

Consolidated Financial Results for the Fiscal Year Ended March 31, 2013
Asahi Holdings, Inc. [Japan GAAP]

May 10, 2013

Stock code: 5857
 Shares listed: Tokyo Stock Exchange (First Section)
 U R L: <http://www.asahiholdings.com>
 Representative: Mitsuharu Terayama, Chairman, CEO
 Keitaro Shigemasa, Corporate Officer
 For further information please contact: General Manager, Corporate Planning & Communications
 (Phone) +81-3-6270-1833

The Ordinary General Meeting of Shareholders: June 18, 2013
 Filing date of financial statement: June 19, 2013
 Start of dividend payment: May 31, 2013
 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, 2013 (From April 1, 2012 to March 31, 2013)

(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, 2013	96,368	(36.2)	7,495	(33.2)	7,794	(30.0)	4,518	(23.8)
March 31, 2012	151,094	36.7	11,217	5.2	11,130	5.9	5,926	(3.5)

(Note) Comprehensive income: The fiscal year ended March 31, 2013 4,836 million yen : (21.3)%
 The fiscal year ended March 31, 2012 6,147 million yen : 4.4%

	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, 2013	139.24	—	11.2	12.9	7.8
March 31, 2012	183.20	—	16.2	19.0	7.4

(Note) Equity in earnings of affiliates: March 31, 2013 : — million yen March 31, 2012 : — 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, 2013	62,260	42,012	67.3	1,288.56
March 31, 2012	58,315	38,902	66.6	1,198.77

(Reference) Shareholders' equity: As of March 31, 2013 41,875 million yen
 As of March 31, 2012 38,835 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, 2013	(419)	(2,064)	2,603	4,141
March 31, 2012	11,297	(2,278)	(7,705)	3,527

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, 2012	—	30.00	—	30.00	60.00	1,942	32.8	5.3
March 31, 2013	—	30.00	—	30.00	60.00	1,948	43.1	4.8
Year ending March 31, 2014 (Forecast)	—	30.00	—	30.00	60.00		38.9	

3. Forecast (From April 1, 2013 to March 31, 2014)

(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, 2013	44,000	(10.8)	4,000	38.1	4,000	35.3	2,400	54.3	74.02
Year ending March 31, 2014	90,000	(6.6)	8,500	13.4	8,500	9.0	5,000	10.7	154.09

4. Notes

(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: Yes

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

(iii) Changes in accounting estimates: Yes

(iv) Restatement: No

Changes subject to Article 14-7 of the Ordinance on Terminology, Forms and Preparation Methods of Consolidated Financial Statements. For details, please refer to “(7) Changes in Accounting Policies” under “4. Accounting policies” on page 15.

(3) Number of issued shares (common stock)

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

As of March 31, 2013	36,254,344 shares
As of March 31, 2012	36,254,344 shares

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

As of March 31, 2013	3,756,439 shares
As of March 31, 2012	3,858,589 shares

(iii) Averaged number of shares during the period

Year ended March 31, 2013	32,448,647 shares
Year ended March 31, 2012	32,349,224 shares

(Reference) Summary of Nonconsolidated Results

1. Nonconsolidated Results of the Year ended March 31, 2013(From April 1, 2012 to March 31, 2013)

(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, 2013	4,868	(19.6)	3,695	(26.2)	3,719	(25.7)	3,503	(28.7)
March 31, 2012	6,057	36.0	5,005	41.8	5,006	42.3	4,911	39.1

	Net income per share	Diluted net income per share
The fiscal year ended	Yen	Yen
March 31, 2013	107.96	—
March 31, 2012	151.83	—

(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, 2013	47,473	35,727	75.1	1,096.97
March 31, 2012	41,173	34,009	82.4	1,047.75

(Reference)

Shareholders' equity

As of March 31, 2013 : 35,649 million yen

As of March 31, 2012 : 33,942 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, 2013

During the fiscal year ended March 31, 2013, the Japanese economy had signs of recovery such as downward pressure on yen and increase in stock prices due to the expectation for the new policy associated with the regime change. Still, being on the back of the continued appreciation of Japanese yen and deceleration of the global economy, domestic manufacturing activity remained slow and the economy remained in a severe situation overall.

Under these circumstances, domestic manufacturing of products such as flat-panel television or other electronics had been stagnated, and regarding the precious metal recycling business, the volumes of collected gold, silver, platinum, palladium and others were lower than the previous corresponding period. Also, the average sales prices of silver, platinum palladium were lower than the previous period, though the average sales price of gold was higher than the previous corresponding period. In part of our transactions, net sales amount declined compared to the previous period due to switching contracts to the "fee-based processing" model.

Regarding the environmental preservation business, the transaction volumes of waste oil, sludge, and medical-related wastes were higher than the previous corresponding period. The performance of INTER CENTRAL, INC. which became a wholly owned subsidiary on July 2012 continued strong through the period.

