

Translation

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## Summary of Consolidated Financial Results for the Year Ended March 31, 2016 (Based on Japanese GAAP)

May 12, 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 of ordinary general meeting of shareholders: June 24, 2016  
 Scheduled date to file Securities Report: June 24, 2016  
 Scheduled date to commence dividend payments: June 27, 2016  
 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, 2016 (from April 1, 2015 to March 31, 2016)

(1) Consolidated operating results

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	%
Year ended March 31, 2016	222,746	8.2	19,300	37.8	19,569	18.6	13,259	18.6
Year ended March 31, 2015	205,890	-	14,009	-	16,506	-	11,183	-

	Earnings per share	Diluted earnings per share	Profit attributable to owners of parent/equity	Ordinary income/total assets	Operating income/net sales
	Yen	Yen	%	%	%
Year ended March 31, 2016	128.38	-	8.3	7.4	8.7
Year ended March 31, 2015	108.28	-	7.5	6.6	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, 2016	270,038	170,586	60.5	1,581.14
As of March 31, 2015	261,112	163,233	60.1	1,519.25

(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, 2016	23,806	(10,673)	(4,566)	49,981
Year ended March 31, 2015	17,419	(12,867)	(2,813)	41,697

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, 2015	-	12.00	-	14.00	26.00	2,690	24.1	1.6
Year ended March 31, 2016	-	14.00	-	16.00	30.00	3,104	23.4	1.8
Year ending March 31, 2017 (Forecast)	-	15.00	-	15.00	30.00		23.0	

3. Forecast of consolidated financial results for the year ending March 31, 2017 (from April 1, 2016 to March 31, 2017)

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
Six months ending September 30, 2016	111,500	1.6	8,900	(0.9)	8,500	(2.4)	5,800	(1.1)	56.15
Full year	231,000	3.7	19,400	0.5	19,800	1.2	13,500	1.8	130.71

4. Notes

(1) Changes in significant subsidiaries during the year ended March 31, 2016

(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: Yes

Changes in accounting estimates: No

Restatement of prior period financial statements: 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, 2016	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 March 31, 2016	365,531 shares	As of March 31, 2015	364,965 shares
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Average number of shares during the period

Year ended March 31, 2016	103,286,183 shares	Year ended March 31, 2015	103,286,883 shares
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**Consolidated financial statements**  
**Consolidated balance sheets**

(Millions of yen)

	As of March 31, 2015	As of March 31, 2016
Assets		
Current assets		
Cash and deposits	40,625	48,367
Notes and accounts receivable - trade	44,881	45,444
Securities	3,233	4,733
Merchandise and finished goods	21,531	20,702
Work in process	4,451	4,323
Raw materials and supplies	14,064	14,944
Deferred tax assets	1,716	1,710
Other	5,262	5,057
Allowance for doubtful accounts	(208)	(207)
Total current assets	135,558	145,076
Non-current assets		
Property, plant and equipment		
Buildings and structures	58,432	60,418
Accumulated depreciation	(35,911)	(36,922)
Buildings and structures, net	22,520	23,496
Machinery, equipment and vehicles	119,563	125,663
Accumulated depreciation	(96,357)	(99,396)
Machinery, equipment and vehicles, net	23,206	26,266
Land	21,275	21,210
Leased assets	2,003	1,872
Accumulated depreciation	(1,004)	(1,097)
Leased assets, net	998	774
Construction in progress	3,817	1,941
Other	25,985	26,675
Accumulated depreciation	(21,163)	(21,835)
Other, net	4,822	4,840
Total property, plant and equipment	76,640	78,529
Intangible assets		
Goodwill	217	155
Software	793	1,508
Leased assets	77	53
Other	2,372	2,101
Total intangible assets	3,460	3,818
Investments and other assets		
Investment securities	36,627	33,472
Long-term loans receivable	2,399	1,613
Deferred tax assets	3,100	4,319
Other	3,592	3,450
Allowance for doubtful accounts	(267)	(241)
Total investments and other assets	45,452	42,613
Total non-current assets	125,553	124,962
Total assets	261,112	270,038

(Millions of yen)

