

Consolidated Financial Results for the First Quarter Ended June 30, 2012

Asahi Holdings, Inc.

July 30, 2012

Stock code: 5857
 Shares listed: Tokyo Stock Exchange (First Section)
 U R L: <http://www.asahiholdings.com>
 Representative: Mitsuharu Terayama, Chairman, CEO
 For further information please contact: Tomoya Higashiura, Director
 (Phone) +81-3-6270-1833
 Filing date of Quarterly Report: August 10, 2012
 Scheduled date of start of dividend payment: —
 Supplementary materials for the quarterly financial results: No
 Investor conference for the quarterly financial results: No

(Rounded down to the nearest million yen)

1. Results of the three months ended June 30, 2012 (From April 1, 2012 to June 30, 2012)

(1) Results of operations (cumulative) (Percentage changes relative to previous corresponding period)

	Net sales		Operating income		Ordinary income		Net income	
The three months ended	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
June 30, 2012	26,412	(24.6)	1,200	(62.9)	1,345	(59.5)	606	(68.7)
June 30, 2011	35,036	31.8	3,232	(2.3)	3,326	(1.1)	1,940	(4.5)

(Note) Comprehensive income The three months ended June 30, 2012 1,235 million yen (50.7%)
 The three months ended June 30, 2011 2,504 million yen 4.0%

	Net income per share	Diluted net income per share
The three months ended	Yen	Yen
June 30, 2012	18.71	—
June 30, 2011	60.04	—

(2) Financial Position

	Total assets	Net assets	Shareholders' equity ratio
As of	Millions of yen	Millions of yen	%
June 30, 2012	55,599	39,222	70.4
March 31, 2012	58,315	38,902	66.6

(Reference) Shareholders' equity As of June 30, 2012 39,145 million yen
 As of March 31, 2012 38,835 million yen

2. Dividend payments

	Dividends per share				
	First quarter	Second quarter	Third quarter	Year-end	Annual
	Yen	Yen	Yen	Yen	Yen
Year ended March 31, 2012	—	30.00	—	30.00	60.00
Year ending March 31, 2013	—				
Year ending March 31, 2013 (Forecast)		30.00	—	30.00	60.00

(Note) Revisions in dividend forecast in the current quarter : No

3. Forecast (From April 1, 2012 to March 31, 2013)

(Percentage changes relative to previous corresponding period)

	Net sales		Operating income		Ordinary income		Net income		Net income per share
1st half	Millions of Yen	%	Millions of Yen	%	Millions of Yen	%	Millions of Yen	%	Yen
Year ending March 31, 2013	48,000	(34.0)	2,400	(59.8)	2,400	(60.2)	1,200	(65.6)	37.01
Year ending March 31, 2012	96,000	(36.5)	5,100	(54.5)	5,100	(54.2)	2,800	(52.8)	86.30

(Note) Revisions in forecast in the current quarter : Yes

For details, please refer to "Notice of Revision of Financial Results Forecast" made public on July 30, 2012.

4. Notes

- (1) Changes in important subsidiaries during the current quarter : No
- (2) Application of special accounting methods for quarterly consolidated financial statements : No
- (3) Changes in accounting policies, accounting estimates and restatement
 - (i) Changes in accounting policies resulting from the revision of the accounting standards and other regulations: Yes
 - (ii) Changes other than (i) above: No
 - (iii) Changes in accounting estimates: Yes
 - (iv) Restatement: No

Changes subject to Article 10(5) of the Ordinance on Terminology, Forms and Preparation Methods of Quarterly Consolidated Financial Statements. For details, please refer to “(3) Changes in Accounting Policies, accounting estimates and restatement” under “2. Notes Regarding Summary Information” on page 3.

- (4) Number of issued shares (common stock)
 - (i) Number of issued shares at the quarter end (including treasury shares)

As of June 30, 2012	36,254,344 shares
As of March 31, 2012	36,254,344 shares

- (ii) Number of treasury shares at the quarter end

As of June 30, 2012	3,827,139 shares
As of March 31, 2012	3,858,589 shares

- (iii) Averaged number of shares during the period (quarterly cumulative period)

Three months ended June 30, 2012	32,408,093 shares
Three months ended June 30, 2011	32,312,630 shares

* Indication regarding the situation of quarterly review procedures

These financial results are not subject to the quarterly review procedures pursuant to the Financial Instruments and Exchange Act. As of the disclosure of the financial results, the procedures for reviewing quarterly financial statements pursuant to the Financial Instruments and Exchange Act are in progress.

