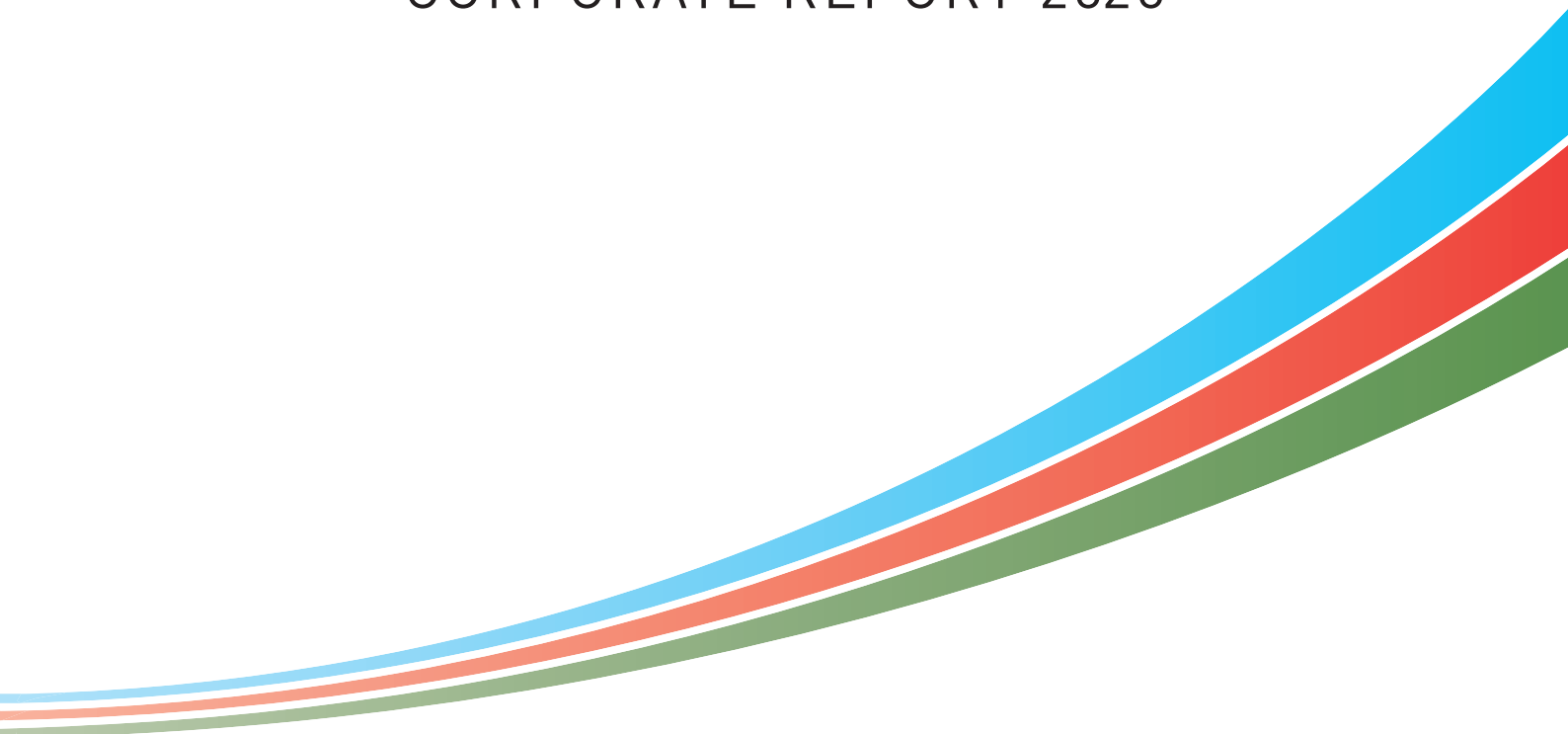


CORPORATE REPORT 2020



Totally Committed to Protecting the Natural Environment and Preserving Resources

This slogan was coined in 1978 based on an employee suggestion. Four decades later, it still remains a valued expression of our mission.

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About the Group's Logo

The Group's logo uses a spiral shape as a motif to signify the corporate stance in seeking "environmental preservation through recycling," a main feature of its business; the logo also indicates continuity and growth. The arrows pointing upward and downward symbolize Asahi Holdings as an advanced, cutting-edge company. The three colors of blue, red and green each respectively signify "clean water and sky," "the energy of people carrying out activities" and "beautiful nature and forests."



Editorial Policy

This report provides an overview of the activities and operations of Asahi Holdings, Inc., with a focus on the company's measures to address social issues through its business activities. It has been prepared as a way for the Asahi Holdings Group to communicate with a broad range of stakeholders and explain the kind of value it is working to create. By presenting specific group activities and initiatives, the report also serves as a company profile.

Report Period

April 1, 2019 to March 31, 2020

Scope

In principle, this report covers the entire Asahi Holdings Group, including Asahi Holdings, Inc. and its consolidated subsidiaries.

Numbers and Graphs

The figures shown here are rounded to the nearest hundred million yen. Due to this rounding, totals may not agree with the constituent figures shown. The Group adopted the International Financial Reporting Standards (IFRS) in fiscal 2016, and each reporting item name basically follows the IFRS guidelines. The financial figures for fiscal 2015 are also shown based on IFRS.

Note on Future Prospects

In addition to past and current facts about the Group, this report includes forecasts based on strategies, outlooks, and business plans. These forecasts were created based on information available at the time of writing. Therefore, it is important to note that actual performance and results may differ greatly from any forecasts presented here, and depend to a large extent on future changes in the business environment.

Asahi Holdings, Inc.

Established: July 1952
 Incorporated: April 2009
 Capital: 7,790 million yen
 Representative Director: Tomoya Higashiura
 Head Office: Nissay Sannomiya Building 16F 4-4-17 Kano-cho, Chuo-ku, Kobe, Hyogo 650-0001 Japan
 TEL: +81-78-333-5633 FAX: +81-78-333-5681
 Sapia Tower 11F 1-7-12 Marunouchi, Chiyoda-ku, Tokyo 100-0005 Japan
 TEL: +81-3-6270-1833 FAX: +81-3-6270-1859

Number of employees (consolidated): 1,574 (As of March 31, 2020)
 URL: <https://www.asahiholdings.com/english/>

Asahi Pretec Corp.

Business Activities: Precious metals recycling, industrial waste management and other environmental preservation activities
 Representative Director: Hiroyuki Nakanishi
 Headquarters: Nissay Sannomiya Building 16F 4-4-17 Kano-cho, Chuo-ku, Kobe, Hyogo 650-0001 Japan
 TEL: +81-78-333-5600 FAX: +81-78-333-5681
 Sapia Tower 11F 1-7-12 Marunouchi, Chiyoda-ku, Tokyo 100-0005 Japan
 TEL: +81-3-6270-1820 FAX: +81-3-6270-1825
 URL: <https://www.asahipretec.com/> (Japanese Only)

Precious Metals Recycling Business

Domestic Business Locations

Research Laboratory: Technical Research Center (Kobe)
 Plants: Saitama, Nagano, Amagasaki, Kobe, Technical Research Center, Ehime, Kitakyushu, Kitakyushu Hibiki, Fukuoka
 Business offices: Sapporo, Aomori, Sendai, Niigata, Kitakanto, Kanto, Yokohama, Kofu, Nagano, Shizuoka, Nagoya, Hokuriku, Hanshin, Kobe, Okayama, Hiroshima, Shikoku, Kitakyushu, Fukuoka, Kagoshima, Okinawa

Subsidiaries

ASAHI G&S SDN. BHD. (Malaysia)
 Asahi Pretec Korea Co., Ltd.
 Asahi Pretec Medical Support Co., Ltd.

Environmental Preservation Business

Domestic Business Locations

Sapporo, Aomori, Sendai, Kitakanto, Saitama, Yokohama, Shonan, Shizuoka, Nagoya, Hokuriku, Kobe, Okayama, Hiroshima, Kitakyushu, Fukuoka, Okinawa

Subsidiaries

JW Chemitech Co., Ltd.
 Nihon Chemitech Logitem Co., Ltd.
 JW Glass Recycling Co., Ltd.
 Taiyo Chemical Co., Ltd.
 Fuji Rozai Co., Ltd.
 Inter Central, Inc.



Kobe Head Office



Tokyo Head Office

Asahi Americas Holdings, Inc.

Business Line: North America gold & silver refining business
 Representative Director: Tomoya Higashiura
 Headquarters: Sapia Tower 11F 1-7-12 Marunouchi, Chiyoda-ku, Tokyo 100-0005 Japan
 TEL: +81-3-6895-1900 FAX: +81-3-6270-1859

Subsidiaries

Asahi Refining USA Inc.
 Asahi Refining Canada Ltd.
 Asahi Refining Florida LLC

[As of June 16, 2020]

Group Philosophy

The Asahi Holdings Group has established the Asahi Way as a set of values for all employees. The Asahi Way is made up of Our Credo, Our Corporate Values, Our Employee Principles, and the Group Code of Conduct. The Asahi Way drives the Group's sustainable growth and improves corporate value over the medium to long term, and directors and management executives take the lead by serving as role models who put it into practice.

The Asahi Way

"Totally Committed to Protecting the Natural Environment and Preserving Resources"

Our Credo

We conserve limited natural resources, preserve the global environment, and support human health.

Our Employee Principles

Innovate and embrace challenges
Put safety first
Maintain high quality
Promptly report (especially bad news)
Build trust and connection

Our Corporate Values

Cooperation with stakeholders

We constantly seek to earn even greater trust from shareholders, customers, business partners, employees, and local communities as we work to preserve the natural environment.

Corporate governance with a balance of protective and proactive measures

We boldly promote growth strategies and business reform while securing transparency in decision-making and properly managing risk.

No growth without profit

We realize long-term improvement of shareholder value by ensuring the entire group grows and is profitable.

Trusted corporate brand

We aim to be widely recognized as an exemplary corporate group and to build a brand that will be trusted over many years.

Addressing diverse risks

We strive to minimize risks and avert disasters by taking daily safety measures in workplaces and by constantly working to prevent accidents.

Highly motivated employees

We promote work-life balance for employees and continuously improve working environments and conditions.

Strong sense of mission and high ethical standards

We strive to be an organization where employees take pride in their own work and executives maintain a strong sense of mission and high ethical standards.

Being a company of good people

We value good employees over the long-term; our vision of a "good employee" is a person who is not self-centered and who contributes to mutual prosperity and the development of the business.

The Asahi Holdings Group Code of Conduct

- #1 We comply with all laws and regulations
- #2 We respect the dictates of social norms and our own conscience
- #3 We treat everyone equally, regardless of age, gender, nationality, race, religion, or other characteristics
- #4 We refrain from conducting any political or religious activities in the workplace
- #5 We treat customers with sincerity
- #6 We practice fair competition and optimal decision-making when selecting business partners
- #7 We respect the confidential information obtained through our work and avoid disclosing it externally
- #8 We refrain from providing or receiving meals or gifts in pursuit of personal benefit
- #9 We act for the greater good, not for personal or affiliated parties' gain
- #10 We focus on the actual sites, actual things, and actual facts

Message from the CEO

In fiscal 2019 (the year ended March 31, 2020), consolidated operating income exceeded 20 billion yen, surpassing the full-year earnings forecast released in May 2019 and the interim fiscal year goals of the 8th Medium-Term Business Plan released in May 2018. This was the third straight year of record-setting profit.

As part of our efforts to further improve business results, we have been steadily updating our business portfolio based on changes in the markets for each business as well as the internal and external resource situations. As a recent example, in March of this year, we transferred a 60% stake in Fuji Medical Instruments Mfg. Co., Ltd., a consolidated subsidiary, to Johnson Health Tech Co., Ltd. of Taiwan. Currently, we are concentrating our management resources on the Precious Metals and Environmental Preservation businesses, in order to focus on rapid realization of the strategies for both segments.

In fiscal 2019, we worked to accomplish our performance targets while striving to contribute to achievement of the SDGs. Specifically, we set priority SDG-related goals based on our Sustainability Vision and worked to achieve each goal. As part of this effort, the Asahi Holdings Group carried out the first green bond issuance (privately placed bonds) in both the non-ferrous metal industry and the industrial resource recycling business in Japan. We are using the funds raised to install eco-friendly facilities and equipment.

The Group is also promoting health and productivity management based on the conviction that the physical and mental health of every employee is a primary management concern. We have been providing enhanced medical examinations that exceed the legal requirements, and the employee participation rate is very high. We have also implemented a system to ensure that employees get a rest interval of at least 11 hours from the time they finish work, to the time they begin work the next day. In March 2020, based on recognition of these initiatives, we acquired certification from the Ministry of Economy, Trade and Industry as a 2020 Certified Health & Productivity Management Outstanding Organization.

The outlook for the global economy is very uncertain given the current COVID-19 pandemic, and there is growing unpredictability for business operations. We are striving to overcome this unprecedented social crisis by staying unified as a group in order to reward all our stakeholders through both business development and social impact. I appreciate your continued support for the Asahi Holdings Group.



Tomoya Higashiura

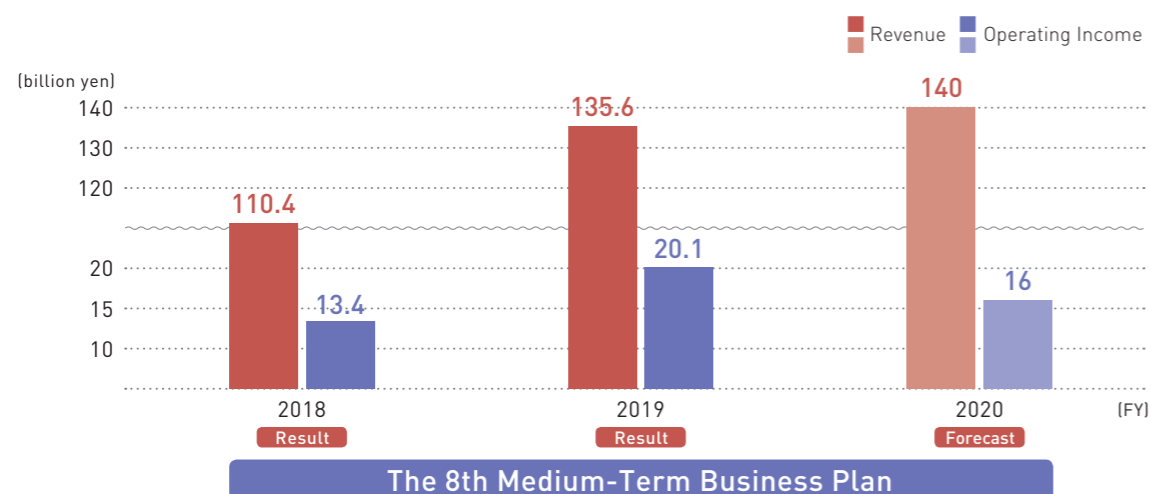
Representative Director, President & CEO
June 2020

The 8th Medium-Term Business Plan (FY2018-FY2020)