	As of March 31, 2015	As of March 31, 2016
<b>Liabilities</b>		
<b>Current liabilities</b>		
Notes and accounts payable - trade	34,407	33,505
Short-term loans payable	17,585	17,406
Lease obligations	262	225
Income taxes payable	1,973	2,551
Provision for bonuses	2,041	2,133
Provision for directors' bonuses	60	69
Other	13,161	10,099
<b>Total current liabilities</b>	<b>69,493</b>	<b>65,991</b>
<b>Non-current liabilities</b>		
Long-term loans payable	7,466	10,814
Lease obligations	817	598
Deferred tax liabilities	630	665
Deferred tax liabilities for land revaluation	3,605	3,424
Provision for directors' retirement benefits	152	160
Net defined benefit liability	13,806	15,707
Other	1,907	2,091
<b>Total non-current liabilities</b>	<b>28,385</b>	<b>33,461</b>
<b>Total liabilities</b>	<b>97,878</b>	<b>99,452</b>
<b>Net assets</b>		
<b>Shareholders' equity</b>		
Capital stock	22,899	22,899
Capital surplus	19,925	19,926
Retained earnings	100,652	110,764
Treasury shares	(226)	(227)
<b>Total shareholders' equity</b>	<b>143,251</b>	<b>153,363</b>
<b>Accumulated other comprehensive income</b>		
Valuation difference on available-for-sale securities	6,363	4,490
Revaluation reserve for land	4,095	4,276
Foreign currency translation adjustment	5,316	4,082
Remeasurements of defined benefit plans	(2,108)	(2,904)
<b>Total accumulated other comprehensive income</b>	<b>13,667</b>	<b>9,945</b>
<b>Non-controlling interests</b>	<b>6,314</b>	<b>7,276</b>
<b>Total net assets</b>	<b>163,233</b>	<b>170,586</b>
<b>Total liabilities and net assets</b>	<b>261,112</b>	<b>270,038</b>

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

(Millions of yen)

	Fiscal year ended March 31, 2015	Fiscal year ended March 31, 2016
Net sales	205,890	222,746
Cost of sales	160,546	170,144
Gross profit	45,343	52,602
Selling, general and administrative expenses	31,333	33,301
Operating income	14,009	19,300
Non-operating income		
Interest income	262	286
Dividend income	459	516
Share of profit of entities accounted for using equity method	1,792	750
Foreign exchange gains	507	–
Other	370	597
Total non-operating income	3,392	2,151
Non-operating expenses		
Interest expenses	433	448
Foreign exchange losses	–	767
Other	461	666
Total non-operating expenses	895	1,881
Ordinary income	16,506	19,569
Extraordinary losses		
Loss on abandonment of non-current assets	179	560
Loss on valuation of investment securities	–	29
Impairment loss	128	222
Logistic bases closing expenses	83	–
Total extraordinary losses	391	813
Profit before income taxes	16,115	18,756
Income taxes - current	3,941	4,646
Income taxes - deferred	379	28
Total income taxes	4,320	4,675
Profit	11,794	14,081
Profit attributable to non-controlling interests	610	821
Profit attributable to owners of parent	11,183	13,259

## Consolidated statements of comprehensive income

(Millions of yen)

	Fiscal year ended March 31, 2015	Fiscal year ended March 31, 2016
Profit	11,794	14,081
Other comprehensive income		
Valuation difference on available-for-sale securities	3,205	(1,800)
Revaluation reserve for land	373	180
Foreign currency translation adjustment	2,824	(1,413)
Remeasurements of defined benefit plans, net of tax	(266)	(798)
Share of other comprehensive income of entities accounted for using equity method	122	(70)
Total other comprehensive income	6,259	(3,901)
Comprehensive income	18,053	10,179
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	16,904	9,538
Comprehensive income attributable to non-controlling interests	1,149	641

## Consolidated statements of changes in equity

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			(662)		(662)
Restated balance	22,899	19,925	91,776	(225)	134,376
Changes of items during period					
Dividends of surplus			(2,379)		(2,379)
Profit attributable to owners of parent			11,183		11,183
Change of scope of consolidation					–
Reversal of revaluation reserve for land			72		72
Purchase of treasury shares				(0)	(0)
Change in treasury shares of parent arising from transactions with non-controlling shareholders					–
Net changes of items other than shareholders' equity					–
Total changes of items during period	–	–	8,876	(0)	8,875
Balance at end of current period	22,899	19,925	100,652	(226)	143,251

