



Corporate Report 2013

Editorial Policy

This report has been created as a communication tool that presents basic company information and introduces our philosophy regarding “company”, “environment”, and “society,” as well as initiatives taken in the previous fiscal year on those aspects.

Disclaimer

This report not only includes facts on the past and present of the Asahi Holdings Group, but also contains statements pertaining to future plans and prospects, and the forecasts based on our management business plan. This report inherently contains the information available at the time of editing. Consequently, actual business results and activities could differ from those projected due to management environment changes and other various factors.



ASAHI HOLDINGS

The group's logo uses a spiral shape as a motif to signify our corporate stance in seeking “environmental preservation through recycling”, a feature of our business, and also means continuity and growth. The arrowheads stretching upward and downward symbolize our being an advanced and cutting-edge company. The three colors of blue, red and green each respectively signifies “clean water and sky”, “the energy of people doing activities” and “beautiful nature and forests”.

Period covered by this report:

April 1, 2012 through March 31, 2013

*including some information/events beyond the above period.

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Company Overview

The Asahi Holdings Group complies in good faith with the demands of its customers and society in order to fulfill its responsibilities as a sensible corporate group.

ASAHI WAY

“Doing Our Part to Protect the Natural Environment and Resources”

Our Credo

To preserve the environment and protect earth’s natural resources, entrusted to us by future generations, by using original technology and expertise.

Our Corporate Values

- Trust and bonds
- Safety first: “People’s lives” over “Company name”
- Innovation and challenge. No need for those without
- No growth without profit

Our Employee Principles

- Act with courtesy and cheerfulness
- Be swift and thoughtful in our work
- Immediately report bad news and inconvenient facts
- Grow through achieving higher goals

The Ten Codes of Asahi Holdings Group

- #1: We will not act in violation of any relevant regulations or standards.
- #2: We will not judge or act in contradiction to social rules, customs, or our own conscience.
- #3: We will not discriminate on the basis of age, race, nationality, or title.
- #4: We will not conduct political or religious activities at the workplace or at work-related venues without permission.
- #5: We will not conduct business or services with clients in a dishonest or inappropriate manner.
- #6: We will not behave in a way that obstructs fair competition or finding ideal business partners in all transactions.
- #7: We will not disclose staff or client information obtained for business purposes, nor will we release unpublished technological, financial or personnel-related information. Furthermore, we will not buy or sell stocks or other financial instruments based on internal or confidential information.
- #8: We will not provide or participate in meals, entertainment or gift-giving for personal gain.
- #9: We will not act or behave in a manner that profits any affiliated individual or group, understanding that all work-related activities are for the greater good.
- #10: We will not overlook the slightest detail, understanding thoroughly actual sites, actual products and actual situations.

Should violations of these codes arise, top management officials at Asahi Holdings Group subsidiaries will resolve them by implementing strict and just measures, even against themselves, while investigating the cause of the incident and striving to prevent similar incidents in the future.

Company Slogan (April 2012 through March 2015)

Act III , with Asahi Way

Act I of the Asahi Holdings Group's history was the period from its founding in 1952 until its public stock offering in 1999. Act II was the period from the stock offering until the Fifth Medium-Term Business Plan, the Group's 60th anniversary. Act III will be the Sixth Mid-Term Business Plan, under which the Group will expand its overseas operations and develop globally.

The Sixth Mid-Term Business Plan, which raises the curtain of Act III, emphasizes three areas for action: expanding business in Asian markets, broadening our business domains through M&A, and improving the Group's management efficiency.



MESSAGE FROM CEO

“Accelerating Overseas Expansion”

A challenging business environment continued for us during Fiscal Year 2012, which is the first year of our 6th mid-term plan, particularly with weak domestic production activity in Japan and difficulties in the electronics industry. Within this environment, we have focused on execution of our strategic actions that we have outlined in our mid-term plan; “Business development in the Asian market”, “Broadening business domain through M&A”, and “Streamlining group management”. With regards to Asian market development, we have established a wholly owned subsidiary in Taiwan, and also a joint venture with a local company with strong expertise in precision cleaning. We plan to expand our precious metal recycling business in Taiwan with initial focus on the electronics and semiconductor industry. We have also established a representative office in Ho Chi Minh City, Vietnam to further develop and better service our customer base in the Vietnam and Thailand area. With these new locations added to our existing offices and facilities in Korea, China, and Malaysia, we shall make solid progress in developing business in Asia. In the environmental preservation segment, we have added INTER CENTRAL, INC. to our portfolio of companies through M&A. INTER CENTRAL manufactures and sells heating equipment, and also designs and constructs eco-friendly air conditioning systems based on radiant technology. This is a brand new business area for us, but we expect high growth potential. In order to support the dynamic change and growth of the businesses, we continuously work towards establishing a strong management infrastructure, efficient management system, and low cost base, and will always pursue to become an efficient and agile corporate group as a whole. During FY2012, we have been selected by the Tokyo Stock Exchange as an ESG themed stock. ESG stands for “Environmental”, “Social”, and “Governance”, and we consider this to be a result of high recognition of our ESG related activities. We will continue to manage with strong awareness of ESG, and shall contribute towards establishing a sustainable society. Your continued support will be highly appreciated. Thank you.

Mitsuharu Terayama
CEO
May 2013

GROUP OVERVIEW

We are expanding business activities on the recycling of precious metals and environmental preservation, thereby contributing to the preservation of the earth's environment.

Asahi Holdings, Inc.

● Company Profiles

Established: July 1952

Incorporated: April 2009

Capital: 4,480 million yen

Representative: Mitsuharu Terayama (CEO)

Tsutomu Sakuri (President)

Head Offices: Nissay Sannomiya Building 16F
4-4-17 Kano-cho, Chuo-ku, Kobe,
Hyogo Prefecture
650-0001, Japan

Sapia Tower 11F

1-7-12 Marunouchi, Chiyoda-ku, Tokyo

100-0005, Japan

Number of employees (consolidated): 1,344 (As of April 2013)

URL: <http://www.asahiholdings.com>

Officers:

CEO: Mitsuharu Terayama

President: Tsutomu Sakurai

Director: Yoshikatsu Takeuchi

Director: Tomoya Higashiura

Director: Masaki Hirano

Director: Keitaro Shigemasa

Outside Director: Shoji Morii*

Auditor: Yukio Tanabe

Outside Auditor: Kazuhiko Tokumine*

Outside Auditor: Junzo Kojima*

*External board members stipulated in
Article 2 of the Company Act

(As of June 18, 2013)



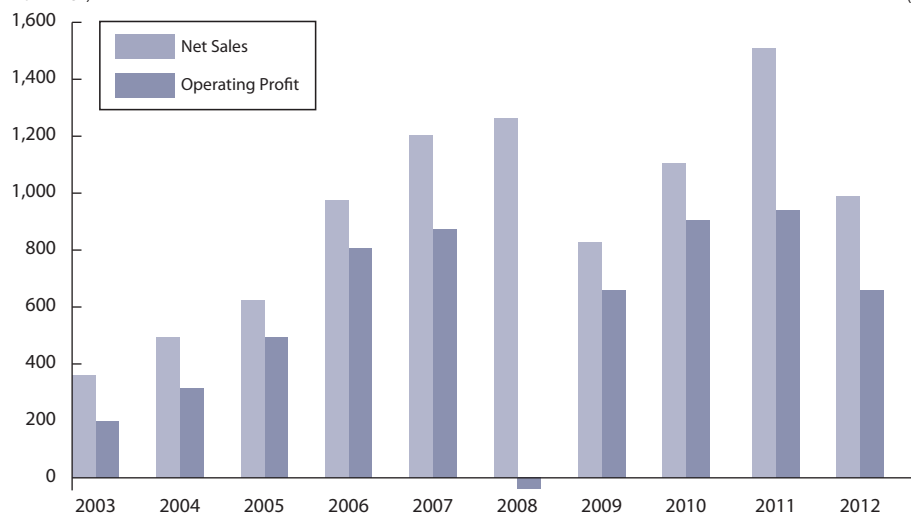
Kobe Headquarters



Tokyo Headquarters

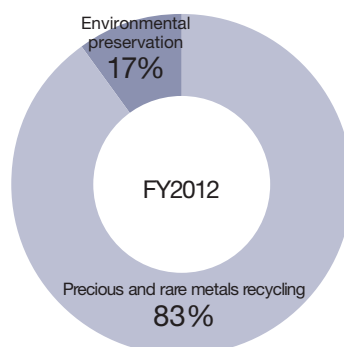
● Changes in Sales and Operating Profit

(Net Sales: 100million in Yen)



(Operating Profit: 100million in Yen)

● Component Ratio



Asahi Pretec Corp.