*Statement regarding the proper use of financial forecasts and other special remarks

These forecast performance figures are based on the information currently available to the Company's management and certain assumptions judged rational. Accordingly, these might be cases in which actual results materially differ from forecasts of this report. Please refer to page 2 “(3) Qualitative Information on Consolidated Performance Forecasts” .

Table of contents of the appendix

1. Qualitative Information	2
(1) Qualitative Information on Consolidated Business Performance	2
(2) Qualitative Information on Consolidated Financial Position.....	2
(3) Qualitative Information on Consolidated Performance Forecasts	2
2. Notes Regarding Summary Information	3
(1) Changes in important subsidiaries during the current quarter	3
(2) Application of special accounting methods for quarterly consolidated financial statements	3
(3) Changes in accounting policies, accounting estimates and restatement	3
3. Consolidated Financial Statements.....	4
(1) Consolidated Balance Sheets	4
(2) Consolidated Statements of Income and Consolidated Statements of Comprehensive Income....	5
Consolidated Statements of Income for the three months ended June 30, 2012	5
Consolidated Statements of Comprehensive Income for the three months ended June 30, 2012.....	5
(3) Notes on Assumptions for Going Concern.....	6
(4) Notes in case of Significant Changes to Shareholders' Equity	6
(5) Segment Information, etc.....	6

1. Qualitative Information

(1) Qualitative Information on Consolidated Business Performance

During the three months of the fiscal year under review (three months ending June 30, 2012), the Japanese economy had been in a severe situation due to protracted European Sovereign Debt Crisis and the continued appreciation of Japanese yen, while there is some indication of recovery on the back of demand for reconstruction.

Under these circumstances, regarding precious metal recycling business, the volumes of collected gold, silver, platinum, palladium and indium were lower than the previous corresponding period. Also, the average sales prices of silver, platinum palladium and indium were lower than the previous period, though the average sales price of gold was higher than the previous corresponding period. In addition, net sales was lower than the previous corresponding period, because we changed a part of precious metal recycling business transactions from purchase and sale contracts to fee-based processing contracts.

Regarding environmental protection business, the transaction volumes of waste oil, sludge, and medical-related wastes were higher than the previous corresponding period. In addition, as of July 2, 2012, we made Intercentral Co. Ltd. a wholly owned subsidiary which is engaged in manufacturing and selling business of energy saving heating equipments and radiant air-conditioning systems.

As a result of the above, as consolidated results for the three-month period, we recorded net sales of 26,412 million yen, down 8,624 million yen (-24.6%) year-on-year; operating income of 1,200 million yen, down 2,032 million yen (-62.9%) year-on-year; ordinary income of 1,345 million yen, down 1,980 million yen (-59.5%) year-on-year; and net income of 606 million yen, down 1,333 million yen (-68.7%) year-on-year.

Looked at by segment, sales in the precious metal recycling business were 23,033 million yen, down 8,721 million yen (-27.5%) year-on-year; and sales in the environmental protection business were 3,379 million yen, up 97 million yen (+3.0%) year-on-year.

(2) Qualitative Information on Consolidated Financial Position

As of June 30, 2012, total assets amounted to 55,599 million yen, down 2,715 million yen from the previous fiscal year end. This was due mainly to a decrease of 1,200 million yen in notes and accounts receivable-trade, a decrease of 2,627 million yen in inventories.

Total liabilities amounted to 16,376 million yen, down 3,036 million yen from the previous fiscal year end. This was due mainly to decrease of 3,076 million yen in income taxes payable.

Net assets totaled 39,222 million yen up 320 million yen from the previous fiscal year end. This was due mainly to the increase in retained earnings resulting from the recording of 606 million yen in net income.

As a result, the shareholders' equity ratio changed to 70.4%, from 66.6% at the end of the previous fiscal year.

(3) Qualitative Information on Consolidated Performance Forecasts

As for the forecasts, associated with the sluggish domestic production activity in the electronics industry and other industries, collection volumes of metals have been less than the initial forecasts in the precious metal recycling business. Additionally, average unit sales prices of metals are expected to remain lower than those assumed initially. Consequently, we have revised forecasts for the first half and full-year financial results in the fiscal year 2012, as stated below.

