

Fiscal Year ending March 2025

Financial Results Briefing

May 26, 2025

Note : This document has been translated from the Japanese original for reference purposes only. In the event of any discrepancy between this translated document and the Japanese original, the original shall prevail.



Asahi Diamond Industrial Co., Ltd.

01

FY2024 Financial Results

02

FY2025 Forecasts

03

Mid-Term Management Plan Progress

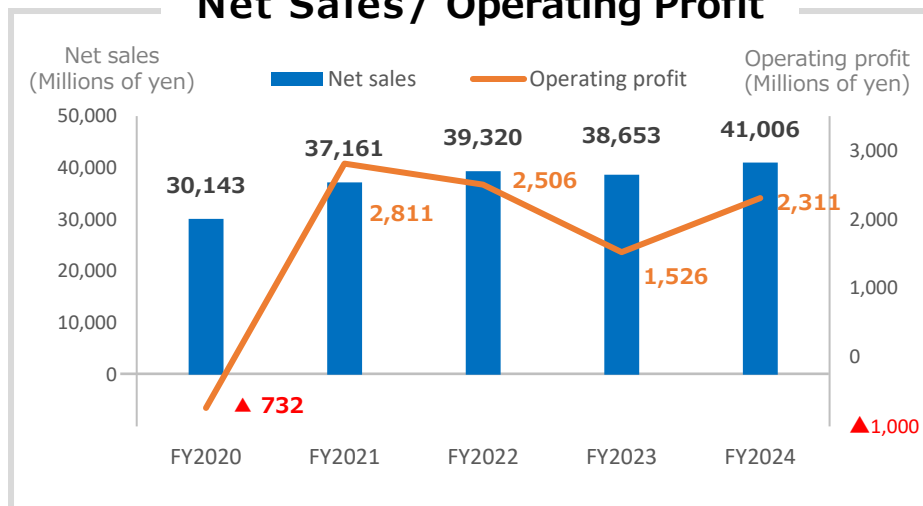
Financial Results (Consolidated)

Profits increased significantly compared to the previous fiscal year due to increased sales and improved profitability.

Unit: Millions of yen

| | FY2023 | | FY2024 | | | |
|---|--------|-------|--------|-------|------------|----------------|
| | Result | % | Result | % | YoY Change | YoY Change (%) |
| Net sales | 38,653 | 100.0 | 41,006 | 100.0 | 2,352 | 6.1 |
| Operating profit | 1,526 | 4.0 | 2,311 | 5.6 | 784 | 51.4 |
| Ordinary profit | 2,408 | 6.2 | 3,070 | 7.5 | 662 | 27.5 |
| Profit attributable to owners of parent | 2,109 | 5.5 | 2,493 | 6.1 | 383 | 18.2 |
| Earning per Share (Yen) | 40.57 | - | 48.36 | - | 7.79 | - |

Net Sales / Operating Profit



Operating Profit (YoY Change)

Increase Factors

- Increase in sales 1.6 billion yen
- Decrease in retirement benefit costs 0.3 billion yen

Decrease Factors

- Increase in personnel costs 0.7 billion yen
- Increase in depreciation costs 0.3 billion yen
- Increase in variable cost rate 0.2 billion yen

Quarterly Results and Trends (Consolidated)

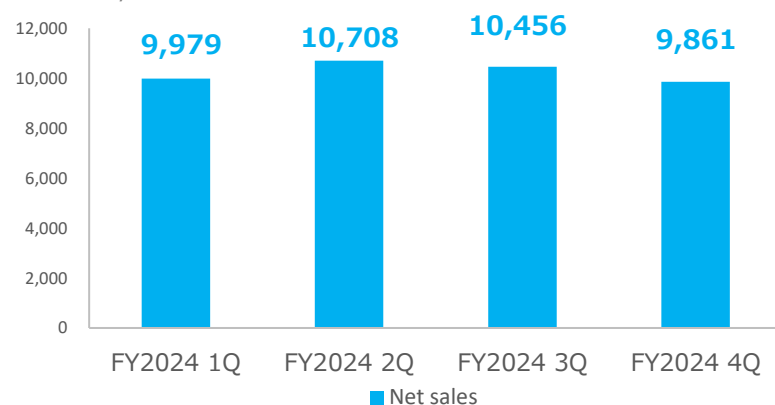
In addition to the decline in sales, profit margins declined in the 4Q due to increased depreciation and other expenses.

Unit: Millions of yen

| | FY2024 | | | | | | | |
|---|--------|-------|--------|-------|--------|-------|--------|-------|
| | 1Q | | 2Q | | 3Q | | 4Q | |
| | Result | % | Result | % | Result | % | Result | % |
| Net sales | 9,979 | 100.0 | 10,708 | 100.0 | 10,456 | 100.0 | 9,861 | 100.0 |
| Operating profit | 547 | 5.5 | 752 | 7.0 | 809 | 7.7 | 202 | 2.1 |
| Ordinary profit | 939 | 9.4 | 689 | 6.4 | 995 | 9.5 | 445 | 4.5 |
| Profit Attributable to Owners of Parent | 802 | 8.0 | 326 | 3.1 | 1,029 | 9.8 | 334 | 3.4 |

Net Sales (Quarter)

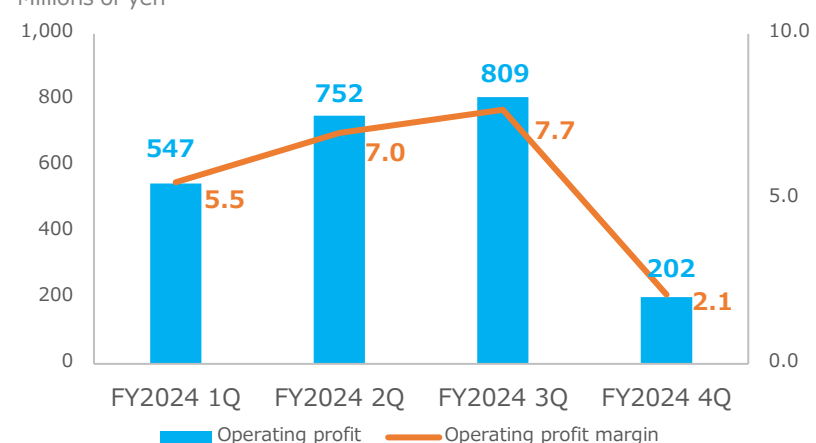
Unit:
Millions of yen



Operating Profit (Quarter)

