

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.

October 29, 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

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Notice on the Revision of Financial Forecasts and Changes in the Reporting Segment

This is to notify that Asahi Holdings, Inc. (hereinafter “Company”) has revised, at its meeting of the Board of Directors held today, its Consolidated Financial Forecasts for the year ending March 2020 (April 1, 2019 to March 31, 2020), which were announced on May 8, 2019, in view of the recent trends in its business performance as shown in the section below. Please also note that the reporting segments will be changed as follows:

Details

1. Revision of the Consolidated Financial Forecasts for the fiscal year ending March 31, 2020 (April 1, 2019 to March 31, 2020)

(Millions of yen, %)

	Revenue	Operating income	Profit before tax	Profit attributable to owners of parent	Basic earnings per share
Previous Forecast (A) (Announced on May 8, 2019)	140,000	14,500	14,300	9,400	(yen) 238.89
Revised Forecast (B)	135,000	19,000	16,800	10,200	259.22
Change (B–A)	△5,000	4,500	2,500	800	—
Change (%)	△3.6	31.0	17.5	8.5	—
(Ref.-1) Results for the previous FY (FY ended March 31, 2019)	128,669	14,478	13,405	9,000	228.14
(Ref.-2) In case Fuji is consolidated (FY ending March 31, 2020)	155,000	19,900	17,700	11,600	292.26

(Note): As disclosed separately today, in case the share transfer of Fuji Medical Instruments Mfg. Co., Ltd. (hereinafter “Fuji”) is not realized, the projected figures are as shown in (Ref.-2). The details are described below in “2. Reasons for the Revision of Financial Forecasts”.

2. Reasons for the Revision of Financial Forecasts

The financial forecasts for the fiscal year were revised in view of the fact that precious metal prices are hovering above the assumptions at the beginning of the fiscal year and the volume of precious metals collected for recycling is expected to exceed the level planned at the beginning of the fiscal year, among other reasons. In this revised forecast, operating income, profit before tax and profit attributable to owners of parent are all projected to be record high.

Today, the Company signed a basic agreement on the share transfer of Fuji, its consolidated subsidiary. Fuji will be classified as discontinued operations by the third quarter of the year ending March 2020 and scheduled to be excluded from the list of consolidated subsidiaries by the fourth quarter of the year ending March 2020. The details are shown in the “Notice on the Conclusion of Basic Agreement on Share Transfer (Change regarding Subsidiary)”, which was announced separately today.

In case the share transfer of Fuji is not realized, approx. 20 billion yen will be added to revenue, approx. 0.9 billion yen to operating income, approx. 0.9 billion yen to profit before tax and approx. 1.4 billion yen to profit attributable to owners of parent respectively. The projected figures are as shown in (Ref.-2) above.

3. Changes in the Reporting Segments

The Company’s business had earlier been composed of three reporting segments: “Precious Metals Business,” “Environmental Preservation Business” and “Life & Health Business.” When the transfer of Fuji to an equity method affiliate goes ahead as scheduled, the Company will change its reporting segment composition to comprise two segments of “Precious Metals Business” and “Environmental Preservation Business” beginning in the third quarter of the fiscal year ending March 31, 2020. As announced earlier, the Company sold KOEIKOGYO CO., LTD., on August 1, 2019.

INTER CENTRAL, INC., which comprises the “Life & Health Business” segment, will be transferred to “Environmental Preservation Business” segment as it contributes to the realization of a society conserving energy through the development and installation of air-conditioning equipment.