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**Asahi Holdings, Inc.**  
(Stock code: 5857)

## **Notice of the 5<sup>th</sup> Annual General Meeting of Shareholders**

Date and time:

10:30 a.m. on Tuesday, June 17, 2014

Venue:

KOBE PORTOPIA HOTEL

10-1, 6 Chome, Minatojima Nakamachi, Chuo-ku, Kobe, Hyogo

“Kairaku-no-ma”, basement floor, Main Building

(Please refer to the place of the meeting shown at the end of this notice.)

Proposal:

Election of Seven Directors

Time limit for exercise of voting rights using documents:

For documents arriving before 12:00 noon on Monday, June, 16, 2014

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Dear Shareholders:

(Stock code: 5857)

May 29, 2014

4-4-17 Kano-cho, Chuo-ku, Kobe, Japan

**Asahi Holdings, Inc.**

Mitsuharu Terayama CEO

### Notice of the 5<sup>th</sup> Annual General Meeting of Shareholders

This is to inform you that the 5<sup>th</sup> Annual General Meeting of Shareholders will be held at the following time and place and to cordially request your presence.

**If you are unable to be present, you are entitled to exercise your voting rights in writing. In such a case, you are kindly requested to read the attached reference documents, and return the enclosed “Voting Right Exercise Form” by 12:00 (noon), on Monday, June 16, 2014 after indicating your approval or disapproval of each agenda item and affixing your signature and/or seal thereon.**

#### Details of the meeting

- 1. Date and time:** 10:30 a.m. on Tuesday, June 17, 2014
- 2. Venue:** KOBE PORTOPIA HOTEL  
10-1, 6 Chome, Minatojima Nakamachi, Chuo-ku, Kobe, Hyogo  
“Kairaku-no-ma” on the basement floor, Main Building  
(Please refer to the place of the meeting shown at the end of this notice.)
- 3. Meeting Agenda**
- Items to be reported:**
- 1) Reports on business review, the consolidated financial statements and the results of audits of the consolidated financial statements by Accounting Auditors and the Board of Corporate Auditors for the 5<sup>th</sup> fiscal term (April 1, 2013 through March 31, 2014)
  - 2) Report on non-consolidated financial statements for the 5<sup>th</sup> fiscal term (April 1, 2013 through March 31, 2014)
- Items to be resolved:**
- Proposal: Election of Seven Directors

.....  
If you attend the meeting, please submit the “Voting Right Exercise Form” at the reception desk upon arrival.

Please note that any modifications will be put on our website (<http://www.asahiholdings.com/>), if we need to make changes to the business report, the financial statements and the reference documents.

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## 1. Current Status of Corporate Group

### (1) Status of business for the fiscal year

#### 1) Circumstances and results of business

During the consolidated fiscal year ended March 31, 2014, as the yen fell and share prices rose against the backdrop of the Government's economic policies and monetary easing, the Japanese economy showed a tone of gentle recovery, including improved corporate profits and rebounding consumer spending.

Under these economic conditions, in the precious metal recycling business, factors such as an increased collection volume of electronic parts led to a greater volume of collection of gold compared to the previous year. However, because the collection volume of flat panel displays decreased, the collection volume of silver, etc. was lower than that of the same term last 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, even though domestic production activity was sluggish, the collection volumes of medical-related waste, recycled glass, and so on surpassed those of the same term one year earlier.

As of March 31, 2014, KOEIKOGYO CO., LTD. which designs and constructs disaster prevention facilities and installs air conditioning and sanitation equipment, became a wholly owned subsidiary of our group.

As a result of the above, as consolidated results of operations for the fiscal year, we recorded consolidated net sales of 94,254 million yen, operating income of 9,629 million yen, ordinary income of 9,985 million yen, and net income of 5,969 million yen.

When comparing the previous fiscal year, net sales decreased by 2,114 million yen year-on-year, operating income increased by 2,134 million yen, ordinary income increased by 2,191 million yen, and net income increased by 1,450 million yen, year-on-year.

Looked at by segment, sales in the precious metal recycling business were 77,212 million yen and sales in the environmental preservation business were 17,041 million yen.

Sales by product in business are as follows:

<Sales by product in business>

Category		Sales (millions of yen)	Ratio (%)	YOY change (%)
Sales by product	Gold metals	37,480	39.8	107.5
	Silver metals	6,935	7.4	48.1
	Palladium	12,567	13.3	124.3
	Platinum	8,108	8.6	106.5
	Indium	771	0.8	248.8
	Other	9,021	9.6	82.1
	Subtotal	74,884	79.5	95.6
Disposal revenues		19,369	20.5	107.2
Total		94,254	100.0	97.8

Sales of product were 74,884 million yen (down 4.4% year-on-year).

Disposal revenues were 19,369 million yen (up 7.2% year-on-year).

**2) Capital expenditure**

Capital investment made in the fiscal year totaled 1,106 million yen. Main expenditure was an investment in the in-house information system.

**3) Financing**

Not applicable for the fiscal year

**4) Assignment, absorption-type split and incorporation-type split of business**

Not applicable for the fiscal year

**5) Acquisition of the business of other companies**

Not applicable for the fiscal year

**6) Succession of rights and obligations pertaining to the business of other corporations, etc. through an absorption-type merger or an absorption-type split**

Not applicable for the fiscal year

**7) Acquisition or disposal of shares or other equity or share options of other companies**

We made KOEIKOGYO CO., LTD. a wholly-owned subsidiary of INTER CENTRAL, INC. as of March 31, 2014.

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**(2) Property and profit/loss**

Category		2 <sup>nd</sup> term April 1, 2010 through March 31, 2011	3 <sup>rd</sup> term April 1, 2011 through March 31, 2012	4 <sup>th</sup> term April 1, 2012 through March 31, 2013	5 <sup>th</sup> term April 1, 2013 through March 31, 2014 (Current fiscal year)
Net sales	(Millions of yen)	110,504	151,094	96,368	94,254
Ordinary income	(Millions of yen)	10,508	11,130	7,794	9,985
Net income	(Millions of yen)	6,144	5,926	4,518	5,969
Net income per share	(Yen)	190.46	183.20	139.24	183.43
Total assets	(Millions of yen)	59,143	58,315	62,260	66,119
Net assets	(Millions of yen)	34,341	38,902	42,012	46,623
Net income per share	(Yen)	1,062.30	1,198.77	1,288.56	1,426.55

**(3) Significant parent company and subsidiary****1) Relationship with parent company**

Not applicable

**2) Significant subsidiary**

Company name	Capital	Our voting right ratio	Major business
Asahi Pretec Corp.	4,480 million yen	100.0%	Precious metal recycling business and environmental preservation business
Japan Waste Corporation	400 million yen	100.0%	Environmental preservation business

**(4) Challenges to be addressed****1) Business expansion in Asian region**

We will further expand business in the electronics and dental fields in South Korea, and electronics in Taiwan. We will increase collection of precious metals from overseas markets such as the Asian region by creating an alliance, etc. with local companies and thereby finding customers and sales channels.

**2) Expansion of business fields through M&A**

We will continue promoting M&A with a high investment return, and not only expand the existing business such as the environmental preservation business but also aim to enter new business fields.

**3) Streamlining group management**

We will trim administrative costs on a consolidated basis by consolidating in the holding company the Group's management functions. In addition, we will strengthen the in-house information system and thereby, achieve speedy and efficient operations.

**(5) Principal businesses** (as of March 31, 2014)

Our Group is mainly engaged in the precious metal recycling business and the environmental preservation business.

- Collection/reproduction and processing of precious metals and other metals (gold, silver, palladium, platinum, indium, etc.) and purchase and sales of precious metals and other metals
- Sales of precious metal products
- Environmental preservation business

**(6) Major sales offices and plants** (as of March 31, 2014)**1) Our company**

Main office 4-4-17 Kano-cho, Chuo-ku, Kobe  
 Head offices Kobe Head Office: 4-4-17 Kano-cho, Chuo-ku, Kobe  
 Tokyo Head Office: 1-7-12 Marunouchi, Chiyoda-ku, Tokyo

**2) Major subsidiaries' business offices****(a) Asahi Pretec Corp.**

Main office 21, Uozakihamamachi, Higashinada-ku, Kobe  
 Head offices Kobe Head Office: 4-4-17 Kano-cho, Chuo-ku, Kobe  
 Tokyo Head Office: 1-7-12 Marunouchi, Chiyoda-ku, Tokyo  
 Research laboratory The Technical Research Center (Kobe-shi)  
 Business offices Kitakanto (Kitakatsushika-gun, Saitama Pref.), Hanshin (Amagasaki-shi, Hyogo Pref.), Kobe (Kobe-shi), Shikoku (Saijo-shi, Ehime Pref.), Kitakyushu (Kitakyushu-shi)  
 Sales offices Sapporo (Kitahiroshima-shi, Hokkaido), Aomori (Aomori-shi), Sendai (Miyagi-gun, Miyagi Pref.), Niigata (Sanjo-shi, Niigata Pref.), Kitakanto (Kitakatsushika-gun, Saitama Pref.), Kanto (Kawaguchi-shi, Saitama Pref.), Yokohama (Yokohama-shi), Kofu (Chuo-shi, Yamanashi Pref.), Shizuoka (Yaizu-shi, Shizuoka Pref.), Nagoya (Komaki-shi, Aichi Pref.), Hokuriku (Toyama-shi), Hanshin (Amagasaki-shi, Hyogo Pref.), Kobe (Kobe-shi), Okayama (Okayama-shi), Hiroshima (Hiroshima-shi), Shikoku (Saijo-shi, Ehime Pref.), Fukuoka (Koga-shi, Fukuoka Pref.), Kagoshima (Kagoshima-shi), Okinawa (Itoman -shi, Okinawa Pref.)  
 Plants Saitama (Kitakatsushika-gun, Saitama Pref.), Saitama Recycling Center (Kasukabe-shi, Saitama Pref.), Chiba Recycling Center (Katori-shi, Chiba Pref.), Amagasaki (Amagasaki-shi, Hyogo Pref.), Amagasaki Recycling Center (Amagasaki-shi, Hyogo Pref.), Kobe (Kobe-shi), Ehime (Saijo-shi, Ehime Pref.), Kitakyushu (Kitakyushu-shi), Kitakyushu Hibiki (Kitakyushu-shi), Fukuoka (Koga-shi, Fukuoka Pref.)

