Fiscal Year ending March 2025

Financial Results Briefing

May 26, 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.

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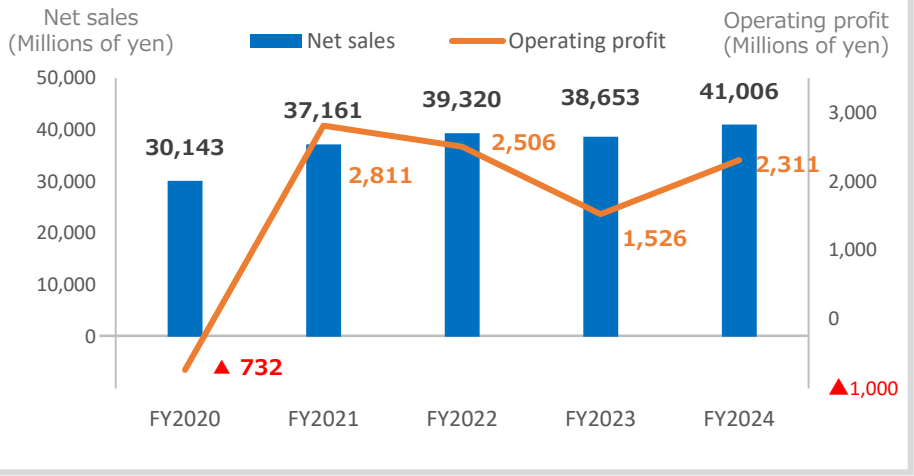
Financial Results (Consolidated)

Profits increased significantly compared to the previous fiscal year due to increased sales and improved profitability.

Unit:Millions of yen

	FY2023		FY2024			
	Result	%	Result	%	YoY Change	YoY Change (%)
Net sales	38,653	100.0	41,006	100.0	2,352	6.1
Operating profit	1,526	4.0	2,311	5.6	784	51.4
Ordinary profit	2,408	6.2	3,070	7.5	662	27.5
Profit attributable to owners of parent	2,109	5.5	2,493	6.1	383	18.2
Earning per Share (Yen)	40.57	-	48.36	-	7.79	-

Net Sales/ Operating Profit



Operating Profit (YoY Change)

Increase Factors

- Increase in sales 1.6 billion yen
- Decrease in retirement benefit costs 0.3 billion yen

Decrease Factors

- Increase in personnel costs 0.7 billion yen
- Increase in depreciation costs 0.3 billion yen
- Increase in variable cost rate 0.2 billion yen

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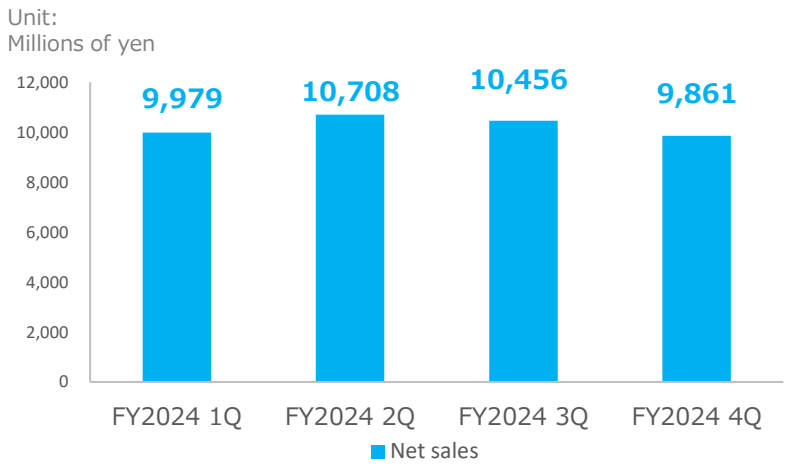
Quarterly Results and Trends (Consolidated)

In addition to the decline in sales, profit margins declined in the 4Q due to increased depreciation and other expenses.

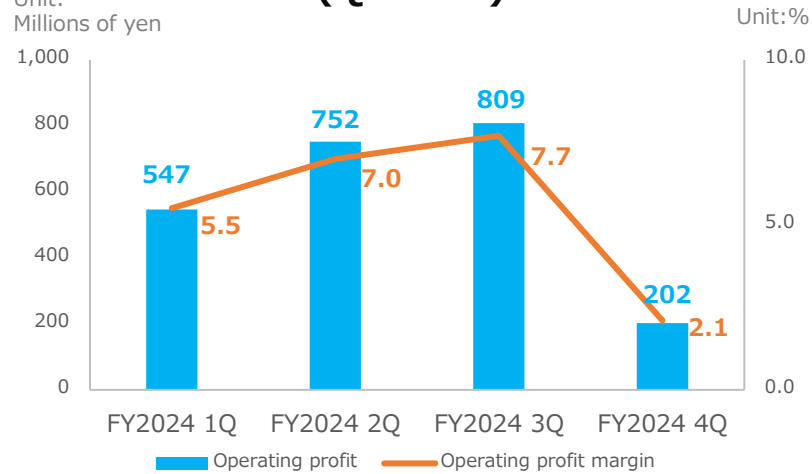
Unit:Millions of yen

	FY2024							
	1Q		2Q		3Q		4Q	
	Result	%	Result	%	Result	%	Result	%
Net sales	9,979	100.0	10,708	100.0	10,456	100.0	9,861	100.0
Operating profit	547	5.5	752	7.0	809	7.7	202	2.1
Ordinary profit	939	9.4	689	6.4	995	9.5	445	4.5
Profit Attributable to Owners of Parent	802	8.0	326	3.1	1,029	9.8	334	3.4

Net Sales (Quarter)



Operating Profit (Quarter)



