

Translation

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**Summary of Consolidated Financial Results  
for the Year Ended March 31, 2014  
(Based on Japanese GAAP)**

May 9, 2014

Company name: ADEKA CORPORATION  
 Stock exchange listing: Tokyo  
 Stock code: 4401 URL <http://www.adeka.co.jp>  
 Representative: REPRESENTATIVE DIRECTOR AND PRESIDENT AKIO KOHRI  
 GENERAL MANAGER, LEGAL AFFAIRS & PUBLICITY DEPARTMENT JUNJI TAKETOMI TEL 03-4455-2803  
 Scheduled date of ordinary general meeting of shareholders: June 20, 2014  
 Scheduled date to file Securities Report: June 20, 2014  
 Scheduled date to commence dividend payments: June 23, 2014  
 Preparation of supplementary material on financial results: Yes  
 Holding of financial results meeting: Yes

(Amounts less than one million yen are rounded down)

1. Consolidated financial results for the year ended March 31, 2014 (from April 1, 2013 to March 31, 2014)

(1) Consolidated financial results

Percentages indicate year-on-year changes

	Net sales		Operating income		Ordinary income		Net income	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
Year ended March 31, 2014	204,350	10.5	13,811	40.1	15,959	40.9	9,152	20.2
Year ended March 31, 2013	184,885	8.2	9,855	18.1	11,324	31.2	7,616	100.6

	Net income per share	Diluted net income per share	Net income/equity	Ordinary income/total assets	Operating income/net sales
	Yen	Yen	%	%	%
Year ended March 31, 2014	88.61	–	6.6	6.9	6.8
Year ended March 31, 2013	73.74	–	5.9	5.2	5.3

(2) Consolidated financial position

	Total assets	Net assets	Equity ratio	Net assets per share
	Millions of yen	Millions of yen	%	Yen
As of March 31, 2014	242,741	147,798	58.7	1,379.36
As of March 31, 2013	222,604	137,227	59.8	1,288.44

(3) Consolidated cash flows

	Cash flows from operating activities	Cash flows from investing activities	Cash flows from financing activities	Cash and cash equivalents at end of period
	Millions of yen	Millions of yen	Millions of yen	Millions of yen
Year ended March 31, 2014	19,696	(10,519)	(1,074)	38,670
Year ended March 31, 2013	14,445	(11,903)	173	29,210

2. Cash dividends

	Annual dividends per share					Total cash dividends (Total)	Dividend payout ratio (Consolidated)	Ratio of dividends to net assets (Consolidated)
	1st quarter-end	2nd quarter-end	3rd quarter-end	Fiscal year-end	Total			
	Yen	Yen	Yen	Yen	Yen	Millions of yen	%	%
Year ended March 31, 2013	–	11.00	–	11.00	22.00	2,276	29.9	1.7
Year ended March 31, 2014	–	11.00	–	11.00	22.00	2,276	24.9	1.5
Year ending March 31, 2015 (Forecast)	–	12.00	–	12.00	24.00		24.8	

3. Forecast of consolidated financial results for the year ending March 31, 2015 (from April 1, 2014 to March 31, 2015)

Percentages indicate year-on-year changes

	Net sales		Operating income		Ordinary income		Net income		Net income per share
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Yen
Six months ending September 30, 2014	105,000	9.6	6,300	3.7	6,200	(2.9)	4,000	(5.1)	38.73
Full year	220,000	7.7	14,200	2.8	15,000	(6.0)	10,000	9.3	96.82

4. Notes

(1) Changes in significant subsidiaries during the year ended March 31, 2014

(changes in specified subsidiaries resulting in the change in scope of consolidation): No

(2) Changes in accounting policies, changes in accounting estimates, and restatement of prior period financial statements

Changes in accounting policies due to revisions to accounting standards and other regulations: Yes

Changes in accounting policies due to other reasons: No

Changes in accounting estimates: No

Restatement of prior period financial statements after error corrections: No

(3) Number of issued shares (common shares)

Total number of issued shares at the end of the period (including treasury shares)

As of March 31, 2014	103,651,442 shares	As of March 31, 2013	103,651,442 shares
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Number of treasury shares at the end of the period

As of March 31, 2014	364,263 shares	As of March 31, 2013	363,303 shares
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Average number of shares during the period

Year ended March 31, 2014	103,287,586 shares	Year ended March 31, 2013	103,288,295 shares
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**Consolidated financial statements**  
**Consolidated balance sheets**

(Millions of yen)