Company Slogan

Building a global company that pursues originality and growth

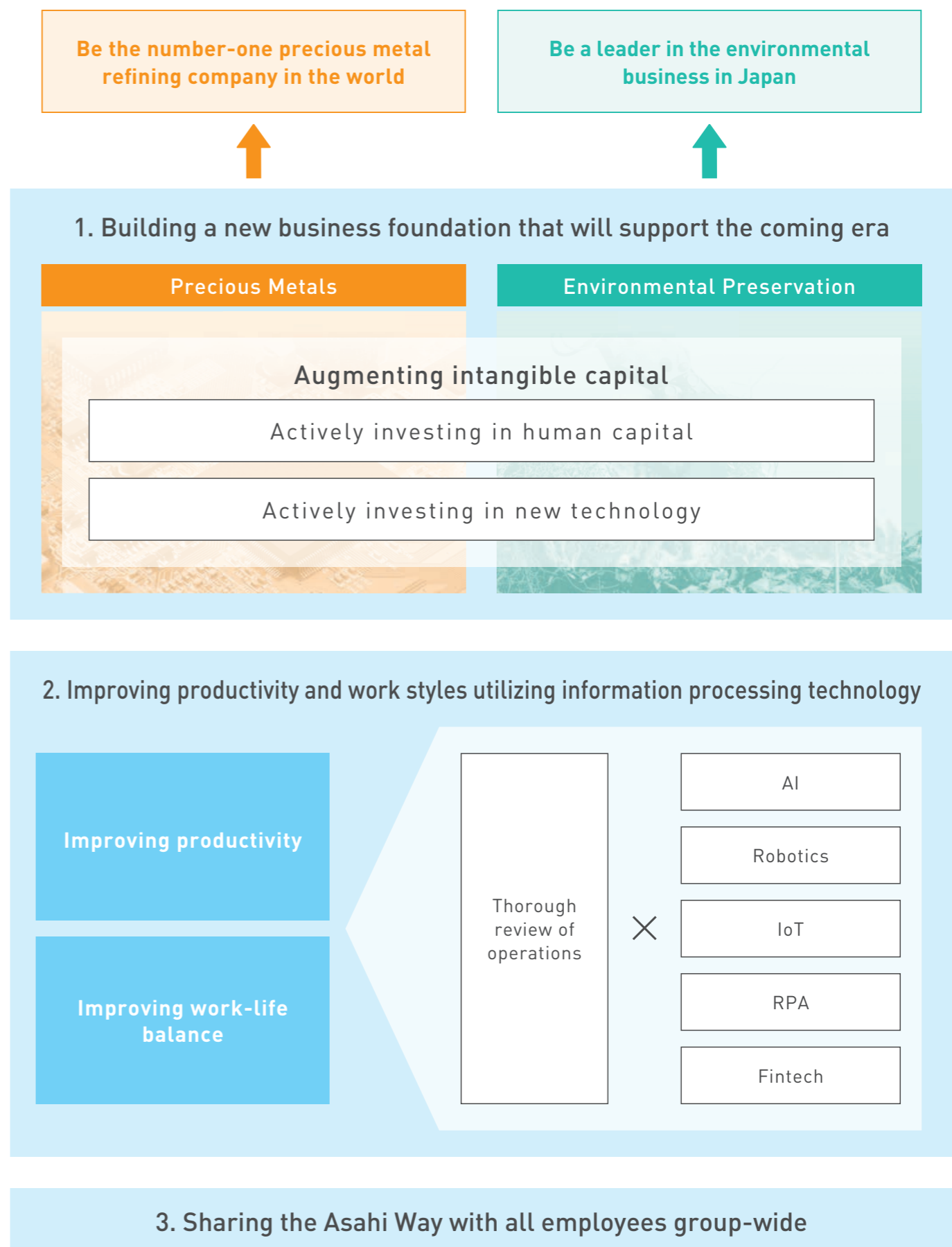
Business Performance



Progress on the 8th Medium-Term Business Plan

Revenue 130 billion yen	Achieved Achieved the target with increased sales for three consecutive years
Operating income 15 billion yen	Achieved New record profit with three consecutive years of growth
Precious Metals Business	Sales and profit increase Achieved a substantial increase in sales and profits thanks to higher-than-planned precious metals recovery and market prices
Environmental Preservation Business	Sales and profit increase Achieved higher sales and profits by utilizing the strengths of each operating company to enhance the Group's sales system that provides services, and by working to develop new projects

Basic Policy



History of the Asahi Holdings Group

Our 68-year history is one of innovation and challenge. Over that time, we have developed into a global corporate group and continue to grow today.

1952	Asahi Chemical Laboratory founded in Joto-ku, Osaka City	1999	Initial public stock offering made on over-the-counter market
1964	Becomes kabushiki gaisha (stock-based company)	2000	Listed on the 2nd Section of the Tokyo Stock Exchange
1974	Fukuoka sales office opens Sales offices start to be established across Japan	2002	Promoted to the 1st Section of the Tokyo Stock Exchange
1978	Head Office building completed in Higashi-Nada-ku, Kobe City	2009	Asahi Holdings, Inc. established
1997	Name changed to Asahi Pretec Corp.		
1998	Headquarters operations transferred to Chuo-ku, Kobe City Technical Research Center opens in Nishi-ku, Kobe City		

2012	The Asahi Way established Selected for inclusion in an ESG index by the Tokyo Stock Exchange
2015	Company with an Audit and Supervisory Committee system adopted Nominating and Compensation Committees established Performance-based stock-option system introduced
2016	International Financial Reporting Standards (IFRS) adopted
2017	Capital increased through new share issue
2018	The Asahi Way revised



Act 1 Foundation and Initial Decades: 1952 to 1998

Act 2 Public Company: 1999 to 2011

Act 3 New Development: 2012 to present

Precious Metals

- 1952 Silver recycling business starts using photographic fixing solutions
- 1975 Compact electrolytic silver collection equipment "PLATA" developed
- 1982 Precious metal recycling business launched in the dental field
- 1984 Precious metal recycling business launched in the plating solution field
- 1986 Precious metal recycling business launched in the electronics components and jewelry fields
Compact electrolytic gold collection equipment "ZIPANG" developed
- 1994 ASAHI G&S SDN. BHD. established in Malaysia

- 2003 Automobile catalyst business launched
- 2006 Asahi Pretec Korea Co., Ltd. established
- 2011 E-scrap business launched
Precision cleaning business launched

- 2015 US and Canadian gold and silver refining subsidiaries acquired from Johnson Matthey (UK), and Asahi Refining USA Inc. and Asahi Refining Canada Ltd. established
- 2019 Asahi Refining Florida LLC established

Environmental Preservation

- 1972 Equipment for detoxification of photographic effluents installed at the Kobe Plant
- 1975 Industrial waste disposal license acquired from Kobe City (detoxification of photographic effluent containing harmful substances)
- 1978 Registered as an environmental measurement certification office
- 1990 Environmental preservation business other than photographic effluents entered

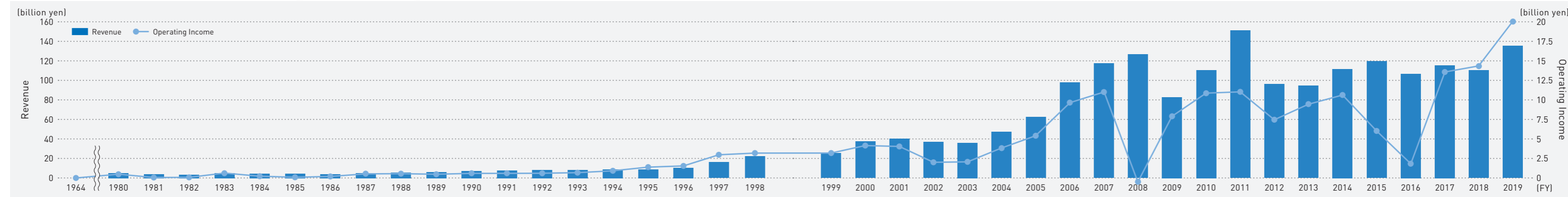
- 2004 Nihon Chemitech Co., Ltd. acquired
- 2006 Taiyo Chemical Co., Ltd. acquired
- 2007 Kitakyushu Office of Asahi Pretec Corp. opened
- 2008 Japan Waste Corporation established
Fuji Rozai Co., Ltd. acquired
- 2009 JW Glass Recycling Co., Ltd. acquired
- 2010 Yokohama Office of Japan Waste Corporation opened
Ecomax Co., Ltd. acquired

- 2012 Inter Central, Inc. acquired
- 2017 Nihon Chemitech Co., Ltd. and Ecomax Co., Ltd. integrated into Japan Waste Corporation
- 2020 Asahi Pretec Corp. and Japan Waste Corporation integrate environmental preservation businesses

Group Strengths Built Across the Years

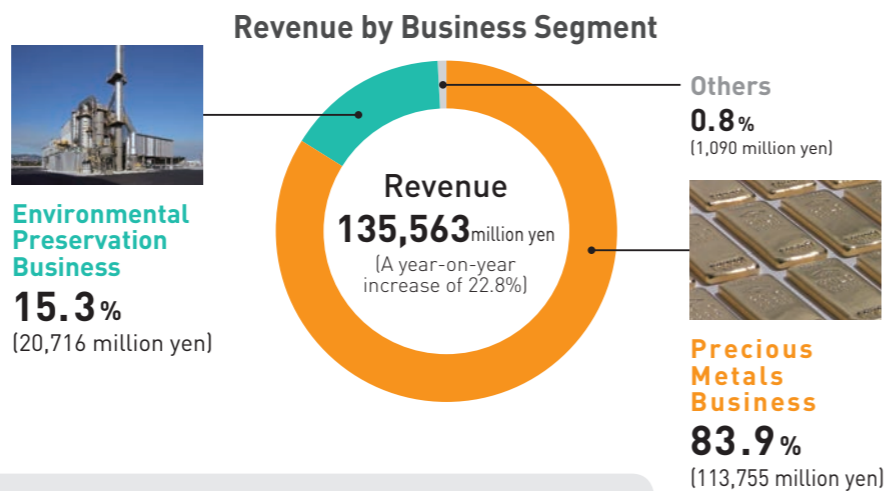
- Ability to Adapt to Change
- Management Capabilities for Business Regeneration
- Industry-Leading Unique Technologies
- Trusted Asahi Brand
- Highly Motivated Employees
- Globally Expanding Network
- Good Relationships with Stakeholders
- Substantial Market Share

Business Performance



At a Glance

We are engaged in both Precious Metals and Environmental Preservation businesses based on our core mission of being "Totally Committed to Protecting the Natural Environment and Preserving Resources." We aim to maximize the growth of both these business areas by practicing efficient management and leveraging synergies.



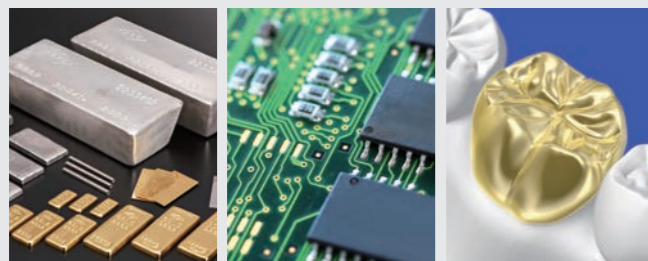
Totally Committed to Protecting the Natural Environment and Preserving Resources

Precious Metals Business

Our First Business

Precious Metals Recycling

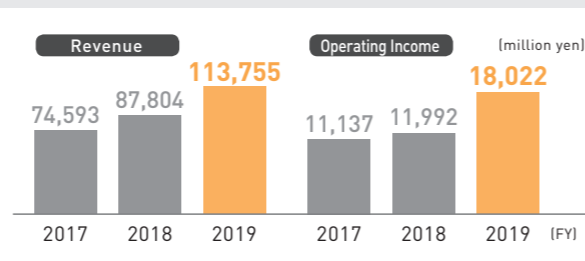
Our business began with the recycling of silver contained in photographic materials. Today, we recycle scrap produced by various sectors such as the electronics industry and dentistry into high-purity precious metals. For more than half a century, we have been providing precious metals produced through recycling, while continually adapting to the changing times.



World-Class Refining Scale

North American Refining

In North America, our refining operations raise the purity of raw gold and silver received mainly from mining companies. We are also using the refining business as a platform to diversify our revenue sources.

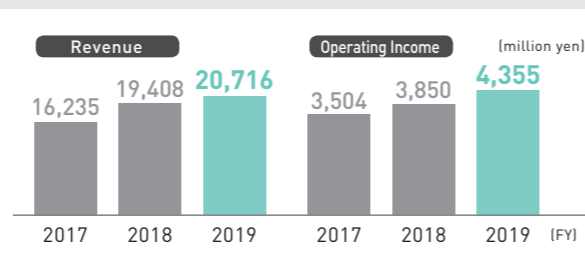


Environmental Preservation Business

Helping to Create a Sustainable Global Environment

Proper Waste Disposal

This business began with the detoxifying of harmful substances contained in photographic effluent, and has since expanded to the detoxification and proper disposal of various waste materials. Through M&A, companies with different areas of expertise have joined the Asahi Holdings Group, thereby leveraging synergies to provide customers with one-stop solutions for a wide variety of needs.



*Due to the dissolution of our Life and Health Business in fiscal 2019, Inter Central, Inc. was shifted to the Environmental Preservation Business category. The revenue and operating income figures for fiscal 2018 and 2019 reflect this change.

Asahi Holdings Strengths

Strong Business Foundation



R&D expenses

350 million yen

Launched specialized teams to promote new technology development



Short-term business school placement program for employees

12 people

Fostering the next-generation of executive management candidates



Number of patent applications (Asahi Pretec)

59^{+a}

Many including those for inventions and expertise



Employee health checkup rate (Asahi Holdings, Inc. and Asahi Pretec)

100%

Providing full medical examinations that exceed legal requirements



Eight Factors Supporting Value Creation

Strengths rooted in Asahi's history



Ability to Adapt to Change

Paying close attention to the business environment and lifecycle and practicing flexible thinking, decisive action, and quick decision-making, we have built original business models and quickly exited businesses in decline. With the ability to respond in this manner, we will continue to maintain growth.



Industry-Leading Unique Technologies

We are proud of the original technologies we have developed. These include technologies for recovering precious metals with high efficiency that leverage our advanced analytical capabilities, technologies for properly processing various industrial waste materials, and technologies for product development based on accurate ascertainment of customer needs. Through constant research and development, the Group continues to enhance its unique technologies in each of its business fields.



Highly Motivated Employees

The Group's growth has been driven by our employees, who share the group-wide values of the Asahi Way, deeply value trust and connections, and are motivated by a passion for innovation and embracing challenges. The Group proactively invests in human resources and continues to develop highly motivated employees.



Good Relationships with Stakeholders

We actively engage in dialogue with investors and listen to our customers and business partners to strengthen governance and develop our products and services. We value the mutual trust we have with our employees and with the local community and work to increase our long-term corporate value.



Management Capabilities for Business Regeneration

Over the past 20 years, we have brought more than 20 companies into the group through mergers and acquisitions and improved corporate management. Utilizing our flexible management capabilities matched to specific business environments, nearly all of our companies enjoy better performance than before joining the group. We will continue working to further improve performance.



Trusted Asahi Brand

The Asahi Group's precious metal products are highly regarded throughout the world for their reliable quality. We are committed to building a trusted Asahi brand by continuing to provide high quality products and services in all of our businesses.



Globally Expanding Network

Since establishing a local subsidiary in Malaysia in 1994, we have expanded into other countries in Asia, including South Korea, China, and Taiwan. In 2015, we acquired a refining business in North America through a merger and acquisition, expanding our target customer base to countries around the world.



Substantial Market Share

Our highest priority is to satisfy our customers and business partners, and we have worked hard to improve our products and services. Our sales and technical capabilities that meet a wide range of needs have earned us the trust of our customers and enabled us to acquire a strong market share.

Value Creation by the Asahi Holdings Group

With our two businesses as the drivers of our value creation, we have achieved business growth and developed solutions to social problems. We strive to maximize the value created by our business activities and aim to position ourselves as a global company that pursues originality and growth.



Capital Investment

- Financial capital**
Total Capital **69.2** billion yen
- Production capital**
Location/Base In Japan Outside Japan **50 10**
- Human capital**
1,574 Employees
- Intellectual capital**
- Scraps containing precious metals**
- Industrial waste**
- Natural capital**

Social Issues

Depletion of resources, human rights and labor issues in mining
Environmental pollution, global warming, decline of population in Japan, etc.

