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(Stock Exchange Code 6140)
June 6, 2019

To Shareholders with Voting Rights:

Kazuki Kataoka
President and Representative Director
Asahi Diamond Industrial Co., Ltd.
4-1, Kioi-cho, Chiyoda-ku, Tokyo

NOTICE OF
THE 100TH ANNUAL GENERAL MEETING OF SHAREHOLDERS

Dear Shareholders:

We would like to express our appreciation for your continued support and patronage.

You are cordially invited to attend the 100th Annual General Meeting of Shareholders of Asahi Diamond Industrial Co., Ltd. (the "Company"). The meeting will be held for the purposes as described below.

If you are unable to attend the meeting, you can exercise your voting rights in writing or via the Internet, etc.

Please review the attached Reference Documents for the General Meeting of Shareholders, follow the instructions on the next page, and exercise your voting rights by 6:00 p.m. on Tuesday, June 25, 2019, Japan time.

1. **Date and Time:** Wednesday, June 26, 2019 at 10:00 a.m. Japan time
(Reception desk opens at 9:00 a.m.)
2. **Place:** Conference room Orizuru Rei, The Main Bldg. Arcade Floor, Hotel New Otani at 4-1, Kioi-cho, Chiyoda-ku, Tokyo, Japan
3. **Meeting Agenda:**

Matters to be reported:
1. The Business Report, Consolidated Financial Statements for the Company's 100th Fiscal Year (April 1, 2018 - March 31, 2019) and results of audits by the Accounting Auditor and the Audit & Supervisory Board of the Consolidated Financial Statements
2. Non-consolidated Financial Statements for the Company's 100th Fiscal Year (April 1, 2018 - March 31, 2019)

Proposals to be resolved:

Proposal 1: Appropriation of Surplus
Proposal 2: Election of Nine (9) Directors

◎ Of the documents required to be provided with this Notice of Convocation, the Notes to the Consolidated Financial Statements and the Notes to the Non-consolidated Financial Statements are, in accordance with laws and regulations as well as Article 19 of the Articles of Incorporation of the Company, posted on the Company's website (https://www.asahidia.co.jp/) and are therefore not included with the Attached Document. Furthermore, the Notes to the Consolidated Financial Statements and the Notes to the Non-consolidated Financial Statements have been audited by the Accounting Auditor and Audit & Supervisory Board Members as part of the Non-consolidated Financial Statements and the Consolidated Financial Statements when preparing the Independent Auditor's Report and the Audit Report, respectively.

◎ Any updates to the Reference Documents for the General Meeting of Shareholders, the Business Report, the Non-consolidated Financial Statements and the Consolidated Financial Statements will be posted on the Company's website (https://www.asahidia.co.jp/).

◎ Please submit the enclosed Voting Rights Exercise Form at the reception desk when attending the meeting. Please bring this notice of convocation with you as well to save resources. Because the reception desk is expected to be crowded right before the start of the meeting, we suggest that you arrive early.

Reference Documents for the General Meeting of Shareholders

Proposals and References

Proposal 1: Appropriation of Surplus

It is proposed that the surplus be appropriated as follows:

Matters concerning year-end dividends

The Company positions returning profits to shareholders as an important issue. The Company's basic policy is to maintain a stable dividend while conducting R&D and capital investment, retaining appropriate internal reserve for future business development and enhancement of corporate value and as such, the Company intends to distribute profits according to consolidated performance.

It is proposed that a year-end dividend of ¥8 per share be paid out considering the actual results from the third quarter onwards.

As a result, the annual dividends for the year, including the interim dividend of ¥6, will amount to ¥14 per share.

1. Type of dividend property
   Cash
2. Allocation of dividend property to shareholders and total amount thereof
   ¥8 per share of common stock of the Company
   Total amount of dividends: ¥445,548,736
3. Effective date of dividends from surplus
   June 27, 2019

Proposal 2: Election of Nine (9) Directors

The term of office of a Director of the Company is stipulated to be one (1) year. The terms of office of all nine (9) Directors will expire at the conclusion of this Annual General Meeting of Shareholders.

