

Translation

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Summary of Consolidated Financial Results for the Year Ended March 31, 2021 (Based on Japanese GAAP)

May 13, 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: FUMITAKE KOYAE GENERAL MANAGER, LEGAL AFFAIRS & PUBLICITY DEPARTMENT

Phone: 03-4455-2803

Scheduled date of Annual General Meeting of Shareholders: June 18, 2021

Scheduled date of commencing dividend payments: June 21, 2021

Scheduled date of filing annual securities report: June 18, 2021

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, 2021 (April 01, 2020 to March 31, 2021)

(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, 2021	327,080	7.5	28,979	28.7	29,270	33.2	16,419	7.9
March 31, 2020	304,131	1.6	22,517	(15.5)	21,976	(17.4)	15,216	(10.8)

(Note) Comprehensive income: Fiscal year ended March 31, 2021: ¥ 27,678 million [137.9%]
Fiscal year ended March 31, 2020: ¥ 11,632 million [(18.1)%]

	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, 2021	159.01	-	7.5	6.9	8.9
March 31, 2020	147.69	-	7.3	5.3	7.4

(Reference) Equity in earnings (losses) of affiliated companies: Fiscal year ended March 31, 2021: ¥ 428 million
Fiscal year ended March 31, 2020: ¥ 534 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, 2021	437,657	271,485	52.1	2,208.40
March 31, 2020	409,452	250,634	51.4	2,036.98

(Reference) Equity: As of March 31, 2021: ¥ 228,074 million
As of March 31, 2020: ¥ 210,266 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, 2021	36,872	(14,189)	(6,551)	82,121
March 31, 2020	27,398	(15,228)	(7,496)	60,888

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, 2020	-	24.00	-	24.00	48.00	4,975	32.5	2.4
March 31, 2021	-	24.00	-	24.00	48.00	4,977	30.2	2.3
Fiscal year ending March 31, 2022 (Forecast)	-	25.00	-	25.00	50.00		31.5	

3. Consolidated Financial Results Forecast for the Fiscal Year Ending March 31, 2022 (April 01, 2021 to March 31, 2022)

(% 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, 2021	153,000	10.4	9,800	9.4	9,900	18.4	6,700	17.1	64.87
Full year	329,000	0.6	25,600	(11.7)	26,000	(11.2)	16,400	(0.1)	158.80

* 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: 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, 2021: 103,714,442 shares

March 31, 2020: 103,714,442 shares

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

March 31, 2021: 438,377 shares

March 31, 2020: 490,003 shares

3) Average number of shares during the period:

Fiscal Year ended March 31, 2021: 103,259,688 shares

Fiscal Year ended March 31, 2020: 103,028,115 shares

(Reference) Summary of Non-consolidated Financial Results

1. Non-consolidated Financial Results for the Fiscal Year Ended March 31, 2021 (April 01, 2020 to March 31, 2021)

(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, 2021	126,281	(1.8)	12,000	20.3	16,163	22.8	12,364	4.2
March 31, 2020	128,600	(4.5)	9,973	(18.3)	13,162	(16.5)	11,869	(5.0)

Fiscal year ended	Basic earnings per share	Diluted earnings per share
	Yen	Yen
March 31, 2021	119.24	-
March 31, 2020	114.53	-

(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, 2021	245,782	172,375	70.1	1,662.14
March 31, 2020	233,347	161,311	69.1	1,556.25

(Reference) Equity: As of March 31, 2021: ¥ 172,375 million
As of March 31, 2020: ¥ 161,311 million

Consolidated Financial Statements

Consolidated Balance Sheets

(Million yen)

	As of March 31,2020	As of March 31,2021
Assets		
Current assets		
Cash and deposits	62,827	84,244
Notes and accounts receivable - trade	84,765	91,087
Securities	1,500	2,499
Merchandise and finished goods	41,312	41,486
Work in process	5,715	5,363
Raw materials and supplies	22,023	22,930
Other	9,921	8,493
Allowance for doubtful accounts	(430)	(581)
Total current assets	227,635	255,525
Non-current assets		
Property, plant and equipment		
Buildings and structures	86,619	91,742
Accumulated depreciation	(53,153)	(55,437)
Buildings and structures, net	33,465	36,305
Machinery, equipment and vehicles	169,816	180,278
Accumulated depreciation	(129,558)	(138,050)
Machinery, equipment and vehicles, net	40,258	42,227
Land	29,397	29,129
Leased assets	1,459	1,512
Accumulated depreciation	(927)	(1,015)
Leased assets, net	532	496
Construction in progress	2,873	3,812
Other	36,298	38,130
Accumulated depreciation	(29,595)	(31,192)
Other, net	6,702	6,938
Total property, plant and equipment	113,230	118,909
Intangible assets		
Technical assets	8,455	7,461
Customer-related assets	2,971	2,810
Software	1,757	1,702
Leased assets	110	97
Other	3,074	4,084
Total intangible assets	16,370	16,155
Investments and other assets		
Investment securities	31,335	35,498
Long-term loans receivable	5,844	753
Retirement benefit asset	1,086	1,914
Deferred tax assets	5,980	4,417
Other	8,527	5,023
Allowance for doubtful accounts	(558)	(539)
Total investments and other assets	52,216	47,067
Total non-current assets	181,816	182,132
Total assets	409,452	437,657

