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Stock code: 5857  
May 28, 2012  
4-4-17, Kano-cho, Chuo-ku, Kobe, Japan  
Asahi Holdings, Inc.  
Mitsuharu Terayama CEO & COO

## Notice of the 3<sup>rd</sup> Annual General Meeting of Shareholders

Dear Shareholders:

This is to inform you that the 3<sup>rd</sup> Annual General Meeting of Shareholders will be held at the following time and place and to cordially request your presence.

If you are unable to be present, you are entitled to exercise your voting rights in writing. In such a case, you are kindly requested to read the attached reference documents, and return the enclosed "Voting Right Exercise Form" by 24:00 p.m., on Tuesday, June 12, 2012 after indicating your approval or disapproval of each agenda item and affixing your signature and/or seal thereon.

### Details of the meeting

**1. Date and time:** 10:30 a.m. on Thursday, June 14, 2012

**2. Venue:** KOBE PORTOPIA HOTEL

10-1, 6 Chome, Minatojima Nakamachi, Chuo-ku, Kobe, Hyogo

"Kairaku-no-ma" on the basement floor, Main Building

(Please note that the place of the meeting is different from the previous year)

**3. Meeting Agenda**

Items to be reported:

- 1) Reports on business review, the consolidated financial statements and the results of audits of the consolidated financial statements by Accounting Auditors and the Board of Corporate Auditors for the 3<sup>rd</sup> fiscal term (April 1, 2011 through March 31, 2012)
- 2) Report on non-consolidated financial statements for the 3<sup>rd</sup> fiscal term (April 1, 2011 through March 31, 2012)

Items to be resolved:

Proposal No.1: Partial Amendment of the Articles of Incorporation

Proposal No.2: Election of Six (6) Directors

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If you attend the meeting, please submit the "Voting Right Exercise Form" at the reception desk upon arrival. Please note that any modifications will be put on our website (<http://www.asahiholdings.com>), if we need to make changes to the business report, the financial statements and the reference documents.

(Attached documents)

## Business Report

[ April 1, 2011 through  
March 31, 2012 ]

### 1. Current Status of Corporate Group

#### (1) Status of business for the fiscal year

##### 1) Circumstances and results of business

During the fiscal year ended March 31, 2012, the Japanese economy remained in a severe situation, due to the influence of the Great East Japan Earthquake, European Sovereign Debt Crisis and the appreciation of Japanese yen.

Under such economic conditions, however, our group achieved the largest-ever sales, operating income and ordinary income by expanding business both at home and abroad and striving to secure earnings through sales efforts and cost-cutting.

In the precious metal recycling business, the volume of collected gold, silver and palladium was higher than the previous corresponding period against the backdrop of our efforts to gain new customers and develop business overseas, as well as the market prices of metals that we handle remaining at a high level during the period.

In the environmental protection business, the transaction volume of waste oil, waste liquid and medical-related wastes etc. was higher than the previous corresponding period, despite the impact of sluggish domestic production activities.

As a result of the above, the results of operations for the fiscal year recorded consolidated net sales of 151,094 million yen, operating income of 11,217 million yen, ordinary income of 11,130 million yen, and net income of 5,926 million yen.

When comparing with the previous fiscal year, net sales increased 40,590 million yen; operating income increased 556 million yen; ordinary income increased 621 million yen; and net income decreased 217 million yen.

Looked at by segment, sales in the precious metal recycling business were 136,571 million yen and sales in the environmental protection business were 14,522 million yen.

Sales by product in business are as follows:

Sales by product in business

Category		Sales (millions of yen)	Ratio (%)	YOY change (%)
Sales by product	Gold metals	63,167	41.8	163.8
	Silver metals	18,582	12.3	194.4
	Palladium	13,382	8.9	134.0
	Platinum	16,945	11.2	105.2
	Indium	9,045	6.0	86.8
	Other	14,069	9.3	134.5
	Subtotal	135,192	89.5	142.2
Disposal revenues		15,902	10.5	103.2
Total		151,094	100.0	136.7

Sales of product were 135,192 million yen (up 42.2% year-on-year).

Disposal revenues were 15,902 million yen (up 3.2% year-on-year).

2) Capital expenditure

Capital investment made in the fiscal year totaled 1,617 million yen. Main expenditure was an investment in the renewal of the Kitakyushu Plant of Asahi Pretec Corporation.

