

Business Report for FY2014

From April 1, 2014 to March 31, 2015

To Our Shareholders

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

During the 6th business term (April 2014 through March 2015), the Japanese economy has been in the modest recovery as a whole. Under these economic conditions, the Group's results in each business segment were as follows.

Precious metal recycling business

In the electronics sector, the Japanese market continues to contract as customers shift operations overseas, but because the Group worked to expand its E-scrap and precision cleaning businesses, the collection volume of gold and silver increased from that of the same period a year earlier. In the dental sector, we worked to secure collection volume even as the volume of precious metals used for domestic dental treatment materials continued its gradual decline. In the jewelry sector, the collection volume of gold and silver decreased compared with the same period a year before. However, the collection volume of platinum and palladium increased year-on-year. In the automotive catalyst sector, work on new customer development led to an increased collection volume of palladium compared with the same period a year earlier. Asahi Refining (United States and Canada) which joined the Group in March 2015, is a leading company in the world for its gold and silver refining operations and is expected to drive the Group's future growth.

Environmental preservation business

Although there were some signs of recovery in corporate production activity, overall it cannot be considered vigorous, and the emission amount of industrial waste are on the decline. Under these circumstances, Group companies have made sales efforts such as advancing one-stop processing solutions and the development of new customers. Volume handled, especially effluent and sludge, grew year-on-year.

Life & health business

FUJI MEDICAL INSTRUMENTS MFG. has been incorporated into the Group in July 2014.

Taking it as an opportunity, the "Life & Health" business segment has been newly established with other two companies included. One is INTER CENTRAL which operates manufacturing and sales of heating equipment and design and construction of radiant air-conditioning system. The other is KOEIKOGYO running operations of design and construction of fire-prevention facilities. This business segment had a limited contribution to the Group's performance during the 6th business term. However, we expect that the increase in the elderly and rising health conscious trend in the domestic market will lead to its growth as the new business segment.

Consequently, operating results for the current fiscal year were as follows: consolidated net sales 111,417 million yen, operating profit 10,480 million yen ordinary profit 10,561 million yen, and net income 5,774 million yen.

As for dividends during the coming fiscal year, we plan on an interim dividend of 30 yen per share and a year-end dividend of 30 yen per share, for a total annual dividend of 60 yen per share.

Furthermore, our ambitious initiatives have started to "pursue growth and efficiency" and we plan to expand overseas operation as well in the coming three years of the 7th mid-term business plan starting in April 2015.

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



President & CEO *Mr. Terayama*

Overview of the 7th Mid-term Business Plan(FY2015-17)

Pursuing growth and efficiency

- Achieving 50% profit growth and minimum 13% ROE for FY 2017-

【Basic Policy】

- 1. Accelerate growth in new business areas**
- 2. Enhance profitability of core business**
- 3. Promote global management**

【 Summary of key measures】

1. Operating profit in the final fiscal year (FY 2017) is to be grown by 50% compared to FY 2014.
2. "Minimum 13% ROE for FY 2017" is to be achieved through selection and concentration of management resources along with increased operating efficiency.
3. Total investment of 15 billion yen (excluding M&A) during the three years funded by cash flow during the period.
4. During each fiscal year, 30–35% of current net profit shall be allotted for return to shareholders.
5. Starting June 2015, a transition to the company with a committee governance structure including at least three Outside Directors shall be made, strengthening corporate governance.
6. Voluntary application of International Financial Reporting Standards (IFRS) shall begin in FY 2016.
7. The business continuity systems of every Group company shall be reexamined, and risk management shall be strengthened.
8. Precious metal business segment: As it is the Group's core business, the competitiveness of each Japanese domestic business shall be enhanced. Along with working to expand the business base in North America, we shall work on expansion of new fields in Asian markets. Along with raising awareness of the "Asahi Refining" brand, we shall expand processing volumes of recycling materials in the global market.
9. Environmental preservation business segment: As it is a stable growth business of the Group, profitability shall be emphasized, and active capital expenditure shall be performed. M&A of companies that can contribute to growth will continue.
10. Life and health business segment: Through new business development, the opening of new sales channels, and the building of a unique business model, it shall be set on the path of business growth as the Group's third business pillar.