As a result of the above, as consolidated results for the fiscal year, we recorded net sales of 96,368 million yen, down 54,725 million yen (-36.2%) year-on-year; operating income of 7,495 million yen, down 3,722 million yen (-33.2%) year-on-year; ordinary income of 7,794 million yen, down 3,335 million yen (-30.0%) year-on-year; and net income of 4,518 million yen, down 1,408 million yen (-23.8%) year-on-year.

Looked at by segment, sales in the precious metal recycling business were 80,177 million yen, down 56,394 million yen (-41.3%) year-on-year; and sales in the environmental preservation business were 16,191 million yen, up 1,668 million yen (+11.5%) year-on-year.

(2) Consolidated Financial Position and Cash Flows for the Year ended March 31, 2013

As of this fiscal year ended March 31, 2013, total assets amounted to 62,260 million yen, up 3,945 million yen from the previous fiscal year end. This was due mainly to increase of 3,058 million yen in notes and accounts receivable-trade, increase of 789 million yen in inventories.

Total liabilities amounted to 20,248 million yen, up 835 million yen from the previous fiscal year end. This was due mainly to increase of 4,700 million yen in loans payable, decrease of 2,917 million yen in income taxes payable, decrease of 789 million yen in notes and accounts payable-trade.

Net assets totaled 42,012 million yen up 3,110 million yen from the previous fiscal year end.

Net cash used in operating activities amounted to 419 million yen due mainly to 7,349 million yen of income before income taxes and minority interests, 6,597 million yen of income taxes paid, 2,780 million yen of increase in notes and accounts payable-trade.

Net cash used in investing activities amounted to 2,064 million yen due mainly to 1,173 million yen in payments for purchase of fixed assets.

Net cash provided in financial activities amounted to 2,603 million yen due mainly to 4,492 million yen increase of loans payable, expenditure of 1,946 million yen for the payment of dividends.

As a result, Cash and cash equivalents as of March 31, 2013, increased 613 million yen from March 31, 2012, to 4,141 million yen.

(3) Forecast of Consolidated Performance for the Year ending March 31, 2014

It is considered that difficult circumstances of domestic production activities will continue, though the Japanese economy is expected to recover by the various government policies. Under these circumstances, we will make further efforts to enhance our profit base. Consequently, for the next fiscal year performance, we forecast net sales of 90,000 million yen (-6.6%), operating income of 8,500 million yen (+13.4%), ordinary income of 8,500 million yen (+9.0%) and net income of 5,000 million yen (+10.7%).

(4) Dividends

Our basic policy is to improve corporate value continuously by maintaining stable profitability and achieving further growth, and to meet shareholders' expectations by continuous stable dividends. We also consider it important to fulfill internal reserves for strategic investment to enhance existing business and develop new business.

Under this basic 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, 2013 will be totaled 60 yen including the interim dividend of 30 yen per share.

Further, for the year ending March 31, 2014, we are planning to pay out 30 yen per share for both interim and year end dividend, making the full year amount 60 yen per share.

(5) Business risks

Here are the main risk factors which could affect our financial condition and results of operations. Please note that the following is not an exhaustive discussion of all risk factors that should be considered before investing in the shares of the company.

① Influence of fluctuations in precious metal market prices and the exchange rate

Precious metals, our major products of precious metal recycling business, are traded at the international commodity markets, and the prices are affected by many factors around the world such as social and economic movement of supply and demand country or exchange rate etc.

Therefore, our group's performance could be affected by precious metal market price changes. We are making efforts to reduce risks by hedging through forward exchange dealing.

② Legal restrictions

We are operating industrial waste related business under "Waste Disposal and Public Cleansing Act". Also we are subject to "Water Pollution Control Law", "Air Pollution Control Law" and "Sewerage Law" etc.

In addition we have local government approvals of collecting, transporting and disposing industrial waste, and to obtain these approvals we have to observe regulations in local administration level.

From rising society's concern over environmental problem, these law restrictions are in the direction of being strengthened. To prepare for this situation, further capital investment could be required. At the time of establishing, relocating or replacing processing facilities, we will have to acquire appropriate permission. In such case, it could be needed to obtain neighbors' consent which could be difficult.

In consequence, these legal restriction and social movement could affect our financial condition and results of operations.

2. Our Group

Our Group comprises of the holdings company "Asahi Holdings, Inc.", "Asahi Prettec Corp.", "Japan Waste Corporation", 17 other subsidiaries and 2 affiliates. Our main businesses are precious metal recycling business and environmental preservation business. The details are as follows.

(1) Precious metal recycling business

As for precious metal recycling business, we sell rare metal products such as gold, silver, platinum, palladium and indium by recycling scrap containing rare metals etc.

Asahi Prettec Corp.

- Collect, refine, recycle precious and rare metals used in a variety of areas such as electronics, flat panel displays, catalysts, dentistry, jewelry, photography, etc.

ASAHI G&S Sdn. Bhd.

- Collect precious metals from electronic parts and local jewelry manufacturers and recycle them at the local plant.

Shanghai Asahi Prettec Co., Ltd.

- Collect precious metals from mainly Japanese IT manufacturers established in China and recycle them at the local plant.

