

To our shareholders

Interim Business Report for FY2016

April 1, 2016 ▶ September 30, 2016

Figures stated in these financial results are presented on the basis of IFRS. Figures for the six months ended September 30, 2015 and the full-year figures for the previous fiscal year have been presented on the basis of IFRS through the reclassification of JGAAP-based figures disclosed in the previous fiscal year.

Asahi Holdings, Inc.

Stock Code : 5857

Tokyo Stock Exchange (First Section)

To Our Shareholders

I would like to express our cordial appreciation for your continuous support and loyal patronage.

In the Japanese economy during the first half (April 1, 2016 through September 30, 2016), improvements in corporate earnings paused while personal consumption continued to lack vigor. The future remains opaque due to the impact of the Brexit issue on the global economic environment, slowdown of the Chinese economy, and deceleration of emerging economies, among other factors.

Under these economic conditions, the group's results in each business segment were as follows.

Precious metal business

Volume of collection in the precious metals recycling business was as follows. In the electronics sector, market share expansion in the E-scrap business led to an increase in the volume of collection of gold from that of the same period a year earlier despite the continued contraction of the domestic market. In the dental sector, amidst the amount of precious metals used for dental materials declining, the volume of collection of gold and palladium remained at the same level as in the same period last year by taking various measures. In the jewelry sector, the impact of continued drop in the volume of distribution in the purchasing market resulted in lower year-on-year volume of collection of gold and platinum. In the automotive catalyst sector, the volume of collection of platinum increased from the same period a year earlier despite the continued decline in the number of domestic scrapped vehicles.

As for gold and silver refining business in North America, though both processing volume and unit price for commissioned refining business remained at a low level, technological improvements aimed at raising production efficiency gradually materialized into tangible results.

Environmental preservation business

Although the volume of industrial waste discharged in Japan declined, business performance of the entire segment remained solid, exceeding the level during the same period last year, as group companies focused on developing new customers and obtaining contracts by capitalizing on their characteristics and group networks.

Life & health business

In the health care equipment sectors, due to slowdown in the sale of major massage chairs, sales declined from the same period a year earlier despite of efforts to expand overseas sales and the sales of small-sized massage chairs, hearing aids, and electrolytic hydrogen water ionizers, among others. As for fire-fighting equipment, business remained strong thanks to orders received for large-scale contracts.

As a result of the above, revenue during the first half of the current fiscal year was 51,691 million yen, a year-on-year decrease of 11,098 million yen (-17.7 percent). Operating income was 5,696 million yen, an increase of 6 million yen (+0.1 percent) year-on-year. Profit attributable to owners of parent for the period was therefore 3,981 million yen, an increase of 261 million yen (+7.0 percent) year-on-year.

The company maintained an interim dividend of 30 yen per share.

We would like to ask all our shareholders for their continuous understanding and support of the activities of the Asahi Holdings Group.



President & CEO

Mr. Terayama

Topics

Renewal of the business office –Asahi Pretec Fukuoka office –

Asahi Pretec, one of our group companies had renewal of Fukuoka office as the key center of precious metals recycling and environmental preservation business in Kyusyu area.

Internal layout was designed to realize safety and work efficiency, also free address system has been newly implemented in the office area.



Full view of Fukuoka office

New contents released to Asahi Holdings website

We have newly added special contents:

“Innovation & Challenge”

“Where you can meet Asahi” to our website.

Our business is introduced with illustrations and movies in the contents.

*URL

Innovation & Challenge :

<http://www.asahiholdings.com/english/special/>

Where you can meet Asahi :

<http://www.asahiholdings.com/english/scene/>



Consolidated Financial Highlights (1/2)

(Millions of yen)

Condensed Consolidated Statements of Financial Position

	As of March 31,2016	As of September 30,2016
ASSETS		
Current assets	49,737	44,227
Noncurrent assets	51,861	49,573
Property, plant and equipment	31,788	31,611
Intangible assets	17,892	16,189
Other assets	2,180	1,772
Total assets	101,599	93,801
LIABILITIES		
Current liabilities	28,917	20,931
Noncurrent liabilities	23,693	23,443
Total liabilities	52,610	44,374
EQUITY		
Capital stock	4,480	4,480
Capital surplus	6,112	6,119
Treasury stock	(5,371)	(5,371)
Retained earnings	45,845	48,813
Other components of equity	(2,476)	(5,062)
Total equity attributable to owners of Parent	48,591	48,980
Non-controlling interests	396	445
Total equity	48,988	49,426
Total liabilities and equity	101,599	93,801

Notes: Amounts above are rounded down to unit of display

(Millions of yen)

