

Securities Code **5857**

Business Report for FY2012

From April 1, 2012 to March 31, 2013



To Our Shareholders

I would like to express our cordial appreciation for your continuing support and loyal patronage.

During the 4th business term (April 2012 through March 2013), conditions still remained harsh overall for the Japanese economy due to factors such as weak domestic production activity against the back drop of slowdown in the global economy and the prolonged yen's appreciation, although there seems to be economic recovery indication such as correction of strong yen and upturn in market value, anticipating for new policies along with the new administration.

Under these severe economic conditions, in the precious metal recycling business, domestic production shrinkage in the electronics and flat panel display industry led to much lower year-over-year volumes of collection for gold, silver, palladium, platinum and indium. Precious metal prices were higher for gold and lower for silver, platinum, and palladium compared to the previous year. Net sales amount declined compared to the previous year due to switching contracts in part of our transaction to the "fee-based processing model". In the environmental preservation business, even with the impact of the downturn in domestic production activities, the volume of waste oil, sludge and medical-related wastes, and etc. increased compared to the previous year.

Consequently, operating results for the current fiscal year were as follows: consolidated net sales 96,368 million yen, operating profit 7,495 million yen, ordinary profit 7,794 million yen, and net income 4,518 million yen.

As for the year-end dividend, in view of the stability of shareholders' return, we maintain 30 yen per share, for a total annual dividend of 60 yen per share including the interim dividend.

Our Group have focused on execution of our strategic actions that we have outlined in the 6th mid-term business plan; "Business expansion in the Asian markets", "Broadening business domain through M&A", and "Streamlining group management". As part of the strategy, we have established a wholly owned subsidiary in Taiwan and also a joint venture with a local company. We have also set up a representative office in Ho Chi Minh City, Vietnam. Operations of those overseas offices has been started in April.

In the environmental preservation segment, we have added INTER CENTRAL, INC to our portfolio of companies through M&A. We continuously work toward better earnings growth by establishing a strong management infrastructure, and pursue to become an efficient and agile corporate group as a whole.

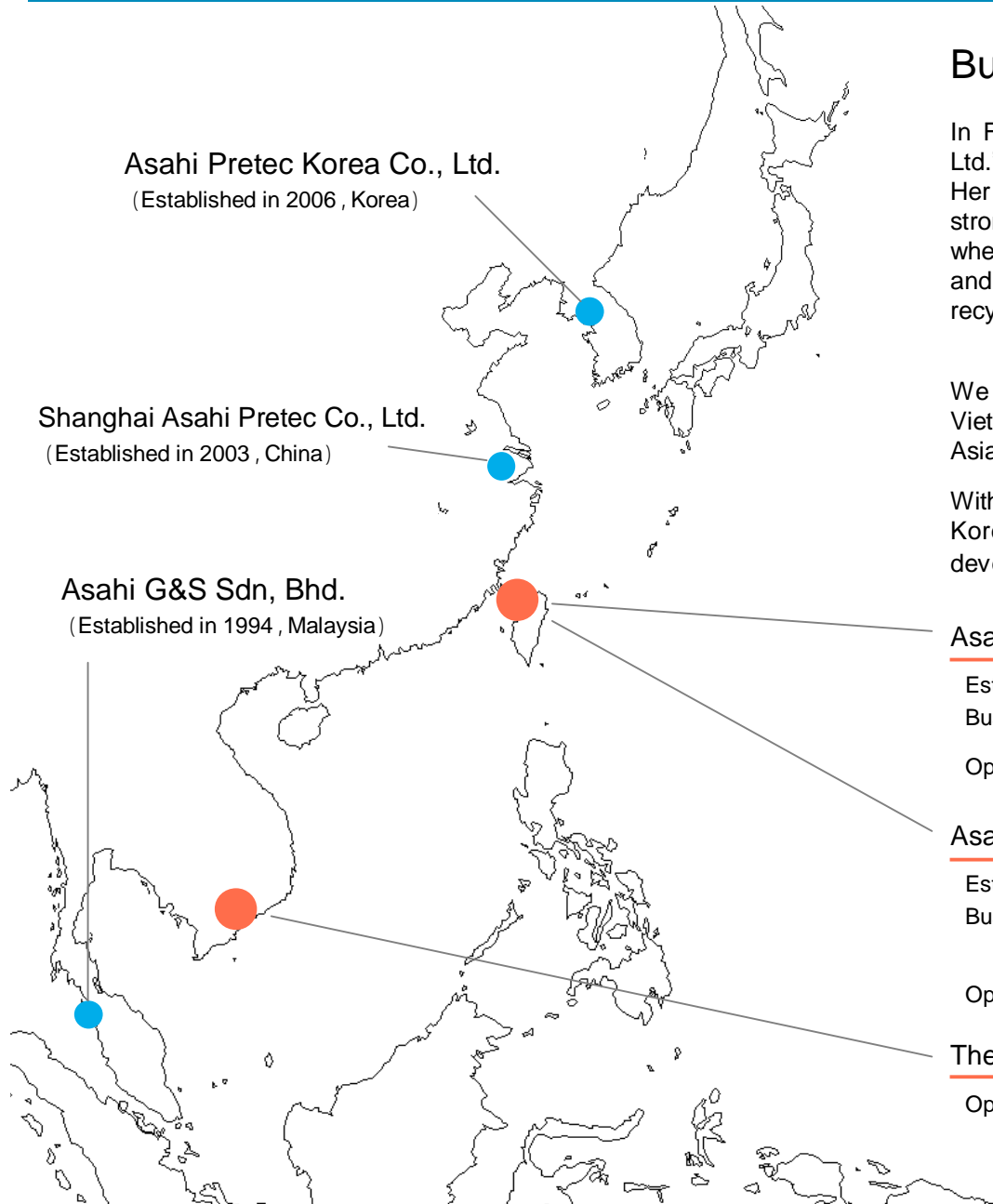
As for dividends during the coming fiscal year, we plan on an interim dividend of 30 yen per share and a year-end dividend of 30 yen per share, for a total annual dividend of 60 yen per share.

