

Asahi Holdings, Inc. Flash Report (Consolidated Basis)

Asahi Holdings, Inc.(Securities No.5857, Tokyo Stock Exchange first section)
(URL <http://www.asahiholdings.com>)

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1. Consolidated results for the first three quarters of the fiscal year ending March 31, 2010

(From April 1, 2009 to December 31, 2009)

(1) Consolidated operating results [Rounded off to millions of yen]

	The nine months ended December 31, 2009	The nine months ended December 31, 2008
	(%)	(%)
Net sales (Millions of yen)	56,700 (—)	— (—)
Operating income (Millions of yen)	4,902 (—)	— (—)
Ordinary income (Millions of yen)	4,893 (—)	— (—)
Net income (Millions of yen)	2,806 (—)	— (—)
Net income per share for the first three quarters	¥87.11	— —
Diluted net income per share for the first three quarters	— —	— —

(2) Changes in the consolidated financial position

	As of December 31, 2009	As of March 31, 2009
Total assets (Millions of yen)	49,228	—
Net assets (Millions of yen)	28,334	—
Equity ratio (%)	57.6	—
Net assets per share	¥879.52	— —

Note: Equity capital (millions of yen)

The nine months ended December 31,2009: 28,334 Fiscal year ended March 31,2009:—

2. Dividends

	the fiscal year ended March 31, 2009	the fiscal year ended March 31, 2010	the fiscal year ended March 31, 2010 [forecast]
Dividends per share			
-The three months-end dividend(Yen)	—	—	—
-Interim dividend(Yen)	—	25.00	—
-The nine months-end dividend(Yen)	—	—	—
-Year -end dividend(Yen)	—	—	25.00
-Annual dividend(Yen)	—	—	50.00

Notice: Changes in forecast of dividends for this quarter: None

3. Forecast for the fiscal year ending March 31, 2010 (From April 1, 2009 to March 31, 2010)

	Full year
	(%)
Net sales (Millions of yen)	80,000 (—)
Operating income (Millions of yen)	6,600 (—)
Ordinary income (Millions of yen)	6,600 (—)
Net income (Millions of yen)	3,600 (—)
Forecasted net income per share (Yen)	111.75

Notes: Changes in forecast for this quarter: Yes

(Notice for the use of the forecasts, and other instructions)

- (1) The financial forecasts stated above are based on currently available information. They may fluctuate according to various factors including economic situations and financial trends.
- (2) There are no figures for the preceding fiscal year since the Company was incorporated on April 1, 2009.

CONSOLIDATED BALANCE SHEET

At December 31, 2009

	At December 31,		At December 31,
	2009		2009
	Millions of yen	%	Thousands of U.S.dollars
<u>ASSETS</u>			
Current assets			
Cash and deposits	2,448		26,585
Notes and accounts receivable-trade	3,743		40,644
Merchandise and finished goods	4,682		50,840
Work in process	8,337		90,523
Raw materials and supplies	442		4,801
Other	1,472		15,985
Allowance for doubtful accounts	(7)		(86)
Total current assets	21,117	42.9	229,292
Noncurrent assets			
Property, plant and equipment			
Buildings and structures, net	8,812		95,687
Land	12,596		136,768
Other, net	4,001		43,446
Total property, plant and equipment	25,410	51.6	275,901
Intangible assets			
Goodwill	1,627		17,676
Other	587		6,381
Total intangible assets	2,215	4.5	24,056
Investments and other assets			
Total investments and other assets	484	1.0	5,265
Total noncurrent assets	28,110	57.1	305,222
Total assets	49,228	100.0	534,514
<u>LIABILITIES</u>			
Current liabilities			
Notes and accounts payable-trade	2,223		24,147
Short-term loans payable	15,300		166,124
Income taxes payable	780		8,476
Provision for bonuses	400		4,344
Provision for directors' bonuses	15		163
Provision for repairs	74		806
Other	1,749		18,997
Total current liabilities	20,543	41.7	223,056
Noncurrent liabilities			
Provision for retirement benefits	155		1,694
Other	195		2,119
Total noncurrent liabilities	351	0.7	3,813
Total liabilities	20,894	42.4	226,870