Unit:
Millions of yen

Unit: %



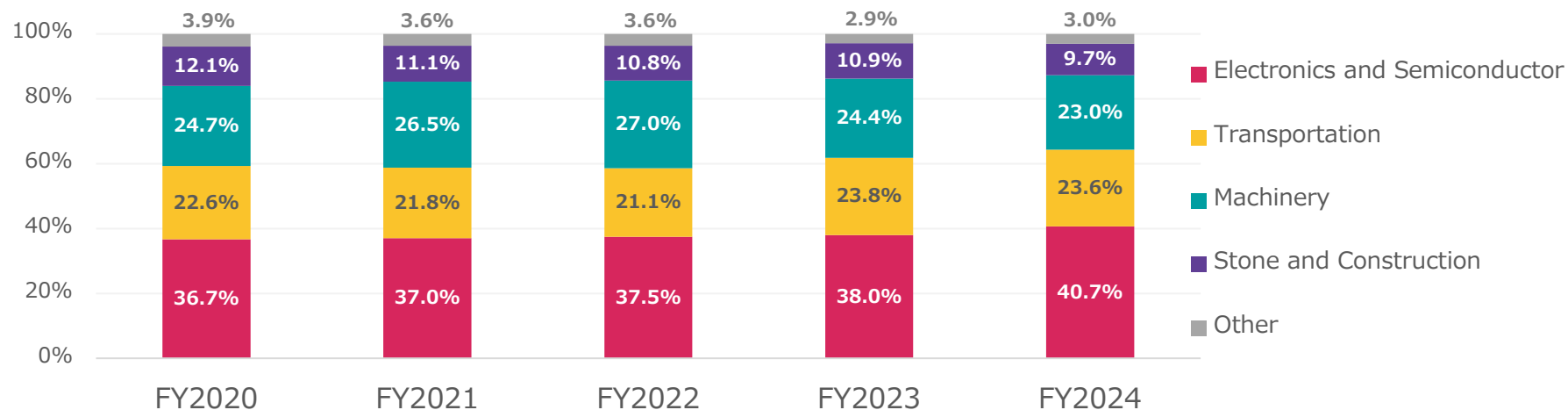
Net Sales and Composition by Industry (Consolidated)

The proportion of the electronics and semiconductor industry, which is a focus of our efforts, is increasing

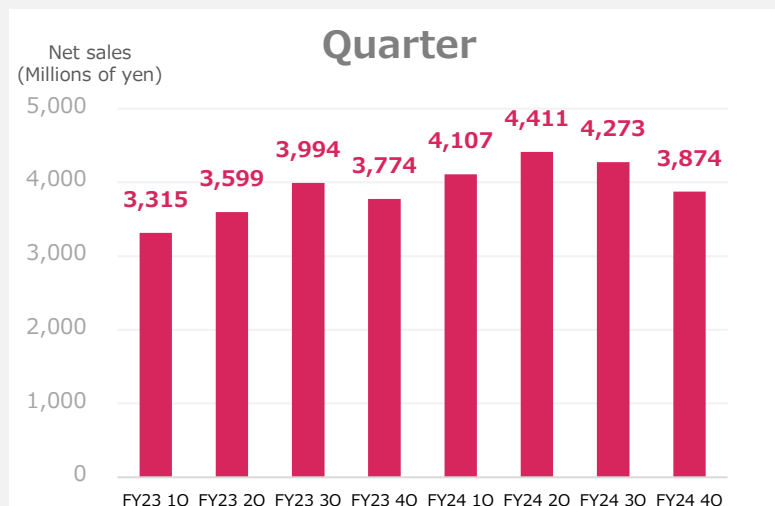
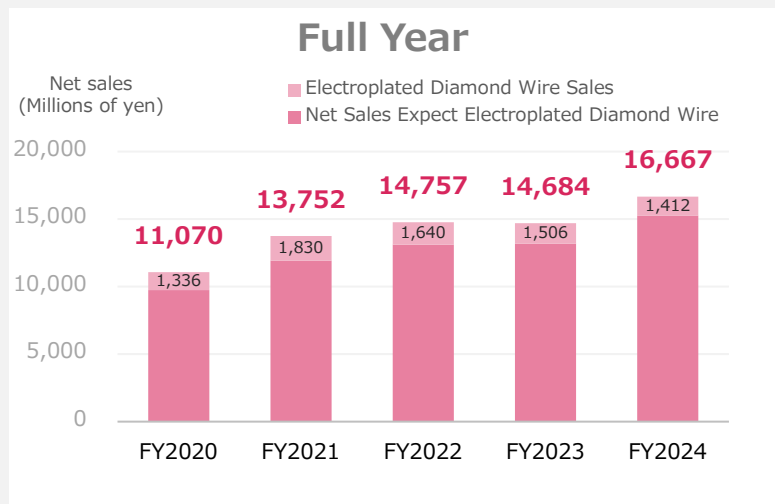
Unit: Millions of yen

| | FY2023 | | FY2024 | | | |
|---------------------------------|---------------|--------------|---------------|--------------|--------------|----------------|
| | Net sales | % | Net sales | % | YoY Change | YoY Change (%) |
| ■ Electronics and Semiconductor | 14,684 | 38.0 | 16,667 | 40.7 | 1,982 | 13.5 |
| ■ Transportation | 9,204 | 23.8 | 9,692 | 23.6 | 488 | 5.3 |
| ■ Machinery | 9,434 | 24.4 | 9,430 | 23.0 | ▲4 | ▲0.0 |
| ■ Stone and Construction | 4,218 | 10.9 | 3,975 | 9.7 | ▲242 | ▲5.8 |
| ■ Other | 1,111 | 2.9 | 1,240 | 3.0 | 128 | 11.6 |
| Total | 38,653 | 100.0 | 41,006 | 100.0 | 2,352 | 6.1 |

Composition Ratio



Net Sales Breakdown by Industry : 1.Electronics and Semiconductor (Includes Electroplated Diamond Wire)



Semiconductor and Electronic Component

Although sales of SiC semiconductors decreased, sales increased due to increased demand for advanced semiconductors.

FPD (Flat Panel Displays)

Sales increased as the recovery trend continued from the previous fiscal year.

