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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)
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Notice Concerning a Decrease in Retirement Benefit Expenses (Resulting in Increased Profit)

Asahi Diamond Industrial Co., Ltd. (the "Company") hereby announces that, for the consolidated fiscal year ending March 2027 (April 1, 2026 to March 31, 2027), we expect a significant reduction in our retirement benefit obligations. Consequently, retirement benefit expenses, which are currently recognized under cost of sales and selling, general and administrative expenses, are expected to decrease (resulting in an increase in profit). The details are described below.

1. Details of Profits

In calculating our retirement benefit obligations, the use of a discount rate based on government bonds resulted in a decrease in retirement benefit obligations and a surplus in long-term expected investment returns.Since the resulting actuarial gain is expensed over the following fiscal year, we expect to record a negative amount under both "Cost of Sales" and "Selling, General and Administrative Expenses" for the fiscal year ending March 2027.

In addition, one domestic consolidated subsidiary also recorded a result where the long-term expected return on plan assets exceeded the discount rate. As a result, the recorded retirement benefit expense for the fiscal year ending March 2027 is expected to be a negative 1,074 million yen (compared to 584 million yen for the fiscal year ending March 2026), representing a decrease of 1,658 million yen in expenses compared to the previous fiscal year.

2. Outlook

The earnings forecast for the fiscal year ending March 2027 (April 1, 2026 to March 31, 2027) is scheduled to be announced at the earnings announcement on May 15, 2026.

(Reference) Consolidated Financial Forecasts for the Fiscal Year Ending March 2026 (Revised on April 16, 2026) and Consolidated Results for the Fiscal Year Ended March 2025

	Net sales	Operating profit	Ordinary profit	Profit attributable to owners of parent	Basic earnings per share
Current-year forecast (FY2025)	Million yen 41,992	Million yen 2,417	Million yen 3,387	Million yen 1,936	Yen 39.41
Previous-year results (FY2024)	41,006	2,311	3,070	2,493	48.36

End