



# **FY2015 2Q Financial Results and FY2015 Forecasts**

**November 11, 2015**

**Asahi Diamond Industrial Co., Ltd.**



## ***1. FY2015 2Q Financial Results***

## **2. FY2015 Forecasts**

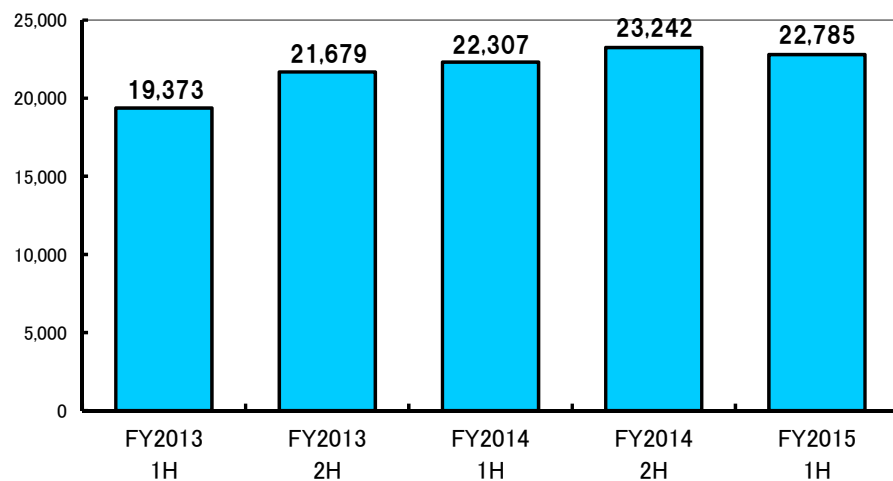
# Financial Results (Consolidated)

(Millions of Yen)

	FY2014				FY2015					
	First half results '14/4-9	%	Second half results '14/10-'15/3	%	First half forecasts '15/4-9	%	First half results '15/4-9	%	Change year-on-year	Change year-on-year (%)
<b>Net sales</b>	22,307	100.0	23,242	100.0	22,900	100.0	<b>22,785</b>	100.0	+477	+2.1
<b>Operating income</b>	2,843	12.7	2,292	9.9	2,700	11.8	<b>2,623</b>	11.5	-220	-7.7
<b>Ordinary income</b>	3,220	14.4	2,770	11.9	3,000	13.1	<b>2,861</b>	12.6	-359	-11.2
Profit attributable to owners of parent	2,173	9.7	1,411	6.1	2,100	9.2	<b>2,007</b>	8.8	-166	-7.7
Earning per share (Yen)	37.67	-	24.46	-	36.40	-	<b>34.78</b>	-	-2.89	-7.7

Net sales  
(Millions of Yen)

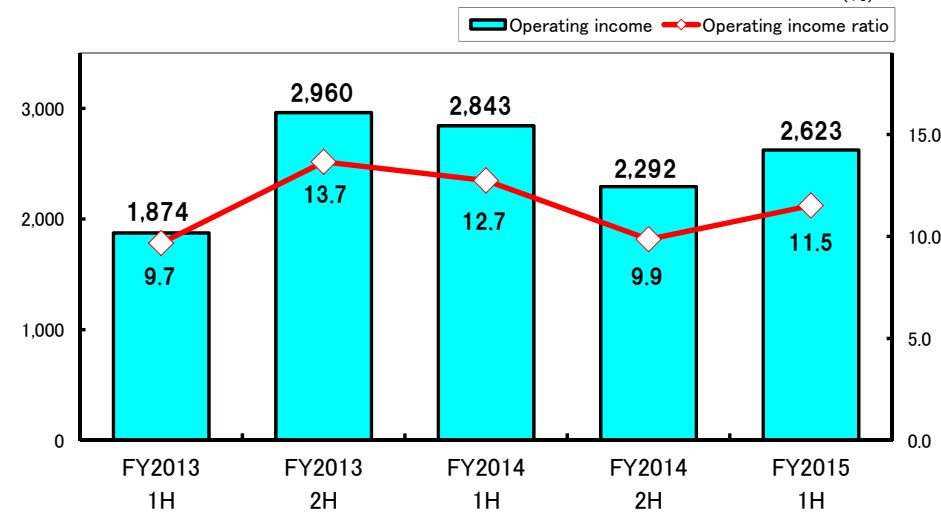
**Net sales**



Operating income  
(Millions of Yen)

**Operating income**

Operating income ratio (%)



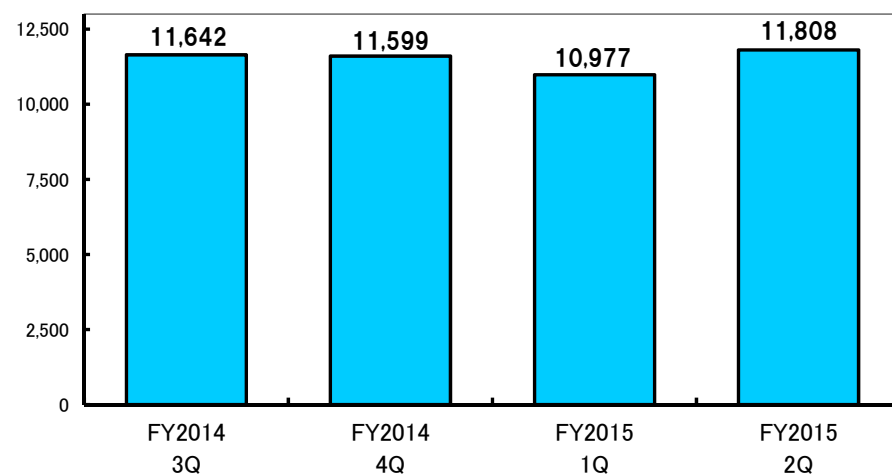
# Quarterly Results of Operation (Consolidated)

(Millions of Yen)

	FY2014				FY2015			
	Third quarter		Fourth quarter		First quarter		Second quarter	
	Results	%	Results	%	Results	%	Results	%
<b>Net sales</b>	11,642	100.0	11,599	100.0	<b>10,977</b>	100.0	<b>11,808</b>	100.0
<b>Operating income</b>	1,379	11.8	913	7.9	<b>1,354</b>	12.3	<b>1,268</b>	10.7
<b>Ordinary income</b>	1,692	14.5	1,078	9.3	<b>1,565</b>	14.3	<b>1,296</b>	11.0
Profit attributable to owners of parent	1,249	10.7	161	1.4	<b>1,154</b>	10.5	<b>852</b>	7.2

Net sales  
(Millions of Yen)