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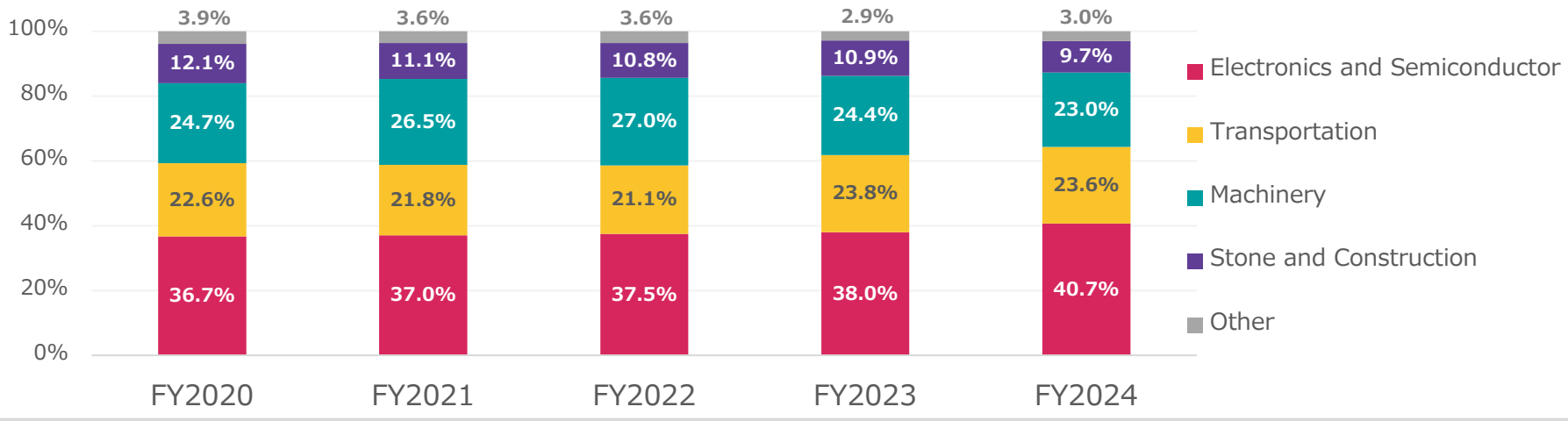
Net Sales and Composition by Industry (Consolidated)

The proportion of the electronics and semiconductor industry, which is a focus of our efforts, is increasing

Unit:Millions of yen

	FY2023		FY2024			
	Net sales	%	Net sales	%	YoY Change	YoY Change (%)
Electronics and Semiconductor	14,684	38.0	16,667	40.7	1,982	13.5
Transportation	9,204	23.8	9,692	23.6	488	5.3
Machinery	9,434	24.4	9,430	23.0	▲4	▲0.0
Stone and Construction	4,218	10.9	3,975	9.7	▲242	▲5.8
Other	1,111	2.9	1,240	3.0	128	11.6
Total	38,653	100.0	41,006	100.0	2,352	6.1

Composition Ratio



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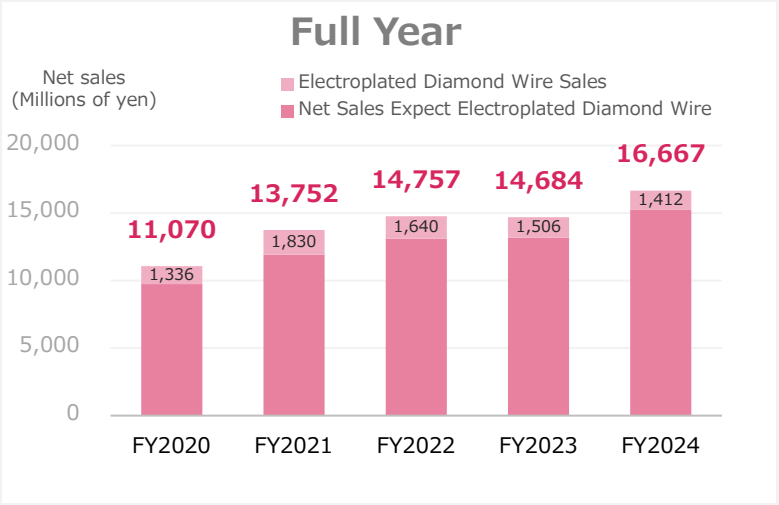
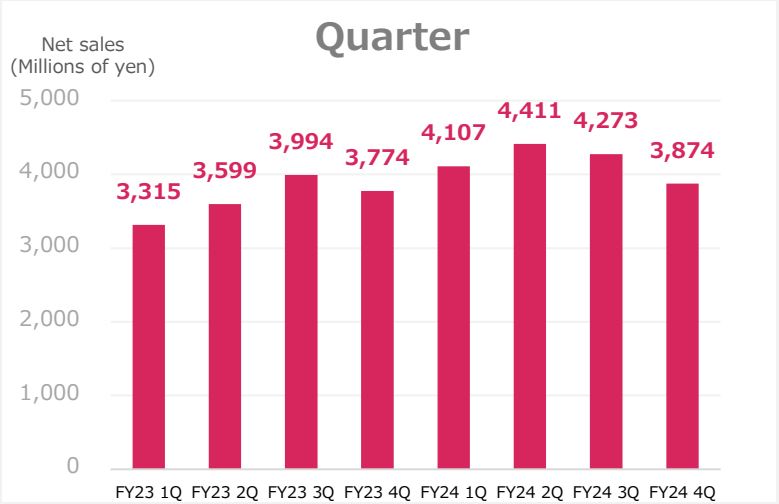
Net Sales Breakdown by Industry : 1.Electronics and Semiconductor (Includes Electroplated Diamond Wire)





Semiconductor and Electronic Component

Although sales of SiC semiconductors decreased, sales increased due to increased demand for advanced semiconductors.