Revision of the first half period consolidated results forecast (April 1, 2012 to September 30, 2012)
(Millions of YEN, %)

	Net Sales	Operating Income	Ordinary Income	Net Income 2Q FY2012	Net Income per Share 2Q FY2012
Previous Forecast (A) (Announced on May 11, 2011)	48,000	4,000	4,000	2,200	67.86
Revised Forecast (B)	48,000	2,400	2,400	1,200	37.01
Change (B-A)	—	(1,600)	(1,600)	(1,000)	—
Change (%)	—	(40.0%)	(40.0%)	(45.5%)	—
(Ref.) 2QFY2011 ended September 30, 2011	72,748	5,974	6,034	3,488	107.93

Revision of consolidated results forecast for the fiscal year ending March 2013

(April 1, 2012 to March 31, 2013)

(Millions of YEN, %)

	Net Sales	Operating Income	Ordinary Income	Net Income FY2012	Net Income per Share FY2012
Previous Forecast (A) (Announced on May 11, 2012)	105,000	9,000	9,000	5,000	154.11
Revised Forecast (B)	96,000	5,100	5,100	2,800	86.30
Change (B-A)	(9,000)	(3,900)	(3,900)	(2,200)	—
Change (%)	(8.6%)	(43.3%)	(43.3%)	(44.0%)	—
(Ref.) the fiscal year ended March 31, 2012	151,094	11,217	11,130	5,926	183.20

2. Notes Regarding Summary Information

(1) Changes in important subsidiaries during the current quarter

Not applicable

(2) Application of special accounting methods for quarterly consolidated financial statements

Not applicable

(3) Changes in accounting policies, accounting estimates and restatement

(Changes in the depreciation method)

In the first quarter ended June 30, 2012, the Company and its domestic consolidated subsidiaries changed the depreciation method for tangible fixed assets acquired on or after April 1, 2012 in line with the revision of the Corporate Tax Act. The effect of this change on operating income, ordinary income and income before income taxes and minority interests for the current quarter is minimal.

3. Consolidated Financial Statements
(1) Consolidated Balance Sheets

	As of March 31, 2012	As of June 30, 2012	As of June 30, 2012
	Millions of yen	Millions of yen	Thousands of U.S.dollars
ASSETS			
Current assets			
Cash and deposits	3,527	5,017	63,269
Notes and accounts receivable-trade	9,480	8,280	104,408
Merchandise and finished goods	2,123	1,977	24,928
Work in process	10,727	8,254	104,073
Raw materials and supplies	618	610	7,702
Other	2,833	3,032	38,238
Allowance for doubtful accounts	(11)	(9)	(117)
Total current assets	29,301	27,163	342,502
Noncurrent assets			
Property, plant and equipment			
Buildings and structures, net	9,495	9,216	116,209
Land	12,910	12,754	160,822
Other, net	3,356	3,245	40,923
Total property, plant and equipment	25,763	25,216	317,954
Intangible assets			
Goodwill	1,970	1,892	23,868
Other	519	558	7,044
Total intangible assets	2,490	2,451	30,912
Investments and other assets	760	767	9,675
Total noncurrent assets	29,014	28,435	358,541
Total assets	58,315	55,599	701,043
LIABILITIES			
Current liabilities			
Notes and accounts payable-trade	3,253	2,194	27,671
Short-term loans payable	4,545	7,445	93,874
Current portion of long-term loans payable	1,000	1,000	12,609
Income taxes payable	3,267	191	2,411
Provision for bonuses	659	308	3,889
Provision for directors' bonuses	30	3	43
Provision for repairs	100	71	907
Other	3,275	2,173	27,400
Total current liabilities	16,130	13,387	168,803
Noncurrent liabilities			
Long-term loans payable	1,500	1,250	15,761
Provision for retirement benefits	65	67	854
Other	1,716	1,671	21,075
Total noncurrent liabilities	3,282	2,989	37,689
Total liabilities	19,413	16,376	206,493
NET ASSETS			
Shareholders' equity			
Capital stock	4,480	4,480	56,498
Capital surplus	6,087	6,088	76,768
Retained earnings	34,124	33,759	425,665
Treasury stock	(5,656)	(5,610)	(70,745)
Total shareholders' equity	39,036	38,717	488,185
Accumulated other comprehensive income			
Valuation difference on available-for-sale securities	18	16	205
Deferred gains or losses on hedges	(111)	412	5,200
Foreign currency translation adjustment	(108)	(0)	(11)
Total accumulated other comprehensive income	(201)	427	5,395
Subscription rights to shares	67	76	970
TOTAL NET ASSETS	38,902	39,222	494,551
TOTAL LIABILITIES AND NET ASSETS	58,315	55,599	701,043