(b) Japan Waste Corporation

Main office 4-4-17 Kano-cho, Chuo-ku, Kobe  
Head offices Kobe Head Office: 4-4-17 Kano-cho, Chuo-ku, Kobe  
Tokyo Head Office: 1-7-12 Marunouchi, Chiyoda-ku, Tokyo  
Business office Yokohama (Yokohama-shi)  
Plants Ogimachi Center (Kawasaki-shi), Aikawa Center (Aiko-gun, Kanagawa Pref.)

**3) Other subsidiaries**

Japan Nihon Chemitech Co., Ltd. (Kawaguchi-shi, Saitama Pref.), JW Logistics, Co., Ltd. (Yokohama-shi), Taiyo Chemical Co., Ltd. (Kagoshima-shi), Iyotec Co., Ltd. (Akashi-shi, Hyogo Pref.), Fuji Rozai Co., Ltd. (Ota-ku, Tokyo), JW Glass Recycling Co., Ltd. (Koto-ku, Tokyo), Ecomax Incorporated (Koza-gun, Kanagawa Pref.), Usuda Manufacturing Co., Ltd. (Tomi-shi, Nagano Pref.), Kyodo Chemical Co., Ltd. (Tomakomai-shi, Hokkaido), INTER CENTRAL, INC. (Takizawa-shi, Iwate Pref.), KOEIKOGYO CO., LTD. (Yokohama-shi) and other  
Overseas ASAHI G&S SDN.BHD.(Malaysia), Shanghai Asahi Pretec Co., Ltd.(China), Asahi Pretec Korea Co., Ltd. (Seoul Special City), Asahi Pretec Taiwan Co., Ltd. (Taiwan), Asahi Shih Her Technologies Co., Ltd. (Taiwan)

**(7) Employees (as of March 31, 2014)**

**1) Employees of the corporate group**

Number of employees	Change from the end of previous fiscal year
1,360 (243)	+32 (down 14)

(Note) The number of employees refers to the number of workers (excluding the staff seconded from our group to companies outside our group but including staff seconded from companies outside our group to our group) and for the number of part-timers and fixed-term employees, annual average number of persons are shown separately in brackets.

**2) Employees of our company**

Number of employees	Change from the end of previous fiscal year	Average age	Average length of service
40 (-)	-3 (-)	36 years and five months	Two year and 9 months

(Note) The number of employees refers to the number of workers (excluding the staff seconded from our company to companies outside our company but including staff seconded from companies outside our company to our company) and for the number of part-timers and fixed-term employees, annual average number of persons are shown separately in brackets.



**(8) Major financial institutions with loans to us (as of March 31, 2014)**

Financial institutions	Loan amount
Sumitomo Mitsui Banking Corporation	5,236 million yen
Mizuho Bank, Ltd.	181 million yen
Resona Bank, Limited	136 million yen
The Bank of Tokyo-Mitsubishi UFJ, Ltd.	100 million yen
The Chugoku Bank, Ltd.	100 million yen

**(9) Other important matters relating to the current state of the corporate group**

Not applicable

**2. Current state of the company****(1) Shares (as of March 31, 2014)**

- 1) **Number of shares authorized:** 129,000,000 shares
- 2) **Number of shares issued:** 36,254,344 shares
- 3) **Number of shareholders:** 9,713
- 4) **Major shareholders (top 10 shareholders)**

Shareholders	Number of shares held (Thousands of shares)	Percentage of shares held (%)
TERA ENTERPRISES Co., Ltd.	1,350	4.12
Japan Trustee Services Bank, Ltd. (Trust account)	1,076	3.29
Mitsuharu Terayama	882	2.70
The Master Trust Bank of Japan, Ltd. (Trust account)	805	2.46
Masamichi Terayama	802	2.45
K&M Co., Ltd.	700	2.14
Asahi Employee Stock Ownership Plan	644	1.97
The Bank of New York JASDEC Treaty Account	557	1.70
Junichi Mitsuzono	488	1.49
Credit Suisse (Luxembourg) S.A. On Behalf Of Clients	475	1.45

- (Notes) 1. Treasury stocks of 3,518,557 shares held by our company are excluded from the above major shareholders.
2. Following the introduction of the “employee stock ownership plan (ESOP)”, ESOP a portion of treasury stocks transferred by us to Sumitomo Mitsui Banking Corporation (Asahi Employee Stock Ownership Plan Trust Account) as of February 16, 2010 are not included in treasury stocks).
  3. Percentage of shares held is calculated with excluding treasury stocks.

**(2) Stock options, etc.****Stock options granted to and held by our company's board members as consideration of the execution of their duties (as of March 31, 2014)**

	The first series of stock options	The second series of stock options	
Resolution date of issue	June 16, 2010	June 16, 2010	
Number of stock options	800 units	1,220 units	
Type and number of shares subject to stock options	Common shares: 80,000 shares (100 shares per stock option)	Common shares: 122,000 shares (100 shares per stock option)	
Amount to be paid in for stock options	Not require to be paid in exchange for stock options	Not require to be paid in exchange for stock options	
The value of the property to be contributed when stock options are exercised	193,500 yen per stock option (1,935 yen per share)	193,500 yen per stock option (1,935 yen per share)	
Exercise period of stock options	July 10, 2012 to July 9, 2015	July 10, 2012 to July 9, 2015	
Conditions for the exercise of stock options	(See Note.)	(See Note.)	
Stock options held by board members	Director (excluding Outside Directors)	Number of stock options: 600 units Number of shares subject to stock options: 60,000 shares Number of persons holding stock options: 3 persons	Number of stock options: 200 units Number of shares subject to stock options: 20,000 shares Number of persons holding stock options: 1 person
	Outside Director	Number of stock options: – Number of shares subject to stock options: – Number of persons holding stock options: –	Number of stock options: – Number of shares subject to stock options: – Number of persons holding stock options: –
	Corporate Auditor	Number of stock options: 200 units Number of shares subject to stock options: 20,000 shares Number of persons holding stock options: 1 person	Number of stock options: – Number of shares subject to stock options: – Number of persons holding stock options: –

(Note) The person who is allotted stock options should be a Director, a Corporate Auditor, an employee of our company or our company's subsidiary or affiliate at the time of the exercise of stock options. However, this shall not be applied to the cases where the Board of Directors of our company exceptionally allows, for example the Director or the Corporate Auditor of our company or our company's subsidiary or affiliate resigned due to the expiration of the term of office or retires due to the mandatory retirement age.

**(3) Board members and corporate officers****1) Directors and Corporate Auditors (as of March 31, 2014)**

Position	Name	Responsibility and important concurrent assignment
Representative Director, CEO	Mitsuharu Terayama	Chairman and Director Asahi Pretec Corp.
Representative Director, President	Tsutomu Sakurai	Representative Director and President Asahi Pretec Corp.
Director	Yoshikatsu Takeuchi	Representative Director and President Japan Waste Corporation
Director	Tomoya Higashiura	Director Asahi Pretec Corp. Director Japan Waste Corporation
Director	Masaki Hirano	
Director	Keitaro Shigemasa	General Manager of Information Technology Department and General Manager of Planning & Communication Department
Director	Shoji Morii	
Full-time Corporate Auditor	Yukio Tanabe	
Corporate Auditor	Kazuhiko Tokumine	Lawyer
Corporate Auditor	Junzo Kojima	

- (Notes) 1. Director Shoji Morii is an Outside Director.
2. Corporate Auditor Kazuhiko Tokumine and Junzo Kojima are Outside Corporate Auditors.
3. Full-time Corporate Auditor Yukio Tanabe has longtime experience of accounting of our company and possesses extensive expertise in finance and accounting related matters.
4. Our company designated Director Shoji Morii and Corporate Auditor Junzo Kojima as independent board members under the provisions of the Tokyo Stock Exchange, and filed such status with the exchange.

**2) Directors and Corporate Auditors who resigned during the fiscal year**

Not applicable

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### 3) Compensation, etc. for Directors and Corporate Auditors

Total compensations, etc. for the fiscal year

Category	Number of persons subject to payment	Payment amount
Director	7	101 million yen
(Outside Directors included)	(1)	(6)
Corporate Auditor	3	28 million yen
(Outside Corporate Auditors included)	(2)	(10)
Total	10	129 million yen
(Outside board members included)	(3)	(16)

(Notes) 1. The amount to be paid to Directors does not include the employee salaries of Directors who serve concurrently as employees.

