Asahi Diamond Industrial Co., Ltd.

August 1,2014

Summary of the Consolidated Financial Results for the First Quarter Ended June 30, 2014

Commpany name: Asahi Diamond Industrial Co., Ltd.
URL: http://www.asahidia.co.jp/
E-mail: irmaster@asahidia.co.jp
Stock exchange listing: Tokyo Stock Exchange 1st Section(Code 6140)

① Financial Data

1) Consolidated Balance Sheets

Millions of yen

	FISCAL YEAR			FIRST QUARTER
	2012/3	2013/3	2014/3	2014/6
Cash and deposits	9,473	11,821	14,407	12,983
Notes and accounts receivable-trade	11,850	11,082	12,329	11,854
Short-term investment securities	615	298	175	506
Merchandise and finished goods	1,879	1,972	2,259	2,228
Work in process	1,295	1,104	1,361	1,601
Raw materials and supplies	2,768	2,673	2,723	2,644
Other	622	808	1,086	1,452
Allowance for doubtful accounts	△92	△96	△76	△78
Current assets	28,412	29,663	34,268	33,193
Buildings and structures, net	9,152	8,586	8,827	9,310
Machinery, equipment and vehicles, net	7,139	6,506	6,730	7,694
Land	4,421	4,704	5,059	5,050
Other, net	1,017	1,326	1,615	1,766
Property, plant and equipment	21,730	21,123	22,232	23,822
Intangible assets	80	88	125	120
Investment securities	7,411	8,882	11,501	11,766
Other	2,915	2,133	1,550	2,026
Allowance for doubtful accounts	△25	△28	△22	△21
Investments and other assets	10,301	10,986	13,029	13,770
Non-current assets	32,112	32,199	35,388	37,712
Assets	60,525	61,862	69,656	70,905

Millions of yen

	FISCAL YEAR			FIRST QUARTER
	2012/3	2013/3	2014/3	2014/6
Notes and accounts payable-trade	1,594	1,404	2,156	1,881
Short-term loans payable	910	556	749	756
Income taxes payable	481	824	1,250	872
Provision for bonuses	636	701	806	1,440
Other	2,611	2,054	2,816	3,198
Current liabilities	6,234	5,541	7,779	8,150
Provision for retirement benefits	5,078	5,141	—	—
Net defined benefit liability	—	—	5,663	7,627
Other	919	965	943	923
Non-current liabilities	5,997	6,106	6,606	8,550
Liabilities	12,231	11,648	14,386	16,701
Capital stock	4,102	4,102	4,102	4,102
Capital surplus	7,129	7,129	7,129	7,129
Retained earnings	37,820	38,260	40,519	39,536
Treasury stock	△76	△2	△6	△8
Shareholders' equity	48,974	49,489	51,743	50,759
Valuation difference on available-for-sale securities	1,054	1,452	1,977	2,212
Revaluation reserve for land	105	105	105	105
Foreign currency translation adjustment	△2,408	△1,725	222	38
Remeasurements of defined benefit plans	—	—	11	9
Total accumulated other comprehensive income	△1,248	△167	2,317	2,365
Minority interests	567	892	1,209	1,079
Net assets	48,293	50,214	55,270	54,204
Liabilities and net assets	60,525	61,862	69,656	70,905

2) Consolidated Statements of Income and Consolidated Statements of Comprehensive Income

Consolidated Statements of Income

Millions of yen

	FIRST QUARTER			FISCAL YEAR
	2012/4-6	2013/4-6	2014/4-6	2013/4-2014/3
Net sales	9,531	9,171	10,630	41,053
Cost of sales	6,325	6,393	7,132	28,006
Gross profit	3,206	2,778	3,497	13,046
Selling, general and administrative expenses	1,924	1,924	2,107	8,211
Operating income	1,281	853	1,390	4,835
Interest and dividends income	51	54	68	186
Foreign exchange gains	47	77	5	221
Equity in earnings of affiliates	42	38	53	520
Other	11	6	30	86
Non-operating income	152	177	157	1,015
Non-operating expenses	4	5	14	25
Ordinary income	1,430	1,025	1,532	5,824
Extraordinary income	—	—	—	11
Extraordinary loss	22	—	—	11
Income before income taxes and minority interests	1,407	1,025	1,532	5,824
Income taxes	489	463	533	1,883
Income before minority interests	918	562	998	3,940
Minority interests in income (loss)	47	16	△4	239
Net income	871	546	1,002	3,701

Consolidated Statements of Comprehensive Income

Millions of yen

	FIRST QUARTER			FISCAL YEAR
	2012/4-6	2013/4-6	2014/4-6	2013/4-2014/3
Income before minority interests	918	562	998	3,940
Other comprehensive income				
Valuation difference on available-for-sale securities	△338	239	234	645
Foreign currency translation adjustment	461	576	△98	949
Remeasurements of defined benefit plans	—	—	1	—
Share of other comprehensive income of associates accounted for using equity method	176	558	△133	1,045
Other comprehensive income	299	1,374	3	2,640
Comprehensive income	1,217	1,936	1,002	6,581
(Comprehensive income attributable to)				
Comprehensive income attributable to owners of the parent	1,125	1,868	1,042	6,174
Comprehensive income attributable to minority interests	92	68	△39	406