3) Financing

Not applicable for the fiscal year

4) Assignment, absorption-type split and incorporation-type split of business

Not applicable for the fiscal year

5) Acquisition of the business of other companies

Not applicable for the fiscal year

6) Succession of rights and obligations pertaining to the business of other corporations, etc. through an absorption-type merger or an absorption-type split

Not applicable for the fiscal year

7) Acquisition or disposal of shares or other equity or share options of other companies

As of June 10, 2011, Usuda Seisakujo Co., Ltd. was turned into a wholly-owned subsidiary of Asahi Pretec Corporation, a subsidiary of our Company, and as of August 1, 2011, Kyodo Kagaku Co., Ltd. was turned into a wholly-owned subsidiary of Japan Waste Corporation, a subsidiary of our company

**(2) Property and profit/loss**

Category		1 <sup>st</sup> term April 1, 2009 through March 31, 2010	2 <sup>nd</sup> term April 1, 2010 through March 31, 2011	3 <sup>rd</sup> term (Current fiscal year) April 1, 2011 through March 31, 2012
Net sales	(Millions of yen)	82,603	110,504	151,094
Ordinary income	(Millions of yen)	7,922	10,508	11,130
Net income	(Millions of yen)	4,377	6,144	5,926
Net income per share	(Yen)	135.90	190.46	183.20
Total assets	(Millions of yen)	50,139	59,143	58,315
Net assets	(Millions of yen)	29,897	34,341	38,902
Net income per share	(Yen)	927.97	1,062.30	1,198.77

Note: Our company was established through the transfer of shares in the consolidated fiscal years two years ago. Because of this, no property and profit/loss in and before the consolidated fiscal year three years ago are not reported.

**(3) Significant parent company and subsidiary**

1) Relationship with parent company

Not applicable

2) Significant subsidiary

Company name	Capital	Our voting right ratio	Major business
Asahi Pretec Corporation,	4,480 million yen	100.0%	Precious metal recycling business and environmental protection business
Japan Waste Corporation	400 million yen	100.0%	Environmental protection business

**(4) Challenges to be addressed**

1) Business expansion in Asian region

In South Korea, we will further expand the business in the fields of electronics and dental materials. In China, a joint venture with a local leading company will undertake a business. Moreover, we will increase collection of precious metals from overseas markets such as the Asian region. We will seek to find customers and sales channels by creating an alliance, etc. with local companies.

2) Expansion of business fields through M&A

We will continue promoting M&A with a high investment return, and not only expand the existing business such as the environmental protection business but also aim to enter new business fields.

3) Streamlining the management of the Group

While reducing organizational hierarchies and the number of board members of operating companies, we will trim administrative costs on a consolidated basis by consolidating in the holding company the Group's management functions. In addition, we will strengthen the in-house information system and thereby, achieve speedy and efficient operations.

**(5) Principal businesses (as of March 31, 2012)**

Our Group is mainly engaged in the precious metal recycling business and the environmental protection business.

- Collection/reproduction and processing of precious metals and other metals (gold, silver, palladium, platinum, indium, etc.) and purchase and sales of precious metals and other metals
- Sales of precious metal products
- Environmental protection business

