

Summary of the Consolidated Financial Results for the Fiscal Year Ended March 31, 2014[under Japanese GAAP]

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

① Financial Data

1) Consolidated Balance Sheets

Millions of yen

	FISCAL YEAR			
	2011/3	2012/3	2013/3	2014/3
Cash and deposits	10,284	9,473	11,821	14,407
Notes and accounts receivable-trade	13,266	11,850	11,082	12,329
Short-term investment securities	—	615	298	175
Merchandise and finished goods	1,543	1,879	1,972	2,259
Work in process	1,292	1,295	1,104	1,361
Raw materials and supplies	1,922	2,768	2,673	2,723
Other	986	622	808	1,086
Allowance for doubtful accounts	△91	△92	△96	△76
Current assets	29,204	28,412	29,663	34,268
Buildings and structures, net	8,736	9,152	8,586	8,827
Machinery, equipment and vehicles, net	6,601	7,139	6,506	6,730
Land	4,274	4,421	4,704	5,059
Other, net	1,149	1,017	1,326	1,615
Property, plant and equipment	20,761	21,730	21,123	22,232
Intangible assets	84	80	88	125
Investment securities	7,324	7,411	8,882	11,501
Other	3,283	2,915	2,133	1,550
Allowance for doubtful accounts	△47	△25	△28	△22
Investments and other assets	10,560	10,301	10,986	13,029
Non-current assets	31,407	32,112	32,199	35,388
Assets	60,611	60,525	61,862	69,656

Millions of yen

	FISCAL YEAR			
	2011/3	2012/3	2013/3	2014/3
Notes and accounts payable-trade	1,816	1,594	1,404	2,156
Short-term loans payable	293	910	556	749
Income taxes payable	3,224	481	824	1,250
Provision for bonuses	853	636	701	806
Other	2,602	2,611	2,054	2,816
Current liabilities	8,791	6,234	5,541	7,779
Provision for retirement benefits	5,053	5,078	5,141	—
Net defined benefit liability	—	—	—	5,663
Other	1,164	919	965	943
Non-current liabilities	6,218	5,997	6,106	6,606
Liabilities	15,009	12,231	11,648	14,386
Capital stock	4,102	4,102	4,102	4,102
Capital surplus	7,129	7,129	7,129	7,129
Retained earnings	35,089	37,820	38,260	40,519
Treasury stock	△69	△76	△2	△6
Shareholders' equity	46,251	48,974	49,489	51,743
Valuation difference on available-for-sale securities	770	1,054	1,452	1,977
Revaluation reserve for land	67	105	105	105
Foreign currency translation adjustment	△1,943	△2,408	△1,725	222
Remeasurements of defined benefit plans	—	—	—	11
Total accumulated other comprehensive income	△1,105	△1,248	△167	2,317
Minority interests	455	567	892	1,209
Net assets	45,602	48,293	50,214	55,270
Liabilities and net assets	60,611	60,525	61,862	69,656

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

Consolidated Statements of Income

Millions of yen

	FISCAL YEAR			
	2010/4–2011/3	2011/4–2012/3	2012/4–2013/3	2013/4–2014/3
Net sales	42,709	42,981	38,378	41,053
Cost of sales	24,788	27,110	26,158	28,006
Gross profit	17,920	15,871	12,219	13,046
Selling, general and administrative expenses	7,310	7,812	7,663	8,211
Operating income	10,610	8,058	4,556	4,835
Interest and dividends income	130	161	172	186
Equity in earnings of affiliates	222	306	249	520
Foreign exchange gains	—	—	300	221
Miscellaneous income	70	46	72	86
Non-operating income	423	514	795	1,015
Non-operating expenses	243	89	18	25
Ordinary income	10,791	8,484	5,333	5,824
Gain on sales of non-current assets	3	0	—	—
Gain on sales of investment securities	153	1	—	—
State subsidy	—	52	—	11
Other	22	—	—	—
Extraordinary income	179	54	—	11
Impairment loss	289	—	—	—
Loss on sales and retirement of non-current assets	26	75	66	—
Loss on valuation of investment securities	6	577	42	—
Loss on reduction of non-current assets	—	52	—	11
Other	49	—	—	—
Extraordinary loss	372	705	108	11
Income before income taxes and minority interests	10,598	7,833	5,225	5,824
Total income taxes	3,612	3,055	1,722	1,883
Income before minority interests	6,985	4,777	3,503	3,940
Minority interests in income	143	175	249	239
Net income	6,842	4,602	3,253	3,701