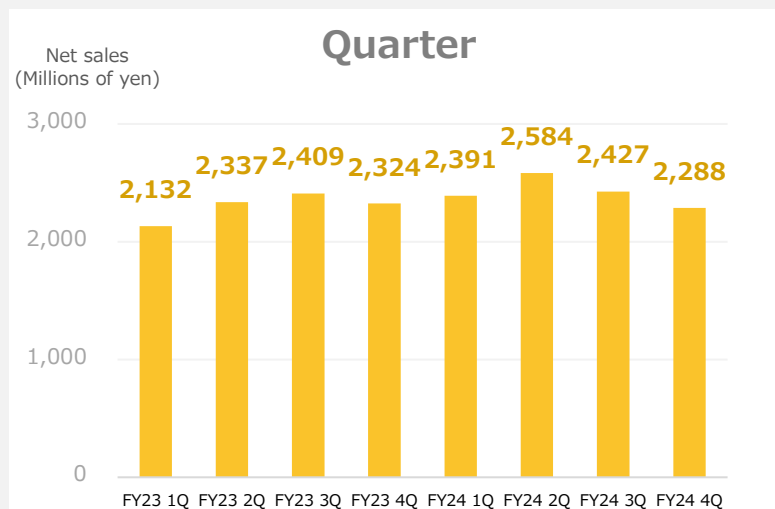
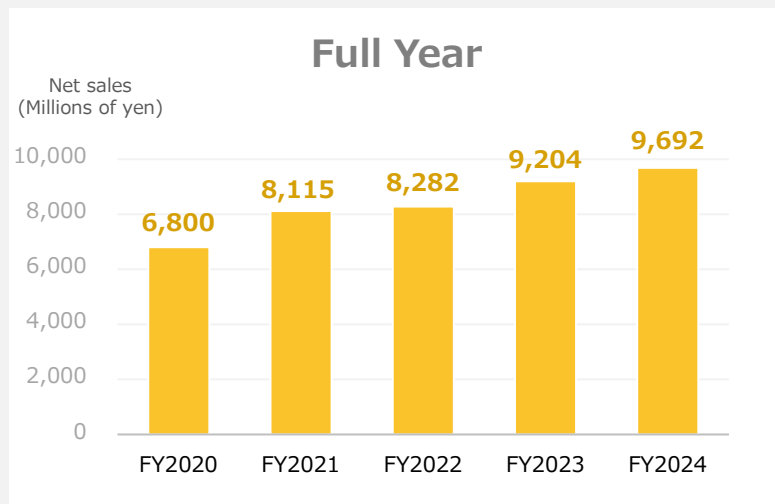
Wire Drawing Die

Sales increased as the recovery trend continued from the previous fiscal year.

Electrodeposited Diamond Wire

Sales for silicon increased, but overall sales decreased

Net Sales Breakdown by Industry : 2. Transportation



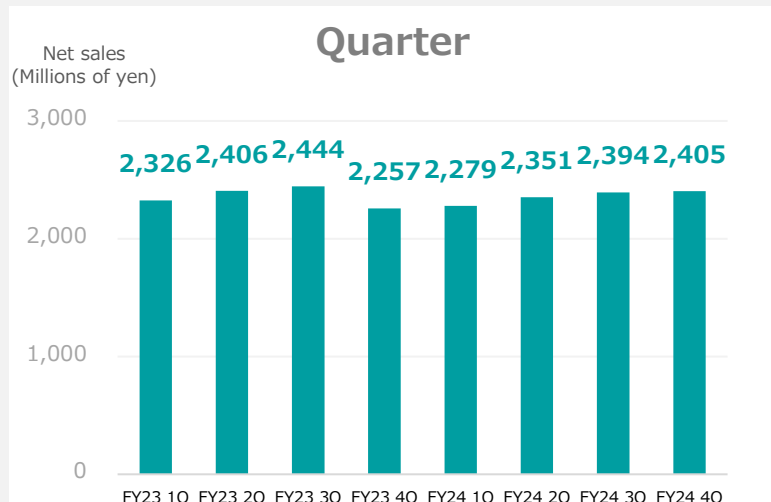
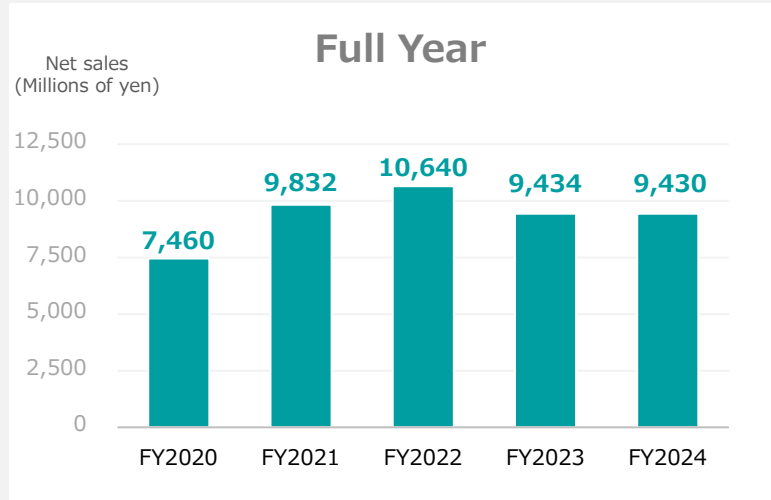
Automobile

Demand increases in India and Central America, and sales increase mainly for commercial vehicles

