

**Financial Results**  
**for**  
**Q3 FY2021.3**  
(April 1, 2020 ~ December 31, 2020)

**Asahi Holdings, Inc.**

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

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# Business Performance



## Key Points of Q3 FY2021.3 Financial Results

### Business Performance

Q3 FY2021.3 Financial results	Operating profit: <b>¥17.2 billion (YoY increase of ¥5.0 billion)</b>
Revised Forecast for full-year FY2021.3	Operating profit: <b>¥24.0 billion (YoY increase of ¥6.0 billion)</b> * Upward revision: ¥3.0 billion increase from previous forecast of ¥21.0 billion * <b>Expected to be fourth straight year of record setting profit</b>

### Management Policies and Topics

Shareholder returns *Dividend payout ratio: 50% or more *Stable dividend payment	<b>¥10 increase of year-end dividend</b> (Annual dividend: ¥160→¥170) * Increase of ¥40 from previous fiscal year
Stock split	<b>Implementation of a stock split with a split ratio of two-for-one</b> Reference date: March 31 Effective date: April 1
Impact of COVID-19	The impact of COVID-19 remained slight in comparison with forecasts at the beginning of the financial year for both the Precious Metals and the Environmental Preservation businesses. *Refer to slide number 3 for impact by business
Share transfer of INTER CENTRAL	Transfer of all the shares of INTER CENTRAL, INC. to OTEC CORPORATION Expecting a synergy in improving the construction network and equipment sales Proceeding optimal allocation of management resources on a group wide level
Change in accounting policy *From FY2021.3 financial results	Change in the classification for recording interest on borrowing for metal procurement in North American business * Financial expenses→Cost of sales * The figures in FY2020.3 financial results are changed for comparison purpose
Upgrading the incinerator at Kitakyushu Office	Upgrading the incinerator at Kitakyushu Office and Hibiki Plant of Asahi Pretec Corp. * Contributing to the preservation of global environment and creation of recycling society through thermal recycling

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- Revenue and operating profit for Q3 FY2021.3 increased substantially compared with the same period of the previous year.
- As the operating performance is expected to remain strong in Q4 2021.3, revised upward the forecast for full-year FY2021.3.
- Will increase the year-end dividend by ¥10 to ¥90. As a result, annual dividend in FY2020 will be ¥170, an increase of ¥40 compared with FY2019.
- Will implement a stock split with a split ratio of two-for-one stock split to improve the liquidity of the Company's shares and expand the investor base.
- The impact of COVID-19 remained slight in comparison with forecasts at the beginning of the financial year for both the Precious Metals and the Environmental Preservation businesses. Please refer to slide number 3 for details.
- Resolved the transfer of all the shares of INTER CENTRAL, INC, consolidated subsidiary, to OTEC CORPORATION. Will expect to create a synergy in improving the existing construction network and equipment sales. Please refer to slide number 17 for details.
- Starting with the FY2021.3 financial results, the classification for recording interest on borrowing for metal procurement in North American business will be changed from financial expenses to cost of sales. The figures before the accounting policy change are shown here for reference to improve comparability with the FY2020.3 financial results.
- Updated the incinerator at Kitakyushu Office and Hibiki Plant of Asahi Pretec Corp. The photos of new facilities are shown in slide number 18-19.

# Impact of COVID-19

## Precious Metals Business

The precious metal recycling business in Japan and Asia was partially affected in dentistry and sector field, but the volume of collection from manufacturing-related sectors, including computers and games, remained high, and that from automotive sector recovered.

Business Field	Impact on our business
Dentistry	The volume of collection declined due to a drop in the number of patients as a result of restrictions of medical treatments
Jewelry	The volume of collection increased in line with the stagnation of other businesses in distribution and purchases as well as the slowdown of the reuse trade, despite a contraction in manufacturing and distribution.
Catalyst	The volume of collection in Japan increased thanks to the recovery of replacement of automobiles, and the volume of collection of automobile catalyst production in the Asian region remained solid.
Electronics	The volume of collection from vehicle-mounted devices recovered, and the volume of collection in manufacturing-related sectors including computers, game consoles and smartphones remained high.
North American Refining	The volume of product processing, marketing and financial transactions increased.

## Environmental Preservation Business

The volume of collection from education institutions automobiles has recovered, and that from the chemical and medical industry remained strong. However, due to the stagnation of the construction and foods industry, the total volume of collection decreased.

Industry	Impact on our business
Education/ Research institutions	The volume of collection was secured as the activities at universities and public institutions recovered.
Construction	The volume of collection of sludge, saw dust, etc. dropped as the stagnation of housing-related production and new construction demand continued.
Automobiles	The volume of liquid waste collected from semiconductor factories for vehicle-mounted devices was secured due to a recovery in new automobile sales.
Foods	The volume of residue and glass bottles collected from restaurants dropped due to stagnation of the food service industry, although the impact to food manufacturer was limited.
Medicals	The volume of collection and incineration from medical-related businesses remained high.
Chemicals	The volume of collection from disinfectant-related businesses remained high.