Condensed Consolidated Statements of Income

	The six month ended September 30, 2015	The six month ended September 30, 2016
Revenue	62,790	51,691
Cost of sales	49,121	39,105
Gross profit	13,669	12,586
Selling, general and administrative expenses	7,739	7,483
Other operating income	33	629
Other operating expenses	273	35
Operating income	5,690	5,696
Finance income	18	8
Finance cost	103	206
Profit before tax	5,605	5,499
Income tax expenses	1,817	1,464
Profit	3,787	4,034
Profit attributable to owners of parent	3,720	3,981
Profit attributable to non-controlling interests	67	52
Profit	3,787	4,034

Notes: Amounts above are rounded down to unit of display

Consolidated Financial Highlights (2/2)

(Millions of yen)

Condensed Consolidated Statements of Comprehensive Income

	The six month ended September 30, 2015	The six month ended September 30, 2016
Profit	3,787	4,034
Other comprehensive income, net of tax	(403)	(2,617)
Comprehensive income	3,384	1,416

Notes: Amounts above are rounded down to unit of display

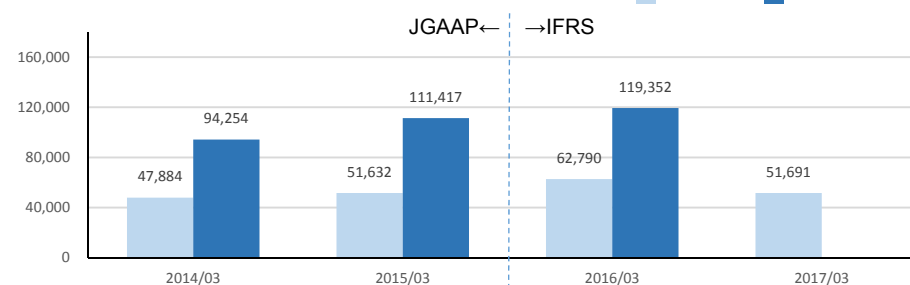
(Millions of yen)

Condensed Consolidated Statements of Cash Flows

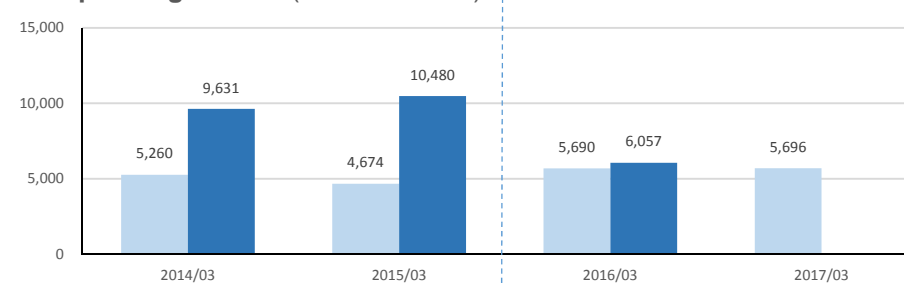
	The six month ended September 30, 2015	The six month ended September 30, 2016
Net cash provided by (used in) operating activities	4,334	741
Net cash provided by (used in) investing activities	(744)	(1,803)
Net cash provided by (used in) financing activities	(871)	(5,264)
Effect of exchange rate change on cash and cash equivalents	301	(296)
Net increase (decrease) in cash and cash equivalents	3,020	(6,622)
Cash and cash equivalents at beginning of period	10,841	16,564
Cash and cash equivalents at the end of period	13,861	9,942

Notes: Amounts above are rounded down to unit of display

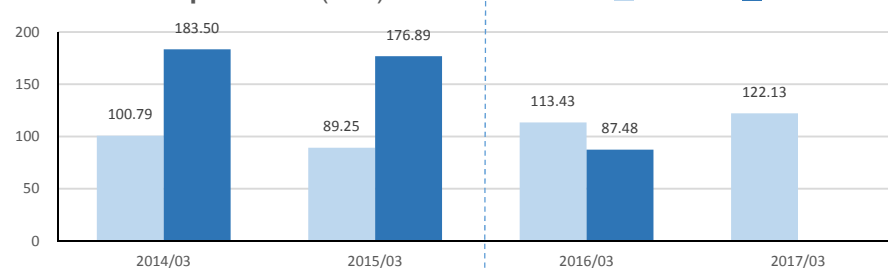
Net Sales (Millions of Yen)



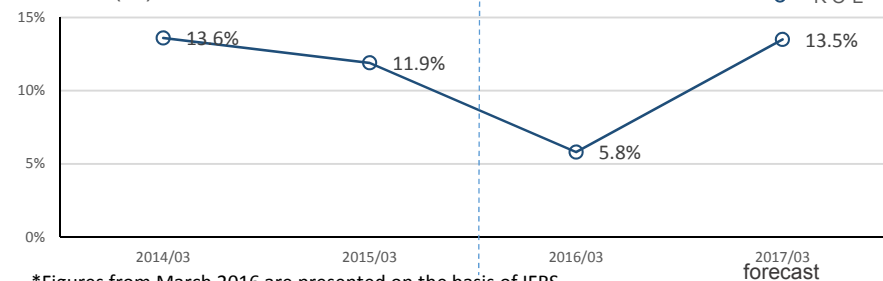
Operating Income (Millions of Yen)



Net Income per Share (Yen)



ROE (%)



*Figures from March 2016 are presented on the basis of IFRS.