2. The limit of compensation to be paid to Directors was up to an annual 200,000 thousand yen (not including the portion of salary of employee), which was resolved at the 1st Annual General Meeting of Shareholders held on June 16, 2010.

3. The limit of compensation to be paid to Corporate Auditors was up to an annual 30,000 thousand yen, which was resolved at the 1st Annual General Meeting of Shareholders held on June 16, 2010.

### 4) Matters related to outside board members

(a) Important concurrent assignment as a person executing business of other corporations, etc. and relationship between our company and the other corporations, etc.

Not applicable

(b) Important concurrent assignment as a board member of other corporations, etc. and relationship between our company and the other corporations, etc.

Not applicable

(c) Main activities in the fiscal year

Category	Name	Activities
Director	Shoji Morii	He attended all Board of Directors' meetings held during the fiscal year. He has expertise and experience related to management, including finance, and has been submitting advice / recommendations to ensure the validity and appropriateness of making decisions on deliberations of agenda and other matters.
Corporate Auditor	Kazuhiko Tokumine	He attended all Board of Directors' meetings and Board of Corporate Auditors' meetings held during the fiscal year. He has been submitting advice / recommendations to ensure the validity and appropriateness of making decisions on deliberations of agenda and other matters from the highly professional viewpoint for laws as a lawyer.
Corporate Auditor	Junzo Kojima	He attended all Board of Directors' meetings and Board of Corporate Auditors' meetings held during the fiscal year. He has been submitting advice / recommendations to ensure the validity and appropriateness of making decisions on deliberations of agenda and other matters using his long-held extensive experience.

(d) Outline of contents of a contract for limitation of liability

Our company and an Outside Director and Outside Corporate Auditors signed a contract that limits the liability for compensation for damage set forth in Article 423, paragraph 1 of the Companies Act under provisions set forth Article 427, paragraph 1 of the same Act.

The limit amount of the liability for compensation for damage under such a contract is determined to be the minimum liability amount stipulated in Article 425, paragraph 1 of the Companies Act.

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**(4) Accounting Auditor****1) Name of Accounting Auditor**

Ernst & Young ShinNihon LLC

**2) Amount of compensation, etc. for the Accounting Auditor**

	Amount of compensation, etc.
(a) Amount to be paid by our company	22,800 thousand yen
(b) Total amount of money to be paid by our company and our company's subsidiaries and other benefits on property	38,000 thousand yen

(Note) In the agreement between our company and the Accounting Auditor, the amount of compensation, etc. for audit under the Companies Act and the amount of compensation, etc. for audit under the Financial Instruments and Exchange Act are not separated and may not be separated actually. Therefore, the total of those amounts is stated for the amount in (a) above.

**3) Non-audit services**

We pay to Ernst & Young ShinNihon LLC a consideration for "issue of certification for overseas income laws," a service (non-audit service) other than those set forth in Article 2, paragraph 1 of the Certified Public Accountants Act.

**4) Policy for determining the dismissal or the refusal of reappointment of the Accounting Auditor**

When the Board of Directors finds it necessary in cases where the Accounting Auditor has difficulty executing its duties, the Board of Directors will deal with the dismissal or the refusal of reappointment of the Accounting Auditor as a purpose of the General Meeting of Shareholders based on the request of the Board of Corporate Auditors.

When it is found that the Accounting Auditor falls under the items set forth in any of items of Article 340, paragraph 1 of the Companies Act, the Board of Corporate Auditors will dismiss the Accounting Auditor in accordance with the consent of all Corporate Auditors. In this case, the Corporate Auditor appointed by the Board of Corporate Auditors will report the fact of the dismissal of the Accounting Auditor and reasons for the dismissal at the General Meeting of Shareholders convened for the first time after the dismissal.

**(5) Structure to ensure the appropriateness of business**

Decisions on a structure to ensure that the execution of duties by Directors conforms to the laws and regulations and the Articles of Incorporation, and other structures to ensure the appropriateness of the business of the company are as follows:

**1) Structure to ensure that the execution of duties by Directors and employees conforms to the laws and regulations and the Articles of Incorporation**

- (a) To ensure that laws and regulations and the Articles of Incorporation are thoroughly followed, we compile and improve our regulations and manuals related to compliance while continuing to make well known to employees the existence of an in-house reporting hotline responding to the case where behaviors violating laws and regulations and the Articles of Incorporation are detected.
- (b) If a situation that infringes compliance occurs, we maintain a structure where the details of such situation and a countermeasure therefor are reported immediately to Directors and Corporate Auditors.

**2) Structure related to preservation and management of information regarding the execution of duties by Directors**

- (a) Information and documents (information on the execution of duties) regarding the execution of duties by Directors are preserved and managed appropriately in accordance with in-house regulations and management manuals related thereto while the state of operation is examined and regulations and other rules are reviewed when necessary.

**3) Regulation and other structures regarding a risk of loss**

- (a) In a bid to appropriately control risks involved in a business execution process and a business structure of our group, we establish a structure to understand/assess risks in business activities and implement a measure, thereby improving a structure to prevent the materialization of risks while ensuring compliance.
- (b) We compliment efforts for compliance and risk management and conduct internal audits to deter a risk of loss without omission. If behaviors with a risk of loss are found, they are reported to the Board of Directors and related divisions immediately.

**4) Structure to ensure effective execution of Directors' duties**

- (a) A management plan is drawn up and the Board of Directors examines the details thereof and makes decisions thereon. In addition, periodical reports on whether the management plan is implemented as scheduled are made from subsidiaries and business execution lines.
- (b) Regarding the supervision of the business execution, the Board of Directors examines and makes decisions on the matters set forth in the rules for the Board of Directors and the matters to be discussed that fall under the criteria thereon. Particularly important matters are examined at the group strategy meeting to enhance such examination related to decision-making.

**5) Structure to ensure the appropriateness of business at the business group of our company**

- (a) To understand management information at subsidiaries and affiliates, appropriate business reports are submitted on a quarterly basis. Through these reports, if a risk of loss on subsidiaries, etc. has been found or a potential risk of loss may be found, reports are submitted immediately to the Board of Directors regarding the details of the risk of loss, the degree of loss that may occur, and its impacts, etc. on our company.

- (b) We implement periodical inspections to understand safety and health for the execution of business by our subsidiaries and affiliates and provide continued guidance to prevent the occurrence of a risk of loss on safety and health.
- (c) To prevent inappropriate transactions or accounting methods between our company and subsidiaries, etc., adequate exchange of information is carried out with the audit division of subsidiaries, etc. or the division equivalent thereto.
- 6) Matters for appointment of employees to assist Corporate Auditors**
- (a) Employees to assist the duties of Corporate Auditors are appointed when necessary.
- 7) Matters related to the independence of employees to assist duties of Corporate Auditors from Directors**
- (a) Appointment and transfer of employees to assist Corporate Auditors requires the consent of the Board of Corporate Auditors
- (b) In evaluating the performance of employees to assist Corporate Auditors, Corporate Auditors' opinions are obtained.
- 8) Structure for Directors and employees to report to Corporate Auditors and other structures for reports to Corporate Auditors, as well as a structure to ensure the effective conduct of audits by Corporate Auditors**
- (a) Directors and employees provide necessary reports and information upon request of Corporate Auditors in accordance with the determination of the Board of Corporate Auditors.
- (b) Reports and information in the preceding paragraph should mainly be as follows:
- Status of activities of divisions involved in the creation of our internal control system
  - Status of activities of Corporate Auditors and internal audits of our subsidiaries, etc.
  - Our significant accounting policy and accounting standards and changes thereof
  - Details of announcement of financial results and forecast
  - Operations of in-house reporting system and details of the reports
  - Making it obligatory to circularize in-house ringisho (collective decision-making sheet) and the minutes of meetings required by Corporate Auditors
- (c) When recognizing that laws and regulations and the Articles of Incorporation are or may be violated even for items other than those set forth in the preceding paragraphs above, the Board of Directors and employees report to that effect to the Board of Corporate Auditors immediately.
- (d) The Board of Directors and employees should fully respect Corporate Auditors' opinions on ensuring the effectiveness of audit.



**(6) Policy to determine the distribution, etc. of surplus**

The Articles of Incorporation stipulates that our company may carry out the distribution, etc. of surplus pursuant to the resolutions of the Board of Directors, instead of the resolutions of the General Meeting of Shareholders. In addition, we believe that it is also important to seek to improve our corporate value through ongoing stable profitability and further growth, and to enhance retained earnings to prepare for investments in growth fields and the development of new businesses, with a basic policy to respond to expectations of shareholders through dividends.

Under this policy, regarding the distribution, etc. of surplus, we will further strengthen consolidated and nonconsolidated results for each fiscal year and our financial structure, with giving comprehensive consideration to the future management strategy, etc. of our group. After then, we will return earnings to shareholders.

(Note) The amount and the number of shares stated in this report are rounded down to the nearest unit. The percentage is rounded to the nearest unit.

