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## Summary of Consolidated Financial Results for the Year Ended March 31, 2020 (Based on Japanese GAAP)

July 10, 2020

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: FUMITAKE KOYAE      GENERAL MANAGER, LEGAL AFFAIRS &amp; PUBLICITY DEPARTMENT

Phone: 03-4455-2803

Date of Annual General Meeting of Shareholders: June 29, 2020

Scheduled date of Continued Session of Annual General Meeting of Shareholders: August 06, 2020

Scheduled date of filing annual securities report: August 06, 2020

Date of commencing dividend payments: June 30, 2020

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, 2020 (April 01, 2019 to March 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	%
Fiscal year ended March 31, 2020	304,131	1.6	22,517	(15.5)	21,976	(17.4)	15,216	(10.8)
March 31, 2019	299,354	24.9	26,638	24.9	26,602	19.1	17,055	11.1

(Note) Comprehensive income: Fiscal year ended March 31, 2020: ¥ 11,632 million [ (18.1)%]  
Fiscal year ended March 31, 2019: ¥ 14,208 million [ (33.3)%]

	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, 2020	147.69	-	7.3	5.3	7.4
March 31, 2019	165.78	-	8.5	7.3	8.9

(Reference) Equity in earnings (losses) of affiliated companies: Fiscal year ended March 31, 2020: ¥ 534 million  
Fiscal year ended March 31, 2019: ¥ 419 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, 2020	409,452	250,634	51.4	2,036.98
March 31, 2019	414,549	244,500	49.4	1,986.53

(Reference) Equity: As of March 31, 2020: ¥ 210,266 million  
As of March 31, 2019: ¥ 204,580 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, 2020	27,398	(15,228)	(7,496)	60,888
March 31, 2019	18,331	(18,258)	8,995	56,504

## 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, 2019	-	21.00	-	24.00	45.00	4,661	27.1	1.9
March 31, 2020	-	24.00	-	24.00	48.00	4,975	32.5	2.0
Fiscal year ending March 31, 2021 (Forecast)	-	-	-	-	-		-	

(Note) Dividends forecast for the fiscal year ended March 31, 2020 is currently undecided. To be announced.

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

(Note) Undecided at this time. To be announced.

### \* Notes:

- (1) Changes in significant subsidiaries during the period under review (changes in specified subsidiaries resulting in changes in scope of consolidation): No
- (2) Changes in accounting policies, changes in accounting estimates and retrospective restatement
  - 1) Changes in accounting policies due to the revision of accounting standards: Yes
  - 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, 2020:	103,714,442 shares
March 31, 2019:	103,651,442 shares
  - 2) Total number of treasury shares at the end of the period:
 

March 31, 2020:	490,003 shares
March 31, 2019:	667,521 shares
  - 3) Average number of shares during the period:
 

Fiscal Year ended March 31, 2020:	103,028,115 shares
Fiscal Year ended March 31, 2019:	102,879,020 shares

(Reference) Summary of Non-consolidated Financial Results

1. Non-consolidated Financial Results for the Fiscal Year Ended March 31, 2020 (April 01, 2019 to March 31, 2020)

(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, 2020	128,600	(4.5)	9,973	(18.3)	13,162	(16.5)	11,869	(5.0)
March 31, 2019	134,612	2.5	12,210	(6.7)	15,767	2.1	12,493	7.5

Fiscal year ended	Basic earnings per share	Diluted earnings per share
	Yen	Yen
March 31, 2020	114.53	-
March 31, 2019	120.62	-

(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, 2020	233,347	161,311	69.1	1,556.25
March 31, 2019	235,007	158,286	67.4	1,527.98

(Reference) Equity: As of March 31, 2020: ¥ 161,311 million  
As of March 31, 2019: ¥ 158,286 million

# Consolidated Financial Statements

## Consolidated Balance Sheets

(Million yen)

	As of March 31,2019	As of March 31,2020
<b>Assets</b>		
<b>Current assets</b>		
Cash and deposits	58,585	62,827
Notes and accounts receivable - trade	93,416	84,765
Securities	3,006	1,500
Merchandise and finished goods	40,330	41,312
Work in process	6,395	5,715
Raw materials and supplies	23,379	22,023
Other	8,420	9,921
Allowance for doubtful accounts	(447)	(430)
<b>Total current assets</b>	<b>233,087</b>	<b>227,635</b>
<b>Non-current assets</b>		
<b>Property, plant and equipment</b>		
Buildings and structures	83,826	86,619
Accumulated depreciation	(51,484)	(53,153)
Buildings and structures, net	32,341	33,465
Machinery, equipment and vehicles	160,760	169,816
Accumulated depreciation	(124,519)	(129,558)
Machinery, equipment and vehicles, net	36,240	40,258
Land	29,802	29,397
Leased assets	2,342	1,459
Accumulated depreciation	(1,559)	(927)
Leased assets, net	782	532
Construction in progress	4,829	2,873
Other	33,002	36,298
Accumulated depreciation	(28,325)	(29,595)
Other, net	4,676	6,702
<b>Total property, plant and equipment</b>	<b>108,672</b>	<b>113,230</b>
<b>Intangible assets</b>		
Technical assets	9,450	8,455
Customer-related assets	3,131	2,971
Software	1,771	1,757
Leased assets	179	110
Other	3,063	3,074
<b>Total intangible assets</b>	<b>17,596</b>	<b>16,370</b>
<b>Investments and other assets</b>		
Investment securities	37,293	31,335
Long-term loans receivable	4,328	5,844
Retirement benefit asset	431	1,086
Deferred tax assets	4,438	5,980
Other	9,251	8,527
Allowance for doubtful accounts	(551)	(558)
<b>Total investments and other assets</b>	<b>55,193</b>	<b>52,216</b>
<b>Total non-current assets</b>	<b>181,462</b>	<b>181,816</b>
<b>Total assets</b>	<b>414,549</b>	<b>409,452</b>

