

## Summary of the Consolidated Financial Results for the First Quarter Ended June 30, 2017

Company name : Asahi Diamond Industrial Co., Ltd.  
 URL : <http://www.asahidia.co.jp/>  
 E-mail : [irmaster@asahidia.co.jp](mailto:irmaster@asahidia.co.jp)  
 Stock exchange listing : Tokyo Stock Exchange 1st Section(Code 6140)

① Financial statements

1) Consolidated Balance Sheets

Millions of yen

	FISCAL YEAR	
	2017/3	2017/6
Cash and deposits	14,916	16,821
Notes and accounts receivable-trade	10,846	10,909
Securities	360	295
Merchandise and finished goods	2,313	2,343
Work in process	1,480	1,545
Raw materials and supplies	2,440	2,390
Other	1,011	1,171
Allowance for doubtful accounts	△ 208	△ 206
<b>Current assets</b>	<b>33,160</b>	<b>35,271</b>
Buildings and structures, net	9,465	9,282
Machinery, equipment and vehicles, net	7,070	7,100
Land	5,045	5,050
Other, net	1,551	1,397
<b>Property, plant and equipment</b>	<b>23,133</b>	<b>22,830</b>
<b>Intangible assets</b>	<b>123</b>	<b>116</b>
Investment securities	12,569	12,797
Other	2,752	2,202
Allowance for doubtful accounts	△ 1,057	△ 662
<b>Investments and other assets</b>	<b>14,265</b>	<b>14,337</b>
<b>Non-current assets</b>	<b>37,521</b>	<b>37,285</b>
<b>Assets</b>	<b>70,682</b>	<b>72,556</b>

※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	
	2017/3	2017/6
Notes and accounts payable – trade	1,632	2,081
Short-term loans payable	461	461
Income taxes payable	208	327
Provision for bonuses	659	1,098
Provision for business structure improvement	15	14
Other	1,986	2,325
<b>Current liabilities</b>	<b>4,964</b>	<b>6,309</b>
Net defined benefit liability	7,672	7,689
Provision for business structure improvement	24	23
Other	733	730
<b>Non-current liabilities</b>	<b>8,429</b>	<b>8,443</b>
<b>Liabilities</b>	<b>13,394</b>	<b>14,753</b>
Capital stock	4,102	4,102
Capital surplus	7,129	7,129
Retained earnings	41,836	42,191
Treasury shares	△ 2	△ 2
<b>Shareholders' equity</b>	<b>53,065</b>	<b>53,420</b>
Valuation difference on available-for-sale securities	2,958	3,024
Revaluation reserve for land	162	162
Foreign currency translation adjustment	△ 53	45
Remeasurements of defined benefit plans	△ 23	△ 17
<b>Total accumulated other comprehensive income</b>	<b>3,044</b>	<b>3,215</b>
Non-controlling interests	1,178	1,167
<b>Net assets</b>	<b>57,288</b>	<b>57,802</b>
<b>Liabilities and net assets</b>	<b>70,682</b>	<b>72,556</b>

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

Consolidated Statements of Income

Millions of yen

	FISCAL YEAR	
	2016/4-6	2017/4-6
Net sales	10,974	10,587
Cost of sales	7,985	7,660
Gross profit	2,988	2,926
Selling expenses	1,338	1,316
General and administrative expenses	823	814
Selling, general and administrative expenses	2,162	2,131
Operating profit	826	795
Interest income	16	12
Dividend income	58	62
Foreign exchange gains	—	1
Share of profit of entities accounted for using equity method	23	7
Miscellaneous income	14	12
Non-operating income	112	95
Interest expenses	2	1
Foreign exchange losses	298	—
Miscellaneous loss	0	0
Non-operating expenses	301	2
Ordinary profit	637	887
Gain on sales of investment securities	—	25
Extraordinary income	—	25
Loss on valuation of investment securities	0	—
Loss on sales of investment securities	0	—
Extraordinary losses	0	—
Profit before income taxes	637	913
Income taxes – current	337	245
Income taxes – deferred	△ 190	△ 24
Income taxes	147	221
Profit	489	692
Profit attributable to non-controlling interests	3	4
Profit attributable to owners of parent	486	688