Aircraft

Sales increase due to recovery in demand

Net Sales Breakdown by Industry : 3. Machinery



Bearing, Cemented Carbide Tool

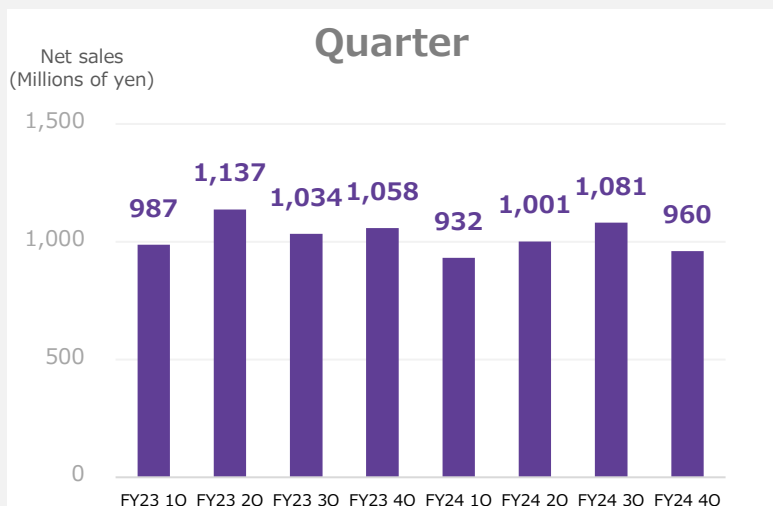
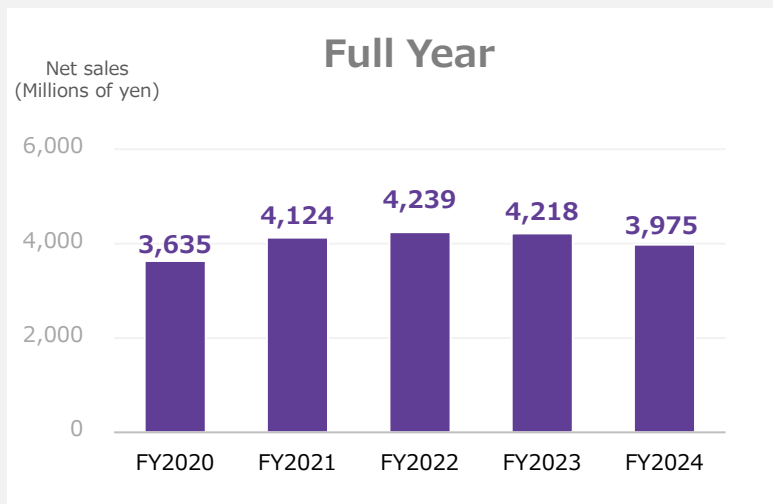
Sales of both bearings and carbide tools are recovering and increasing

Machine Tool

Sales decline due to sluggish demand for machine tools.

However, sales to the ceramics industry for semiconductor equipment increased

Net Sales Breakdown by Industry : 4. Stone and Construction



Resource Exploration

Overseas orders decline, sales fall.

Construction in Japan

Public works were strong, but sales declined due to a decline in private works and demolition work.

Commercial Product (Portable Cutter)

Sales were at the same level as the previous fiscal year.

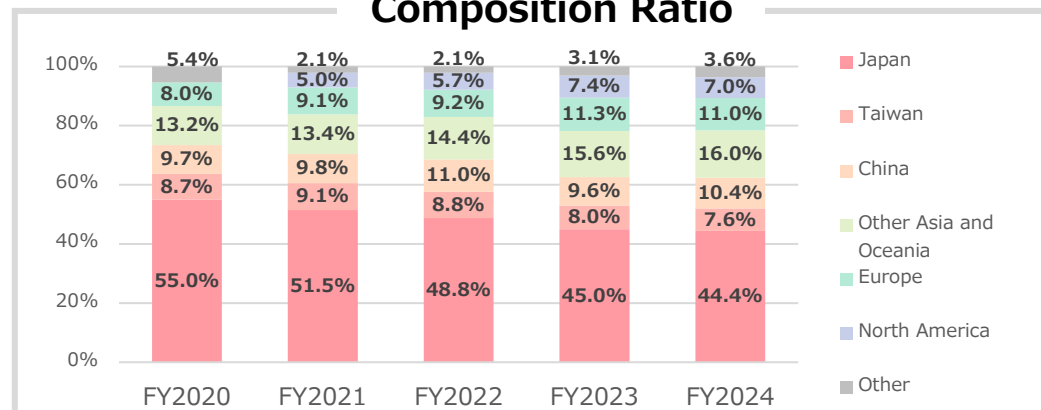
Net Sales Breakdown by Geographical Region (Consolidated)

Sales increased year-on-year in all regions except North America, with particularly strong growth in other Latin America and China

Unit: Millions of yen

| | FY2023 | | FY2024 | | | |
|------------------------|-----------|-------|-----------|-------|------------|----------------|
| | Net Sales | % | Net Sales | % | YoY Change | YoY Change (%) |
| Japan | 17,387 | 45.0 | 18,217 | 44.4 | 830 | 4.8 |
| Taiwan | 3,080 | 8.0 | 3,111 | 7.6 | 30 | 1.0 |
| China | 3,704 | 9.6 | 4,275 | 10.4 | 571 | 15.4 |
| Other Asia and Oceania | 6,041 | 15.6 | 6,535 | 16.0 | 493 | 8.2 |
| Europe | 4,366 | 11.3 | 4,514 | 11.0 | 147 | 3.4 |
| North America | 2,885 | 7.4 | 2,869 | 7.0 | ▲16 | ▲0.6 |
| Other | 1,187 | 3.1 | 1,482 | 3.6 | 295 | 24.9 |
| Overseas total | 21,266 | 55.0 | 22,789 | 55.6 | 1,522 | 7.2 |
| Total | 38,653 | 100.0 | 41,006 | 100.0 | 2,353 | 6.1 |

Composition Ratio



Japan

Increase in 'Electronics and Semiconductors' and 'Machinery'

China

Increase in 'Electronics and Semiconductors'

Other Asia and Oceania

Increase in 'Transportation' in India

North America

'Electronics and semiconductors' and 'Transportation' increased, while 'machinery' decreased

Other

Increase in 'Transportation' in Central America, etc.

Consolidated Balance Sheet

Sales of investment securities and long-term borrowings led to an increase in cash and deposits, while capital investments led to an increase in tangible fixed assets.

Unit: Millions of yen

| Assets | Fiscal Year ending March 2024 | Fiscal Year ending March 2025 | Change | Liabilities | Fiscal Year ending March 2024 | Fiscal Year ending March 2025 | Change |
|---------------------------------------|--|--|--------------|---|--|--|--------------|
| Cash and deposits | 12,780 | 14,752 | 1,972 | Notes and accounts payable - trade | 1,424 | 1,658 | 234 |
| Notes and accounts receivable - trade | 10,387 | 10,038 | ▲348 | Long-term borrowings | 0 | 2,000 | 2,000 |
| Inventories | 8,185 | 8,759 | 573 | Retirement benefit liability | 2,745 | 3,188 | 443 |
| Property, plant and equipment | 26,655 | 28,845 | 2,189 | Other | 5,739 | 5,924 | 185 |
| Intangible assets | 351 | 408 | 57 | Total Liabilities | 9,908 | 12,772 | 2,863 |
| Investment securities | 13,164 | 10,778 | ▲2,386 | Net Assets | Fiscal Year ending March 2024 | Fiscal Year ending March 2025 | Change |
| Other | 2,376 | 2,767 | 391 | Total net assets | 63,993 | 63,579 | ▲414 |
| Total Assets | 73,901 | 76,351 | 2,449 | Total Liabilities and Net Assets | 73,901 | 76,351 | 2,449 |