Consolidated Statements of Comprehensive Income

Millions of yen

	FISCAL YEAR			
	2010/4-2011/3	2011/4-2012/3	2012/4-2013/3	2013/4-2014/3
Income before minority interests	6,985	4,777	3,503	3,940
Other comprehensive income				
Valuation difference on available-for-sale securities	△168	195	400	645
Revaluation reserve for land	—	57	—	—
Foreign currency translation adjustment	△311	△358	772	949
Share of other comprehensive income of associates accounted for using equity method	△185	△49	22	1,045
Total other comprehensive income	△665	△154	1,194	2,640
Comprehensive income	6,320	4,623	4,697	6,581
(Comprehensive income attributable to)				
Comprehensive income attributable to owners of the parent	6,189	4,483	4,334	6,174
Comprehensive income attributable to minority interests	130	139	363	406

3) Consolidated Statements of Cash Flows

Millions of yen

	FISCAL YEAR			
	2010/4-2011/3	2011/4-2012/3	2012/4-2013/3	2013/4-2014/3
[Operating activities]				
Income before income taxes and minority interests	10,598	7,833	5,225	5,824
Income taxes paid	△1,102	△5,141	△1,461	△1,611
Depreciation and amortization	2,708	3,530	3,254	2,960
Loss on adjustment for changes of accounting standard for asset retirement obligations	49	—	—	—
Increase (decrease) in various provisions	△368	△182	61	41
Increase (decrease) in net defined benefit liability	—	—	—	407
Equity in (earnings) losses of affiliates	△222	△306	△249	△520
Loss on reduction of non-current assets	—	52	—	11
Impairment loss	289	—	—	—
Loss (gain) on sales and retirement of property, plant and equipment	22	74	65	24
Loss (gain) on valuation of investment securities	6	577	42	—
Loss (gain) on sales of investment securities	△153	△1	—	—
Decrease (increase) in notes and accounts receivable-trade	△2,905	1,287	1,089	△492
Decrease (increase) in inventories	△1,002	△1,212	370	△246
Increase (decrease) in notes and accounts payable-trade	531	△168	△351	444
Other, net	427	819	△528	△445
Net cash provided by (used in) operating activities	8,881	7,163	7,516	6,397
[Investing activities]				
Payments into time deposits	—	—	—	△1,000
Proceeds from withdrawal of time deposits	—	—	500	200
Purchase of property, plant and equipment	△5,171	△5,285	△2,527	△2,638
Proceeds from sales of property, plant and equipment	8	5	34	40
Purchase of investment securities	△17	△417	△1,667	△21
Proceeds from sales of investment securities	271	200	—	—
Proceeds from redemption of investment securities	—	—	1,000	—
Purchase of investments in subsidiaries resulting in change in scope of consolidation	—	△170	—	△377
Other, net	66	56	49	△34
Net cash provided by (used in) investing activities	△4,841	△5,610	△2,610	△3,831
[Financing activities]				
Net increase (decrease) in short-term loans payable	69	570	△409	△12
Proceeds from long-term loans payable	50	38	34	148
Repayment of long-term loans payable	△128	△136	△91	△39
Purchase of treasury stock	△1,563	△7	△1,200	△4
Cash dividends paid	△1,366	△1,887	△1,533	△1,443
Cash dividends paid to minority shareholders	△42	△42	△39	△76
Repayments of lease obligations	△87	△89	△86	△81
Other, net	0	0	1	0
Net cash provided by (used in) financing activities	△3,068	△1,553	△3,324	△1,508
Effect of exchange rate change on cash and cash equivalents	△85	△194	449	345
Net increase (decrease) in cash and cash equivalents	885	△195	2,030	1,403
Cash and cash equivalents at beginning of period	9,399	10,284	10,089	12,119
Cash and cash equivalents at end of period	10,284	10,089	12,119	13,523

