

## Summary Report on the Consolidated Results for the Three Months Ended June 30, 2017

### 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 9, 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 Three Months Ended June 30, 2017 (from April 1, 2017 to June 30, 2017)

#### (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, 2017</b>	<b>54,593</b>	<b>2.2</b>	<b>2,988</b>	<b>(18.5)</b>	<b>3,858</b>	<b>62.3</b>	<b>2,347</b>	<b>61.6</b>
Three months ended June 30, 2016	53,443	(6.2)	3,665	(22.6)	2,376	(59.5)	1,453	(57.0)

Note: Comprehensive income: Three months ended June 30, 2017: ¥5,706 million (- %)  
Three months ended June 30, 2016: ¥(18,949) million (- %)

	Basic earnings per share	Diluted earnings per share
	Yen	Yen
<b>Three months ended June 30, 2017</b>	<b>6.42</b>	<b>6.42</b>
Three months ended June 30, 2016	3.98	3.97

#### (2) Financial Position

	Total assets	Net assets	Equity ratio
	Millions of yen	Millions of yen	%
<b>As of June 30, 2017</b>	<b>533,098</b>	<b>419,013</b>	<b>78.0</b>
As of March 31, 2017	533,433	419,970	78.1

Reference: Total shareholders' equity: As of June 30, 2017: ¥415,931 million  
As of March 31, 2017: ¥416,796 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, 2017	—	24.00	—	18.00	42.00
<b>Fiscal year ending March 31, 2018</b>	—				
Fiscal year ending March 31, 2018 (Forecast)		20.00	—	20.00	40.00

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

### 3. Consolidated Forecasts for the Fiscal Year Ending March 31, 2018 (from April 1, 2017 to March 31, 2018)

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, 2017	130,000	3.6	13,000	(6.6)	14,000	8.5
Fiscal year ending March 31, 2018	285,000	2.2	34,000	2.9	36,000	4.9

	Profit attributable to owners of parent		Basic earnings per share
	Millions of yen	%	Yen
Six months ending September 30, 2017	9,500	10.5	25.97
Fiscal year ending March 31, 2018	26,500	2.3	72.46

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

Basic earnings per share is calculated based on the average number of outstanding shares as of June 30, 2017 (excluding treasury stock).

### 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: None
  - 2) Changes in accounting policies other than 1) above: Yes
  - 3) Changes in accounting estimates: Yes
  - 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, 2017 378,115,217 shares
    - As of March 31, 2017 378,115,217 shares
  - 2) Number of shares of treasury shares at end of period
    - As of June 30, 2017 12,373,670 shares
    - As of March 31, 2017 12,461,845 shares
  - 3) Average number of shares outstanding for each period
    - Three months ended June 30, 2017 365,715,526 shares
    - Three months ended June 30, 2016 365,358,406 shares

**This quarterly summary report of consolidated financial results are outside the scope of audit.**

### 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.)

Item	Period	As of March 31, 2017	As of June 30, 2017
		Amount	Amount
<b>(Assets)</b>			
<b>Current assets:</b>			
Cash and deposits		75,503	75,776
Notes and accounts receivable - trade		127,202	113,020
Lease investment assets		14,254	13,723
Securities		30,527	24,927
Merchandise and finished goods		50,767	58,136
Work in process		7,397	8,605
Raw materials and supplies		12,527	13,215
Other		15,694	17,920
Allowance for doubtful accounts		(1,966)	(2,019)
Total current assets		331,909	323,305
<b>Non-current assets:</b>			
Property, plant and equipment:			
Buildings and structures, net		56,294	56,118
Other, net		75,714	77,657
Total property, plant and equipment		132,009	133,775
Intangible assets:			
Goodwill		1,153	1,079
Other		7,837	8,693
Total intangible assets		8,990	9,773
Investments and other assets:			
Investment securities		51,137	57,065
Net defined benefit asset		135	132
Other		9,541	9,334
Allowance for doubtful accounts		(290)	(287)
Total investments and other assets		60,523	66,244
Total non-current assets		201,523	209,793
<b>Total assets</b>		<b>533,433</b>	<b>533,098</b>

