Consolidated Financial Results for the Fiscal Year Ended March 31, 2021
Asahi Holdings, Inc. [IFRS]

April 27, 2021

Stock code:	5857
Shares listed:	Tokyo Stock Exchange (First Section)
URL:	https://www.asahiholdings.com
Representative:	Tomoya Higashiura, Representative Director, President & CEO
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The Ordinary General Meeting of Shareholders:	June 15, 2021
Filing date of financial statements:	June 16, 2021
Start of dividend payment:	May 26, 2021
Supplementary materials for the financial results:	Yes
Investor conference for the financial results:	Yes (for institutional investors, analysts)

(Rounded down to the nearest million yen)

1. Results of the fiscal year ended March 31, 2021 (From April 1, 2020 to March 31, 2021)

(1) Results of operations (Percentage: Changes relative to corresponding previous period)

	Revenue		Operating profit		Profit before tax		Profit		Profit attributable to owners of parent		Total comprehensive income	
The fiscal year ended	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
March 31, 2021	164,776	21.5	25,126	39.5	26,136	48.1	25,725	161.3	25,725	161.3	33,434	487.5
March 31, 2020	135,563	22.8	18,010	–	17,650	42.9	9,846	9.4	9,846	9.4	5,690	(25.4)

	Basic earnings per share	Diluted earnings per share	Profit to equity attributable to owners of parent	Profit before tax to total assets	Operating profit to revenue
The fiscal year ended	Yen	Yen	%	%	%
March 31, 2021	326.90	322.92	30.8	11.0	15.2
March 31, 2020	125.12	124.26	14.4	9.0	13.3

(Reference) Share of profit (loss) of investments accounted for using equity method: Fiscal year ended March 31, 2021 285 million yen; Fiscal year ended March 31, 2020 (45) million yen

(Notes)
1. Since the Company transferred 60% of all shares in Fuji Medical Instruments MFG. Co., Ltd. in the fiscal year ended March 31, 2020, this business was classified as discontinued operations with the amounts of revenue, operating profit and profit before tax presented as amounts for the continuing operations excluding the discontinued operations.
2. Due to the retrospective application of the changes in accounting policies, the figures shown for the fiscal year ended March 31, 2020 are the figures after retrospective application and presentation of changes relative to the corresponding previous period has been omitted for operating profit.
3. The Company conducted a stock split with a ratio of two-for-one on April 1, 2021. Basic earnings per share and diluted earnings per share are calculated assuming the stock split had already been carried out at the start of the previous fiscal year.

(2) Financial Position

	Total assets	Total equity	Equity attributable to owners of parent	Equity attributable to owners of parent ratio	Equity per share attributable to owners of parent
As of	Millions of yen	Millions of yen	Millions of yen	%	Yen
March 31, 2021	244,803	97,903	97,903	40.0	1,244.06
March 31, 2020	229,958	69,174	69,174	30.1	879.00

(Note) The Company conducted a stock split with a ratio of two-for-one on April 1, 2021. Equity per share attributable to owners of parent is calculated assuming the stock split had already been carried out at the start of the previous fiscal year.

(3) Cash flows

	Cash flows from operating activities	Cash flows from investing activities	Cash flows from financing activities	Cash and cash equivalents at end of the fiscal year
The fiscal year ended	Millions of yen	Millions of yen	Millions of yen	Millions of yen
March 31, 2021	(33,353)	(2,800)	24,422	10,023
March 31, 2020	4,572	1,927	273	22,908

2. Dividend payments

	Dividends per share					Total dividend payment (annual)	Payout ratio (consolidated)	Dividend to equity attributable to owners of parent (consolidated)
	First quarter	Second quarter	Third quarter	Year-end	Annual			
	Yen	Yen	Yen	Yen	Yen	Millions of yen	%	%
Year ended March 31, 2020	–	60.00	–	70.00	130.00	5,176	52.0	7.5
Year ended March 31, 2021	–	80.00	–	90.00	170.00	6,769	26.0	8.0
Year ending March 31, 2022 (Forecast)	–	45.00	–	45.00	90.00		38.9	

(Note) The Company conducted a stock split with a ratio of two-for-one on April 1, 2021. The amounts of dividends per share for the year ended March 31, 2020 and the year ended March 31, 2021 are the actual amounts before the stock split. The forecast amount for the year ending March 31, 2022 is the figure after the stock split.

3. Forecast (From April 1, 2021 to March 31, 2022) (Percentage: Changes relative to corresponding previous period)

	Revenue		Operating profit		Profit before tax		Profit attributable to owners of parent		Basic earnings per share
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Yen
Six months ending September 30, 2021	94,400	19.3	12,500	5.7	12,500	5.3	8,700	5.7	110.55
Year ending March 31, 2022	190,000	15.3	26,000	3.5	26,000	(0.5)	18,200	(29.3)	231.27

(Note) The Company conducted a stock split with a ratio of two-for-one on April 1, 2021. The impact of the stock split is factored into the amount of basic earnings per share in the forecast for the year ending March 31, 2022.

* Notes

(1) Changes in significant subsidiaries during the current fiscal year: No

(2) Changes in accounting policies and accounting estimates

(i) Changes in accounting policies required by IFRS: No

(ii) Changes other than (i) above: Yes

(iii) Changes in accounting estimates: No

For details, please refer to page 17 “4. Consolidated Financial Statements (7) Notes on Consolidated Financial Statements (3. Changes in accounting policies).”

(3) Number of issued shares (common stock)

(i) Number of issued shares at the end of year (including treasury stock)

As of March 31, 2021	79,708,688 shares
As of March 31, 2020	79,708,688 shares

(ii) Number of treasury stock at the end of year

As of March 31, 2021	1,011,774 shares
As of March 31, 2020	1,011,274 shares

(iii) Averaged number of shares during the period

Year ended March 31, 2021	78,697,109 shares
Year ended March 31, 2020	78,697,650 shares

(Note) The Company conducted a stock split with a ratio of two-for-one on April 1, 2021. Number of issued shares at the end of year, number of treasury stock at the end of year, and averaged number of shares during the period are calculated assuming the stock split had already been carried out at the start of the previous fiscal year.

(Reference) Summary of Nonconsolidated Results

1. Nonconsolidated Results of the Year ended March 31, 2021 (From April 1, 2020 to March 31, 2021)

(1) Results of operations (Percentage: Changes relative to corresponding previous period)

	Net sales		Operating profit		Ordinary profit		Profit	
The fiscal year ended	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
March 31, 2021	14,003	22.9	13,080	29.7	12,435	21.0	20,283	100.4
March 31, 2020	11,398	35.2	10,087	43.2	10,273	48.8	10,122	48.3

	Earnings per share	Diluted earnings per share
The fiscal year ended	Yen	Yen
March 31, 2021	257.74	256.01
March 31, 2020	128.62	127.74

(Note) The Company conducted a stock split with a ratio of two-for-one on April 1, 2021. Earnings per share and diluted earnings per share is calculated assuming the stock split had already been carried out at the start of the previous fiscal year.

