,230	4,557
Intangible fixed assets	17,596	16,370	△ 1,226
Investment and other assets	55,193	52,216	△ 2,976
Total assets ①	414,549	409,452	△ 5,097
Liabilities			
Current liabilities	107,156	92,704	△ 14,452
Long-term liabilities	62,893	66,114	3,220
Total liabilities ②	170,049	158,818	△ 11,231
Net assets			
Shareholders' equity	190,772	201,412	10,639
Capital stock	22,944	22,994	50
Capital surplus	20,023	19,986	△ 37
Retained earnings	148,630	158,872	10,242
Treasury stock	△ 825	△ 441	384
Accumulated other comprehensive income	13,807	8,854	△ 4,953
Valuation difference on available-for-sale securities	10,098	6,541	△ 3,556
Reserve for land revaluation	4,253	4,253	—
Translation adjustment	1,867	155	△ 1,712
Adjustments for retirement Benefits	△ 2,411	△ 2,096	315
Minority interests	39,919	40,367	447
Total net assets	244,500	250,634	6,133
Total liabilities and net assets	414,549	409,452	△ 5,097

Unit: 100 million yen

POINT①

Decrease in total assets △ 50

Decrease in notes and accounts receivable - trade △ 86

POINT②

Decrease in total liabilities △ 112

Decrease in notes and accounts payable - trade △ 101

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

I . Supplementary Data for the Consolidated Closing of Accounts

2. Cash Flow Statement

Consolidated

Unit: million yen

	FY2018 from April 1, 2018 to March 31, 2019	FY2019 from April 1, 2019 to March 31, 2020
Cash flows from operating activities	18,331	27,398
Cash flows from investing activities	△ 18,258	△ 15,228
Cash flows from financing activities	8,995	△ 7,496
Effect of exchange-rate changes on cash and cash equivalents	△ 1,465	△ 290
Net increase/decrease in cash and cash equivalents - (increase)	7,602	4,383
Cash and cash equivalents at the beginning of period	48,902	56,504
Cash and cash equivalents at the end of period	56,504	60,888

