

# Consolidated Financial Results for the Fiscal Year Ended March 31, 2012

## Asahi Holdings, Inc.

May 11, 2012

Stock code: 5857  
 Shares listed: Tokyo Stock Exchange (First Section)  
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The Ordinary General Meeting of Shareholders: June 14, 2012  
 Filing date of financial statement: June 15, 2012  
 Start of dividend payment: May 29, 2012  
 Supplementary materials for the financial results: No  
 Investor conference for the financial results: Yes (for institutional investors, analysts)

(Rounded down to the nearest million yen)

### 1. Results of the fiscal year ended March 31, 2012 (From April 1, 2011 to March 31, 2012)

#### (1) Results of operations (Percentage changes relative to previous corresponding period)

	Net sales		Operating income		Ordinary income		Net income	
The fiscal year ended	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
March 31, 2012	151,094	36.7	11,217	5.2	11,130	5.9	5,926	(3.5)
March 31, 2011	110,504	33.8	10,661	35.2	10,508	32.6	6,144	40.3

(Note) Comprehensive income: The fiscal year ended March 31, 2012 6,147 million yen ;4.4%  
 The fiscal year ended March 31, 2011 5,886 million yen ;32.6%

	Net income per share	Diluted net income per share	Return on equity	Ordinary income to total assets	Operating income to net sales
The fiscal year ended	Yen	Yen	%	%	%
March 31, 2012	183.20	—	16.2	19.0	7.4
March 31, 2011	190.46	—	19.1	19.2	9.6

(Note) Equity in earnings of affiliates: March 31, 2012: — million yen March 31, 2011: — million yen

#### (2) Financial Position

	Total assets	Net assets	Shareholders' equity ratio	Net assets per share
As of	Millions of yen	Millions of yen	%	Yen
March 31, 2012	58,315	38,902	66.6	1,198.77
March 31, 2011	59,143	34,341	58.0	1,062.30

(Reference) Shareholders' equity: As of March 31, 2012 38,835 million yen  
 As of March 31, 2011 34,313 million yen

#### (3) Cash flows

	Cash flows from operating activities	Cash flows from investing activities	Cash flows from financing activities	Cash and cash equivalents at end of the fiscal year
The fiscal year ended	Millions of yen	Millions of yen	Millions of yen	Millions of yen
March 31, 2012	11,297	(2,278)	(7,705)	3,527
March 31, 2011	5,457	(3,743)	(1,129)	2,250

## 2. Dividend payments

	Dividends per share					Total Dividend Payment (Annual)	Payout Ratio (Consolidated)	Dividend to Net Assets (Consolidated)
	1st Quarter	2nd Quarter	3rd Quarter	Year-end	Annual			
The fiscal Year ended	Yen	Yen	Yen	Yen	Yen	Millions of yen	%	%
March 31, 2011	—	25.00	—	25.00	50.00	1,614	26.3	5.0
March 31, 2012	—	30.00	—	30.00	60.00	1,942	32.8	5.3
Year ending March 31, 2013 (Forecast)	—	30.00	—	30.00	60.00		38.9	

## 3. Forecast (From April 1, 2012 to March 31, 2013)

(Percentage changes relative to previous corresponding period)

	Net sales		Operating income		Ordinary income		Net income		Net income per share
	Millions of Yen	%	Millions of Yen	%	Millions of Yen	%	Millions of Yen	%	Yen
Six months ending September 30, 2012	48,000	(34.0)	4,000	(33.1)	4,000	(33.7)	2,200	(36.9)	67.86
Year ending March 31, 2013	105,000	(30.5)	9,000	(19.8)	9,000	(19.1)	5,000	(15.6)	154.11

## 4. Other

(1) Changes in important subsidiaries during the current fiscal year : No

(2) Changes in accounting policies, accounting estimates and restatement

(i) Changes in accounting policies resulting from the revision of the accounting standards and other regulations: No

(ii) Changes other than (i) above: No

(iii) Changes in accounting estimates: No

(iv) Restatement: No

(3) Number of issued shares (common stock)

