Asahi Diamond Industrial Co., Ltd.

October 30,2015

Summary of the Consolidated Financial Results for the Second Quarter Ended September 30,2015

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

① Financial statements

1) Consolidated Balance Sheets

Millions of yen

	FISCAL YEAR	SECOND QUARTER
	2015/3	2015/9
Cash and deposits	12,697	14,513
Notes and accounts receivable-trade	13,241	12,135
Securities	189	1,500
Merchandise and finished goods	2,405	2,390
Work in process	1,491	1,479
Raw materials and supplies	2,652	2,807
Other	1,540	1,509
Allowance for doubtful accounts	△ 596	△ 518
Current assets	33,622	35,816
Buildings and structures, net	9,017	8,780
Machinery, equipment and vehicles, net	8,678	8,019
Land	5,074	5,083
Other, net	2,476	2,910
Property, plant and equipment	25,247	24,793
Intangible assets	110	116
Investment securities	14,128	11,610
Other	1,915	2,330
Allowance for doubtful accounts	△ 630	△ 656
Investments and other assets	15,412	13,284
Non-current assets	40,771	38,194
Assets	74,394	74,010

※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.

Millions of yen

	FISCAL YEAR	SECOND QUARTER
	2015/3	2015/9
Notes and accounts payable-trade	1,939	1,916
Short-term loans payable	924	752
Income taxes payable	1,142	859
Provision for bonuses	731	899
Provision for business structure improvement	293	242
Other	2,053	2,079
Current liabilities	7,083	6,749
Net defined benefit liability	7,604	7,574
Other	928	871
Non-current liabilities	8,532	8,446
Liabilities	15,615	15,195
Capital stock	4,102	4,102
Capital surplus	7,129	7,129
Retained earnings	41,425	42,394
Treasury shares	△ 11	△ 12
Shareholders' equity	52,646	53,613
Valuation difference on available-for-sale securities	3,464	2,594
Revaluation reserve for land	143	143
Foreign currency translation adjustment	1,296	1,196
Remeasurements of defined benefit plans	△ 7	△ 4
Total accumulated other comprehensive income	4,896	3,930
Non-controlling interests	1,235	1,270
Net assets	58,778	58,815
Liabilities and net assets	74,394	74,010

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

Consolidated Statements of Income

Millions of yen

	SECOND QUARTER	
	2014/4-9	2015/4-9
Net sales	22,307	22,785
Cost of sales	14,685	15,887
Gross profit	7,622	6,898
Selling expenses	3,293	2,622
General and administrative expenses	1,485	1,652
Selling, general and administrative expenses	4,779	4,275
Operating income	2,843	2,623
Interest income	48	44
Dividend income	67	83
Foreign exchange gains	118	—
Share of profit of entities accounted for using equity method	98	84
Other	57	60
Non-operating income	389	273
Interest expenses	7	7
Foreign exchange losses	—	18
Other	4	9
Non-operating expenses	12	35
Ordinary income	3,220	2,861
Income before income taxes	3,220	2,861
Income taxes - current	1,212	827
Income taxes - deferred	△ 72	△ 7
Income taxes	1,140	820
Profit	2,080	2,040
Profit (loss) attributable to non-controlling interests	△ 93	33
Profit attributable to owners of parent	2,173	2,007

Consolidated Statements of Comprehensive Income

Millions of yen

	SECOND QUARTER	
	2014/4-9	2015/4-9
Profit	2,080	2,040
Other comprehensive income		
Valuation difference on available-for-sale securities	619	△ 869
Foreign currency translation adjustment	△ 223	△ 28
Remeasurements of defined benefit plans	2	7
Share of other comprehensive income of entities accounted for using equity method	8	△ 17
Other comprehensive income	407	△ 908
Comprehensive income	2,488	1,132
(Comprehensive income attributable to)		
Comprehensive income attributable to owners of parent	2,432	1,108
Comprehensive income attributable to non-controlling interests	55	23

② Financial data

1) Forecast (2015/4-2016/3)

Net sales (Millions of yen)	Operating income (Millions of yen)	Ordinary income (Millions of yen)	Profit attributable to owners of parent (Millions of yen)	Earnings per share [EPS] (Yen)
46,500	5,500	6,050	4,250	73.66

2) Consolidated financial indicator

		SECOND QUARTER		FISCAL YEAR	FORECAST
		2014/4-9	2015/4-9	2014/4-2015/3	2015/4-2016/3
		Amount	Amount	Amount	Amount
Operating income ratio	(%)	12.7	11.5	11.3	11.8
Ordinary income ratio	(%)	14.4	12.6	13.2	13.0
Return on assets [ROA]	(%)	3.1	2.7	5.0	—
Return on equity [ROE]	(%)	4.0	3.5	6.5	—
Capital expenditures	Millions of yen	4,936	1,227	6,350	4,700
Depreciation [Property, plant and equipment]	Millions of yen	1,528	1,702	3,413	3,900
Research and development expenses	Millions of yen	771	785	1,609	—
Number of employees	Number	2,144	2,169	2,147	—

3) Consolidated Net Sales Breakdown

Consolidated Net Sales Breakdown by Industry

Millions of yen

	SECOND QUARTER				FISCAL YEAR		FORECAST	
	2014/4-9		2015/4-9		2014/4-2015/3		2015/4-2016/3	
	Amount	Ratio	Amount	Ratio	Amount	Ratio	Amount	Ratio
Electronics and Semiconductor	10,606	47.5	10,179	44.7	21,170	46.5	21,200	45.6
Transportation	3,810	17.1	4,112	18.0	7,753	17.0	8,300	17.9
Machinery	4,542	20.4	4,759	20.9	9,350	20.5	9,600	20.6
Stone and Construction	2,431	10.9	2,709	11.9	5,296	11.6	5,550	11.9
Other	917	4.1	1,025	4.5	1,978	4.4	1,850	4.0
Net sales	22,307	100.0	22,785	100.0	45,550	100.0	46,500	100.0

Consolidated Net Sales Breakdown by Geographical Region

Millions of yen

	SECOND QUARTER				FISCAL YEAR		FORECAST	
	2014/4-9		2015/4-9		2014/4-2015/3		2015/4-2016/3	
	Amount	Ratio	Amount	Ratio	Amount	Ratio	Amount	Ratio
Japan	9,463	42.4	9,944	43.6	19,486	42.8	20,100	43.2
Taiwan	3,069	13.8	2,451	10.8	6,307	13.8	4,500	9.7
China	2,303	10.3	3,071	13.5	5,117	11.2	7,200	15.5
Other Asia and Oceania	4,315	19.4	3,585	15.7	8,399	18.4	7,500	16.1
Europe	2,218	9.9	2,559	11.2	4,267	9.5	4,800	10.3
Other	936	4.2	1,173	5.2	1,971	4.3	2,400	5.2
Net sales	22,307	100.0	22,785	100.0	45,550	100.0	46,500	100.0