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Summary of Consolidated Financial Results for the Year Ended March 31, 2019 (Based on Japanese GAAP)

May 14, 2019

Company name: ADEKA CORPORATION

Stock exchange listing: Tokyo

Code number: 4401

URL: <https://www.adeka.co.jp>

Representative: HIDETAKA SHIROZUME PRESIDENT AND CHIEF OPERATING OFFICER

Contact: HIKARU KAGESHIMA GENERAL MANAGER, LEGAL AFFAIRS & PUBLICITY DEPARTMENT

Phone: 03-4455-2803

Scheduled date of Annual General Meeting of Shareholders: June 21, 2019

Scheduled date of commencing dividend payments: June 24, 2019

Scheduled date of filing annual securities report: June 21, 2019

Availability of supplementary briefing material on annual financial results: Yes

Schedule of annual financial results briefing session: Yes

(Amounts of less than one million yen are rounded down)

1. Consolidated Financial Results for the Fiscal Year Ended March 31, 2019 (April 01, 2018 to March 31, 2019)

(1) Consolidated Operating Results (% indicates changes from the previous corresponding period.)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent	
	Million yen	%	Million yen	%	Million yen	%	Million yen	%
Fiscal year ended March 31, 2019	299,354	24.9	26,638	24.9	26,602	19.1	17,055	11.1
March 31, 2018	239,612	7.2	21,335	1.4	22,337	2.2	15,346	0.1

(Note) Comprehensive income: Fiscal year ended March 31, 2019: ¥ 14,208 million [(33.3)%]
Fiscal year ended March 31, 2018: ¥ 21,309 million [19.4%]

	Basic earnings per share	Diluted earnings per share	Rate of return on equity	Ordinary profit to total assets ratio	Operating profit to net sales ratio
	Yen	Yen	%	%	%
Fiscal year ended March 31, 2019	165.78	-	8.5	7.3	8.9
March 31, 2018	149.18	-	8.1	7.4	8.9

(Reference) Equity in earnings (losses) of affiliated companies: Fiscal year ended March 31, 2019: ¥ 419 million
Fiscal year ended March 31, 2018: ¥ 555 million

(2) Consolidated Financial Position

	Total assets	Net assets	Capital adequacy ratio	Net assets per share
	Million yen	Million yen	%	Yen
As of March 31, 2019	414,549	244,500	49.4	1,986.53
March 31, 2018	312,152	205,088	63.0	1,910.23

(Reference) Equity: As of March 31, 2019: ¥ 204,580 million
As of March 31, 2018: ¥ 196,619 million

(3) Consolidated Cash Flows

	Cash flows from operating activities	Cash flows from investing activities	Cash flows from financing activities	Cash and cash equivalents at the end of period
	Million yen	Million yen	Million yen	Million yen
Fiscal year ended March 31, 2019	18,331	(18,258)	8,995	56,504
March 31, 2018	22,221	(19,139)	(5,825)	48,902

2. Dividends

	Annual dividends					Total dividends	Payout ratio (consolidated)	Dividends to net assets (consolidated)
	1st quarter-end	2nd quarter-end	3rd quarter-end	Year-end	Total			
Fiscal year ended	Yen	Yen	Yen	Yen	Yen	Million yen	%	%
March 31, 2018	-	17.00	-	22.00	39.00	4,037	26.1	2.0
March 31, 2019	-	21.00	-	24.00	45.00	4,661	27.1	1.9
Fiscal year ending March 31, 2020 (Forecast)	-	24.00	-	24.00	48.00		28.7	

3. Consolidated Financial Results Forecast for the Fiscal Year Ending March 31, 2020 (April 01, 2019 to March 31, 2020)

(% indicates changes from the previous corresponding period.)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent		Basic earnings per share
	Million yen	%	Million yen	%	Million yen	%	Million yen	%	Yen
Six months ended September 30, 2019	161,000	27.6	10,600	(1.0)	10,400	(7.5)	6,700	(13.6)	65.06
Full year	340,000	13.6	26,700	0.2	26,900	1.1	17,200	0.8	167.02

(1) Changes in significant subsidiaries during the period under review (changes in specified subsidiaries resulting in changes in scope of consolidation): Yes

(2) Changes in accounting policies, changes in accounting estimates and retrospective restatement

1) Changes in accounting policies due to the revision of accounting standards: No