(i) Number of issued shares at the end of year (including treasury shares)

As of March 31, 2012	36,254,344 shares
As of March 31, 2011	36,254,344 shares

(ii) Number of treasury shares at the end of year

As of March 31, 2012	3,858,589 shares
As of March 31, 2011	3,953,239 shares

(iii) Averaged number of shares during the period

Year ended March 31, 2012	32,349,224 shares
Year ended March 31, 2011	32,260,511 shares

## (Reference) Summary of Nonconsolidated Results

### 1. Nonconsolidated Results of the Year ended March 31, 2012(From April 1, 2011 to March 31, 2012)

(1) Results of operations

(Percentage changes relative to previous corresponding period)

	Net sales		Operating income		Ordinary income		Net income	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
The fiscal year ended March 31, 2012	6,057	36.0	5,005	41.8	5,006	42.3	4,911	39.1
March 31, 2011	4,453	(46.9)	3,530	(55.5)	3,519	(55.5)	3,530	(55.4)

	Net income per share	Diluted net income per share
	Yen	Yen
The fiscal year ended March 31, 2012	151.83	—
March 31, 2011	109.42	—

(2) Financial Position

	Total assets	Net assets	Shareholders' equity ratio	Net assets per share
As of	Millions of yen	Millions of yen	%	Yen
March 31, 2012	41,173	34,009	82.4	1,047.75
March 31, 2011	40,901	30,684	75.0	949.09

(Reference)

Shareholders' equity

As of March 31, 2012 : 33,942 million yen

As of March 31, 2011 : 30,656 million yen

\*Indication regarding the situation of audit procedures

These financial results are not subject to the audit procedures pursuant to the Financial Instruments and Exchange Act. As of the disclosure of the financial results, the procedures for auditing financial statements pursuant to the Financial Instruments and Exchange Act are in progress.

\*Statement regarding the proper use of financial forecasts and other special remarks

These forecast performance figures are based on the information currently available to the Company's management and certain assumptions judged rational. Accordingly, these might be cases in which actual results materially differ from forecasts of this report.

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## 1. Information Regarding Consolidated Performance

### (1) Consolidated Operating Results for the Year ended March 31, 2012

During the fiscal year ended March 31, 2012, the Japanese economy remained in a severe situation, due to the influence of Great East Japan Earthquake, European Sovereign Debt Crisis and the appreciation of Japanese yen.

Under these circumstances, regarding precious metal recycling business, the volume of collected gold, silver and palladium was higher than the previous corresponding period, though the volume of collected platinum and indium was lower than the previous corresponding period. Also, the average sales prices of gold, silver, palladium and indium were higher than the previous corresponding period, though the average sales price of platinum was lower than the previous period.

Regarding environmental protection business, the transaction volume of waste oil, waste liquid and medical-related wastes etc. was higher than the previous corresponding period.

As a result of the above, as consolidated results for the fiscal year, we recorded net sales of 151,094 million yen, up 40,590 million yen (+36.7%) year-on-year; operating income of 11,217 million yen, up 556 million yen (+5.2%) year-on-year; ordinary income of 11,130 million yen, up 621 million yen (+5.9%) year-on-year; and net income of 5,926 million yen, down 217 million yen (-3.5%) year-on-year.

Looked at by segment, sales in the precious metal recycling business were 136,571 million yen, up 40,173 million yen (+41.7%) year-on-year; and sales in the environmental protection business were 14,522 million yen, up 416 million yen (+3.0%) year-on-year.

### (2) Consolidated Financial Position and Cash Flows for the Year ended March 31, 2012

As of March 31, 2012, total assets amounted to 58,315 million yen, down 827 million yen from the previous fiscal year end. This was due mainly to an increase of 4,726 million yen in notes and accounts receivable-trade, a decrease of 5,484 million yen in inventories.

Total liabilities amounted to 19,413 million yen, down 5,388 million yen from the previous fiscal year end. This was due mainly to a decrease of 5,902 million yen in loan payable.

Net assets totaled 38,902 million yen up 4,560 million yen from the previous fiscal year end.

