

Securities Code **5857**

Interim Business Report for FY2010

From April 1,2010 to September 30,2010



To Our Shareholders

I would like to express my thanks for your continuing support and patronage.

The Japanese economy has gradually recovered during the second interim term (April of 2010 through September of 2010). However, in the latter half of the period, an optimistic ongoing forecast cannot be maintained due to the growing awareness of an economic downturn in Europe and the United States, the completion of the implementation of all domestic and foreign economic stimulus measures, and the sharp increase in the yen.

Under such economic conditions, in line with the 5th Medium-Term Management Plan (April of 2009 through March of 2012), we improved our basis for business growth by constructing new domestic and overseas recycling plants and through M&A related to environmental protection businesses as well as we secured and expanded profits by marketing efforts and cost-reduction activities. As a result, on 29, September, the Company Group raised our earnings forecast for the interim term and the full fiscal year.

Performance by segment is as follows:

In the precious metal recycling business, the volume of metal collection and the average unit sales prices of all the metals we deal in surpassed those of the previous year because of the recovery in overall economic activities and high market prices for metals.

In the environmental protection business, the trading volume of sludge, waste oil, waste reagents, and medical-related waste surpassed the volume of the previous year because domestic production activities have slowly recovered.

Based on the performance results above, our operating results in the interim term are; consolidated net sales - 52,486 million yen, operating income - 5,597 million yen, ordinary income - 5,475 million yen, net income - 3,202 million yen. The company has decided to distribute an interim dividend of 25 yen per share.

We appreciate your continuing understanding and support in the business activities of our Group companies.



CEO

Mitsuharu Terayama

TOPICS

New Amagasaki Plant has started operation

The Company Group has completed its new Amagasaki plant. This plant will be a core facility of a new project aiming at full-scale entry into “the metal collection business field from so-called urban mine, including used PCs and cellular phones.” We are installing new equipment and performing operational testing in preparation for full-blown operation in January, 2011.

Based on our accumulated knowhow, we will introduce advanced technology to expand collection items for the purpose of establishing the new business field.



Asahi Pretec Korea Co., Ltd local plant has started operation

Asahi Pretec Korea Co., Ltd (Head Quarters: Seoul) has almost completed its recycling plant (in Chungju) designed to “expand the electronics business” and to “develop the dental materials business” which is our first foreign venture prior to full-scale operation in January, 2011. Chungju City is approximately southeast 100 km of Seoul City and is located in the center of Korea.

Ecomax Incorporated has been incorporated within the Group

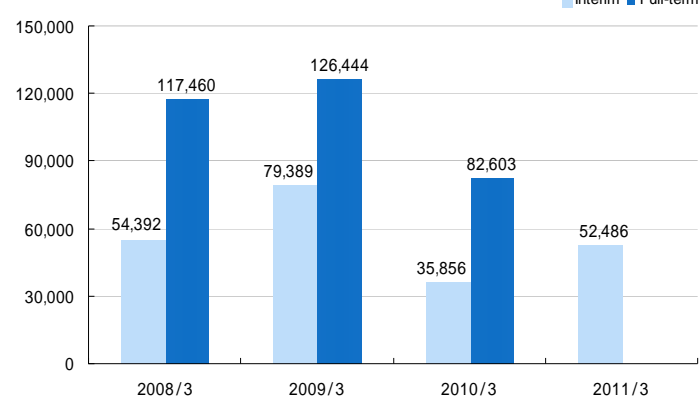
Ecomax Incorporated (in Kanagawa Prefecture) that merged into our Group in August, 2010 is one of the few companies in Japan that solidify with concrete industrial waste including cinder, soot and dust produced by incinerators and the like.

Since many of our Group companies handle items that are processed by Ecomax Incorporated, a business synergy effect within the Group companies is expected.

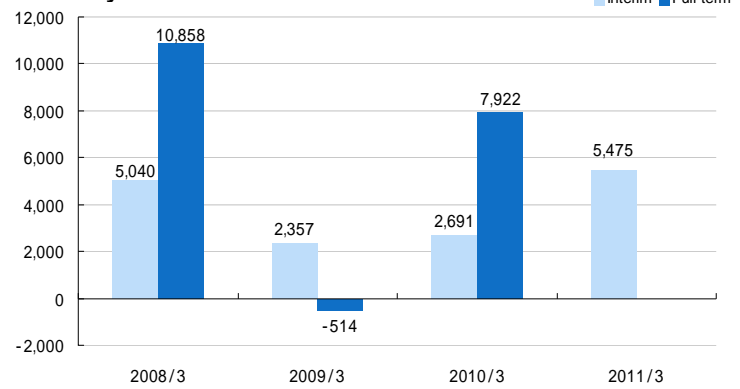


Consolidated Financial Highlights

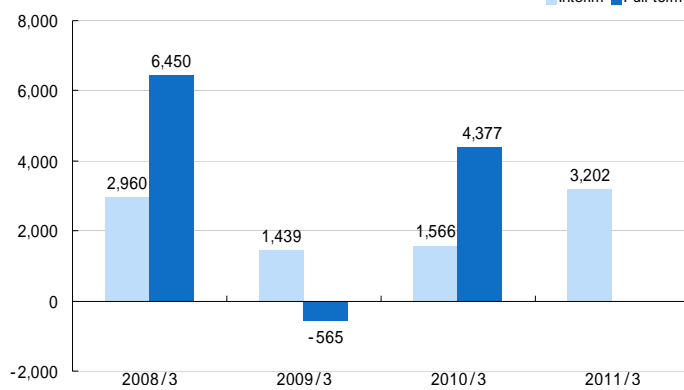
Net Sales (Millions of yen)