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

II. Management Indexes, etc.

1. Profitability

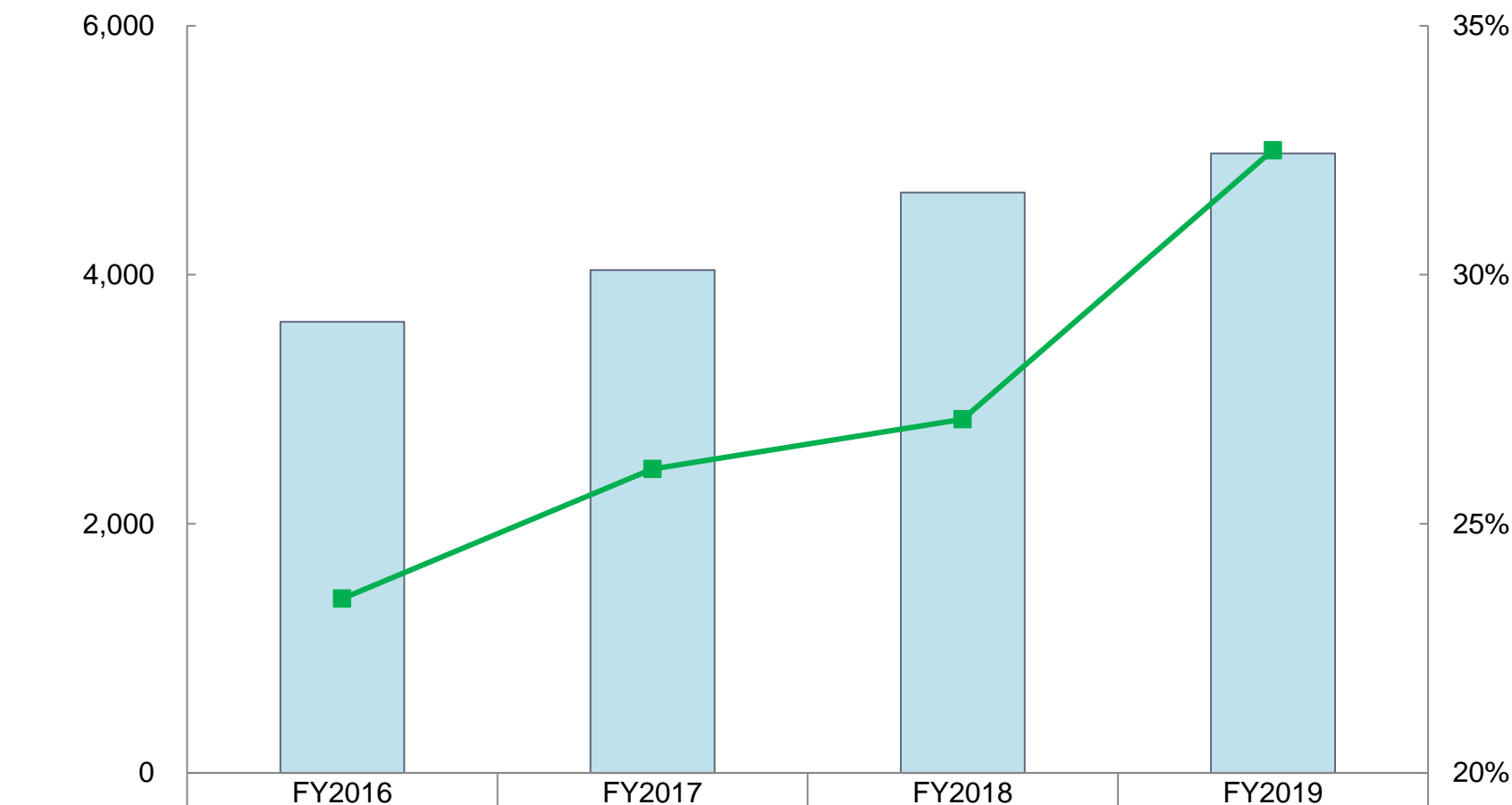
Consolidated



2. Dividend payout ratio and dividends

Consolidated

million yen



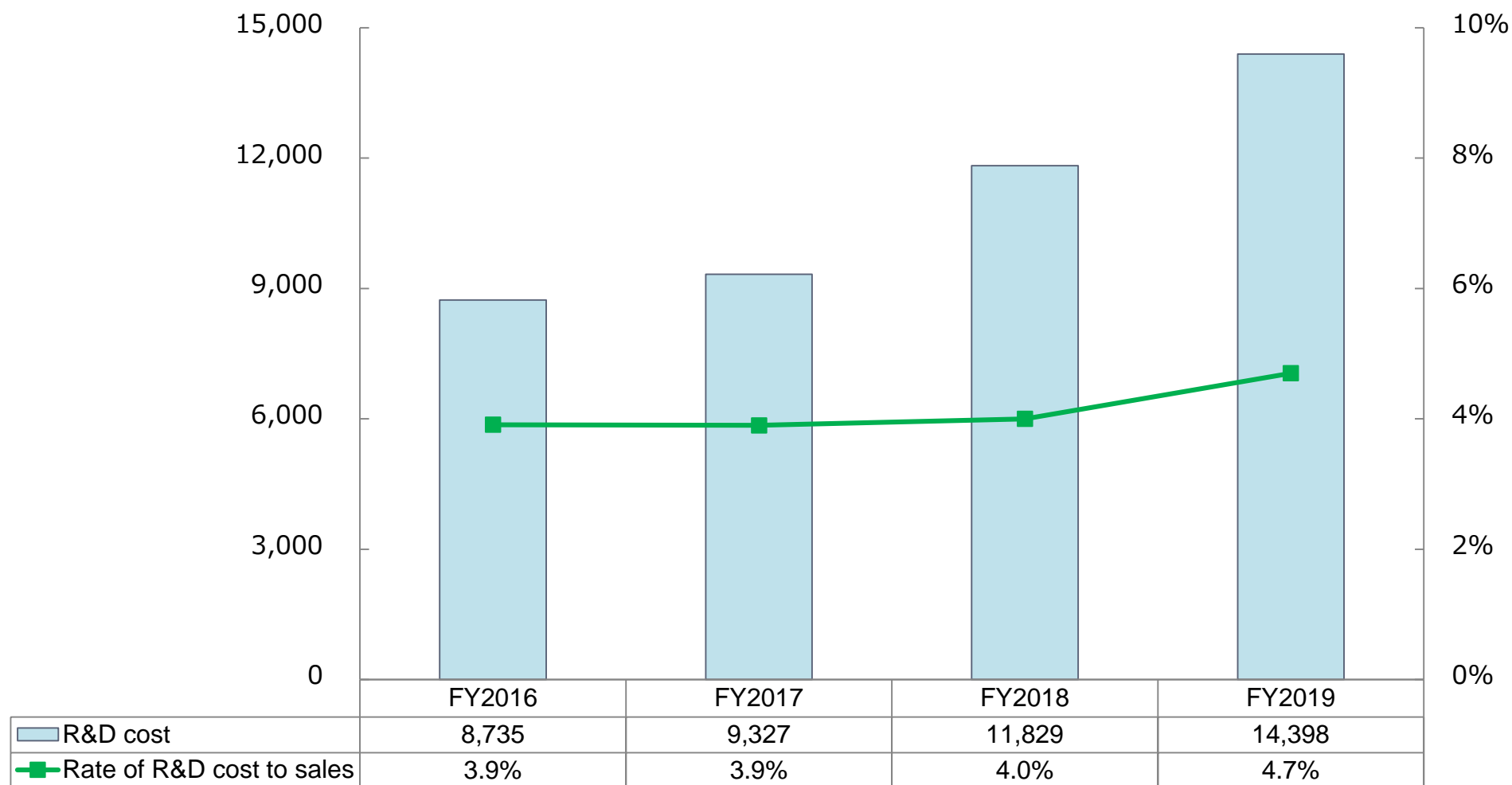
Dividend per share	¥35	¥39	¥45	¥48
Total Dividend	3,621	4,037	4,661	4,975
Dividend payout ratio	23.5%	26.1%	27.1%	32.5%

Note1 : Dividends in FY2016 include a commemorative dividend of 5 yen in commemoration of the 100th anniversary of our founding.
 Note2 : Figures are expressed in units of million yen and have been rounded off.

