

Securities Code **5857**

Interim Business Report for FY2009

From April 1,2009 to September 30,2009



To Our Shareholders

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

From April 1, 2009, we made a new start as Asahi Holdings Group. During the first half of the fiscal year ending March 2010 (April 1 through September 30, 2009), the Japanese economy did not fully recover in view of domestic demand and employment amid the global economic downturn that started during the second half of the last year, despite some signs of a moderate rebound in production and exports in some industries.

Under these economic conditions, we formulated the 5th Medium-Term Management Plan in March this year in order to establish the solid business foundation for stable profits and sustainable growth. During the first half, we carried out measures in line with the revised medium-term management plan.

In the precious metal recycling business, collection volume of indium and silver exceeded the Company's projections and collection volume of platinum was almost the same as the projection. However, those of gold and palladium fell below projections. Though the average unit sales price of each metal during the first half was on a recovery trend when contrasted with the last year's sharp fall, it fell short of the same period of the previous fiscal year. In the environmental protection business, trading volume decreased compared with the same period of the previous fiscal year, affected by the sluggish economy. However, operating results for the first half were nearly the same as the Company's projection, contributed by the performance of Fuji Rozai Co., Ltd. which became the Company's wholly owned subsidiary in October last year.

As a result, consolidated net sales for the first half of the fiscal year ending March 2010 were ¥35,856 million. Consolidated ordinary income and net income were ¥2,691 million and ¥1,566 million respectively. The Company secured profits exceeding projections, helped by a decrease in inventories valuation loss due to the rise of metal market prices and effects of company-wide cost reduction. With respect to interim dividends, the Company has decided to distribute interim dividends of ¥25 per share, based on the operating results above and the Company's policy for shareholder return.

The Company's view of current business conditions continues to be in a difficult situation, but we will improve business performance by mobilizing the full potential of the entire organization.

I would like to ask our shareholders for their ongoing confidence and support.



CEO & COO

Mitsuharu Terayama

Topics

Enhancing corporate technical capabilities - consolidation of technology-related divisions

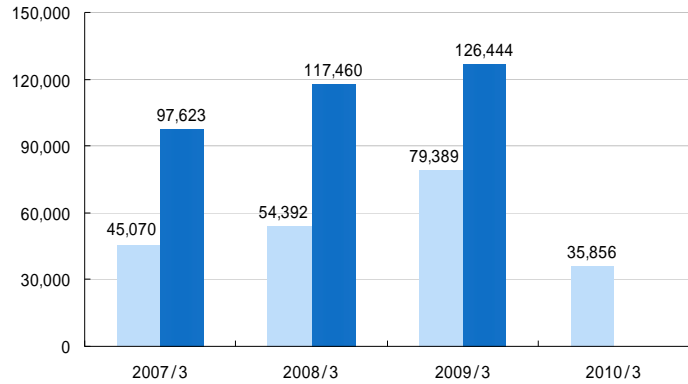
In September this year, Manufacturing Department and Environment and Safety Management Department from the Kobe Head Office, and Production Technology and Engineering Department from the Kobe Plant moved to Asahi Pretec Techno Center in Kobe Hitech Park which live with lush greenery and a lot of laboratories and plants in advanced fields of industries such as pharmaceuticals and electronics.



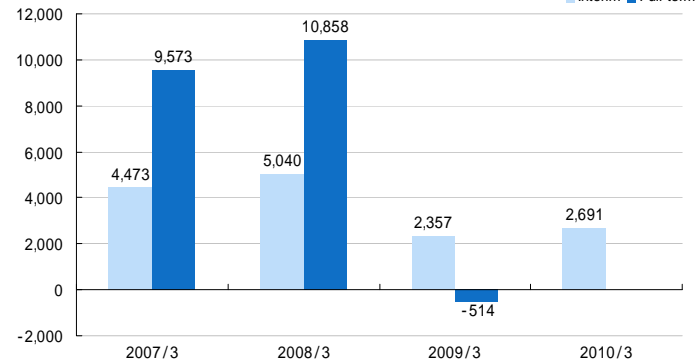
The above relocation gathered all the technology-related departments in the Techno Center where R&D Department and some other departments had already operated. The Company renovated existing buildings in order to accommodate the immigrating divisions, and, at the same time, constructed a new experimental facility for verification tests conducted by R&D Department as well as for assembly and repairs conducted by Production Technology and Engineering Department. The Company will take this opportunity to further enhance organic combination among technology-related divisions and to increase efficiency and improve technical developments.