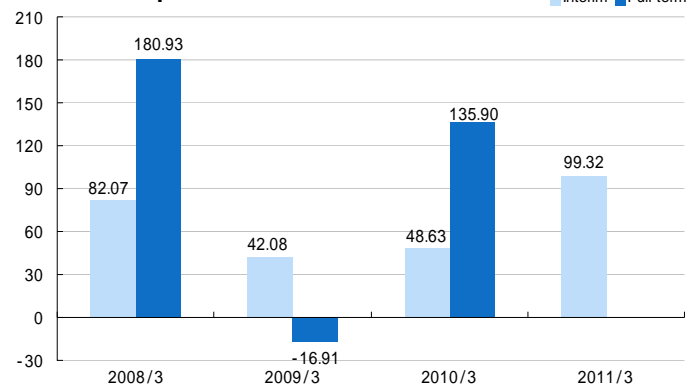
Ordinary Income (Millions of yen)



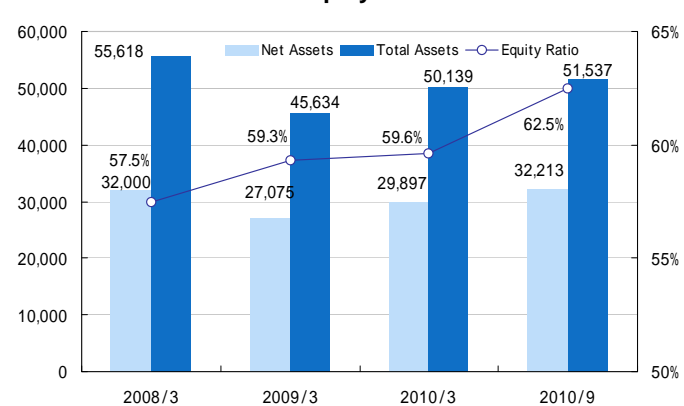
Net Income (Millions of yen)



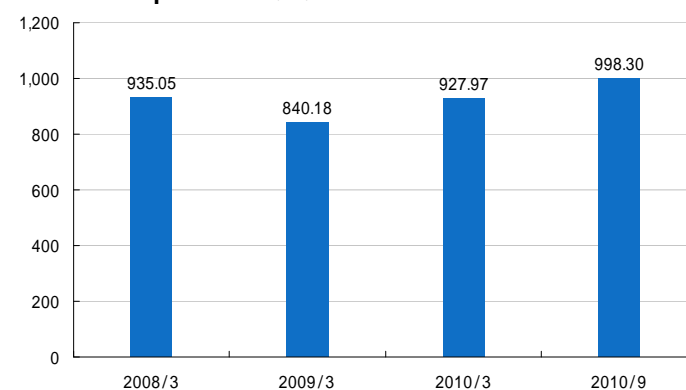
Net Income per Share (Yen)



Total Assets/Net Assets/Equity Ratio (Millions of yen, %)



Net Assets per Share (Yen)



Consolidated Financial Statements

Balance Sheet

(Millions of yen)

	As of September 30, 2010	As of March 31, 2010
ASSETS		
Current assets	22,194	22,354
Cash and deposits	2,498	2,263
Notes and accounts receivable-trade	5,233	4,037
Merchandise and finished goods	3,550	4,250
Work in process	8,959	8,327
Raw materials and supplies	493	616
Other	1,468	2,867
Allowance for doubtful accounts	(10)	(8)
Noncurrent assets	29,343	27,784
Property, plant and equipment	26,067	25,156
Buildings and structures, net	8,691	8,751
Land	12,559	12,440
Other, net	4,817	3,964
Intangible assets	2,702	2,139
Goodwill	2,186	1,571
Other	515	567
Investments and other assets	573	489
Total assets	51,537	50,139

(Millions of yen)

