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Summary of Consolidated Financial Results for the Nine Months Ended December 31, 2020 (Based on Japanese GAAP)

February 12, 2021

Company name: ADEKA CORPORATION

Stock exchange listing: Tokyo

Code number: 4401

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

Representative: HIDETAKA SHIROZUME PRESIDENT AND CHIEF EXECUTIVE OFFICER

Contact: KOYAE FUMITAKE GENERAL MANAGER, LEGAL AFFAIRS & PUBLICITY DEPARTMENT

Phone: 03-4455-2803

Scheduled date of filing quarterly securities report: February 12, 2021

Scheduled date of commencing dividend payments: -

Availability of supplementary briefing material on quarterly financial results: Yes

Schedule of quarterly financial results briefing session: Yes

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

1. Consolidated Financial Results for the Nine Months Ended December 31, 2020 (April 01, 2020 to December 31, 2020)

(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	%
Nine months ended December 31, 2020	213,844	(2.1)	15,724	12.1	15,164	13.9	10,404	2.9
December 31, 2019	218,370	8.5	14,022	(13.1)	13,315	(19.1)	10,114	(13.7)

(Note) Comprehensive income: Nine months ended December 31, 2020: ¥ 12,330 million [46.0%]
 Nine months ended December 31, 2019: ¥ 8,448 million [(4.8) %]

	Basic earnings per share	Diluted earnings per share
	Yen	Yen
Nine months ended December 31, 2020	100.76	-
December 31, 2019	98.18	-

(2) Consolidated Financial Position

	Total assets	Net assets	Capital adequacy ratio
	Million yen	Million yen	%
As of December 31, 2020	410,264	256,126	52.9
March 31, 2020	409,452	250,634	51.4

(Reference) Equity: As of December 31, 2020: ¥ 217,166 million
 As of March 31, 2020: ¥ 210,266 million

2. Dividends

	Annual dividends				
	1st quarter-end	2nd quarter-end	3rd quarter-end	Year-end	Total
	Yen	Yen	Yen	Yen	Yen
Fiscal year ended March 31, 2020	-	24.00	-	24.00	48.00
Fiscal year ending March 31, 2021	-	24.00	-		
Fiscal year ending March 31, 2021 (Forecast)				24.00	48.00

(Note) Revision to the forecast for dividends announced most recently: No

3. Consolidated Financial Results Forecast for the Fiscal Year Ending March 31, 2021(April 01, 2020 to March 31, 2021)

(% 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
Full year	314,000	3.2	24,000	6.6	24,000	9.2	13,700	(10.0)	132.65

(Note) Revision to the financial results forecast announced most recently: Yes

* Notes:

(1) Changes in significant subsidiaries during the nine months ended December 31, 2020

(changes in specified subsidiaries resulting in changes in scope of consolidation): No

(2) Accounting policies adopted specially for the preparation of quarterly consolidated financial statements: Yes

(3) 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

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

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

December 31, 2020: 103,714,442 shares

March 31, 2020: 103,714,442 shares

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

December 31, 2020: 438,044 shares

March 31, 2020: 490,003 shares

3) Average number of shares during the period:

Nine months ended December 31, 2020: 103,254,290 shares

Nine months ended December 31, 2019: 103,021,218 shares

Quarterly Consolidated Financial Statements
Quarterly Consolidated Balance Sheets

(Million yen)

	As of March 31,2020	As of December 31,2020
Assets		
Current assets		
Cash and deposits	62,827	71,084
Notes and accounts receivable - trade	84,765	76,716
Securities	1,500	1,500
Merchandise and finished goods	41,312	42,400
Work in process	5,715	6,207
Raw materials and supplies	22,023	25,143
Other	9,921	8,628
Allowance for doubtful accounts	(430)	(481)
Total current assets	227,635	231,199
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	33,465	36,172
Machinery, equipment and vehicles, net	40,258	42,436
Land	29,397	29,043
Other, net	10,109	11,283
Total property, plant and equipment	113,230	118,935
Intangible assets		
Technical assets	8,455	7,709
Customer related assets	2,971	2,850
Other	4,943	5,521
Total intangible assets	16,370	16,081
Investments and other assets		
Investment securities	31,335	32,885
Other	20,881	11,162
Total investments and other assets	52,216	44,047
Total non-current assets	181,816	179,064
Total assets	409,452	410,264

(Million yen)

	As of March 31,2020	As of December 31,2020
Liabilities		
Current liabilities		
Notes and accounts payable - trade	46,125	50,784
Short-term borrowings	21,823	16,975
Income taxes payable	3,700	793
Provision for bonuses	3,145	1,684
Provision for environmental measures	-	800
Other provisions	130	77
Other	17,778	24,102
Total current liabilities	92,704	95,218
Non-current liabilities		
Bonds payable	12,249	11,399
Long-term borrowings	20,297	13,528
Retirement benefit liability	20,072	20,726
Other provisions	260	215
Other	13,233	13,049
Total non-current liabilities	66,114	58,919
Total liabilities	158,818	154,137
Net assets		
Shareholders' equity		
Share capital	22,994	22,994
Capital surplus	19,986	20,036
Retained earnings	158,872	163,457
Treasury shares	(441)	(405)
Total shareholders' equity	201,412	206,083
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	6,541	8,104
Revaluation reserve for land	4,253	4,253
Foreign currency translation adjustment	155	624
Remeasurements of defined benefit plans	(2,096)	(1,899)
Total accumulated other comprehensive income	8,854	11,082
Non-controlling interests	40,367	38,960
Total net assets	250,634	256,126
Total liabilities and net assets	409,452	410,264

Quarterly Consolidated Statements of Income and Comprehensive Income

Quarterly Consolidated Statements of Income (For the nine months)

(Million yen)

	For the nine months ended December 31, 2019	For the nine months ended December 31, 2020
Net sales	218,370	213,844
Cost of sales	161,639	157,589
Gross profit	56,730	56,255
Selling, general and administrative expenses	42,708	40,531
Operating profit	14,022	15,724
Non-operating income		
Interest income	332	207
Dividend income	612	450
Share of profit of entities accounted for using equity method	268	470
Other	450	926
Total non-operating income	1,663	2,054
Non-operating expenses		
Interest expenses	804	635
Foreign exchange losses	1,113	1,681
Other	451	297
Total non-operating expenses	2,369	2,614
Ordinary profit	13,315	15,164
Extraordinary income		
Gain on sales of non-current assets	530	1,372
Gain on sales of investment securities	338	-
Total extraordinary income	868	1,372
Extraordinary losses		
Impairment loss	-	465
Loss on abandonment of non-current assets	264	202
Environmental expenses	234	1,390
Total extraordinary losses	499	2,057
Profit before income taxes	13,685	14,479
Income taxes - current	3,558	4,084
Income taxes - deferred	(346)	(151)
Total income taxes	3,212	3,933
Profit	10,473	10,545
Profit attributable to non-controlling interests	358	141
Profit attributable to owners of parent	10,114	10,404

Quarterly Consolidated Statements of Comprehensive Income (For the nine months)

(Million yen)

	For the nine months ended December 31,2019	For the nine months ended December 31,2020
Profit	10,473	10,545
Other comprehensive income		
Valuation difference on available-for-sale securities	260	2,184
Foreign currency translation adjustment	(2,357)	(32)
Remeasurements of defined benefit plans, net of tax	191	189
Share of other comprehensive income of entities accounted for using equity method	(118)	(556)
Total other comprehensive income	(2,024)	1,785
Comprehensive income	8,448	12,330
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	8,655	12,632
Comprehensive income attributable to non-controlling interests	(207)	(302)