



Securities Code **5857**

Business Report for FY2009

From April 1,2009 to March 31,2010

 **ASAHI HOLDINGS**

To Our Shareholders

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

During the first business year (April of 2009 through March of 2010), the Japanese economy still remained in an uncertain condition with, for example, the progress of deflation and slowdown in personal spending despite some signs of rebound shown in the latter half.

Under these economic conditions, the Company Group shifted to the holding company system in April of 2009, promoted growth strategies in line with the 5th Medium-Term Management Plan (April of 2009 through March of 2012), and made efforts to gain income through activities such as Company-wide cost-cutting review.

In the precious metal recycling business, the volume of metal collection of the Company Group shifted to an upward trend during the term due to economic recovery mainly in Asian countries and rise in prices in the metal market although affected by the economic slowdown starting in the preceding term. We were able to attain operating results exceeding the Company's projection, also contributed to by the rise in the unit sales prices of metals.

In the environmental protection business, the trading volume of waste reagent, sludge, etc. decreased due to a decline in domestic production activities, while the trading volume of medical waste remained firm and the trading volume in the electronics business has gradually recovered.

As a result, consolidated net sales for this business year were ¥82,603 million, operating income was ¥7,888 million, ordinary income was ¥7,922 million, and net income was ¥4,377 million.

The Company has decided to distribute year-end dividends of this term of ¥25 per share based on the operation results mentioned above. As a result, annual dividends of this term will be ¥50, including interim dividends.

As for the 5th Medium-Term Management Plan, the Company exceeded the its profit target of the last fiscal year at the end of the first fiscal year (consolidated operating income of ¥7 billion), and it then amended the plan of the last fiscal year to consolidated net sales of ¥120 billion and operating income of ¥10 billion.

We will further improve business performance and positively fulfill our social responsibility, for example, in preventing global warming, thereby realizing the enhancement our total corporate value.

Simultaneously, we would like to ask our shareholders for their ongoing confidence and support.



CEO

TOPICS 1 The precious metal recycling business

In the Company Group, Asahi Pretec Corp. plays a role in promoting new engagements in the precious metal recycling business in cooperation with our related companies.

In order to expand the electronics-related business, we will strengthen recycling of metal resources from processing scraps that arise during the manufacture of electronic parts and purchased scraps like circuit boards that arise when disassembling used products by introducing new technology. Accordingly, we are currently constructing a new plant in Amagasaki City, Hyogo Prefecture, which will start operations this autumn.



As part of expanding overseas business, Shanghai Asahi Pretec Co., Ltd. (headquartered in Shanghai City), which is a subsidiary of Asahi Pretec Corp. and Kanfort Industrial (Jiangmen) Precious Metals Co., Ltd. (headquartered in Jiangmen City) of Kanfort International Holding Limited have reached an agreement to establish a joint venture company, Jiangmen Asahi Pretec Kanfort Environmental Management Co., Ltd. in Jiangmen City, Guangdong Province for jointly developing a new precious metal recycling business in the Chinese market. The joint venture company will be capitalized at 15 million RMB, with the investment ratio to be 40% by Shanghai Asahi Pretec Co., Ltd. and 60% by Kanfort Industrial (Jiangmen) Precious Metals Co., Ltd. Operations of the joint venture company are expected to begin around spring 2011, by which time various approvals and a license will have been obtained.

NEWS Approved by the Tokyo Commodity Exchange

In November 2009, gold, silver, platinum, and palladium bullion of Asahi Pretec Corp. was designated as Deliverable Brands of the Tokyo Commodity Exchange and evaluated as being high-quality “Good Delivery” bar.

TOPICS 2 The environmental protection business

In December of 2009, JW Glass Recycling Co., Ltd. of the Company Group started the business of recycling plate glass and glass bottles.

The purposes of the business are as follows.

(1) Enforcement of a "one-stop" recycling service

Having the service function of glass recycling will enable the Company to expand handling items in the environmental protection business and further enhance its "one-stop" recycling service for clients.



(2) Pursuit of extensive business synergies

We will propose and provide the function of industrial waste treatment services and precious metal recycling services held by the Company Group for clients such as leading glass manufacturers and window frame manufacturers in Japan with which JW Glass Recycling Co., Ltd. is doing business to utilize our overall strength as a group and expand our business results.