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- The impact of COVID-19 differed by each business field and industry.
- The volume of collection from the dental field decreased due to a drop in the number of patients as a result of restrictions of medical treatments caused by strengthening of nosocomial infection measures.
- The volume of collection from jewelry field increased in line with the stagnation of other businesses in distribution and purchases as well as the slowdown of the reuse trade, despite a contraction in manufacturing and distribution.
- The volume of collection from catalyst field in Japan increased thanks to the recovery of replacement of automobiles, and the volume of collection of automobile catalyst production in the Asian region remained solid.
- The volume of collection from vehicle-mounted devices recovered, and the volume of collection in manufacturing-related sectors including computers, game consoles and smartphones remained high as the production of electric devices was active backed by demand for stay-at-home goods
- In the North American refining business, product processing and marketing as well as trading and other financial transactions increased.
- In the Environmental Protection business, the volume of collection from education institutions automobiles has recovered, and that from the chemical and medical industry remained strong. However, due to the stagnation of the construction and foods industry, the total volume of collection decreased.

# Consolidated Results

<Results for Q3 FY2021.3>

Precious Metals Business is strong, driving results → Significant increase in revenue and profit

<Forecast for full-year FY2021.3>

Operating performance is expected to remain solid, centered on the Precious Metals Business

→ Upward revision: ¥3.0 billion increase of operating profit from previous forecast

→ Expected to be fourth straight year of record setting profit

→ Introduction of a consolidated taxation system and tax effects by organizational restructuring of the Group

(¥8.2 increase of profit attributable to owners of parent)

[Unit: ¥ billion]

	FY2020.3	FY2021.3		FY2021.3				
	Q3	Q3		Full-year (forecast)				
	Results *1	Results	Change	Forecast	Previous year	Change	Previous forecast	Change
Revenue	99.1	120.0	20.9	165.0	135.6	29.4	165.0	0
Operating profit	12.2	17.2	5.0	24.0	18.0	6.0	21.0	3.0
Operating profit ratio	12.4%	14.4%	2.0%	14.5%	13.3%	1.3%	12.7%	1.8%
Profit before tax	12.1	17.3	5.3	24.9	17.7	7.2	20.8	4.1
Profit *2	6.4	12.0	5.6	25.0	9.8	15.2	14.0	11.0
Capital investment	2.3	3.6	1.3					
Depreciation	2.2	1.9	(0.3)					

\*1 Starting with the FY2021.3 financial results, the classification for recording interest on borrowing for metal procurement in North American business is changed from financial expenses to cost of sales. The figures in FY2020.3 financial results are changed for comparison purpose.

\*2 Profit attributable to owners of parent.

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- In Q3 FY2021.3, the Precious Metals Business was strong and drove consolidated results, resulting in a significant increase in revenue and operating profit compared to the same period of the previous year.
- Operating profit increased ¥5.0 billion year on year to ¥17.2 billion.
- Raised the forecast of operating profit for the full year of FY2021.3 to ¥24.0 billion, ¥3.0 billion increase from the previous forecast, expecting the fourth straight year of record setting profit.
- Plan to record deferred tax assets of ¥8.2 billion in Q4 FY2021.3 following the introduction of a consolidated taxation system and organizational restructuring of the Group. As a result, profit attributable to owners of parent is expected to increase ¥15.2 billion from the previous year to ¥25.0 billion.



## Consolidated Results (by Business Segment)

<Results for Q3 FY2021.3>

**Precious Metals:** Significant increase in revenue and operating profit

**Environmental Preservation:** Revenue decreased from the same period in the previous year due to reduction in volume of industrial waste processing, while operating profit was at almost the same level compared with the same period in the previous year due to the increase of the price of processing, etc.

<Forecast for full-year FY2021.3>

**Precious Metals:** Operating performance remains solid and expecting increase in revenue and operating profit.

**Environmental Preservation:** Gradually recovering, but both revenue and operating profit is expected to decrease y/y.

[Unit: ¥ billion]

		FY2020.3	FY2021.3		FY2021.3				
		Q3	Q3	Q3	Full-year (forecast)				
		Results *	Results	Change	Forecast	Previous year	Change	Previous forecast	Change
Precious Metals	Revenue	82.8	105.6	22.8	145.0	113.8	31.2	143.3	1.7
	Operating profit	10.8	16.2	5.5	22.9	15.9	7.0	19.9	3.0
	Income ratio	13.0%	15.4%	2.4%	15.8%	14.0%	1.8%	13.9%	1.9%
Environmental Preservation	Revenue	15.3	14.5	(0.8)	20.0	20.7	(0.7)	21.7	(1.7)
	Operating profit	3.0	2.8	(0.2)	3.7	4.4	(0.7)	4.0	(0.3)
	Income ratio	19.8%	19.6%	(0.2%)	18.5%	21.0%	(2.5%)	18.4%	0.1%
Consolidated	Revenue	99.1	120.0	20.9	165.0	135.6	29.4	165.0	0
	Operating profit	12.2	17.2	5.0	24.0	18.0	6.0	21.0	3.0
	Income ratio	12.4%	14.4%	2.0%	14.5%	13.3%	1.3%	12.7%	1.8%