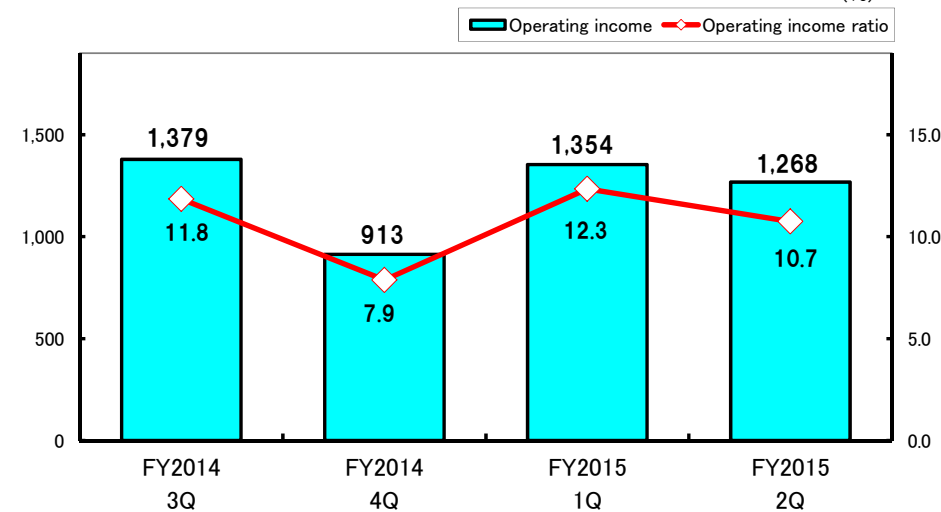
**Net sales**



Operating income  
(Millions of Yen)

**Operating income**

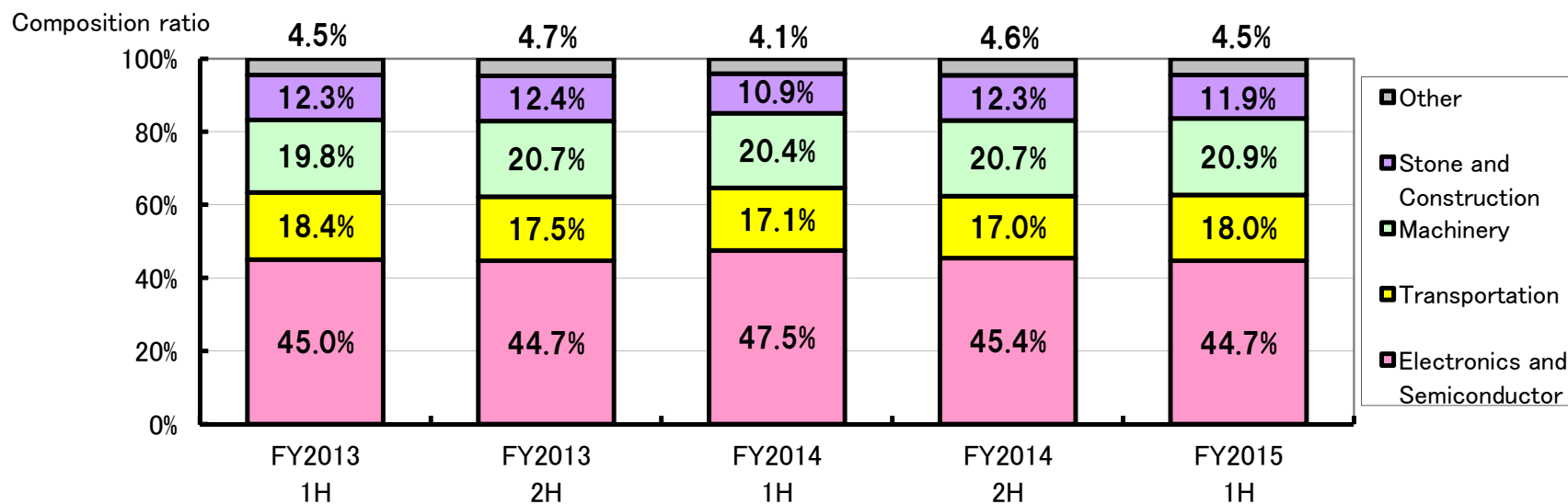
Operating income ratio  
(%)



# Net Sales Breakdown by Industry (Consolidated)

(Millions of Yen)

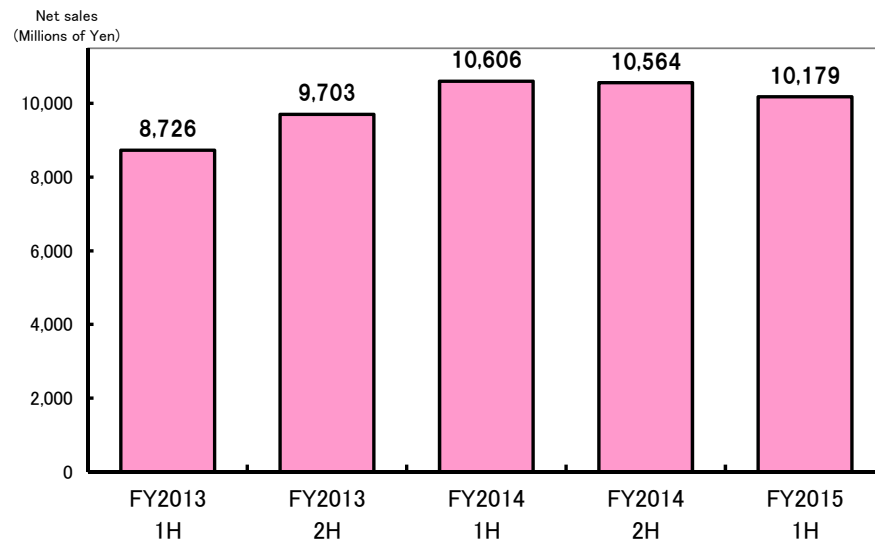
	FY2014				FY2015			
	First half results '14/4-9	%	Second half results '14/10-'15/3	%	First half results '15/4-9	%	Change year-on-year	Change year- on-year (%)
Electronics and Semiconductor	10,606	47.5	10,564	45.4	<b>10,179</b>	44.7	-426	-4.0
<b>Transportation</b>	3,810	17.1	3,943	17.0	<b>4,112</b>	18.0	+301	+7.9
<b>Machinery</b>	4,542	20.4	4,808	20.7	<b>4,759</b>	20.9	+216	+4.8
Stone and Construction	2,431	10.9	2,865	12.3	<b>2,709</b>	11.9	+278	+11.4
<b>Other</b>	917	4.1	1,060	4.6	<b>1,025</b>	4.5	+108	+11.8
<b>Total</b>	<b>22,307</b>	<b>100.0</b>	<b>23,242</b>	<b>100.0</b>	<b>22,785</b>	<b>100.0</b>	<b>+477</b>	<b>+2.1</b>



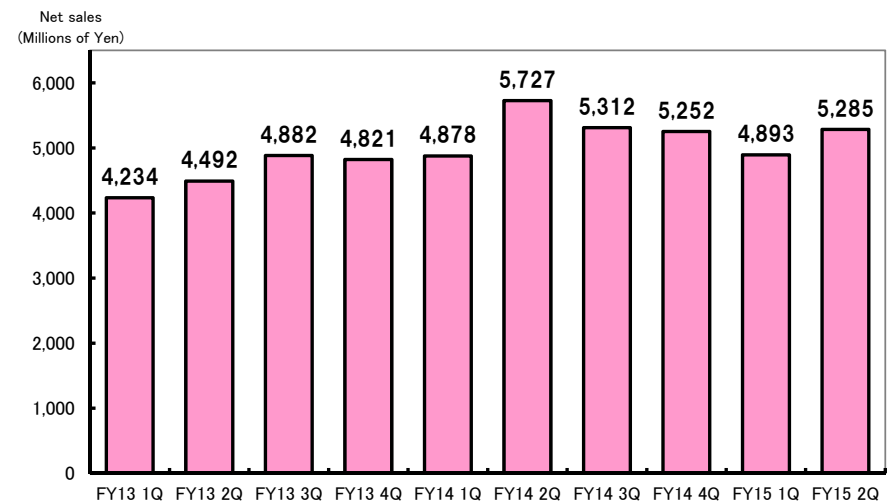
# Net Sales Breakdown by Industry : 1. Electronics and Semiconductor