**(6) Major sales offices and plants** (as of March 31, 2012)

- 1) Our company
- |              |  |
|--------------|--|
| Main office  | 4-4-17 Kano-cho, Chuo-ku, Kobe   |
| Head offices | Kobe Head Office: 4-4-17, Kano-cho, Chuo-ku, Kobe<br>Tokyo Head Office: 1-7-12 Marunouchi, Chiyoda-ku, Tokyo |
- 2) Major subsidiaries' business offices
- (a). Asahi Pretec Corporation
- |                     |   |
|---------------------|---|
| Main office         | 21, Uozakihamamachi, Higashinada-ku, Kobe   |
| Headquarters        | Kobe Headquarters: 4-4-17, Kano-cho, Chuo-ku, Kobe<br>Tokyo HeadQuatters: 1-7-12 Marunouchi, Chiyoda-ku, Tokyo  |
| Research laboratory | Techno-Center(Kobe-shi)   |
| Business offices    | Kitakanto (Kitakatsushika-gun, Saitama Pref.), Hanshin (Amagasaki -shi, Hyogo Pref.), Kobe (Kobe-shi), Shikoku (Saijo-shi, Ehime Pref.), Kitakyusyu (Kitakyushu-shi), Fukuoka (Koga-shi, Fukuoka Pref.)   |
| Sales offices       | Sapporo (Kitahiroshima-shi), Aomori (Aomori-shi), Sendai (Miyagi-gun, Miyagi Pref.), Niigata (Sanjo shi, Niigata Pref.), Kitakanto (Kitakatsushika-gun, Saitama Pref.), Kanto (Kawaguchi-shi, Saitama Pref.), Yokohama (Yokohama-shi), Kofu (Chuo-shi, Yamanashi Pref.), Shizuoka (Yaizu-shi, Shizuoka Pref.), Nagoya (Komaki-shi, Aichi Pref.), Hokuriku (Toyama-shi), Kobe (Kobe-shi), Okayama (Okayama-shi), Hiroshima (Hiroshima-shi), Shikoku (Saijo-shi, Ehime Pref.), Kitakyusyu (Kitakyushu-shi), Fukuoka (Koga-shi, Fukuoka Pref.), Kagoshima (Satsumasendai-shi, Kagoshima Pref.), Okinawa (Itoman -shi, Okinawa Pref.) |
| Plants              | Saitama (Kitakatsushika-gun, Saitama Pref.), Saitama Recycling Center (Kasukabe-shi, Saitama Pref.), Chiba Recycling Center (Katori-shi, Chiba Pref.), Amagasaki (Amagasaki-shi, Hyogo Pref.), Amagasaki Recycling Center (Amagasaki-shi, Hyogo Pref.), Kobe (Kobe-shi), Ehime (Saijo-shi, Ehime Pref.), Kitakyushu Hibiki (Kitakyusyu-shi), Kitakyushu (Kitakyusyu-shi), Fukuoka (Koga-shi, Fukuoka Pref.)   |
- (b). Japan Waste Corporation
- |                 |  |
|-----------------|--|
| Main office     | 4-4-17 Kano-cho, Chuo-ku, Kobe   |
| Headquarters    | Kobe Headquarters: 4-4-17 Kano-cho, Chuo-ku, Kobe<br>Tokyo Headquarters: 1-7-12, Marunouchi, Chiyoda-ku, Tokyo |
| Business office | Yokohama (Yokohama -shi)   |
| Plants          | Ogimachi Center (Kawasaki-shi), Aikawa Center (Aiko-gun, Kanagawa Pref.)                                       |
- 3) Other subsidiaries
- |          |  |
|----------|--|
| Japan    | Sanshou Corporation (Kawasaki-shi), Nihon Chemitech Co., Ltd. (Kawaguchi-shi, Saitama Pref.), Shioiri Kenzai Co., Ltd. (Nagano-shi), Taiyo Kagaku Co., Ltd. (Kagoshima-shi), Iyotec Co., Ltd. (Akashi, Hyogo Pref.), Fuji Rozai Co., Ltd. (Ota-ku, Tokyo), JW Glass Recycling Co., Ltd. (Koto-ku, Tokyo), Ecomax Incorporated (Koza-gun, Kanagawa Pref.), Usuda Seisakujo Co., Ltd. (Tomi-shi, Nagano Pref.), Kyodo Kagaku Co., Ltd.. (Tomakomai-shi, Hokkaido), and other |
| Overseas | ASAHI G&S SDN.BHD.(Malaysia)、 Shanghai Asahi Pretec Co., Ltd.(China), Asahi Pretec Korea Co., Ltd. (Seoul Special City)  |

**(7) Employees** (as of March 31, 2012)

1) Employees of the corporate group

Number of employees	Change from the end of previous fiscal year
1,277 (227)	+71(up 5)

Note: The number of employees refers to the number of workers (excluding the staff seconded from our group to companies outside our group but including staff seconded from companies outside our group to our group) and for the number of part-timers and fixed-term employees, annual average number of persons are shown separately in brackets

2) Employees of our company

Number of employees	Change from the end of previous fiscal year	Average age	Average length of service
20( - )	+3( - )	38 years and six months	Two years and six months

Note: The number of employees refers to the number of workers (excluding the staff seconded from our company to companies outside our company but including staff seconded from companies outside our company to our company) and for the number of part-timers and fixed-term employees, annual average number of persons are shown separately in brackets.

**(8) Major financial institutions with loans to us** (as of March 31, 2012)

Financial institutions	Loan amount
Mizuho Bank, Ltd.	2,500 million yen
The Bank of Tokyo-Mitsubishi UFJ, Ltd.	2,400 million yen
Sumitomo Mitsui Banking Corporation	1,945 million yen
The Chugoku Bank, Ltd.	200 million yen

**(9) Other important matters relating to the current state of the corporate group**

Not applicable

## 2. Current state of the company

### (1) Shares (as of March 31, 2012)

- 1) Number of shares authorized: 129,000,000 shares
- 2) Number of shares issued: 36,254,344 shares
- 3) Number of shareholders: 9,621
- 4) Major shareholders (top 10 shareholders)

Shareholders	Number of shares held (Thousands of shares)	Percentage of shares held (%)
Japan Trustee Services Bank, Ltd. (Trust account)	1,525	4.66
The Master Trust Bank of Japan, Ltd. (Trust account)	1,485	4.54
TERA ENTERPRISES Co., Ltd.	1,350	4.12
Mitsuharu Terayama	1,082	3.31
State Street Bank and Trust Company 505103	988	3.02
K&M Co., Ltd.	900	2.75
Masamichi Terayama	802	2.45
Asahi Employee Stock Ownership Plan	640	1.96
Terra Corporation, Ltd.	600	1.83
RBC Dexia Investor Services Bank Account Luxembourg Non Resident Domestic Rate	571	1.74

- Note:**
1. Treasury stocks of 3,517,689 shares held by our company are excluded from the above major shareholders.
  2. Following the introduction of the "employee stock ownership plan (ESOP)," ESOP a portion of treasury stocks transferred by us to Sumitomo Mitsui Banking Corporation (Asahi Employee Stock Ownership Plan Trust Account) as of February 16, 2010 are not included in treasury stocks).
  3. Percentage of shares held is calculated with excluding treasury stocks.