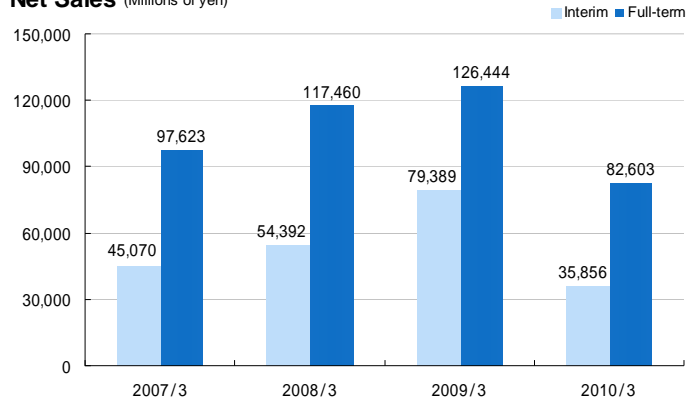
NEWS Promotion of measures aimed at reducing greenhouse-effect gas emissions

The Company Group set its goal of reducing greenhouse-effect gas by more than 25% compared with 2008 levels by 2020, established a measures department for cutting CO₂ emissions, and positively handles environmental problems at a global level. As concrete measures, we will promote efficient utilization of waste (alternative uses for fossil fuel), switching to energy-saving equipment, vehicles, and buildings and efficient utilization of heat exhausted from incinerators and introduction of photovoltaic generation.

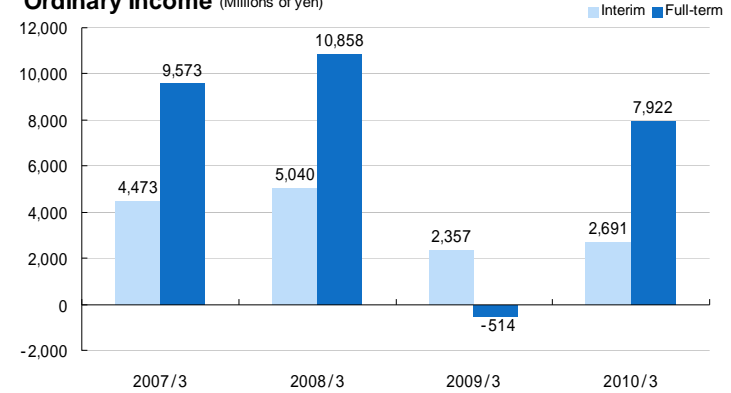


Consolidated Financial Highlights

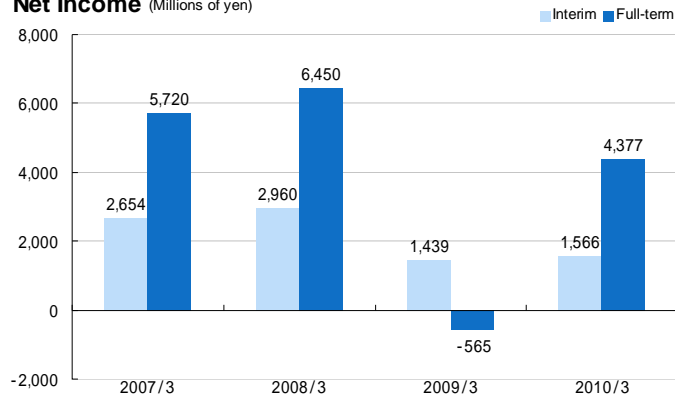
Net Sales (Millions of yen)



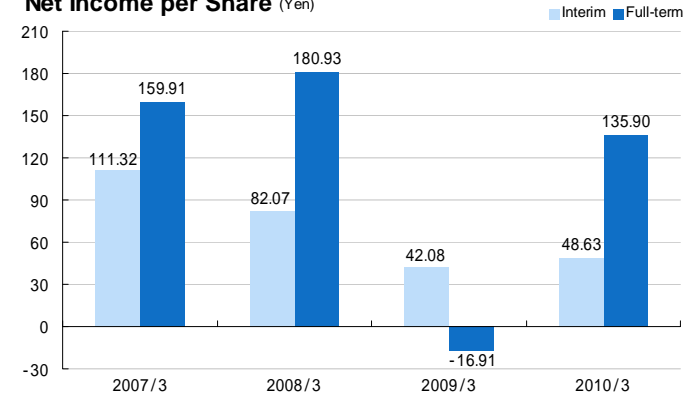
Ordinary Income (Millions of yen)



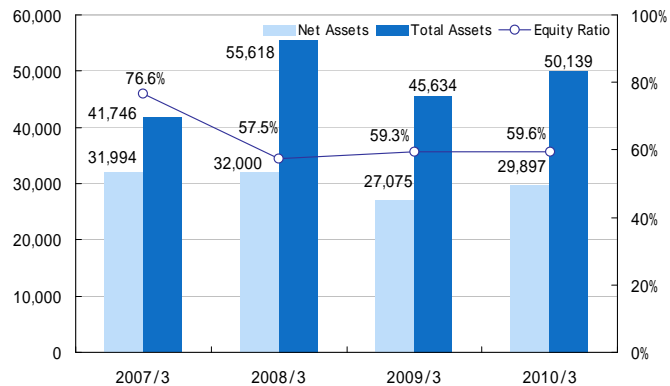
Net Income (Millions of yen)



