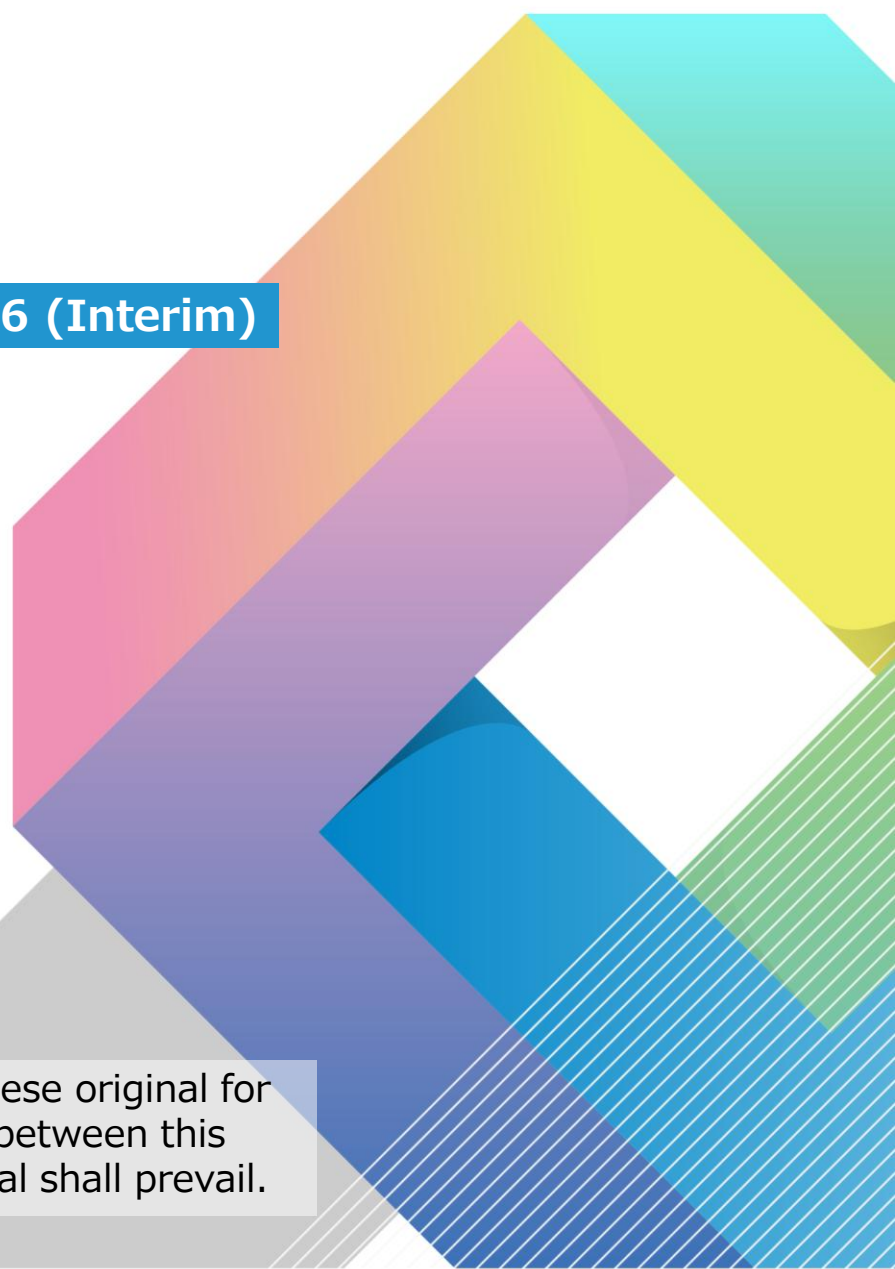




2nd quarter of the Fiscal Year ending March 2026 (Interim)

Financial Results Briefing

November 17, 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 | FY2025 2Q Financial Results

02 | FY2025 Forecasts

03 | Mid-term management plan progress

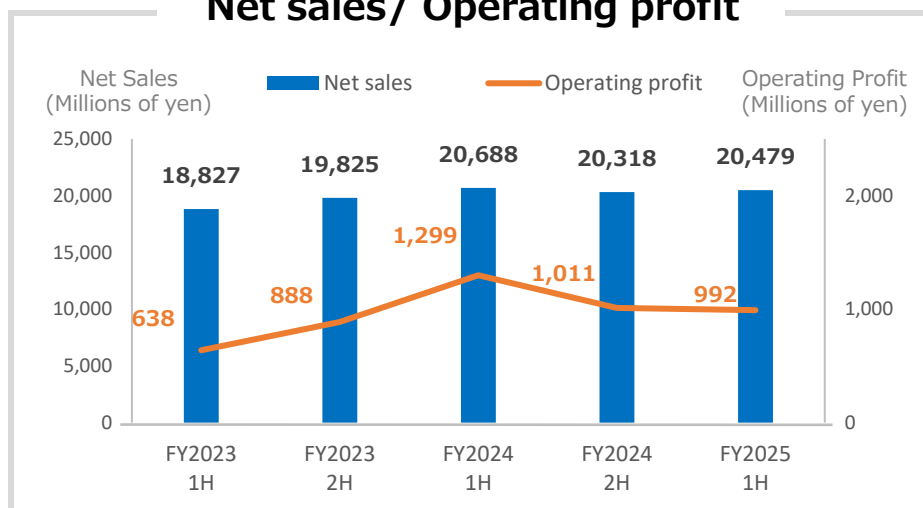
Financial Results (Consolidated)

Sales, operating profit, and ordinary profit decreased compared to the same period last year, but Profit attributable to owners of parent increased due to gains from the sale of the former European factory and other factors.

