

Translation

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## Summary of Consolidated Financial Results for the Three Months Ended June 30, 2018 (Based on Japanese GAAP)

August 3, 2018

Company name: ADEKA CORPORATION  
 Stock exchange listing: Tokyo  
 Stock code: 4401 URL <https://www.adeka.co.jp>  
 Representative: PRESIDENT AND CHIEF OPERATING OFFICER HIDETAKA SHIROZUME  
 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, 2018  
 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, 2018 (from April 1, 2018 to June 30, 2018)

#### (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, 2018	61,779	7.5	5,384	3.2	5,832	6.7	4,090	6.0
Three months ended June 30, 2017	57,482	7.3	5,216	9.6	5,467	30.9	3,860	36.8

	Earnings per share		Diluted earnings per share	
	Yen		Yen	
Three months ended June 30, 2018	39.74		–	
Three months ended June 30, 2017	37.54		–	

#### (2) Consolidated financial position

	Total assets	Net assets	Equity ratio
	Millions of yen	Millions of yen	%
As of June 30, 2018	313,052	205,048	63.0
As of March 31, 2018	312,152	205,088	63.0

### 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, 2018	–	17.00	–	22.00	39.00
Year ending March 31, 2019	–				
Year ending March 31, 2019 (Forecast)		21.00	–	22.00	43.00

### 3. Forecast of consolidated financial results for the year ending March 31, 2019 (from April 1, 2018 to March 31, 2019)

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, 2018	127,000	10.7	10,300	0.9	10,600	0.5	7,100	(2.2)	68.97
Full year	259,000	8.1	22,100	3.6	23,200	3.9	15,900	3.6	154.47

4. Notes

- (1) Changes in significant subsidiaries during the three months ended June 30, 2018  
 (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, 2018	103,651,442 shares	As of March 31, 2018	103,651,442 shares
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Number of treasury shares at the end of the period

As of June 30, 2018	721,781 shares	As of March 31, 2018	721,601 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, 2018	102,929,680 shares	Three months ended June 30, 2017	102,831,030 shares
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**Quarterly consolidated financial statements**  
**Consolidated balance sheets**

(Millions of yen)

	As of March 31, 2018	As of June 30, 2018
Assets		
Current assets		
Cash and deposits	49,669	49,249
Notes and accounts receivable - trade	55,397	55,966
Securities	7,763	8,104
Merchandise and finished goods	22,833	22,098
Work in process	4,928	4,890
Raw materials and supplies	18,452	18,090
Other	6,250	6,566
Allowance for doubtful accounts	(341)	(331)
Total current assets	164,953	164,634
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	25,104	25,022
Machinery, equipment and vehicles, net	29,882	29,740
Land	21,282	21,229
Other, net	9,276	10,616
Total property, plant and equipment	85,546	86,607
Intangible assets		
Goodwill	29	13
Other	4,051	3,928
Total intangible assets	4,080	3,941
Investments and other assets		
Investment securities	46,123	46,354
Other	11,448	11,514
Total investments and other assets	57,571	57,868
Total non-current assets	147,198	148,418
Total assets	312,152	313,052

(Millions of yen)

	As of March 31, 2018	As of June 30, 2018
<b>Liabilities</b>		
Current liabilities		
Notes and accounts payable - trade	38,599	37,797
Short-term loans payable	15,567	15,850
Current portion of bonds	300	300
Income taxes payable	3,040	1,847
Provision for bonuses	2,355	1,193
Other provision	75	18
Other	15,877	13,848
Total current liabilities	75,815	70,855
Non-current liabilities		
Long-term loans payable	7,349	13,329
Net defined benefit liability	16,959	17,098
Other provision	274	144
Other	6,663	6,576
Total non-current liabilities	31,248	37,148
Total liabilities	107,063	108,004
<b>Net assets</b>		
Shareholders' equity		
Capital stock	22,944	22,944
Capital surplus	19,985	19,985
Retained earnings	135,988	137,801
Treasury shares	(554)	(554)
Total shareholders' equity	178,363	180,176
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	12,002	12,116
Revaluation reserve for land	4,276	4,276
Foreign currency translation adjustment	4,346	2,812
Remeasurements of defined benefit plans	(2,368)	(2,306)
Total accumulated other comprehensive income	18,256	16,898
Non-controlling interests	8,468	7,973
Total net assets	205,088	205,048
Total liabilities and net assets	312,152	313,052

**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, 2017	Three months ended June 30, 2018
Net sales	57,482	61,779
Cost of sales	43,466	47,196
Gross profit	14,016	14,582
Selling, general and administrative expenses	8,799	9,198
Operating profit	5,216	5,384
Non-operating income		
Interest income	70	57
Dividend income	202	189
Share of profit of entities accounted for using equity method	53	-
Foreign exchange gains	-	182
Other	135	177
Total non-operating income	462	606
Non-operating expenses		
Interest expenses	101	94
Share of loss of entities accounted for using equity method	-	9
Foreign exchange losses	30	-
Other	79	54
Total non-operating expenses	210	158
Ordinary profit	5,467	5,832
Extraordinary losses		
Loss on abandonment of non-current assets	35	68
Total extraordinary losses	35	68
Profit before income taxes	5,431	5,764
Income taxes - current	1,512	1,624
Income taxes - deferred	(172)	(133)
Total income taxes	1,340	1,490
Profit	4,091	4,274
Profit attributable to non-controlling interests	231	183
Profit attributable to owners of parent	3,860	4,090

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

(Millions of yen)

	Three months ended June 30, 2017	Three months ended June 30, 2018
Profit	4,091	4,274
Other comprehensive income		
Valuation difference on available-for-sale securities	80	36
Foreign currency translation adjustment	68	(1,784)
Remeasurements of defined benefit plans, net of tax	70	62
Share of other comprehensive income of entities accounted for using equity method	278	78
Total other comprehensive income	497	(1,606)
Comprehensive income	4,589	2,667
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	4,333	2,733
Comprehensive income attributable to non-controlling interests	255	(65)