● Company Profile

Business line: Precious metals / rare metals recycling and industrial waste treatment

Representative: Tsutomu Sakurai

Headquarters: Nissay Sannomiya Building 16F
4-4-17 Kano-cho, Chuo-ku, Kobe, Hyogo Prefecture
650-0001, Japan
TEL +81-(0)78-333-5600
FAX +81-(0)78-333-5681

Sapia Tower 11F
1-7-12 Marunouchi, Chiyoda-ku, Tokyo
100-0005, Japan
TEL +81-(0)3-6270-1820
FAX +81-(0)3-6270-1825

Number of employees: 825

URL: <http://www.asahipretec.com>

<Domestic Business Locations>

Research laboratory: Technical Research Center(Kobe)
Plant: Saitama, Amagasaki, Kobe, Ehime, Fukuoka, Kitakyushu, Kitakyushu Hibiki

Recycling centers: Saitama, Chiba, Amagasaki
Business Office: Sapporo, Aomori, Sendai, Niigata, Kitakanto, Kanto, Yokohama, Kofu, Shizuoka, Nagoya, Hokuriku, Hanshin, Kobe, Okayama, Hiroshima, Shikoku, Fukuoka, Kitakyushu, Kagoshima, Okinawa

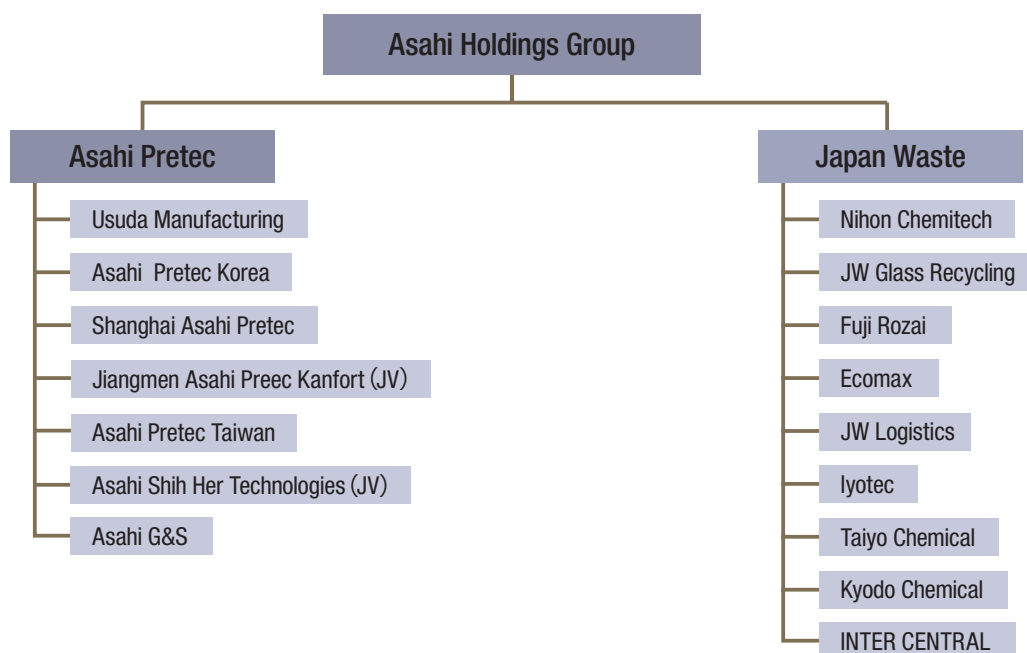
<Group Company>

Usuda Manufacturing Co., Ltd.

<Overseas Bases>

South Korea: Asahi Pretec Korea Co., Ltd.
China: Shanghai Asahi Pretec Co., Ltd.
Jiangmen Asahi Pretec Kanfort Environmental Management Co., Ltd. (JV)
Taiwan: Taiwan Asahi Pretec Co., Ltd.
Asahi Shih Her Technologies Co., Ltd. (JV)
Malaysia: Asahi G&S Sdn. Bhd.
Vietnam: The Representative Office of Asahi Pretec Corp. in Ho Chin Minh City

(As of April 2013)



(As of April 2013)

Japan Waste Corporation

● Company Profile

Business line: Environmental preservation
(Industrial waste treatment and other environmental preservation businesses)

Representative: Yoshikatsu Takeuchi

Headquarters: Nissay Sannomiya Building 16F
4-4-17 Kano-cho, Chuo-ku, Kobe, Hyogo Prefecture
650-0001, Japan
TEL +81-(0)78-333-5680
FAX +81-(0)78-333-5681

Sapia Tower 11F
1-7-12 Marunouchi, Chiyoda-ku, Tokyo
100-0005, Japan
TEL +81-(0)3-6270-1828
FAX +81-(0)3-6270-1839

Number of employees: 433

URL: <http://www.japanwaste.co.jp>

<Domestic Business Locations > Yokohama

<Group Companies>

Nihon Chemitech Co., Ltd.
JW Glass Recycling Co., Ltd.
Fuji Rozai Co., Ltd.
Ecomax Incorporated
JW Logistics Co., Ltd.
Iyotec Co., Ltd.
Taiyo Chemical Co., Ltd.
Kyodo Chemical Co., Ltd.
INTER CENTRAL, INC.

(As of April 2013)

BUSINESS INTRODUCTION

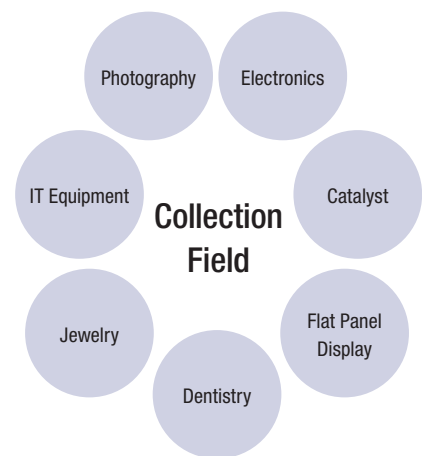
PRECIOUS METAL RECYCLING BUSINESS

Utilizing Effectively the Limited Resources to Contribute to the Earth and Society

With Asahi Pretec as our core, we recover precious metals and scrap containing rare metals, which is yielded from a variety of fields for recycling. By recycle precious metals and rare metal such as gold, silver, platinum, palladium and indium, which are essential to modern manufacturing, we are contributing to the effective utilization of resources and the industry development.

There are a wide variety of fields and regions in which precious metal raw materials can be recovered.

Utilizing overseas locations and sales networks that cover the entire country, we efficiently recover and recycle precious metals and rare metal resources from various industry fields such as electronics, catalysts, FPD (Flat Panel Display), dental, jewelry, IT equipment and photography.



Our Reliable Quality Receives High Accolades from Japan and Overseas.

