

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.



April 16, 2026

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 Concerning Extraordinary Loss in Non-Consolidated Financial Results

Asahi Diamond Industrial Co., Ltd. (the “Company”) hereby announces that we expect to record an extraordinary loss in our non-consolidated financial results for the fiscal year ending March 2026. The details are described below.

1. Recognition of Extraordinary Loss

We plan to record an impairment loss (Note) for our European subsidiary during the current fiscal year, which will result in the subsidiary becoming insolvent. Consequently, in accordance with the “Accounting Standards for Financial Instruments,” we expect to record a loss on valuation of shares of 500 million yen and a provision for doubtful accounts of 1,700 million yen as extraordinary losses in our non-consolidated financial statements.

In addition, due to the transfer of manufacturing operations to an affiliated company and other factors, we expect to record an impairment loss of 120 million yen for machinery and equipment that is no longer expected to be used.

In the consolidated financial statements, the 500 million yen loss on valuation of stocks and the 1,700 million yen provision for doubtful accounts will be offset by the elimination of intercompany transactions and therefore will not be recorded.

2. Future Outlook

We will announce the financial results for the non-consolidated fiscal year ending March 2026 (April 1, 2025 - March 31, 2026) in our earnings release on May 15, 2026.

Note: Please refer to the “Notice Regarding Revision of Consolidated Earnings Forecasts and Recognition of Extraordinary Loss (Impairment Loss on Fixed Assets)” disclosed on April 16, 2026.

End