2) Changes in accounting policies other than 1) above: No

3) Changes in accounting estimates: No

4) Retrospective restatement: No

(3) Total number of issued shares (common shares)

1) Total number of issued shares at the end of the period (including treasury shares):

March 31, 2019: 103,651,442 shares

March 31, 2018: 103,651,442 shares

2) Total number of treasury shares at the end of the period:

March 31, 2019: 667,521 shares

March 31, 2018: 721,601 shares

3) Average number of shares during the period:

Fiscal Year ended March 31, 2019: 102,879,020 shares

Fiscal Year ended March 31, 2018: 102,875,133 shares



(Reference) Summary of Non-consolidated Financial Results

1. Non-consolidated Financial Results for the Fiscal Year Ended March 31, 2019 (April 01, 2018 to March 31, 2019)

(1) Non-consolidated Operating Results (% indicates changes from the previous corresponding period.)

Fiscal year ended	Net sales		Operating profit		Ordinary profit		Net income	
	Million yen	%	Million yen	%	Million yen	%	Million yen	%
March 31, 2019	134,612	2.5	12,210	(6.7)	15,767	2.1	12,493	7.5
March 31, 2018	131,319	5.1	13,092	3.8	15,447	7.5	11,618	6.0

Fiscal year ended	Basic earnings per share	Diluted earnings per share
	Yen	Yen
March 31, 2019	120.62	-
March 31, 2018	112.25	-

(2) Non-consolidated Financial Position

As of	Total assets	Net assets	Capital adequacy ratio	Net assets per share
	Million yen	Million yen	%	Yen
March 31, 2019	235,007	158,286	67.4	1,527.98
March 31, 2018	218,715	151,787	69.4	1,466.13

(Reference) Equity: As of March 31, 2019: ¥ 158,286 million
 As of March 31, 2018: ¥ 151,787 million



Consolidated Financial Statements
Consolidated Balance Sheets

(Million yen)

	As of March 31,2018	As of March 31,2019
Assets		
Current assets		
Cash and deposits	49,669	58,585
Notes and accounts receivable - trade	55,397	93,416
Securities	7,763	3,006
Merchandise and finished goods	22,833	40,330
Work in process	4,928	6,395
Raw materials and supplies	18,452	23,379
Other	6,250	8,420
Allowance for doubtful accounts	(341)	(447)
Total current assets	164,953	233,087
Non-current assets		
Property, plant and equipment		
Buildings and structures	64,255	83,826
Accumulated depreciation	(39,151)	(51,484)
Buildings and structures, net	25,104	32,341
Machinery, equipment and vehicles	135,376	160,760
Accumulated depreciation	(105,493)	(124,519)
Machinery, equipment and vehicles, net	29,882	36,240
Land	21,282	29,802
Leased assets	2,017	2,342
Accumulated depreciation	(1,155)	(1,559)
Leased assets, net	861	782
Construction in progress	3,733	4,829
Other	28,010	33,002
Accumulated depreciation	(23,329)	(28,325)
Other, net	4,681	4,676
Total property, plant and equipment	85,546	108,672
Intangible assets		
Technical assets	-	9,450
Customer-related assets	-	3,131
Goodwill	29	-
Software	1,208	1,771
Leased assets	227	179
Other	2,615	3,063
Total intangible assets	4,080	17,596
Investments and other assets		
Investment securities	46,123	37,293
Long-term loans receivable	1,194	4,328
Deferred tax assets	3,904	4,438
Other	6,589	9,683
Allowance for doubtful accounts	(240)	(551)
Total investments and other assets	57,571	55,193
Total non-current assets	147,198	181,462
Total assets	312,152	414,549

	As of March 31,2018	As of March 31,2019
Liabilities		
Current liabilities		
Notes and accounts payable - trade	38,599	56,296
Current portion of bonds	300	-
Short-term loans payable	15,567	21,718
Lease obligations	332	401
Income taxes payable	3,040	4,197
Provision for bonuses	2,355	3,079
Provision for bonuses for directors (and other officers)	75	85
Provision for environmental measures	-	595
Other	15,545	20,782
Total current liabilities	75,815	107,156
Non-current liabilities		
Bonds payable	-	11,812
Long-term loans payable	7,349	19,617
Lease obligations	781	843
Deferred tax liabilities	388	4,940
Deferred tax liabilities for land revaluation	3,424	3,414
Provision for retirement benefits for directors (and other officers)	274	225
Retirement benefit liability	16,959	18,853
Other	2,068	3,185
Total non-current liabilities	31,248	62,893
Total liabilities	107,063	170,049
Net assets		
Shareholders' equity		
Capital stock	22,944	22,944
Capital surplus	19,985	20,023
Retained earnings	135,988	148,630
Treasury shares	(554)	(825)
Total shareholders' equity	178,363	190,772
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	12,002	10,098
Revaluation reserve for land	4,276	4,253
Foreign currency translation adjustment	4,346	1,867
Remeasurements of defined benefit plans	(2,368)	(2,411)
Total accumulated other comprehensive income	18,256	13,807
Non-controlling interests	8,468	39,919
Total net assets	205,088	244,500
Total liabilities and net assets	312,152	414,549



