Asahi Diamond Industrial Co., Ltd.

October 31,2014

Summary of the Consolidated Financial Results for the Second Quarter Ended September 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			SECOND QUARTER
	2012/3	2013/3	2014/3	2014/9
Cash and deposits	9,473	11,821	14,407	11,195
Notes and accounts receivable-trade	11,850	11,082	12,329	12,810
Securities	615	298	175	474
Merchandise and finished goods	1,879	1,972	2,259	2,202
Work in process	1,295	1,104	1,361	1,625
Raw materials and supplies	2,768	2,673	2,723	2,664
Other	622	808	1,086	1,508
Allowance for doubtful accounts	△92	△96	△76	△620
Current assets	28,412	29,663	34,268	31,861
Buildings and structures, net	9,152	8,586	8,827	9,307
Machinery, equipment and vehicles, net	7,139	6,506	6,730	8,571
Land	4,421	4,704	5,059	5,044
Other, net	1,017	1,326	1,615	2,490
Property, plant and equipment	21,730	21,123	22,232	25,414
Intangible assets	80	88	125	115
Investment securities	7,411	8,882	11,501	12,555
Other	2,915	2,133	1,550	1,749
Allowance for doubtful accounts	△25	△28	△22	△21
Investments and other assets	10,301	10,986	13,029	14,283
Non-current assets	32,112	32,199	35,388	39,813
Assets	60,525	61,862	69,656	71,675

Millions of yen

	FISCAL YEAR			SECOND QUARTER
	2012/3	2013/3	2014/3	2014/9
Notes and accounts payable-trade	1,594	1,404	2,156	1,894
Short-term loans payable	910	556	749	709
Income taxes payable	481	824	1,250	1,218
Provision for bonuses	636	701	806	984
Other	2,611	2,054	2,816	2,711
Current liabilities	6,234	5,541	7,779	7,518
Provision for retirement benefits	5,078	5,141	—	—
Net defined benefit liability	—	—	5,663	7,574
Other	919	965	943	893
Non-current liabilities	5,997	6,106	6,606	8,467
Liabilities	12,231	11,648	14,386	15,986
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	40,706
Treasury stock	△76	△2	△6	△9
Shareholders' equity	48,974	49,489	51,743	51,928
Valuation difference on available-for-sale securities	1,054	1,452	1,977	2,597
Revaluation reserve for land	105	105	105	105
Foreign currency translation adjustment	△2,408	△1,725	222	53
Remeasurements of defined benefit plans	—	—	11	7
Total accumulated other comprehensive income	△1,248	△167	2,317	2,763
Minority interests	567	892	1,209	996
Net assets	48,293	50,214	55,270	55,688
Liabilities and net assets	60,525	61,862	69,656	71,675

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

Consolidated Statements of Income

Millions of yen

	SECOND QUARTER			FISCAL YEAR
	2012/4-9	2013/4-9	2014/4-9	2013/4-2014/3
Net sales	19,747	19,373	22,307	41,053
Cost of sales	13,228	13,440	14,685	28,006
Gross profit	6,519	5,932	7,622	13,046
Selling, general and administrative expenses	3,842	4,058	4,779	8,211
Operating income	2,677	1,874	2,843	4,835
Interest and dividends income	97	102	115	186
Equity in earnings of affiliates	108	118	98	520
Foreign exchange gains	31	100	118	221
Other	18	27	57	86
Non-operating income	255	349	389	1,015
Non-operating expenses	9	13	12	25
Ordinary income	2,923	2,210	3,220	5,824
Extraordinary income	—	—	—	11
Extraordinary loss	32	—	—	11
Income before income taxes and minority interests	2,890	2,210	3,220	5,824
Total income taxes	974	847	1,140	1,883
Income before minority interests	1,915	1,362	2,080	3,940
Minority interests in income (loss)	105	82	△93	239
Net income	1,809	1,279	2,173	3,701

Consolidated Statements of Comprehensive Income

Millions of yen

	SECOND QUARTER			FISCAL YEAR
	2012/4-9	2013/4-9	2014/4-9	2013/4-2014/3
Income before minority interests	1,915	1,362	2,080	3,940
Other comprehensive income				
Valuation difference on available-for-sale securities	△467	497	619	645
Foreign currency translation adjustment	10	691	△223	949
Remeasurements of defined benefit plans	—	—	2	—
Share of other comprehensive income of associates accounted for using equity method	41	608	8	1,045
Other comprehensive income	△415	1,797	407	2,640
Comprehensive income	1,500	3,160	2,488	6,581
(Comprehensive income attributable to)				
Comprehensive income attributable to owners of the parent	1,378	2,986	2,432	6,174
Comprehensive income attributable to minority interests	122	173	55	406