Net cash provided in operating activities amounted to 11,297 million yen due mainly to 10,810 million yen of income before income taxes, 2,345 million yen of depreciation and amortization.

Net cash used in investing activities amounted to 2,278 million yen due mainly to 1,674 million yen in payments for purchase of fixed assets.

Net cash used in financial activities amounted to 7,705 million yen due mainly to 6,026 million yen decrease of loans payable and expenditure of 1,777 million yen for the payment of dividends.

As a result, Cash and cash equivalents as of March 31, 2012, increased 1,277 million yen from March 31, 2011, to 3,527 million yen.

### (3) Forecast of Consolidated Performance for the Year ending March 31, 2013

Regarding the forecast of consolidated performance for the year ending March 31, 2013, because the domestic production of flat panel displays and IT equipments is in a severe situation, the volume of collected metals in the precious metal recycling business is expected to decrease. Therefore the Company's consolidated net sales during the fiscal year ending March 2013 will be 105,000 million yen, 30.5% decrease year on year, operating income will be 9,000 million yen, 19.8% decrease year on year, ordinary income will be 9,000 million yen, 19.1% decrease year on year, and net income will be 5,000 million yen, 15.6% decrease year on year.

The consolidated net sales during the fiscal year ending March 2013 will be lower than the previous fiscal year, because we will change a part of precious metal recycling business transactions from purchase and sale contracts to fee-based processing contracts.

### (4) Dividends

The Company's basic policy is to improve the corporate value continuously by maintaining of stable profitability and further growth and to meet the shareholders' expectations by continuous dividends. The Company also considers the fulfillment of internal reserves for strategic investment to enhance existing business and develop new business.

Under the policy, the fiscal year's end dividend will be 30 yen per share, consequently, the annual dividend per share for the fiscal year ended March 31, 2012 will be totaled 60 yen including the interim dividend of 30 yen per share.

Further, for the year ending March 31, 2013, The Company plans to pay out 30 yen per share for both interim and year end dividend, making the full year amount 60 yen per share.

## 2. Consolidated Financial Statements

### (1) Consolidated Balance Sheets

	As of March 31, 2011	As of March 31, 2012	As of March 31, 2012
	Millions of yen	Millions of yen	Thousands of U.S.dollars
<b>ASSETS</b>			
Current assets			
Cash and deposits	2,321	3,527	42,923
Notes and accounts receivable-trade	4,754	9,480	115,352
Merchandise and finished goods	5,914	2,123	25,835
Work in process	12,509	10,727	130,523
Raw materials and supplies	530	618	7,527
Deferred tax assets	929	676	8,229
Other	2,383	2,157	26,248
Allowance for doubtful accounts	(10)	(11)	(134)
Total current assets	29,332	29,301	356,504
Noncurrent assets			
Property, plant and equipment			
Buildings and structures, net	9,349	9,495	115,535
Machinery, equipment and vehicles, net	2,811	2,721	33,108
Land	12,563	12,910	157,081
Construction in progress	1,380	263	3,202
Other, net	452	372	4,534
Total property, plant and equipment	26,557	25,763	313,460
Intangible assets			
Goodwill	2,036	1,970	23,974
Other	519	519	6,326
Total intangible assets	2,556	2,490	30,301
Investments and other assets	697	760	9,258
Total noncurrent assets	29,811	29,014	353,019
Total assets	59,143	58,315	709,523

U.S. dollar amounts represent translations using the approximate exchange rate on March 31, 2012 of Yen82.19=US\$1, and are included solely for the convenience of readers.