Consolidated Statements of Income and Comprehensive Income

Consolidated Statements of Income

(Million yen)

	For the fiscal year ended March 31,2018	For the fiscal year ended March 31,2019
Net sales	239,612	299,354
Cost of sales	181,834	224,828
Gross profit	57,777	74,526
Selling, general and administrative expenses	36,442	47,888
Operating profit	21,335	26,638
Non-operating income		
Interest income	252	342
Dividend income	548	628
Share of profit of entities accounted for using equity method	555	419
Other	607	728
Total non-operating income	1,963	2,117
Non-operating expenses		
Interest expenses	372	666
Foreign exchange losses	128	468
Other	460	1,018
Total non-operating expenses	961	2,153
Ordinary profit	22,337	26,602
Extraordinary income		
Gain on step acquisitions	-	67
Gain on bargain purchase	-	205
Total extraordinary income	-	272
Extraordinary losses		
Loss on abandonment of non-current assets	590	336
Total extraordinary losses	590	336
Profit before income taxes	21,747	26,539
Income taxes - current	5,729	6,888
Income taxes - deferred	(226)	252
Total income taxes	5,503	7,140
Profit	16,244	19,398
Profit attributable to non-controlling interests	897	2,342
Profit attributable to owners of parent	15,346	17,055



Consolidated Statements of Comprehensive Income

(Million yen)

	For the fiscal year ended March 31,2018	For the fiscal year ended March 31,2019
Profit	16,244	19,398
Other comprehensive income		
Valuation difference on available-for-sale securities	2,099	(1,999)
Foreign currency translation adjustment	1,885	(2,906)
Remeasurements of defined benefit plans, net of tax	108	(59)
Share of other comprehensive income of entities accounted for using equity method	971	(223)
Total other comprehensive income	5,065	(5,190)
Comprehensive income	21,309	14,208
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	20,281	12,630
Comprehensive income attributable to non-controlling interests	1,027	1,578



Consolidated Statements of Changes in Net Assets

For the fiscal year ended March 31, 2018

(Million yen)

	Shareholders' equity				
	Capital stock	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of current period	22,899	19,926	124,520	(590)	166,755
Changes of items during period					
Issuance of new shares	44	44			89
Dividends of surplus			(3,827)		(3,827)
Profit attributable to owners of parent			15,346		15,346
Change of scope of consolidation					-
Reversal of revaluation reserve for land					-
Purchase of treasury shares				(73)	(73)
Disposal of treasury shares		22		58	80
Retirement of treasury shares			(51)	51	-
Change in ownership interest of parent due to transactions with non-controlling interests		(8)			(8)
Net changes of items other than shareholders' equity					-
Total changes of items during period	44	58	11,467	36	11,607
Balance at end of current period	22,944	19,985	135,988	(554)	178,363

	Accumulated other comprehensive income					Non-controlling interests	Total net assets
	Valuation difference on available-for-sale securities	Revaluation reserve for land	Foreign currency translation adjustment	Remeasurements of defined benefit plans	Total accumulated other comprehensive income		
Balance at beginning of current period	8,919	4,276	2,604	(2,477)	13,321	7,879	187,956
Changes of items during period							
Issuance of new shares					-		89
Dividends of surplus					-		(3,827)
Profit attributable to owners of parent					-		15,346
Change of scope of consolidation					-		-
Reversal of revaluation reserve for land					-		-
Purchase of treasury shares					-		(73)
Disposal of treasury shares					-		80
Retirement of treasury shares					-		-
Change in ownership interest of parent due to transactions with non-controlling interests					-		(8)
Net changes of items other than shareholders' equity	3,083	-	1,741	109	4,934	589	5,523
Total changes of items during period	3,083	-	1,741	109	4,934	589	17,131
Balance at end of current period	12,002	4,276	4,346	(2,368)	18,256	8,468	205,088



