

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.

December 20, 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 on the Execution of Share Transfer Agreement Regarding Transfer of Consolidated Subsidiary (Change regarding Subsidiary)

In the “Notice on the Conclusion of Basic Agreement on Share Transfer (Change regarding Subsidiary),” dated October 29, 2019 (hereinafter “Previous Press Release”), Asahi Holdings, Inc. (hereinafter “Company”) announced the execution of the basic agreement (hereinafter “LOI”) regarding a share transfer of 60% of all the shares of Fuji Medical Instruments Mfg. Co., Ltd. (hereinafter “Fuji”), a consolidated subsidiary of the Company, to Johnson Health Tech Co., Ltd. (hereinafter “Johnson Health Tech”), a company listed on the Taiwan Stock Exchange. The Company hereby announces that it executed today a share transfer agreement (hereinafter “Definitive Agreement”) with Johnson Health Tech.

The items which had not yet been determined in the Previous Press Release are as below.

Details

1. Number of shares transferred, value of share transfer and number of shares owned before and after transfer

(1) Number of shares owned before transfer	300,000 (Number of voting rights: 300,000) (Ratio of voting rights held by the company: 100%)
(2) Number of shares to be transferred	180,000 (Number of voting rights: 180,000) (Ratio of voting rights held by the company: 60%)
(3) Value of share transfer	6,241 million yen
(4) Number of shares owned after transfer	120,000 (Number of voting rights: 120,000) (Ratio of voting rights held by the company: 40%)

2. Schedule

(1) Date of the execution of LOI	October 29, 2019
(2) Date of the execution of Definitive Agreement	December 20, 2019
(3) Date of share transfer	Early February 2020 (scheduled)

3. Future prospects

- (1) Following the share transfer, Fuji will be classified as discontinued operations from the third quarter of the year ending March 2020, and is expected to be excluded from the list of consolidated subsidiaries of the Company from the fourth quarter of the year ending March 2020 due to loss of control. As for amount of its financial impact on the Company's consolidated performance for the year ending March 2020, following the classification of Fuji as discontinued operations, revenue from ongoing operations is projected to drop by approx. 20.0 billion yen and operating income by approx. 0.9 billion yen. The impact due in part to corporate tax charges that accompany the sale of shares and the revaluation of shares in possession is expected to be minimal.
- (2) The name and address of Fuji after share transfer are planned to remain the same as "Fuji Medical Instruments Mfg. Co., Ltd." and "1-22, Noninbashi 1-chome, Chuo-ku, Osaka".
- (3) All employees of the current Fuji are planned to remain the company after the share transfer.