(2) Financial Position

	Total assets	Net assets	Shareholders' equity ratio	Net assets per share
As of	Millions of yen	Millions of yen	%	Yen
March 31, 2021	111,021	75,582	67.0	945.86
March 31, 2020	85,838	60,126	70.0	764.02

(Reference)

Shareholders' equity As of March 31, 2021: 74,435 million yen As of March 31, 2020: 60,126 million yen

(Note) The Company conducted a stock split with a ratio of two-for-one on April 1, 2021. Net assets per share is calculated assuming the stock split had already been carried out at the start of the previous fiscal year.

* This report is not subject to audit procedures

* Statement regarding the proper use of financial forecasts and other special remarks

(Notes on forward looking statements, etc.)

These forecast performance figures are based on the information currently available to the company's management and certain assumptions judged rational. Accordingly, there might be cases in which actual results materially differ from forecasts of this report. Please refer to page 2 "1. Overview of Consolidated Operating Results (1) Consolidated Business Performance for the Year ended March 31, 2021" for the assumptions used and other notes.

【Appendix】

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1. Overview of Consolidated Operating Results

(1) Consolidated Business Performance for the Year ended March 31, 2021

①Operating results

The Japanese economy continued to be in an extremely difficult situation during the accounting period under review due to the global spread of the novel coronavirus disease (COVID-19). Although the economy showed some signs of recovery due to the phased resumption of economic activities and the effects of the government's economic measures, the future remains uncertain due to the situation of reemergence of infections and the lack of prospects for when the COVID-19 crisis will subside. Under these conditions, the Group's results in each business segment were as follows.

<u>Precious Metals business</u>

Revenue and operating profit in precious metal recycling business in Japan, South Korea and Malaysia increased from the same period in the previous year, thanks to the rise in precious metal prices as well as market share gains in all our business areas. Also, revenue and operating profit in precious metal refining business in North America expanded from the same period a year before thanks to significant expansion in product processing and sales as well as financial transactions. As a result, revenue in this segment increased by 27.3% from the same period of the previous year, and operating profit increased by 51.0% from the same period of the previous year.

<u>Environmental Preservation business</u>

Although industrial production activities are recovering after the stagnation caused by COVID-19, revenue in this segment decreased by 3.6% from the same period of the previous year due to a general decrease in industrial waste. Operating profit remained at the same level as in the same period of the previous year due to maintaining the utilization rate at the Company's facilities, increasing the price of processing and other factors, but it decreased by 12.0% compared to the same period of the previous year due to the recording of losses on disposal and loss on sales associated with the disposal of unnecessary equipment.

As a result of the above, revenue during the fiscal year was 164,776 million yen, a year-on-year increase of 29,213 million yen (+21.5 percent). Operating profit was 25,126 million yen, a year-on-year increase of 7,115 million yen (+39.5 percent). Profit before tax was 26,136 million yen, a year-on-year increase of 8,486 million yen (+48.1 percent). Profit was 25,725 million yen, a year-on-year increase of 15,879 million yen (+161.3 percent). Profit attributable to owners of parent was therefore 25,725 million yen, an increase of 15,879 million yen (+161.3 percent) year-on-year, which are all record highs. By segment, revenue in the Precious Metals business was 144,795 million yen, a year-on-year increase of 31,039 million yen (+27.3 percent). In the Environmental Preservation business, revenue was 19,981 million yen, a year-on-year decrease of 735 million yen (-3.6 percent).

②Outlook

The Group will continue to strive to expand earnings and increase corporate value.

Business forecast for the next period is as follows: 190,000 million yen in revenue, 26,000 million yen in operating profit, 26,000 million yen in profit before tax and 18,200 million yen in profit attributable to owners of the parent.

(2) Consolidated Financial Position and Cash Flows for the Year ended March 31, 2021

As of this fiscal year ended March 31, 2021, total assets amounted to 244,803 million yen, up 14,844 million yen from the previous fiscal year end. This was due mainly to decreases of 12,885 million yen in cash and cash equivalents and 18,979 million yen in trade and other receivables, and increases of 25,767 million yen in inventories, 7,574 million yen in other current assets, and 7,259 million yen in deferred tax assets.

Total liabilities amounted to 146,899 million yen, down 13,884 million yen from the previous fiscal year end. This was due mainly to a decrease of 21,963 million yen in bonds and loans payable.

Total equity amounted to 97,903 million yen, up 28,728 million yen from the previous fiscal year end.

Net cash used in operating activities amounted to 33,353 million yen due mainly to profit before tax of 26,136 million yen, depreciation and amortization of 2,538 million yen, increase in inventories, decrease in trade and other receivables, decrease in trade, loans and other payables, and income taxes paid.

Net cash used in investing activities amounted to 2,800 million yen due mainly to purchase of property, plant and equipment of 5,141 million yen, and proceeds from sales of shares of subsidiaries of 2,908 million yen.

Net cash provided by financial activities amounted to 24,422 million yen due mainly to net increase in short-term loans payable of 29,908 million yen, repayment of long-term loans payable of 20,304 million yen, proceeds from issuance of convertible bond-type bonds with share acquisition rights of 21,137 million yen, and cash dividends paid of 5,902 million yen.

As a result, cash and cash equivalents as of March 31, 2021 decreased 12,885 million yen from March 31, 2020, to 10,023 million yen.

(3) Dividends

The Group will strive to consistently pay dividends without decreasing the annual dividend level from the current level. Moreover, the Group aims to maintain a dividend payout ratio of 40%, while retaining sufficient internal reserves for capital investment and M&A for future growth.

Based on the above basic policy, the year-end dividend for the current fiscal year will be 90 yen per share. The annual dividend for the current fiscal year combined with the interim dividend will be 170 yen per share. For the next term, we plan to pay an interim dividend of 45 yen and a year-end dividend of 45 yen (annual dividend of 90 yen).

The Company conducted a 2-for-1 stock split of common stock as of April 1, 2021, and the dividend for the current fiscal year (ended March 31, 2021) is the actual dividend amount before the stock split. The dividend for the next fiscal year (fiscal year ending March 31, 2022) is the amount after the stock split.

(4) Business and other risks

Major risks that could affect the Group's operating results and financial condition include the following. We believe these matters could have a significant impact on investor decisions, but the categories below are limited to those that the Group is currently aware of; and not necessarily all risks are covered here.

① Precious metals prices and currency exchange rates

The precious metals and rare metals that are the main products of the Group's precious metals business are traded on international markets. Their prices fluctuate based on global elements such as political and economic trends in supply countries and demand countries, currency exchange rates, and so on. The Group therefore hedges through forward transactions and provides timely reports on the status of price fluctuations for the main previous metals to management, etc., in order to reduce risk, although the size of fluctuation in precious metals prices and currency exchange rates can affect the Group's operating results and financial condition.