Unit: Millions of yen

	FY2024		FY2025			
	1H Results '24/4-9	%	1H Results '25/4-9	%	YoY change	YoY change (%)
Net sales	20,688	100.0	20,479	100.0	▲209	▲1.0
Operating profit	1,299	6.3	992	4.8	▲307	▲23.6
Ordinary profit	1,628	7.9	1,371	6.7	▲257	▲15.8
Profit attributable to owners of parent	1,129	5.5	1,519	7.4	389	34.5
Earning per Share (Yen)	21.90	-	30.44	-	8.54	-

Net sales/ Operating profit



Operating profit (YoY change)

Increase Factors

- Decrease in variable cost ratio 0.32 billion yen
- Others 0.04 billion yen

Decrease Factors

- Decrease in sales 0.14 billion yen
- Increase in retirement benefit expenses 0.28 billion yen
- Increase in personnel expenses 0.16 billion yen
- Increase in depreciation and amortization 0.09 billion yen

Quarterly trends and results (consolidated)

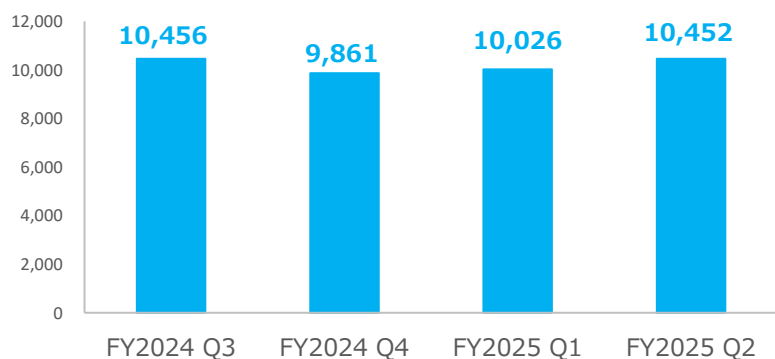
Sales increased compared to the first quarter, but profits decreased due to factors such as a decline in European sales.

Unit: Millions of yen

	FY2024				FY2025			
	3Q		4Q		1 Q		2 Q	
	Results	%	Results	%	Results	%	Results	%
Net sales	10,456	100.0	9,861	100.0	10,026	100.0	10,452	100.0
Operating profit	809	7.7	202	2.1	585	5.8	407	3.9
Ordinary profit	995	9.5	445	4.5	799	8.0	571	5.5
Profit attributable to owners of parent	1,029	9.8	334	3.4	838	8.4	680	6.5

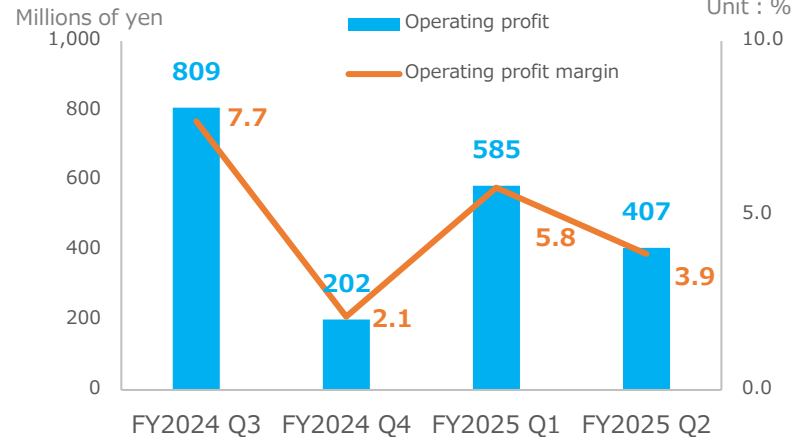
Net Sales (Quarter)

Unit :
Millions of yen



Operating profit (Quarter)

Unit :
Millions of yen



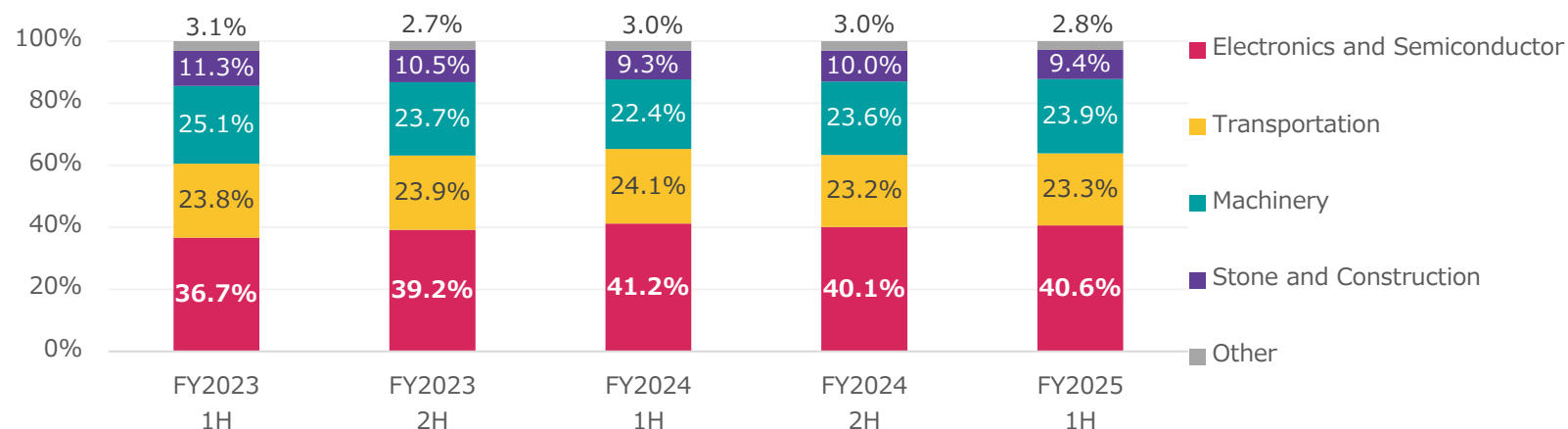
Net Sales and Composition by Industry (Consolidated)