	As of March 31, 2013	As of March 31, 2014
Assets		
Current assets		
Cash and deposits	28,311	37,493
Notes and accounts receivable - trade	39,839	42,912
Securities	7,230	3,232
Merchandise and finished goods	17,095	18,328
Work in process	4,282	4,603
Raw materials and supplies	13,473	13,498
Deferred tax assets	1,806	1,826
Other	4,560	5,036
Allowance for doubtful accounts	(307)	(327)
Total current assets	116,293	126,604
Non-current assets		
Property, plant and equipment		
Buildings and structures	53,565	56,368
Accumulated depreciation	(32,888)	(34,488)
Buildings and structures, net	20,677	21,879
Machinery, equipment and vehicles	108,312	113,601
Accumulated depreciation	(85,551)	(91,626)
Machinery, equipment and vehicles, net	22,761	21,975
Land	20,800	21,310
Leased assets	1,957	2,173
Accumulated depreciation	(797)	(1,042)
Leased assets, net	1,160	1,130
Construction in progress	2,517	2,935
Other	22,445	24,330
Accumulated depreciation	(18,379)	(19,735)
Other, net	4,065	4,595
Total property, plant and equipment	71,983	73,826
Intangible assets		
Goodwill	245	244
Software	1,721	1,324
Leased assets	111	80
Other	1,393	1,999
Total intangible assets	3,471	3,649
Investments and other assets		
Investment securities	24,429	29,560
Long-term loans receivable	701	1,296
Deferred tax assets	2,755	4,532
Other	3,304	3,598
Allowance for doubtful accounts	(333)	(326)
Total investments and other assets	30,856	38,661
Total non-current assets	106,311	116,137
Total assets	222,604	242,741

(Millions of yen)

	As of March 31, 2013	As of March 31, 2014
<b>Liabilities</b>		
<b>Current liabilities</b>		
Notes and accounts payable - trade	32,535	32,328
Short-term loans payable	13,476	16,216
Lease obligations	308	265
Income taxes payable	1,700	2,550
Provision for bonuses	1,948	2,028
Provision for directors' bonuses	48	50
Other	5,081	8,968
<b>Total current liabilities</b>	<b>55,099</b>	<b>62,407</b>
<b>Non-current liabilities</b>		
Long-term loans payable	13,377	12,191
Lease obligations	926	950
Deferred tax liabilities	546	588
Deferred tax liabilities for land revaluation	4,021	4,021
Provision for retirement benefits	9,400	-
Provision for directors' retirement benefits	106	132
Net defined benefit liability	-	12,788
Other	1,897	1,863
<b>Total non-current liabilities</b>	<b>30,277</b>	<b>32,535</b>
<b>Total liabilities</b>	<b>85,376</b>	<b>94,943</b>
<b>Net assets</b>		
<b>Shareholders' equity</b>		
Capital stock	22,899	22,899
Capital surplus	19,925	19,925
Retained earnings	85,660	92,438
Treasury shares	(224)	(225)
<b>Total shareholders' equity</b>	<b>128,260</b>	<b>135,038</b>
<b>Accumulated other comprehensive income</b>		
Valuation difference on available-for-sale securities	1,868	3,050
Revaluation reserve for land	3,697	3,794
Foreign currency translation adjustment	(746)	2,441
Remeasurements of defined benefit plans	-	(1,854)
<b>Total accumulated other comprehensive income</b>	<b>4,819</b>	<b>7,431</b>
<b>Minority interests</b>	<b>4,147</b>	<b>5,328</b>
<b>Total net assets</b>	<b>137,227</b>	<b>147,798</b>
<b>Total liabilities and net assets</b>	<b>222,604</b>	<b>242,741</b>

**Consolidated statements of income and consolidated statements of comprehensive income**  
**Consolidated statements of income**

(Millions of yen)

	Fiscal year ended March 31, 2013	Fiscal year ended March 31, 2014
Net sales	184,885	204,350
Cost of sales	146,331	160,072
Gross profit	38,553	44,278
Selling, general and administrative expenses	28,698	30,467
Operating income	9,855	13,811
Non-operating income		
Interest income	115	163
Dividend income	318	522
Share of profit of entities accounted for using equity method	883	1,448
Foreign exchange gains	490	816
Other	580	310
Total non-operating income	2,388	3,261
Non-operating expenses		
Interest expenses	414	465
Loss on abandonment of inventories	93	223
Other	412	424
Total non-operating expenses	919	1,112
Ordinary income	11,324	15,959
Extraordinary income		
Gain on sales of shares of subsidiaries and associates	-	68
Total extraordinary income	-	68
Extraordinary losses		
Loss on abandonment of non-current assets	317	158
Loss on valuation of investment securities	74	-
Impairment loss	-	3,048
Loss on withdrawal from a joint venture	143	-
Other	-	97
Total extraordinary losses	535	3,304
Income before income taxes and minority interests	10,788	12,724
Income taxes - current	2,921	4,392
Income taxes - deferred	(27)	(1,422)
Total income taxes	2,894	2,969
Income before minority interests	7,894	9,754
Minority interests in income	277	602
Net income	7,616	9,152

**Consolidated statements of comprehensive income (cumulative)**

(Millions of yen)

	Fiscal year ended March 31, 2013	Fiscal year ended March 31, 2014
Income before minority interests	7,894	9,754
Other comprehensive income		
Valuation difference on available-for-sale securities	784	1,117
Foreign currency translation adjustment	1,962	3,886
Share of other comprehensive income of entities accounted for using equity method	101	64
Total other comprehensive income	2,847	5,069
Comprehensive income	10,742	14,824
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	10,107	13,521
Comprehensive income attributable to minority interests	634	1,302