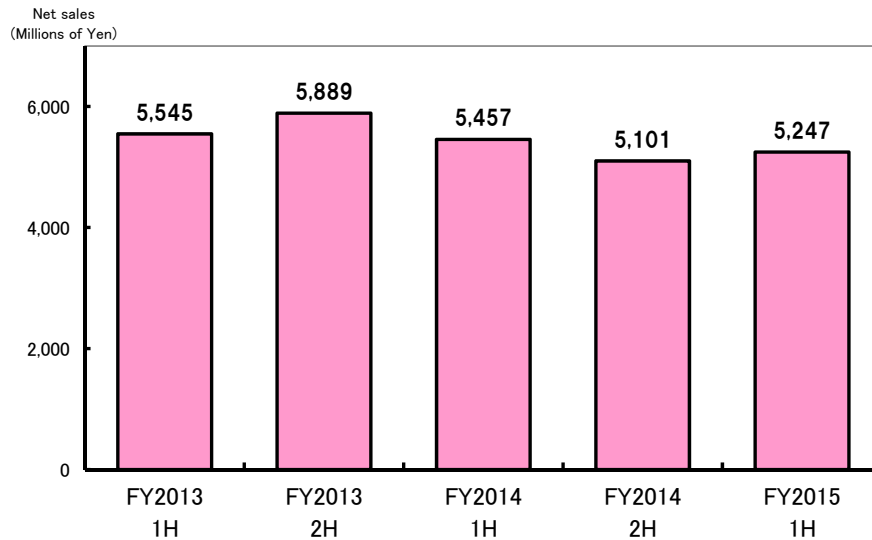
【Half-year】



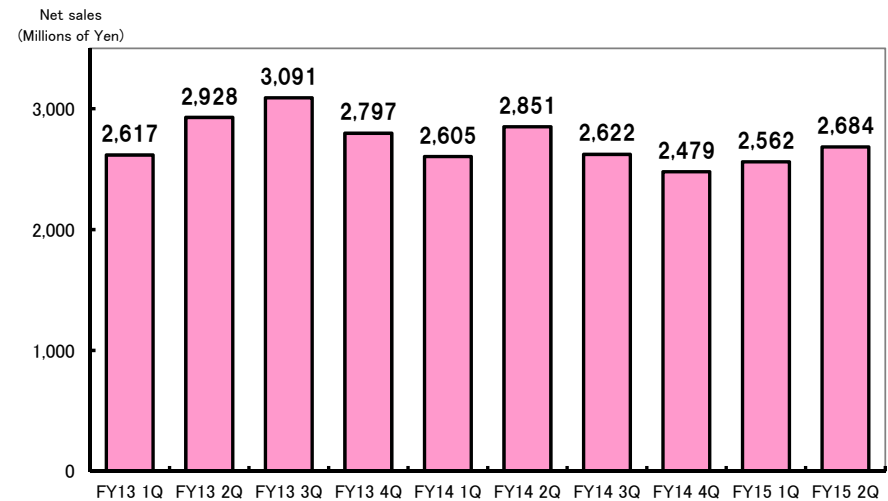
【Quarter】



【Half-year】



【Quarter】



## ◆ Semiconductor & Electronic Component

Sales of the related tools remained strong, as the market has been expanding.

## ◆ F P D

Sales of touch panel-related tools substantially decreased.

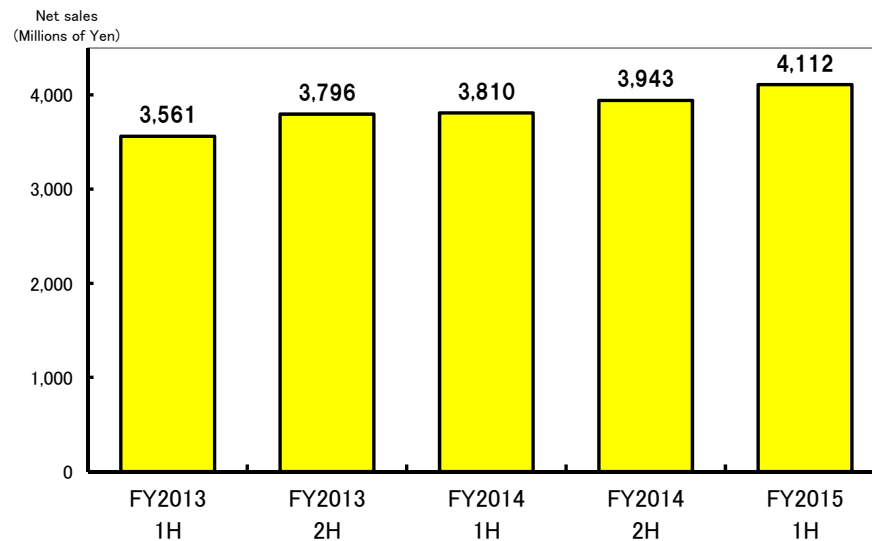
## ◆ Wire Drawing Die

Sales of dies for bonding wire decreased, and for saw wire increased.

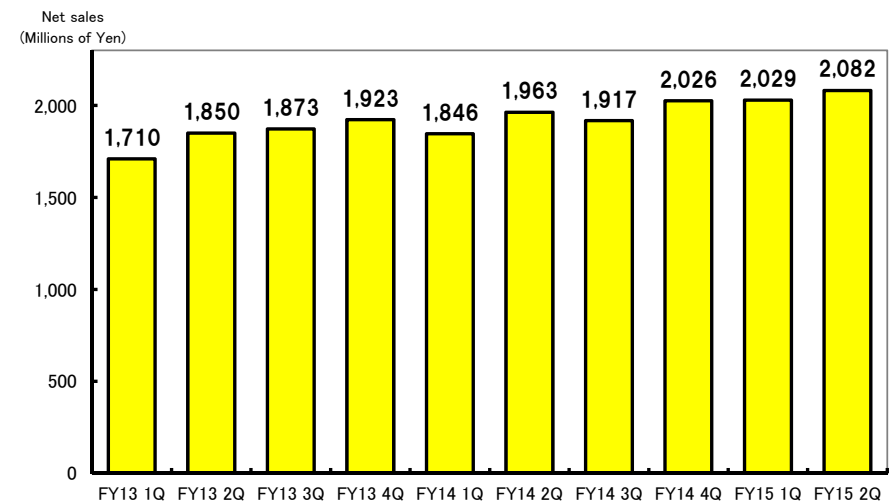


# Net Sales Breakdown by Industry : 2. Transportation

【Half-year】



【Quarter】



## ◆ Automobile

Sales of the related tools increased, reflecting an increase of sales of high-precision tools, despite decreased production in the market.