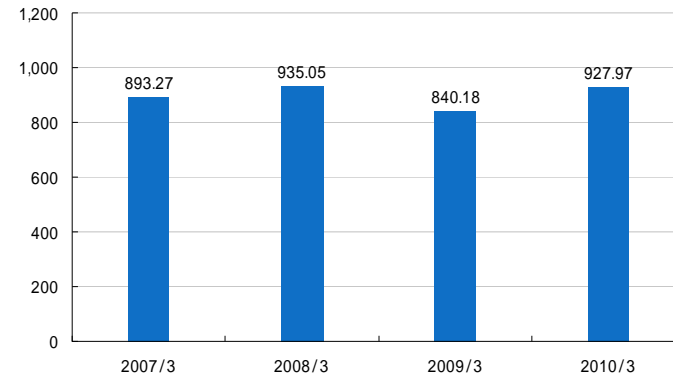
Net Income per Share (Yen)



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



Net Assets per Share (Yen)



Consolidated Financial Statements

Balance Sheet

(Millions of yen)

(Millions of yen)

	Fiscal Year 2010	Fiscal Year 2009
ASSETS		
Current assets	22,354	17,250
Cash and deposits	2,263	1,824
Notes and accounts receivable-trade	4,037	4,410
Merchandise and finished goods	4,250	3,176
Work in process	8,327	5,876
Raw materials and supplies	616	64
Other	2,867	1,906
Allowance for doubtful accounts	(8)	(8)
Noncurrent assets	27,784	28,383
Property, plant and equipment	25,156	25,055
Buildings and structures, net	8,751	8,908
Land	12,440	11,296
Other, net	3,964	4,850
Intangible assets	2,139	1,951
Goodwill	1,571	1,711
Other	567	240
Investments and other assets	489	1,376
Total assets	50,139	45,634

	Fiscal Year 2010	Fiscal Year 2009
LIABILITIES		
Current liabilities	19,825	18,246
Notes and accounts payable-trade	2,161	1,507
Short-term loans payable	12,449	13,300
Current portion of long-term loans payable	-	10
Income taxes payable	2,304	113
Provision for bonuses	721	673
Provision for repairs	124	97
Other	2,063	2,543
Noncurrent liabilities	416	312
Provision for retirement benefits	179	153
Other	237	158
Total liabilities	20,241	18,559
NET ASSETS		
Shareholders' equity	30,061	27,291
Capital stock	4,480	4,480
Capital surplus	6,054	6,802
Retained earnings	25,444	24,220
Treasury stock	(5917)	(8,212)
Valuation and translation adjustments	(164)	(224)
Valuation difference on available-for-sale securities	14	(3)
Deferred gains or losses on hedges	(152)	(125)
Foreign currency translation adjustment	(26)	(96)
Minority interests	-	8
Total net assets	29,897	27,075
Total liabilities and net assets	50,139	45,634

Consolidated Financial Statements

Statements of Income

(Millions of yen)

	Fiscal Year 2010	Fiscal Year 2009
Net sales	82,603	126,444
Cost of sales	70,426	122,682
Gross profit	12,177	3,762
Selling, general and administrative expenses	4,289	4,154
Operating income	7,888	(391)
Non-operating income	160	105
Non-operating expenses	126	227
Ordinary income	7,922	(514)
Extraordinary income	8	16
Extraordinary loss	427	373
Income before income taxes and minority interests	7,503	(870)
Income taxes-current	2,319	194
Income taxes-deferred	805	(501)
Minority interests in income	-	2
Net income	4,377	(565)

Statements of Cash Flows

(Millions of yen)

	Fiscal Year 2010	Fiscal Year 2009
Net cash provided by (used in) operating activities	6,219	11,955
Net cash provided by (used in) investing activities	(3,880)	(5,630)
Net cash provided by (used in) financing activities	(2,478)	(6,437)
Effect of exchange rate change on cash and cash equivalents	25	(117)
Net increase (decrease) in cash and cash equivalents	(113)	(230)
Cash and cash equivalents at beginning of period	1,824	2,054
Cash and cash equivalents at the end of period	1,711	1,824

Stock Information/Corporate Profile

(As of March 31, 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	11,338
Principal shareholders	

Name	Number of shares held (thousands of shares)	Percentage of shares held (%)
ASAHI HOLDINGS, INC. (treasury stock)	3,516	9.70
Mitsuharu Terayama	1,452	4.01
Masamichi Terayama	1,402	3.87
Japan Trustee Services Bank, Ltd. (Trust account)	1,388	3.83
TERA ENTERPRISES Co., Ltd.	1,350	3.72
The Master Trust Bank of Japan, Ltd. (Trust account)	1,140	3.15
K&M Co., Ltd.	900	2.48
The Bank of New York 132561	875	2.41
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

1,180 (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.
Sansho Co., Ltd.
Shiouri Kenzai Co., Ltd.
Iyotec Co., Ltd.
Taiyo Chemical Co., Ltd.
Asahi G&S Sdn. Bhd. (Malaysia)
Shanghai Asahi Pretec Co., Ltd. (China)
Asahi Pretec Korea Co., Ltd. (Korea)

Foreign subsidiaries

Board of Directors and Corporate Auditors

CEO & COO

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.
(as of June.16,2010)

Business Network

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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

