Asahi Diamond Industrial Co., Ltd.

February 10,2016

Summary of the Consolidated Financial Results for the third Quarter Ended December 31,2015

Commpany name : Asahi Diamond Industrial Co., Ltd.
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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	THIRD QUARTER
	2015/3	2015/12
Cash and deposits	12,697	10,700
Notes and accounts receivable-trade	13,241	12,729
Securities	189	1,681
Merchandise and finished goods	2,405	2,654
Work in process	1,491	1,585
Raw materials and supplies	2,652	2,822
Other	1,540	1,431
Allowance for doubtful accounts	△ 596	△ 514
Current assets	33,622	33,090
Buildings and structures, net	9,017	10,239
Machinery, equipment and vehicles, net	8,678	7,821
Land	5,074	5,043
Other, net	2,476	1,893
Property, plant and equipment	25,247	24,997
Intangible assets	110	113
Investment securities	14,128	12,024
Other	1,915	2,002
Allowance for doubtful accounts	△ 630	△ 602
Investments and other assets	15,412	13,424
Non-current assets	40,771	38,535
Assets	74,394	71,625

※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	THIRD QUARTER
	2015/3	2015/12
Notes and accounts payable-trade	1,939	1,996
Short-term loans payable	924	699
Income taxes payable	1,142	137
Provision for bonuses	731	382
Provision for business structure improvement	293	171
Other	2,053	2,646
Current liabilities	7,083	6,033
Net defined benefit liability	7,604	7,539
Other	928	844
Non-current liabilities	8,532	8,383
Liabilities	15,615	14,417
Capital stock	4,102	4,102
Capital surplus	7,129	7,129
Retained earnings	41,425	42,635
Treasury shares	△ 11	△ 1,259
Shareholders' equity	52,646	52,607
Valuation difference on available-for-sale securities	3,464	3,099
Revaluation reserve for land	143	143
Foreign currency translation adjustment	1,296	157
Remeasurements of defined benefit plans	△ 7	△ 1
Total accumulated other comprehensive income	4,896	3,399
Non-controlling interests	1,235	1,200
Net assets	58,778	57,207
Liabilities and net assets	74,394	71,625

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

Consolidated Statements of Income

Millions of yen

	THIRD QUARTER	
	2014/4-12	2015/4-12
Net sales	33,950	34,302
Cost of sales	22,843	23,913
Gross profit	11,106	10,388
Selling expenses	4,710	3,982
General and administrative expenses	2,173	2,468
Selling, general and administrative expenses	6,883	6,451
Operating income	4,222	3,937
Interest income	71	62
Dividend income	89	108
Foreign exchange gains	300	17
Share of profit of entities accounted for using equity method	165	130
Other	87	91
Non-operating income	715	410
Interest expenses	11	10
Other	13	9
Non-operating expenses	25	20
Ordinary income	4,912	4,327
Income before income taxes	4,912	4,327
Income taxes - current	1,297	903
Income taxes - deferred	205	239
Income taxes	1,503	1,143
Profit	3,409	3,184
Profit (loss) attributable to non-controlling interests	△ 13	70
Profit attributable to owners of parent	3,423	3,113

Consolidated Statements of Comprehensive Income

Millions of yen

	THIRD QUARTER	
	2014/4-12	2015/4-12
Profit	3,409	3,184
Other comprehensive income		
Valuation difference on available-for-sale securities	787	△ 364
Foreign currency translation adjustment	180	△ 800
Remeasurements of defined benefit plans	1	12
Share of other comprehensive income of entities accounted for using equity method	157	△ 393
Other comprehensive income	1,127	△ 1,546
Comprehensive income	4,536	1,637
(Comprehensive income attributable to)		
Comprehensive income attributable to owners of parent	4,488	1,757
Comprehensive income attributable to non-controlling interests	47	△ 119

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	74.15

2) Consolidated financial indicator

		THIRD QUARTER		FISCAL YEAR	FORECAST
		2014/4-12	2015/4-12	2014/4-2015/3	2015/4-2016/3
		Amount	Amount	Amount	Amount
Operating income ratio	(%)	12.4	11.5	11.3	11.8
Ordinary income ratio	(%)	14.5	12.6	13.2	13.0
Return on assets [ROA]	(%)	4.8	4.3	5.0	—
Return on equity [ROE]	(%)	6.2	5.5	6.5	—
Capital expenditures	Millions of yen	5,814	2,877	6,350	4,700
Depreciation [Property, plant and equipment]	Millions of yen	2,428	2,625	3,413	3,900
Research and development expenses	Millions of yen	1,177	1,284	1,609	—
Number of employees	Number	2,162	2,138	2,147	—

3) Consolidated Net Sales Breakdown

Consolidated Net Sales Breakdown by Industry

Millions of yen

	THIRD QUARTER				FISCAL YEAR		FORECAST	
	2014/4-12		2015/4-12		2014/4-2015/3		2015/4-2016/3	
	Amount	Ratio	Amount	Ratio	Amount	Ratio	Amount	Ratio
Electronics and Semiconductor	15,918	46.9	15,482	45.1	21,170	46.5	21,200	45.6
Transportation	5,727	16.8	6,238	18.2	7,753	17.0	8,300	17.9
Machinery	6,888	20.3	7,042	20.5	9,350	20.5	9,600	20.6
Stone and Construction	3,862	11.4	4,060	11.9	5,296	11.6	5,550	11.9
Other	1,553	4.6	1,478	4.3	1,978	4.4	1,850	4.0
Net sales	33,950	100.0	34,302	100.0	45,550	100.0	46,500	100.0

Consolidated Net Sales Breakdown by Geographical Region

Millions of yen

	THIRD QUARTER				FISCAL YEAR		FORECAST	
	2014/4-12		2015/4-12		2014/4-2015/3		2015/4-2016/3	
	Amount	Ratio	Amount	Ratio	Amount	Ratio	Amount	Ratio
Japan	14,572	42.9	14,860	43.3	19,486	42.8	20,100	43.2
Taiwan	4,796	14.1	3,505	10.2	6,307	13.8	4,500	9.7
China	3,651	10.8	5,313	15.5	5,117	11.2	7,200	15.5
Other Asia and Oceania	6,280	18.5	5,189	15.1	8,399	18.4	7,500	16.1
Europe	3,276	9.7	3,636	10.6	4,267	9.5	4,800	10.3
Other	1,374	4.0	1,798	5.3	1,971	4.3	2,400	5.2
Net sales	33,950	100.0	34,302	100.0	45,550	100.0	46,500	100.0