

Translation

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## Summary of Consolidated Financial Results for the Six Months Ended September 30, 2014 (Based on Japanese GAAP)

November 5, 2014

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 7, 2014  
 Scheduled date to commence dividend payments: December 4, 2014  
 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, 2014 (from April 1, 2014 to September 30, 2014)

(1) Consolidated financial results (cumulative)

Percentages indicate year-on-year changes

	Net sales		Operating income		Ordinary income		Net income	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
Six months ended September 30, 2014	100,184	4.6	6,832	12.5	7,275	13.9	5,017	19.0
Six months ended September 30, 2013	95,797	8.3	6,075	28.9	6,385	42.6	4,216	75.2

	Net income per share	Diluted net income per share
	Yen	Yen
Six months ended September 30, 2014	48.58	—
Six months ended September 30, 2013	40.82	—

(2) Consolidated financial position

	Total assets	Net assets	Equity ratio
	Millions of yen	Millions of yen	%
As of September 30, 2014	245,156	152,008	59.9
As of March 31, 2014	242,741	147,798	58.7

2. Cash dividends

	Annual dividends per share				
	1st quarter-end	2nd quarter-end	3rd quarter-end	Fiscal year-end	Total
	Yen	Yen	Yen	Yen	Yen
Year ended March 31, 2014	—	11.00	—	11.00	22.00
Year ending March 31, 2015	—	12.00	—	—	—
Year ending March 31, 2015 (Forecast)	—	—	—	12.00	24.00

3. Forecast of consolidated financial results for the year ending March 31, 2015 (from April 1, 2014 to March 31, 2015)

Percentages indicate year-on-year changes

	Net sales		Operating income		Ordinary income		Net income		Net income per share
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Yen
Full year	220,000	7.7	14,200	2.8	15,000	(6.0)	10,000	9.3	96.82

4. Notes

- (1) Changes in significant subsidiaries during the six months ended September 30, 2014  
(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 September 30, 2014	103,651,442 shares	As of March 31, 2014	103,651,442 shares
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Number of treasury shares at the end of the period

As of September 30, 2014	364,609 shares	As of March 31, 2014	364,263 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, 2014	103,287,080 shares	Six months ended September 30, 2013	103,287,865 shares
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**Quarterly consolidated financial statements**  
**Consolidated balance sheets**

(Millions of yen)

	As of March 31, 2014	As of September 30, 2014
Assets		
Current assets		
Cash and deposits	37,493	36,728
Notes and accounts receivable - trade	42,912	42,702
Securities	3,232	3,232
Merchandise and finished goods	18,328	19,759
Work in process	4,603	4,499
Raw materials and supplies	13,498	13,966
Other	6,863	6,464
Allowance for doubtful accounts	(327)	(238)
Total current assets	126,604	127,113
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	21,879	21,882
Machinery, equipment and vehicles, net	21,975	21,552
Land	21,310	21,251
Other, net	8,661	8,733
Total property, plant and equipment	73,826	73,420
Intangible assets		
Goodwill	244	208
Other	3,405	3,295
Total intangible assets	3,649	3,504
Investments and other assets		
Investment securities	29,560	31,833
Other	9,100	9,283
Total investments and other assets	38,661	41,117
Total non-current assets	116,137	118,042
Total assets	242,741	245,156

(Millions of yen)

	As of March 31, 2014	As of September 30, 2014
<b>Liabilities</b>		
Current liabilities		
Notes and accounts payable - trade	32,328	32,287
Short-term loans payable	16,216	16,537
Income taxes payable	2,550	1,443
Provision for bonuses	2,028	2,050
Other provision	50	22
Other	9,234	13,661
Total current liabilities	62,407	66,003
Non-current liabilities		
Long-term loans payable	12,191	6,635
Net defined benefit liability	12,788	13,087
Other provision	132	127
Other	7,424	7,295
Total non-current liabilities	32,535	27,144
Total liabilities	94,943	93,148
<b>Net assets</b>		
Shareholders' equity		
Capital stock	22,899	22,899
Capital surplus	19,925	19,925
Retained earnings	92,438	96,275
Treasury shares	(225)	(226)
Total shareholders' equity	135,038	138,874
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	3,050	4,175
Revaluation reserve for land	3,794	3,762
Foreign currency translation adjustment	2,441	1,713
Remeasurements of defined benefit plans	(1,854)	(1,752)
Total accumulated other comprehensive income	7,431	7,899
Minority interests	5,328	5,233
Total net assets	147,798	152,008
Total liabilities and net assets	242,741	245,156