	Accumulated other comprehensive income					Non-controlling 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			587		587		(74)
Restated balance	3,050	3,794	3,029	(1,854)	8,019	5,328	147,723
Changes of items during period							
Dividends of surplus					–		(2,379)
Profit attributable to owners of parent					–		11,183
Change of scope of consolidation					–		–
Reversal of revaluation reserve for land					–		72
Purchase of treasury shares					–		(0)
Change in treasury shares of parent arising from transactions with non-controlling shareholders					–		–
Net changes of items other than shareholders' equity	3,313	300	2,286	(253)	5,648	986	6,634
Total changes of items during period	3,313	300	2,286	(253)	5,648	986	15,509
Balance at end of current period	6,363	4,095	5,316	(2,108)	13,667	6,314	163,233

Fiscal year ended March 31, 2016

(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	100,652	(226)	143,251
Cumulative effects of changes in accounting policies					–
Restated balance	22,899	19,925	100,652	(226)	143,251
Changes of items during period					
Dividends of surplus			(2,897)		(2,897)
Profit attributable to owners of parent			13,259		13,259
Change of scope of consolidation			(250)		(250)
Reversal of revaluation reserve for land					–
Purchase of treasury shares				(0)	(0)
Change in treasury shares of parent arising from transactions with non-controlling shareholders		0			0
Net changes of items other than shareholders' equity					–
Total changes of items during period	–	0	10,112	(0)	10,112
Balance at end of current period	22,899	19,926	110,764	(227)	153,363

	Accumulated other comprehensive income					Non-controlling 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	6,363	4,095	5,316	(2,108)	13,667	6,314	163,233
Cumulative effects of changes in accounting policies					–		–
Restated balance	6,363	4,095	5,316	(2,108)	13,667	6,314	163,233
Changes of items during period							
Dividends of surplus					–		(2,897)
Profit attributable to owners of parent					–		13,259
Change of scope of consolidation					–		(250)
Reversal of revaluation reserve for land					–		–
Purchase of treasury shares					–		(0)
Change in treasury shares of parent arising from transactions with non-controlling shareholders					–		0
Net changes of items other than shareholders' equity	(1,872)	180	(1,233)	(796)	(3,721)	962	(2,759)
Total changes of items during period	(1,872)	180	(1,233)	(796)	(3,721)	962	7,352
Balance at end of current period	4,490	4,276	4,082	(2,904)	9,945	7,276	170,586

## Consolidated statements of cash flows

(Millions of yen)

	Fiscal year ended March 31, 2015	Fiscal year ended March 31, 2016
Cash flows from operating activities		
Profit before income taxes	16,115	18,756
Depreciation	9,237	9,459
Impairment loss	128	222
Interest and dividend income	(721)	(803)
Interest expenses	433	448
Share of (profit) loss of entities accounted for using equity method	(1,792)	(750)
Loss on abandonment of non-current assets	179	560
Decrease (increase) in notes and accounts receivable - trade	(296)	(1,511)
Decrease (increase) in inventories	(2,345)	(583)
Increase (decrease) in notes and accounts payable - trade	877	(213)
Other, net	(349)	1,716
Subtotal	21,466	27,302
Interest and dividend income received	887	1,058
Interest expenses paid	(429)	(461)
Income taxes paid	(4,504)	(4,093)
Net cash provided by (used in) operating activities	17,419	23,806
Cash flows from investing activities		
Purchase of securities	(5,200)	(6,200)
Proceeds from sales and redemption of securities	5,200	5,200
Purchase of property, plant and equipment	(9,942)	(8,345)
Purchase of intangible assets	(787)	(932)
Purchase of investment securities	(712)	(120)
Purchase of shares of subsidiaries and associates	(203)	–
Other, net	(1,220)	(274)
Net cash provided by (used in) investing activities	(12,867)	(10,673)
Cash flows from financing activities		
Net increase (decrease) in short-term loans payable	439	51
Proceeds from long-term loans payable	2,000	5,708
Repayments of long-term loans payable	(2,605)	(6,972)
Cash dividends paid	(2,219)	(2,897)
Dividends paid to non-controlling interests	(157)	(183)
Other, net	(271)	(272)
Net cash provided by (used in) financing activities	(2,813)	(4,566)
Effect of exchange rate change on cash and cash equivalents	1,288	(860)
Net increase (decrease) in cash and cash equivalents	3,027	7,706
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	41,697	49,981