Asahi Diamond Industrial Co., Ltd.

November 8, 2024

Summary of the Consolidated Financial Results for the Second Quarter Ended Sep 30, 2024〔under Japanese GAAP〕

① Financial Statements

1) Consolidated Balance Sheet

Millions of yen

	FISCAL YEAR	SECOND QUARTER
	2024/3	2024/9
Cash and deposits	12,780	15,389
Notes and accounts receivable - trade	10,387	10,590
Securities	37	24
Merchandise and finished goods	3,536	3,652
Work in process	1,628	1,651
Raw materials and supplies	3,021	3,110
Other	1,291	1,124
Allowance for doubtful accounts	(81)	(94)
Current assets	32,601	35,450
Buildings and structures, net	12,737	12,570
Machinery, equipment and vehicles, net	6,017	6,351
Land	6,592	6,647
Other, net	1,308	2,316
Property, plant and equipment	26,655	27,886
Intangible assets	351	321
Investment securities	13,164	12,428
Other	1,634	2,020
Allowance for doubtful accounts	(506)	(544)
Investments and other assets	14,292	13,904
Non-current assets	41,299	42,113
Assets	73,901	77,563

※Notes

- Numbers with "( )" indicate negative numbers.
- This report contains estimates and forecasts pertaining to the future plans and business results. Such statements are based on information available at the time of the report's production and include potential risks and uncertainties. Actual results may differ from estimates and forecasts contained herein.

Millions of yen

	FISCAL YEAR	SECOND QUARTER
	2024/3	2024/9
Notes and accounts payable - trade	1,424	1,924
Short-term borrowings	544	220
Income taxes payable	504	519
Provision for bonuses	893	858
Provision for business restructuring	—	231
Other	2,819	3,317
Current liabilities	6,185	7,070
Long-term borrowings	—	2,000
Retirement benefit liability	2,745	2,740
Provision for business restructuring	234	—
Provision for share awards	163	156
Other	579	632
Non-current liabilities	3,722	5,530
Liabilities	9,908	12,600
Share capital	4,102	4,102
Capital surplus	7,129	7,154
Retained earnings	43,846	44,197
Treasury shares	(248)	(223)
Shareholders' equity	54,829	55,230
Valuation difference on available-for-sale securities	3,699	2,995
Revaluation reserve for land	196	196
Foreign currency translation adjustment	2,094	3,407
Remeasurements of defined benefit plans	1,422	1,232
Total accumulated other comprehensive income	7,412	7,831
Non-controlling interests	1,752	1,900
Net assets	63,993	64,962
Liabilities and net assets	73,901	77,563

2) Consolidated Statement of Income and Consolidated Statement of Comprehensive Income

Consolidated Statement of Income

Millions of yen

	SECOND QUARTER	
	2023/4-9	2024/4-9
Net sales	18,827	20,688
Cost of sales	14,071	14,876
Gross profit	4,756	5,811
Selling expenses	2,640	2,951
General and administrative expenses	1,477	1,560
Selling, general and administrative expenses	4,117	4,512
Operating profit	638	1,299
Interest income	43	56
Dividend income	105	91
Foreign exchange gains	303	—
Share of profit of entities accounted for using equity method	44	148
Subsidy income	11	—
Other	79	75
Non-operating income	587	371
Interest expenses	3	11
Commission expenses	3	—
Foreign exchange losses	—	16
Other	3	14
Non-operating expenses	10	42
Ordinary profit	1,215	1,628
Gain on sale of investment securities	715	174
Extraordinary income	715	174
Loss on retirement of non-current assets	117	—
Extraordinary losses	117	—
Profit before income taxes	1,813	1,803
Income taxes - current	452	392
Income taxes - deferred	58	142
Income taxes	511	534
Profit	1,301	1,268
Profit attributable to non-controlling interests	32	139
Profit attributable to owners of parent	1,269	1,129

Consolidated Statement of Comprehensive Income

Millions of yen

	SECOND QUARTER	
	2023/4-9	2024/4-9
Profit	1,301	1,268
Other comprehensive income		
Valuation difference on available-for-sale securities	(414)	(704)
Foreign currency translation adjustment	863	1,075
Remeasurements of defined benefit plans, net of tax	1,187	(187)
Share of other comprehensive income of entities accounted for using equity method	247	336
Other comprehensive income	1,883	520
Comprehensive income	3,185	1,789
(Comprehensive income attributable to)		
Comprehensive income attributable to owners of parent	3,103	1,827
Comprehensive income attributable to non-controlling interests	81	(37)

② Financial Data

1) Forecast (2024/4-2025/3)

Net sales (Millions of yen)	Operating profit (Millions of yen)	Ordinary profit (Millions of yen)	Profit attributable to owners of parent (Millions of yen)	Earnings per share〔EPS〕(Yen)
42,500	3,100	3,500	2,600	50.41

2) Consolidated Financial Indicator

		SECOND QUARTER		FISCAL YEAR	FORECAST
		2023/4-9	2024/4-9	2023/4-2024/3	2024/4-2025/3
Operating profit ratio	(%)	3.4	6.3	4.0	7.3
Ordinary profit ratio	(%)	6.5	7.9	6.2	8.2
Return on assets〔ROA〕	(%)	1.7	1.5	2.8	—
Return on equity〔ROE〕	(%)	2.1	1.8	3.4	—
Capital expenditures	Millions of yen	2,042	2,475	4,998	6,700
Depreciation〔Property, plant and equipment〕	Millions of yen	1,352	1,507	2,886	3,200
Research and development expenses	Millions of yen	1,028	1,223	2,236	1,860
Number of employees		2,068	2,092	2,059	—

3) Consolidated Net Sales Breakdown

Consolidated Net Sales Breakdown by Industry

Millions of yen,%

	SECOND QUARTER				FISCAL YEAR		FORECAST	
	2023/4-9		2024/4-9		2023/4-2024/3		2024/4-2025/3	
	Amount	Ratio	Amount	Ratio	Amount	Ratio	Amount	Ratio
Electronics and Semiconductor	6,915	36.7	8,519	41.2	14,684	38.0	16,720	39.3
Transportation	4,469	23.8	4,975	24.1	9,204	23.8	9,880	23.3
Machinery	4,733	25.1	4,631	22.4	9,434	24.4	10,170	23.9
Stone and Construction	2,125	11.3	1,934	9.3	4,218	10.9	4,550	10.7
Other	584	3.1	627	3.0	1,111	2.9	1,180	2.8
Net sales	18,827	100.0	20,688	100.0	38,653	100.0	42,500	100.0

Consolidated Net Sales Breakdown by Geographical Region

Millions of yen,%

	SECOND QUARTER				FISCAL YEAR		FORECAST	
	2023/4-9		2024/4-9		2023/4-2024/3		2024/4-2025/3	
	Amount	Ratio	Amount	Ratio	Amount	Ratio	Amount	Ratio
Japan	8,615	45.8	9,037	43.7	17,387	45.0	18,200	42.8
Asia and Oceania								
Taiwan	1,513	8.0	1,627	7.9	3,080	8.0	3,500	8.2
China	1,741	9.2	2,070	10.0	3,704	9.6	4,500	10.6
Other	2,966	15.8	3,243	15.7	6,041	15.6	6,900	16.2
Europe	2,164	11.5	2,483	12.0	4,366	11.3	4,700	11.1
North America	1,254	6.7	1,449	7.0	2,885	7.4	3,400	8.0
Other	570	3.0	776	3.7	1,187	3.1	1,300	3.1
Net sales	18,827	100.0	20,688	100.0	38,653	100.0	42,500	100.0