In order to ensure management transparency and strengthen corporate governance, the election of nine (9) Directors (of whom two (2) are External Directors) is proposed.

The candidates for Director are as follows:

No.		Name	Current positions and responsibilities	Attendance at Board of Directors' meetings
1	Reelection	Kazuki Kataoka	President and Representative Director	11/11
2	Reelection	Kazuo Kogawa	Representative Managing Director; Marketing Division Director	11/11
3	Reelection Non-Japanese	Ming-Shong Lan	Director; International Division Director	11/11
4	Reelection	Kazuaki Taniguchi	Director; Chief Officer for R&D, Production and Engineering Division; Chiba Tsurumai Factory General Manager	11/11
5	Reelection	Toshimasa Hagiwara	Director; International Division; Chief Officer for Regional Operations (China and Taiwan)	11/11
6	New election	Hideo Abe	Executive Officer; Tamagawa Factory General Manager	-
7	New election	Tomohiko Hara	Executive Officer; International Division; Chief Officer for Regional Operations (ASEAN and Australia)	-
8	Reelection Candidate for External Director Independent Director	Osamu Koyama	Director (External Director)	10/11
9	Reelection Candidate for External Director Independent Director	Shinichi Nagata	Director (External Director)	11/11

<table>
<tr><th>No.</th><th>Name
(Date of birth)</th><th colspan="2">Past experience, positions, responsibilities
and significant concurrent positions</th><th>Number of shares of the Company held</th></tr>
<tr><td rowspan="2">1</td><td>Kazuki Kataoka
(March 5, 1952)

Reelection

No. of years served as Director: 11 years

Attendance at Board of Directors' meetings: 11/11</td><td>April 1976
July 2005
June 2008
June 2011

June 2013

June 2015</td><td>Joined the Company
General Manager, Engineering Department, Marketing Division
Director; Marketing Division Deputy Director
Managing Director; Business Planning Division Director and Marketing Division Deputy Director
Representative Executive Managing Director; Marketing Division Director
President and Representative Director (present)</td><td>76,885</td></tr>
<tr><td colspan="4">[Reasons for nomination as a candidate for Director]
After joining the Company, Mr. Kazuki Kataoka was involved in marketing, business planning, R&D, etc. He has a wealth of business knowledge, great experience, outstanding capabilities concerning the diamond tool business and a character suitable for a person serving as a Director of the Company.
As the President and Representative Director since June 2015, Mr. Kataoka has been responsible for the Company's management and has been performing his duties appropriately. Thus, the Company judges that he is a suitable person to serve as a Director of the Company and has nominated him for reelection as a candidate for Director.</td></tr>
<tr><td rowspan="2">2</td><td>Kazuo Kogawa
(January 2, 1957)

Reelection

No. of years served as Director: 8 years

Attendance at Board of Directors' meetings: 11/11</td><td>April 1979
July 2008

June 2009
June 2011
June 2013
June 2015</td><td>Joined the Company
General Manager, Planning Department, Business Planning Division
Executive Officer; Business Planning Division Director
Director; Tamagawa Factory General Manager
Managing Director; Business Planning Division Director
Representative Managing Director; Marketing Division Director (present)</td><td>30,869</td></tr>
<tr><td colspan="4">[Reasons for nomination as a candidate for Director]
After joining the Company, Mr. Kazuo Kogawa was involved in business planning, marketing, production and engineering, etc. He has a wealth of business knowledge, great experience, outstanding capabilities concerning the diamond tool business and a character suitable for a person serving as a Director of the Company.
As a Director of the Company since June 2011, Mr. Kogawa has been performing his duties appropriately. Thus, the Company judges that he is a suitable person to serve as a Director of the Company and has nominated him for reelection as a candidate for Director.</td></tr>
<tr><td rowspan="2">3</td><td>Ming-Shong Lan
(March 4, 1953)