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## Consolidated Financial Statements

Consolidated Balance Sheets (as of March 31, 2014)

(Thousands of yen)

Account	Amount	Account	Amount
<b>ASSETS</b>		<b>LIABILITIES</b>	
<b>Current assets</b>	<b>37,524,022</b>	<b>Current liabilities</b>	<b>12,217,874</b>
Cash and deposits	9,640,822	Notes and accounts payable-trade	3,643,600
Notes and accounts receivable-trade	11,319,253	Short-term loans payable	495,309
Merchandise and finished goods	4,094,710	Current portion of long-term loans payable	143,096
Work in process	8,596,391	Accounts payable-other	1,516,928
Raw materials and supplies	1,107,041	Income taxes payable	2,635,102
Deferred tax assets	695,074	Provision for bonuses	600,549
Other	2,191,385	Provision for directors' bonuses	39,000
Allowance for doubtful accounts	-120,656	Provision for repairs	101,510
		Provision for product warranties	16,103
		Other	3,026,674
<b>Noncurrent assets</b>	<b>28,595,819</b>	<b>Noncurrent liabilities</b>	<b>7,278,209</b>
<b>Property, plant and equipment</b>	<b>24,407,447</b>	Long-term loans payable	5,419,875
Buildings and structures	8,979,935	Deferred tax liabilities	1,697,895
Machinery, equipment and vehicles	1,811,633	Net defined benefit liability	122,173
Land	13,122,950	Other	38,265
Construction in progress	226,530	<b>Total liabilities</b>	<b>19,496,083</b>
Other	266,399	<b>NET ASSETS</b>	
<b>Intangible assets</b>	<b>2,856,537</b>	<b>Shareholders' equity</b>	<b>45,920,324</b>
Goodwill	2,021,374	Capital stock	4,480,817
Other	835,162	Capital surplus	6,108,187
<b>Investments and other assets</b>	<b>1,331,833</b>	Retained earnings	40,715,629
Investment securities	171,304	Treasury stock	-5,384,309
Deferred tax assets	123,682	<b>Accumulated other comprehensive income</b>	<b>559,421</b>
Other	1,042,528	Valuation difference on available-for-sale securities	15,205
Allowance for doubtful accounts	-5,681	Deferred gains or losses on hedges	-121,332
		Foreign currency translation adjustment	665,549
<b>Total assets</b>	<b>66,119,841</b>	<b>Subscription rights to shares</b>	<b>77,908</b>
		<b>Minority interests</b>	<b>66,103</b>
		<b>TOTAL NET ASSETS</b>	<b>46,623,757</b>
		<b>TOTAL LIABILITIES AND NET ASSETS</b>	<b>66,119,841</b>

(Note) Amounts less than one thousand yen are omitted.

**Consolidated Statements of Income** (April 1, 2013 to March 31, 2014) (Thousands of yen)

Account	Amount	
<b>Net sales</b>		<b>94,254,397</b>
<b>Cost of sales</b>		<b>79,018,644</b>
<b>Gross profit</b>		<b>15,235,752</b>
<b>Selling, general and administrative expenses</b>		<b>5,606,358</b>
<b>Operating income</b>		<b>9,629,393</b>
<b>Non-operating income</b>		
Interest income and dividends	31,402	
Gains on foreign exchange	294,716	
Subsidy income	17,631	
Other	49,249	392,999
<b>Non-operating expenses</b>		
Interest expenses	22,881	
Other	13,733	36,614
<b>Ordinary income</b>		<b>9,985,778</b>
<b>Extraordinary income</b>		
Gains on sale of noncurrent assets	9,117	
Gains on sale of investment securities	164	
Gains on insurance claims	37,491	46,773
<b>Extraordinary loss</b>		
Loss on retirement and sale of noncurrent assets	33,862	
Impairment losses	102,658	136,520
<b>Income before income taxes and minority interests</b>		<b>9,896,031</b>
Income taxes-current	3,942,428	
Income taxes-deferred	-14,822	3,927,605
<b>Income before minority interests</b>		<b>5,968,425</b>
Minority interests in loss		-586
<b>Net income</b>		<b>5,969,011</b>

(Note) Amounts less than one thousand yen are omitted.

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**Consolidated Statements of Changes in Net Assets (April 1, 2013 to March 31, 2014)**

(Thousands of yen)

	Shareholders' equity				
	Capital stock	Capital surplus	Retained earnings	Treasury stock	Total shareholders' equity
Balance at April 1, 2013	4,480,817	6,087,153	36,697,751	-5,507,133	41,758,588
Changes during the period					
Dividends from surplus			-1,951,133		-1,951,133
Net income			5,969,011		5,969,011
Purchase of treasury stock				-1,501	-1,501
Disposal of treasury stock		21,034		124,325	145,360
Net changes in items other than shareholders' equity during the period					
Total changes during the period	-	21,034	4,017,878	122,823	4,161,736
Balance at March 31, 2014	4,480,817	6,108,187	40,715,629	-5,384,309	45,920,324

	Accumulated other comprehensive income				Subscription rights to shares	Minority interest	Total net assets
	Valuation difference on available-for-sale securities	Deferred gains or losses on hedges	Foreign currency translation adjustment	Total accumulated other comprehensive income			
Balance at April 1, 2013	19,007	-41,449	139,342	116,901	77,908	59,280	42,012,677
Changes during the period							
Dividends from surplus							-1,951,133
Net income							5,969,011
Purchase of treasury stock							-1,501
Disposal of treasury stock							145,360
Net changes in items other than shareholders' equity during the period	-3,802	-79,883	526,206	442,520	-	6,823	449,344
Total changes during the period	-3,802	-79,883	526,206	442,520	-	6,823	4,611,080
Balance at March 31, 2014	15,205	-121,332	665,549	559,421	77,908	66,103	46,623,757

(Note) Amounts less than one thousand yen are omitted.

**Notes to consolidated financial statements**  
**(Basis of preparing consolidated financial statements)**

**1. Scope of consolidation**

Number of consolidated subsidiaries	20
Major consolidated subsidiaries	Asahi Pretec Corp. Japan Waste Corporation Nihon Chemitech Co., Ltd. JW Logistics, 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. KOEIKOGYO CO., LTD. Asahi G&S SDN. BHD. Shanghai Asahi Pretec Co., Ltd. Asahi Pretec Korea Co., Ltd. Asahi Pretec Taiwan Co., Ltd. Asahi Shih Her Technologies Co., Ltd. and 2 other companies

KOEIKOGYO CO., LTD. has become consolidated subsidiary on March 31, 2014 by stock acquisition.

Nonconsolidated subsidiaries	None
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**2. Equity method affiliate**

Number of equity method affiliate	1
Major equity method affiliate	Jiangmen Asahi Pretec Kanfort Environmental Management Co., Ltd.

Non equity method affiliate (Asahi • Broadlink,INC.) is not included within the scope of the equity method because it is insignificant and its net income and retained earnings (the amounts equivalent to the company's interest in the companies) does not significantly affect Consolidated financial statements.

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### 3. Fiscal year of consolidated subsidiaries

Among consolidated subsidiaries, the fiscal year end of Asahi G&S SDN. Bhd., Shanghai Asahi Pretec Co., Ltd., Asahi Pretec Korea Co., Ltd., Asahi Pretec Taiwan Co.,Ltd and Asahi Shih Her Technologies Co.,Ltd. is December 31 of each year. For the preparation of consolidated financial statements, the company uses financial statements as of December 31 and makes adjustments as necessary for consolidation in relation to significant transactions during their year-end date and the consolidated year-end date.

### 4. Accounting policies

#### (1) Valuation standards and methods for major assets

##### 1) Securities

##### Other securities

Other securities for which market quotations are available : Stated at fair value based on the market price at the fiscal closing date.

(Valuation difference is recognized directly within “shareholders’ equity” and the cost of securities sold is calculated pursuant to the moving average method.

Other securities for which market quotations are not available : Cost mainly determined by the moving-average method.

##### 2) Derivative

: Market price method

##### 3) Inventories

Merchandise and finished goods, work in process, raw materials and supplies : Stated at cost. Cost is determined by the weighted-average method (the method of write-downs based on the decrease in profitability is applied in order to calculate the inventory value on the balance sheet).

(A part of merchandise and finished goods is determined by individual cost method based on the actual cost method.)

#### (2) Depreciation and amortization for major assets

##### 1) Property, plant and equipment other than leased assets

: The company and domestic consolidated subsidiaries: declining-balance method Note: Buildings acquired on or after April 1, 1998 other than equipment: straight-line method Foreign consolidated subsidiaries: straight-line method based of accounting standards of local country.

##### 2) Intangible assets other than leased assets

: The company and domestic consolidated subsidiaries: straight line method Foreign consolidated subsidiaries: straight-line method based on accounting standards of local country.