3. Research and development costs

Consolidated

million yen



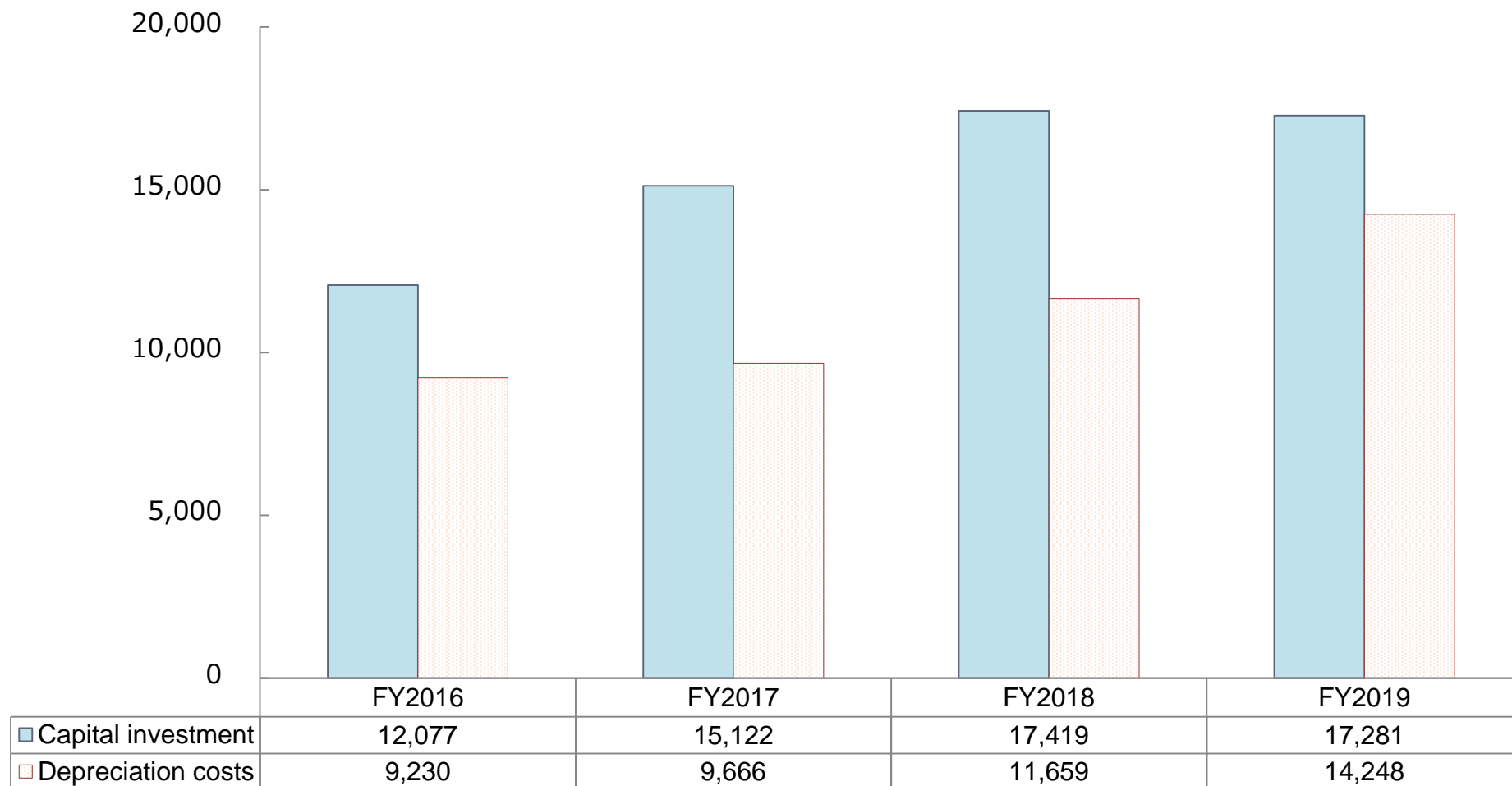
Note : Research and development expense are expressed in units of million yen and have been rounded off.

