

Translation

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## Summary of Consolidated Financial Results for the Six Months Ended September 30, 2015 (Based on Japanese GAAP)

November 5, 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 to file Quarterly Securities Report: November 9, 2015  
 Scheduled date to commence dividend payments: December 4, 2015  
 Preparation of supplementary material on quarterly financial results: Yes  
 Holding of quarterly financial results meeting: Yes

(Amounts less than one million yen are rounded down)

1. Consolidated financial results for the six months ended September 30, 2015 (from April 1, 2015 to September 30, 2015)

(1) Consolidated operating results (cumulative)

Percentages indicate year-on-year changes

	Net sales		Operating income		Ordinary income		Profit attributable to owners of parent	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
Six months ended September 30, 2015	109,697	9.3	8,980	31.3	8,705	19.6	5,863	16.9
Six months ended September 30, 2014	100,325	-	6,838	-	7,279	-	5,017	-

	Earnings per share		Diluted earnings per share	
	Yen		Yen	
Six months ended September 30, 2015	56.77		-	
Six months ended September 30, 2014	48.58		-	

(2) Consolidated financial position

	Total assets	Net assets	Equity ratio
	Millions of yen	Millions of yen	%
As of September 30, 2015	267,182	168,153	60.2
As of March 31, 2015	261,112	163,233	60.1

2. Cash dividends

	Annual dividends per share				
	1st quarter-end	2nd quarter-end	3rd quarter-end	Fiscal year-end	Total
	Yen				
Year ended March 31, 2015	-	12.00	-	14.00	26.00
Year ending March 31, 2016	-	14.00	-	-	-
Year ending March 31, 2016 (Forecast)	-	-	-	14.00	28.00

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		Earnings per share
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Yen
Full year	227,000	10.3	17,800	27.1	18,000	9.0	12,200	9.1	118.12

4. Notes

- (1) Changes in significant subsidiaries during the six months ended September 30, 2015  
(changes in specified subsidiaries resulting in the change in scope of consolidation): No
- (2) Application of special accounting methods for preparing quarterly consolidated financial statements: No
- (3) 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: Yes
- Changes in accounting estimates: No
- Restatement of prior period financial statements: No

(4) Number of issued shares (common shares)

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

As of September 30, 2015	103,651,442 shares	As of March 31, 2015	103,651,442 shares
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Number of treasury shares at the end of the period

As of September 30, 2015	365,220 shares	As of March 31, 2015	364,965 shares
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Average number of shares during the period (cumulative from the beginning of the fiscal year)

Six months ended September 30, 2015	103,286,307 shares	Six months ended September 30, 2014	103,287,080 shares
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**Quarterly consolidated financial statements**  
**Consolidated balance sheets**

(Millions of yen)

	As of March 31, 2015	As of September 30, 2015
Assets		
Current assets		
Cash and deposits	40,625	41,497
Notes and accounts receivable - trade	44,881	48,010
Securities	3,233	3,733
Merchandise and finished goods	21,531	22,518
Work in process	4,451	4,444
Raw materials and supplies	14,064	14,428
Other	6,979	7,193
Allowance for doubtful accounts	(208)	(203)
Total current assets	135,558	141,623
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	22,520	24,106
Machinery, equipment and vehicles, net	23,206	25,945
Land	21,275	21,272
Other, net	9,638	7,292
Total property, plant and equipment	76,640	78,617
Intangible assets		
Goodwill	217	189
Other	3,243	3,668
Total intangible assets	3,460	3,857
Investments and other assets		
Investment securities	36,627	34,287
Other	8,825	8,797
Total investments and other assets	45,452	43,084
Total non-current assets	125,553	125,559
Total assets	261,112	267,182

(Millions of yen)

	As of March 31, 2015	As of September 30, 2015
<b>Liabilities</b>		
Current liabilities		
Notes and accounts payable - trade	34,407	35,151
Short-term loans payable	17,585	18,208
Income taxes payable	1,973	1,758
Provision for bonuses	2,041	2,111
Other provision	60	27
Other	13,424	9,617
Total current liabilities	69,493	66,875
Non-current liabilities		
Long-term loans payable	7,466	10,761
Net defined benefit liability	13,806	14,191
Other provision	152	136
Other	6,960	7,063
Total non-current liabilities	28,385	32,152
Total liabilities	97,878	99,028
<b>Net assets</b>		
Shareholders' equity		
Capital stock	22,899	22,899
Capital surplus	19,925	19,925
Retained earnings	100,652	104,816
Treasury shares	(226)	(227)
Total shareholders' equity	143,251	147,415
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	6,363	5,572
Revaluation reserve for land	4,095	4,095
Foreign currency translation adjustment	5,316	5,795
Remeasurements of defined benefit plans	(2,108)	(1,986)
Total accumulated other comprehensive income	13,667	13,476
Non-controlling interests	6,314	7,262
Total net assets	163,233	168,153
Total liabilities and net assets	261,112	267,182