\* Starting with the FY2020 financial results, the classification for recording interest on borrowing for metal procurement in North American business is changed from financial expenses to cost of sales. The figures in FY2020.3 financial results are changed for comparison purpose. <sup>5</sup>

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<Results for 1H FY2021.3>

- Looking at the performance by business segment, revenue and operating profit increased significantly in the Precious Metals Business, while revenue decreased and operating profit was at almost the same level in the Environmental Preservation Business.
- In Precious Metals Business, both precious metal recycling business in Japan and Asia and the refining business in North America performed well, resulting in a significant increase in revenue and operating profit.
- In Environmental Preservation Business, revenue decreased from the same period in the previous year as the total disposal volume of industrial waste decreased although there were signs of improvement for some industrial and production activities. Operating profit was at almost the same level compared with the same period in the previous year due to maintaining the utilization rate at the Company's facilities, increasing the price of processing and other factors.

<Forecast for full-year FY2021.3>

- In Precious Metals Business, operating performance is expected to remain solid in Q4 2021.3. The full-year earnings forecast are for higher revenue and operating profit compared to the previous year.
- In Environmental Preservation Business, although the disposal volume of industrial waste is expected to gradually increase because of the restart of industrial production, revenue and operating profit are expected to decline year on year.

## Precious Metals Business

### Precious Metals Recycling Business (Japan and Asia):

<Results for Q3 FY2021.3>

- Revenue and operating profit increased thanks to the rise in precious metal prices and the stable achievement of precious metal collection in volume.

<Forecast for full-year FY2021.3>

- Operating performance is expected to remain solid.

### Refining Business in North America:

<Results for Q3 FY2021.3>

- Revenue and operating profit increased thanks to the increase of product processing/sales and financial transactions.

<Forecast for full-year FY2021.3>

- Operating performance is expected to remain solid.

[Unit: ¥ billion]

Precious Metals	FY2020.3 Q3	FY2021.3 Q3		FY2021.3 Full year (forecast)				
	Results	Results	Change	Forecast	Previous year	Change	Previous forecast	Change
Revenue	82.8	105.6	22.8	145.0	113.8	31.2	143.3	1.7
Operating profit	10.8	16.2	5.5	22.9	15.9	7.0	19.9	3.0
Operating profit ratio	13.0%	15.4%	2.4%	15.8%	14.0%	1.8%	13.9%	1.9%

\* Starting with the FY2021.3 financial results, the classification for recording interest on borrowing for metal procurement in North American business is changed from financial expenses to cost of sales. The figures in FY2020.3 financial results are changed for comparison purpose.

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### <Precious Metals Recycling Business (Japan and Asia)>

- Revenue and operating profit in precious metal recycling business in Japan and other countries increased from the same period in the previous year thanks to the rise in precious metal prices and the stable achievement of precious metal collection in volume. As a result, revenue and operating profit in Q3 FY2021.3 increased from the same period in the previous year.
- As for Q4 2021.3, the operating performance is expected to remain strong.

### <Refining Business in North America>

- In reference to incoming raw materials, gold stayed almost flat while silver decreased from the same period of the previous year. On the other hand, product processing/sales of coins and small bars, and financial transactions such as advance trading increased. As a result, revenue and operating profit in Q3 FY2021.3 increased significantly compared to the same period of the previous year.
- As for Q4 2021.3, the operating performance is expected to remain strong.



## Reference: Changes in the Volume of Precious Metals Collected and Precious Metal Prices

### [Amount Collected for Precious Metal Recycling] [Unit: kg]

	FY2020.3		FY2021.3	
	Q3 Results		Q3 Results	Change
Gold	12,709		13,714	1,005
Palladium	5,262		5,015	(247)
Silver	53,333		52,438	(895)
Platinum	3,021		3,364	343

### [Precious Metal Prices (per gram) ] [Unit: Yen]

	FY2020.3		FY2021.3	
	Q3 Mid-term average price		Q3 Mid-term average price	Change
Gold	4,989		6,274	1,285
Palladium	5,548		7,426	1,878
Silver	58.7		75.3	16.6
Platinum	3,154		3,073	(81)

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- The table shows changes in the price of precious metals and amount of precious metals collected by precious metals recycling business.
- The amount collected in Q3 FY2021.3 increased for gold and platinum, while the amount of silver and palladium collected reduced.
- Prices of gold, palladium and silver rose significantly in Q3 FY2021.3, while price of platinum dropped slightly.



