

Translation

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## Summary of Consolidated Financial Results for the Three Months Ended June 30, 2017 (Based on Japanese GAAP)

August 3, 2017

Company name: ADEKA CORPORATION  
 Stock exchange listing: Tokyo  
 Stock code: 4401 URL <http://www.adeka.co.jp>  
 Representative: PRESIDENT AND CHIEF EXECUTIVE OFFICER 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, 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 three months ended June 30, 2017 (from April 1, 2017 to June 30, 2017)

(1) Consolidated operating results (cumulative)

Percentages indicate year-on-year changes

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
Three months ended June 30, 2017	57,482	7.3	5,216	9.6	5,467	30.9	3,860	36.8
Three months ended June 30, 2016	53,589	0.4	4,760	6.0	4,177	(13.7)	2,822	(14.2)

	Earnings per share		Diluted earnings per share	
	Yen		Yen	
Three months ended June 30, 2017	37.54		–	
Three months ended June 30, 2016	27.32		–	

(2) Consolidated financial position

	Total assets	Net assets	Equity ratio
	Millions of yen	Millions of yen	%
As of June 30, 2017	290,820	189,649	62.6
As of March 31, 2017	290,485	187,956	62.0

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, 2017	–	15.00	–	20.00	35.00
Year ending March 31, 2018	–	–	–	–	–
Year ending March 31, 2018 (Forecast)	–	17.00	–	18.00	35.00

3. Forecast of consolidated financial results for the year ending March 31, 2018 (from April 1, 2017 to March 31, 2018)

Percentages indicate year-on-year changes

	Net sales		Operating profit		Ordinary profit		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, 2017	117,500	7.9	9,200	(6.8)	9,100	2.7	6,100	0.2	59.32
Full year	240,000	7.4	20,000	(4.9)	20,800	(4.8)	14,000	(8.6)	136.15

4. Notes

- (1) Changes in significant subsidiaries during the three months ended June 30, 2017  
 (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: No
- 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, 2017	103,651,442 shares	As of March 31, 2017	103,651,442 shares
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Number of treasury shares at the end of the period

As of June 30, 2017	820,423 shares	As of March 31, 2017	820,217 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, 2017	102,831,030 shares	Three months ended June 30, 2016	103,285,911 shares
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**Quarterly consolidated financial statements**  
**Consolidated balance sheets**

(Millions of yen)

	As of March 31, 2017	As of June 30, 2017
Assets		
Current assets		
Cash and deposits	51,374	50,796
Notes and accounts receivable - trade	50,250	49,237
Securities	5,822	5,825
Merchandise and finished goods	20,244	20,811
Work in process	4,707	4,521
Raw materials and supplies	16,251	16,188
Other	7,521	8,039
Allowance for doubtful accounts	(270)	(264)
Total current assets	155,901	155,154
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	23,354	23,420
Machinery, equipment and vehicles, net	26,672	26,876
Land	21,184	21,203
Other, net	8,909	8,630
Total property, plant and equipment	80,121	80,130
Intangible assets		
Goodwill	89	72
Other	3,892	3,740
Total intangible assets	3,982	3,812
Investments and other assets		
Investment securities	42,060	42,258
Other	8,419	9,465
Total investments and other assets	50,479	51,723
Total non-current assets	134,583	135,665
Total assets	290,485	290,820

(Millions of yen)

	As of March 31, 2017	As of June 30, 2017
<b>Liabilities</b>		
<b>Current liabilities</b>		
Notes and accounts payable - trade	33,145	33,464
Short-term loans payable	18,015	17,978
Current portion of bonds	8	8
Income taxes payable	3,435	1,856
Provision for bonuses	2,239	1,146
Other provision	78	19
Other	10,923	16,738
<b>Total current liabilities</b>	<b>67,845</b>	<b>71,212</b>
<b>Non-current liabilities</b>		
Bonds payable	300	300
Long-term loans payable	11,467	6,647
Net defined benefit liability	15,910	16,061
Other provision	255	233
Other	6,749	6,715
<b>Total non-current liabilities</b>	<b>34,682</b>	<b>29,958</b>
<b>Total liabilities</b>	<b>102,528</b>	<b>101,171</b>
<b>Net assets</b>		
<b>Shareholders' equity</b>		
Capital stock	22,899	22,899
Capital surplus	19,926	19,926
Retained earnings	124,520	126,312
Treasury shares	(590)	(662)
<b>Total shareholders' equity</b>	<b>166,755</b>	<b>168,476</b>
<b>Accumulated other comprehensive income</b>		
Valuation difference on available-for-sale securities	8,919	9,274
Revaluation reserve for land	4,276	4,276
Foreign currency translation adjustment	2,604	2,415
Remeasurements of defined benefit plans	(2,477)	(2,408)
<b>Total accumulated other comprehensive income</b>	<b>13,321</b>	<b>13,557</b>
<b>Non-controlling interests</b>	<b>7,879</b>	<b>7,615</b>
<b>Total net assets</b>	<b>187,956</b>	<b>189,649</b>
<b>Total liabilities and net assets</b>	<b>290,485</b>	<b>290,820</b>

**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, 2016	Three months ended June 30, 2017
Net sales	53,589	57,482
Cost of sales	40,362	43,466
Gross profit	13,226	14,016
Selling, general and administrative expenses	8,466	8,799
Operating profit	4,760	5,216
Non-operating income		
Interest income	62	70
Dividend income	169	202
Share of profit of entities accounted for using equity method	–	53
Other	126	135
Total non-operating income	358	462
Non-operating expenses		
Interest expenses	94	101
Share of loss of entities accounted for using equity method	24	–
Foreign exchange losses	712	30
Other	109	79
Total non-operating expenses	941	210
Ordinary profit	4,177	5,467
Extraordinary losses		
Loss on retirement of property, plant and equipment	33	35
Loss on valuation of investments in capital of subsidiaries and associates	146	–
Total extraordinary losses	180	35
Profit before income taxes	3,997	5,431
Income taxes - current	1,255	1,512
Income taxes - deferred	(321)	(172)
Total income taxes	933	1,340
Profit	3,063	4,091
Profit attributable to non-controlling interests	241	231
Profit attributable to owners of parent	2,822	3,860

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

(Millions of yen)

	Three months ended June 30, 2016	Three months ended June 30, 2017
Profit	3,063	4,091
Other comprehensive income		
Valuation difference on available-for-sale securities	(79)	80
Foreign currency translation adjustment	(1,521)	68
Remeasurements of defined benefit plans, net of tax	71	70
Share of other comprehensive income of entities accounted for using equity method	(53)	278
Total other comprehensive income	(1,582)	497
Comprehensive income	1,481	4,589
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	1,584	4,333
Comprehensive income attributable to non-controlling interests	(102)	255