	At December 31, 2009		At December 31, 2009
	Millions of yen	%	Thousands of U.S.dollars
<u>NET ASSETS</u>			
Shareholders' equity			
Capital stock	4,480	9.1	48,652
Capital surplus	4,510	9.2	48,976
Retained earnings	25,416	51.6	275,965
Treasury stock	(5,921)	(12.0)	(64,292)
Total shareholders' equity	28,486	57.9	309,300
Valuation and translation adjustments			
Valuation difference on available-for-sale securities	7	0.0	80
Deferred gains or losses on hedges	(115)	(0.2)	(1,257)
Foreign currency translation adjustment	(44)	(0.1)	(478)
Total valuation and translation adjustments	(152)	(0.3)	(1,655)
<u>TOTAL NET ASSETS</u>	<u>28,334</u>	<u>57.6</u>	<u>307,645</u>
<u>TOTAL LIABILITIES AND NET ASSETS</u>	<u>49,228</u>	<u>100.0</u>	<u>534,514</u>

U.S. dollar amounts represent translations using the approximate exchange rate on December 31, 2009 of yen 92.10=

US\$1, and are included solely for the convenience of readers.

CONSOLIDATED STATEMENTS OF INCOME

For the nine months ended December 31, 2009

	2009		2009
	Millions of yen	%	Thousands of U.S.dollars
Net sales	56,700	100.0	615,639
Cost of sales	48,657	85.8	528,315
Gross profit	8,042	14.2	87,324
Selling, general and administrative expenses	3,139	5.6	34,091
Operating income	4,902	8.6	53,232
Non-operating income	98	0.2	1,068
Non-operating expenses	107	0.2	1,163
Ordinary income	4,893	8.6	53,138
Extraordinary income	5	0.0	64
Extraordinary loss	67	0.1	732
Income before income taxes and minority interests	4,832	8.5	52,470
Income taxes-current	902	1.6	9,797
Income taxes-deferred	1,123	2.0	12,201
Total income taxes	2,026	3.6	21,999
Net income	2,806	4.9	30,472

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CONSOLIDATED STATEMENTS OF CASH FLOWS

For the nine months ended December 31, 2009

	2009	2009
	Millions of yen	Thousands of U.S.dollars
Net cash provided by (used in) operating activities		
Income before income taxes and minority interests	4,832	52,470
Depreciation and amortization	1,597	17,346
Impairment loss	7	86
Amortization of goodwill	165	1,800
Amortization of negative goodwill	(3)	(35)
Increase (decrease) in provision for retirement benefits	2	27
Interest and dividends income	(5)	(63)
Interest expenses	42	459
Loss (gain) on sales and retirement of noncurrent assets	53	582
Decrease (increase) in notes and accounts receivable-trade	669	7,266
Decrease (increase) in inventories	(4,327)	(46,987)
Increase (decrease) in notes and accounts payable-trade	715	7,768
Increase (decrease) in accounts payable-other	(476)	(5,169)
Other, net	151	1,643
Subtotal	3,425	37,192
Interest and dividends income received	5	62
Interest expenses paid	(39)	(434)
Income taxes paid	(698)	(7,589)
Income taxes refund	463	5,037
Net cash provided by (used in) operating activities	3,156	34,268
Net cash provided by (used in) investing activities		
Payments into time deposits	(382)	(4,153)
Proceeds from collection of guarantee deposits	27	296
Purchase of property, plant and equipment	(1,005)	(10,913)
Proceeds from sales of property, plant and equipment	10	115
Purchase of intangible assets	(455)	(4,950)
Purchase of stocks of subsidiaries and affiliates	(45)	(489)
Payments for transfer of business	(1,363)	(14,801)
Purchase of investments in subsidiaries	(9)	(105)
Other, net	(80)	(870)
Net cash provided by (used in) investing activities	(3,303)	(35,869)
Net cash provided by (used in) financing activities		
Net increase (decrease) in short-term loans payable	2,000	21,716
Repayment of long-term loans payable	(10)	(117)
Repayments of finance lease obligations	(8)	(95)
Purchase of treasury stock	(0)	(5)
Cash dividends paid	(1,603)	(17,414)
Net cash provided by (used in) financing activities	376	4,085
Effect of exchange rate change on cash and cash equivalents	12	141
Net increase (decrease) in cash and cash equivalents	241	2,625
Cash and cash equivalents at beginning of period	1,824	19,807
Cash and cash equivalents at end of period	2,065	22,432

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