FPD (Flat Panel Displays)

Sales increased as the recovery trend continued from the previous fiscal year.

Wire Drawing Die

Sales increased as the recovery trend continued from the previous fiscal year.

Electrodeposited Diamond Wire

Sales for silicon increased, but overall sales decreased

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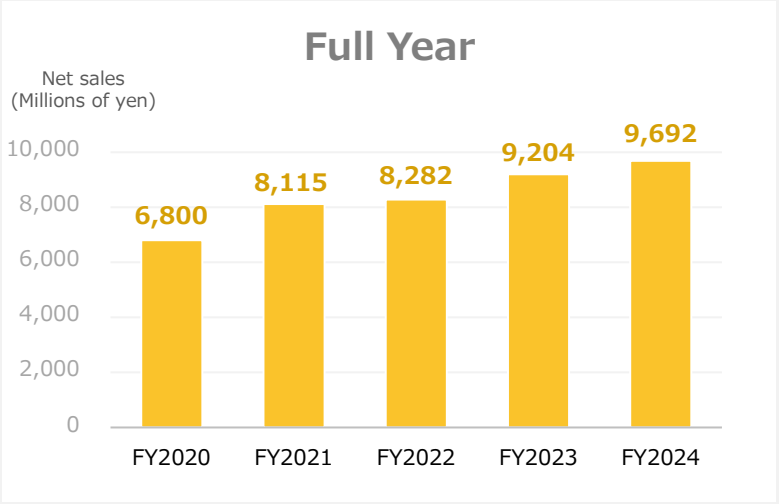
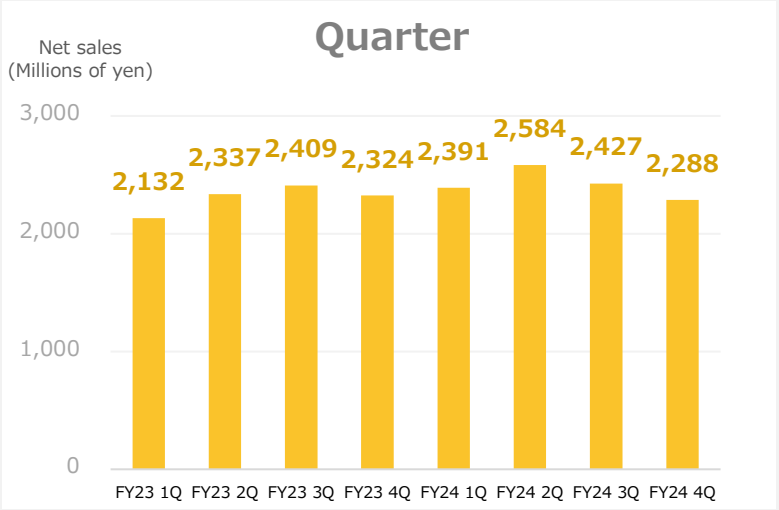
Net Sales Breakdown by Industry : 2. Transportation





Automobile

Demand increases in India and Central America, and sales increase mainly for commercial vehicles

Aircraft

Sales increase due to recovery in demand

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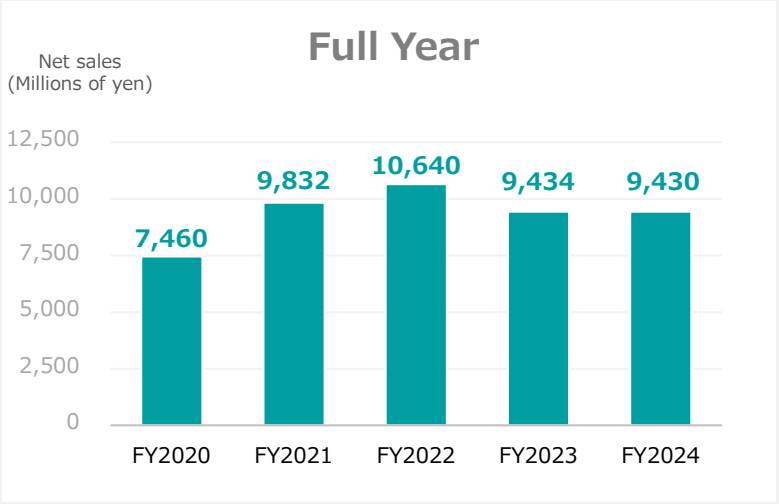
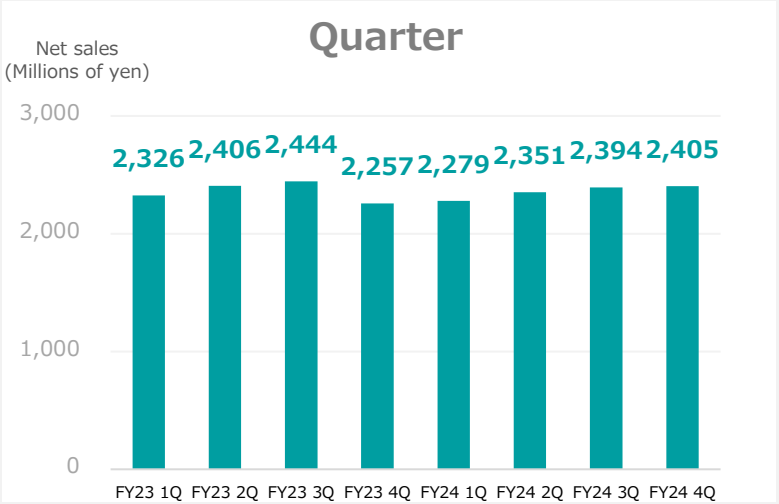
Net Sales Breakdown by Industry : 3. Machinery