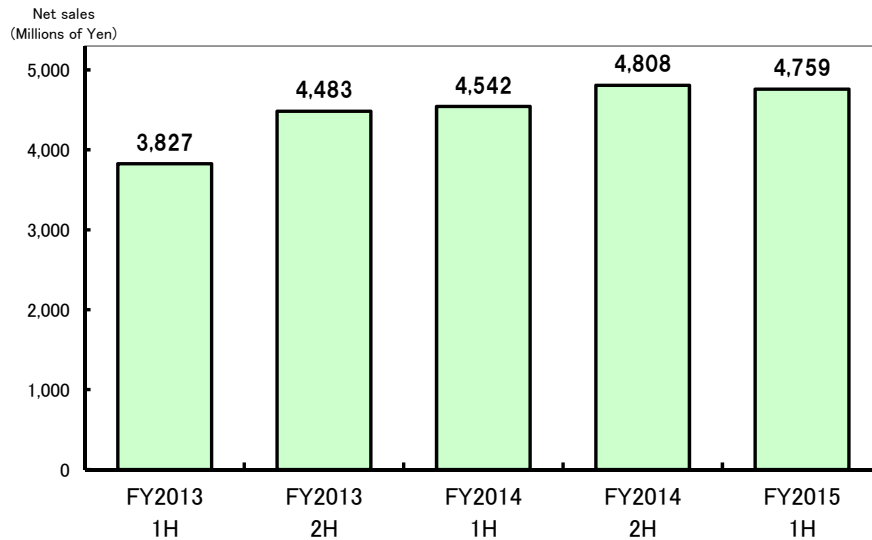
## ◆ Aircraft

Sales of the related tools significantly increased, as production increased in the market.

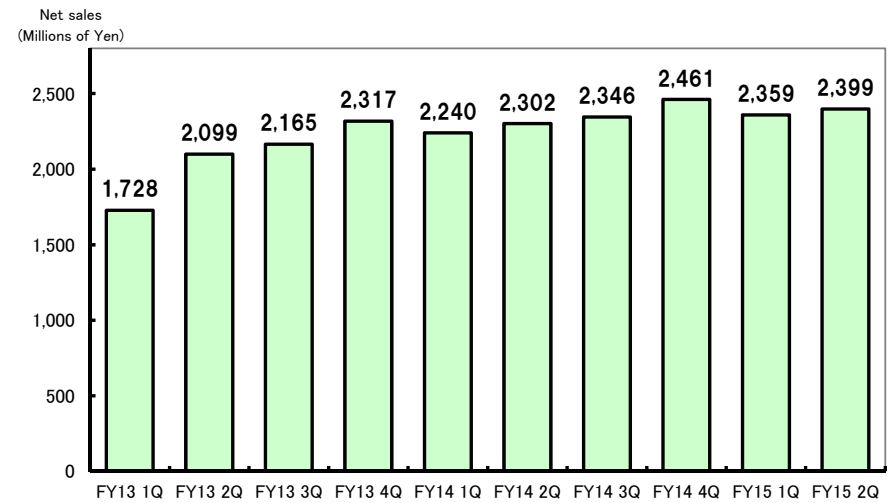




【Half-year】



【Quarter】



## ◆ Cemented Carbide Tool

Sales of the related tools increased, as production increased steadily in the market.

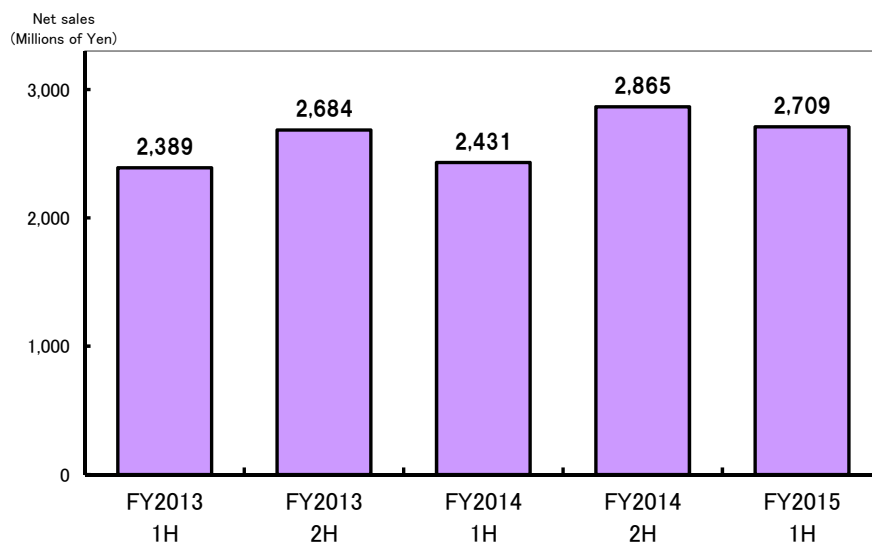
## ◆ Bearing

Sales of the related tools increased, despite decreased production in the market.

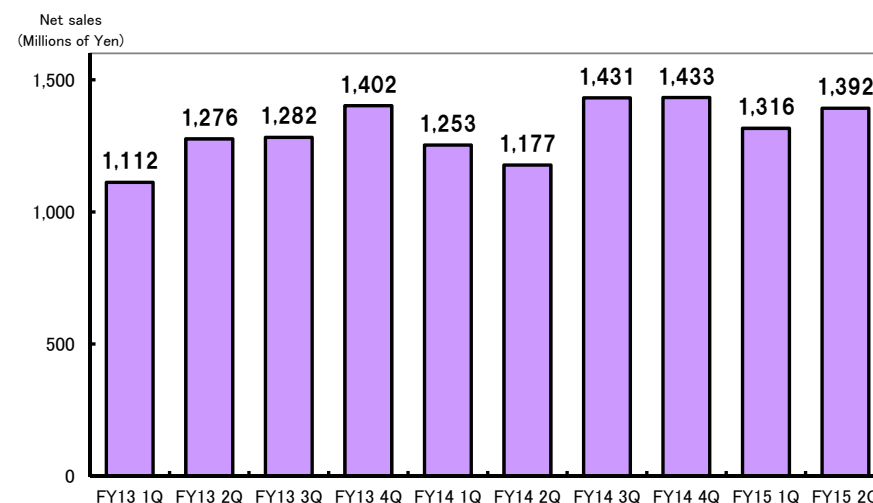


# Net Sales Breakdown by Industry : 4. Stone and Construction

【Half-year】



【Quarter】



## ◆ Mining

Sales of the related tools and other equipments increased, despite the slow recovery in the market.

## ◆ Construction in Japan

Sales of the related tools increased, by increased in demolition and restoration works.