	As of March 31, 2011	As of March 31, 2012	As of March 31, 2012
	Millions of yen	Millions of yen	Thousands of U.S.dollars
<b><u>LIABILITIES</u></b>			
Current liabilities			
Notes and accounts payable-trade	3,405	3,253	39,580
Short-term loans payable	9,448	4,545	55,300
Current portion of long-term loans payable	1,000	1,000	12,167
Accounts payable-other	1,295	1,412	17,184
Income taxes payable	2,512	3,267	39,755
Provision for bonuses	741	659	8,019
Provision for directors' bonuses	28	30	377
Provision for repairs	100	100	1,218
Provision for loss on disaster	59	—	—
Other	1,885	1,862	22,665
Total current liabilities	<u>20,475</u>	<u>16,130</u>	<u>196,265</u>
Noncurrent liabilities			
Long-term loans payable	2,500	1,500	18,250
Deferred tax liabilities	1,535	1,646	20,031
Provision for retirement benefits	205	65	794
Other	85	70	859
Total noncurrent liabilities	<u>4,325</u>	<u>3,282</u>	<u>39,934</u>
Total liabilities	<u>24,801</u>	<u>19,413</u>	<u>236,199</u>
<b><u>NET ASSETS</u></b>			
Shareholders' equity			
Capital stock	4,480	4,480	54,518
Capital surplus	6,074	6,087	74,072
Retained earnings	29,976	34,124	415,196
Treasury stock	(5,795)	(5,656)	(68,827)
Total shareholders' equity	<u>34,736</u>	<u>39,036</u>	<u>474,959</u>
Accumulated other comprehensive income			
Valuation difference on available-for-sale securities	33	18	228
Deferred gains or losses on hedges	(374)	(111)	(1,362)
Foreign currency translation adjustment	(81)	(108)	(1,320)
Total accumulated other comprehensive income	<u>(422)</u>	<u>(201)</u>	<u>(2,454)</u>
Subscription rights to shares	28	67	818
<b><u>TOTAL NET ASSETS</u></b>	<u>34,341</u>	<u>38,902</u>	<u>473,324</u>
<b><u>TOTAL LIABILITIES AND NET ASSETS</u></b>	<u>59,143</u>	<u>58,315</u>	<u>709,523</u>

U.S. dollar amounts represent translations using the approximate exchange rate on March 31, 2012 of Yen82.19=US\$1, and are included solely for the convenience of readers.

(2) Consolidated Statements of Income and Consolidated Statements of Comprehensive Income

Consolidated Statements of Income for the fiscal year ended March 31, 2012 and 2011

	The fiscal year ended March 31, 2011	The fiscal year ended March 31, 2012	The fiscal year ended March 31, 2012
	Millions of yen	Millions of yen	Thousands of U.S.dollars
Net sales	110,504	151,094	1,838,360
Cost of sales	95,079	135,003	1,642,581
Gross profit	15,425	16,091	195,779
Selling, general and administrative expenses	4,763	4,873	59,297
Operating income	10,661	11,217	136,482
Non-operating income	63	117	1,424
Non-operating expenses	216	204	2,486
Ordinary income	10,508	11,130	135,421
Extraordinary income	154	170	2,072
Extraordinary loss	122	489	5,959
Income before income taxes and minority interests	10,539	10,810	131,534
Income taxes-current	3,080	4,706	57,260
Income taxes-deferred	1,315	178	2,167
Total income taxes	4,395	4,884	59,426
Income before minority interests	6,144	5,926	72,108
Net income	6,144	5,926	72,108

Consolidated Statements of Comprehensive Income for the fiscal year ended March 31, 2012 and 2011

	The fiscal year ended March 31, 2011	The fiscal year ended March 31, 2012	The fiscal year ended March 31, 2012
	Millions of yen	Millions of yen	Thousands of U.S.dollars
Income before minority interests	6,144	5,926	72,108
Other comprehensive income			
Valuation difference on available-for-sale securities	19	(15)	(183)
Deferred gains or losses on hedges	(222)	262	3,196
Foreign currency translation adjustment	(48)	(20)	(247)
Share of other comprehensive income of associates accounted for using equity method	(6)	(6)	(79)
Total other comprehensive income	(257)	220	2,686
Comprehensive income	5,886	6,147	74,794
(Comprehensive income attributable to)			
Comprehensive income attributable to owners of the parent	5,886	6,147	74,794
Comprehensive income attributable to minority interests	—	—	—

U.S. dollar amounts represent translations using the approximate exchange rate on March 31, 2012 of Yen82.19=US\$1, and are included solely for the convenience of readers.