Bearing, Cemented Carbide Tool

Sales of both bearings and carbide tools are recovering and increasing

Machine Tool

Sales decline due to sluggish demand for machine tools.
However, sales to the ceramics industry for semiconductor equipment increased

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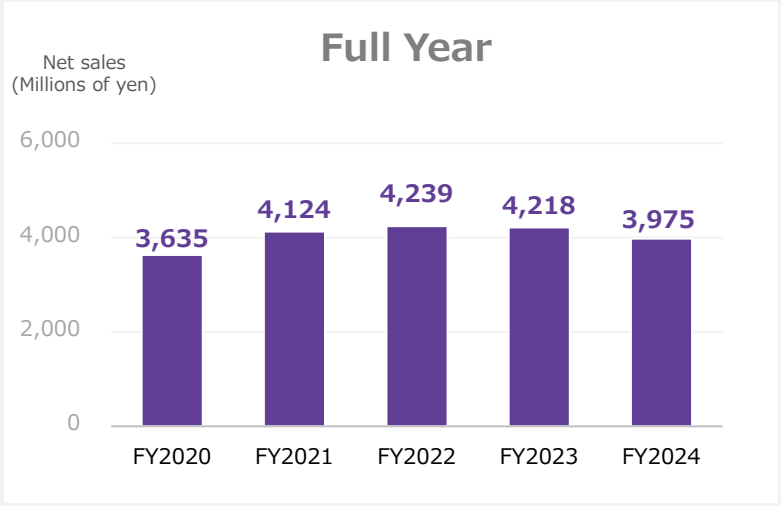
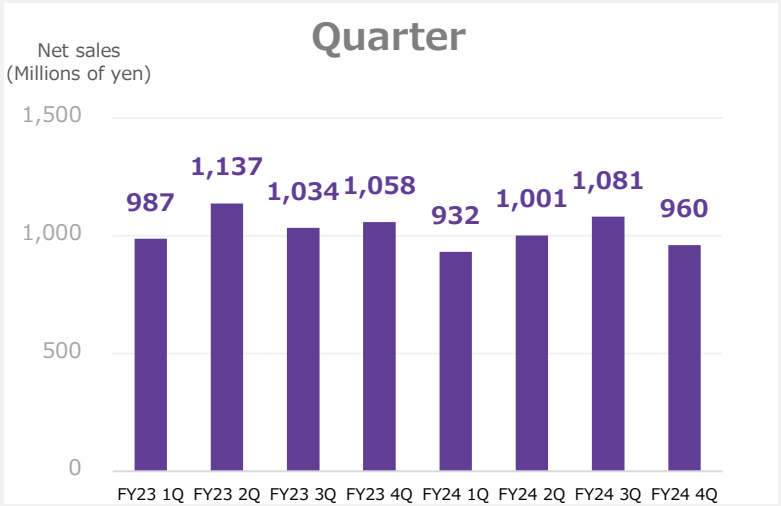
Net Sales Breakdown by Industry : 4. Stone and Construction





Resource Exploration

Overseas orders decline, sales fall.

Construction in Japan

Public works were strong, but sales declined due to a decline in private works and demolition work.

Commercial Product (Portable Cutter)

Sales were at the same level as the previous fiscal year.

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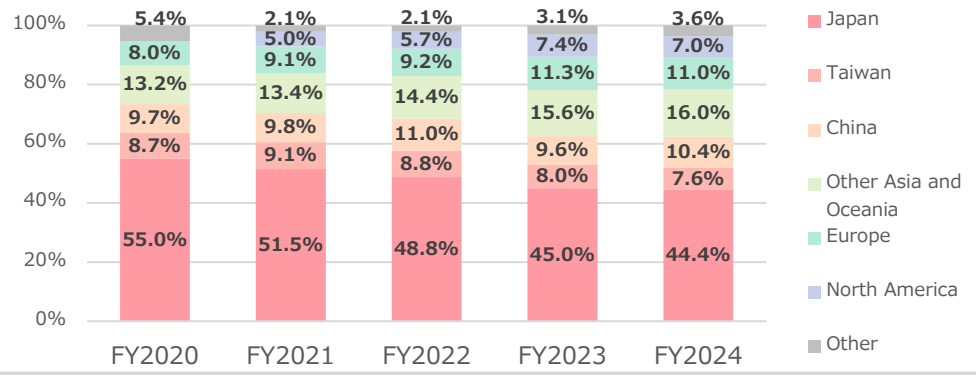
Net Sales Breakdown by Geographical Region (Consolidated)

Sales increased year-on-year in all regions except North America, with particularly strong growth in other Latin America and China

Unit:Millions of yen

	FY2023		FY2024			
	Net Sales	%	Net Sales	%	YoY Change	YoY Change (%)
Japan	17,387	45.0	18,217	44.4	830	4.8
Taiwan	3,080	8.0	3,111	7.6	30	1.0
China	3,704	9.6	4,275	10.4	571	15.4
Other Asia and Oceania	6,041	15.6	6,535	16.0	493	8.2
Europe	4,366	11.3	4,514	11.0	147	3.4
North America	2,885	7.4	2,869	7.0	▲16	▲0.6
Other	1,187	3.1	1,482	3.6	295	24.9
Overseas total	21,266	55.0	22,789	55.6	1,522	7.2
Total	38,653	100.0	41,006	100.0	2,353	6.1

Composition Ratio



Japan
Increase in 'Electronics and Semiconductors' and 'Machinery'

China
Increase in 'Electronics and Semiconductors'

Other Asia and Oceania
Increase in 'Transportation' in India

North America
'Electronics and semiconductors' and 'Transportation' increased, while 'machinery' decreased

Other
Increase in 'Transportation' in Central America, etc.

Consolidated Balance Sheet

Sales of investment securities and long-term borrowings led to an increase in cash and deposits, while capital investments led to an increase in tangible fixed assets.

