

# Business Report for FY2013

From April 1, 2013 to March 31, 2014

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## To Our Shareholders

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

During the 5<sup>th</sup> business term (April 2013 through March 2014), the Japanese economy showed a tone of gentle recovery as the yen fell and share prices rose against the backdrop of the Government's economic policies and monetary easing by Bank of Japan, including improved corporate profits and rebounding consumer spending.

Under these economic conditions, in the precious metal recycling business, factors such as increased collection volume of electronic parts led to a greater volume of collection of gold compared to the previous year. However, because the volume of collection of flat panel displays decreased, the collection volume of silver, etc., was lower than that of the same term the previous year. Although the average sales prices for gold, platinum, palladium, and others were higher than they were during the corresponding period a year earlier, the average sales price for silver was lower. In the environmental preservation business, the collection volumes of medical-related waste, recycled glass, and so on surpassed those of the same term one year earlier.

Our Group have focused on execution of our growth strategies that we have outlined in the 6<sup>th</sup> mid-term business plan; "Business expansion in the Asian markets", "Broadening business domain through M&A", and "Streamlining group management". As part of the strategies, in the precious metal recycling business, our Taiwan factory

commenced its operation in December 2013. In the environmental preservation business, KOEIKOGYO CO., LTD. become a wholly owned subsidiary of our group through M&A in March 2014.

Consequently, operating results for the current fiscal year were as follows: consolidated net sales 94,254 million yen, operating profit 9,629 million yen ordinary profit 9,985 million yen, and net income 5,969 million yen.

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

*Mitsuhiro Terayama*

# TOPICS

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## Launched Factory Operation in Taiwan

Asahi Pretec Taiwan, which was established in February 2013, launched its factory operation in December 2013 at Hsinchu Industrial District. The factory engages in both “Precious Metal Recycling Business” and “Precision Cleaning Business”. In the recycling business, we recover precious metals with efficiency. In the precision cleaning business, we perform precious metal separation and cleaning technology from parts of semiconductor/LED manufacturing equipment. The precision cleaning business are conducted by a subsidiary which was established as JV between a leading local company of the precision cleaning business and Taiwan Asahi Pretec Corp.

Taiwan is the agglomerations of high-tech industries such as electronics, semiconductor business, etc. Especially, Hsinchu Science Park, where our factory is adjacent to, is congregated with world-class companies, factories and research laboratories. We will continuously expand our precious metal recycling business in Taiwan.