We ask all our shareholders for their continuous understanding and support of the activities of the Asahi Holdings Group.



CEO

TOPICS



Asahi Pretec Korea Co., Ltd.
(Established in 2006, Korea)

Shanghai Asahi Pretec Co., Ltd.
(Established in 2003, China)

Asahi G&S Sdn, Bhd.
(Established in 1994, Malaysia)

Business Expansion in Asia

In February 2013, we have established “Asahi Pretec Taiwan Co., Ltd.” as a wholly-owned subsidiary and a joint venture, “Asahi Shih Her Technologies Co., Ltd.” with Shi Her Technologies Inc. which has strong expertise in precision cleaning business. The city of Hsinchu, where our Taiwan offices are located, is the center of the electronics and semiconductor industry. We will expand our precious metal recycling business utilizing our strong technical expertise.

We have also established a representative office in Ho Chi Minh, Vietnam to further develop and better service our customer base in Asia.

With the new locations added to our existing office and facilities in Korea, China and Malaysia, we shall make a solid progress in developing business in Asia.

Asahi Pretec Taiwan Co., Ltd.

Establishment : February 2013 (wholly-owned subsidiary)
Business : Collecting and recycling precious metals in the field of Electronics and Semiconductor industry
Operation started : April 2013

Asahi Shih Her Technologies Co., Ltd.

Establishment : March 2013 (80% investment)
Business : Collection and recovery of precious metals from tools and jigs of electronics, semiconductor/LED manufacturing equipments. Precision cleaning.
Operation started : April 2013

The Representative Office of Asahi Pretec Corp. in Ho Chi Minh

Operation started : April 2013

TOPICS

M&A Acceleration:

Incorporation of INTER CENTRAL, INC. into our Group

In July 2012, INTER CENTRAL, INC. became a wholly owned subsidiary of our company Group. INTER CENTRAL manufactures and sells a variety of electric heater equipments and designs and constructs radiant air-conditioning systems. INTER CENTRAL provides a variety of products for energy conservation, which have been adopted by hospitals, schools, cultural institutions, commercial facilities, and residential homes. We will make further enhancement in the growth potential and profitability by broadening our business domain and pursuing synergistic effects among the Asahi Holdings group companies.