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

Item	Period	As of March 31, 2017	As of June 30, 2017
		Amount	Amount
<b>(Liabilities)</b>			
<b>Current liabilities:</b>			
Notes and accounts payable - trade		16,722	16,196
Electronically recorded obligations - operating		19,232	19,644
Short-term loans payable		13,705	12,695
Income taxes payable		3,620	2,963
Provision for bonuses		3,503	4,645
Provision for directors' bonuses		275	174
Deferred profit on installment sales		13,731	13,237
Other		25,949	28,197
Total current liabilities		96,743	97,753
<b>Non-current liabilities:</b>			
Long-term loans payable		3,366	3,360
Provision for directors' retirement benefits		78	79
Net defined benefit liability		5,274	4,915
Other		8,001	7,976
Total non-current liabilities		16,719	16,331
<b>Total liabilities</b>		<b>113,462</b>	<b>114,085</b>
<b>(Net assets)</b>			
<b>Shareholders' equity:</b>			
Capital stock		54,768	54,768
Capital surplus		163,199	163,199
Retained earnings		226,500	222,245
Treasury shares		(11,841)	(11,757)
Total shareholders' equity		432,626	428,455
<b>Accumulated other comprehensive income:</b>			
Valuation difference on available-for-sale securities		(552)	(316)
Deferred gains or losses on hedges		(114)	(97)
Revaluation reserve for land		(9,221)	(9,221)
Foreign currency translation adjustment		(4,847)	(1,942)
Remeasurements of defined benefit plans		(1,093)	(945)
Total accumulated other comprehensive income		(15,829)	(12,523)
<b>Subscription rights to shares</b>		<b>36</b>	<b>26</b>
<b>Non-controlling interests</b>		<b>3,137</b>	<b>3,055</b>
<b>Total net assets</b>		<b>419,970</b>	<b>419,013</b>
<b>Total liabilities and net assets</b>		<b>533,433</b>	<b>533,098</b>

## Consolidated Statements of Income

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

Item	Period	Three months ended June 30, 2016	Three months ended June 30, 2017
		Amount	Amount
Net sales		53,443	54,593
Cost of sales		28,871	30,090
Gross profit		24,572	24,502
Selling, general and administrative expenses:			
Sales commission		1,441	1,376
Packing and transportation expenses		1,832	1,795
Salaries and allowances		6,495	6,381
Other		12,167	12,556
Total selling, general and administrative expenses		21,937	22,111
Carryback of deferred profit on installment sales and finance lease sales		1,531	1,294
Deferred unrealized profit on installment sales and finance lease sales		501	697
Operating income		3,665	2,988
Non-operating income:			
Interest income		442	376
Dividend income		186	161
Gain on valuation of derivatives		570	—
Foreign exchange gains		—	330
Other		318	294
Total non-operating income		1,518	1,163
Non-operating expenses:			
Interest expenses		48	28
Foreign exchange losses		2,541	—
Loss on valuation of derivatives		—	136
Other		218	129
Total non-operating expenses		2,807	293
Ordinary income		2,376	3,858
Extraordinary income:			
Gain on sales of non-current assets		6	6
Gain on sales of investment securities		4	—
Total extraordinary income		10	6
Extraordinary losses:			
Loss on sales of non-current assets		15	2
Loss on retirement of non-current assets		13	11
Other		—	0
Total extraordinary losses		29	14
Income before income taxes		2,357	3,850
Income taxes - current		1,152	1,845
Income taxes - deferred		(315)	(387)
Total income taxes		836	1,457
Profit		1,521	2,393
Profit attributable to non-controlling interests		67	45
Profit attributable to owners of parent		1,453	2,347

## Statements of Comprehensive Income

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

Period	Three months ended June 30, 2016	Three months ended June 30, 2017
Item	Amount	Amount
Profit	1,521	2,393
Other comprehensive income		
Valuation difference on available-for-sale securities	(1,123)	235
Deferred gains or losses on hedges	(96)	16
Foreign currency translation adjustment	(19,380)	2,853
Remeasurements of defined benefit plans, net of tax	196	146
Share of other comprehensive income of entities accounted for using equity method	(66)	60
Total other comprehensive income	(20,470)	3,313
Comprehensive income	(18,949)	5,706
Comprehensive income attributable to:		
Comprehensive income attributable to owners of parent	(18,561)	5,654
Comprehensive income attributable to non-controlling interests	(388)	52

## 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, 2016 (from April 1, 2016 to June 30, 2016)

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 to the operating income presented in the Consolidated Statement of Income for the quarter under review.