Asahi Prettec Korea Co., Ltd.

- Collect and recycle precious metals from a wide range of areas including the electronics industry and dentistry, etc.

Usuda Manufacturing Co., Ltd.

- Engaged in the precision cleaning and degreasing business of components and risen wafer cases from semiconductors/flat panel display manufacturing equipment, and precious metal collection/analysis.

(2) Environmental preservation business

As for environmental preservation business, we collect, transport and perform intermediate treatment of industrial waste.

Asahi Prettec Corp.

- Waste treatment and other environmental preservation efforts.

Nihon Chemitech Co., Ltd.

- Detoxify industrial wastes from manufacturers of semiconductors, electronic components, etc. by neutralization and bio-treatment.
- Bio-treat, dewater and reduce volume of organic waste liquids and sludge from food discharged from various food manufacturers and restaurants. In addition, produce compost from organic waste.

Sansho Co., Ltd. (As of April 1, 2013, Sansho Co., Ltd. has been renamed JW logistics Co., Ltd.)

- Collect and transport industrial waste and industrial waste subject to special control.

Iyotec Co., Ltd.

- Dispatch personnel, introduce human resources to manufacturers and contracts for manufacturing business.

Taiyo Chemical Co., Ltd.

- Processing of wastes from the electronic components industry and hospitals, etc.
- Photosensitive materials business.

Fuji Rozai Co., Ltd.

- Incinerate and neutralize waste oil and liquids discharged from electronics components and photography industries.
- Incinerate infectious medical wastes from hospitals.

JW Glass Recycling Co., Ltd.

- Recycle sheet glass and glass bottles.

Ecomax Co., Ltd.

- Conduct concrete solidification treatment of combustion residue, dust and sludge, etc. produced by incineration treatment facilities, etc.

Kyodo Chemical Co., Ltd.

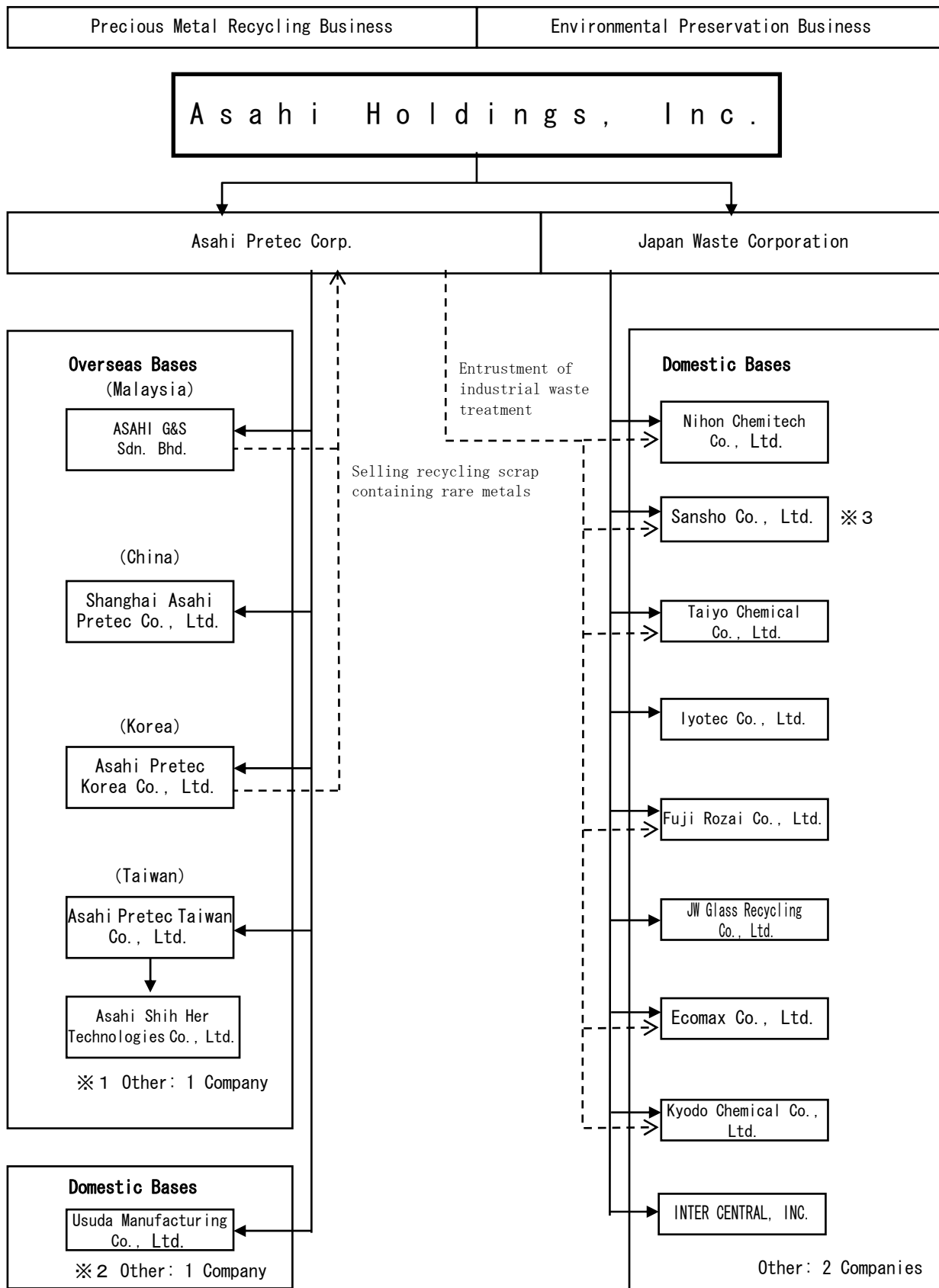
- Collect, transport, and neutralize (intermediate process) industrial wastes and specially-controlled

