Asahi Diamond Industrial Co., Ltd.

February 6,2015

Summary of the Consolidated Financial Results for the third Quarter Ended December 31,2014

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Stock exchange listing: Tokyo Stock Exchange 1st Section(Code 6140)

① Financial Data

1) Consolidated Balance Sheets

Millions of yen

	FISCAL YEAR			THIRD QUARTER
	2012/3	2013/3	2014/3	2014/12
Cash and deposits	9,473	11,821	14,407	10,999
Notes and accounts receivable-trade	11,850	11,082	12,329	13,015
Securities	615	298	175	179
Merchandise and finished goods	1,879	1,972	2,259	2,558
Work in process	1,295	1,104	1,361	1,448
Raw materials and supplies	2,768	2,673	2,723	2,778
Other	622	808	1,086	1,247
Allowance for doubtful accounts	△92	△96	△76	△87
Current assets	28,412	29,663	34,268	32,140
Buildings and structures, net	9,152	8,586	8,827	9,162
Machinery, equipment and vehicles, net	7,139	6,506	6,730	8,823
Land	4,421	4,704	5,059	5,049
Other, net	1,017	1,326	1,615	2,490
Property, plant and equipment	21,730	21,123	22,232	25,526
Intangible assets	80	88	125	111
Investment securities	7,411	8,882	11,501	13,035
Other	2,915	2,133	1,550	2,225
Allowance for doubtful accounts	△25	△28	△22	△589
Investments and other assets	10,301	10,986	13,029	14,672
Non-current assets	32,112	32,199	35,388	40,309
Assets	60,525	61,862	69,656	72,450

Millions of yen

	FISCAL YEAR			THIRD QUARTER
	2012/3	2013/3	2014/3	2014/12
Notes and accounts payable-trade	1,594	1,404	2,156	2,454
Short-term loans payable	910	556	749	751
Income taxes payable	481	824	1,250	499
Provision for bonuses	636	701	806	393
Other	2,611	2,054	2,816	2,833
Current liabilities	6,234	5,541	7,779	6,933
Provision for retirement benefits	5,078	5,141	—	—
Net defined benefit liability	—	—	5,663	7,603
Other	919	965	943	869
Non-current liabilities	5,997	6,106	6,606	8,473
Liabilities	12,231	11,648	14,386	15,406
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	41,264
Treasury stock	△76	△2	△6	△10
Shareholders' equity	48,974	49,489	51,743	52,485
Valuation difference on available-for-sale securities	1,054	1,452	1,977	2,765
Revaluation reserve for land	105	105	105	105
Foreign currency translation adjustment	△2,408	△1,725	222	537
Remeasurements of defined benefit plans	—	—	11	2
Total accumulated other comprehensive income	△1,248	△167	2,317	3,411
Minority interests	567	892	1,209	1,147
Net assets	48,293	50,214	55,270	57,044
Liabilities and net assets	60,525	61,862	69,656	72,450

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

Consolidated Statements of Income

Millions of yen

	THIRD QUARTER			FISCAL YEAR
	2012/4-12	2013/4-12	2014/4-12	2013/4-2014/3
Net sales	29,058	30,114	33,950	41,053
Cost of sales	19,753	20,552	22,843	28,006
Gross profit	9,304	9,562	11,106	13,046
Selling, general and administrative expenses	5,735	6,152	6,883	8,211
Operating income	3,568	3,410	4,222	4,835
Interest and dividends income	131	143	160	186
Equity in earnings of affiliates	158	223	165	520
Foreign exchange gains	193	167	300	221
Other	45	48	87	86
Non-operating income	528	582	715	1,015
Non-operating expenses	12	17	25	25
Ordinary income	4,084	3,975	4,912	5,824
Extraordinary income	—	—	—	11
Extraordinary loss	109	—	—	11
Income before income taxes and minority interests	3,975	3,975	4,912	5,824
Total income taxes	1,332	1,310	1,503	1,883
Income before minority interests	2,643	2,664	3,409	3,940
Minority interests in income (loss)	180	181	△13	239
Net income	2,463	2,483	3,423	3,701