Overview of the 7th Mid-term Business Plan(FY2015-17)

Consolidated
Net Sales

FY2017
170 billion yen

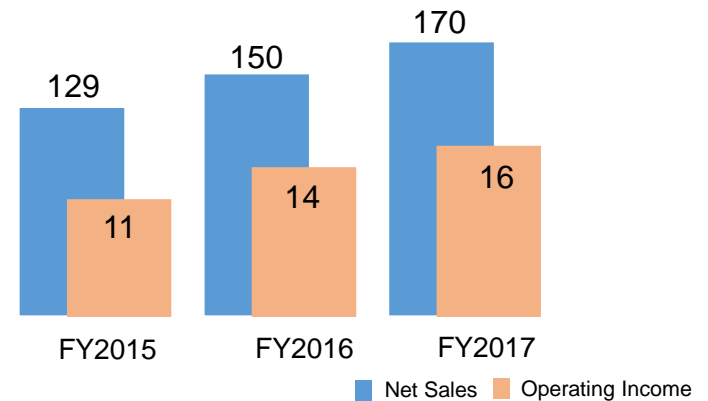
Consolidated
Operating Income

FY2017
16 billion yen

*IFRS applied from FY2016

Dividend payout ratio :
Maintain **30~35%**

Billion yen



TOPICS

Incorporation of “Asahi Refining” into the Group

Asahi Refining joined the Group in March 2015, which operates its long-standing business of gold and silver refining processing based on mine-derived materials in the US and Canada. The business boasts its leading position in the global market for its refinery volumes of gold and silver. Furthermore, Asahi Refining’s management resources include its accumulated core technology of refining processing, strong relationship with mine customers and cost competitiveness driven by the scale.

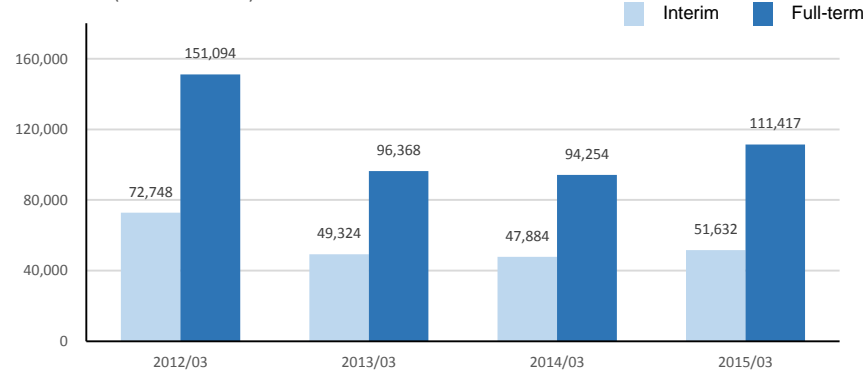
We aim for growth in the global precious metal business by achieving synergies through initiatives to build up optimal combination with precious metal recycling technologies and capabilities which we have developed.

Asahi Refining is planned to become our growth engine in the 7th mid-term business plan, along with the “Life & Health” business segment which is newly established in July 2014.

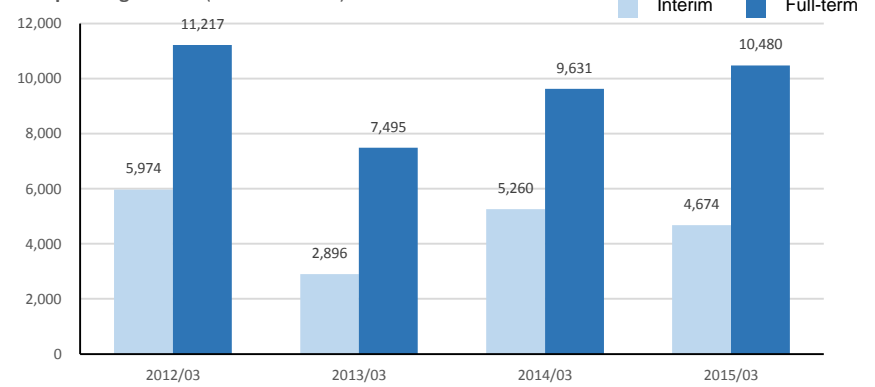


Consolidated Financial Highlights

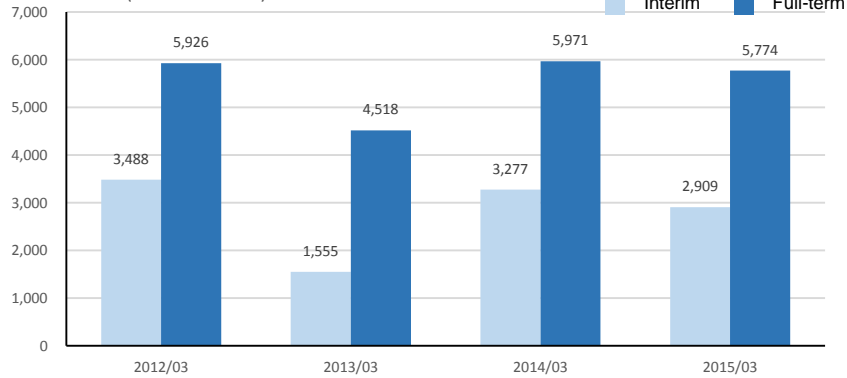
■ Net Sales (Millions of Yen)