## Consolidated statements of changes in net assets

Fiscal year ended March 31, 2013

(Millions of yen)

	Shareholders' equity				
	Capital stock	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of current period	22,899	19,925	80,225	(224)	122,826
Changes of items during period					
Dividends of surplus			(2,276)		(2,276)
Net income			7,616		7,616
Reversal of revaluation reserve for land			94		94
Purchase of treasury shares				(0)	(0)
Net changes of items other than shareholders' equity					
Total changes of items during period	-	-	5,434	(0)	5,434
Balance at end of current period	22,899	19,925	85,660	(224)	128,260

	Accumulated other comprehensive income					Minority interests	Total net assets
	Valuation difference on available-for-sale securities	Revaluation reserve for land	Foreign currency translation adjustment	Remeasurements of defined benefit plans	Total accumulated other comprehensive income		
Balance at beginning of current period	984	3,791	(2,353)	-	2,422	3,351	128,600
Changes of items during period							
Dividends of surplus							(2,276)
Net income							7,616
Reversal of revaluation reserve for land							94
Purchase of treasury shares							(0)
Net changes of items other than shareholders' equity	883	(94)	1,607	-	2,396	796	3,193
Total changes of items during period	883	(94)	1,607	-	2,396	796	8,627
Balance at end of current period	1,868	3,697	(746)	-	4,819	4,147	137,227

Fiscal year ended March 31, 2014

(Millions of yen)

	Shareholders' equity				
	Capital stock	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of current period	22,899	19,925	85,660	(224)	128,260
Changes of items during period					
Dividends of surplus			(2,276)		(2,276)
Net income			9,152		9,152
Reversal of revaluation reserve for land			(97)		(97)
Purchase of treasury shares				(0)	(0)
Net changes of items other than shareholders' equity					
Total changes of items during period	-	-	6,778	(0)	6,777
Balance at end of current period	22,899	19,925	92,438	(225)	135,038

	Accumulated other comprehensive income					Minority interests	Total net assets
	Valuation difference on available-for-sale securities	Revaluation reserve for land	Foreign currency translation adjustment	Remeasurements of defined benefit plans	Total accumulated other comprehensive income		
Balance at beginning of current period	1,868	3,697	(746)	-	4,819	4,147	137,227
Changes of items during period							
Dividends of surplus							(2,276)
Net income							9,152
Reversal of revaluation reserve for land							(97)
Purchase of treasury shares							(0)
Net changes of items other than shareholders' equity	1,181	97	3,187	(1,854)	2,611	1,180	3,792
Total changes of items during period	1,181	97	3,187	(1,854)	2,611	1,180	10,570
Balance at end of current period	3,050	3,794	2,441	(1,854)	7,431	5,328	147,798

## Consolidated statements of cash flows

(Millions of yen)

	Fiscal year ended March 31, 2013	Fiscal year ended March 31, 2014
Cash flows from operating activities		
Income before income taxes and minority interests	10,788	12,724
Depreciation	8,638	9,418
Impairment loss	-	3,048
Loss (gain) on valuation of investment securities	74	-
Interest and dividend income	(433)	(686)
Interest expenses	414	465
Share of (profit) loss of entities accounted for using equity method	(883)	(1,448)
Loss on withdrawal from a joint venture	143	-
Loss on abandonment of non-current assets	317	158
Decrease (increase) in notes and accounts receivable - trade	1,671	(504)
Decrease (increase) in inventories	(1,464)	712
Increase (decrease) in notes and accounts payable - trade	(1,771)	(2,311)
Other, net	582	1,421
Subtotal	18,077	22,997
Interest and dividend income received	585	754
Interest expenses paid	(412)	(464)
Insurance proceeds from trouble and disaster	97	4
Payment on withdrawal from a joint venture	(1,156)	-
Income taxes paid	(2,744)	(3,595)
Net cash provided by (used in) operating activities	14,445	19,696
Cash flows from investing activities		
Purchase of securities	(23,097)	(4,200)
Proceeds from sales and redemption of securities	23,003	8,201
Purchase of property, plant and equipment	(10,146)	(10,881)
Purchase of intangible assets	(549)	(1,106)
Purchase of investment securities	(21)	(1,913)
Purchase of shares of subsidiaries and associates	(376)	(406)
Payments for transfer of business	(1,220)	-
Other, net	504	(212)
Net cash provided by (used in) investing activities	(11,903)	(10,519)
Cash flows from financing activities		
Net increase (decrease) in short-term loans payable	(392)	1,323
Proceeds from long-term loans payable	8,874	876
Repayments of long-term loans payable	(5,915)	(502)
Cash dividends paid	(2,277)	(2,276)
Cash dividends paid to minority shareholders	(105)	(113)
Other, net	(10)	(380)
Net cash provided by (used in) financing activities	173	(1,074)
Effect of exchange rate change on cash and cash equivalents	739	1,356
Net increase (decrease) in cash and cash equivalents	3,455	9,459
Cash and cash equivalents at beginning of period	25,755	29,210
Cash and cash equivalents at end of period	29,210	38,670