

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.

January 31, 2020

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 Forecast and Revision of Dividend Forecast (Dividend Increase)

This is to notify that the Company has revised its consolidated financial forecast for the year ending March 2020 (April 1, 2019 - March 31, 2020), which was announced on October 29, 2019 and the year-end dividend forecast, announced on May 8, 2019, in view of the recent trends in its business performance, as shown in the section below.

Details

1. Revision of Financial Forecast

(1) Revision of consolidated financial forecast for the year ended March 2020 (April 1, 2019 to March 31, 2020)

(Unit: millions of yen, %)

| | Revenue | Operating income | Profit before tax | Profit attributable to owners of parent | Basic earnings per share |
|---|---------|------------------|-------------------|---|--------------------------|
| Previous forecast (A) (Announced on October 29, 2019) | 135,000 | 19,000 | 16,800 | 10,200 | Yen Sen 259 22 |
| Revised forecast (B) | 135,000 | 19,000 | 16,700 | 9,400 | 238 89 |
| Change (B-A) | — | — | △100 | △800 | — |
| Change (%) | — | — | △0.6 | △7.8 | — |
| (Ref.) Results for the previous FY (FY ended March 31, 2019) | 128,669 | 14,478 | 13,405 | 9,000 | 228 14 |

(2) Reasons for the revision of financial forecast

As described in the “Notice on the Impairment Loss Recorded on Fixed Assets at Consolidated Subsidiary,” which was announced separately today, an impairment loss of 1 billion yen has been recorded on facilities related to gold and silver refining business in North America. As a result, profit before tax and profit attributable to owners of parent are expected to be lower than those in the previous forecast. However, as the performance of the precious metals recycling business and environmental preservation business remains solid, exceeding the levels in the previous forecast, operating income remains unchanged from the previous forecast.

2. Revision of Dividend Forecast

(1) Revision of dividend forecast for the year ended March 2020

| | Annual Dividend | | |
|--|-----------------------|-----------|---------|
| | End of second quarter | End of FY | Total |
| Previous forecast (Announced on May 8, 2019) | 60 yen | 60 yen | 120 yen |
| Revised forecast | | 70 yen | 130 yen |
| Results for the current FY | 60 yen | | |
| Results for the previous FY (FY ended March 31, 2019) | 60 yen | 60 yen | 120 yen |

(2) Reasons for the revision of dividend forecast

The Company's basic policy is to improve corporate value by maintaining profitability and delivering sustainable growth, and to meet the expectations of shareholders by providing sustainable, stable dividends. The Company's guideline on dividend payments based on this basic policy is to target a consolidated payout ratio of 50% or more by considering such factors as the business results of each fiscal year, the need for enhancing the financial position, and the management strategy of the Group.

Even after the revision of its financial forecast, the Company expects to register record-high results for operating income and profit before tax. Based on this judgment, the Company plans to increase its dividend payment at the end of fiscal year by 10 yen from 60 yen in the previous forecast, and the total annual dividend of the year is planned to be 130 yen.