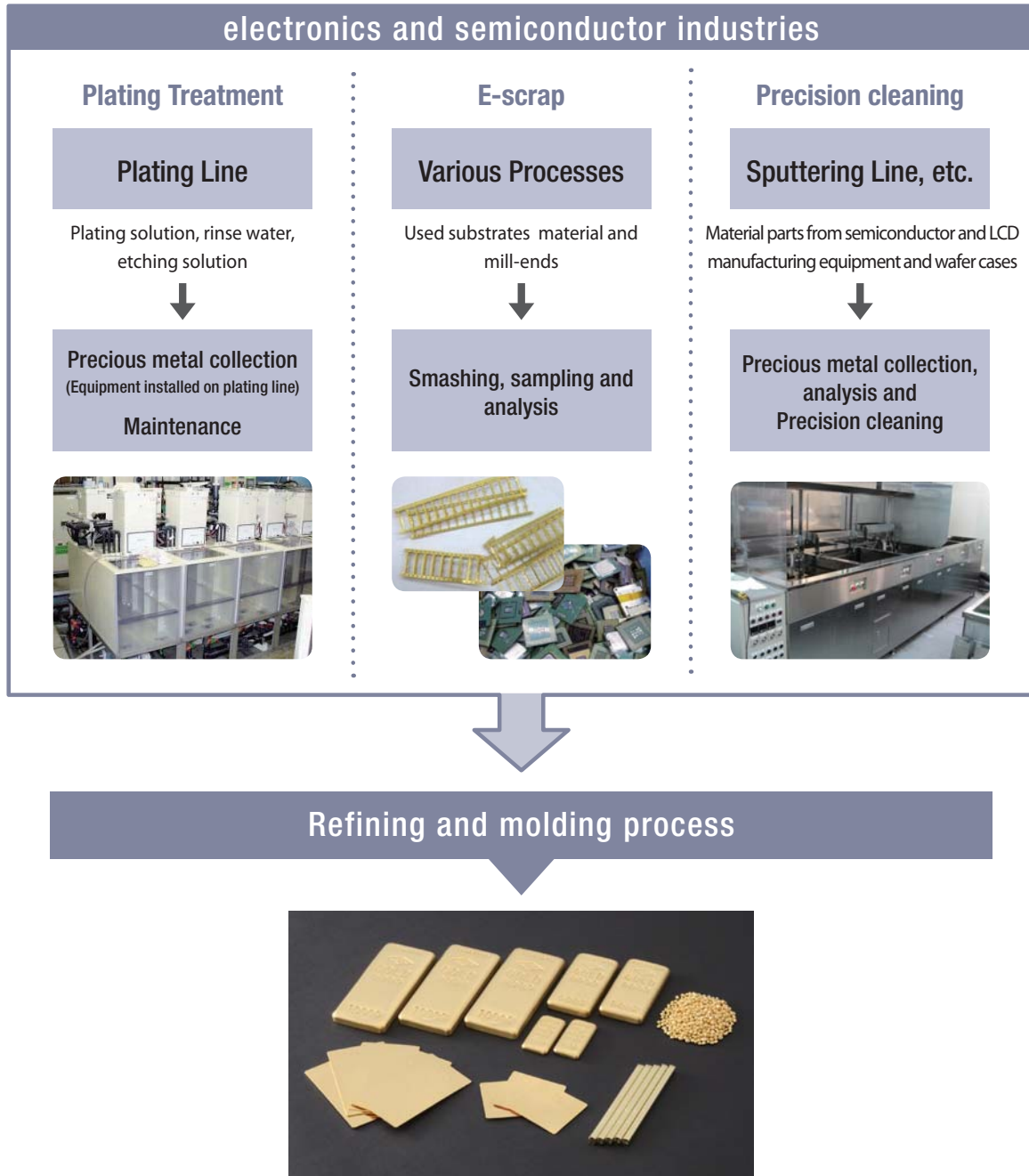
Asahi Pretec is a full-fledged member of the Japan Gold Metal Association and its gold, silver, platinum and palladium metals are recognized as brand products for the delivery supply of the Tokyo Commodity Exchange. Additionally, those metals are highly regarded in the global market for their reliable quality, with gold and silver being recognized by the London Bullion Market Association (LBMA), and platinum and palladium being certified by the London Platinum and Palladium Market (LPPM) as good delivery bars.



Electronics

In the electronics and semiconductor industry, precious metals and rare metals are used in the manufacturing process of electronic components and PCB (Print-Circuit Board) in PC's and cellular phones. We recover and recycle precious metals

and rare metals that are yielded from a variety of processes, leveraging our prominent technology.



In the field of surface treatment, we work on recycling business focusing on the precious metals contained in plating solutions, etc. In addition to the recovery of precious metals such as gold, silver and palladium, we also provide recovery technologies that are considerate of the environment such as rare metal recycling, water processing and re-use of rare metals etc.

In the E-scrap business, we recycle used substrates from used PC's, cellular phones and various other IT equipment as well as mill-ends and waste materials yielded from electronics/semicon-

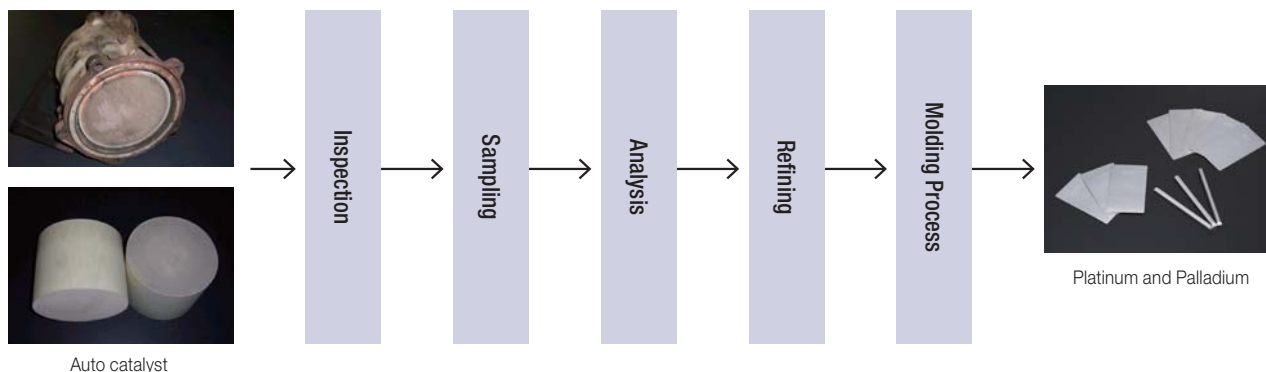
ductor industry processes, and determine the exact amount of precious metal contained using our state-of-the-art sampling and analysis factory.

Also with our affiliate, Usuda Manufacturing Co., Ltd, we engage in the precision cleaning business of semiconductor/flat panel display manufacturing equipment components and risen wafer cases entrusted by our customers.

Catalysts

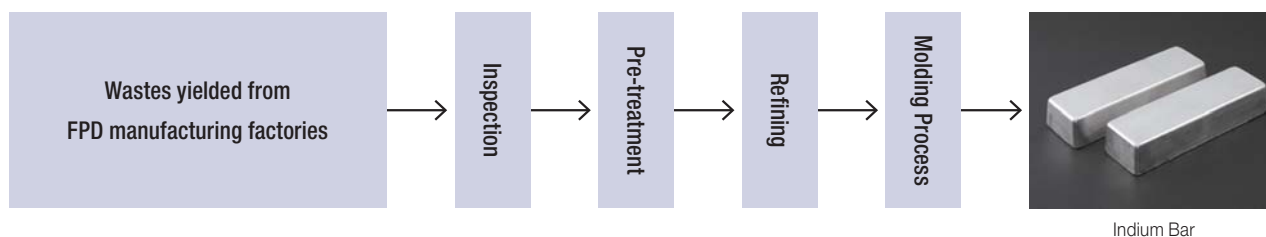
In the area of catalysts, precious metals are used as automotive catalysts under environmental regulations concerning exhaust fumes set forth in the Air Pollution Control Act, the NOx・PM Act for

automotive area, and other laws. We are making efforts to recycle precious metals from automotive catalysts, chemical catalysts, etc. utilizing our unique technology know-how.



Flat Panel Display

In the field of Flat Panel Display (FPD), indium, silver, etc. are used. It is said that the FPD market will continue to expand over the medium run, and through our own advanced technologies, we have been recycling these precious metals and rare metals.



TOPICS

Business Expansion in Asian Market

In February 2013, Asahi Pretec Taiwan Co., Ltd. was established as a subsidiary in Taiwan and started operation from April 2013. In parallel, a joint-venture, "Asahi Shih Her Technologies Co., Ltd.," with Shih Her Technologies Inc. was established. We will promote our precious metal collection, recycling and cleaning business, in which jig and tools from electronics, semiconductor and LED manufacturing equipments are treated. Both companies are located in Hsin-chu city in Taiwan, which is the hub of electronics and semiconductor industry. We will expand our precious metal recycling business in the area, leveraging of our high-level technology. In April 2013, we also started operation at the representative office in Ho Chi Minh City, Vietnam to conduct market research and to enforce the local support in Vietnam and the surrounding.

