



FY2019 Financial Results and FY2020 Forecasts

May 28, 2020

Asahi Diamond Industrial Co., Ltd.



1. FY2019 Financial Results

2. FY2020 Forecasts

Financial Results (Consolidated)

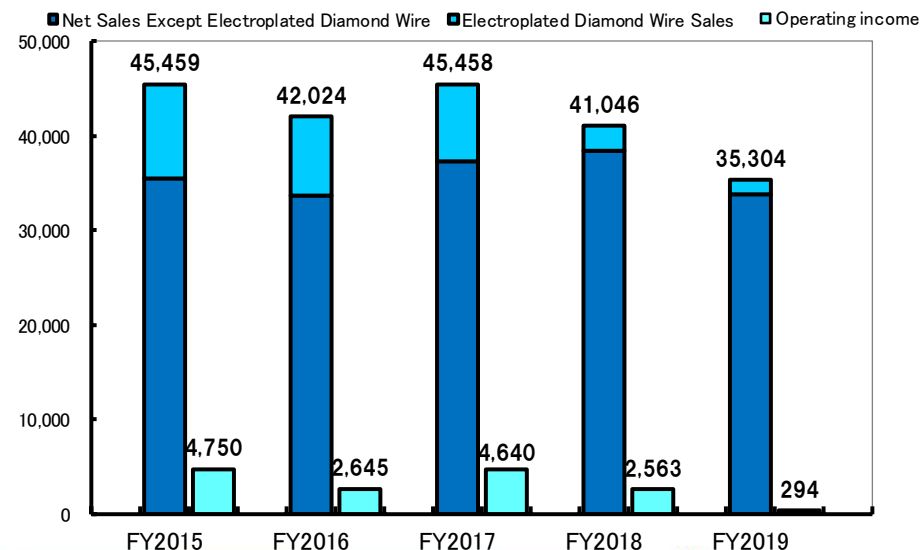
(Millions of Yen)

	FY2018		FY2019					
	Results	%	Revised forecasts*	%	Results	%	YoY change	YoY change (%)
Net sales	41,046	100.0	35,650	100.0	35,304	100.0	-5,741	-14.0
Operating profit	2,563	6.2	330	0.9	294	0.8	-2,268	-88.5
Ordinary profit	3,108	7.6	680	1.9	591	1.7	-2,516	-81.0
Profit attributable to owners of parent	2,321	5.7	670	1.9	-340	-1.0	-2,661	-
Earning per share (Yen)	41.76	-	12.07	-	-6.13	-	-47.89	-

*Revised forecast figures were announced on February 6, 2020.

Amount
(Millions of Yen)

Net sales/Operating profit



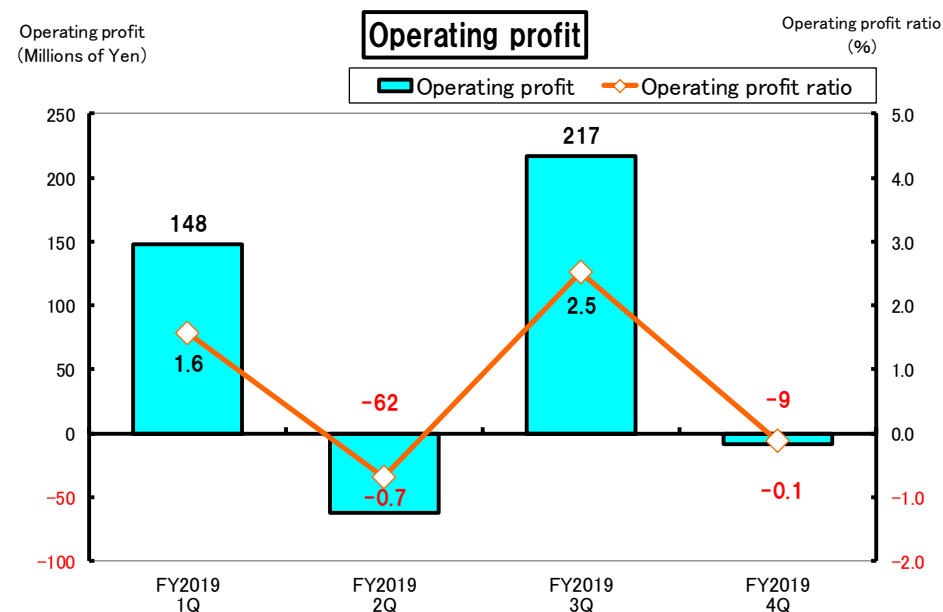
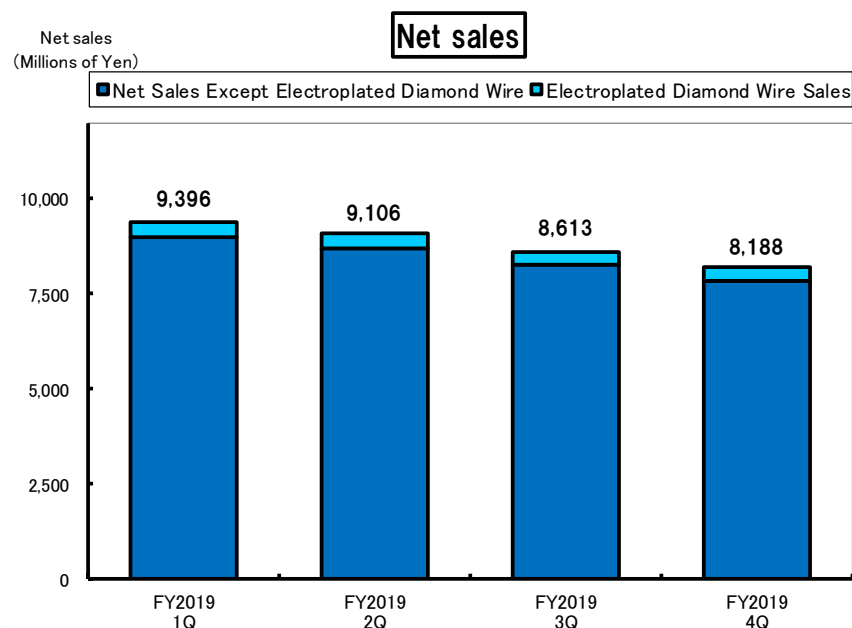
Operating profit (YoY change)

