

## Summary Report on the Consolidated Results for the Three Months Ended June 30, 2016

### AMADA HOLDINGS CO., LTD.

Listed on the First Section of the TSE

Stock Code: 6113

(URL <http://www.amadaholdings.co.jp>)

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Planned filing of the quarterly financial statements: August 5, 2016

Date of scheduled payment of dividends: -

Quarterly earnings supplementary explanatory documents: Yes

Quarterly earnings presentation: Yes (for investment analysts and institutional investors)

(Amounts less than one million yen are truncated.)

### 1. Consolidated Business Performance for the Three Months Ended June 30, 2016 (from April 1, 2016 to June 30, 2016)

#### (1) Operating Results

Percentages indicate year-on-year increase (decrease).

	Net sales		Operating income		Ordinary income		Profit attributable to owners of parent	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
<b>Three months ended June 30, 2016</b>	<b>53,443</b>	<b>(6.2)</b>	<b>3,665</b>	<b>(22.6)</b>	<b>2,376</b>	<b>(59.5)</b>	<b>1,453</b>	<b>(57.0)</b>
Three months ended June 30, 2015	57,005	10.8	4,736	236.5	5,872	227.8	3,380	270.7

(Note) :Comprehensive income: Three months ended June 30, 2016: ¥(18,949) million (---%)  
Three months ended June 30, 2015: ¥(626) million (---%)

	Basic earnings per share	Diluted earnings per share
	Yen	Yen
<b>Three months ended June 30, 2016</b>	<b>3.98</b>	<b>3.97</b>
Three months ended June 30, 2015	9.05	9.04

#### (2) Financial Position

	Total assets	Net assets	Equity ratio
	Millions of yen	Millions of yen	%
<b>As of June 30, 2016</b>	<b>511,265</b>	<b>392,640</b>	<b>76.3</b>
As of March 31, 2016	565,266	419,380	73.6

(Reference) Total shareholders' equity: As of June 30, 2016: ¥389,958 million  
As of March 31, 2016: ¥416,181 million

### 2. Dividends

	Dividends per share				
	First quarter	Second quarter	Third quarter	Fiscal year end	Total
	Yen	Yen	Yen	Yen	Yen
Fiscal year ended March 31, 2016	—	16.00	—	20.00	36.00
<b>Fiscal year ending March 31, 2017</b>	—				
Fiscal year ending March 31, 2017 (Forecast)		24.00	—	18.00	42.00

(Notes): Revision to dividend forecasts most recently announced: None

Breakdown of dividends at the end of the second quarter of the fiscal year ending March 31, 2017 (forecast):

Ordinary dividend: ¥18.00 70th anniversary commemorative dividend: ¥6.00

### 3. Consolidated Forecasts for the Fiscal Year Ending March 31, 2017 (from April 1, 2016 to March 31, 2017)

Percentages indicate year-on-year increase (decrease).

	Net sales		Operating income		Ordinary income	
	Millions of yen	%	Millions of yen	%	Millions of yen	%
Six months ending September 30, 2016	140,000	(2.5)	16,000	(15.4)	17,000	(16.5)
Fiscal year ending March 31, 2017	300,000	(1.3)	39,000	(8.3)	41,000	(5.0)

	Profit attributable to owners of parent		Basic earnings per share
	Millions of yen	%	Yen
Six months ending September 30, 2016	11,000	(20.7)	30.11
Fiscal year ending March 31, 2017	27,500	0.3	75.27

(Note): Revision to consolidated forecasts most recently announced: None

### 4. Other Items

1. Changes in the scope of consolidation for significant subsidiaries during the three months: None
2. Application of special accounting practices in the preparation of the consolidated financial statements: None
3. Changes in accounting policies, changes in accounting estimates and retrospective restatements:
  - 1) Changes in accounting policies in accordance with revision of accounting standards: Yes
  - 2) Changes in accounting policies other than 1) above: None
  - 3) Changes in accounting estimates: None
  - 4) Retrospective restatements: None

### 4. Number of shares issued and outstanding (common stock)

- 1) Number of shares of common stock outstanding at end of period, including treasury shares
 