Reelection
Non-Japanese

No. of years served as Director: 14 years

Attendance at Board of Directors' meetings: 11/11</td><td>September 1984

August 1996
June 2005
July 2017
[Significant concurrent positions]
President, Taiwan Asahi Diamond Industrial Co., Ltd.</td><td>Joined the Company; Deputy General Manager Reporting to Managing Division Director (Left the Company in July 1996)
President, Taiwan Asahi Diamond Industrial Co., Ltd. (present)
Director; International Department, the Company
Director; International Division Director (present)</td><td>27,574</td></tr>
<tr><td colspan="4">[Reasons for nomination as a candidate for Director]
After joining the Company, Mr. Ming-Shong Lan was involved in business planning and serves as the President of an overseas subsidiary. He has a wealth of business knowledge, great experience, outstanding capabilities concerning the diamond tool business and a character suitable for a person serving as a Director of the Company.
As a non-Japanese Director of the Company since June 2005, Mr. Lan has been performing his duties appropriately. Thus, the Company judges that he is a suitable person to serve as a Director of the Company and has nominated him for reelection as a candidate for Director.</td></tr>
</table>

<table>
<tr><th>No.</th><th>Name
(Date of birth)</th><th colspan="2">Past experience, positions, responsibilities
and significant concurrent positions</th><th>Number of shares of the Company held</th></tr>
<tr><td rowspan="2">4</td><td>Kazuaki Taniguchi
(April 23, 1950)

Reelection

No. of years served as Director: 8 years

Attendance at Board of Directors' meetings: 11/11</td><td>April 1973
July 2005

July 2008

June 2011
June 2013
July 2017</td><td>Joined the Company
General Manager, Production and Engineering Department, Chiba Tsurumai Factory
Executive Officer; Chiba Tsurumai Factory Deputy General Manager
Director; Chiba Tsurumai Factory Deputy General Manager
Director; Chiba Tsurumai Factory General Manager
Director; Chief Officer for R&D, Production and Engineering Division; Chiba Tsurumai Factory General Manager (present)</td><td>18,826</td></tr>
<tr><td colspan="4">[Reasons for nomination as a candidate for Director]
After joining the Company, Mr. Kazuaki Taniguchi was involved in production and engineering administration, etc. He has a wealth of business knowledge, great experience, outstanding capabilities concerning the diamond tool business and a character suitable for a person serving as a Director of the Company.
As a Director of the Company since June 2011, Mr. Taniguchi has been performing his duties appropriately. Thus, the Company judges that he is a suitable person to serve as a Director of the Company and has nominated him for reelection as a candidate for Director.</td></tr>
<tr><td rowspan="2">5</td><td>Toshimasa Hagiwara
(November 10, 1959)

Reelection

No. of years served as Director: 5 years

Attendance at Board of Directors' meetings: 11/11</td><td>April 1982
December 2004
June 2009
June 2014
April 2015

April 2015
July 2017

[Significant concurrent positions]
President, Shanghai XuHui Diamond Industrial Co., Ltd.</td><td>Joined the Company
Nagoya Branch Deputy General Manager
Executive Officer; Nagoya Branch General Manager
Director; Nagoya Branch General Manager
President, Shanghai XuHui Diamond Industrial Co., Ltd. (present)
Director; Representative of China Division
Director; International Division; Chief Officer for Regional Operations (China and Taiwan) (present)</td><td>19,282</td></tr>
<tr><td colspan="4">[Reasons for nomination as a candidate for Director]
After joining the Company, Mr. Toshimasa Hagiwara was involved in marketing. He currently serves as the President of an overseas subsidiary. He has a wealth of business knowledge, great experience, outstanding capabilities concerning the diamond tool business and a character suitable for a person serving as a Director of the Company.
As a Director of the Company since June 2014, Mr. Hagiwara has been performing his duties appropriately. Thus, the Company judges that he is a suitable person to serve as a Director of the Company and has nominated him for reelection as a candidate for Director.</td></tr>
<tr><td rowspan="2">6</td><td>Hideo Abe
(July 15, 1957)

