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April 24, 2025

To whom it may concern

Company name: Asahi Diamond Industrial Co., Ltd.
Representative: Kazuki Kataoka,
President and Representative Director
(Stock Exchange Code: 6140, Tokyo Prime Market)
Contact: Hitoshi Kusakabe, Executive Officer,
Administration Division Director
(Tel: +81-3-3222-6311)

Notice of Establishment of Joint Venture Company

We (hereinafter referred to as “Asahi Diamond”) hereby announce that our Board of Directors has resolved at a meeting held today to establish a joint venture company with Tokyo Seimitsu Co., Ltd. to develop, manufacture and sell hub blades, one of the dicing blades used for dicing machines.

1. Reasons for establishing the joint venture

Dicing blades used in dicing machines are classified into several types depending on their applications and materials, of which the largest market is for hub blades, which are mainly used for cutting silicon wafers. In order to provide customers with hub blades that meet their needs quickly, two companies decided to establish a joint venture to develop, manufacture, and sell hub blades.

2. Overview of the joint venture

| | |
|--------------------------------------|--|
| (1) Name | TBD |
| (2) Location | TBD |
| (3) Title and name of representative | TBD |
| (4) Description of business | Development, manufacturing, sales and repair of hub blades |
| (5) Capital Contribution | Our investment: 500 million yen |
| (6) Date of establishment | May 2025 (planned) |
| (7) Investment Ratio | TBD |

The name, the Location, the Title and name of representative, and the Investment ratio have yet to be decided. They will be announced promptly once they have been decided.

3. Outlook for the joint venture's business performance

The outlook for the joint venture's business performance has not yet been determined, but if any matters that need to be disclosed arise in the future, we will make a prompt announcement.

4. Overview of the counterparty

| | | | | |
|-----|--|---|-----------------------------------|--------------------|
| (1) | Name | Tokyo Seimitsu Co., Ltd. | | |
| (2) | Location | 2968-2, Ishikawa-machi, Hachioji-shi, Tokyo, Japan | | |
| (3) | Title and name of representative | Ryuichi Kimura, President and COO | | |
| (4) | Description of business | Sales and manufacture of semiconductor production equipment and measuring instruments | | |
| (5) | Share capital | 11,450 million yen (as of March 31, 2024) | | |
| (6) | Date of establishment | March 28, 1949 | | |
| (7) | Major shareholders and ownership ratios (as of March 31, 2024) | The Master Trust Bank of Japan, Ltd. Trust account | 16.85% | |
| | | Custody Bank of Japan, Ltd. (Trust account) | 8.46% | |
| | | SSBTC Client Omnibus Account | 6.48% | |
| (8) | Relationship between the Company and said company (as of March 31, 2024) | Capital Relationship | The Company holds 135,000 shares. | |
| | | Personnel Relationship | Not applicable | |
| | | Business Relationship | We sell our products. | |
| | | Related party relationship | Not applicable | |
| (9) | Consolidated operating results and consolidated financial positions of said company for the last three years | | | |
| | As of / Fiscal year ended | March 31, 2022 | March 31, 2023 | March 31, 2024 |
| | Consolidated net assets | 131,081million yen | 146,028million yen | 158,427million yen |
| | Consolidated Total assets | 190,287million yen | 209,032million yen | 225,524million yen |
| | Consolidated net assets per share | 3,187.39yen | 3,573.81yen | 3,875.32yen |
| | Consolidated net sales | 130,702million yen | 146,801million yen | 134,680million yen |
| | Consolidated operating profit | 28,327million yen | 34,494million yen | 25,307million yen |
| | Consolidated ordinary profit | 29,160million yen | 35,297million yen | 26,453million yen |
| | Profit attributable to owners of parent | 21,326million yen | 23,630million yen | 19,378million yen |
| | Consolidated earnings per share | 522.52yen | 581.33yen | 480.49yen |
| | Dividend per share | 185yen | 235yen | 192yen |

5. Schedule

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|---|----------------|
| (1) Date of Board of Directors Resolution | April 24, 2025 |
| (2) Contract signing date | March 31, 2025 |
| (3) Business start date | TBD |

6. Future outlook

At this time, we do not expect the establishment of this joint venture to have a significant impact on our business performance. If any matter that should be announced arises, we will promptly announce it.

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