- ◆ Increase factor
 - Decrease in personnel expenses 1,061 Mill Yen
- ◆ Reduction factor
 - Decrease in profit due to lower sales and other factors. 3,798 Mill Yen

Quarterly Results of Operation (Consolidated)

(Millions of Yen)

	FY2019							
	First quarter		Second quarter		Third quarter		Fourth quarter	
	Results	%	Results	%	Results	%	Results	%
Net sales	9,396	100.0	9,106	100.0	8,613	100.0	8,188	100.0
Operating profit	148	1.6	-62	-0.7	217	2.5	-9	-0.1
Ordinary profit	180	1.9	19	0.2	330	3.8	61	0.8
Profit attributable to owners of parent	176	1.9	160	1.8	363	4.2	-1,041	-12.7

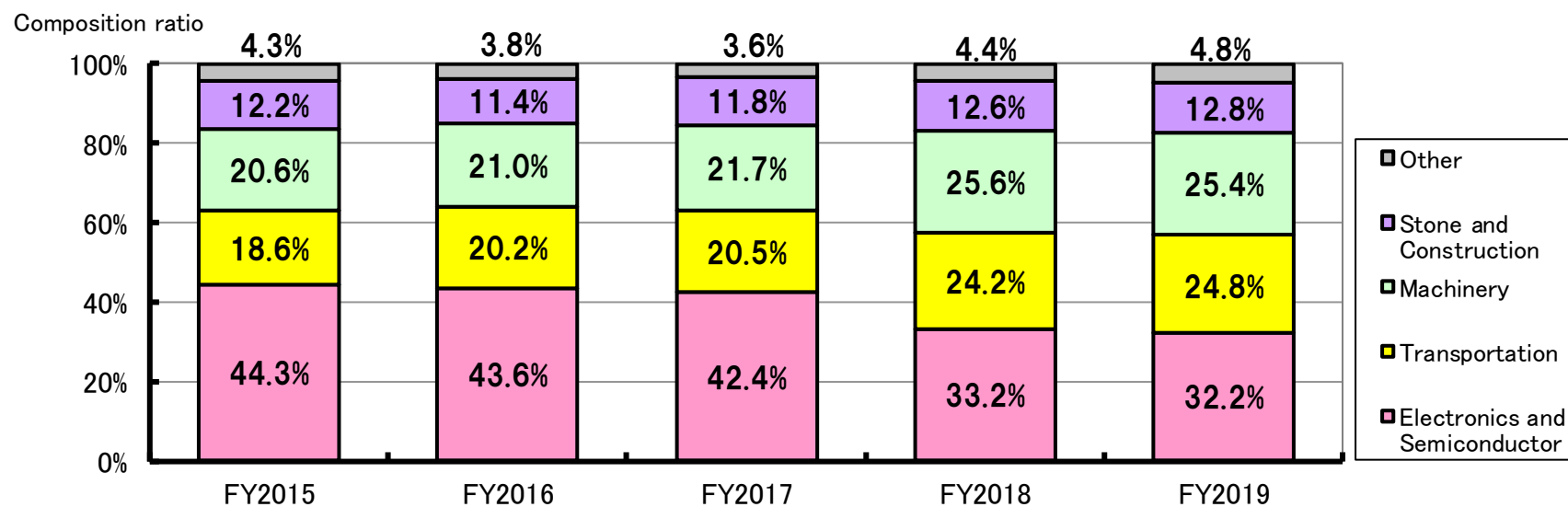


Net Sales Breakdown by Industry (Consolidated)

(Millions of Yen)