Unit:Millions of yen

Assets	Fiscal Year ending March 2024	Fiscal Year ending March 2025	Change
Cash and deposits	12,780	14,752	1,972
Notes and accounts receivable - trade	10,387	10,038	▲348
Inventories	8,185	8,759	573
Property, plant and equipment	26,655	28,845	2,189
Intangible assets	351	408	57
Investment securities	13,164	10,778	▲2,386
Other	2,376	2,767	391
Total Assets	**73,901**	**76,351**	2,449

Liabilities	Fiscal Year ending March 2024	Fiscal Year ending March 2025	Change
Notes and accounts payable - trade	1,424	1,658	234
Long-term borrowings	0	2,000	2,000
Retirement benefit liability	2,745	3,188	443
Other	5,739	5,924	185
Total Liabilities	**9,908**	**12,772**	**2,863**

Net Assets	Fiscal Year ending March 2024	Fiscal Year ending March 2025	Change
Total net assets	63,993	63,579	▲414
Total Liabilities and Net Assets	**73,901**	**76,351**	**2,449**

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Consolidated Statements of Cash Flows

Although tangible fixed assets increased due to capital investment, cash increased due to increases in long-term borrowings and net income.

Unit:Millions of yen

	FY2023	FY2024	Change	
Profit (loss) before income taxes	3,106	3,799	693	
Depreciation	2,969	3,328	359	
Increase (decrease) in retirement benefit liability	▲436	▲347	89	
Decrease (increase) in trade receivables	52	549	496	
Decrease (increase) in inventories	▲684	▲397	286	
Income taxes paid	▲929	▲932	▲2	
Other	▲1,238	▲234	1,004	※
Net cash provided by (used in) operating activities	2,839	5,765	2,925	
Purchase or sale of property, plant and equipment	▲4,246	▲4,991	▲745	
Purchase or sale of investment securities	1,041	1,183	142	
Other	▲299	▲12	287	
Net cash provided by (used in) investing activities	▲3,505	▲3,820	▲315	
Proceeds from long-term borrowings	0	2,000	2,000	
Purchase or sale of treasury shares	▲1,726	▲175	1,551	
Dividends paid	▲1,581	▲1,553	28	
Other	187	▲484	▲671	
Net cash provided by (used in) financing activities	▲3,121	▲212	2,908	
Cash and cash equivalents at end of period	12,818	14,810	1,991	

※Mainly due to an increase in outstanding payments for new factory in Europe

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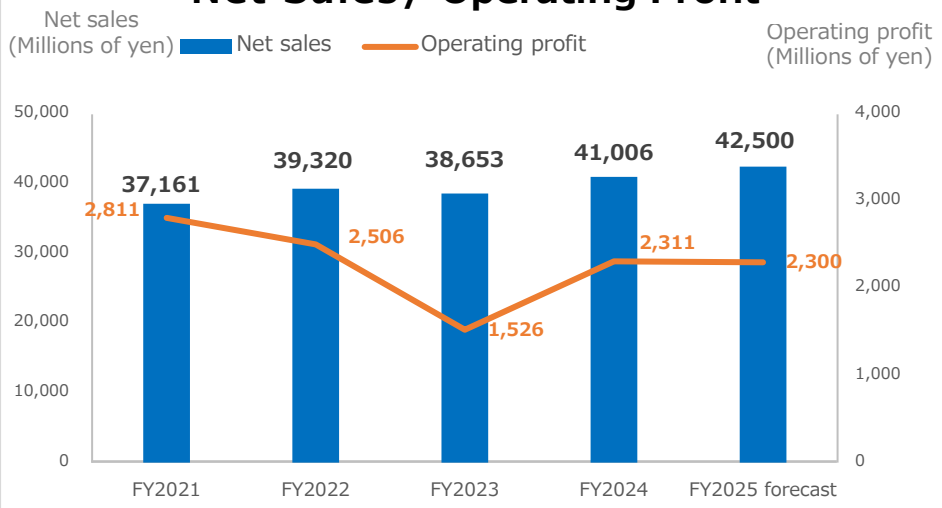
Outline of Forecasts (Consolidated)

In an uncertain market environment, the fiscal year ending March 2026 will be the year for our next leap forward

Unit:Millions of yen

		FY2024 First Half Results	%	FY2025 First Half Forecasts	%	YoY Change	YoY Change (%)	FY2024 Full-year results	%	FY2025 Full-year forecast	%	YoY Change	YoY Change (%)
Net sales		20,688	100.0	**20,100**	100.0	▲588	▲2.8	41,006	100.0	**42,500**	100.0	1,493	3.6
Operating profit		1,299	6.3	**600**	3.0	▲699	▲53.8	2,311	5.6	**2,300**	5.4	▲11	▲0.5
Ordinary profit		1,628	7.9	**800**	4.0	▲828	▲50.9	3,070	7.5	**2,600**	6.1	▲470	▲15.3
Profit attributable to owners of parent		1,129	5.5	**400**	2.0	▲729	▲64.6	2,493	6.1	**2,200**	5.2	▲293	▲11.8
Exchange rate	JPY/USD							151.6	-	**149.0**			
	JPY/EUR							163.8	-	**162.0**			
	JPY/CNY							21.04	-	**20.00**			

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 costs 0.8 billion yen
- Increase in personnel costs 0.2 billion yen
- Increase in depreciation costs 0.2 billion yen
- Other 0.3 billion yen

