ADEKA
Add Goodness

ADEKA CORPORATION

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ADEKA report 2025

Integrated Report

ADEKA
Add Goodness

ADEKA Group Corporate Slogan

ADEKA
Add Goodness

We designed wooden blocks in corporate color to express how we are MAKING LIFE BETTER by adding the SOZAI (our Excellent Value; products, technologies and services) we handle to various parts of our life.

The Wish that Underlies Our Slogan

Add Goodness, is intended to represent our business and our attitude.
The slogan is intended to give our stakeholders, including each one of you,in the ADEKA Group, to better understand ADEKA.

Literally, Add Goodness means adding something good.

The ADEKA Group manufactures materials. But the materials can also be considered our assets.

From our multipurpose products to those using most advanced technologies, the products and services of the ADEKA Group are the assets resulting from each one of us involved in the process from the purchasing of raw materials to the delivery of products to customers, making the effort to add goodness.

It is wrong to think that the raw materials coming from upstream processes just pass through us before reaching downstream destinations, the customers and the consumers.

We add goodness to the raw material to make them our assets and help to enrich people's lives.

If you can identify ways to add goodness to the ADEKA Group that support the enrichment of people's lives, We have been this happy!

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Editorial Policy

This report is compiled as an integrated report to serve as a communication tool to inform shareholders, investors, and other stakeholders of our efforts to enhance corporate value over the medium to long term.

Through the publication of this report, we will continue to deepen our business activities and provide our stakeholders with a deeper understanding of the Group.

Reference Guidelines

Environmental Reporting Guidelines (Fiscal Year 2018 Version) of the Japan Ministry of the Environment

Japanese Standards Association ISO 26000: 2010 Guidance on social responsibility

GRI Sustainability Reporting Standard

Guidance for Collaborative Value Creation 2.0, Ministry of Economy, Trade and Industry

Published

September 2025

Scope of This Report

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

Period Covered by This Report

2Fiscal 2024 (April 1, 2024 to March 31, 2025)
Some parts of this report refer to recent activities taking place in fiscal 2025.

ADEKA Group Management and Vision

ADEKA Group Management Policies

The mission of the ADEKA Group is to achieve sustainable growth as a company and enhance medium to long-term corporate value by providing materials as treasure, products, and solutions through cutting-edge technologies, and thereby contribute to further enriching lives and creating a sustainable society.
We adhere to following two management policies to achieve our mission.

1 To be a company that is progressive and dynamic with a keen attitude towards the new changing tide

We aim to become a competitive and advanced company by developing businesses with technological capabilities through our technologically superior product lines.

We are keenly aware of changes in the environment, including the global economy, markets, changes in customer requirements, and advances in technology. While we respond to new issues imposed on chemical and food product manufacturers, such as environmental and energy issues, health, food safety and hygiene, and more, we will proactively utilize advanced technologies to create value for society before other companies.
We will continue to strive to be a company that is needed by society by contributing to society through our core business.

2 Creating a better future for the people of the world

We will accelerate global businesses.

We will conduct sound management that takes into consideration the interests of our many stakeholders around the world, including our customers and business partners. By building cooperative relationships with stakeholders and providing products and services that help solve social issues, we aim to contribute to the sustainable development of international and regional communities and to coexist harmoniously with society.

The ADEKA Group Code of Conduct

1. Contribute to the creation of a sustainable and prosperous society through our core business
2. Abide by laws and regulations in all corporate activities and conduct fair business in an ethical manner
3. Foster corporate transparency by truthfully and accurately disclosing information regarding our business activities
4. Be serious about preserving the environment
5. Supply safe and high-quality products and services
6. Maintain a safe and healthy working environment for our employees
7. Open and friendly communication and activities to serve the interest of society and stakeholders and to maintain their trust
8. Strive to achieve sustainable growth and success for the benefit of our employees, shareholders and society
9. Never tolerate anti-social forces or behavior
10. Thorough risk management
11. For the betterment of society

For further details, please take a look at the website. ▶ https://www.adeka.co.jp/en/company/philosophy.html

ADEKA Group Fundamental Sustainability Policy

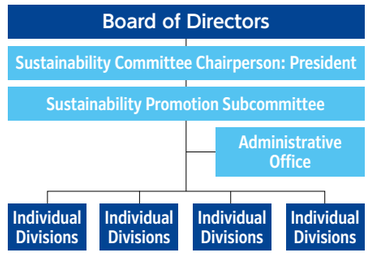
The ADEKA Group contributes to the creation of a sustainable society by meeting stakeholders' expectations with technologies and reliability through fair and transparent corporate activities.

Sustainability Management

Guided by this policy, the ADEKA Group aims to ensure each, and every employee is aware of sustainability and to fulfill its corporate social responsibilities throughout the supply chain and provide value as a manufacturer of "materials as treasure" to address a variety of social issues. Furthermore, we will respond to the ever-evolving expectations of our stakeholders and enhance our corporate value by contributing to a sustainable society through our core business.
In order to concretely promote corporate activities based on this Fundamental Policy, the Sustainability Committee has established seven sustainability priority issues categorized as Environment (E), Society (S), and Governance (G), and targets (KPIs) with 2030 in mind, the target year for the achievement of the SDGs, and is implementing company-wide initiatives.

System for Promoting Sustainability

The ADEKA Group established the Sustainability Promotion Subcommittee, which promotes initiatives, as part of the Sustainability Committee, which is chaired by the president and makes decisions relating to sustainability.
We have also established the Corporate Sustainability Department and the Carbon-Neutral Strategy Department, which implement ambitious initiatives aimed at contributing to a sustainable society.



Our Vision
ADEKA VISION 2030
~ An Innovative Company
Contributing to a Sustainable Future and Affluent Lifestyles ~

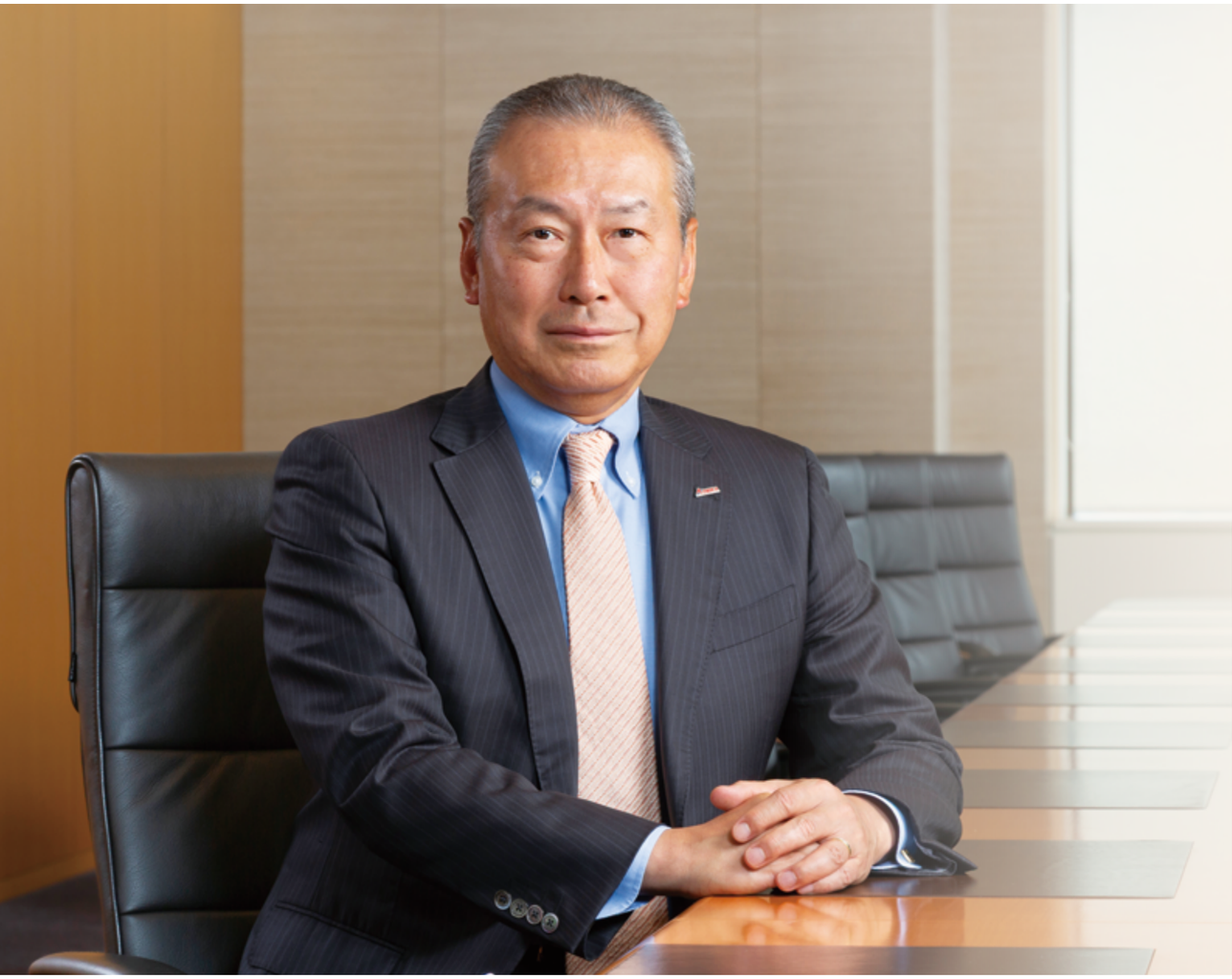
BackCasting

Specific measures to achieve our Vision:
Mid-Term Management Plan
ADX 2026
(FY2024 to FY2026)
"ADEKA Transformation" is a catchphrase coined to express ADEKA's intent to transform itself for sustainable growth.

Our Vision and Mid-Term Management Plan

To realize the ADEKA Group Management Policies in 2030, we have established "ADEKA VISION 2030 - *An Innovative Company* Contributing to a Sustainable Future and Affluent Lifestyles -." The year 2030 is the year in which we aim to resolve the Sustainable Development Goals (SDGs). The ADEKA Group aims to be a company that contributes to a sustainable society and affluent lifestyles by developing a wide range of businesses around the world and leading the world with innovative technologies toward the achievement of the SDGs.
Our three-year Mid-Term Management Plan, ADX 2026, which runs from fiscal 2024 to 2026, is positioned as the second stage toward realizing the ADEKA VISION 2030.

Message from the President



We will steadily expand each business and achieve realistic growth

President and Chief Executive Officer,
Representative Director

Hidetaka Shirozume

Report on FY2024 Results and Recognition of Business Environment

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Our three-year Mid-Term Management Plan, "ADX 2026," aims for progress on transformation toward achieving ADEKA VISION 2030. The first year is now complete. We pushed ahead on building the foundation to expand our domain to growth markets in each business, under "Transition to a high profitability structure," one of the key strategies.First of all, progress on expanding 25 product lines designated as strategic products during FY2024 was on track. Sales exceeded the plan for automotive light stabilizers in Polymer Additives, ALD material for semiconductor memory in Semiconductor Materials, and bonding materials for electronics in Environmental Materials. Unfortunately, new products underperformed the plan. Photo (light) curing resin for displays in Environmental Materials was the product that cast the shadow. The main factor was a delay in employing it in the Chinese market, but we expect to avoid this in FY2025 (fiscal year ended March 31, 2026). Despite facing such severe conditions, we were able to achieve growth in both net sales and profit in FY2024 and record highs in net sales and every level of profit. This resulted in a return on invested capital (ROIC) of 9.1% for the company as a whole, a 0.8 point increase from the previous fiscal year.

The chemical industry, which the ADEKA Group is a part of, is undergoing major changes in the industrial structure, and I feel it is becoming difficult to discuss the industry as a whole. The petrochemical industry has functioned as the mainframe of the industry up to now. The petrochemical industry refines crude oil for use as fuel or refines ethylene, propylene, and other hydrocarbons from crude oil through naphtha cracking, which are then converted into various refined chemicals. Over its long history the petrochemical industry has built an impressive supply chain to supply these chemicals to the automotive, electronic materials, medical supplies, and building materials markets as well as many other markets. In recent years, the petrochemical industry has begun to face headwinds. Many of the companies covering areas adjacent to the upstream chemical industry are searching for ways to survive and grow, in light of the slump in demand for gasoline, soaring material prices, uncertain international conditions, and other factors. Naturally, midstream to downstream companies such as the ADEKA Group must also transform themselves to continue to grow. The key to solving this problem is extrication from multipurpose products. We must develop stronger capabilities that will enable us to combine the technologies we have developed thus far to generate higher performance products, stay close to customers who use our products, and provide products that meet the needs of the market in a timely manner. What is important to companies responsible for midstream and downstream operations in the chemical industry is continuing to maintain their advanced technological capabilities and building a structure that enables them to enhance their technological capability to work with customers from the early stages of development by always understanding what the customer wants and staying close to them.
It is extremely important to possess numerous such technological building blocks that lead to business expansion and I view this as one absolutely essential element for increasing the competitive advantage of the ADEKA Group and ensuring our survival.

Results and Challenges for Each Business

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The ADEKA Group has a broad business portfolio and customers in many industries.It was therefore quite difficult, when we reflected on past performance, to achieve good performance in all business domains in the same fiscal year.

In FY2024, we succeeded in achieving profit growth over the previous fiscal year in all business segments.

In Polymer Additives, a recovery in resin manufacturing led to operating profit of more than 10 billion yen from strong performance of flame retardants for home appliance housings and antioxidants for engineering plastics used in vehicles. Environmental Materials also performed well with strong demand for lubricant additives used in engine oil for motorcycles in Asia and hybrid vehicles. Reactive emulsifiers for architectural coatings in India and China also performed well.

Message from the President

In Electronic Materials, high-k materials for advanced semiconductor memory performed well in Semiconductor Materials and sales of semiconductor lithography materials for advanced photoresists were firm, amid the continuing expansion in demand related to generative AI. Sales of black matrix photoresist for displays were also strong in China and Taiwan. Growth of Semiconductor Materials was lower than initially expected, despite this. Some investors voiced concern over the conditions, but we ultimately managed to achieve growth in both sales and profit. The shift toward mass production of advanced memory is progressing and we therefore believe the severe conditions will not persist for long.

The Food Business saw a decline in sales from the previous fiscal year due to restructuring of subsidiaries and slow sales in China. Operating profit increased from the previous fiscal year despite that, due to strong sales of functional oils and fats in Southeast Asia and strong sales of the "Marvelous" functional margarine series and the "Deli-PLANTS" plant-based food series in Japan. We recognize that the Food Business is steadily transforming into a strong business as the technology we have developed in oils and fats thus far enables us to provide high value-added products. Plant-based foods are also beginning to produce good results. Previous efforts have paid off and we have steadily become better able to meet customers' needs.

In Life Sciences Business, agrochemicals in India performed poorly overall due to inclement weather, despite the fact that the business environment itself is not that bad. In Pharmaceuticals, sales of topical antifungal agents for nail fungus were slow in the domestic market, leading to a decline in sales from the previous fiscal year. Meanwhile, strong sales of agrochemicals in North America, Europe, and Brazil enabled an increase in operating profit over previous fiscal year.

Outlook for Further Growth

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We will further strengthen each business to achieve the targets set in ADX 2026.

In Polymer Additives, the key to this is expanding sales of ADK TRANSPAREX™, a novel clarifier which delivers ultimate performance.

World-class transparency can be achieved by adding a small amount of this clarifier to polypropylene. This can also expand the possibilities of polypropylene itself, offering unparalleled value. We launched sales in November 2024, mainly in the U.S. and Asia, and the value of the product is beginning to penetrate these markets. ADK TRANSPAREX™ has already been approved by the U.S. Food and Drug Administration (FDA). Going forward, we will begin full-scale expansion to other markets to achieve consolidated net sales of 30 billion yen for clarifiers overall and No. 1 global market share by 2030. This product ties into the effort to extricate our company from multipurpose products, which I mentioned in the beginning, and we will use this as our "Ace" card to lead the Polymer Additives business toward long-term growth.

We expect conditions in the Semiconductor Materials business to change for the better and exhibit rays of hope in FY2025. While we have been pouring effort into semiconductor lithography materials and high-k materials (ALD materials) used in front-end processes for semiconductors, we intend to vigorously step up our efforts from the second half of FY2025 through FY2026. We believe that business will expand over the medium term, despite the severe conditions in the immediate future, and will consequently steadily implement measures aimed at growth, without letting up on investment.

In the semiconductor business, the focus is on companies that will employ advanced technology to gain access to markets through products that add extremely high value. It is, of course, important to work closely with such companies and grow together, but that alone will not ensure success. We will discern the major changes in the industry as a whole, from a geopolitical perspective as well, and steadily expand our business in fields where the ADEKA Group can demonstrate presence.

In the Environmental Materials business, we will strengthen provision of products and solutions aimed at the mobility, electronics, and green transformation (GX) fields to achieve a sustainable society. We will accelerate development of materials to respond to technological innovation and expand business in the mobility field, in particular. In flat-panel displays and other areas of the electronics field which will be integrated into the business from FY2025, we will increase our presence in the market by improving technological capabilities and product competitiveness. In green transformation (GX), we will focus on using natural materials and contributing to a decarbonized society, and pursue development of products that help reduce environmental impact. Moreover, we are targeting early commercialization of next-gen. rechargeable battery materials, which is positioned as a new business, and will accelerate research and development, and market introduction. In addition to these initiatives, we will follow a process of selection and concentration in growth areas based on market trends and profitability, steadily carry out structural reforms of existing businesses, and pursue transformation into a highly profitable business structure.

The key to growth in the Food Business is expanding overseas business. We will expand the business by emphasizing functionality while continuing to pursue price control and improving production efficiency domestically. Meanwhile, it is essential to dig deep in overseas business to increase the overall growth potential of the Food Business. Although overseas sales account for approximately 55% of the ADEKA Group's net sales, they only account for 14% of net sales in the Food Business, the lowest level for any business in the Group. To what extent we can expand overseas business for Food in a short amount of time is a major issue. Still, I recognize the growth potential. Our expertise and our ability to market the highly functional oils and fats we have developed thus far are major keys to commercialization based on the preferences and unique characteristics of each country. Cases of success are already beginning to emerge in each country. We want to steadily pursue business expansion in line with local needs over the next one to two years.

Another important issue in the Food Business is strengthening profitability. We have been taking steps to strengthen profitability over the past two to three years. While results have begun to emerge to a certain extent,

we are not content with the status quo and continue to implement measures to further strengthen earning power.

In the Life Sciences Business, which is operated by NIHON NOHYAKU CO., LTD., a listed subsidiary, we are utilizing the current overseas network to expand business in the high-growth markets of Asia and Central and South America. Over the past seven years since we welcomed NIHON NOHYAKU CO., LTD. into the ADEKA Group in 2018, we have endeavored to manifest synergies in line with the growth strategy outlined. However, we are definitely not satisfied with the current profit structure. In the future, we intend pour effort into strengthening earning power with a sense of urgency as we also focus on further improving capital efficiency.

To advance our business with an eye toward medium to long-term growth, I think it is important to walk alongside our customers and align our perspectives as we experience both good and bad times together. We believe the best way to achieve medium to long-term growth is to think about what is important and take action together with our customers.

The direction we pursue as a company should be consistent, regardless of how the world changes.

We will incorporate diversity to achieve that.

Promoting Sustainability

Conflict is occurring in many areas around the world and we cannot foresee the future amid the present conditions. Some think that there is no sense in debating what the business will look like in five or ten years, amid an age of rapid changes. However, I personally think that the direction the company should follow should be consistent, no matter what type of era we encounter. In that sense, it is extremely important to earnestly grapple with the Sustainability Priority Issues and steadily deliver results. One thing is necessary to maintain consistency in the direction the company should take. That is diversity. To avoid becoming entrenched in a set way of thinking, it is important to gather human resources who possess diverse views and use this diversity to arrive at sound decisions. The ADEKA Group has set and is pursuing KPIs for DE&I initiatives focused on the advancement of women.

Respect for human rights is also important. While I naturally feel this is important from an ethical perspective, I recognize the danger that, if we do not ensure respect for human rights, corporate management itself will become unsustainable. The purpose of pursuing health management is the same. This also holds true for response to environmental issues. It is not permissible for a company to pursue profit without awareness of social justice and environmental protection. In ADX 2026, we have set the goals of expanding products that contribute to the environment, and we are pursuing this with a view of achieving mutual benefit as we work to resolve environment issues that are common to both our customers and the ADEKA Group.

Achieving growth characteristic of the ADEKA Group while steadily growing each business

Taking on the Challenge of the "Conglomerate Premium"

Our Group's businesses are steadily growing stronger. Take the Food Business, for example. Although net sales have steadily grown, the business incurred operating losses in FY2021 and FY2022. A succession of efforts to implement improvements on the production and sales fronts recently resulted in turning around the 2.4-billion-yen operating loss recorded in FY2022 to a 4.1-billion-yen operating profit in FY2023. A company earning operating profit of around 40 billion yen for the Group as a whole achieved an enormous improvement of 6.5 billion yen in the Food Business alone. In regard to the improvements, we have achieved thus far, I think the results are highly significant. Once this occurred, we began to see efforts within the company to learn how the Food Business achieved such a major turnaround. This chain reaction of positivity can be said to be one manifestation of the "conglomerate premium" which I have been communicating to everyone.

I also frequently ponder what constitutes growth characteristic of the ADEKA Group. Some people point out the inefficiencies of being a conglomerate and the difficulty in allocating investments to guide each business toward growth. Personally, I think that we should make it a priority to grow each business in a realistic manner. On the other hand, I think we should also try our best to implement M&A and business alliances that will contribute to the steady growth of each business.

Improving capital efficiency is also an important management issue for the future. We are making steady progress on preparing to build a management system based on the ROIC of each business. The time span I would like management to be strongly conscious of is ultimately, the long-term perspective. Our position on managing from a long-term perspective and returning profits earned from sound business activities to stakeholders has not changed. Naturally, that does not mean that we should neglect the short-term recovery of funds. I promise to also strive to manage efficiently while always keeping the optimal capital structure in mind.

Seven years have passed since I became president. I have continued to manage the company during this time as we confronted the COVID-19 pandemic and other major changes in society. It has been a period of drastic changes with many trials, but I am happy that we have been able to provide "materials as treasure" to enrich people's lives and bring them joy through our businesses. I will continue to hold the strong aspiration of wanting to provide high value-added "materials as treasure" and contribute to creating a sustainable, affluent society. I hope our stakeholders have high expectations for the future contributions of the ADEKA Group.

President and Chief Executive Officer,
Representative Director

Hidetaka Shirozume

History of Value Creation in the ADEKA Group

ADEKA's Development Over 108 Years

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

1917

Founded as Asahi Denka Kogyo K.K.

1917

Commenced sales of caustic soda

Succeeded in domestic production of caustic soda

1920 onwards

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

1929

Commenced production of margarine

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

1950

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

1954

Commenced polymer additive operations

PVC plasticizer (ADK CIZER)

1959

Succeeded in domestic production of propylene oxide and propylene glycol

1950 onwards

Strengthened sales of household products

ADEKA Soap sign and synthetic detergent TERU

1970

Developed eco-friendly products and accelerated overseas expansion

1971

Developed lubricant additives

Lubricant additives for engine oil that contribute to improved fuel efficiency

1981 onwards

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

1988 onwards

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

Established a production and sales company in Singapore

1990

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

1990 onwards

Created products that contribute to reducing environmental impact

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

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

ALD materials leading the way in semiconductor miniaturization

2006

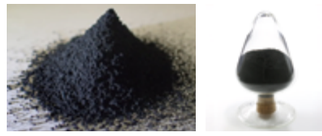
Company name changed to ADEKA CORPORATION

2010

Expanded into other business areas, such as Life Sciences

2011 onwards

Strengthened corporate research (environmental, energy, life sciences)



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

2018

Made NIHON NOHYAKU a consolidated subsidiary

2020

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

2020

Accelerated production of Eco-friendly products

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

2022

Built a new organizational structure to promote carbon neutrality

2024

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

At a Glance/Global Network

At a Glance

ADEKA in Figures

Founding **108 years**

Businesses **5 domains**

Chemicals Business (Polymer Additives/Semiconductor Materials/Environmental Materials), Food Business, and Life Sciences Businesses

No. of employees

Consolidated **5,453**

Non-consolidated **1,810**

(As of March 31, 2025)

Approx. **1:3**

Ratio of researchers to all employees (As of March 31, 2025)

Operating Profit **41 billion yen** (Results for FY2024)

Overseas Sales Ratio **54.9 %** (Results for FY2024)

ADEKA, Supporting People's Lifestyles

High-k materials for advanced semiconductor memory — Industry share **More than 50%**

Lubricant additives for engine oil — Domestic new car adoption rate **100%**

Polymer additives — Industry share **No.2**

Recognition by Society

Major External Evaluations

◆Score of "B" for both Climate Change and Water Security on 2024 CDP questionnaire

◆Received Committed Badge in evaluation by EcoVadis

◆Obtained 2025 KENKO Investment for Health (White 500) certification

*KENKO Investment for Health® is a registered trademark of the Nonprofit Organization Kenkokeiei

Status of Inclusion in Indexes

◆2025 SOMPO Sustainability Index

◆Since FY2023, the company has been selected as a component of the "JPX Nikkei Index 400." ADEKA was also selected for inclusion in the "JPX-Nikkei Index Human Capital 100," a new index focused on human capital.

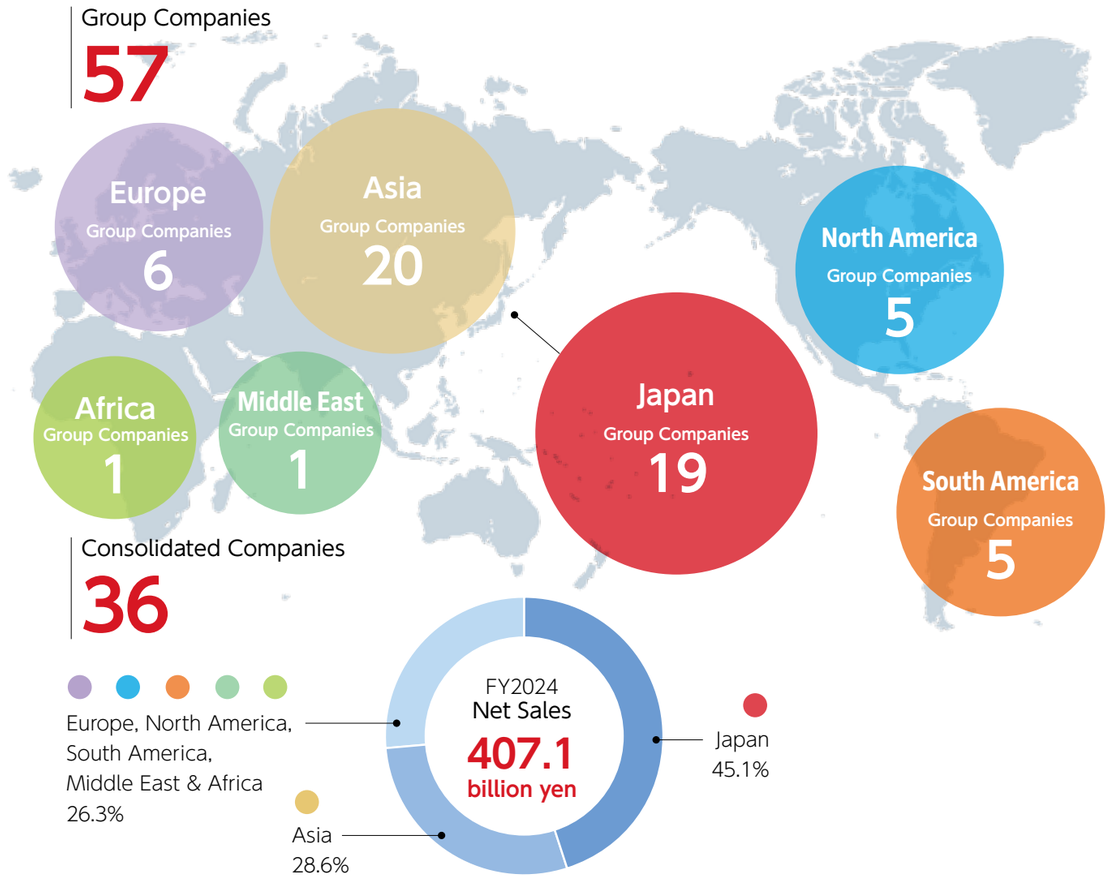
◆**Nikkei Semiconductor Stock Index**

We were selected as a component of the "Nikkei Semiconductor Stock Index," which began to be calculated and published in March 2024.

Expanding along with our circle of friends around the world

ADEKA's Global Network

Group Companies **57**



Consolidated Companies **36**

Participation in Initiatives

UN Global Compact

The ADEKA Group endorses the Ten Principles of the UN Global Compact on human rights, labor, environment, and anti-corruption, and was registered as a participating company as of April 6, 2021. We will clearly state our commitment to sustainability, conduct our business in compliance with accepted norms, and at the same time, enhance our corporate value by meeting the ever-changing expectations of our stakeholders and contributing to a sustainable society through our core business.

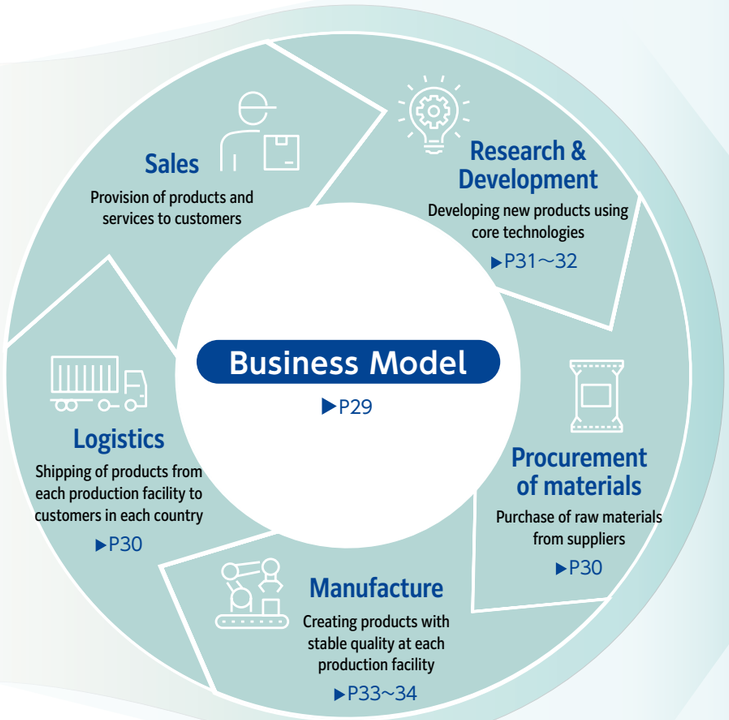
Sedex

ADEKA joined Sedex in August 2019. We will continue to promote the creation of a sustainable supply chain while ensuring ethical business practices.

ADEKA's Value Creation Story

We can add further functionality to materials. We can add durability and environmental friendliness. In doing so, we change the world through " materials as treasure."
We will create new value together with our customers by providing advanced materials as treasure and solutions.