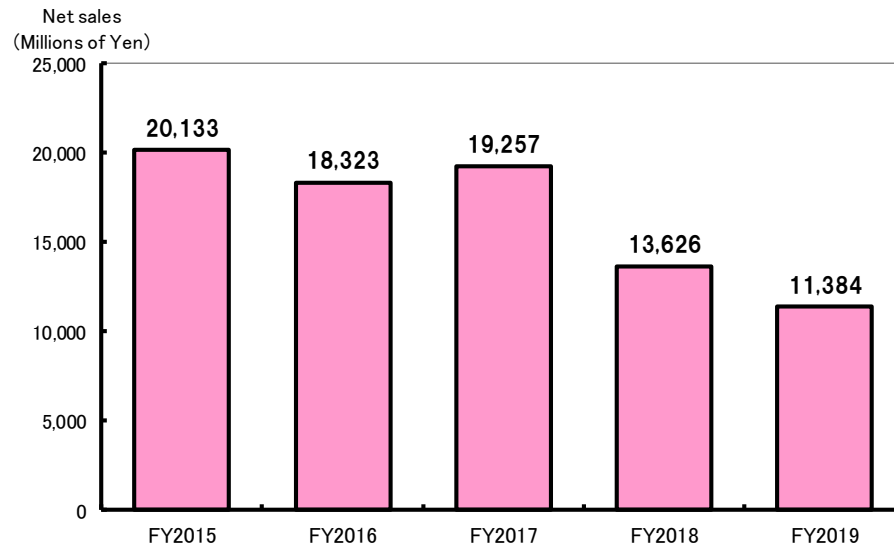
	FY2018		FY2019					
	Results	%	Revised forecasts*	%	Results	%	YoY change	YoY change (%)
Electronics and Semiconductor	13,626	33.2	11,440	32.1	11,384	32.2	-2,242	-16.5
Transportation	9,955	24.2	8,800	24.7	8,757	24.8	-1,198	-12.0
Machinery	10,508	25.6	9,100	25.5	8,974	25.4	-1,533	-14.6
Stone and Construction	5,158	12.6	4,560	12.8	4,504	12.8	-654	-12.7
Other	1,796	4.4	1,750	4.9	1,683	4.8	-112	-6.3
Total	41,046	100.0	35,650	100.0	35,304	100.0	-5,741	-14.0

*Revised forecast figures were announced on February 6, 2020.

