Asahi Diamond Industrial Co., Ltd.

February 10,2017

Summary of the Consolidated Financial Results for the third Quarter Ended December 31,2016

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
	2016/3	2016/12
Cash and deposits	12,598	12,583
Notes and accounts receivable-trade	11,528	11,379
Securities	1,867	258
Merchandise and finished goods	2,374	2,280
Work in process	1,474	1,446
Raw materials and supplies	2,661	2,502
Other	1,594	1,143
Allowance for doubtful accounts	△ 286	△215
Current assets	33,813	31,379
Buildings and structures, net	10,063	9,665
Machinery, equipment and vehicles, net	7,575	7,064
Land	5,053	5,002
Other, net	1,863	1,423
Property, plant and equipment	24,556	23,157
Intangible assets	120	121
Investment securities	10,993	12,570
Other	2,720	2,556
Allowance for doubtful accounts	△ 1,065	△1,011
Investments and other assets	12,648	14,115
Non-current assets	37,325	37,394
Assets	71,139	68,773

※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
	2016/3	2016/12
Notes and accounts payable-trade	1,505	2,030
Short-term loans payable	659	479
Income taxes payable	540	56
Provision for bonuses	722	302
Provision for business structure improvement	193	37
Other	2,108	2,168
Current liabilities	5,730	5,075
Net defined benefit liability	7,644	7,544
Other	820	738
Non-current liabilities	8,465	8,283
Liabilities	14,195	13,358
Capital stock	4,102	4,102
Capital surplus	7,129	7,129
Retained earnings	41,615	41,866
Treasury shares	△ 15	△861
Shareholders' equity	52,832	52,235
Valuation difference on available-for-sale securities	2,346	3,080
Revaluation reserve for land	162	162
Foreign currency translation adjustment	479	△1,079
Remeasurements of defined benefit plans	△ 78	△18
Total accumulated other comprehensive income	2,910	2,143
Non-controlling interests	1,201	1,035
Net assets	56,943	55,415
Liabilities and net assets	71,139	68,773

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

Consolidated Statements of Income

Millions of yen

	THIRD QUARTER	
	2015/4-12	2016/4-12
Net sales	34,302	31,976
Cost of sales	23,913	23,801
Gross profit	10,388	8,175
Selling expenses	3,982	3,854
General and administrative expenses	2,468	2,358
Selling, general and administrative expenses	6,451	6,213
Operating income	3,937	1,961
Interest income	62	43
Dividend income	108	109
Foreign exchange gains	17	—
Share of profit of entities accounted for using equity method	130	53
Other	91	62
Non-operating income	410	269
Interest expenses	10	7
Foreign exchange losses	—	124
Other	9	5
Non-operating expenses	20	137
Ordinary income	4,327	2,092
Gain on sales of investment securities	—	38
Reversal of provision for business structure improvement	—	85
Extraordinary income	—	123
Loss on valuation of investment securities	—	0
Loss on sales of investment securities	—	1
Extraordinary losses	—	1
Income before income taxes	4,327	2,214
Income taxes - current	903	341
Income taxes - deferred	239	190
Income taxes	1,143	531
Profit	3,184	1,683
Profit attributable to non-controlling interests	70	25
Profit attributable to owners of parent	3,113	1,657

Consolidated Statements of Comprehensive Income

Millions of yen

	THIRD QUARTER	
	2015/4-12	2016/4-12
Profit	3,184	1,683
Valuation difference on available-for-sale securities	△364	733
Foreign currency translation adjustment	△800	△1,200
Remeasurements of defined benefit plans	12	65
Share of other comprehensive income of entities accounted for using equity method	△393	△506
Other comprehensive income	△1,546	△907
Comprehensive income	1,637	776
(Comprehensive income attributable to)		
Comprehensive income attributable to owners of parent	1,757	943
Comprehensive income attributable to non-controlling interests	△119	△167

② Financial data

1) Forecast (2016/4-2017/3)

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)
41,500	2,140	2,320	1,920	34.26

2) Consolidated financial indicator

		THIRD QUARTER		FISCAL YEAR	FORECAST
		2015/4-12	2016/4-12	2015/4-2016/3	2016/4-2017/3
		Amount	Amount	Amount	Amount
Operating income ratio	(%)	11.5	6.1	10.5	5.2
Ordinary income ratio	(%)	12.6	6.5	11.2	5.6
Return on assets [ROA]	(%)	4.3	2.4	4.6	—
Return on equity [ROE]	(%)	5.5	3.0	5.9	—
Capital expenditures	Millions of yen	2,877	1,697	3,409	2,700
Depreciation [Property, plant and equipment]	Millions of yen	2,625	2,448	3,572	3,300
Research and development expenses	Millions of yen	1,284	1,283	1,731	1,750
Number of employees	Number	2,138	2,120	2,108	—

3) Consolidated Net Sales Breakdown

Consolidated Net Sales Breakdown by Industry

Millions of yen

	THIRD QUARTER				FISCAL YEAR		FORECAST	
	2015/4-12		2016/4-12		2015/4-2016/3		2016/4-2017/3	
	Amount	Ratio	Amount	Ratio	Amount	Ratio	Amount	Ratio
Electronics and Semiconductor	15,482	45.1	14,322	44.8	20,133	44.3	17,900	43.1
Transportation	6,238	18.2	6,299	19.7	8,439	18.6	8,330	20.1
Machinery	7,042	20.5	6,560	20.5	9,368	20.6	8,900	21.5
Stone and Construction	4,060	11.9	3,532	11.1	5,541	12.2	4,860	11.7
Other	1,478	4.3	1,261	3.9	1,977	4.3	1,510	3.6
Net sales	34,302	100.0	31,976	100.0	45,459	100.0	41,500	100.0

Consolidated Net Sales Breakdown by Geographical Region

Millions of yen

	THIRD QUARTER				FISCAL YEAR		FORECAST	
	2015/4-12		2016/4-12		2015/4-2016/3		2016/4-2017/3	
	Amount	Ratio	Amount	Ratio	Amount	Ratio	Amount	Ratio
Japan	14,860	43.3	14,147	44.2	19,567	43.1	18,600	44.8
Taiwan	3,505	10.2	3,092	9.7	4,424	9.7	3,900	9.4
China	5,313	15.5	5,272	16.5	7,293	16.0	6,600	15.9
Other Asia and Oceania	5,189	15.1	4,439	13.9	6,867	15.1	5,800	14.0
Europe	3,636	10.6	3,362	10.5	4,785	10.5	4,200	10.1
Other	1,798	5.3	1,662	5.2	2,521	5.6	2,400	5.8
Net sales	34,302	100.0	31,976	100.0	45,459	100.0	41,500	100.0