New election</td><td>April 1980
July 2005

July 2010

June 2013</td><td>Joined the Company
Deputy General Manager, Manufacturing Department No. 1, Tamagawa Factory
General Manager, Manufacturing Department No. 1, Tamagawa Factory
Executive Officer; Tamagawa Factory General Manager (present)</td><td>8,479</td></tr>
<tr><td colspan="4">[Reasons for nomination as a candidate for Director]
After joining the Company, Mr. Hideo Abe was involved in production and engineering administration, etc. He has a wealth of business knowledge, great experience, outstanding capabilities concerning the diamond tool business and a character suitable for a person serving as a Director of the Company.
As an Executive Officer of the Company since June 2013, Mr. Abe has been performing his duties appropriately. Thus, the Company judges that he is a suitable person to serve as a Director of the Company and has newly nominated him for election as a candidate for Director.</td></tr>
</table>

<table>
<tr><th>No.</th><th>Name
(Date of birth)</th><th colspan="2">Past experience, positions, responsibilities
and significant concurrent positions</th><th>Number of shares of the Company held</th></tr>
<tr><td rowspan="2">7</td><td>Tomohiko Hara
(January 10, 1958)

New election</td><td>April 1980
July 2005

July 2010

February 2013

June 2013

July 2017

[Significant concurrent positions]
President, P.T. Asahi Diamond Industrial Indonesia</td><td>Joined the Company
Deputy General Manager, Manufacturing Department No. 2, Tamagawa Factory
General Manager, Manufacturing Department No. 2, Tamagawa Factory
International Department General Manager (temporarily transferred to P.T. Asahi Diamond Industrial Indonesia)
Executive Officer; President, P.T. Asahi Diamond Industrial Indonesia
Executive Officer; International Division; Chief Officer for Regional Operations (ASEAN and Australia)
(President, P.T. Asahi Diamond Industrial Indonesia) (present)</td><td>18,294</td></tr>
<tr><td colspan="4">[Reasons for nomination as a candidate for Director]
After joining the Company, Mr. Tomohiko Hara was involved in production and engineering and serves as the President of an overseas subsidiary, etc. He has a wealth of business knowledge, great experience, outstanding capabilities concerning the diamond tool business and a character suitable for a person serving as a Director of the Company.
As an Executive Officer of the Company since June 2013, Mr. Hara has been performing his duties appropriately. Thus, the Company judges that he is a suitable person to serve as a Director of the Company and has newly nominated him for election as a candidate for Director.</td></tr>
</table>

<table>
<tr><th>No.</th><th>Name
(Date of birth)</th><th colspan="2">Past experience, positions, responsibilities
and significant concurrent positions</th><th>Number of shares of the Company held</th></tr>
<tr><td rowspan="4">8</td><td>Osamu Koyama
(August 8, 1948)

