

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 year ended March 31, 2010

(From April 1, 2009 to March 31, 2010)

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

	the fiscal year ended March 31, 2010	the fiscal year ended March 31, 2009
	(%)	(%)
Net sales (Millions of yen)	82,603 (—)	— (—)
Operating income (Millions of yen)	7,888 (—)	— (—)
Ordinary income (Millions of yen)	7,922 (—)	— (—)
Net income (Millions of yen)	4,377 (—)	— (—)
Net income per share	¥135.90	— —
Diluted net income per share	— —	— —
Return on equity (%)	15.4	—
Ratio of ordinary income to total assets (%)	16.5	—
Ratio of operating income to net sales (%)	9.5	—

Note: Equity in earnings of unconsolidated subsidiaries and affiliates: None

(2) Changes in the consolidated financial position

	the fiscal year ended March 31, 2010	the fiscal year ended March 31, 2009
Total assets (Millions of yen)	50,139	—
Net assets (Millions of yen)	29,897	—
Equity ratio (%)	59.6	—
Net assets per share	¥927.97	— —

Note: Equity capital (millions of yen)

Fiscal year ended March 31, 2010: 29,897

Fiscal year ended March 31, 2009: —

(3) Consolidated cash flows

	the fiscal year ended March 31, 2010	the fiscal year ended March 31, 2009
Operating activities (Millions of yen)	6,219	—
Investing activities (Millions of yen)	△ 3,880	—
Financing activities (Millions of yen)	△ 2,478	—
Cash and cash equivalents at the end of fiscal year (Millions of yen)	1,711	—

2. Dividends

	the fiscal year ended March 31, 2009	the fiscal year ended March 31, 2010	the fiscal year ended March 31, 2011 [forecast]
Dividends per share			
-The three months-end dividend(Yen)	—	—	—
-Interim dividend(Yen)	—	25.00	25.00
-The nine months-end dividend(Yen)	—	—	—
-Year -end dividend(Yen)	—	25.00	25.00
-Annual dividend(Yen)	—	50.00	50.00
Total dividend [annual] (Millions of yen)	—	1,711	—
Dividend ratio [consolidated] (%)	—	36.8	31.0
Net assets dividend rate [consolidated] (%)	—	5.7	—

3. Forecast for the fiscal year ending March 31, 2011 (From April 1, 2010 to March 31, 2011)

	1 st half	Full year
	(%)	(%)
Net sales (Millions of yen)	48,000 (33.9)	100,000 (21.1)
Operating income(Millions of yen)	4,300 (57.9)	9,000 (14.1)
Ordinary income (Millions of yen)	4,300 (59.8)	9,000 (13.6)
Net income (Millions of yen)	2,500 (59.6)	5,200 (18.8)
Forecasted net income per share (Yen)	77.57	161.29

Note: Above percentage terms in 1st half and full year are the percentage change from previous half and the percentage change from previous year, respectively.

(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 March 31, 2010

	At March 31,		At March 31,
	2010		2010
	Millions of yen	%	Thousands of U.S.dollars
ASSETS			
Current assets			
Cash and deposits	2,263		24,326
Notes and accounts receivable-trade	4,037		43,400
Merchandise and finished goods	4,250		45,683
Work in process	8,327		89,507
Raw materials and supplies	616		6,622
Deferred tax assets	826		8,884
Other	2,041		21,938
Allowance for doubtful accounts	(8)		(96)
Total current assets	22,354	44.6	240,264
Noncurrent assets			
Property, plant and equipment			
Buildings and structures	14,621		157,158
Accumulated depreciation	(5,870)		(63,093)
Buildings and structures, net	8,751		94,064
Vehicles, tools, furniture and fixtures	11,448		123,052
Accumulated depreciation	(8,614)		(92,594)
Vehicles, tools, furniture and fixtures, net	2,833		30,459
Land	12,440		133,708
Construction in progress	778		8,371
Other	2,069		22,238
Accumulated depreciation	(1,717)		(18,455)
Other, net	352		3,784
Total property, plant and equipment	25,156	50.2	270,386
Intangible assets			
Goodwill	1,571		16,894
Other	567		6,097
Total intangible assets	2,139	4.2	22,991
Investments and other assets			
Investment securities	52		563
Deferred tax assets	16		176
Other	426		4,585
Allowance for doubtful accounts	(6)		(65)
Total investments and other assets	489	1.0	5,258
Total noncurrent assets	27,784	55.4	298,635
Total assets	50,139	100.0	538,899
LIABILITIES			
Current liabilities			
Notes and accounts payable-trade	2,161		23,234
Short-term loans payable	12,449		133,812
Accounts payable-other	1,168		12,554
Income taxes payable	2,304		24,774
Provision for bonuses	721		7,752
Provision for directors' bonuses	15		161
Provision for repairs	124		1,333
Other	880		9,461
Total current liabilities	19,825	39.6	213,082
Noncurrent liabilities			
Deferred tax liabilities	201		2,166
Provision for retirement benefits	179		1,929
Other	35		383
Total noncurrent liabilities	416	0.8	4,479
Total liabilities	20,241	40.4	217,560

	At March 31, 2010		At March 31, 2010
	Millions of yen	%	Thousands of U.S.dollars
<u>NET ASSETS</u>			
Shareholders' equity			
Capital stock	4,480	8.9	48,160
Capital surplus	6,054	12.1	65,070
Retained earnings	25,444	50.7	273,475
Treasury stock	(5,917)	(11.8)	(63,598)
Total shareholders' equity	30,061	59.9	323,107
Valuation and translation adjustments			
Valuation difference on available-for-sale securities	14	0.0	153
Deferred gains or losses on hedges	(152)	(0.3)	(1,637)
Foreign currency translation adjustment	(26)	(0.0)	(284)
Total valuation and translation adjustments	(164)	(0.3)	(1,768)
<u>TOTAL NET ASSETS</u>	<u>29,897</u>	<u>59.6</u>	<u>321,339</u>
<u>TOTAL LIABILITIES AND NET ASSETS</u>	<u>50,139</u>	<u>100.0</u>	<u>538,899</u>

U.S. dollar amounts represent translations using the approximate exchange rate on March 31, 2010 of yen 93.04=US\$1, and are included solely for the convenience of readers.

