

# 8<sup>th</sup> Medium-term Business Plan

(April 2018 ~ March 2021)

Asahi Holdings, Inc.



**I *Results of 7<sup>th</sup> Medium-term Business Plan***

II *Overview of 8<sup>th</sup> Medium-term Business Plan*

III *Business Segment Strategy*

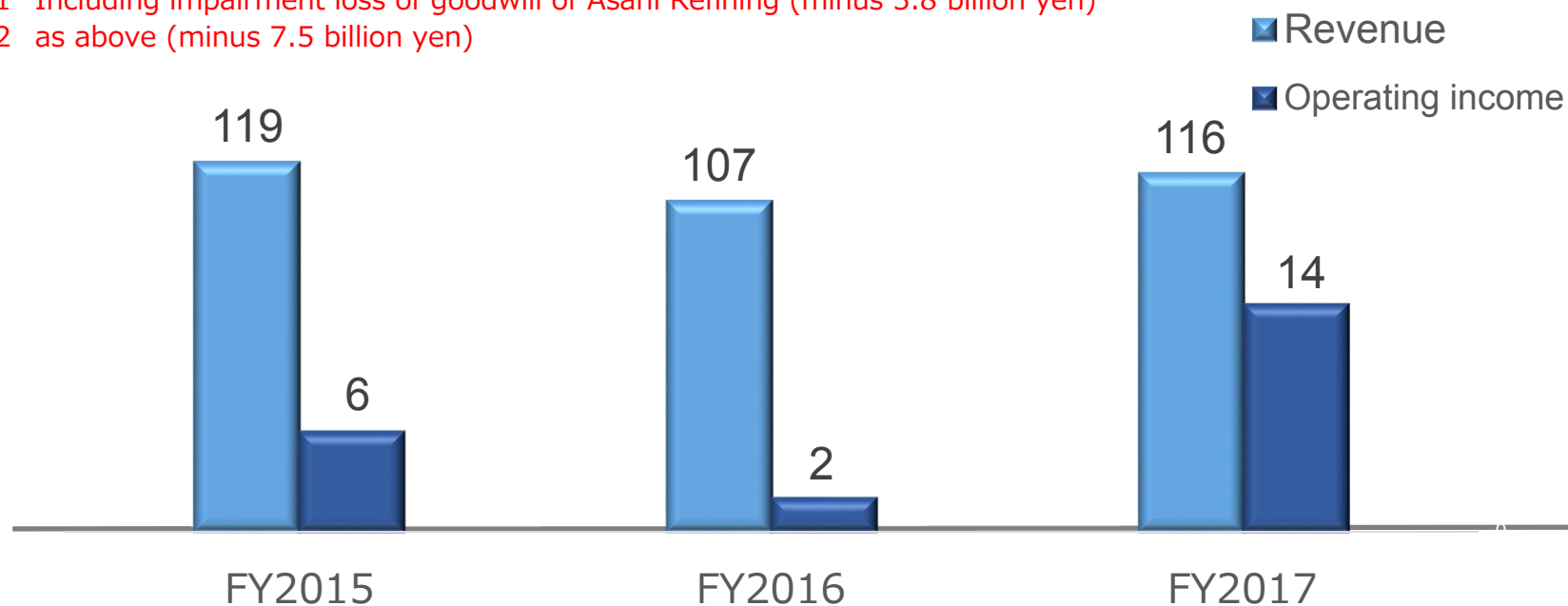
# Consolidated Financial Results

(unit: JPY in billion)

	FY2015	FY2016	FY2017
Revenue	119.4	106.8	115.8
Operating Income	※1 6.1	※2 2.0	13.8
Operating Income Ratio	5.1%	1.9%	11.9%
ROE	5.8%	(2.6%)	17.3%

※ 1 Including impairment loss of goodwill of Asahi Refining (minus 3.8 billion yen)

※ 2 as above (minus 7.5 billion yen)





# Results (By Segment)

(unit: JPY in billion)

Precious Metals	FY2015	FY2016	FY2017
Revenue	78.0	67.0	74.6
Operating Income	※ 4.6	※ (0.1)	11.1
Operating Income Ratio	5.9%	(0.1%)	14.9%

※ Including the impact of the impairment loss of goodwill

Environmental Preservation	FY2015	FY2016	FY2017
Revenue	15.8	15.9	16.2
Operating Income	2.8	3.3	3.5
Operating Income Ratio	17.7%	20.4%	21.6%

Life & Health	FY2015	FY2016	FY2017
Revenue	25.7	24.0	25.0
Operating Income	1.3	1.4	1.6
Operating Income Ratio	4.9%	5.7%	6.3%

- 
- I *Results of 7<sup>th</sup> Medium-term Business Plan*
  - II **Overview of 8<sup>th</sup> Medium-term Business Plan**
  - III *Business Segment Strategy*