Reelection
Candidate for External Director
Independent Director

No. of years served as Director: 5 years

Attendance at Board of Directors' meetings: 10/11</td><td>April 2005

April 2009

January 2013
June 2014
April 2017</td><td>Executive Officer, Mitsui & Co., Ltd. and Executive Vice President, Mitsui & Co. (U.S.A.), Inc.
Executive Managing Officer, Mitsui & Co., Ltd. and President & CEO, Mitsui Global Strategic Studies Institute (Retired from these two companies in March 2012)
Director, Keimei Gakuen (present)
Director of the Company (External Director) (present)
Auditor, International University of Japan (present)</td><td>0</td></tr>
<tr><td colspan="4">[Reasons for nomination as a candidate for External Director]
Having served as Executive Managing Officer, Mitsui & Co., Ltd. and President & CEO, Mitsui Global Strategic Studies Institute, Mr. Osamu Koyama has great experience and profound insight as a manager and is expected to fulfill the role and responsibilities of an External Director, including management oversight and provision of advice on overall management. Thus, the Company judges that he is a suitable person to serve as a Director of the Company and has nominated him for reelection as a candidate for External Director.</td></tr>
<tr><td colspan="4">[Matters concerning independence]
Mr. Osamu Koyama has no potential conflicts of interest with general shareholders of the Company because there is no offering or receiving of money between Mr. Koyama and the Company other than Director remuneration.
While Mr. Komiya previously served as Executive Managing Officer, Mitsui & Co., Ltd. and President & CEO, Mitsui Global Strategic Studies Institute, the Company and the Mitsui Group have no cross-shareholding, and although the Company procures raw materials from the Mitsui Group, the amount of such transactions was equal to approximately 0.01% of consolidated net sales of Mitsui & Co., Ltd.
Mr. Koyama serves as a Director of Keimei Gakuen and an Auditor of the International University of Japan. However, no special interest exists between these educational corporations and the Company.
Therefore, Mr. Koyama satisfies the Company's criteria for independence in accordance with the Basic Policy for Appointment of External Directors and External Audit & Supervisory Board Members (see Page 9) and is judged to be independent.</td></tr>
<tr><td colspan="4">[Liability limitation agreement]
The Company has entered into an agreement with Mr. Osamu Koyama to limit his liability pursuant to Article 423, Paragraph 1 of the Company Law so that he can fulfill his expected role. The maximum amount of liability pursuant to the agreement is the amount stipulated by laws and regulations.
If his reelection is approved, the Company intends to renew the liability limitation agreement with him.</td></tr>
</table>

<table>
<tr><th>No.</th><th>Name
(Date of birth)</th><th colspan="2">Past experience, positions, responsibilities
and significant concurrent positions</th><th>Number of shares of the Company held</th></tr>
<tr><td rowspan="4">9</td><td>Shinichi Nagata
(January 31, 1948)

Reelection
Candidate for External Director
Independent Director

No. of years served as Director: 4 years

Attendance at Board of Directors' meetings: 11/11</td><td>July 1998

June 1999

July 2000
July 2006

June 2008

June 2015</td><td>Associate Director-General, Loan Planning Department, The Fuji Bank, Ltd. (current Mizuho Bank, Ltd.) (Left the company in June 1999)
Director, Fine Credit Co., Ltd. (current Yamato Credit & Finance Co., Ltd.)
Managing Director; Fine Credit Co., Ltd.
Managing Executive Officer; Fine Credit Co., Ltd. (retired in June 2008)
Audit & Supervisory Board Member (External Audit & Supervisory Board Member) of the Company (retired in June 2015)
Director of the Company (External Director) (present)</td><td>1,000</td></tr>
<tr><td colspan="4">[Reasons for nomination as a candidate for External Director]
Mr. Shinichi Nagata has great experience and profound insight gained through his career at financial institutions and is expected to fulfill the role and responsibilities of an External Director, including management oversight and provision of advice on overall management. Thus, the Company judges that he is a suitable person to serve as a Director of the Company and has nominated him for reelection as a candidate for External Director.</td></tr>
<tr><td colspan="4">[Matters concerning independence]
Mr. Shinichi Nagata has no potential conflicts of interest with general shareholders of the Company because there is no offering or receiving of money between Mr. Nagata and the Company other than Director remuneration.
Mr. Nagata previously worked for Mizuho Bank, Ltd., which is one of the financial institutions the Company has transactions with, but 20 years have passed since he left the bank. The Company and the Mizuho Financial Group have no cross-shareholding. Loans payable to the said bank amount to only ¥306 million pertaining to an overseas subsidiary of the Company, and the said bank is not a major financial institution for the Company.
While Mr. Nagata previously served as a Managing Executive Officer of Yamato Credit & Finance Co., Ltd., no special interest exists between Yamato Credit & Finance Co., Ltd. and the Company.
Therefore, Mr. Nagata satisfies the Company's criteria for independence in accordance with the Basic Policy for Appointment of External Directors and External Audit & Supervisory Board Members (see Page 9) and is judged to be independent.</td></tr>
<tr><td colspan="4">[Liability limitation agreement]
The Company has entered into an agreement with Mr. Shinichi Nagata to limit his liability pursuant to Article 423, Paragraph 1 of the Company Law so that he can fulfill his expected role. The maximum amount of liability pursuant to the agreement is the amount stipulated by laws and regulations.
If his reelection is approved, the Company intends to renew the liability limitation agreement with him.</td></tr>
</table>

