

Translation

Notice: This document is an excerpt translation of the original Japanese document and is only for reference purposes. In the event of any discrepancy between this translated document and the original Japanese document, the latter shall prevail.

Summary of Consolidated Financial Results for the Nine Months Ended December 31, 2015 (Based on Japanese GAAP)

February 4, 2016

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: February 10, 2016
 Scheduled date to commence dividend payments: –
 Preparation of supplementary material on quarterly financial results: No
 Holding of quarterly financial results meeting: No

(Amounts less than one million yen are rounded down)

1. Consolidated financial results for the nine months ended December 31, 2015 (from April 1, 2015 to December 31, 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	%
Nine months ended December 31, 2015	167,588	8.5	14,853	42.2	14,520	25.8	9,937	25.3
Nine months ended December 31, 2014	154,425	–	10,447	–	11,546	–	7,928	–

	Earnings per share		Diluted earnings per share	
	Yen		Yen	
Nine months ended December 31, 2015	96.22		–	
Nine months ended December 31, 2014	76.76		–	

(2) Consolidated financial position

	Total assets	Net assets	Equity ratio
	Millions of yen	Millions of yen	%
As of December 31, 2015	269,646	169,353	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 nine months ended December 31, 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 December 31, 2015	103,651,442 shares	As of March 31, 2015	103,651,442 shares
-------------------------	--------------------	----------------------	--------------------

Number of treasury shares at the end of the period

As of December 31, 2015	365,402 shares	As of March 31, 2015	364,965 shares
-------------------------	----------------	----------------------	----------------

Average number of shares during the period (cumulative from the beginning of the fiscal year)

Nine months ended December 31, 2015	103,286,244 shares	Nine months ended December 31, 2014	103,286,984 shares
-------------------------------------	--------------------	-------------------------------------	--------------------

Quarterly consolidated financial statements
Consolidated balance sheets

(Millions of yen)

	As of March 31, 2015	As of December 31, 2015
Assets		
Current assets		
Cash and deposits	40,625	42,414
Notes and accounts receivable - trade	44,881	52,285
Securities	3,233	3,733
Merchandise and finished goods	21,531	20,515
Work in process	4,451	4,163
Raw materials and supplies	14,064	14,559
Other	6,979	7,122
Allowance for doubtful accounts	(208)	(220)
Total current assets	135,558	144,573
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	22,520	23,472
Machinery, equipment and vehicles, net	23,206	25,757
Land	21,275	21,199
Other, net	9,638	7,360
Total property, plant and equipment	76,640	77,789
Intangible assets		
Goodwill	217	169
Other	3,243	3,566
Total intangible assets	3,460	3,736
Investments and other assets		
Investment securities	36,627	35,114
Other	8,825	8,430
Total investments and other assets	45,452	43,545
Total non-current assets	125,553	125,072
Total assets	261,112	269,646

(Millions of yen)

	As of March 31, 2015	As of December 31, 2015
Liabilities		
Current liabilities		
Notes and accounts payable - trade	34,407	36,689
Short-term loans payable	17,585	19,625
Income taxes payable	1,973	1,416
Provision for bonuses	2,041	1,069
Other provision	60	41
Other	13,424	9,288
Total current liabilities	69,493	68,130
Non-current liabilities		
Long-term loans payable	7,466	10,627
Net defined benefit liability	13,806	14,401
Other provision	152	148
Other	6,960	6,984
Total non-current liabilities	28,385	32,161
Total liabilities	97,878	100,292
Net assets		
Shareholders' equity		
Capital stock	22,899	22,899
Capital surplus	19,925	19,925
Retained earnings	100,652	107,442
Treasury shares	(226)	(227)
Total shareholders' equity	143,251	150,040
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	6,363	6,230
Revaluation reserve for land	4,095	4,095
Foreign currency translation adjustment	5,316	3,835
Remeasurements of defined benefit plans	(2,108)	(1,930)
Total accumulated other comprehensive income	13,667	12,230
Non-controlling interests	6,314	7,082
Total net assets	163,233	169,353
Total liabilities and net assets	261,112	269,646

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

Consolidated statements of income (cumulative)

(Millions of yen)

	Nine months ended December 31, 2014	Nine months ended December 31, 2015
Net sales	154,425	167,588
Cost of sales	120,768	128,066
Gross profit	33,656	39,521
Selling, general and administrative expenses	23,209	24,668
Operating income	10,447	14,853
Non-operating income		
Interest income	188	207
Dividend income	289	338
Share of profit of entities accounted for using equity method	270	–
Foreign exchange gains	778	–
Other	254	238
Total non-operating income	1,781	784
Non-operating expenses		
Interest expenses	332	336
Share of loss of entities accounted for using equity method	–	126
Foreign exchange losses	–	316
Other	350	337
Total non-operating expenses	682	1,117
Ordinary income	11,546	14,520
Extraordinary losses		
Loss on retirement of property, plant and equipment	108	338
Loss on valuation of investment securities	–	29
Total extraordinary losses	108	368
Income before income taxes and minority interests	11,437	14,152
Income taxes - current	2,658	3,297
Income taxes - deferred	440	315
Total income taxes	3,099	3,613
Profit	8,337	10,539
Profit attributable to non-controlling interests	408	601
Profit attributable to owners of parent	7,928	9,937

Consolidated statements of comprehensive income (cumulative)

(Millions of yen)

	Nine months ended December 31, 2014	Nine months ended December 31, 2015
Profit	8,337	10,539
Other comprehensive income		
Valuation difference on available-for-sale securities	1,699	(150)
Foreign currency translation adjustment	698	(1,652)
Remeasurements of defined benefit plans, net of tax	144	171
Share of other comprehensive income of entities accounted for using equity method	110	23
Total other comprehensive income	2,652	(1,607)
Comprehensive income	10,990	8,932
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	10,437	8,501
Comprehensive income attributable to non-controlling interests	552	430