Consolidated Statements of Comprehensive Income

Millions of yen

	THIRD QUARTER			FISCAL YEAR
	2012/4-12	2013/4-12	2014/4-12	2013/4-2014/3
Income before minority interests	2,643	2,664	3,409	3,940
Valuation difference on available-for-sale securities	△76	897	787	645
Foreign currency translation adjustment	△24	500	180	949
Remeasurements of defined benefit plans	—	—	1	—
Share of other comprehensive income of associates accounted for using equity method	79	785	157	1,045
Other comprehensive income	△21	2,183	1,127	2,640
Comprehensive income	2,621	4,848	4,536	6,581
(Comprehensive income attributable to)				
Comprehensive income attributable to owners of the parent	2,425	4,569	4,488	6,174
Comprehensive income attributable to minority interests	196	279	47	406

3) Consolidated Net Sales Breakdown by Industry

Millions of yen , %

	THIRD QUARTER							
	2011/4-12		2012/4-12		2013/4-12		2014/4-12	
	Amount	Composition ratio	Amount	Composition ratio	Amount	Composition ratio	Amount	Composition ratio
Electronics and Semiconductor	16,779	50.2	12,873	44.3	13,608	45.2	15,918	46.9
Transportation	4,762	14.3	4,916	16.9	5,435	18.0	5,727	16.8
Machinery	5,865	17.6	5,514	19.0	5,993	19.9	6,888	20.3
Stone and Construction	4,882	14.6	4,542	15.6	3,671	12.2	3,862	11.4
Other	1,111	3.3	1,212	4.2	1,406	4.7	1,553	4.6
Total	33,402	100.0	29,058	100.0	30,114	100.0	33,950	100.0

Millions of yen , %

	QUARTER TRANSITION							
	2014/1-3		2014/4-6		2014/7-9		2014/10-12	
	Amount	Composition ratio	Amount	Composition ratio	Amount	Composition ratio	Amount	Composition ratio
Electronics and Semiconductor	4,821	44.1	4,878	45.9	5,727	49.1	5,312	45.6
Transportation	1,923	17.6	1,846	17.3	1,963	16.8	1,917	16.5
Machinery	2,317	21.2	2,240	21.1	2,302	19.7	2,346	20.1
Stone and Construction	1,402	12.8	1,253	11.8	1,177	10.1	1,431	12.3
Other	473	4.3	411	3.9	506	4.3	635	5.5
Total	10,938	100.0	10,630	100.0	11,677	100.0	11,642	100.0

4) Consolidated Geographical Sales

Millions of yen , %

	THIRD QUARTER						FISCAL YEAR	
	2012/4-12		2013/4-12		2014/4-12		2013/4-2014/3	
	Amount	Composition ratio	Amount	Composition ratio	Amount	Composition ratio	Amount	Composition ratio
Japan	14,995	51.6	14,126	46.9	14,572	42.9	19,131	46.6
Taiwan	3,384	11.6	4,061	13.5	4,796	14.1	5,579	13.6
China	1,508	5.2	2,350	7.8	3,651	10.8	3,363	8.2
Other asia and Oceania	6,035	20.8	5,573	18.5	6,280	18.5	7,540	18.4
Europe	2,026	7.0	2,610	8.7	3,276	9.7	3,581	8.7
Other	1,108	3.8	1,392	4.6	1,374	4.0	1,856	4.5
Total	29,058	100.0	30,114	100.0	33,950	100.0	41,053	100.0

5) Consolidated Financial Indicators

		THIRD QUARTER			FISCAL YEAR
		2012/4-12	2013/4-12	2014/4-12	2013/4-2014/3
Net sales	Millions of yen	29,058	30,114	33,950	41,053
Operating income	Millions of yen	3,568	3,410	4,222	4,835
Ordinary income	Millions of yen	4,084	3,975	4,912	5,824
Net income	Millions of yen	2,463	2,483	3,423	3,701
Operating income ratio	%	12.3	11.3	12.4	11.8
Ordinary income ratio	%	14.1	13.2	14.5	14.2
Return on assets [ROA]	%	4.1	3.9	4.8	5.6
Return on equity [ROE]	%	5.1	4.9	6.2	7.2
Shareholders' equity ratio	%	80.3	79.8	77.2	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	823,295	6,137	9,452	7,275
Book value per share [BPS]	Yen	822.41	908.87	968.74	936.90
Earnings per share [EPS]	Yen	41.68	43.03	59.33	64.14
Depreciation [Property, plant and equipment]	Millions of yen	2,365	2,138	2,355	2,913
Research and development expenses	Millions of yen	1,042	1,066	1,177	1,431
Number of employees	Number	2,066	2,172	2,162	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.