Revenue decreased year-on-year excluding "Machinery," but showed an upward trend compared to the second half of the previous year.

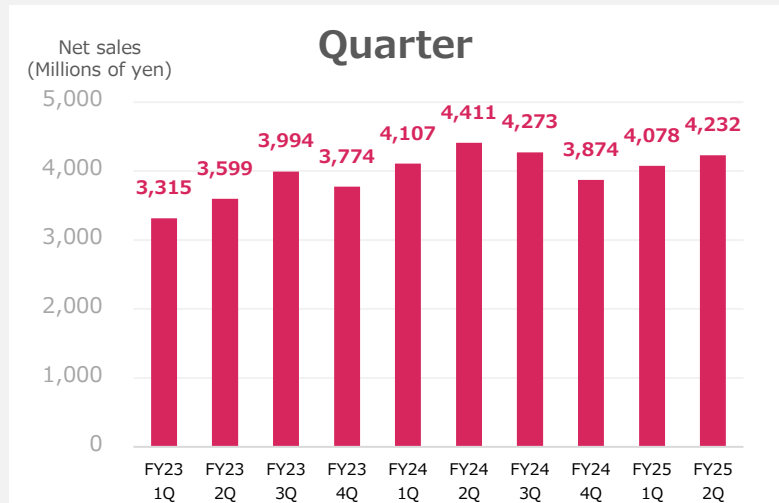
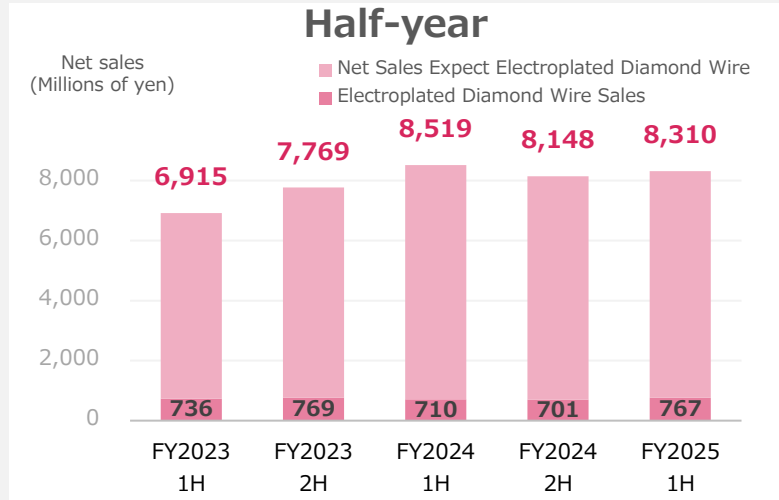
Unit: Millions of yen

	FY2024				FY2025			
	1H Results '24/4-9	%	2H Results '24/10-'25/3	%	1H Results '25/4-9	%	YoY change	YoY change (%)
 Electronics and Semiconductor	8,519	41.2	8,148	40.1	8,310	40.6	▲208	▲2.4
 Transportation	4,975	24.1	4,716	23.2	4,774	23.3	▲201	▲4.0
 Machinery	4,631	22.4	4,799	23.6	4,901	23.9	270	5.8
 Stone and Construction	1,934	9.3	2,041	10.0	1,926	9.4	▲7	▲0.4
 Other	627	3.0	612	3.0	565	2.8	▲61	▲9.9
Total	20,688	100.0	20,318	100.0	20,479	100.0	▲209	▲1.0

Composition ratio



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



Semiconductor and Electronic Component

Sales of advanced semiconductor tools increased, but sales declined due to a decrease in SiC tools.

FPD(Flat Panel Display)

Sales remained at the same level as the previous period and increased slightly.