II. Management Indexes, etc.

4. Capital investment

Consolidated

million yen

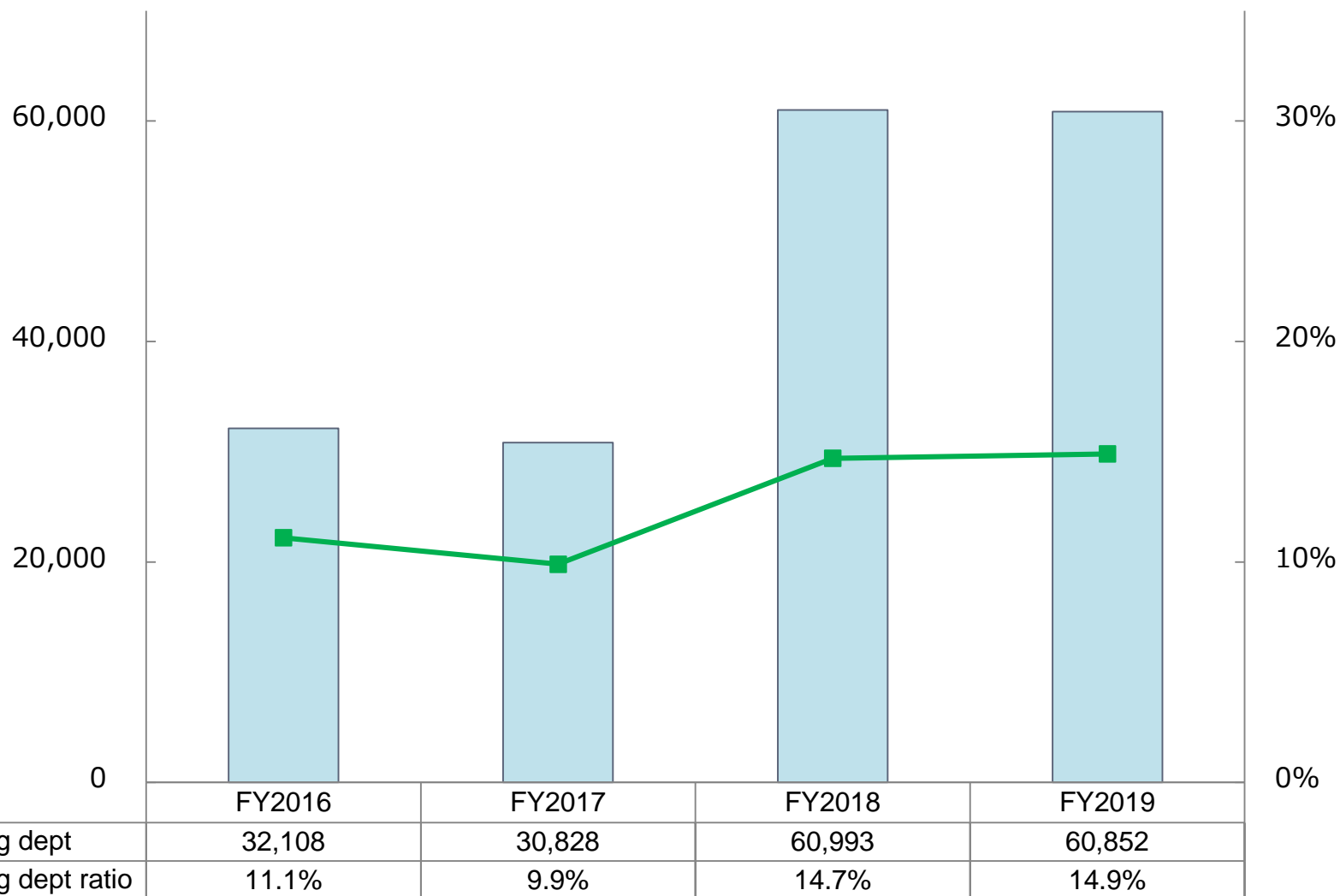


Note : Capital investment and depreciation are expressed in units of million yen and have been rounded off.

5. Interest-bearing liabilities

Consolidated

million yen



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

III. For information purposes

1. Overview of non-consolidated and consolidated closing accounts

■ Non-consolidated

■ Consolidated

Unit: 100 million yen

Non-consolidated closing of accounts

	FY2018	FY2019	Increase/ decrease	Increase/ decrease ratio : %
Sales	1,346	1,286	△ 60	△ 4.5
Operating profit	122	99	△ 22	△ 18.3
Current profit	157	131	△ 26	△ 16.5
NET profit for the Term	124	118	△ 6	△ 5.0
NET profit per share for the Term	120.6	114.5		

Domestic companies (11)

	FY2018	FY2019	Increase/ decrease	Increase/ decrease ratio : %
Sales	926	901	△ 24	△ 2.7
Operating profit	19	15	△ 3	△ 17.6

Overseas companies (16)

	FY2018	FY2019	Increase/ decrease	Increase/ decrease ratio : %
Sales	1,579	1,364	△ 214	△ 13.6
Operating profit	105	92	△ 12	△ 12.0

NIHON NOHYAKU (10)

	FY2018	FY2019	Increase/ decrease	Increase/ decrease ratio : %
Sales	344	604	259	75.5
Operating profit	37	34	△ 3	△ 8.1

Consolidation adjustment accounts (deleted)

