

**TRANSLATION FOR REFERENCE PURPOSE ONLY**

*This notice has been translated from the original Japanese text of the timely disclose statement and is for reference purpose only. In the event of any discrepancy between the original Japanese and this translation, the Japanese text shall prevail.*

January 29, 2021

To whom it may concern

Company Name: **Asahi Holdings, Inc.**  
Representative: Tomoya Higashiura, President  
(Code: 5857, First Section of the Tokyo Stock Exchange)  
Contact: Kunihiko Chogo, General Manager,  
Corporate Planning & Communications Department  
(Phone: +81-3-6270-1833)

**Notice on Transfer of Consolidated Subsidiary (Share Transfer)**

This is to notify that Asahi Holdings, Inc. (hereinafter, "the Company"), at the Board of Directors meeting held today, resolved the transfer of all the shares of INTER CENTRAL, INC. (hereinafter, "INTER CENTRAL"), its consolidated subsidiary, to OTEC CORPORATION (hereinafter, "OTEC") as shown below.

As a result of this share transfer, INTER CENTRAL will be excluded from the Company's consolidated subsidiaries.

1. Reasons for the share transfer

In July 2012, INTER CENTRAL became one of the Company's consolidated subsidiaries. INTER CENTRAL is engaged in designing and constructing radiant heating and cooling systems and manufacturing and selling various electric heating equipment.

OTEC operates two businesses: "Environmental System Business," devoted to designing, constructing, and maintaining automatic air conditioning control systems, and "Plumbing Equipment Business," dedicated to selling plumbing equipment and household equipment.

INTER CENTRAL's radiant-heat-assisted heating and cooling systems and electric heating equipment have been increasingly applied to building entrances, hospitals, airports, libraries, and other facilities, contributing to the Company's consolidated business results. The addition of INTER CENTRAL to the OTEC Group is expected to create a synergy in improving the existing construction network and equipment sales. Moreover, the Company has decided to transfer the shares of INTER CENTRAL to optimize how to allocate management resources in its future growth strategies.

2. Overview of INTER CENTRAL

(1) Name	INTER CENTRAL, INC.	
(2) Location	3-7-2, Nihonbashi-Honcho, Chuo-ku, Tokyo	
(3) Title and name of representative	Representative Director and President: Hajime Hida	
(4) Description of business	Designing and constructing radiant heating and cooling systems and manufacturing and selling various electric heating equipment	
(5) Stated capital	153,750,000 yen	
(6) Date of establishment	October 17, 1974	
(7) Major shareholder and shareholding ratio	Japan Waste Corporation: 100%	
(8) Relationship between the Company and INTER CENTRAL	Capital relationship	INTER CENTRAL is a wholly owned subsidiary of Japan Waste Corporation, a 100%-owned subsidiary of the Company.
	Personal relationship	There is a personal relationship through directors and employees the Company temporarily transferred to the subsidiary.
	Business relationship	Not applicable

(9) Operating performance and financial condition of INTER CENTRAL in the past three years			
Settlement period	Period ended March 2018	Period ended March 2019	Period ended March 2020
Revenue (¥ thousand)	2,340,988	2,210,174	2,325,857
Operating income (¥ thousand)	303,689	341,629	372,119
Ordinary income (¥ thousand)	258,428	325,850	356,410
Net income (¥ thousand)	173,432	220,737	141,890
Net income per share (yen)	1,167.45	1,485.88	955.12
Net assets (¥ thousand)	2,009,810	2,230,548	2,372,438
Total assets (¥ thousand)	2,699,823	2,906,854	3,193,249
Net assets per share (yen)	13,528.89	15,014.76	15,969.89

### 3. Overview of OTEC Corporation

(1) Name	OTEC CORPORATION		
(2) Location	2-4-2 Toyo, Koto-ku, Tokyo		
(3) Title and name of representative	Representative Director and President: Shinichi Ichihara		
(4) Description of business	Design, construction and maintenance of automatic air conditioning control systems, sale of plumbing equipment and household equipment household equipment, etc.		
(5) Stated capital	599,400,000 yen		
(6) Date of establishment	July 16, 1948		
(7) Major shareholder and shareholding ratio	Custody Bank of Japan, Ltd.		19.05%
	HIKARI TSUSHIN, INC.		8.19%
	STATE STREET BANK AND TRUST COMPANY 505224		7.96%
	OTEC Employee Stock Ownership Plan		6.48%
	Azbil Corporation		4.73%
	OTEC Kyoei-kai		4.50%
	FM VALVE CORPORATION		2.69%
	Mizuho Bank, Ltd.		2.55%
	BBH FOR FIDELITY LOW-PRICED STOCK FUND		2.31%
	MUFG Bank, Ltd.		2.27%
Yamato Valve Co., Ltd.		2.27%	
(8) Relationship between the Company and OTEC	Capital relationship	Not applicable	
	Personal relationship	Not applicable	
	Business relationship	Not applicable	

### 4. Number of shares to be transferred and number of shares owned before and after the transfer

(1) Number of shares owned before transfer	148,557 (Number of voting rights: 148,557) (Ratio of voting rights held by the Company: 100%)
(2) Number of shares to be transferred	148,557 (Number of voting rights: 148,557)
(3) Number of shares after transfer	0 (Number of voting rights: 0) (Ratio of voting rights held by the Company: 0%)

### 5. Schedule

(1) Date of resolution by Board of Directors	January 29, 2021
(2) Date of the conclusion of the Share Transfer Agreement	January 29, 2021
(3) Date of share transfer (plan)	March 31, 2021

### 6. Future prospects

This share transfer will have only a minor influence on the Company's performance.