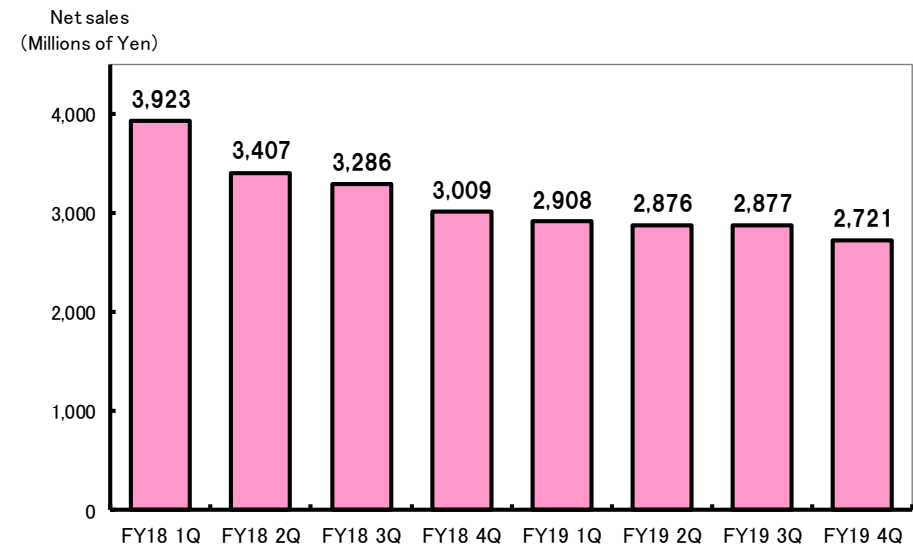


Net Sales Breakdown by Industry : 1. Electronics and Semiconductor

【Full-year】

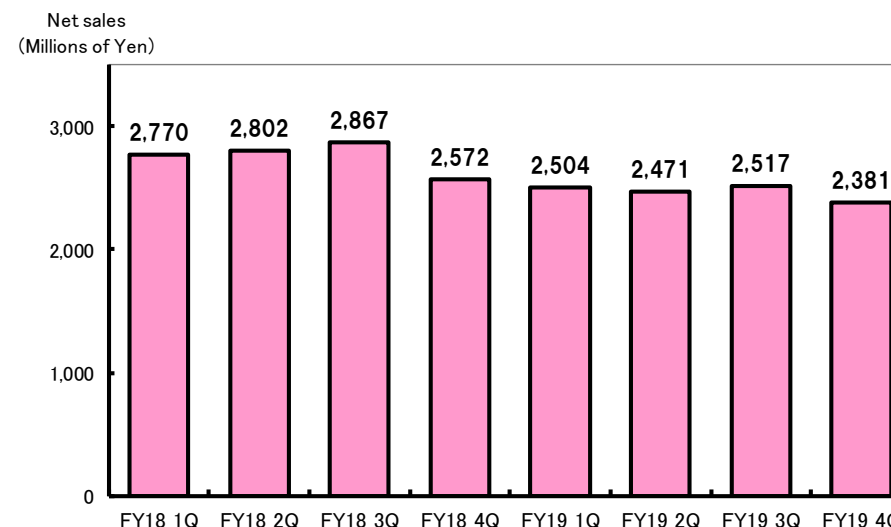
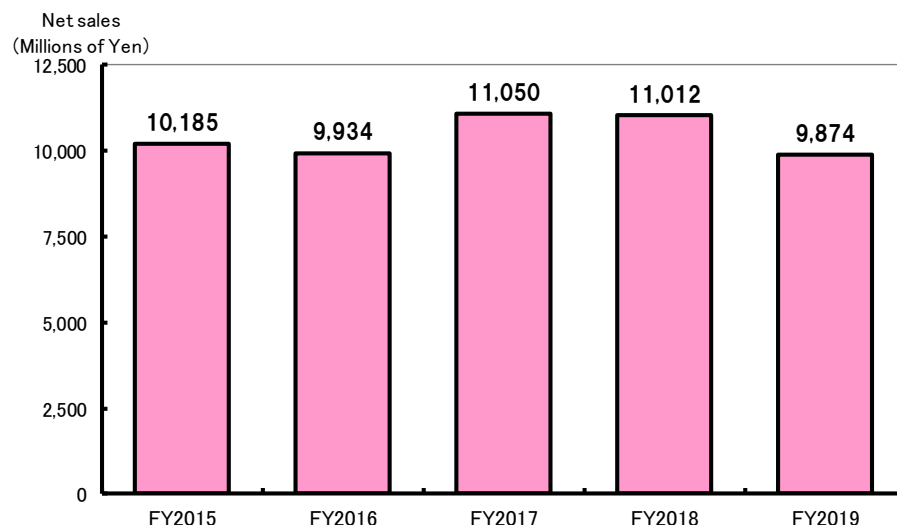


【Quarter】



【Full-year】

【Quarter】



◆ **Semiconductor & Electronic Components**

Sales of the related tools decreased due to the reduced production of memory devices and sensors.

◆ **F P D**

Sales of the related tools decreased due to the reduced production at major customers.

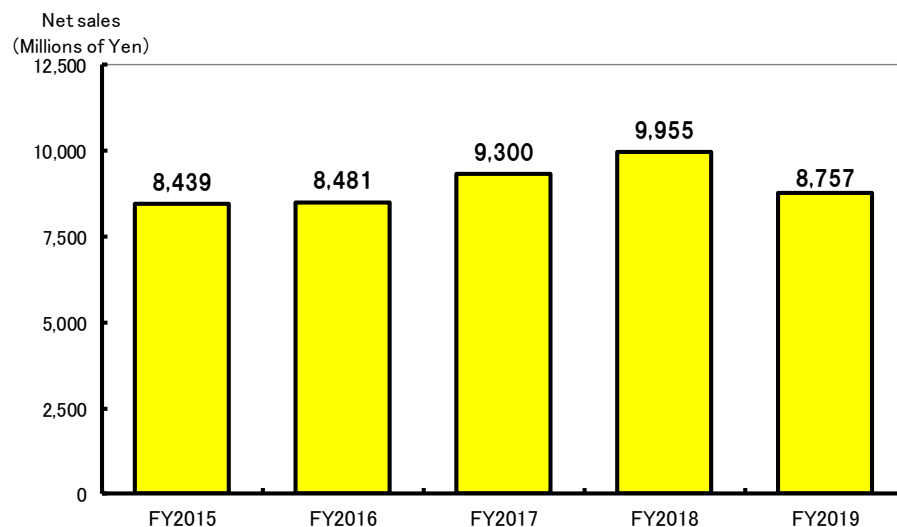
◆ **Wire Drawing Dies**

Sales of the dies for both bonding and saw wires decreased.

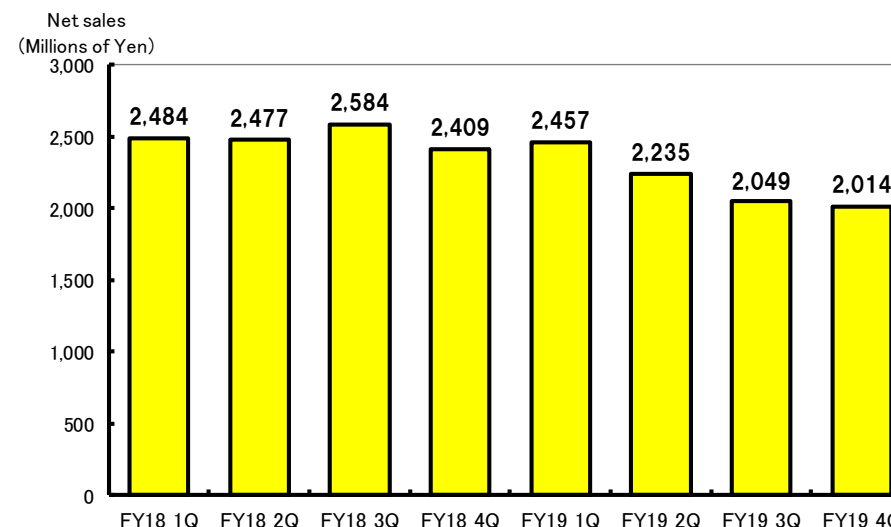


Net Sales Breakdown by Industry : 2. Transportation

【Full-year】



【Quarter】



◆ Automobile

Sales of the related tools decreased due to the global decline of the automobile production in China, India, and other countries.

