

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.

February 1, 2019

To whom it may concern:

Company Name: **Asahi Holdings, Inc.**

Representative: Tomoya Higashiura, President

(Code: 5857, First Section of the Tokyo Stock Exchange)

Contact: Kunihiko Chogo, General Manager,

Corporate Planning & Communications Department

(Phone: +81-3-6270-1833)

Notice of Asset Acquisition of Republic Metals Corporation and Republic Carbon Company, LLC

This is to notify that Asahi Holdings, Inc. (hereinafter the “Company”) was selected, through a competitive bidding process, as the successful bidder for substantially all of the assets of Republic Metals Corporation and its subsidiaries, including Republic Carbon Company, LLC, which are going through a reorganization process under Chapter 11 of the United States Bankruptcy Code. This transaction is subject to approval from United States Bankruptcy Court and satisfaction of closing conditions under an Asset Purchase Agreement.

Details

1. Overview of the business of Republic Metals Corporation and Republic Carbon Company, LLC
Republic Metals Corporation (hereinafter “RMC”), headquartered in Miami, Florida, is primarily engaged in gold/silver refining and product fabrication (plating, minting, granulation, etc.). According to data released prior to its reorganization process, the annual production capacity of RMC is as follows: 2,500 tons for silver refining, 350 tons for gold refining and 55 million units for mint manufacturing. Republic Carbon Company, LLC (hereinafter “RCC”) is primarily engaged in the de-watering, sampling and assaying of spent carbon. The number of employees at RMC and RCC as of December 5, 2018 was respectively 146 and 6.

2. Purpose of acquisition and its strategic significance

The Company is entering into the acquisition of RMC and RCC to establish an even stronger presence in the Precious Metals Segment in the North American market. This acquisition, combined with Asahi Refining Canada Ltd. (Brampton, Ontario) and Asahi Refining USA Inc. (Salt Lake City, Utah), which were acquired in March 2015, would expand the scale of Asahi Holdings Group’s gold/silver refining business to rank among the world’s top-level companies.

Furthermore, this acquisition would add product fabrication and carbon treatment to the Group’s list of business areas, expanding sources of added value to its downstream and upstream on the foundation of a larger-scale gold/silver refining business. The Group will seek to develop new customers and increase revenue by capitalizing on its excellent comprehensive capabilities among the world’s major private-sector companies engaged in the gold/silver refining business.

3. Assets acquired and value of acquisition

The value of acquisition is US 25.5 million dollars. The estimated amount of tangible fixed assets

filed by RMC to the United States Bankruptcy Court is US 25 million dollars (as of November 2, 2018).

The acquired assets will be accepted by a newly-established company Asahi Refining Florida Inc. The overview of Asahi Refining Florida Inc. is as shown below:

(1) Name	Asahi Refining Florida Inc.	
(2) Location	12900 NW 38 th Ave, Miami, FL 33054, USA	
(3) Title and name of representative	Tomoya Higashiura (President)	
(4) Business content	Gold/silver refining and production fabrication, treatment of spent carbon	
(5) Capital	US 1 dollar	
(6) Date of establishment	January 14, 2019	
(7) Major shareholder and shareholding ratio	Asahi Americas Holdings, Inc.: 100% (scheduled)	
(8) Relationship between the listed company and the relevant company	Capital relationship	Asahi Americas Holdings, Inc., a wholly-owned subsidiary of the Company is scheduled to gain 100% ownership of the relevant company.
	Personnel relationship	One director of the Company serves concurrently as president of the relevant subsidiary.
	Business transactions	There is no applicable item.

4. Future schedule

(1) Contract date	February 5, 2019 (anticipated)
(2) Hearing by the United States Bankruptcy Court	February 13, 2019
(3) Closing	February 28, 2019 (scheduled)

5. Future prospects

The impact of the acquisition on the financial results for this financial term, which is currently under examination, is expected to be minimal.