Materials



Materials as treasure

Co-creation with business partners × Trust × Technological capability

Growth strategy

- Responses to sustainability priority issues ▶P19~20
- Mid-Term Management Plan, "ADX 2026" ▶P21~24

Important Management Resources (the 6 Capitals) ▶P17~18

Financial Capital	Human Capital	Intellectual Capital	Manufactured Capital	Social and Relationship Capital	Natural Capital

Capitalize on residual profit for further value creation

Business Activities ▶P35

Chemicals ▶P39~44

Target markets

Automotive/Semiconductors/Displays/Next-generation ICT/Environment

Polymer Additives
Lead the sustainable growth of polymer industry by additives

Semiconductor materials
Continuously provide materials essential to ICT innovation

Environmental Materials
Contribute to a sustainable society using people- and environmental friendly materials as treasure

Food Products ▶P45~46

Target markets

Bakery & confectionery/Plant-based foods

Globally contribute to high quality diets in addition to tastiness

Life Sciences ▶P47~48

Target markets

Agrochemicals/Pharmaceuticals

Ensure stable food supply and protect high-quality life and the environment through technical innovation

Our Vision

ADEKA VISION 2030

- An Innovative Company
Contributing to a Sustainable Future and Affluent Lifestyles -

Outputs/Outcomes ▶P36~38

Boost the performance of semiconductors

Reduce vehicle weight

Provide for safety and security of people's lives

Provide a wide range of "materials as treasure" for affluent lifestyles

Make food sustainable

Stable supply of food

Important Management Resources

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

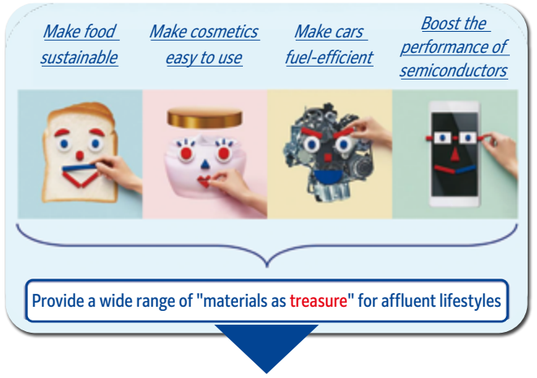
Intellectual Capital

Relationship to Value Creation

Shifting to a "materials as treasure." That is the mission of the R&D divisions. Researchers, who account for approximately one-third of ADEKA's total workforce aim to expand existing businesses across a wide range of business activities and create new ventures driven by the corporate slogan "Add Goodness," and are engaged in diverse research themes. Based on core technologies, they are taking on the challenge of creating new products and solutions through collaboration in the R&D divisions and co-creation with related companies in the supply chain as well as with universities in Japan and overseas.

Features

In order to create innovative technical capabilities, it is necessary to proactively incorporate new ideas. Our company shares "materials as treasure" that enrich people's lives across our research centers. The information and technologies obtained are also shared across our laboratories. From that broad domain of research and development, we will also create new innovative technologies. This is precisely what makes our company's intellectual capital unique.



From these things, we gain. . .

Knowledge, technology, information, and expertise, which we utilize to introduce our

Materials ▶ **Materials as treasure**

to new markets.

Human Capital

The ADEKA Group has set "Expanding Opportunities for Utilizing Human Resources" as one of the Sustainability priority issues under the ADEKA VISION 2030, and is working for sustainable growth and medium- to long-term enhancement of corporate value by utilizing the perspectives and values of our diverse human capital. Based on the belief that securing and strengthening diversity in human resources will create a flexible and strong management foundation that is resilient to changes in the environment and lead to the sustainable growth of ADEKA Group, we have created working environments where each individual, regardless of gender, age, or nationality, can make the most of their individuality and demonstrate their abilities. We are proactive in hiring diverse human resources, including women, non-Japanese, mid-career hires, seniors, and people with disabilities.

To enhance corporate value, our Mid-Term Management Plan, ADX 2026, has "Establish a resilient management foundation" as one of the key strategies contributing to social value and co-creation of profit.

We also changed our organizational structure and transitioned to a business division structure in FY2024.

We will allocate and develop human resources and enhance the integrated strengths of the entire Group to grow each business.

Natural Capital

ADEKA recognizes the importance of reducing our environmental load in terms of amount of energy, water, and chemical use, as well as industrial waste and GHG emissions as we continue to operate our business.

We have set a target to reduce GHG emissions by 46% by FY2030, using FY2013 as the reference year, and are actively working towards this reduction goal.

Reducing plastics in industrial waste and increasing the food waste recycling rate are among the activities aimed at reducing our environmental load.

We have joined the Roundtable on Sustainable Palm Oil (RSPO), an NPO, for sustainable procurement of palm oil, the main raw material in some chemicals and foods, and are promoting sustainable procurement of raw materials through participation in this and various other initiatives.

Financial Capital

Relationship to Value Creation

Financial capital is indispensable for business operations. Our capital adequacy ratio is stable at over 50%, ensuring sufficient financial stability. Regarding our cash flow, it is relatively stable, and we will continue to allocate it to investments and shareholder returns.

Future Initiatives

- We have introduced ROIC as a new financial indicator and are promoting initiatives to improve capital efficiency.
- As part of our shareholder return policy, we are committed to a "dividend payout ratio maintained at 40% or more," but we also emphasize the dividend amount in addition to the dividend payout ratio, and work to continuously raise the dividend through improved performance.

Social and Relationship Capital

Relationship to Value Creation

In the ADEKA Group, we believe that building strong relationships of trust with our diverse stakeholders is important social capital for the Group.

The ADEKA Group conducts global operations in an extensive range of business domains, with 57 companies in 21 countries and regions (19 in Japan and 38 overseas).

Manufactured Capital

Relationship to Value Creation

Our mission is to maintain top-level productivity and quality, and to provide a stable supply of materials as treasure to various industries.

Improvements in security capabilities based on the Safety Quartet, process improvements aimed at enhancing productivity and quality, and optimization of the number of personnel and minimization of manufacturing costs through the Humanization and Smart plant* will continue to support the growth of the ADEKA Group.

* Humanization: Activation of human resources: Reviewing manual work and having people do even more high-value work through smarter plants (automation, robotization, use of AI, etc.) (i.e., utilizing human resources to generate significant added value).
* Smart plant: A plant where various factory production facilities, such as production lines and manufacturing machinery, are connected via a network to optimize production activities and improve the efficiency of information management.

Promoting Sustainability and Mid-Term Management Plan

Message from the Officer in Charge

The ADEKA Group is implementing ADX 2026, our Mid-Term Management Plan aimed at achieving a sustainable society. We are pursuing a stronger management foundation and business transformation as part of promoting sustainability as a growth strategy in this plan. The first year of the Mid-Term Management Plan got off to a steady start and went according to plan. We will further accelerate implementation of measures this fiscal year, the second year, based on the cornerstones established by those results.

We will push ahead on our growth strategy of taking advantage of opportunities to address social issues such as climate change and to respond to other changes in the business environment, strengthening competitiveness through the dual pursuit of earning power and transformation, and enhancing corporate value and achieving sustainable growth.

Director and Operating Officer
Kiyoshi Masamune

Decision-Making Process for Sustainability Priority Issues

Picture of the External Environment in 2030

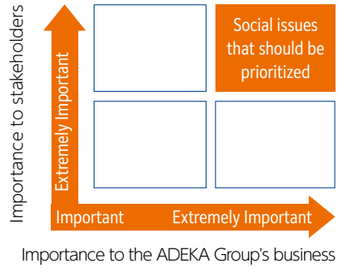
- Evolution of mobility (CASE)
- Population growth in developing countries
- Rapid urbanization
- Responses to development in the polymer industry
- Food loss and waste reduction
- Society connected through ICT
- Shortages of food and scarce resources
- Development of new functional materials
- Sustainable procurement of raw materials
- Fusion of real and virtual spaces
- Decarbonized society
- Responses to advanced medical technologies
- Practical use of clean energy
- Super aging society
- Global warming
- Supply of alternative foods and nutrients
- Conservation of the global environment

STEP 1 Extracting Potential Sustainability Priority Issues

Based on international guidelines, benchmark case studies, investment-related indexes and internal interviews, we thoroughly examined the ESG risks and opportunities in the corporate activities of the ADEKA Group and selected 38 items.

STEP 2 Scoring and Visualizing the Sustainability Priority Issues

Through discussions in the Sustainability Committee, Sustainability Promotion Subcommittee and internal divisions, the items were sorted based on "the importance to the ADEKA Group's stakeholders on one axis" and "the importance to the Group's business on the other axis."



STEP 3 Identifying Priority domains and sustainability priority issues

The sustainability priority issues were categorized according to each ESG aspect and each related priority domain.

Sustainability Priority Issues and KPIs

	Priority Domains	Sustainability Priority Issues	2030 goals	2030 KPIs	Progress in FY2024
E	Environment	Conserving the global environment	Minimize the environmental impact of business operations of the ADEKA Group and make a significant contribution to our customers' reduction of environmental impact through eco-friendly products	• Gather ideas from all members of ADEKA to achieve carbon neutrality by 2050 **[2030: 46% reduction from 2013 (Scopes 1 + 2)]**	GHG emissions of 211.2 kt-CO_2e in FY2024 (7% reduction from 2013)
		Supply of eco-friendly products		• Net sales of eco-friendly products: Increase to triple*1 the level of 2019	Net sales of eco-friendly products: 86.8 billion yen (1.9 times*1 the 2019 level)(See Page 24 for further details)
S	Better living conditions and communication	Creating value that meets society's expectations	Create and share products (technologies) that contribute to affluent lifestyles globally through safe, stable business activities	• Number of certified ADEKA Innovative Value (AIV) products: twice the number*2 in 2019	Number of certified AIV products*3: 37 (1.3 times the 2019 level)
		Dialogue with stakeholders		• Maintaining and improving sound relationships with stakeholders	
	Human rights and human resources	Respect for Human Rights	Respect the human rights of individuals throughout the supply chain and enable all Group employees to work actively.	• Enhancement of human rights initiatives (promoting human rights due diligence / establishing and operating grievance mechanisms / promoting human rights education and awareness-raising activities)	Began human rights due diligence (identified high-priority human rights issues in the chemical business)
		Expanding opportunities for utilizing human resources		**Increasing employee engagement** • Positive overall satisfaction response percentage: 75% or more (ADEKA non-consolidated)	Positive overall satisfaction response percentage: 68% (ADEKA non-consolidated)
				Promoting diversity, equity and inclusion (DE&I) • Promotion of diversity of personnel in management positions Percentage of female managers: 10% (ADEKA non-consolidated) Percentage of foreign nationals and mid-career hire managers: Equal to the respective employee ratios (same as above)	Percentage of female managers: 5.8% (ADEKA non-consolidated) Foreign national managers: 1 Percentage of foreign national employees: Approx. 0.7% Percentage of managers hired mid-career: 11% Percentage of employees hired mid-career: 16% (ADEKA non-consolidated)
				Promoting Health Management • Acquiring KENKO Investment for Health (White 500) certification (ADEKA Group (in Japan))	First KENKO Investment for Health (White 500) certification (ADEKA non-consolidated)
G	Governance	Strengthening Group governance and risk management	Have a Group governance system in place, and establish and operate a risk management system for the Group as a whole for both periods of calm and for emergencies	• Spreading awareness of the ADEKA Group Code of Conduct globally • Establishing and operating ADEKA Group's overall risk management system for both periods of calm and emergencies	Strengthened Enterprise Risk Management (ERM) operation

*1: Net sales of "eco-friendly products" in FY2019, which serves as the denominator, was updated from an initial "31.3 billion yen" to "45.2 billion yen," including newly certified and excluded products (as of April 1, 2024)
*2: The basic unit is uniformly designated as "product"
*3: AIV (ADEKA Innovative Value) Products
A proprietary internal certification of products considered to provide exceptional value in the eyes of society.
Certification began in 2019 with certification of 28 products.

ADX 2026 Mid-Term Management Plan

About ADX 2026, Mid-Term Management Plan

ADX 2026 is positioned as the three-year period during which the ADEKA Group will continue to transform itself in order to achieve "ADEKA VISION 2030 - An Innovative Company Contributing to a Sustainable Future and Affluent Lifestyles -." ADEKA will promote sustainability as a growth strategy and strengthen its earnings power through the creation of social value.
In addition, we will strive to promote the reduction of GHG emissions to expand eco-friendly products and achieve carbon neutrality, and further improve corporate value based on a more resilient management foundation.

■Position

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

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

Backcasting

ADX 2023
Social value + Economic value
(Maximize operating profit and social value)

ADX 2026
Promote sustainability as a growth strategy

■Fundamental Policy

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

- Enhance earning power to achieve continued growth with a focus on profit.
- Carry out efforts for sustainability and implement growth strategies to capture opportunities for solving social issues.
- Establish a resilient management foundation to take swift actions in a highly uncertain environment.

■Management Indicators

Financial indicators (FY2026)	Operating profit	53.0 billion yen (Net sales: 500.0 billion yen)
	ROE	11.0%
	ROIC	10.5%
Sustainability indicators*1 (FY2026)	Net sales of eco-friendly products	115.0 billion yen (2.5 times the 2019 level)
	GHG emissions	199 kt-CO_2e*2 (13% reduction from 2013)
	Percentage of female managers	6% or more (non-consolidated)
Capital investment		75.0 billion yen (3-year period)
Dividend policy (dividend payout ratio)		40% or more *3

*1 Indicators associated with the ADEKA Group Sustainability Priority Issues
*2 An abbreviation of CO_2 equivalent. A unit for indicating different GHG emissions in a uniform manner by converting them into CO_2 equivalent amounts.
*3 Our policy is to maintain stable dividends based on comprehensive consideration of appropriate shareholder returns

■Progress on Three Key Strategies Specified Under the Fundamental Policy

Key Strategy 1 Transition to a high profitability structure

- Expansion of Electronics and IT Materials ▶P23
- Expansion of Strategic Product Lines (implementing growth strategy in each segment) ▶P24
  Net sales: 159.4 billion yen, in line with plan
- Expansion of New Products and Pursuit of New Businesses ▶P24
  Net sales: 33.6 billion yen, underperformed plan
- Improvement of Capital Efficiency ▶P27
  - ✔ Sale and disposal of idle assets
  - ✔ Shrinking interest-bearing liabilities: Reduced by 9.8 billion yen
  - ✔ Advancement of ROIC management by business
    - Formulated management policy
    - Developed a ROIC framework
    - Built a business management system

Key Strategy 2 Increase eco-friendly products and reduce GHG emissions through business structure transformation

- Expanding and Creating Eco-friendly Products ▶P24

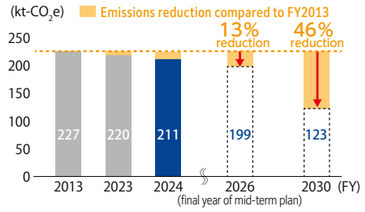
Sales of eco-friendly products increased steadily, exceeding the FY2024 target.
Sales were driven by automotive lubricants to reduce friction, Products with RSPO and other certifications, and nucleating agents for automobile components.

Examples of products that exceeded the plan

Environmental Materials	Added to engine oil to reduce engine internal friction/wearing	Fuel efficiency/ reduced in CO_2 emissions	Lubricants for the reduction of friction
Food Products	Products for oil and fat processing, including sustainably manufactured palm oil	Environmental protection/Preserving biodiversity	Products with RSPO and other certifications
Polymer Additives	Polymer additives that make vehicles lighter with strong, lightweight plastic	Fuel efficiency/ reduced in CO_2 emissions	Nucleating agents for automotive parts

- Reducing GHG Emissions with a View Towards Carbon Neutrality ▶P49

GHG emissions decreased compared to FY2023, but underperformed the plan.
The main initiatives in FY2024 were the pursuit of energy savings and introduction of renewable energy at three plants.



Pursuit of energy savings Introduction of renewable energy	
Mie Plant	Installed solar power generation equipment and began receiving power
Chiba Plant	Commenced operation of co-generation system
Soma Plant	Completed the design for conversion to LNG fuel

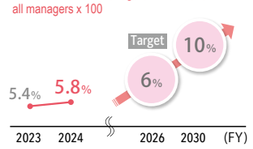
LNG: Liquefied natural gas

- Initiatives to Address Sustainability Priority Issues ▶P53~62

We are steadily making progress toward achieving the KPIs for 2030 by enhancing initiatives relating to human rights and steadily implementing initiatives to advance DE&I and health management, among other initiatives.

Respect for Human Rights
Human Rights Due Diligence
Chemical Business
▼
Human rights impact assessment

Percentage of Female Managers
*ADEKA non-consolidated
Number of female managers ÷ Number of all managers x 100



Promoting Health Management
The company was certified as a constituent of the 2025 KENKO Investment for Health White 500 (large enterprise category) recognition program for the first time.

Key Strategy 3 Establish a resilient management foundation

Build a structure that makes it possible to take swift action in a highly uncertain environment.

- Initiatives to Enhance Human Capital ▶P57-62
- Pursuit of DX ▶P66
- Strengthening Supply Chains ▶P66

Reinforced engagement

Implemented the 2nd Engagement Survey

<Degree of overall satisfaction>
67% ▶ **68%***

* Percentage of positive responses in "Degree of overall satisfaction"

Expansion of Electronics and IT Materials

We are concentrating management resources in growth areas and striving to improve technological and manufacturing capabilities further. From FY2024 to FY2025, we have been actively engaging in capital investment and increasing personnel, particularly in the area of Electronics and IT Materials.

Business Expansion by Area in Semiconductor Materials

Utilizing the business expertise gained in Japan and South Korea to expand to Taiwan and the U.S.

ADEKA (Japan)
Fortify cutting-edge research and development of manufacturing technology
- Construction of the Kuki R&D Center (April 2026)
- Establishment of new Chiba annex for research (April 2025)

ADEKA (CHINA) CO., LTD.
Expand multipurpose material sales

ADEKA KOREA CORP.
Expand local production of semiconductor materials
- Plant No. 3 building completed (October 2024)
- Expanded and relocated R&D Center (April 2024)

ADEKA USA CORP.
Accelerate new uses for Semiconductor Materials
- Opened an office on the West Coast (April 2024)
- Developed market for next-gen. semiconductor materials

ADEKA FINE CHEMICAL TAIWAN CORP.
Launch full-scale entrance into materials for advanced logic semiconductors
- Constructed semiconductor materials plant (October 2023)

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

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

Step1 July 1, 2024 onward

New Electronic Materials Division established
Research, Sales, and Planning & Marketing work together to respond to needs

Transition to a structure with four business divisions

Sales / Research / Planning & Marketing

Food Products	Polymer Additives	Electronic Materials	Environmental Materials
1996 onward	2010 onward	2024 onward	

Step2 Step 2 April 1, 2025 onward

Reorganization into Semiconductor Materials Division
Greater focus on expanding sales with an organization specializing in semiconductors

Transforming the business structure

Growth areas × Selection and concentration

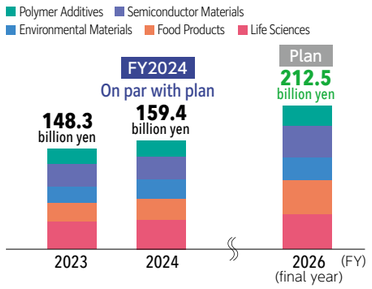
- Human resources — Increase number of researchers
- Product Technology — Expand product and technology applications
- Equipment (assets) — Continue investment in growth

Expand business by promoting the expansion of semiconductor **front-end processes** and the expansion of domains to **post-processes**

Expansion of Strategic Product Lines

FY2024 net sales for strategic product lines were on par with the plan. Light stabilizers, ALD materials (high-k materials, etc.), and bonding materials outperformed the planned targets.
The main underperforming products were polarizing plate related materials incorporated in Environmental Materials from FY2025, plant-based foods in Food Products, and insecticides for paddy rice in Life Sciences.

Net Sales of Strategic Products (25 Product lines)



Examples of products that exceeded the plan

Polymer Additives	Polymer additives that prevent deterioration of plastic from UV light
Automotive	Light stabilizers
Semiconductor Materials	Materials to form super-thin membranes at the molecular level for capacitors
Semiconductor memory	ALD materials (high-k materials, etc.)
Environmental Materials	Adhesives/Bonding materials using thermal and UV curing technologies
Electronics	Bonding materials

Strategic Product Lines

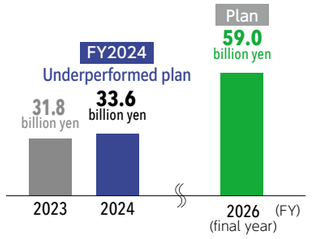
The 25 product lines having the greatest impact on net sales and operating profit were selected as strategic product lines.

Polymer Additives	One-pack granule additives, etc.: 7 Product Lines
Semiconductor Materials	ALD precursors for semiconductors, etc.: 4 Product Lines
Environmental Materials	Lubricant and fuel additives etc.: 5 Product Lines
Food Products	Oils and fats for the bakery industry etc.: 4 Product Lines
Life Sciences	Herbicides for farmland, etc.: 5 Product lines

Expansion of New Products and Pursuit of New Businesses

We have positioned development of new products and pursuit of new businesses as key initiatives that will contribute to strengthening our competitive advantage over the medium to long term and are actively pursuing these. We are taking on the challenges of market entry to make the following products pillars of our business in the future: ADK TRANSPAREX™ novel clarifier in Polymer Additives, Deli-PLANTS in Food Products, and SPAN, a material for next-generation. rechargeable batteries we are targeting for commercialization in Environmental Materials.

Net Sales of New Products



Products with performance significantly different from the plan

Environmental Materials

Materials used in hard coating of optical films for displays and in optical film lamination

Displays	Photo curing resin
FY2024	Delay in employing it in the Chinese market

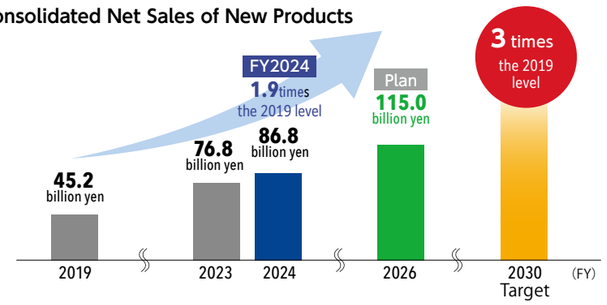
Expansion of eco-friendly products

ADX 2026 eco-friendly products

Lead-free stabilizers Nucleating agents for automobile components Intumescent-type flame retardant Environmentally friendly polymer additives (additives for recycled resins, etc.)	Polymer Additives
Recycled materials for circuit production process ALD precursors for semiconductors Semiconductor-related materials	Semiconductor Materials
UV curable materials Water-based coating materials Bonding materials Lubricants for the reduction of friction Materials for the reduction of SOx Battery materials	Environmental Materials
Products with RSPO and other certifications Products for the reduction of food loss and waste Plant-based foods	Food Products
Nursery box application agents for paddy rice	Life Sciences

Eco-friendly products are those internally certified by the Sustainability Committee that meet one of the following criteria: (1) responding to climate change, (2) reducing environmental impact, or (3) promoting the effective use of resources, and that align with the growth strategy of each SBU.
Focusing on the growth of eco-friendly products will help realize our strategy to capture opportunities in solving social issues and, in turn, contribute to sustainable growth and enhanced corporate value.
(From 13 product lines in FY2019 to 17 product lines in FY2024)

Consolidated Net Sales of New Products



Financial and Capital Policy

Message from the Officer in Charge

We aim for sustainable growth and improvement in corporate value by pursuing aggressive investment in growth fields and improvement in capital efficiency.

Director and Managing Operating Officer
Youji Shiga

Progress on ADX 2026 Mid-Term Management Plan

ADX 2026, our Mid-Term Management Plan which began in April 2024, pursues three key strategies: 1) Transition to a high profitability structure, 2) Increase eco-friendly products and reduce GHG emissions through business structure transformation, and 3) Establish a resilient management foundation. The following KPIs have been established as targets for the final year of the plan: 53 billion yen in operating profit (500 billion yen in net sales), ROE of 11%, ROIC of 10.5%, 75 billion yen in capital investment (over three years), and a dividend payout ratio of 40% or more.

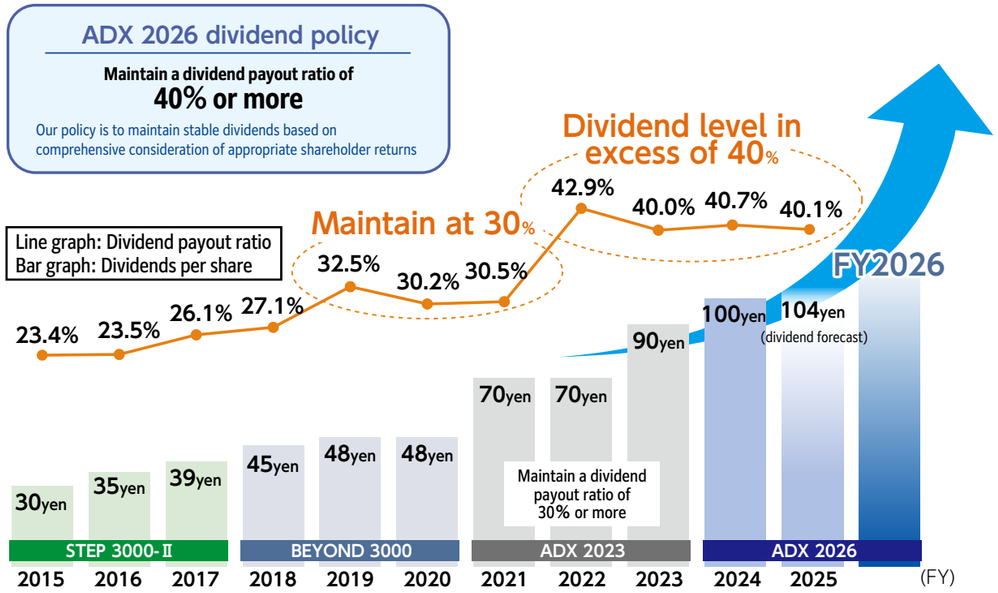
The plan got off to a good start in FY2024 with record highs in both net sales and profit at 407.1 billion yen in net sales and 41.0 billion yen in operating profit. Although net sales did not reach the target in the plan for the first year, operating profit exceeded the plan for the first year.
We exceeded the plan substantially as a result of our efforts to secure sales volume and maintain and increase selling prices in Polymer Additives and Food Products, in particular.
Progress on KPIs was generally according to plan, with ROE of 8.6%, ROIC of 9.1%, and capital investment of 18.6 billion yen.

		Results for FY2024	Forecast for FY2025	Target for FY2026
Financial indicators	Operating profit	41.0 billion yen (Net sales: 407.1 billion yen)	43.0 billion yen (Net sales: 441.0 billion yen)	53.0 billion yen (Net sales: 500.0 billion yen)
	ROE	8.6%	8.9%	11.0%
	ROIC	9.1%	—	10.5%
Sustainability indicators	Net sales of eco-friendly products	86.8 billion yen	—	115.0 billion yen
Capital investment		18.6 billion yen	20.0 billion yen	75.0 billion yen (3 years)
Dividend policy (dividend payout ratio)		40.7%	40.1%	40% or more

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

Dividend Policy

Our Company recognizes that returning profits to shareholders is one of the most important management issues.
ADX 2026, our Mid-Term Management Plan, targets a dividend payout ratio of 40% or more. Along with growth in profit in FY2024, we increased dividends by 10 yen per share over last fiscal year to 100 yen per share, for a dividend payout ratio of 40.7%. Our forecast for FY2025 is annual dividends of 104 yen per share (dividend payout ratio of about 40%).
The Group is emphasizing not only the rate (dividend payout ratio) but also the amount (dividend payments), striving for continuous dividend increases driven by improved performance.



Acquisition of Treasury Stock

The ADEKA Group implements capital policy from the perspectives of investing in growth, strengthening management of non-current assets, shrinking liabilities, and improving shareholder return in order to transform our management method to capital efficiency-oriented management.
After collectively considering our stock price, financial status, demand for funds to invest in growth, capital structure, and other relevant factors, we decided to acquire treasury stock in FY2025 and plan to accomplish this by May 31, 2026, as shown in the table on the right.
We also approved a resolution on cancellation of all treasury shares acquired.
We aim to further strengthen shareholder returns by pursuing diversification of the means of profit return, in addition to the dividend payout ratio of 40% or more targeted in the ADX 2026 Mid-Term Management Plan, while striving to improve capital efficiency by shrinking equity.

Class of shares to be acquired	Common shares
Total number of acquirable shares	10,000,000 shares (maximum limit)
Total cost of share acquisition	18.0 billion yen (maximum limit)
Share acquisition period	August 12, 2025 to May 31, 2026
Planned cancellation date	Around early June 2026

Financial and Capital Policy

Improvement in Capital Efficiency

We introduced return on invested capital (ROIC) as a new indicator from ADX 2026 onward, and are working to (1) build a system of ROIC management by business division, (2) strengthen management of non-current assets, and (3) improve capital efficiency in the ADEKA Group.

	Measures	Description
(1)	Build system of ROIC management by business division	In FY2024, we finished defining the requirements for building a system that will provide the foundation for ROIC management. From March 2025, we began designing the system configuration and operating processes. We will implement activities to educate employees in ROIC management with the aim of commencing operation in April 2026.
(2)	Strengthen management of non-current assets	In FY2024, we proceeded to sell and dispose of idle assets specified through a survey of domestic plants. From FY2025 onward, we will consider use of ROIC management and other efficient methods of managing non-current assets.
(3)	Improve capital efficiency in the ADEKA Group	The structure for providing funds to overseas Group companies was built during FY2024. From FY2025 onward, we will begin to gradually switch from external borrowing to parent-subsidiary loans, strive to reduce interest-bearing debt and control the amount of cash spent outside of the Group on interest expenses.

ROIC (return on invested capital)

FY2024 — Companywide: **9.1%***

Polymer Additives	Semiconductor Materials	Environmental Materials	Food Products	Life Sciences
8%	13%	8%	6%	4%

ADX 2026

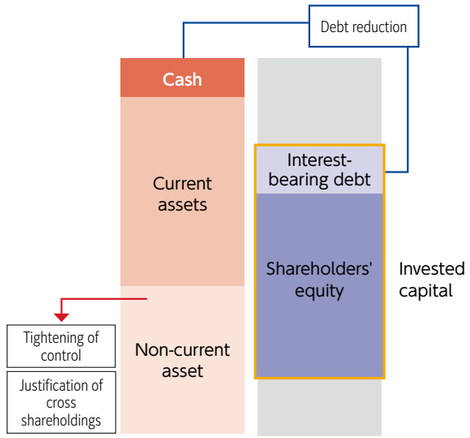
FY2026 Plan — Companywide: **10.5%**

Polymer Additives
Environmental Materials
Food Products
Life Sciences
▶ **Improving profitability**

Semiconductor Materials
▶ **Aiming for a high level while actively investing**

* ROIC (return on invested capital): Operating profit x (1 - Effective tax rate) / Invested capital (Average of beginning & end of period)

Strengthening asset management related to business activities, and promoting initiatives to improve capital efficiency



Reduction of cross-shareholdings

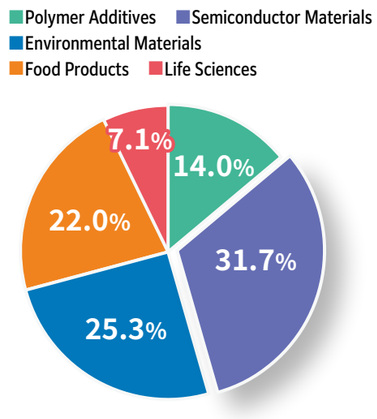
Our policy on cross-shareholdings is to hold the shares of company that are expected to enhance corporate value and strengthen our financial base and which could contribute to the development of ADEKA's businesses over the medium to long term through business alliances with investees, business alliances relating joint research and development of new technology, etc., stronger transactional relationships, and maintaining sustainable, friendly, and stable cooperative relationships.
Every fiscal year, we verify the significance of cross-shareholdings and sell shares for which the significance of holding is deemed to have diminished.
In FY2024, we sold eight stocks (with a balance sheet value of 80 million yen in FY2014), bringing the number of cross-shareholdings to 89 stocks. mounts held is shown in the table at right. Shares of 32 stocks in total were sold for a total sale value of 3.48 billion yen (based on the amount recorded on the FY2014 balance sheet), resulting in a 16% decrease.
We will continue to verify the significance of holding and reduce cross-shareholdings with diminished significance in holding, as appropriate.