3) Leased assets	Software for internal use is amortized under the straight-line method based on the period for which our company can use such software (5 years or less).	Convocation Notice
	: Leased assets related to financial leases that do not transfer ownership rights to the lessees are amortized under the straight-line method based on the lease term as the useful life and residual value of zero. Finance leases whose starting date of lease transactions that do not transfer ownership rights to the lessees before the start of the applied first fiscal year are continuously subject to accounting in accordance with methods used for an ordinary lease transaction.	Business Reports
(3) Significant allowances		Consolidated Financial Statements
1) Allowances for doubtful account	: To prepare for losses from doubtful receivables, general allowance of the company and domestic consolidated subsidiaries is recorded based on the actual bad debt ratio, and specific allowance is recorded based on the amount deemed to the uncollectible considering the collectibility. As for foreign consolidated subsidiaries, specific credits are based on estimated uncollectible amount.	Financial Statements
2) Provision for bonuses	: To allow for the payment of bonuses to employees, the company and domestic consolidated subsidiaries records the standard for estimated amounts of bonuses to be paid.	Audit Report
3) Provision for director's bonuses	: To allow for the payment of bonuses to directors, the company and domestic consolidated subsidiaries records the standard for estimated amounts of bonuses to be paid.	
4) Provision for repairs	: To allow our payment of periodic maintenance of production equipment, the company records the amount of estimated cost to be paid during this fiscal year.	
5) Provision for product warranties	: To allow for cost of after-sales service, the company records the actual cost of the past to be paid.	Reference Documents for General Meeting of Shareholders
(4) Other important items for preparing consolidated financial statements		
1) Hedge accounting		
Hedge accounting methods	: The company accounts for hedging activities	

	under deferral hedge accounting. <i>Furiate-shori</i> (accounting method in which the current and forward rate difference is allocated by period length for the calculation at the accounting period) is applied to forward foreign exchange contracts which conform to the requirements of such hedge accounting. Exceptional processing is adopted if requirements of exceptional processing for interest rate swaps are satisfied.
Hedging instruments and targets	
Hedging instruments	: Derivative transaction, Exchange contract, Currency swap, and Interest rate swap
Hedged targets	: Precious metal products, Monetary assets and liabilities denominated in foreign currencies, and Principal and interest payment for long-term loans payable
Hedge policy	: To reduce the precious metal market price risk and to improve income and expenditure balance, the company hedges price fluctuation risk based on internal rules. : During the start of hedging to the judgment of appropriateness, accumulated rate fluctuations in hedge targets and hedge items are compared and then valuation is made on the basis of the amount of changes in hedge targets and hedge item. For foreign exchange contracts and currency swaps which are subject to <i>furiate-shori</i> and interest rate swaps subject to exceptional processing, the valuation of appropriateness is omitted.
Methods for valuation of appropriateness for hedging	
2) Accounting method for consumption taxes	: Consumption taxes are accounted for using the net method of reporting.
3) Translation of foreign currency-denominated assets or liabilities into Japanese yen	: All monetary assets and liabilities denominated in foreign currencies are translated into Japanese yen at the exchange rates prevailing at the fiscal closing date. Resulting gains and losses are included in net profit or loss for the period. All assets and liabilities as well as revenues and expenses of foreign subsidiaries and affiliated companies are translated into Japanese yen at the spot exchange rates prevailing at the fiscal closing date of such subsidiaries and affiliates,



- and translation adjustments are included in “Foreign currency translation adjustments of “Net assets.”
- 4) Amortization of goodwill : By judging respective case, goodwill is amortized under the straight-line method within a period of 20 years.
- 5) Accounting for net defined benefit liability : To calculate net defined benefit liability and expenses for retirement benefits, some consolidated subsidiaries apply a simple method using a method where the amount required to be paid for retirement benefits at the end of the fiscal year for their convenience is treated as retirement benefit liability.

**(Notes to changes in presentation method)**

(Consolidated balance sheet)

“Provision for retirement benefits” under Noncurrent liabilities listed in the fiscal year ended March 31, 2014 has been included in “Net defined benefit liability” in accordance with the application of the “Accounting Standard for Retirement Benefits” (ASBJ Statement No. 26, May 17, 2012) and the “Implementation Guidance for the Accounting Standard for Retirement Benefits” (ASBJ Guidance No. 25, May 17, 2012).

**(Notes to consolidated balance sheet)**

**1. Assets pledged as collateral and obligations related to collateral**

(1) Assets pledged as collateral

Buildings and structures	113,407 thousand yen
<u>Land</u>	<u>172,764 thousand yen</u>
Total	286,171 thousand yen

(2) Obligations related to collateral

Short-term loans payable	50,000 thousand yen
Current portion of long-term loans payable	20,004 thousand yen
<u>Long-term loans payable</u>	<u>71,661 thousand yen</u>
Total	141,665 thousand yen

**2. Accumulated depreciation of property, plant and equipment**

22, 953,533 thousand yen

**3. Notes receivable endorsed**

40,773 thousand yen

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(Notes to consolidated statements of changes in shareholders' equity)

**1. Types and total number of issued shares and types and number of treasury stocks**

	Number of shares at the beginning of this consolidated accounting period (Thousands of shares)	Number of shares increased during this consolidated accounting period (Thousands of shares)	Number of shares decreased during this consolidated accounting period (Thousands of shares)	Number of shares at the end of this consolidated accounting period (Thousands of shares)
Issued shares				
Common stocks	36,254	-	-	36,254
Total	36,254	-	-	36,254
Treasury stocks				
Common stocks	3,756	0	84	3,672
Total	3,756	0	84	3,672

- (Notes) 1. Zero thousand shares out of increased treasury stocks of common stocks are increased due to the purchase of shares less than one unit.
2. 84 thousand shares out of decreased treasury stocks of common stocks are decreased due to sale to the employee shareholding association from the trust account of the employee shareholding association.

**2. Dividends**

(1) Dividends paid

Resolution	Class of shares	Total dividends	Dividends per share	Record date	Effective date
May 10, 2013 Board of Directors' Meeting	Common stock	974,937 thousand yen	30.00 yen	March 31, 2013	May 31, 2013
October 31, 2013 Board of Directors' Meeting	Common stock	976,196 thousand yen	30.00 yen	September 30, 2013	November 27, 2013

(Note) Total dividends resolved by the Board of Directors' Meeting held on May 10, 2013 do not include dividends of 7,161 thousand yen paid to the trust account of the employee shareholding association. Total dividends resolved by the Board of Directors' Meeting held on October 31, 2013 do not include dividends of 5,889 thousand yen paid to the trust account of the employee shareholding association. This is because the shares of the company preparing consolidated financial statements, which are held by the trust account of the employee shareholding association, are recognized as treasury stocks.

(2) Among dividends whose record date within this consolidated accounting period, those having an effective date within the following consolidated accounting period (scheduled).

Resolution	Class of shares	Total dividends	Source of dividends	Dividends per share	Record date	Effective date
May 12, 2014 Board of Directors' Meeting	Common stock	977,456 thousand yen	Retained earnings	30.00 yen	March 31, 2014	May 30, 2014

(Note) Total dividends do not include dividends of 4,617 thousand yen paid to the trust account of the employee shareholding association. This is because shares of the company preparing consolidated financial statements, which are held by the trust account of the employee shareholding association, are recognized as treasury stocks.

### 3. Share options at the end of this accounting period

	2010 share options
Class of shares subject to the share options	Common stocks
Number of shares subject to the share options	202,000 shares
Balance of share options	77,908 thousand yen

#### (Notes to financial instruments)

##### 1. Status of financial instruments

As for fund investments, our Group limits to short-term deposits, etc. and procures funds through loans provided by financial institutions, such as banks.

The credit risk involved in notes receivable and trade accounts receivable are reduced in accordance with the credit control regulations. Investment securities mainly consist of shares, and market prices of listed shares are evaluated quarterly.

Loans payable are used for working funds, capital investment, and M&A, and interest rate swaps are adopted to prevent interest rate fluctuation risks in long-term loans and thereby the amount of interest payment is fixed. Derivative transactions are made within the scope of actual demand pursuant to the internal management regulations.

## 2. Market value, etc. of financial instruments

The amount, market value, and their difference reported on the consolidated balance sheet on March 31, 2014 (consolidated fiscal closing date for the current fiscal year) are as follows:

(Thousands of yen)

	Amount on consolidated financial statements (*1)	Market value (*1)	Difference
(1) Cash and cash equivalents	9,640,822	9,640,822	–
(2) Notes receivable and accounts receivable-trade	11,319,253	11,319,253	–
(3) Investment securities			
Other securities	146,439	146,439	–
(4) Notes payable and accounts payable-trade	-3,643,600	-3,643,600	–
(5) Short-term loans payable	-495,309	-495,309	–
(6) Accounts payable-other	-1,516,928	-1,516,928	–
(7) Income taxes payable	-2,635,102	-2,635,102	–
(8) Long-term loans payable (including current portion of long-term loans payable)	-5,562,971	-5,570,282	7,311
(9) Derivative transactions Those subject to hedge accounting (*2)	-188,522	-188,522	–

(\*1) Those included in liabilities are shown in parentheses.

(\*2) Net receivables and payables resulting from derivative transactions are shown at net amount, and items which become net payables in total are shown in parentheses.

(Notes) 1. Methods for calculating market values of financial instruments, as well as securities and derivative transactions

(1) Cash and cash equivalents, as well as (2) Notes receivable and accounts receivable-trade

These items are settled in a short term and market values thereof are almost equivalent to their book values. Therefore, these are stated at their book values.

(3) Investment securities and other securities

Market values of these items are stated at prices of stock exchanges, and investment trusts are stated at prices presented by financial institutions we have transactions with.

(4) Notes payable and accounts payable-trade, (5) Short-term loans payable, (6) Accounts payable-other, and (7) Income taxes payable

These items are settled in a short term and market values thereof are almost equivalent to their book values. Therefore, these are stated at their book values.

(8) Long-term loans payable (including current portion of long-term loans payable)

Market values of Long-term loans payable (including current portion of long-term loans payable) are stated in accordance with a method where the total amount of the principal and interest is discounted at an interest rate assumed in case new loans of a

similar nature are provided.