② Laws and regulations

In the countries and regions where the Group operates business, various laws and regulations apply regarding matters such as permission to do business, rules for import/export/transport, commercial transactions, labor, taxation, intellectual property rights, and environmental preservation. Taking the stance that compliance is important, the Group has built a system for centrally managing information about revisions to laws related to all its business fields and ensuring that this knowledge is communicated without fail to the front lines, and carefully follows laws, regulations, and social rules. However, in the unlikely event that a situation arises where laws, regulations, and social rules could not be followed, or if they change such that business is restricted, it could affect the Group's operating results and financial condition.

In the environmental preservation business in particular, the Group engages in the collection, transport and treatment of various types of industrial waste as an enterprise under the Waste Management and Public Cleansing Act. In addition to that law, the business is regulated by laws such as the Water Pollution Control Act, the Air Pollution Control Act, and the Sewerage Act. Furthermore, the Group has a license for the collection and transport of industrial waste in every prefecture and 9 ordinance-designated cities and core cities, for its disposal in 13 prefectures and 8 ordinance-designated cities, and for the collection and transport of specially-controlled industrial waste in every prefecture and 9 ordinance-designated cities and core cities, and for its disposal in 10 prefectures and 7 ordinance-designated cities. Obtaining such licenses is predicated on strict compliance with regulations at the regional level, including each prefectural and municipal ordinance and rule.

With society's interest in environmental issues rising, such legal regulations are tending to tighten. Not only capital investments as countermeasures to those trends but also the construction, relocation, and renovation of disposal facilities require construction permits and permission to change. Such occasions may also necessitate obtaining the consent of nearby residents, which could be difficult to obtain in some cases. Therefore, such legal regulations and social trends could affect the Group's operating results and financial condition.

③ Economic fluctuation

Manufacturing industries are among the primary demand industries for the Group's two business segments: the precious metals business and the environmental preservation business. Demand trends in each sector within these industries are affected by economic conditions in various countries and regions. When demand from such industries declines due to recession and so on, it can affect the Group's operating results and financial condition. Moreover, in the previous metals recycling business, the Group recycles precious metals contained in end products such as information equipment and automobiles, and is therefore affected by consumption trends. A decrease in personal consumption caused by a decline in the general level of consumption could therefore affect the Group's operating results and financial condition.

④ Business environment

The Group's two business segments, the precious metals business and the environmental preservation business, face the possibility of major changes in customer needs due to changes in laws, regulations, and permits that concern a sector or faster-than-expected shifts overseas by corporate customers. Furthermore, industry reorganization and other major changes in the business environment are possible. The results could affect the Group's operating results and financial condition.

⑤ Intensified competition

The Group's two business segments, the precious metals business and the environmental preservation business, face competition from various companies. The Group continues to make efforts to overcome the competition in each sector by accurately meeting customer needs through sales efforts and initiatives on technology, products, and cost responsiveness. Intensified competition from competitor companies, however, can force the Group's products and services into harsh price competition. The results could affect the Group's operating results and financial condition.

⑥ Overseas business deployment

Under the slogan, "Building a global company that pursues originality and growth," one of the Group's growth strategies is expansion of its overseas business. In this regard, the Group carries out business in countries and regions in North America, Asia, etc. Political or economic phenomena unfavorable to business, labor disputes due to differences in labor environment, uncertainty in finding suitable local personnel, conflicts, terrorism, and other social disturbances, and unfair intervention by authorities due to underdeveloped business infrastructure in a country or region are inherent risks. If such situations occur, it could affect the Group's operating results and financial condition.

⑦ Corporate acquisition, etc.

The Group has worked to expand its lines of business and business scale through corporate acquisition and expects to take a forward-looking approach projects that will contribute to further growth in the future. In order to maximize the integration effect with target businesses and companies, the Group will attempt to integrate and unify them with its business strategy and operations. However, if the integration of human resources and assets does not proceed as planned, it is possible that the expected integration and unification effects will not be realized. The results could affect the Group's operating results and financial condition.

⑧ Impairment of goodwill and fixed assets

When the Group acquired a company, it records goodwill arising from the acquisition, as well as various property, plant and equipment and intangible assets for business use. At the acquisition examination stage, the Group carries out sufficient surveys from the financial, legal, and human resource perspectives, among others, but if the acquired company and business do not achieve business results as initially expected due to changes in the market environment, etc., and the management results and profitability deteriorate markedly, these assets may become impaired. If such situations occur, it could affect the Group's operating results and financial condition.

⑨ Natural disasters and infectious disease

Natural disasters such as large earthquakes or typhoons or the outbreak of new infectious diseases could cause serious damage to the Group's production, distribution, sales, and information management facilities. The Group has implemented countermeasures such as business continuity management (BCM), flood countermeasures, disaster readiness drills, and building an employee safety confirmation system. However, these are not able to completely eliminate damage due to natural disasters or unknown infectious diseases, etc. Therefore, if these should occur it could affect the Group's operating results and financial condition.

In addition, the impact of the novel coronavirus (COVID-19) outbreak is expected to see adverse market conditions continue, and at this point there is no outlook for controlling the outbreak. If the situation continues even longer, it could have a further negative impact on economies and markets in Japan and overseas, the result of which could affect the Group's operating results and financial condition.

⑩ Health and safety

The Group works to strengthen its safety management system, and regularly carries out disaster/accident prevention activities such as holding Safety Promotion Meetings that are also attended by management and taking necessary measures in order to eliminate occupational and facilities accidents. However, there is no guarantee that they can be completely prevented or mitigated. Therefore, if a serious occupational or facilities accident should occur, it could affect the Group's operating results and financial condition.

⑪ Human resources

Since the Group's medium- to long-term growth depends on the abilities and experience of individual employees, the Group is promoting human resource policies that are relevant to the times. In the 9th Mid-term Business Plan, which ends in the fiscal year ending March 31, 2024, in addition to once again thoroughly implementing the "ability-based and performance-based" approach, which will stimulate the entire organization and create a driving force for the company's growth, we are also promoting work style reforms such as observing "rest intervals" of at least 11 hours before an employee can return to work the next day, and encouraging employees to take refreshment leave. However, if the Group is unable to secure high quality human resources and prepare the necessary talent for taking on challenges at the right time due to increased speed of business development, it could affect the Group's operating results and financial condition.

⑫ Research and development

The Group conducts independent research and development and analysis technology development aimed at "precious metals recycling' and "detoxifying and recycling of industrial waste." However, research and development of new technologies is affected by various factors, such as changes in the market environment, competition, and the ability to commercialize development results. Therefore, it is highly uncertain whether the expenses used in research and development can be recovered. For this reason, if the results of research and development are not obtained as initially anticipated, it could affect the Group's operating results and financial condition.

⑬ Key intellectual property rights

In order to protect intellectual property rights important to business deployment, the Group carries out appropriate management. However, unforeseen leaks to outside parties can occur, and complete protection of intellectual property rights may be impossible in certain regions. Therefore, it may not be possible to effectively prevent third parties from using the Group's intellectual property rights to manufacture and sell similar products and services. Moreover, the Group could be embroiled in a dispute if the products and technologies that it is developing for the future infringe unintentionally on the intellectual property rights of another company, or regarding the handling of workplace inventions in its relationships with employees. The results could affect the Group's operating results and financial condition.