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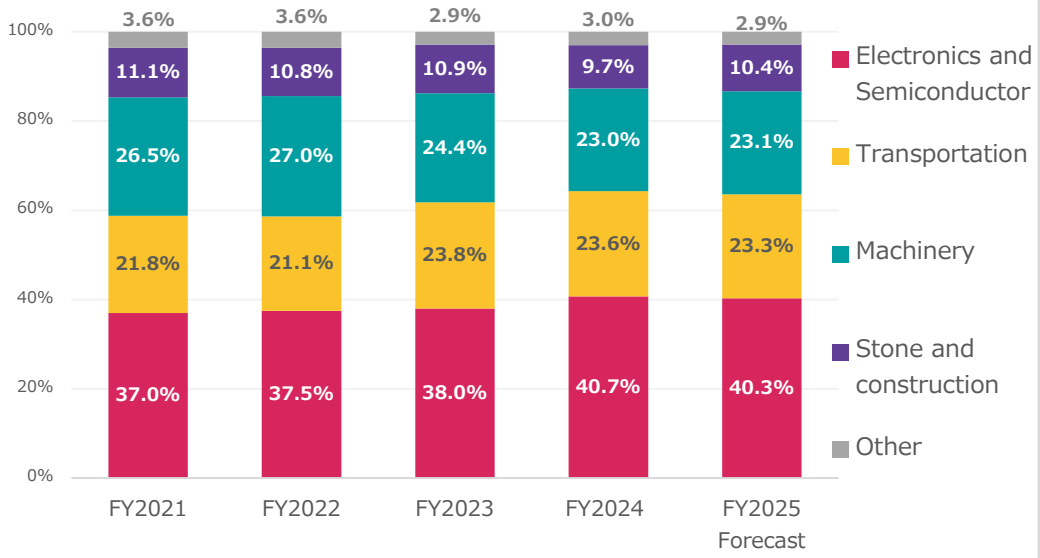
Forecasts for Net Sales and Composition by Industry (Consolidated)

We expect growth in the second half, particularly in the electronics and semiconductor sectors, and anticipate increased revenue across all industries for the full year.

Unit: Millions of yen

	FY2024 First Half Results	%	FY2025 First Half Forecast	%	YoY Change	YoY Change %	FY2024 Full-year results	%	FY2025 Full-year forecast	%	YoY Change	YoY Change %
Electronics and Semiconductor	8,519	41.2	**7,950**	39.6	▲569	▲6.7	16,667	40.7	**17,150**	40.3	482	2.9
Transportation	4,975	24.1	**4,800**	23.9	▲175	▲3.5	9,692	23.6	**9,900**	23.3	207	2.1
Machinery	4,631	22.4	**4,600**	22.9	▲31	▲0.7	9,430	23.0	**9,800**	23.1	369	3.9
Stone and Construction	1,934	9.3	**2,100**	10.4	165	8.6	3,975	9.7	**4,400**	10.4	424	10.7
Other	627	3.0	**650**	3.2	22	3.5	1,240	3.0	**1,250**	2.9	9	0.7
Total	20,688	100.0	**20,100**	**100.0**	**▲588**	**▲2.8**	41,006	100.0	**42,500**	**100.0**	**1,494**	**3.6**

Composition Ratio



Electronics and Semiconductor
Sales expected to increase mainly for Si semiconductors.

Transportation
Sales expected to increase, mainly in the automotive industry.

Machinery
Sales are expected to increase, mainly in the bearing Cemented Carbide tool industries.

Stone and construction
Sales expected to increase, mainly in the construction industry.

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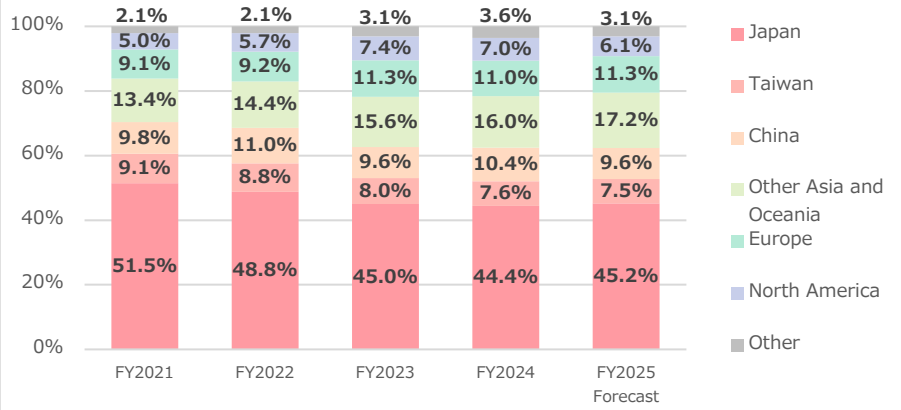
Forecasts for Net Sales and Composition by Geographical Region (Consolidated)

Expecting increased revenue in Japan, Taiwan, other Asian and Oceanian countries, and Europe

Unit:Millions of yen

	FY2024 First Half Results	%	FY2025 First Half Forecast	%	YoY Change	YoY Change (%)	FY2024 Full-Year Results	%	FY2025 Full-Year Forecast	%	YoY Change	YoY Change (%)
Japan	9,037	43.7	**9,200**	45.8	162	1.8	18,217	44.4	**19,200**	45.2	982	5.4
Taiwan	1,627	7.9	**1,500**	7.5	▲127	▲7.8	3,111	7.6	**3,200**	7.5	88	2.8
China	2,070	10.0	**1,800**	8.9	▲270	▲13.1	4,275	10.4	**4,100**	9.6	▲175	▲4.1
Other Asia and Oceania	3,243	15.7	**3,500**	17.4	256	7.9	6,535	16.0	**7,300**	17.2	764	11.7
Europe	2,483	12.0	**2,500**	12.4	16	0.7	4,514	11.0	**4,800**	11.3	285	6.3
North America	1,449	7.0	**1,000**	5.0	▲449	▲31.0	2,869	7.0	**2,600**	6.1	▲269	▲9.4
Other	776	3.7	**600**	3.0	▲176	▲22.7	1,482	3.6	**1,300**	3.1	▲182	▲12.3
Overseas Total	11,651	56.3	**10,900**	54.2	▲751	▲6.4	22,789	55.6	**23,300**	54.8	510	2.2
Total	20,688	100.0	**20,100**	**100.0**	**▲588**	**▲2.8**	41,006	100.0	**42,500**	**100.0**	**1,493**	**3.6**

Composition Ratio



Japan
Increase expected mainly in “electronics and semiconductor” and “machinery”

China
A decrease is expected in the demand for ‘electronics and semiconductors.

