Asahi Diamond Industrial Co., Ltd.

May 13,2015

Summary of the Consolidated Financial Results for the Fiscal Year Ended March 31, 2015〔under Japanese GAAP〕

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			
	2012/3	2013/3	2014/3	2015/3
Cash and deposits	9,473	11,821	14,407	12,697
Notes and accounts receivable-trade	11,850	11,082	12,329	13,241
Short-term investment securities	615	298	175	189
Merchandise and finished goods	1,879	1,972	2,259	2,405
Work in process	1,295	1,104	1,361	1,491
Raw materials and supplies	2,768	2,673	2,723	2,652
Other	622	808	1,086	1,540
Allowance for doubtful accounts	△92	△96	△76	△596
Current assets	28,412	29,663	34,268	33,622
Buildings and structures, net	9,152	8,586	8,827	9,017
Machinery, equipment and vehicles, net	7,139	6,506	6,730	8,678
Land	4,421	4,704	5,059	5,074
Other, net	1,017	1,326	1,615	2,476
Property, plant and equipment	21,730	21,123	22,232	25,247
Intangible assets	80	88	125	110
Investment securities	7,411	8,882	11,501	14,128
Other	2,915	2,133	1,550	1,915
Allowance for doubtful accounts	△25	△28	△22	△630
Investments and other assets	10,301	10,986	13,029	15,412
Non-current assets	32,112	32,199	35,388	40,771
Assets	60,525	61,862	69,656	74,394

Millions of yen

	FISCAL YEAR			
	2012/3	2013/3	2014/3	2015/3
Notes and accounts payable-trade	1,594	1,404	2,156	1,939
Short-term loans payable	910	556	749	924
Income taxes payable	481	824	1,250	1,142
Provision for bonuses	636	701	806	731
Provision for business structure improvement	—	—	—	293
Other	2,611	2,054	2,816	2,053
Current liabilities	6,234	5,541	7,779	7,083
Provision for retirement benefits	5,078	5,141	—	—
Net defined benefit liability	—	—	5,663	7,604
Other	919	965	943	928
Non-current liabilities	5,997	6,106	6,606	8,532
Liabilities	12,231	11,648	14,386	15,615
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	41,425
Treasury stock	△76	△2	△6	△11
Shareholders' equity	48,974	49,489	51,743	52,646
Valuation difference on available-for-sale securities	1,054	1,452	1,977	3,464
Revaluation reserve for land	105	105	105	143
Foreign currency translation adjustment	△2,408	△1,725	222	1,296
Remeasurements of defined benefit plans	—	—	11	△7
Total accumulated other comprehensive income	△1,248	△167	2,317	4,896
Minority interests	567	892	1,209	1,235
Net assets	48,293	50,214	55,270	58,778
Liabilities and net assets	60,525	61,862	69,656	74,394

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

Consolidated Statements of Income

Millions of yen

	FISCAL YEAR			
	2011/4-2012/3	2012/4-2013/3	2013/4-2014/3	2014/4-2015/3
Net sales	42,981	38,378	41,053	45,550
Cost of sales	27,110	26,158	28,006	30,913
Gross profit	15,871	12,219	13,046	14,637
Selling, general and administrative expenses	7,812	7,663	8,211	9,500
Operating income	8,058	4,556	4,835	5,136
Interest and dividends income	161	172	186	206
Equity in earnings of affiliates	306	249	520	183
Foreign exchange gains	—	300	221	350
Miscellaneous income	46	72	86	178
Non-operating income	514	795	1,015	919
Non-operating expenses	89	18	25	64
Ordinary income	8,484	5,333	5,824	5,991
Gain on sales of non-current assets	0	—	—	—
Gain on sales of investment securities	1	—	—	—
State subsidy	52	—	11	—
Settlement received	—	—	—	82
Extraordinary income	54	—	11	82
Loss on sales and retirement of non-current assets	75	66	—	—
Loss on valuation of investment securities	577	42	—	24
Loss on reduction of non-current assets	52	—	11	—
Loss on subsidy return	—	—	—	82
Provision for business structure improvement	—	—	—	281
Extraordinary loss	705	108	11	388
Income before income taxes and minority interests	7,833	5,225	5,824	5,685
Total income taxes	3,055	1,722	1,883	2,087
Income before minority interests	4,777	3,503	3,940	3,597
Minority interests in income	175	249	239	12
Net income	4,602	3,253	3,701	3,584