Precious Metals Business
▶ P.14

Environmental Preservation Business
▶ P.20

Value Creation Process

Eight Factors Supporting Value Creation

- Ability to Adapt to Change
- Management Capabilities for Business Regeneration
- Industry-Leading Unique Technologies
- Trusted Asahi Brand
- Highly Motivated Employees
- Globally Expanding Network
- Good Relationships with Stakeholders
- Substantial Market Share

The Asahi Way

Created Value

- Natural environment**
 - Creating a recycling society
 - Effective use of limited global resources
- Shareholders and investors**
 - Sustainable growth
 - Continuous and stable shareholder returns
- Business partners**
 - Supplying precious metals in ways that are friendly to people, society, and the environment
 - Providing one-stop solutions for waste disposal
- Employees**
 - Improving workplace support and job satisfaction
 - Utilization of diverse human resources
- Local communities**
 - Contribution through participation in community activities

Precious Metal Products

Proper Waste Disposal

Priority SDG-related Goals ▶ P.13

Our Vision

Building a global company that pursues originality and growth

Contributing to the SDGs

Precious Metals Business

12 RESPONSIBLE CONSUMPTION AND PRODUCTION	9 INDUSTRY, INNOVATION AND INFRASTRUCTURE
15 LIFE ON LAND	16 PEACE, JUSTICE AND STRONG INSTITUTIONS
6 CLEAN WATER AND SANITATION	13 CLIMATE ACTION
8 DECENT WORK AND ECONOMIC GROWTH	17 PARTNERSHIPS FOR THE GOALS

Contributing to the SDGs

Environmental Preservation Business

12 RESPONSIBLE CONSUMPTION AND PRODUCTION	6 CLEAN WATER AND SANITATION
14 LIFE BELOW WATER	15 LIFE ON LAND
9 INDUSTRY, INNOVATION AND INFRASTRUCTURE	11 SUSTAINABLE CITIES AND COMMUNITIES
13 CLIMATE ACTION	17 PARTNERSHIPS FOR THE GOALS

The SDGs at Asahi Holdings

Sustainability Vision

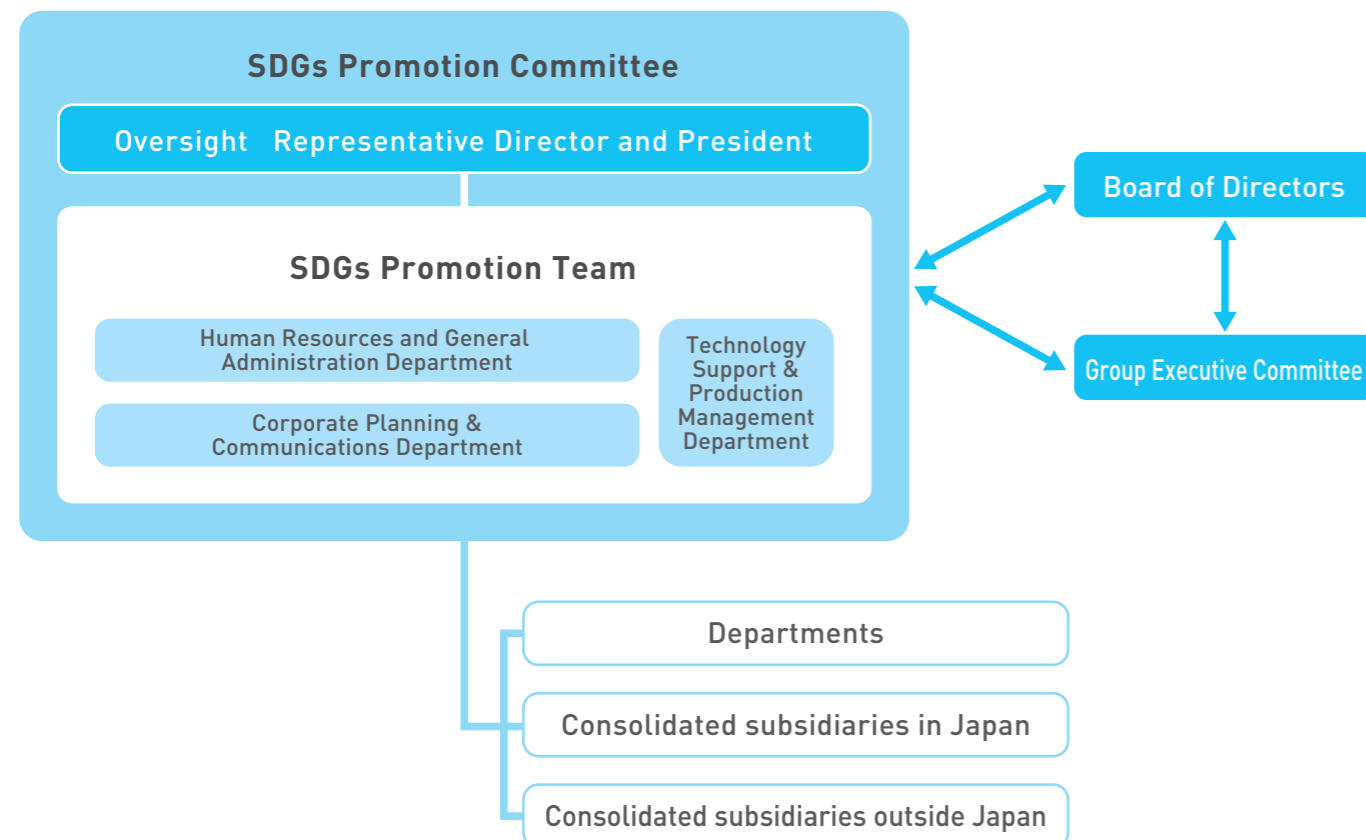
The Asahi Holdings Group has developed its business activities over a long period of time based on its core mission of "A Total Commitment to Protecting the Natural Environment and Preserving Resources." Our business activities are our contribution to sustainability, and we are achieving both business growth and solutions for the issues our societies face.

Today, as action is required of all of society, including corporations, we will further our mission by proactively working to achieve goals that we set for those issues to which we can make significant contributions toward solutions.



Sustainability Promotion System

The Asahi Holdings Group promotes sustainability-related initiatives by developing measures that focus on priority SDG-related goals, monitoring the achievement of set targets, and communicating these initiatives both internally and outside of the Group. These efforts are discussed and determined by the SDGs Promotion Committee, headed by the Representative Director and President, which steers the system.



Priority SDG-related Goals

1 Expand precious metal recycling

We will expand and promote precious metal recycling globally in order to make more effective use of limited global resources.



P.16
P.31

Goals Total amount of recycled precious metals: **410 tons in FY2030** (1.5 times FY2015)
Effective reduction of CO2: **1.465 million tons in FY2030** (1.5 times FY2015)

2 Supply precious metals in ways that are friendly to people, society, and the environment

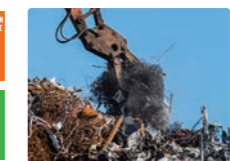
We will contribute to responsible management of precious metals by expanding the supply of precious metal products while protecting the environment and human rights. We will use precious metal-containing scrap and raw materials free from conflict minerals.



P.18

3 Expand proper industrial waste disposal

We will strive to ensure proper treatment of waste as a waste disposal expert and work to help build a world of sustainable recycling.



P.24
P.31

Goals Amount of proper industrial waste disposal: **500,000 tons in FY2030** (1.6 times FY2015)

4 Reduce CO₂ emissions

We will work to reduce CO₂ emissions group-wide by implementing energy saving activities at each site, switching to next-generation vehicles, and switching to low CO₂ emission power plans.



P.31
P.33

Goals CO₂ emissions from energy sources such as electricity and gasoline: Reduced **26% compared to FY2015**

5 Enhance Work-Life Balance and Employee Diversity

We will strive to enhance job satisfaction by improving the system to help diverse human resources to succeed within the Group. This will be done by reforming working styles, implementing health and productivity management, and promoting diversity.



P.34
P.35

Goals Achievement rate for rest intervals of at least 11 hours: **100% by the end of FY2020**
Usage rate of Holidays for Refreshment (three consecutive days or more): **100% by the end of FY2020**
Percentage of women in managerial positions to all woman employees: **Equal to men by the end of FY2030**
Percentage of employees with disabilities: At least **2.5% by the end of FY2030**

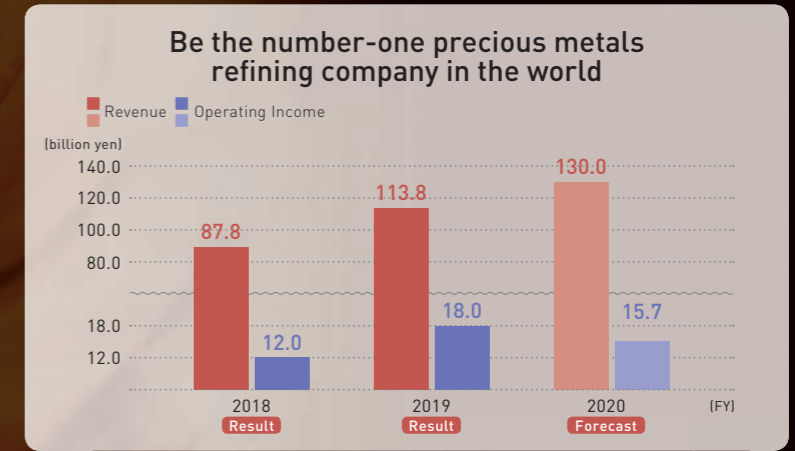
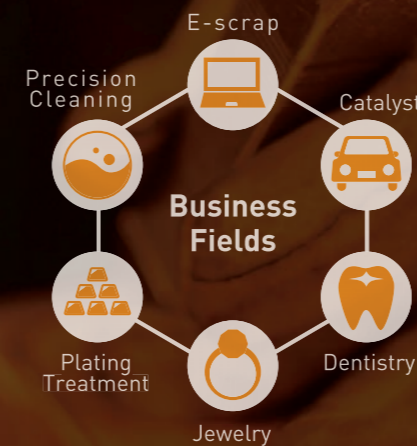
6 Encourage and support SDG-related activities

We will encourage and support employee activities outside the Group's main business areas that contribute to SDG achievement, including individual and group volunteer activities. This initiative is called "Asahi Holdings SDG Activities."



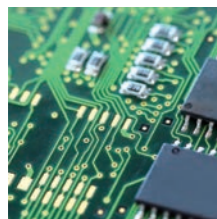
P.38

The Group collects and recycles scrap containing precious metals from various industries. By recovering and providing gold, silver, palladium, platinum and other precious metals indispensable to modern manufacturing, we are contributing to the effective utilization of resources and the development of industry.



E-scrap

Gold Silver Palladium



Electronic substrates used in personal computers, smartphones and home appliances contain gold, silver and palladium. We collect manufacturing process scrap and electronic substrates from used products. We then put them through various processes such as crushing and sorting to recover and recycle precious metals. Our precise sampling and advanced analysis techniques are just some of the strengths we offer.

Catalyst

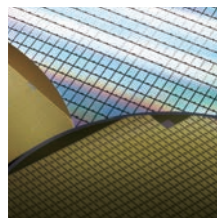
Palladium Platinum Rhodium



Automobiles are equipped with catalytic converters to detoxify harmful substances in exhaust gas, and precious metals such as palladium and platinum are used in these devices. We use our original technologies to recycle precious metals from automotive, chemical and other catalysts converters.

Precision Cleaning

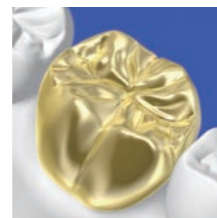
Gold Silver Palladium Platinum



We strive to ensure the quality of equipment used by customers in their electronic component and semiconductor manufacturing processes by regularly and precisely cleaning them. Customers entrust us with their equipment parts, and we perform stripping and recovery of precious metals adhering to them. The recovered precious metals are returned to the customers upon request.

Dentistry

Gold Silver Palladium Platinum



Gold-silver-palladium alloys are the main materials in dental prostheses such as crowns and inlays, and the percentage of precious metal content varies by type. Customers such as dental clinics and laboratories provide us with waste containing these metals and we recycle them. We offer high-value recovery with our own system for integrated management of collection, assay and reporting.

Plating Treatment

Gold Silver Palladium



Since precious metal plating is an excellent way to prevent corrosion and enhance electrical conductivity, it is used in various applications from industrial to decorative products. Utilizing a proprietary electrolytic precious metal recovery system, we recover and recycle the precious metals remaining in plating solutions. We also return the recovered materials to customers in the form of the precious metal compound of their request.

Jewelry

Gold Silver Palladium Platinum



We collect and recycle precious metals from jewelry and ornaments that are no longer needed as well as precious metal scrap generated at each stage of the manufacturing process from purchasers, manufacturers, and processors. In addition to accurate analysis, we offer high-quality precious metal ingot products, while also returning raw materials to manufacturing and processing company customers.

Solving social issues through business activities

Social issues relating to the Precious Metals Business

- Depletion of precious metal resources
- Environmental destruction during mining
- Human rights and labor issues related to mining
- Money laundering and terrorism financing risk



Contributing to the SDGs



Leveraging precious metal recycling to turn consumption into production, transforming waste into precious metal resources



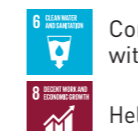
Contributing to industrial sustainability by continually improving our highly efficient and high-quality precious metal recycling technologies



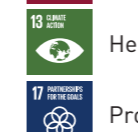
Helping to preserve terrestrial ecosystems, forests, and other land-based resources by expanding precious metal recycling, instead of mining



Promoting peaceful, inclusive societies by practicing responsible precious metal management and transparent procurement



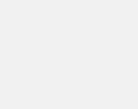
Contributing to sustainable water use by practicing precious metal recycling without contaminant discharge



Helping to protect human rights and prevent child labor in high-risk regions such as conflict zones



Helping to prevent climate change by supplying recycled resources with low CO₂ emissions



Promoting high levels of sustainability by collaborating with other companies

Collecting and Recycling Precious Metals

We have deployed manufacturing operations in Japan and elsewhere in Asia that enable the most efficient recovery of precious metals and carry out optimal processing of recyclable materials depending on the different characteristics and admixtures in the business fields where we collect materials. Furthermore, we accurately meet customer needs by fully utilizing optimal methods and efficient refining facilities depending on the type of precious or rare metal.



R&D System



Technical Research Center pursues original R&D

We conduct proprietary research and development and analytical technology improvement in the fields of “recycling of precious metals and rare metals” and “detoxification and recycling of industrial wastes.” We established the Technical Research Center in Kobe High-Tech Park to serve as our R&D hub. We are looking to take even greater strides forward as a company that contributes to society by improving quality and technical innovation.

R&D

We anticipate the needs of our customers and strive to create new products and business by applying our large body of elemental technologies and developing new technologies.

- Technology for separating and refining precious and rare metals
- Environmental preservation and resource recycling technology
- Precious metal molding and refining technology

Refining Technology

In addition to wet precious metal refining technology, which is particularly effective for recycled material processing, the Group is developing dry precious metal refining technology effective for the primary raw material processing it is performing in North America. By advancing and combining both wet and dry refining technologies, we are creating effective precious metal refining techniques for handling all kinds of raw materials.

Release Technology

In order to collect precious metals adhered to the surfaces of parts and jigs, etc., used in the manufacture of electronic components and semiconductors, the Group is developing technology to chemically and physically exfoliate precious metals safely and reliably without damaging the parts and jigs.

Assay

The Asahi Holdings Group's core assay function supports a diversity of corporate activities using the latest assay equipment and high-level assay technology. In addition, we play an important role in maintaining and enhancing trust with the Group's customers.

- Development of new assay technology
- Technical guidance for assay groups at each plant and sales office
- Purity assay of precious metal products
- Environmental analysis of issues such as factory wastewater discharges
- Environmental measurement certification

Assay Technology

The Group is developing assay techniques using X-ray and inductively coupled plasma (ICP) optical emission spectrometry with the aim of conducting rapid and accurate transactions with customers. We are upgrading our precious metal analysis at sites in and outside of Japan, including Asahi Refining.

Engineering

Using cutting-edge technology, experts from each business area design, produce, construct and provide maintenance of facilities at subsidiaries in and outside Japan, helping to support safe and stable operation of the facilities.

- Design, production, construction and maintenance of facilities and buildings
- Maintenance control of existing facilities
- Installation and maintenance of precious metals collection facilities for our customers
- Support for installation of robotics and IoT for equipment

Priority SDG-Related Goal

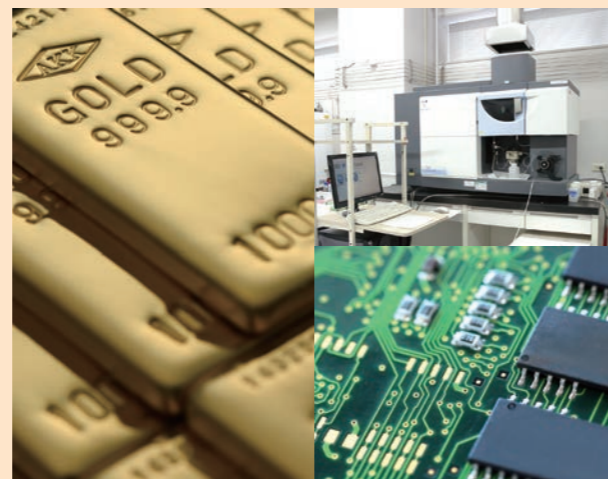
Expand precious metal recycling

About one-fourth* of the world's gold supply comes from recycling. Recycled precious metals have minimal impact on the environment because they are not mined. They also help promote sustainability because they can be repeatedly reused. Recycling is an important way to ensure the stable supply of precious metals needed in many fields.

By fiscal 2030, we aim to achieve total annual recycling of 410 tons of four elements: gold, silver, palladium, and platinum.