(Notes)

1. Special interest between candidates for Director and the Company
   1) Mr. Ming-Shong Lan, a candidate for Director, also serves as the president of Taiwan Asahi Diamond Industrial Co., Ltd., a subsidiary of the Company, with which the Company has a business relationship, including sales of products.
   2) No special interest exists between other candidates for Director and the Company.
2. The number of years served as a Director is the number of years that will have been served at the conclusion of this Annual General Meeting of Shareholders.
3. The number of shares of the Company held by each candidate for Director is the number held as of March 31, 2019, and includes the number of shares held through the Executive Shareholding Association.

(Reference)

Policies and Procedures for Nominating Candidates for Director and Audit & Supervisory Board Member

The Company nominates persons capable of appropriately playing the role and duties of Director from a comprehensive viewpoint from among persons with specialized knowledge, experience and capabilities in various fields, taking into consideration the diversity and the balance of the Board of Directors as a whole.

The Company nominates persons capable of appropriately fulfilling the role and duties of Audit & Supervisory Board Member from a comprehensive viewpoint from among persons with insight into finance and accounting and other persons with specialized knowledge, experience and capabilities in various fields.

Nomination of candidates for Director and Audit & Supervisory Board Member is proposed by the President and Representative Director to the Board of Directors and determined by the Board of Directors. The President and Representative Director confirms opinions of independent External Directors prior to submitting a proposal regarding candidates to the Board of Directors.

Nomination of candidates for Audit & Supervisory Board Members is proposed to the Board of Directors after obtaining consent of the Audit & Supervisory Board.

Basic Policy for Appointment of External Directors and External Audit & Supervisory Board Members

The Company shall appoint a person as an Independent External Director/Audit & Supervisory Board Member (“External Officers”) who meets the requirements for outside directors/auditors prescribed by the Company Law, the requirements for independent directors/auditors prescribed by the Tokyo Stock Exchange, and the independence criteria of the Company described below and has experience and knowledge required for fulfilling the role and responsibilities expected of an Independent External Officer.

If none of the following attributes applies to an External Officer, the Company judges that such External Officer is independent from the Company.

(1) A person affiliated with a major shareholder that substantially holds 10% or more of the voting rights of the Company
(2) A person affiliated with an entity that substantially holds 10% or more of the voting rights of the Company
(3) A person affiliated with a business partner whose purchases from the Company accounted for 3% or more of the Company’s consolidated net sales for the previous year
(4) A person affiliated with a business partner whose annual sales to the Company accounted for 3% or more of the business partner’s consolidated net sales for the previous year
(5) A person affiliated with a financial institution that is indispensable for the Company’s financing and on whom the Company is dependent to the extent that it is irreplaceable
(6) A consultant, an accounting professional or a legal professional who received money or other assets amounting to 10 million yen or more from the Company in the previous year other than the Director’s or Audit & Supervisory Board Member’s remuneration (If the person receiving money, etc. is an organization such as a legal entity, a person affiliated with such organization)
(7) A person affiliated with a legal entity that received donations amounting to 10 million yen or more from the Company in the previous year
(8) A person to whom any of (1) to (7) above applied in the past three years
(9) The spouse or relative in the second degree of kinship of a person to whom any of (1) to (8) above apply