Asahi Diamond Industrial Co., Ltd.

May 14,2021

Summary of the Consolidated Financial Results for the Fiscal Year Ended March 31, 2021〔under Japanese GAAP〕

① Financial Statements

1) Consolidated Balance Sheets

Millions of yen

	FISCAL YEAR	
	2020/3	2021/3
Cash and deposits	14,038	10,649
Notes and accounts receivable-trade	9,325	9,148
Securities	3,050	—
Merchandise and finished goods	2,819	2,699
Work in process	1,039	1,456
Raw materials and supplies	2,119	2,143
Other	442	1,122
Allowance for doubtful accounts	△ 73	△ 57
Current assets	32,762	27,161
Buildings and structures	21,230	27,777
Accumulated depreciation	△ 14,447	△ 15,009
Buildings and structures, net	6,783	12,767
Machinery, equipment and vehicles	29,970	30,552
Accumulated depreciation	△ 23,770	△ 24,518
Machinery, equipment and vehicles, net	6,199	6,034
Land	6,685	6,684
Construction in progress	3,066	163
Other	6,518	6,681
Accumulated depreciation	△ 5,608	△ 5,797
Other, net	910	884
Property, plant and equipment	23,644	26,535
Intangible assets	195	228
Investment securities	10,301	11,581
Deferred tax assets	2,431	2,018
Other	1,174	1,125
Allowance for doubtful accounts	△ 503	△ 505
Investments and other assets	13,405	14,219
Non-current assets	37,245	40,982
Assets	70,007	68,144

※Note

・ Numbers with "△" indicate negative numbers.

Millions of yen

	FISCAL YEAR	
	2020/3	2021/3
Notes and accounts payable – trade	1,317	1,293
Short-term loans payable	533	540
Income taxes payable	171	70
Provision for bonuses	586	667
Other	1,870	1,726
Current liabilities	4,479	4,299
Net defined benefit liability	7,527	5,375
Deferred tax liabilities for land revaluation	350	350
Asset retirement obligations	135	109
Provision for business structure improvement	441	457
Provision for share-based remuneration	56	93
Other	183	160
Non-current liabilities	8,694	6,547
Liabilities	13,174	10,847
Capital stock	4,102	4,102
Capital surplus	7,129	7,129
Retained earnings	43,323	42,490
Treasury shares	△ 150	△ 150
Shareholders' equity	54,404	53,571
Valuation difference on available-for-sale securities	1,450	2,719
Revaluation reserve for land	196	196
Foreign currency translation adjustment	△ 496	△ 637
Remeasurements of defined benefit plans	△ 41	119
Total accumulated other comprehensive income	1,107	2,398
Non-controlling interests	1,321	1,327
Net assets	56,833	57,297
Liabilities and net assets	70,007	68,144

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

Consolidated Statements of Income

Millions of yen

	FISCAL YEAR	
	2019/4-2020/3	2020/4-2021/3
Net sales	35,304	30,143
Cost of sales	27,086	23,741
Gross profit	8,218	6,401
Selling expenses	4,876	4,470
General and administrative expenses	3,047	2,664
Selling, general and administrative expenses	7,923	7,134
Operating profit(loss)	294	△ 732
Interest income	71	37
Dividend income	162	112
Foreign exchange gains	—	69
Share of profit of entities accounted for using equity method	80	47
Subsidy income	—	88
Miscellaneous income	84	57
Non-operating income	399	414
Interest expenses	9	7
Foreign exchange losses	87	—
Miscellaneous loss	5	11
Non-operating expenses	101	19
Ordinary profit(loss)	591	△ 337
Gain on sales of investment securities	560	214
Reversal of provision for business structure improvement	22	—
Extraordinary income	582	214
Factory relocation expenses	—	258
Impairment loss	639	—
Loss on valuation of investment securities	9	—
Provision for business structure improvement	440	—
Extraordinary losses	1,088	258
Profit(loss)before income taxes	86	△ 381
Income taxes - current	311	131
Income taxes - deferred	62	△ 204
Income taxes	373	△ 73
Loss	△ 287	△ 307
Profit attributable to non-controlling interests	52	23
Loss attributable to owners of parent	△ 340	△ 331

Consolidated Statements of Comprehensive Income

Millions of yen

	FISCAL YEAR	
	2019/4-2020/3	2020/4-2021/3
Loss	△ 287	△ 307
Other comprehensive income		
Valuation difference on available-for-sale securities	△ 1,054	1,269
Foreign currency translation adjustment	35	△ 138
Remeasurements of defined benefit plans	12	157
Share of other comprehensive income of entities accounted for using equity method	△ 203	11
Other comprehensive income	△ 1,209	1,299
Comprehensive income	△ 1,497	992
(Comprehensive income attributable to)		
Comprehensive income attributable to owners of parent	△ 1,462	1,006
Comprehensive income attributable to non-controlling interests	△ 34	△ 14