4) Consolidated Net Sales Breakdown by Industry

Millions of yen , %

	FISCAL YEAR							
	2010/4-2011/3		2011/4-2012/3		2012/4-2013/3		2013/4-2014/3	
	Amount	Composition ratio	Amount	Composition ratio	Amount	Composition ratio	Amount	Composition ratio
Electronics and Semiconductor	21,923	51.3	20,792	48.4	17,268	45.0	18,429	44.9
Transportation	5,849	13.7	6,484	15.1	6,473	16.8	7,358	17.9
Machinery	7,372	17.3	7,731	18.0	7,242	18.9	8,311	20.2
Stone and Construction	6,189	14.5	6,516	15.1	5,823	15.2	5,074	12.4
Other	1,374	3.2	1,456	3.4	1,569	4.1	1,879	4.6
Net sales	42,709	100.0	42,981	100.0	38,378	100.0	41,053	100.0

Millions of yen , %

	QUARTER TRANSITION							
	2013/4-6		2013/7-9		2013/10-12		2014/1-3	
	Amount	Composition ratio	Amount	Composition ratio	Amount	Composition ratio	Amount	Composition ratio
Electronics and Semiconductor	4,234	46.2	4,492	44.0	4,882	45.5	4,821	44.1
Transportation	1,710	18.7	1,850	18.1	1,873	17.4	1,923	17.6
Machinery	1,728	18.8	2,099	20.6	2,165	20.2	2,317	21.2
Stone and Construction	1,112	12.1	1,276	12.5	1,282	11.9	1,402	12.8
Other	386	4.2	482	4.7	538	5.0	473	4.3
Net sales	9,171	100.0	10,201	100.0	10,741	100.0	10,938	100.0

5) Consolidated Geographical Sales

Millions of yen , %

	FISCAL YEAR							
	2010/4-2011/3		2011/4-2012/3		2012/4-2013/3		2013/4-2014/3	
	Amount	Composition ratio	Amount	Composition ratio	Amount	Composition ratio	Amount	Composition ratio
Japan	24,318	56.9	23,045	53.6	19,363	50.5	19,131	46.6
Asia and Oceania	9,772	22.9	10,286	23.9	10,002	26.1	10,903	26.6
Taiwan	4,175	9.8	4,555	10.6	4,688	12.2	5,579	13.6
Europe	2,911	6.8	3,425	8.0	2,771	7.2	3,581	8.7
Other	1,532	3.6	1,668	3.9	1,552	4.0	1,856	4.5
Total	42,709	100.0	42,981	100.0	38,378	100.0	41,053	100.0

6) Consolidated Financial Indicators

		FISCAL YEAR			
		2010/4-2011/3	2011/4-2012/3	2012/4-2013/3	2013/4-2014/3
Net sales	Millions of yen	42,709	42,981	38,378	41,053
Operating income	Millions of yen	10,610	8,058	4,556	4,835
Ordinary income	Millions of yen	10,791	8,484	5,333	5,824
Net income	Millions of yen	6,842	4,602	3,253	3,701
Operating income ratio	%	24.8	18.7	11.9	11.8
Ordinary income ratio	%	25.3	19.7	13.9	14.2
Return on assets [ROA]	%	12.0	7.6	5.3	5.6
Return on equity [ROE]	%	15.7	9.9	6.7	7.2
Shareholders' equity ratio	%	74.5	78.9	79.7	77.6
Number of shares outstanding	shares	59,210,000	59,210,000	57,710,000	57,710,000
Treasury stock at the end of period	shares	50,986	55,812	2,921	7,275
Book value per share [BPS]	Yen	763.14	806.81	854.69	936.90
Earnings per share [EPS]	Yen	114.63	77.81	55.38	64.14
Capital expenditures	Millions of yen	5,996	4,712	2,479	3,492
Depreciation [Property, plant and equipment]	Millions of yen	2,664	3,480	3,206	2,913
Research and development expenses	Millions of yen	1,238	1,355	1,364	1,431
Number of employees	Number	1,908	2,015	2,059	2,143

② Forecast (2014/4-2015/3)

1) Consolidated Financial Indicators

Net sales (Millions of yen)	Operating income (Millions of yen)	Ordinary income (Millions of yen)	Net income (Millions of yen)
48,300	7,500	8,100	5,300

Operating income ratio (%)	Ordinary income ratio (%)	Earnings per share [EPS] (Yen)	Capital expenditures (Millions of yen)	Depreciation [Property, plant and equipment] (Millions of yen)
15.5	16.8	91.85	7,000	3,700

2) Consolidated Net Sales Breakdown by Industry

Millions of yen					
Electronics and Semiconductor	Transportation	Machinery	Stone and Construction	Other	Total
23,900	7,840	9,100	5,670	1,790	48,300

※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.