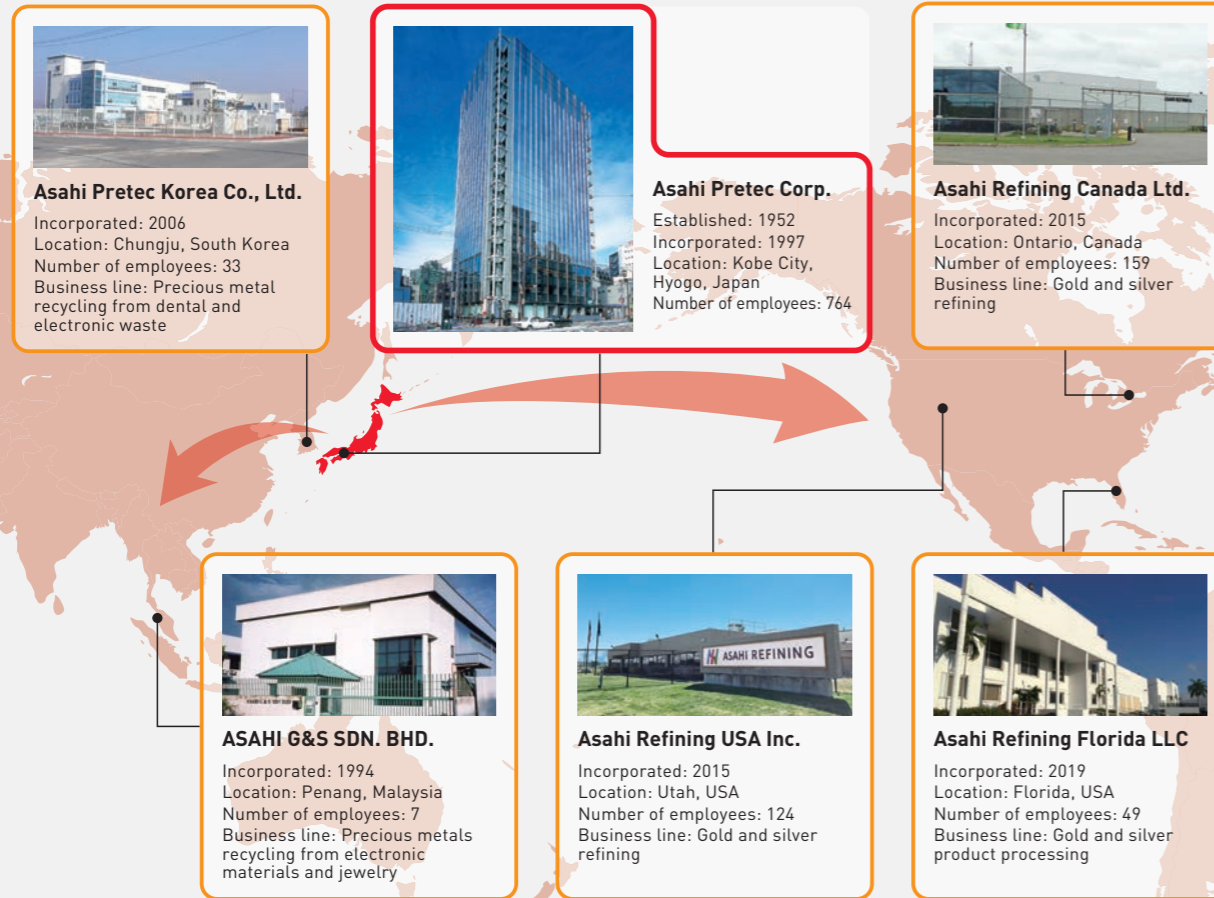
As recycling emits less CO₂ compared to mining and refining, achievement of this recycling target will yield a CO₂ reduction effect of 1.465 million tons-CO₂. (*See page 31 for details.)

* From GFMS Gold Survey 2019



Global Expansion

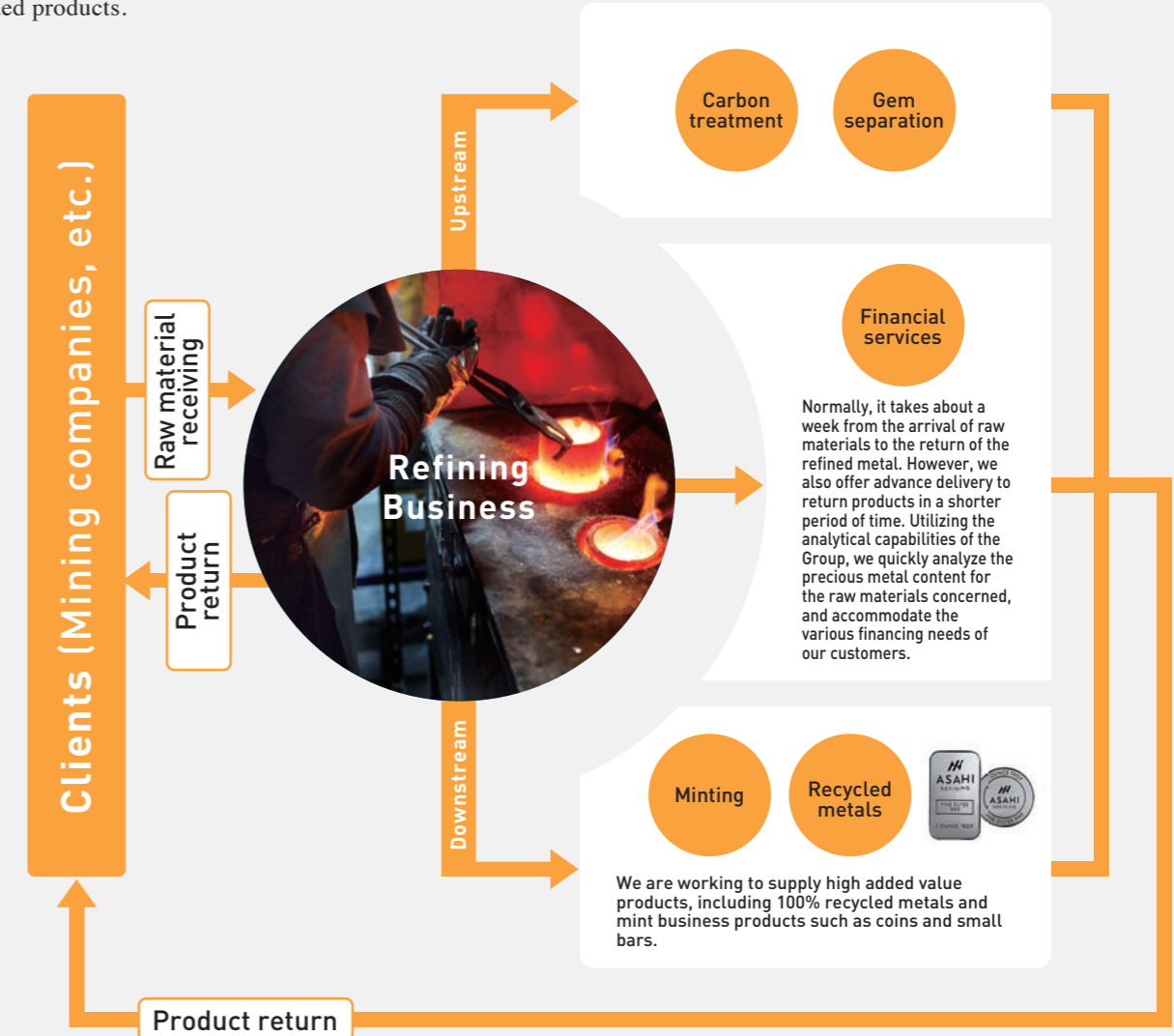
We have been expanding our precious metal recycling operations in Asia since 1994, focusing on dental and electronics waste. We have done this by developing business models tailored to local market conditions while utilizing the technology we have developed in Japan. Furthermore, with the addition of the Asahi Refining businesses to the Group in March 2015, we have expanded our operations to North America.



[As of March 31, 2020]

North American Refining Business

In North America, we mainly refine gold and silver raw materials produced by mining companies, and we are proud of our refining volume, which is among the largest in the world. We also are striving to develop new services using our refining business as a platform, while responding to the diverse needs of our customers with financial services and high-value-added products.



Priority SDG-Related Goal

Supply precious metals in ways that are friendly to people, society, and the environment

While precious metals are indispensable to many industries, various social issues have also arisen relating to mining, production, and distribution. Businesses that procure and supply precious metals must ensure they are not making these issues worse. The gold and silver produced by the Asahi Holdings Group are delivered in ways that are friendly to people, society, and the environment. We meet the responsible sourcing guidelines of the LBMA*1 and the strict standards for RJC certification. Going forward, we will continue to promote business activities and initiatives that consider ethical, social, and environmental concerns, while fulfilling our responsibilities by supplying precious metals.



Gold and silver with a purity of 99.99% or more produced by Asahi Pretec and Asahi Refining are certified as LBMA Good Delivery Bars, while platinum and palladium with a purity of 99.95% or more produced by Asahi Pretec are certified as LPPM*2 Good Delivery Bars.

*1. LBMA: London Bullion Market Association
 *2. LPPM: London Platinum & Palladium Market

Responsible Precious Metals Management

Asahi Pretec Corp. has established a Responsible Precious Metals Management Policy for the precious metals supply chain, with the aim of avoiding human rights violations in high-risk areas including conflict zones, money laundering, fraudulent transactions, and funds going to terrorists. To achieve this we have set up a responsible precious metals management system that complies with LBMA, LPPM and RJC guidance. The system is also maintained and improved by obtaining certification from a relevant third-party organization and by undergoing regular independent audits.

In order to support one of the Group's priority SDG-related goals — supply precious metals in ways that are friendly to people, society, and the environment — Asahi Pretec is striving to help build and maintain the Asahi brand. We want to ensure that our brand can be trusted by customers around the world, allowing them to procure precious metal products that help protect human rights and the environment.

Responsible Precious Metals Management Policy

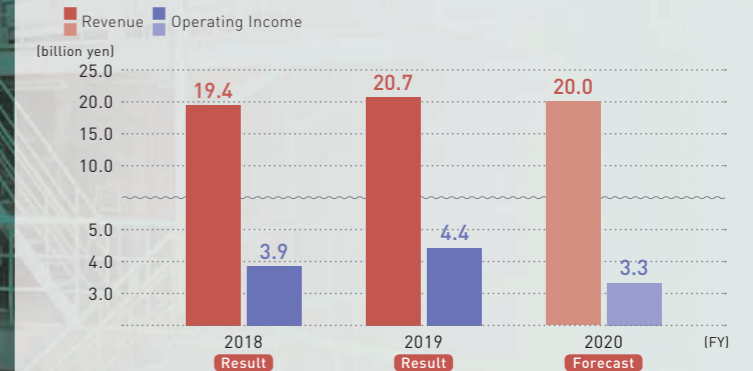
<http://www.asahipretect.com/conflictmetal/index.html>

The companies of the Asahi Holdings Group meet the diverse needs of their customers by leveraging the unique technologies they have developed over the decades in their respective fields to detoxify and properly dispose of various waste materials. As experts in waste disposal, we are helping to solve global environmental problems and playing a key role in building sustainable recycling-oriented societies.

Business Fields

Government and public offices	Educational institutions	Hospitals, clinics, etc.
Research institutions	Glass and sash manufacturers	Chemical manufacturers
Research institutions / laboratories	Plant manufacturers	Other manufacturers

Be a leader in the environmental business in Japan



Waste reagents



The Group collects reagents for disposal from educational and research institutions. They are packed one by one for collection, confirming that they are stored in proper collection containers. Chemical content analysis is performed for any unidentified (poorly labeled) reagents to determine the appropriate processing method before disposal. Even small quantities of miscellaneous wastes that are difficult to handle are also processed properly.

Waste oil and sludge



Based on analysis results, waste oils from factories are mixed and adjusted to achieve the optimal composition, before being recycled as alternative fuels. Meanwhile, sludge is recycled as raw materials for cement after adjusting content and moisture and then kneading them. The aim is to ensure and maintain the quality of all recycled materials.

Glass



Plate glass is collected from glass and sash manufacturers, and glass bottles from municipalities. The collected glass is screened and pulverized at our own facility, and recycled as high-quality glass cullet. This is sold to manufacturers and reused to make window glass, glass bottles, or home insulation.

Wood waste



Large amounts of scrap wood are generated by the demolition of buildings and other sites. We collect and shred this material into wood chips, which is used for fueling biomass power generation plants or for making particleboard.

Fire-proof bricks



Fire-proof bricks are used as refractories to line glass furnaces, kilns and incinerators. Waste bricks generated by the demolishing of such facilities and periodic repair work are collected and carefully sorted. Recyclable items are reused as paving materials and fire-proof bricks.

Waste acids, alkalis and sludge (inorganic/organic)



Waste acids, alkalis, and sludge are generated by a wide range of industries, and their properties are diverse, including inorganic and organic. Liquid waste is collected by a vacuum truck, subjected to neutralization and dewatering processes, then treated with microbes, before being discharged into the public sewer system. The residual sludge is recycled as a raw material for refining or composting, etc.

Solving social issues through business activities

Social issues relating to the Environmental Preservation Business

- Contamination by hazardous waste
 - Impact on land and ocean ecosystems
 - Pollution of water resources
- etc.

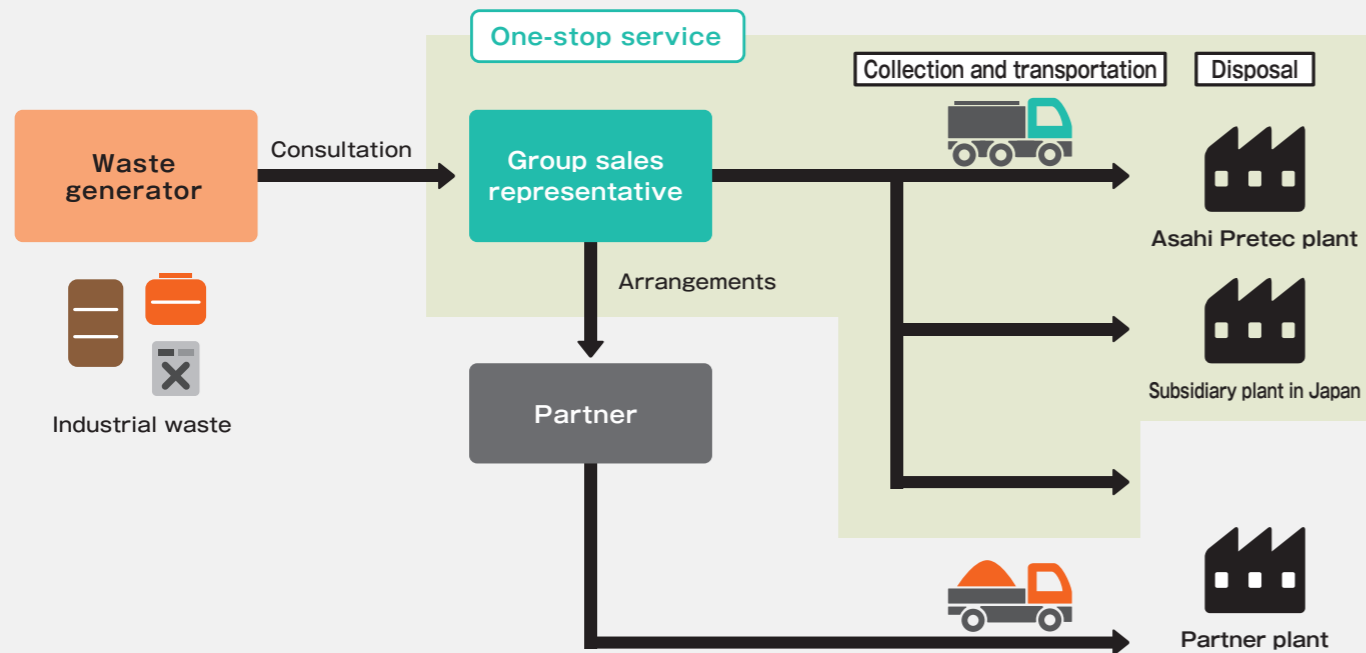


Contributing to the SDGs

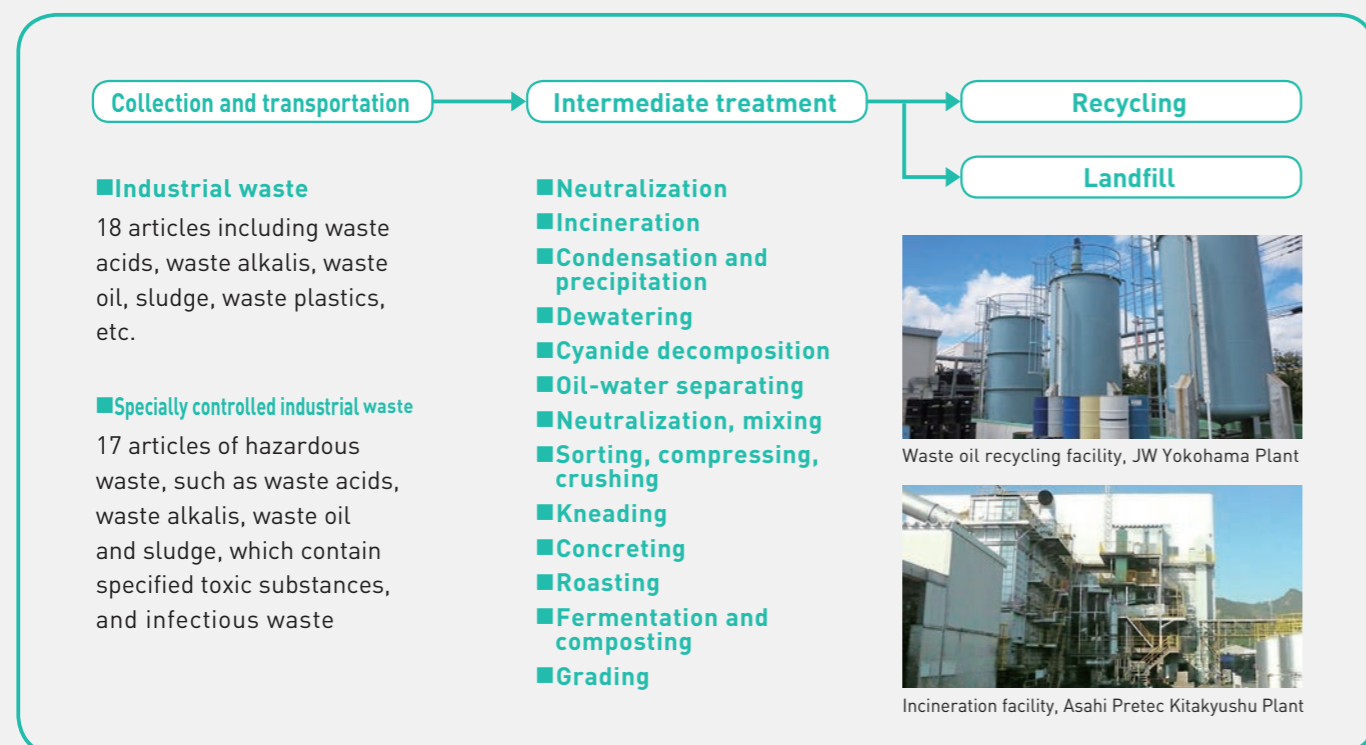
<p>12 RESPONSIBLE CONSUMPTION AND PRODUCTION</p>	Realizing a sustainable society by recycling and detoxifying waste	<p>6 CLEAN WATER AND SANITATION</p>	Securing the sustainability of water resources by detoxifying discharge such as waste acids and alkalis
<p>14 LIFE BELOW WATER</p>	Preventing marine pollution by properly treating liquid and plastic waste	<p>15 LIFE ON LAND</p>	Preventing pollution of land environments by detoxifying waste, and extending the lifespan of final disposal sites by promoting recycling
<p>9 INDUSTRY, INNOVATION AND INFRASTRUCTURE</p>	Advancing technological innovation from the standpoint of further improving resource utilization efficiency for various waste products, and promoting global sustainability	<p>11 SUSTAINABLE CITIES AND COMMUNITIES</p>	Achieving sustainable cities and other communities by properly managing waste
<p>13 CLIMATE ACTION</p>	Helping to prevent climate change by reducing CO ₂ emissions from waste-to-energy power generation	<p>17 PARTNERSHIPS FOR THE GOALS</p>	Promoting high levels of sustainability by collaborating with other companies