## Environmental Preservation Business

<Results for Q3 FY2021.3>

- Revenue decreased from the same period in the previous year as the total disposal volume of industrial waste decreased although there were signs of improvement for some industrial and production activities. Operating profit was at almost the same level compared with the same period in the previous year due to maintaining the utilization rate at the Company's facilities, increasing the price of processing and other factors.

<Forecast for full-year FY2021.3>

- Although the disposal volume of industrial waste is expected to gradually increase because of the restart of industrial production, revenue and operating profit are expected to decline year on year.

[Unit: ¥ billion]

Environmental Preservation	FY2020.3 Q3	FY2021.3 Q3		FY2021.3 Full year (forecast)				
	Results	Results	Change	Forecast	Previous year	Change	Previous forecast	Change
Revenue	15.3	14.5	(0.8)	20.0	20.7	(0.7)	21.7	(1.7)
Operating profit	3.0	2.8	(0.2)	3.7	4.4	(0.7)	4.0	(0.3)
Operating profit ratio	19.8%	19.6%	(0.2%)	18.5%	21.0%	2.5%	18.4%	0.1%

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- In reference to Q3 FY2021.3 performance of Environmental Preservation Business, although there were signs of improvement for some industrial and production activities, the total disposal volume of industrial waste decreased. Given these market conditions, revenue decreased from the same period in the previous year, but operating profit was at almost the same level compared with the same period in the previous year due to maintaining the utilization rate at the Company's facilities, increasing the price of processing and other factors.
- Regarding Q4 FY2021.3, although the disposal volume of industrial waste is expected to gradually increase because of the restart of industrial production, revenue and operating profit are expected to decline year on year.

# AW Financial Position

[Unit: ¥ billion]

	March 31, 2020	December 31, 2020	Change	Remarks
<b>Current assets</b>	187.6	221.5	33.9	
Trade receivables	119.8	144.1	24.4	Approx. 90% of balance and increase of trade receivables are receivables that constitute borrowings to match metal procurement in North American business. For details, see the remarks column in "Bonds and loans".
Inventories	37.7	55.2	17.4	Most of the inventories are collected raw materials that contain precious materials, works-in-progress and finished products in the precious metal recycling business. Risks associated with price fluctuations and quality degradation remain minimal because the precious metal content is analyzed before making a purchase and the precious metal prices are hedged on the futures market at the time of purchase.
Others	30.1	22.3	(7.8)	
<b>Non-current assets</b>	42.4	44.9	2.6	
<b>Total assets</b>	<b>230.0</b>	<b>266.5</b>	<b>36.5</b>	
<b>Liabilities</b>	160.8	188.7	27.9	
Bonds and loans	126.8	152.1	25.3	Approx. 80% of balance and most increase of bonds and loans are loans for metal procurement in North American business. Risks associated with price fluctuations and bad debts remain minimal because, in principle, loans are taken out within the scope of the precious metal content analysis conducted on incoming raw materials and precious metal prices are hedged on the futures market at the time of loan.
Others	34.0	36.6	2.6	
<b>Capital</b>	69.2	77.8	8.6	
<b>Total equity and liabilities</b>	<b>230.0</b>	<b>266.5</b>	<b>36.5</b>	

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- Total assets as of December 31, 2020 increased ¥36.5 billion from the end of the previous fiscal year to ¥266.5 billion. Among assets, trade receivables and inventories increased, and among liabilities, loans increased.
- Approx. 80% of the balance of bonds and loans is attributed to loans for metal procurement in North American refining business. Approx. 90% of the balance of trade receivables stems from a matching increase in loans.
- Aggressive efforts are being made to promote financial transactions, which constitute one of the pillars of earnings for North American business. A typical example of financial transactions is the "Advance Trading," shown in slide number 16 of the reference material. While it generally takes about a week for raw materials for refining received from mining customers are finished in the product form, some clients prefer to have the products returned in the product form before they are finished. In such cases, precious metal is purchased with loans from a bank and the advance return is made in exchange for interest payment based on the term of advance delivery shortened.
- The precious metal content of raw materials received is analyzed before making an advance delivery so that deliveries would not exceed the content. This means that the transactions are substantially free from bad-debt risks. They also avoid risks associated with price fluctuations because precious metal prices are hedged on the futures market at the time of the borrowing.
- Most of the Group's inventory is raw materials, works-in-progress, and products in the precious metal recycling business. The precious metal content of these items are analyzed at the time of collection. Regarding fluctuations in precious metal prices, hedging in the futures market is employed to eliminate risks. In addition, since the inventory assets are precious metals or materials that contain precious metal, they are free from the risk of quality degradation, and they can be cashed in the market once they are converted into products.
- The increase in borrowings, matching claims and inventories has inflated the balance sheet but that has not necessarily compromised the integrity of finance.