3) Consolidated Net Sales Breakdown by Industry

Millions of yen , %

	SECOND QUARTER							
	2011/4-9		2012/4-9		2013/4-9		2014/4-9	
	Amount	Composition ratio	Amount	Composition ratio	Amount	Composition ratio	Amount	Composition ratio
Electronics and Semiconductor	12,424	53.2	8,681	43.9	8,726	45.0	10,606	47.5
Transportation	3,073	13.2	3,356	17.0	3,561	18.4	3,810	17.1
Machinery	3,978	17.0	3,805	19.3	3,827	19.8	4,542	20.4
Stone and Construction	3,198	13.7	3,139	15.9	2,389	12.3	2,431	10.9
Other	685	2.9	765	3.9	868	4.5	917	4.1
Net sales	23,359	100.0	19,747	100.0	19,373	100.0	22,307	100.0

Millions of yen , %

	QUARTER TRANSITION							
	2013/10-12		2014/1-3		2014/4-6		2014/7-9	
	Amount	Composition ratio	Amount	Composition ratio	Amount	Composition ratio	Amount	Composition ratio
Electronics and Semiconductor	4,882	45.5	4,821	44.1	4,878	45.9	5,727	49.1
Transportation	1,873	17.4	1,923	17.6	1,846	17.3	1,963	16.8
Machinery	2,165	20.2	2,317	21.2	2,240	21.1	2,302	19.7
Stone and Construction	1,282	11.9	1,402	12.8	1,253	11.8	1,177	10.1
Other	538	5.0	473	4.3	411	3.9	506	4.3
Net sales	10,741	100.0	10,938	100.0	10,630	100.0	11,677	100.0

4) Consolidated Geographical Sales

Millions of yen , %

	SECOND QUARTER						FISCAL YEAR	
	2012/4-9		2013/4-9		2014/4-9		2013/4-2014/3	
	Amount	Composition ratio	Amount	Composition ratio	Amount	Composition ratio	Amount	Composition ratio
Japan	10,364	52.5	9,191	47.5	9,463	42.4	19,131	46.6
Taiwan	2,226	11.3	2,499	12.9	3,069	13.8	5,579	13.6
China	1,032	5.2	1,402	7.2	2,303	10.3	3,363	8.2
Other asia and Oceania	3,962	20.1	3,675	19.0	4,315	19.4	7,540	18.4
Europe	1,465	7.4	1,710	8.8	2,218	9.9	3,581	8.7
Other	697	3.5	893	4.6	936	4.2	1,856	4.5
Net sales	19,747	100.0	19,373	100.0	22,307	100.0	41,053	100.0

5) Consolidated Financial Indicators

Millions of yen

		SECOND QUARTER			FISCAL YEAR
		2012/4-9	2013/4-9	2014/4-9	2013/4-2014/3
Net sales	Millions of yen	19,747	19,373	22,307	41,053
Operating income	Millions of yen	2,677	1,874	2,843	4,835
Ordinary income	Millions of yen	2,923	2,210	3,220	5,824
Net income	Millions of yen	1,809	1,279	2,173	3,701
Operating income ratio	%	13.6	9.7	12.7	11.8
Ordinary income ratio	%	14.8	11.4	14.4	14.2
Return on assets〔ROA〕	%	3.0	2.0	3.1	5.6
Return on equity〔ROE〕	%	3.8	2.5	4.0	7.2
Shareholders' equity ratio	%	79.4	79.6	76.3	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	56,050	4,579	8,897	7,275
Book value per share〔BPS〕	Yen	817.11	891.45	947.86	936.90
Earnings per share〔EPS〕	Yen	30.59	22.18	37.67	64.14
Depreciation [Property, plant and equipment]	Millions of yen	1,547	1,405	1,528	2,913
Research and development expenses	Millions of yen	694	696	771	1,431
Number of employees	Number	2,020	2,155	2,144	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)
46,600	6,460	7,040	4,690

Operating income ratio (%)	Ordinary income ratio (%)	Earnings per share [EPS] (Yen)	Depreciation [Property, plant and equipment] (Millions of yen)
13.9	15.1	81.28	3,300

2) Consolidated Net Sales Breakdown by Industry

Millions of yen

Electronics and Semiconductor	Transportation	Machinery	Stone and Construction	Other	Total
22,400	7,730	9,330	5,380	1,760	46,600

※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.