TOPICS

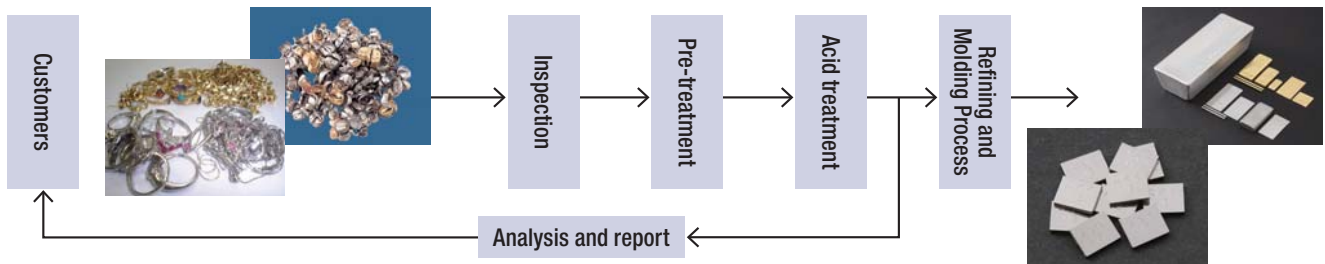
Asahi Metal Account System (For dental customers)

We launched the system in May 2012 as the first service in the field of dental industry. Based on the analysis results of the precious metals collected from dentists or dental laboratories, we keep the metals and customers deposit them on the web. According to the balance of the deposit on the web, customers can choose cash settlement or actual metal return exclusively for gold at their own discretion.

*Prior application is required to make use of Asahi Metal Account System. We launched the system in May 2012

Dentistry

Removed tooth crowns and cast chips from dental clinics and dental laboratories are valuable precious metal resources including gold, palladium and silver. Asahi Pretec realizes the shortening of the analysis period and the accuracy improvement for the analyzed values through double and triple cross checks, process by process, with our unique management system.



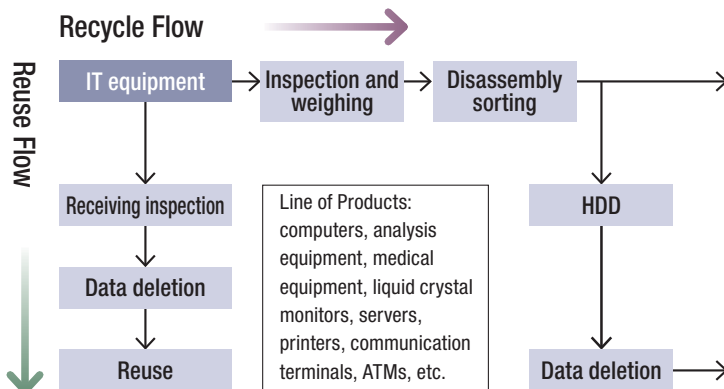
Jewelry

Based on advanced analysis and precious metal refining technologies, we respond to recovering buffing powders and electrolytic polishing solutions, etc. which are yielded from the jewelry manufacturing process and various recycling required in the distribution process, etc. We are subcontracted by organizations in the jewelry manufacturing industry for "precious metal scrap collection and analysis" and Asahi Pretec's many years of proven performance have earned the profound confidence of all of our customers.

IT Equipment

We collect IT equipment such as PCs through the offices, factories and data centers in Japan. After the thorough and accurate analysis of the materials, we recycle them and contribute to reducing environment burden. We take responsibility to ensure information security and prevent leaking of corporate and personal information

through measures such as implementing complete erasure of HDD data.

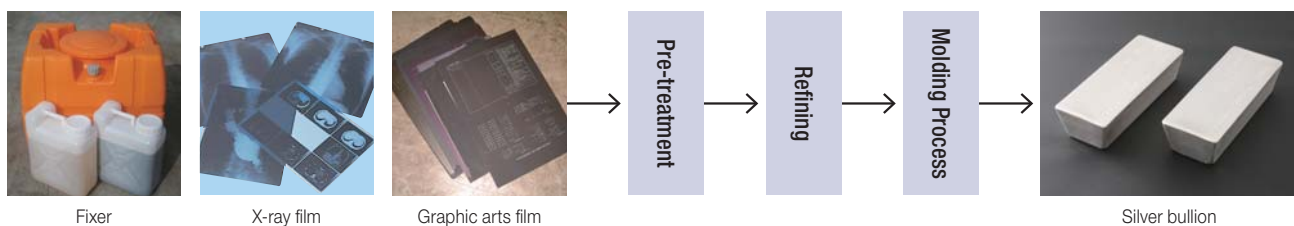


*Recycling Centers (Saitama, Amagasaki) acquired ISO27001(Information Security Management System) certification.

Photography

We collect photographic effluents, X-ray film, and printing plate film that are disposed of by photographic developers, medical institutions, printing plate makers, and others, and then recycle the silver and detoxify the remaining solutions. Film cases, cartridges, and medicine bottles are also recycled as raw materials after being compressed and

crushed to achieve zero-emission material recycling.



Research & Development: The Technical Research Center

Symbolizing Technology

Asahi Pretec has promoted proprietary research and development as well as the development of analytical technology for the recycling of precious and rare metals and the detoxification and recycling of industrial waste. As the nucleus of this is the Technical Research Center, which was established in Kobe High-Tech Park. We are looking to take even greater strides forward as a company that contributes to society through improvements in quality and technical innovation.



R & D

We strive to create new products and new businesses by always predicting the trend of the needs ahead, applying accumulated elemental technologies and developing new technologies.

- (1) Technology for separating and refining of precious and rare metals.
- (2) Environmental preservation and resource recycling technology.
- (3) Precious metal molding and refining technology.
- (4) Applied neutral electrolysis water technology.



Analysis

As Asahi Holdings Group's core analysis function, we support a diversity of corporate activities using the latest analytical equipment and high-level analysis technology. In addition, we play an important role in maintaining and enhancing the trust with our customers and client companies.

- (1) Development of new analysis technology.
- (2) Technical guidance for analysis groups at each plant and sales office.
- (3) Purity analyses of precious metal products and dental alloys.
- (4) Environmental analysis of issues such as factory wastewater discharges.
- (5) Environmental measurement certification.



Engineering

Using cutting-edge technology, experts from each business area design, produce, construct and provide maintenance of facilities in domestic and overseas subsidiaries, helping to support safe and stable operation of the facilities.

- (1) Designing, production, construction and maintenance of facilities and buildings.
- (2) Maintenance control of existing facilities.
- (3) Installation of precious metals collection facilities for our customers and after-sales service.



TOPICS

LBMA Proficiency Testing

The London Bullion Market Association, LBMA, has launched the new scheme called "LBMA Proficiency Testing" since FY2012 in order for accredited refineries to maintain and enhance their assaying accuracy ability. Asahi Pretec achieved solid results in the analysis values in the 1st Proficiency Testing, in which the 40 accredited refineries participated. The internal proficiency test program is implemented for the further improvement of our assay technical experts.

We are Working Towards the Realization of a Sustainable Material-Cycle Society as an Expert of Waste Treatment

We perform the detoxification and appropriate disposal of various types of waste to contribute to resolving global environmental issues. We respond to our customers' variegated needs by offering the proprietary technology which our group companies have cultivated over many years in their respective fields.

Striving to Provide Added Value Services in a Wide Range of Fields

We promptly meet the increasingly diverse and sophisticated needs of our customers through disposal technology that is specially suited to each industry.

INTER CENTRAL, INC. (Iwate, Hokkaido, Sendai, Akita, Kanazawa, Tokyo, Nagoya, Osaka, Fukuoka)

- Manufacturing and sale of electric heating equipment and design and construct of radiant air-conditioning systems

Iyotec (Hyogo)

- Labor dispatch, recruitment and outsourcing services to various manufacturers

Taiyo Chemical (Kagoshima)

- Processing of wastes from the electronic components industry and hospitals, etc.
- Photosensitive materials business

JW Logistic Co., Ltd. (Yokohama, Kawasaki)

- Collection, transportation, intermediate processing and recycling of fire-proof bricks, etc.

Ecomax (Kanagawa)

- Process of concreting burnt residues, dust and sludge generated from incinerators, etc.