Policy on Capital Investment

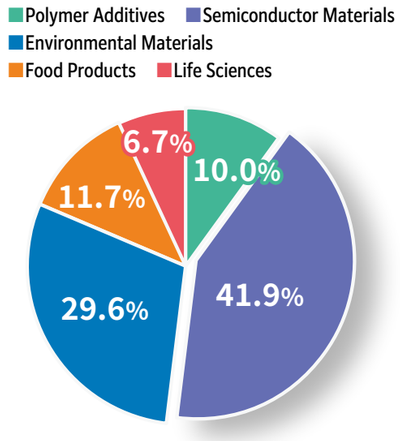
Under ADX 2026, we are actively investing in the Semiconductor Materials segment which holds the most promise as a growth driver, and are pursuing further profit expansion as an earnings pillar of ADEKA. In FY2024, construction to expand production capacity of high-purity hydrogen peroxide for semiconductors was completed. Actual investments in the Semiconductor Materials segments accounted for 41.9% of total capital investment. Meanwhile, investment in the maintenance and upgrading of numerous aging domestic plant facilities is also needed.
By firmly measuring the effectiveness of capital investment and implementing the PDCA cycle, our policy is to accelerate the recovery of funds from new and increased capacity capital investment, and use them to fund investment in maintenance and upgrades.

High-purity hydrogen peroxide for semiconductors (New plant construction)

FY2024-FY2026 (3 years) capital Investment plan, percentage by segment



FY2024 Capital Investment Ratio by Segment



Fiscal year sold	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	Total	Rate of decline
Completely sold off stocks	6	4	1	2	1	1	3	1	8	5	32	
Partially sold off (stocks)	1	0	2	0	1	0	2	5	1	3	15	
Sales amount (based on amount recorded on Balance Sheet in FY2014)	0.06	0.27	0.07	0.01	1.66	0.05	0.16	0.67	0.46	0.08	3.48	17%
Balance of stocks held	113	107	108	106	105	104	101	101	94	89		

(Units: Number of stocks, shares, amount recorded, billions of yen)

ADEKA's Business Model

ADEKA's Value Chain and Business Model

We can add further functionality to materials. We can add durability and environmental friendliness. In doing so, we change the world through "materials as treasure."
We will create new value together with our customers by providing advanced materials as treasure and solutions.

Research and Development

▶P31～32

Developing products using core technologies

We utilize the proprietary core technologies we have developed over more than a century to rapidly provide innovative materials as treasure and optimal solutions that contribute to sustainable, enriched lives.

Ratio of researchers to all employees

*ADEKA non-consolidated

Procurement of Materials

Just and equitable procurement of materials

Based on the ADEKA General Purchase Policy, we will engage in just and equitable business transactions with all our business partners and make every effort to care for the environment, respect human rights, and provide an appropriate work environment.

ADEKA General Purchase Policy ▶https://www.adeka.co.jp/csr/en/partner.html

1. We will provide just and equitable business opportunities to all our business partners. When conducting transactions, we will comprehensively take into consideration not only the quality, price, and supply ability but also the effort in ensuring inventiveness, ecological standards as well as safety work environment. We will agilely keep up with changes in the market and the environment to build a mutually growing relationship.
2. In conducting procurement activities, we will comply with all relevant legislation and rules and will not violate social norms or corporate ethics. Through consideration for the global environment and respect for social rights, we will contribute with our procurement activities toward a society with sustainable development. Furthermore, we will fulfill our social responsibilities as a corporation.

Manufacture

▶P33～34

Stable production of reliable, safe products

Based on the Safety Quartet, a concept unique to the ADEKA Group, we implement improvement activities that take the following factors into consideration at manufacturing locations: prevention of occupational accidents and evolution of analytical technology, automation and more efficient equipment, the environment, and people. We endeavor to provide a stable supply of products at the global level through business activities that comply with quality, health and safety, and other international management standards.

The Safety Quartet symbol mark

Logistics

Sustainable, safe, and stable product shipping

ADEKA strives to ensure a sustainable, safe, and stable product shipping system. We participate in the White Logistics movement and pursue optimal modes of transportation aimed at reducing environmental impact along with striving to improve logistics efficiency and the work environment.

Sales

Provision of products needed by customers and society

We provide a stable, continuous supply of products that can satisfy the diverse needs of customers and society. We build and maintain relationships of trust with our business partners, and utilize our in-depth understanding of products to propose optimal solutions for the customer's issues.

Procurement of Materials

Sustainable procurement

The ADEKA Group pursues sustainable procurement activities that do not harm the interests of diverse stakeholders based on the ADEKA General Purchase Policy and the ADEKA Purchase Guidelines.

Business partner survey

As we procure raw materials from around the world, ADEKA pursues sustainable procurement through collaboration with our business partners in order to realize a sustainable society.
We have worked to build a sustainable procurement system by implementing a step-by-step process over four years, beginning in 2020, to (1) obtain agreement with the guidelines,(2) conduct a survey, (3) support improvements, and (4) confirm results. We will continue to deepen our relationships of trust with our business partners.

	Initiatives
2020	We confirmed the agreement of business partners to obtain their understanding of and consent to our guidelines. We obtained agreement from 75% of our business partners.
2022	We conducted a survey using the CSR Procurement Self-assessment Questionnaire (SAQ) of Global Compact Network Japan (GCNJ). Feedback on assessment results was provided to all business partners who responded to the questionnaire.
2023	We visited 17 companies determined to be in need of improvement from the SAQ results and used the CSR Procurement Introductory Manual published by GCNJ to support improvements.
2024	In FY2024, the status of improvements was confirmed through dialog with the business partners who received support.

Initiatives based on the Declaration of Partnership Building

ADEKA disclosed the Declaration of Partnership Building in 2022 and aims to coexist harmoniously with and mutually benefit the entire supply chain. In 2023, we added the ADEKA Group Health Management Declaration and strengthened support of business partners. In 2024, we incorporated discussion of price revisions at least once a year and surveyed companies subject to the Subcontract Act. We discussed the results with our business partners and pursued price revision and health management initiatives. We will continue our efforts to build a sustainable society.

Sustainable palm oil procurement

To pursue responsible procurement of palm oil, following the acquisition of RSPO supply chain certification in April 2018, we expanded the ADEKA Group's scope of certification, in the Food Products, to the Malaysia facility in April 2019, the Singapore facility in April 2020, and the China facility in April 2023.
In cosmetics business, the Chiba Plant acquired certification in June 2020 (FY2024 certified oil procurement ratio: 30.0%). The ADEKA Group will continue efforts to expand use of RSPO certified oil and pursue establishment of a supply structure.

CERTIFIED SUSTAINABLE PALM OIL ™ RSPO
2-0790-17-100-00

Logistics

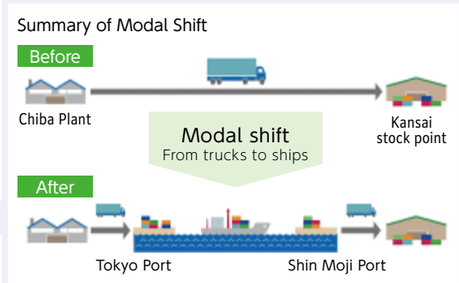
The ADEKA Groups works together with ADEKA LOGISTICS CORP. and other logistics partners in pursuing initiatives aimed at thorough compliance, consideration of the environment, and safety and security. We endeavor to achieve sustainable distribution.

White Logistics

We have disclosed a declaration on independent action aimed at pursuing White Logistics to improve shipping productivity and logistics efficiency, and maintain healthy and safe work environments. We conducted a survey of actual driver conditions among transportation partners and are striving to reduce the workload of drivers and improve the work environment by reducing heavy-lifting work, long hours spent waiting, and other incidental work.

Initiatives aimed at reducing environmental impact

Aiming to reduce logistics-related environment impact and strengthen cost competitiveness, we are expanding the modal shift by using ships we are currently using and considering round-trip transportation using railways.



1.5-time increase in number of shipments

ADEKA's Research and Development
—Innovative Technological Capabilities

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

Striving to improve technological capabilities continuously and create a deeper research base

We strive to make research and development more efficient by sharing technological information and utilizing digital transformation (DX) and AI, and will strengthen use of internal technologies (core competencies), introduction of external technology, building a new value chain through external partnerships, and introduction of DX technology and development of human resources. We will also endeavor to continually improve our research capabilities and realize ADEKA VISION 2030 to become "An Innovative Company Contributing to a Sustainable Future and Affluent Lifestyles" by creating new businesses and new themes, and efficient management and utilization of the intangible assets we possess.

ADEKA's Core Technologies

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

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

R&D Vision: Blazing a trail for the future of humanity through "materials as treasure"

We perceive the materials we produce to be much more than mere materials. To us, they are treasure. By adding more functionality, durability, and environmental performance to existing materials, we will continue to enhance the value of materials as treasure and provide them to the world, thereby contributing to a sustainable society and to enriching people's lives. To accomplish these things, we must deepen and fuse the core technologies we have accumulated over our history of more than a century and generate innovation through internal and external collaboration.

ADEKA delivers products offering ADEKA Innovative Value (AIV), bringing comfort, convenience and enriching the lives of people around the world. In the same way, ADEKA creates a wide range of eco-friendly products, contributing to the protection of the Earth's environment. Through these efforts, ADEKA seeks to fulfill its vision of the future of R&D: "Blazing a trail for the future of humanity through materials as treasure."

Measures to Generate Innovation

The R&D Technology Coordination Division pursues various initiatives aimed at generating innovation through internal and external collaboration.

Technical collaboration among R&D divisions

In order to promote timely product development based on an acute awareness of changes in the market environment and user needs, we promote collaboration with group companies and internal cooperation. More specifically, we are promoting initiatives to invigorate technological exchange across our laboratories, such as theme-specific discussion meetings focusing on industry and technology themes, and the promotion of "Young Researchers' Group" meetings aimed at interactions among young researchers.

In addition, a new research building is being constructed in the Kuki Area R&D laboratory in order to establish a system for innovative new product development. We aim to create new value by deepening and integrating our chemical R&D technologies.

Conceptual image of the new Kuki research laboratory

New business creation and new technology development (Advanced Technology Development Dept.

The Advanced Technology Development Dept. assumes the role of a corporate research laboratory. It serves as the contact for external cooperation on technological development and explores the concepts and embodiment of new technologies needed to expand business in the future.

This department performs technology development on green transformation (GX) to reduce GHG emissions and achieve carbon neutrality in particular, including investigation and verification of CO2 utilization technologies, highly efficient reaction technologies that reduce GHG emissions, and technologies for the effective use of natural resources. The department is also pursuing R&D on materials for decellularization regenerative medicine and development of animal healthcare products in cooperation with NIHON NOHYAKU CO., LTD.

NICHINO ADEKA Add Goodness

Strengthening analytical and evaluative technologies

ADEKA positions analytical technologies and evaluative technologies as core technologies in new product development. We are focusing on development of cutting-edge analytical technologies with the aim of building an environment where we can elucidate the causes of phenomena that we have not been able to explain before. To provide new products that meet the needs of customers in a timely manner, we are also building evaluative technologies that can replicate the customer use environment. We aim to achieve meticulous technical follow-up and earn greater trust from our customers by discussing issues and proposing solutions from the customer's perspective.

Promotion of open innovation

We actively promote dialogue and cooperative research with universities, research institutes, and companies in Japan and around the world, using open innovation to accelerate the creation of novel businesses.

In the joint research course with Shiga University of Medical Science, we are engaged in R&D on multiple themes in addition to new functional polymer materials, leading to the creation of new products. We are working with Yokohama National University to develop higher performance semiconductors, and our joint research on the theme of advanced insulating materials has been selected by the New Energy and Industrial Technology Development Organization (NEDO).We actively undertake external collaboration efforts, including information gathering, such as participation in various consortiums and corporate exchange in the supply chain.

Global management and utilization of approval and authorization data

As various countries tighten regulations, information on regulatory trends in each country and the safety of chemical substances will play an important role in new product development. We will therefore strengthen our capabilities in compilation and analysis of Japanese and international legal and regulatory information and create a more robust environment for the effective use of such information in new product development. For example, we will research products containing the substances listed in proposed PFAS regulations in Europe and work together with the relevant divisions to confirm the needs of customers and the trend among supplying manufacturers, as we focus on regulatory trends and take appropriate action in response.

Intellectual property strategy

We have enhanced our IP (Intellectual Property) landscaping through such measures as the training of IP analysts and the establishment of expert groups.

We promote research theme selection, new business creation, and value co-creation through analysis that incorporates IP information, technology trends, and market information through IP landscaping. With regard to the inventions we create, we identify and delve deeper into the inventions in the flow from creation to commercialization, and continuously and multilaterally file and obtain patents with a clear vision as to the final result, thereby forming a patent portfolio that contributes to value co-creation.

* Photo for illustrative purposes

ADEKA's Manufacturing Technology
—Technological Capabilities and the Safety Quartet

Senior Operating Officer
General Manager,
Production Division.
Shin Takahashi

Message from the General Manager, Production Division

Manufacturing technology refers to methods of manufacturing the products we sell and the new products developed in our research laboratories in a safer, more efficient manner. We possess many kinds of proprietary manufacturing technology at each of ADEKA's plants.
We develop new manufacturing technologies at plants on a daily basis by applying those proprietary technologies and technologies at other plants. At the Kashima chemical plant introduced this time, we are providing the materials customers desire while developing the four manufacturing technologies needed for the production of semiconductor materials as treasure. Another example introduced is the consideration of initiatives by a team specializing in industrial robots and AI in order to make each plant a smart factory. They succeeded in using robots to automate a plant.
The ADEKA Group will continue to manufacture and provide materials as treasure that can contribute to the happiness of people around the world.

Semiconductor Materials Manufacturing Processes and Technologies

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

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

Synthesis technology

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

High purification technology

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

Clean container preparation technology

- Refining process management
- Introducing new technology for process management

Analytical technology

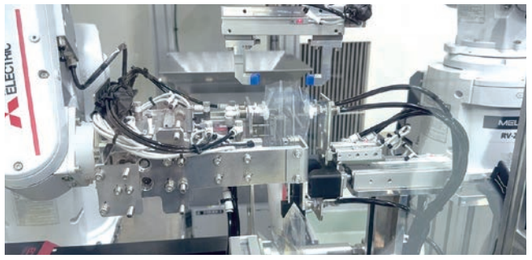
- Refining analytical data management
- Introduction of new analytical technology

Process management: Blue
Technology: Red

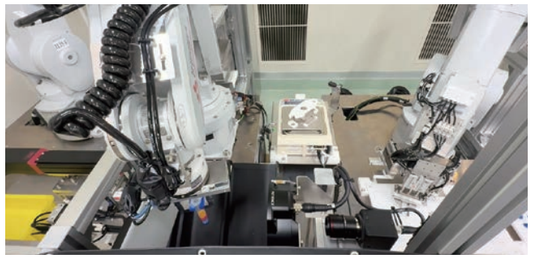
Initiatives in Automation and DX

ADEKA has pursued automation of site operations since FY2020, given the worsening labor shortages in the manufacturing industry as a whole. We have succeeded in automating precise manual work using industrial robots.
The increase in computing power in recent years has made it possible to easily introduce high-resolution camera vision.

Linking industrial robots and camera vision has enabled accurate recognition of the shape and position of target objects, and we have succeeded in automating complex manual work that was difficult to automate with conventional technology and external product inspections requiring expertise.



Robots open plastic bags and insert products.
We designed a specialized robotic hand to handle soft plastic bags



Robots inspect the weight and external appearance of products.
They never miss product defects.

Message from the General Manager, Environmental and Safety Division

The ADEKA Group provides safety and security to stakeholders and implements initiatives aimed at a sustainable society.
The Safety Quartet is the nickname applied to the interwoven safety activities we implement in four categories of safety: occupational safety, environmental safety, product quality safety, and equipment safety. We built a management system and work to raise awareness of compliance with laws, regulations, and rules to serve as the foundation.
We also pursue activities to reduce environmental impact, such as reduction of GHG emissions, energy conservation, waste reduction, and proper management of chemical substances.
We aim to provide safety and security and a sustainable society through these initiatives, and to contribute to sustainable management and enhance corporate value.

Operating Officer
General Manager,
Environmental
and Safety Division.
Hiroto Matsuyoshi

The Safety Quartet

We promote the Safety Quartet throughout the Group, based on eight basic principles* found in the ADEKA Group Management Policies and the ADEKA Group Code of Conduct, and employ it as specified in the Safety Quartet Global Rules. Through continuous improvement using the PDCA (Plan-Do-Check-Act) cycle, we aim to continue safe and efficient corporate activities and provide safety and security to our stakeholders. The Environmental and Safety Division evaluates the ADEKA Safety Quartet through audits of individual facilities and plants, joint meetings, and other means, and performs a fiscal year review, then formulates the policy for the next fiscal year. We set and will pursue the policy of providing safety and security by fostering a safety culture and strengthening the foundations of safety in FY2025.

* Eight basic principles: (1)Leadership, (2) Compliance with laws, regulations, and rules, (3)Advancement of 5S, (4)Communication, (5) Life-cycle evaluation and analysis, (6)Overview of the supply chain, (7)Contribution to a sustainable social structure, (8)Pursuit of new technologies

The Safety Quartet symbol mark

Occupational safety

Every member of the ADEKA Group recognizes that safety is the most important issue for the company and works to ensure occupational health and safety and security and disaster prevention.We operate ISO 45001 occupational health and safety management systems at domestic and overseas production facilities (all plants in Japan and eight overseas companies have acquired certification), conduct activities via the Health and Safety Committees and the Zero Accidents Committees in each workplace to improve employees' safety awareness and create safe workplaces.
We have also installed equipment to provide hands-on safety experience in multiple workplaces to develop employees' sensitivity in recognizing hazards and conduct accident prevention activities.In FY2024, we created posters with the "Obey the rules" message from top management in an effort to make everyone aware of safety.

Environmental safety

Stakeholders are highly interested in GHG reduction and reduction of environmental impact in our business activities, and these are important initiatives for the company's target of becoming carbon neutral by 2050. GHG reduction targets have been set for each fiscal year and we are managing progress toward the interim target for FY2030 (46% reduction from 2013) by each business. In addition, we are promoting the introduction of renewable energy at our workplaces in Japan and overseas.

Product quality safety

Both Chemicals and Food Products share information on product quality and safety globally, and implement measures to prevent initial and repeated claims. Production facilities operate ISO 9001 (Quality) and FSSC 22000 (Food Safety) management systems and are striving to improve the level of product quality control. In FY2024, we strengthened the system for comprehensive collection of information on product quality and safety from Japan and overseas, and sharing it effectively with the entire Group.

Equipment safety

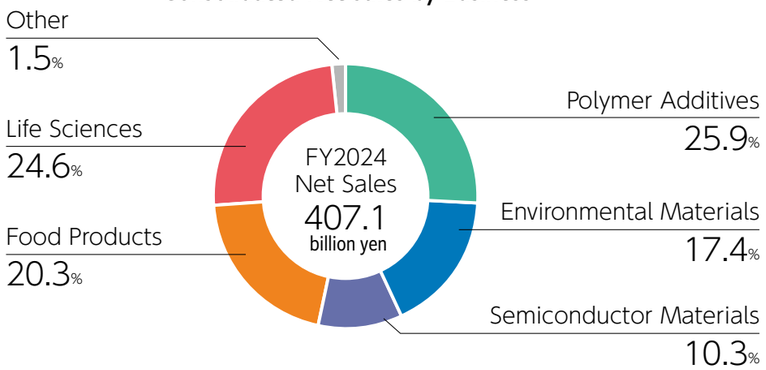
To prevent cessation of business activities caused by equipment accidents and trouble, equipment safety activities are conducted with the cooperation of the relevant divisions, rather than by production facilities alone. As a drill based on the 2022 earthquake off the coast of Fukushima Prefecture, employees at production facilities in Japan worked on recovery HR plans, methods of sharing situations reports on damage, and supplementation of spare parts for back-up insurance. Equipment management standards were established in FY2024 to ensure thorough equipment management and continuity.

Business Activities and Outputs

Overview of Each Business and Competitive Advantages

We are working to create new value to realize a sustainable society as we pursue innovation, mainly in our Chemicals, Food Products, and Life Sciences businesses.

Consolidated Net Sales by Business



Chemicals

Polymer Additives

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

Semiconductor Materials

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

Environmental Materials

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

Food Products

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

Life Sciences

The Group provides agrochemicals, pharmaceuticals, animal healthcare products and other life-science-related products. We also conduct research and development focusing on regenerative and preventive medicine and improvement of the quality of life.

Other

Equipment and plant design, construction, and construction management; Equipment maintenance; Logistics, Warehousing; Vehicle leasing; Real estate; and Insurance agency.

Theme 1 Expanding the Possibilities of Plastic

Meeting Diverse Manufacturing Needs with Polymer Additives

Social issues

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

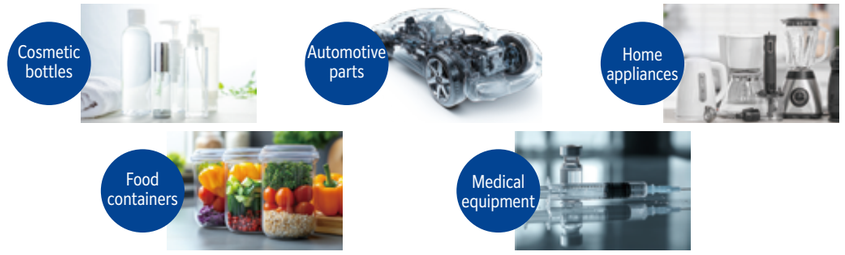
Social value of ADEKA

- Promoting recycling by switching to mono-material products → Ultimate performance novel clarifier
- Promoting re-use of plastics / Using environmentally friendly materials → Environmentally friendly polymer additives

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

Ultimate performance novel clarifier
ADK TRANSPAREX™ series

Achieves the highest transparency in the world



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

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

Environmentally friendly polymer additives
ADK CYCLOAID series

Additives that promote material recycling

The ADK CYCLOAID UPR series achieves upcycling by improving the percentage of recycled materials used in final products.Increasing the performance of recycled materials expands the uses and contributes to reduction in CO_2 emissions.

Achieving environmentally friendly PVC

The ADK CYCLOAID PNB series of polyester plasticizers, which use biomass raw materials suitable for a sustainable society, use natural plant-derived materials and contribute to the realization of a low-carbon society. This material is mainly targeted for use in PVC.

Theme 2 Enhancement of Semiconductor Performance

Global Development of Cutting-edge Semiconductor Materials

Social issues

Increased data traffic
Boosting the Performance of Semiconductors

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

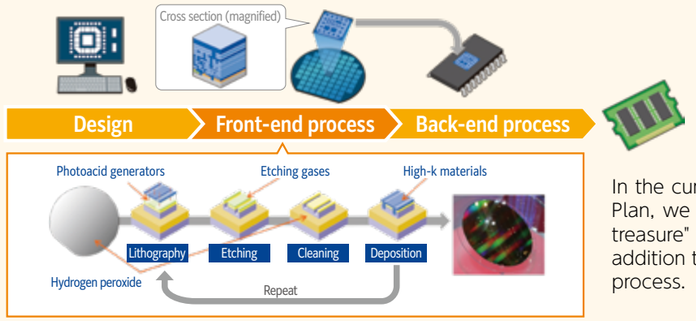
*Company estimates based on Fuji Chimera Research Institute, Inc. data

Social value of ADEKA

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

Photoacid generators
indispensable for advanced lithography processes (EUV)

ADEKA products related to semiconductors



In the current Mid-Term Management Plan, we aim to supply "materials as treasure" for the back-end process, in addition to the conventional front-end process.

Theme 3 Contributing to the Popularization of Next-generation Automobiles

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

Social issues

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

Improving safety performance

Social value of ADEKA

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

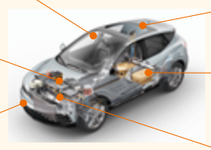
ADEKA's products related to next-generation automobiles

:Increased demand

In-vehicle camera module: Autonomous driving and popularization of safe driving systems
→ **Ultra-fast curing laser adhesives**

Wire harnesses: Increased demand due to electrification
→ **PVC stabilizers**

Exterior components: Metal substitute for vehicle weight reduction
→ **Nucleating Agents, light stabilizers, antioxidants, novel clarifiers**



Windows: Polymerized to reduce vehicle weight
→ **Light stabilizers**

Battery enclosures: Ensure safety in case of ignition
→ **Flame retardants**

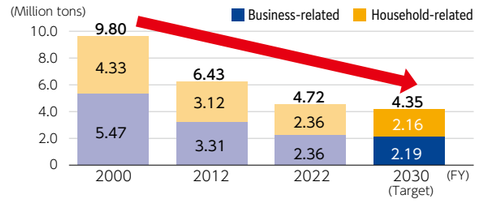
Contributing to improvement in HEV and PHEV fuel economy
→ **Lubricant additives**

Theme 4 Reduction of Food Loss and Waste

Contributing to Food Loss and Waste Reduction Throughout the Supply Chain

Social issues

Trends in food loss and waste, and reduction targets



Annual per capita food loss and waste: 38 kg
➡ Works out to throwing away food equivalent to one rice ball per day (103 g)

Source: "Reference materials on food loss and waste" (April 21, 2025) Consumer Affairs Agency, Government of Japan

Social value of ADEKA

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

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

Theme 5 Food Shortage Issues

Contributing to Stable Production of Agricultural Crops

Social issues

Food Crisis due to population growth

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

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

World population of undernourished people (2023)
740 million people (equivalent to 9.3% of the world's population)

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

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

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

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

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

We will continue to create and provide agrochemicals with superior performance, selectivity, and environmental friendliness in the world to fulfill our mission and role in contributing to agricultural production activities aimed at the stable supply of safe food.
We will strengthen our discovery platform and business competitiveness by globally advancing our growth strategy in Europe, the U.S., India, Brazil, and elsewhere, and contribute to the food and agriculture into the future.

Polymer Additives

In order to help create a sustainable society, our company's purpose of existence is to continue using polymer materials (plastics) that are useful to humankind in an appropriate manner rather than abandoning their use.
We aim to be a leading company in the field of polymer additives by demonstrating our strengths in developing long-lasting products and resource recycling.

Message from the Officer

Our perspective is promoting the sustainable development of the polymer industry as a leader of high-functional and high-performance polymer additives company, and contribution onto sustainability is our priority, e.g., realizing for safety, secure food packaging, saving energy via light weight automotive parts, preventing disposable medical devices etc. The novel ultimate clarifier, TRANSPAREX™, was launched in the last fiscal year, which enables us to expand new applications and realize the possibility to replace amorphous transparent polymers like polystyrene, polycarbonate, etc. Furthermore, TRANSPAREX™ promotes mono-materialization, resulting in contributing to recycling. We contribute strongly and continuously to our society via innovation in polymer additives technology.

Managing Operating Officer
General Manager,
Polymer Additives Division
Naoshi Kawamoto

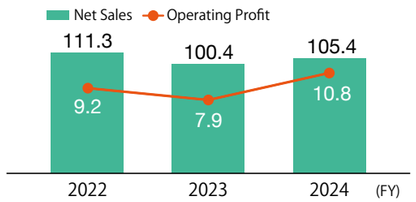
Main products

Additives for polyolefins	ADK STAB series
Plasticizers/PVC stabilizers	ADK CIZER and ADK STAB series
Flame retardant	ADK STAB FP series
Additives for recycled plastics	ADK CYCLOAID UPR series
Bio-based polymeric plasticizer	ADK CYCLOAID PNB series
New high-performance clarifier	ADK TRANSPAREX™ series

Recognition of Business Environment and Vision

We aim to expand in the global market by developing a wide range of top-class and technologically superior products that lead to higher functionality, such as lighter weight and more flame retardance in plastics.
Expanding products that promote reuse of plastics and use environmentally friendly materials (ADK CYCLOAID series) and products that enable a switch from other transparent plastics to environmentally friendly polypropylene (ADK TRANSPAREX™ series) will reduce environmental impact. ADEKA's Polymer Additives aims to be a business with a global presence that provides both social and economic value.

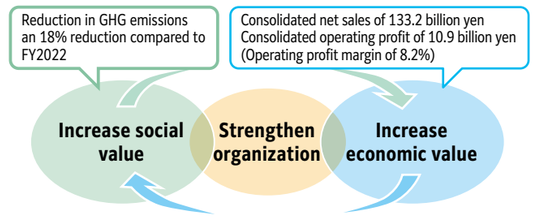
Trends in Polymer Additives Net Sales and Operating Profit (billion yen)



Key Strategies

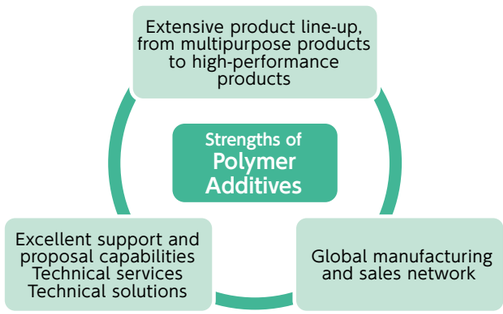
The Mid-Term Management Plan targets net sales of 133.2 billion yen and operating profit of 10.9 billion yen in FY2026. We aim to reduce GHG emissions by 18% compared to FY2022. ADEKA will push ahead on expanding eco-friendly products such as automotive nucleating agents, intumescent-type flame retardants, lead-free stabilizers, and additives for recycled plastics, and will strive to improve social value. We will work to strengthen product lines having the highest market shares and expand business domains by launching and expanding sales of our new product, ADK TRANSPAREX™, developing more uses for light stabilizers, and through other measures. To increase economic value as well, we will strive to strengthen profitability by integrating product types and reducing costs. We aim to transform our business into one that is resilient to changes in the external environment, mainly by strengthening the supply chain, diversifying our product portfolio, and optimizing the manufacturing and supply structure on a global basis.