Providing One-Stop Solutions

The Asahi Holdings Group provides one-stop support for all inquiries regarding industrial waste disposal. We provide a wide range of solutions from collection and transportation to disposal through an experienced sales team that extends across our group network. We hold relevant licenses from authorities across Japan and can handle a wide variety of materials.

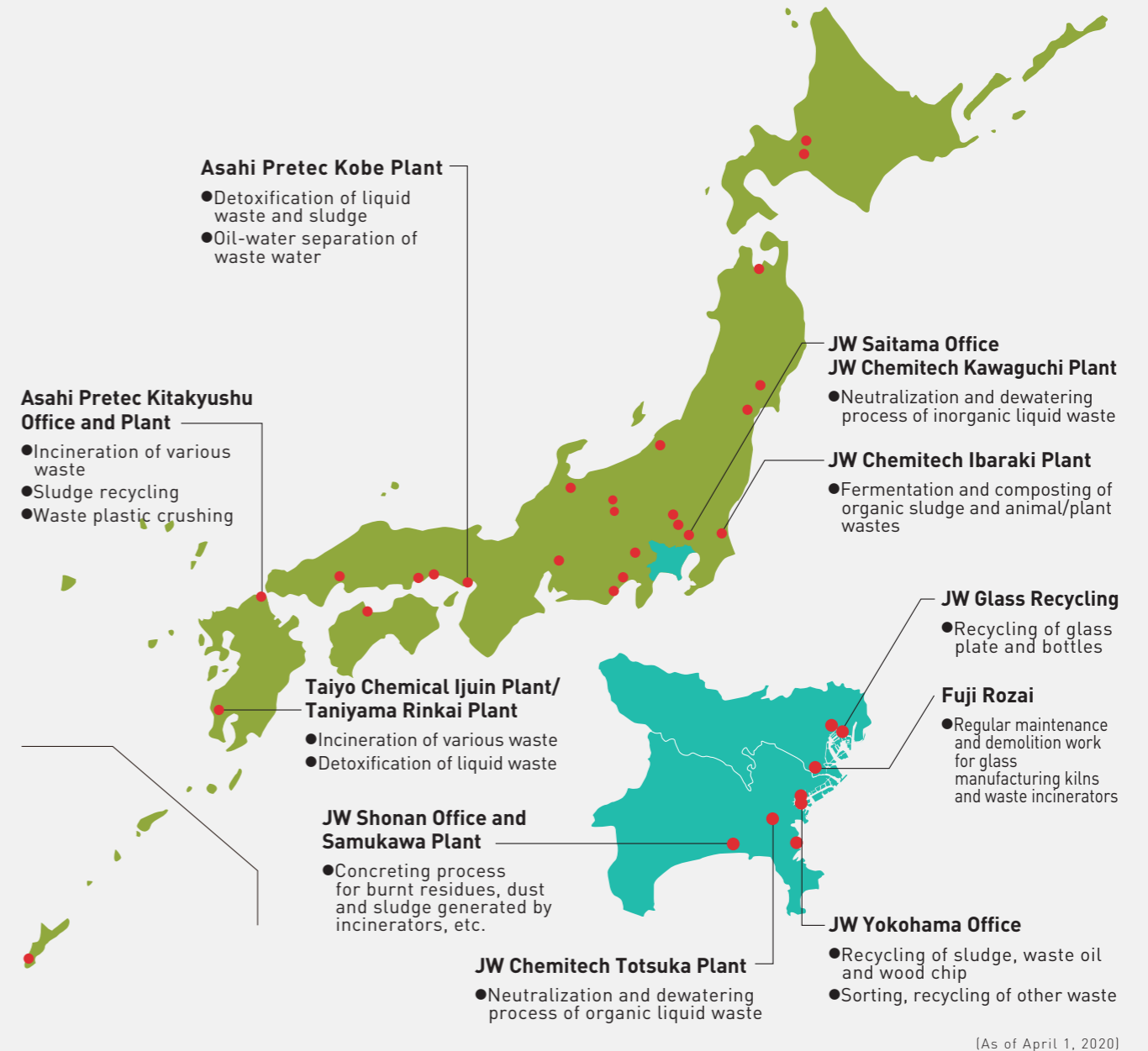


Processes of Industrial Waste Disposal and Recycling



Group Network

We have a system for swift and proper waste disposal based on the necessary licenses for collection, transportation, and intermediate treatment of most types of industrial waste and specially controlled industrial waste. In addition, our outstanding technology for detoxifying industrial waste offers optimal solutions for environmental preservation.



Licenses acquired by the Group (As of April 1, 2020)

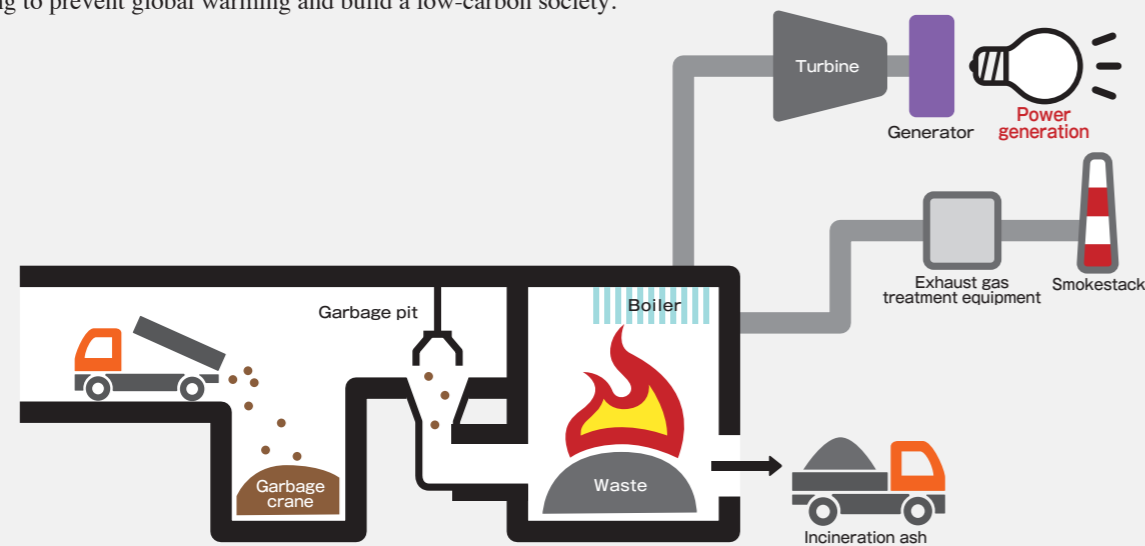
Industrial waste collection transportation license	All prefectures, 8 government ordinance cities and core cities
Industrial waste disposal license	12 prefectures and 8 government ordinance cities
Specially controlled industrial waste collection transportation license	All prefectures, 7 government ordinance cities and core cities
Specially controlled industrial waste disposal license	10 prefectures and 7 government ordinance cities
Excellent industrial waste management company certification*	Asahi Pretec: All prefectures and government ordinance cities Affiliate in Japan: 28 prefectures, 4 government ordinance cities and core cities

* In April 2011, Japanese laws concerning industrial waste management were revised, creating a new recognition system for excellent industrial waste management companies. Prefectures and government ordinance cities select companies which meet their strict standards in areas such as operational implementation capacity and experience. All Group companies are pursuing this certification, aiming to ensure that customers can feel totally confident about doing business with the Group.

(As of April 1, 2020)

Generating power from waste

Waste-to-energy is a power generation method that uses the heat generated from waste incineration. It produces high temperatures and high-pressure steam that turns a turbine and generates power. By taking advantage of the energy released during waste incineration to produce electricity, the Group can reduce the amount of fuel used, thereby reducing CO₂ emissions accordingly. The Group is constructing a waste-to-energy power plant in the city of Kitakyushu. By achieving advanced and highly efficient heat recovery, we are helping to prevent global warming and build a low-carbon society.



Priority SDG-Related Goal

Contributing to Increased Proper Industrial Waste Disposal



Due to the increased economic activities of mass production, mass consumption and mass disposal, a shortage of final waste disposal sites has become a social issue in Japan.

In recent years, the problem of microplastics polluting the oceans and harming marine life has also become an international concern. This is often a result of the improper disposal of plastic materials, which end up in rivers and flow out to sea.

The Asahi Holdings Group disposes all wastes properly and aims to increase its total volume of properly handled industrial waste to 500,000 tons per year by fiscal 2030. We also plan to expand the detoxification and recycling of industrial waste, while helping to solve various social problems and promote a sustainable society.



Inter Central

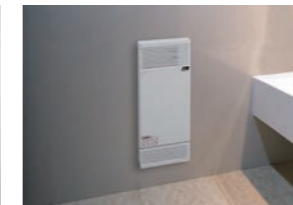
Inter Central, Inc. provides comfortable environments by manufacturing and selling various electric heaters and designing and installing air conditioning systems. Today's heightened awareness of health and safety means that products need to offer comfort and be user-friendly, while also being clean, energy-saving, and environmentally friendly. By pursuing the possibilities of air conditioning, Inter Central will continue to take on the challenge of creating comfortable spaces.

Electric heaters

As a company responsible for efficient and energy-saving air conditioning equipment, Inter Central provides a wide variety of heating equipment to various buildings, including public facilities and commercial facilities.



"Sunheat"
radiating far infrared heater



"Panel Heater (vertical type)"
natural convection type heater



"Lucciola"
far infrared heater

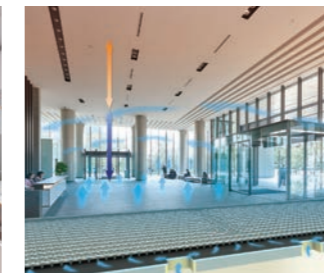


"MyHeat Seraphy"
far infrared heater

Radiant air conditioning systems



Ceiling radiant air conditioning systems



Floor radiant air conditioning systems

Ceiling and floor radiant air conditioning systems use hot and cold water as well as forced air in combination. By cooling or heating the entire ceiling or floor and causing those surfaces to radiate cold or heat in the room, the air conditioning system creates a pleasant space with comfortable temperatures and no noise. Ceiling radiant air conditioning systems are widely used in medical settings and offices, while floor radiant air conditioning systems are widely used in entrance lobbies such as those in government buildings and commercial facilities, as well as in libraries, art galleries and museums.

Realizing Comfortable Energy-Saving Interiors

With the adoption of the Paris Agreement and the UN Sustainable Development Goals (SDGs) in 2015, efforts to reduce the environmental impact of societies have been intensifying worldwide. In Japan, the government aims to realize net zero energy building (ZEB) status in newly constructed public buildings by 2020, and then to achieve ZEB status on average for newly constructed public and private buildings by 2030. Therefore, new buildings including offices are required to reduce their environmental impact.

Another recent trend is the move toward creating high-quality interior work spaces to promote employee health, comfort and intellectual productivity, as part of work-style reform.

To help address this social issue, Inter Central, Inc. contributes to comfortable energy-saving interiors with its products and services for improving temperature control and air quality. These include radiant air conditioning systems, as well as air purifiers with deodorization, sterilization, and fragrance features.



photo by KAI NAKAMURA

Floor radiant air conditioning system installed in a multipurpose facility, "Minna no Mori" Gifu Media Cosmos

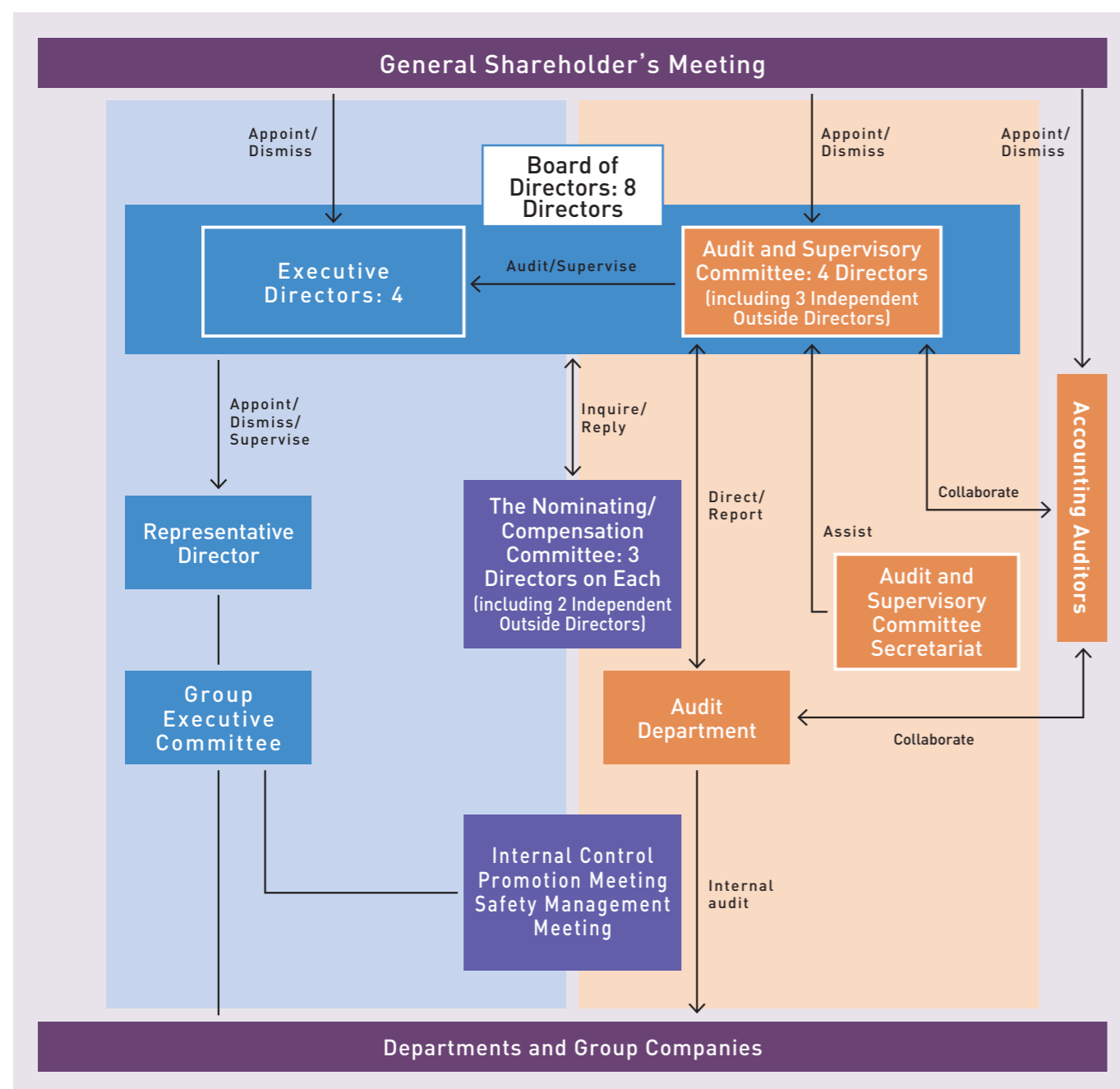
Corporate Governance

Basic Corporate Governance Approach

Practicing effective corporate governance is a key part of corporate social responsibility. Good governance enhances management efficiency and transparency, and it helps keep corporate value growing.