Stock Information / Corporate Profile

■ Stock Information

(As of September 30, 2016)

Total number of authorized shares	129,000,000 Shares
Total number of shares outstanding	36,254,344 Shares
Number of shares per trading unit	100 Shares
Number of shareholders	10,229 Person

■ Principal shareholders

Name of Shareholders	Number of Shares-Held (Thousand Shares)	Ratio of Share-Holding (%)
Japan Trustee Services Bank, Ltd. (Trust account)	1,930	5.32
TERA ENTERPRISES Co., Ltd.	1,350	3.72
Mitsuharu Terayama	882	2.43
The Master Trust Bank of Japan, Ltd. (Trust account)	861	2.38
Masamichi Terayama	802	2.21
Asahi Employee Stock Ownership Plan	717	1.98
K&M Co., Ltd.	700	1.93
CBNY-GOVERNMENT OF NORWAY	684	1.89
Japan Trustee Services Bank, Ltd. (Trust account 9)	538	1.49
STATE STREET BANK AND TRUST COMPANY 505025	519	1.43

※Total Number of Treasury Shares (3,432,787 shares) are excluding from the above.

■ Corporate Profile

(As of September 30, 2016)

Corporate name	Asahi Holdings, Inc.
Establishment	April 2009
Foundation	July 1952
Capital	¥4,480 million
Number of employees	1,972(Consolidated)
Business lines	Recycling, refining and sales of precious metals Environmental preservation (Industrial waste treatment and other environmental preservation business) Manufacturing and sales, construction of life and healthcare related equipment

■ Subsidiaries

Asahi Pretec Corp.	JW Glass Recycling Co., Ltd.
Japan Waste Corporation	Taiyo Chemical Co., Ltd.
Asahi Americas Holdings, Inc	Kyodo Chemical Co., Ltd.
JW Logistics Co., Ltd.	Iyotec Co., Ltd.
Nihon Chemitec Co., Ltd.	FUJI MEDICAL INSTRUMENTS MFG. Co., Ltd.
Fuji Rozai Co., Ltd.	INTER CENTRAL, INC.
Ecomax Incorporated	KOEIKOGYO CO., LTD.

■ Overseas subsidiaries

Asahi G&S SDN. BHD. (Malaysia)
Shanghai Asahi Pretec Co., Ltd. (China)
Asahi Pretec Korea Co., Ltd. (Korea)
Asahi Pretec Taiwan Co., Ltd. (Taiwan)
Asahi Shih Her Technologies Co., Ltd.(Taiwan)
Asahi Refining USA Inc. (USA)
Asahi Refining Canada Ltd. (Canada)

■ Board of Directors

President & CEO:	Mitsuharu Terayama	Directors:	Shoji Morii *1 *2
Directors:	Yoshikatsu Takeuchi		Yukio Tanabe *1
	Tomoya Higashiura		Kazuhiko Tokumine *1 *2
	Keitaro Shigemasa		Hiroharu Okubo *1 *2
	Kazuo Kawabata		

*1 Audit and Supervisory Committee member

*2 Outside officers pursuant to Article 2, paragraph (3) item (v) of Ordinance for Enforcement of the Companies Act.

Head Offices

Asahi Holdings Group operates the business in three segments: the precious metal business, the environmental preservation business, and the life & health business under Asahi Holdings, Inc. which is the pure holding company.

■ Head Offices

KOBE

Nissei Sannomiya Bldg., 4-4-17 Kano-cho, Chuo-ku, Kobe, 650-0001, Japan
Tel. +81-78-333-5633 (Pilot number) Facsimile +81-78-333-5681

TOKYO

Sapia Tower, 1-7-12 Marunouchi, Chiyoda-ku, Tokyo, 100-0005, Japan
Tel. +81-3-6270-1833 (Pilot number) Facsimile +81-3-6270-1859

General Information

- Business Term April 1 - March 31
- Record Date March 31
- Fixed Date of Dividend Paid March 31
- Fixed date of Interim Dividend Paid September 30
- Shareholder Registry Administrator Mitsubishi UFJ Trust and Banking Corporation
- Transfer Agent Mitsubishi UFJ Trust and Banking Corporation
- Contact of the Agent 3-6-3 Fushimi-cho, Chuo-ku, Osaka City, Osaka 541-8502 JAPAN
Mitsubishi UFJ Trust and Banking Corporation Osaka Stock Transfer Agent Dept.
- Public Notice Electronic public notice <http://www.asahiholdings.com/>