wastes.

- Recover and process liquid waste and films, etc. generated from printing plate companies and hospitals.

INTER CENTRAL, INC.

- Provide heating equipments, radiant cooling and heating equipments.



(Note) 1. capital relationship \longrightarrow 2. business relationship \dashrightarrow

- No mark consolidated subsidiaries
- ※ 1 Affiliated companies accounted for by equity method
- ※ 2 Affiliated companies not accounted for by equity method
- ※ 3 On April 1, 2013, Sansho Co., Ltd. changed its name to JW logistics Co., Ltd.

3. Management Policy

(1) Basic management policy

We aim to pursue continuous growth by expanding precious metal recycling business and environmental preservation business, and contribute to the material-cycle society. In the process above, we put emphasis on the balance between stable profit and continuous growth. Our basic management policy is to heighten corporate value through these activities and to respond to the expectations of all stakeholders, including customers, shareholders and employees over a long period of time.

(2) Medium to long-term strategies

In line with the 6th Mid-Term Business Plan (April 2012 through March 2015), we aim to pursue the action: “Expanding business in Asian markets”, “Broadening business domains through M&A”, and “Streamlining group management” utilizing the existing management resources. As part of these strategies we established a subsidiary and a joint venture subsidiary with a strong local company in Taiwan.

Also, on the basis of change in business environment, we reviewed the consolidated performance goal in the last fiscal year of the 6th Mid-Term Business Plan, as announced on May 10, 2013.

As for dividends, we are going to decide dividend amount per share putting emphasis on stable returning profits to shareholders and taking medium to long-term dividend payout ratio into consideration.

The consolidated performance goal in the last fiscal year of the 6th Mid-Term Business Plan

Sales	¥ 100.0 billion
Operating Income	¥ 9.5 billion

(3) Challenge to be addressed

① Expanding business in Asian markets

In South Korea, we will further expand the business in the electronics and dental fields. In Taiwan Asahi Pretec Taiwan Co., Ltd. and Asahi Shih Her Technologies Co., Ltd. are going to start business.

We aim to expand the amount of collected precious metal from foreign markets such as Asian markets through developing new customers by building corporative relationship with local firms.

② Broadening business domains through M&A

We will continue to promote M&A with a high investment return, and not only expand the existing business such as the environmental preservation business but also aim to enter new business fields.

③ Streamlining group management

We will reduce administrative costs on a consolidated basis by consolidating the group management functions in the holding company. And on the other hand, we will strengthen the in-house information system and achieve speedy and efficient operations.

(4) The state of internal control system

① The state of fundamental opinion and policy about corporate governance

The relevant matter is stated at corporate governance information.

② Attempt to enhance internal control system through this fiscal year

We are continuously acting to strengthen internal control system, checking and evaluating the usages of the rule for internal control by in-house organization “Internal controls promotion committee”.

4. Consolidated Financial Statements
(1) Consolidated Balance Sheets

	As of March 31, 2012	As of March 31, 2013	As of March 31, 2013
	Millions of yen	Millions of yen	Thousands of U.S.dollars
ASSETS			
Current assets			
Cash and deposits	3,527	4,141	44,035
Notes and accounts receivable-trade	9,480	12,539	133,327
Merchandise and finished goods	2,123	5,067	53,882
Work in process	10,727	8,114	86,277
Raw materials and supplies	618	1,077	11,460
Deferred tax assets	676	493	5,246
Other	2,157	1,873	19,922
Allowance for doubtful accounts	(11)	(9)	(98)
Total current assets	29,301	33,298	354,051
Noncurrent assets			
Property, plant and equipment			
Buildings and structures	16,909	17,918	190,521
Accumulated depreciation	(7,413)	(8,637)	(91,837)
Buildings and structures, net	9,495	9,281	98,684
Machinery, equipment and vehicles	13,091	13,443	142,944
Accumulated depreciation	(10,370)	(11,246)	(119,580)
Machinery, equipment and vehicles, net	2,721	2,197	23,364
Land	12,910	13,031	138,556
Construction in progress	263	140	1,497
Other	2,272	2,462	26,182
Accumulated depreciation	(1,900)	(2,153)	(22,893)
Other, net	372	309	3,290
Total property, plant and equipment	25,763	24,959	265,390
Intangible assets			
Goodwill	1,970	2,380	25,307
Other	519	797	8,483
Total intangible assets	2,490	3,177	33,790
Investments and other assets			
Investment securities	113	110	1,175
Deferred tax assets	181	162	1,730
Other	475	558	5,935
Allowance for doubt for accounts	(9)	(6)	(74)
Investment and other assets	760	824	8,766
Total noncurrent assets	29,014	28,962	307,947
Total assets	58,315	62,260	661,998

U.S. dollar amounts represent translations using the approximate exchange rate on March 31, 2013 of Yen94.05=US\$1, and are included solely for the convenience of readers.