(Million yen)

	As of March 31,2019	As of March 31,2020
<b>Liabilities</b>		
Current liabilities		
Notes and accounts payable - trade	56,296	46,125
Short-term borrowings	21,718	21,823
Lease obligations	401	303
Income taxes payable	4,197	3,700
Provision for bonuses	3,079	3,145
Provision for bonuses for directors (and other officers)	85	79
Provision for environmental measures	595	-
Other	20,782	17,525
Total current liabilities	107,156	92,704
Non-current liabilities		
Bonds payable	11,812	12,249
Long-term borrowings	19,617	20,297
Lease obligations	843	600
Deferred tax liabilities	4,940	4,474
Deferred tax liabilities for land revaluation	3,414	3,414
Provision for retirement benefits for directors (and other officers)	225	260
Retirement benefit liability	18,853	20,072
Other	3,185	4,742
Total non-current liabilities	62,893	66,114
Total liabilities	170,049	158,818
<b>Net assets</b>		
Shareholders' equity		
Share capital	22,944	22,994
Capital surplus	20,023	19,986
Retained earnings	148,630	158,872
Treasury shares	(825)	(441)
Total shareholders' equity	190,772	201,412
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	10,098	6,541
Revaluation reserve for land	4,253	4,253
Foreign currency translation adjustment	1,867	155
Remeasurements of defined benefit plans	(2,411)	(2,096)
Total accumulated other comprehensive income	13,807	8,854
Non-controlling interests	39,919	40,367
Total net assets	244,500	250,634
Total liabilities and net assets	414,549	409,452

Consolidated Statements of Income and Comprehensive Income

Consolidated Statements of Income

(Million yen)

	For the fiscal year ended March 31,2019	For the fiscal year ended March 31,2020
Net sales	299,354	304,131
Cost of sales	224,828	224,575
Gross profit	74,526	79,555
Selling, general and administrative expenses	47,888	57,038
Operating profit	26,638	22,517
Non-operating income		
Interest income	342	491
Dividend income	628	799
Share of profit of entities accounted for using equity method	419	534
Other	728	718
Total non-operating income	2,117	2,544
Non-operating expenses		
Interest expenses	666	1,116
Foreign exchange losses	468	1,216
Other	1,018	752
Total non-operating expenses	2,153	3,085
Ordinary profit	26,602	21,976
Extraordinary income		
Gain on step acquisitions	67	-
Gain on bargain purchase	205	-
Gain on sales of non-current assets	-	530
Gain on sales of investment securities	-	1,291
Total extraordinary income	272	1,822
Extraordinary losses		
Loss on abandonment of non-current assets	336	344
Loss on sales of non-current assets	-	128
Loss on valuation of investment securities	-	98
Environmental expenses	-	278
Total extraordinary losses	336	851
Profit before income taxes	26,539	22,947
Income taxes - current	6,888	5,923
Income taxes - deferred	252	(276)
Total income taxes	7,140	5,646
Profit	19,398	17,300
Profit attributable to non-controlling interests	2,342	2,084
Profit attributable to owners of parent	17,055	15,216

Consolidated Statements of Comprehensive Income

(Million yen)

	For the fiscal year ended March 31,2019	For the fiscal year ended March 31,2020
Profit	19,398	17,300
Other comprehensive income		
Valuation difference on available-for-sale securities	(1,999)	(4,143)
Foreign currency translation adjustment	(2,906)	(2,330)
Remeasurements of defined benefit plans, net of tax	(59)	461
Share of other comprehensive income of entities accounted for using equity method	(223)	344
Total other comprehensive income	(5,190)	(5,668)
Comprehensive income	14,208	11,632
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	12,630	10,262
Comprehensive income attributable to non-controlling interests	1,578	1,369

Consolidated Statements of Changes in Net Assets

For the fiscal year ended March 31,2019

(Million yen)