Consolidated Statements of Comprehensive Income

Millions of yen

	FISCAL YEAR			
	2011/4-2012/3	2012/4-2013/3	2013/4-2014/3	2014/4-2015/3
Income before minority interests	4,777	3,503	3,940	3,597
Other comprehensive income				
Valuation difference on available-for-sale securities	195	400	645	1,486
Revaluation reserve for land	57	—	—	38
Foreign currency translation adjustment	△358	772	949	731
Remeasurements of defined benefit plans	—	—	—	△14
Share of other comprehensive income of associates accounted for using equity method	△49	22	1,045	431
Total other comprehensive income	△154	1,194	2,640	2,674
Comprehensive income	4,623	4,697	6,581	6,271
(Comprehensive income attributable to)				
Comprehensive income attributable to owners of the parent	4,483	4,334	6,174	6,189
Comprehensive income attributable to minority interests	139	363	406	82

3) Consolidated Statements of Cash Flows

Millions of yen

	FISCAL YEAR			
	2011/4-2012/3	2012/4-2013/3	2013/4-2014/3	2014/4-2015/3
[Operating activities]				
Income before income taxes and minority interests	7,833	5,225	5,824	5,685
Income taxes paid	△5,141	△1,461	△1,611	△2,157
Depreciation and amortization	3,530	3,254	2,960	3,465
Increase (decrease) in various provisions	△182	61	41	1,041
Increase (decrease) in net defind benefit liability	—	—	407	△120
Increase (decrease) in provision for business structure improvement	—	—	—	293
Equity in (earnings) losses of affiliates	△306	△249	△520	△183
Loss on reduction of non-current assets	52	—	11	—
Loss (gain) on sales and retirement of property, plant and equipment	74	65	24	33
Loss (gain) on valuation of investment securities	577	42	—	24
Loss (gain) on sales of investment securities	△1	—	—	—
Decrease (increase) in notes and accounts receivable-trade	1,287	1,089	△492	△1,258
Decrease (increase) in inventories	△1,212	370	△246	△23
Increase (decrease) in notes and accounts payable-trade	△168	△351	444	△361
Other, net	819	△528	△445	△164
Net cash provided by (used in) operating activities	7,163	7,516	6,397	6,273
[Investing activities]				
Payments into time deposits	—	—	△1,000	—
Proceeds from withdrawal of time deposits	—	500	200	1,031
Purchase of property, plant and equipment	△5,285	△2,527	△2,638	△6,975
Proceeds from sales of property, plant and equipment	5	34	40	38
Purchase of investment securities	△417	△1,667	△21	△22
Proceeds from sales of investment securities	200	—	—	—
Proceeds from redemption of investment securities	—	1,000	—	—
Purchase of investments in subsidiaries resulting in change in scope of consolidation	△170	—	△377	—
Other, net	56	49	△34	80
Net cash provided by (used in) investing activities	△5,610	△2,610	△3,831	△5,846
[Financing activities]				
Net increase (decrease) in short-term loans payable	570	△409	△12	99
Proceeds from long-term loans payable	38	34	148	70
Repayment of long-term loans payable	△136	△91	△39	△49
Purchase of treasury stock	△7	△1,200	△4	△4
Cash dividends paid	△1,887	△1,533	△1,443	△1,388
Cash dividends paid to minority shareholders	△42	△39	△76	△81
Repayments of lease obligations	△89	△86	△81	△87
Other, net	0	1	0	0
Net cash provided by (used in) financing activities	△1,553	△3,324	△1,508	△1,441
Effect of exchange rate change on cash and cash equivalents	△194	449	345	348
Net increase (decrease) in cash and cash equivalents	△195	2,030	1,403	△666
Cash and cash equivalents at beginning of period	10,284	10,089	12,119	13,523
Cash and cash equivalents at end of period	10,089	12,119	13,523	12,857

