

Summary Report on the Consolidated Results for the Nine Months Ended December 31, 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: February 14, 2017

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 Nine Months Ended December 31, 2016 (from April 1, 2016 to December 31, 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	%
Nine months ended December 31, 2016	194,128	(10.1)	21,234	(29.8)	21,868	(31.3)	15,056	(28.9)
Nine months ended December 31, 2015	215,997	12.4	30,252	111.7	31,832	63.8	21,163	93.1

Note: Comprehensive income: Nine months ended December 31, 2016: ¥6,627 million (56.3%)
 Nine months ended December 31, 2015: ¥15,156 million 6.4%

	Basic earnings per share	Diluted earnings per share
	Yen	Yen
Nine months ended December 31, 2016	41.20	41.18
Nine months ended December 31, 2015	57.41	57.35

(2) Financial Position

	Total assets	Net assets	Equity ratio
	Millions of yen	Millions of yen	%
As of December 31, 2016	528,459	409,396	76.9
As of March 31, 2016	565,266	419,380	73.6

Reference: Total shareholders' equity: As of December 31, 2016: ¥406,334 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
Fiscal year ending March 31, 2017	—	24.00	—		
Fiscal year ending March 31, 2017 (Forecast)				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 :

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	%
Fiscal year ending March 31, 2017	270,000	(11.2)	30,000	(29.5)	30,000	(30.5)

	Profit attributable to owners of parent		Basic earnings per share
	Millions of yen	%	Yen
Fiscal year ending March 31, 2017	20,000	(27.1)	54.72

Note: Revision to consolidated forecasts most recently announced: None

4. Other Items

1. Changes in the scope of consolidation for significant subsidiaries during the nine 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 December 31, 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 December 31, 2016	12,593,989 shares
As of March 31, 2016	12,776,953 shares
 - 3) Average number of shares outstanding for each period

Nine months ended December 31, 2016	365,408,288 shares
Nine months ended December 31, 2015	368,671,534 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 still in progress.

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 truncated.)	
Period		As of March 31, 2016	As of December 31, 2016
Item		Amount	Amount
(Assets)			
Current assets:			
Cash and deposits		79,434	74,000
Notes and accounts receivable - trade		137,839	117,517
Lease investment assets		13,781	13,318
Securities		51,751	28,309
Merchandise and finished goods		54,194	59,705
Work in process		8,364	8,239
Raw materials and supplies		15,358	14,184
Other		13,925	17,721
Allowance for doubtful accounts		(2,301)	(2,097)
Total current assets		372,347	330,899
Non-current assets:			
Property, plant and equipment:			
Buildings and structures, net		57,599	56,695
Other, net		67,134	70,068
Total property, plant and equipment		124,733	126,763
Intangible assets:			
Goodwill		1,601	1,381
Other		4,928	6,699
Total intangible assets		6,529	8,081
Investments and other assets:			
Investment securities		49,187	50,981
Net defined benefit asset		121	116
Other		12,656	11,935
Allowance for doubtful accounts		(310)	(318)
Total investments and other assets		61,654	62,714
Total non-current assets		192,918	197,560
Total assets		565,266	528,459

(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 December 31, 2016
Item		Amount	Amount
(Liabilities)			
Current liabilities:			
Notes and accounts payable - trade		18,359	16,930
Electronically recorded obligations - operating		17,561	19,522
Short-term loans payable		25,797	15,088
Income taxes payable		9,583	2,348
Provision for bonuses		3,727	2,094
Provision for directors' bonuses		347	272
Deferred profit on installment sales		13,923	13,002
Other		28,622	25,661
Total current liabilities		117,923	94,921
Non-current liabilities:			
Long-term loans payable		7,743	5,745
Provision for directors' retirement benefits		61	70
Net defined benefit liability		11,936	10,364
Other		8,221	7,962
Total non-current liabilities		27,962	24,142
Total liabilities		145,885	119,063
(Net assets)			
Shareholders' equity:			
Capital stock		54,768	54,768
Capital surplus		163,199	163,199
Retained earnings		217,253	215,693
Treasury shares		(12,139)	(11,966)
Total shareholders' equity		423,081	421,694
Accumulated other comprehensive income:			
Valuation difference on available-for-sale securities		(891)	(304)
Deferred gains or losses on hedges		128	(941)
Revaluation reserve for land		(9,221)	(9,221)
Foreign currency translation adjustment		6,385	(2,154)
Remeasurements of defined benefit plans		(3,301)	(2,738)
Total accumulated other comprehensive income		(6,899)	(15,360)
Subscription rights to shares		73	51
Non-controlling interests		3,125	3,010
Total net assets		419,380	409,396
Total liabilities and net assets		565,266	528,459