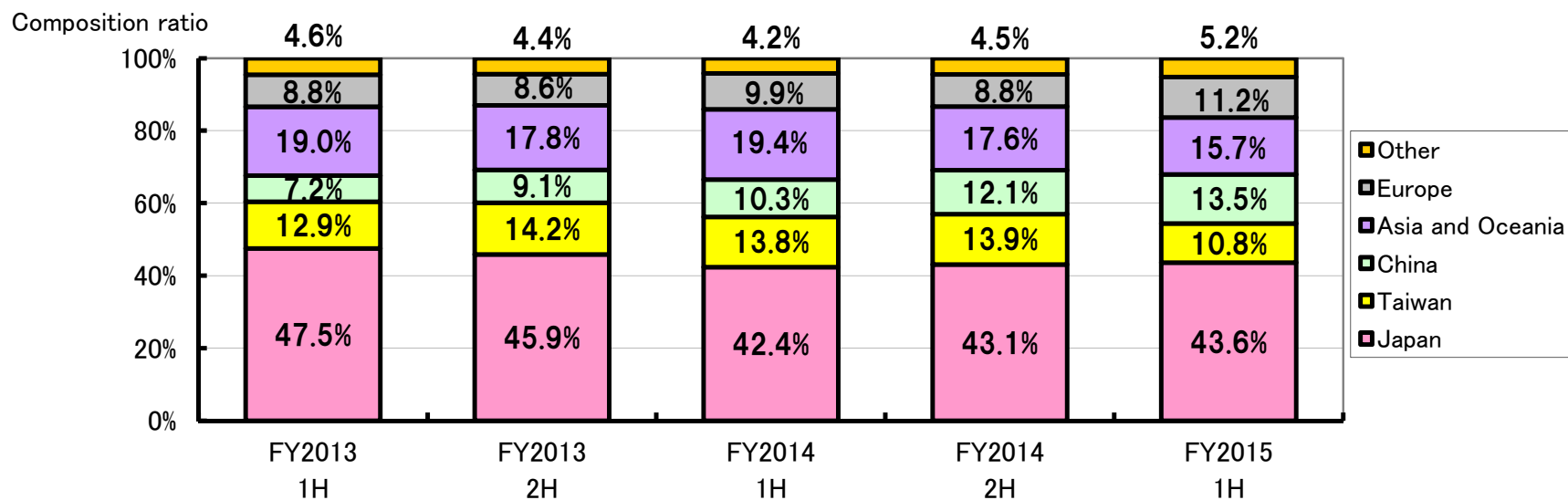
## ◆ Commercial Product (Portable Cutter)

Sales increased in Japan and overseas, mainly in USA.

# Net Sales Breakdown by Geographical Region (Consolidated)

(Millions of Yen)

	FY2014				FY2015			
	First half results '14/4-9	%	Second half results '14/10-'15/3	%	First half results '15/4-9	%	Change year-on-year	Change year-on-year (%)
Japan	9,463	42.4	10,022	43.1	<b>9,944</b>	43.6	+481	+5.1
Taiwan	3,069	13.8	3,237	13.9	<b>2,451</b>	10.8	-618	-20.1
China	2,303	10.3	2,813	12.1	<b>3,071</b>	13.5	+767	+33.3
Other Asia and Oceania	4,315	19.4	4,084	17.6	<b>3,585</b>	15.7	-729	-16.9
Europe	2,218	9.9	2,048	8.8	<b>2,559</b>	11.2	+341	+15.4
Other	936	4.2	1,035	4.5	<b>1,173</b>	5.2	+236	+25.3
Overseas total	12,844	57.6	13,219	56.9	<b>12,841</b>	56.4	-3	-0.0
Total	22,307	100.0	23,242	100.0	<b>22,785</b>	100.0	+477	+2.1



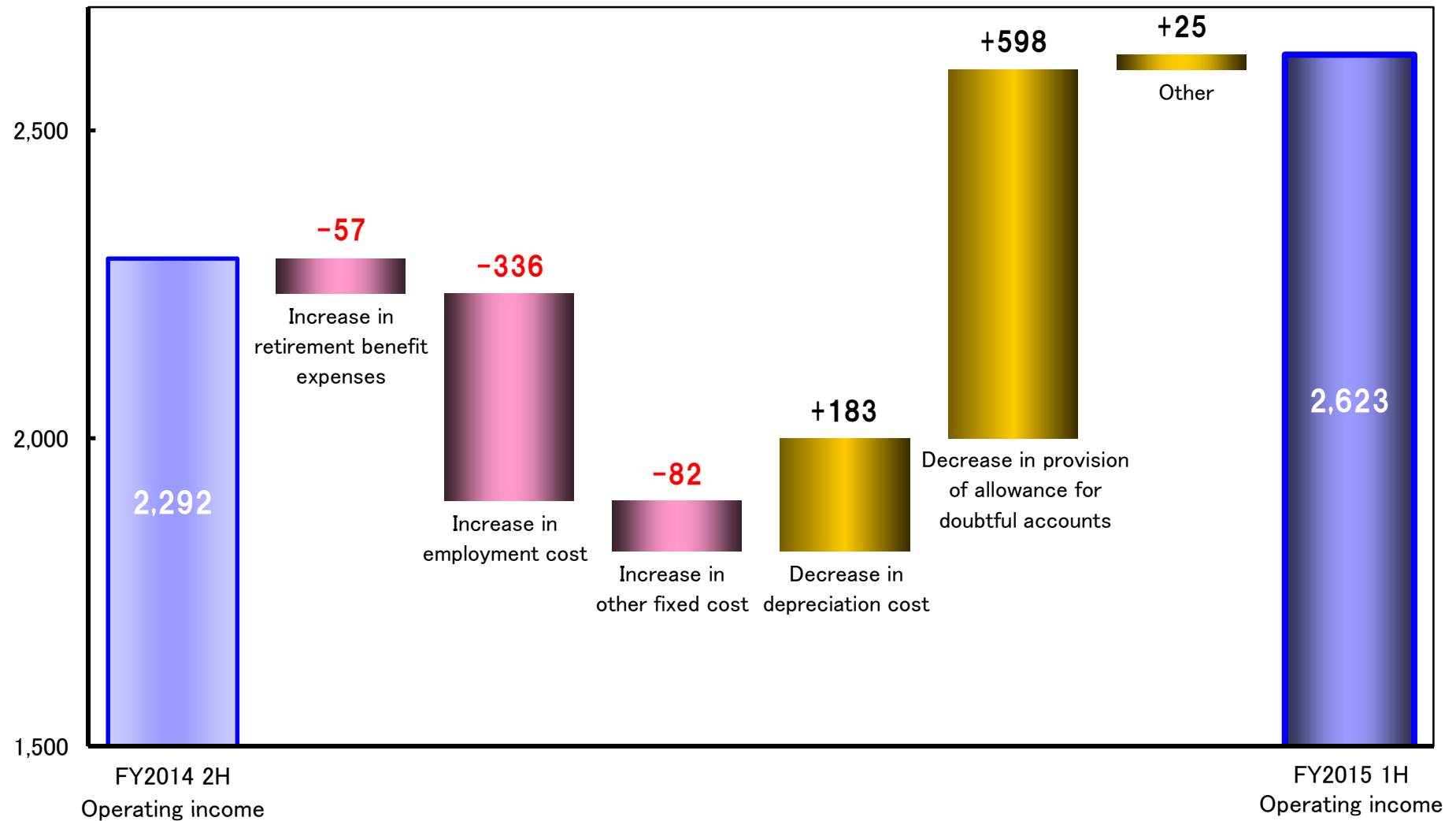
# Consolidated Balance Sheets

(Millions of Yen)