Consolidated Statements of Cash Flows

Although tangible fixed assets increased due to capital investment, cash increased due to increases in long-term borrowings and net income.

| | FY2023 | FY2024 | Unit: Millions of yen Change |
|--|---------------|---------------|---------------------------------|
| Profit (loss) before income taxes | 3,106 | 3,799 | 693 |
| Depreciation | 2,969 | 3,328 | 359 |
| Increase (decrease) in retirement benefit liability | ▲436 | ▲347 | 89 |
| Decrease (increase) in trade receivables | 52 | 549 | 496 |
| Decrease (increase) in inventories | ▲684 | ▲397 | 286 |
| Income taxes paid | ▲929 | ▲932 | ▲2 |
| Other | ▲1,238 | ▲234 | 1,004 ※ |
| Net cash provided by (used in) operating activities | 2,839 | 5,765 | 2,925 |
| Purchase or sale of property, plant and equipment | ▲4,246 | ▲4,991 | ▲745 |
| Purchase or sale of investment securities | 1,041 | 1,183 | 142 |
| Other | ▲299 | ▲12 | 287 |
| Net cash provided by (used in) investing activities | ▲3,505 | ▲3,820 | ▲315 |
| Proceeds from long-term borrowings | 0 | 2,000 | 2,000 |
| Purchase or sale of treasury shares | ▲1,726 | ▲175 | 1,551 |
| Dividends paid | ▲1,581 | ▲1,553 | 28 |
| Other | 187 | ▲484 | ▲671 |
| Net cash provided by (used in) financing activities | ▲3,121 | ▲212 | 2,908 |
| Cash and cash equivalents at end of period | 12,818 | 14,810 | 1,991 |

-12- ※Mainly due to an increase in outstanding payments for new factory in Europe

01 | FY2024 Financial Results

02 | FY2025 Forecasts

03 | Mid-Term Management Plan Progress

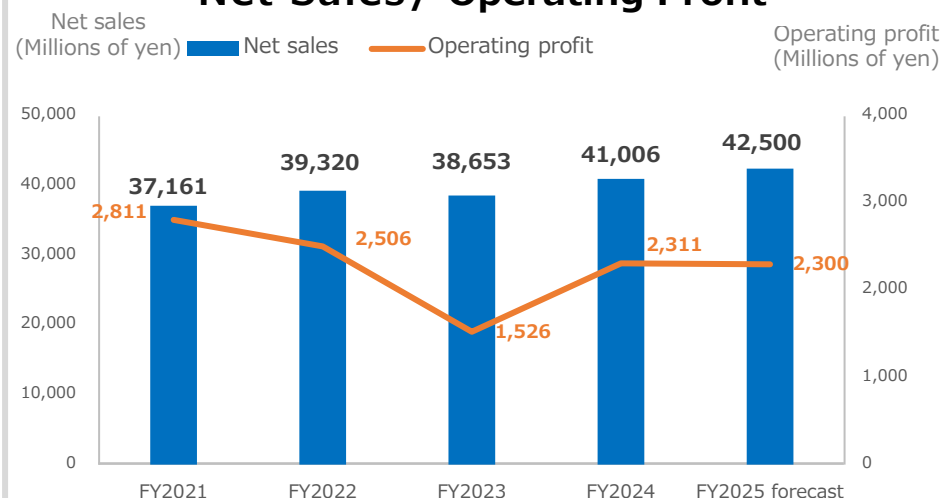
Outline of Forecasts (Consolidated)

In an uncertain market environment, the fiscal year ending March 2026 will be the year for our next leap forward

Unit: Millions of yen

| | FY2024 First Half Results | % | FY2025 First Half Forecasts | % | YoY Change | YoY Change (%) | FY2024 Full-year results | % | FY2025 Full-year forecast | % | YoY Change | YoY Change (%) |
|---|---------------------------------|-------|-----------------------------------|-------|---------------|----------------------|--------------------------------|-------|---------------------------------|-------|---------------|----------------------|
| Net sales | 20,688 | 100.0 | 20,100 | 100.0 | ▲588 | ▲2.8 | 41,006 | 100.0 | 42,500 | 100.0 | 1,493 | 3.6 |
| Operating profit | 1,299 | 6.3 | 600 | 3.0 | ▲699 | ▲53.8 | 2,311 | 5.6 | 2,300 | 5.4 | ▲11 | ▲0.5 |
| Ordinary profit | 1,628 | 7.9 | 800 | 4.0 | ▲828 | ▲50.9 | 3,070 | 7.5 | 2,600 | 6.1 | ▲470 | ▲15.3 |
| Profit attributable to owners of parent | 1,129 | 5.5 | 400 | 2.0 | ▲729 | ▲64.6 | 2,493 | 6.1 | 2,200 | 5.2 | ▲293 | ▲11.8 |
| Exchange rate | JPY/USD | | | | | | 151.6 | - | 149.0 | | | |
| | JPY/EUR | | | | | | 163.8 | - | 162.0 | | | |
| | JPY/CNY | | | | | | 21.04 | - | 20.00 | | | |

Net Sales/ Operating Profit



Operating Profit (YoY Change)

Increase Factors

- Increase in sales 1 billion yen
- Decrease in variable cost ratio 0.5 billion yen

Decrease Factors

- Increase in retirement benefit costs 0.8 billion yen
- Increase in personnel costs 0.2 billion yen
- Increase in depreciation costs 0.2 billion yen
- Other 0.3 billion yen

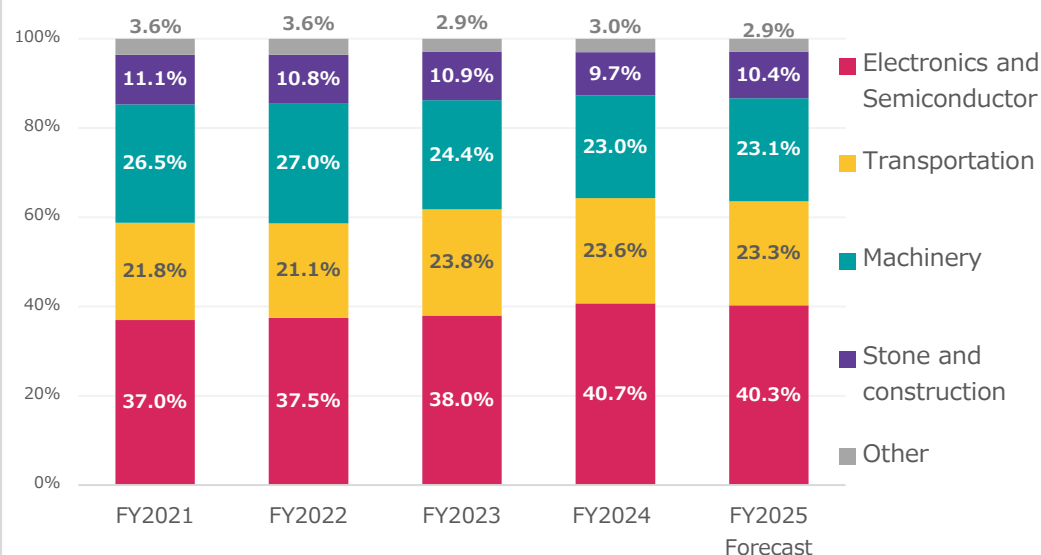
Forecasts for Net Sales and Composition by Industry (Consolidated)