(9) Derivative transactions

1) Those which are not subject to hedge accounting

Not applicable

2) Those which are subject to hedge accounting

The contract amount, etc. on consolidated fiscal closing date by hedge accounting method are as follows:

(Thousands of yen)

Hedge accounting methods	Types, etc. of derivative transactions	Major hedged targets	Contract amount, etc.		Market values	Methods for calculating such market values
				More than one year		
Principle processing methods	Forward contracts Selling contracts	Precious metal products	14,178,694	–	14,367,193	Stated at the price presented by trade partners
Furiate-shori (allocation accounting) for foreign exchange forward contracts	Foreign exchange forward contracts Selling contracts US dollars	Accounts receivable-trade	1,549	–	1,572	Stated at the forward exchange rate

(Note) 2. Unlisted shares (9,864 thousand yen on the consolidated balance sheet) and shares of affiliated companies (15,000 thousand yen on the consolidated balance sheet) have no market prices and their future cash flows cannot be estimated. Because of this, we consider it is very difficult to know market values and therefore, such shares are not included in “(3) Investment securities.”

**(Notes to lease real estate)**

Not stated because of its relative unimportance

**(Notes to information per share)**

Net assets per share	1,426.55 yen
Net income per share	183.43 yen

**(Notes to significant subsequent events)**

Not applicable

## Financial statements

### Balance sheet (as of March 31, 2014)

(Thousands of yen)

Account	Amount	Account	Amount
<b>ASSETS</b>		<b>LIABILITIES</b>	
<b>Current assets</b>	<b>12,130,820</b>	<b>Current liabilities</b>	<b>520,268</b>
Cash and deposits	809,646	Short-term loans payable	445,309
Deferred tax assets	10,882	Current portion of long-term loans payable	20,000
Short-term loans to affiliated companies	9,890,652	Accounts payable-other	27,649
Accounts receivable-other	2,327	Accrued expenses	3,486
Income taxes receivable	1,417,271	Provision for directors' bonuses	20,400
Other	39	Other	3,422
<b>Noncurrent assets</b>	<b>34,386,710</b>	<b>Noncurrent liabilities</b>	<b>5,070,000</b>
<b>Property, plant and equipment</b>	<b>6,838,247</b>	Long-term loans payable	5,070,000
Buildings	3,395,224	<b>Total liabilities</b>	<b>5,590,268</b>
Tools, equipment and fixtures	309	<b>NET ASSETS</b>	
Land	3,442,714	<b>Shareholders' equity</b>	<b>40,849,354</b>
<b>Intangible assets</b>	<b>13,186</b>	<b>Capital stock</b>	<b>4,480,817</b>
Software	13,186	<b>Capital surplus</b>	<b>23,081,985</b>
<b>Investments and other assets</b>	<b>27,535,276</b>	Capital reserve	6,054,118
Shares of affiliated companies	27,509,040	Other capital surplus	17,027,866
Deferred tax assets	26,235	<b>Retained earnings</b>	<b>18,670,861</b>
<b>Total assets</b>	<b>46,517,530</b>	Other retained earnings	18,670,861
		Retained earnings carried forward	18,670,861
		<b>Treasury stock</b>	<b>-5,384,309</b>
		<b>Subscription rights to shares</b>	<b>77,908</b>
		<b>TOTAL NET ASSETS</b>	<b>40,927,262</b>
		<b>TOTAL LIABILITIES AND NET ASSETS</b>	<b>46,517,530</b>

(Note) Amounts less than one thousand yen are omitted.

**Statements of income** (April 1, 2013 to March 31, 2014)

(Thousands of yen)

Account	Amount	
<b>Operating income</b>		<b>8,189,102</b>
<b>Operating expenses</b>		<b>1,102,131</b>
<b>Operating income</b>		<b>7,086,971</b>
<b>Non-operating income</b>		
Interest income	47,921	
Rent income	26,600	
Other	4,137	78,658
<b>Non-operating expenses</b>		
Interest expenses	22,080	
Depreciation expenses for assets lent	26,600	48,680
<b>Ordinary income</b>		<b>7,116,949</b>
<b>Extraordinary income</b>		
Gains on sale of noncurrent assets	591	591
<b>Extraordinary loss</b>		
Losses on retirement of noncurrent assets	1,137	
Impairment losses	94,700	95,837
<b>Net income before income taxes</b>		<b>7,021,703</b>
Income taxes-current	5,744	
Income taxes-deferred	8,580	14,324
<b>Net income</b>		<b>7,007,379</b>

(Note) Amounts less than one thousand yen are omitted.

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Statements of changes in shareholders' equity (April 1, 2013 to March 31, 2014)

(Thousands of yen)

	Shareholders' equity					
	Capital stock	Capital surplus		Retained earnings	Treasury stock	Total shareholders' equity
		Capital reserve	Other capital surplus	Other retained earnings		
				Retained earnings carried forward		
Balance at April 1, 2013	4,480,817	6,054,118	17,006,832	13,614,615	-5,507,133	35,649,250
Changes during the period						
Dividends from surplus				-1,951,133		-1,951,133
Net income				7,007,379		7,007,379
Purchase of treasury stock					-1,501	-1,501
Disposal of treasury stock			21,034		124,325	145,360
Net changes in items other than shareholders' equity during the period						
Total changes during the period	-	-	21,034	5,056,245	122,823	5,200,104
Balance at March 31, 2014	4,480,817	6,054,118	17,027,866	18,670,861	-5,384,309	40,849,354

	Subscription rights to shares	Total net assets
Balance at April 1, 2013	77,908	35,727,158
Changes during the period		
Dividends from surplus		-1,951,133
Net income		7,007,379
Purchase of treasury stock		-1,501
Disposal of treasury stock		145,360
Net changes in items other than shareholders' equity during the period	-	-
Total changes during the period	-	5,200,104
Balance at March 31, 2014	77,908	40,927,262

(Note) Amounts less than one thousand yen are omitted.



**Notes to non-consolidated financial statements**  
**(Notes to significant accounting policies)**

**1. Valuation standards and valuation methods for assets**

Securities

Shares of subsidiaries : Cost mainly determined by the moving-average method.

**2. Depreciation methods for noncurrent asset**

Property, plant and equipment : Declining-balance method (Straight-line method for buildings (excluding structures annexed to buildings))

Assets with acquisition amount of 100 thousand yen or more to less than 200 thousand yen are depreciated for three years using the straight-line method.

Intangible assets : Straight-line method  
 Software for internal use is amortized under the straight-line method based on the period for which our company can use such software (5 years or less).

**3. Accounting standards for provisions**

Provision for bonuses : To allow for the payment of bonuses to employees, subsidiaries records the standard for estimated amounts of bonuses to be paid.

Provision for director's bonuses : To allow for the payment of bonuses to directors, subsidiaries records the standard for estimated amounts of bonuses to be paid.

**4. Other important items for preparing financial statements**

1) Hedge accounting

Hedge accounting methods : The company accounts for hedging activities under deferral hedge accounting. *Furiate-shori* (accounting method in which the current and forward rate difference is allocated by period length for the calculation at the accounting period) is applied to forward foreign exchange contracts which conform to the requirements of such hedge accounting. Exceptional processing is adopted if requirements of exceptional processing for interest rate swaps are satisfied.

Hedging instruments and targets

Hedging instruments : Currency swap, Interest rate swap

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Hedged targets : Payment amount of long-term loans payable  
Hedge policy : To reduce risk, the company hedges price fluctuation risk and exchange rate risk based on internal rules.

Methods for valuation of appropriateness for hedging: During the start of hedging to the judgment of appropriateness, accumulated rate fluctuations in hedge targets and hedge items are compared and then valuation is made on the basis of the amount of changes in hedge targets and hedge item. For currency swaps subject to *furiate-shori* and interest rate swaps subject to exceptional processing, the valuation of appropriateness is omitted.

2) Accounting method for consumption taxes : Consumption taxes are accounted for using the net method of reporting.

**(Notes to balance sheet)**

**1. Accumulated depreciation of property, plant and equipment** 1,121,511 thousand yen

**2. Monetary claims and monetary obligations related to affiliated companies**

Short-term monetary claims 9,892,979 thousand yen  
Short-term monetary obligations 13,042 thousand yen

**(Notes to statements of income)**

Amount of transaction with affiliated companies  
Amount of operating transactions with affiliated companies  
Operating income 8,189,102 thousand yen  
Amount of other operating transactions 86,091 thousand yen  
Amount of transactions other than operating transactions 74,480 thousand yen

**(Notes to statements of changes in shareholders' equity)**

**Class and number of treasury stocks**

Class of shares	Number of shares at the beginning of this fiscal year (Thousands of shares)	Number of shares increased during this fiscal year (Thousands of shares)	Number of shares decreased during this fiscal year (Thousands of shares)	Number of shares at the end of this fiscal year (Thousands of shares)
Common stocks	3,756	0	84	3,672
Total	3,756	0	84	3,672

(Notes) 1. Zero thousand shares out of increased treasury stocks of common stocks are increased due to the purchase of shares less than one unit.

2. 84 thousand shares out of decreased treasury stocks of common stocks are decreased due to sale to the employee shareholding association from the trust account of the employee shareholding association.