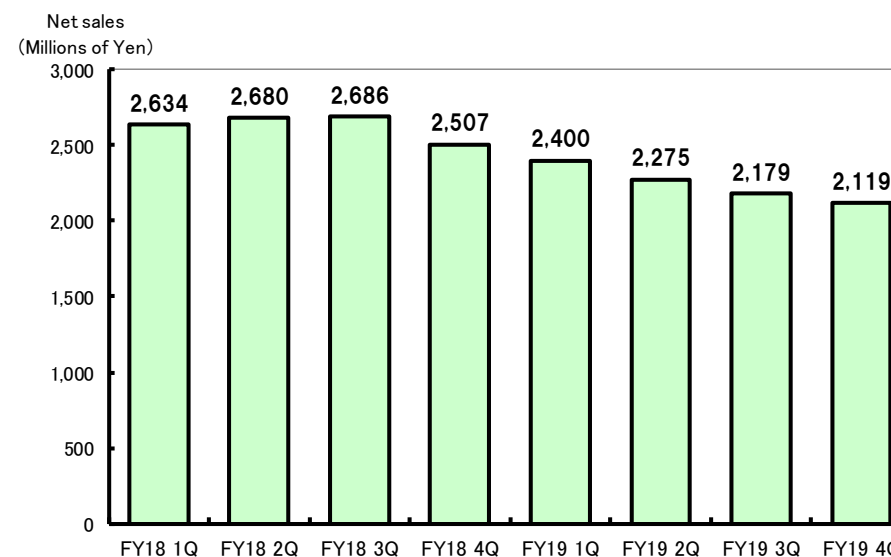
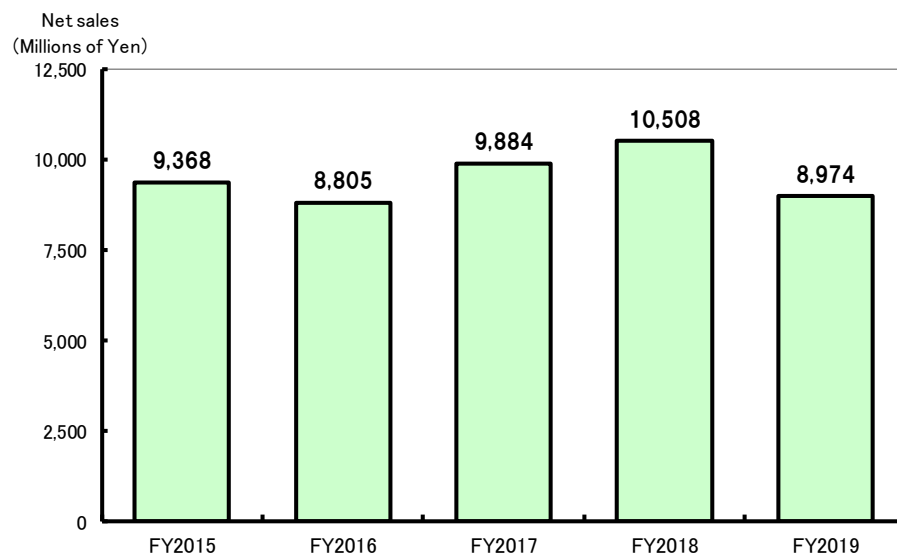
◆ Aircraft

Sales of the related tools increased due to the increased aircraft production.



【Full-year】

【Quarter】



◆ **Bearing**

Sales of the related tools decreased due to the reduced production of bearings for the automobile and industrial machinery industries.

◆ **Cemented Carbide Tool**

Sales of the related tools decreased due to the reduced production of domestic cemented carbide tools.

