

Translation

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Summary of Consolidated Financial Results for the Year Ended March 31, 2015 (Based on Japanese GAAP)

May 12, 2015

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 HIKARU KAGESHIMA TEL 03-4455-2803
 Inquiries: HIKARU KAGESHIMA TEL 03-4455-2803
 Scheduled date of ordinary general meeting of shareholders: June 19, 2015
 Scheduled date to file Securities Report: June 19, 2015
 Scheduled date to commence dividend payments: June 22, 2015
 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, 2015 (from April 1, 2014 to March 31, 2015)

(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, 2015	214,319	4.9	14,608	5.8	17,099	7.1	11,573	26.4
Year ended March 31, 2014	204,350	10.5	13,811	40.1	15,959	40.9	9,152	20.2

	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, 2015	112.05	–	7.7	6.8	6.8
Year ended March 31, 2014	88.61	–	6.6	6.9	6.8

(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, 2015	261,133	163,255	60.1	1,519.46
As of March 31, 2014	242,741	147,798	58.7	1,379.36

(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, 2015	18,021	(12,987)	(2,956)	41,697
Year ended March 31, 2014	19,696	(10,519)	(1,074)	38,670

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, 2014	–	11.00	–	11.00	22.00	2,276	24.9	1.5
Year ended March 31, 2015	–	12.00	–	14.00	26.00	2,690	23.2	1.6
Year ending March 31, 2016 (Forecast)	–	14.00	–	14.00	28.00		23.7	

3. Forecast of consolidated financial results for the year ending March 31, 2016 (from April 1, 2015 to March 31, 2016)

Percentages indicate year-on-year changes

	Net sales		Operating income		Ordinary income		Profit attributable to owners of parent		Net income per share
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Yen
Six months ending September 30, 2015	111,000	10.8	6,900	1.0	7,000	(3.8)	4,600	(8.3)	44.54
Full year	234,000	9.2	16,500	13.0	18,000	5.3	12,200	5.4	118.12

4. Notes

(1) Changes in significant subsidiaries during the year ended March 31, 2015

(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, 2015	103,651,442 shares	As of March 31, 2014	103,651,442 shares
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Number of treasury shares at the end of the period

As of March 31, 2015	364,965 shares	As of March 31, 2014	364,263 shares
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Average number of shares during the period

Year ended March 31, 2015	103,286,883 shares	Year ended March 31, 2014	103,287,586 shares
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Consolidated financial statements
Consolidated balance sheets

(Millions of yen)

	As of March 31, 2014	As of March 31, 2015
Assets		
Current assets		
Cash and deposits	37,493	40,625
Notes and accounts receivable - trade	42,912	44,881
Securities	3,232	3,233
Merchandise and finished goods	18,328	21,567
Work in process	4,603	4,451
Raw materials and supplies	13,498	14,061
Deferred tax assets	1,826	1,704
Other	5,036	5,262
Allowance for doubtful accounts	(327)	(208)
Total current assets	126,604	135,580
Non-current assets		
Property, plant and equipment		
Buildings and structures	56,368	58,432
Accumulated depreciation	(34,488)	(35,911)
Buildings and structures, net	21,879	22,520
Machinery, equipment and vehicles	113,601	119,563
Accumulated depreciation	(91,626)	(96,357)
Machinery, equipment and vehicles, net	21,975	23,206
Land	21,310	21,275
Leased assets	2,173	2,003
Accumulated depreciation	(1,042)	(1,004)
Leased assets, net	1,130	998
Construction in progress	2,935	3,817
Other	24,330	25,985
Accumulated depreciation	(19,735)	(21,163)
Other, net	4,595	4,822
Total property, plant and equipment	73,826	76,640
Intangible assets		
Goodwill	244	217
Software	1,324	793
Leased assets	80	77
Other	1,999	2,372
Total intangible assets	3,649	3,460
Investments and other assets		
Investment securities	29,560	36,627
Long-term loans receivable	1,296	2,399
Deferred tax assets	4,532	3,100
Other	3,598	3,592
Allowance for doubtful accounts	(326)	(267)
Total investments and other assets	38,661	45,452
Total non-current assets	116,137	125,553
Total assets	242,741	261,133

(Millions of yen)

	As of March 31, 2014	As of March 31, 2015
Liabilities		
Current liabilities		
Notes and accounts payable - trade	32,328	34,407
Short-term loans payable	16,216	17,585
Lease obligations	265	262
Income taxes payable	2,550	1,973
Provision for bonuses	2,028	2,041
Provision for directors' bonuses	50	60
Other	8,968	13,161
Total current liabilities	62,407	69,493
Non-current liabilities		
Long-term loans payable	12,191	7,466
Lease obligations	950	817
Deferred tax liabilities	588	630
Deferred tax liabilities for land revaluation	4,021	3,605
Provision for directors' retirement benefits	132	152
Net defined benefit liability	12,788	13,806
Other	1,863	1,907
Total non-current liabilities	32,535	28,385
Total liabilities	94,943	97,878
Net assets		
Shareholders' equity		
Capital stock	22,899	22,899
Capital surplus	19,925	19,925
Retained earnings	92,438	101,629
Treasury shares	(225)	(226)
Total shareholders' equity	135,038	144,228
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	3,050	6,363
Revaluation reserve for land	3,794	4,095
Foreign currency translation adjustment	2,441	4,360
Remeasurements of defined benefit plans	(1,854)	(2,108)
Total accumulated other comprehensive income	7,431	12,711
Minority interests	5,328	6,315
Total net assets	147,798	163,255
Total liabilities and net assets	242,741	261,133