**(2) Share options**

Share options granted to and held by our company's board members as consideration of the execution of their duties (as of March 31, 2012)

		The first series of share options
Resolution date of issue		June 16, 2010
Number of share options		800 units
Type and number of shares subject to stock options		Common shares 80,000 shares (100 shares per share option)
Amount to be paid in for share options		Not require to be paid in in exchange for share options
The value of the property to be contributed when share options are exercised		193,500 yen per share option (1,935 yen per share)
Exercise period of stock options		July 10, 2012 to July 9, 2015
Conditions for the exercise of share options		(See Note.)
Share options held by board members	Director (excluding Outside Directors)	Number of share options: 600 units Number of shares subject to stock options: 60,000 shares Number of persons holding share options: 3 persons
	Outside Director	Number of share options: - Number of shares subject to stock options: - Number of persons holding share options: -
	Corporate Auditor	Number of share options: 200 units Number of shares subject to stock options: 20,000 shares Number of persons holding share options: 1 person

(Note) The person who is allotted share options should be a Director, a Corporate Auditor, an employee of our company or our company's subsidiary or affiliate at the time of the exercise of share options. However, this shall not be applied to the cases where the Board of Directors of our company exceptionally allows, for example the Director or the Corporate Auditor of our company or our company's subsidiary or affiliate resigned due to the expiration of the term of office or retires due to the mandatory retirement age.



### (3) Board members and corporate officers

#### 1) Directors and Corporate Auditors(as of March 31, 2012)

Position	Name	Responsibility and important concurrent assignment
CEO & COO	Mitsuharu Terayama	Chairman and Director Asahi Pretec Corporation
Director	Tsutomu Sakurai	Representative Director and President Asahi Pretec Corporation
Director	Yoshikatsu Takeuchi	Representative Director and President Japan Waste Corporation
Director	Tomoya Higashiura	Director Asahi Pretec Corporation
Director	Shoji Morii	
Full-time Corporate Auditor	Yukio Tanabe	
Corporate Auditor	Kazuhiko Tokumine	Lawyer
Corporate Auditor	Junzo Kojima	

- Note:**
1. Director Shoji Morii is an Outside Director.
  2. Corporate Auditor Kazuhiko Tokumine and Junzo Kojima are an Outside Corporate Auditor.
  3. Full-time Corporate Auditor Yukio Tanabe has longtime experience of accounting of our company and possesses extensive expertise in finance and accounting related matters.
  4. Our company designated Director Shoji Morii and Corporate Auditor Junzo Kojima as an independent board member under the provisions of the Tokyo Stock Exchange, and filed such status with the exchange.

#### 2) Directors and Corporate Auditors who resigned during the fiscal year

Name	Date of resignation	Reason for resignation	Position/responsibility and important concurrent assignment
Yukio Tanabe	June 16, 2011	Expiration of the term of office	Director
Sumiaki Ariumi	June 16, 2011	Resignation	Outside Full-time Corporate Auditor Certified public accountant
Teigo Kobayashi	June 16, 2011	Resignation	Outside Corporate Auditor Lawyer Outside Corporate Auditor, Ricoh Leasing Company, Ltd.

3) Compensation, etc. for Directors and Corporate Auditors

Total compensations, etc. for the fiscal year

Category	Number of person subject to payment	Payment amount
Director (Outside Directors included)	6 (1)	57 million yen (6)
Corporate Auditor (Outside Corporate Auditors included)	5 (4)	27 million yen (12)
Total (Outside board members included)	11 (5)	84 million yen (18)

- Note:**
1. The amount to be paid to Directors does not include the employee salaries of Directors who serve concurrently as employees.
  2. The limit of compensation to be paid to Directors was up to annual 200,000 thousand yen (not including the portion of salary of employee), which was resolved at the 1<sup>st</sup> Annual General Meeting of Shareholders held on June 16, 2010.
  3. The limit of compensation to be paid to Corporate Auditors was up to annual 30, 000 thousand yen, which was resolved at the 1<sup>st</sup> Annual General Meeting of Shareholders held on June 16, 2010.

4) Matters related to outside board members

- (a). Important concurrent assignment as a person executing business of other corporations, etc. and relationship between our company and the other corporations, etc.

Not applicable

- (b). Important concurrent assignment as a board member of other corporations, etc. and relationship between our company and the other corporations, etc.