Vision for 2026 Strengthen the business foundation and be a business with a global presence that provides both social and economic value



Growth Opportunities and Strengths

Growth in the volume of polymer usage is forecast over the medium to long term due to GDP growth, accompanied by an increase in global population and in the standard of living. According to OECD data, polymer usage volume is projected to increase from around 480 million tons in 2020 to around 1.2 billion tons in 2060. This will provide the opportunity to also expand demand for polymer additives along with this. However, there are concerns that this projection will decrease due to greater use of recycled polymers and other efforts to conserve resources. We will provide our broad product line-up, from multipurpose products to high-performance products, and utilize our robust technical services and the facilities we have throughout the world to respond adroitly to changes in polymer industry trends.



Research and Development Capabilities

As an integrated additive manufacturer, ADEKA provides total solutions and possesses a development function to spur market development and a research function to advance new product development as we pursue R&D activities. We have succeeded in developing a new clarifier that achieves polypropylene with the highest transparency in the world and are pursuing development of polymer additives that will contribute to recycling society.

Providing solutions through excellent technical services and technical follow-up

Injection molding machine

Film/Sheet extruder

Urawa R&D Center

Topic

● Highest Transparency in the World* Expands the Possibilities of Polypropylene ●

In the Polymer Additives business, we released ADK TRANSPAREX™, a novel clarifier that provides the highest transparency in the world* by adding a small amount to one type of plastic, and have commenced sales, mainly in the U.S. and Asian region. It is suitable for a diverse range of needs, such as food containers that can be used in a microwave oven, medical equipment that requires chemical resistance, and cosmetic bottles. The ADEKA Group aims to achieve over 30 billion yen in consolidated net sales for all clarifiers, including ADK TRANSPAREX™, and No. 1 global market share in clarifiers by 2030.

Polypropylene test specimen (1 mm thick) with 0.1% ADK TRANSPAREX™ added

Polypropylene test specimen (1 mm thick) with no clarifier added

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

Semiconductor Materials

We contribute to the enrichment of people's lives with a diverse range of product lines that are indispensable to the realization of an ICT-based society, including semiconductors and display materials used in data centers and cutting-edge devices.

Message from the Officer

The Semiconductor Materials Division is further expanding its core business in high-k materials for semiconductor memory and is accelerating development of advanced materials for logic semiconductors, semiconductor resists, and semiconductor packages. The research, sales, and plant areas are working as a team to create new value with new materials as treasure for advanced semiconductors and contribute to enriching the lives of people by supporting the development of an ICT-based society.

Managing Operating Officer
General Manager,
Semiconductor Materials Division
Atsuya Yoshinaka

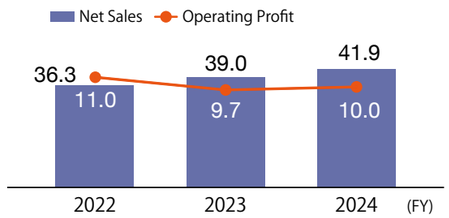
Main products

High-k materials for semiconductors	ADEKA ORCERA series
Photoresists for semiconductors	ADEKA ARKLS series
Etching solutions	ADEKA CHELUMICA series
Insulation and heat dissipation adhesive sheet for multilayer boards	ADEKA FILTERA series

Recognition of Business Environment and Vision

Semiconductors provide the underlying support for realization of Society 5.0, centered on people who live comfortable, high-quality lives. ADEKA supports the evolution of semiconductors with advanced materials and contributes to enriching the lives of people. The Electronic Materials Division, established as a new division in business division structure in July 2024, was changed to the Semiconductor Materials Division as part of an organizational restructuring in April 2025. We will work to create advanced materials focused on the semiconductor market and aim to further expand the business via four pillars: high-k materials for memory semiconductors, materials for logic semiconductors, semiconductor lithography materials, and semiconductor back-end process materials.

Trends in Semiconductor Materials Net Sales and Operating Profit (billion yen)



Key Strategies

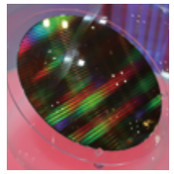
The Mid-Term Management Plan targets net sales of 49.9 billion yen and operating profit of 12.5 billion yen in FY2026. To achieve these targets, we will dedicate more human resources to the creation of new materials as treasure, continue investment in growth in Japan and overseas, and take other steps to concentrate management resources in semiconductor materials. In addition to further expanding high-k materials for advanced memory, we will develop applications for products and technologies to expand business domains and create new businesses via external partnerships. Costs are currently increasing due to increases in capital investment and the number of researchers aimed at business growth over the medium to long term. Although profitability will decline temporarily, the advancing generational change in memory and logic semiconductors and the seeds planted will begin to deliver results from 2025 onward.

Investment in semiconductor materials during the three years of ADX 2023, the previous mid-term management plan: Over 10 billion yen

Operation of equipment invested in + New active investments (development of manufacturing technology, resists, etc.) = Building the foundation for domain expansion in semiconductor materials

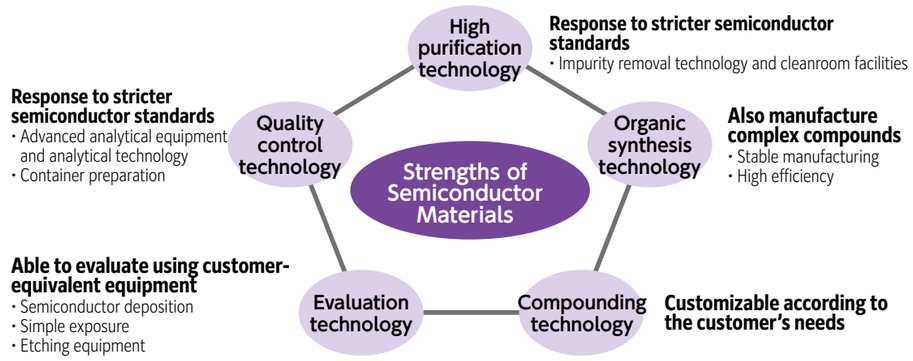
Growth Opportunities and Strengths

The Semiconductor Materials Division focuses on research and development. The number of researchers increased by roughly 10% in conjunction with the recent organizational restructuring, with roughly 80% of this entire division now consisting of researchers.
The efforts to aggregate related businesses and customers and integrate data sped up decision-making, improved R&D efficiency, and enabled meticulous service. We are also actively pursuing co-creation with external research institutions, related companies, consortiums, and other external entities. We will strive to improve R&D capabilities and development of applications for existing products, and accelerate expansion of business scale and business domains.



Research and Development Capabilities

ADEKA uses advanced organic synthesis technology and high purification technology to develop high-quality semiconductor materials. We use various kinds of equipment and analytical technologies to verify the high purity as well as container technology to deliver products to customers without deterioration of that quality.
We also enhance the value of the developed materials, turning them into solutions by employing evaluation equipment and technology suitable for the customer.



Semiconductor deposition equipment

Containers for semiconductor materials

Topic

● Establishment of new Chiba annex ●

The research annex (Chiba annex) of Process Materials Dept. I in the Chiba Plant opened in April 2025.
The Chiba annex is responsible for the seamless transition of lithography materials developed in the research lab to actual plant equipment.
It can also facilitate shortening the time needed to launch mass production, passing on manufacturing technology by strengthening cooperation between the plant and research lab, and verifying and establishing new high-purity technology by using the plant.
We have established a structure that is capable of responding to customers' needs in the semiconductor industry, where speed is required.

Left: Part of testing equipment
Center: External appearance of product packaging
Right: External view of Chiba annex

Environmental Materials

We provide a wide range of people-friendly and environmentally friendly products, from mobility to infrastructure, to help people lead convenient and comfortable lifestyles.

Message from the Officer

The goal of the Environmental Materials Division is to become a future-creating company that uses ADEKA's technologies to realize a sustainable society and affluent lives. We will pursue overseas expansion of eco-friendly products, creation of new businesses, and structural reform through selection and concentration.
We will contribute to combating climate change and solving other global environmental issues and social issues through our core business by providing the value customers seek, based on ADEKA's core technologies and "materials as treasure" in chemicals.

Managing Operating Officer
General Manager,
Environmental Materials Division
Shigeki Fujisawa

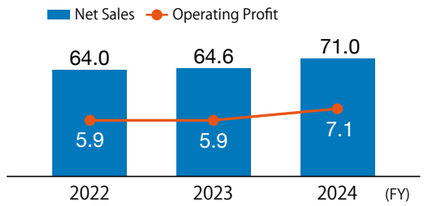
Main products

Lubricant additives	ADEKA Sakura-Lube series
Epoxy resin adhesives	ADEKA REMYLOP series
Display materials	ADEKA ARKLS series
Reactive emulsifiers	ADEKA REASOAP series
Cosmetic materials	ADEKA NOL series

Recognition of Business Environment and Vision

Responding to climate change, reducing environmental impact, effective use of resources and other initiatives to care for the environment are being demanded worldwide. In the mobility area, technological innovation is advancing in fuel economy, weight reduction of vehicle bodies, electrification, driving support and autonomous driving systems to improve safety performance, and other types of automotive electrification systems.
ADEKA's lubricant additives effectively reduce friction inside engines and thereby contribute to better fuel economy in gas-powered vehicles, HEVs and PHEVs. Moreover, ultra-fast curing and highly adhesive epoxy resin adhesives are used in in-vehicle camera modules and precision components, and contribute to energy savings in the manufacturing processes of customers.
In the Environmental Materials Division, we aim to take advantages of market changes to expand business through many new products that both add higher value and contribute to the environment.

Trends in Environmental Materials Net Sales and Operating Profit (billion yen)

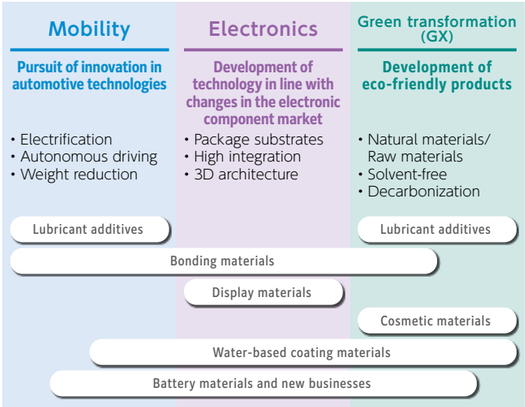


Key Strategies

The Environmental Materials Division will pursue strategic issues in line with the following basic policies.

1. Global expansion of eco-friendly products
2. Rapid commercialization of battery materials
3. Expansion of the display materials business and creation of new markets
4. Promote selection and concentration

We regard mobility, electronics, and green transformation (GX) as target markets and will actively work to develop markets for eco-friendly products globally. Our growth strategies are rapid commercialization of next-generation. rechargeable battery materials and combining the technologies and expertise of the ADEKA Group to create new social value. We will also pursue structural reforms of existing businesses and endeavor to transform them into highly profitable businesses.

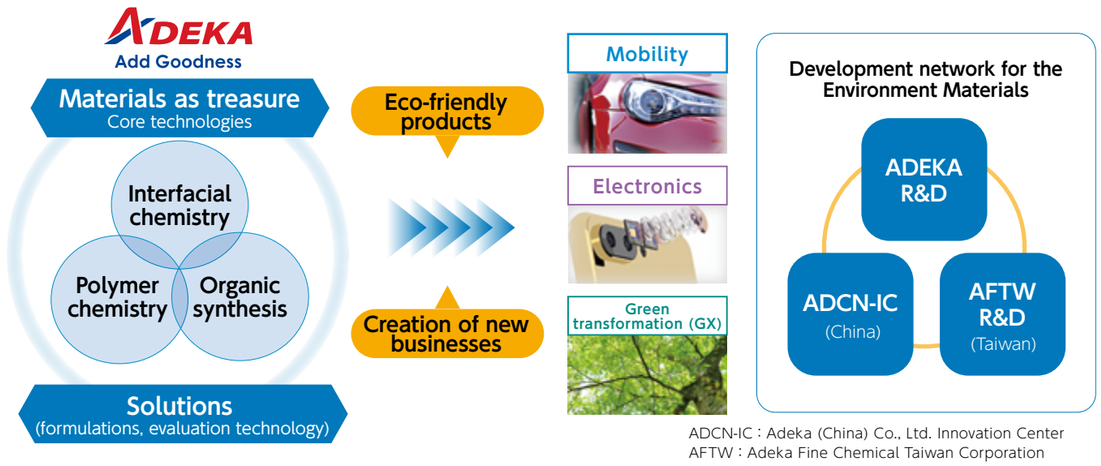


Growth Opportunities and Strengths

The industry structure is undergoing drastic restructuring due to changes in the supply chain due to heightened geopolitical tension, dramatic changes in the competitive environment, the transition to a decarbonized society, rapid digital innovation, and other disruptive factors.
In the Environmental Materials Division, we have a broad product line-up, from commodity products to advanced products, supported by a wide variety of technological platforms and supply chain networks. We view changes in the business environment as opportunities for growth. By leveraging our diverse technologies, product portfolio, and supply chain, we actively propose formulations and evaluation technologies that address customer needs. Through these efforts, we aim to create essential value for our customers and contribute to sustainable development.

Research and Development Capabilities

We provide new "materials as treasure" and "solutions" to global markets, developed through core technologies cultivated over many years in mobility, electronics, and GX—our division's key focus areas.
To swiftly identify and respond to evolving market conditions and customer needs we have established R&D facilities in Taiwan and China, enhancing our local development capabilities.
We also engaged in research and development for emerging businesses, including eco-friendly products and next-generation. rechargeable battery materials, with the aim of contributing to a sustainable society.



ADCN-IC : Adeka (China) Co., Ltd. Innovation Center
AFTW : Adeka Fine Chemical Taiwan Corporation
R&D : Research and Development

Topic

● Responding to the Biomass Transition in Cosmetic Materials ●

ADEKA offers a broad range of cosmetic materials,from functional ingredients such as propylene glycol, water-based gelation agents, and other glycols for cosmetics, to naturally derived components developed through fermentation and culturing technologies.
As sustainability-conscious consumption becomes increasingly widespread, and in response to the global shift toward natural cosmetics, ADEKA is accelerating the transition to biomass-derived glycols for hair care and skin care applications. These efforts are gaining recognition in the market.

Food Products

Ever since we commenced production of RISU BRAND MARGARINE in 1929, we have been providing value-added processed oils, fats and processed foods for commercial use developed with our proprietary technologies to help deliver a variety of delicious foods to people's dining tables, including breads and sweets.

Message from the Officer

ADEKA's Food Products Business has been providing raw materials for a wide variety of food products used in daily dining under the brand slogan "The Delicious Taste You can Rely On" since 1929, when we commenced production of margarine with the name RISU BRAND MARGARINE. As a food tech company, initiatives under ADX 2026 include developing globally the Marvelous series, which contributes to food loss and waste reduction, and the Deli-PLANTS series, which contributes to reducing environmental impact and food diversity.

Senior Managing Executive Officer
General Manager,
Foods Division
Yoshiaki Kobayashi

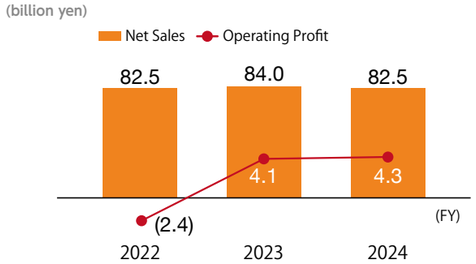
Main products

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

Recognition of Business Environment and Vision

In addition to providing delicious taste, there are some urgent needs to address in the food industry, including food loss and waste reduction, greenhouse gas emission reduction, and other environmentally friendly initiatives, improving productivity in the face of labor shortages and, in recent years, the impact of yen weakness and crude oil prices, and the steep rise in raw materials and product prices due to surging personnel expenses.
Food Products has outlined its vision for 2030 as contributing to a sustainable society and enriching the lives of people around the world through oil and fat processing technology, and will help solve social issues through the provision of products. We will expand our business domains into new markets, such as plant-based foods (PBF), create products that contribute to food loss and waste reduction and sustainability, and establish a position as Japan's leading company, while accelerating our overseas expansion.

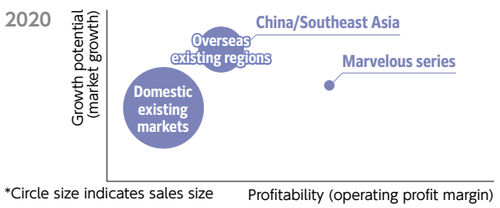
Trends in Food Products Net Sales and Operating Profit

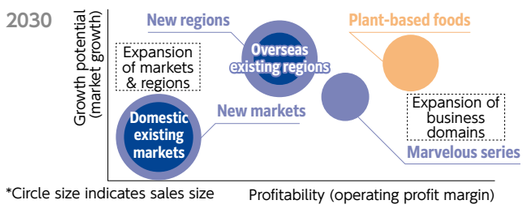


Key Strategies

Strengthening the Business Foundation
We will solve market issues by developing technology-based products that address market needs such as being eco-friendly and healthy.
We will accelerate global development of eco-friendly products and strategic products focusing on high-performance products.

Expansion of Target Markets (Overseas Market Expansion, Expansion of Business Domains)
In existing domestic markets where the Company has strengths (bakery and confectionery), demand is forecast to gradually decline due to the inevitable effects of the declining birthrate and aging population. We will expand plant-based foods to new markets (food service industry, etc.) and increase the depth and breadth of sales channels. Overseas, we will expand our sales channels to India, which is growing rapidly, North America, Europe, and other markets, in addition to Southeast Asia, where the demographic dividend continues to grow.

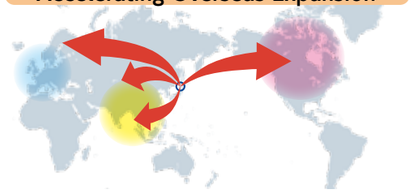




Growth Opportunities and Strengths

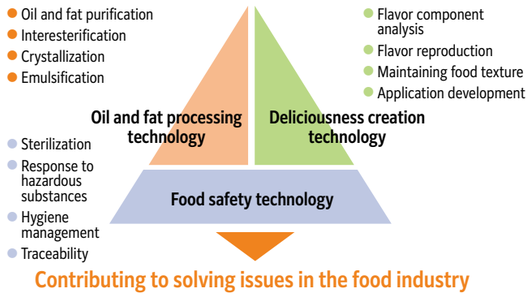
Our Food Products business has created products that contribute to solving social issues such as Marvelous, a functional margarine that helps improve productivity and reduce food loss and waste, and Deli-PLANTS, a plant-based food series that responds to growing awareness of environment and food diversification. For overseas expansion, a new organization dedicated to accessing overseas markets was established in April 2024 to access markets such as India, North America, and Europe, in addition to our existing markets in China and the Asian region. We will continue to utilize the many technologies we have cultivated thus far to help realize a sustainable society and enrich the people's lives.

Accelerating Overseas Expansion



Research and Development Capabilities

In addition to combining food safety technology that provides the foundation for security and safety, oil and fat processing technology to create processed oil and fat products possessing diverse characteristics, and deliciousness creation technology for analyzing and replicating taste and texture, we develop new products to solve issues in the food industry and accurately ascertain changing market needs and the social environment to develop applications that provide the best answers to customers.



Example of Deliciousness Creation Technology

ReTERA Technology
Recreation TEchnology of Richness in Animal-based foods
ADEKA's unique technology to reproduce the deliciousness and satisfaction without using animal-based ingredients

Creation of the Deli-PLANTS plant-based food series providing both deliciousness and ease of use

11-Product lineup (as of April 2025)

Topic

●Launch of Keema Curry Containing Products from the Deli-Plants Series●

To encourage the popularization of plant-based foods, Food Products is working to develop products that will give people a sense of the deliciousness of Deli-PLANTS and make it one option for the dining table every day. Sales of ADEKA Plant-based Keema Curry containing products from the Deli-PLANTS series began in May 2025. When trial pouches were provided for the launch, they received high praise from many on social media, where the topic of discussion was that they could not tell that it contained no animal-based ingredients. We will continue to provide delicious plant-based foods in the future.

Life Sciences

We support people's diets and daily lives by providing advanced technologies to meet needs of society in a wide range of fields, including agrochemicals, pharmaceuticals, and animal healthcare products.

Message from the Officer

The NICHINO Group aims to achieve a balance between the overall sustainability of society and our business, with the promotion of sustainability management as our growth strategy. We pursue development of a diverse range of environmentally friendly products and services such as chemicals and agrochemicals through continuous innovation in the life sciences field and will work to realize the Group vision of becoming a "Global Innovator for Crop & Life."

Managing Executive Officer,
General Manager,
Corporate Planning Division
General Manager, Administration Division,
Special Assignments Officer,
NIHON NOHYAKU CO., LTD.
Shiro Takahashi

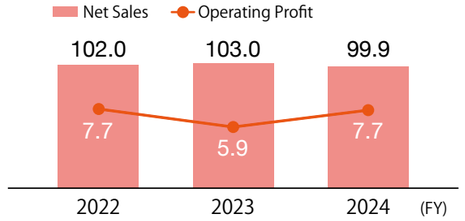
Main products

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

Recognition of Business Environment and Vision

In addition to destabilization of food production due to climate change, the global population is forecast to increase to 9.7 billion in 2050, and producing a stable food supply from limited agricultural land is an urgent issue. The NICHINO Group develops and provides agrochemicals possessing excellent performance, selectivity, and environmental friendliness in Japan and overseas, and supports the realization of sustainable agriculture. Efficient production of agricultural crops also leads to curbing the destruction of forests due to expansion of agricultural land, and helps to protect the environment and provides stability in people's lives. We will strengthen our discovery platform and business competitiveness by advancing our growth strategy in Europe, the U.S., India, Brazil, and elsewhere, and contribute to food and people's lives in the future as a global company that both solves social issues and creates economic value.

Trends in Life Sciences Net Sales and Operating Profit
(billion yen)



Key Strategies

The Mid-Term Management Plan targets net sales of 120.0 billion yen and operating profit of 9.7 billion yen*. From among our proprietary agrochemical active ingredients, we will continue to focus on expanding global sales of benzpyrimoxan, pyrifluquinazon, pyraflufen-ethyl, flubendiamide and tolfenpyrad as key priority products. For overseas markets, which are particular growth drivers, we will focus on Brazil and India as strategic areas and work to expand our business in cooperation with Group companies. To address risks in the external business environment, such as climate change and rising cost of goods, we aim to build a business structure that can absorb fluctuations in exchange rates and inflation through internalization of active ingredient manufacturing, inventory optimization, promotion of investment recovery, and selection and concentration of resources.

* Mid-Term Management Plan targets for the NICHINO Group are net sales of 120 billion yen and operating profit of 10.8 billion yen.

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

Flubendiamide
(insecticide)

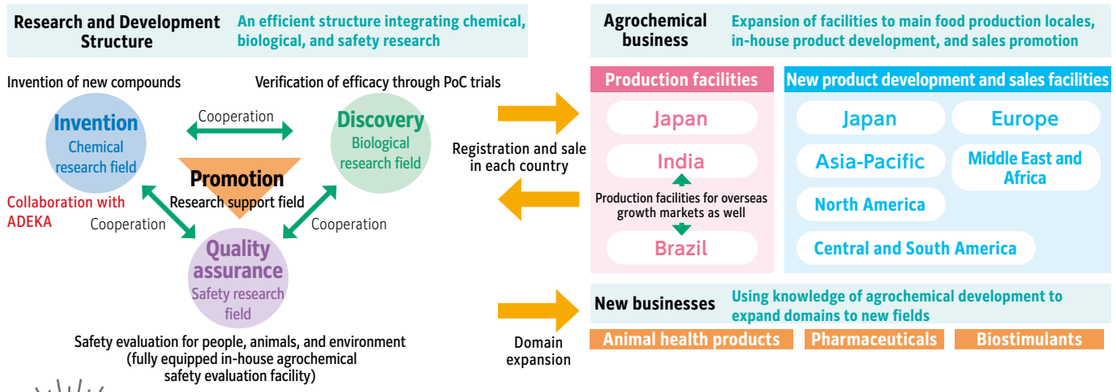
Growth Opportunities and Strengths

NIHON NOHYAKU CO., LTD. possesses expertise in accurately ascertaining market needs and efficiently selecting candidate agrochemicals which are suitable for the market environment and are highly safe. We are also working to strengthen our research and development capabilities with an eye toward expanding business in pharmaceuticals, animal health products, and other areas of the life sciences field while also actively working to introduce biological pesticides and crop aid products. In addition to this, we possess proprietary AI development technology in the fields of agriculture and hygiene management. That technology is widely used via system linkages with Kubota, Zen-Noh, and other entities.

Nihon Nohyaku Research Center
(Kawachinagano-shi, Osaka)

Research and Development Capabilities

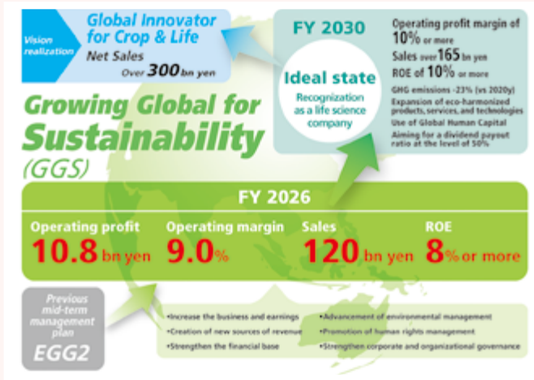
Research and development are performed in a four-part structure which centralizes the three areas of invention, discovery, and quality assurance together with the functions for pursuing these in one location as a new agrochemical discovery platform. This proprietary structure enables us to efficiently create new agrochemicals having excellent manufacturing, performance and safety profiles, even as agrochemical regulations become stricter. We are also utilizing our knowledge of agrochemical development to expand to animal health products and other domains.



Topic

● Revised Vision for FY2030 ●

The NICHINO Group revised its vision for FY2030 and forecasts 15 billion yen in sales of aromatics and cosmetics, biological pesticides, biostimulants, and other new fields where growth is anticipated, on top of continuing average annual growth of 5% in existing businesses. As a result, we aim to achieve net sales of more than 165 billion yen, an operating profit margin of 10% or more, return on equity (ROE) of 10% or more, and a dividend payout ratio of 50%. We will continue to strive to achieve sustainable growth and further enhance corporate value through proliferation and expansion of environmentally conscious products and utilization of global human capital.



Addressing the Environment

Responding to Climate Change

Recognizing global trends related to climate change and the global environment, such as the Paris Agreement and the SDGs, the ADEKA Group is promoting ongoing initiatives to achieve a sustainable society by providing products that mitigate environmental burdens, promoting energy conservation, reducing waste, and conserving fossil resources, etc.

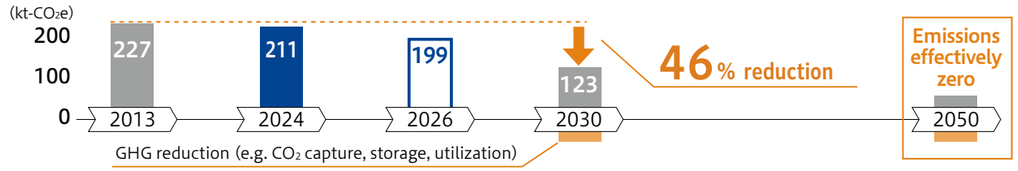
Introduction of Sustainability Indicators for ADX 2026 Mid-Term Management Plan

In FY2024, we introduced GHG emissions as a sustainability indicator for the ADEKA Group Sustainability Priority Issues, aimed at realizing "Improving social value and achieving sustainable growth through the promotion of sustainability - Earning power, sustainability, and a resilient management foundation -," the basic policy of ADX 2026, our Medium-Term Management Plan. GHG emissions of 199 kt-CO_2e (13% reduction compared to FY2013) in FY2026 was set as a management indicator.
We gathered ideas from all members of ADEKA to achieve carbon neutrality by 2050 and proceeded to reduce energy loss and introduce renewable energy at manufacturing plants. This reduced GHG emissions to 211.2 kt-CO_2e in FY2024 (7% reduction compared to FY2013).
We will continue to coordinate with Group companies in Japan and overseas and implement awareness-raising activities to ensure appropriate disclosure of information.

ADEKA Group Carbon Neutrality Roadmap, Results, and Plan Targets

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

(1) Reducing GHG emissions from business activities — 2030 Target (Scope 1+2): Reduce CO_2 emissions by **46**% from 2013



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

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

- Examine GHG emissions throughout the supply chain
- Develop and provide sustainable products
- Promote the sustainable procurement of raw materials
- Optimize and increase the environmental friendliness of logistics, etc.

Achieve carbon neutrality by 2050

Introduction of internal carbon pricing

In FY 2023, ADEKA began a trial implementation of Internal Carbon Pricing (ICP).
We used our scenario analyses according to the recommendations of the Task Force on Climate-related Financial Disclosures (TCFD) to visualize the financial impact of climate change and formulate strategies for ADX 2026.
The internal price of carbon was set at 15,000 yen/t-CO_2e, and this is being used as a reference when making decisions on capital investments aimed at pursuing low-carbon investments and measures.

Introduction of electricity derived from renewable energy sources

ADEKA achieved 100% of electricity usage derived from effectively renewable energy at 11 facilities in Japan (all four research centers, the Head Office and all six sales offices, and one manufacturing facility) through the utilization of FIT non-fossil certificates,* etc. in FY2024. The reduction of GHG emissions thanks to the introduction of electricity derived from renewable energy was approximately 11,556 t-CO_2e.

* FIT non-fossil certificates : Certificates for the environmental value of renewable energy purchased through the Feed-in Tariff.

Information Disclosure Based on TCFD Recommendations

In the scenario analyses of all ADEKA Group businesses, we have established a "Less than 1.5℃/2℃ scenario" in which the impacts in terms of transitional aspects become apparent, and a "4℃ scenario" in which the impacts in terms of physical aspects become apparent. We formulated and are pursuing the business strategies in ADX 2026 based on the results of these scenario analyses.

Evaluation of Financial Impact (projected GHG emissions and carbon tax impact in 2030)

Forecast of the ADEKA Group's GHG emissions in 2030 (with emission reduction targets achieved and business growth taken into consideration)	**123kt-CO_2e (Scope1+2)**
Projected additional cost burden due to carbon tax based on future forecasts* of carbon prices for the year 2030	**2.0 billion yen**

* The carbon price as of 2030 under the external scenario "WEO2022 NZE Scenario" (developed countries: 140$/t-$CO_2$e, emerging countries: 90$/t-$CO_2$e), converted to Japanese yen assuming 1$=130 yen.

Governance

Board of Directors	Important matters for resolution such as responding to climate change are reported to the Board of Directors to ensure proper supervision by the Board of Directors.
Sustainability Committee	The Sustainability Committee, chaired by the President and CEO, determines the ADEKA Group's policy on environmental issues and deliberates on monitoring and other important matters.
Individual Departments and Group Com-panies	After the department managers have dis-cussed matters, the Sustainability Promotion Subcommittee produces a proposal to ele-vate to the Sustainability Committee.