Financial Highlights (Consolidated)

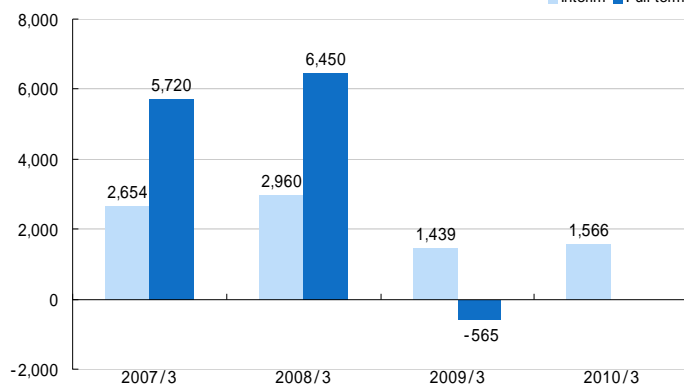
Net Sales (Millions of yen) ■ Interim ■ Full-term



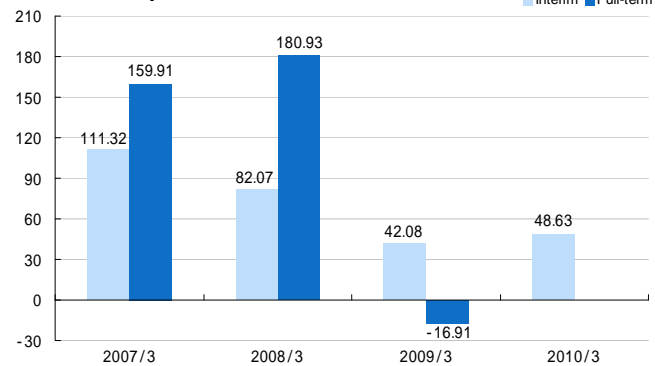
Ordinary Income (Millions of yen) ■ Interim ■ Full-term



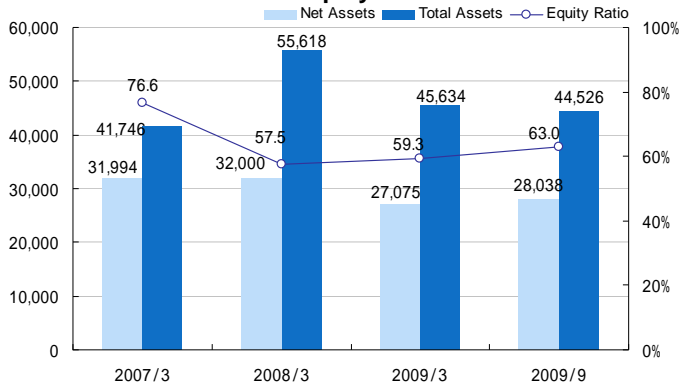
Net Income (Millions of yen) ■ Interim ■ Full-term



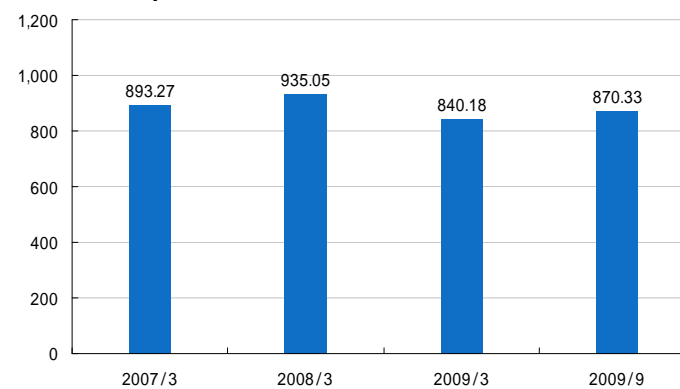
Net Income per Share (Yen) ■ Interim ■ Full-term



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



Net Assets per Share (Yen)



Consolidated Financial Statements

Balance Sheet

(Millions of yen)

(Millions of yen)