	2015/3	2015/9	Change		2015/3	2015/9	Change
<b>Assets</b>				<b>Liabilities</b>			
Cash and deposits	12,697	14,513	+1,816	Notes and accounts payable-trade	1,939	1,916	-22
Notes and accounts receivable-trade	13,241	12,135	-1,105	Loans payable	1,099	877	-221
Inventories	6,550	6,676	+126	Income taxes payable	1,142	859	-282
Allowance for doubtful accounts	-1,227	-1,175	+52	Provision for business structure improvement	293	242	-50
Property, plant and equipment	25,247	24,793	-454	Net defined benefit liability	7,604	7,574	-30
Intangible assets	110	116	+5	Other	3,538	3,725	+186
Investment securities	14,317	13,110	-1,207	<b>Total liabilities</b>	15,615	15,195	-420
Other	3,455	3,839	+384	<b>Net assets</b>			
				Shareholders' equity	52,646	53,613	+967
				Accumulated other comprehensive income	4,896	3,930	-966
				Non-controlling interests	1,235	1,270	+35
				<b>Total net assets</b>	58,778	58,815	+37
<b>Total assets</b>	74,394	74,010	-383	<b>Total liabilities and net assets</b>	74,394	74,010	-383

# Consolidated Operating Income 「Analysis of Factors Affecting Increase and Decrease」

(Millions of Yen)



## 1. FY2015 2Q Financial Results

## ***2. FY2015 Forecasts***

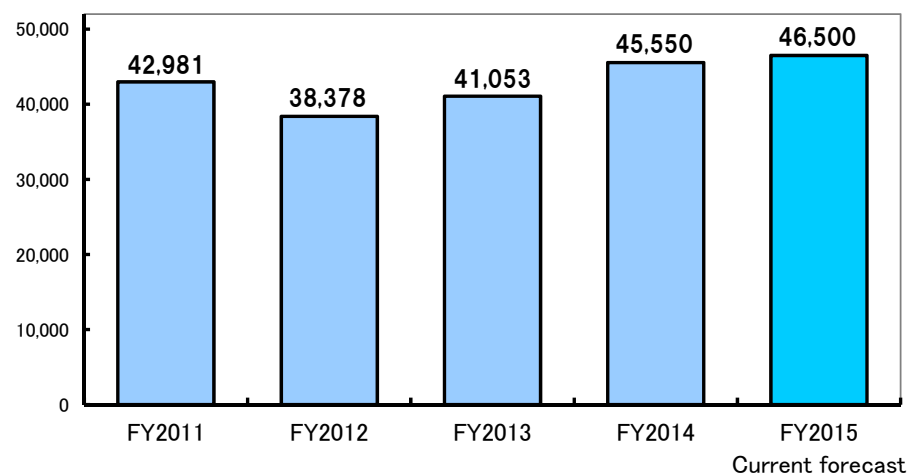
# Outline of Forecasts (Consolidated)

(Millions of Yen)

	FY2014		FY2015										
	Full-year results	%	Full-year previous forecasts	%	First half results	%	Second half current forecasts	%	Change from first half	Full-year current forecasts	%	Change from previous forecasts	Change year-on-year (%)
<b>Net sales</b>	45,550	100.0	46,500	100.0	22,785	100.0	<b>23,714</b>	100.0	+928	<b>46,500</b>	100.0	-	+2.1
<b>Operating income</b>	5,136	11.3	5,500	11.8	2,623	11.5	<b>2,876</b>	12.1	+253	<b>5,500</b>	11.8	-	+7.1
<b>Ordinary income</b>	5,991	13.2	6,050	13.0	2,861	12.6	<b>3,188</b>	13.4	+326	<b>6,050</b>	13.0	-	+1.0
Profit attributable to owners of parent	3,584	7.9	4,250	9.1	2,007	8.8	<b>2,242</b>	9.5	+235	<b>4,250</b>	9.1	-	+18.6

Net sales  
(Millions of Yen)

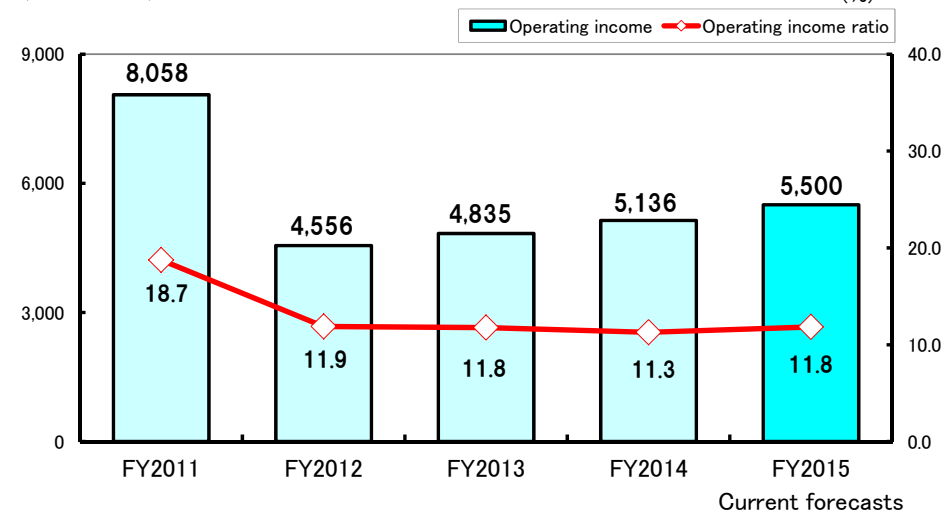
## Net sales



Operating income  
(Millions of Yen)

## Operating income

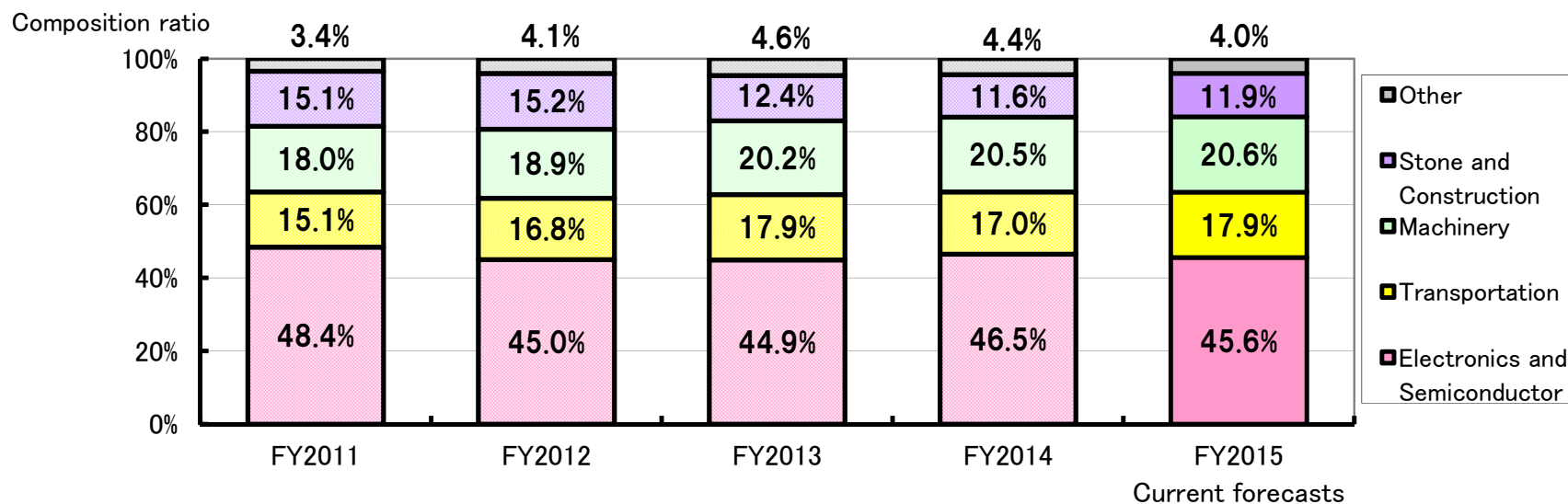
Operating income ratio (%)