3) Consolidated Net Sales Breakdown by Industry

Millions of yen , %

	FIRST QUARTER							
	2011/4-6		2012/4-6		2013/4-6		2014/4-6	
	Amount	Composition ratio	Amount	Composition ratio	Amount	Composition ratio	Amount	Composition ratio
Electronics and Semiconductor	6,774	56.4	4,126	43.3	4,234	46.2	4,878	45.9
Transportation	1,435	11.9	1,691	17.8	1,710	18.7	1,846	17.3
Machinery	1,968	16.4	1,912	20.1	1,728	18.8	2,240	21.1
Stone and Construction	1,535	12.8	1,453	15.2	1,112	12.1	1,253	11.8
Other	295	2.5	347	3.6	386	4.2	411	3.9
Net sales	12,009	100.0	9,531	100.0	9,171	100.0	10,630	100.0

Millions of yen , %

	QUARTER TRANSITION							
	2013/7-9		2013/10-12		2014/1-3		2014/4-6	
	Amount	Composition ratio	Amount	Composition ratio	Amount	Composition ratio	Amount	Composition ratio
Electronics and Semiconductor	4,492	44.0	4,882	45.5	4,821	44.1	4,878	45.9
Transportation	1,850	18.2	1,873	17.4	1,923	17.6	1,846	17.3
Machinery	2,099	20.6	2,165	20.2	2,317	21.2	2,240	21.1
Stone and Construction	1,276	12.5	1,282	11.9	1,402	12.8	1,253	11.8
Other	482	4.7	538	5.0	473	4.3	411	3.9
Net sales	10,201	100.0	10,741	100.0	10,938	100.0	10,630	100.0

4) Consolidated Geographical Sales

Millions of yen , %

	FIRST QUARTER						FISCAL YEAR	
	2012/4-6		2013/4-6		2014/4-6		2013/4-2014/3	
	Amount	Composition ratio	Amount	Composition ratio	Amount	Composition ratio	Amount	Composition ratio
Japan	5,117	53.7	4,462	48.7	4,615	43.5	19,131	46.6
Asia and Oceania	2,274	23.8	2,320	25.3	3,018	28.4	10,903	26.6
Taiwan	1,037	10.9	1,125	12.3	1,422	13.4	5,579	13.6
Europe	788	8.3	874	9.5	1,088	10.2	3,581	8.7
Other	314	3.3	389	4.2	485	4.5	1,856	4.5
Total	9,531	100.0	9,171	100.0	10,630	100.0	41,053	100.0

5) Consolidated Financial Indicators

		FIRST QUARTER			FISCAL YEAR
		2012/4-6	2013/4-6	2014/4-6	2013/4-2014/3
Net sales	Millions of yen	9,531	9,171	10,630	41,053
Operating income	Millions of yen	1,281	853	1,390	4,835
Ordinary income	Millions of yen	1,430	1,025	1,532	5,824
Net income	Millions of yen	871	546	1,002	3,701
Operating income ratio	%	13.4	9.3	13.1	11.8
Ordinary income ratio	%	15.0	11.2	14.4	14.2
Return on assets [ROA]	%	1.4	0.9	1.4	5.6
Return on equity [ROE]	%	1.8	1.1	1.9	7.2
Shareholders' equity ratio	%	78.4	78.9	74.9	77.6
Number of shares outstanding	Shares	59,210,000	57,710,000	57,710,000	57,710,000
Treasury stock at the end of period	Shares	55,847	3,721	7,967	7,275
Book value per share [BPS]	Yen	812.83	872.07	920.68	936.90
Earnings per share [EPS]	Yen	14.73	9.47	17.38	64.14
Capital expenditure	Millions of yen	594	484	2,452	3,492
Depreciation [Property, Plant and Equipment]	Millions of yen	758	685	718	2,913
Research and development expenses	Millions of yen	343	339	367	1,431
Number of employees	Number	2,030	2,115	2,171	2,143

② Forecast (2014/4-2015/3)

1) Consolidated Financial Indicators

Net sales (Millions of yen)	Operating income (Millions of yen)	Ordinary income (Millions of yen)	Net income (Millions of yen)
48,300	7,500	8,100	5,300

Operating income ratio (%)	Ordinary income ratio (%)	Earnings per share [EPS] (Yen)	Depreciation of Property, Plant and Equipment (Millions of yen)
15.5	16.8	91.85	3,700

2) Consolidated Net Sales Breakdown by Industry

Millions of yen

Electronics and Semiconductor	Transportation	Machinery	Stone and Construction	Other	Total
23,900	7,840	9,100	5,670	1,790	48,300

※Notes

- This report contains estimates and forecasts pertaining to the future plans and business results. Such statements are based on information available at the time of the report's production and include potential risks and uncertainties. Actual results may differ from estimates and forecasts contained herein.
- Numbers with "△" indicate negative numbers.