	As of September 30, 2009	As of March 31, 2009
ASSETS		
Current assets	17,267	17,250
Cash and deposits	2,516	1,824
Notes and accounts receivable-trade	4,259	4,410
Merchandise and finished goods	3,028	3,176
Work in process	6,584	5,876
Raw materials and supplies	62	64
Other	825	1,906
Allowance for doubtful accounts	(8)	(8)
Noncurrent assets	27,258	28,383
Property, plant and equipment	24,495	25,055
Buildings and structures, net	8,877	8,908
Land	11,498	11,296
Other, net	4,119	4,850
Intangible assets	2,213	1,951
Goodwill	1,603	1,711
Other	610	240
Investments and other assets	549	1,376
Total assets	44,526	45,634

	As of September 30, 2009	As of March 31, 2009
LIABILITIES		
Current liabilities	16,126	18,246
Notes and accounts payable-trade	2,140	1,507
Short-term loans payable	11,700	13,300
Current portion of long-term loans payable	3	10
Income taxes payable	165	113
Provision for bonuses	649	673
Provision ofr repairs	49	97
Other	1,418	2,543
Noncurrent liabilities	360	312
Provision for retirement benefits	200	153
Other	160	158
Total liabilities	16,487	18,559
NET ASSETS		
Shareholders' equity	28,052	27,291
Capital stock	4,480	4,480
Capital surplus	4,510	6,802
Retained earnings	24,982	24,220
Treasury stock	(5,920)	(8,212)
Valuation and translation adjustments	(14)	(224)
Valuation difference on available-for-sale securities	7	(3)
Deferred gains or losses on hedges	(1)	(125)
Foreign currency translation adjustment	(20)	(96)
Minority interests	-	8
Total net assets	28,038	27,075
Total liabilities and net assets	44,526	45,634

Consolidated Financial Statements

Statements of Income

(Millions of yen)

	The six months ended September 30, 2009	The six months ended September 30, 2008
Net sales	35,856	79,389
Cost of sales	31,087	74,926
Gross profit	4,768	4,462
Selling, general and administrative expenses	2,045	2,077
Operating income	2,722	2,385
Non-operating income	53	64
Non-operating expenses	85	92
Ordinary income	2,691	2,357
Extraordinary income	0	15
Extraordinary loss	23	29
Income before income taxes and minority interests	2,668	2,343
Income taxes-current	140	570
Income taxes-deferred	961	332
Minority interests in income	-	1
Net income	1,566	1,439

Statements of Cash Flows

(Millions of yen)

	The six months ended September 30, 2009	The six months ended September 30, 2008
Net cash provided by (used in) operating activities	4,300	1,715
Net cash provided by (used in) investing activities	(1,219)	(1,273)
Net cash provided by (used in) financing activities	(2,415)	454
Effect of exchange rate change on cash and cash equivalents	27	(6)
Net increase (decrease) in cash and cash equivalents	691	889
Cash and cash equivalents at beginning of period	1,824	2,054
Cash and cash equivalents at the end of period	2,516	2,943

Stock Information/Corporate Profile (As of September 30, 2009)

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	10,599
Principal shareholders	

Name	Number of shares held (thousands of shares)	Percentage of shares held (%)
Asahi Pretec	4,038	11.14
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)	1,252	3.45
K&M Co., Ltd.	900	2.48
The Master Trust Bank of Japan, Ltd. (Trust account)	777	2.15
The Bank of New York 132561	725	2.00
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 1,155 (Consolidated)

Business lines Recycling and sales of precious & rare metals
Industrial waste treatment

Subsidiaries Asahi Pretec Corp.
Japan Waste Corporation
Nihon Chemitech Co., Ltd.
Sansho Co., Ltd.
Shioiri Kenzai Co., Ltd.
Iyotec Co., Ltd.
Taiyo Chemical Co., Ltd.
Fuji Rozai Co., Ltd.
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 & COO	Mitsuharu Terayama
Directors	Yoshikatsu Takeuchi Tomoya Higashiura Yukio Tanabe
Standing Statutory Auditor	Sumiaki Ariumi*
Statutory Auditor	Teigo Kobayashi* Kazuhiko Tokumine*

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

Business Network

Head Offices K O B E Nissei Sannomiya Bldg., 4-4-17 Kano-cho, Chuo-ku, Kobe, 650-0001, Japan
Tel. +81-78-333-5633 (Pilot number) Facsimile +81-78-333-5681

T O K Y O 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, Osaka, Kobe, Okayama, Hiroshima, Shikoku, Fukuoka, Kitakyushu, Kagoshima, Okinawa

Disposal Business Permission 14 prefectures and 10 government ordinance cities