## AH Cash Flow

[Unit: ¥ billion]

	Q3 FY2021.3	Remarks
Operating CF	(10.8)	
Change in inventories	(17.4)	Of the changes, (17.3) billion yen are attributable to changes in the collected raw materials that contain precious materials, works-in-progress and finished products in precious metal recycling business. Risks associated with price fluctuations and quality degradation remain minimal because the precious metal content is analyzed before making a purchase and the precious metal prices are hedged on the futures market at the time of purchase.
Change in trade receivables, etc.	(18.5)	Of the changes, (22.7) billion yen are matching claims for loans for metal procurement in North American business. Regarding loans, risks associated with price fluctuations and bad debts remain minimal because, in principle, loans are taken out within the scope of the analysis of precious metal content conducted on incoming raw materials and precious metal prices are hedged on the futures market at the time of loan.
Others	25.1	
Investment CF	(4.5)	
Financing CF	0.5	
Changes in short-term loans	6.7	
Dividends	(5.9)	
Others	(0.3)	
Changes in cash deposits	(15.2)	

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- The operating cash flow ended in the deficit of ¥10.8 billion. This is primarily attributed to an increase in inventories and trade receivables.
- Most of the inventories are collected raw materials that contain precious materials, works-in-progress and finished products from precious metal recycling business and are free from risks associated with quality degradation and price fluctuations are avoided by hedging. Raw materials and works-in-progress can be cashed in the market once they are finished. In this sense, these items are something akin to cash.
- Trade receivables are mainly composed of claims that match the borrowing for metal procurement in North American business and are extremely low-risk assets free from the risks associated with bad-debts or price fluctuations.
- The operating cash flow excluding the increase in those safe assets is in the positive of over ¥29.0 billion.

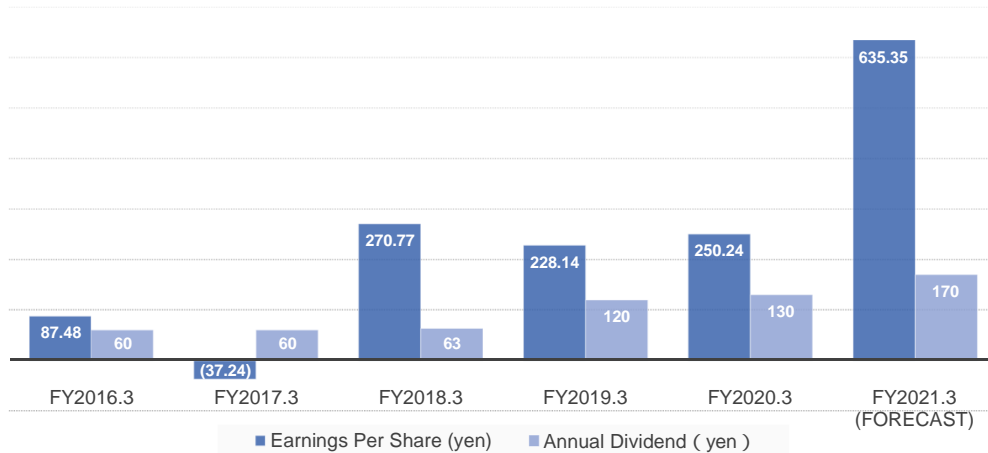
## Dividend

**Basic policy: Approximately 50% or more of the consolidated net income**

**FY2021.3: ¥10 increase of year-end dividend (Annual dividend: ¥160 → ¥170)**

\* Increase of ¥40 from the previous year's results of ¥130

	FY2016.3	FY2017.3	FY2018.3	FY2019.3	FY2020.3	FY2021.3 (Forecast)
Earnings Per Share (yen)	87.48	(37.24)	270.77	228.14	250.24	635.35
Annual Dividend (yen)	60	60	63	120	130	170
Dividend Payout Ratio (%)	68.6	-	23.3	52.6	52.0	26.8



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- The annual dividend for FY2021.3 will be ¥170 per year, increased by ¥10 from the previous forecast of ¥160.
- The company seeks to continuously realize a stable dividend payment.

# Stock Split

## Implementation of a stock split with a split ratio of two-for-one

<b>Purpose</b>	<b>Improving the liquidity of stocks and expanding the investor base</b> by reducing the amount of an investment unit.
<b>Procedure for the stock split</b>	With the reference date set on Wednesday, March 31, 2021, each common share held by shareholders registered or recorded in the final list of shareholders of the day will be divided with a split ratio of <b>two-for-one</b> .

### Schedule for the stock split

<b>Date of notice of stock split</b>	March 16, 2021
<b>Reference date</b>	March 31, 2021
<b>Effective date</b>	April 1, 2021

\* This stock split will not change the amount of stated capital.