Other Asia and Oceania
Resource exploration in Indonesia, with an expected increase in 'electronics and semiconductors' in Asia.

Europe
Increase expected mainly in “electronics and semiconductor”

North America
A decrease is expected in the demand for 'electronics and semiconductors'.

Others
A decrease is expected in the demand for 'transport equipment' in Central America and other regions.

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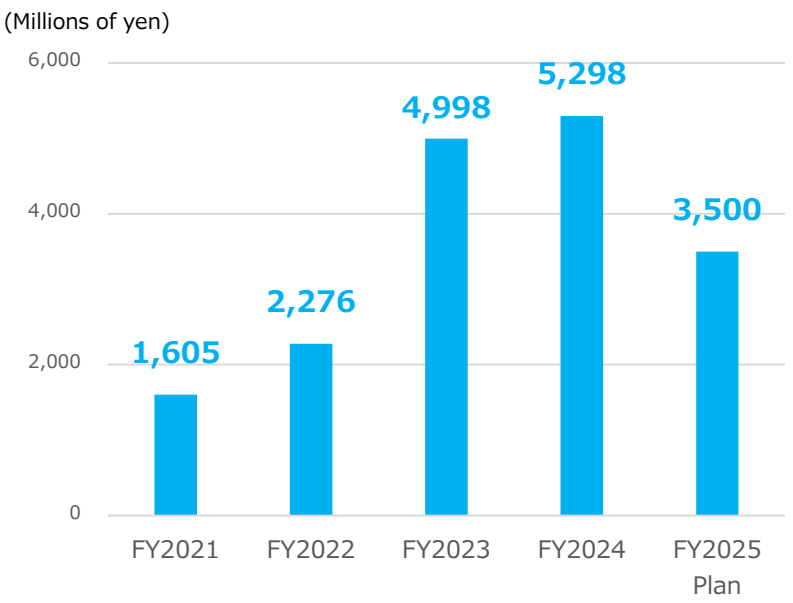
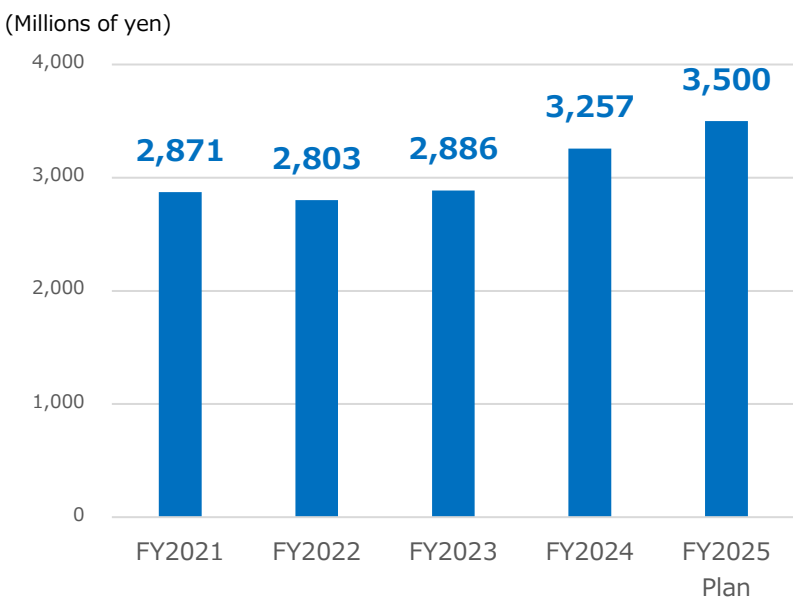
Capital Expenditures 「Results and Plan」

Capital Expenditure



Depreciation



Investment Amount in Plant and Equipment

In FY2023 and FY2024, production is expected to increase due to the expansion of production capacity and reorganization of production systems for electronic and semiconductor tools.

In FY2025, there are no major investment plans, and production is expected to decrease.

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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	Focus on growth sectors/areas of expertise	Proactive Product Development
Sales expansion through market penetration	Effective use of management resources	Stay one step ahead of customer needs

Three Key Measures for Business Growth

1. Semiconductor
2. Management Foundation
3. Optimize Resources

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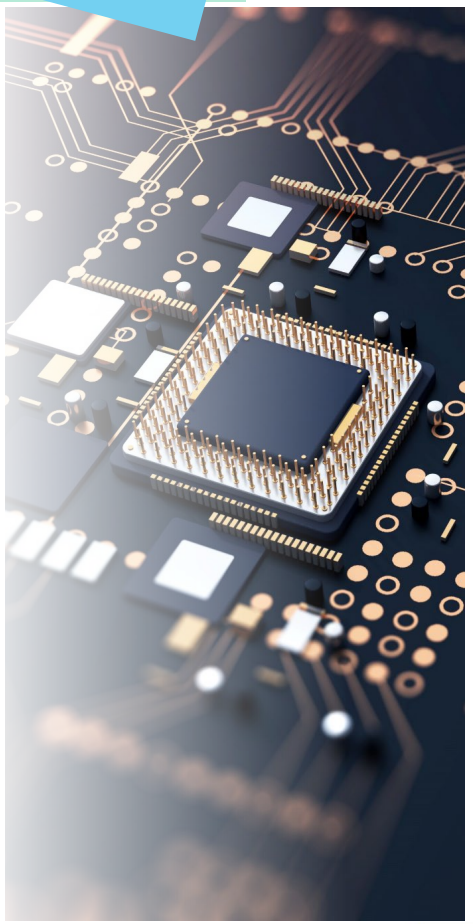
Focus on Semiconductor Segment