Not applicable

(c) Main activities in the fiscal year

Category	Name	Activities
Director	Shoji Morii	He attended all Board of Directors' meetings held during the fiscal year. He has expertise and experience related to the management, including finance, and has been submitting advices / recommendations to ensure the validity and appropriateness of making decisions on deliberations of agenda and other.
Corporate Auditor	Kazuhiko Tokumine	He attended all Board of Directors' meetings and Board of Corporate Auditors' meetings held during the fiscal year. He has been submitting advices / recommendations to ensure the validity and appropriateness of making decisions on deliberations of agenda and other from the highly professional viewpoint for laws as a lawyer.
Corporate Auditor	Junzo Kojima	He attended all Board of Directors' meetings and Board of Corporate Auditors' meetings held since June 16, 2011 when he took office. He has been submitting advices / recommendations to ensure the validity and appropriateness of making decisions on deliberations of agenda and other using his long-held extensive experience.

**(4) Accounting Auditor**

1) Name of Accounting Auditor

Ernst & Young ShinNihon LLC

2) Amount of compensation, etc. for the Accounting Auditor

	Amount of compensation, etc.
(a) Amount to be paid by our company	22,800 thousand yen
(b) Total amount of money to be paid by our company and our company's subsidiaries and other benefits on property	38,000 thousand yen

**Note:** In the agreement between our company and the Accounting Auditor, the amount of compensation, etc. for audit under the Companies Act and the amount of compensation, etc. for audit under the Financial Instruments and Exchange Act are not separated and may not be separated actually. Therefore, the total of those amounts is stated for the amount in (a) above.

3) Policy for determining the dismissal or the refusal of reappointment of the Accounting Auditor

When the Board of Directors finds it necessary in cases where the Accounting Auditor has difficulty executing its duties, the Board of Directors will deal with the dismissal or the refusal of reappointment of the Accounting Auditor as a purpose of the General Meeting of Shareholders based on the request of the Board of Corporate Auditors

When it is found that the Accounting Auditor falls under the items set forth in any of items of Article 340, paragraph 1 of the Companies Act, the Board of Corporate Auditors will dismiss the Accounting Auditor in accordance with the consent of all Corporate Auditors. In this case, the Corporate Auditor appointed by the Board of Corporate Auditors will report the fact of the dismissal of the Accounting Auditor and reasons for the dismissal at the General Meeting of Shareholders convened for the first time after the dismissal.

**(5) Structure to ensure the appropriateness of business**

Decisions on a structure to ensure that the execution of duties by Directors conforms to the laws and regulation and the Articles of Incorporation, and other structures to ensure the appropriateness of the business of the company are as follows:

- 1) Structure to ensure that the execution of duties by Directors and employees conforms to the laws and regulations and the Articles of Incorporation, and other structures to ensure the appropriateness of the business of the company
  - (a) To ensure that laws and regulations and the Articles of Incorporation are thoroughly followed, we compile and improve our regulations and manuals related to compliance while continuing to make well known to employees the existence of an in-house reporting hotline responding to the case where behaviors violating laws and regulations and the Articles of Incorporation are detected.
  - (b) If a situation that infringes compliance occurs, we maintain a structure where the details of such situation and a countermeasure therefor are reported immediately to Directors and Corporate Auditors.
- 2) Structure related to preservation and management of information regarding the execution of duties by Directors
  - (a) Information and documents (information on the execution of duties) regarding the execution of duties by Directors are preserved and managed appropriately in accordance with in-house regulations and management manuals related thereto while the state of operation is examined and regulations and other rules are reviewed when necessary.
- 3) Regulation and other structures regarding a risk of loss
  - (a) In a bid to appropriately control risks involved in a business execution process and a business structure of our group, we establish a structure to understand/assess risks in business activities and implement a measure, thereby improving a structure to prevent the materialization of risks while ensuring compliance.
  - (b) We compliment efforts for compliance and risk management and conduct internal audits to deter a risk of loss without omission. If behaviors with a risk of loss are found, they are reported to the Board of Directors and related divisions immediately.
- 4) Structure to ensure effective execution of Directors' duties
  - (a) A management plan is drawn up and the Board of Directors examines the details thereof and makes decisions thereon. In addition, periodical reports on whether the management plan is implemented as scheduled are made from subsidiaries and business execution lines.
  - (b) Regarding the supervision of the business execution, the Board of Directors examines and makes decisions on the matters set forth in the rules for the Board of Directors and the matters to be discussed that fall under the criteria thereon. Particularly important matters are examined at the group strategy meeting to enhance such examination related to decision-making.
- 5) Structure to ensure the appropriateness of business at the business group of our company
  - (a) To understand management information at subsidiaries and affiliates, appropriate business reports are submitted on a quarterly basis. Through these reports, if a risk of loss on subsidiaries, etc. has been found or a potential risk of loss may be found, reports are submitted immediately to the Board of Directors regarding the details of the risk of loss, the degree of loss that may occurs, and its impacts, etc. on our company.
  - (b) We implement periodical inspections to understand safety and health for the execution of business by our subsidiaries and affiliates and provide continued guidance to prevent the occurrence of a risk of loss on safety and health.
  - (c) To prevent inappropriate transactions or accounting methods between our company and subsidiaries, etc., adequate exchange of information is carried out with the audit division of subsidiaries, etc. or the division

equivalent thereto.