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- Implement a stock split with a split ratio of two-for-one to create an environment where investors can more easily invest by reducing the amount of an investment unit, boosting our shares' liquidity, and expanding the investor base.
- The reference date will be on March 31, 2021, and the effective date on April 1, 2021.

# Reference Materials



## Changes in Accounting Policy (From FY2021.3 Financial Statements)

- Starting with the financial statements for FY2021.3, interest on borrowing for metal procurement in North American business is recorded as “cost of sales”, which was recorded as “financial expenses” until FY2020.3. (The figures in FY2020.3 financial results are also changed for comparison purpose.)
- As a result of this change, expenses for income from financial services in North America is appropriately processed and operating profit is more reflective of the actual conditions.

[Unit: ¥ billion]

	Q3 2020.3			Q3 2021.3		
	Before change	Change in accounting policy	After change	Before change	Change in accounting policy	After change
Revenue	99.1		99.1	120.0		120.0
<b>Cost of sales</b>	(79.3)	(1.6)	(80.9)	(96.8)	(0.7)	(97.5)
Gross profit	19.9		18.2	23.2		22.6
Selling, general and administrative expenses	(6.0)		(6.0)	(5.3)		(5.3)
Operating profit	13.9		12.2	17.9		17.2
Financial income	0		0	0.2		0.2
<b>Financial expenses</b>	(1.8)	+1.6	(0.1)	(0.7)	+0.7	(0.1)
Profit before tax	12.1		12.1	17.3		17.3
Corporate income tax	(4.5)		(4.5)	(5.4)		(5.4)
Profit attributable to owners of parent	6.4		6.4	12.0		12.0

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## Main Revenue Elements of Precious Metals Business

### Precious Metals Recycling Business:

- Income from yield differential is added to refining fees, which is a stable source of fixed income.

### Refining Business in North America:

- Refining fees are a stable source of income. In financial revenue, earning opportunities increase in line with the growth in incoming raw materials.

Business Segment	Category	Impact on Revenue
Precious Metals Recycling	Refining fees	<ul style="list-style-type: none"> <li>Refining fees increase in line with the expansion of the amount collected.</li> <li>The unit price for refining fees is higher for those that require difficult pre-processing, which means the average unit price rises when the proportion of items that require difficult processing is higher.</li> </ul>
	Yield differential (differential between actual yield and contracted yield = free metal)	<ul style="list-style-type: none"> <li>The volume of free metal expands when the actual yield climbs on account of improvements in technical capabilities and processes.</li> <li>Income from free metal increases in line with a hike in prices.</li> </ul>
Refining in North America	Refining fees	<ul style="list-style-type: none"> <li>The amount of fees expands when the volume of incoming raw materials (dore) increases.</li> <li>The unit fee cost does not change over short term because contracts are long-term.</li> </ul>
	Yield differential (differential between actual yield and contracted yield = free metal)	<ul style="list-style-type: none"> <li>The volume of free metal expands when the actual yield climbs on account of improvements in technical capabilities and processes.</li> <li>Income from free metal increases in line with a hike in prices.</li> </ul>
	Financial revenue	<ul style="list-style-type: none"> <li>Income opportunities for financial transactions increase when a larger amount of raw materials is received.</li> <li>Income increases when the interest rate for advanced delivery is improved in contracts with mines.</li> <li>Income increases when the period of advanced delivery is extended.</li> <li>Financial revenue increases when metal procurement costs fall, and the interest rate spread expands.</li> </ul>

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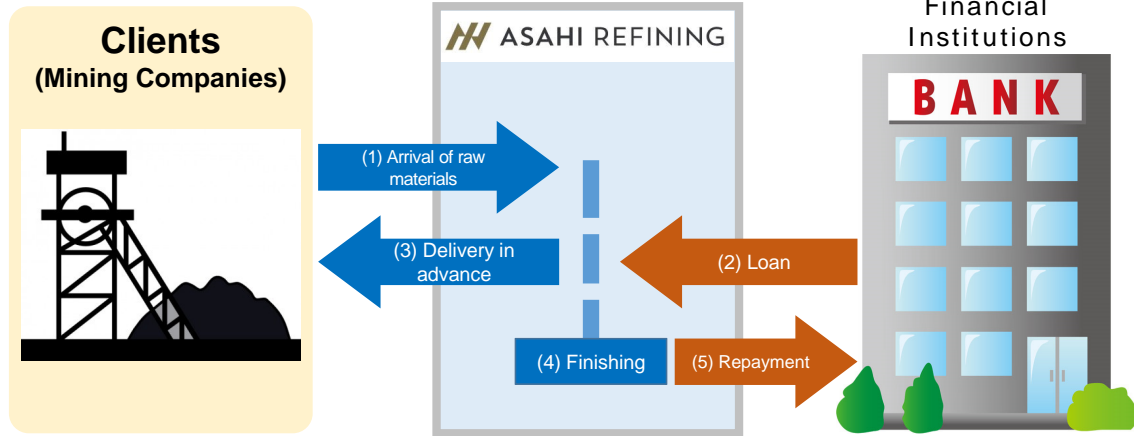
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## “Advance Trading” in North American Business

- We provide “Advance Trading” service in North American business that we return the gold promptly after arrival of raw materials by shortening the delivery time.
- By providing this service, we receive "interest for the number of days delivered in advance" from the client, while the risk is contained since “Advance Trading” is performed after receiving raw materials from the client.