Key Risks and Opportunities, Impact, and Response Measures

[Target businesses] All businesses → "All," Polymer Additives → "Additives," Semi-conductor Materials → "Semiconductor," Environmental Materials → "Environment," Food Products → "Food Products," Life Sciences → "Life"

Categor	Scenario	Key risks and opportunities	Target businesses	Overview	Timeline	Degree of impact*	Response measures
Transition risks	Less than 1.5℃ /2℃	Tightening of regulations	All	Introduction of carbon tax, rising carbon prices	Medium to long term	Large	Reviewing the business portfolio Encouraging suppliers to identify and re-duce emissions Utilizing internal carbon pricing, etc.
		Soaring raw material prices	All	Rising prices caused by climate change Cost increases as a result of using certified sustainable raw materials	Medium to long term	Large	Diversifying procurement sources, R&D on alternative raw materials, etc.
		Decarbonization of raw materials and fuels	All	Additional costs incurred in renewable energy procurement	Short to medium term	Medium	Consideration of renewable energy procurement, investment in energy conservation, etc.
		Changing customer requirements	Additives Environment	Reduction in demand for internal combus-tion engine vehicles due to the shift to EVs	Medium to long term	Small	Promoting the provision of nextgeneration mobility components Reviewing product portfolio, etc.
Physical risks	4℃	Impact of extreme weather (Supply chain disruption/stagnation)	All	Stagnation of production activities and lo-gistics due to severe wind and flood damage	Short to long term	Medium	Improvement of prior actions (Review of inventory levels, consideration of multiple purchases, etc.) Research and development of alternative raw materials, etc.
		Impact of extreme weather (drought)	Additives Semiconductor	Lack of industrial water	Short to long term	Medium	Consideration of measures to secure industrial water for emergency use, water recycling, etc.
Opportunities	Less than 1.5℃ /2℃	Changing customer requirements	All	Other than the above: Increase in demand for products that are adapted to the transition of society (e.g., eco-friendly products)	Short to long term	Large	Developing new products, promoting research and development, reviewing product portfolio, etc.
			Additives	Increased demand for environmentally friendly polymers	Medium to long term	Medium	Increasing production capacity, boosting competitiveness to meet demand, etc. Development of material composition that facilitates product recycling, etc.
			Additives Environment	Increased demand for next-generation mobility products	Medium to long term	Medium	Promote the provision of materials for next-generation mobility Reviewing product portfolio, etc.
			Food Products	Increased demand for plant-based foods	Medium to long term	Large	Developing new products and promoting research and development Increasing production capacity and boosting competitiveness to meet demand, etc.
			Food Products	Increased demand for products using sustainable certified raw materials	Short to long term	Small	Strengthening procurement of certified raw materials in consideration of the environment and human rights, etc.
			Life	Increased demand for yield-boosting agricultural materials	Long term	Medium	The field of crop protection materials, development of products related to smart agriculture, etc.
		Improved external evaluation	All	Improved reputation for leadership in response to climate change	Short to medium term	Small	Disclosure of information on initiatives, etc.

* The degree of impact of risks and opportunities and the projected size of the impact on profit is: Large, 2 billion yen or more; Medium, 500 million yen up to 2 billion yen; Small, less than 500 million yen.

Addressing the Environment

Environmental Preservation

To realize a sustainable society, we engage in environmentally friendly business activities ranging from procurement of materials to manufacturing and disposal, management of water resources and control of chemical substances, etc.

Management of water resources

The ADEKA Group uses large quantities of high-quality fresh water as a raw material for food products and chemical products, as cleaning and cooling water for production facilities, and as a source of steam generated by boilers, which makes water resources indispensable for the Group.
Tap water in Japan is regulated by laws and ordinances, which specify water quality standards, standard values, and frequency of analysis. We only purchase tap water that meets these standards.Overseas, water quality standards, standard values, and frequency of analysis are based on local laws and regulations, and we only purchase tap water that meets these local standards.

Water risks

The ADEKA Group evaluated the physical and transitional risks for water resources by business and region as part of our scenario analyses based on TCFD recommendations. We are using the Aqueduct Water Risk Atlas to evaluate water stress under the 4°C scenario for climate change. The results of the analysis indicated stagnation of production activities and logistics due to severe wind and flood damage as a shared risk for all facilities, and water shortages for plants as a risk for some facilities. We are strengthening advance response and thereby sustainable business management by reviewing inventory levels, consideration of multiple procurement sources, securing emergency water for plant use, considering water recycling measures, and other measures to avoid the impact of water risks.

Control of Chemical Substances

As a company with plants that manufacture chemical products, we strictly control the manufacture, use, and other types of handling of hazardous chemical substances. We comply with domestic and international laws, regulations, and other ordinances related to the environment, and endeavor to better protect the safety and health of people and the environment by reducing chemical substances that have a negative impact on the environment.

- Chemical substances contained in raw materials and packaging materials
Chemical substances are identified by a SDS (safety data sheet) obtained from our suppliers. Through risk assessments, we quantitatively analyze and evaluate the impact and risk of our products and manufacturing processes on human health and the environment, such as rivers and streams. For high-risk substances, we take both hard and soft measures to reduce risk to an acceptable level as defined by our internal standards.

- Outsourcing of manufacturing
We have established an item on the supplier environmental audit checklist to check the status of compliance with environmental regulations. We also monitor the status of conformity through periodically conducting second-party audits and check that there are no discrepancies with our own policies.

- Wastewater treatment process
We manage and operate treatment facilities that comply with stricter internal standards than the standard values for pollution indicators established in related laws and regulations. We manage the treatment process to make sure that water is not released outside the plant in the event that such values are higher than the standard.

- PFAS regulations
The Stockholm Convention on Persistent Organic Pollutants calls for the gradual elimination of certain Perfluoroalkyl and Polyfluoroalkyl substances (PFAS) and addition of these "forever chemicals" to substances restricted under the treaty. The ADEKA Group is responding to this by gathering accurate information on domestic and international laws and regulations and strengthening our system of managing regulatory response.

Resource Recycling

To utilize limited resources effectively, ADEKA works to reduce the amount of industrial waste generated, recycle it, and reduce final disposal volume. We also contribute to the creation of a recycling society by recycling products.

Initiatives to reduce the amount of industrial waste generated

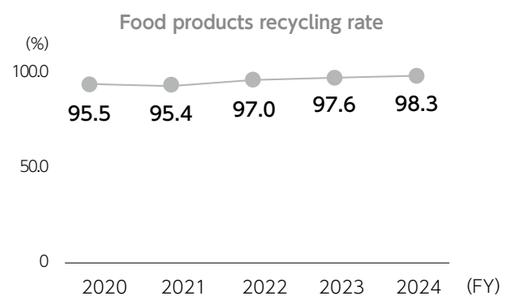
We strive to reduce the final disposal volume of industrial waste generated from our business activities and have set our own zero emission rate at less than 0.1%.
In addition to controlling the amount generated, the amount of waste generated in FY2024 was reduced due to a decrease in production volume, etc.

Activities to reduce waste plastics generated

ADEKA is working to calculate and reduce the amount of waste plastics generated by the use of containers and packaging materials in the manufacturing process (Reduction target: 1.0% YoY).

Recycling of food resources

As a company with food processing plants, we strive to increase the percentage of food recycled. In FY 2024, our food products recycling rate was 98.3%.



Conserving Biodiversity

As a beneficiary of ecosystem services, the ADEKA Group develops products and engages in activities that take biodiversity into consideration in order to protect biodiversity, which is the foundation of the Earth's sustainability.
As an example, we have participated in the environmental monitoring of surfactants in urban river water conducted by the Japan Soap and Detergent Association since 1998 to assess the environmental risk of surfactants to the ecosystem in rivers around cities where household wastewater is expected to enter. The results of previous studies have consistently shown that the risk of these surfactants to aquatic organisms is low.
We have also established the ADEKA Group Biodiversity Policy and pursue initiatives aimed at conserving biodiversity.

ADEKA Group Biodiversity Policy

1. Consider biodiversity when procuring naturally derived raw materials.
2. Promote activities for conserving biodiversity at our business premises.
3. Strive to develop biodiversity-oriented products.
4. Work in collaboration with local communities.

Respect for human rights

ADEKA's Basic Approach to Human Rights

The ADEKA Group has established the ADEKA Group Human Rights Policy as its basic approach to human rights based on international norms such as the Universal Declaration of Human Rights and the United Nations Global Compact, as well as the ADEKA Group Code of Conduct. Based on this policy, the ADEKA Group will respect the human rights of all people involved in all aspects of its corporate activities, fulfill its responsibilities as a company, and contribute to the realization of a sustainable society.

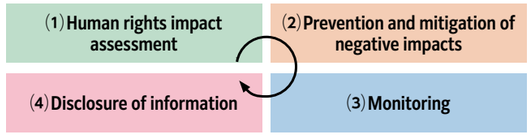
▶ ADEKA Group Human Rights Policy https://www.adeka.co.jp/csr/en/human_right.html

Promotion Structure

Our internal cross-organizational Human Rights Subcommittee plays a central role in planning and promoting initiatives aimed at respecting human rights (Members: Legal Affairs & Publicity Department, Purchasing & Distribution Department, and Human Resources Department; Subcommittee Office: Corporate Planning & Strategy Division). The policy on company-wide initiatives relating to human rights is formulated by the Human Rights Subcommittee and approved by the Sustainability Promotion Subcommittee and the Sustainability Committee, which is chaired by the President and CEO. Each department also pursues various kinds of initiatives relating to human rights.

Pursuing Human Rights Due Diligence

Respect for Human Rights is one of the Sustainability Priority Issues of the ADEKA Group and we pursue initiatives based on the UN Guiding Principles on Business and Human Rights. We began performing human rights due diligence in July 2024 and plan to perform due diligence on all business domains by FY2026 to promote initiatives directed at human rights throughout the supply chain, from the perspectives of enhancing corporate value and sustainable growth. We will continue to maintain and strengthen the structure for performing human rights due diligence and implement initiatives.



Human rights due diligence* process

* Refers to a continuous cycle of identifying human rights issues and risks, responding to them, evaluating the response, and disclosing information on the process.

1 Human rights impact assessment

In FY2024, we conducted a human rights impact assessment of Group businesses and supply chains and identified risks that could negatively affect human rights, while seek-ing the advice of external experts. The results of that assessment indicated that, while there were differences in the specific human rights risks in each business domain, no significant differences were observed in the number of human rights risks requiring prioritization. We then selected the Chemicals business (Polymer Additives, Semiconductor Materials, and Environmental Materials), which has numerous stakeholders.

A risk assessment*1 was performed, taking internal and external literature*2 surveys, advice of external experts, and opinions of relevant internal personnel into consideration, and resulted in specification of human rights issues that should be addressed as a high priority (see the table below).

*1 National Action Plan on Business and Human Rights, Guidelines on Respecting Human Rights in Responsible Supply Chains, etc.
*2 Please refer to Reference Materials on Practical Implementation of Respect for Human Rights in Responsible Supply Chains regarding the degree of severity, potential for occurrence, and relationship to the company.

Chemicals Business - Top Priority Human Rights Issues

Risk type	Main risk	Stakeholders who could be harmed by violation of human rights		
		Employees	Suppliers	Consumers and local communities
Occupational safety and health	Personal harm from hazardous work, improper labor conditions, etc.	✓	✓	
Long working hours	Inducement of health problems, negative impact on people's lives	✓	✓	
Harassment	Psychological and physical pain from various kinds of harassment	✓	✓	
Discrimination	Negative impact on employment, treatment, and work performance from discrimination on the basis of gender, work format, religion, ethnicity, etc.	✓	✓	
Child labor and forced labor	Violation of basic human rights by forcing people to work in ways contrary to their own free will		✓	
Insufficient relief mechanisms	Negative impact from various non-functional consultation hotlines			✓
Product safety	Damage and negative impacts on health during product use			✓
Negative impact on life	Negative impacts on life caused by environmental pollution, noise, foul odors, etc.			✓
Privacy violations	Leakage and loss of personal and customer information			✓

2 Prevention and mitigation of negative impacts | Key Themes in FY2025

Based on the results of the top priority issues in Table 1, we are currently positioning (i) and (ii) in the table below as key themes and are focusing on addressing them.

Key theme	Description of initiative
[i] Reassessment of initiatives relating to occupational safety and health	・From the perspective of respect for human rights, communicate with employees (including non-fulltime employees), confirm improvements, and share them with everyone, via the Safety Quartet on page 34.
[ii] Strengthening supply chain management	・Obtain agreement from business partners on the ADEKA General Purchase Policy and the ADEKA Purchase Guidelines.* ・Conduct surveys targeting business partners using the CSR Procurement Self-Assessment Questionnaire (SAQ), and then provide support to business partners requiring improvements based on the SAQ results.* ・Include a contract provision requiring understanding and cooperation on human rights initiatives in agreements concluded with suppliers, manufacturing subcontractors, and other business partners. ・Confirm that status of human rights initiatives at suppliers.

* For details, see P30 (Business Partner Questionnaires)

Human Rights Training and Awareness-raising Activities

In FY2024, we conducted a video seminar for ADEKA employees (including non-fulltime employees) of the parent company, to raise awareness of respect for human rights and 1,584 employees participated (Participation rate: 85%*). A study session on Business and Human Rights led by an external expert was also held for members of management.

* Percentage of participants out of all eligible employees as of March 31, 2024

Complaint Handling Mechanism

The ADEKA Group has established and operates an internal reporting system for Group employees (including non-fulltime employees). See Page 63 for more information on operation and results of the internal reporting system. We also joined the Japan Center for Engagement and Remedy on Business and Human Rights (JaCER) in April 2024. We have established a system through JaCER's Engagement and Remedy Platform Contact Desk to accept complaints from all domestic and overseas stakeholders of the ADEKA Group and respond appropriately to them. Available in Japanese, English, and Chinese, and anonymous reporting is accepted.

>Complaint Form | JaCER Japan Center for Engagement and Remedy on Business and Human Rights

▶ Japanese (JP) https://jacer-bhr.org/application/form.html
▶ English (EN) https://jacer-bhr.org/en/application/form.html
▶ Chinese (CN) https://jacer-bhr.org/cn/application/form.html

Topic

Stakeholder Engagement

We invited CSO Network Japan to a work-shop on assessing impact on human rights as an external expert and had them participate in discussions. Other opportunities for dialog were also arranged and we engaged in dialog and exchanged information on points to be aware of and issues to focus on in ADEKA Group initiatives on respect for human rights.

Communication on Occupational Safety and Health

The ADEKA Group implements a wide range of initiatives as risk reduction activities, according to the characteristics of each workplace and each employee.
For further details, please take a look at the site report.

Examples:

- Safety inspections are performed by em-ployees working at research centers and manufacturing facilities. They actively gather opinions from people working at these sites and use them to improve equipment and the working envi-ronment.
- Hazard awareness meetings are held by small groups of employees. They work to raise awareness through communication.

Expand opportunities for utilizing human resources

DE&I

ADEKA's basic approach to DE&I

In order for the ADEKA Group to sustainably grow, we aim to create a flexible and resilient organization that is capable of addressing changes. To this end, the promotion of DE&I is essential. We embrace diversity and ensure fairness in the exercise of talent, thereby contributing to the growth of the company.

Overview of the DE&I Project

"Expanding opportunities to utilize human resources" is one of our Sustainability Priority Issues, and we have set the percentage of female managers at 10% (non-consolidated basis) as the KPI for 2030. The DE&I Project was launched as a sub-organization of the Sustainability Committee in 2022. The project is currently pursuing DE&I initiatives focused on female employees, who are in the minority, as a first step toward seeking diversity.

Development of the DE&I Project

Present

2021, Survey phase
- Taskforce team on the advancement of women
- Analysis of present conditions, specification of issues, and decisions on measures

2022–2023, Implementation phase
- Launch of the DE&I Project
- Implementation of measures to promote the advancement of women

2024–2025
- Continuing Phase 2 of the DE&I Project
- Implementation of measures to promote the advancement of women with a focus on equity

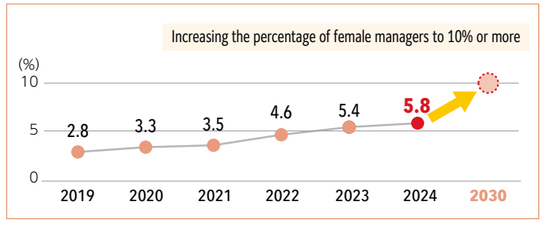
Initiatives in four areas that need to be addressed

Areas that need to be addressed	Measures	Progress and results
Communicating message from top management and information on activities	Raising awareness internally of the importance of DE&I in management strategy	Awareness of the importance of DE&I was raised internally through messages from the President and CEO and displaying posters showing the diversity of employees.
Promoting independent career planning that ensures equitable treatment of men and women	Support for independent career planning by female employees	Follow-up support for promotion exams, provision of opportunities for dialogue with role models, and establishment of an environment which encourages autonomous career development contributed to an increase in the percentage of female managers.
Fostering a DE&I culture	Promoting a change in mindset throughout the entire organization	We worked to create an environment where diverse human resources can demonstrate their capabilities by conducting seminars on the topic of psychological safety and establishing systems.
Realization of the 2030 Vision for each job category*	Solving issues specific to each job category, including correction of numerical minorities.	Having employees in each job category take the lead on issues specific to their roles fostered a sense of responsibility for DE&I.

* "R&D", "Manufacturing", "Sales", "Staff" occupational categories

Increasing the percentage of female managers

The percentage of female managers was set at 10% (ADEKA, non-consolidated basis) as a KPI for 2030 to gauge the status of the advancement of women, and the ratio increased to 5.8% in FY2024. We will continue to pursue DE&I to promote the advancement of women.



Main activities(Target: ADEKA non-consolidated)

●Communication of visible messages from top management

We produced posters and posted them in each office to better familiarize everyone with DE&I.
The posters feature the President and CEO with employees of many different backgrounds, including different genders, occupational categories, ages, and nationalities. The attention-grabbing phrase, "The synergies of diversity will build the future—creating a flexible, resilient organization through DE&I, "also reflected the thoughts of DE&I Project members. This initiative raised employees' awareness of DE&I and encouraged them to take the initiative to make it their own.

DE&I poster

The synergies of diversity will build the future—creating a flexible, resilient organization through DE&I

●Establishment of a new personnel evaluations that respect diversity

To raise awareness of DE&I throughout the company, we established a new evaluation category relating to DE&I (respect for diversity) to set targets for employees in non-managerial positions.* We aim to have every employee see DE&I as their own personal issue by ensuring that daily efforts on DE&I impact their own evaluations.

* Already established for managerial positions in FY2022.

●Exchange Meeting and Communication

In FY2024, we held an exchange meeting for managers to build relationships that will lead to higher motivation of subordinates and create cross-organizational connections among managers.
This meeting was held in a hybrid in-person and online format, enabling 34 people in total to participate from the head office, plants, and other facilities. Participants gave it an extremely high satisfaction rating of 3.9 out of 5 points and the meeting provided participants with an opportunity to learn about topics such as the importance of communication with subordinates and about unconscious biases and ways to counteract them.

Photo of the exchange meeting

●Verifying effectiveness and analysis of current status

We have conducted a DE&I survey to verify the effectiveness of past measures and extract issues.
This resulted in a high positive response rate* in all categories, and we judged this to mean that steady progress is being made on creating an environment where women and every other employee can achieve personal success. The DE&I Project, which is in its fourth year since it was launched, will continue to promote activities aimed at further growth of the ADEKA Group.

Results of the DE&I survey

Category	Full-time employee positive response rate FY2024
System	71%
Work environment	76%
Evaluation and support by superiors	85%
Personal aspirations	66%
Company stance on DE&I	68%

Coverage	ADEKA employees (excluding Group employees,secondees, and employees on assignment)
Number of responses	1,454
Response rate	80%*
Survey method	Anonymous, Web survey

* Percentage of respondents out of all employees eligible to take the survey, as of March 31, 2024

Human Capital Enhancement

Message from the Officer in Charge

Accessing innovation through investment in human capital

Representative Director
and Senior Managing Executive Officer
Haruhiko Tomiyasu

We aim to realize ADEKA VISION 2030, our vision of becoming "An Innovative Company Contributing to a Sustainable Future and Affluent Lifestyles." To realize our vision and strive for sustainable growth of the ADEKA Group, I think it is essential to expand our human capital by recruiting and developing diverse talent without respect to gender, age, nationality, or other personal attributes, and build and operate various kinds of personnel systems. We aim to create and improve business value and, by extension, further enhance corporate value, and will continue to actively invest in human capital so every employee can achieve personal success and contribute actively.

Pursuit of Human Capital Management Aimed at Enhancing Corporate Value

Human capital is our source for realizing ADEKA VISION 2030 as the business environment surrounding the ADEKA Group changes at an accelerating pace. The ADEKA Group, based on its basic philosophy that "human resources are 'human assets," actively and multilaterally invests in human resources.
We aim to promote the allocation and development of our greatest management resource, our human resources, to ensure the sustainable growth of the Group by strengthening human capital management and linking it to our management plan. Our goal is to maximize corporate value by creating a positive cycle in which improvement in employee engagement produces profit through high performance, which is then reinvested in human and various other kinds of capital.

Cornerstones of Our Human Capital Strategy

We are implementing the following three measures as the cornerstones of our human capital strategy.

1. **Achieving the right people at the right time and in the right place**
2. **Strengthening the Global Human Resources Development System**
3. **Increasing Investment in Human Resources and Engagement**

1 Achieving the right people at the right time and in the right place

ADEKA manages human capital through personnel systems centered on roles. To continue to create and provide value as a company, we encourage every employee to not just be satisfied with their current roles and take on the challenge of higher roles.
As the values and workstyles of employees become more diverse, the ways they think about their careers are also becoming more diverse and it is necessary to focus more on the individual qualities of each employee in thinking about job assessments and career development. We have therefore introduced a talent management system as a core system to accomplish that. We will use this talent management system to strengthen human capital management and tie it to the growth of both our human resources and our businesses.

●Main initiatives and results in FY2024

- We incorporated a benefit system according to the requirements of each person's role in our continuing employment (re-employment) program after reaching the mandatory retirement age. It is the same type of system used prior to retirement and this system is now being implemented.
- We are working on visualizing information on employees through the talent management system.

●Ensuring diversity

Based on the belief that securing and strengthening diversity in human resources will create a flexible and strong management foundation that is resilient to changes in the environment and lead to the sustainable growth of ADEKA Group, we have created working environments where each individual, regardless of gender, age, or nationality, can make the most of their individuality and demonstrate their abilities. We strive to increase understanding and foster a culture of mutual respect through the company by also conducting regular training sessions on diversity.
A shorter working hours system with 15-minute increments that employees can use until the end of their child's 6th grade year and an expanded system of time off to care for sick children, etc. have been established as systems to help employees balance childcare and work. We promote flexible workstyles that enable all employees to balance life events and their careers, regardless of gender, and this system is implemented without respect to time or place.
These initiatives have established an environment where both male and female employees can participate in childcare while continuing their careers, and the percentage of men taking childcare leave is increasing steadily.

- Career advancement of women: Ratio of Female Managers is 5.8%*
  We are promoting personnel rotations, strengthening internal training, recommending participation in external training, and pursuing measures in the DE&I Project Team aimed at career advancement (for more information, see P55-56).
- Employment of people with disabilities: The employment rate for people with disabilities was 2.54% as of the end of FY2024*
  We are actively working to employ people with disabilities from the perspective of fulfilling our corporate social responsibilities and in light of the fact that the statutory employment rate will increase gradually.
- Employment of foreign nationals: 16 employees are foreign nationals*
- Employment of people of retirement age: 84 employees are 60 years old or older; 57 of which are retirees who have been reemployed*
  A system has been established to enable employees aged 60 and over to adjust the days they work.

■Childcare and Nursing Care Leave Acquisition Rate under the Act on Childcare Leave/Caregiver Leave (male employees)

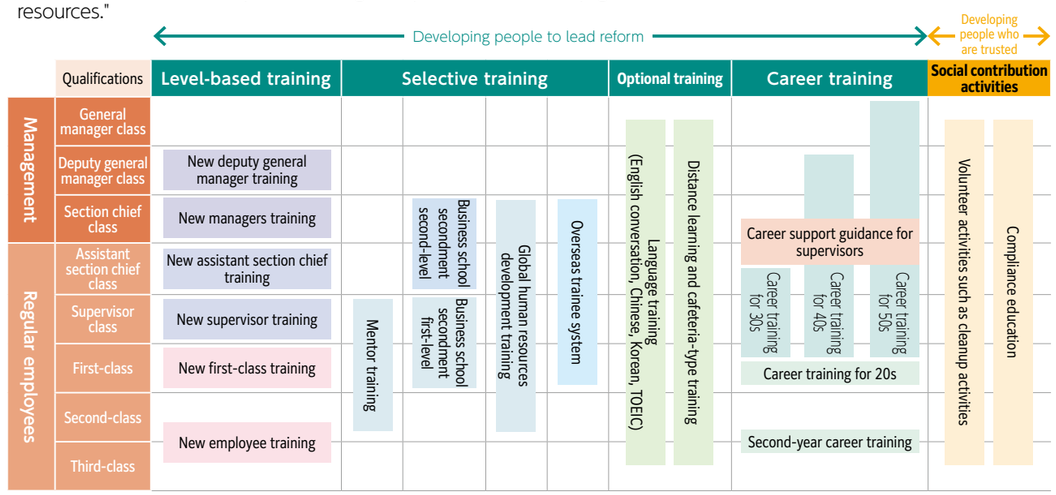
	FY2022	FY2023	FY2024
Childcare leave acquisition rate for male employees*	49.1%	57.4%	86.8%

* ADEKA Corporation, non-consolidated

Human Capital Enhancement

ADEKA's Human Resource Development System

Guided by the recognition that employees are a key management resource, we consider "human resources" to be "human capital" and are working to develop a climate in which all employees think, act, and challenge themselves, and to create an environment in which all human resources can be active. We will continue to invest in human resources who can actively contribute globally to "further develop global human resources and secure diverse human resources."



❷ Strengthening the Global Human Resources Development System

As overseas sales rise as a percentage of our total sales, we think securing and developing human resources who can actively contribute globally according to market needs and business expansion is essential for ADKEA to achieve further growth.

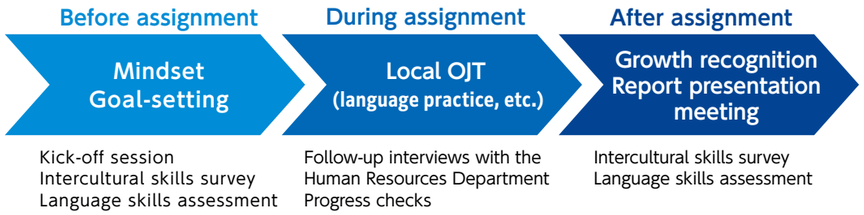
●Global human resources development training

Our global human resources development training program for candidates for executive management positions in overseas Group companies provides language lessons in addition to training in marketing, finance and accounting, labor management, and other aspects of business. One hundred and ten candidates completed this training program from 2017 to 2022. We intend to provide this training again in FY2025 and thereafter, after improving the content for developing the next generation of talent.

●Overseas trainee system

An overseas trainee system has been established as part of global human resources development. The overseas trainee system gives employees selected from among eligible young and mid-career employees to gain practical experience at overseas sites for periods ranging from six months up to a maximum of two years.
Unlike normal overseas postings, the focus is placed on human resource development and trainees meet regularly with the Human Resources Department during the period to set training goals and reflect on progress, according to their individual career needs and circumstances. One trainee was dispatched to a site in South Korea in FY2024. We plan to expand this system with a view to developing candidates for overseas postings and global leaders in the future.

■Program



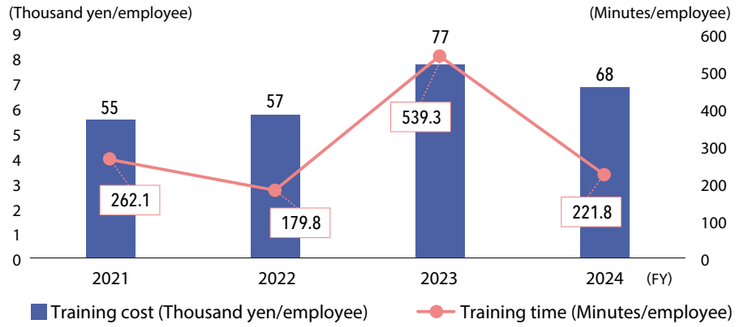
❸ Increasing Investment in Human Resources and Engagement

Investment in human resources

●Status of investment in human capital

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

■Training Cost and Training Time per Employee



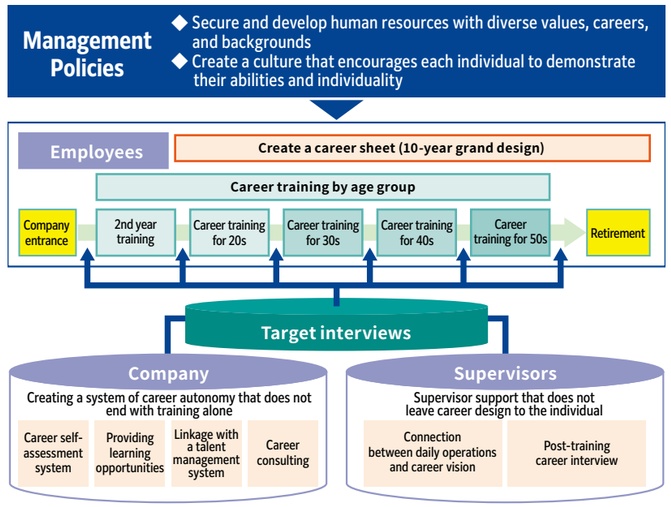
■Main Training Content

FY2021	FY2022	FY2023	FY2024
・Level-based training ・Health management and diversity training ・Personnel system follow-up training	・Level-based training ・DE&I training	・Career training ・Level-based training ・DE&I training	・Career training ・Level-based training ・DE&I training ・Company-wide managers training

* In FY2023, training was provided to all employees along with the introduction of the career training system.
In FY2024, we began providing career training to eligible employees by age group and training costs and training time both decreased from FY2023.

●Career training system

As employees' sense of values and workstyles become more diverse, the career vision of each employee is also growing more diverse.
The age group-based career training system was introduced in FY2023 as a way to encourage independent career planning by employees and provide seamless follow-up from the time an employee enters the company to their second career after retirement, in addition to assuaging the concerns of each employee over their personal growth and work. Two hundred and eighty four employees received this training in FY2024, the second year of the training. We are improving the training further by having participants meet with their superiors after completion. We plan to continue to conduct career training by age group in which employees will consider career design as their own personal matter and to raise awareness of the importance of working on their ideal state in a few years' time.



Human Capital Enhancement

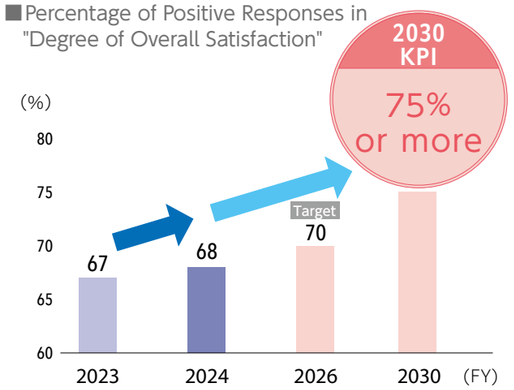
Engagement Survey

●Implementation and use of the Engagement Survey

In order to continue creating and providing value, the ADEKA Group must create conditions where diverse human resources can actively contribute with a sense of assurance. We conduct an Engagement Survey to measure each individual's sense of growth and the strength of their satisfaction with and connection to the company, using the results to inform our initiatives.
One KPI target in the Engagement Survey is a positive overall satisfaction response of 75% or more in FY2030.
Based on the initial survey in FY2023, we recognized the need to increase the overall satisfaction of each employee to achieve the KPI target in FY2024. We communicated messages from top management and conducted career training by age group and various other kinds of training to raise awareness of the "appropriate return of earned profit" and "career-mindedness of each employee."
Overall improvement was seen in the FY2024 survey. The positive overall satisfaction response reached 68% (a one-point improvement over the previous fiscal year), bringing us closer to the KPI target.