	FY2018	FY2019
Sales	△ 1,201	△ 1,114
Operating profit	△ 17	△ 17

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

III. For information purposes

2. Consolidated Subsidiaries - 16 companies in Japan^① -

Segment	Consolidated subsidiary	Capital	Controlling Share : %	Line of business
Chemicals	ADEKA CHEMICAL SUPPLY CORP.	¥ 104million	100.00 (Indirect ownership: 5.57)	Sales of chemical products, and the development, manufacturing and sales of metal processing oils, etc.
Chemicals	ADEKA CLEAN AID CORP.	¥ 140million	100.00	Development and sales of kitchen detergents for commercial use, industrial detergents, etc.
Chemicals	OXIRANE CHEMICAL CORP.	¥ 600million	51.00	Manufacturing and sales of epoxy plasticizers, etc.
Food products	ADEKA FOOD SALES CORP.	¥ 42million	100.00	Sales of edible processed oils and fats for confectionary and breads, and sales of other foodstuffs, etc.
Food products	YONGO CO.,LTD.	¥ 18million	92.64	Wholesaling of ingredients for confectionery and bakery business use.
Food products	ADEKA FINE FOODS CORP.	¥ 50million	100.00	Manufacturing and sales of mayonnaise products, oil and fat processed food products and processed products using seafood.
Food products	UEHARA FOOD INDUSTRY CO.,LTD.	¥ 70million	100.00	Manufacturing and sales of flour paste products, bean-jams and retort pouch foods.
Food products	CROWN CO.,LTD.	¥ 10million	100.00	Wholesale business of food materials such as fatty oils, flour milling and flavors and processed foods.

III. For information purposes

2. Consolidated Subsidiaries - 16 companies in Japan② -

Segment	Consolidated subsidiary	Capital	Controlling share : %	Line of business
Life science	NIHON NOHYAKU CO.,LTD.	¥14,939million	51.00	Agrochemicals, Wood Preservative, Agricultural Materials, Pharmaceuticals & Veterinary Products
Life science	NICHINO RYOKKA CO.,LTD.	¥160million	100.00 (Indirect ownership: 100.00)	Sales of Chemical/Pesticides for Professional Turf, Planning for GOLF Courses and Amenity Areas
Life science	NICHINO SERVICE CO.,LTD.	¥3,400million	100.00 (Indirect ownership: 100.00)	Production and Logistic Services of Agrochemical, Cultivation & Management of Experimental Field/Laboratories
Life science	NIHON ECOTECH CO.,LTD.	¥20million	100.00 (Indirect ownership: 100.00)	Agrochemical Residue Analysis, Chemical Substance Safety Testing, and Related Activities
Life science	AGRIMART CORP.	¥50million	100.00 (Indirect ownership: 100.00)	Sales of Termite Control Agents/Devices, Pest Control Agents/Devices
Others	ADEKA LOGISTICS CORP.	¥ 50million	100.00	General and principal contracting of logistics for the company, warehousing, leasing of vehicles, etc.
Others	ADEKA ENGINEERING & CONSTRUCTION CORP.	¥ 130million	100.00	Design, construction, and construction supervision of facility plants, and facilities maintenance.
Others	ADEKA LIFE-CREATE CORP.	¥ 65million	100.00 (Indirect ownership: 20.00)	Trading, brokerage and management of real estate, property and life insurance agency, sales in the OA equipment area, and management of buildings and company-owned apartments

III. For information purposes

3. Consolidated Subsidiaries - 23 overseas companies^① -

Country	Segment	Consolidated subsidiary	Capital	Controlling Share : %	Line of business
U.S.	Chemicals	ADEKA USA CORP.	US\$1 million	100.00	Sales of chemical products.
U.S.	Chemicals	AMFINE CHEMICAL CORP.	US\$16 million	60.00	Manufacturing and sales of polymer additives.
U.S.	Chemicals	AM STABILIZERS CORP.	US\$8.5 million	100.00 (Indirect ownership: 100.00)	Manufacturing and sales of polymer additives.
U.S.	Life science	NICHINO AMERICA, INC.	US\$0.7 million	100.00 (Indirect ownership: 100.00)	Sales and R&D of agrochemicals in America
BLAZIL	Life science	SIPCAM NICHINO BRASIL S.A.	R\$5 million	50.00 (Indirect ownership: 50.00)	Production and sales of agrochemicals in Blazil
GERMANY	Chemicals	ADEKA Europe GmbH	€0.5 million	100.00	Sales of chemical products.
FRANCE	Chemicals	ADEKA POLYMER ADDITIVES EUROPE SAS	€3 million	100.00 (Indirect ownership: 100.00)	Manufacturing and sales of polymer additives.
CHINA	Chemicals	ADEKA (CHINA) CO., LTD.	US\$31 million	100.00	Sales of chemical products.
CHINA	Chemicals	ADEKA FINE CHEMICAL (SHANGHAI) CO., LTD.	US\$20.5 million	100.00	Manufacturing and sales of polymer additives, functional resins, electronic materials and similar products.
CHINA	Chemicals	ADEKA FINE CHEMICAL (CHANGSHU) CO., LTD.	US\$21.54 million	50.00	Manufacturing and sales of polymer additives.
CHINA	Food products	ADEKA FOODS (CHANGSHU) CO., LTD.	US\$23 million	70.00	Manufacturing and sales of processed oils and fats, processed foods.
CHINA	Chemicals	ADEKA FINE CHEMICAL (ZHEJIANG) CO., LTD. *	US\$30 million	100.00 (Indirect ownership: 100.00)	Manufacture and sales of chemical products such as polymer additives.