Consolidated Statements of Comprehensive Income

Millions of yen

	FISCAL YEAR	
	2016/4-6	2017/4-6
Profit	489	692
Other comprehensive income		
Valuation difference on available-for-sale securities	△476	65
Foreign currency translation adjustment	△340	△37
Remeasurements of defined benefit plans	22	7
Share of other comprehensive income of entities accounted for using equity method	△205	162
Other comprehensive income	△999	199
Comprehensive income	△510	892
(Comprehensive income attributable to)		
Comprehensive income attributable to owners of parent	△449	867
Comprehensive income attributable to non-controlling interests	△60	24

② Financial data

1) Forecast (2017/4-2018/3)

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)
42,000	1,660	1,910	1,360	24.42

2) Consolidated financial indicator

		FIRST QUARTER		FISCAL YEAR	FORECAST
		2016/4-6	2017/4-6	2016/4-2017/3	2017/4-2018/3
		Amount	Amount	Amount	Amount
Operating profit ratio	(%)	7.5	7.5	6.3	4.0
Ordinary profit ratio	(%)	5.8	8.4	7.0	4.5
Return on assets [ROA]	(%)	0.7	1.0	3.5	—
Return on equity [ROE]	(%)	0.9	1.2	4.4	—
Capital expenditures	Millions of yen	787	444	2,300	4,000
Depreciation [Property, plant and equipment]	Millions of yen	802	733	3,300	3,500
Research and development expenses	Millions of yen	421	438	1,741	1,750
Number of employees	Number	2,140	2,158	2,146	—

3) Consolidated Net Sales Breakdown

Consolidated Net Sales Breakdown by Industry

Millions of yen

	FIRST QUARTER				FISCAL YEAR		FORECAST	
	2016/4-6		2017/4-6		2016/4-2017/3		2017/4-2018/3	
	Amount	Ratio	Amount	Ratio	Amount	Ratio	Amount	Ratio
Electronics and Semiconductor	5,088	46.4	4,216	39.8	18,323	43.6	16,950	40.4
Transportation	2,113	19.2	2,260	21.4	8,481	20.2	8,960	21.3
Machinery	2,198	20.0	2,363	22.3	8,805	21.0	9,250	22.0
Stone and Construction	1,214	11.1	1,337	12.6	4,818	11.4	5,300	12.6
Other	359	3.3	409	3.9	1,595	3.8	1,540	3.7
<b>Net sales</b>	<b>10,974</b>	<b>100.0</b>	<b>10,587</b>	<b>100.0</b>	<b>42,024</b>	<b>100.0</b>	<b>42,000</b>	<b>100.0</b>

Consolidated Net Sales Breakdown by Geographical Region

Millions of yen

	FIRST QUARTER				FISCAL YEAR		FORECAST	
	2016/4-6		2017/4-6		2016/4-2017/3		2017/4-2018/3	
	Amount	Ratio	Amount	Ratio	Amount	Ratio	Amount	Ratio
Japan	4,618	42.1	4,892	46.2	18,919	45.0	19,300	46.0
Taiwan	932	8.5	1,094	10.4	4,043	9.6	4,500	10.7
China	1,890	17.2	1,388	13.1	6,605	15.7	5,700	13.6
Other Asia and Oceania	1,654	15.1	1,462	13.8	5,858	14.0	5,900	14.0
Europe	1,292	11.8	1,006	9.5	4,280	10.2	4,000	9.5
Other	585	5.3	743	7.0	2,316	5.5	2,600	6.2
<b>Net sales</b>	<b>10,974</b>	<b>100.0</b>	<b>10,587</b>	<b>100.0</b>	<b>42,024</b>	<b>100.0</b>	<b>42,000</b>	<b>100.0</b>