	As of March 31, 2012	As of March 31, 2013	As of March 31, 2013
	Millions of yen	Millions of yen	Thousands of U.S.dollars
<u>LIABILITIES</u>			
Current liabilities			
Notes and accounts payable-trade	3,253	2,463	26,190
Short-term loans payable	4,545	10,245	108,937
Current portion of long-term loans payable	1,000	1,500	15,949
Accounts payable-other	1,412	1,388	14,768
Income taxes payable	3,267	349	3,718
Provision for bonuses	659	597	6,350
Provision for directors' bonuses	30	8	95
Provision for repairs	100	113	1,206
Provision for product warranties	—	21	233
Other	1,862	1,864	19,829
Total current liabilities	<u>16,130</u>	<u>18,553</u>	<u>197,276</u>
Noncurrent liabilities			
Long-term loans payable	1,500	—	—
Deferred tax liabilities	1,646	1,541	16,389
Provision for retirement benefits	65	107	1,141
Other	70	45	486
Total noncurrent liabilities	<u>3,282</u>	<u>1,694</u>	<u>18,016</u>
Total liabilities	<u>19,413</u>	<u>20,248</u>	<u>215,292</u>
<u>NET ASSETS</u>			
Shareholders' equity			
Capital stock	4,480	4,480	47,643
Capital surplus	6,087	6,087	64,723
Retained earnings	34,124	36,697	390,194
Treasury stock	(5,656)	(5,507)	(58,555)
Total shareholders' equity	<u>39,036</u>	<u>41,758</u>	<u>444,004</u>
Accumulated other comprehensive income			
Valuation difference on available-for-sale securities	18	19	202
Deferred gains or losses on hedges	(111)	(41)	(441)
Foreign currency translation adjustment	(108)	139	1,482
Total accumulated other comprehensive income	<u>(201)</u>	<u>116</u>	<u>1,243</u>
Subscription rights to shares	67	77	828
Minority interests	—	59	630
<u>TOTAL NET ASSETS</u>	<u>38,902</u>	<u>42,012</u>	<u>446,706</u>
<u>TOTAL LIABILITIES AND NET ASSETS</u>	<u>58,315</u>	<u>62,260</u>	<u>661,998</u>

U.S. dollar amounts represent translations using the approximate exchange rate on March 31, 2013 of Yen94.05=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, 2013 and 2012

	The fiscal year ended March 31, 2012	The fiscal year ended March 31, 2013	The fiscal year ended March 31, 2013
	Millions of yen	Millions of yen	Thousands of U.S.dollars
Net sales	151,094	96,368	1,024,657
Cost of sales	135,003	83,557	888,435
Gross profit	16,091	12,811	136,222
Selling, general and administrative expenses	4,873	5,316	56,526
Operating income	11,217	7,495	79,696
Non-operating income	117	363	3,867
Non-operating expenses	204	64	685
Ordinary income	11,130	7,794	82,877
Extraordinary income	170	14	152
Extraordinary loss	489	459	4,884
Income before income taxes and minority interests	10,810	7,349	78,146
Income taxes-current	4,706	2,525	26,854
Income taxes-deferred	178	305	3,252
Total income taxes	4,884	2,831	30,106
Income before minority interests	5,926	4,518	48,039
Net income	5,926	4,518	48,039

Consolidated Statements of Comprehensive Income for the fiscal year ended March 31, 2013 and 2012

	The fiscal year ended March 31, 2012	The fiscal year ended March 31, 2013	The fiscal year ended March 31, 2013
	Millions of yen	Millions of yen	Thousands of U.S.dollars
Income before minority interests	5,926	4,518	48,039
Other comprehensive income			
Valuation difference on available-for-sale securities	(15)	0	3
Deferred gains or losses on hedges	262	70	749
Foreign currency translation adjustment	(20)	239	2,548
Share of other comprehensive income of associates accounted for using equity method	(6)	8	87
Total other comprehensive income	220	318	3,387
Comprehensive income	6,147	4,836	51,427
(Comprehensive income attributable to)			
Comprehensive income attributable to owners of the parent	6,147	4,836	51,427
Comprehensive income attributable to minority interests	—	—	—

U.S. dollar amounts represent translations using the approximate exchange rate on March 31, 2013 of Yen94.05=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, 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	Minority interest	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