Since 2001, our Group have continuously worked towards accelerating M&A. We will always pursue to become an efficient and agile corporate group as a whole through M&A.

(History of M&A)

2001 Sansho Co., Ltd., Daimon Co., Ltd., and Eco-Material Co., Ltd.

2004 Nihon Chemitech Co., Ltd.

2005 Shioiri Kenzai Co., Ltd.

2006 Iyotec Co., Ltd.

2007 Nishiki Kosan Co., Ltd. and Taiyo Chemical Co., Ltd.
Transferred Environmental Business to Kita-Kyushu

2008 Fuji Rozai Co., Ltd.

2009 Transferred Glass Recycling Business to JW Glass Recycling Co., Ltd.

2010 Ecomax into our Group

2011 Usuda Manufacturing and Kyodo Chemical

2012 INTER CENTRAL, INC.

Maintaining and Enhancing Top-Level Assay Technology

Asahi Pretec achieved solid results in the analysis values at the 1st Proficiency Testing Scheme, performed by LBMA, London Bullion Market Association, a world-class accredited organization.

Our technical expertise to assay materials of precious metals with accuracy, entrusted from our customers, is one of the most critical business infrastructures for our precious metal recycling business. We shall continuously work towards further enhancement of our sampling and assay expertise.



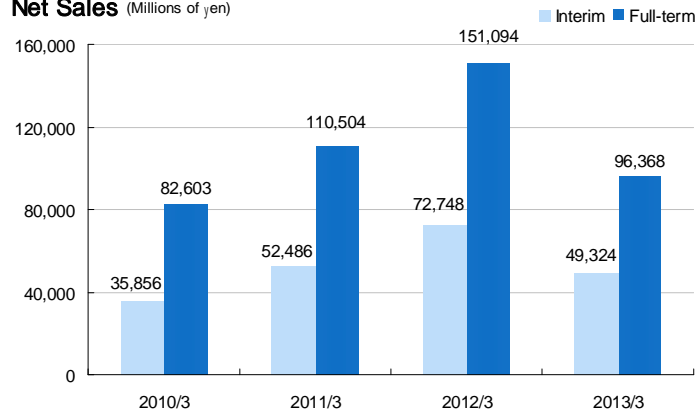
Handling of Conflict Metals

Conflict metals can be defined by any minerals derived from countries or regions, in which any inhuman acts such as conflicts, human trafficking, slavery, forced labor, child labor, abuse, war crimes are performed. There is a world concern that it can become a source of war chests.

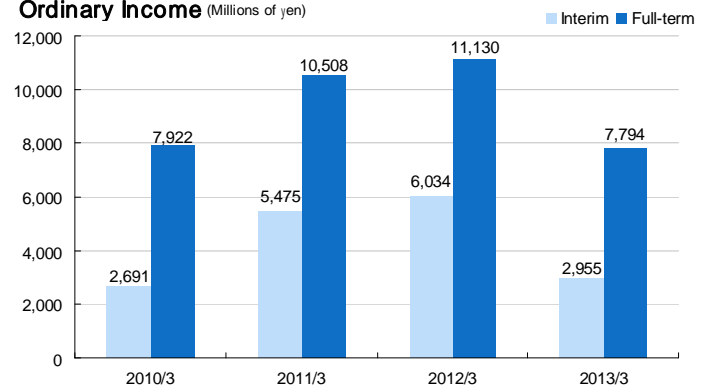
Receiving a designated third-party audit, in compliance with EICC Gold Conflict-free Smelter Program, we acquired the relevant “EICC Gold Conflict-Free Smelter Program Certification”, which proves we are free from conflict metals. Asahi Pretec Corp. will fulfill social responsibility commensurate with a recycler of precious metals.

