

Financial Results
for
FY2018 2Q
(April 1, 2018 ~ September 30, 2018)

Asahi Holdings, Inc.

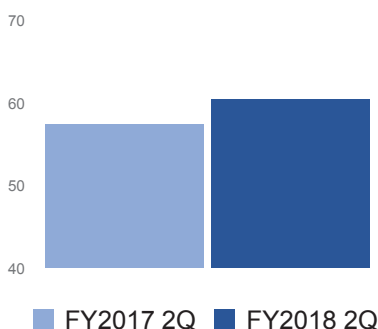


Consolidated Financial Results (Year on Year)

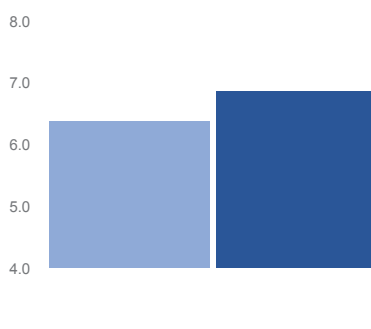
(JPY in billion)

	FY2017 2Q Actual	FY2018 2Q Actual	Year on Year	FY2018 2Q Forecast	FY2018 Forecast
Revenue	57.5	60.4	105%	60.0	120.0
Operating Income	6.38	6.86	108%	6.7	14.0
Op. Income Ratio	11.1%	11.4%	-	11.2%	11.7%
Profit attributable to owners of parent	4.3	4.5	106%	4.5	9.5

Revenue



Operating Income



	FY2018 Plan
CAPEX	4.2
Depreciation Expense	2.4



Highlights of Financial Results (Year on Year)

Operating Income 6.86 billion yen, a Year on Year increase of 480 million yen

※ Op. income of precious metals segment increased significantly (1.4 billion yen)
Op. income of Environmental preservation, and Life & Health segment decreased.

Precious metals

The sales revenue of the precious metals recycling sector in Japan increased steadily.
The sale revenue of South Korea and Malaysia increased. The production efficiency of North American refining business improved.

Environmental Preservation

Increased revenue due to developing new customers by capitalizing on the inter-company collaboration.
Operating income was lower due to the contraction of photosensitive material business in stage of withdrawal.

Life & Health

Kept growing steadily in fire-fighting and air-conditioning equipment, due to the high construction demand that continued primarily in the Tokyo metropolitan area.
Revenue from health-related equipment decreased from the same period in the previous year

Dividend policy

■ **Raise dividend payout ratio from 30% and above to 50% and above**

※The forecast for the annual dividend of FY2018 was revised up from 74yen to 120yen.

AH Results (By Segment)

(JPY in billion)

FY2018 2Q Actual	Precious metals	Environmental	Life&Health	Adjustment*	Total
Revenue	42.4	8	10	—	60.4
Operation Income	6.5	1.4	0.3	(1.3)	6.9
Op. Income Ratio	15.3%	18.1%	2.5%	—	11.4%

FY2017 2Q Actual	Precious metals	Environmental	Life&Health	Adjustment*	Total
Revenue	37.4	7.8	12.2	—	57.5
Operation Income	5.1	1.7	0.7	(1.2)	6.4
Op. Income Ratio	13.7%	21.3%	6.0%	—	11.1%

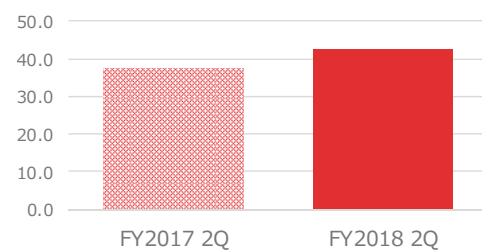
*Adjustments are mainly corporate expenses that are not allocated to each reporting segment.

AH Segment Results (Precious Metals)

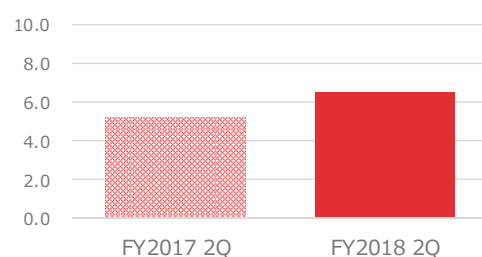
- The sales revenue of the precious metals recycling sector in Japan steadily increased.
- The sale revenue of South Korea and Malaysia increased. The production efficiency of North American refining business improved.