# Forecasts of Net Sales Breakdown by Industry (Consolidated)

(Millions of Yen)

	FY2014		FY2015										
	Full-year results	%	Full-year previous forecasts	%	First half results	%	Second half current forecasts	%	Change from first half	Full-year current forecasts	%	Change from previous forecasts	Change year-on-year (%)
Electronics and Semiconductor	21,170	46.5	21,300	45.8	10,179	44.7	11,020	46.5	+841	21,200	45.6	-100	+0.1
Transportation	7,753	17.0	8,100	17.4	4,112	18.0	4,187	17.6	+75	8,300	17.9	+200	+7.0
Machinery	9,350	20.5	9,670	20.8	4,759	20.9	4,840	20.4	+81	9,600	20.6	-70	+2.7
Stone and Construction	5,296	11.6	5,640	12.1	2,709	11.9	2,840	12.0	+131	5,550	11.9	-90	+4.8
Other	1,978	4.4	1,790	3.9	1,025	4.5	824	3.5	-201	1,850	4.0	+60	-6.5
<b>Total</b>	<b>45,550</b>	<b>100.0</b>	<b>46,500</b>	<b>100.0</b>	<b>22,785</b>	<b>100.0</b>	<b>23,714</b>	<b>100.0</b>	<b>+928</b>	<b>46,500</b>	<b>100.0</b>	<b>-</b>	<b>+2.1</b>

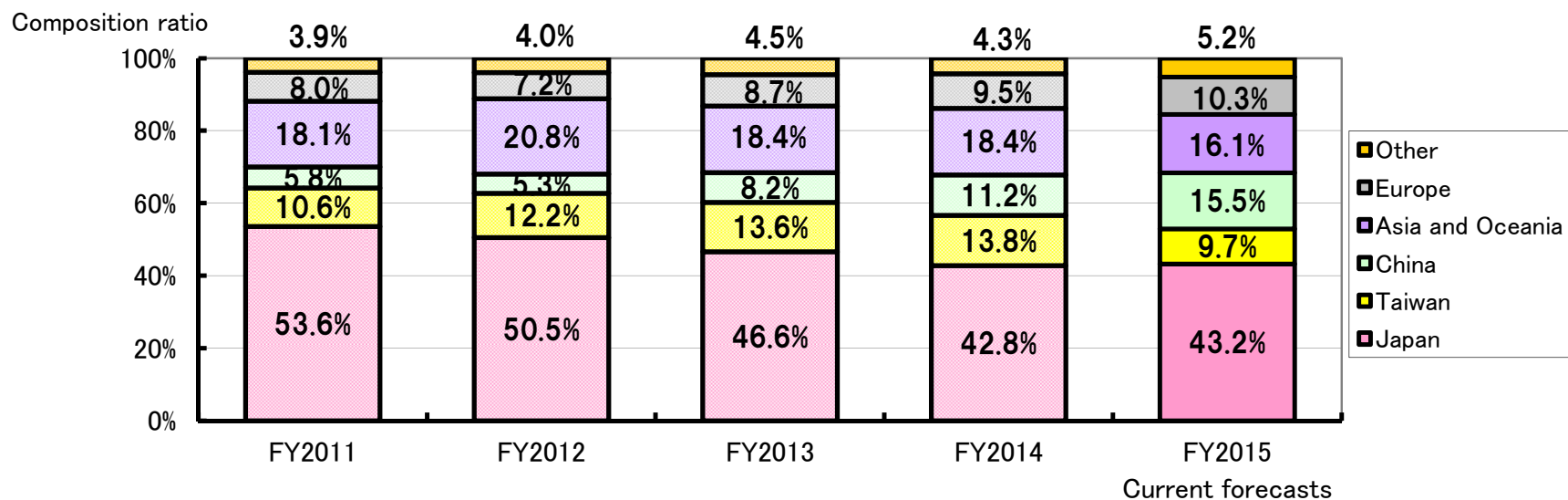




# Forecasts of Net Sales Breakdown by Geographical Region (Consolidated)

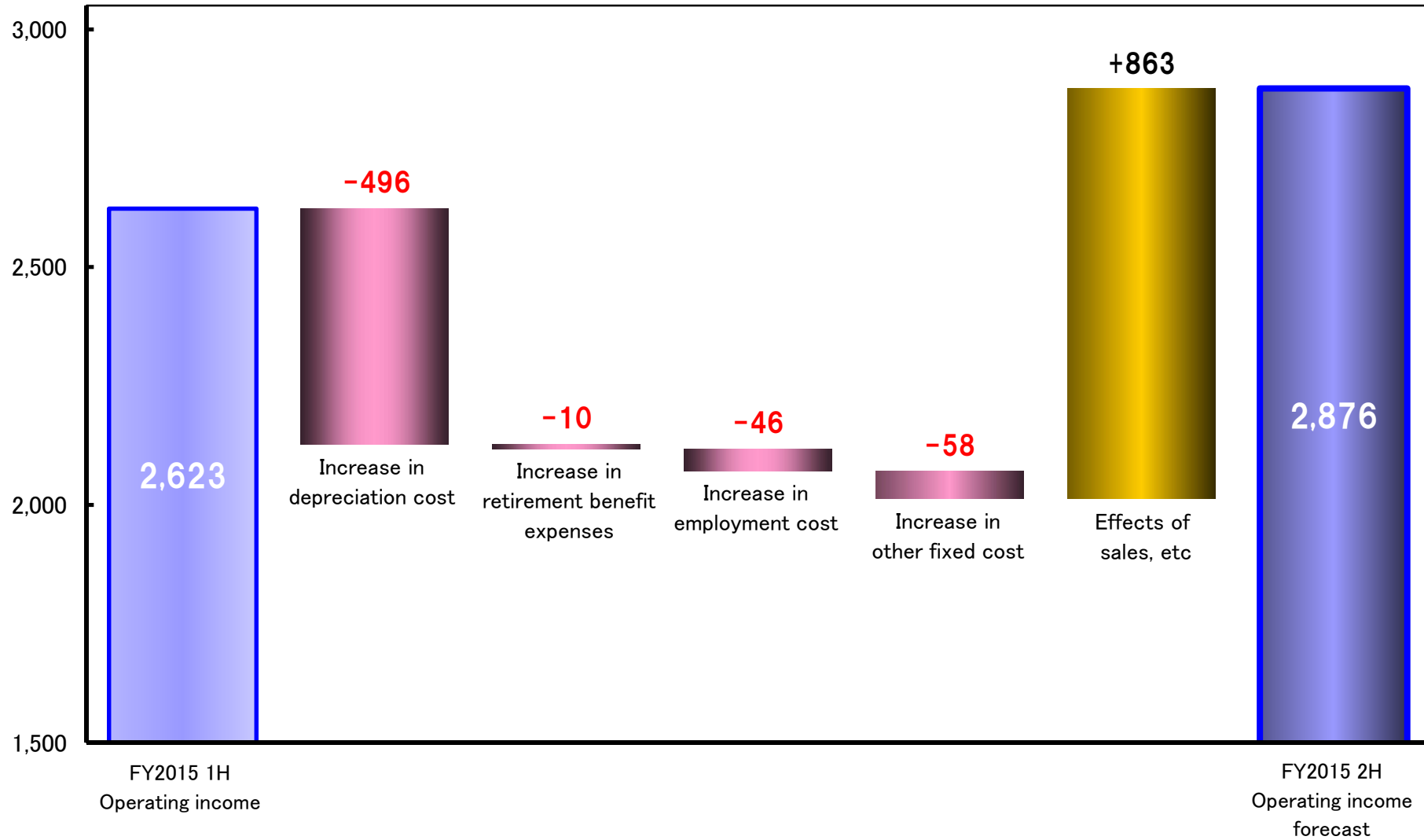
(Millions of Yen)