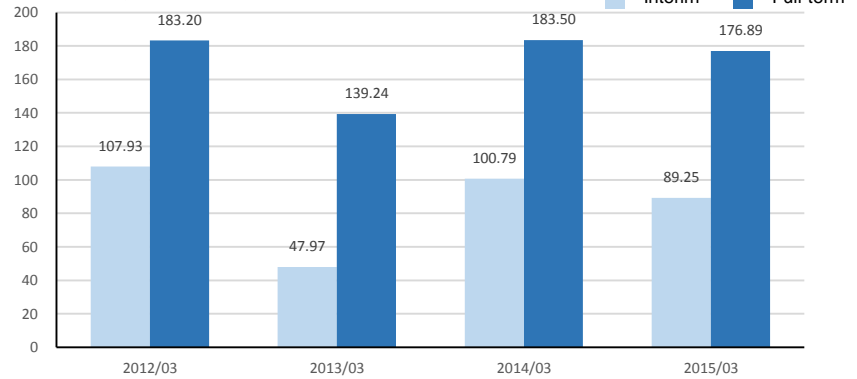
■ Operating Income (Millions of Yen)



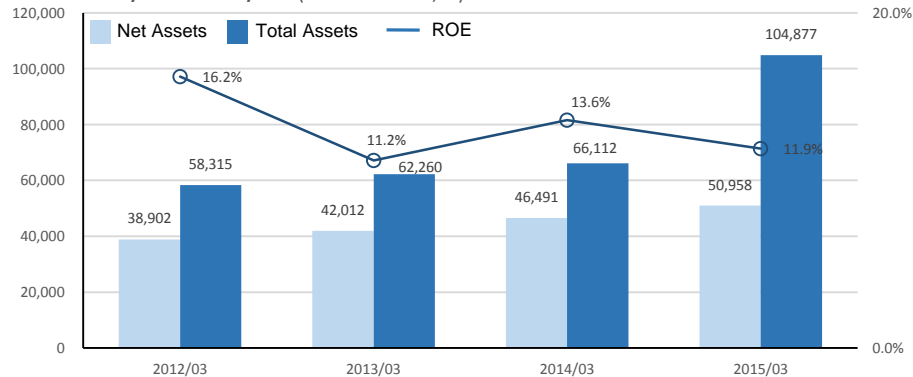
■ Net Income (Millions of Yen)



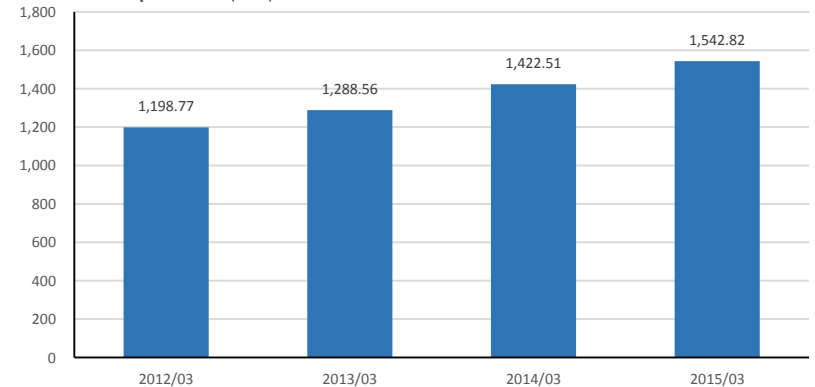
■ Net Income per Share (Yen)



■ Net Assets/Total Assets/ROE (Millions of Yen, %)



■ Net Assets per Share (Yen)



Consolidated Financial Statements

Consolidated Balance Sheet

(Millions of yen)