The Asahi Holdings Group's practice of corporate governance seeks to earn the confidence of shareholders, business partners, employees, local communities, and other important stakeholders. In addition to fulfilling the social mission and responsibilities of a publicly listed company, we aim to keep growing corporate value by maintaining a corporate governance system that can quickly respond to changes in the business environment while always securing compliance.

Corporate Governance Structure



Organization Design

Board of Directors

The Board of Directors of Asahi Holdings, Inc. is comprised of executive directors who are knowledgeable concerning their respective business, technical or administrative divisions, as well as outside directors with various types of expertise essential to corporate management. To have an adequate number of directors for active, substantial and effective discussions at meetings, the Board of Directors consists of eight directors, including three independent outside directors. All directors share their opinions actively and freely on important subjects such as the Group's management strategies and business plans.

Outside Directors

Independence Criteria have been established, and independent outside directors with capacity to perform their duties independently from the management of the Company have been appointed, taking into consideration their individual backgrounds and relationships with the Group. They attend Board of Directors meetings and fulfill their roles and responsibilities as directors.

Whenever possible, they also attend the executive and management committee meetings of Group companies. As part of their wide-ranging activities, the outside directors share their opinions from an independent point of view.

Evaluating the Effectiveness of the Board of Directors

As of the year ended March 31, 2016, Asahi Holdings has evaluated the effectiveness of its Board of Directors every year to ensure that the entire board is functioning properly. The evaluation results are available on our website.

Audit and Supervisory Committee

Under Japan's Companies Act, Asahi Holdings has elected to be a company with an Audit and Supervisory Committee, and has three independent outside directors. This structure has strengthened the supervisory function of the Board of Directors. It also delegates important executive decisions to the executive directors for quicker decision-making and improved management efficiency.

Nominating and Compensation Committees

A Nominating Committee, consisting of one regular director and two independent outside directors, as well as a Compensation Committee, have been established as advisory bodies to the Board of Directors. The aim is to further enhance corporate governance by ensuring transparency, fairness, and objectivity for the appointment and dismissal of directors and key management team members, as well as for the determination of director remuneration.

Group Executive Committee

Important matters delegated to the executive directors are deliberated and decided by the Group Executive Committee. Other matters related to business execution are deliberated and decided by the Group's key company management meeting.

Adherence to Japan's Corporate Governance Code

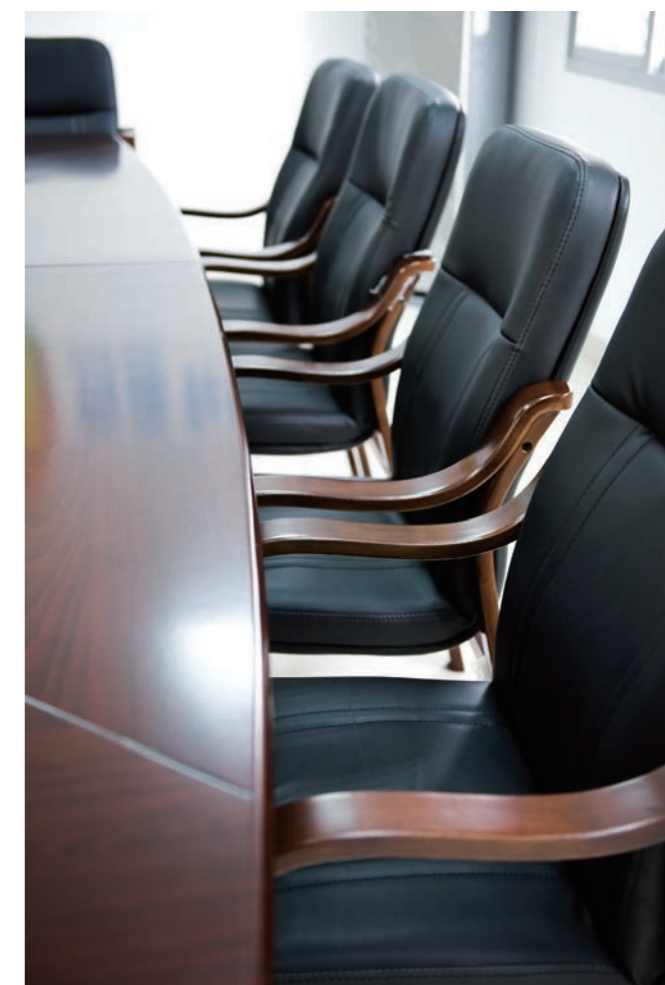
The Asahi Holdings Group adheres to all the principles of Japan's Corporate Governance Code formulated by the Tokyo Stock Exchange. The 78-point code compliance reports submitted by Asahi Holdings to the Tokyo Stock Exchange are available on our website.

In addition, we have formulated the Asahi Holdings Corporate Governance Policies and are implementing each one to continuously enhance corporate governance.

Maintaining an Internal Control System

Aiming to reinforce internal controls, we have established an Audit and Supervisory Committee within the Board of Directors. It includes three independent outside directors, and it cooperates with our audit and internal control departments.

The Audit Department assesses the appropriateness and effectiveness of operations, while also auditing compliance with laws, regulations, and company rules. It advises and makes recommendations to each department, and promptly reports to senior management. In addition, trained staff in each department conduct internal audits based on an annual plan and report their findings to the Internal Control Promotion Meeting.



Risk Management

To properly manage apparent and potential risks in business activities, we study risks from a comprehensive standpoint, against which assessment is performed and actions taken. We are working hard to prevent risks from arising and to minimize losses when risks develop into a crisis by carrying out risk management.

Compliance

We consider compliance a priority issue in delivering fair business activities and ensuring legal compliance and high ethical standards. Particularly, operations related to appropriate processing of wastes are based on environmental laws and regulations as well as governmental licenses, and each and every employee is required always to act with a highly compliant mindset. We are conducting activities to raise the legal compliance awareness of each and every employee through education and mutual communication, along with rules and manuals related to compliance.

Business Continuity Management (BCM)

Various factors such as large-scale disasters entail the risk of impairing the functions needed for business continuity. As an action plan to achieve quick restoration of mission-critical functions even after a disaster, we created a business continuity plan (BCP). In addition to the BCP, we are conducting systematic business continuity management activities to constantly improve the BCP and business continuity endeavors.

Information Security

The laptops and tablets used by the Group's sales force are equipped with the latest security measures. Even if a device is lost or stolen, the possibility of information leakage is virtually zero thanks to technology such as remote data wiping.

Internal Reporting System (Whistle-Blowing System)

To quickly identify and resolve problems such as unlawful and unjust behavior, we have set up the Asahi Hotline. All employees in and outside of Japan can directly report to either an internal desk or an external law firm anonymously. We take corrective actions to address the reported matters after investigation, without revealing the identity of the disclosing or disclosed parties.

Avoiding All Interactions with Organized Crime and other Anti-social Forces

The following statement is part of our Corporate Governance Policies, and is understood by all our executives and employees. "We will never have any relationship, including business relationships, with anti-social forces which threaten the social order and sound corporate activities. In the event of an illegal request, we will take a firm attitude and respond to it organizationally in accordance with the law and internal rules."



Officer Profiles



Mitsuharu Terayama

Profile
 Apr 1964: Joined Kuraray Co., Ltd.
 Jul 1973: Joined Asahi Pretec Corp.
 May 1981: Appointed Representative Director and President of Asahi Pretec Corp.
 Apr 2009: Appointed Representative Director and President of Asahi Holdings, Inc.
 Jun 2014: Appointed President & CEO of Asahi Holdings, Inc.
 Apr 2018: Appointed Representative Director, Chairman & CEO of Asahi Holdings, Inc.
 Jun 2020: Appointed Director and Chairman of Asahi Holdings, Inc. (to present)



Tomoya Higashiura

Profile
 Apr 1984: Joined NEC Corporation
 Feb 2001: Joined Asahi Pretec Corp.
 Jun 2006: Appointed Director of Asahi Pretec Corp.
 Apr 2011: Appointed Director of Asahi Holdings, Inc.
 Jun 2014: Appointed Representative Director and President of Asahi Pretec Corp.
 Apr 2017: Appointed Representative Director and President of Asahi Americas Holdings, Inc. (to present)
 Apr 2018: Appointed Director of Asahi Pretec Corp. (to present)
 Apr 2018: Appointed Representative Director and President of Asahi Holdings, Inc. (to present)



Amane Kojima

Profile
 Apr 1992: Joined Nissho Iwai Corporation
 Mar 2011: Joined Asahi Pretec Corp.
 Jan 2013: Registered as a USCPA (Washington)
 Jun 2017: Appointed Director of Asahi Holdings, Inc. (to present)
 Apr 2018: Appointed Director of Asahi Americas Holdings, Inc.
 Oct 2019: Appointed Corporate Auditor of Asahi Americas Holdings, Inc. (to present)
 Apr 2020: Appointed Director, CFO and General Manager of Financial Planning Office of Asahi Holdings, Inc. (to present)



Hiroyuki Nakanishi

Profile
 Apr 1986: Joined Asahi Pretec Corp.
 Jun 2009: Appointed Executive Officer of Asahi Pretec Corp.
 Apr 2013: Appointed Director of Japan Waste Corporation
 Jun 2016: Appointed Representative Director and President of Fuji Medical Instruments Mfg. Co., Ltd.
 Apr 2018: Appointed Representative Director and President of Asahi Pretec Corp. (to present)
 Jun 2018: Appointed Director of Asahi Holdings, Inc.
 Apr 2020: Appointed Senior Vice President of Environmental Preservation Business Unit of Asahi Pretec Corp. (to present)

Audit and Supervisory Committee Members



Yuji Kimura

Profile
 Apr 1979: Joined the Environment Agency
 Jul 2006: Appointed General Manager of Industrial Waste Management Division, Waste Management and Recycling Department of the Ministry of the Environment
 Aug 2010: Appointed Director-General of Kyoto Mechanism Business Promotion Department of New Energy and Industrial Technology Development Organization
 Jul 2012: Appointed Director-General of Hakodate Customs, Ministry of Finance Japan
 Oct 2014: Appointed Executive Director and General Manager of Tokyo Office, Global Environment Centre Foundation (to present)
 Jun 2017: Appointed Outside Director (serving as Audit and Supervisory Committee Member) of Asahi Holdings, Inc. (to present)



Kyoko Kanazawa

Profile
 Apr 1989: Joined Fuji Research Institute Corporation
 Apr 2000: Registered as attorney / Joined Hata & Co. Law Offices (to present)
 Jun 2017: Appointed Outside Director (serving as Audit and Supervisory Committee Member) of Asahi Holdings, Inc. (to present)



Yoshikatsu Takeuchi

Profile
 Apr 1978: Joined Hyogo Sogo Bank
 Apr 1999: Joined Asahi Pretec Corp.
 Jun 2001: Appointed Director of Asahi Pretec Corp.
 May 2008: Appointed Representative Director and President of Japan Waste Corporation
 Apr 2009: Appointed Director of Asahi Holdings, Inc.
 Apr 2018: Appointed Director and Chairman of Japan Waste Corporation
 Apr 2018: Appointed Director and Chairman of Asahi Life & Health Corporation
 Jun 2019: Appointed Director (serving as Audit and Supervisory Committee Member) of Asahi Holdings, Inc. (to present)



Yoshinori Hara

Profile
 Apr 1983: Joined NEC Corporation
 Aug 1990: Became a Visiting Researcher, Stanford University
 Jul 2004: Supervised NEC's Kansai Research Laboratories
 Apr 2006: Professor of Graduate School of Management, Kyoto University (to present)
 Apr 2018: Dean of Graduate School of Management, Kyoto University
 Jun 2019: Appointed Outside Director (serving as Audit and Supervisory Committee Member) of Asahi Holdings, Inc. (to present)

[As of June 16, 2020]

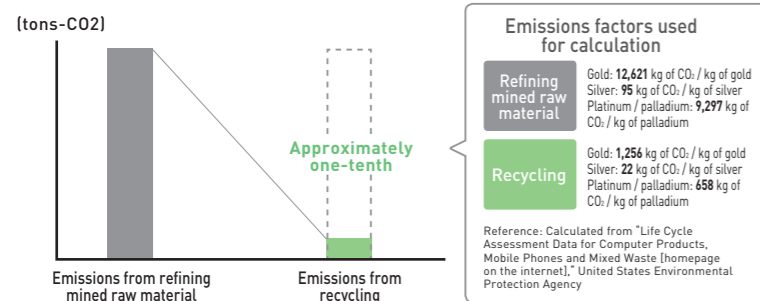
Environmental Initiatives of the Asahi Holdings Group

The Asahi Holdings Group strives to ensure that its business activities contribute to healthy cyclical use of materials to protect the global environment.

CO₂ Emissions Reduction from Precious Metal Recycling

The CO₂ emissions reduction benefit from precious metal recycling by the Group is calculated as the emissions from its precious metals recycling deducted from the emissions that would have been produced by refining the same amount of precious metals from mined raw material. By expanding our precious metal recycling, we will also be indirectly contributing to CO₂ emissions reduction.

(The CO₂ emissions reduction figure does not indicate the level of emissions directly reduced by the Group.)



Environmental benefit of precious metal recycling

When CO₂ savings are expressed as the amount of greenhouse gases absorbed by forests, it is equal to **43,317** hectares of forest (an area two-thirds the size of Lake Biwa)

Note: Calculation was based on the assumption that one cedar tree absorbs 14 kg of CO₂ annually (Source: Forestry Agency of Japan), and 1,700 cedar trees are planted in an area of one ha.

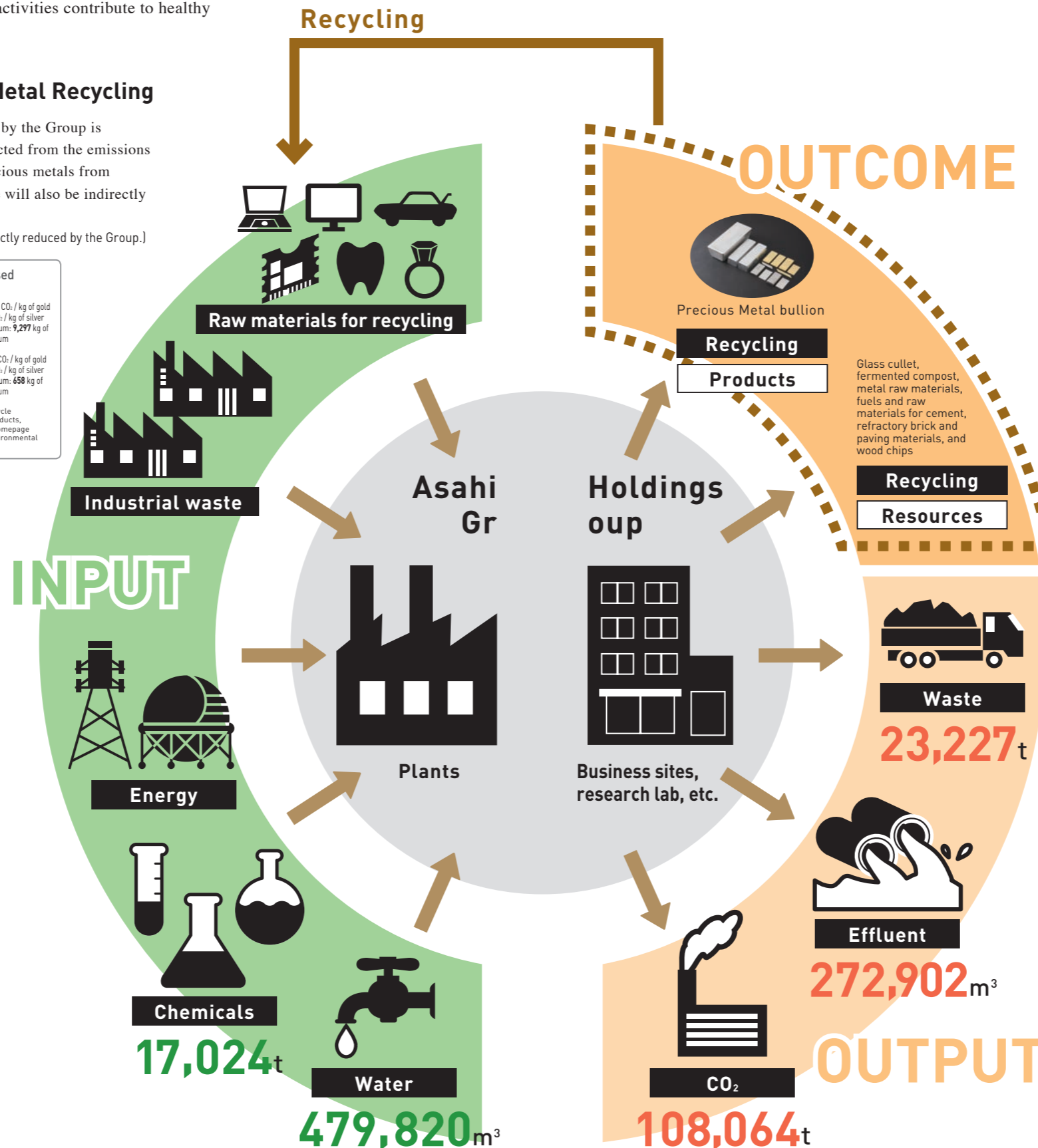


Emissions reduction benefit
1.031 million tons-CO₂

Energy Sources

◆Electricity	◆Heavy oil
49,99 million kWh / year ↑	762 kL / year ↓
◆Kerosene	◆Light oil
468 kL / year ↑	3,350 kL / year ↓
◆Gasoline	◆Urban gas
972 kL / year ↓	3.06 million m ³ / year ↓
◆LPG	
15 t / year ↓	

↑ Up compared to the previous year
↓ Down compared to the previous year
All figures are for FY2019



Priority SDG-Related Goal

Expand precious metal recycling

We will expand our precious metal recycling globally to promote more effective use of limited resources.