CONSOLIDATED STATEMENTS OF INCOME

Years ended March 31, 2010

	2010		2010	
	Millions of yen	%	Thousands of U.S.dollars	
Net sales	82,603	100.0	887,831	
Cost of sales	70,426	85.3	756,950	
Gross profit	12,177	14.7	130,881	
Selling, general and administrative expenses	4,289	5.2	46,100	
Operating income	7,888	9.5	84,781	
Non-operating income	160	0.2	1,730	
Non-operating expenses	126	0.1	1,360	
Ordinary income	7,922	9.6	85,152	
Extraordinary income	8	0.0	91	
Extraordinary loss	427	0.5	4,595	
Income before income taxes and minority interests	7,503	9.1	80,648	
Income taxes-current	2,319	2.8	24,935	
Income taxes-deferred	805	1.0	8,658	
Total income taxes	3,125	3.8	33,593	
Net income	4,377	5.3	47,054	

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CONSOLIDATED STATEMENT OF CHANGES IN NET ASSETS

Prior Period (from April 1, 2009 to March 31, 2010)

(Millions of yen)

	Shareholders' equity				
	Capital stock	Capital surplus	Retained earnings	Treasury stock	Total shareholders' equity
Balance at March 31,2009	4,480	6,802	24,220	(8,212)	27,291
Decrease by share transfers	(0)	(748)	(1,543)	2,292	—
Dividends from surplus			(1,610)		(1,610)
Net income			4,377		4,377
Purchase of treasury stock				(0)	(0)
Disposal of treasury stock			(0)	4	3
Net changes of items other than shareholders' equity					
Total increase (decrease) of the above items during the period	(0)	(748)	1,223	2,295	2,770
Balance at March 31, 2010	4,480	6,054	25,444	(5,917)	30,061

	Valuation and translation adjustments				Minority interests	Total net assets
	Valuation difference on available-for-sale securities	Deferred gains or losses on hedges	Foreign currency translation adjustment	Total valuation and translation adjustments		
Balance at March 31,2009	(3)	(125)	(96)	(224)	8	27,075
Decrease by share transfers						—
Dividends from surplus						(1,610)
Net income						4,377
Purchase of treasury stock						(0)
Disposal of treasury stock						3
Net changes of items other than shareholders' equity	17	(27)	70	59	(8)	51
Total increase (decrease) of the above items during the period	17	(27)	70	59	(8)	2,821
Balance at March 31, 2010	14	(152)	(26)	(164)	—	29,897

CONSOLIDATED STATEMENTS OF CASH FLOWS

Years ended March 31, 2010

	2010	2010
	Millions of yen	Thousands of U.S.dollars
Net cash provided by (used in) operating activities		
Income before income taxes and minority interests	7,503	80,648
Depreciation and amortization	2,188	23,521
Impairment loss	292	3,145
Amortization of goodwill	222	2,395
Amortization of negative goodwill	(4)	(45)
Increase (decrease) in provision for retirement benefits	25	279
Interest and dividends income	(11)	(121)
Interest expenses	54	589
Loss (gain) on sales and retirement of noncurrent assets	94	1,012
Decrease (increase) in notes and accounts receivable-trade	374	4,028
Decrease (increase) in inventories	(4,059)	(43,632)
Increase (decrease) in notes and accounts payable-trade	652	7,015
Increase (decrease) in accounts payable-other	(609)	(6,555)
Other, net	877	9,434
Subtotal	7,602	81,712
Interest and dividends income received	8	94
Interest expenses paid	(53)	(573)
Income taxes paid	(1,802)	(19,372)
Income taxes refund	463	4,986
Net cash provided by (used in) operating activities	6,219	66,847
Net cash provided by (used in) investing activities		
Payments into time deposits	(710)	(7,632)
Proceeds from withdrawal of time deposits	157	1,696
Proceeds from collection of guarantee deposits	59	639
Purchase of property, plant and equipment	(1,375)	(14,780)
Proceeds from sales of property, plant and equipment	13	148
Purchase of intangible assets	(474)	(5,099)
Purchase of stocks of subsidiaries and affiliates	(54)	(588)
Payments for transfer of business	(1,363)	(14,652)
Other, net	(133)	(1,440)
Net cash provided by (used in) investing activities	(3,880)	(41,707)
Net cash provided by (used in) financing activities		
Net increase (decrease) in short-term loans payable	(850)	(9,137)
Repayment of long-term loans payable	(10)	(116)
Repayments of finance lease obligations	(11)	(127)
Purchase of treasury stock	(0)	(6)
Proceeds from sales of treasury stock	3	42
Cash dividends paid	(1,608)	(17,292)
Net cash provided by (used in) financing activities	(2,478)	(26,636)
Effect of exchange rate change on cash and cash equivalents	25	279
Net increase (decrease) in cash and cash equivalents	(113)	(1,217)
Cash and cash equivalents at beginning of period	1,824	19,607
Cash and cash equivalents at end of period	1,711	18,390

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