

# Financial Results for Q1 FY2019

(April 1, 2019 ~ June 30, 2019)

## Asahi Holdings, Inc.

These forecast performance figures are based on the information currently available to the company's management and certain assumptions judged rational. Accordingly, these might be cases in which actual results materially differ from forecasts of this report.

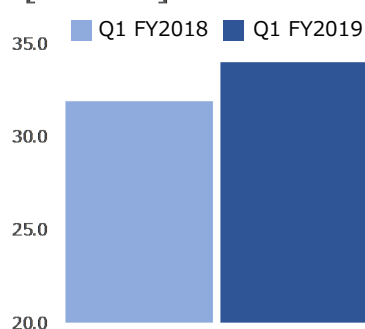
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# AW Consolidated Financial Results (Year on Year)

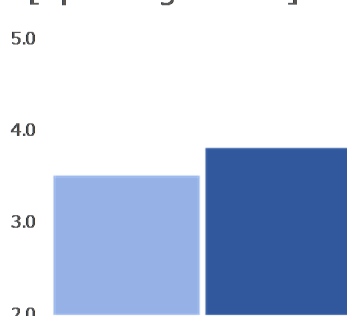
( JPY in billion )

	FY2018 Q1 Actual	FY2019 Q1 Actual	Change	FY2019 1H Plan	FY2019 Plan
Revenue	31.9	34.0	+2.1	70.0	140.0
Operating Income	3.5	3.8	+0.3	6.8	14.5
Operating Income Ratio	11.1%	11.2%	-	9.7	10.4%
Profit Befor Tax	3.3	3.3	(0.1)	6.7	14.3
Profit attributable to owners of parent	2.4	2.0	(0.3)	4.4	9.4

[Revenue]



[Operating Income]



CAPEX	4.8
Depreciation Expense	2.4

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# AW Consolidated Performance

Operating Income	<ul style="list-style-type: none"> <li>■ <b>3.8 billion yen</b> : YoY increase of <b>0.3 billion yen</b> By Segment (YoY)               <ul style="list-style-type: none"> <li>• Precious Metals: <b>(0.0) billion yen</b></li> <li>• Environmental Preservation: <b>+0.2 billion yen</b></li> <li>• Life &amp; Health: <b>+0.0 billion yen</b></li> <li>• Others: <b>+0.1 billion yen</b></li> </ul> </li> </ul>
Profit Before Tax	<ul style="list-style-type: none"> <li>■ <b>3.3 billion yen</b>: YoY decrease of <b>0.0 billion yen</b> <ul style="list-style-type: none"> <li>- Because of an increase in finance costs in relation to advance trading in North America, Profit before tax decreased.</li> </ul> </li> </ul>
Dividend	<ul style="list-style-type: none"> <li>■ Dividend policy: Approximately <b>50% or more of the Consolidated Net Income</b> <ul style="list-style-type: none"> <li>• Annual Dividend: <b>120 yen per share</b></li> <li>• Payout Ratio: <b>50.2%</b></li> </ul> </li> </ul>

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# AH Segment Results (Year on Year)

( JPY in billion )

		FY2018 Q1	FY2019 Q1	Change
Precious Metals	Revenue	22.9	24.6	+1.6
	Operating Income	3.5	3.4	(0.0)
Environmental Preservation	Revenue	4.1	4.2	+0.2
	Operating Income	0.7	0.8	+0.2
Life & Health	Revenue	4.9	5.2	+0.2
	Operating Income	0.1	0.1	+0.0
Consolidated	Revenue	31.9	34.0	+2.1
	Operating Income	3.5	3.8	+0.3

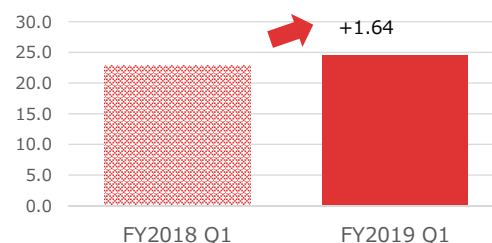
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## AH Segment Results (Precious Metals)

- Revenue increased from the same period in the previous year as the precious metal recycling business in Japan, South Korea and Malaysia and refining business in North America grew steadily, while Operating Income declined due to the impact of fixed cost incurred in the newly acquired company in Florida.