Going forward, we will continue to utilize human resource data through the talent management system, invest in human resources through career training by age group and various other kinds of training, and focus on further improving engagement.

■Percentage of Positive Responses in "Degree of Overall Satisfaction"



●Survey categories in the Engagement Survey

The Engagement Survey contained 12 survey categories, including the KPI of positive overall satisfaction response. We will plan and implement measures to improve engagement based on the results in each category.

■Survey Categories

●Initiatives based on the results of the Engagement Survey

Results from past surveys revealed issues such as satisfaction with remuneration, anxiety over personal growth, and a comfortable working environment. We will implement the following measures based on these results.

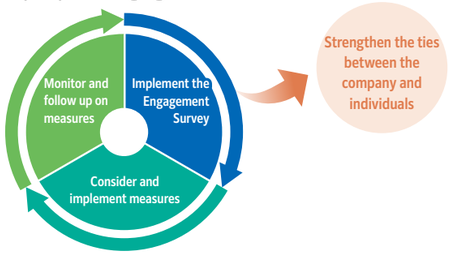
Examples of Specific Measures

Achieving satisfaction with remuneration
- Evaluator/Evaluatee training aimed at improving satisfaction with and fairness of evaluations
- Continuing to provide performance-linked bonuses and generating awareness of this as a return of earning profit

Assuaging anxiety over personal growth
- Continuing to provide career training by age group

Creating a comfortable working environment
- Optimizing employee benefits to make it possible to respond to diverse needs
- Revising the approach to the discretionary labor system and flextime system, and trial operation of an interoffice interval system

■Conceptual Representation of Enhancing Employee Engagement



Future Initiatives
- Returning earned profit
- Conducting evaluator/evaluatee training
- Continuing to provide career training by age group
- Optimizing employee benefits

●Introduction of an Employee Stock Ownership Plan (J-ESOP)

We introduced a J-ESOP incentive plan granting ADEKA stock to employees of ADEKA Corporation and some Group companies.
Every employee must grow in order to strengthen the earning power and achieve sustainable of the ADEKA Group.
Increasing the correlation between the company's stock price and performance and employee benefits and thereby sharing economic benefits with shareholders will heighten the desire and motivation of employees to improve ADEKA's stock price and performance. It will also heighten employees' awareness of participating in management and enhancing corporate value over the medium and long term, enabling them to work with greater motivation than before. We expect this to help further stimulate Group engagement.

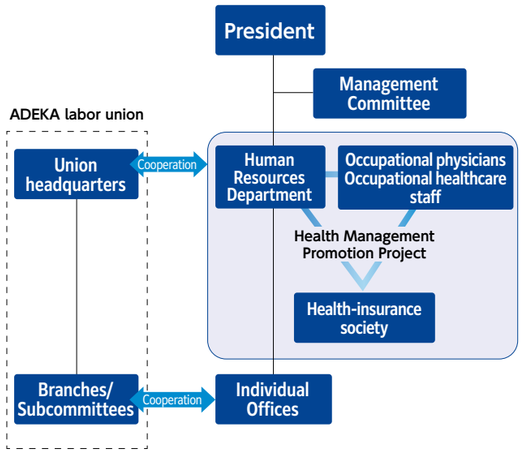
Promoting Health Management

●Purpose of health management promotion

Determined to achieve sustainable growth as a good corporate citizen, ADEKA recognizes it is important to proactively contribute to the advancement of society by addressing social issues through its business activities.As initiatives for "expanding opportunities for utilizing human resource actively," one of our sustainability priority issues, we are focusing on maintaining and improving the health of our employees, who are our "human capital," and the foundation for their lively work, and on creating a healthy work environment.

●Health management promotion system

This system is a project under the direct control of the president, in which the Human Resources Department, occupational physicians and healthcare staff, and the health-insurance society are working in unison with the labor union to promote health management.



●ADEKA Group Health Management Declaration

●External evaluation

The Company was certified as an outstanding organization of the KENKO Investment for Health (large enterprise category) White 500 for the first time in 2025.
In the future, we will pursue initiatives aimed at certification of domestic Group companies, a KPI target for 2030.

2030 KPI
Obtain certification for outstanding organization of the KENKO Investment for Health (White 500) (ADEKA Group (in Japan))

2025 健康経営優良法人 KENKO Investment for Health 大規模法人部門 ホワイト500

* Health Management® is a registered trademark of the nonprofit organization Kenkokeiei.

Please also refer to our website for information on Health Management initiatives (Japanese only).
https://www.adeka.co.jp/csr/kenko_keiei.html

Compliance

Group Management Approach and Policy

Based on the ADEKA Group management policies of being "a company that is progressive and dynamic with a keen attitude towards the new changing tide" and "creating a better future for the people of the world," we are managing our Group with the aim of realizing Achieving ADEKA VISION 2030, of becoming "An Innovative Company Contributing to a Sustainable Future and Affluent Lifestyles." One of the basic strategies of our ADX 2026 Mid-Term Management Plan is to establish a resilient management foundation. We have positioned this plan as the second stage toward the realization of ADEKA VISION 2030. To establish a resilient management foundation for the ADEKA Group, we aim to become a company with strong roots by strengthening Group governance and risk management further and building a sound financial base. We view enhancing the integrated strengths of the Group and, by extension, the corporate value of the Group as a whole as our fundamental policy for management of the ADEKA Group. We will achieve this by sharing our management policies and vision, and endeavoring to work with each Group company to achieve our shared mission of contributing to a sustainable society and enriching people's lives. To accomplish this mission, we will strive to improve the resilience of the management foundation by building and maintaining a risk management system that includes our supply chains, in addition to fostering a shared sense of values in the ADEKA Group and strengthening Group governance and compliance.

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

Compliance

The management policies of the ADEKA Group support effective responses to changes in the social and managerial environment. They are intended to realize sound management and harmony with international society by sufficiently protecting stakeholders' interests.
The Group's compliance management is intended to fulfill public expectations and demands through the provision of new value that is useful for addressing social issues. This is done by providing high quality products and services created using ADEKA's unique technologies and through actively communicating with stakeholders, as well as engaging in social contribution activities.

System for Promoting Group Compliance

The Compliance Promotion Committee meets quarterly to implement and monitor compliance at ADEKA.
The committee is establishing a system for instilling the Basic Compliance Policy every department throughout the Company and swiftly collecting information by appointing Compliance Promotion Managers and Compliance Promotion Personnel in each division and branch office.

Strengthening Group Compliance

The Compliance Promotion Committee pursued the following initiatives in FY2024.
(1) Strengthening monitoring activities (conducting a compliance awareness survey of employees stationed overseas and auditing the information security system of Group companies), (2) Strengthening Group compliance activities (Producing materials to promote understanding of the ADEKA Group Code of Conduct in multiple languages and setting the stage for building a global internal reporting system), and (3) Strengthening legal compliance (providing e-learning for those tasked with public whistleblowing response).

Overview of the survey of compliance awareness

- Objectives: To confirm compliance awareness among officers and employees, assess current status, analyze issues, and implement improvements
- Response rate: 98.6%
  (July 2024 implementation. ADEKA Group as a whole 2,635 responses)

Also, a Group Compliance Conference consisting of representatives of major group companies and compliance officers is held twice a year (in March and September). At this Conference, Group companies make efforts to strengthen overall Group compliance by confirming compliance issues at each company and measures to deal with them and by otherwise exchanging information.

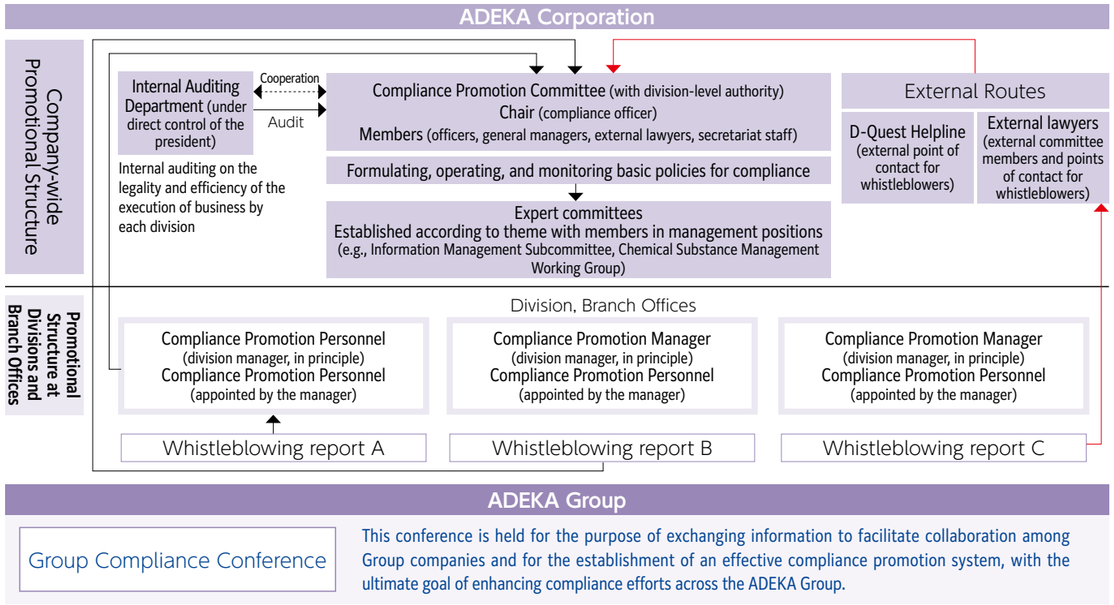
Compliance Consultation and Internal Reporting System

The ADEKA Group has maintained an internal reporting system since 2003. Users can use this system without any disadvantages and with peace of mind. The system employs a reporting system that allows two-way communication while remaining anonymous. Details about the cases and the actions taken are shared with the director serving as full-time Audit and Supervisory Committee member and outside legal counsel, and reported to the Board of Directors.

FY	2020	2021	2022	2023	2024
Reports	9	9	4	10	14

In addition, to respond to the effective implementation of the revised Whistleblower Protection Act, the Compliance Whistleblower Regulations were revised to add provisions such as the designation of whistleblower response personnel and prohibition of out-of-scope sharing. (June 1, 2022)

Compliance Organizational Structure



Compliance with Fair Business Practices and Prevention of Corruption

Fair Business Practices (Anti-Monopoly Act, Subcontract Act)
Each year the ADEKA Group offers seminars on the Anti-Monopoly Act and Subcontract Act, presented by specialists in the field. Employees are also individually encouraged to improve their knowledge of these topics through e-learning.

Bribery and Corruption Prevention Initiatives
Around the world, the legal framework concerning bribery and corruption is being steadily tightened. Examples of pertinent legislation include the Foreign Corrupt Practices Act in the United States, the United Kingdom Bribery Act in the United Kingdom and Japan's Unfair Competition Prevention Act. As exposure of bribery and corruption intensifies, the ADEKA Group is providing employee training and conducting risk assessment and other measures as described above based on the ADEKA Group Basic Policy Against Corruption, related regulations and the ADEKA Group Anti-Bribery Guidelines. Every year ADEKA confirms the progress of efforts by companies to prevent overseas bribery to obtain an understanding of current conditions. To reinforce efforts to prevent bribery and corruption, ADEKA offers e-learning courses and implements risk assessment online.

Tax Matters

As one of the basic and important social responsibilities that companies must fulfill, we comply with the applicable tax laws in each country and ensure appropriate tax payments.

Chemical Substance Management and Export Controls

In addition to complying with laws and regulations related to chemical substances around the world, the Company also responds to the issuance of Safety Data Sheets (SDS) and HS codes (tariff classification numbers) determinations for each country in accordance with the Globally Harmonized System of Classification and Labelling of Chemicals (GHS) in cooperation with its overseas offices. The Chemical Substance Management Working Group was formed in the Compliance Promotion Committee to provide a company-wide cross-organizational response aimed at strengthening the internal safety management system for chemical substances and improving legal compliance and quality control. ADEKA established a Trade Control Committee, a security export control organization under the direct authority of the president of ADEKA. Under the direction of the Trade Control Committee (secretariat: Environmental Safety & Quality Assurance Department), education on security export controls (e-learning) was provided to all employees

Raising Awareness Among Group Employees

Compliance Education
ADEKA provides education and training to employees at various levels, through e-learning courses, level-based training, and training on specific themes, laws and regulations. Moreover, each workplace is required to conduct workplace compliance training tailored to its own unique needs, at least once a year.

Risk Management

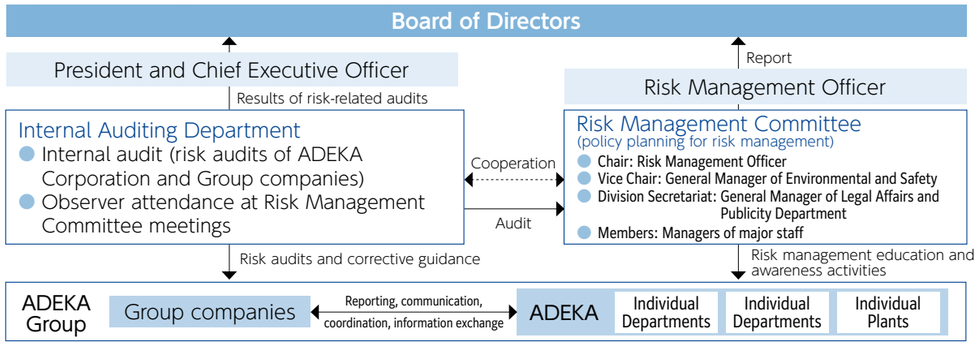
Basic Stance on Risk Management

As business risks increase in the management environment, the ADEKA Group seeks to prevent incidents and minimize the damage they can cause. In one approach, the Group outlined a system for managing risks in the ADEKA Group Risk Management Manual, focusing on prevention and countermeasure efforts.

Risk Management System

The Risk Management Committee, chaired by the risk management officer and with the Legal Affairs and Publicity Department as its secretariat, is composed of department heads of major staff departments and meets twice a year. The committee identifies and assesses risks in each department and operates and reviews the risk management system based on a company-wide enterprise risk management (ERM) system. The ADEKA Group Risk Management Regulations and the ADEKA Group Risk Management Manual have been established and are in operation. When emergencies arise, departments responsible for each risk category are specified based on these manuals and systems are implemented to minimize any damage. In cases of acute emergency and importance, an Emergency Headquarters is activated to coordinate operations and take steps to minimize damage from loss of confidence in the Company. In risk monitoring, each department and implementing office perform a risk assessment, verify information-management, security, and business continuity risks via risk mapping, and examine prevention and mitigation measures. The Group Risk Management Conference was established in March 2023 to strengthen the risk management system.

Organizational Diagram of the Risk Management System



Strengthening Global Risk Management

To ensure the safety and well-being of ADEKA officers and employees who transfer to, study in, reside in, or are seconded to overseas countries and regions, as well as the family members accompanying them, the Group has established the Overseas Risk Management Regulations, Standards on Measures Against Overseas Risks and Safety Guidelines for Personnel Stationed Overseas.

Initiatives in AI Governance

The ADEKA Group will use generative AI to improve operational efficiency and generate ideas, and is working to prevent various risks such as information leaks and infringement of the intellectual property rights of third-parties from materializing. In October 2024, we established Guidelines on the Use of Generative AI, which specify what users must comply with when using generative AI and explain effective methods of use. We require employees to comply with all Company regulations relating to information security and to use generative AI safely and appropriately in their work after making sure they understand the guidelines. The ADEKA Group performs AI governance continuously.

Business Continuity Management

Our Business Continuity Management System (BCMS) Committee takes the initiative on business continuity management to minimize any damage to business assets and enable the continuation or early recovery of business activities in the event of an emergency.

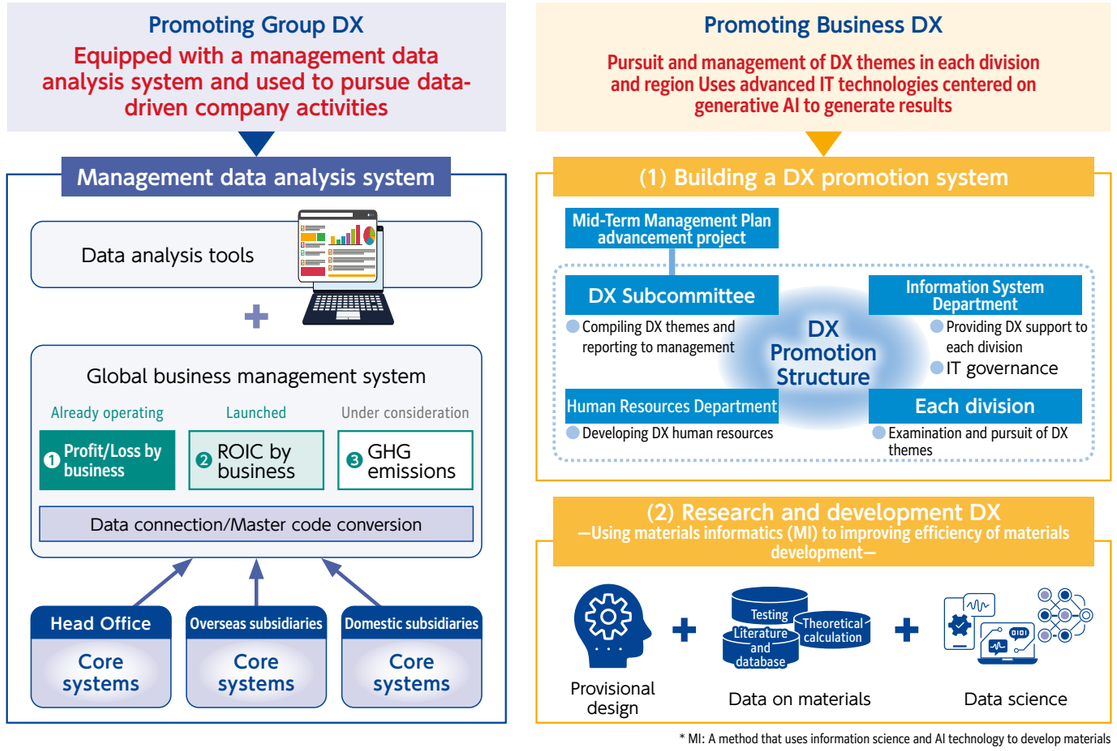
Information Security and Information Management Training

The Information Management Subcommittee, a subordinate body of the Compliance Promotion Committee, plays a central role in carrying out an array of measures aimed at strengthening information security and information management, including measures against hacking, computer viruses, and cyber attacks, and employee education, based on the information security policy and security-related regulations. In fiscal 2024, the company conducted an audit on the status of operation of the information security system and regulations for its domestic affiliates.

DX Promotion and Supply Chain Resilience Enhancement

DX Promotion

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



* MI: A method that uses information science and AI technology to develop materials

Supply Chains Resilience Enhancement

To create a resilient supply chain that protects business continuity even in a rapidly changing environment, we are strengthening procurement and tracking of materials and response to supply chain disruptions, in line our business strategy.
In FY2024, we fortified our multiple purchasing initiative, mainly in rare metals that are especially essential for manufacturing strategic product groups and in dairy ingredients, which continues to suffer from the ongoing adjustment in supply and demand in the food industry as a whole.

- **Supply and tracking of raw materials in line with our business strategy**

  Supply and tracking of raw ingredients
  - Supply and tracking of important raw materials linked to strategic product groups
  - Tracking the country of origin where important raw materials for strategic product groups are processed

  Response to supply chain disruption
  - Purchasing from multiple sources aimed at stable procurement
- **Establishing a risk management system**
- **Response to industry reorganization starting from carbon neutral**

Discussion Between the Chairman of the Board of Directors and External Director

We want the Board of Directors to be able to function as a guide for the company.

Hidetaka Shirozume, President and CEO, and Makoto Horiguchi, External Director, discussed the effectiveness of the Board of Directors and the path that ADEKA should take beyond that.

■ADEKA's Technological and Development Capabilities

Shirozume: ADX 2026, our Mid-Term Management Plan (MTMP) announced in 2024, continues the key strategies in ADX 2023, the previous MTMP, and we have positioned ADX 2026 as three-year period for implementing further reforms. The first year is now finished and analysis shows that the entire company is fortunately performing well. Especially in regard to the key strategy of transitioning to a high profitability structure," I think the transformation into business structure that can produce profit in the previous MTMP provided the leverage enabling ADEKA to become company that can now make that happen.

Horiguchi: This year marks five years since I became an external director in 2021. We engaged in many discussions in Board of Directors meetings when formulating the new MTMP as well.
Since I personally have long experience in sales, I focused on strengthening earning power, which you talked about, President Shirozume, and I have stated my opinions in Board of Directors meetings. Roughly one-third of ADEKA employees are affiliated with the research area and ADEKA is a company with a strong orientation toward research and development. As a well-known chemical materials as treasure manufacturer in Japan, I think it is important for ADEKA to develop new products that transform society and acquire new customers.

Shirozume: I feel exactly the same way. I also have long experience in sales, and would like to focus more on sales capabilities. I actually added the category of Sales and Marketing to the Skill Matrix for Directors after hearing your opinion, Director Horiguchi. To be honest, when you first mentioned it, I wondered if sales was really a skill. However, you pointed out that "Sales is also a great skill." We have exchanged information on sales and development together up to this point, but I gained a fresh recognition of the fact that our products are accepted by the market because ADEKA listens to customers when developing products. I look forward to instilling this approach among those who work on the frontlines of sales.

Horiguchi: I am also focusing on the key strategy of establishing a resilient management foundation. Investment in human capital is especially important. I think it is very important for employees to have a sense of purpose and fulfillment in their work, and for ADEKA to be a company where employees can work energetically for the company and for themselves. I expect you to create an organizational culture or framework where employees perform their work with that feeling. I also think a culture of taking on unique challenges is important. I have felt that way up to now and think ADEKA will be an even better company if we can make it a company where employees can take on new challenges without being blamed for failure and think about the success that lies beyond the failure.
Our corporate slogan, "Add Goodness," is an excellent slogan. I think that everyone will be happy if we can be the company sought by the community by adding good things.

■Frank Exchange of Opinions in Board of Directors Meetings

Shirozume: We receive extremely understandable, straightforward advice from you, Director Horiguchi. You always provide us with numerous insights. I have developed strong views over the course of managing this company. While that is good in some respects, I also sometimes feel that I am becoming rigid in my views. When I receive advice like this, I sometimes suddenly come to my senses.

Horiguchi: I had the impression that ADEKA was an extremely disciplined company. To put it more casually, it is precise in everything. I sense that atmosphere in Board of Directors meetings as well. Your words are also extremely logical and easy to understand, President Shirozume. Moreover, you present your own thoughts only after everyone has expressed their opinions.
They are, of course, mainly about research and manufacturing, so I think the sound corporate culture developed naturally. Still, I want that earnestness to be appreciated. My trust in ADEKA has increased since I became an external director.

Shirozume: As Chairman of the Board, it is important for me to listen carefully to everyone's opinions. On top of that, I make decisions from various perspectives as necessary, and provide explanations and state my own opinion. I take care to speak in a way that gains everyone's understanding so my explanations do not end up being unidirectional statements, and I make an effort to respond politely.

Horiguchi: This year we received a proposal from shareholders on a parent and subsidiary listing and discussed it in a Board of Directors meeting. Directors had varying opinions and I was impressed with how you skillfully managed it as the chairman.

■Improving the Effectiveness of the Board of Directors

Shirozume: We have the directors participate in Board of Directors meetings after having read the Management Committee's materials and other references, but I think there is a definite difference between discussing something after seeing it onsite in person and simply arguing based on desktop opinions. We therefore began a trial effort last year to have all external directors go to plants. We also held a Board of Directors meeting at the Chiba Plant. I think seeing the actual site and meeting there probably increases the depth of discussion.

Horiguchi: Holding a Board of Directors meeting at the Chiba Plant made an impression. As a chemical materials as treasure manufacturer, engaging in discussion after learning about the site carries great weight with us too. When we go to a site, we can see the how obsolete the equipment, etc. is, and understand what sort of process a product flows through to a certain extent. It is also important to be able to see the expressions of people's faces and listen to them at the site. I also took a separate trip to the Kashima Plant.

■Discussion on Nomination and Remuneration

Shirozume: You will serve as the chairman of the Nomination and Remuneration Committee from this year, Director Horiguchi.

Horiguchi: I want to manage the committee in a manner that enables precise explanation of nominations, and of remuneration. To be successful in doing so, it is important for explanations to be transparent and understandable to all stakeholders. I would like to think about this as I listen to the opinions of various people, both inside and outside of the company.

Shirozume: We receive extremely logical opinions from all of the external directors in the process leading up to nomination and remuneration, also in the Board of Directors meetings. I'm committed to ensuring we handle it well, based on this. I believe we have a Board of Directors that is capable of handling this well.

I want all of ADEKA's stakeholders to be happy. Employees do not have happiness handed to them, they must reach out and grab it through their own efforts. I also want to make an effort to ensure that the Board of Directors can function properly as a guide to maximize those efforts. I recognize that this will provide significant momentum to achieve ADEKA's purpose as a corporate group.

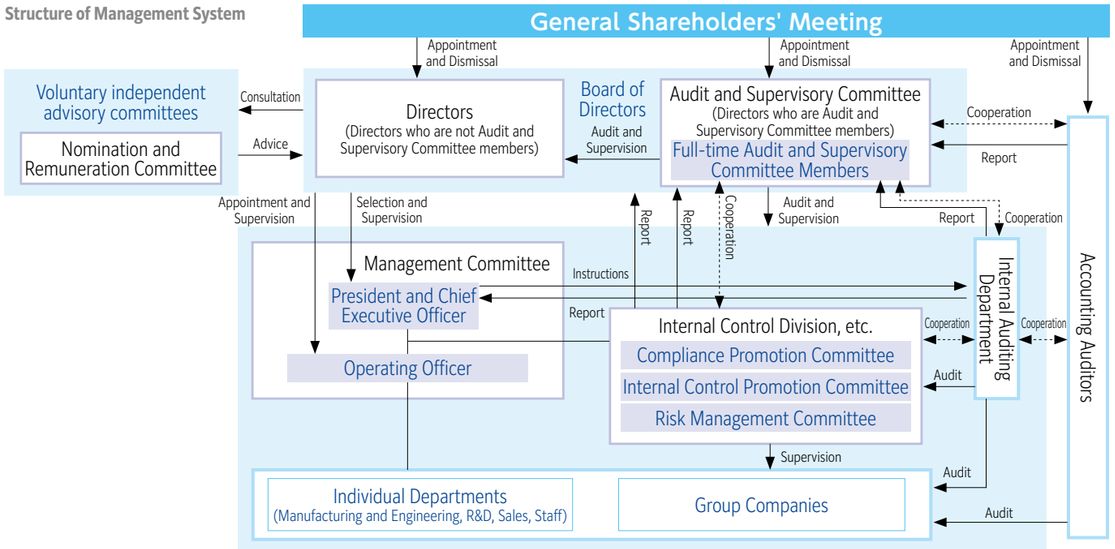
Chairman of the Board　Hidetaka Shirozume

Corporate Governance

Basic Stance on Corporate Governance

The ADEKA Group places top priority on the strengthening of corporate governance in order to realize its mission and management policies, as well as to achieve sustainable growth and enhance its mid-to-long-term corporate value.
ADEKA has repeatedly implemented innovations in governance to enable timely management decision-making and clarify roles (responsibilities and authority) in the execution of operations. At the 161st Ordinary General Meeting of Shareholders held on June 23, 2023, the composition of the Board of Directors was revised to reduce the number of directors (from 16 to 10) and increase the ratio of independent external directors (5 out of 10 are external directors).
At the 163rd Ordinary General Meeting of Shareholders held on June 20, 2025, Yukiko Fujikawa was elected as a new external director, in addition to Ikuko Hirasawa, bringing the number of female external directors to 20% of all directors.
Based on the ADEKA Group Corporate Governance Guidelines, going forward, ADEKA will continue to take committed action to reform its management structure and strengthen corporate governance by establishing a highly effective corporate governance system that allows the Board of Directors, Management Committee, voluntary advisory committees (Nomination and Remuneration Committee) and other bodies, as well as officers and employees, to fulfill their respective roles organically.

Structure of Management System



Audit Framework

Directors who are Audit and Supervisory Committee members survey the status of ADEKA's operations and finances to perform a supervisory function with respect to directors' execution of their duties, based on the auditing policies and division of duties stipulated by the Audit and Supervisory Committee. Also, the Audit and Supervisory Committee maintains close liaison with the accounting auditors and internal auditing segment (Internal Auditing Department), playing a role in improving the auditing functions of each. The internal-auditing results of the Internal Auditing Department are reported to the president and CEO as well as to the Audit and Supervisory Committee, by means of a dual reporting line.

Providing Information and Support to External Officers

The ADEKA Group continues striving to improve its support system for external officers so that they can deepen their understanding of the Group's business activities and make sound decisions. Soon after external officers are appointed, the Group holds an orientation session on its business and financial affairs and provides learning opportunities such as facility tours. Before the Board of Directors meetings, reference materials and overviews on important issues are provided by the secretariat to ensure that external officers are fully briefed and can engage in vigorous and constructive discussion.

—Messages from External Directors—

Not satisfied with the status quo

External Director Shigeru Endo

In recent years, domestic and international conditions have changed at a dizzying pace.Japan was also affected by the extremely turbulent surrounding environment brought about by the COVID 19 pandemic, Russia's invasion of Ukraine, and the Gaza war, from 2020 onward alone. ADEKA's earnest efforts to response to changes resulted in record high performance last fiscal year, despite this environment.I would like to give my honest evaluation of this.
On one hand, future uncertainty is increasing this year due to supply chain disruptions from U.S. trade policy and greater turmoil in the Middle East. Amid these conditions, ADEKA needs to tackle various issues such as pursuing a conglomerate premium, spurring innovation, and promoting the use of DX and AI, based on ADX 2026, our Mid-Term Management Plan. I look forward to continued efforts to engage in more in-depth internal discussions, including in Board of Directors meetings, and to further enhance corporate value this fiscal year.
I think we also need to clearly acknowledge the things that must not change, precisely because of these drastic changes. That is ADEKA's way of being: adding goodness and contributing to society through our core business. Developing human resources is another thing that must not change. While human resources are needed in every era, human resources that will boldly take on the challenges of change in a time of especially drastic changes are assets essential to ADEKA's future.

Aiming for further growth of ADEKA

External Director Naoya Takahashi

One year has elapsed since I became an external director of ADEKA. Because ADEKA is a company with a history stretching back more than a century, it has established an organization and structure. It operates material-related business in a wide range of areas globally and is growing its performance. However, ADEKA has not achieved sufficient results and manifested synergies in some areas.
We need to improve the speed with which we address issues, determine the growth potential of products and businesses and replace non-performers, prioritize investment in growth areas, and accelerate development of human resources, among other efforts. Our ADX 2026 Mid-Term Management Plan is an important milestone, however, it is only a transit point on the path to long-term growth.
As an external director, I will contribute to achieving the growth of ADEKA and enhancing corporate value by monitoring and supervising the activities ADEKA engages in to achieve growth.