Kyodo Chemical (Hokkaido)

- Collection, transport and intermediate processing of industrial wastes
- Photosensitive materials business

Nihon Chemitech (Saitama, Yokohama, Ibaraki)

- Processing of effluent from plants such as those in the semiconductor industry
- Processing of organic liquid waste and fermentation/composting of sludge

JW Glass Recycling (Tokyo, Hokkaido, Miyagi, Gunma, Shizuoka, Kawasaki, Kanagawa)

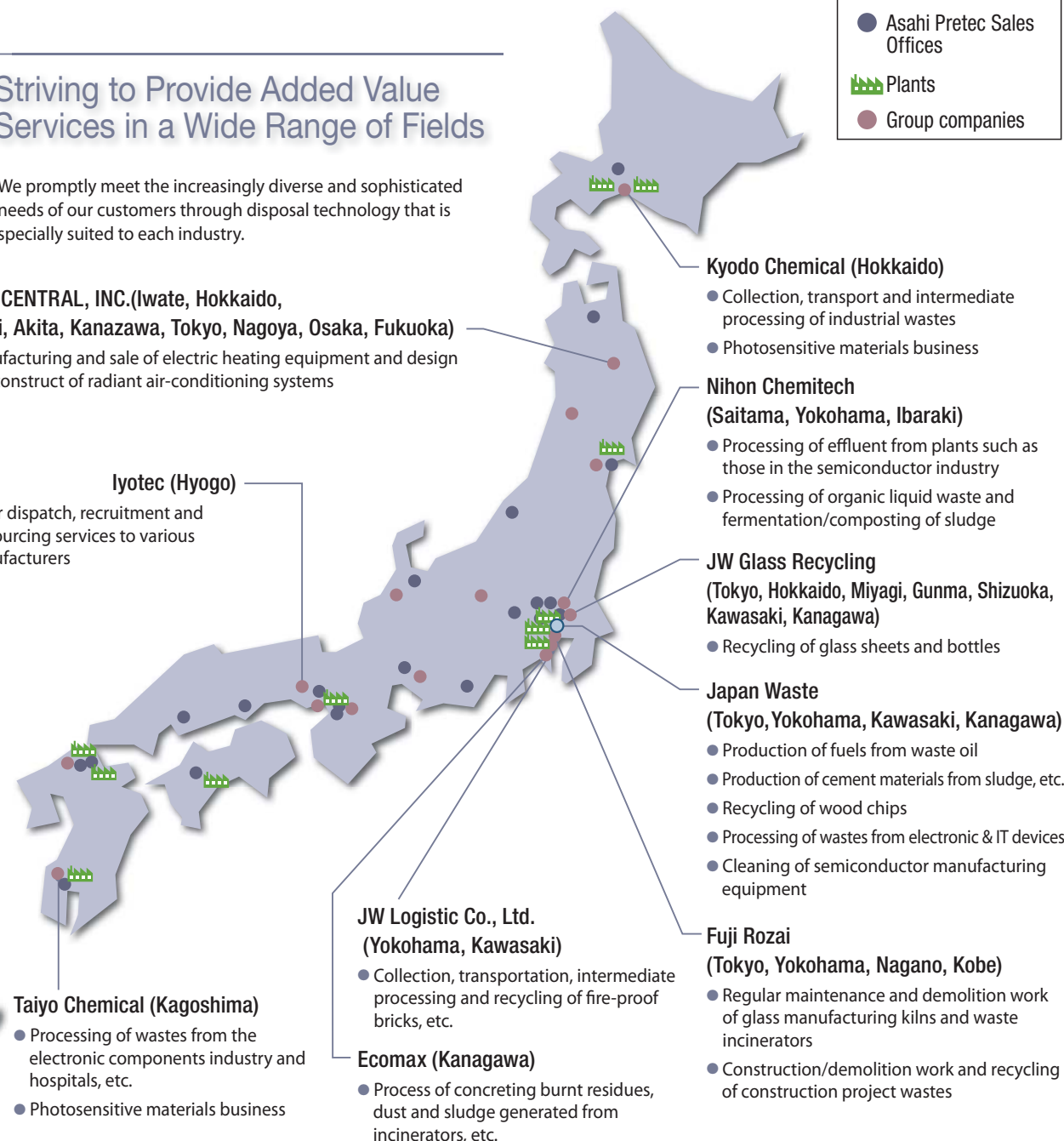
- Recycling of glass sheets and bottles

Japan Waste (Tokyo, Yokohama, Kawasaki, Kanagawa)

- Production of fuels from waste oil
- Production of cement materials from sludge, etc.
- Recycling of wood chips
- Processing of wastes from electronic & IT devices
- Cleaning of semiconductor manufacturing equipment

Fuji Rozai (Tokyo, Yokohama, Nagano, Kobe)

- Regular maintenance and demolition work of glass manufacturing kilns and waste incinerators
- Construction/demolition work and recycling of construction project wastes



TOPICS

Incorporation of INTER CENTRAL, INC. into our Group

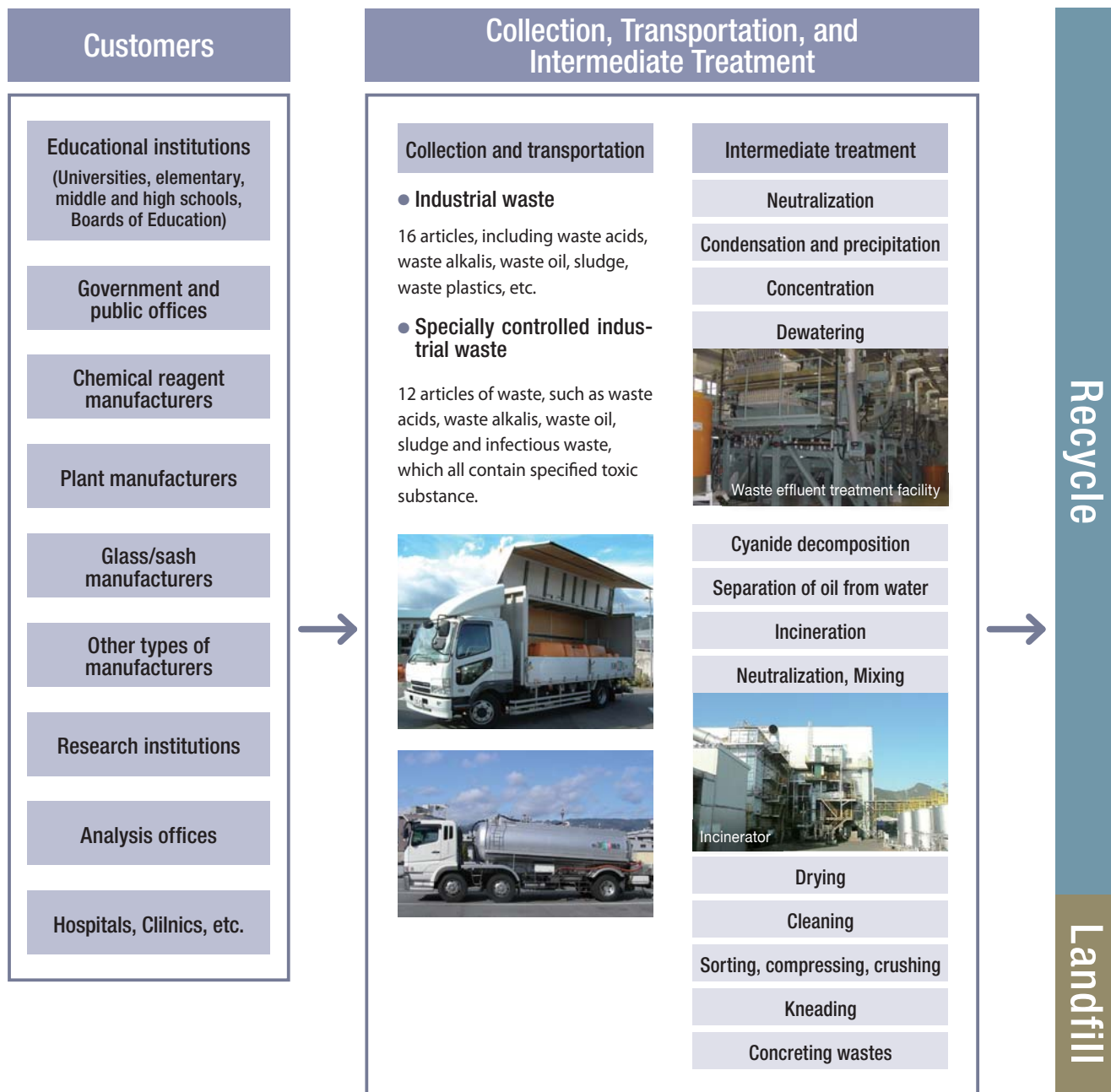
In July 2012, INTER CENTRAL, INC. became a wholly owned subsidiary of our company. INTER CENTRAL provides a variety of electric heater and energy efficient products such as radiant cooling/heating equipments, which have been adopted by hospitals, schools, cultural institutions, commercial facilities, and residential homes. We will make further enhancement in the growth potential and profitability by broadening our business domain and pursuing synergistic effects among the Asahi Holdings group companies.