We expect growth in the second half, particularly in the electronics and semiconductor sectors, and anticipate increased revenue across all industries for the full year.

Unit: Millions of yen

| | FY2024 First Half Results | % | FY2025 First Half Forecast | % | YoY Change | YoY Change % | FY2024 Full-year results | % | FY2025 Full-year forecast | % | YoY Change | YoY Change % |
|--------------------------------------|---------------------------------|-------|----------------------------------|-------|---------------|--------------------|--------------------------------|-------|---------------------------------|-------|---------------|--------------------|
| Electronics and Semiconductor | 8,519 | 41.2 | 7,950 | 39.6 | ▲569 | ▲6.7 | 16,667 | 40.7 | 17,150 | 40.3 | 482 | 2.9 |
| Transportation | 4,975 | 24.1 | 4,800 | 23.9 | ▲175 | ▲3.5 | 9,692 | 23.6 | 9,900 | 23.3 | 207 | 2.1 |
| Machinery | 4,631 | 22.4 | 4,600 | 22.9 | ▲31 | ▲0.7 | 9,430 | 23.0 | 9,800 | 23.1 | 369 | 3.9 |
| Stone and Construction | 1,934 | 9.3 | 2,100 | 10.4 | 165 | 8.6 | 3,975 | 9.7 | 4,400 | 10.4 | 424 | 10.7 |
| Other | 627 | 3.0 | 650 | 3.2 | 22 | 3.5 | 1,240 | 3.0 | 1,250 | 2.9 | 9 | 0.7 |
| Total | 20,688 | 100.0 | 20,100 | 100.0 | ▲588 | ▲2.8 | 41,006 | 100.0 | 42,500 | 100.0 | 1,494 | 3.6 |

Composition Ratio



Electronics and Semiconductor

Sales expected to increase mainly for Si semiconductors.

Transportation

Sales expected to increase, mainly in the automotive industry.

Machinery

Sales are expected to increase, mainly in the bearing Cemented Carbide tool industries.

Stone and construction

Sales expected to increase, mainly in the construction industry.

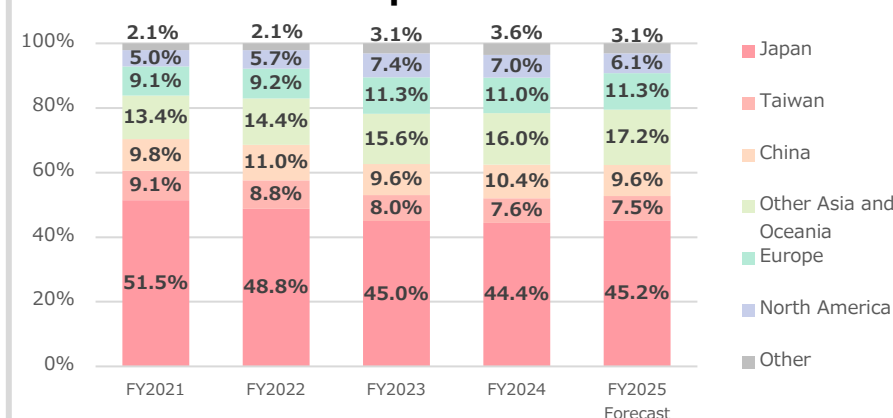
Forecasts for Net Sales and Composition by Geographical Region (Consolidated)

Expecting increased revenue in Japan, Taiwan, other Asian and Oceanian countries, and Europe

Unit: Millions of yen

| | FY2024 First Half Results | % | FY2025 First Half Forecast | % | YoY Change | YoY Change (%) | FY2024 Full-Year Results | % | FY2025 Full-Year Forecast | % | YoY Change | YoY Change (%) |
|------------------------|---------------------------------|-------|----------------------------------|-------|---------------|----------------------|--------------------------------|-------|---------------------------------|-------|---------------|----------------------|
| Japan | 9,037 | 43.7 | 9,200 | 45.8 | 162 | 1.8 | 18,217 | 44.4 | 19,200 | 45.2 | 982 | 5.4 |
| Taiwan | 1,627 | 7.9 | 1,500 | 7.5 | ▲127 | ▲7.8 | 3,111 | 7.6 | 3,200 | 7.5 | 88 | 2.8 |
| China | 2,070 | 10.0 | 1,800 | 8.9 | ▲270 | ▲13.1 | 4,275 | 10.4 | 4,100 | 9.6 | ▲175 | ▲4.1 |
| Other Asia and Oceania | 3,243 | 15.7 | 3,500 | 17.4 | 256 | 7.9 | 6,535 | 16.0 | 7,300 | 17.2 | 764 | 11.7 |
| Europe | 2,483 | 12.0 | 2,500 | 12.4 | 16 | 0.7 | 4,514 | 11.0 | 4,800 | 11.3 | 285 | 6.3 |
| North America | 1,449 | 7.0 | 1,000 | 5.0 | ▲449 | ▲31.0 | 2,869 | 7.0 | 2,600 | 6.1 | ▲269 | ▲9.4 |
| Other | 776 | 3.7 | 600 | 3.0 | ▲176 | ▲22.7 | 1,482 | 3.6 | 1,300 | 3.1 | ▲182 | ▲12.3 |
| Overseas Total | 11,651 | 56.3 | 10,900 | 54.2 | ▲751 | ▲6.4 | 22,789 | 55.6 | 23,300 | 54.8 | 510 | 2.2 |
| Total | 20,688 | 100.0 | 20,100 | 100.0 | ▲588 | ▲2.8 | 41,006 | 100.0 | 42,500 | 100.0 | 1,493 | 3.6 |