⑭ Product quality assurance and product liability

Led by its Quality Assurance Division, the Group has acquired ISO9001 to provide products offering customers greater confidence and satisfaction, and makes continuous improvements to its quality management systems and strives to maintain and improve quality. Through such measures, the Group makes every effort with its product quality assurance system, but if a product produced by the Group causes damages, it could affect the Group's operating results and financial condition.

⑮ Environmental protection

Based on its Environmental Policies, the Group carries out various initiatives to protect the global environment. For example, it has established the Company-wide Environmental Goals (Annual Plan) and an Environmental Committee is set up at every business site. Through these and other efforts, the Group complies with environmental laws and regulations, revises its plans, deliberates about environmental education and so forth, and reports to management. However, there is no guarantee that all pollution and other environmental risk can be completely prevented or mitigated, so if the Group should cause serious pollution of the environment, it could affect the Group's operating results and financial condition.

⑯ Climate change

The adoption of the Paris Agreement at the 21st Session of the Conference of the Parties to the United Nations Framework Convention on Climate Change (COP 21), which has been ratified by every country, has sparked a global wave of initiatives aimed at reducing greenhouse gases deemed to cause climate change and global warming. Abnormal weather such as local destructive storms caused by climate change has the potential to cause serious flooding and landslides, which can significantly damage the Group's infrastructure such as facilities and logistics. If business activities are forced to halt for a long period until these can be restored, it could affect the Group's operating results and financial condition.

⑰ Information security

PCs and tablets used by the Group use the latest security countermeasures, and we take sufficient measures to ensure that system faults and information theft or loss do not occur during their installation and operation. We also implement regular employee training to enhance their IT literacy. However, there is a possibility that unexpected events could occur such as destruction or tampering of important data or external leaks of information as a result of infection by a computer virus, hacking damage, and system faults due to software defects, or a larger than anticipated external attack. Such an event could affect the Group's operating results and financial condition.

⑱ Lawsuits and other legal procedures

As the Group carries out business in Japan and overseas, it could be subjected to lawsuits and other legal procedures. The Group appropriately monitors major lawsuits that have already been instigated or have the potential to be instigated, and takes countermeasures as needed. However, if the Group becomes a party to such action, it might have to pay large damages, etc. The results could affect the Group's operating results and financial condition.

2. Our Group

Our Group comprises of the holdings company “Asahi Holdings, Inc.,” “Asahi Pretec Corp.,” and 13 other consolidated subsidiaries and affiliated companies. Our main businesses are precious metals business and environmental preservation business. The details are as follows:

(1) Precious metals business

In the precious metals business, we sell precious/rare metal products such as gold, silver, platinum, and palladium by recycling scrap containing rare metals, etc.

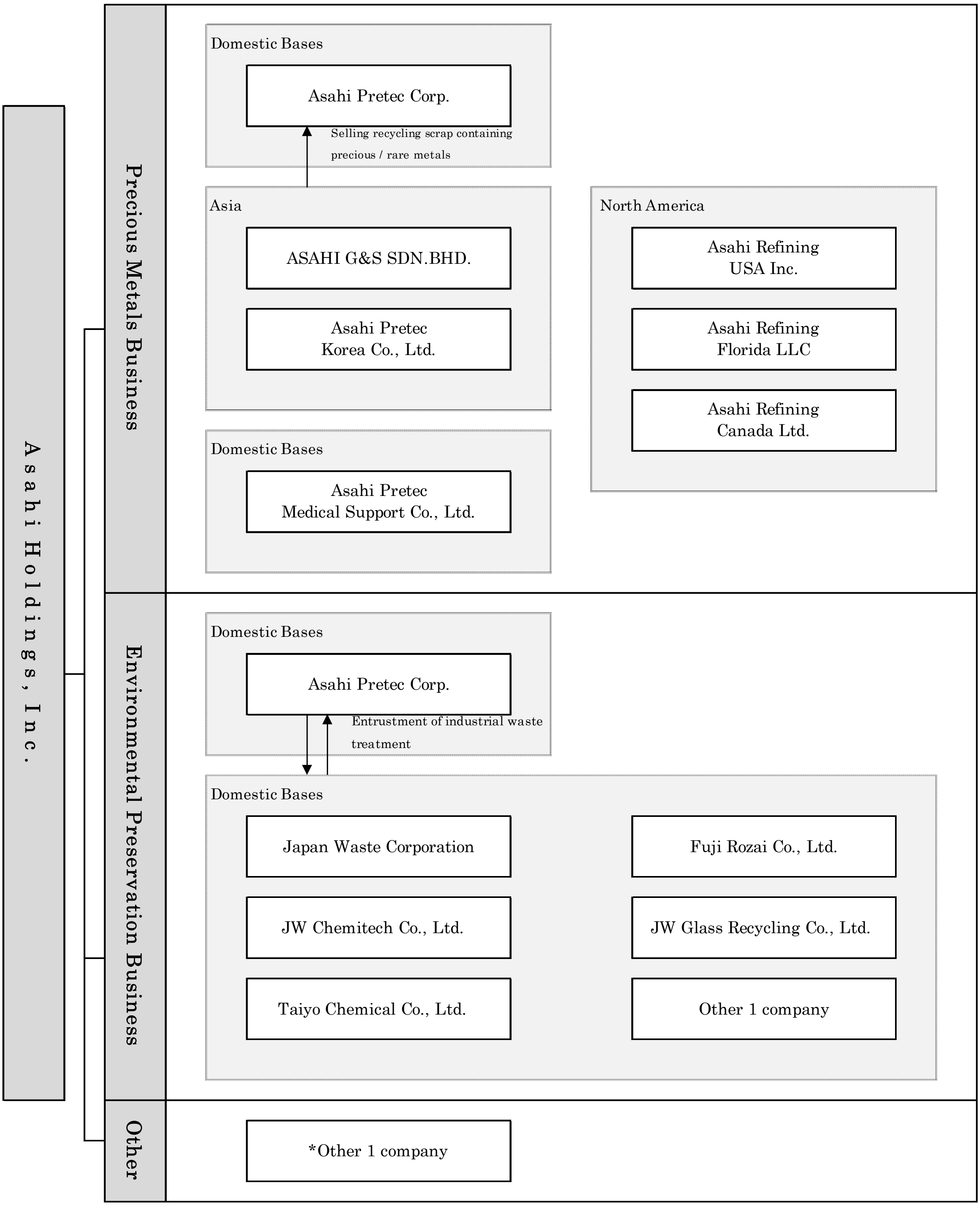
In Japan, Asahi Pretec Corp. collects scraps containing precious/rare metals from the electronics, dentistry, jewelry manufacturing and distribution, and automotive catalyst sectors. At factories around the country, it collects, separates and refines the scrap and sells high-purity metals to trading companies, semiconductor/electronic component makers, etc. also engages in precision cleaning and precious metal delamination of manufacturing equipment parts from semiconductor/electronic component makers.