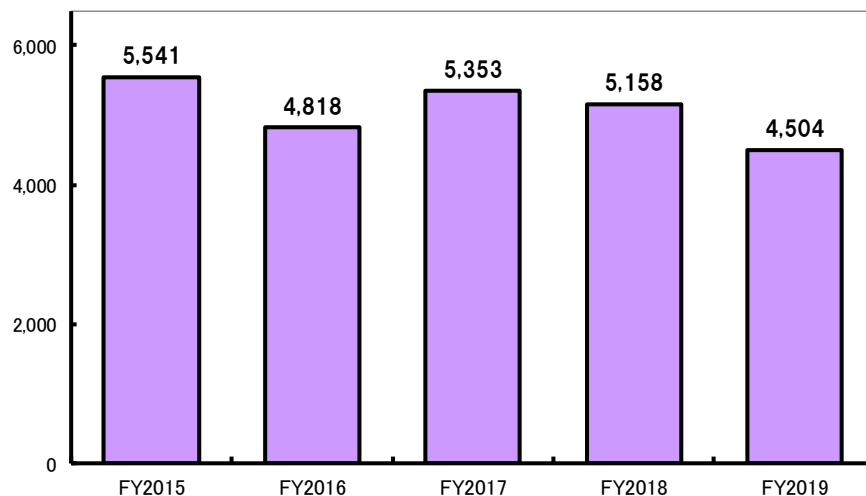


Net Sales Breakdown by Industry : 4. Stone and Construction

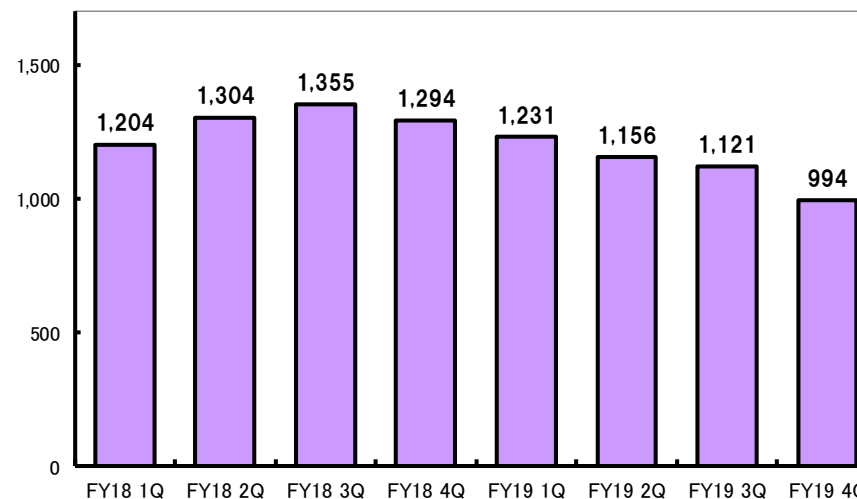
【Full-year】

【Quarter】

Net sales
(Millions of Yen)



Net sales
(Millions of Yen)



◆ Mining

Sales of the related tools decreased due to the sluggish overseas sales.

◆ Construction in Japan

Although public works were slow, sales of the related tools for demolition work remained steady due to an increased orders for dismantling tools.

◆ Commercial Product (Portable Cutter)

Sales to major overseas customers decreased.

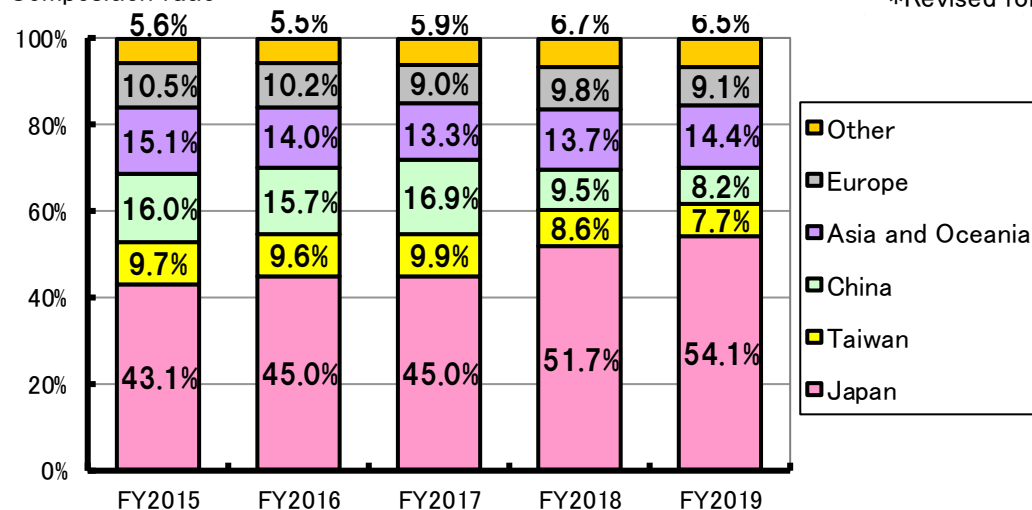


Net Sales Breakdown by Geographical Region (Consolidated)

(Millions of Yen)

	FY2018		FY2019					
	Results	%	Revised forecasts*	%	Results	%	YoY change	YoY change (%)
Japan	21,220	51.7	19,240	54.0	19,098	54.1	-2,122	-10.0
Taiwan	3,519	8.6	2,740	7.7	2,722	7.7	-797	-22.7
China	3,897	9.5	2,950	8.3	2,883	8.2	-1,014	-26.0
Other Asia and Oceania	5,641	13.7	5,220	14.6	5,076	14.4	-565	-10.0
Europe	4,006	9.8	3,190	8.9	3,224	9.1	-781	-19.5
Other	2,760	6.7	2,310	6.5	2,299	6.5	-460	-16.7
Overseas total	19,825	48.3	16,410	46.0	16,206	45.9	-3,618	-18.3
Total	41,046	100.0	35,650	100.0	35,304	100.0	-5,741	-14.0