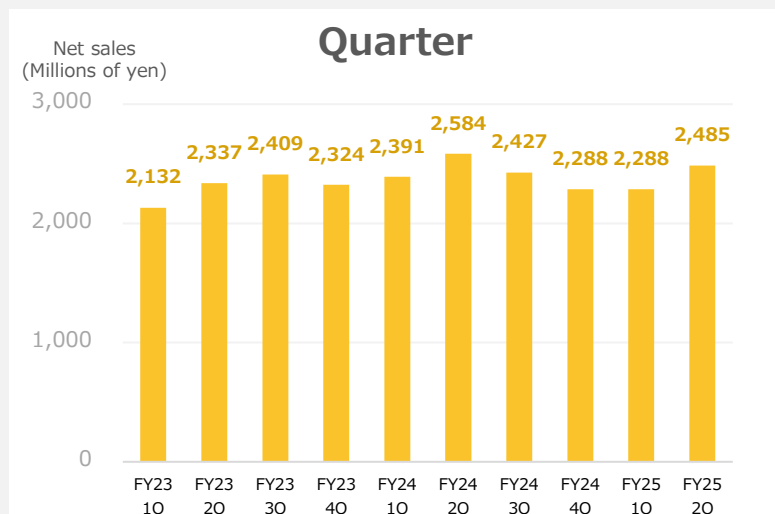
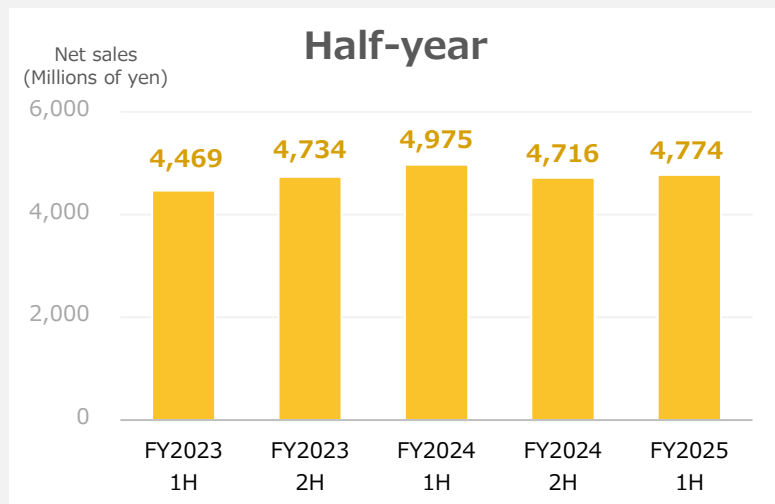
Wire Drawing Die

Sales remained at the same level as the previous period and increased slightly.

Electrodeposited Diamond Wire

Sales increased as demand for semiconductors grew.

Net Sales Breakdown by Industry : 2. Transportation



Automobile

Sales declined due to stagnant automobile production.

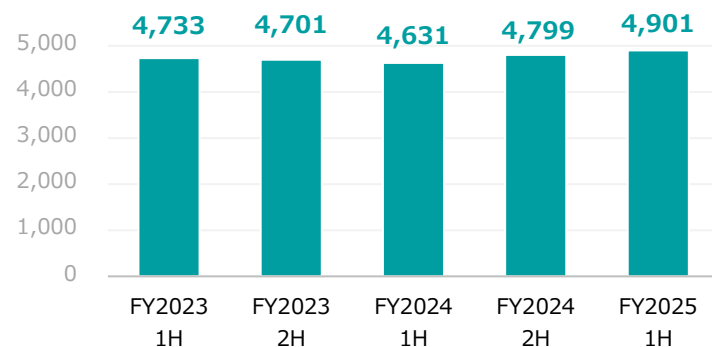
Aircraft

Sales increased due to rising demand.

Net Sales Breakdown by Industry : 3. Machinery

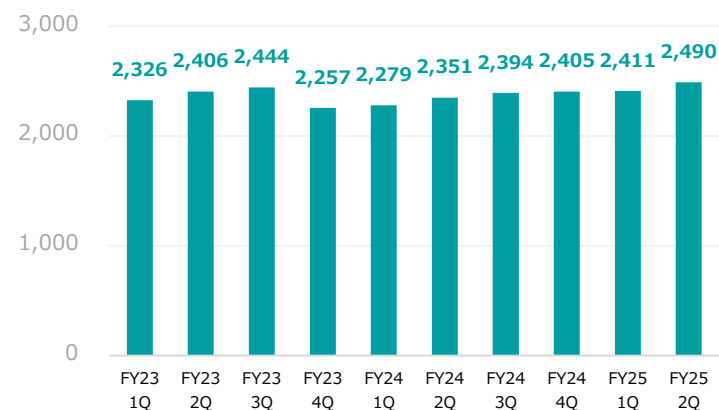
Half-year

Net sales
(Millions of yen)



Quarter

Net sales
(Millions of yen)



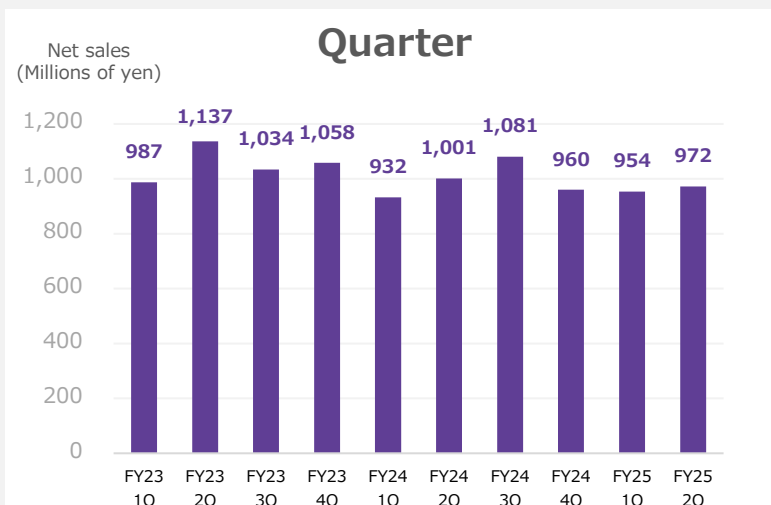
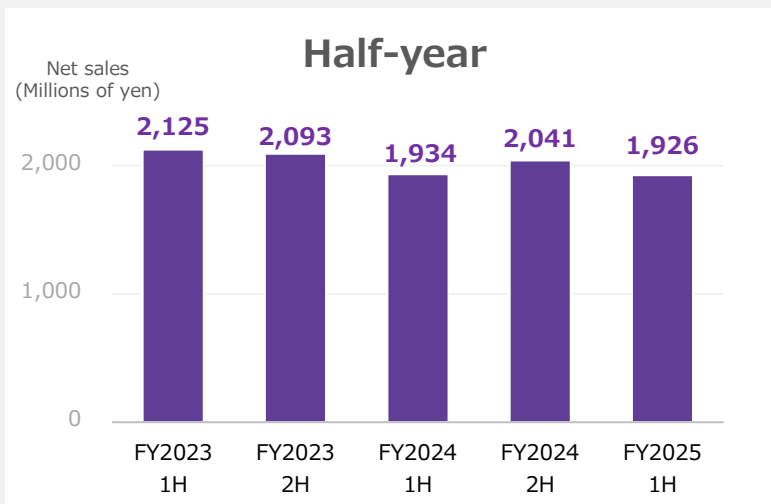
Bearing, Cemented Carbide Tool