HOSPEX2012

WE TARGET ONE-STOP SOLUTION FOR VARIOUS WASTES WITHIN OUR GROUP

We have acquired permission for the collection, transportation, and intermediate treatment of most articles of industrial waste and specially controlled industrial waste, and have created a structure that allows us to dispose of such waste appropriately and promptly. Furthermore, we are promoting the establishment of distinguished detoxification and disposal technology and a zero-emission system for industrial waste by realizing one-stop solutions within our group.



Licenses acquired by our Group

(As of March 31, 2013)

<ul style="list-style-type: none"> ■ Industrial waste collection transportation license : ■ Industrial waste disposal license : ■ Specially-controlled industrial waste collection transportation license : ■ Specially-controlled industrial waste disposal license : ■ Certified company as the environmentally sound management of hazardous wastes and other wastes : 	<p>All prefectures and government ordinance cities</p> <p>15 prefectures and 9 government ordinance cities</p> <p>All prefectures and government ordinance cities</p> <p>12 prefectures and 8 government ordinance cities</p> <p>(Asahi Pretec) 40 prefectures and 4 government ordinance cities (Japan Waste) 8 prefectures</p>
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* In April 2011, laws concerning industrial waste management were revised and a recognition system for excellent industrial waste management companies was newly created. Prefectures and government ordinance offices select companies which conform with their strict standards such as ability for implementation of operations, actual performance, etc. Our group companies will pursue for acquiring the certification to organize our systems so that customers can contract business without anxiety

Treatment of Specified Hazardous Waste Acid, Waste Alkaline and Waste Reagents

It is necessary to appropriately treat waste acid and waste alkaline discharged from plants and business offices and waste reagents which are unnecessary at laboratories and institutes of universities and private companies. These various kinds of waste are treated for detoxification on the line exclusively at each plant by utilizing technology which has been cultivated over many years by our group under thorough safety management procedures. Waste is separately stored in containers in accordance with classification standards of our group and measures are taken to prevent abnormal reactions during collection, transportation and storage. In case of waste reagents with unknown content due to peeled off labels of bottles of waste reagents, we analyze them and provide appropriate treatment support.



Packaging Work



Waste Reagent Treatment Facility

High-Speed Microbial Treatment of Waste Acid/Alkaline and Sludge

After removing hazardous substances from waste liquids from plants and offices, even if liquids contain nitrogen and phosphorus, they are detoxified and purified to discharge standards by our original technology, including microbial treatment, etc., and are discharged. In particular, energy consumption and CO₂ emissions are lower than other treatment methods.

Sludge after neutralization and dewatering of waste liquids are reused for raw materials of non-ferrous metals and steel. Some sludge which cannot be recycled is sent for landfill disposal.



Micro Organisms Facility

Concreting of hazardous substances

Some wastes from incinerators that contain burnt residues, dust, sludge and harmful substances (heavy metals, dioxins, lead and arsenic, chrome, selenium, etc.) may not be suited for recycling. We process concrete with waste into a solidified form (insoluble) in such a way that harmful substances will not be eluted. We possess original facilities and technologies that prevent harmful substances from eluting into the natural environment even under powerful acidic conditions.



Insoluble Treatment Facility

Cleaning and Treatment of Hazardous Wastes

We clean and treat the hazardous waste on the semiconductor manufacturing devices and a variety of laboratory equipment from manufacturers of semiconductors, electronics components and research laboratories. After cleaning and treatment, the devices and equipment are separated by material and recycled for the reduction of environmental burden.



Precision Cleaning System

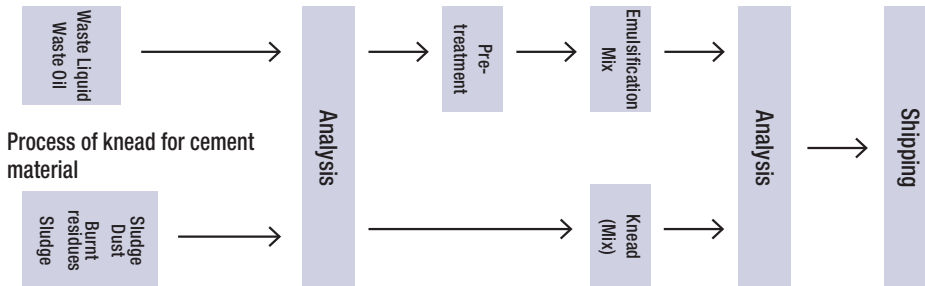
● Recycling of waste oil and sludge

Based on analysis results, various kinds of waste oil and liquid waste are blended in an optimal formula, and the ingredients are adjusted to produce supplementary fuels used in cement production and waste incineration. Furthermore, sludge and burnt residues are also recycled into cement materials by adjusting their ingredients and moisture and by kneading. Thoroughgoing analysis is also performed upon receiving and shipping for its quality maintenance control as qualified recycled materials.



Waste Oil and Product Storage Tanks

Process of neutralizationmixing for fuel



Manufacturing Facility for Cement Raw Material

● Wood waste recycling

Wood chips made from crushing demolition wastes and other wood wastes are recycled into biomass generation fuels and particleboards.



Wood Chips

● Fire-Proof Brick Recycling

Disused fire-proof bricks produced from demolished furnaces of glass manufacturing and periodic repair work of incinerators are carefully separated and treated with the aim of recycling for reuse as fire-proof bricks and paving materials.



Fire-proof Bricks

● Glass Recycling

We collect sheet glass and glass bottles from glass manufacturers, sash manufacturers and local municipalities. Sheet glass scraps and glass bottles collected are reused and sold for high-quality glass cullet after separation and crushing at our plant. Glass scraps which are not usable for glass materials are recycled as paving materials. Through glass recycling, we are helping to prevent exhaustion of mineral resources and reduce the environmental burden.



Sorting line



Glass Cullet

● Organic Waste Liquid and Sludge Recycling

Organic food waste liquids discharged from food manufacturing plants and restaurant chains are neutralized and dewatered. The filtered liquid is purified by microbial treatment to less than the emission standard value and then discharged into sewers. Sludge is made into compost at a fermentation and maturing plant, where it can effectively be used by farmers as organic fertilizer.