	As of September 30, 2010	As of March 31, 2010
LIABILITIES		
Current liabilities	15,560	19,825
Notes and accounts payable-trade	3,388	2,161
Short-term loans payable	6,982	12,449
Current portion of long-term loans payable	1,000	-
Income taxes payable	800	2,304
Provision for bonuses	731	721
Provision for repairs	54	124
Other	2,603	2,063
Noncurrent liabilities	3,764	416
Provision for retirement benefits	234	179
Other	3,529	237
Total liabilities	19,324	20,241
NET ASSETS		
Shareholders' equity	32,528	30,061
Capital stock	4,480	4,480
Capital surplus	6,063	6,054
Retained earnings	27,840	25,444
Treasury stock	(5,856)	(5,917)
Valuation and translation adjustments	(323)	(164)
Valuation difference on available-for-sale securities	15	14
Deferred gains or losses on hedges	(275)	(152)
Foreign currency translation adjustment	(63)	(26)
Subscription rights to shares	8	-
Total net assets	32,213	29,897
Total liabilities and net assets	51,537	50,139

Consolidated Financial Statements

Statements of Income

(Millions of yen)

	The six months ended September 30, 2010	The six months ended September 30, 2009
Net sales	52,486	35,856
Cost of sales	44,633	31,087
Gross profit	7,853	4,768
Selling, general and administrative expenses	2,255	2,045
Operating income	5,597	2,722
Non-operating income	35	53
Non-operating expenses	156	85
Ordinary income	5,475	2,691
Extraordinary income	1	0
Extraordinary loss	8	23
Income before income taxes and minority interests	5,468	2,668
Income taxes-current	752	140
Income taxes-deferred	1,513	961
Income before minority interests	3,202	-
Net income	3,202	1,566

Statements of Cash Flows

(Millions of yen)

	The six months ended September 30, 2010	The six months ended September 30, 2009
Net cash provided by (used in) operating activities	5,984	4,300
Net cash provided by (used in) investing activities	(2,102)	(1,219)
Net cash provided by (used in) financing activities	(3,341)	(2,415)
Effect of exchange rate change on cash and cash equivalents	(40)	27
Net increase in cash and cash equivalents	501	691
Cash and cash equivalents at beginning of period	1,711	1,824
Cash and cash equivalents at the end of period	2,212	2,516

Stock Information/Corporate Profile

(As of September 30, 2010)

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	9,932
Principal shareholders	

Name	Number of shares held (thousands of shares)	Percentage of shares held (%)
ASAHI HOLDINGS,INC. (treasury stock)	3,517	9.70
Mitsuharu Terayama	1,452	4.01
Masamichi Terayama	1,402	3.87
TERA ENTERPRISES Co., Ltd.	1,350	3.72
Japan Trustee Services Bank, Ltd. (Trust account)	1,228	3.39
K&M Co., Ltd.	900	2.48
The Bank of New York 132561	875	2.41
The Master Trust Bank of Japan, Ltd. (Trust account)	870	2.40
Sachiko Hanai	645	1.78
Junichi Mitsuzono	638	1.76

Corporate Profile

Corporate name

ASAHI HOLDINGS, INC.

Founded

April 2009
(current ASAHI PRETEC.CORP
Established in 1952)

Capital

¥4,480 million

Number of employees

1,204 (Consolidated)

Business lines

Recycling and sales of precious & rare metals
Industrial waste treatment

Subsidiaries

Asahi Pretec Corp.
Japan Waste Corporation
Nihon Chemitech Co., Ltd.
JW Glass Recycling Co., Ltd.
Fuji Rozai Co., Ltd.
Ecomax Incorporated
Sansho Co., Ltd.
Shiiori Kenzai Co., Ltd.
Iyotec Co., Ltd.
Taiyo Chemical Co., Ltd.

Foreign subsidiaries

Asahi G&S Sdn. Bhd. (Malaysia)
Shanghai Asahi Pretec Co., Ltd. (China)
Asahi Pretec Korea Co., Ltd. (Korea)

Board of Directors and Corporate Auditors

CEO

Mitsuharu Terayama

Directors

Yoshikatsu Takeuchi
Tomoya Higashiura
Tutomu Sakurai
Yukio Tanabe
Shoji Morii*

Standing Statutory Auditor

Sumiaki Ariumi*

Statutory Auditor

Teigo Kobayashi*
Kazuhiko Tokumine*

*Outside cooperate executives pursuant to Article 2 of the Companies Act.

Business Network

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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>

Research Laboratory Techno Center (Kobe)

Bases with ISO 14001 Head office (Kobe), Techno Center, Sendai, Kitakanto, Nagoya, Hanshin, Kobe, Shikoku, Kitakyushu, Fukuoka

P l a n t s Saitama, Amagasaki, Kobe, Ehime, Kitakyushu, Kitakyushu Hibiki, Fukuoka

Bases with ISO 9001 Techno Center, Saitama, Ehime, Fukuoka

Recycling Centers Saitama, Chiba, Amagasaki

Hauling Business Permission 47 prefectures and 62 government ordinance cities

O f f i c e s Sapporo, Aomori, Sendai, Niigata, Kitakanto, Kanto, Yokohama, Kofu, Shizuoka, Nagoya, Hokuriku, Kobe, Okayama, Hiroshima, Shikoku, Fukuoka, Kitakyushu, Kagoshima, Okinawa

Disposal Business Permission 15 prefectures and 10 government ordinance cities