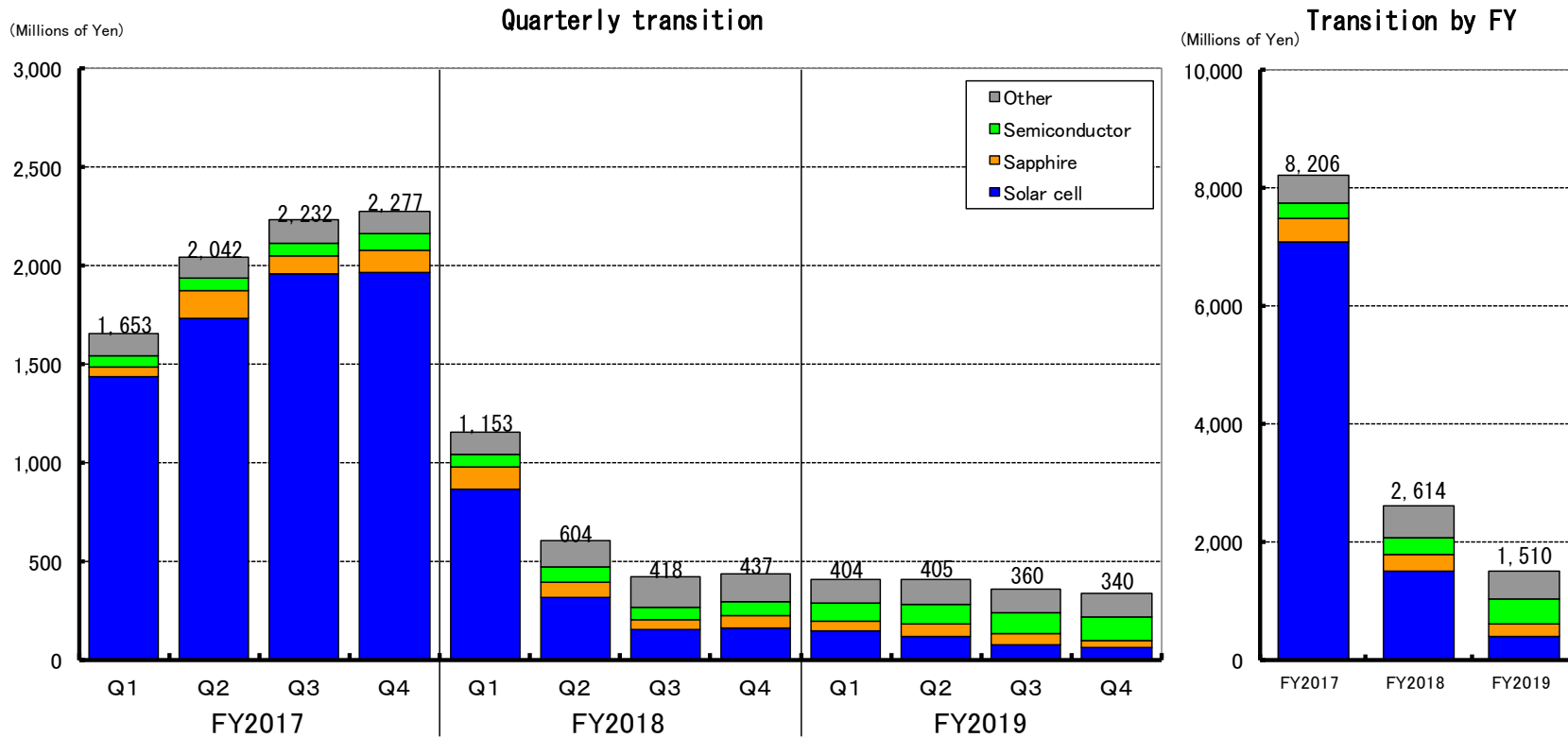
Composition ratio



*Revised forecast figures were announced on February 6, 2020.

- ◆ **Japan**
Decreased sales in major industries.
- ◆ **Taiwan**
Decreased sales of electroplated wires.
- ◆ **China**
Decreased sales in transportation and machinery industries.
Decreased sales of electroplated wires.

「Electroplated Diamond Wire」 Sales Trend (Consolidated)



◆ FY2019

- For PV production : Sales decreased.
- For other : Sales decreased for sapphire. Sales increased for semiconductors.



Consolidated Balance Sheets

(Millions of Yen)