1

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
- Improvement of production efficiency and cost ratio

Sales

- Focus on expanding sales of high-margin products
- Utilization of trade shows

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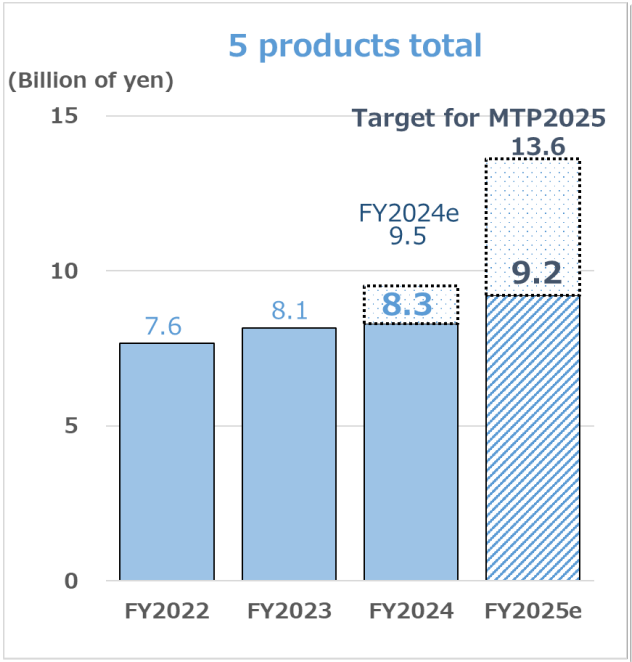
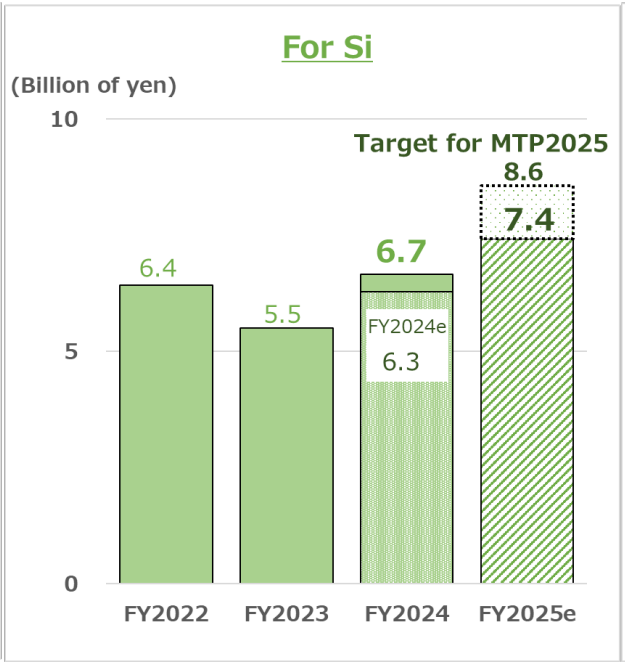
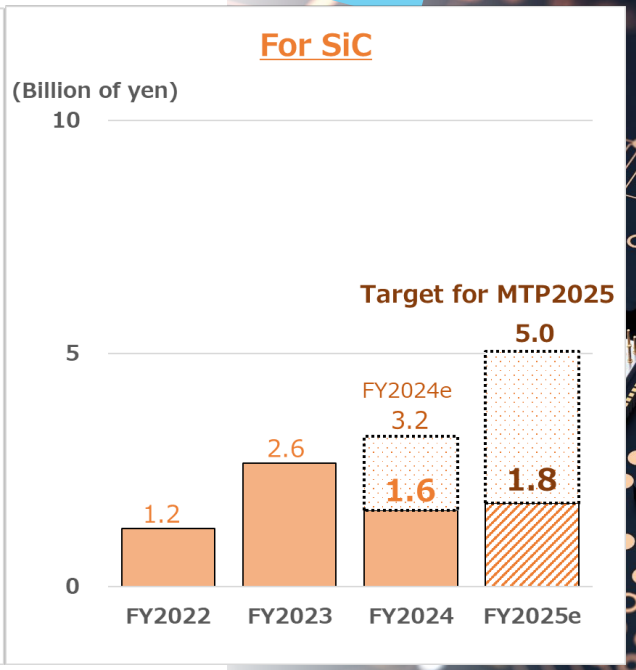
1

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

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Management Infrastructure Enhancement

2

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

- Corporate website renewal 《in April 2024》
- 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



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Optimize Resources

3

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

- Joint venture with Tokyo Seimitsu ‘AA Diamond Technology Co., Ltd.’
- External Sourcing of Products
- Mutual product supply through business cooperation with Tyrolit

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Target for FY2025

Revision of targets for the third year of the medium-term management plan due to changes in the market environment

	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

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Capital Policy

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

	FY2023	FY2024
Dividend payout ratio	73.9%	62.0%
Total return ratio	156%	70.1%
ROE	3.4%	4.0%
PBR	0.80x	0.67x
Capital Expenditure	5 billion yen	5.3 billion yen
Shareholder returns	3.3 billion yen	1.7 billion yen

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Stand Alone

We are at the vanguard of world 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, 2023, the Company has adopted the "Accounting Standard for Revenue Recognition" (ASBJ Statement No. 29). The impact on the consolidated financial statements is immaterial.

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