3) Consolidated Statements of Cash Flows

Millions of yen

	FISCAL YEAR	
	2019/4–2020/3	2020/4–2021/3
Cash flows from operating activities		
Profit(loss) before income taxes	86	△ 381
Depreciation	2,641	2,847
Impairment loss	639	—
Factory relocation expenses	—	258
Increase (decrease) in allowance for doubtful accounts	△ 79	△ 19
Increase (decrease) in provision for bonuses	△ 124	80
Increase (decrease) in net defined benefit liability	△ 240	△ 1,938
Increase (decrease) in provision for stock benefits	28	36
Increase (decrease) in provision for business restructuring	419	—
Interest and dividend income	△ 234	△ 150
Interest expenses	9	7
Share of (profit) loss of entities accounted for using equity method	△ 80	△ 47
Loss on retirement of property, plant and equipment	3	3
Loss (gain) on sales of property, plant and equipment	△ 2	△ 1
Loss (gain) on sales of investment securities	△ 560	△ 214
Loss (gain) on valuation of investment securities	9	—
Decrease (increase) in notes and accounts receivable – trade	1,906	183
Decrease (increase) in inventories	639	△ 340
Increase (decrease) in notes and accounts payable – trade	△ 230	△ 17
Other, net	△ 5	△ 150
Subtotal	4,825	155
Interest and dividend income received	234	150
Interest expenses paid	△ 9	△ 7
Factory relocation expenses paid	—	△ 258
Income taxes paid	△ 245	△ 130
Net cash provided by (used in) operating activities	4,805	△ 90
Cash flows from investing activities		
Proceeds from sales of securities	—	1,804
Purchase of property, plant and equipment	△ 5,568	△ 6,456
Proceeds from sales of property, plant and equipment	12	1
Purchase of investment securities	△ 31	△ 33
Proceeds from sales of investment securities	739	438
Other, net	△ 142	△ 45
Net cash provided by (used in) investing activities	△ 4,990	△ 4,289
Cash flows from financing activities		
Net increase (decrease) in short-term loans payable	51	△ 4
Purchase of treasury shares	△ 1	△0
Proceeds from sales of treasury shares	6	0
Cash dividends paid	△ 675	△ 502
Dividends paid to non-controlling interests	△ 34	△ 26
Repayments of lease obligations	△ 79	△ 69
Net cash provided by (used in) financing activities	△ 732	△ 604
Effect of exchange rate change on cash and cash equivalents	54	△ 50
Net increase (decrease) in cash and cash equivalents	△ 863	△ 5,035
Cash and cash equivalents at beginning of period	16,548	15,685
Cash and cash equivalents at end of period	15,685	10,649

② Financial Data

1) Forecast (2021/4-2022/3)

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)
35,000	1,190	1,290	1,140	20.54

1) Consolidated Financial Indicator

		FISCAL YEAR			FORECAST
		2018/4-2019/3	2019/4-2020/3	2020/4-2021/3	2021/4-2022/3
		Amount	Amount	Amount	Amount
Operating profit ratio	(%)	6.2	0.8	△ 2.4	3.4
Ordinary profit ratio	(%)	7.6	1.7	△ 1.1	3.7
Return on assets [ROA]	(%)	3.1	△ 0.5	△ 0.5	—
Return on equity [ROE]	(%)	4.0	△ 0.6	△ 0.6	—
Capital expenditures	Millions of yen	4,287	5,328	6,527	2,500
Depreciation [Property, plant and equipment]	Millions of yen	2,452	2,578	2,773	2,800
Research and development expenses	Millions of yen	1,782	1,735	1,630	1,650
Total employees	Number	2,208	2,139	2,050	—

2) Consolidated Net Sales Breakdown

Consolidated Net Sales Breakdown by Industry

Millions of yen

	FISCAL YEAR						FORECAST	
	2018/4-2019/3		2019/4-2020/3		2020/4-2021/3		2021/4-2022/3	
	Amount	Ratio	Amount	Ratio	Amount	Ratio	Amount	Ratio
Electronics and Semiconductor	13,626	33.2	11,384	32.2	11,070	36.7	12,600	36.0
Transportation	9,955	24.2	8,757	24.8	6,800	22.6	8,000	22.9
Machinery	10,508	25.6	8,974	25.4	7,460	24.7	8,900	25.4
Stone and Construction	5,158	12.6	4,504	12.8	3,635	12.1	4,200	12.0
Other	1,796	4.4	1,683	4.8	1,176	3.9	1,300	3.7
Net sales	41,046	100.0	35,304	100.0	30,143	100.0	35,000	100.0

Consolidated Net Sales Breakdown by Geographical Region

Millions of yen

	FISCAL YEAR						FORECAST	
	2018/4-2019/3		2019/4-2020/3		2020/4-2021/3		2021/4-2022/3	
	Amount	Ratio	Amount	Ratio	Amount	Ratio	Amount	Ratio
Japan	21,220	51.7	19,098	54.1	16,566	55.0	18,500	52.8
Taiwan	3,519	8.6	2,722	7.7	2,610	8.7	3,100	8.9
China	3,897	9.5	2,883	8.2	2,933	9.7	3,500	10.0
Other Asia and Oceania	5,641	13.7	5,076	14.4	3,989	13.2	4,900	14.0
Europe	4,006	9.8	3,224	9.1	2,409	8.0	3,000	8.6
Other	2,760	6.7	2,299	6.5	1,634	5.4	2,000	5.7
Net sales	41,046	100.0	35,304	100.0	30,143	100.0	35,000	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.