For the year ended March 31, 2013

(Millions of yen)

	Shareholders' equity				
	Capital stock	Capital surplus	Retained earnings	Treasury stock	Total shareholders' equity
Balance at April 1, 2012	4,480	6,087	34,124	(5,656)	39,036
Changes of items during the period					
Dividends from surplus			(1,945)		(1,945)
Net income			4,518		4,518
Purchase of treasury stock				(0)	(0)
Disposal of treasury stock		(0)		149	149
Net changes of items other than shareholders' equity					
Total Changes of items during the period	—	(0)	2,572	149	2,721
Balance at March 31, 2013	4,480	6,087	36,697	(5,507)	41,758

(Millions of yen)

	Accumulated other comprehensive income				Subscription rights to shares	Minority interest	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, 2012	18	(111)	(108)	(201)	67	—	38,902
Changes of items during the period							
Dividends from surplus							(1,945)
Net income							4,518
Purchase of treasury stock							(0)
Disposal of treasury stock							149
Net changes of items other than shareholders' equity	0	70	247	318	10	59	388
Total Changes of items during the period	0	70	247	318	10	59	3,110
Balance at March 31, 2013	19	(41)	139	116	77	59	42,012

(4) Consolidated Statements of Cash Flows

For the year ended March 31, 2013 and 2012

	The fiscal year ended March 31, 2012	The fiscal year ended March 31, 2013	The fiscal year ended March 31, 2013
	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	10,810	7,349	78,146
Depreciation and amortization	2,345	2,100	22,337
Impairment loss	171	327	3,481
Amortization of goodwill	306	368	3,916
Increase (decrease) in provision for retirement benefits	(151)	13	138
Interest and dividends income	(20)	(23)	(250)
Interest expenses	37	26	284
Loss (gain) on valuation of investment securities	251	20	218
Loss (gain) on sales and retirement of noncurrent assets	64	97	1,033
Decrease (increase) in notes and accounts receivable-trade	(4,574)	(2,780)	(29,565)
Decrease (increase) in inventories	5,503	(384)	(4,085)
Increase (decrease) in notes and accounts payable-trade	(202)	(1,110)	(11,811)
Increase (decrease) in accounts payable-other	(37)	(195)	(2,080)
Other, net	131	(799)	(8,496)
Subtotal	14,635	5,009	53,266
Interest and dividends income received	21	22	242
Interest expenses paid	(37)	(27)	(293)
Income taxes paid	(4,097)	(6,597)	(70,148)
Income taxes refund	776	1,172	12,469
Net cash provided by (used in) operating activities	11,297	(419)	(4,465)
Net cash provided by (used in) investing activities			
Proceeds from withdrawal of time deposits	90	—	—
Proceeds from collection of guarantee deposits	31	19	211
Purchase of property, plant and equipment	(1,504)	(804)	(8,554)
Proceeds from sales of property, plant and equipment	4	130	1,386
Purchase of intangible assets	(169)	(368)	(3,921)
Purchase of stocks of subsidiaries and affiliates	(471)	(1,081)	(11,496)
Other, net	(259)	39	425
Net cash provided by (used in) investing activities	(2,278)	(2,064)	(21,949)
Net cash provided by (used in) financing activities			
Net increase (decrease) in short-term loans payable	(4,949)	5,527	58,771
Repayment of long-term loans payable	(1,076)	(1,035)	(11,009)
Repayments of finance lease obligations	(53)	(60)	(647)
Purchase of treasury stock	(0)	(0)	(1)
Proceeds from sales of treasury stock	152	149	1,584
Proceeds from stock issuance to minority shareholders	—	59	630
Cash dividends paid	(1,777)	(1,946)	(20,692)
Other, net	—	(90)	(957)
Net cash provided by (used in) financing activities	(7,705)	2,603	27,680
Effect of exchange rate change on cash and cash equivalents	(36)	494	5,258
Net increase (decrease) in cash and cash equivalents	1,277	613	6,525
Cash and cash equivalents at beginning of period	2,250	3,527	37,510
Cash and cash equivalents at end of period	3,527	4,141	44,035

U.S. dollar amounts represent translations using the approximate exchange rate on March 31, 2013 of Yen94.05=US\$1, and are included solely for the convenience of readers.

(5) Notes on Assumptions for Going Concern
Not applicable

(6) Basis of Presenting Consolidated Financial Statements

1. Scope of consolidation

(1) Number of consolidated subsidiaries: 19

Major consolidated subsidiaries

Asahi Pretec Corp.
Japan Waste Corporation
Sansho Co., Ltd.
Nihon Chemitech Co., Ltd.
Taiyo Chemical Co., Ltd.
Iyotec Co., Ltd.
Fuji Rozai Co., Ltd.
JW Glass Recycling Co., Ltd.
Ecomax Co., Ltd.
Usuda Manufacturing Co., Ltd.
Kyodo Chemical Co., Ltd.
INTER CENTRAL, INC.
ASAHI G&S Sdn. Bhd.
Shanghai Asahi Pretec Co., Ltd.
Asahi Pretec Korea Co., Ltd.
Asahi Pretec Taiwan Co., Ltd.
Asahi Shih Her Technologies Co., Ltd.
and 2 other companies

INTER CENTRAL, INC. has become consolidated subsidiary on July 2012 by stock acquisition.

