Asahi Diamond Industrial Co., Ltd.

July 31,2019

Summary of the Consolidated Financial Results for the First Quarter Ended June 30, 2019

① Financial Statements

1) Consolidated Balance Sheets

Millions of yen

	FISCAL YEAR	FIRST QUARTER
	2019/3	2019/6
Cash and deposits	14,886	15,186
Notes and accounts receivable-trade	11,255	10,971
Securities	1,662	1,527
Merchandise and finished goods	2,858	2,901
Work in process	1,536	1,390
Raw materials and supplies	2,226	2,249
Other	707	843
Allowance for doubtful accounts	△ 120	△ 116
Current assets	35,012	34,954
Buildings and structures, net	7,760	7,618
Machinery, equipment and vehicles, net	5,870	5,869
Land	6,855	6,854
Other, net	1,089	1,192
Property, plant and equipment	21,576	21,535
Intangible assets	143	163
Investment securities	13,526	13,382
Other	3,322	3,347
Allowance for doubtful accounts	△ 533	△ 531
Investments and other assets	16,315	16,198
Non-current assets	38,035	37,897
Assets	73,047	72,851

※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	FIRST QUARTER
	2019/3	2019/6
Notes and accounts payable – trade	1,563	1,649
Short-term loans payable	488	506
Income taxes payable	93	304
Provision for bonuses	711	1,142
Other	2,658	2,256
Current liabilities	5,515	5,859
Net defined benefit liability	7,779	7,599
Provision for business structure improvement	22	23
Provision for share-based remuneration	27	30
Other	674	654
Non-current liabilities	8,504	8,306
Liabilities	14,019	14,166
Capital stock	4,102	4,102
Capital surplus	7,129	7,129
Retained earnings	44,367	44,099
Treasury shares	△ 155	△ 156
Shareholders' equity	55,443	55,174
Valuation difference on available-for-sale securities	2,505	2,475
Revaluation reserve for land	160	160
Foreign currency translation adjustment	△ 319	△ 341
Remeasurements of defined benefit plans	△ 46	△ 34
Total accumulated other comprehensive income	2,299	2,259
Non-controlling interests	1,285	1,251
Net assets	59,028	58,685
Liabilities and net assets	73,047	72,851

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

Consolidated Statements of Income

Millions of yen

	FIRST QUARTER	
	2018/4-6	2019/4-6
Net sales	10,604	9,396
Cost of sales	7,810	7,158
Gross profit	2,793	2,238
Selling expenses	1,072	1,243
General and administrative expenses	882	846
Selling, general and administrative expenses	1,954	2,090
Operating profit	838	148
Interest income	13	19
Dividend income	62	68
Foreign exchange gains	10	—
Share of profit of entities accounted for using equity method	8	—
Miscellaneous income	16	12
Non-operating income	111	100
Interest expenses	2	1
Foreign exchange losses	—	53
Share of loss of entities accounted for using equity method	—	12
Miscellaneous loss	0	0
Non-operating expenses	2	68
Ordinary profit	947	180
Gain on sales of investment securities	—	53
Extraordinary income	—	53
Profit before income taxes	947	233
Income taxes - current	376	174
Income taxes - deferred	△ 207	△ 116
Income taxes	168	57
Profit	779	175
Profit (loss) attributable to non-controlling interests	30	△ 0
Profit attributable to owners of parent	748	176

Consolidated Statements of Comprehensive Income

Millions of yen

	FIRST QUARTER	
	2018/4-6	2019/4-6
Profit	779	175
Other comprehensive income		
Valuation difference on available-for-sale securities	△ 289	△ 30
Revaluation reserve for land	△ 2	—
Foreign currency translation adjustment	△ 485	43
Remeasurements of defined benefit plans	8	14
Share of other comprehensive income of entities accounted for using equity method	△ 288	△ 66
Other comprehensive income	△ 1,057	△ 38
Comprehensive income	△ 278	137
(Comprehensive income attributable to)		
Comprehensive income attributable to owners of parent	△ 201	135
Comprehensive income attributable to non-controlling interests	△ 76	2

② Financial Data

1) Forecast (2019/4-2020/3)

Net sales (Millions of yen)	Operating profit (Millions of yen)	Ordinary profit (Millions of yen)	Profit attributable to owners of parent (Millions of yen)	Earnings per share [EPS] (Yen)
39,200	1,510	1,950	1,200	21.62

2) Consolidated Financial Indicator

		FIRST QUARTER		FISCAL YEAR	FORECAST
		2018/4-6	2019/4-6	2018/4-2019/3	2019/4-2020/3
		Amount	Amount	Amount	Amount
Operating profit ratio	(%)	7.9	1.6	6.2	3.9
Ordinary profit ratio	(%)	8.9	1.9	7.6	5.0
Return on assets [ROA]	(%)	1.0	0.2	3.1	—
Return on equity [ROE]	(%)	1.3	0.3	4.0	—
Capital expenditures	Millions of yen	516	587	4,287	7,000
Depreciation [Property, plant and equipment]	Millions of yen	565	596	2,452	2,600
Research and development expenses	Millions of yen	445	430	1,782	1,800
Number of employees	Number	2,184	2,226	2,208	—

3) Consolidated Net Sales Breakdown

Consolidated Net Sales Breakdown by Industry

Millions of yen

	FIRST QUARTER				FISCAL YEAR		FORECAST	
	2018/4-6		2019/4-6		2018/4-2019/3		2019/4-2020/3	
	Amount	Ratio	Amount	Ratio	Amount	Ratio	Amount	Ratio
Electronics and Semiconductor	3,923	37.0	2,908	31.0	13,626	33.2	12,440	31.7
Transportation	2,484	23.4	2,457	26.2	9,955	24.2	9,970	25.4
Machinery	2,634	24.8	2,400	25.5	10,508	25.6	10,330	26.4
Stone and Construction	1,204	11.4	1,231	13.1	5,158	12.6	4,730	12.1
Other	356	3.4	398	4.2	1,796	4.4	1,730	4.4
Net sales	10,604	100.0	9,396	100.0	41,046	100.0	39,200	100.0

Consolidated Net Sales Breakdown by Geographical Region

Millions of yen

	FIRST QUARTER				FISCAL YEAR		FORECAST	
	2018/4-6		2019/4-6		2018/4-2019/3		2019/4-2020/3	
	Amount	Ratio	Amount	Ratio	Amount	Ratio	Amount	Ratio
Japan	5,261	49.6	4,932	52.5	21,220	51.7	21,000	53.6
Taiwan	1,032	9.8	726	7.7	3,519	8.6	3,400	8.7
China	1,148	10.8	763	8.1	3,897	9.5	3,200	8.1
Other Asia and Oceania	1,324	12.5	1,389	14.8	5,641	13.7	5,700	14.5
Europe	1,159	10.9	909	9.7	4,006	9.8	3,400	8.7
Other	678	6.4	675	7.2	2,760	6.7	2,500	6.4
Net sales	10,604	100.0	9,396	100.0	41,046	100.0	39,200	100.0