Consolidated Financial Highlights

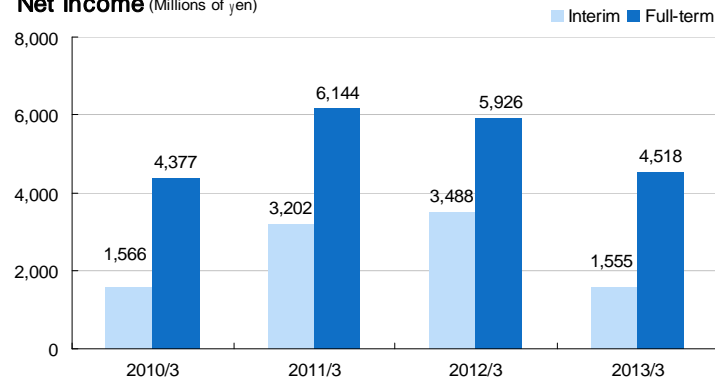
Net Sales (Millions of yen)



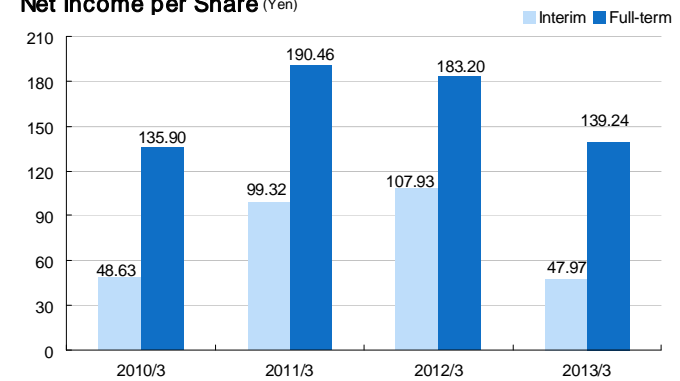
Ordinary Income (Millions of yen)



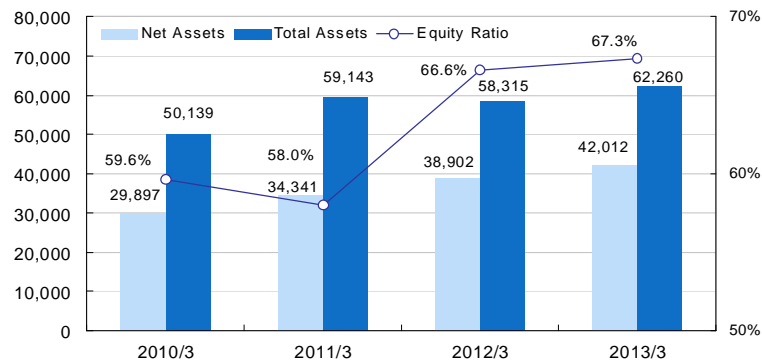
Net Income (Millions of yen)



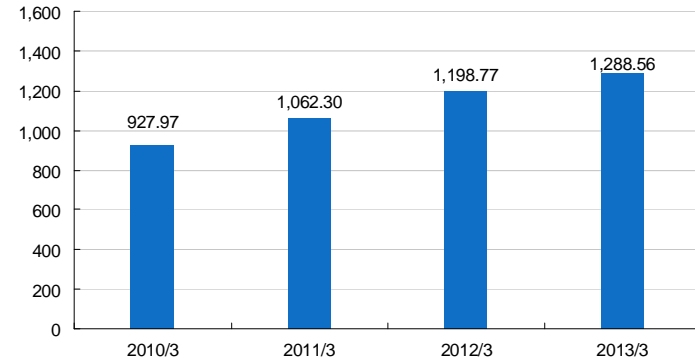
Net Income per Share (Yen)



Net Assets/Total Assets/Equity Ratio (Millions of yen, %)



Net Assets per Share (Yen)



Consolidated Financial Statements

Consolidated Balance Sheet

(Millions of yen)

	As of March 31, 2012	As of March 31, 2013
ASSETS		
Current assets	29,301	33,298
Cash and deposits	3,527	4,141
Notes and accounts receivable-trade	9,480	12,539
Merchandise and finished goods	2,123	5,067
Work in process	10,727	8,114
Other	3,440	3,434
Noncurrent assets	29,014	28,962
Property, plant and equipment	25,763	24,959
Buildings and structures	9,495	9,281
Machinery, equipment and vehicles	2,721	2,197
Land	12,910	13,031
Other	635	449
Intangible assets	2,490	3,177
Goodwill	1,970	2,380
Other	519	797
Investments and other assets	760	824
Other	760	824
Total assets	58,315	62,260