4) Consolidated Net Sales Breakdown by Industry

Millions of yen , %

	FISCAL YEAR							
	2011/4-2012/3		2012/4-2013/3		2013/4-2014/3		2014/4-2015/3	
	Amount	Composition ratio	Amount	Composition ratio	Amount	Composition ratio	Amount	Composition ratio
Electronics and Semiconductor	20,792	48.4	17,268	45.0	18,429	44.9	21,170	46.5
Transportation	6,484	15.1	6,473	16.8	7,358	17.9	7,753	17.0
Machinery	7,731	18.0	7,242	18.9	8,311	20.2	9,350	20.5
Stone and Construction	6,516	15.1	5,823	15.2	5,074	12.4	5,296	11.6
Other	1,456	3.4	1,569	4.1	1,879	4.6	1,978	4.4
Net sales	42,981	100.0	38,378	100.0	41,053	100.0	45,550	100.0

Millions of yen , %

	QUARTER TRANSITION							
	2014/4-6		2014/7-9		2014/10-12		2015/1-3	
	Amount	Composition ratio	Amount	Composition ratio	Amount	Composition ratio	Amount	Composition ratio
Electronics and Semiconductor	4,878	45.9	5,727	49.1	5,312	45.6	5,252	45.3
Transportation	1,846	17.3	1,963	16.8	1,917	16.5	2,026	17.5
Machinery	2,240	21.1	2,302	19.7	2,346	20.1	2,461	21.2
Stone and Construction	1,253	11.8	1,177	10.1	1,431	12.3	1,433	12.3
Other	411	3.9	506	4.3	635	5.5	425	3.7
Net sales	10,630	100.0	11,677	100.0	11,642	100.0	11,599	100.0

5) Consolidated Geographical Sales

Millions of yen , %

	FISCAL YEAR							
	2011/4-2012/3		2012/4-2013/3		2013/4-2014/3		2014/4-2015/3	
	Amount	Composition ratio	Amount	Composition ratio	Amount	Composition ratio	Amount	Composition ratio
Japan	23,045	53.6	19,363	50.5	19,131	46.6	19,486	42.8
Taiwan	4,555	10.6	4,688	12.2	5,579	13.6	6,307	13.8
China	2,509	5.8	2,032	5.3	3,363	8.2	5,117	11.2
Other asia and Oceania	7,776	18.1	7,969	20.8	7,540	18.4	8,399	18.4
Europe	3,425	8.0	2,771	7.2	3,581	8.7	4,267	9.5
Other	1,668	3.9	1,552	4.0	1,856	4.5	1,971	4.3
Total	42,981	100.0	38,378	100.0	41,053	100.0	45,550	100.0

6) Consolidated Financial Indicators

		FISCAL YEAR			
		2011/4-2012/3	2012/4-2013/3	2013/4-2014/3	2014/4-2015/3
Net sales	Millions of yen	42,981	38,378	41,053	45,550
Operating income	Millions of yen	8,058	4,556	4,835	5,136
Ordinary income	Millions of yen	8,484	5,333	5,824	5,991
Net income	Millions of yen	4,602	3,253	3,701	3,584
Operating income ratio	%	18.7	11.9	11.8	11.3
Ordinary income ratio	%	19.7	13.9	14.2	13.2
Return on assets〔ROA〕	%	7.6	5.3	5.6	5.0
Return on equity〔ROE〕	%	9.9	6.7	7.2	6.5
Shareholders' equity ratio	%	78.9	79.7	77.6	77.3
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	55,812	2,921	7,275	10,224
Book value per share〔BPS〕	Yen	806.81	854.69	936.90	997.28
Earnings per share〔EPS〕	Yen	77.81	55.38	64.14	62.13
Capital expenditures	Millions of yen	4,712	2,479	3,492	6,350
Depreciation [Property, plant and equipment]	Millions of yen	3,480	3,206	2,913	3,413
Research and development expenses	Millions of yen	1,355	1,364	1,431	1,609
Number of employees	Number	2,015	2,059	2,143	2,147

② Forecast (2015/4-2016/3)

1) Consolidated Financial Indicators

Net sales (Millions of yen)	Operating income (Millions of yen)	Ordinary income (Millions of yen)	Net income (Millions of yen)
46,500	5,500	6,050	4,250

Operating income ratio (%)	Ordinary income ratio (%)	Earnings per share〔EPS〕(Yen)	Capital expenditures (Millions of yen)	Depreciation [Property, plant and equipment] (Millions of yen)
11.8	13.0	73.66	4,700	3,900

2) Consolidated Net Sales Breakdown by Industry

Millions of yen

Electronics and Semiconductor	Transportation	Machinery	Stone and Construction	Other	Total
21,300	8,100	9,670	5,640	1,790	46,500

※Note

- 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.