The financial service in North American business is a safe model to realize profits founded on the refining business

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## Share Transfer of INTER CENTRAL

- Resolved the transfer of all the shares of INTER CENTRAL, INC, consolidated subsidiary, to OTEC CORPORATION.
- Expecting to create a synergy in improving the existing construction network and equipment sales by addition of INTER CENTRAL to the OTEC Group.
- Proceeding optimal allocation of management resources on a group wide level.

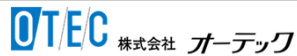
### Schedule

January 29, 2021: Conclusion of a basic agreement

March 31, 2021: Share transfer (scheduled)

INTER CENTRAL is expected to be excluded from the list of consolidated subsidiaries.

### OTEC CORPORATION



- Contributing to society through 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.
- Listed on the JASDAQ market in 2000, continues to grow by seeking the convenience of building, environmental improvement and enhancement of energy efficiency.

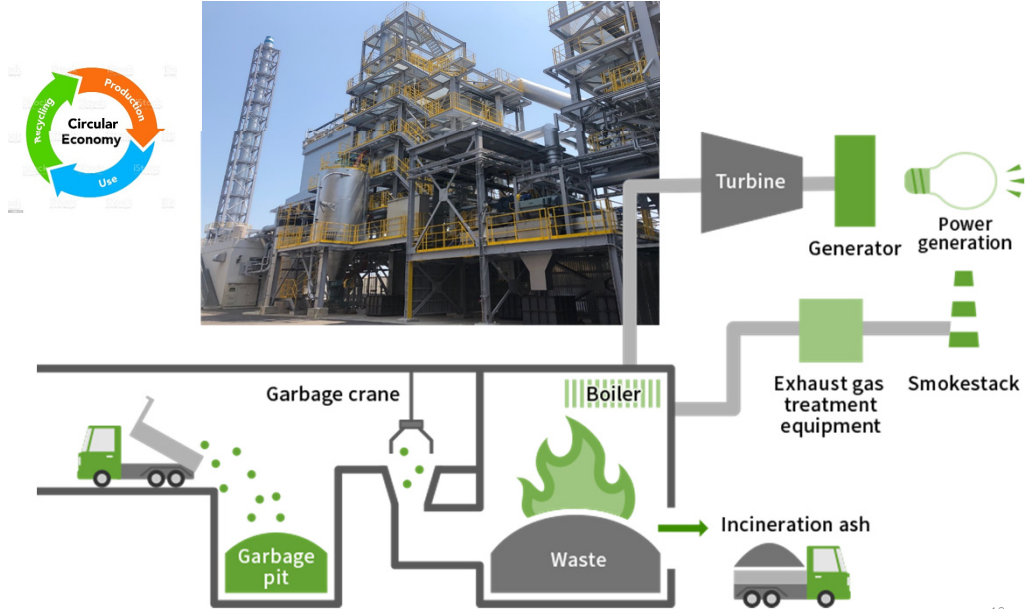
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## Upgrading the Incinerator / Constructing a New Power Generation Facility

- Asahi Pretec Corp. upgraded incinerator at Kitakyushu Office  
(processing capacity: 90 ton/day)
- By installing power generation facility which utilizes waste heat generated through industrial waste incineration, we contribute to the preservation of global environment and creation of recycling society through thermal recycling.



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## Incinerator Renewal

- ASahi PRETEC renewed an incinerator (with a processing capacity of 45 tons/day) at its Hibiki Plant (Wakamatsu-ku, Kitakyushu-shi)
- Waste incineration efficiency (the fuel consumption required for waste incineration) improved compared with conventional waste incinerators