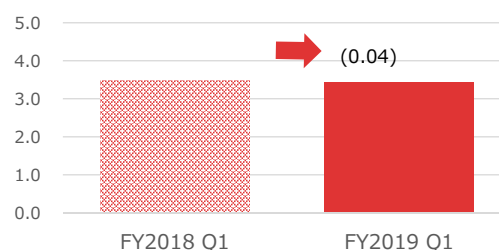
Actual	FY2018 Q1	FY2019 Q1
Revenue	22.9	24.6
Operating Income	3.5	3.4
Operating Income Ratio	15.2%	14.0%

[Revenue] ( JPY in billion )



Plan	FY2019
Revenue	96.0
Operating Income	12.0
Operating Income ratio	12.5%

[Operating Income]



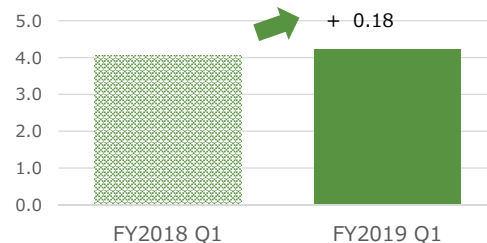
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## Segment Results (Environmental Preservation)

- Both Revenue and Operating Income increased from the same period in the previous year thanks to the efforts to develop new customers based on collaboration among group companies, despite the lingering repercussions of the withdrawal from photosensitive material business that took place in the previous fiscal year.

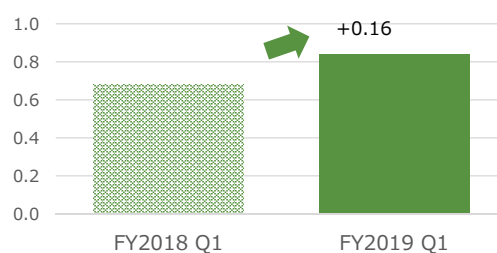
Actual	FY2018 Q1	FY2019 Q1
Revenue	4.1	4.2
Operating Income	0.7	0.8
Operating Income Ratio	16.7%	19.8%

[Revenue] (JPY in billion)



Plan	FY2019
Revenue	17.5
Operating Income	3.3
Operating Income ratio	18.9%

[Operating Income]



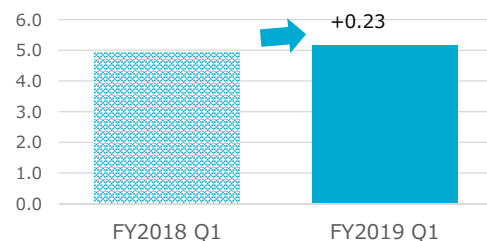
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## Segment Results (Life & Health)

- Revenue and Operating Income increased as air conditioning and health care equipment business marked a steady performance overall.
- Resolved to transfer all shares of KOEIKOGYO CO., LTD., which specializes in fire-fighting equipment works, as of August 1<sup>st</sup> in view of the optimum future allocation of Group's management.

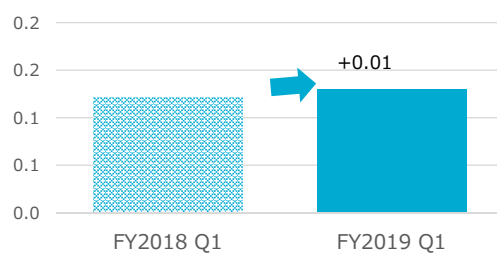
Actual	FY2018 Q1	FY2019 Q1
Revenue	4.9	5.2
Operating Income	0.1	0.1
Operating Income Ratio	2.5%	2.5%

[Revenue] (JPY in billion)



Plan	FY2019
Revenue	26.5
Operating Income	1.8
Operating Income ratio	6.8%

[Operating Income]