Consolidated Statements of Income

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

Item	Period	Nine months ended December 31, 2015	Nine months ended December 31, 2016
	Amount	Amount	Amount
Net sales		215,997	194,128
Cost of sales		117,622	107,554
Gross profit		98,375	86,574
Selling, general and administrative expenses:			
Sales commission		4,872	4,616
Packing and transportation expenses		6,550	5,873
Salaries and allowances		22,595	21,184
Other		35,484	34,680
Total selling, general and administrative expenses		69,502	66,354
Carryback of deferred profit on installment sales and finance lease sales		3,982	4,026
Deferred unrealized profit on installment sales and finance lease sales		2,603	3,012
Operating income		30,252	21,234
Non-operating income:			
Interest income		1,419	1,194
Dividend income		477	506
Other		754	1,116
Total non-operating income		2,651	2,817
Non-operating expenses:			
Interest expenses		215	130
Foreign exchange losses		464	1,524
Other		391	528
Total non-operating expenses		1,070	2,183
Ordinary income		31,832	21,868
Extraordinary income:			
Gain on sales of non-current assets		73	117
Gain on sales of investment securities		—	4
Subsidy income		1,280	—
Total extraordinary income		1,353	121
Extraordinary losses:			
Loss on sales of non-current assets		14	26
Loss on retirement of non-current assets		129	303
Impairment loss		29	51
Other		6	—
Total extraordinary losses		180	380
Income before income taxes		33,006	21,609
Income taxes - current		11,165	6,267
Income taxes - deferred		420	114
Total income taxes		11,586	6,382
Profit		21,419	15,226
Profit attributable to non-controlling interests		255	170
Profit attributable to owners of parent		21,163	15,056

Statements of Comprehensive Income

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

Item	Period	Nine months ended December 31, 2015	Nine months ended December 31, 2016
	Amount	Amount	Amount
Profit	21,419	15,226	
Other comprehensive income			
Valuation difference on available-for-sale securities	(723)	592	
Deferred gains or losses on hedges	28	(1,070)	
Foreign currency translation adjustment	(5,531)	(8,505)	
Remeasurements of defined benefit plans, net of tax	54	557	
Share of other comprehensive income of entities accounted for using equity method	(91)	(173)	
Total other comprehensive income	(6,262)	(8,599)	
Comprehensive income	15,156	6,627	
Comprehensive income attributable to:			
Comprehensive income attributable to owners of parent	15,009	6,595	
Comprehensive income attributable to non-controlling interests	147	31	

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. Nine months ended December 31, 2015 (from April 1, 2015 to December 31, 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	177,611	37,112	214,723	1,273	215,997	—	215,997
(2) Intersegment sales or transfers	31	27	59	—	59	(59)	—
Total	177,643	37,140	214,783	1,273	216,057	(59)	215,997
Segment profit	24,569	5,455	30,025	226	30,252	—	30,252

Notes:

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

II. Nine months ended December 31, 2016 (from April 1, 2016 to December 31, 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	158,456	34,706	193,162	966	194,128	—	194,128
(2) Intersegment sales or transfers	5	22	27	—	27	(27)	—
Total	158,461	34,728	193,190	966	194,156	(27)	194,128
Segment profit	15,577	5,362	20,940	293	21,234	—	21,234

Notes:

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

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. In line with this change, the Company also changed the depreciation method for reportable segments in the same manner.

The impact of this change to segment profit for the nine months ended December 31, 2016 is immaterial.

Supplementary Information

Status of Orders Received and Sales (Consolidated)

1. Orders Received

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

Business Segments	Period	Nine months ended December 31, 2015				Nine months ended December 31, 2016			
		Orders received		Balance of outstanding orders		Orders received		Balance of outstanding orders	
		Amount	Ratio	Amount	Ratio	Amount	Ratio	Amount	Ratio
Metalworking Machinery Business		183,504	81.6	46,063	83.2	165,826	82.0	49,175	87.8
Sheet-Metal Processing Machines Division		165,860	73.7	41,853	75.6	147,632	73.0	44,061	78.7
Welding Division		17,643	7.9	4,209	7.6	18,194	9.0	5,113	9.1
Metal Machine Tools Business		40,161	17.8	9,270	16.8	35,304	17.5	6,835	12.2
Bandsaws Division		26,541	11.8	4,287	7.8	23,361	11.6	2,881	5.2
Presses Division		7,693	3.4	2,423	4.4	6,820	3.4	2,152	3.8
Machine Tools Division		5,925	2.6	2,559	4.6	5,123	2.5	1,801	3.2
Others		1,282	0.6	14	0.0	961	0.5	1	0.0
Total		224,947	100.0	55,347	100.0	202,092	100.0	56,012	100.0

2. Sales Results

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

Business Segments	Period	Nine months ended December 31, 2015		Nine months ended December 31, 2016	
		Amount	Ratio	Amount	Ratio
Metalworking Machinery Business		177,611	82.2	158,456	81.6
Sheet-Metal Processing Machines Division		160,836	74.4	141,558	72.9
Welding Division		16,775	7.8	16,897	8.7
Metal Machine Tools Business		37,112	17.2	34,706	17.9
Bandsaws Division		24,435	11.3	23,271	12.0
Presses Division		7,335	3.4	6,536	3.4
Machine Tools Division		5,342	2.5	4,898	2.5
Others		1,273	0.6	966	0.5
Total		215,997	100.0	194,128	100.0

Note: Amounts in “Status of Orders Received and Sales” exclude consumption tax.

Status of Sales to Customers by Geographic Region

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

Regions	Period	Nine months ended December 31, 2015		Nine months ended December 31, 2016	
		Amount	Ratio	Amount	Ratio
Japan		100,349	46.5	87,889	45.3
Overseas		115,648	53.5	106,239	54.7
North America		38,615	17.9	37,734	19.4
Europe		37,502	17.3	34,877	18.0
Asia		36,512	16.9	31,243	16.1
Other regions		3,017	1.4	2,384	1.2
Total		215,997	100.0	194,128	100.0

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