

Translation

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**Summary of Consolidated Financial Results
for the Three Months Ended June 30, 2016
(Based on Japanese GAAP)**

August 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: August 8, 2016
 Scheduled date to commence dividend payments: –
 Preparation of supplementary material on quarterly financial results: Yes
 Holding of quarterly financial results meeting: No

(Amounts less than one million yen are rounded down)

1. Consolidated financial results for the three months ended June 30, 2016 (from April 1, 2016 to June 30, 2016)

(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	%
Three months ended June 30, 2016	53,589	0.4	4,760	6.0	4,177	(13.7)	2,822	(14.2)
Three months ended June 30, 2015	53,380	7.0	4,488	33.3	4,840	36.9	3,290	29.6

	Earnings per share		Diluted earnings per share	
	Yen		Yen	
Three months ended June 30, 2016	27.32		–	
Three months ended June 30, 2015	31.86		–	

(2) Consolidated financial position

	Total assets	Net assets	Equity ratio
	Millions of yen	Millions of yen	%
As of June 30, 2016	265,018	170,399	61.7
As of March 31, 2016	270,038	170,586	60.5

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, 2016	–	14.00	–	16.00	30.00
Year ending March 31, 2017	–	–	–	–	–
Year ending March 31, 2017 (Forecast)	–	15.00	–	15.00	30.00

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 three months ended June 30, 2016
 (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: No
- 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 June 30, 2016	103,651,442 shares	As of March 31, 2016	103,651,442 shares
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Number of treasury shares at the end of the period

As of June 30, 2016	365,531 shares	As of March 31, 2016	365,531 shares
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Average number of shares during the period (cumulative from the beginning of the fiscal year)

Three months ended June 30, 2016	103,285,911 shares	Three months ended June 30, 2015	103,286,379 shares
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Quarterly consolidated financial statements
Consolidated balance sheets

(Millions of yen)

	As of March 31, 2016	As of June 30, 2016
Assets		
Current assets		
Cash and deposits	48,367	45,850
Notes and accounts receivable - trade	45,444	45,154
Securities	4,733	5,199
Merchandise and finished goods	20,702	19,970
Work in process	4,323	4,167
Raw materials and supplies	14,944	14,801
Other	6,768	6,801
Allowance for doubtful accounts	(207)	(205)
Total current assets	145,076	141,739
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	23,496	23,239
Machinery, equipment and vehicles, net	26,266	25,845
Land	21,210	21,164
Other, net	7,556	7,251
Total property, plant and equipment	78,529	77,501
Intangible assets		
Goodwill	155	130
Other	3,663	3,563
Total intangible assets	3,818	3,694
Investments and other assets		
Investment securities	33,472	33,080
Other	9,141	9,003
Total investments and other assets	42,613	42,083
Total non-current assets	124,962	123,278
Total assets	270,038	265,018

(Millions of yen)

	As of March 31, 2016	As of June 30, 2016
Liabilities		
Current liabilities		
Notes and accounts payable - trade	33,505	31,811
Short-term loans payable	17,406	16,489
Income taxes payable	2,551	1,418
Provision for bonuses	2,133	1,078
Other provision	69	18
Other	10,324	8,410
Total current liabilities	65,991	59,225
Non-current liabilities		
Long-term loans payable	10,814	12,674
Net defined benefit liability	15,707	15,820
Other provision	160	151
Other	6,779	6,746
Total non-current liabilities	33,461	35,393
Total liabilities	99,452	94,619
Net assets		
Shareholders' equity		
Capital stock	22,899	22,899
Capital surplus	19,926	19,926
Retained earnings	110,764	112,176
Treasury shares	(227)	(227)
Total shareholders' equity	153,363	154,775
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	4,490	4,356
Revaluation reserve for land	4,276	4,276
Foreign currency translation adjustment	4,082	2,906
Remeasurements of defined benefit plans	(2,904)	(2,830)
Total accumulated other comprehensive income	9,945	8,707
Non-controlling interests	7,276	6,915
Total net assets	170,586	170,399
Total liabilities and net assets	270,038	265,018

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

Consolidated statements of income (cumulative)

(Millions of yen)

	Three months ended June 30, 2015	Three months ended June 30, 2016
Net sales	53,380	53,589
Cost of sales	40,823	40,362
Gross profit	12,557	13,226
Selling, general and administrative expenses	8,068	8,466
Operating income	4,488	4,760
Non-operating income		
Interest income	67	62
Dividend income	161	169
Share of profit of entities accounted for using equity method	20	–
Foreign exchange gains	149	–
Other	137	126
Total non-operating income	536	358
Non-operating expenses		
Interest expenses	114	94
Share of loss of entities accounted for using equity method	–	24
Foreign exchange losses	–	712
Other	70	109
Total non-operating expenses	184	941
Ordinary income	4,840	4,177
Extraordinary losses		
Loss on retirement of property, plant and equipment	15	33
Loss on valuation of investment securities	29	–
Loss on valuation of investments in capital of subsidiaries and associates	–	146
Total extraordinary losses	45	180
Profit before income taxes	4,794	3,997
Income taxes - current	1,415	1,255
Income taxes - deferred	(135)	(321)
Total income taxes	1,280	933
Profit	3,514	3,063
Profit attributable to non-controlling interests	223	241
Profit attributable to owners of parent	3,290	2,822

Consolidated statements of comprehensive income (cumulative)

(Millions of yen)

	Three months ended June 30, 2015	Three months ended June 30, 2016
Profit	3,514	3,063
Other comprehensive income		
Valuation difference on available-for-sale securities	759	(79)
Foreign currency translation adjustment	(53)	(1,521)
Remeasurements of defined benefit plans, net of tax	57	71
Share of other comprehensive income of entities accounted for using equity method	37	(53)
Total other comprehensive income	800	(1,582)
Comprehensive income	4,314	1,481
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	4,014	1,584
Comprehensive income attributable to non-controlling interests	300	(102)