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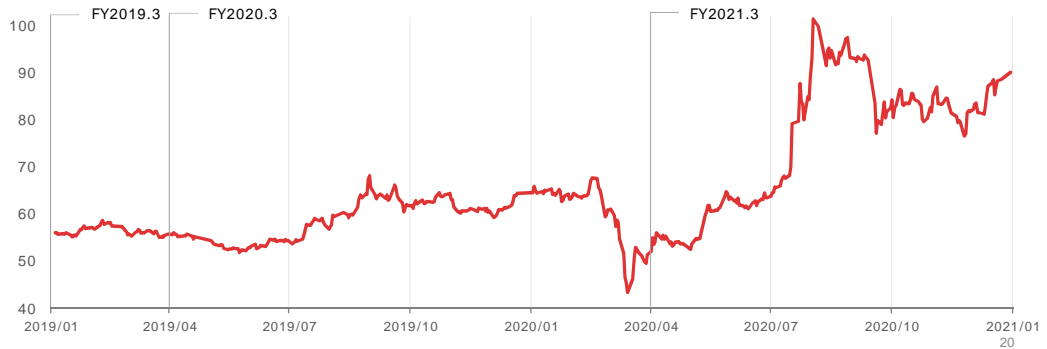
# Trend in Metal Prices (Au, Ag)

(Unit: JPY per gram)

## Gold



## Silver



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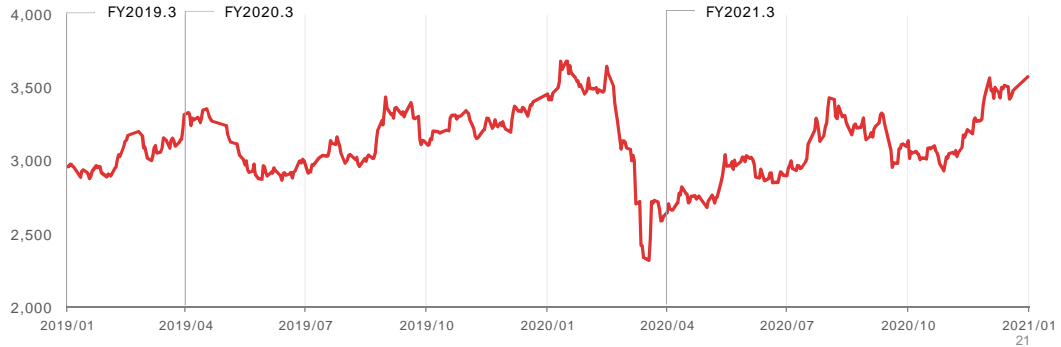
# AW Trend in Metal Prices (Pd, Pt)

(Unit: JPY per gram)

## Palladium



## Platinum

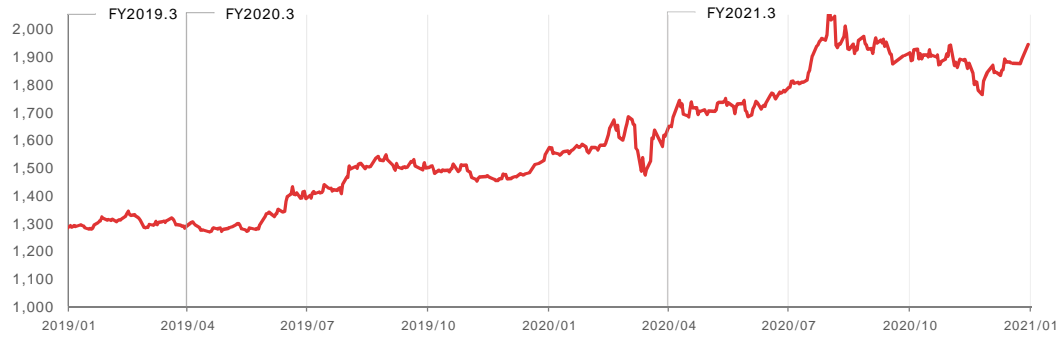


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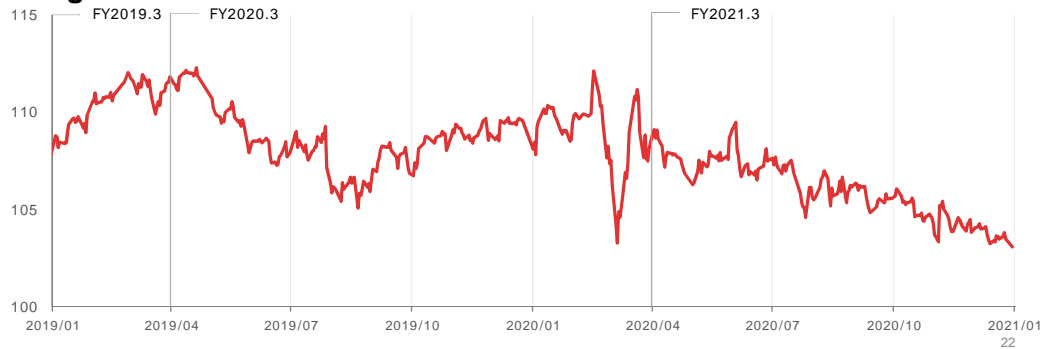


## Trend in Prices (Gold <USD/Toz>, EXC <USD/JPY>)

### Gold USD/Toz



### Exchange Rate USD/JPY



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