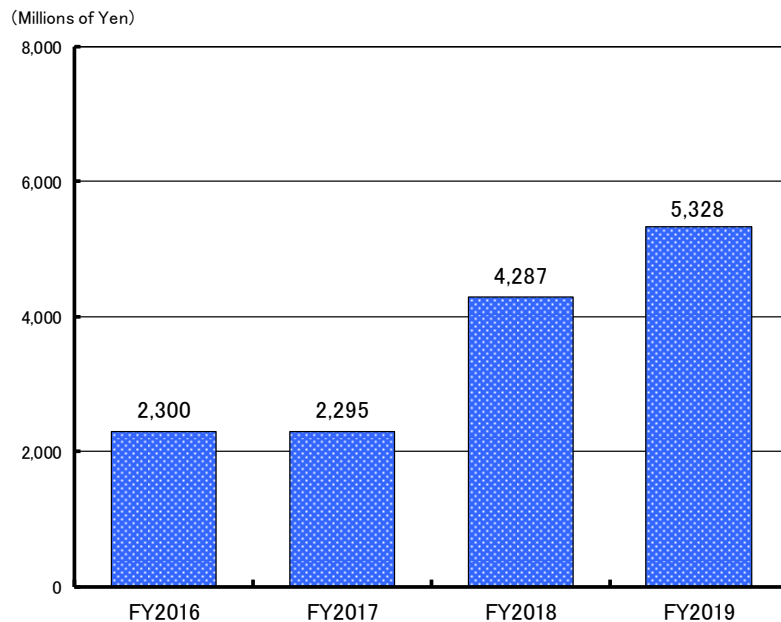
	2019/3	2020/3	Change		2019/3	2020/3	Change
Assets				Liabilities			
Cash and deposits	14,886	14,038	-847	Notes and accounts payable-trade	1,563	1,317	-245
Notes and accounts receivable-trade	11,255	9,325	-1,930	Income taxes payable	93	171	+78
Inventories	6,621	5,978	-643	Net defined benefit liability	7,779	7,527	-251
Property, plant and equipment	21,576	23,644	+2,068	Other	4,583	4,157	-425
Intangible assets	143	195	+51	Total liabilities	14,019	13,174	-845
Investment securities	13,526	10,301	-3,224	Net assets			
Other	5,038	6,523	+1,484	Total net assets	59,028	56,833	-2,194
Total assets	73,047	70,007	-3,040	Total liabilities and net assets	73,047	70,007	-3,040

Consolidated Statements of Cash Flows

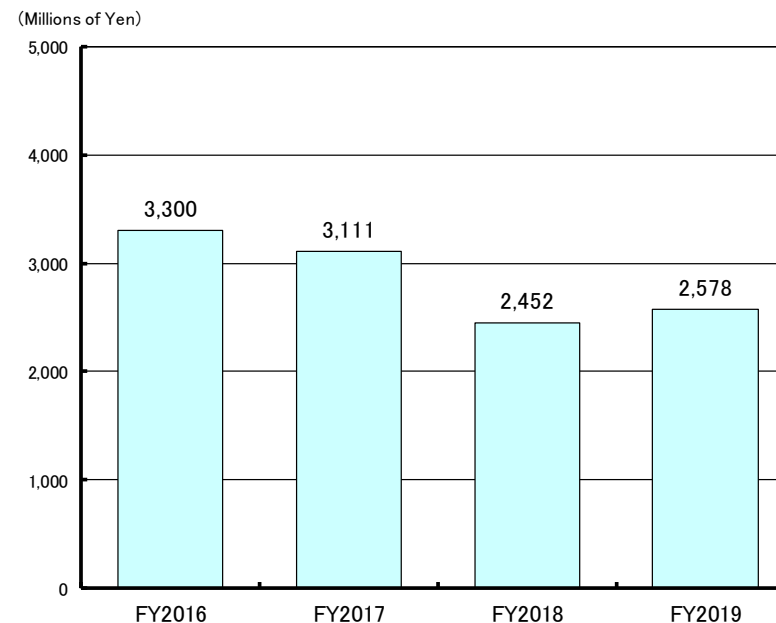
(Millions of Yen)

	FY2018	FY2019	Change
Profit before income taxes	3,303	86	-3,217
Depreciation	2,497	2,641	+144
Impairment loss	-	639	+639
Decrease (increase) in notes and accounts receivable - trade	1,345	1,906	+561
Decrease (increase) in inventories	-38	639	+677
Income taxes paid	-1,517	-245	+1,271
Other	-1,141	-861	+279
Net cash provided by (used in) operating activities	4,449	4,805	+356
Purchase or sales of property, plant and equipment	-3,839	-5,556	-1,717
Purchase or sales of investment securities	-1,134	708	+1,843
Other	-170	-142	+27
Net cash provided by (used in) investing activities	-5,144	-4,990	+153
Purchase or sales of treasury shares	-150	5	+156
Cash dividends paid	-613	-675	-61
Other	-149	-62	+86
Net cash provided by (used in) financing activities	-914	-732	+181
Cash and cash equivalents at end of period	16,548	15,685	-863

Capital expenditure



Depreciation



◆ Investment amount in plant and equipment

FY2019 includes the cost of machinery and construction of the new factory in Chiba.



1. FY2019 Financial Results

2. FY2020 Forecasts

○As it is difficult to estimate the reasonable impact of the COVID-19 pandemic at this point in time, we are unable to determine any forecast. We will announce the consolidated forecast promptly after it becomes possible.

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Manufacturing excitement through innovation

Stand Alone

We are at the vanguard of world change, and shall use our groundbreaking technology and global organizational strength to continue providing products and solutions that only we can make possible.

Eternal Growth

In order to make growth sustainable we establish ourselves as the most trustworthy choice for customers engaged in manufacturing across the globe.

Job Satisfaction

We strive to be an efficient company, by linking job satisfaction with individual growth while fostering character.

This presentation contains forward-looking statements and plans, which based on current available information and assumptions we believe to be reasonable. These forward-looking statements involve various factors, and Asahi Diamond's actual results could be materially different from those mentioned on these forward-looking statements.