- 6) Matters for appointment of employees to assist Corporate Auditors
  - (a) Employees to assist the duties of Corporate Auditors are appointed when necessary.
- 7) Matters related to the independence of employees to assist duties of Corporate Auditors from Directors
  - (a) Appointment and transfer of employees to assist Corporate Auditors requires the consent of the Board of Corporate Auditors
  - (b) In evaluating the performance of employees to assist Corporate Auditors, Corporate Auditors' opinions are obtained.
- 8) Structure for Directors and employees to report to Corporate Auditors and other structures for reports to other Corporate Auditors, as well as a structure to ensure the effective conduct of audits by Corporate Auditors
  - (a) Directors and employees provide necessary reports and information upon request of Corporate Auditors in accordance with the determination of the Board of Corporate Auditors.
  - (b) Reports and information in the preceding paragraph should mainly be as follows:
    - Status of activities of divisions involved in the creation of our internal control system
    - Status of activities of Corporate Auditors and internal audits of our subsidiaries, etc.
    - Our significant accounting policy and accounting standards and changes thereof
    - Details of announcement of financial results and forecast
    - Operations of in-house reporting system and details of the reports
    - Making it obligatory to circularize in-house *ringisho* (collective decision-making sheet) and the minute of meeting required by Corporate Auditors
  - (c) When recognizing that laws and regulations and the Articles of Incorporation are or may be violated even for items other than those set forth in the preceding paragraphs above, the Board of Directors and employees report to that effect to the Board of Corporate Auditors immediately.
  - (d) The Board of Directors and employees should fully respect Corporate Auditors' opinions on ensuring the effectiveness of audit.

**(6) Policy to determine the distribution, etc. of surplus**

The Articles of Incorporation stipulates that our company may carry out the distribution, etc. of surplus pursuant to the resolutions of the Board of Directors, instead of the resolutions of the General Meeting of Shareholders. In addition, we believe that it is also important to seek to improve our corporate value through ongoing stable profitability and further growth, and to enhance retained earnings to prepare for investments in growth fields and the development of new businesses, with a basic policy to respond to expectations of shareholders through dividends.

Under this policy, regarding the distribution, etc. of surplus, we will further strengthen consolidated and nonconsolidated results for each fiscal year and our financial structure, with giving comprehensive consideration to the future management strategy, etc. of our group. After then, we will return earnings to shareholders.

**Note:** The amount and the number of shares stated in this report are rounded down to the nearest unit.

The percentage is rounded to the nearest unit.

\*The financial documents and the Audit Report are omitted in these translated documents.

## Reference Documents for General Meeting of Shareholders

### Proposal No.1 Partial Amendment to the Articles of Incorporation

#### 1. Reason for amendments

- 1) In order to make the holding and operation of General Meetings of Shareholders and Board of Directors meetings more flexible, Articles 13 in the current Articles of Incorporation shall be amended such that the CEO shall be the convener and chair of the meetings.
- 2) In light of the spread of the Internet, a new provision shall be established for a deemed provision through the disclosure of reference materials for the General Meeting of Shareholders via the Internet in accordance with an Ordinance of the Ministry of Justice.
- 3) In order to make the holding and operation of General Meetings of Shareholders and Board of Directors meetings more flexible, Articles 20 in the current Articles of Incorporation shall be amended such that the CEO shall be the convener and chair of the meetings.
- 4) Based on the provisions for exemption from liability of the Directors and Corporate Auditors set forth in Articles 426 and 427 of the Companies Act, Articles 26 (Exemption of liability of the Directors) and 34 (Exemption of liability of the Corporate Auditors) shall be established in the Articles of Incorporation so that Directors and Corporate Auditors can fully exercise their expected roles in the performance of their duties. All Corporate Auditors have already consented to the establishment of Articles 26.
- 5) Along with the above amendments to the Articles of Incorporation, necessary amendments such as descending the number of articles shall also be made.

#### 2. Details of amendments

(Underlined portions show amendment)

Current Articles of Incorporation	Proposed Amendments
<p>Articles 1 to 12 [Omitted]</p> <p>(Convener and Chair)</p> <p>Article 13</p> <p>Unless otherwise provided by laws and regulations, <u>the President</u> shall convene and chair the General Meeting of Shareholders pursuant to the resolutions of the Board of Directors.</p> <p>2) When <u>the President</u> is unable to perform his/her duties, other Directors shall perform such duties in place of the President in accordance with the order determined in advance by the Board of Directors.</p>	<p>Articles 1 to 12 [Not amended]</p> <p>(Convener and Chair)</p> <p>Article 13</p> <p>Unless otherwise provided by laws and regulations, <u>the Representative Director determined by the Board of Directors</u> shall convene and chair the General Meeting of Shareholders pursuant to the resolutions of the Board of Directors.</p> <p>2) When <u>the Representative Director determined by the Board of Directors</u> is unable to perform his/her duties, other Directors shall perform such duties in place of the Representative Director in accordance with the order determined in advance by the Board of Directors.</p>