(Amount of precious metals recycled in FY2019)

367 t (Increase of 34% compared to FY2015)

Priority SDG-Related Goal

Expand proper industrial waste disposal

We will strive to ensure proper treatment of waste as a waste disposal expert and work to help build a world of sustainable recycling.

(Amounts of proper industrial waste disposal FY2019 results)

◆Liquid waste	◆Glass and ceramic waste
94,000 tons / year	21,000 tons / year
◆Sludge	◆Other (waste reagents, waste plastic, etc.)
130,000 tons / year	95,000 tons / year
◆Waste oil	Total
18,000 tons / year	358,000 tons / year
	(Increase of 16% compared to FY2015)

Priority SDG-Related Goal

Reduce CO₂ emissions

By fiscal 2030, we aim to reduce CO₂ emissions from energy sources by 26% compared to fiscal 2015.

(CO₂ Emissions: FY2019 Results)



Compared to FY2015 **9%** reduction

Scope of data
Headquarters, sites, sales offices and plants in Japan, as well as Group companies*, and overseas subsidiaries* (calculation period: April to March)
* The data pertains to consolidated subsidiaries as of March 31, 2020. Data for deconsolidated subsidiaries are subtracted retroactively, while subsidiaries that were previously non-consolidated has been added retroactively, going back to the fiscal year when the subsidiary became consolidated.

Environmental Management

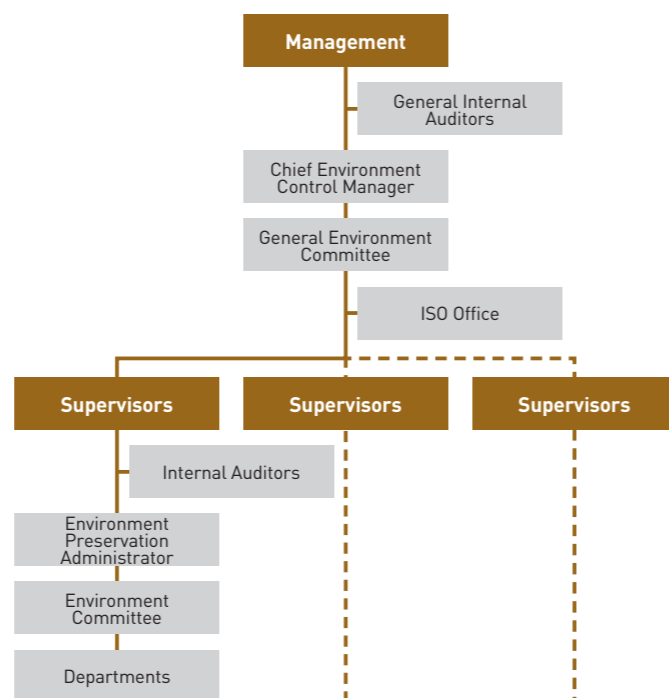
ISO 14001 Certification

In August 2018, we obtained ISO 14001 certification for our sites in Japan, including those at subsidiaries. As of March 31, 2020, we have achieved certification for 32 sites at 6 companies. Going forward, we will continue to focus on maintenance and improvement activities with an emphasis on extending certification to all sites.



ISO 14001 certificate

Environmental management structure



Environmental Management Promotion System

Every year we develop Company-wide Environmental Goals based on our Environmental Policy, which sets out our environmental preservation philosophy. According to the above-established purposes and goals, each ISO 14001 certified site in Japan develops its own Annual Environmental Goals and implements environmental preservation activities closely related to their business tasks. In addition, the Environment Committee of each site deliberates on such matters as compliance with environmental laws and regulations, revisions of plans and environmental education, and provides reports to management. While the ISO Office controls the environmental management system (EMS), an environmental preservation administrator is also assigned for each site in order to ensure thorough implementation of environmental initiatives.

Environmental preservation activities by employees

We actively participate in cleaning activities in each region.



Okinawa: Beach cleanup



Aomori: River cleanup



Nigata: Road cleanup

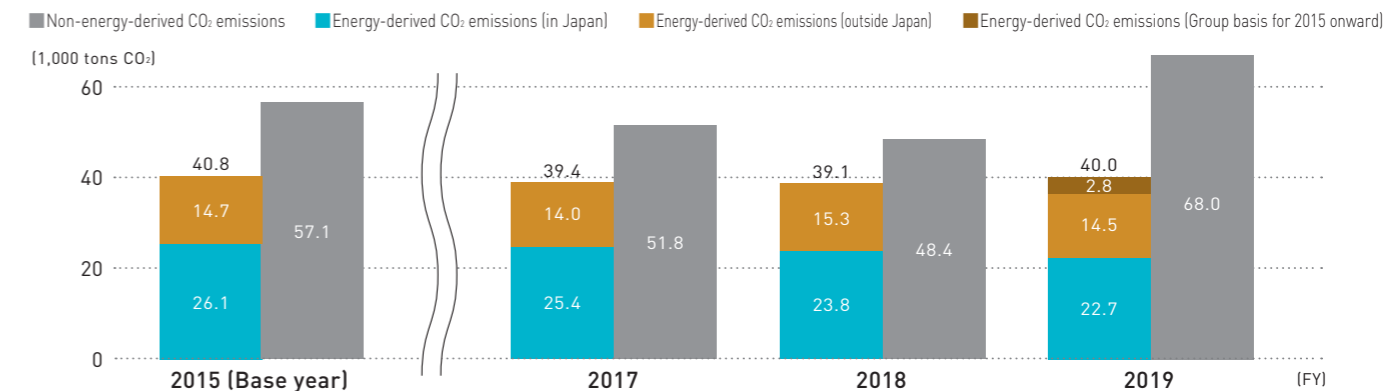
Climate Change Prevention Initiatives

Priority SDG-Related Goal

Reduce CO₂ emissions



CO₂ emission trends



In fiscal 2019, the Group's total CO₂ emissions were up approximately 8% from fiscal 2015. This does not include the emissions attributed to one site outside Japan that joined the Group in fiscal 2019, as it was not included in the total for the base year. Breaking down this total, energy-derived CO₂ emissions in Japan were down thanks to group-wide energy-saving activities and the closure of a site. Even though emissions by sites outside Japan remained about the same, the worldwide total dropped by approximately 9%. On the other hand, CO₂ emissions generated through industrial waste incineration were up approximately 19% from fiscal 2015. The Asahi Holdings Group is helping to extend the lifespan of final disposal sites by incinerating waste plastic and drastically reducing its volume. The main reason for the emissions increase was a jump in the amount of waste plastic incinerated after updating incinerators.

As one of its priority SDG-related goals, the Group is working toward a 26% reduction in CO₂ emissions by fiscal 2030, compared to fiscal 2015. The Group's energy-derived CO₂ emissions in Japan mainly stem from power consumption in offices, power and fuel consumption in factories, and fuel consumption by sales and other vehicles. Overseas, these emissions originate from power and fuel consumption in factories and offices. Non-energy-derived CO₂ emissions arise from the incineration of industrial waste.

We focus on energy-derived CO₂ emissions in particular, and aim to achieve our target not only through in-house efforts, but also by utilizing resources outside the company. These include generating power from waste, reducing energy use for air conditioning, lighting and vehicles, and changing electric power providers.

Scope of data

Headquarters, sites, sales offices and plants in Japan, as well as Group companies,* and overseas subsidiaries* (calculation period: April to March)
 * The data pertains to consolidated subsidiaries as of March 31, 2020. Data for subsidiaries that were previously non-consolidated has been added retroactively, going back to the fiscal year when the subsidiary became consolidated.

Calculation method

Energy-derived emissions: Calculated based on the amounts of electricity and fuel consumed at each site (emissions in Japan calculated based on the Act on Promotion of Global Warming Countermeasures, and the Act on the Rational Use of Energy)

Non-energy-derived emissions: Calculated based on the amount of industrial waste incineration

Green Bond Issuance

Green bonds are issued to raise funds for a project with environmental preservation benefits, such as renewable energy or other measures to combat global warming. As part of our initiatives to promote sustainable management, we have issued green bonds to secure the financing necessary to install eco-friendly facilities and equipment. This green bond issuance has been recognized as a measure to help solve environmental problems, and it has received the highest rating of "GA 1." Going forward, the Asahi Holdings Group will continue to work as one for the "resolution of the earth's sustainability."

Uses of Funds

- 1 Upgrading the incinerator and constructing a new power generation facility at the Kitakyushu Plant of Asahi Pretec Corp.
- 2 Upgrading the incinerator at the Hibiki Plant of Asahi Pretec Corp.
- 3 Installing a new incinerator at the Rinkai Plant of Taiyo Chemical Co., Ltd.

The funds will be used to help promote the following SDGs.



Work-Life Balance and Diversity

While welcoming workplace diversity, the members of the Asahi Holdings Group respect each other's individuality. We are engaged in various initiatives with the aim of creating inclusive workplaces where all employees can demonstrate their abilities.

Priority SDG-Related Goal

Enhance work-life balance and diversity promotion



SDG-Related Goal	Targets	FY2019 Results
Thorough implementation of the rest interval system (at least 11 hours rest) We have introduced a system to ensure that employees get at least 11 hours of rest, from the time they leave work, to the time they start work the next day. We are actively striving to promote employee health, which is an asset for the company.	100% by the end of FY2020	98.3%
Raising the usage rate of Holidays for Refreshment (at least 3 days off) This type of leave provides three consecutive days or more, and the employment rules also allow leaves of five consecutive days. The aim is for employees to reinvigorate their minds and bodies, while realizing stimulating work styles.	100% of usage rate by the end of FY2020	98.2%
Increasing the percentage of women in managerial positions The aim is to create a company where women can play an active role in the workplace and fully demonstrate their abilities. We are working to improve our workplaces and raise career planning awareness, so that both men and women can reach their full potential.	Equal to men by the end of FY2030	Percentage of women in managerial positions: 3.88% (Percentage of men in managerial positions: 18.6%)
Promoting the employment of people with disabilities The company is working to create jobs that are challenging and rewarding for employees with disabilities, thereby allowing them to use their abilities and experience in the workplace.	Percentage of employees with disabilities: At least 2.5% by the end of FY2030 (legally required rate is 2.3%)	2.07%

* Target for Group companies in Japan

Work-Life Balance Support

We are working to create workplaces where it is easy for employees to secure time off for family needs, such as childbirth, childcare, or home care for a relative. Our program providing shortened working hours after childcare leave can be used until the child graduates from elementary school, a benefit which greatly exceeds legal requirements. The company has also introduced a telework system for employees who have young children, are providing home care, or are receiving medical treatment. This helps employees to work according to their circumstances.



Health and Productivity Management

The Asahi Holdings Group's approach to health and productivity management starts with treating the physical and mental health of all employees as a key management issue.

Asahi Holdings Health Declaration

The Asahi Holdings Group recognizes that every employee's mental and physical health are assets to the company and is working to enhance corporate value by building healthy, productive workplaces.

Representative Director, President & CEO: Tomoya Higashiura

Main measures

- Running a robust health exam program that exceeds legal requirements and practicing thorough mental and physical health management
- Encouraging employees to understand the importance of their own health, and supporting them to maintain and promote their own health
- Promoting work-style reforms with the aim of improving work-life balance

Robust Health Exam Program that Exceeds Legal Requirements

Starting at age 35, a gastroscopic examination is recommended for employees, and advanced medical checkups including brain MRI / MRA exams as well as PET scans are provided periodically starting at age 40.

We have been recognized by Japan's Ministry of Economy, Trade and Industry as a 2020 Certified Health & Productivity Management Outstanding Organization. This recognition is given to corporations that are promoting employee health management from a strategic business perspective.



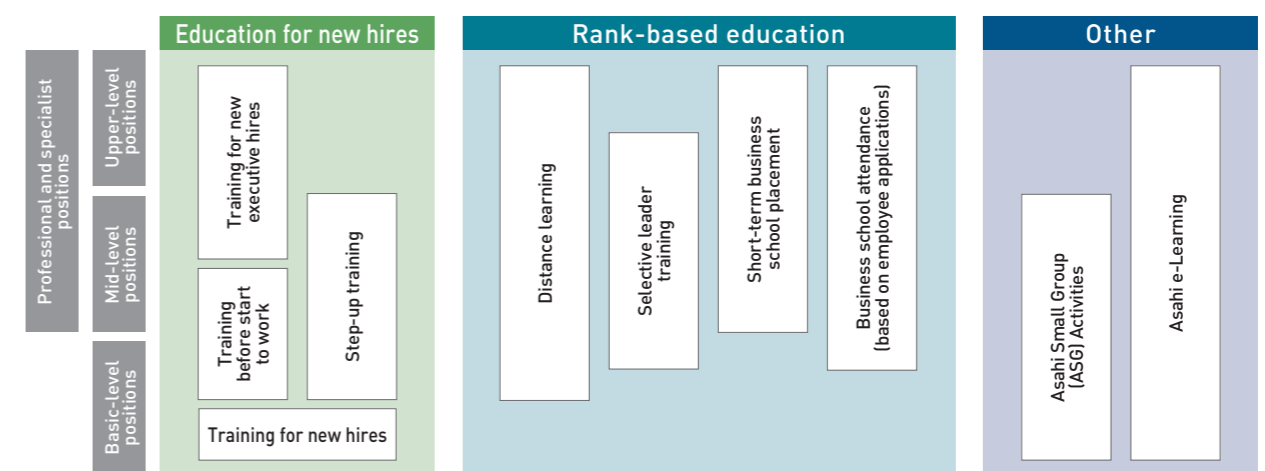
Mental Health

Since good mental health is essential for improving employee productivity and vitality, employees are given individual consultations and preventative seminars by industrial physicians specialized in mental health. In addition, stress checks are given to all employees at all sites including workplaces with fewer than 50 people.

After the checks are carried out, we analyze the results for each site and make workplace improvements to promote even more supportive working environments.

Human Resource Development

With the aim of developing professional human resources who can operate at a global level, regardless of rank or occupation type, we have implemented our own qualification systems and internal education curriculums. In addition, we are striving to develop human resources who enjoy taking on challenges, using systems that fairly and impartially evaluate each employee's contribution to business performance.



Short-Term Business School Placement

This program allows employees to attend business school courses with students from other companies. The aim is to enable them to acquire practical management skills and expand their personal networks.

Asahi e-Learning

This is our own internal e-learning program, which is part of efforts to share in-house knowledge across the Group. By using teaching materials and content created by each department, the aim is for participants to deepen their knowledge of company rules and operations, while improving business skills.

Communication with Stakeholders

Partnering with Shareholders and Investors

In order to meet the expectations of our shareholders and investors, we present our vision, management policy, and medium-term business plan in accessible way, and disclose corporate information in a timely and appropriate manner. In addition, the Group is actively engaged in constructive dialogue with shareholders and investors, while aiming for sustainable growth and higher corporate value.

IR Activities

Management briefings are held twice a year after the announcement of the second quarter financial results and the annual financial results. In addition, we give individual interviews as an opportunity to directly explain financial information to institutional investors and securities analysts on a quarterly basis. We also disclose information fairly and broadly to all stakeholders in Japanese and English, using IR tools such as our website.