	FY2014		FY2015										
	Full-year results	%	Full-year previous forecasts	%	First half results	%	Second half current forecasts	%	Change from first half	Full-year current forecasts	%	Change from previous forecasts	Change year-on-year (%)
Japan	19,486	42.8	20,000	43.0	9,944	43.6	10,155	42.8	+210	20,100	43.2	+100	+3.1
Taiwan	6,307	13.8	5,500	11.8	2,451	10.8	2,048	8.6	-402	4,500	9.7	-1,000	-28.7
China	5,117	11.2	6,200	13.3	3,071	13.5	4,128	17.4	+1,057	7,200	15.5	+1,000	+40.7
Other Asia and Oceania	8,399	18.4	8,500	18.3	3,585	15.7	3,914	16.5	+328	7,500	16.1	-1,000	-10.7
Europe	4,267	9.5	4,000	8.6	2,559	11.2	2,240	9.5	-319	4,800	10.3	+800	+12.5
Other	1,971	4.3	2,300	5.0	1,173	5.2	1,226	5.2	+53	2,400	5.2	+100	+21.7
Overseas total	26,063	57.2	26,500	57.0	12,841	56.4	13,558	57.2	+717	26,400	56.8	-100	+1.3
Total	45,550	100.0	46,500	100.0	22,785	100.0	23,714	100.0	+928	46,500	100.0	-	+2.1

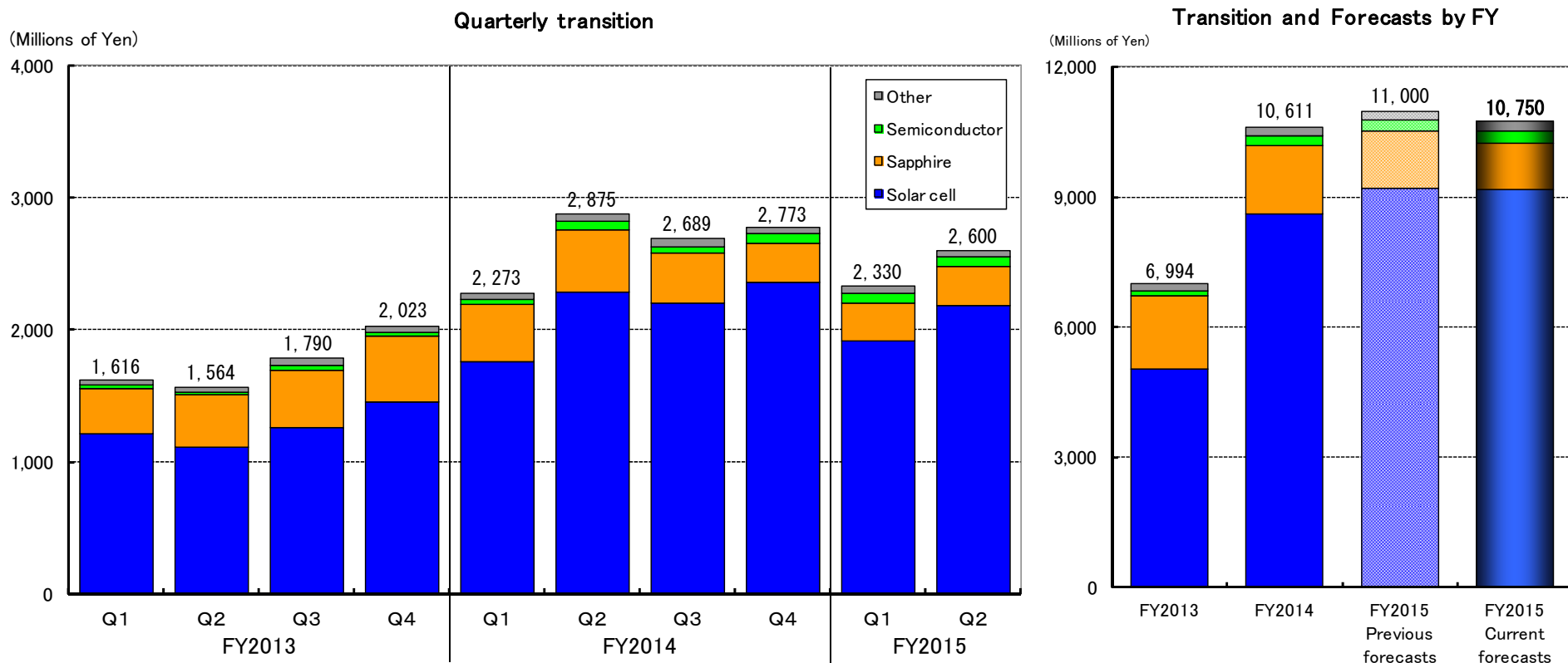


# Forecast of Consolidated Operating Income 「Analysis of Factors Affecting Increase and Decrease」

(Millions of Yen)



# 「EcoMEP」 Sales Trend and Forecasts (Consolidated)



◆ Total sales of EcoMEP was ¥4,930 million in FY2015 first half.

(-4% vs. 1<sup>st</sup> Half FY2014 and -10% vs. 2<sup>nd</sup> Half FY2014)

- For PV production : +1% vs. 1H FY2014 and -10% vs. 2H FY2014
- For Sapphire production : -35% vs. 1H FY 2014 and -13% 2H FY2014

◆ Forecast of EcoMEP sales for FY2015 is ¥10,750 million. (+1% vs. FY2014)

- For PV production : +7% vs. FY2014
- For Sapphire production : -33% vs. FY2014

 **Asahi Diamond Industrial Co., Ltd.**

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.