For the fiscal year ended March 31,2019

(Million yen)

	Shareholders' equity				
	Capital stock	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of current period	22,944	19,985	135,988	(554)	178,363
Changes of items during period					
Issuance of new shares					-
Dividends of surplus			(4,436)		(4,436)
Profit attributable to owners of parent			17,055		17,055
Change of scope of consolidation				56	56
Reversal of revaluation reserve for land			22		22
Purchase of treasury shares				(787)	(787)
Disposal of treasury shares		(0)		459	458
Retirement of treasury shares					-
Change in ownership interest of parent due to transactions with non-controlling interests		39			39
Net changes of items other than shareholders' equity					-
Total changes of items during period	-	38	12,642	(271)	12,409
Balance at end of current period	22,944	20,023	148,630	(825)	190,772

	Accumulated other comprehensive income					Non-controlling interests	Total net assets
	Valuation difference on available-for-sale securities	Revaluation reserve for land	Foreign currency translation adjustment	Remeasurements of defined benefit plans	Total accumulated other comprehensive income		
Balance at beginning of current period	12,002	4,276	4,346	(2,368)	18,256	8,468	205,088
Changes of items during period							
Issuance of new shares					-		-
Dividends of surplus					-		(4,436)
Profit attributable to owners of parent					-		17,055
Change of scope of consolidation					-		56
Reversal of revaluation reserve for land					-		22
Purchase of treasury shares					-		(787)
Disposal of treasury shares					-		458
Retirement of treasury shares					-		-
Change in ownership interest of parent due to transactions with non-controlling interests					-		39
Net changes of items other than shareholders' equity	(1,904)	(22)	(2,478)	(43)	(4,448)	31,451	27,002
Total changes of items during period	(1,904)	(22)	(2,478)	(43)	(4,448)	31,451	39,412
Balance at end of current period	10,098	4,253	1,867	(2,411)	13,807	39,919	244,500



Consolidated Statements of Cash Flows

(Million yen)

	For the fiscal year ended March 31,2018	For the fiscal year ended March 31,2019
Cash flows from operating activities		
Profit before income taxes	21,747	26,539
Depreciation	9,666	11,659
Interest and dividend income	(818)	(970)
Interest expenses	389	666
Share of loss (profit) of entities accounted for using equity method	(555)	(419)
Loss on abandonment of non-current assets	590	336
Decrease (increase) in notes and accounts receivable - trade	(4,219)	(16,143)
Decrease (increase) in inventories	(4,337)	(4,780)
Increase (decrease) in notes and accounts payable - trade	4,774	6,185
Other, net	500	1,283
Subtotal	27,737	24,356
Interest and dividend income received	1,080	1,188
Interest expenses paid	(396)	(674)
Income taxes paid	(6,200)	(6,538)
Net cash provided by (used in) operating activities	22,221	18,331
Cash flows from investing activities		
Purchase of securities	(17,500)	(10,600)
Proceeds from sales and redemption of securities	15,601	15,198
Purchase of property, plant and equipment	(13,616)	(16,425)
Purchase of intangible assets	(839)	(916)
Purchase of investment securities	(216)	(825)
Purchase of shares of subsidiaries and associates	(268)	(7)
Payments of long-term loans receivable	(2)	(3,159)
Purchase of shares of subsidiaries resulting in change in scope of consolidation	-	(1,543)
Payments for investments in capital of subsidiaries and associates	(3,517)	-
Other, net	1,218	19
Net cash provided by (used in) investing activities	(19,139)	(18,258)
Cash flows from financing activities		
Net increase (decrease) in short-term loans payable	(2,349)	2,924
Proceeds from long-term loans payable	2,431	9,421
Repayments of long-term loans payable	(1,792)	(7,956)
Proceeds from issuance of bonds	-	10,100
Cash dividends paid	(3,826)	(4,433)
Dividends paid to non-controlling interests	(369)	(724)
Other, net	80	(335)
Net cash provided by (used in) financing activities	(5,825)	8,995
Effect of exchange rate change on cash and cash equivalents	883	(1,465)
Net increase (decrease) in cash and cash equivalents	(1,860)	7,602
Cash and cash equivalents at beginning of period	50,762	48,902
Cash and cash equivalents at end of period	48,902	56,504