Corporate Governance

Overview of Corporate Governance

ADEKA's decision-making follows a process of flexible and thorough scrutiny in combination with the deliberations of the ordinary meetings of the Board of Directors, held once a month; extraordinary meetings of the Board of Directors, convened as necessary; and the Management Committee, which gathers several times a month. In fiscal 2024, the Board of Directors conducted 12 ordinary meetings and five extraordinary meetings for a total of 17 meetings.
To clarify executive responsibilities and powers and provide timely decision-making and efficient management, ADEKA has introduced an operating-officer system. Furthermore, in June 2023, we introduced a delegated executive officer system to further promote the separation of supervision and execution.
The Internal Control Promotion Committee, the Compliance Promotion Committee and the Risk Management Committee conduct deliberations necessary for execution of operations, implementing company-wide measures for enhanced governance, compliance and risk management while striving for appropriate and rational management judgment.

Corporate Governance (as of June 30, 2025)

Item	Our Company
Governance structure	Company with Audit and Supervisory Committee
Chairman of the Board	President and Chief Executive Officer
Number of directors (of which: Audit and Supervisory Committee members)	10 (3)
Ratio of independent external directors/numbers (of which: independent external directors serving as Audit and Supervisory Committee Member).	50%/5 (2)
Ratio of female directors/numbers	20%/2
Terms of directors who are not Audit and Supervisory Committee members	1 year
Terms of directors who are Audit and Supervisory Committee members	2 years
Number of operating officers (of which, also serve as directors)	21 (4)

Supervisory structure (as of June 30, 2025)

	Board of Directors	Audit and Supervisory Committee	Nomination and Remuneration Committee
Chairperson	President and Chief Executive Officer	Internal Director	External Director
Composition	Internal Directors: 5; External Directors: 5	Internal Directors: 1; External Directors: 2	Internal Directors: 1; External Directors: 2
Number of times held (FY2024)	Regular: 12; extraordinary: 5; total: 17	6	5
Objectives	As a decision-making body for business execution, it decides important matters related to corporate management outside the authority of general meetings of shareholders, such as the election and dismissal of representative directors, supervision of directors' performance of their duties, and the issuance of new shares.	Fulfills the supervisory function over the directors' performance of duties by examining the status of operations and assets, and at the same time, works closely with the accounting auditors and the internal audit division (Internal Auditing Department) to improve their respective supervisory functions.	Further enhances corporate governance by improving the fairness, transparency, and objectivity of procedures related to the nomination of candidates for directors and the determination of their compensation, etc.
Main themes	・Progress on Mid-Term Management Plan ・Business strategy, business investment, and M&A ・Organizational restructuring, Group restructuring ・Progress on ESG and sustainability ・Employee engagement ・Status of IR/SR initiatives, content of dialogue with shareholders ・Enhancement of public relations activities ・Capital efficiency and return on invested capital ・Fund procurement ・Risk management and compliance ・Internal control	・Audit and Supervisory Committee audit policy, audit plans, and division of duties ・Appointment of candidates for directors who are Audit Committee members, selection of Audit Committee chairperson, etc. ・Decisions on appointment of Accounting Auditors and consent on remuneration ・Audit plans for audits and reviews by the Accounting Auditors ・Judgment and verification of appropriateness of results, etc. ・Judgment and verification of the appropriateness of the Accounting Auditors' Report on the results of non-assurance services ・Results of the implementation of the audit and Audit and Supervisory Committee's Audit Report	・Approval of proposed nominations of officer candidates for the next fiscal year ・Approval of proposed bonus payments to officers ・Name of officers' bonus ・Approval of revisions to structure ・Revision of Skills Matrix for Directors

Nomination of Officer Candidates

Officer candidates are nominated based on general criteria such as character, discernment, knowledge, experience, and track record. Candidates for the position of external officer are chosen for these attributes and with a focus on independence, but must also hold no more than an acceptable number of other concurrent posts to ensure that they can devote sufficient time to their duties with the Company. Also, before agenda items for the nomination of officer candidates are presented to the Board of Directors, the president and CEO explains in the Nomination and Remuneration Committee that persons expected to be nominated as officer candidates satisfy the conditions in the successor plan and for nomination as officer candidates. The officer candidates are decided by resolution of the Board of Directors, with careful consideration of the opinions and advice of the Nomination and Remuneration Committee.

Drafting and Execution of Succession Plans and Successor Training

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

Incentive Compensation for Officers

ADEKA's incentive compensation for officers is composed of remuneration paid as compensation for performing their duties, (base compensation), bonuses for officers linked to the performance of the company and individuals during the fiscal year (performance-based remuneration), and restricted stock compensation (non-monetary remuneration) as an incentive for medium- to long-term performance and stock price improvement.
Performance-based remuneration is based on the financial results for each fiscal year (consolidated net sales, consolidated operating profit and consolidated profit) and the performance for each fiscal year against the sustainability indicators (net sales of eco-friendly products, GHG emissions) defined in the Mid-Term Management Plan. Bonuses are paid on a particular schedule each year as officers' bonuses and in an amount calculated in overall consideration of a variety of other factors. To provide a remuneration structure that sustainably improves medium-to-long-term corporate value and, by extension, shareholder value, nonmonetary remuneration is provided as restricted stock compensation.

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

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

■ Matters Relating to the Determination of the Details of Compensation, Etc., of Individual Directors

ADEKA delegates the determination of individual director compensation to President and CEO Hidetaka Shirozume. He makes such decisions after consultation with the Nomination and Remuneration Committee and based on its opinion and advice. There are also clear remuneration standards approved by resolution after deliberation by the Nomination and Remuneration Committee. These standards ensure the objectivity of decisions.

Assessment of the Effectiveness of the Board of Directors

Members of the Board of Directors complete a self-assessment questionnaire. Among other aspects, this questionnaire covers the number of members of the Board of Directors, members' diversity and specialization and the items they present for deliberation; the Board of Directors' preparations for each meeting, management of proceedings and vigor of discussion; and the strategic decision-making and supervisory functions of the Board of Directors. The results of the tabulation of these questionnaires are evaluated and analyzed by a meeting of the Board of Directors and external directors only. An overview of the results is disclosed at the end of each fiscal year.

■ Fiscal 2024 Assessment Results

● Summary of Assessment Results

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

● Issues and Responses

Progress on addressing FY2023 issues

Initiatives implemented to address the issues of "enhancing post-meeting reporting" and "expanding opportunities to know and feel the workplace" included building and employing mechanisms for post-meeting reporting and expanding opportunities for external directors for on-site inspections. These measures resulted in a positive evaluation in the FY2024 Assessment of the Effectiveness of the Board of Directors.

Issues in FY2024

In FY2024, "securing time for discussion" to provide for more in-depth discussion of management strategy and other important matters was identified as an issue. To secure time for discussion, the operational aspects of Board of Directors meetings were examined and improved by simplifying the explanation of proposals on the day of the meetings and conducting efficient meetings. To provide more opportunities for discussion by the Board of Directors, we are considering ways to arrange more opportunities to engage in more in-depth discussions than before concerning issues arising from changes in the environment (business portfolio, ROIC-based management, investments in new businesses, etc.) when reporting progress on the ADX 2026 Mid-Term Management Plan during regular Board meetings.

Reasons for Having the Life Sciences Business in Our Portfolio

ADEKA has specified the field of life sciences as a business area that we should focus on.NIHON NOHYAKU CO., LTD. was included as a consolidated subsidiary in 2018 as one measure aimed at strengthening mutual cooperation and manifesting integrated strengths in the Group.
We have added the agrochemical business to our portfolio to accelerate expansion of the Life Sciences business. We want to contribute to the solution of global food issues and, by extension, to the solution of various social issues such as health and food safety and security by combining and integrating the technologies of both companies.

Measures to Ensure the Effectiveness of the Governance Structure of the Listed Company, NIHON NOHYAKU CO., LTD.

In accordance with the capital and business alliance agreement, ADEKA respects the autonomy and independence of Nihon Nohyaku Co., Ltd. in management. As the parent company, we also exchange information with the company as needed, and provide advice and other support on strengthening corporate governance, compliance, and the system of internal controls. ADEKA is not directly involved in decision-making and management decisions by management of Nihon Nohyaku Co., Ltd. However, as the parent company, we do ask the company to report in advance, only on important matters, to ensure governance.
Nihon Nohyaku Co., Ltd. has established a Governance Committee led by an independent external director, and has Board of Directors comprised of a majority of independent external directors and chaired by an external director. The company is endeavoring to further improve transparency of the Board of Directors and enhance the effectiveness of supervision through these and other means.

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

Corporate Governance

Skills Matrix for Directors

The Company strives to ensure the diverse values and expertise of the members of the Board of Directors with fairness and a broad perspective when nominating candidates for Director in order to respond vigorously to change in the business environment and social issues.
We establish a skills matrix for the knowledge and experience of Directors, which is necessary in light of our management policies and strategy, and use it to confirm the skill balance of the members of the Board of Directors, as well as to provide information to shareholders.

The latest skills matrix is available on our website at the following link.
▶https://www.adeka.co.jp/en/company/profile.html

Name	Title	Knowledge and Experience that the Company Expects of Directors							
		Corporate Management	Sustainability	Global	Financial Strategy and Accounting	HR Management	Research, Manufacturing Management, and Technology (including IT/DX)	Sales and Marketing	Governance and Risk Management
Hidetaka Shirozume	President and Chief Executive Officer, Representative Director	●	●	●				●	●
Haruhiko Tomiyasu	Representative Director and Senior Managing Executive Officer	●			●	●		●	●
Youji Shiga	Director and Managing Operating Officer				●		●		●
Kiyoshi Masamune	Director and Operating Officer		●	●			●		●
Shigeru Endo	Director [External/Independent]			●		●			●
Makoto Horiguchi	Director [External/Independent]	●		●				●	●
Naoya Takahashi	Director [External/Independent]	●		●			●		●
Koichi Taya	Director, (Full-Time) Audit and Supervisory committee member (Chair)							●	●
Ikuko Hirasawa	Director, Audit and Supervisory Committee Member [External/Independent]		●						●
Yukiko Fujikawa	Director, Audit and Supervisory Committee Member [External/Independent]		●		●				●

Reasons for skills selection

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

*1 Equivalent company is defined as a company of a size equivalent to a publicly listed company. *2 Work experience is defined as having been engaged in an applicable business as the main business for a minimum of three years. *3 Management experience is defined as having held the title of department head or higher in charge of the applicable business. *4 Advisory experience is defined as whether or not the individual has performed advisory work in the applicable business outside of the Company. *5 Response to the 14 crisis items specified in the ADEKA Group Risk Management Manual

Messages from the Audit and Supervisory Committee Members

Director
Full-time Audit and Supervisory Committee Member

Koichi Taya

Auditing and Supervision, May it be Clear

Three years have elapsed since I became a full-time Audit and Supervisory Committee member in June 2022.
During this time, I have attended the main internal meetings, examined ringi proposals, monthly reports, meeting minutes, and other materials, performed onsite inspections of domestic and overseas affiliates, plants, and facilities, and other audit activities, and discussed matters as a member of the Audit and Supervisory Committee.
Through these activities, I have checked the status of corporate governance of the ADEKA Corporation and the ADEKA Group, and proposed improvements to the executive side when I have discovered an issue.
Through audits, I have also confirmed whether risks are being firmly focused on and whether risks are being handled appropriately.
As a full-time Audit and Supervisory Committee member, I am especially conscious of being fair, honest, and forthright, and having a good understand of frontline sites and practical implementation.
To increase the effectiveness of audits, it is important for Audit and Supervisory Committee members to earn trust. Both of these points are prerequisites for earning the trust of entity being audited.
In my case, I joined the company around 40 years ago and have accumulated diverse experience since then.
I think one of my responsibilities is to achieve further growth of ADEKA, which has been built up by numerous predecessors, and pass it on to the next generation through my duties as an Audit and Supervisory Committee member.
I will make every effort to live up to the expectations of shareholders and other stakeholders.

External Director
Audit and Supervisory Committee Member

Ikuko Hirasawa

Strengthening Group Growth and Governance

The role of an Audit and Supervisory Committee member is to supervise directors to make sure they are executing their duties appropriately and thereby contribute to enhancing corporate value.
In ADEKA Board of Directors meetings, we engage in robust discussions on the ideal form of Group Governance in relation to having both the parent company and a subsidiary listed, and the optimal supervision of overseas subsidiaries.
I also discuss matters, such as whether a proper system of internal controls has been established and is functioning effectively, directly with the presidents of subsidiaries and others, and have been able to confirm effective functioning through communication with the Accounting Auditors. In regard to DE&I initiatives, I have also been able to confirm through exchanges with DE&I Project Team members that progress is being made on the advancement of women, albeit gradually.
In the future, I will continue to consider the optimal business strategies and the ideal form of governance from multiple perspectives, and strive to make ADEKA a company of even greater understated excellence through effective monitoring and supervision.

External Director
Audit and Supervisory Committee Member

Yukiko Fujikawa

Resonance with and Responsibility for a Corporate Culture that Does Not Fear Challenges

Since I passed the certified public accountant (CPA) exam, I have worked at an accounting auditor and at the Financial Supervisory Agency (now the Financial Services Agency), served as an officer of a private company and public institution, an advisory council member for government ministries and in various other capacities in many organizations. In the course of that, I have come to strongly feel that long-established values in those organizations have a substantial impact on accomplishing the purposes of those organizations. When I first saw the part of the ADEKA Group Management Policies that states "To be a company that is progressive and dynamic with a keen attitude towards the new changing tide," I felt it was a surprisingly aggressive management policy, even for a company with a long history. That organizational culture of not fearing challenges struck me as extremely exciting while, at the same time, made me want to directly confirm whether it was really true.
As a member of the Board of Directors and the Audit and Supervisory Committee, I want to use my own eyes and ears to confirm whether ADEKA is always remembering its astute and aggressive stance to make sure that the ADEKA Group will continue to provide materials as treasure of value, enrich the lives of people around the world, and help to create a sustainable society.

List of Officers

Director

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

President and Chief Executive Officer, Representative Director
Nomination and Remuneration Committee Member
Hidetaka Shirozume
71,500 shares*

Apr 1979 Joined the Dai-ichi Kangyo Bank, Limited (current MIZUHO BANK, LTD.)
Jun 2007 Audit and Supervisory Board Member of the Company
Jun 2009 Director of the Company
Sep 2018 Corporate Auditor of NIHON NOHYAKU CO., LTD.
Jun 2020 Representative Director and Senior Managing Executive Officer of the Company (current position)
Jun 2023 Director of NIHON NOHYAKU CO., LTD. (current position)

Representative Director and Senior Managing Executive Officer
Haruhiko Tomiyasu
54,300 shares*

Apr 1985 Joined the Company
Jun 2018 Director of the Company (current position)

Director and Managing Operating Officer
Youji Shiga
35,200 shares*

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

Director and Operating Officer
Kiyoshi Masamune
15,900 shares*

External Director

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

External Director
Nomination and Remuneration Committee Member
Shigeru Endo
Years in office: 7
0 shares*

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

◆ **Significant concurrent positions**
- Member of the Board, Iwatani Corporation
- President, Kashima L.P.G. Joint Stockpiling Co., Ltd.

External Director
Nomination and Remuneration Committee Chairperson
Makoto Horiguchi
Years in office: 4
6,300 shares*

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

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

External Director
Naoya Takahashi
Years in office: 1
0 shares*

Audit and Supervisory Committee Member

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

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

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

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

External Director (Audit and Supervisory Committee Member)
Ikuko Hirasawa
Years in office: 2
0 shares*

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

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

External Director (Audit & Supervisory Committee Member)
Yukiko Fujikawa
New
0 shares*

* Number of ADEKA shares held
Internal Director / External Director

List of Operating Officers

Hidetaka Shirozume	President and Chief Executive Officer, Representative Director
Haruhiko Tomiyasu	Representative Director and Senior Managing Executive Officer Assistant to the President, Secretarial Department, Human Resources Department, Purchasing & Distribution Department, and Chair of Internal Control Promotion Committee and Risk Management Committee
Yoshiaki Kobayashi	Senior Managing Executive Officer, General Manager, Foods Division
Shigeki Fujisawa	Managing Operating Officer, General Manager, Environmental Materials Division

Atsuya Yoshinaka	Managing Operating Officer, General Manager, Semiconductor Materials Division
Youji Shiga	Director and Managing Operating Officer, Finance & Accounting Department, Information System Department
Naoshi Kawamoto	Managing Operating Officer, General Manager, Polymer Additives Division
Kiyoshi Masamune	Director and Operating Officer, Legal Affairs & Publicity Department, Corporate Planning & Strategy Division, Chair of the Compliance Promotion Committee, Chair of the Capital Investment Committee
Shin Takahashi	Senior Operating Officer, General Manager, Production Division
Yukio Tatsumi	Senior Operating Officer, General Manager, R&D Technology Coordination Division

Kenji Ikeda	Operating Officer, General Manager, Food Development Laboratory
Toru Kajimura	Operating Officer, General Manager, Osaka Main Branch
Masaki Maeno	Operating Officer, General Manager, Polymer Additives Sales Department
Hirohide Kakimoto	Operating Officer, General Manager, Secretarial Department
Hiroto Matsuyoshi	Operating Officer, General Manager, Environmental and Safety Division
Kenji Seki	Operating Officer, General Manager, Semiconductor Materials Sales Department
Takafumi Fujii	Operating Officer, General Manager, Technology & Engineering Department

Mitsutoshi Sasajima	Operating Officer, General Manager, Semiconductor Materials Development Laboratory
Takashi Tokuhashi	Operating Officer, General Manager, Corporate Planning & Strategy Division
Shinichi Ishikawa	Operating Officer, General Manager, Polymer Additives R&D Laboratory
Hidekazu Inaba	Operating Officer, General Manager, Environmental Materials Sales & Marketing Department Ⅱ

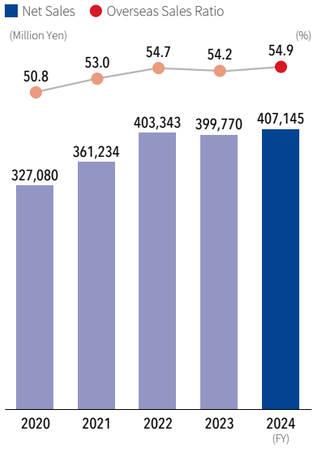
* Current titles are the most up-to-date.
* Brief personal histories are as of June 20, 2025

Consolidated 11-Year Financial Summary/ Financial and Non-Financial Highlights

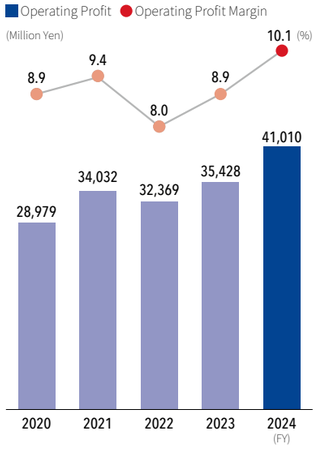
	FY 2014	FY 2015	FY 2016	FY 2017	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022	FY 2023	FY 2024
Net Sales (Million Yen)	205,890	222,746	223,440	239,612	299,354	304,131	327,080	361,234	403,343	399,770	407,145
Operating Profit (Million Yen)	14,009	19,300	21,041	21,335	26,638	22,517	28,979	34,032	32,369	35,428	41,010
Operating Profit Margin (%)	6.8	8.7	9.4	8.9	8.9	7.4	8.9	9.4	8.0	8.9	10.1
Ordinary Profit (Million Yen)	16,506	19,569	21,846	22,337	26,602	21,976	29,270	35,658	32,579	35,763	39,346
Profit Attributable to Owners of Parent (Million Yen)	11,183	13,259	15,325	15,346	17,055	15,216	16,419	23,687	16,778	22,977	25,019
Net Assets (Million Yen)	163,233	170,586	187,956	205,088	244,500	250,634	271,485	296,871	311,709	339,682	351,776
Total Assets (Million Yen)	261,112	270,038	290,485	312,152	414,549	409,452	437,657	475,304	500,068	543,057	543,118
Net Assets per Share (Yen)	1,519.25	1,581.14	1,751.20	1,910.23	1,986.53	2,036.98	2,208.40	2,426.70	2,544.28	2,791.92	2,916.30
Profit per Share (Yen)	108.28	128.38	149.03	149.18	165.78	147.69	159.01	229.65	163.30	224.87	245.55
Equity Capital Ratio (%)	60.10	60.48	61.99	62.99	49.35	51.35	52.11	52.59	52.18	52.5	54.6
ROE (%)	7.47	8.28	8.93	8.15	8.50	7.34	7.49	9.91	6.57	8.4	8.6
ROA (%)	6.6	7.4	7.8	7.4	7.3	5.3	6.9	7.8	6.7	6.9	7.2
ROIC (%)	—	—	—	—	—	—	—	—	7.6	8.3	9.1
Cash Flows from Operating Activities (Million Yen)	17,419	23,806	22,183	22,221	18,331	27,398	36,872	21,072	17,253	41,954	46,235
Cash Flows from Investing Activities (Million Yen)	△12,867	△10,673	△16,666	△19,139	△18,258	△15,228	△14,189	△11,330	△19,520	△23,069	△12,553
Cash Flows from Financing Activities (Million Yen)	△2,813	△4,566	△3,805	△5,825	8,995	△7,496	△6,551	△11,804	△2,618	△4,559	△22,288
Cash and Cash Equivalents at End of Year (Million Yen)	41,697	49,981	50,762	48,902	56,504	60,888	82,121	82,799	79,537	96,901	107,768

Financial Highlights

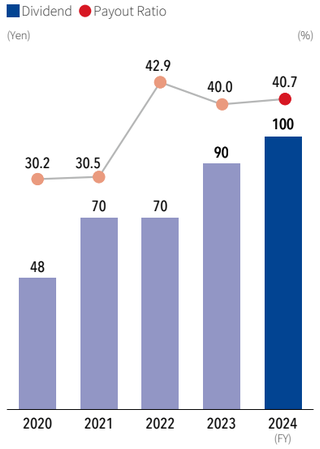
Net Sales/Overseas Sales Ratio



Operating Profit/Operating Profit Margin

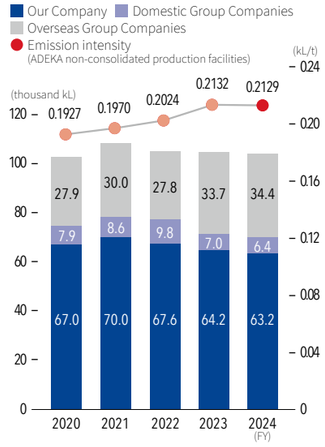


Dividend/Payout Ratio



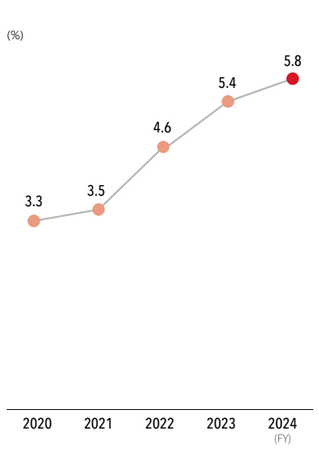
Non-Financial Highlights

Energy Consumption

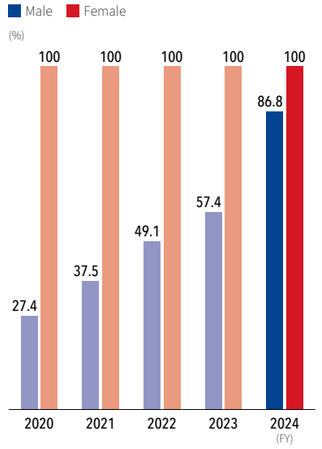


* From fiscal 2020 to fiscal 2022, calculations exclude NIHON NOHYAKU CO., LTD. 's overseas consolidated companies.

Percentage of Female Managers



Childcare Leave-taking Rate



Company Information/Dialogue with Investors

Corporate Profile

Name	ADEKA Corporation
Established	January 27, 1917
Representative	President and Chief Executive Officer, Representative Director Hidetaka Shirozume
Head Office	7-2-35 Higashi-ogu, Arakawa-ku, Tokyo
Domestic Offices	6 sales bases, 7 production facilities, 4 R&D bases

Group Companies	56 companies in 20 countries/regions (Domestic: 19 companies, Overseas: 37 companies) as of July 31, 2025.
Capital	23,048.14 million yen (as of March 31, 2025)
Number of Employees	Consolidated: 5,453 (as of March 31, 2025)
Business	Chemical Business, Food Business, Life Sciences Business, Other Businesses

List of ADEKA Group Companies (as of July 31, 2025)

Domestic Group Companies

ADEKA CHEMICAL SUPPLY CORP. (Tokyo)
ADEKA LIFE-CREATE CORP. (Tokyo)
OXIRANE CHEMICAL CORP. (Tokyo)
ADEKA CLEAN AID CORP. (Tokyo)
ADEKA FINE FOODS CORP. (Tottori)
ADEKA ENGINEERING & CONSTRUCTION CORP. (Tokyo)
ADEKA LOGISTICS CORP. (Tokyo)
ADEKA FOODS SALES CORP. (Tokyo)
NIHON NOHYAKU CO., LTD. (Tokyo)
NICHINO RYOKKA CO., LTD. (Tokyo)
NICHINO SERVICE CO., LTD. (Tokyo)
NIHON ECOTECH CO., LTD. (Tokyo)
AGRIMART CORP. (Tokyo)
TOKYO ENVIRONMENTAL MEASUREMENT CENTER CO., LTD. (Tokyo)
INCUBATION ALLIANCE, INC. (Hyogo)
KS CORP. (Tokyo)
HIGASHI-NIPPON CLEAN AID CORP. (Tokyo)
ACCS CO., LTD. (Tokyo)
NISHI-NIPPON CLEAN AID CORP. (Osaka)

North and South America

AMFINE CHEMICAL CORP. (USA)
ADEKA USA CORP. (USA)
AM STABILIZERS CORP. (USA)
NICHINO AMERICA, INC. (USA)
NICHINO MÉXICO,S. DE R.L DE C.V. (Mexico)
ADEKA BRASIL LTDA. (Brazil)
SIPCAM NICHINO BRASIL S.A. (Brazil)
NICHINO DO BRASIL AGROQUÍMICOS LTDA. (Brazil)
NIHON NOHYAKU ANDICA S.A.S. (Columbia)
NICHINO CHILE SpA (Chile)

Europe

ADEKA POLYMER ADDITIVES EUROPE SAS (France)
ADEKA EUROPE GMBH (Germany)
NICHINO EUROPE CO., LTD. (UK)
INTERAGRO (UK) LTD. (UK)
NICHINO NETHERLANDS B.V. (Netherlands)

Asia/Middle East

ADEKA (CHINA) CO., LTD. (China)
ADEKA FINE CHEMICAL (CHANGSHU) CO., LTD. (China)
CHANG CHIANG CHEMICAL (SHANGHAI) CO., LTD. (China)
CHANG CHIANG CHEMICAL (CHANGSHU) CO., LTD. (China)
ADEKA FOODS (CHANGSHU) CO., LTD. (China)
ADEKA FINE CHEMICAL (ZHEJIANG) CO., LTD. (China)
ADEKA CLEAN AID (SHANGHAI) CO., LTD. (China)
NICHINO SHANGHAI CO., LTD. (China)
CHANG CHIANG CHEMICAL CO., LTD. (Taiwan)
ADEKA FINE CHEMICAL TAIWAN CORP. (Taiwan)
TAIWAN NIHON NOHYAKU CO., LTD. (Taiwan)
ADEKA INDIA PVT. LTD. (India)
NICHINO INDIA PVT. LTD. (India)
ADEKA KOREA CORP. (Korea)
NICHINO KOREA CO., LTD. (Korea)
ADEKA FOODS (ASIA) SDN. BHD. (Malaysia)
ADEKA (SINGAPORE) PTE. LTD. (Singapore)
ADEKA ASIA PTE. LTD. (Singapore)
ADEKA FINE CHEMICAL (THAILAND) CO., LTD. (Thailand)
ADEKA AL OTAIBA MIDDLE EAST LLC (UAE)
NICHINO VIETNAM CO., LTD. (Vietnam)

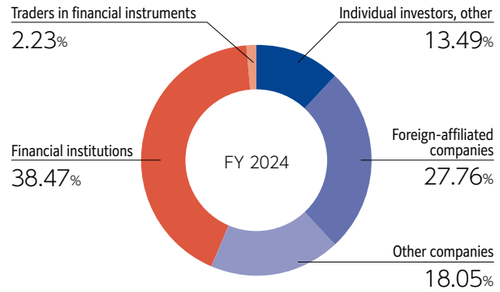
Africa

NICHINO SOUTH AFRICA (PTY) LTD. (South Africa)

Stock Information

Listed on	Tokyo Stock Exchange Prime Market (4401)
Authorized Shares	400,000,000 shares
Shares Issued	103,768,142 shares
Number of Shares Per Unit	100 shares
Number of Shareholders	13,279
Fiscal Year	From April 1 to March 31 of the following year

Status of Shareholdings by Type of Shareholder



Major Shareholders

As of March 31, 2025

Name	Number of Shares Held (thousands)	Percentage of Shares Held (%)
The Master Trust Bank of Japan, Ltd. (trust account)	11,087	10.84
Custody Bank of Japan, Ltd. (trust account)	7,930	7.75
Asahi Mutual Life Insurance Company	4,053	3.96
Mizuho Trust & Banking Co., Ltd. Retirement Benefit Trust, Mizuho Bank Ltd. Account Re-trustee: Custody Bank of Japan, Ltd.	3,770	3.69
ADEKA Business Partners Shareholding Association	3,258	3.19
STATE STREET BANK AND TRUST COMPANY 505001	2,401	2.35
National Mutual Insurance Federation of Agricultural Cooperatives	2,334	2.28
The Norinchukin Bank	2,244	2.19
Zeon Corporation	2,188	2.14
THE BANK OF NEW YORK MELLON 140042	2,161	2.11

* The percentage of shares held is calculated excluding treasury stock (1,504,838 shares).
The 98,800 Company shares held by Custody Bank of Japan, Ltd. (trust account E) as trust assets of J-ESOP are not included in the 1,504,838 shares of treasury stock.

Enhancing Corporate Value through Direct Dialogue with Investors

The Company engages in constructive dialogue with shareholders and investors to enhance corporate value over the medium to long term and actively discloses business plans and other key management information to deepen investors' understanding of ADEKA. The Company also conveys feedback on the opinions and desires expressed through dialogue with investors to senior management, as it strives for constant improvement and maximization of corporate value. We also reference our dialogue with shareholders in preparing the Integrated Report and in considering its structure and content.

Activities Implemented in FY2024

Financial results briefings: 4	The President and Chief Executive Officer attended these briefings to explain business conditions and future prospects every quarter.
Individual business briefing: 1	To provide a better understanding of our business and growth strategy, we held a Semiconductor Materials Business briefing.
Communication with institutional investors	We increased opportunities for dialogue by holding 165 individual IR meetings, 2 small meetings, and 2 plant tours.
Presentations at IR fairs for individual investors: 2	The explanations provided centered on "materials as treasur" that enrich the lives of people around the world and growth strategies. (NIKKEI IR Fair, Nomura Investor Relations Asset Management Fair)
Engagement with institutional investors, etc.: 15	The officer in charge of the Legal Affairs & Publicity Department engaged in dialogue covering a wide range of topics with institutional investors in Japan and overseas.