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

(Millions of yen)

	Fiscal year ended March 31, 2014	Fiscal year ended March 31, 2015
Net sales	204,350	214,319
Cost of sales	160,072	167,643
Gross profit	44,278	46,676
Selling, general and administrative expenses	30,467	32,068
Operating income	13,811	14,608
Non-operating income		
Interest income	163	280
Dividend income	522	459
Share of profit of entities accounted for using equity method	1,448	1,792
Foreign exchange gains	816	508
Other	310	382
Total non-operating income	3,261	3,422
Non-operating expenses		
Interest expenses	465	462
Other	647	469
Total non-operating expenses	1,112	931
Ordinary income	15,959	17,099
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	158	181
Impairment loss	3,048	128
Logistic bases closing expenses	97	83
Total extraordinary losses	3,304	393
Income before income taxes and minority interests	12,724	16,705
Income taxes - current	4,392	4,073
Income taxes - deferred	(1,422)	387
Total income taxes	2,969	4,461
Income before minority interests	9,754	12,244
Minority interests in income	602	671
Net income	9,152	11,573

Consolidated statements of comprehensive income

(Millions of yen)

	Fiscal year ended March 31, 2014	Fiscal year ended March 31, 2015
Income before minority interests	9,754	12,244
Other comprehensive income		
Valuation difference on available-for-sale securities	1,117	3,205
Revaluation reserve for land	–	373
Foreign currency translation adjustment	3,886	2,392
Remeasurements of defined benefit plans, net of tax	–	(266)
Share of other comprehensive income of entities accounted for using equity method	64	122
Total other comprehensive income	5,069	5,827
Comprehensive income	14,824	18,071
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	13,521	16,925
Comprehensive income attributable to minority interests	1,302	1,146

Consolidated statements of changes in net assets

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
Cumulative effects of changes in accounting policies					–
Restated balance	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
Cumulative effects of changes in accounting policies							–
Restated balance	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

Fiscal year ended March 31, 2015

(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	92,438	(225)	135,038
Cumulative effects of changes in accounting policies			(74)		(74)
Restated balance	22,899	19,925	92,364	(225)	134,964
Changes of items during period					
Dividends of surplus			(2,379)		(2,379)
Net income			11,573		11,573
Reversal of revaluation reserve for land			72		72
Purchase of treasury shares				(0)	(0)
Net changes of items other than shareholders' equity					
Total changes of items during period	-	-	9,265	(0)	9,264
Balance at end of current period	22,899	19,925	101,629	(226)	144,228

	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	3,050	3,794	2,441	(1,854)	7,431	5,328	147,798
Cumulative effects of changes in accounting policies							(74)
Restated balance	3,050	3,794	2,441	(1,854)	7,431	5,328	147,723
Changes of items during period							
Dividends of surplus							(2,379)
Net income							11,573
Reversal of revaluation reserve for land							72
Purchase of treasury shares							(0)
Net changes of items other than shareholders' equity	3,313	300	1,918	(253)	5,279	986	6,266
Total changes of items during period	3,313	300	1,918	(253)	5,279	986	15,531
Balance at end of current period	6,363	4,095	4,360	(2,108)	12,711	6,315	163,255

Consolidated statements of cash flows

(Millions of yen)

	Fiscal year ended March 31, 2014	Fiscal year ended March 31, 2015
Cash flows from operating activities		
Income before income taxes and minority interests	12,724	16,705
Depreciation	9,418	9,463
Impairment loss	3,048	128
Interest and dividend income	(686)	(739)
Interest expenses	465	462
Share of (profit) loss of entities accounted for using equity method	(1,448)	(1,792)
Loss on abandonment of non-current assets	158	181
Decrease (increase) in notes and accounts receivable - trade	(504)	(637)
Decrease (increase) in inventories	712	(2,405)
Increase (decrease) in notes and accounts payable - trade	(2,311)	1,139
Other, net	1,425	(449)
Subtotal	23,002	22,055
Interest and dividend income received	754	1,073
Interest expenses paid	(464)	(458)
Income taxes paid	(3,595)	(4,648)
Net cash provided by (used in) operating activities	19,696	18,021
Cash flows from investing activities		
Purchase of securities	(4,200)	(5,200)
Proceeds from sales and redemption of securities	8,201	5,200
Purchase of property, plant and equipment	(10,881)	(10,052)
Purchase of intangible assets	(1,106)	(789)
Purchase of investment securities	(1,913)	(712)
Purchase of shares of subsidiaries and associates	(406)	(203)
Other, net	(212)	(1,229)
Net cash provided by (used in) investing activities	(10,519)	(12,987)
Cash flows from financing activities		
Net increase (decrease) in short-term loans payable	1,323	508
Proceeds from long-term loans payable	876	2,000
Repayments of long-term loans payable	(502)	(2,649)
Cash dividends paid	(2,276)	(2,382)
Cash dividends paid to minority shareholders	(113)	(154)
Other, net	(380)	(279)
Net cash provided by (used in) financing activities	(1,074)	(2,956)
Effect of exchange rate change on cash and cash equivalents	1,356	949
Net increase (decrease) in cash and cash equivalents	9,459	3,027
Cash and cash equivalents at beginning of period	29,210	38,670
Cash and cash equivalents at end of period	38,670	41,697