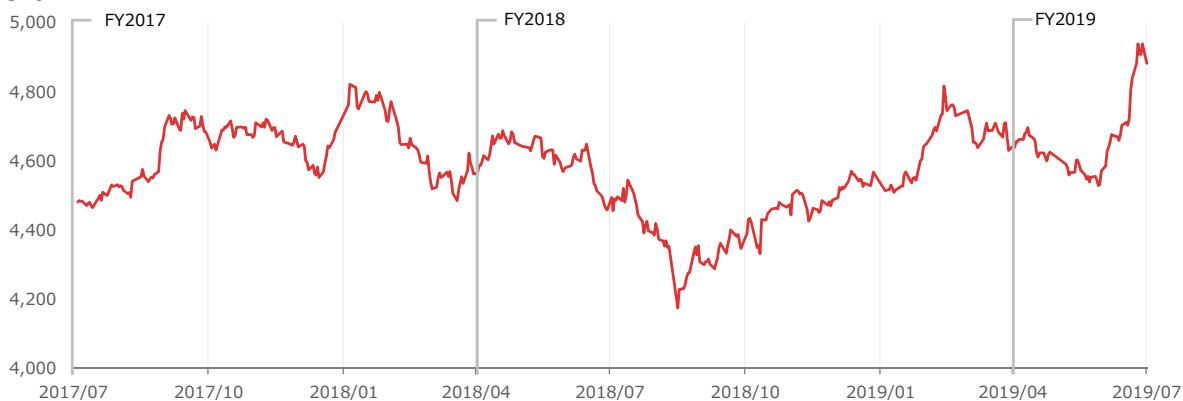


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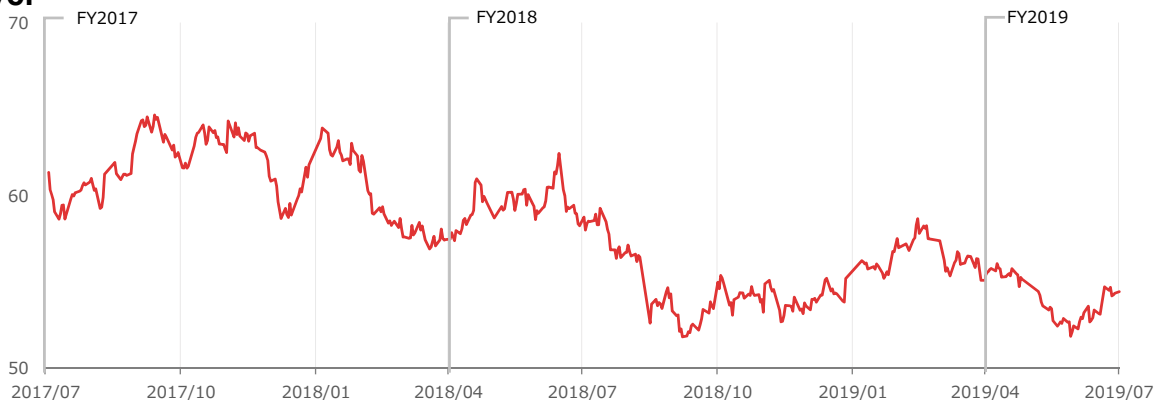
# AW Trend in Metal Prices (Au, Ag)

## Gold

(Unit: JPY per gram)



## Silver



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# AW Trend in Metal Prices (Pd, Pt)

## Palladium

(Unit: JPY per gram)