	As of March 31, 2014	As of March 31, 2015		As of March 31, 2014	As of March 31, 2015
ASSETS			LIABILITIES		
Current assets	37,517	48,556	Current liabilities	12,342	45,603
Cash and deposits	9,640	11,046	Notes and accounts payable-trade	3,643	6,161
Notes and accounts receivable - trade	11,319	15,146	Short-term loans payable	495	26,171
Merchandise and finished goods	4,094	4,855	Current portion of long-term loans payable	143	270
Work in process	8,596	9,141	Accounts payable - other	1,517	3,473
Raw materials and supplies	1,107	1,633	Income taxes payable	2,635	2,111
Other	2,879	6,773	Other	3,908	7,415
Allowance for doubtful accounts	(120)	(40)	Noncurrent liabilities	7,278	8,316
Noncurrent assets	28,595	56,321	Long-term loans payable	5,419	6,550
Property, plant and equipment	24,407	32,334	Other	1,858	1,766
Buildings and structures, net	8,979	12,298	Total liabilities	19,621	53,919
Land	13,122	14,568	NET ASSETS		
Other	2,304	5,467	Shareholders' equity	45,788	49,819
Intangible assets	2,856	22,643	Capital stock	4,480	4,480
Goodwill	2,021	21,737	Capital surplus	6,038	6,038
Other	835	906	Retained earnings	40,648	44,459
Investments and other assets	1,331	1,343	Treasury stock	(5,379)	(5,159)
			Total accumulated other comprehensive income	559	685
			Subscription rights to shares	77	77
			Minority Interests	66	375
			Total net assets	46,491	50,958
Total assets	66,112	104,877	Total liabilities and net assets	66,112	104,877

Notes: Amounts above are rounded down to unit of display.

Consolidated Financial Statements

Consolidated Statements of Income

(Millions of yen)

	The Fiscal Year Ended March 31, 2014	The Fiscal Year Ended March 31, 2015
Net sales	94,254	111,417
Cost of sales	79,018	88,340
Gross profit	15,235	23,076
Selling, general and administrative expenses	5,604	12,595
Operating income	9,631	10,480
Non-operating income	393	183
Non-operating expenses	35	102
Ordinary income	9,989	10,561
Extraordinary income	46	19
Extraordinary loss	136	863
Income before income taxes and minority interests	9,899	9,717
Income taxes-current	3,942	3,916
Income taxes-deferred	(13)	(40)
Income before minority interests	5,970	5,842
Net income	5,971	5,774

Notes: Amounts above are rounded down to unit of display.

Consolidated Statements of Cash Flows

(Millions of yen)

	The Fiscal Year Ended March 31, 2014	The Fiscal Year Ended March 31, 2015
Net cash provided by (used in) operating activities	14,058	9,419
Net cash provided by (used in) investing activities	(1,090)	(29,633)
Net cash provided by (used in) financing activities	(8,021)	21,442
Effect of exchange rate change on cash and cash equivalents	381	143
Net increase in cash and cash equivalents	5,328	1,371
Cash and cash equivalents at beginning of period	4,141	9,470
Cash and cash equivalents at the end of period	9,470	10,841

Notes: Amounts above are rounded down to unit of display.

Stock Information/Corporate Profile

Stock Information

(As of March 31, 2015)

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	9,321	persons

Principal shareholders

Name of Shareholders	Number of Shares-Held (Thousand Shares)	Ratio of Share-Holding (%)
Japan Trustee Services Bank, Ltd. (Trust account)	1,739	4.80
TERA ENTERPRISES Co., Ltd.	1,350	3.72
Mitsuharu Terayama	882	2.43
The Master Trust Bank of Japan, Ltd. (Trust account)	865	2.39
Masamichi Terayama	802	2.21
K&M Co., Ltd.	700	1.93
Asahi Employee Stock Ownership Plan	681	1.88
STATE STREET BANK AND TRUST COMPANY 505025	535	1.48
CHASE MANHATTAN BANK GTS CLIENTS ACCOUNT ESCROW	527	1.46
The Bank of Tokyo-Mitsubishi UFJ, Ltd.	450	1.24

※Total Number of Treasury Shares (3,519,057 shares) are excluding from the above.

Corporate Profile

(As of March 31, 2015)

Corporate name	Asahi Holdings, Inc.
Establishment	April 2009
Foundation	July 1952 (as Asahi Pretec Corp.)
Capital	¥4,480 million
Number of employees	2,080 (Consolidated)
Business lines	Recycling of precious & rare metals Industrial waste treatment (Industrial waste treatment and other environmental preservation business) Manufacturing and sales, construction of life and healthcare related equipment

Subsidiaries

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

Board of Directors

Formally resolved at the 6th Annual General Meeting of Shareholders held on June 16, 2015

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 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 recycling business, the environmental preservation business, and the life & health business under Asahi Holdings, Inc. which is the pure holding company.

■ Head Offices

KOBE

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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
<http://www.asahiholdings.com>

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.
TEL (0120) 094 -777
- Public Notice Electronic public notice <http://www.asahiholdings.com/>