## Incorporation of KOEIKOGYO into Our Group

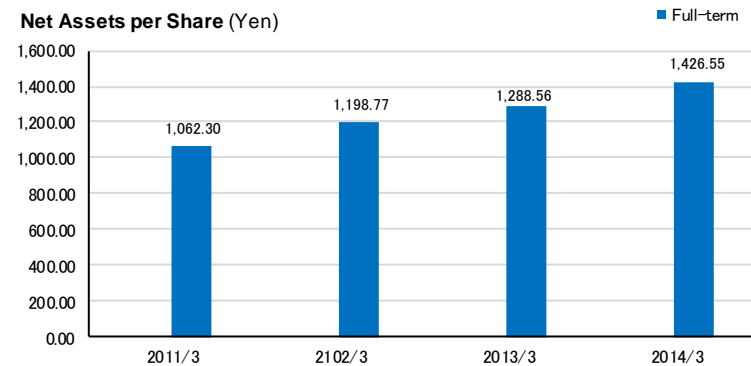
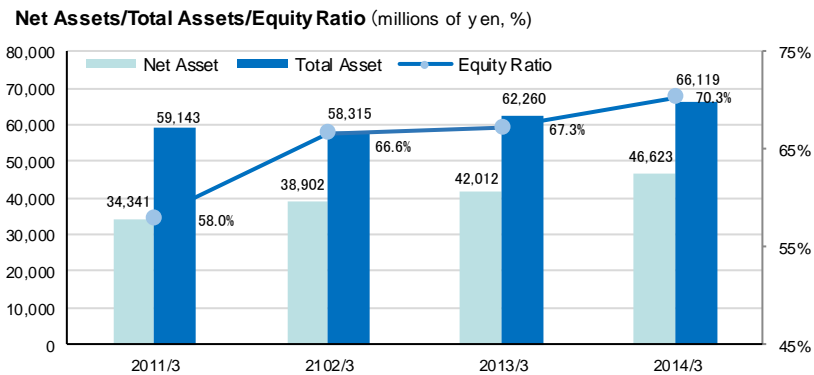
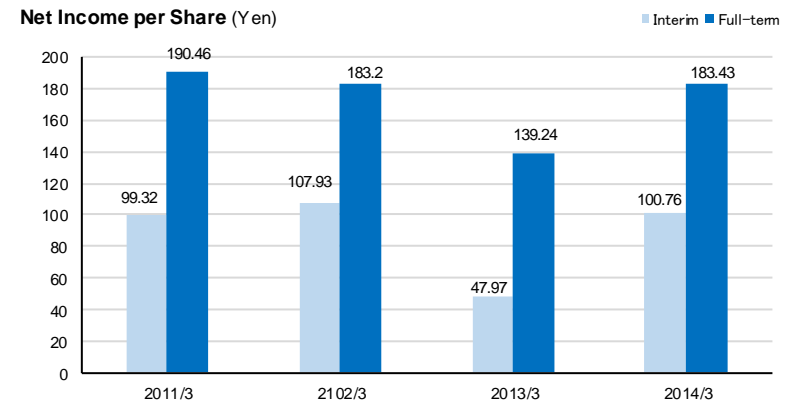
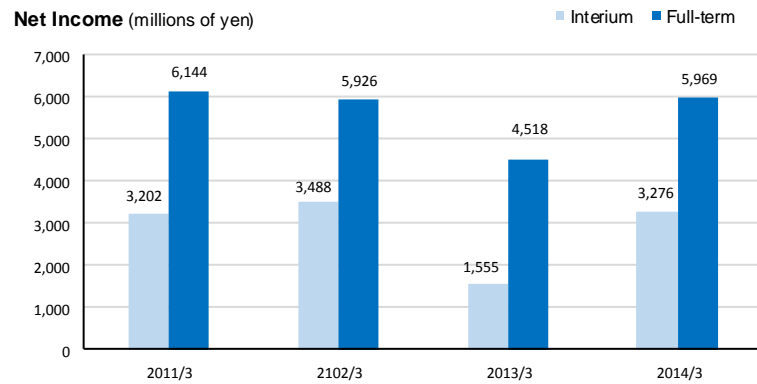
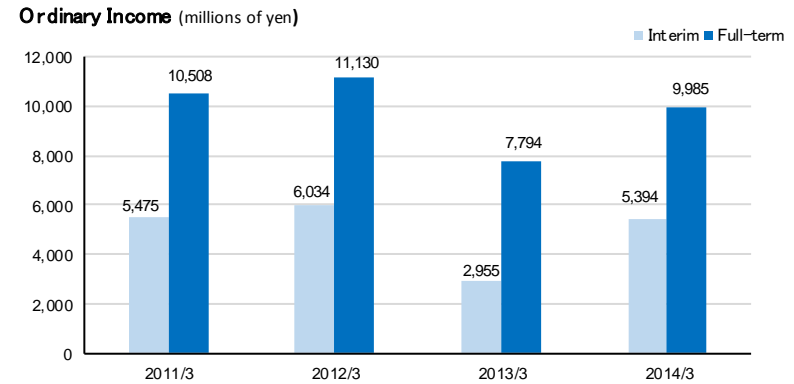
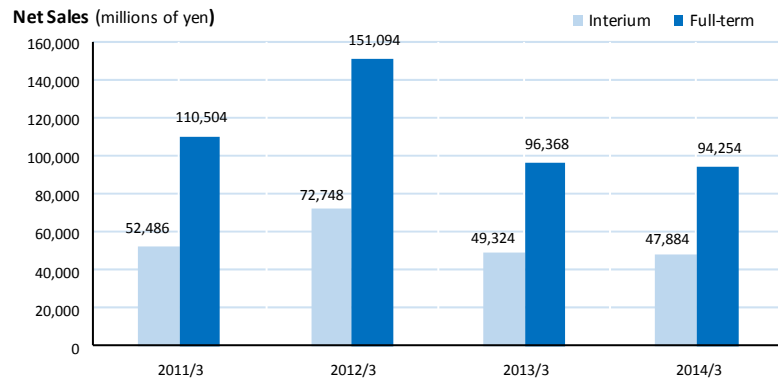
In March 2014, KOEIKOGYO CO., LTD. was incorporated into our group, which engages in design and construction of facilities for disaster prevention, air-conditioning and sanitation to public facilities, hospitals, cultural and commercial institutions, etc. By KOEIKOGYO becoming one of our group companies, we will boost our growth potential and improve our profitability with expectation of complementary relationship in the air-conditioning facility business with INTER CENTRAL, Inc., which became one of our group companies in July 2012.