As of June 30, 2016	378,115,217 shares
As of March 31, 2016	378,115,217 shares
- 2) Number of shares of treasury shares at end of period
 

As of June 30, 2016	12,740,715 shares
As of March 31, 2016	12,776,953 shares
- 3) Average number of shares outstanding for each period
 

Three months ended June 30, 2016	365,358,406 shares
Three months ended June 30, 2015	373,510,733 shares

### Indication regarding the status of quarterly review procedures

At the time of disclosure of this quarterly summary report of consolidated results, the quarterly review procedures for the quarterly financial statements pursuant to the Financial Instruments and Exchange Law were completed.

### Explanation regarding the appropriate use of forecasts of business results

The above forecasts of future performance are based on information available to the Company at the present time and are subject to potential risks and uncertainty. Accordingly, actual results may differ significantly from any expressed future performance herein due to various factors.

**Consolidated Financial Statements**  
**Consolidated Balance Sheets**

(Millions of yen; amounts less than one million yen are truncated.)

		(millions of yen, amounts less than one million yen are indicated.)	
Period		As of March 31, 2016	As of June 30, 2016
Item		Amount	Amount
(Assets)			
Current assets:			
Cash and deposits		79,434	74,944
Notes and accounts receivable - trade		137,839	108,213
Lease investment assets		13,781	13,073
Securities		51,751	30,130
Merchandise and finished goods		54,194	56,677
Work in process		8,364	8,962
Raw materials and supplies		15,358	13,325
Other		13,925	16,770
Allowance for doubtful accounts		(2,301)	(1,995)
Total current assets		372,347	320,104
Non-current assets:			
Property, plant and equipment:			
Buildings and structures, net		57,599	53,472
Other, net		67,134	68,363
Total property, plant and equipment		124,733	121,836
Intangible assets:			
Goodwill		1,601	1,507
Other		4,928	5,219
Total intangible assets		6,529	6,726
Investments and other assets:			
Investment securities		49,187	49,997
Net defined benefit asset		121	119
Other		12,656	12,818
Allowance for doubtful accounts		(310)	(336)
Total investments and other assets		61,654	62,598
Total non-current assets		192,918	191,161
Total assets		565,266	511,265

(Millions of yen; amounts less than one million yen are truncated.)

		(Millions of yen; amounts less than one million yen are truncated.)	
Period		As of March 31, 2016	As of June 30, 2016
Item		Amount	Amount
<b>(Liabilities)</b>			
<b>Current liabilities:</b>			
Notes and accounts payable - trade		18,359	15,368
Electronically recorded obligations - operating		17,561	18,905
Short-term loans payable		25,797	15,151
Income taxes payable		9,583	1,975
Provision for bonuses		3,727	5,342
Provision for directors' bonuses		347	183
Deferred profit on installment sales		13,923	13,035
Other		28,622	23,868
Total current liabilities		117,923	93,831
<b>Non-current liabilities:</b>			
Long-term loans payable		7,743	5,607
Provision for directors' retirement benefits		61	58
Net defined benefit liability		11,936	11,314
Other		8,221	7,813
Total non-current liabilities		27,962	24,793
<b>Total liabilities</b>		<b>145,885</b>	<b>118,625</b>
<b>(Net assets)</b>			
<b>Shareholders' equity:</b>			
Capital stock		54,768	54,768
Capital surplus		163,199	163,199
Retained earnings		217,253	211,010
Treasury shares		(12,139)	(12,105)
Total shareholders' equity		423,081	416,872
<b>Accumulated other comprehensive income:</b>			
Valuation difference on available-for-sale securities		(891)	(2,020)
Deferred gains or losses on hedges		128	32
Revaluation reserve for land		(9,221)	(9,221)
Foreign currency translation adjustment		6,385	(12,600)
Remeasurements of defined benefit plans		(3,301)	(3,103)
Total accumulated other comprehensive income		(6,899)	(26,913)
<b>Subscription rights to shares</b>		<b>73</b>	<b>69</b>
<b>Non-controlling interests</b>		<b>3,125</b>	<b>2,612</b>
<b>Total net assets</b>		<b>419,380</b>	<b>392,640</b>
<b>Total liabilities and net assets</b>		<b>565,266</b>	<b>511,265</b>

## Consolidated Statements of Income

(Millions of yen; amounts less than one million yen are truncated.)

