

TRANSLATION FOR REFERENCE PURPOSE ONLY

This notice has been translated from the original Japanese text of the timely disclose statement and is for reference purpose only. In the event of any discrepancy between the original Japanese and this translation, the Japanese text shall prevail.

May 10, 2017

To whom it may concern:

Company Name: **Asahi Holdings, Inc.**
Representative: Mitsuharu Terayama, President & CEO
(Code: 5857, First Section of the Tokyo Stock Exchange)
Contact: Koji Sasaya, Human Resource and General
Administration Department, Corporate
Planning & Communications Department
General Manager
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Notice on the recording of goodwill impairment loss and differences between performance forecasts for the financial year and non-consolidated results, and actual results

This is to notify, as shown below, that the Company recorded goodwill impairment loss in the consolidated financial results for the fourth quarter ended March 31, 2017 and registered differences between its consolidated performance forecasts for the financial year ended March 31, 2017 (April 1, 2016 to March 31, 2017) and non-consolidated results for the previous period, both released on May 10, 2016, and the actual figures released today.

Details

1. Impairment loss recorded

Following the deterioration of business environment and decrease in the revenue of Asahi Refining, a consolidated subsidiary, the Company decided to record all the balance of goodwill at 7,512 million yen as of the end of March, 2017 as impairment loss after carefully examining its future recoverability.

2. Differences with performance forecast values

(1) Difference between consolidated performance forecasts for the financial year ended March 2017 and actual figure (April 1, 2016 to March 31, 2017)

(Millions of Yen)

	Revenue	Operating income	Profit before tax	Profit attributable to owners of parent	Basic earning per share
Previous Forecast (A) (Announced on May 10, 2016)	110,000	10,000	10,000	6,600	202.46
Actual Figure (B)	106,828	2,038	1,751	(1,213)	(37.24)
Change (B-A)	(3,171)	(7,961)	(8,248)	(7,813)	—
Change (%)	(2.9)	(79.6)	(82.5)	—	—
(Ref.) the fiscal year ended March 31, 2016	119,352	6,057	5,868	2,867	87.48

(2) Difference between non-consolidated results for the financial year ended March 2017 and actual figure (April 1, 2016 to March 31, 2017)

(Millions of Yen)

	Revenue	Operating income	Ordinary income	Net income	Net income per share
the fiscal year ended March 31, 2016 (A)	6,865	5,604	5,764	5,670	173.01
Actual Figure (B)	6,183	4,846	5,079	(11,711)	(359.25)
Change (B-A)	(682)	(758)	(684)	(17,381)	—
Change (%)	(9.9)	(13.5)	(11.9)	—	—

(3) Reasons behind the differences

The precious metal business, the volume of collection in the precious metals recycling business in Japan, environmental preservation business and life & health business progressed as planned overall. However, recording of the impairment loss as described above resulted in operating income of 2,038 million yen.

(Non-Consolidated results)

According to recording the impairment loss described above, net income was (11,711) million yen as a result of loss on valuation of shares of subsidiaries and associates and provision of allowance for doubtful accounts was booked based on Japan GAAP. No impact to consolidated results because the record of loss on valuation of shares of subsidiaries and associates and provision of allowance for doubtful accounts was intra-Group transactions.

3. Dividend

The basic policy of our group is to enhance corporate value through the maintenance and further growth of its secure earning power and to meet the expectations of shareholders through stable dividend payment.

Dividend for the year ended March 31, 2017 was maintained at 30 yen per share since impairment loss announced this time was temporary and non-cash expense. The planned annual dividend for the year ended March 31, 2018 is 60 yen per share.

4. Prospects

The consolidated performance forecast for the year ended March 31, 2018 (next financial year) is as shown below. Please also refer to the Summary of Financial Results for the Year Ended March 31, 2017 [IFRS] (Consolidated) that was released today.

(Reference) Consolidated performance forecast for the year ended March 31, 2018

(Percentage: Changes relative to corresponding previous period)

	Revenue		Operating income		Profit before tax		Profit attributable to owners of parent		Basic earning per share
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Yen
Six months ending September 30, 2017	58,000	12.2	5,500	(3.5)	5,400	(1.8)	3,600	(9.6)	110.43
Year ending March 31, 2018	120,000	12.3	11,500	464.2	11,300	545.2	7,600	—	233.13

The above forecasts have been prepared based on the information available at the time of issuance of this announcement. Actual results may differ from the aforementioned forecasts due to a variety of factors including economic conditions, financial trends, metal market trends and others.