## Selection as Composition Stock “JPN-Nikkei Index-400”

In November 2013, our stock has been selected as one of the issues to compose a new index “JPX-Nikkei Index 400” calculated by Nikkei Inc., Japan Exchange Group and Tokyo Stock Exchange. The new index “JPX-Nikkei 400” will be composed of companies with high appeal for investors, which meet requirements of global investment standards such as efficient use of capital and investor-focused management perspectives. Stocks are selected on the basis of scoring quantitative indicators such as market liquidity, ROE, operating profit, market capitalization, etc. as well as qualitative factors. We will contribute toward establishing a sustainable society through development of our business activities.

# Consolidated Financial Highlights



# Consolidated Financial Statements

## Consolidated Balance Sheet

(Millions of Yen)

	As of March 31, 2013	As of March 31, 2014		As of March 31, 2013	As of March 31, 2014
<b>ASSETS</b>			<b>LIABILITIES</b>		
<b>Currents Assets</b>	<b>33,298</b>	<b>37,524</b>	<b>Current Liabilities</b>	<b>18,553</b>	<b>12,217</b>
Cash and deposits	4,141	9,640	Notes and accounts payable-trade	2,463	3,643
Notes and accounts receivable-trade	12,539	11,319	Short-term loans payable	10,245	495
Merchandise and finished goods	5,067	4,094	Current position of long-term loans payable	1,500	143
Work in process	8,114	8,596	Income taxes payable	349	2,635
Other	3,435	3,872	Others	3,995	5,300
<b>Noncurrent Assets</b>	<b>28,962</b>	<b>28,595</b>	<b>Noncurrent Liabilities</b>	<b>1,694</b>	<b>7,278</b>
<b>Property, plant and equipment</b>	<b>24,959</b>	<b>24,407</b>	Long-term loans payable	-	5,419
Buildings and structures	9,281	8,979	Others	1,694	1,858
Land	13,031	13,122	<b>Total Liabilities</b>	<b>20,248</b>	<b>19,496</b>
Other	2,647	2,304	<b>NET ASSETS</b>		
<b>Intangible Assets</b>	<b>3,177</b>	<b>2,856</b>	<b>Shareholders' equity</b>	<b>41,758</b>	<b>45,920</b>
Goodwill	2,380	2,021	Capital Sstock	4,480	4,480
Other	797	835	Capital surplus	6,087	6,108
<b>Investment and other assets</b>	<b>824</b>	<b>1,311</b>	Retained earnings	36,697	40,715
			Treasury stock	(5,507)	(5,834)
			<b>Accumulated other comprehensive income</b>	<b>116</b>	<b>559</b>
			<b>Subscription rights to share</b>	<b>77</b>	<b>77</b>
			<b>Minority Interests</b>	<b>59</b>	<b>66</b>
			<b>Total Net Assets</b>	<b>42,012</b>	<b>46,623</b>
<b>Total Assets</b>	<b>62,260</b>	<b>66,119</b>	<b>Total Liabilities and Net Assets</b>	<b>62,260</b>	<b>66,119</b>

Notes: Amounts above are rounded down to unit of display

# Consolidated Financial Statements

## Consolidated Statements of Income

(Millions of yen)

	The Fiscal Year Ended March 31, 2013	The Fiscal Year Ended March 31, 2014
Net Sales	96,368	94,254
Cost of sales	83,557	79,018
Gross profit	12,811	15,235
Selling, general and administrative expenses	5,316	5,606
Operating income	7,495	9,629
Non-operating income	363	392
Non-operating expenses	64	36
Ordinary Income	7,794	9,985
Extraordinary income	14	46
Extraordinary loss	459	136
Income before income taxes and minority interests	7,349	9,896
Income taxes-current	2,525	3,942
Income taxes-deferred	305	△14
Income before minority interests	4,518	5,969
Net income	4,518	5,969

Notes: Amounts above are rounded down to nit of display

## Consolidated Statement of Cash Flow

(Millions of Yen)

	The Fiscal Year Ended March 31, 2013	The Fiscal Year Ended March 31, 2014
Net cash provided by (used in) operating activities	△419	14,045
Net cash provided by (used in) investing activities	△2,064	△1,090
Net cash provided by (used in) financing activities	2,603	△8,008
Effect of exchange raate chang on cash and cash equivalents	494	381
Net increase in cash and cash equivalents	613	5,328
Cash and cash equivalents at beginning of period	3,527	4,141
Cash and cash equivalents at the end of period	4,141	9,470

Notes: Amounts above are rounded down to nit of display

# Stock Information/Corporate Profile

(As of March 31, 2014)

■ 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	9,713 persons
■ Principal shareholders	