Asahi Pretec Taiwan Co., Ltd and Asahi Shih Her Technologies Co., Ltd. have become consolidated subsidiaries on this accounting period of consolidation due to new establishment.

Sansho Co., Ltd. has changed its corporate name on April 1, 2013 to JW logistics Co., Ltd.

(2) Major unconsolidated subsidiaries

None

2. Equity method affiliate

(1) Number of equity method affiliate: 1

Major equity method affiliate

Jiangmen Asahi Pretec Kanfort Environmental Management Co., Ltd.

(2) Non equity method affiliate (Asahi • Broadlink, INC.) is not included within the scope of the equity method because it is insignificant and its net income and retained earning (the amounts equivalent to the company's interest in the companies) does not significantly affect consolidated financial statement.

3. Fiscal year of consolidated subsidiaries

Among consolidated subsidiaries, the fiscal year end of ASAHI G&S Sdn. Bhd., Shanghai Asahi Pretec Co., Ltd., Asahi Pretec Korea Co., Ltd., Asahi Pretec Taiwan Co., Ltd and Asahi Shih Her Technologies Co., Ltd. is December 31 of each year. For the preparation of consolidated financial statements, the company uses financial statements as of December 31 and makes adjustments as necessary for consolidation in relation to significant transactions during their year-end date and the consolidated year-end date.

4. Accounting policies

(1) Valuation standards and methods for major assets

a) Securities

Other securities

1): Other securities for which market quotations are available are stated at fair value prevailing at the balance sheet date with unrealized gains and losses, directly included in net assets. The cost of securities sold is determined by the moving-average method.

2): Other securities for which market quotations are not available are valued at cost mainly determined by the moving-average method.

b) Derivative

Market price method

c) Inventories

Merchandise and finished goods, work in process, raw materials and supplies

Stated at cost. Cost is determined by the weighted-average method (the method of write-downs based on the decrease in profitability is applied in order to calculate the inventory value on the balance sheet).

Note: A part of merchandise and finished goods is determined by individual cost method based on the actual cost method.

(2) Depreciation and amortization for major assets

- a) Property, plant and equipments other than leased assets
The company and domestic consolidated subsidiaries: declining-balance method
Note: Buildings acquired on or after April 1, 1998 other than equipments: straight-line method
Foreign consolidated subsidiaries: straight-line method based of accounting standards of local country
Useful life of principle assets is as follows:
Property plant and equipments 2 to 50 years
Machinery 2 to 17 years
- b) Intangible assets other than leased assets
The company and domestic consolidated subsidiaries: straight line method
Foreign consolidated subsidiaries: straight-line method based on accounting standards of local country.
Software for internal use is amortized under the straight-line method over the expected useful lives.
- c) Leased assets
Leased assets related to financial leases that do not transfer ownership rights to the lessees are amortized under the straight-line method based on the lease term as the useful life and residual value of zero.
- (3) Significant allowances
- a) Allowances for doubtful account
To prepare for uncollectible credits and loans, general allowance of the company and domestic consolidated subsidiaries is recorded based on the actual bad debt ratio, and specific allowance is recorded based on the amount deemed to the uncollectible considering the collectibility.
As for foreign consolidated subsidiaries, specific credits are based on estimated uncollectable amount.
- b) Provision for bonuses
To allow for the payment of bonuses to employees, the company and domestic consolidated subsidiaries records the standard for estimated amounts of bonuses to be paid.
- c) Provision for director's bonuses
To allow for the payment of bonuses to directors, the company and domestic consolidated subsidiaries records the standard for estimated amounts of bonuses to be paid.
- d) Provision for repairs
To allow our payment of periodic maintenance of production equipments, the company records the amount of estimated cost to be paid during this fiscal year.
- e) Provision for product warranties
To allow for cost of after-sales service, the company records the actual cost of the past to be paid.
- (4) Foreign currency transactions
All monetary assets and liabilities denominated in foreign currencies are translated into Japanese yen at the exchange rates prevailing at the balance sheet date. Resulting gains and losses are included in net profit or loss for the period. All assets and liabilities of foreign subsidiaries and affiliates are translated into Japanese yen at the exchange rates prevailing at the balance sheet date. Revenues and expenses for the year are translated into Japanese yen at the average exchange rate during the year and translation adjustments are included in "Foreign currency translation adjustments of "Net assets."
- (5) Main hedge accounting methods
- a) Hedge accounting methods
The company accounts for hedging activities under deferral hedge accounting. Furiate-shori (accounting method in which the current and forward rate difference is allocated by period length for the calculation at the accounting period) is applied to forward foreign exchange contracts which conform to the requirements of such hedge accounting.
- b) Hedging instruments and targets
1. Hedging instruments
Derivative transaction
Hedged targets
Precious metal products
 2. Hedging instruments
Exchange contract
Hedged targets
Monetary assets and liabilities denominated in foreign currencies
 3. Hedging instruments
Currency swap
Interest rate swap
Hedged targets
Foreign currency long-term loan
- c) Hedge policy
To reduce the precious metal market price risk and to improve income and expenditure balance, the company hedges price fluctuation risk and exchange rate risk based on internal rules.