Actual	FY2017 2Q	FY2018 2Q
Revenue	37.4	42.4
Operating Income	5.1	6.5
Op. Income Ratio	13.7%	15.3%

[Revenue] (JPY in billion)



[Operating Income]



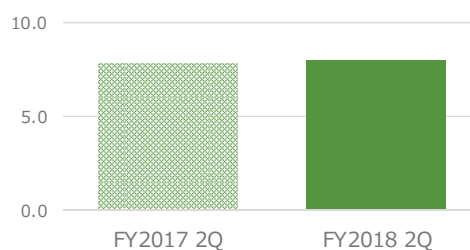
Plan	FY2018
Revenue	78.0
Operating Income	12.2

Segment Results (Environmental Preservation)

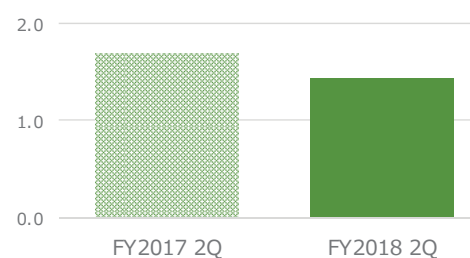
- Increased revenue due to developing new customers by capitalizing on the inter-company collaboration.
- Operating income was lower due to the contraction of photosensitive material business in stage of withdrawal.

Actual	FY2017 2Q	FY2018 2Q
Revenue	7.8	8.0
Operating Income	1.7	1.4
Op. Income Ratio	21.3%	18.1%

[Revenue] (JPY in billion)



[Operating Income]



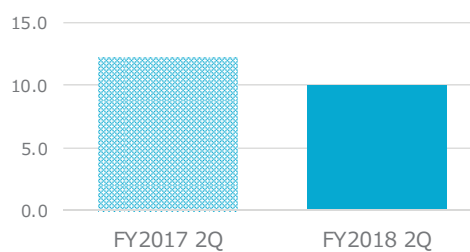
Plan	FY2018
Revenue	16.0
Operating Income	2.9

Segment Results (Life&Health)

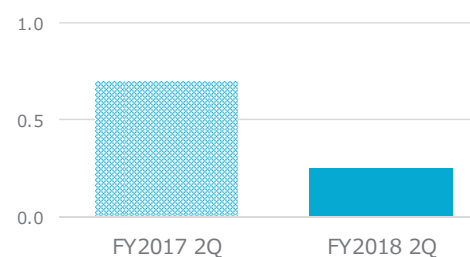
- Kept growing steadily in fire-fighting and air-conditioning equipment, due to the high construction demand that continued primarily in the Tokyo metropolitan area.
- Revenue from health-related equipment decreased from the same period in the previous year.

Actual	FY2017 2Q	FY2018 2Q
Revenue	12.2	10.0
Operating Income	0.7	0.3
Op. Income Ratio	6.0%	2.5%

[Revenue] (JPY in billion)



[Operating Income]



Plan	FY2018
Revenue	26.0
Operating Income	1.5

AW Trend in Metal Prices(Au, Ag)

(Unit: JPY per gram)

Gold



Silver



AW Trend in Metal Prices(Pd, Pt)

(Unit: JPY per gram)

Palladium



Platinum





Trend in Prices(Gold <USD/Toz>, EXC <USD/JPY>)

Gold USD/Toz



Exchange Rate USD/JPY



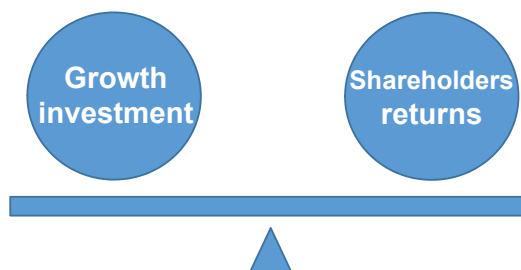
Change in the dividend policy

Targeting a dividend payout ratio

- Before change:
30% and above of the consolidated net income
- After change:
50% and above of the consolidated net income (reflect from 2nd quarter of FY2018)

To further expand
returns to
shareholders

Equal proportion of
growth investment and
shareholders returns



Simultaneous achievement of “the mid- and long-term growth and development,” and “profit distribution to the shareholders”

Trend in dividend / ROE

(Unit: JPY)

	FY2015	FY2016	FY2017	FY2018 previous forecast	FY2018 revised forecast
Annual Dividend	60	60	63	74	120
Payout Ratio	68.6%	—	23.3%	30.8%	50.0%
EPS	87.48	(37.24)	270.77	239.90	239.90
ROE	5.8%	(2.6%)	※ 17.3%	14.1%	14.1%

※ Including the impact of the issuing of new shares and disposition of treasury stock during period

Medium-term financial indicators

after reflecting the impact of change in the dividend policy

	FY2017	FY2018 (forecast)	FY2019 (forecast)	FY2020 (forecast)
Dividend payout ratio	23.3%	50.0%	50.2%	50.5%
EPS	270.77 yen	239.90 yen	259.22 yen	277.01 yen
ROE	17.3%	14.1%	14.2%	14.1%
DOE	4.0%	7.1%	7.1%	7.1%
ROA	8.5%	7.0%	7.3%	8.0%
Equity ratio	49.0%	50.5%	51.8%	61.4%