Note: Companies with an asterisk (*) were included in the scope of consolidation in FY2020.

III. For information purposes

3. Consolidated Subsidiaries - 23 overseas companies⁽²⁾ -

Country	Segment	Consolidated subsidiary	Capital	Controlling Share : %	Line of business
TAIWAN	Chemicals	CHANG CHIANG CHEMICAL CO., LTD.	NT\$30 million	50.50	Sales of polymer additives and plasticizers .
TAIWAN	Chemicals	ADEKA FINE CHEMICAL TAIWAN CORP.	NT\$200 million	100.00	Manufacturing and sale of chemical products.
TAIWAN	Life science	TAIWAN NIHON NOHYAKU CO.,LTD	NT\$40 million	51.00 (Indirect ownership: 51.00)	Sales and R&D of agrochemicals in Taiwan
INDIA	Life science	NICHINO INDIA PVT. LTD.	₹3.85 million	100.00 (Indirect ownership: 100.00)	Production, sales and R&D of agrochemicals in India
INDIA	Life science	NICHINO CHEMICAL INDIA PVT. LTD.	₹10.5 million	100.00 (Indirect ownership: 100.00)	Production and sales of agrochemicals in India
SOUTH KOREA	Chemicals	ADEKA KOREA CORP.	₩15 billion	100.00	Manufacturing and sale of chemical products.
THAILAND	Chemicals	ADEKA FINE CHEMICAL (THAILAND) CO.,LTD.	฿ 350 million	81.00	Manufacturing and sale of chemical products.
SINGAPORE	Chemicals	ADEKA (ASIA) PTE.LTD.	US\$ 0.8 million	100.00	Sales of chemical products.
SINGAPORE	Food products	ADEKA (SINGAPORE) PTE.LTD.	S\$8 million	90.00	Manufacturing and sales of processed oils and fats, frozen piecrusts and related food products.
Malaysia	Food products	ADEKA FOODS (ASIA) SDN.BHD.	MYR90 million	60.00	Manufacturing and sales of processed oils and fats.
UAE	Chemicals	ADEKA AL OTAIBA MIDDLE EAST LLC *	AED45.46 million	49.00	Manufacture and sales of polymer additives, Sales for Chemicals and Foods

Note: Companies with an asterisk (*) were included in the scope of consolidation in FY2020.

III. For information purposes

4. Equity method - applicable companies -

Equity method-applicable companies	Capital	Controlling Share : %	Line of business
CO-OP CLEAN CO., LTD.	¥80 million	46.88	Development and sales of soap, detergents and similar products.
SHOWA KOSAN CO.,LTD.	¥550 million	20.81	Sale of synthetic resins, chemical products, industrial materials, electronic materials and environmental concerns.
AGRICULTURAL CHEMICALS (MALAYSIA) SDN. BHD.	MYR2.05 million	24.18 (Indirect ownership: 24.18)	Production and sales of agrochemicals in Malaysia
SIPCAM EUROPE S.P.A.	€36.94 million	20.00 (Indirect ownership: 20.00)	Production and sales of agrochemicals in Europe

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, 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.