Both bearings and cemented carbide tools maintained steady performance, leading to increased sales.

Machine Tool

Sales declined primarily due to reduced demand in the Americas.

Net Sales Breakdown by Industry : 4. Stone and Construction



Resource Exploration

Overseas orders have decreased, leading to a decline in sales.

Construction in Japan

Sales remained at the same level as the previous period, showing a slight decrease.

Commercial Product (Portable Cutter)

Sales remained at the same level as the previous period, showing a slight decrease.

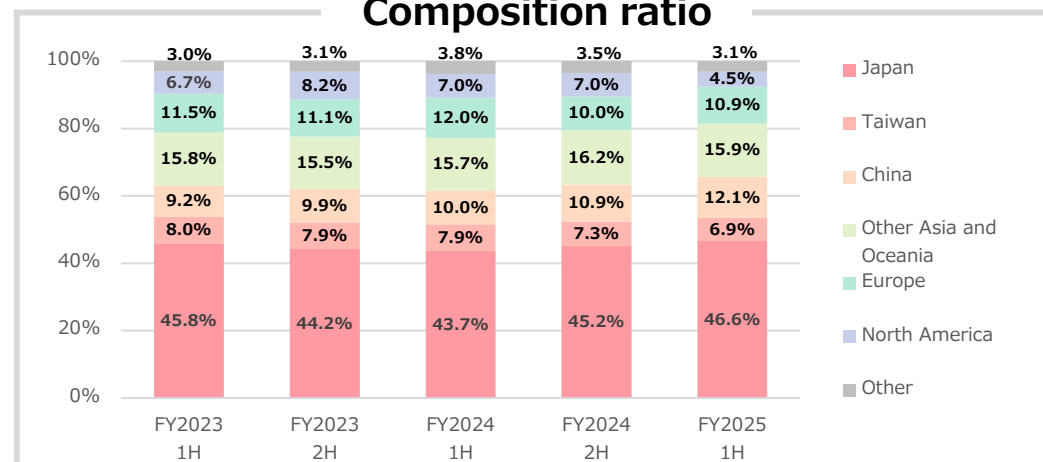
Net Sales Breakdown by Geographical Region (Consolidated)

Revenue increased in Japan, China, and other Asia and Oceania , but decreased in other regions.

Unit:Millions of yen

	FY2024				FY2025			
	1H Results '24/4-9	%	2H Results '24/10-25/3	%	1H Results '25/4-9	%	YoY Change	YoY Change (%)
Japan	9,037	43.7	9,180	45.2	9,547	46.6	510	5.6
Taiwan	1,627	7.9	1,484	7.3	1,417	6.9	▲209	▲12.9
China	2,070	10.0	2,204	10.9	2,468	12.1	397	19.2
Other Asia and Oceania	3,243	15.7	3,291	16.2	3,258	15.9	14	0.4
Europe	2,483	12.0	2,031	10.0	2,228	10.9	▲254	▲10.2
North America	1,449	7.0	1,419	7.0	924	4.5	▲525	▲36.2
Other	776	3.7	706	3.4	634	3.1	▲142	▲18.3
Overseas total	11,651	56.3	11,138	54.8	10,931	53.4	▲719	▲6.2
Total	20,688	100.0	20,318	100.0	20,479	100.0	▲209	▲1.0

Composition ratio



- Japan**
Sales of "Electronics and Semiconductors" , "Transportation" and "Machinery" increased.
- Taiwan**
Sales of "Electronics and Semiconductors" decreased.
- China**
Sales of "Electronics and Semiconductors" and "Machinery" increased.
- Other Asia and Oceania**
Sales of "Electronics and Semiconductors" and "Machinery" increased. Sales of "Transportation" decreased.
- Europe**
Sales of "Electronics and Semiconductors" decreased.
- North America**
Sales of "Electronics and Semiconductors" , "Transportation" and "Machinery" decreased.
- Other**
Sales of "Transportation" in South America, etc. decreased.

Consolidated Balance Sheet

Cash and deposits decreased due to dividends and treasury stock acquisition based on capital policy.