Item	Period	Three months ended June 30, 2015	Three months ended June 30, 2016
		Amount	Amount
Net sales		57,005	53,443
Cost of sales		30,987	28,871
Gross profit		26,017	24,572
Selling, general and administrative expenses:			
Sales commission		1,456	1,441
Packing and transportation expenses		2,039	1,832
Salaries and allowances		6,656	6,495
Other		12,144	12,167
Total selling, general and administrative expenses		22,297	21,937
Carryback of deferred profit on installment sales and finance lease sales		1,399	1,531
Deferred unrealized profit on installment sales and finance lease sales		382	501
Operating income		4,736	3,665
Non-operating income:			
Interest income		491	442
Dividend income		163	186
Gain on valuation of derivatives		—	570
Foreign exchange gains		480	—
Other		199	318
Total non-operating income		1,335	1,518
Non-operating expenses:			
Interest expenses		64	48
Foreign exchange losses		—	2,541
Other		134	218
Total non-operating expenses		199	2,807
Ordinary income		5,872	2,376
Extraordinary income:			
Gain on sales of non-current assets		7	6
Gain on sales of investment securities		—	4
Total extraordinary income		7	10
Extraordinary losses:			
Loss on sales of non-current assets		0	15
Loss on retirement of non-current assets		6	13
Other		1	—
Total extraordinary losses		8	29
Income before income taxes		5,871	2,357
Income taxes - current		2,912	1,152
Income taxes - deferred		(484)	(315)
Total income taxes		2,428	836
Profit		3,443	1,521
Profit attributable to non-controlling interests		62	67
Profit attributable to owners of parent		3,380	1,453

## Statements of Comprehensive Income

(Millions of yen; amounts less than one million yen are truncated.)

Item	Period	Three months ended June 30, 2015	Three months ended June 30, 2016
	Amount	Amount	Amount
Profit		3,443	1,521
Other comprehensive income			
Valuation difference on available-for-sale securities		352	(1,123)
Deferred gains or losses on hedges		(88)	(96)
Foreign currency translation adjustment		(4,225)	(19,380)
Remeasurements of defined benefit plans, net of tax		10	196
Share of other comprehensive income of entities accounted for using equity method		(118)	(66)
Total other comprehensive income		(4,069)	(20,470)
Comprehensive income		(626)	(18,949)
Comprehensive income attributable to:			
Comprehensive income attributable to owners of parent		(720)	(18,561)
Comprehensive income attributable to non-controlling interests		93	(388)

## Notes Regarding Assumption of Going Concern

No events to be noted for this purpose.

## Notes Regarding Significant Change in Shareholders' Equity

No events to be noted for this purpose.

## Segment Information

### **I. Three months ended June 30, 2015 (from April 1, 2015 to June 30, 2015)**

Sales and income or loss by reportable segment

(Millions of yen; amounts less than one million yen are truncated.)

	Reportable segment			Other (Note 1)	Total	Reconciliations	Consolidated (Note 2)
	Metalworking Machinery	Metal Machine Tools	Total				
Sales							
(1) External customers	45,102	11,357	56,460	544	57,005	—	57,005
(2) Intersegment sales or transfers	12	7	20	—	20	(20)	—
Total	45,115	11,365	56,480	544	57,025	(20)	57,005
Segment profit	3,314	1,326	4,641	95	4,736	—	4,736

Notes:

1. The "Other" classification refers to businesses not included within reportable segments. It principally comprises real estate leasing and automobile leasing.
2. Segment profit is adjusted from the operating income presented in the Consolidated Statement of Income for the quarter under review.

### **II. Three months ended June 30, 2016 (from April 1, 2016 to June 30, 2016)**

1. Sales and income or loss by reportable segment

(Millions of yen; amounts less than one million yen are truncated.)