Fermented Compost Facility

For the Environment

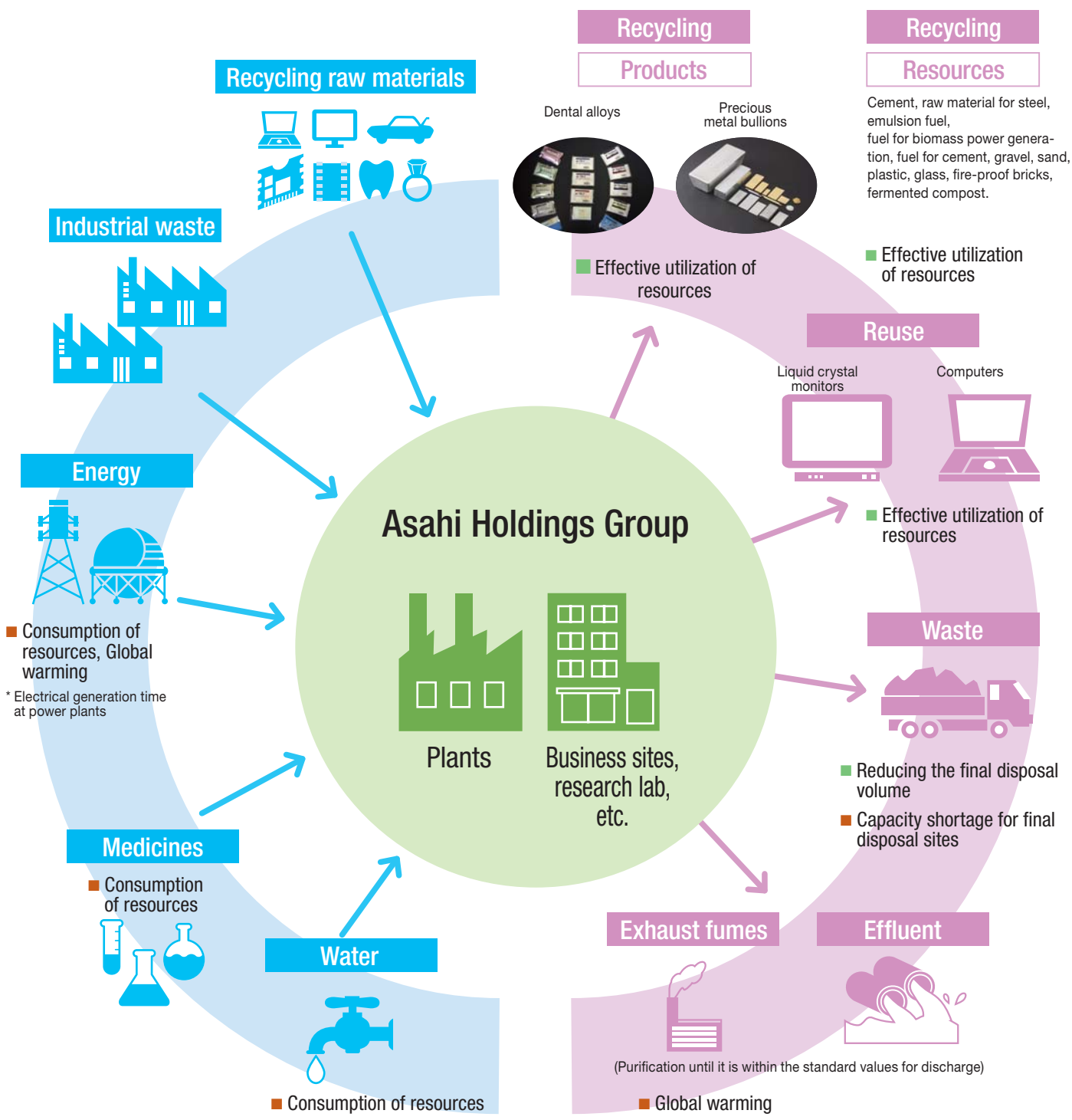
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ENVIRONMENTAL IMPACT RESULTING FROM BUSINESS ACTIVITIES

We are expanding business activities on the recycling of precious metals and environmental preservation, thereby contributing to the protection of the earth's environment



Environmental Performance

The energy, resources (water), chemicals, and etc, used in our environmental preservation, precious and rare metal recycling business activities are listed as "INPUT" data, while the environmental burdens given off from performing business activities with the substances are listed as "OUTPUT" data.

The volume of CO₂ emission has been decreased by reviewing the production efficiency and the disposal process, while we have expanded our business through M&A and have launched new business projects.

INPUT

	Unit	FY2008	FY2009	FY2010	FY2011	FY2012
Electricity	MWh	23,167	21,674	24,097	23,816	22,669
Heavy oil	kl	2,406	1,466	1,465	1,192	891
Kerosene	kl	547	379	440	440	451
Light oil	kl	2,852	2,965	3,216	3,200	2,667
Gasoline	kl	804	848	899	914	883
Urban gas	1,000 m ³	684	527	64	27	13
LPG	t	18	17	20	22	19
Water	1,000 m ³	366	345	378	364	336
Chemical, etc.	t	17,347	13,293	13,189	14,191	13,319

OUTPUT

	Unit	FY2008	FY2009	FY2010	FY2011	FY2012
CO ₂ emissions	t	28,050	24,327	24,798	23,683	25,835
Effluent*	1,000 m ³	245	208	246	251	217
Waste	t	20,886	16,644	16,249	17,719	16,174

*Purified until it is within the standard values for discharge.

Environmental Accounting

For the promotion of environmental management, we have introduced environmental accounting starting in FY2005 and publicly disclose costs related to environmental protection. These are prepared in line with the Environmental Accounting Guidelines of the Ministry of the Environment.

● FY2012 Environmental Preservation Costs

(Unit: million yen)

	Category	Major Initiatives	Expenses	Investments
1. Cost within business areas	(1)Cost of preventing pollution	Control and maintenance of gas emission facilities, water drainage, and etc.	376.33	75.45
	(2)Cost of protecting the earth's environment	Energy conservation activities (power-saving, improvement of fuel-efficiency for vehicles, and etc.)	12.74	49.30
	(3) Cost of recycling resources	Entrustment of industrial waste treatment	150.75	0.00
2. Cost of upstream and downstream		—	0.00	0.00
3. Cost of management activities		● SO14001 management activities ● Disclosure cost of environmental information	69.34	0.00
4. Cost of research and development		● Improving efficiency for the precious metal refining process ● Decreasing the volume of landfill disposal	67.53	0.00
5. Cost of social activities		Clean up activities in the neighboring communities	2.53	0.00
6. Cost of handling environmental damages		—	0.18	0.00
Total		—	679.40	124.75

GLOBAL WARMING PREVENTION EFFORTS

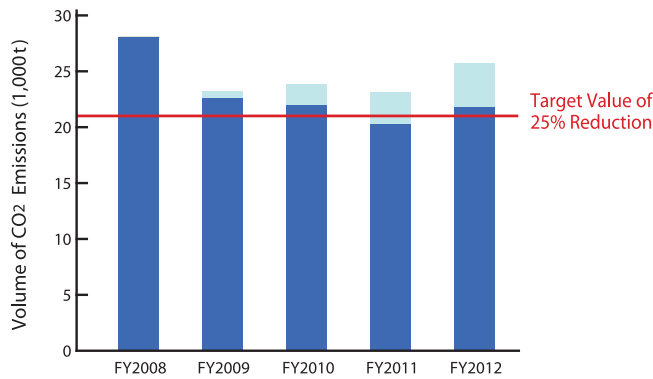
Target: Cutting GHG* emissions by more than 25% by 2020 from a 2008 base of 100

* Energy source CO₂ determined in the Global Warming Countermeasures Law

Major Actions

- ① Effective use of waste (alternative use for fossil fuels)
- ② Renewal to energy efficient equipment, facilities and buildings
- ③ Effective use of waste heat from incinerators
- ④ Expansion of use of waste fuels

● Greenhouse Gas Emissions (Energy sources : production, transportation and offices, etc.)

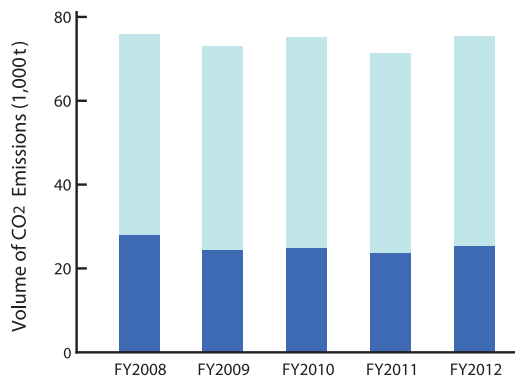


The usage of electricity and fossil fuels was lower than the previous year, while CO₂ emission was 5.4% higher than the previous year at our offices* setting targeted values for greenhouse gas emission reduction. Compared to FY2008, CO₂ emission reduced by 23.5%, though it was the slight shortage of the targeted values. It is because that CO₂ emission coefficient, which was announced in November 2011, was raised largely and electricity-derived CO₂ emission increased. FY2012 CO₂ emission coefficient, which was calculated by the pre-revised emission coefficient, announced in January 2012, 31% down from FY2008.

* Targets are business lines at offices, which were operated at the time of FY2008

- GHG emission volume for reduction target
- GHG emission volume in relation to increases in our number of business sites

● Greenhouse Gas Emissions (Net emissions*: production, transportation and offices, etc.)



Group-wide CO₂ emission, together with energy source CO₂ and non energy source CO₂, increased by 8.2%. It is because non energy source CO₂ emission increased by 8.9%, coupling with swelling the incineration amount of wastes.