## Company Slogan and performance targets

### Company Slogan

Building a global company that pursues originality and growth

### Consolidated performance targets for FY2020

<b>Revenue</b>	140 billion yen
<b>Operating Income</b>	16 billion yen
<b>Operating Income Ratio</b>	11.4 %
<b>R O E</b>	13.5 %



## Consolidated Target for each fiscal year

(unit: JPY in billion)

	FY2017	FY2018	FY2019	FY2020
Revenue	115.8	120.0	130.0	140.0
Operating Income	13.8	14.0	15.0	16.0
Operating Income Ratio	11.9%	11.7%	11.5%	11.4%
ROE	※ 17.3%	14.1%	13.8%	13.5%

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

### <Dividends>

- 30% and above of our consolidated net profit shall be returned to shareholders in the form of steady, ongoing dividends.
- Planning 74 yen per share for FY2018, an increase of 11yen per share from the previous year

# Capital Expenditure plan

(unit: JPY in billion)

	FY2018	FY2019	FY2020	Total
Precious Metals	2.0	1.9	4.4	8.3
Domestic	1.1	1.3	0.7	3.1
Overseas	0.9	0.6	3.7	5.2
Environmental Preservation	1.6	1.8	3.3	6.6
Life & Health	0.4	0.4	0.3	1.1
Total	4.2	3.8	8.0	16.0

## <Fund raising>

- Raised 12.3 billion yen, of the 16 billion yen capital expenditure, by the issuing of new shares and disposition of treasury stock in December 2017.





## Five-year vision for each business segment

(toward the 70th anniversary of our foundation in 2022)

Precious Metals  
Business

Be the number one precious metal refining company in the world

Environmental  
Preservation  
Business

Be a leader in the environmental business in Japan

Life & Health  
Business

Be the world's number one brand in the health-related business

# Basic Policy (1/3)

Be the number one  
precious metal refining  
company in the world

Be a leader in the  
environmental business  
in Japan

Be the world's number  
one brand in the health-  
related business

## 1. Building a new business foundation that will support the coming era

Precious Metals

Environmental  
Preservation

Life & Health

### Augmenting of intangible capital

Actively investing in human capital

Actively investing in new technology

**2. Improving productivity and work styles utilizing information processing technology**



**3. Sharing the Asahi Way with all employees group-wide**



### Augmenting intangible capital

#### Actively investing in human capital

- Developing more human resources who can operate at a global level
- Renewing the personnel development system

#### Actively investing in new technology

- Carrying on Asahi's tradition as masters of technology
- Developing new technology such as AI

# The social contribution through our business (SDGs)


The management philosophy:

## “Totally Committed to Protecting the Natural Environment and Conserve Resources”

- Our business is **directly linked to 13** of the 17 SDGs
- The business growth of our group itself is contributing to Global Sustainability.



※ Adopted in 2015 at the United Nations, the Sustainable Development Goals (SDGs) seek to address a wide range of issues related to the economy, society and the environment. All members of the international community, including companies, are expected to participate.

- 
- I *Results of 7<sup>th</sup> Medium-term Business Plan*
  - II *Overview of 8<sup>th</sup> Medium-term Business Plan*
  - III **Business Segment Strategy**

(unit: JPY in billion)

	FY2017	FY2018	FY2019	FY2020
Revenue	74.6	78.0	85.0	92.0
Operating Income	11.1	12.0	12.5	13.0
Operating Income Ratio	14.9%	15.4%	14.7%	14.1%

## Business strategy

- Establishing treatment and refining processes with higher quality, lower costs and greater efficiency
- Producing and selling precious metal products that provide a high degree of added value
- Expanding its business domain and establishing the Asahi brand

## Five-year vision

**Be the number one precious metal refining company  
in the world**



# Environmental Preservation

(unit: JPY in billion)

	FY2017	FY2018	FY2019	FY2020
Revenue	16.2	16.0	16.5	18.0
Operating Income	3.5	2.9	3.0	3.3
Operating Income Ratio	21.6%	18.1%	18.2%	18.3%

## Business strategy

- Strengthening its intermediary treatment capabilities by large-scale facility investments
- Achieving more suitable processes, lower costs and a lower burden on the environment through its wide range of recycling and detoxification technologies

## Five-year vision

**Be a leader in the environmental business in Japan**





(unit: JPY in billion)

	FY2017	FY2018	FY2019	FY2020
Revenue	25.0	26.0	28.5	30.0
Operating Income	1.6	1.7	2.1	2.4
Operating Income Ratio	6.3%	6.5%	7.4%	8.0%

## Business strategy

- Developing products, ascertain the varied detailed customers' needs and building unique business model
- Actively expanding into the overseas market with products, which realize the advanced technology and high quality of "made in Japan".

## Five-year vision

**Be the world's number one brand in the health-related business**