Overseas, Asahi G&S Sdn. Bhd. in the Malaysia/Singapore region and Asahi Pretec Korea Co., Ltd. in South Korea are engaged in the precious metals recycling business. Additionally, Asahi Refining USA Inc., Asahi Refining Florida LLC and Asahi Refining Canada Ltd. carry out the refining and processing of gold, silver, and other precious metals in the United States and Canada respectively.

(2) Environmental preservation business

The main line of our environmental preservation business is the collection, transport, and intermediate treatment of industrial waste.

Asahi Pretec Corp. treats and detoxifies waste acid, waste alkali, waste oil, sludge, waste drugs, and medical-related waste generated by sites in various industries, such as factories, printing presses, hospitals, schools, and research institutes. Additionally, Japan Waste Corporation is engaged in the collection, transportation, intermediate processing and recycling of various industrial wastes. JW Chemitech Co., Ltd. mainly performs the collection, transport, and intermediate treatment of industrial waste generated by factories. Taiyo Chemical Co., Ltd. processes medical-related waste and industrial effluent from companies in the IT, electronics, and petrochemical businesses. Fuji Rozai Co., Ltd. processes specially controlled industrial waste including dioxin and heavy metals at local governments’ incinerators. It engages in repair, demolition, and waste brick processing of smelting furnaces for glass manufacturing. It removes firebricks from smelting furnaces and performs materials recycling and hazardous materials handling. JW Glass Recycling Co., Ltd. collects sheet glass and glass bottles, separates them for crushing, and recycles them into high-quality glass cullet, which it sells.



(Notes) Unmarked: Consolidated subsidiary
* Equity method affiliate

3. Basic Concept Regarding Selection of Accounting Standards

We have applied International Financial Reporting Standards (IFRS) with the objectives of enhancing our management base for global business development and enabling easier international comparison of financial information in capital markets from the first quarter of fiscal year ended March 31, 2017.

4. Consolidated Financial Statements

(1) Consolidated Statements of Financial Position

	As of March 31, 2020	As of March 31, 2021
	Millions of yen	Millions of yen
ASSETS		
Current assets		
Cash and cash equivalents	22,908	10,023
Trade and other receivables	119,754	100,775
Inventories	37,748	63,515
Income tax receivables	2,029	2,833
Other financial assets	93	2,169
Other current assets	5,069	12,644
Total current assets	187,604	191,961
Non–current assets		
Property, plant and equipment	34,953	37,904
Goodwill	1,604	1,040
Intangible assets	529	697
Investments accounted for using equity method	3,254	3,544
Deferred tax assets	1,132	8,392
Net defined benefit asset	155	165
Financial assets	683	1,051
Other non–current assets	42	44
Total non–current assets	42,354	52,841
Total assets	229,958	244,803

	As of March 31, 2020	As of March 31, 2021
	Millions of yen	Millions of yen
LIABILITIES and EQUITY		
Liabilities		
Current liabilities		
Trade and other payables	13,710	26,465
Loans payable	121,873	79,337
Income tax payable	4,624	5,914
Other financial liabilities	6,991	1,247
Provisions	1,293	1,601
Other current liabilities	4,643	5,002
Total current liabilities	153,137	119,568
Non–current liabilities		
Bonds and loans payable	4,928	25,501
Deferred tax liabilities	1,453	968
Net defined benefit liability	172	106
Other financial liabilities	1,066	754
Other non–current liabilities	24	–
Total non–current liabilities	7,645	27,331
Total liabilities	160,783	146,899
Equity		
Capital stock	7,790	7,790
Capital surplus	10,755	11,952
Treasury stock	(956)	(957)
Retained earnings	60,797	80,604
Other components of equity	(9,212)	(1,486)
Total equity attributable to owners of parent	69,174	97,903
Total equity	69,174	97,903
Total liabilities and equity	229,958	244,803

(2) Consolidated Statements of Income

	The fiscal year ended March 31, 2020	The fiscal year ended March 31, 2021
	Millions of yen	Millions of yen
Continuing operations		
Revenue	135,563	164,776
Cost of sales	(109,372)	(131,962)
Gross profit	26,190	32,814
Selling, general and administrative expenses	(7,174)	(7,263)
Other operating income	195	96
Other operating expenses	(1,154)	(806)
Share of profit (loss) of investments accounted for using equity method	(45)	285
Operating profit	18,010	25,126
Finance income	24	136
Finance costs	(331)	(84)
Other non–operating income	87	962
Other non–operating expenses	(140)	(3)
Profit before tax	17,650	26,136
Income tax expenses	(6,230)	(411)
Profit from continuing operations	11,419	25,725
Discontinued operations		
Profit (loss) from discontinued operations	(1,573)	–
Profit	9,846	25,725
Profit attributable to:		
Owners of parent	9,846	25,725
Non–controlling interests	–	–
Profit	9,846	25,725
Earnings per share		
Basic earnings (loss) per share (Yen)		
Continuing operations	145.11	326.90
Discontinued operations	(19.99)	–
Total	125.12	326.90
Diluted earnings (loss) per share (Yen)		
Continuing operations	144.12	322.92
Discontinued operations	(19.85)	–
Total	124.26	322.92

(3) Consolidated Statements of Comprehensive Income

	The fiscal year ended March 31, 2020	The fiscal year ended March 31, 2021
	Millions of yen	Millions of yen
Profit	9,846	25,725
Other comprehensive income		
Items that will not be reclassified to profit or loss		
Financial assets measured at fair value through other comprehensive income	(12)	5
Remeasurements of defined benefit plans	125	(17)
Share of other comprehensive income of investments accounted for using equity method	(2)	4
Total items that will not be reclassified to profit or loss	110	(7)
Items that may be reclassified to profit or loss		
Cash flow hedges	(3,805)	6,462
Translation adjustments of foreign operations	(461)	1,254
Total items that may be reclassified to profit or loss	(4,266)	7,716
Other comprehensive income, net of tax	(4,155)	7,709
Comprehensive income	5,690	33,434
Comprehensive income attributable to:		
Owners of parent	5,690	33,434
Non–controlling interests	–	–
Comprehensive income	5,690	33,434

(4) Consolidated Statements of Changes in Equity

(Millions of yen)

	Equity attributable to owners of parent					
					Other components of equity	
	Capital stock	Capital surplus	Treasury stock	Retained earnings	Translation adjustments of foreign operations	Cash flow hedges
Balance at April 1, 2019	7,790	10,353	(955)	55,547	(3,737)	(1,203)
Profit	–	–	–	9,846	–	–
Other comprehensive income	–	–	–	–	(461)	(3,805)
Total comprehensive income	–	–	–	9,846	(461)	(3,805)
Purchase of treasury stock	–	–	(0)	–	–	–
Dividends	–	–	–	(4,721)	–	–
Changes due to loss of control of subsidiaries	–	337	–	–	–	–
Reclassified from other components of equity to retained earnings	–	–	–	125	–	–
Share-based payment transactions	–	64	–	–	–	–
Total transactions with owners	–	401	(0)	(4,596)	–	–
Balance at March 31, 2020	7,790	10,755	(956)	60,797	(4,198)	(5,008)