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

**Consolidated statements of income (cumulative)**

(Millions of yen)

	Six months ended September 30, 2014	Six months ended September 30, 2015
Net sales	100,325	109,697
Cost of sales	78,142	84,298
Gross profit	22,183	25,398
Selling, general and administrative expenses	15,345	16,418
Operating income	6,838	8,980
Non-operating income		
Interest income	124	139
Dividend income	168	211
Share of profit of entities accounted for using equity method	161	–
Foreign exchange gains	231	–
Other	170	200
Total non-operating income	855	550
Non-operating expenses		
Interest expenses	227	224
Share of loss of entities accounted for using equity method	–	148
Foreign exchange losses	–	166
Other	186	285
Total non-operating expenses	414	825
Ordinary income	7,279	8,705
Extraordinary losses		
Loss on retirement of property, plant and equipment	70	241
Loss on valuation of investment securities	–	29
Total extraordinary losses	70	271
Income before income taxes and minority interests	7,209	8,434
Income taxes - current	1,778	2,149
Income taxes - deferred	154	(10)
Total income taxes	1,933	2,139
Profit	5,275	6,294
Profit attributable to non-controlling interests	258	431
Profit attributable to owners of parent	5,017	5,863

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

(Millions of yen)

	Six months ended September 30, 2014	Six months ended September 30, 2015
Profit	5,275	6,294
Other comprehensive income		
Valuation difference on available-for-sale securities	1,079	(747)
Foreign currency translation adjustment	(921)	658
Remeasurements of defined benefit plans, net of tax	96	114
Share of other comprehensive income of entities accounted for using equity method	53	(36)
Total other comprehensive income	307	(11)
Comprehensive income	5,583	6,283
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	5,524	5,672
Comprehensive income attributable to non-controlling interests	58	610

## Consolidated statements of cash flows

(Millions of yen)

	Six months ended September 30, 2014	Six months ended September 30, 2015
Cash flows from operating activities		
Income before income taxes and minority interests	7,209	8,434
Depreciation	4,457	4,692
Increase (decrease) in net defined benefit liability	333	553
Loss on retirement of property, plant and equipment	70	241
Interest and dividend income	(292)	(350)
Interest expenses	227	224
Foreign exchange losses (gains)	(76)	165
Share of (profit) loss of entities accounted for using equity method	(161)	148
Decrease (increase) in notes and accounts receivable - trade	(430)	(2,949)
Decrease (increase) in inventories	(2,214)	(1,338)
Increase (decrease) in notes and accounts payable - trade	452	611
Other, net	(1,081)	(650)
Subtotal	8,492	9,782
Interest and dividend income received	604	570
Interest expenses paid	(240)	(259)
Income taxes paid	(2,815)	(2,406)
Net cash provided by (used in) operating activities	6,041	7,688
Cash flows from investing activities		
Proceeds from sales and redemption of securities	2,600	2,600
Purchase of securities	(2,600)	(2,600)
Purchase of property, plant and equipment	(3,901)	(4,119)
Purchase of intangible assets	(428)	(543)
Purchase of investment securities	(512)	(109)
Other, net	(637)	(630)
Net cash provided by (used in) investing activities	(5,480)	(5,403)
Cash flows from financing activities		
Net increase (decrease) in short-term loans payable	736	573
Proceeds from long-term loans payable	–	5,000
Repayments of long-term loans payable	(217)	(5,605)
Cash dividends paid	(1,182)	(1,449)
Other, net	(289)	(311)
Net cash provided by (used in) financing activities	(953)	(1,792)
Effect of exchange rate change on cash and cash equivalents	(377)	222
Net increase (decrease) in cash and cash equivalents	(769)	715
Cash and cash equivalents at beginning of period	38,670	41,697
Increase in cash and cash equivalents from newly consolidated subsidiary	–	577
Cash and cash equivalents at end of period	37,901	42,990