### II. Three months ended June 30, 2017 (from April 1, 2017 to June 30, 2017)

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	44,629	9,641	54,271	321	54,593	—	54,593
(2) Intersegment sales or transfers	1	8	10	—	10	(10)	—
Total	44,631	9,649	54,281	321	54,603	(10)	54,593
Segment profit	1,646	1,242	2,888	99	2,988	—	2,988

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 to the operating income presented in the Consolidated Statement of Income for the quarter under review.

2. Matters regarding changes to reportable segments

(Change in inventory valuation method)

Domestic consolidated subsidiaries of the Company, which had mainly adopted the last purchase price method as the inventory valuation method for raw materials of machinery, changed the valuation method mainly to the first-in first-out method effective from the three months ended June 30, 2017.

This change is aimed at calculating periodic profit and loss more quickly and appropriately, taking advantage of the reconstruction of the accounting system.

Since the impact of this change is immaterial, the change has not been applied retroactively.

(Change in depreciation method for property, plant and equipment)

The Company, its domestic consolidated subsidiaries and some overseas consolidated subsidiaries changed the method of depreciation for property, plant and equipment (excluding leased assets) to the straight line method from the three months ended June 30, 2017, although the declining balance method had been previously used (however, the straight line method had been used for buildings (excluding facilities attached to buildings) acquired on or after April 1, 1998 and facilities attached to buildings and structures acquired on or after April 1, 2016 by the Company and its domestic consolidated subsidiaries).

This change was made after the depreciation method for property, plant and equipment had been reviewed again, with the investment plan under the Medium Term Management Plan as an opportunity. As a result of the review, stable operation over a long period is expected mainly based on the actual conditions of demand for products of the Company. Accordingly, the Company judged that adoption of the straight line method as the depreciation method for property, plant and equipment is reasonable from the viewpoint of cost allocation and better reflects the actual economic conditions, and thus it made the change.

As a result of this change, segment profit of the three months ended June 30, 2017 increased by ¥141 million in “Metalworking Machinery” and ¥20 million in “Metal Machine Tools” compared with figures calculated based on the previous method.



## Supplementary Information

### Status of Orders Received and Sales (Consolidated)

#### 1. Orders Received

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

Divisions	Period	Three months ended June 30, 2016				Three months ended June 30, 2017			
		Orders received		Balance of outstanding orders		Orders received		Balance of outstanding orders	
		Amount	Ratio	Amount	Ratio	Amount	Ratio	Amount	Ratio
			%		%		%		%
Sheet-Metal Processing Machines Division		38,558	67.8	39,359	76.4	47,506	69.8	45,165	77.2
Welding Division		6,177	10.8	4,560	8.9	7,739	11.4	5,915	10.1
Bandsaws Division		7,905	13.9	3,425	6.6	7,960	11.7	3,415	5.8
Presses Division		2,243	4.0	2,365	4.6	2,716	4.0	2,386	4.1
Machine Tools Division		1,716	3.0	1,795	3.5	1,785	2.6	1,638	2.8
Others		300	0.5	2	0.0	317	0.5	—	—
Total		56,902	100.0	51,507	100.0	68,025	100.0	58,522	100.0

#### 2. Sales Results

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

Divisions	Period	Three months ended June 30, 2016		Three months ended June 30, 2017	
		Amount	Ratio	Amount	Ratio
			%		%
Sheet-Metal Processing Machines Division		37,187	69.6	38,530	70.5
Welding Division		5,433	10.1	6,099	11.2
Bandsaws Division		7,272	13.6	6,818	12.5
Presses Division		1,747	3.3	1,704	3.1
Machine Tools Division		1,497	2.8	1,118	2.1
Others		305	0.6	321	0.6
Total		53,443	100.0	54,593	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, 2016		Three months ended June 30, 2017		Percentage change
		Amount	Ratio	Amount	Ratio	
			%		%	%
Japan		19,383	36.3	19,444	35.6	0.3
Overseas		34,060	63.7	35,148	64.4	3.2
North America		10,825	20.3	11,338	20.8	4.7
Europe		12,059	22.6	11,801	21.6	(2.1)
Asia and other regions		11,175	20.8	12,008	22.0	7.5
Total		53,443	100.0	54,593	100.0	2.2

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