Unit: Millions of yen

Assets	2025/03	2025/09	Change
Cash and deposits	14,752	11,437	▲3,315
Notes and accounts receivable - trade	10,038	10,634	596
Inventories	8,759	8,496	▲263
Property, plant and equipment	28,845	28,543	▲302
Intangible assets	408	739	330
Investment securities	10,778	12,585	1,807
Other	2,767	2,417	▲350
Total assets	76,351	74,852	▲1,498

Liabilities	2025/03	2025/09	Change
Notes and accounts payable - trade	1,658	1,428	▲230
Income taxes payable	222	495	273
Retirement benefit liability	3,188	3,381	192
Other	7,701	6,503	▲1,198
Total liabilities	12,772	11,808	▲963

Net assets	2025/03	2025/09	Change
Total net assets	63,579	63,044	▲535
Total liabilities and net assets	76,351	74,852	▲1,498

01 | FY2025 2Q Financial Results

02 | **FY2025 Forecasts**

03 | Mid-term management plan progress

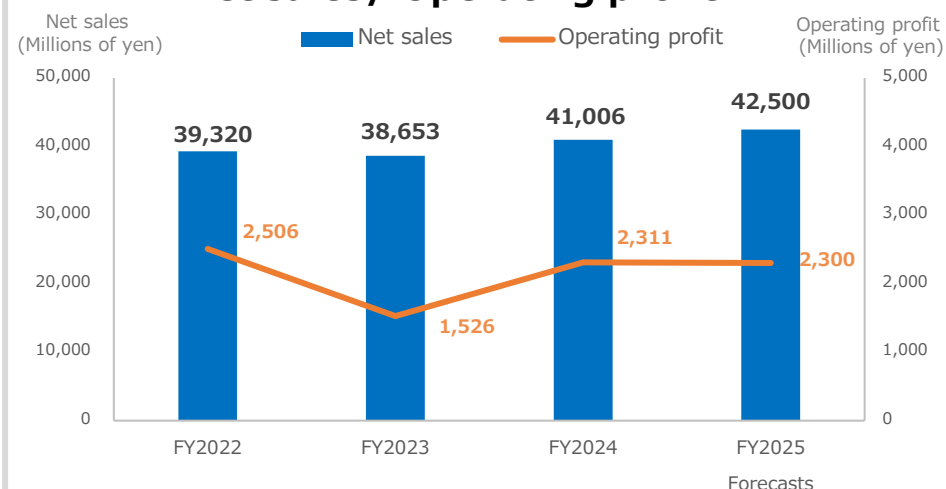
Outline of Forecasts (Consolidated)

The first half was largely as planned. For the full year, there are no changes from the initial plan.

Unit : Millions of yen

	FY2024 Full-year Results	%	FY2025 Full-year Results Forecast	%	YoY Change (%)	FY2025 First Half Results	Percentage of progress
Net sales	41,006	100.0	42,500	100.0	3.6	20,479	48.2
Operating profit	2,311	5.6	2,300	5.4	▲0.5	992	43.1
Ordinary profit	3,070	7.5	2,600	6.1	▲15.3	1,371	52.7
Profit attributable to owners of parent	2,493	6.1	2,200	5.2	▲11.8	1,519	69.1

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 expenses 0.6 billion yen
- Increase in personnel expenses 0.3 billion yen
- Increase in Depreciation expense 0.2 billion yen
- Others 0.4 billion yen

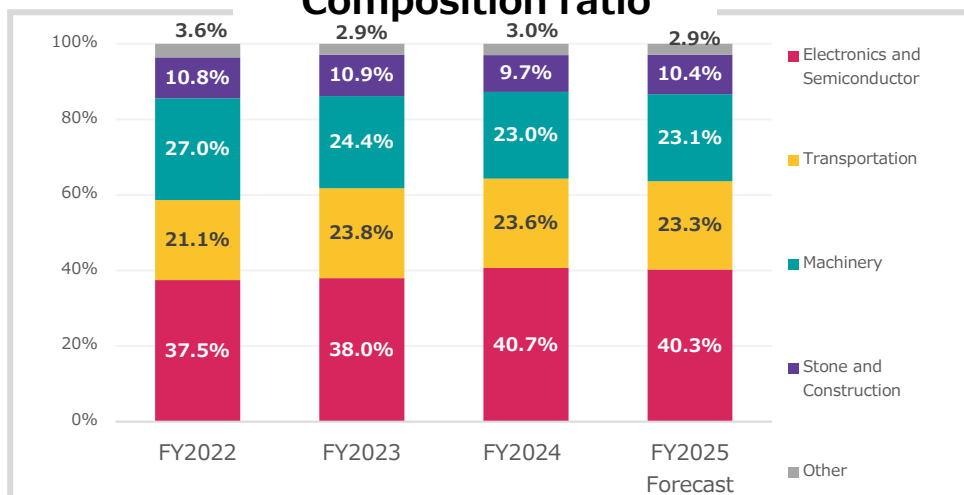
Forecasts for Net Sales and Composition by Industry (Consolidated)

No changes from the initial plan. We expect to achieve the full-year forecast, primarily driven by “Electronics and Semiconductor” and “Machinery”.

Unit : Millions of yen

	FY2024 Full-year Results	%	FY2025 Full-year Results Forecast	%	YoY Change (%)	FY2025 First Half Results	Percentage of progress
Electronics and Semiconductor	16,667	40.7	17,150	40.3	2.9	8,310	48.5
Transportation	9,692	23.6	9,900	23.3	2.1	4,774	48.2
Machinery	9,430	23.0	9,800	23.1	3.9	4,901	50.0
Stone and Construction	3,975	9.7	4,400	10.4	10.7	1,926	43.8
Other	1,240	3.0	1,250	2.9	0.7	565	45.3
Total	41,006	100.0	42,500	100.0	3.6	20,479	48.2

Composition ratio



Electronics and Semiconductor

Sales are expected to increase for advanced semiconductor tools, primarily driven by device-oriented applications.

