

**TRANSLATION FOR REFERENCE PURPOSE ONLY**

*This notice has been translated from the original Japanese text of the timely disclose statement and is for reference purpose only. In the event of any discrepancy between the original Japanese and this translation, the Japanese text shall prevail.*

January 31, 2020

To whom it may concern:

Company Name: **Asahi Holdings, Inc.**  
Representative: Tomoya Higashiura, President  
(Code: 5857, First Section of the Tokyo Stock Exchange)  
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**Notice on the Impairment Loss Recorded on Fixed Assets at Consolidated Subsidiary**

This is to notify that the Company has recorded the impairment losses on fixed assets at consolidated subsidiaries in its consolidated financial statements for the third quarter of the fiscal year ending March 2020:

Details

1. Overview of impairment loss on fixed assets at consolidated subsidiary

Asahi Refining Florida Inc. (hereinafter “Asahi Refining Florida” (Florida, U.S.A.)), a consolidated subsidiary of the Company, will relocate its gold and silver refining business to another location of the Group in North America to further enhance the efficiency and profitability of business in North America. As a result of the reorganization and consolidation, an impairment loss of 1 billion yen on fixed assets of Asahi Refining Florida has been recorded.

2. Background to and purpose behind the recording of impairment loss on fixed assets

In January 2019, the Company established Asahi Refining Florida following the asset acquisition of Republic Metals Corporation and Republic Carbon Company, LLC (hereinafter “Asset Acquisition of Republic”), whose main businesses were gold and silver refining, product fabrication (plating, minting, granulation, etc.) and carbon processing. The Company gained many new customers through the Asset Acquisition of Republic, which had been in a competitive relationship with the Company. The subsequent growth in the trading volume led to higher revenues and better terms of business, backed by larger shares of gold and silver refining markets in North, Central and South America, which translated into higher profitability of business in North America.

Meanwhile, the Company has, since the time of the Asset Acquisition of Republic, examined the prospects for optimizing its production system with an eye on restructuring and consolidation with its consolidated subsidiaries Asahi Refining USA Inc. (Utah, U.S.A.) and Asahi Refining Canada Ltd. (Ontario, Canada). As a result of the examination, the Company concluded that the best scenario would be to scrap the refining facilities of Asahi Refining Florida and transfer the refining business to two other locations due to scalability constraints concerning Asahi Refining Florida’s gold and silver refining division.

The aim of the Company is to slash fixed costs in the North American refining business through restructuring and consolidation and to achieve profitability improvements in refining business efficiency. The Company will also seek to boost its organizational performance by expanding the minting and carbon businesses that were newly acquired through the Asset Acquisition of Republic, as well as low-risk financial services founded on gold and silver refining business across North America.

### 3. Impact on business results for the current and subsequent fiscal years

The disposal of gold and silver refining facilities at Asahi Refining Florida results in an impairment loss of 1 billion yen in the current fiscal year. On the other hand, the impact of fixed cost reduction and other factors is projected to translate into annual profitability improvements worth 400 million yen in the next and subsequent fiscal years.