Composition Ratio

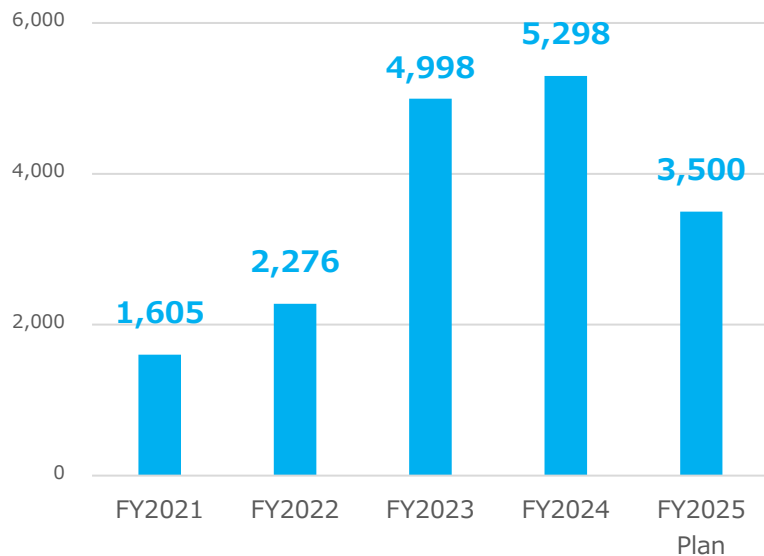


- Japan**
Increase expected mainly in "electronics and semiconductor" and "machinery"
- China**
A decrease is expected in the demand for 'electronics and semiconductors'.
- Other Asia and Oceania**
Resource exploration in Indonesia, with an expected increase in 'electronics and semiconductors' in Asia.
- Europe**
Increase expected mainly in "electronics and semiconductor"
- North America**
A decrease is expected in the demand for 'electronics and semiconductors'.
- Others**
A decrease is expected in the demand for 'transport equipment' in Central America and other regions.

Capital Expenditures 「Results and Plan」

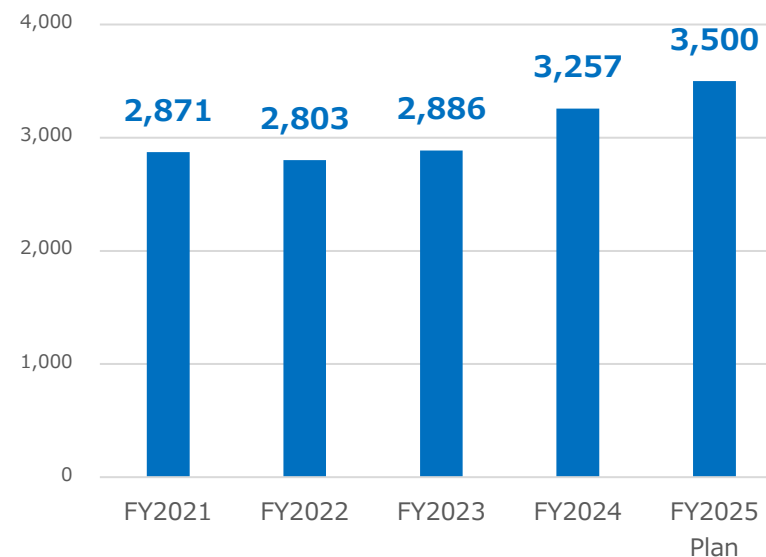
Capital Expenditure

(Millions of yen)



Depreciation

(Millions of yen)



Investment Amount in Plant and Equipment

In FY2023 and FY2024, production is expected to increase due to the expansion of production capacity and reorganization of production systems for electronic and semiconductor tools.

In FY2025, there are no major investment plans, and production is expected to decrease.

01 | FY2024 Financial Results

02 | FY2025 Forecasts

03 | **Mid-Term Management Plan Progress**

What Lies Beyond the Mid-Term Management Plan 2025

▼ Our goal for "VISION2030" ▼

**Top global niche manufacturer
supporting the world through innovation**

Three elements to achieve

**Strengthening
of
brand power**

**Sales expansion through
market penetration**

**Focus on growth
sectors/areas of
expertise**

**Effective use of
management resources**

**Proactive
Product
Development**

**Stay one step ahead
of customer needs**

Three Key Measures for Business Growth

1

Semiconductor

2

**Management
Foundation**

3

**Optimize
Resources**

Focus on Semiconductor Segment

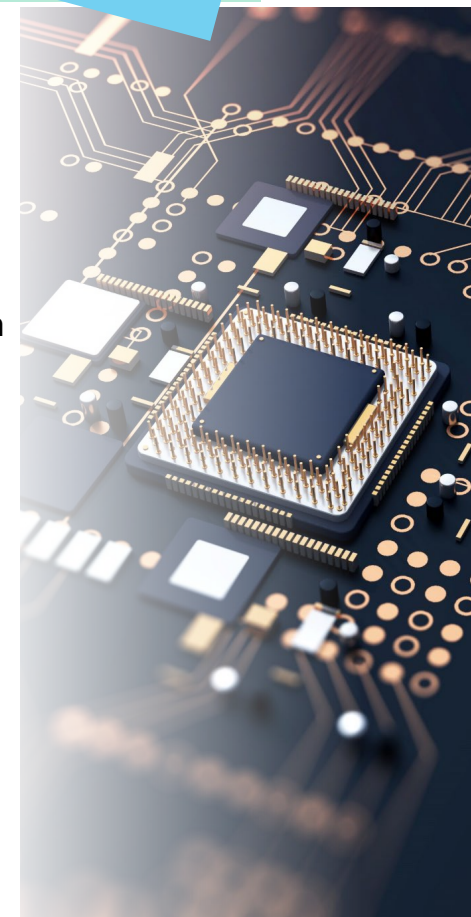
Aim for high profitability and become industry-leading by focusing management resources on electronics & semiconductor segment

▶ Development and Manufacturing

- Development of tools for SiC power semiconductors which there are in growing demand and contribute to decarbonization
- Establishment of a system to increase production through factory reorganization and installation of manufacturing equipment
- Improvement of production efficiency and cost ratio