(Notes to tax effect accounting)

**Breakdowns of main items causing deferred tax assets and deferred tax liabilities**

Deferred tax assets	
Losses carried-forward for tax purposes	26,235 thousand yen
Business tax	2,427 thousand yen
Provision for directors' bonuses	7,270 thousand yen
Other	1,184 thousand yen
Total deferred tax assets	37,118 thousand yen
Net deferred tax assets	37,118 thousand yen

(Notes to transactions with related parties)

**(1) Subsidiaries and affiliated companies, etc.**

Category	Name of companies	Voting rights (%)	Relationship with related parties	Details of transaction	Amount of transaction (Thousands of yen)	Account	Term-end balance (Thousands of yen)
Subsidiary	Asahi Pretec Corp.	Owned Direct 100%	Debt guarantee provided	Debt guarantee provided for bank loans to our company	100,000	-	-
			Support of funds	Collection of loaned funds	11,151,142	Short-term loans to affiliated companies	9,890,652
				Loan of funds (Note 1)	9,890,652		
			Management guidance	Management guidance (Note 2)	745,500	-	-
Receipt of dividends	Receipt of dividends	7,000,000	-	-			

**Transaction terms and conditions and policy, etc. to determine terms and conditions for transactions**

(Note 1) As for loans of funds, we reasonably determine interest rates taking into consideration market interest rates.

(Note 2) We determine prices and other terms and conditions for transactions by reference to prevailing market interest rates, etc.

**(2) Officers and major individual shareholders**

Category	Name of company, etc. or person	Voting right (%)	Relationship with related parties	Details of transaction	Amount of transaction (Thousands of yen)	Account	Term-end balance (Thousands of yen)
Officer	Mitsuharu Terayama	Owned Direct 2.7% Indirect 32.7%	Sale of land	Sale of land (Note)	29,000	-	-

**Transaction Terms and conditions and policy, etc. to determine terms and conditions for the transactions**

(Note) The value of sale of land is determined by reference to a price appraised by a real estate appraiser.

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**(Notes to information per share)**

Net assets per share

1,253.74 yen

Net income per share

215.34 yen

**(Notes to significant subsequent events)**

Not applicable

## Audit Reports

### Transcript of accounting auditor's audit report on consolidated financial statements

#### Independent Auditor's Report

May 8, 2014

To the Board of Directors of  
Asahi Holdings, Inc.

Ernst & Young ShinNihon LLC

Designated and  
Engagement Partner, Certified Public Accountant Mitsuo Cho

Designated and  
Engagement Partner, Certified Public Accountant Ken Tarui

Pursuant to Article 444, paragraph 4 of the Companies Act, we have audited the consolidated financial statements, namely the consolidated balance sheet, the consolidated statement of income, and the consolidated statement of changes in shareholders' equity of Asahi Holdings, Inc. for the consolidated fiscal year from April 1, 2013 to March 31, 2014, including notes to the consolidated financial statements.

#### **Management's Responsibility for the Financial Statements**

Management is responsible for the preparation and fair presentation of consolidated financial statements in conformity with corporate accounting principles generally accepted in Japan. This includes the improvement and application of the internal control that management deemed necessary to prepare and fairly present consolidated financial statements that are free from material misstatements caused by fraud or error.

#### **Auditors' Responsibility**

Our responsibility is to express independent opinions on consolidated financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in Japan. Those standards require that we draw up a plan and perform the audit pursuant to the plan to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatements.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. Audit procedures are selected and applied depending on auditor judgment on the basis of the assessment of the risks of material misstatements of the consolidated financial statements arising from fraud or error. The purpose of the audit of the consolidated financial statements is not to express an opinion on the validity of internal control, but in assessing the risks, the auditors consider internal control relevant to the preparation and fair presentation of the consolidated financial statements in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the accounting policies adopted by management, application methods therefor and estimates made by management, as well as evaluating the overall financial statement presentation.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

#### **Audit Opinion**

In our opinion, the consolidated financial statements referred to the above present fairly, in all

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material respects, the assets as well as income and losses in the period pertaining to consolidated financial statements of the corporate group which consists of Asahi Holdings, Inc. and its consolidated subsidiaries in conformity with corporate accounting principles generally accepted in Japan.

**Interests**

There are no interests between the Company and us or engagement partners, which should be stated in compliance with the Certified Public Accountants Act.

**Transcript of accounting auditor’s audit report**

**Independent Auditor’s Report**

May 8, 2014

To the Board of Directors of  
Asahi Holdings, Inc.

Ernst & Young ShinNihon LLC

Designated and  
Engagement Partner, Certified Public Accountant Mitsuo Cho

Designated and  
Engagement Partner, Certified Public Accountant Ken Tarui

Pursuant to Article 436, paragraph 2, item 1 of the Companies Act, we have audited the financial statements, namely the balance sheet, the statements of income, and the statements of changes in shareholders’ equity of Asahi Holdings, Inc. for the 5<sup>th</sup> fiscal year from April 1, 2013 to March 31, 2014, including notes to nonconsolidated financial statements and supplementary schedules thereto.

**Management’s Responsibility for the Financial Statements**

Management is responsible for the preparation and fair presentation of financial statements and supplementary schedules thereto in conformity with corporate accounting principles generally accepted in Japan. This includes the improvement and application of the internal control that management deemed necessary to prepare and fairly present financial statements and supplementary schedules thereto that are free from material misstatements caused by fraud or error.

**Auditors’ Responsibility**

Our responsibility is to express independent opinions on financial statements and supplementary schedules thereto based on our audit. We conducted our audit in accordance with auditing standards generally accepted in Japan. Those standards require that we draw up a plan and perform the audit pursuant to the plan to obtain reasonable assurance about whether the financial statements and the supplementary schedules thereto are free from material misstatements.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements and the supplementary schedules thereto. Audit procedures are selected and applied depending on auditors’ judgment on the basis of the assessment of the risks of material misstatements of the financial statements and the supplementary schedules thereto arising from fraud or error. The purpose of the audit of the financial statements and the supplementary schedules thereto is not to express an opinion on the validity of internal control, but in assessing the risks, the auditors consider internal control relevant to the preparation and fair presentation of the financial statements and the supplementary schedules thereto in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the accounting policies adopted by management, application methods therefor and estimates made by management, as well as evaluating the overall financial statement presentation.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

**Audit Opinion**

In our opinion, the financial statements and the supplementary schedules thereto referred to the above present fairly, in all material respects, the assets as well as income and losses in the period

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pertaining to such financial statements and the supplementary schedules thereto in conformity with corporate accounting principles generally accepted in Japan.

**Interests**

There are no interests between the Company and us or engagement partners, which should be stated in compliance with the Certified Public Accountants Act.



## Transcript of Board of Corporate Auditors' audit report

### Audit Report

With respect to the directors' performance of their duties during the 5<sup>th</sup> fiscal year (from April 1, 2013 to March 31, 2014), the Board of Corporate Auditors, with a consensus of opinion of all corporate auditors, has prepared this audit report after deliberations based on the audit reports prepared by each corporate auditor, and hereby report as follows:

#### 1. Method and Contents of Audit by Corporate Auditors and the Board of Corporate Auditors

The Board of Corporate Auditors has established the audit policies, assignment of duties, etc. and received a report from each corporate auditor regarding the status of implementation of their audits and results thereof. In addition, the Board of Corporate Auditors has received reports from the directors, etc. and the accounting auditor regarding the status of performance of their duties, and requested explanations as necessary.

In conformity with the corporate auditors auditing standards established by the Board of Corporate Auditors, and in accordance with the audit policies and assignment of duties, etc., each corporate auditor endeavored to facilitate a mutual understanding with the directors, the internal audit division and other employees, etc., endeavored to collect information and maintain and improve the audit environment, has attended the meetings of the board of directors and other important meetings, received reports on the status of performance of duties from the directors and other employees and requested explanations as necessary, examined important approval/decision documents, and inspected the status of the corporate affairs and assets at the head office and other principal business locations. Also, each auditor periodically reported by directors and employees about the establishment and application of the details of board of directors' resolutions and the system established based on such resolutions (internal control system) in connection with the system to ensure that the exercise of duties by directors complies with laws and the Article of Incorporation as described in the business report and the establishment of a system as set forth in Article 100 paragraphs 1 and 3 of the Ordinance for Enforcement of the Companies Act as being necessary for ensuring the appropriateness of the corporate affairs of a joint stock company (kabushiki kaisha), and then each auditor requested explanations as necessary and expressed opinions. With respect to the subsidiaries, each corporate auditor endeavored to facilitate a mutual understanding and exchanged information with the directors and corporate auditors, etc. of each subsidiary and received from subsidiaries reports on their respective business as necessary. Based on the above-described methods, each corporate auditor examined the business report and supplementary schedules thereto for the fiscal year under consideration.

In addition, each corporate auditor monitored and verified whether the accounting auditor maintained its independence and properly conducted its audit, received a report from the accounting auditor on the status of its performance of duties, and requested explanations as necessary. Each Corporate auditor was notified by the accounting auditor that it had established a "system to ensure that the performance of duties of the accounting auditor was properly conducted" (the matters listed in the items of Article 131 of the Company Accounting Regulations) in accordance with the "Quality Control Standards for Audits" (Business Accounting Council on October 28, 2005), and requested explanations as necessary. Based on the above-

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described methods, each corporate auditor examined the financial statements (balance sheet, statements of income, statements of changes in shareholders' equity, and notes to financial statements) and the supplementary schedules thereto, as well as the consolidated financial statements (consolidated balance sheet, consolidated statements of income, consolidated statements of changes in shareholders' equity, and notes to consolidated financial statements), for the fiscal year under consideration.

## 2. Results of Audit

(1) Results of audit of business report, etc.

- (i) We acknowledge that the business report and the supplementary schedules thereto fairly present the status of the Company in conformity with the applicable laws and regulations and the articles of incorporation of the company.
- (ii) We acknowledge that no misconduct or material fact constituting a violation of any law or regulation or the articles of incorporation of the company was found with respect to the directors' performance of their duties.
- (iii) We acknowledge that the Board of Directors' resolutions with respect to the internal control systems are appropriate. We did not find any matter to be mentioned with respect to the directors' performance of their duties concerning the internal control systems.