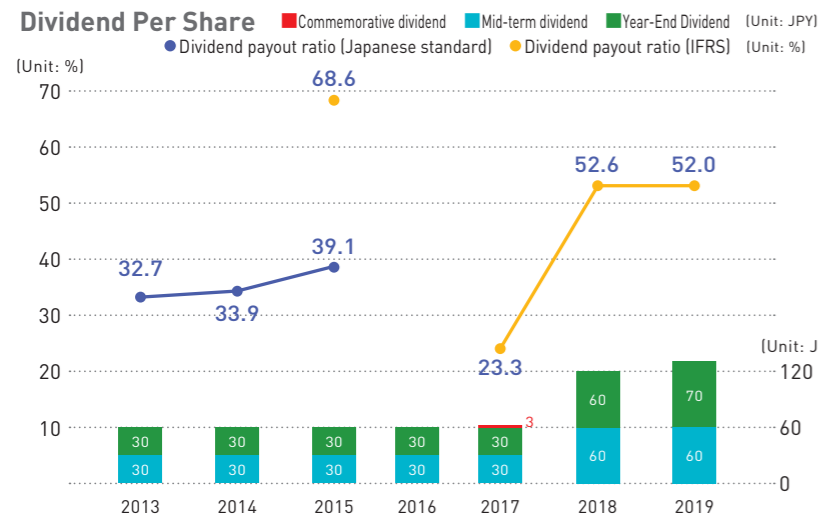
General Shareholder's Meeting

The regular general meeting of shareholders is held every June in Kobe and provides an opportunity to communicate with shareholders. Senior management responds directly to the questions and concerns of attendees, uses the feedback for management of the Group, and aims to make the meetings useful for shareholders.

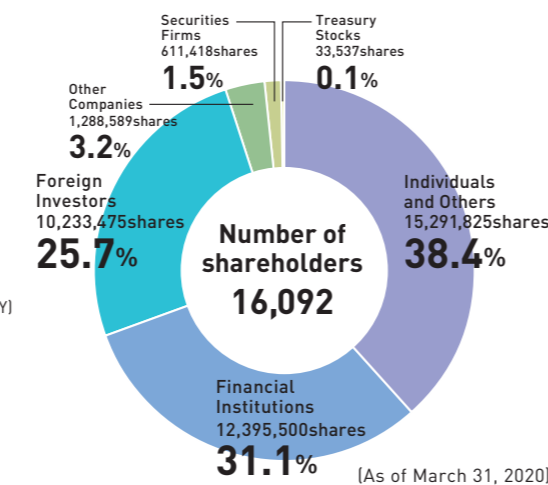
(Basic Policy on Shareholder Returns)

The basic policy of Asahi Holdings is to improve corporate value by maintaining profitability and delivering sustainable growth, and to meet the expectations of shareholders by providing sustainable, stable dividends. We also believe that it is important to enhance internal reserves to prepare for investment in growth areas and new business development.

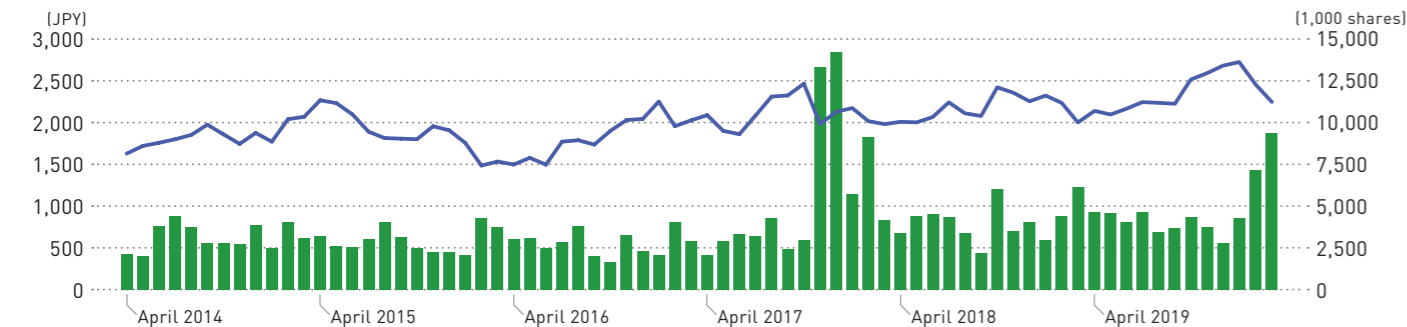
Based on this policy, we aim for a consolidated dividend payout ratio of 50% or higher. The ratio is decided after taking into consideration the business results of each fiscal year, the need for enhancing the financial position, and the management strategy of the Group.



Stock Ownership, by Types of Shareholders



Stock Prices



Serving our Customers

Our motto is "the customer comes first," and we mean it. We do all that we can to provide finely tuned responses to the wide-ranging needs of each of our customers.

Fair Trade Measures

As part of the Asahi Way, the Code of Conduct of the Asahi Holdings Group prohibits any behavior that impedes fair competition, violates the confidentiality of supplier information and technology, or results in improper benefits. These rules are strictly enforced to ensure compliance with fair business practices and corporate ethics.

Quality Assurance System

At Asahi Pretec, quality assurance is positioned as the core department, and it works closely with the sales, technology development, and product manufacturing departments. It shares customer feedback and market trends with these departments and cooperates with them to improve customer satisfaction. In addition, the Asahi Holdings Group maintains ISO 9001 certification to ensure that its products deliver satisfaction and peace of mind to customers. We strive to continuously improve our quality management system and maintain the highest quality possible.

Procurement Initiatives

Asahi Pretec has implemented a CSR Procurement Policy. It pertains to the procurement of secondary materials such as chemicals and consumables used in precious metal recycling and the environmental preservation business.

CSR Procurement Policy

Procurement is carried out based on the following seven points:

1. Environmental preservation
 2. Quality control
 3. Fair trade
 4. Information security
 5. Crisis management
 6. Social responsibility
 7. Human rights protection and occupational safety and health
- Transactions are promoted based on relationships of trust with our business partners. The aim is to improve corporate value for both the company and our business partners.



Working with Communities

As an enterprise with business activities across Japan, the Group realizes that the understanding and support of local residents is indispensable. In order to maintain good relations with our neighbors, we are promoting various types of social contribution activities to benefit communities and the natural environment. We will continue to fulfill our responsibilities as a corporate citizen and actively contribute to the development of an even healthier society.

Participating in Social Contribution Activities

The company has provided cooperation for the social project "TOOTH FAIRY," which is run with the cooperation of Nippon Foundation and Japan Dental Association. Some of the profits obtained from sales of recycled precious metals are made available as funds to assist the activities of these organizations.

We also support the nonprofit organizations Médecins du Monde Japan and Japan Cleft and Plate Foundation, which provide medical support activities.



Partnering with Employees

The Group actively supports social contribution activities undertaken by employees. It aims to create an environment that encourages all employees to take a broad interest in various social issues and contribute to society voluntarily. In addition, we are working to improve productivity by leveraging small group activities and building workplaces that satisfy employees.

Asahi Holdings SDG Activities

Asahi Holdings SDG Activities are those that employees perform independently, aside from their regular work, as members of society to contribute to the SDGs. The Asahi Holdings SDG Awards were established to honor individuals and groups who have performed outstanding SDG-related activities during the three years from 2018 to 2020. As a company, we encourage and support all employees in their efforts to understand and help achieve the global agenda set out in the SDGs.

Asahi Small Group (ASG) Activities

ASG activities refers to small group activities that are carried out based on the active, voluntary participation of employees in the same workplace. These groups apply ingenuity to solve problems in the workplace. The groups that have made the most outstanding efforts are recognized at the Employee General Meeting.

Priority SDG-Related Goal

Encourage and support SDG activities

Employees, as upstanding citizens, are encouraged to help achieve the SDGs as in various ways, including support for individual and group volunteer activities.



FY2019 SDG Activities



Disaster Volunteer

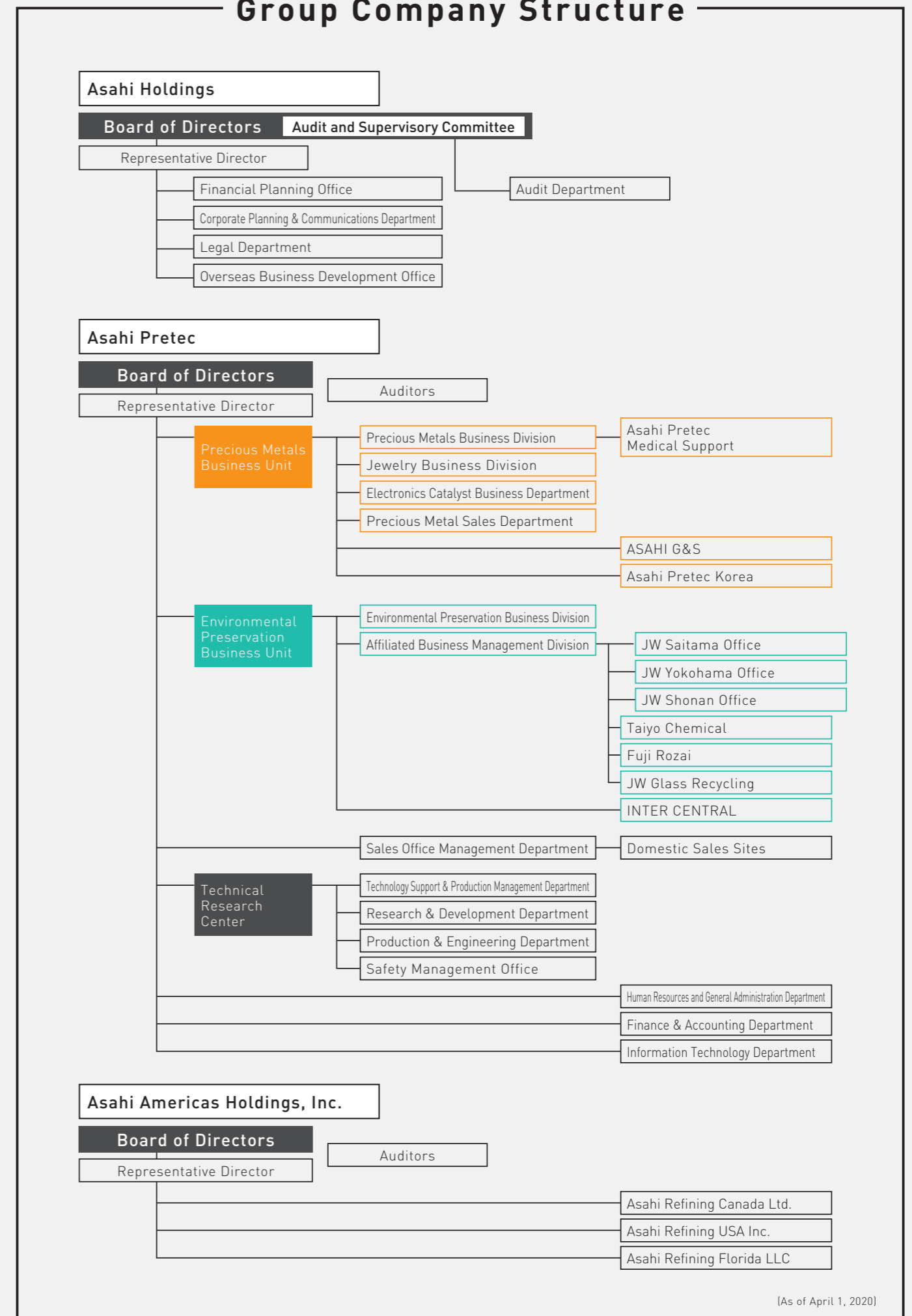
Some worked as volunteers in disaster areas affected by heavy rain, mainly in the Chugoku and northern Kyushu regions.



Hanshin region: Beach park cleanup

Every year since 1988, employees have participated in beach park cleanup activities. Many take part with their whole families. In fiscal 2019, 45 people comprised of employees and family members took part, including those from Group companies.

Group Company Structure



[As of April 1, 2020]

Financial and Non-Financial Data

Ten-Year Financial and Non-Financial Summary

	FY (Unit)	← [Japanese Standard] [IFRS] →									
		2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Financial Data*¹											
Revenue* ²	Billion JPY	110.5	151.1	96.4	94.3	111.4	119.4	106.8	115.8	110.4	135.6
Operating income* ²	Billion JPY	10.7	11.2	7.5	9.6	10.5	6.1	2.0	13.8	13.4	20.1
Pre-tax income	Billion JPY	10.5	10.8	7.3	9.9	9.7	5.9	1.8	13.4	12.4	17.7
Income for the year attributable to owners of the parent company	Billion JPY	6.1	5.9	4.5	6.0	5.8	2.9	-1.2	9.4	9.0	9.8
Total capital	Billion JPY	34.3	38.9	42.0	46.5	51.0	49.0	44.8	64.4	67.8	69.2
Total assets	Billion JPY	59.1	58.3	62.3	66.1	104.9	101.6	89.0	131.5	160.3	230.0
Capital investment	Billion JPY	3.4	1.6	1.3	1.1	1.5	1.7	3.0	3.1	5.7	4.2
Depreciation	Billion JPY	2.1	2.3	2.1	1.8	1.8	2.4	2.3	2.3	2.3	2.8
R&D expenses	Billion JPY	0.38	0.36	0.35	0.37	0.44	0.50	0.51	0.51	0.45	0.35
Cash flow from operating activities	Billion JPY	5.5	11.3	-0.4	14.1	9.4	14.3	3.3	-13.4	-20.6	-60.3
Cash flow from investing activities	Billion JPY	-3.7	-2.3	-2.1	-1.1	-29.6	-1.9	-2.4	-2.8	-5.6	-1.9
Cash flow from financing activities	Billion JPY	-1.1	-7.7	2.6	-8.0	21.4	-6.5	-6.6	29.8	18.3	65.2
Basic earnings per share (EPS)	JPY	190.46	183.20	139.24	183.50	176.89	87.48	-37.24	270.77	228.14	250.24
Equity attributable to owners of the parent company per share (BPS)	JPY	1,062.30	1,198.77	1,288.56	1,422.51	1,542.82	1,490.56	1,359.02	1,627.20	1,723.16	1,758.00
Dividend per share	JPY	50.00	60.00	60.00	60.00	60.00	60.00	60.00	63.00	120.00	130.00
Operating income margin	%	9.6	7.4	7.8	10.2	9.4	5.1	1.9	11.9	12.2	14.8
Return on equity (ROE) attributable to owners of the parent company	%	19.1	16.2	11.2	13.6	11.9	5.8	-2.6	17.3	13.6	14.4
Pre-tax return on assets (ROA)	%	19.2	19.0	12.9	15.6	12.4	5.7	1.8	12.2	8.5	9.0
Ratio of equity attributable to owners of the parent company	%	58.0	66.6	67.3	70.1	48.2	47.8	49.8	49.0	42.3	30.1
Payout ratio	%	26.3	32.8	43.1	32.7	33.9	68.6	-	23.3	52.6	52.0
Non-Financial Information*³											
Number of employees		1,206	1,277	1,328	1,360	2,080	2,005	1,961	1,928	2,042	1,574
Percentage of female employees	%	9.0	9.4	10.4	10.5	12.0	11.7	11.8	11.5	11.6	9.9
Percentage of employees outside Japan	%	1.9	2.8	3.2	4.0	20.2	18.4	17.5	16.7	21.2	23.4
Electrical power consumption	1,000 kWh	24,097	23,186	22,669	22,963	23,292	47,522	46,354	45,542	44,509	49,993
CO ₂ emissions* ⁴	tons CO ₂	75,322	71,302	77,755	83,939	91,494	101,540	94,540	95,034	90,162	108,064
Number of employees using distance learning		-	-	-	-	-	348	290	230	362	303
Distance learning participation rate	%	-	-	-	-	-	94.0	93.8	93.0	93.9	90.8
Number of Asahi e-Learning participants		-	-	-	-	-	-	-	-	-	10,312
Asahi e-Learning participation rate	%	-	-	-	-	-	-	-	-	-	87.2
Number of employees in leader training		-	-	-	-	-	-	30	30	29	25
Number of employees participating in the short-term business school placement program		-	-	-	-	-	-	-	-	-	12

Note 1
Since the Group adopted the International Financial Reporting Standards (IFRS) in fiscal 2016, the financial figures for fiscal 2015 are also shown based on IFRS.

Note 2
The business of Fuji Medical Instruments Mfg. Co., Ltd. was categorized as non-consolidated business in fiscal 2019. As a result, the revenue and operating income figures for fiscal 2018 and 2019 reflect this change.

Note 3
The annual non-financial information is compiled as of March 31.

Note 4
Until fiscal 2014, the CO₂ emissions pertain to those of all Group companies in Japan. Starting in fiscal 2015, the emissions pertain to those of all Group consolidated subsidiaries worldwide, as of March 31 of each year.

Asahi Holdings, Inc.