	Shareholders' equity				
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of period	22,944	19,985	135,988	(554)	178,363
Changes during period					
Issuance of new shares					-
Dividends of surplus			(4,436)		(4,436)
Profit attributable to owners of parent			17,055		17,055
Change in 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
Change in ownership interest of parent due to transactions with non-controlling interests		39			39
Net changes in items other than shareholders' equity					-
Total changes during period	-	38	12,642	(271)	12,409
Balance at end of 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 period	12,002	4,276	4,346	(2,368)	18,256	8,468	205,088
Changes during period							
Issuance of new shares					-		-
Dividends of surplus					-		(4,436)
Profit attributable to owners of parent					-		17,055
Change in scope of consolidation					-		56
Reversal of revaluation reserve for land					-		22
Purchase of treasury shares					-		(787)
Disposal of treasury shares					-		458
Change in ownership interest of parent due to transactions with non-controlling interests					-		39
Net changes in items other than shareholders' equity	(1,904)	(22)	(2,478)	(43)	(4,448)	31,451	27,002
Total changes during period	(1,904)	(22)	(2,478)	(43)	(4,448)	31,451	39,412
Balance at end of period	10,098	4,253	1,867	(2,411)	13,807	39,919	244,500



For the fiscal year ended March 31,2020

(Million yen)

	Shareholders' equity				
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of period	22,944	20,023	148,630	(825)	190,772
Changes during period					
Issuance of new shares	50	50			100
Dividends of surplus			(4,973)		(4,973)
Profit attributable to owners of parent			15,216		15,216
Change in scope of consolidation					-
Reversal of revaluation reserve for land					-
Purchase of treasury shares				(3)	(3)
Disposal of treasury shares		(100)		387	286
Change in ownership interest of parent due to transactions with non-controlling interests		12		0	13
Net changes in items other than shareholders' equity					-
Total changes during period	50	(37)	10,242	384	10,639
Balance at end of period	22,994	19,986	158,872	(441)	201,412

	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 period	10,098	4,253	1,867	(2,411)	13,807	39,919	244,500
Changes during period							
Issuance of new shares					-		100
Dividends of surplus					-		(4,973)
Profit attributable to owners of parent					-		15,216
Change in scope of consolidation					-		-
Reversal of revaluation reserve for land					-		-
Purchase of treasury shares					-		(3)
Disposal of treasury shares					-		286
Change in ownership interest of parent due to transactions with non-controlling interests					-		13
Net changes in items other than shareholders' equity	(3,556)	-	(1,712)	315	(4,953)	447	(4,505)
Total changes during period	(3,556)	-	(1,712)	315	(4,953)	447	6,133
Balance at end of period	6,541	4,253	155	(2,096)	8,854	40,367	250,634

## Consolidated Statements of Cash Flows

(Million yen)

	For the fiscal year ended March 31,2019	For the fiscal year ended March 31,2020
<b>Cash flows from operating activities</b>		
Profit before income taxes	26,539	22,947
Depreciation	11,659	14,248
Interest and dividend income	(970)	(1,291)
Interest expenses	666	1,116
Share of loss (profit) of entities accounted for using equity method	(419)	(534)
Loss on abandonment of non-current assets	336	344
Decrease (increase) in trade receivables	(16,143)	7,283
Decrease (increase) in inventories	(4,780)	(151)
Increase (decrease) in trade payables	6,185	(9,371)
Other, net	1,283	(1,034)
Subtotal	24,356	33,557
Interest and dividends received	1,188	1,449
Interest paid	(674)	(1,006)
Income taxes paid	(6,538)	(6,601)
Net cash provided by (used in) operating activities	18,331	27,398
<b>Cash flows from investing activities</b>		
Purchase of securities	(10,600)	(6,000)
Proceeds from sales and redemption of securities	15,198	7,500
Purchase of property, plant and equipment	(16,425)	(16,806)
Proceeds from sales of property, plant and equipment	76	1,498
Purchase of intangible assets	(916)	(1,217)
Purchase of investment securities	(825)	(38)
Proceeds from sales of investment securities	29	1,964
Purchase of shares of subsidiaries and associates	(7)	(0)
Long-term loan advances	(3,159)	(1,622)
Purchase of shares of subsidiaries resulting in change in scope of consolidation	(1,543)	-
Other, net	(85)	(505)
Net cash provided by (used in) investing activities	(18,258)	(15,228)
<b>Cash flows from financing activities</b>		
Net increase (decrease) in short-term borrowings	2,924	474
Proceeds from long-term borrowings	9,421	5,594
Repayments of long-term borrowings	(7,956)	(7,979)
Proceeds from issuance of bonds	10,100	2,446
Redemption of bonds	(300)	(1,630)
Dividends paid	(4,433)	(4,972)
Dividends paid to non-controlling interests	(724)	(1,095)
Other, net	(35)	(333)
Net cash provided by (used in) financing activities	8,995	(7,496)
Effect of exchange rate change on cash and cash equivalents	(1,465)	(290)
Net increase (decrease) in cash and cash equivalents	7,602	4,383
Cash and cash equivalents at beginning of period	48,902	56,504
Cash and cash equivalents at end of period	56,504	60,888