## (3) Consolidated Statements of Changes in Net Assets

For the year ended March 31, 2011

(Millions of yen)

	Shareholders' equity				
	Capital stock	Capital surplus	Retained earnings	Treasury stock	Total shareholders' equity
Balance at April 1, 2010	4,480	6,054	25,444	(5,917)	30,061
Changes of items during the period					
Dividends from surplus			(1,611)		(1,611)
Net income			6,144		6,144
Purchase of treasury stock				(0)	(0)
Disposal of treasury stock		20		122	142
Net changes of items other than shareholders' equity					
Total Changes of items during the period	—	20	4,532	121	4,674
Balance at March 31, 2011	4,480	6,074	29,976	(5,795)	34,736

(Millions of yen)

	Accumulated other comprehensive income				Subscription rights to shares	Total net assets
	Valuation difference on available-for-sale securities	Deferred gains or losses on hedges	Foreign currency translation adjustment	Total accumulated other comprehensive income		
Balance at April 1, 2010	14	(152)	(26)	(164)	—	29,897
Changes of items during the period						
Dividends from surplus						(1,611)
Net income						6,144
Purchase of treasury stock						(0)
Disposal of treasury stock						142
Net changes of items other than shareholders' equity	19	(222)	(55)	(257)	28	(229)
Total Changes of items during the period	19	(222)	(55)	(257)	28	4,444
Balance at March 31, 2011	33	(374)	(81)	(422)	28	34,341

For the year ended March 31, 2012

(Millions of yen)

	Shareholders' equity				
	Capital stock	Capital surplus	Retained earnings	Treasury stock	Total shareholders' equity
Balance at April 1, 2011	4,480	6,074	29,976	(5,795)	34,736
Changes of items during the period					
Dividends from surplus			(1,777)		(1,777)
Net income			5,926		5,926
Purchase of treasury stock				(0)	(0)
Disposal of treasury stock		13		139	152
Net changes of items other than shareholders' equity					
Total Changes of items during the period	—	13	4,148	138	4,300
Balance at March 31, 2012	4,480	6,087	34,124	(5,656)	39,036

(Millions of yen)

	Accumulated other comprehensive income				Subscription rights to shares	Total net assets
	Valuation difference on available-for-sale securities	Deferred gains or losses on hedges	Foreign currency translation adjustment	Total accumulated other comprehensive income		
Balance at April 1, 2011	33	(374)	(81)	(422)	28	34,341
Changes of items during the period						
Dividends from surplus						(1,777)
Net income						5,926
Purchase of treasury stock						(0)
Disposal of treasury stock						152
Net changes of items other than shareholders' equity	(15)	262	(26)	220	38	259
Total Changes of items during the period	(15)	262	(26)	220	38	4,560
Balance at March 31, 2012	18	(111)	(108)	(201)	67	38,902