(6) Amortization of goodwill

By judging respective case, goodwill is amortized under the straight-line method within a period of 20 years.

(7) Cash and cash equivalents in the consolidated cash flow statements

Cash and cash equivalents are composed of cash on hand, bank deposits able to be withdrawn on demand and short-term highly liquid investments with a maturity of three months or less at the time of purchase and which bear lower risks from fluctuations in value.

(8) Accounting method for consumption taxes

Consumption taxes are accounted for using the net method of reporting.

(7) Changes in Accounting Policies

(Changes in the depreciation method)

In accordance with the amendment of the Corporation Tax Law, effective from the first quarter of fiscal year ending March 31, 2013, the company and its domestic consolidated subsidiaries have changed their depreciation method for those property and equipment acquired on or after April 1, 2012. The effect of this change on operating income, ordinary income and income before income taxes and minority interests for the fiscal year is minimal.

(8) Others

[Segment Information]

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

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

(Millions of Yen)

	Precious metal recycling business	Environmental preservation 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 of 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.

For the fiscal year ended March 31, 2013(From April 1, 2012 to March 31, 2013)

(Millions of Yen)

	Precious metal recycling business	Environmental preservation business	Total
Net sales			
1) Customers	80,177	16,191	96,368
2) Intersegment	—	—	—
Total	80,177	16,191	96,368
Operating income by business segment	5,368	2,127	7,495
Identifiable asset by business segment	41,632	20,628	62,260
Other items			
Depreciation and amortization	1,230	870	2,100
Amortization of goodwill	15	352	368
Investment to equity-method affiliates	82	—	82
Increase in property, plant and equipment and intangible assets	770	488	1,258

(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.

[Per Share Information]

	Year ended March 31, 2012	Year ended March 31, 2013
Net assets per share (Yen)	1,198.77	1,288.56
Net income per share (Yen)	183.20	139.24
Diluted net income per share (Yen)	Not given as the company has no potential stocks with dilution effect	Not given as the company has no potential stocks with dilution effect

Note: The following shows the basis of calculating net income per share

	Year ended March 31, 2012	Year ended March 31, 2013
Net income per share		
Net income for the fiscal year (Millions of yen)	5,926	4,518
Monetary value not related to common stockholders (Millions of yen)	—	—
Net income related to common stock (Millions of yen)	5,926	4,518
Number of weighted average common shares outstanding during the fiscal year (Thousands of shares)	32,349	32,448
Overview of potential stock not included in calculation of diluted net income per share because the stock have no dilution effect	2010 Stock Option (common stock 202,000 shares)	2010 Stock Option (common stock 202,000 shares)

We regard the stock, owned by “Asahi employee stock ownership trustee” (340,900 shares for the previous fiscal year end and 238,700 shares for this fiscal year end) as treasury stock. Therefore, we deduct the number of the stock in order to calculate “Number of weighted average common shares” of this and previous fiscal year.

[Significant Subsequent Events]

Not applicable

5. Others

(1) Changes of Directors

① Change of the representative

Not applicable

② Other changes of directors

Candidate for new directors: Keitaro Shigemasa (Current position: Corporate Officer General Manager, Corporate Planning & Communications, Information System)

③ Date of inauguration

June 18, 2013

(2) Amounts of Production, Orders Received, Sales

① Production

(Amount: millions of yen)

	Year ended March 31, 2012		Year ended March 31, 2013	
	Amount	Year-on-Year	Amount	Year-on-Year
Gold	58,196	148.2%	46,940	80.7%
Silver	17,988	157.5%	14,774	82.1%
Palladium	9,470	108.6%	8,909	94.1%
Platinum	10,648	104.9%	6,611	62.1%
Indium	9,865	86.6%	3,899	39.5%
Industrial waste treatment	15,902	103.2%	18,073	113.6%
Total	122,073	126.7%	99,208	81.3%

(Notes) Amount is provided on the basis of their sales prices.

② Orders received

As we do production according to the amount of the collection, there is no applicable information.

③ Sales

(Amount: millions of yen)

	Year ended March 31, 2012		Year ended March 31, 2013	
	Amount	Year-on-Year	Amount	Year-on-Year
Gold	63,167	163.8%	34,854	55.2%
Silver	18,582	194.4%	14,418	77.6%
Palladium	13,382	134.0%	10,112	75.6%
Platinum	16,945	105.2%	7,614	44.9%
Indium	9,045	86.8%	309	3.4%
Industrial waste treatment	15,902	103.2%	18,073	113.6%
Other	14,069	134.5%	10,986	78.1%
Total	151,094	136.7%	96,368	63.8%