

Translation

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Summary of Consolidated Financial Results for the Nine Months Ended December 31, 2016 (Based on Japanese GAAP)

February 3, 2017

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, 2017
 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 nine months ended December 31, 2016 (from April 1, 2016 to December 31, 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	%
Nine months ended December 31, 2016	165,636	(1.2)	15,550	4.7	15,943	9.8	11,063	11.3
Nine months ended December 31, 2015	167,588	8.5	14,853	42.2	14,520	25.8	9,937	25.3

	Earnings per share		Diluted earnings per share	
	Yen		Yen	
Nine months ended December 31, 2016	107.16		–	
Nine months ended December 31, 2015	96.22		–	

(2) Consolidated financial position

	Total assets	Net assets	Equity ratio
	Millions of yen	Millions of yen	%
As of December 31, 2016	278,734	179,418	61.8
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	–	15.00	–	–	–
Year ending March 31, 2017 (Forecast)	–	–	–	20.00	35.00

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
Full year	223,000	0.1	19,500	1.0	20,000	2.2	13,700	3.3	132.81

4. Notes

- (1) Changes in significant subsidiaries during the nine months ended December 31, 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 December 31, 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 December 31, 2016	762,033 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)

Nine months ended December 31, 2016	103,238,828 shares	Nine months ended December 31, 2015	103,286,244 shares
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Quarterly consolidated financial statements
Consolidated balance sheets

(Millions of yen)

	As of March 31, 2016	As of December 31, 2016
Assets		
Current assets		
Cash and deposits	48,367	43,809
Notes and accounts receivable - trade	45,444	51,413
Securities	4,733	6,326
Merchandise and finished goods	20,702	19,835
Work in process	4,323	4,798
Raw materials and supplies	14,944	15,120
Other	6,768	7,291
Allowance for doubtful accounts	(207)	(190)
Total current assets	145,076	148,405
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	23,496	22,583
Machinery, equipment and vehicles, net	26,266	26,627
Land	21,210	21,116
Other, net	7,556	7,296
Total property, plant and equipment	78,529	77,623
Intangible assets		
Goodwill	155	268
Other	3,663	3,606
Total intangible assets	3,818	3,875
Investments and other assets		
Investment securities	33,472	40,151
Other	9,141	8,678
Total investments and other assets	42,613	48,829
Total non-current assets	124,962	130,329
Total assets	270,038	278,734

(Millions of yen)

	As of March 31, 2016	As of December 31, 2016
Liabilities		
Current liabilities		
Notes and accounts payable - trade	33,505	34,699
Short-term loans payable	17,406	17,239
Current portion of bonds	–	7
Income taxes payable	2,551	1,761
Provision for bonuses	2,133	1,107
Other provision	69	50
Other	10,324	8,863
Total current liabilities	65,991	63,728
Non-current liabilities		
Bonds payable	–	304
Long-term loans payable	10,814	12,431
Net defined benefit liability	15,707	15,999
Other provision	160	241
Other	6,779	6,610
Total non-current liabilities	33,461	35,587
Total liabilities	99,452	99,315
Net assets		
Shareholders' equity		
Capital stock	22,899	22,899
Capital surplus	19,926	19,926
Retained earnings	110,764	120,257
Treasury shares	(227)	(569)
Total shareholders' equity	153,363	162,514
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	4,490	8,413
Revaluation reserve for land	4,276	4,276
Foreign currency translation adjustment	4,082	(168)
Remeasurements of defined benefit plans	(2,904)	(2,670)
Total accumulated other comprehensive income	9,945	9,850
Non-controlling interests	7,276	7,053
Total net assets	170,586	179,418
Total liabilities and net assets	270,038	278,734

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, 2015	Nine months ended December 31, 2016
Net sales	167,588	165,636
Cost of sales	128,066	124,503
Gross profit	39,521	41,132
Selling, general and administrative expenses	24,668	25,581
Operating income	14,853	15,550
Non-operating income		
Interest income	207	192
Dividend income	338	340
Share of profit of entities accounted for using equity method	–	216
Other	238	395
Total non-operating income	784	1,144
Non-operating expenses		
Interest expenses	336	291
Share of loss of entities accounted for using equity method	126	–
Foreign exchange losses	316	195
Other	337	264
Total non-operating expenses	1,117	751
Ordinary income	14,520	15,943
Extraordinary income		
Gain on sales of investment securities	–	150
Total extraordinary income	–	150
Extraordinary losses		
Loss on retirement of property, plant and equipment	338	144
Loss on valuation of investment securities	29	–
Loss on valuation of investments in capital of subsidiaries and associates	–	146
Total extraordinary losses	368	291
Profit before income taxes	14,152	15,803
Income taxes - current	3,297	3,828
Income taxes - deferred	315	202
Total income taxes	3,613	4,030
Profit	10,539	11,772
Profit attributable to non-controlling interests	601	709
Profit attributable to owners of parent	9,937	11,063

Consolidated statements of comprehensive income (cumulative)

(Millions of yen)

	Nine months ended December 31, 2015	Nine months ended December 31, 2016
Profit	10,539	11,772
Other comprehensive income		
Valuation difference on available-for-sale securities	(150)	2,426
Foreign currency translation adjustment	(1,652)	(5,185)
Remeasurements of defined benefit plans, net of tax	171	215
Share of other comprehensive income of entities accounted for using equity method	23	51
Total other comprehensive income	(1,607)	(2,492)
Comprehensive income	8,932	9,280
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	8,501	9,504
Comprehensive income attributable to non-controlling interests	430	(224)