(4) Consolidated Statements of Cash Flows

For the year ended March 31, 2012 and 2011

	The fiscal year ended March 31, 2011	The fiscal year ended March 31, 2012	The fiscal year ended March 31, 2012
	Millions of yen	Millions of yen	Thousands of U.S.dollars
Net cash provided by (used in) operating activities			
Income before income taxes and minority interests	10,539	10,810	131,534
Depreciation and amortization	2,069	2,345	28,535
Impairment loss	—	171	2,088
Amortization of goodwill	276	306	3,726
Increase (decrease) in provision for retirement benefits	26	(151)	(1,849)
Interest and dividends income	(22)	(20)	(249)
Interest expenses	36	37	457
Loss (gain) on valuation of investment securities	—	251	3,055
Loss (gain) on sales and retirement of noncurrent assets	14	64	785
Decrease (increase) in notes and accounts receivable-trade	(660)	(4,574)	(55,653)
Decrease (increase) in inventories	(5,758)	5,503	66,955
Increase (decrease) in notes and accounts payable-trade	1,319	(202)	(2,461)
Increase (decrease) in accounts payable-other	158	(37)	(460)
Other, net	(1,262)	131	1,601
Subtotal	6,736	14,635	178,064
Interest and dividends income received	24	21	257
Interest expenses paid	(33)	(37)	(459)
Income taxes paid	(2,891)	(4,097)	(49,855)
Income taxes refund	1,621	776	9,453
Net cash provided by (used in) operating activities	5,457	11,297	137,460
Net cash provided by (used in) investing activities			
Payments into time deposits	(858)	—	—
Proceeds from withdrawal of time deposits	1,288	90	1,099
Proceeds from collection of guarantee deposits	38	31	383
Purchase of property, plant and equipment	(3,198)	(1,504)	(18,308)
Proceeds from sales of property, plant and equipment	25	4	61
Purchase of intangible assets	(101)	(169)	(2,064)
Purchase of stocks of subsidiaries and affiliates	(933)	(471)	(5,731)
Proceeds from sales of stocks of subsidiaries and affiliates	45	—	—
Other, net	(47)	(259)	(3,158)
Net cash provided by (used in) investing activities	(3,743)	(2,278)	(27,719)
Net cash provided by (used in) financing activities			
Net increase (decrease) in short-term loans payable	(3,132)	(4,949)	(60,219)
Proceeds from long-term loans payable	4,000	—	—
Repayment of long-term loans payable	(500)	(1,076)	(13,103)
Repayments of finance lease obligations	(25)	(53)	(646)
Purchase of treasury stock	(0)	(0)	(7)
Proceeds from sales of treasury stock	142	152	1,860
Cash dividends paid	(1,613)	(1,777)	(21,632)
Net cash provided by (used in) financing activities	(1,129)	(7,705)	(93,747)
Effect of exchange rate change on cash and cash equivalents	(46)	(36)	(448)
Net increase (decrease) in cash and cash equivalents	539	1,277	15,545
Cash and cash equivalents at beginning of period	1,711	2,250	27,378
Cash and cash equivalents at end of period	2,250	3,527	42,923

U.S. dollar amounts represent translations using the approximate exchange rate on March 31, 2012 of Yen82.19=US\$1, and are included solely for the convenience of readers.

(5) Notes on Assumptions for Going Concern  
Not applicable

(6) Segment Information

Information on sales and income (loss), identifiable assets, and other items by reporting segment

For the fiscal year ended March 31, 2011(From April 1, 2010 to March 31, 2011)

(Millions of Yen)

	Precious metal recycling business	Environmental protection business	Total
Net sales			
1) Customers	96,397	14,106	110,504
2) Intersegment	—	—	—
Total	96,397	14,106	110,504
Operating income by business segment	9,060	1,600	10,661
Identifiable asset by business segment	41,131	18,011	59,143
Other items			
Depreciation and amortization	1,229	839	2,069
Amortization of goodwill	11	264	276
Investment to equity-method affiliates	80	—	80
Increase of property, plant and equipment and intangible assets	2,285	1,081	3,366

(Note) 1. Total segment income matches operating income recorded on the consolidated statements of income.

2. Increase in depreciation, property and equipment, and intangible assets includes long-term prepaid expenses and amortization of that related to these expenses.

For the fiscal year ended March 31, 2012(From April 1, 2011 to March 31, 2012)

(Millions of Yen)

	Precious metal recycling business	Environmental protection business	Total
Net sales			
1) Customers	136,571	14,522	151,094
2) Intersegment	—	—	—
Total	136,571	14,522	151,094
Operating income by business segment	9,364	1,852	11,217
Identifiable asset by business segment	38,833	19,482	58,315
Other items			
Depreciation and amortization	1,397	948	2,345
Amortization of goodwill	11	294	306
Investment to equity-method affiliates	73	—	73
Increase in property, plant and equipment and intangible assets	778	842	1,620

(Note) 1. Total segment income matches operating income recorded on the consolidated statements of income.

2. Increase in depreciation, property and equipment, and intangible assets includes long-term prepaid expenses and amortization of that related to these expenses.

(7) Significant Subsequent Event  
Not applicable