▶ Sales

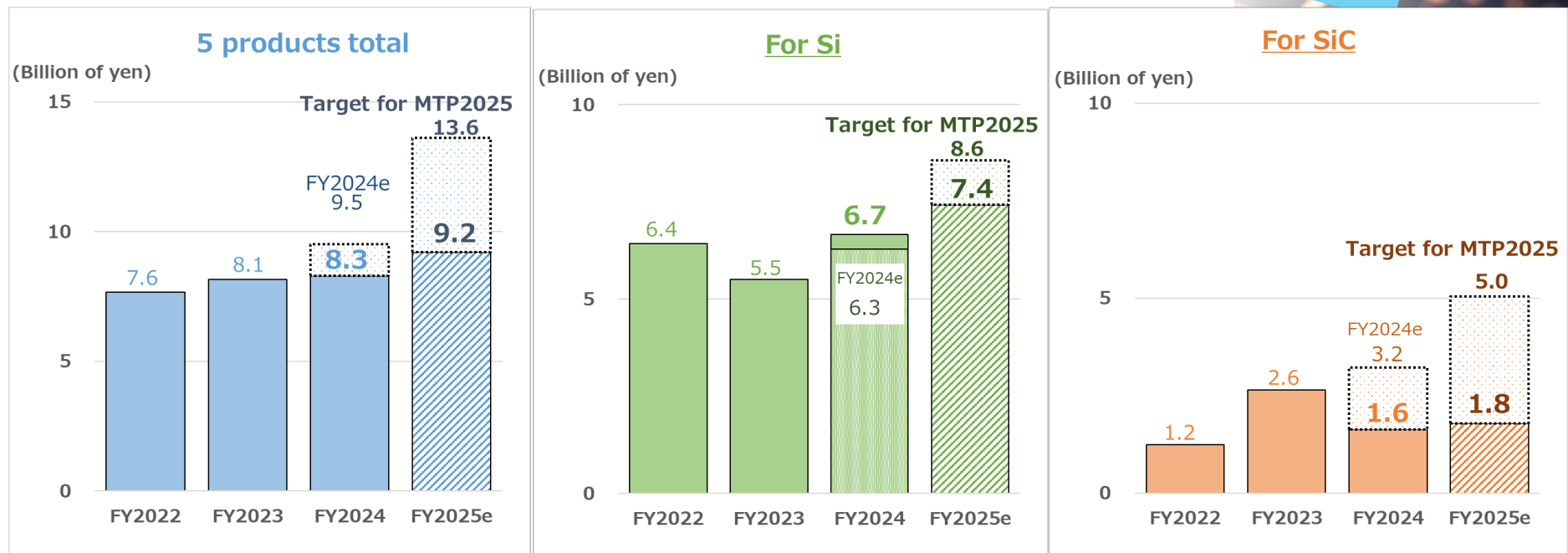
- Focus on expanding sales of high-margin products
- Utilization of trade shows



Progress on Priority Themes of Mid-Term Management Plan 2025

Focus on semiconductor segment

► Sales Growth Rate of 5 Focused Products



5 Focused Products

Electroplated Diamond Wire, Edge Grinding Wheels, Surface Grinding Wheels, CMP Conditioners, Dicing Blades

Management Infrastructure Enhancement



- ▶ **IT System: Visualization of management figures and streamlining of operations**
 - Revamp of core system 《to be operational from FY2027》
 - Utilization of SFA (Sales Force Automation)
- ▶ **Global governance: Realization of management in line with mid- and long-term group management policies**
 - Optimization of organization and human resource allocation based on business plans of overseas subsidiaries
- ▶ **Branding: Aim to establish a high-quality, reliable Asahi brand image**
 - Corporate website renewal 《in April 2024》
 - Building brand identity
- ▶ **Human resource development: Create a rewarding workplace**
 - Creating an environment conducive to growth based on individual characteristics
 - Conduct engagement surveys and multi-faced evaluation



Optimize Resources

Reorganize business domain and optimize internal and external resources

▶ Intra-group optimization

- Analysis of business domain and liquidation of unprofitable divisions
- Increased production capacity
(introduction of manufacturing equipment, optimisation of plant layout)

▶ Utilization of external resources

- Joint venture with Tokyo Seimitsu 'AA Diamond Technology Co., Ltd.'
- External Sourcing of Products
- Mutual product supply through business cooperation with Tyrolit



Target for FY2025

Revision of targets for the third year of the medium-term management plan due to changes in the market environment

| | FY2023 | FY2024 | FY2025e | Target for FY2025 |
|--|--------|--------|---------|-------------------|
| Consolidated net sales (Millions of yen) | 38,653 | 41,006 | 42,500 | 49,000 |
| Consolidated operating income (Millions of yen) | 1,526 | 2,311 | 2,300 | 4,900 |
| Consolidated operating income margin(%) | 4.0 | 5.6 | 5.4 | 10.0 |
| ROE (%) | 3.4 | 4.0 | 3.5 | More than 6.0 |
| PBR | 0.80 | 0.67 | — | More than 1.0 |

Capital Policy and Shareholder Returns

Applicable period: FY2023~FY2025

- Dividend payout ratio: 50% or more
- Total return ratio: 120% or more (3-year average)

ROE : More than 6% PBR : More than 1.0

Cash generated over 3 years

16 billion yen~

Net income
Depreciation
Sale of strategic holding shares

Streamlining of assets

**Investment for growth:
15 billion yen**

**Shareholder returns:
9 billion yen**

Results

| | FY2023 | FY2024 |
|-----------------------|-----------------|-----------------|
| Dividend payout ratio | 73.9% | 62.0% |
| Total return ratio | 156% | 70.1% |
| ROE | 3.4% | 4.0% |
| PBR | 0.80x | 0.67x |
| Capital Expenditure | 5 billion yen | 5.3 billion yen |
| Shareholder returns | 3.3 billion yen | 1.7 billion yen |



Stand Alone

We are at the vanguard of world change, and shall use our groundbreaking technology and global organizational strength to continue providing products and solutions that only we can make possible.

Eternal Growth

In order to make growth sustainable we establish ourselves as the most trustworthy choice for customers engaged in manufacturing across the globe.

Job Satisfaction

We strive to be an efficient company, by linking job satisfaction with individual growth while fostering character.

- This material contains forward-looking statements other than historical facts. These forecasts and plans are based on information currently available to us and certain assumptions that we believe to be reasonable. Actual results may differ materially from these forecasts due to a variety of factors.
- Effective from the year ended March 31, 2023, the Company has adopted the "Accounting Standard for Revenue Recognition" (ASBJ Statement No. 29). The impact on the consolidated financial statements is immaterial.



Asahi Diamond Industrial Co., Ltd.