U.S. dollar amounts represent translations using the approximate exchange rate on June 30, 2012 of Yen79.31=US\$1, and are included solely for the convenience of readers.

(2) Consolidated Statements of Income and Consolidated Statements of Comprehensive Income

Consolidated Statements of Income for the three months ended June 30, 2012

	The three months ended June 30, 2011	The three months ended June 30, 2012	The three months ended June 30, 2012
	Millions of yen	Millions of yen	Thousands of U.S.dollars
Net sales	35,036	26,412	333,027
Cost of sales	30,570	23,913	301,523
Gross profit	4,465	2,498	31,504
Selling, general and administrative expenses	1,232	1,297	16,366
Operating income	3,232	1,200	15,138
Non-operating income	105	152	1,922
Non-operating expenses	11	7	94
Ordinary income	3,326	1,345	16,966
Extraordinary income	-	4	55
Extraordinary loss	24	312	3,945
Income before income taxes and minority interests	3,301	1,037	13,076
Income taxes-current	1,105	153	1,931
Income taxes-deferred	255	277	3,499
Total income taxes	1,361	430	5,430
Income before minority interests	1,940	606	7,645
Net income	1,940	606	7,645

Consolidated Statements of Comprehensive Income for the three months ended June 30, 2012

	The three months ended June 30, 2011	The three months ended June 30, 2012	The three months ended June 30, 2012
	Millions of yen	Millions of yen	Thousands of U.S.dollars
Income before minority interests	1,940	606	7,645
Other comprehensive income			
Valuation difference on available-for-sale securities	(14)	(2)	(31)
Deferred gains or losses on hedges	557	524	6,612
Foreign currency translation adjustment	26	103	1,304
Share of other comprehensive income of associates accounted for using equity method	(4)	4	54
Total other comprehensive income	564	629	7,938
Comprehensive income	2,504	1,235	15,584
(Comprehensive income attributable to)			
Comprehensive income attributable to owners of the parent	2,504	1,235	15,584
Comprehensive income attributable to minority interests	-	-	-

U.S. dollar amounts represent translations using the approximate exchange rate on June 30, 2012 of Yen79.31=US\$1, and are included solely for the convenience of readers.

(3) Notes on Assumptions for Going Concern

Not applicable

(4) Notes in case of Significant Changes to Shareholders' Equity

Not applicable

(5) Segment Information, etc.

[Segment information]

For the three months ended June 30, 2011(From April 1, 2011 to June 30, 2011)

1. Information on sales and income (loss) by reporting segment

(Millions of Yen)

	Precious metal recycling business	Environmental protection business	Total
Net sales			
1) Customers	31,754	3,281	35,036
2) Intersegment	—	—	—
Total	31,754	3,281	35,036
Segment income	2,944	288	3,232

(Note) Total segment income matches operating income recorded on the consolidated statements of income.

2. Impairment losses on noncurrent assets, goodwill, etc. by reporting segment

Not applicable

For the three months ended June 30, 2012(From April 1, 2012 to June 30, 2012)

1. Information on sales and income (loss) by reporting segment

(Millions of Yen)

	Precious metal recycling business	Environmental protection business	Total
Net sales			
1) Customers	23,033	3,379	26,412
2) Intersegment	—	—	—
Total	23,033	3,379	26,412
Segment income	854	345	1,200

(Note) Total segment income matches operating income recorded on the consolidated statements of income.

2. Impairment losses on noncurrent assets, goodwill, etc. by reporting segment

(Material impairment loss on noncurrent assets)

Resulting from the decision of dismantling a part of building and structures, their book value was reduced to a recoverable amount and the reduced amount with demolition cost were posted as impairment loss under extraordinary losses. In consequence, impairment losses were recognized in the amount of 71 million yen in precious metal recycling segment and 148million yen in environmental protection segment.