(Millions of yen)

	As of March 31, 2012	As of March 31, 2013
LIABILITIES		
Current liabilities	16,130	18,553
Notes and accounts payable-trade	3,253	2,463
Short-term loans payable	4,545	10,245
Current portion of long-term loans payable	1,000	1,500
Account payables-other	1,412	1,388
Income taxes payable	3,267	349
Other	2,651	2,603
Noncurrent liabilities	3,282	1,694
Long-term loans payable	1,500	-
Deferred tax liabilities	1,646	1,541
Other	135	135
Total liabilities	19,413	20,248
NET ASSETS		
Shareholders' equity	39,036	41,758
Capital stock	4,480	4,480
Capital surplus	6,087	6,087
Retained earnings	34,124	36,697
Treasury stock	(5,656)	(5,507)
Accumulated other comprehensive income	(201)	116
Subscription rights to shares	67	77
Minority Interests	-	59
Total net assets	38,902	42,012
Total liabilities and net assets	58,315	62,260

Notes: Amounts above are rounded down to unit of display.

Consolidated Financial Statements

Consolidated Statements of Income

(Millions of yen)

	The twelve months ended March 31, 2012	The Fiscal Year Ended March 31, 2013
Net sales	151,094	96,368
Cost of sales	135,003	83,557
Gross profit	16,091	12,811
Selling, general and administrative expenses	4,873	5,316
Operating income	11,217	7,495
Non-operating income	117	363
Non-operating expenses	204	64
Ordinary income	11,130	7,794
Extraordinary income	170	14
Extraordinary loss	489	459
Income before income taxes and minority interests	10,810	7,349
Income taxes-current	4,706	2,525
Income taxes-deferred	178	305
Income before minority interests	5,926	4,518
Net income	5,926	4,518

Notes: Amounts above are rounded down to unit of display.

Consolidated Statements of Cash Flows

(Millions of yen)

	The twelve months ended March 31, 2012	The Fiscal Year Ended March 31, 2013
Net cash provided by (used in) operating activities	11,297	(419)
Net cash provided by (used in) investing activities	(2,278)	(2,064)
Net cash provided by (used in) financing activities	(7,705)	2,603
Effect of exchange rate change on cash and cash equivalents	(36)	494
Net increase in cash and cash equivalents	1,277	613
Cash and cash equivalents at beginning of period	2,250	3,527
Cash and cash equivalents at the end of period	3,527	4,141

Stock Information/Corporate Profile

(As of March 31, 2013)

Total number of authorized shares	129,000,000 shares
Total number of shares outstanding	36,254,344 shares
Number of shares per trading unit	100 shares
Number of shareholders	8,962 persons
Principal shareholders	

Name of Shareholders	Number of Shares-held (thousand of shares)	Percentage of shares-held (%)
The Master Trust Bank of Japan Ltd. (Trust account)	1,569	4.33
TERA ENTERPRISES Co., Ltd.	1,350	3.72
State Street Bank and Trust Company 505103	1,174	3.24
Japan Trustee Services Bank, Ltd. (trust account)	1,134	3.13
Mitsuharu Terayama	1,082	2.99
K&M Co., Ltd.	900	2.48
Masamichi Terayama	802	2.21
Asahi Employee Stock Ownership Plan	635	1.75
TERA ENTERPRISE Co., Ltd.	600	1.65
MS planning Co., Ltd.	570	1.57

Total Number of Treasury Shares (3,517,739 shares) are excluding from the above.