Transportation

Sales are expected to increase due to the expanded promotion of tools for automotive applications.

Machinery

Sales are expected to increase, mainly driven by strong demand for bearings and cemented carbide tools..

Stone and Construction

Sales are expected to increase due to rising domestic demand for construction projects.

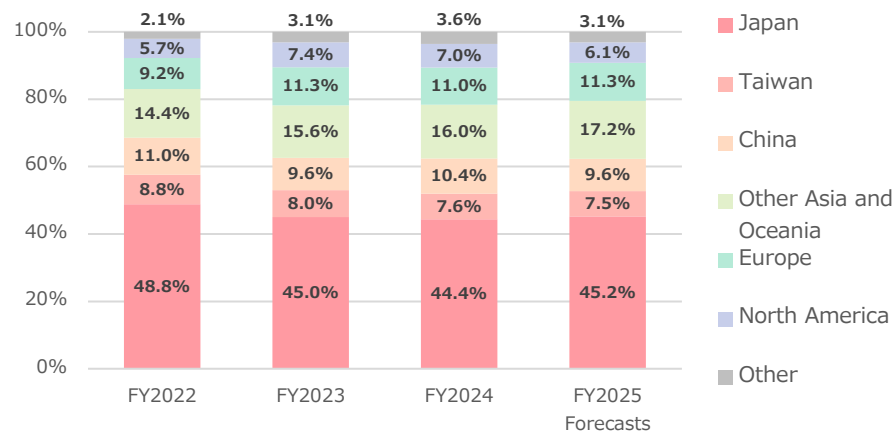
Forecasts for Net Sales and Composition by Geographical Region(Consolidated)

No changes from the initial plan. We expect to achieve the full-year forecast, primarily in Japan and China.

Unit : Millions of yen

	FY2024 Full-year Results	%	FY2025 Full-year Results Forecast	%	YoY Change (%)	FY2025 First Half Results	Percentage of progress
Japan	18,217	44.4	19,200	45.2	5.4	9,547	49.7
Taiwan	3,111	7.6	3,200	7.5	2.8	1,417	44.3
China	4,275	10.4	4,100	9.6	▲4.1	2,468	60.2
Other Asia and Oceania	6,535	16.0	7,300	17.2	11.7	3,258	44.6
Europe	4,514	11.0	4,800	11.3	6.3	2,228	46.4
North America	2,869	7.0	2,600	6.1	▲9.4	924	35.6
Other	1,482	3.6	1,300	3.1	▲12.3	634	48.8
Overseas total	22,789	55.6	23,300	54.8	2.2	10,931	46.9
Total	41,006	100.0	42,500	100.0	3.6	20,479	48.2

Composition ratio



- Japan**
Progress is exceeding expectations, and we anticipate continued growth.
- Taiwan**
Progress is weak due to a decline in demand for "Electronics and Semiconductors".
- China**
Progress is exceeding expectations, and we anticipate continued growth.
- Other Asia & Oceania**
Progress for "Transportation" is weak.
- Europe**
Progress is weak due to a decline in demand for "Electronics and Semiconductors".
- North America**
Progress remains weak across all industries.
- Other**
Progress is generally proceeding smoothly.

01 | FY2025 2Q 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
- Through a short-term intensive project, improvements in product performance that meet high customer requirements can be expected.

▶ Sales

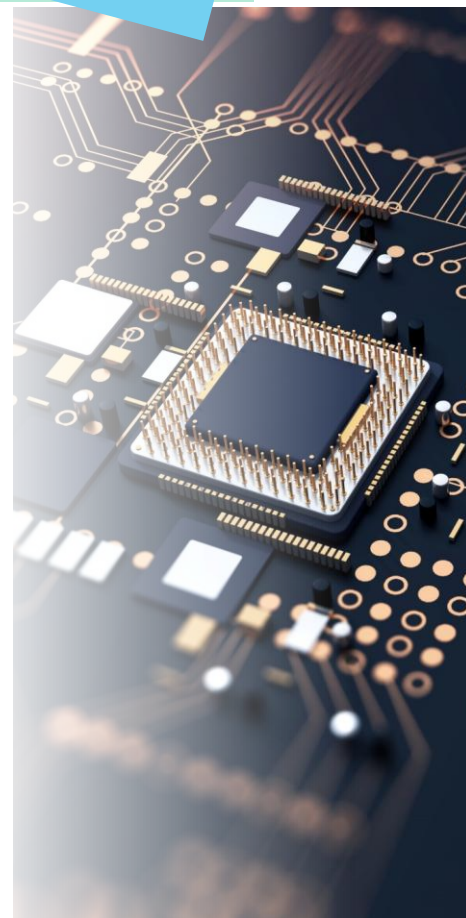
- Focus on expanding sales of high-margin products
- Utilization of trade shows(Excerpt)
 - SEMICON Japan : December 17-19, 2025: Exhibiting
 - FOOMA JAPAN 2025 : June 2025 Exhibited
 - Semiconductor Technology Expo in Kyushu, Japan : October 2025 Exhibited
 - MECHATRONICS TECHNOLOGY JAPAN 2025 : October 2025 Exhibited