Current Articles of Incorporation	Proposed Amendments
<p style="text-align: center;">(New)</p> <p>Articles <u>14</u> to <u>19</u> [Omitted]</p> <p>(Convener and Chair of the Board of Directors) Article <u>20</u> Unless otherwise provided by laws and regulations, <u>the President</u> shall convene and chair the Board of Directors meeting pursuant to the resolutions of the Board of Directors.</p> <p>2) When <u>the President</u> is unable to perform his/her duties, other Directors shall perform such duties in place of the President in accordance with the order determined in advance by the Board of Directors.</p> <p>Articles <u>21</u> to <u>24</u> [Omitted]</p> <p style="text-align: center;">(New)</p>	<p><u>(Disclosure and deemed provision of reference materials for the General Meeting of Shareholders via the Internet)</u></p> <p>Article <u>14</u> In convening the General Meeting of Shareholders, our company may deem that information regarding items to be stated or presented in reference materials for the General Meeting of Shareholders, business reports, financial statements and consolidated financial documents has been provided through disclosure of such documents by a method of using the Internet pursuant to an Ordinance of the Ministry of Justice.</p> <p>Articles <u>15</u> to <u>20</u> [Not amended]</p> <p>(Convener and Chair of the Board of Directors) Article <u>21</u> Unless otherwise provided by laws and regulations, <u>the Representative Director determined by the Board of Directors</u> shall convene and chair the Board of Directors.</p> <p>2) When <u>the Representative Director determined by the Board of Directors</u> is unable to perform his/her duties, other Directors shall perform such duties in place of the Director in accordance with the order determined in advance by the Board of Directors.</p> <p>Articles <u>22</u> to <u>25</u> [Not amended]</p> <p><u>(Exemption of liability of Directors)</u> Article <u>26</u> In accordance with Article 426, paragraph 1 of the Companies Act, our company may, by a resolution of the Board of Directors, exempt the Directors (including those who were a Director) from compensation for loss arising from a failure to discharge their duties to the extent permitted by laws and regulations.</p>

Current Articles of Incorporation	Proposed Amendments
<p>Articles <u>25</u> to <u>31</u> [Omitted]</p> <p>(New)</p> <p>Articles <u>32</u> to <u>36</u> [Omitted]</p>	<p>2) <u>In accordance with Article 427, paragraph 1 of the Companies Act, our company may conclude an agreement with Outside Directors on limiting a liability for compensation for loss arising from a failure to discharge their duties. However, the maximum liability amount under the said agreement shall be the amount stipulated in laws and regulations.</u></p> <p>Articles <u>27</u> to <u>33</u> [Not amended]</p> <p><u>(Exemption of liability of Corporate Auditors)</u></p> <p><u>Article 34</u></p> <p><u>In accordance with Article 426, paragraph 1 of the Companies Act, our company may, by a resolution of the Board of Directors, exempt the Corporate Auditors (including those who were a Corporate Auditor) from compensation for loss arising from a failure to discharge their duties to the extent permitted by laws and regulations.</u></p> <p>2) <u>In accordance with Article 427, paragraph 1 of the Companies Act, our company may conclude an agreement with Outside Corporate Auditors on limiting a liability for compensation for loss arising from a failure to discharge their duties. However, the maximum liability amount under the said agreement shall be the amount stipulated in laws and regulations.</u></p> <p>Articles <u>35</u> to <u>39</u> [Not amended]</p>



**Proposal No.2** Election of Six (6) Directors

All five Directors expire their term of office at the time of the end of this General Meeting of Shareholders. We propose an increase of one Director and the election of six Directors to strengthen our management structure.

Candidates of the Directors are as follows:

Candidate No.	Name (Date of birth)	Career, Position and Duties at Asahi Holdings (Important concurrent assignment)	Ownership of Shares
1	Mitsuharu Terayama (March 10, 1940)	October 1973: Senior Managing Director of Asahi Pretec Corp. May 1981: Appointed as Representative Director and President of Asahi Pretec April 2009: Appointed as Representative Director and President of Asahi Holdings April 2011: Appointed as CEO & COO of Asahi Holdings (to present) April 2011: Appointed as Chairman and Director of Asahi Pretec (to present) [Important concurrent assignment] Appointed as Chairman and Director of Asahi Pretec	1,082,345 shares
2	Tsutomu Sakurai (August 16, 1953)	May 2008: Joined Asahi Pretec Corp. August 2008: Appointed as General Manager of Precious Metal Recycling Business Division of Asahi Pretec June 2009: Appointed as General Manager of Precious Metal Recycling Business Division of Asahi Pretec April 2010: Appointed as General Manager of Industrial Recycling Business Division of Asahi Pretec June 2010: Appointed as Director of Asahi Holdings (to present) April 2011: Appointed as Representative Director and President of Asahi Pretec (to present) [Important concurrent assignment] Representative Director and President of Asahi Pretec	6,500 shares