(Millions of yen)

	Equity attributable to owners of parent				
	Other components of equity				
	Financial assets measured at fair value through other comprehen-sive income	Remeasure-ments of defined benefit plans	Total	Total	Total equity
Balance at April 1, 2019	8	–	(4,931)	67,804	67,804
Profit	–	–	–	9,846	9,846
Other comprehensive income	(15)	125	(4,155)	(4,155)	(4,155)
Total comprehensive income	(15)	125	(4,155)	5,690	5,690
Purchase of treasury stock	–	–	–	(0)	(0)
Dividends	–	–	–	(4,721)	(4,721)
Changes due to loss of control of subsidiaries	–	–	–	337	337
Reclassified from other components of equity to retained earnings	0	(125)	(125)	–	–
Share-based payment transactions	–	–	–	64	64
Total transactions with owners	0	(125)	(125)	(4,320)	(4,320)
Balance at March 31, 2020	(5)	–	(9,212)	69,174	69,174

(Millions of yen)

	Equity attributable to owners of parent					
					Other components of equity	
	Capital stock	Capital surplus	Treasury stock	Retained earnings	Translation adjustments of foreign operations	Cash flow hedges
Balance at April 1, 2020	7,790	10,755	(956)	60,797	(4,198)	(5,008)
Profit	–	–	–	25,725	–	–
Other comprehensive income	–	–	–	–	1,254	6,462
Total comprehensive income	–	–	–	25,725	1,254	6,462
Purchase of treasury stock	–	–	(0)	–	–	–
Dividends	–	–	–	(5,902)	–	–
Issuance of convertible bond-type bonds with share acquisition rights	–	996	–	–	–	–
Reclassified from other components of equity to retained earnings	–	–	–	(16)	–	–
Share–based payment transactions	–	200	–	–	–	–
Total transactions with owners	–	1,197	(0)	(5,919)	–	–
Balance at March 31, 2021	7,790	11,952	(957)	80,604	(2,944)	1,454

(Millions of yen)

	Equity attributable to owners of parent				
	Other components of equity				
	Financial assets measured at fair value through other comprehensive income	Remeasurements of defined benefit plans	Total	Total	Total equity
Balance at April 1, 2020	(5)	–	(9,212)	69,174	69,174
Profit	–	–	–	25,725	25,725
Other comprehensive income	10	(17)	7,709	7,709	7,709
Total comprehensive income	10	(17)	7,709	33,434	33,434
Purchase of treasury stock	–	–	–	(0)	(0)
Dividends	–	–	–	(5,902)	(5,902)
Issuance of convertible bond-type bonds with share acquisition rights	–	–	–	996	996
Reclassified from other components of equity to retained earnings	(0)	17	16	–	–
Share–based payment transactions	–	–	–	200	200
Total transactions with owners	(0)	17	16	(4,705)	(4,705)
Balance at March 31, 2021	3	–	(1,486)	97,903	97,903

(5) Consolidated Statements of Cash Flows

	The fiscal year ended March 31, 2020	The fiscal year ended March 31, 2021
	Millions of yen	Millions of yen
Cash provided by (used in) operating activities		
Profit before tax	17,650	26,136
Profit (loss) before tax from discontinued operations	(1,074)	–
Depreciation and amortization	2,827	2,538
Impairment loss	2,605	58
Finance income and finance cost	131	48
Other non–operating income and expenses	52	(958)
Share of loss (profit) of investments accounted for using equity method	45	(285)
Decrease (increase) in inventories	(15,209)	(26,196)
Decrease (increase) in trade and other receivables	(64,029)	29,998
Increase (decrease) in trade, loans and other payables	65,747	(50,501)
Other, net	396	(6,652)
Subtotal	9,143	(25,813)
Interest and dividend income received	25	5
Interest expenses paid	(50)	(71)
Income taxes paid	(5,940)	(9,422)
Income taxes refunded	1,394	1,948
Net cash provided by (used in) operating activities	4,572	(33,353)
Cash provided by (used in) investing activities		
Payments into time deposits	(93)	(90)
Proceeds from withdrawal of time deposits	–	90
Purchase of property, plant and equipment	(3,960)	(5,141)
Proceeds from sales of property, plant and equipment	122	46
Purchase of intangible assets	(174)	(279)
Proceeds from sales of shares of subsidiaries	6,259	2,908
Proceeds from sales and redemption of investments	6	19
Other, net	(231)	(353)
Net cash provided by (used in) investing activities	1,927	(2,800)
Cash provided by (used in) financing activities		
Net increase (decrease) in short–term loans payable	527	29,908
Repayment of long-term loans payable	–	(20,304)
Proceeds from issuance of bonds	4,928	–
Proceeds from issuance of convertible bond-type bonds with share acquisition rights	–	21,137
Purchase of treasury stock	(0)	(0)
Cash dividends paid	(4,714)	(5,902)
Other, net	(466)	(416)
Net cash provided by (used in) financing activities	273	24,422
Effect of exchange rate change on cash and cash equivalents	(163)	(1,154)
Net increase (decrease) in cash and cash equivalents	6,610	(12,885)
Cash and cash equivalents at beginning of period	16,297	22,908
Cash and cash equivalents at end of period	22,908	10,023

(6) Notes on Assumptions for Going Concern

Not applicable

(7) Notes on Consolidated Financial Statements

1. Reporting entity

Asahi Holdings, Inc. (hereinafter the "Company") is a company located in Japan. The addresses of the Company's registered head office and principal offices are available on its website (https://www.asahiholdings.com). The Company's consolidated financial statements have a fiscal year-end date of March 31, 2021 and comprise the financial statements of the Company as well as its subsidiaries (the "Group").

For the main activities of the Group, please refer to Note "5. Segment information."

2. Basis of preparation

(1) Statement of compliance with IFRS

The consolidated financial statements of the Group have been prepared based on IFRS issued by the International Accounting Standards Board.

Having met the requirements for a Specified Company under the Designated International Accounting Standards, as prescribed in Article 1-2 of the Ordinance on the Terminology, Forms, and Preparation Methods of Consolidated Financial Statements (Ordinance of the Ministry of Finance No. 28 of 1976), the Group adopts the provisions of Article 93 of the aforementioned rules.

(2) Basis of measurement

The consolidated financial statements of the Group have been prepared based on costs of acquisition, except for the specified financial instruments that have been measured at fair value.

(3) Functional currency and presentation currency

The consolidated financial statements of the Group are presented in Japanese yen, which is the functional currency of the Company, and figures less than one million yen are rounded down to the nearest million yen.

3. Changes in accounting policies

The significant accounting policies adopted for the consolidated financial statements are the same as those for the consolidated financial statements for the fiscal year ended March 31, 2020, with the exception of the items described below.