SEMICON[®]
JAPAN

FOOMA
JAPAN FOOD PROCESSING
TECHNOLOGY EXPO

第2回 **九州半導体産業展**
Semiconductor Technology Expo in Kyushu, Japan

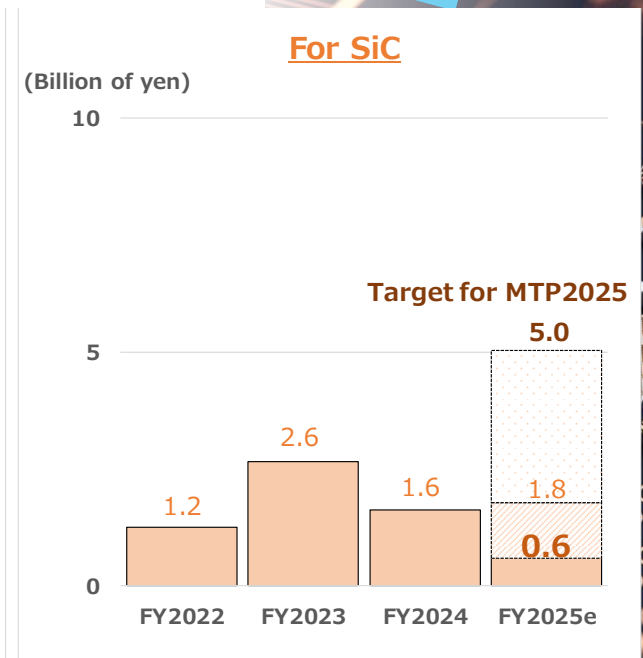
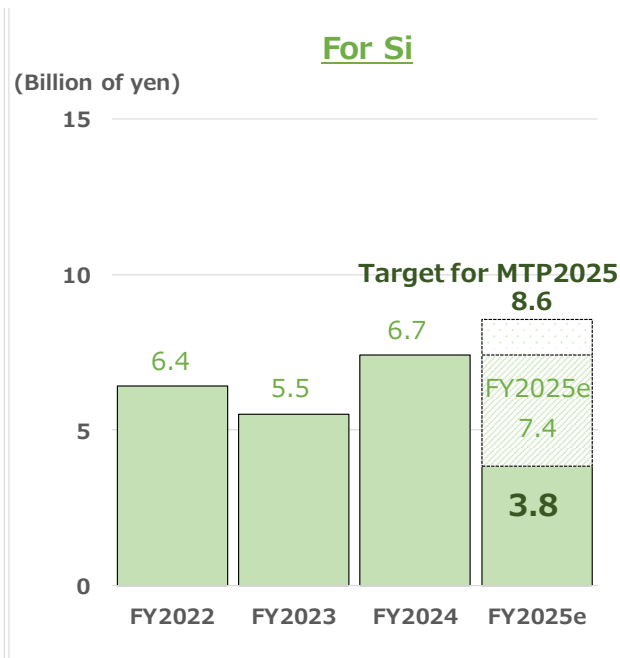
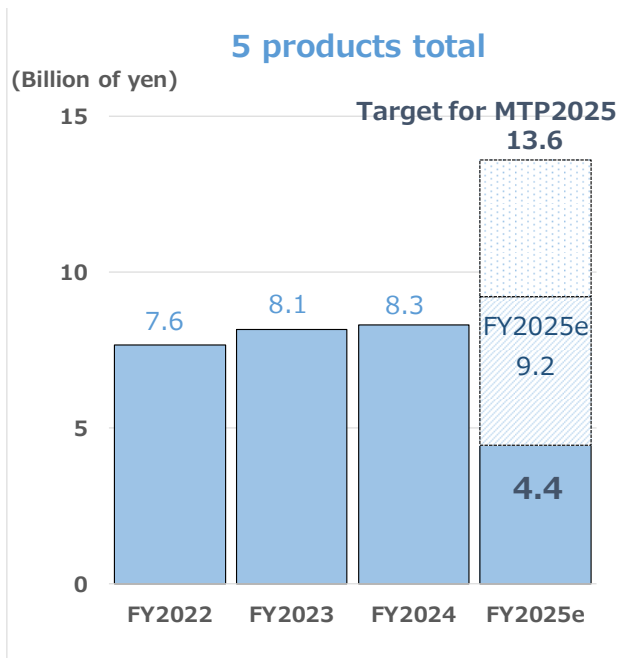
MECT 2025
メカトロテック ジャパン 2025
MECHATRONICS TECHNOLOGY JAPAN



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**
 - 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

- 'AA Diamond Technology Co., Ltd.' mass production and sales preparation(Scheduled for the Second Half of Fiscal Year 2027)
- External Sourcing of Products



Target for FY2025

To advance toward the goals for the third year of the Mid-term management Plan , we are promoting various initiatives.

	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 for 1H of FY2025

- Shareholder returns
Total of 2.5 billion yen
- Capital investment
1.3 billion yen
- Interim dividend
15 yen per share
- Treasury stock acquisition
1.7 billion yen

Results for the first and second years of the Mid-term management plan

	FY2023	FY2024
Dividend payout ratio	73.9%	62.0%
Total return ratio	156%	70.1%
Capital Expenditure	5 billion yen	5.3 billion yen
Shareholder returns	3.3 billion yen	1.7 billion yen



One and Only

We are at the vanguard of word 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, 2022, the Company has adopted the "Accounting Standard for Revenue Recognition" (ASBJ Statement No. 29). The impact on the consolidated financial statements is immaterial.