Name of Shareholders	Number of Shares-Held (Thousand Shares)	Ratio of Share-Holding (%)
TERA ENTERPRISES Co., Ltd.	1,350	3.72
Japan Trustee Services Bank, Ltd. (trust account)	1,076	2.96
Mitsuharu Terayama	882	2.43
The Master Trust Bank of Japan Ltd. (trust account)	806	2.22
Masamichi Terayama	802	2.21
K&M Co., Ltd.	700	1.93
Asahi Employee Stock Ownership Plan	645	1.77
The Bank of New York, Treaty JASDEC Account	557	1.53
Junichi Mitsuzono	488	1.34
Credit Suisse (Luxembourg) S.A. on behalf of clients	475	1.31

※Total Number of Treasury Shares (3,518,557 shares) are excluding from the above.

## ■ Corporate Profile

Corporate name	Asahi Holdings, Inc.
Establishment	April 2009
Foundation	July 1952 (as Asahi Pretec Corp.)
Capital	¥4,480 million
Number of employees	1,360 (Consolidated)
Business lines	Recycling of precious & rare metals Industrial waste treatment (Industrial waste treatment and other environmental preservation business)



## ■ Board of Directors and Corporate Auditors (as of June 17, 2014)

President & CEO:	Mitsuharu Terayama	
Directors:	Yoshikatsu Takeuchi Tomoya Higashiura Masayuki Hirano Masaki Hirano Keitaro Shigemasa Kazuo Kawabata Shoji Morii*	Standing Statutory Auditor: Yukio Tanabe Statutory Auditors: Kazuhiko Tokumine* Junzo Kojima*

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

# Business Network

<ul style="list-style-type: none"> <li>■ Head Offices</li>   <li>■ Research Laboratory</li>   <li>■ Plants</li>   <li>■ Recycling Centers</li>   <li>■ Offices</li> </ul>	<p><b><u>KOBE</u></b> 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</p> <p><b><u>TOKYO</u></b> Sapia Tower, 1-7-12 Marunouchi, Chiyoda-ku, Tokyo, 100-0005, Japan Tel. +81-3-6270-1833 (Pilot number) Facsimile +81-3-6270-1859 <a href="http://www.asahiholdings.com">http://www.asahiholdings.com</a></p> <p>Technical Research Center (Kobe)</p> <p>Saitama, Amagasaki, Kobe, Ehime, Kitakyushu, Kitakyushu Hibiki, Fukuoka</p> <p>Yokohama, Ohgicho (Kawasaki), Aikawa (Kanagawa)</p> <p>Saitama, Chiba, Amagasaki</p> <p>Sapporo, Aomori, Sendai, Niigata, Kitakanto, Kanto, Yokohama, Kofu, Shizuoka, Nagoya, Hokuriku, Hanshin, Kobe, Okayama, Hiroshima, Shikoku, Kitakyushu, Fukuoka, Kagoshima, Okinawa (20 locations)</p>	<ul style="list-style-type: none"> <li>■ Bases with ISO 14001</li>   <li>■ Bases with ISO 9001</li>   <li>■ Bases with ISO 27001</li>   <li>■ License for Collection and Transportation</li>   <li>■ License for Disposal</li> </ul>	<p>Head office (Kobe), Technical Research Center, Sapporo, Aomori, Sendai, Kitakanto, Chiba Recycling Center, Saitama Recycling Center, Yokohama, Kofu, Shizuoka, Nagoya, Hokuriku, Hanshin, Kobe, Okayama, Hiroshima, Shikoku, Kitakyushu, Fukuoka, Okinawa</p> <p>Technical Research Center, Saitama, Ehime, Fukuoka</p> <p>Hanshin Office, Amagasaki Recycling Center, Saitama Recycling Center</p> <p>All prefectures and government ordinance cities</p> <p>15 prefectures and 9 government ordinance cities</p>
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## General Information

<ul style="list-style-type: none"> <li>● Business Term</li> <li>● Record Date</li> <li>● Fixed Date of Dividend Paid</li> <li>● Fixed date of Interim Dividend Paid</li> <li>● Shareholder Registry Administrator</li> <li>● Transfer Agent</li> <li>● Contact of the Agent</li>   <li>● Public Notice</li> </ul>	<p>April 1 - March 31</p> <p>March 31</p> <p>March 31</p> <p>September 30</p> <p>Mitsubishi UFJ Trust and Banking Corporation</p> <p>Mitsubishi UFJ Trust and Banking Corporation</p> <p>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</p> <p>Electronic public notice <a href="http://www.asahiholdings.com/">http://www.asahiholdings.com/</a></p>
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