Asahi Diamond Industrial Co., Ltd.

February 5,2021

Summary of the Consolidated Financial Results for the third Quarter Ended December 31, 2020

① Financial Statements

1) Consolidated Balance Sheets

Millions of yen

	FISCAL YEAR	THIRD QUARTER
	2020/3	2020/12
Cash and deposits	14,038	12,588
Notes and accounts receivable-trade	9,325	8,567
Securities	3,050	1
Merchandise and finished goods	2,819	2,794
Work in process	1,039	1,336
Raw materials and supplies	2,119	2,132
Other	442	1,089
Allowance for doubtful accounts	△ 73	△ 54
Current assets	32,762	28,455
Buildings and structures, net	6,783	12,902
Machinery, equipment and vehicles, net	6,199	5,967
Land	6,685	6,679
Other, net	3,976	1,223
Property, plant and equipment	23,644	26,773
Intangible assets	195	198
Investment securities	10,301	10,795
Other	3,606	3,061
Allowance for doubtful accounts	△ 503	△ 506
Investments and other assets	13,405	13,350
Non-current assets	37,245	40,322
Assets	70,007	68,777

※Note

・ Numbers with "△" indicate negative numbers.

Millions of yen

	FISCAL YEAR	THIRD QUARTER
	2020/3	2020/12
Notes and accounts payable – trade	1,317	1,168
Short-term loans payable	533	532
Income taxes payable	171	73
Provision for bonuses	586	269
Other	1,870	2,139
Current liabilities	4,479	4,182
Net defined benefit liability	7,527	7,566
Provision for business structure improvement	441	447
Provision for share-based remuneration	56	84
Other	669	627
Non-current liabilities	8,694	8,725
Liabilities	13,174	12,907
Capital stock	4,102	4,102
Capital surplus	7,129	7,129
Retained earnings	43,323	41,942
Treasury shares	△ 150	△ 150
Shareholders' equity	54,404	53,022
Valuation difference on available-for-sale securities	1,450	2,346
Revaluation reserve for land	196	196
Foreign currency translation adjustment	△ 496	△ 985
Remeasurements of defined benefit plans	△ 41	△ 9
Total accumulated other comprehensive income	1,107	1,547
Non-controlling interests	1,321	1,299
Net assets	56,833	55,869
Liabilities and net assets	70,007	68,777

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

Consolidated Statements of Income

Millions of yen

	THIRD QUARTER	
	2019/4-12	2020/4-12
Net sales	27,116	21,969
Cost of sales	20,718	17,549
Gross profit	6,397	4,419
Selling expenses	3,725	3,355
General and administrative expenses	2,368	2,024
Selling, general and administrative expenses	6,093	5,379
Operating profit (loss)	303	△ 959
Interest income	54	32
Dividend income	132	93
Foreign exchange gains	—	52
Share of profit of entities accounted for using equity method	15	1
Subsidy income	—	74
Miscellaneous income	61	40
Non-operating income	264	295
Interest expenses	5	5
Foreign exchange losses	29	—
Miscellaneous loss	2	10
Non-operating expenses	37	15
Ordinary profit (loss)	530	△ 679
Gain on sales of investment securities	560	214
Extraordinary income	560	214
Factory relocation expenses	—	187
Extraordinary losses	—	187
Profit (loss) before income taxes	1,090	△ 652
Income taxes - current	160	102
Income taxes - deferred	192	120
Income taxes	352	222
Profit (loss)	738	△ 874
Profit attributable to non-controlling interests	37	4
Profit (loss) attributable to owners of parent	700	△ 879

Consolidated Statements of Comprehensive Income

Millions of yen

	THIRD QUARTER	
	2019/4-12	2020/4-12
Profit (loss)	738	△ 874
Other comprehensive income		
Valuation difference on available-for-sale securities	△ 13	895
Foreign currency translation adjustment	△ 364	△ 305
Remeasurements of defined benefit plans	41	32
Share of other comprehensive income of entities accounted for using equity method	△ 447	△ 183
Other comprehensive income	△ 783	439
Comprehensive income	△ 45	△ 435
(Comprehensive income attributable to)		
Comprehensive income attributable to owners of parent	28	△ 430
Comprehensive income attributable to non-controlling interests	△ 74	△ 4

② Financial Data

1) Forecast (2020/4-2021/3)

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)
30,000	△ 1,160	△ 890	△ 1,150	△ 20.72

1) Consolidated Financial Indicator

		THIRD QUARTER		FISCAL YEAR	FORECAST
		2019/4-12	2020/4-12	2019/4-2020/3	2020/4-2021/3
		Amount	Amount	Amount	Amount
Operating profit ratio	(%)	1.1	△ 4.4	0.8	△ 3.9
Ordinary profit ratio	(%)	2.0	△ 3.1	1.7	△ 3.0
Return on assets [ROA]	(%)	1.0	△ 1.3	△ 0.5	—
Return on equity [ROE]	(%)	1.2	△ 1.6	△ 0.6	—
Capital expenditures	Millions of yen	3,631	5,800	5,328	6,700
Depreciation [Property, plant and equipment]	Millions of yen	1,890	2,022	2,578	2,750
Research and development expenses	Millions of yen	1,301	1,213	1,735	1,600
Number of employees	Number	2,169	2,100	2,139	—

2) Consolidated Net Sales Breakdown

Consolidated Net Sales Breakdown by Industry

Millions of yen

	THIRD QUARTER				FISCAL YEAR		FORECAST	
	2019/4-12		2020/4-12		2019/4-2020/3		2020/4-2021/3	
	Amount	Ratio	Amount	Ratio	Amount	Ratio	Amount	Ratio
Electronics and Semiconductor	8,663	31.9	8,004	36.4	11,384	32.2	10,960	36.5
Transportation	6,742	24.9	4,872	22.2	8,757	24.8	6,800	22.7
Machinery	6,855	25.3	5,408	24.6	8,974	25.4	7,400	24.7
Stone and Construction	3,509	12.9	2,767	12.6	4,504	12.8	3,660	12.2
Other	1,345	5.0	916	4.2	1,683	4.8	1,180	3.9
Net sales	27,116	100.0	21,969	100.0	35,304	100.0	30,000	100.0

Consolidated Net Sales Breakdown by Geographical Region

Millions of yen

	THIRD QUARTER				FISCAL YEAR		FORECAST	
	2019/4-12		2020/4-12		2019/4-2020/3		2020/4-2021/3	
	Amount	Ratio	Amount	Ratio	Amount	Ratio	Amount	Ratio
Japan	14,579	53.8	12,126	55.2	19,098	54.1	16,560	55.2
Taiwan	2,070	7.6	1,905	8.7	2,722	7.7	2,600	8.7
China	2,215	8.2	2,071	9.4	2,883	8.2	2,930	9.8
Other Asia and Oceania	3,927	14.5	2,936	13.4	5,076	14.4	3,970	13.2
Europe	2,493	9.2	1,729	7.9	3,224	9.1	2,290	7.6
Other	1,829	6.7	1,200	5.4	2,299	6.5	1,650	5.5
Net sales	27,116	100.0	21,969	100.0	35,304	100.0	30,000	100.0

※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.