

April 20, 2023

ADEKA CORPORATION

## Notice of Posting an Extraordinary Loss (Impairment Loss) and a Revision to the Earnings Forecast

ADEKA CORPORATION (the “Company”) announces that it expects to post an extraordinary loss in the fourth quarter of the fiscal year ended March 31, 2023. In view of the expected posting of an extraordinary loss and recent business conditions, the Company revised its full-year forecast of the consolidated results for the fiscal year ending March 31, 2023 announced on February 10, 2023. Details are as follows.

### 1. Extraordinary Loss (Impairment Loss) details

The Company’s Food Products Business has provided oil and fat processed food products such as margarine, shortening and filling mainly for the bakery, confectionery production, western confectioneries and desserts markets in Japan. Due to the price hike of palm oil, main raw material, and cost increase such as for personnel and logistics, this business is expected to post an operating loss for the second consecutive term.

Regarding this consolidated fiscal year, we reviewed the future plans of the Food Products Business, and consequently found sign of the impairment of the fixed assets of Kashima Plant and Akashi Plant in this business. Accordingly, collectability was examined based on the Accounting Standard for Impairment of Fixed Assets, and consequently, an extraordinary loss of about 4 billion yen is expected.

### 2. Revision of consolidated financial forecasts

Fiscal 2022 Full year(April 1, 2022 – March 31, 2023)

	Net sales	Operating profit	Ordinary profit	Profit attributable to owners of parent	Basic earnings per share
	Million yen	Million yen	Million yen	Million yen	Yen
Previous forecast (A)	403,000	32,000	32,000	19,000	185.25
Newly revised forecast (B)	403,000	31,000	31,000	15,000	145.99
Change (B-A)	0	△1,000	△1,000	△4,000	
Rate of change (%)	0.0	△3.1	△3.1	△21.1	
(ref.)Results for the previous corresponding period	361,234	34,032	35,658	23,687	229.65

\*Effective from the first quarter of the fiscal year ending March 31, 2023, the Company has changed its method of converting revenues and expenses of some overseas subsidiaries.

The figures for the previous fiscal year (the fiscal year ended March 31, 2022) are the figures after retrospective application of a change in accounting policy.

## **Reasons for Revision of Earnings Forecasts**

Operating profit is likely to decline from the previously announced figures in the Food Products Business and some areas of the Chemical Products Business. In the Food Products Business, sales volume is expected to be lower than the forecast due to decreasing demand caused by the soaring price of eggs and due to the downsizing of final products in the bakery and confectionary production markets. In the Chemicals Business, the sales volumes of peroxide products and automotive products in functional chemicals is expected to be lower than forecast.

Ordinary profit is forecast to fall from the previously announced figure associated with a decrease in operating profit.

The forecast profit attributable to owners of parent was revised because of the expected posting of an extraordinary loss described in 1 above in addition to the decrease in operating profit.

The revisions to the full-year consolidated results forecasts have not caused any revisions to the announced dividend forecasts.

Note : 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.

### ■ Contacts

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