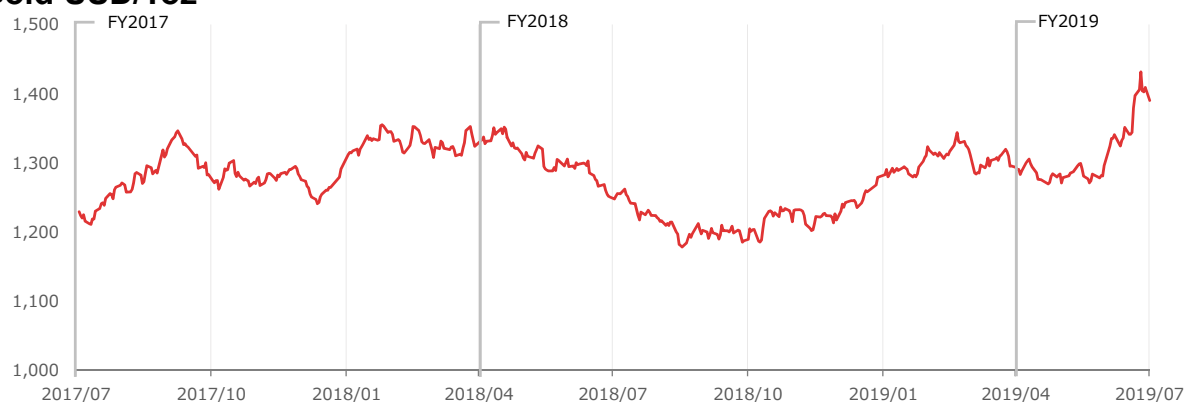
## Platinum



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

### Gold USD/Toz



### Exchange Rate USD/JPY



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## AW Dividend / ROE

- Dividend forecast for FY2019: **120 yen per share**
- Dividend policy: Approximately **50% or more** of the consolidated net income

( unit: JPY )

	FY2016	FY2017	FY2018	FY2019 forecast
Annual Dividend	60	63	120	120
Payout Ratio	—	23.3%	52.6%	50.2%
EPS	(37.24)	270.77	228.14	238.89
ROE	(2.6%)	※ 17.3%	13.6%	13.4%

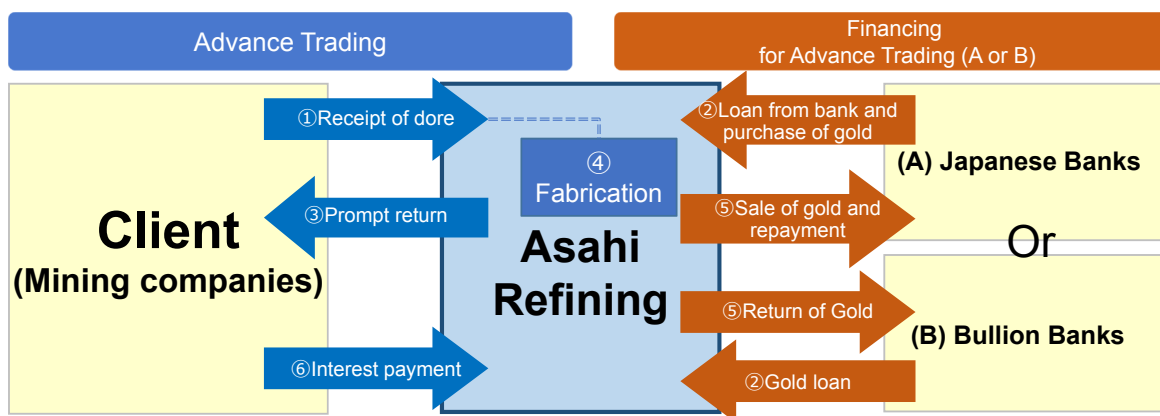
※ Including the impact of the issuing of new shares and disposition of treasury stock during period

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# <Ref.> Advance Trading in North America

Advance Trading : Some clients in North America desire prompt return of product, while it generally takes approx. one week from receipt of dore (raw material) to return the product. In order to meet such demands, we conduct the trade that the clients can promptly receive the product in exchange for interest payment in accordance with the term shortened (ref. ⑥ below). The risk of becoming bad debts is very limited as we basically return the product only after we receive dore.

Flow : ①→②(AorB)→③→④→⑤(AorB)→⑥



We have two options to take, either (A) Bank loan from Japanese banks and purchase of gold, or (B) Gold loan from bullion banks. Accounting treatment regarding bank interests differs as follows;

	Financing	Accounting treatment	Impact on Operating Income
(A)	Loan from Japanese banks and purchase of gold	Finance costs	No (Impact on Profit Before Tax)
(B)	Gold loan from bullion banks	Operating expenses	Yes

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