(Million yen)

	As of March 31,2020	As of March 31,2021
Liabilities		
Current liabilities		
Notes and accounts payable - trade	46,125	50,254
Short-term borrowings	21,823	22,599
Current portion of long-term borrowings	3,338	10,715
Lease obligations	303	310
Income taxes payable	3,700	4,295
Provision for bonuses	3,145	3,321
Provision for bonuses for directors (and other officers)	79	130
Provision for environmental measures	-	508
Provision for loss on liquidation of subsidiaries and associates	-	429
Other	14,186	14,715
Total current liabilities	92,704	107,281
Non-current liabilities		
Bonds payable	12,249	11,481
Long-term borrowings	20,297	12,331
Lease obligations	600	527
Deferred tax liabilities	4,474	4,737
Deferred tax liabilities for land revaluation	3,414	3,414
Provision for retirement benefits for directors (and other officers)	260	231
Retirement benefit liability	20,072	21,193
Other	4,742	4,972
Total non-current liabilities	66,114	58,890
Total liabilities	158,818	166,172
Net assets		
Shareholders' equity		
Share capital	22,994	22,994
Capital surplus	19,986	20,039
Retained earnings	158,872	169,469
Treasury shares	(441)	(406)
Total shareholders' equity	201,412	212,097
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	6,541	9,921
Revaluation reserve for land	4,253	4,253
Foreign currency translation adjustment	155	3,379
Remeasurements of defined benefit plans	(2,096)	(1,576)
Total accumulated other comprehensive income	8,854	15,977
Non-controlling interests	40,367	43,410
Total net assets	250,634	271,485
Total liabilities and net assets	409,452	437,657

Consolidated Statements of Income and Comprehensive Income

Consolidated Statements of Income

(Million yen)

	For the fiscal year ended March 31,2020	For the fiscal year ended March 31,2021
Net sales	304,131	327,080
Cost of sales	224,575	240,348
Gross profit	79,555	86,732
Selling, general and administrative expenses	57,038	57,752
Operating profit	22,517	28,979
Non-operating income		
Interest income	491	404
Dividend income	799	632
Share of profit of entities accounted for using equity method	534	428
Gain on valuation of derivatives	-	291
Other	718	938
Total non-operating income	2,544	2,695
Non-operating expenses		
Interest expenses	1,116	949
Foreign exchange losses	1,216	999
Other	752	455
Total non-operating expenses	3,085	2,404
Ordinary profit	21,976	29,270
Extraordinary income		
Gain on sale of non-current assets	530	1,372
Gain on sale of investment securities	1,291	68
Total extraordinary income	1,822	1,441
Extraordinary losses		
Loss on abandonment of non-current assets	344	271
Loss on sale of non-current assets	128	-
Impairment losses	-	707
Loss on valuation of investment securities	98	9
Loss on valuation of shares of subsidiaries and associates	-	74
Provision for loss on liquidation of subsidiaries and associates	-	429
Environmental expenses	278	1,498
Total extraordinary losses	851	2,990
Profit before income taxes	22,947	27,721
Income taxes - current	5,923	8,342
Income taxes - deferred	(276)	(62)
Total income taxes	5,646	8,280
Profit	17,300	19,441
Profit attributable to non-controlling interests	2,084	3,021
Profit attributable to owners of parent	15,216	16,419

Consolidated Statements of Comprehensive Income

(Million yen)