Corporate Profile

Corporate name	Asahi Holdings, Inc.
Establishment	April 2009
Establishment	July 1952 (as Asahi Pretec Corp.)
Capital	¥4,480 million
Number of employees	1,328 (Consolidated)
Business lines	Recycling of precious & rare metals Industrial waste treatment (Industrial waste treatment and other environmental preservation business)
Subsidiaries	Asahi Pretec Corp. Japan Waste Corporation JW Logistics Co., Ltd. Nihon Chemitec Co., Ltd. Taiyo Chemical Co., Ltd. Iyotec Co., Ltd. Fuji Rozai Co., Ltd. JW Glass Recycling Co., Ltd. Ecomax Incorporated Usuda Manufacturing Co., Ltd. Kyodo Chemical Co., Ltd. INTER CENTRAL, INC.
Overseas subsidiaries	Asahi G&S SDN. BHD. (Malaysia) Shanghai Asahi Pretec Co., Ltd. (China) Asahi Pretec Korea Co., Ltd. (Korea) Asahi Pretec Taiwan Co., Ltd. (Taiwan) Asahi Shih Her Technologies Co., Ltd. (Taiwan)

Board of Directors and Corporate Auditors

CEO:	Mitsuharu Terayama
President:	Tsutomu Sakurai
Directors:	Yoshikatsu Takeuchi
	Tomoya Higashiura
	Masayuki Hirano
	Keitaro Shigemasa
	Shoji Morii*
Standing Statutory Auditor:	Yukio Tanabe
Statutory Auditor:	Kazuhiko Tokumine*
	Junzo Kojima*

*Outside officers pursuant to Article 2, paragraph (3) item (v) of Ordinance for Enforcement of the Companies Act.

The above will be officially selected at General Shareholders' Meeting on June 18, 2013.

Business Network

Head Offices	<u>KOBE</u>	Nissei Sannomiya Bldg., 4-4-17 Kano-cho, Chuo-ku, Kobe, 650-0001, Japan Tel. +81-78-333-5633 (Pilot number) Facsimile +81-78-333-5681	
	<u>TOKYO</u>	Sapia Tower, 1-7-12 Marunouchi, Chiyoda-ku, Tokyo, 100-0005, Japan Tel. +81-3-6270-1833 (Pilot number) Facsimile +81-3-6270-1859 http://www.asahiholdings.com	
Research Laboratory	Technical Research Center (Kobe)	Bases with ISO 14001	Head office (Kobe), Technical Research Center, Sapporo, Aomori, Sendai, Kitakanto, Chiba Recycling Center, Yokohama, Kofu, Shizuoka, Nagoya, Hokuriku, Hanshin, Kobe, Okayama, Hiroshima, Shikoku, Kitakyushu, Fukuoka, Okinawa
Plants	Saitama, Amagasaki, Kobe, Ehime, Kitakyushu, Kitakyushu Hibiki, Fukuoka (7 locations at Asahi Pretec Corp.) Yokohama, Ohgicho (Kawasaki), Aikawa (Kanagawa) (3 locations at Japan Waste Corporation)	Bases with ISO 9001	Technical Research Center, Saitama, Ehime, Fukuoka
Recycling Centers	Saitama, Chiba, Amagasaki	Bases with ISO 27001	Hanshin Office, Amagasaki Recycling Center, Saitama Recycling Center
Offices	Sapporo, Aomori, Sendai, Niigata, Kitakanto, Kanto, Yokohama, Kofu, Shizuoka, Nagoya, Hokuriku, Hanshin, Kobe, Okayama, Hiroshima, Shikoku, Kitakyushu, Fukuoka, Kagoshima, Okinawa (Total: 20 locations)	License for Collection and Transportation License for Disposal	All prefectures and government ordinance cities 15 prefectures and 9 government ordinance cities

General Information

Business Term	April 1 – March 31
Record Date	March 31
Fixed Date of Dividend Paid	March 31
Fixed date of Interim Dividend Paid	September 30
Shareholder Registry Administrator	Mitsubishi UFJ Trust and Banking Corporation
Transfer Agent	Mitsubishi UFJ Trust and Banking Corporation
Contact of the Agent	3-6-3 Fushimi-cho, Chuo-ku, Osaka City, Osaka 541-8502 JAPAN Mitsubishi UFJ Trust and Banking Corporation Osaka Stock Transfer Agent Dept. TEL (0120) 094 -777
Public Notice	Electronic public notice http://www.asahiholdings.com/