	Reportable segment			Other (Note 1)	Total	Reconciliations	Consolidated (Note 2)
	Metalworking Machinery	Metal Machine Tools	Total				
Sales							
(1) External customers	42,620	10,517	53,138	305	53,443	—	53,443
(2) Intersegment sales or transfers	1	8	9	—	9	(9)	—
Total	42,622	10,526	53,148	305	53,453	(9)	53,443
Segment profit	2,059	1,510	3,569	95	3,665	—	3,665

Notes:

1. The "Other" classification refers to businesses not included within reportable segments. It principally comprises real estate leasing and automobile leasing.
  2. Segment profit is adjusted from the operating income presented in the Consolidated Statement of Income for the quarter under review.
2. Matters regarding changes to reportable segments
- As stated in "Application of Practical Solution on a change in depreciation method due to Tax Reform 2016," the Company and its consolidated subsidiaries, in accordance with the revision of the Corporation Tax Act, changed the depreciation method from the declining-balance method to the straight-line method for facilities attached to buildings and structures acquired on or after April 1, 2016 by applying "Practical Solution on a change in depreciation method due to Tax Reform 2016" (PITF No. 32, June 17, 2016) to the three months ended June 30, 2016. Due to the above change, the Company changed the depreciation method for reportable segments to the method based on the revised Corporation Tax Act. The impact of this change to segment profit for the three months ended June 30, 2016 is immaterial.

## Supplementary Information

### Status of Orders and Sales (Consolidated)

#### 1. Orders Received

(Millions of yen; amounts less than one million yen are truncated.)

Business Segments	Period	Three months ended June 30, 2015				Three months ended June 30, 2016			
		Orders received		Balance of outstanding orders		Orders received		Balance of outstanding orders	
		Amount	Ratio	Amount	Ratio	Amount	Ratio	Amount	Ratio
Metalworking Machinery Business		63,062	82.0	58,130	87.7	44,735	78.6	43,920	85.3
Sheet-Metal Processing Machines Division		56,657	73.7	53,564	80.8	38,558	67.8	39,359	76.4
Welding Division		6,404	8.3	4,566	6.9	6,177	10.8	4,560	8.9
Metal Machine Tools Business		13,285	17.3	8,149	12.3	11,865	20.9	7,585	14.7
Bandsaws Division		8,857	11.5	3,466	5.2	7,905	13.9	3,425	6.6
Presses Division		2,448	3.2	2,601	3.9	2,243	4.0	2,365	4.6
Machine Tools Division		1,979	2.6	2,081	3.2	1,716	3.0	1,795	3.5
Others		546	0.7	7	0.0	300	0.5	2	0.0
Total		76,894	100.0	66,287	100.0	56,902	100.0	51,507	100.0

#### 2. Sales Results

(Millions of yen; amounts less than one million yen are truncated.)

Business Segments	Period	Three months ended June 30, 2015		Three months ended June 30, 2016	
		Amount	Ratio	Amount	Ratio
Metalworking Machinery Business		45,102	79.1	42,620	79.7
Sheet-Metal Processing Machines Division		39,922	70.0	37,187	69.6
Welding Division		5,179	9.1	5,433	10.1
Metal Machine Tools Business		11,357	19.9	10,517	19.7
Bandsaws Division		7,571	13.3	7,272	13.6
Presses Division		1,912	3.3	1,747	3.3
Machine Tools Division		1,873	3.3	1,497	2.8
Others		544	1.0	305	0.6
Total		57,005	100.0	53,443	100.0

Note: For “Status of Orders and Sales,” amounts exclude consumption tax.

### Status of Sales to Customers by Geographic Region

(Millions of yen; amounts less than one million yen are truncated.)

Regions	Period	Three months ended June 30, 2015		Three months ended June 30, 2016	
		Amount	Ratio	Amount	Ratio
Japan		21,367	37.5	19,383	36.3
Overseas		35,637	62.5	34,060	63.7
North America		11,847	20.8	10,825	20.3
Europe		11,571	20.3	12,059	22.6
Asia		10,961	19.2	10,426	19.5
Other regions		1,257	2.2	748	1.3
Total		57,005	100.0	53,443	100.0

Note: This table presents sales to customers in each geographic region by the Amada Group.