**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, 2013	Six months ended September 30, 2014
Net sales	95,797	100,184
Cost of sales	74,989	78,003
Gross profit	20,808	22,181
Selling, general and administrative expenses	14,732	15,349
Operating income	6,075	6,832
Non-operating income		
Interest income	68	124
Dividend income	144	168
Share of profit of entities accounted for using equity method	92	161
Foreign exchange gains	366	232
Other	145	171
Total non-operating income	819	857
Non-operating expenses		
Interest expenses	214	227
Other	294	186
Total non-operating expenses	509	413
Ordinary income	6,385	7,275
Extraordinary losses		
Loss on retirement of property, plant and equipment	46	70
Loss on valuation of investment securities	221	–
Total extraordinary losses	267	70
Income before income taxes and minority interests	6,117	7,205
Income taxes - current	1,856	1,779
Income taxes - deferred	(207)	151
Total income taxes	1,649	1,930
Income before minority interests	4,468	5,275
Minority interests in income	252	257
Net income	4,216	5,017

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

(Millions of yen)

	Six months ended September 30, 2013	Six months ended September 30, 2014
Income before minority interests	4,468	5,275
Other comprehensive income		
Valuation difference on available-for-sale securities	1,122	1,079
Foreign currency translation adjustment	2,095	(926)
Remeasurements of defined benefit plans, net of tax	–	96
Share of other comprehensive income of entities accounted for using equity method	56	53
Total other comprehensive income	3,274	302
Comprehensive income	7,743	5,577
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	7,043	5,518
Comprehensive income attributable to minority interests	700	58

## Consolidated statements of cash flows

(Millions of yen)

	Six months ended September 30, 2013	Six months ended September 30, 2014
Cash flows from operating activities		
Income before income taxes and minority interests	6,117	7,205
Depreciation	4,489	4,459
Loss (gain) on valuation of investment securities	221	–
Increase (decrease) in provision for retirement benefits	255	–
Increase (decrease) in net defined benefit liability	–	334
Loss on retirement of property, plant and equipment	46	70
Interest and dividend income	(213)	(292)
Interest expenses	214	227
Foreign exchange losses (gains)	(294)	(78)
Share of (profit) loss of entities accounted for using equity method	(92)	(161)
Decrease (increase) in notes and accounts receivable - trade	1,854	(406)
Decrease (increase) in inventories	(810)	(2,194)
Increase (decrease) in notes and accounts payable - trade	(4,407)	438
Other, net	483	(1,090)
Subtotal	7,863	8,511
Interest and dividend income received	330	577
Interest expenses paid	(224)	(240)
Income taxes paid	(1,930)	(2,816)
Net cash provided by (used in) operating activities	6,039	6,032
Cash flows from investing activities		
Proceeds from sales and redemption of securities	5,600	2,600
Purchase of securities	(1,600)	(2,600)
Purchase of property, plant and equipment	(4,743)	(3,896)
Purchase of intangible assets	(545)	(428)
Purchase of investment securities	(253)	(512)
Purchase of shares of subsidiaries and associates	(416)	–
Other, net	(191)	(637)
Net cash provided by (used in) investing activities	(2,149)	(5,475)
Cash flows from financing activities		
Net increase (decrease) in short-term loans payable	1,295	725
Proceeds from long-term loans payable	786	–
Repayments of long-term loans payable	(229)	(218)
Cash dividends paid	(1,138)	(1,139)
Other, net	(313)	(288)
Net cash provided by (used in) financing activities	399	(920)
Effect of exchange rate change on cash and cash equivalents	831	(404)
Net increase (decrease) in cash and cash equivalents	5,121	(769)
Cash and cash equivalents at beginning of period	29,210	38,670
Cash and cash equivalents at end of period	34,332	37,901