SUSTAINABILITY DATA BOOK

2025

ADEKA
Add Goodness

Environmental Data

Initiatives for Reducing CO_2 Emissions

Greenhouse Gas Emissions

Unit: kt-CO_2

	FY2020	FY2021	FY2022	FY2023	FY2024
ADEKA	147.6	150.9	139.7	128.5	122.5
Group companies in Japan	14.0	15.5	14.1	13.6	12.4
Overseas companies	91.6	90.8	85.3	78.2	76.3

Greenhouse Gas Emission Intensity Index (from energy consumption)

Unit: t-CO_2/t

	FY2020	FY2021	FY2022	FY2023	FY2024
ADEKA (the manufacturing division)	0.428	0.428	0.435	0.457	0.454
Group companies in Japan (the manufacturing divisions)	0.364	0.411	0.388	0.427	0.369

Breakdown of Greenhouse-Gas Emission Volumes in FY2024 (CO_2 equivalents)

Total				211.2 kt-CO_2
Percentage breakdown	Electric power	40.4%	Non-energy sources	4.4%
	Steam	17.6%	Arising from production processes	4.6%
	Gas	20.8%	Fluorocarbons	0.3%
	Heavy oil and other fossil fuels	11.8%		

CO_2 Emissions and Scope 3 Breakdown

Our consolidated group companies

Unit: kt-CO_2

Scope and category			Emissions
Scope 1			88.7
Scope 2			122.5
Scope 3*			916.5
	Category1	Purchased goods and services	612.0
	Category2	Capital goods	29.2
	Category3	Fuel- and energy-related activities not included in Scope 1 and 2	49.8
	Category4	Transportation and distribution	72.7
	Category5	Waste generated by operations	18.3
	Category6	Business trips	1.0
	Category7	Employee commuting	2.2
	Category9	Transportation and distribution (downstream)	9.4
	Category12	End-of-Life Treatment of Sold Products	121.9

* Scope 3 does not include our six domestic subsidiaries without manufacturing facilities.

Resource Utilization

Raw Materials/Manufacturing Volume

Unit: t

	FY2020	FY2021	FY2022	FY2023	FY2024
Raw material input	192,519	198,710	181,423	178,704	175,134
Manufacturing volume	469,989	483,711	444,539	414,426	412,537

Environment

Energy-Saving Activities

Energy Consumption

Unit: thousand kL

	FY2020	FY2021	FY2022	FY2023	FY2024
ADEKA	67.0	70.0	67.6	64.2	63.2
Group companies in Japan	7.9	8.6	9.8	7.0	6.4
Overseas companies*	27.9	30.0	27.8	27.1	28.6

* Excluding Nihon Nohyaku's overseas subsidiaries

Energy Consumption Intensity

Unit: thousand kL/t

	FY2020	FY2021	FY2022	FY2023	FY2024
ADEKA (the manufacturing division)	0.1927	0.1970	0.2024	0.2132	0.2129

Breakdown of Energy Consumption in FY2024

Total				**63.2 thousand kL**
Percentage breakdown	Electric power	47.4%	Gas	24.9%
	Steam	19.7%	Heavy oil and other fossil fuels	7.9%

Preventing Water Pollution

Usage of Water

Unit: thousand m³

	FY2020	FY2021	FY2022	FY2023	FY2024
ADEKA	11,657	12,280	11,943	11,359	11,077
Group companies in Japan	531	615	370	328	775
Overseas companies	455	470	461	455	457

Usage of Water (by source)

Unit: thousand m³

	FY2020	FY2021	FY2022	FY2023	FY2024
Tap water	640	616	594	590	586
Groundwater	6,048	6,897	6,197	5,841	6,004
Brackish surface water/Seawater	2,745	2,952	3,384	3,154	3,035
Surface water (rivers, lakes, etc.)	0	0	0	0	0
Industrial use water	2,953	2,672	2,368	2,339	2,458
Other (pure water)	256	229	231	219	226

Water Discharge

Unit: thousand m³

	FY2020	FY2021	FY2022	FY2023	FY2024
ADEKA	9,388	10,130	10,643	9,910	9,605
Group companies in Japan	415	518	336	304	722
Overseas companies	295	338	270	269	286

By Drainage Destination

Unit: thousand m³

	FY2020	FY2021	FY2022	FY2023	FY2024
Rivers, lakes, etc.	6,038	6,441	6,391	5,897	6,156
Seawater	3,021	3,223	3,631	3,393	3,286
Discharge to a third party	1,039	1,322	1,227	1,194	1,170

Chemical Oxygen Demand Emissions

Unit: t

	FY2020	FY2021	FY2022	FY2023	FY2024
ADEKA	23.9	24.9	26.6	26.2	23.1
Group companies in Japan	3.4	16.4	1.9	15.5	17.9
Overseas companies	339.6	321.6	219.6	303.1	548.6

Biological Oxygen Demand Emissions

Unit: t

	FY2020	FY2021	FY2022	FY2023	FY2024
ADEKA	29.4	33.6	33.1	35.8	29.0
Group companies in Japan	1.3	10.5	1.3	22.6	9.6
Overseas companies	4.1	4.9	6.8	8.6	98.7

Preventing Air Pollution

SOx Emissions

Unit: t

	FY2020	FY2021	FY2022	FY2023	FY2024
ADEKA	0.5	0.5	0.3	0.3	0.9
Group companies in Japan	1.3	0.6	0.5	0.1	0.4
Overseas companies	0.0	0.0	0.4	0.4	13.7

NOx Emissions

Unit: t

	FY2020	FY2021	FY2022	FY2023	FY2024
ADEKA	53.6	69.7	96.2	33.5	36.6
Group companies in Japan	10.0	4.4	0.9	5.6	5.0
Overseas companies	1.6	1.1	2.3	1.3	15.1

Soot/Dust Emissions

Unit: t

	FY2020	FY2021	FY2022	FY2023	FY2024
ADEKA	4.2	3.6	2.7	2.2	2.6
Group companies in Japan	0.0	6.1	0.0	0.0	0.1
Overseas companies	0.2	0.1	0.1	0.3	31.1

Appropriate Management of Chemical Substances

Discharge of PRTR Substances (Scope: ADEKA and one domestic chemical manufacturing subsidiary)

Unit: t

	FY2020	FY2021	FY2022	FY2023	FY2024
ADEKA (Air)	14.2	20.4	11.1	27.5	23.0
ADEKA (Water)	3.0	3.0	3.0	5.9	4.7
Group companies in Japan (Air)	3.8	4.1	4.8	5.2	4.9

Transfer of PRTR Substances (Scope: ADEKA and one domestic chemical manufacturing subsidiary)

Unit: t

	FY2020	FY2021	FY2022	FY2023	FY2024
ADEKA	164.8	244.4	154.1	113.0	157.6
Group companies in Japan	9.0	9.8	11.2	1.2	11.3

Discharge and Transfer of Chemical Substances

Scope: ADEKA and one domestic chemical manufacturing subsidiary

Unit: t

Ordinance Designation Number	Substance	Discharge				Transfer	
		Air	Public Waters	Soil	Landfill Waste	Sewage	External Transfer
53	Ethylbenzene	0.0	0.0	0.0	0.0	0.0	1.0
56	Ethylene oxide	0.1	0.0	0.0	0.0	0.0	0.0
80	Xylene	0.0	0.0	0.0	0.0	0.0	16.0
125	Chlorobenzene	0.3	0.0	0.0	0.0	0.0	16.0
127	Chloroform	0.0	0.0	0.0	0.0	0.0	1.0
128	Methyl chloride	0.1	0.0	0.0	0.0	0.0	0.0
157	1,2-Dichloroethane	0.8	0.0	0.0	0.0	0.0	24.0
186	Dichloromethane	0.8	0.0	0.0	0.0	0.0	34.0
207	Dibutylhydroxytoluene	0.0	0.0	0.0	0.0	0.0	1.3
257	Decanol	0.1	0.0	0.0	0.0	0.0	0.0
272	Copper salts (water-soluble, except complex salts)	0.0	0.0	0.0	0.0	0.0	1.1
277	Triethylamine	0.0	0.2	0.0	0.0	0.0	14.0
300	Toluene	16.5	0.0	0.0	0.0	0.0	23.1
302	Naphthalene	0.0	0.0	0.0	0.0	0.0	0.1
318	Carbon disulfide	2.3	0.0	0.0	0.0	0.0	0.0
392	Hexane	2.6	0.0	0.0	0.0	0.0	9.9
395	Water-soluble salts of peroxodisulfuric acid	0.0	4.4	0.0	0.0	0.0	1.7
405	Boron compounds	0.0	0.0	0.0	0.0	0.0	0.2
438	Methyl naphthalene	0.1	0.0	0.0	0.0	0.0	0.0
453	Molybdenum and its compounds	0.0	0.0	0.0	0.0	0.0	2.1
458	Tris (2-ethylhexyl) phosphate	0.0	0.0	0.0	0.0	0.0	1.9
591	Ethyl cyclohexane	0.0	0.0	0.0	0.0	0.0	0.2
594	Butyl cellosolve	1.7	0.0	0.0	0.0	0.0	0.6
603	Peracetic acid	0.2	0.0	0.0	0.0	0.0	0.6
627	Diethylene glycol monobutyl ether	1.2	0.0	0.0	0.0	0.0	3.3
629	Cyclohexane	0.3	0.0	0.0	0.0	0.0	0.7
691	Trimethyl benzene	0.1	0.0	0.0	0.0	0.0	0.0
708	(1-hydroxyethane-1,1-diyl) diphosphonate and its potassium and sodium salts	0.0	0.1	0.0	0.0	0.0	0.0
731	Heptane	0.3	0.0	0.0	0.0	0.0	1.5
736	Acetic anhydride	0.0	0.0	0.0	0.0	2.0	0.1
737	Methyl isobutyl ketone	0.1	0.0	0.0	0.0	0.0	11.0
754	Dimethyl sulfate	0.0	0.0	0.0	0.0	0.0	1.2
Sub-total		27.7	4.7	0.0	0.0	2.0	166.7
Other substances (54 types)		0.2	0.0	0.0	0.0	0.0	0.3
Total		**27.9**	**4.7**	**0.0**	**0.0**	**2.0**	**167.0**

Appropriate Management of the Disposal of Industrial Waste

Industrial Waste Generated

Unit: kt

	FY2020	FY2021	FY2022	FY2023	FY2024
ADEKA	46.4	49.0	45.1	39.9	42.0
Group companies in Japan	9.4	9.4	11.5	7.0	5.2
Overseas companies*	12.2	13.0	12.7	11.6	9.8
Total	**68.0**	**71.4**	**69.3**	**58.5**	**57.1**

* Excluding Nihon Nohyaku's overseas subsidiaries

Breakdown of Industrial Waste

Scope: ADEKA and Group companies in Japan

Total				**47.2 kt**
Percentage breakdown	Waste oil	36%	Various waste plastics	2%
	Waste acid	12%	Animal and plant wastes	1%
	Sludge	13%	Other	1%
	Waste alkali	35%		

Outsourced Disposal of Industrial Waste

Unit: kt

	FY2020	FY2021	FY2022	FY2023	FY2024
ADEKA	18.5	17.8	15.5	11.3	13.1
Group companies in Japan	7.8	7.2	2.8	3.9	2.7
Overseas companies*	11.9	12.7	12.7	11.5	9.8
Total	**38.2**	**37.8**	**31.0**	**26.7**	**25.7**

* Excluding Nihon Nohyaku's overseas subsidiaries

Breakdown of the Total Volume of Waste Treated by External Contractors

Scope: ADEKA and Group companies in Japan

Total				**15.8 kt**
Percentage breakdown	Waste oil	18%	Various waste plastics	7%
	Waste acid	9%	Animal and plant wastes	3%
	Sludge	27%	Other	2%
	Waste alkali	33%		

Zero Emissions Rate for Landfill Disposal of Industrial Waste

Scope: ADEKA and Group companies in Japan

	FY2020	FY2021	FY2022	FY2023	FY2024
Final landfill volume (Unit: t)	44.0	42.5	127.0	36.7	40.7
Zero emissions rate (Unit: %)	0.09	0.08	0.26	0.09	0.09

Recycling Rate

Scope: ADEKA and Group companies in Japan

	FY2020	FY2021	FY2022	FY2023	FY2024
Recycling rate (Unit: %)	36.7	41.9	45.2	51.5	49.6

Environmental Accounting

Environmental Conservation Costs

Unit: Millions of yen (rounded to the nearest unit)

Category	Description of Main Initiatives	Environmental Conservation Cost	Amount of Environmental Investment
(1) Business area cost			
1) Pollution prevention costs	Prevention of air, water and soil pollution and of noise, vibration, stench and land subsidence	1,776	227
2) Global environmental conservation costs	Preventing global warming (conserving energy), preventing damage to the ozone layer	533	442
3) Resource recycling costs	Reducing and recycling resources and minimizing the generation of waste material	689	47
(2) Upstream/downstream cost	Green procurement, reducing the environmental burden imposed by containers and packaging, collecting and re-commercializing products	9	0
(3) Administration cost	Environmental ISO, disclosure of environmental information,environmental impact monitoring, greening	94	4
(4) R&D cost	R&D expenses for environmental conservation	641	102
(5) Social activity cost	Greening and beautification of areas outside the offices and plants, donating and supporting environmental conservation organizations	4	2
(6) Environmental remediation cost	Purification efforts to improve water quality and remove soil pollution, restoration of nature	2	0
Total		**3,750**	**823**

Environmental Conservation Effect

Classification	Environmental Performance Indicators	Unit	FY2023	FY2024	Year-on-year
Resources for business activities	Quantity of specific managed substances input	t	18,559	19,533	105.2%
Goods and services produced by business activities	Quantity of used products, containers and packaging circulated and used	t	857	931	108.6%
	Quantity of containers and packaging used	t	4,990	5,300	106.2%
Other	Emissions of environmentally hazardous substances from logistics	t	77,157	76,460	99.1%

Economic Effects with Environmental Conservation Measures

Unit: Millions of yen (rounded to the nearest unit)

Details of Effects	Amount
Income earned by recycling, profits from the sale of valuable resources, etc.	157
Reduction in costs through introducing resources from the environment into business activities	349
Reduction in the burden imposed by business activities on the environment and costs related to the generation of waste material	11
Total	**516**
Degree of effects (Calculated by dividing the economic effects resulting from environmental conservation activities by the costs of these activities)	11.3%

Cost of Environmental Initiatives and Amount Invested

Unit: Millions of yen (rounded to the nearest unit)

	FY2020	FY2021	FY2022	FY2023	FY2024
Environmental conservation cost	2,413	3,776	2,657	2,376	3,750
Amount of environmental investment	1,100	964	755	553	823

Notes on environmental data:

* Scope 1 and Scope 2 emissions for FY2019 through FY2022 are under review at some business locations.
* Environmental data covers companies covered by our consolidated financial results excluding our overseas sales subsidiaries, and the figures for FY2019 and beyond have been revised due to the inclusion of Nihon Nohyaku and its group companies in the scope of data.
  - Nihon Nohyaku and its domestic group companies are included in the scope of data for greenhouse gas emissions from FY2019 onward. Its overseas group companies are also included from FY2020 onward.
  - Nihon Nohyaku and its domestic companies are included in the scope of data for SOx emissions, NOx emissions and soot/dust emissions from FY2020 onward. In addition, its overseas group companies are also included from FY2023 onward.
  - Nihon Nohyaku and its group companies are not included in the scope of data for usage of resources, usage of water, wastewater discharge, discharge and transfer of PRTR substances, zero emissions rate, and recycling rate.
  - ADEKA, three ADEKA domestic manufacturing subsidiaries and the Nihon Nohyaku Group (excluding overseas subsidiaries) are included in the scope of data for environmental accounting.

Human Rights and Human Resources

Expanding Opportunities for Utilizing Human Resources

Human Resources Data

Scope: ADEKA

Item		FY2021	FY2022	FY2023	FY2024
Non-prescribed work time (per month)		14.6hours	13.7hours	13.4hours	13.3hours
Number of employees working shortened hours	Male	1	1	0	2
	Female	34	32	48	24
Percentage taking annual paid leave		69.6%	70.7%	79.9%	76.5%
Percentage taking refreshment leave*		13%*	79%	81%	79%
Childcare leave utilization rate	Male	37.5%	49.1%	57.4%	86.8%
	Female	100%	100%	100%	100%
Number of employees taking childcare leave	Male	27	26	31	46
	Female	12	15	8	8
Number of employees taking nursing care leave of absence		2	2	0	1
Number of employees taking nursing care leave		14	16	18	29
Percentage returning to workplace after childcare leave	Male	100%	100%	100%	100%
	Female	100%	100%	92%	92%
Job retention rate after childcare leave	Male	100%	100%	100%	100%
	Female	100%	100%	100%	100%
Percentage receiving health check-up		100%	100%	100%	100%
Repeat health check-up rate		97.0%	99.9%	99.9%	99.3%
Stress Checks: Rate of uptake Company-wide		99.9%	100.0%	100%	100%
Training Costs per Employee (thousand yen)		5.5	5.7	7.7	6.8
Average hours of annual training/education per employee		262.1min	179.8min	539.3min	221.8min

* Due to the impact of the worldwide COVID-19 pandemic, the rate of uptake of refreshment leave declined significantly.

Human Resources Data

Scope: ADEKA (Excluding consolidated employees)

Item		FY2021	FY2022	FY2023	FY2024
Number of consolidated employees		5,466	5,494	5,512	5,453
Number of non-consolidated employees	Overall	1,808	1,796	1,815	1,810
	Male	1,522	1,507	1,519	1,507
	Female	286	289	296	303
Employee average age	Overall	38.9	39.6	39.9	40.2
	Male	39.2	39.8	40.2	40.6
	Female	37.6	38.1	38.1	38.2
Average length of employment	Overall	16.0years	16.5years	16.8years	17.1years
	Male	16.3years	16.9years	17.3years	17.7years
	Female	14.1years	14.6years	14.3years	14.4years
Women as percentage of employees		15.8%	16.1%	16.3%	16.7%
Women as percentage of managers		3.5%	4.6%	5.4%	5.8%
Number of new graduates hired	Overall	45	34	53	60
	Male	32	24	39	41
	Female	13	10	14	19
Employee turnover rate	Overall	3.4%	3.4%	3.1%	3.5%
	Male	3.5%	3.3%	2.4%	3.2%
	Female	2.7%	4.0%	7.6%	5.0%
Voluntary retirement rate	Overall	2.5%	2.5%	2.3%	2.7%
	Male	2.4%	2.4%	1.9%	2.4%
	Female	3.0%	3.0%	5.3%	4.6%
Average monthly wage		379,260yen	382,399yen	394,601yen	416,761yen
New graduate starting salary (university graduates, includes housing allowance)		238,290yen	241,290yen	251,290yen	264,290yen
Number of foreign employees		9	11	14	16
Percentage of foreign employees		0.5%	0.6%	0.6%	0.9%
Number of employees with disabilities		34	35	43	43
People with disabilities as percentage of employees		2.13%	2.11%	2.43%	2.54%
Number of retirees rehired (End of fiscal year)		32	36	47	57
Number of retirees rehired (Fiscal year under review)		16	20	13	29
Percentage of retirees rehired (Fiscal year under review)*		100.0%	93%	92.9%	96.7%
Number of temporary employees		0	0	0	0

* Including transfers of employees to posts at affiliated companies

Occupational Health and Safety

Number of Accidents by Year

Scope: ADEKA, ADEKA Group subsidiaries (excluding the Nihon Nohyaku Group) and subcontractors

	FY2020	FY2021	FY2022	FY2023	FY2024
Accidents with lost workdays	4	5	8	9	8
Accidents without lost workdays	8	3	8	5	5
Accidents with fatalities	0	0	0	0	0

Promoting Upgrading of Work Environments

Key Labor-Management Meetings

Scope: ADEKA

Labor-management councils	Management councils	ADEKA Group labor-management conference	Management conference
12 times a year	Twice a year	Once a year	Once a year

Response to Labor Standards Act Violations

When we receive guidance on a Labor Standards Act violation, we contact the relevant department and also make a report to the executive management. Upon consulting with the relevant department, we establish how we will rectify the identified issue and the time by which we will complete its rectification. We then manage progress until the issue has been rectified.

In addition, we share non-compliance issues company-wide to raise awareness of them and to prevent their recurrence.

Corporate Governance Overview

Organizational design/Frequency of committee meetings (FY2024)

	Board of Directors	Audit and Supervisory Committee	Nomination and Remuneration Committee
Chairperson/Committee Chair	President and Chief Executive Officer	Internal director	External director
Structure	5 Internal directors, 5 External directors	1 Internal director, 2 External directors	1 Internal director, 2 External directors
Number of times held	Regular: 12, Extraordinary: 5, Total 17	6	5

Board of directors

	As of June 30, 2022	As of June 30, 2023	As of June 30, 2024	As of June 30, 2025
Number of directors	16	10	10	10
Number of independent external directors	6	5	5	5
Number of female directors	1	1	1	2
Ratio of female directors on the Board of Directors	6%	10%	10%	20%
Ratio of women among Operating Officers	0%	0%	0%	0%

Number of meetings

	FY2021	FY2022	FY2023	FY2024
Board of Directors	17	17	17	17
Nomination and Remuneration Committee	4	3	4	5
Audit and Supervisory Committee	Audit & Supervisory Board: 2 Audit and Supervisory Committee: 4	6	6	6

Board of Directors' meeting status and attendance rate (FY2024)

Position and Name	Meeting Status and Attendance Rate
Hidetaka Shirozume, President and Chief Executive Officer, Representative Director (Chairperson)	100% (17 out of 17 meetings)
Haruhiko Tomiyasu, Representative Director and Senior Managing Executive Officer	100% (17 out of 17 meetings)
Youji Shiga, Director and Operating Officer	88% (15 out of 17 meetings)
Kiyoshi Masamune, Director and Operating Officer	100% (13 out of 13 meetings)
Shigeru Endo, External Director	100% (17 out of 17 meetings)
Makoto Horiguchi, External Director	100% (17 out of 17 meetings)
Naoya Takahashi, External Director	100% (13 out of 13 meetings)
Koichi Taya, Director, Full-time Audit and Supervisory Committee Member	100% (17 out of 17 meetings)
Akio Okuyama, External Director, Audit and Supervisory Committee Member	100% (17 out of 17 meetings)
Ikuko Hirasawa, External Director, Audit and Supervisory Committee Member	100% (17 out of 17 meetings)

*Titles are those as they were at the time

Audit and Supervisory Committee meeting status and attendance rate (FY2024)

Position and Name	Meeting Status and Attendance Rate
Koichi Taya, Director, Full-time Audit and Supervisory Committee Member (Chairperson)	100% (6 out of 6 meetings)
Akio Okuyama, External Director, Audit and Supervisory Committee Member	100% (6 out of 6 meetings)
Ikuko Hirasawa, External Director, Audit and Supervisory Committee Member	100% (6 out of 6 meetings)

Nomination and Remuneration Committee meeting status and attendance rate (FY2024)

Position and Name	Meeting Status and Attendance Rate
Hidetaka Shirozume, President and Chief Executive Officer, Representative Director	100% (5 out of 5 meetings)
Shigeru Endo, External Director (Chairperson)	100% (5 out of 5 meetings)
Makoto Horiguchi, External Director	100% (3 out of 3 meetings)

Violation of the law

	FY2021	FY2022	FY2023	FY2024
Serious legal and reporting violations	0	0	0	0

Compliance violations, etc.

	FY2021	FY2022	FY2023	FY2024
Number of internal reports	9	4	10	14
Number of serious environmental accidents	0	0	0	0
Number of serious environmental laws and regulations violations	0	0	0	0
Fines and penalties related to violations of environmental laws and regulations	0yen	0yen	0yen	0yen

Prevention of corruption

	FY2021	FY2022	FY2023	FY2024
Number of disciplinary dismissals due to bribery and anti-corruption violations	0	0	0	0
Fines, penalties, and settlements attributable to bribery and anti-corruption violations	0yen	0yen	0yen	0yen

Compliance Promotion Committee meetings (FY2024)

Compliance Promotion Committee

Meeting No.	Meeting Date	Contents
80th	April 15, 2024	Report on the activities by the Compliance Promotion Committee in FY2023 Compliance leader training policy Introduction of a global whistleblowing hotline
81st	July 29, 2024	Overview of the overseas affiliated company (seconded employee) compliance awareness survey Leadership training policy and guidelines for training by theme/law Report on the compliance activities by each department in the previous fiscal year and the issues to be addressed in the current fiscal year State of progress on the global whistleblowing hotline Report on other activities by the Compliance Promotion Committee since the last meeting
82nd	October 22, 2024	Guidelines for the FY2024 compliance seminar Interim report on the activities by the Compliance Promotion Committee in FY2024
83rd	February 3, 2025	FY2025 Compliance Promotion Committee Activity basic policy (draft) Report on the compliance awareness survey for employees seconded overseas Internal controls system check sheet (draft) report etc.

Group Compliance Council

Meeting No.	Meeting Date	Contents
40th	September 11, 2024	Report on the status of compliance efforts by each company
41st	March 12, 2025	Educational materials to promote awareness and understanding of the ADEKA Group's Code of Conduct Establishment of a global whistleblowing hotline Promotion of the use of simple e-learning Operational optimization and annual schedule for the Group Compliance Council and Group Risk Management Council

Compliance-related education and training

- Education and training activities: level-based training, compliance leader training, theme and law-based training, in-workplace training, seminars and e-learning, etc.
- Information management and information security: revision of information management and security-related regulations and standards, and education and training
- Measures to prevent harassment: harassment prevention policy formulation and rollout to subsidiaries, and education and training
- Annual briefing on insider trading regulations
- Annual briefing on the Anti-Monopoly Act
- Preparation and distribution of educational materials using the results of a bribery risk assessment

Acquisition of Management System Certification

Scope: ADEKA and ADEKA group subsidiaries (excluding the Nippon Nohyaku Group)

ISO 22301(Business Continuity Management Systems (BCMS))

Head Office relevant departments, Soma Plant and ADEKA LOGISTICS CORP. (Nov. 2013)

BS25999 (Business Continuity Management Systems (BCMS))

ADEKA FINE CHEMICAL TAIWAN CORP. (Aug. 2008)

ISO 9001 (Quality Management Systems)

Mie Plant (Jun. 1993)
Kashima Chemicals Plant and Kashima Foods Plant (Apr. 1996)
Fuji Plant (Jan. 1997)
Chiba Plant (Jul. 1997)
ADEKA POLYMER ADDITIVES EUROPE SAS (Jul. 1997)
OXIRANE CHEMICAL CORP. (Oct. 1997)
Soma Plant (Aug. 1998)
ADEKA CLEAN AID CORP. (Oct. 1999)
ADEKA KOREA CORP. (Jan. 2000)
AMFINE CHEMCAL CORP. (Oct. 2001)
ADEKA ENGINEERING & CONSTRUCTION CORP. (Mar. 2002)
KUKDO CHEMICAL (KUNSHAN) CO., LTD. (Mar. 2004)
ADEKA FINE CHEMICAL (CHANGSHU) CO., LTD. (May 2005)
TOKYO ENVIRONMENTAL MEASUREMENT CENTER CO., LTD. (Aug. 2005)
ADEKA (SINGAPORE) PTE.LTD. (Apr. 2006)
ADEKA FINE CHEMICAL TAIWAN CORP. (Jul. 2006)
ADEKA FINE CHEMICAL (THAILAND) CO., LTD. (Dec. 2006)
AM STABILIZERS CORP. (Mar. 2013)
ADEKA AL OTAIBA MIDDLE EAST LLC (Sep. 2018)
ADEKA FINE CHEMICAL (ZHEJIANG) CO., LTD. (Oct. 2020)

ISO 14001 (Environmental Management Systems)

Mie Plant (Dec. 1996)
Kashima Chemicals Plant and Kashima Foods Plant (Mar. 1998)
Fuji Plant (Apr. 2000)
Chiba Plant (May 2000)
Soma Plant (Aug. 2000)
Akashi Plant (Mar. 2001)
OXIRANE CHEMICAL CORP. (Mar. 2001)
TOKYO ENVIRONMENTAL MEASUREMENT CENTER CO., LTD. (Feb. 2003)
ADEKA KOREA CORP. (Jan. 2006)
ADEKA FINE CHEMICAL (CHANGSHU) CO., LTD. (Jul. 2006)
ADEKA FINE CHEMICAL TAIWAN CORP. (Feb. 2007)
AMFINE CHEMCAL CORP. (Sep. 2007)
ADEKA FOODS (CHANGSHU) CO., LTD. (Aug. 2009)
ADEKA FINE CHEMICAL (THAILAND) CO., LTD. (Jan. 2010)
ADEKA POLYMER ADDITIVES EUROPE SAS (Aug. 2010)
ADEKA AL OTAIBA MIDDLE EAST LLC (Dec. 2019)
ADEKA FINE CHEMICAL (ZHEJIANG) CO., LTD. (Oct. 2020)

Coverage rate of obtaining ISO 14001 certification

ADEKA	100% (7/7)
ADEKA Group subsidiaries	30% (11/36)

FSSC 22000 (Food Safety System Certification)

Kashima Foods Plant West Site (Dec. 2011)
Kashima Foods Plant East Site (Dec. 2014)
Akashi Plant (Mar. 2015)
ADEKA FINE FOODS CORP. (Apr. 2016)
ADEKA (SINGAPORE) PTE.LTD. (May 2016)
ADEKA FOODS (CHANGSHU) CO., LTD. (Sep. 2016)
ADEKA FOODS (ASIA) SDN.BHD. (Oct. 2017)

TPM Award (Total Productive Maintenance)

Chiba Plant: 1994 Excellence Award
Mie Plant: 1995 Excellence Award
OXIRANE CHEMICAL CORP.: 1995 Excellence Award
Akashi Plant: 2000 Excellence Award
Kashima Chemicals Plant and Kashima Foods Plant: 2007 Excellence Award-Special Award for TPM Achievement
Fuji Plant: Award for TPM Excellence, Category A (2010)

ISO 45001/OHSAS 18001 (Occupational Health and Safety Management Systems)

Mie Plant (Sep. 2000)
Kashima Chemicals Plant and Kashima Foods Plant (Nov. 2002)
Soma Plant (Dec. 2002)
Akashi Plant (Mar. 2003)
Chiba Plant (Oct. 2003)
Fuji Plant (Dec. 2003)
ADEKA FINE CHEMICAL TAIWAN CORP. (Jun. 2007)
ADEKA FINE CHEMICAL (CHANGSHU) CO., LTD. (Jul. 2009)
ADEKA FOODS (CHANGSHU) CO., LTD. (Aug. 2009)
ADEKA KOREA CORP. (Apr. 2010)
ADEKA POLYMER ADDITIVES EUROPE SAS (Dec. 2013)
ADEKA AL OTAIBA MIDDLE EAST LLC (Sep. 2018)
ADEKA FINE CHEMICAL (ZHEJIANG) CO., LTD. (Oct. 2020)

ISO 45001 certification coverage

ADEKA	100% (7/7)
ADEKA Group subsidiaries	19% (7/36)