Candidate No.	Name (Date of birth)	Career, Position and Duties at Asahi Holdings (Important concurrent assignment)	Ownership of Shares
3	Yoshikatsu Takeuchi (January 1, 1956)	<p>April 1999: Joined Asahi Pretec Corp.</p> <p>June 2001: Appointed as Director and General Manager of General Affairs Department of Asahi Pretec</p> <p>April 2004: Appointed as Director and General Manager of Environmental Business Division and concurrently serving as General Manager of Business Coordination Division of Asahi Pretec</p> <p>March 2006: Appointed as Director and General Manager of Environmental Recycling Business Division of Asahi Pretec</p> <p>May 2008: Appointed as Representative Director and President of Japan Waste Corp. (to present)</p> <p>April 2009: Appointed as Director of Asahi Holdings (to present)</p> <p>[Important concurrent assignment] Representative Director and President of Japan Waste Corp.</p>	5,050 shares
4	Tomoya Higashiura (January 26, 1961)	<p>February 2001: Joined Asahi Pretec Corp.</p> <p>June 2006: Appointed as Director and General Manager of Administration Division of Asahi Pretec</p> <p>May 2007: Appointed as Representative Director and President of Taiyo Kagaku Co., Ltd..</p> <p>April 2009: Appointed as Director and General Manager of Corporate Development &amp; Administration Division of Asahi Holdings</p> <p>April 2010: Appointed as Director and General Manager of General Affairs &amp; Human Resources Division of Asahi Holdings</p> <p>June 2010: Appointed as Director and General Manager of Precious Metal Recycling Business Division of Asahi Pretec</p> <p>April 2011: Appointed as Director of Asahi Holdings (to present)</p> <p>January 2012: Appointed as Director of Asahi Pretec (to present)</p> <p>[Important concurrent assignment] Director of Asahi Pretec</p>	1,500 shares
* 5	Masaki Hirano (December 25, 1953)	<p>February 2001: Joined Asahi Pretec Corp.</p> <p>July 2001: Appointed as General Manager of Production Technology &amp; Engineering Department of Asahi Pretec</p> <p>April 2007: Appointed as General Manager of Technology Support &amp; Production Management Division of Asahi Pretec</p> <p>June 2007: Appointed as Director and General Manager of Technology Support &amp; Production Management Division</p> <p>April 2012: Appointed as Director of Asahi Pretec (to present)</p> <p>[Important concurrent assignment] Director of Asahi Pretec</p>	3,000 shares

Candidate No.	Name (Date of birth)	Career, Position and Duties at Asahi Holdings (Important concurrent assignment)	Ownership of Shares
6	Shoji Morii (February 12, 1948)	<p>April 1972: Joined Sumitomo Trust and Banking Co., Ltd.</p> <p>June 2001: Appointed as Corporate Officer and General Manager of Kyoto Branch of Sumitomo Trust and Banking Co., Ltd.</p> <p>June 2006: Appointed as Representative Director and President of Kobe Airport Terminal Co., Ltd. and concurrently serving as Representative Director and President of Kaijo Access Co., Ltd.</p> <p>June 2009: Appointed as Outside Director of Asahi Pretec Corp.</p> <p>June 2010: Appointed as Outside Director of Asahi Holdings (to present)</p>	1,000 shares

**Note:** 1. The person with \* mark is a candidate for Director newly appointed.

2. There are no special interests between candidates and our company.

3. Special notes for a candidate for Outside Director

- 1) Shoji Morii is a candidate for Outside Director.
- 2) He has professional expertise and experience, including a finance field. We ask shareholders to elect him as Outside Director for his expected useful opinions.
- 3) He is now an Outside Director of our company. His term of office as Outside Director is two years at the time of the termination of this General Meeting of Shareholders.
- 4) Our company filed Shoji Morii as an independent board member under the provisions of the Tokyo Stock Exchange and he will continue to be an independent board member if this proposal is approved and appointed as Outside Director.

(Access)

## The 3<sup>rd</sup> Annual General Meeting of Shareholders

### **KOBE PORTOPIA HOTEL**

10-1, 6 Chome, Minatojima Nakamachi, Chuo-ku, Kobe, Hyogo

"**Kairaku-no-ma**" on the basement floor, Main Building

Tel: 078-302-1111

#### ■ Kobe New Transit, Port Island Line (Port Liner)

About 10 minutes from "Sannomiya Station" to "Simin Hiroba Station"

About 5 minutes on foot from "Shimin Hiroba Station"

#### ■ Shuttle bus

Shuttle buses for PORTOPIA HOTEL are running from MINT KOBE 1F (Sannomiya Bus Terminal) on the south of Sannomiya Station. For more details, please access the website of PORTOPIA HOTEL or contact the hotel at tel.078-302-1111.