(2) Results of audit of accounting documents and supplementary schedules thereto

We acknowledge that the methods and results of audit performed by the accounting auditor, Ernst & Young ShinNihon LLC, are appropriate.

(3) Results of audit of consolidated financial statements

We acknowledge that the methods and results of audit performed by the accounting auditor, Ernst & Young ShinNihon LLC, are appropriate.

May 12, 2014

Board of Corporate Auditors, Asahi Holdings, Inc.  
Full-time Corporate Auditor : Yukio Tanabe  
Corporate Auditor : Kazuhiko Tokumine  
Corporate Auditor : Junzo Kojima

(Note) Corporate Auditor Kazuhiko Tokumine and Junzo Kojima are outside auditors set forth Article 2, item 16 and Article 335, paragraph 3 of the Companies Act.

## Reference Documents for General Meeting of Shareholders

### Proposal Election of Seven Directors

All seven Directors expire their term of office at the time of the end of this General Meeting of Shareholders.

We propose the election of seven Directors.

Candidates of the Directors are as follows:

Candidate No.	Name (Date of birth)	Career, Position and Duties at Asahi Holdings (Important concurrent assignment)	Ownership of Shares
1	Mitsuharu Terayama (March 10, 1940) <span style="border: 1px solid black; padding: 2px;">To be Reelected</span>	<p>October 1973: Senior Managing Director of Asahi Pretec Corp.</p> <p>May 1981: Appointed as Representative Director and President of Asahi Pretec</p> <p>April 2009: Appointed as Representative Director and President of Asahi Holdings, Inc.</p> <p>April 2011: Appointed as CEO &amp; COO of Asahi Holdings</p> <p>April 2011: Appointed as Chairman and Director of Asahi Pretec (to present)</p> <p>June 2012: Appointed as CEO of Asahi Holdings (to present)</p> <p>• <b>Important concurrent assignment</b> Appointed as Chairman and Director of Asahi Pretec</p>	882,345 shares

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Candidate No.	Name (Date of birth)	Career, Position and Duties at Asahi Holdings (Important concurrent assignment)	Ownership of Shares
2	Yoshikatsu Takeuchi (January 1, 1956) <span style="border: 1px solid black; padding: 2px;">To be Reelected</span>	<p>April 1999: Joined Asahi Pretec Corp.</p> <p>June 2001: Appointed as Director and General Manager of General Affairs Department of Asahi Pretec</p> <p>April 2004: Appointed as Director and General Manager of Environmental Business Division and concurrently serving as General Manager of Business Coordination Division of Asahi Pretec</p> <p>March 2006: Appointed as Director and General Manager of Environmental Recycling Business Division of Asahi Pretec</p> <p>May 2008: Appointed as Representative Director and President of Japan Waste Corporation (to present)</p> <p>April 2009: Appointed as Director of Asahi Holdings, Inc. (to present)</p> <p><b>• Important concurrent assignment</b> Representative Director and President of Japan Waste</p>	5,050 shares

Candidate No.	Name (Date of birth)	Career, Position and Duties at Asahi Holdings (Important concurrent assignment)	Ownership of Shares	
3	Tomoya Higashiura (January 26, 1961) <span style="border: 1px solid black; padding: 2px;">To be Reelected</span>	<p>February 2001: Joined Asahi Pretec Corp.</p> <p>June 2006: Appointed as Director and General Manager of Administration Division of Asahi Pretec</p> <p>April 2009: Appointed as Director and General Manager of Corporate Development &amp; Administration Division of Asahi Holdings, Inc.</p> <p>June 2010: Appointed as Director and General Manager of Precious Metal Recycling Business Division of Asahi Pretec</p> <p>April 2011: Appointed as Director of Asahi Holdings (to present)</p> <p>January 2012: Appointed as Director of Asahi Pretec (to present)</p> <p>April 2013: Appointed as Director of Japan Waste Corporation (to present)</p> <p><b>• Important concurrent assignment</b> Director of Asahi Pretec Director of Japan Waste</p>	1,500 shares	<div style="border-top: 1px solid black; border-bottom: 1px solid black; text-align: center;">Convocation Notice</div> <div style="border-bottom: 1px solid black; text-align: center;">Business Reports</div> <div style="border-bottom: 1px solid black; text-align: center;">Consolidated Financial Statements</div> <div style="border-bottom: 1px solid black; text-align: center;">Financial Statements</div>
4	Masaki Hirano (December 25, 1953) <span style="border: 1px solid black; padding: 2px;">To be Reelected</span>	<p>February 2001: Joined Asahi Pretec Corp.</p> <p>July 2001: Appointed as General Manager of Production Technology &amp; Engineering Department of Asahi Pretec</p> <p>April 2007: Appointed as General Manager of Technology Support &amp; Production Management Division of Asahi Pretec</p> <p>June 2007: Appointed as Director and General Manager of Technology Support &amp; Production Management Division of Asahi Pretec</p> <p>April 2012: Appointed as Director of Asahi Pretec (to present)</p> <p>June 2012: Appointed as Director of Asahi Holdings, Inc. (to present)</p>	3,000 shares	<div style="border-bottom: 1px solid black; text-align: center;">Audit Report</div> <div style="border-bottom: 1px solid black; text-align: center;">Financial Statements</div>

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General Meeting of Shareholders

Candidate No.	Name (Date of birth)	Career, Position and Duties at Asahi Holdings (Important concurrent assignment)	Ownership of Shares
5	Keitaro Shigemasa (February 15, 1965) <u>To be Reelected</u>	<p>June 2011: Joined Asahi Pretec Corp. Appointed as General Manager of Information Technology Department of Asahi Pretec Appointed as Chief Information Officer of Asahi Holdings group</p> <p>April 2012: Appointed as General Manager of Information Technology Department of Asahi Holdings, Inc.</p> <p>July 2012: Appointed as General Manager of Planning &amp; Communication Department of Asahi Holdings</p> <p>June 2013: Appointed as Director and General Manager of Planning &amp; Communication Department of Asahi Holdings (to present)</p>	1,000 shares
6	Kazuo Kawabata (April 20, 1957) <u>To be Newly elected</u>	<p>July 2008: Joined Asahi Pretec Corp.</p> <p>October 2008: Appointed as Deputy Head of Technology Support &amp; Production Management Division of Asahi Pretec Corp.</p> <p>April 2012: Appointed as General Manager of Techno Center of Asahi Pretec Corp.</p> <p>April 2013: Appointed as Director and General Manager of Techno Center of Asahi Pretec Corp. (to present)</p> <p>● Important concurrent assignment Director of Asahi Pretec Corp.</p>	4,000 shares

Candidate No.	Name (Date of birth)	Career, Position and Duties at Asahi Holdings (Important concurrent assignment)	Ownership of Shares
7	Shoji Morii (February 12, 1948) <u>To be Reelected</u>	<p>April 1972: Joined Sumitomo Trust and Banking Co., Ltd.</p> <p>June 2001: Appointed as Corporate Officer and General Manager of Kyoto Branch of Sumitomo Trust and Banking Co., Ltd.</p> <p>June 2006: Appointed as Representative Director and President of Kobe Airport Terminal Co., Ltd. Representative Director and President of Kaijo Access Co., Ltd</p> <p>June 2009: Appointed as Outside Director of Asahi Pretec Corp.</p> <p>June 2010: Appointed as Outside Director of Asahi Holdings, Inc. (to present)</p>	1,000 shares

(Notes) 1. There are no special interests between candidates and our company.

2. Special notes for a candidate for Outside Director

1) Shoji Morii is a candidate for Outside Director.

2) He has professional expertise and experience, including a finance field. We ask shareholders to elect him as Outside Director for his expected useful opinions.

3) He is now an Outside Director of our company. His term of office as Outside Director is four years at the time of the termination of this General Meeting of Shareholders.

4) Our company and he signed a contract that limits the liability for compensation for damage set forth in Article 423, paragraph 1 of the Companies Act under provisions set forth in Article 427, paragraph 1 of the same Act. The limit amount of the liability for compensation for damage under such a contract is determined to be the minimum liability amount stipulated in Article 425, paragraph 1 of the Companies Act and when he is reappointed, our company will continue the said contract with him.

5) Our company filed Shoji Morii as an independent board member under the provisions of the Tokyo Stock Exchange and he will continue to be an independent board member if this proposal is approved and appointed as Outside Director.

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## Memos



**Memos**

Memos

## The 5<sup>th</sup> Annual General Meeting of Shareholders

### Venue

KOBE PORTOPIA HOTEL

10-1, 6 Chome, Minatojima Nakamachi, Chuo-ku, Kobe, Hyogo

“Kairaku-no-ma” on the basement floor, Main Building

Tel: 078-302-1111

### Access

● Kobe New Transit, Port Island Line (Port Liner)

About 10 minutes from “Sannomiya Station” to “Simin Hiroba Station”

About 5 minutes on foot from “Shimin Hiroba Station”

\*Shuttle bus

Shuttle buses for KOBE PORTOPIA HOTEL are running from MINT KOBE 1F (Sannomiya Bus Terminal) on the south of JR Sannomiya Station. For more details, please access the website of KOBE PORTOPIA HOTEL or contact the hotel at tel.078-302-1111.