(Change in the classification for recording interest expenses corresponding to Advanced Trading for precious metal products)

Each Asahi Refining company, consolidated subsidiaries of the Company, undertakes Advanced Trading of precious metal products as an added value service incidental to the precious metal refining business. Commission income obtained from customers in accordance with the forward period is recorded as revenue.

The interest expenses corresponding to such Advanced Trading of precious metal products were previously recorded as finance cost, but the method was changed from the current fiscal year to be recorded as cost of sales.

Furthermore, due to these changes, the "increase (decrease) in trade and other payables" has been changed to "increase (decrease) in trade, loans and other payables" in the Consolidated Statements of Cash Flows. Furthermore, the change in loans payable procured for such Advanced Trading is included in "increase (decrease) in trade, loans and other payables" in the Consolidated Statements of Cash Flows.

This change is attributed to the change in the funds management system due to the aim to expand Advanced Trading of precious metal products as a measure to increase income at each Asahi Refining company and in consideration of the increase in the financial importance of interest expenses corresponding to this income and the forecast for future increases.

Accordingly, compared to the previous method, cost of sales rose 862 million yen and operating profit fell 862 million yen, but there was no impact on profit before tax, profit, and profit attributable to owners of parent.

The Consolidated Statements of Cash Flows during the current fiscal year show an increase of 62,275 million yen in net increase (decrease) in short–term loans payable and respective declines of 62,333 million yen in increase (decrease) in trade, loans and other payables, 862 million yen in finance income and finance cost, and 920 million yen in interest expenses paid.

There is no impact on basic earnings per share and diluted earnings per share for the current fiscal year.

Such changes in accounting policies are applied retrospectively, and the consolidated financial statements restate the figures for the previous fiscal year following retrospective application.

As a result, compared to before the retrospective application, the Consolidated Statements of Income for the previous fiscal year, shows an increase of 2,108 million yen in cost of sales and a decline of 2,108 million yen in operating profit, but there is no impact on profit before tax, profit, and profit attributable to owners of parent.

The Consolidated Statements of Cash Flows for the previous fiscal year shows an increase of 64,957 million yen in increase (decrease) in trade, loans and other payables and respective declines of 64,891 million yen in net increase (decrease) in short–term loans payable, 2,108 million yen in finance income and finance cost and 2,043 million yen in interest expenses paid.

There is no impact on basic earnings per share and diluted earnings per share for the previous fiscal year.

4. Significant accounting estimates and associated judgements

In preparing consolidated financial statements, the management is required to make judgement, estimates and assumptions that affect the adoption of accounting policies and the amounts of assets, liabilities, revenues and expenses. Actual results may differ from such estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. The effect of a change in accounting estimates is recognized in the accounting period in which such change occurs as well as the accounting periods to be affected in the future.

The estimates and judgements made by the management that may have material impacts on the figures in the consolidated financial statements are the same as those for the consolidated financial statements for the fiscal year ended March 31, 2020.

5. Segment information

(1) Overview of reporting segments

The Group's reporting segments are those Group constituent units for which separate financial information is obtainable, and which the Board of Directors subjects to regular examination in order to decide the allocation of management resources and evaluate business results.

As a pure holding company, the Company is in charge of overall strategic function for the Group, whereas operating companies of the Group engage in the precious and rare metals recycling business and the refining and processing business, industrial waste management and other environmental preservation business.

Therefore, the Group is composed of product and service segments based on business sectors. The two reporting segments are the Precious Metals business and the Environmental Preservation business.

Meanwhile, these reporting segments are not aggregated.

The Precious Metals business engages mainly in recycling and selling of precious and rare metals such as gold, silver, palladium, and platinum, as well as refining and processing of precious metals such as gold and silver.

The main work of the Environmental Preservation business is the collection, transport and intermediate processing of industrial waste, and the manufacture and sale of electric heaters.

The interest expenses corresponding to the Advanced Trading of precious metal products at each Asahi Refining company, consolidated subsidiaries of the Company, were previously recorded as finance cost, but the method was changed from the current fiscal year to be recorded as cost of sales.

In addition, the segment information for the previous fiscal year also reflects such change.

As a result, compared to the figures prior to such change, the operating profit by business segment for the Precious Metals business decreased by 2,108 million yen for the previous fiscal year, and decreased by 862 million yen for the current fiscal year.

In the previous fiscal year, the Company transferred 60% of all shares of Fuji Medical Instruments MFG. Co., Ltd., (hereinafter "Fuji Medical Instruments") to Johnson Health Tech Co., Ltd., a company listed on the Taiwan Stock Exchange. Consequently, the Company classified the business of Fuji Medical Instruments under discontinued operations, and the amounts presented for segment information for the previous fiscal year are amounts from continuing operations from which discontinued operations have been excluded. Please refer to Note "7. Discontinued operations" for details on discontinued operations.

(2) Segment revenue and performance

Accounting policies of the reporting segments are the same as those of the Group stated in Note "3. Changes in accounting policies."

Revenue and other performance of each reportable segment of the Group are as follows.

For the fiscal year ended March 31, 2020 (from April 1, 2019 to March 31, 2020)

(Millions of yen)

	Reporting segment						
	Precious Metals Business	Environmental Preservation Business	Subtotal	Other	Total	Adjustment	Consolidated
Revenue							
External revenue	113,755	20,713	134,468	1,094	135,563	–	135,563
Intersegment revenue	–	3	3	–	3	(3)	–
Total	113,755	20,716	134,472	1,094	135,566	(3)	135,563
Operating profit by business segment	15,914	4,355	20,269	3	20,272	(2,261)	18,010
Finance income							24
Finance costs							(331)
Other non–operating profit							87
Other non–operating expenses							(140)
Profit before tax							17,650
Others:							
Depreciation and amortization	1,347	792	2,139	3	2,142	501	2,644
Impairment loss	998	–	998	–	998	–	998
Share of loss (profit) of investments accounted for using equity method	–	–	–	(45)	(45)	–	(45)

(Notes) 1. Intersegment transactions are based on prevailing market prices.

2. Adjustments of operating profit by business segment are mainly corporate expenses that are not allocated to each reporting segment.

3. Please refer to Note "6. Impairment loss" for details on impairment loss.

For the fiscal year ended March 31, 2021 (from April 1, 2020 to March 31, 2021)

(Millions of yen)

	Reporting segment			Other	Total	Adjustment	Consolidated
	Precious Metals Business	Environmental Preservation Business	Subtotal				
Revenue							
External revenue	144,795	19,981	164,776	–	164,776	–	164,776
Intersegment revenue	–	–	–	–	–	–	–
Total	144,795	19,981	164,776	–	164,776	–	164,776
Operating profit by business segment	24,037	3,833	27,870	285	28,156	(3,029)	25,126
Finance income							136
Finance costs							(84)
Other non–operating profit							962
Other non–operating expenses							(3)
Profit before tax							26,136
Others:							
Depreciation and amortization	1,178	881	2,059	–	2,059	478	2,538
Impairment loss	25	32	58	–	58	–	58
Share of loss (profit) of investments accounted for using equity method	–	–	–	285	285	–	285

(Note) Adjustments of operating profit by business segment are mainly corporate expenses that are not allocated to each reporting segment.