	For the fiscal year ended March 31,2020	For the fiscal year ended March 31,2021
Profit	17,300	19,441
Other comprehensive income		
Valuation difference on available-for-sale securities	(4,143)	3,997
Foreign currency translation adjustment	(2,330)	3,984
Remeasurements of defined benefit plans, net of tax	461	741
Share of other comprehensive income of entities accounted for using equity method	344	(486)
Total other comprehensive income	(5,668)	8,237
Comprehensive income	11,632	27,678
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	10,262	23,543
Comprehensive income attributable to non-controlling interests	1,369	4,135

Consolidated Statements of Changes in Net Assets

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					-
Change in scope of equity method					-
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					-		-
Change in scope of equity method					-		-
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

For the fiscal year ended March 31,2021

(Million yen)

	Shareholders' equity				
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of period	22,994	19,986	158,872	(441)	201,412
Changes during period					
Issuance of new shares					-
Dividends of surplus			(4,976)		(4,976)
Profit attributable to owners of parent			16,419		16,419
Change in scope of consolidation			(889)		(889)
Change in scope of equity method			43		43
Purchase of treasury shares				(18)	(18)
Disposal of treasury shares		23		52	76
Change in ownership interest of parent due to transactions with non-controlling interests		29			29
Net changes in items other than shareholders' equity					-
Total changes during period	-	53	10,596	34	10,684
Balance at end of period	22,994	20,039	169,469	(406)	212,097

	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	6,541	4,253	155	(2,096)	8,854	40,367	250,634
Changes during period							
Issuance of new shares					-		-
Dividends of surplus					-		(4,976)
Profit attributable to owners of parent					-		16,419
Change in scope of consolidation					-		(889)
Change in scope of equity method					-		43
Purchase of treasury shares					-		(18)
Disposal of treasury shares					-		76
Change in ownership interest of parent due to transactions with non-controlling interests					-		29
Net changes in items other than shareholders' equity	3,380	-	3,223	520	7,123	3,042	10,166
Total changes during period	3,380	-	3,223	520	7,123	3,042	20,850
Balance at end of period	9,921	4,253	3,379	(1,576)	15,977	43,410	271,485

Consolidated Statements of Cash Flows

(Million yen)

	For the fiscal year ended March 31,2020	For the fiscal year ended March 31,2021
Cash flows from operating activities		
Profit before income taxes	22,947	27,721
Depreciation	14,248	15,069
Impairment losses	-	707
Interest and dividend income	(1,291)	(1,037)
Interest expenses	1,116	949
Share of loss (profit) of entities accounted for using equity method	(534)	(428)
Loss on abandonment of non-current assets	344	271
Provision for loss on liquidation of subsidiaries and associates	-	429
Environmental expenses	278	1,498
Decrease (increase) in trade receivables	7,283	(6,390)
Decrease (increase) in inventories	(151)	1,236
Increase (decrease) in trade payables	(9,371)	2,363
Increase (decrease) in retirement benefit liability	1,293	1,250
Other, net	(2,606)	700
Subtotal	33,557	44,341
Interest and dividends received	1,449	1,245
Interest paid	(1,006)	(912)
Income taxes paid	(6,601)	(7,801)
Net cash provided by (used in) operating activities	27,398	36,872
Cash flows from investing activities		
Purchase of securities	(6,000)	(6,999)
Proceeds from sale and redemption of securities	7,500	6,000
Purchase of property, plant and equipment	(16,806)	(12,928)
Proceeds from sale of property, plant and equipment	1,498	1,824
Purchase of intangible assets	(1,217)	(1,524)
Purchase of investment securities	(38)	(28)
Proceeds from sale of investment securities	1,964	99
Purchase of shares of subsidiaries and associates	(0)	(70)
Long-term loan advances	(1,622)	(61)
Other, net	(505)	(500)
Net cash provided by (used in) investing activities	(15,228)	(14,189)
Cash flows from financing activities		
Net increase (decrease) in short-term borrowings	474	643
Proceeds from long-term borrowings	5,594	3,677
Repayments of long-term borrowings	(7,979)	(3,912)
Proceeds from issuance of bonds	2,446	-
Redemption of bonds	(1,630)	(199)
Dividends paid	(4,972)	(4,977)
Dividends paid to non-controlling interests	(1,095)	(1,220)
Other, net	(333)	(563)
Net cash provided by (used in) financing activities	(7,496)	(6,551)
Effect of exchange rate change on cash and cash equivalents	(290)	1,119
Net increase (decrease) in cash and cash equivalents	4,383	17,250
Cash and cash equivalents at beginning of period	56,504	60,888
Increase in cash and cash equivalents resulting from inclusion of subsidiaries in consolidation	-	3,982
Cash and cash equivalents at end of period	60,888	82,121