6. Impairment loss

For the fiscal year ended March 31, 2020 (from April 1, 2019 to March 31, 2020)

The impairment loss of 998 million yen on property, plant and equipment recognized during the fiscal year ended March 31, 2020 was due to the decision of disposal of gold and silver refining facilities (buildings and machinery) in Asahi Refining Florida LLC belonging to the segment of Precious Metals Business to further enhance the efficiency and profitability of business in North America. And the book value of the property, plant and equipment has been reduced to the recoverable amount. The recoverable value is measured based on the fair value less costs of disposal, and that is evaluated using the estimated disposal value, etc. of the asset. The fair value hierarchy level is 3.

For the fiscal year ended March 31, 2021 (from April 1, 2020 to March 31, 2021)

The impairment loss of 58 million yen on property, plant and equipment recognized during the fiscal year ended March 31, 2021 was due to reducing the book value of land belonging to JW Glass Recycling Co, Ltd. in the Environmental Preservation Business to the recoverable value of zero as it was scheduled to be sold, and recording the write-down as a loss (32 million yen), as well as writing down the book value of facilities of Asahi Refining Canada Ltd. in the Precious Metals Business to the recoverable value of zero, since future cash flows became unlikely as a result of the cancelation of projects due to business plans, and recording the write-down as a loss (25 million yen).

Impairment losses are recorded in “Other operating expenses” in the Consolidated Statements of Income.

7. Discontinued operations

(1) Outline of discontinued operations

The Company transferred 60% of all shares of Fuji Medical Instruments, which was a consolidated subsidiary of the Company, to Johnson Health Tech Co., Ltd., a company listed on the Taiwan Stock Exchange, in the previous fiscal year which was then excluded from the scope of consolidation. Consequently, profit and loss as well as cash flows relating to Fuji Medical Instruments and its subsidiaries were reclassified as discontinued operations with the discontinued operations concerned displayed in a separate category.

(2) Discontinued operations performance

(Millions of yen)

	The fiscal year ended March 31, 2020	The fiscal year ended March 31, 2021
Revenue and expense of discontinued operations		
Revenue	13,698	–
Expense (Note)	(14,772)	–
Profit (loss) before tax from discontinued operations	(1,074)	–
Income tax expense (note)	(499)	–
Profit (loss) from discontinued operations	(1,573)	–

(Note) This includes losses worth 1,607 million yen, which were recognized by the measurement in the fiscal year ended March 31, 2020 of the disposal group that constitutes discontinued operations at fair value less selling cost. Income tax expenses pertaining to this change totaled 332 million yen.

(3) Cash flow from discontinued operations

(Millions of yen)

	The fiscal year ended March 31, 2020	The fiscal year ended March 31, 2021
Cash flow from discontinued operations		
Net cash provided by (used in) operating activities	1,388	–
Net cash provided by (used in) investing activities	(80)	–
Net cash provided by (used in) financing activities	(1,493)	–
Total	(184)	–

8. Per share information

(1) Basic and diluted earnings per share

(Yen)

	Year ended March 31, 2020	Year ended March 31, 2021
Continuing operations	145.11	326.90
Discontinued operations	(19.99)	–
Total basic earnings (loss) per share	125.12	326.90
Continuing operations	144.12	322.92
Discontinued operations	(19.85)	–
Total diluted earnings per share	124.26	322.92

(2) The basis for calculating basic earnings per share

(Millions of yen)

	Year ended March 31, 2020	Year ended March 31, 2021
Profit attributable to owners of parent	9,846	25,725
Profit (loss) from discontinued operations attributable to owners of parent	(1,573)	–
Profit from continuing operations attributable to owners of parent used for calculation of the basic earnings per share	11,419	25,725

(3) The basis for calculating diluted earnings per share

(Millions of yen)

	Year ended March 31, 2020	Year ended March 31, 2021
Profit from continuing operations used for calculation of the basic earnings per share	11,419	25,725
Adjustments of profit for the year	–	–
Profit from continuing operations used for calculation of the diluted earnings per share	11,419	25,725
Profit (loss) from discontinued operations used for calculation of the diluted earnings per share	(1,573)	–
Profit used for calculation of the diluted earnings per share	9,846	25,725

(4) Weighted average number of common stock

(Shares)

	Year ended March 31, 2020	Year ended March 31, 2021
Weighted average number of common stock	78,697,650	78,697,109
Increase in number of common stock		
Share acquisition rights	543,024	968,379
Weighted average number of diluted common stock	79,240,674	79,665,488

On April 1, 2021, the Company conducted a 2-for-1 share split of its common stock based on a resolution at the meeting of the Board of Directors held on January 29, 2021. The figures for basic earnings (loss) per share and diluted earnings (loss) per share were calculated on the assumption that the share split was conducted at the beginning of the fiscal year ended March 31, 2020.

9. Subsequent events

(Stock split)

On April 1, 2021, the Company conducted a share split based on a resolution at the meeting of the Board of Directors held on January 29, 2021.

(1) Purpose of stock split

The purpose of the stock split is to create a more investment-friendly environment for investors by lowering the unit investment amount, thereby increasing the liquidity of the Company's stock and broadening the shareholder base.

(2) Overview of stock split

(i) Method of split

The Company will implement a 2-for-1 share split of common shares owned by shareholders listed or recorded in the closing register of shareholders with a record date of March 31, 2021.

(ii) Number of shares to be increased by split

Total number of issued shares before stock split:	39,854,344 shares
Number of shares to be increased by stock split:	39,854,344 shares
Total number of issued shares after stock split:	79,708,688 shares
Total number of shares authorized to be issued after stock split:	258,000,000 shares

(iii) Schedule of split

Public notice of record date:	March 16, 2021
Record date:	March 31, 2021
Effective date:	April 1, 2021

(iv) Effect on per-share information

The effect on per-share information is stated in the applicable section of this document.

5. Others

(1) Amounts of sales

	Year ended March 31, 2020		Year ended March 31, 2021	
	Amount (Millions of yen)	Year-on-Year (%)	Amount (Millions of yen)	Year-on-Year (%)
Gold	52,898	126.7	70,231	132.8
Silver	4,125	93.4	4,287	103.9
Palladium	29,908	135.5	36,694	122.7
Platinum	6,576	130.2	7,334	111.5
Industrial waste treatment	20,622	107.0	22,124	107.3
Other	21,431	120.0	24,105	112.5
Total	135,563	122.8	164,776	121.5

(Note) In the previous fiscal year, the Company classified the business of Fuji Medical Instruments, which was a consolidated subsidiary of the Company, under discontinued operations, and the “Amounts of sales” presented for the previous fiscal year are amounts from continuing operations from which discontinued operations have been excluded.