- Net Emission of Energy Source CO₂
- Net Emission of Non Energy Source CO₂

* Calculation of Greenhouse Gas Emission Volume (comply with Law Concerning the Promotion of the Measures to Cope with Global Warming)

[Energy Origin CO₂]=[CO₂ released in connection with use of electricity and fossil fuels]

[Net Emissions]=[Energy Origin CO₂]+ [CO₂ released in connection with incineration of industrial waste]

● Installation of Solar Power Generation System

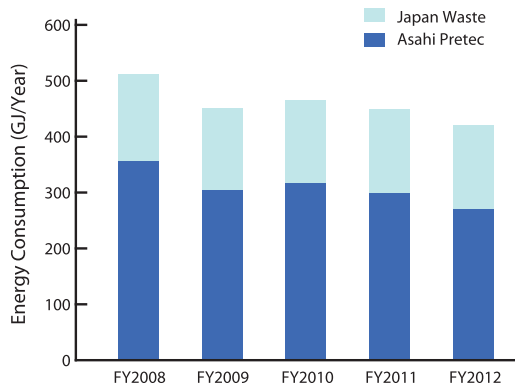


Photovoltaic module (Amagasaki Plant at Hanshin Business Office)

Asahi Pretec Corp. installed a solar power generation system with a generation capacity of 20kW at Technical Research Center in January 1998 and at Kobe Office in September 2001. Recently we have set up a solar power generation system with 100kW capacity on the roof of Amagasaki Plant at Hanshin Office. We will launch a new business selling all the electric power to Kansai Electricity Co., Inc. There is a concern of power supply shortage in summer and winter season within the jurisdiction of Kansai Electricity Co., Inc. We will make contribution to our society through the new solar power generation business.

ENERGY-SAVING EFFORTS

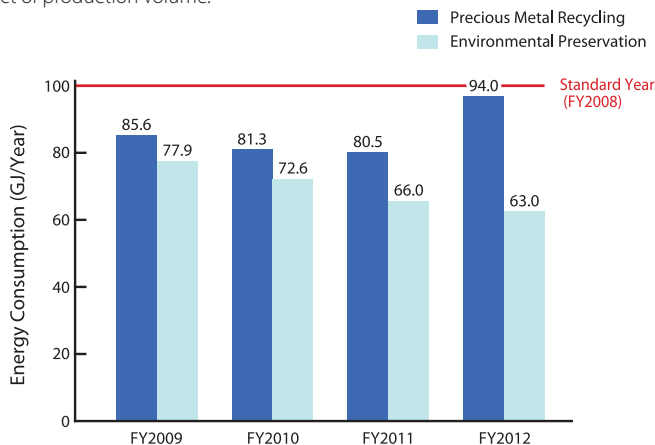
● Energy Consumption (production, transportation and offices, etc.)



Group-wide energy consumption decreased by 4.7% year over year. Operating conditions at waste incinerators were improved and we promoted implementation of "saving of energy" by upgrading equipments in the course of precious metal refinery to eco-friendly. At Saitama and Chiba recycling centers, fluorescents and mercury lamps were changed to LED lightning system.

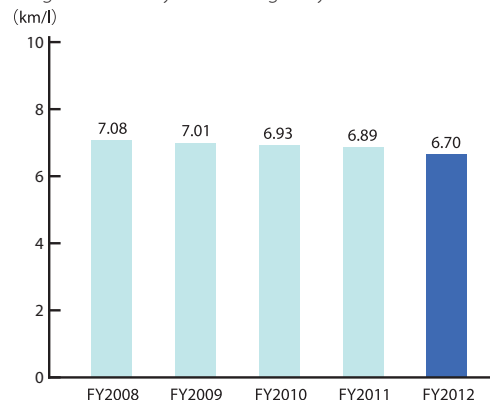
● Changes in Specific Energy Consumption compared to FY2008 (Asahi Pretec)

In Environmental Preservation Business, specific energy consumption reduced by 8% due to effective operation of incinerators. In Precious Metal Recycling Business, specific energy consumption was boosted due to impact of production volume.



● Vehicle Fuel Consumption (Asahi Pretec)

Eco-friendly drive by utilizing digital tachometer graph has been actively promoted. We make an effort for improving transport efficiency by reviewing the routes for collection. FY2012 vehicle fuel consumption decreased slightly year to year although there were superimposed load increase, which leads to low fuel consumption and auto weight increase by introducing boxy trucks.



● Efforts to the Government Request on Power-Energy Saving

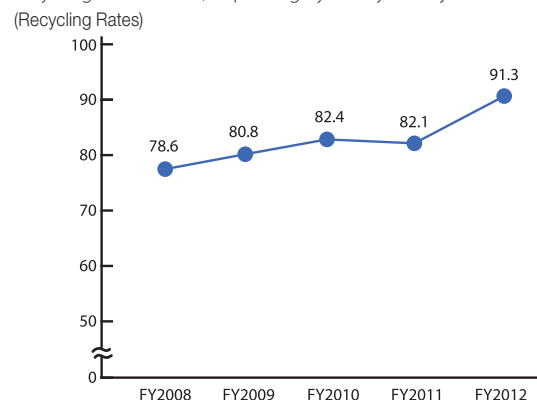
We responded to the energy-saving request from each electric power company, in particular, by optimizing the program for the production equipments, reviewing the operating time and introducing a wide variety of energy-saving devices. Consequently, 10% reduction of the electricity was achieved over the previous year for the summer time request.



LED lighting system on the high ceiling at Saitama RC

● Efforts for Improvement of Recycling Rates

Companies in Japan have promoted and made an effort for "Zero Emission", which resulted in decrease of recyclable wastes. Against this backdrop, promotion of using waste oil as alternative fuel and better materials segregation for information equipments, etc. made FY2012 recycling ration 91.3%, improving by 9.2% year to year.



REDUCTION OF ENVIRONMENTAL BURDEN THROUGH BUSINESS ACTIVITIES

Results of Our Group's Environmental Burden Reduction (FY2012)

We evaluated the major businesses and tasks of the company group to see how much of the environmental burden in the society as a whole has been reduced through our business activities. As the subjects of evaluation, we make calculations in regard to (1) the reduction volume of natural resources, (2) the volume of recycling, (3) the volume of controlled greenhouse gas emissions and (4) the effects of reduction of final disposal in the two business divisions - precious metal recycling and environmental preservation.

Business process	Precious Metal Recycling	Environmental Preservation							
		Treatment of effluent	Construction waste recycling	Recycling of glass and fire-proof bricks	Treatment by incineration	Fermenting and composting	Fuel production for energy generation	Freon detoxification treatment	IT equipment recycling
Reduction of environmental burden									
Saving exhaustible natural resources	●		●	●	●		●		
Recycling		●	●	●		●	●		●
Reduction of greenhouse gases	●							●	
Minimization of the final disposal volume			◆	●	●	●	●		◆

Results of reducing the final disposal volume: Covers the quantity by which the volume of waste brought to us (excluding waste oil, waste acids, and waste alkalis) is reduced (the quantity that could avoid controlled landfill disposal) as a result of going through our waste treatment process.

● Calculated by weight
◆ Not targeted for numerical evaluation

Results of Saving Exhaustible Natural Resources

Through recycling all kinds of raw materials, we are cutting back on the amount of natural resources (precious metals, non-ferrous metal ores, gravel, sand, agalmatolite, quartz sand, plaster, forests, etc.) that are being mined or felled, thus contributing to the protection of the global environment.

Precious Metal Ores (Precious Metal Recycling)



Recycling materials containing a lot of precious and rare metals contributes to saving mineral resources, such as precious metal ores.

2,354.4 Kt /year

Gravel (Construction Waste Recycling)



Materials such as sand, gravel and backfill soil are recycled from construction wastes like concrete waste.

26.4 Kt /year

Fossil Fuels (Effective Use of Waste)



By making effective use of waste heat energy (waste oil and plastics, etc.) in an incinerator, fuels (fossil fuels) required for incineration can be reduced.

13.1 Kt /year

Timber (Construction Waste Recycling)



Wood chips made from wooden construction waste are used as a carbon-neutral fuel in place of fossil fuels.

8.5 Kt /year

Recycling (including reuse products)

A variety of industrial wastes are recycled into raw materials and are mainly used to produce the following recycled/reused products:
Wastes used are shown in parentheses “()”.

Glass cullet
(bottles, waste glass sheets)



95.9 Kt /year

Fermented compost
(Food wastes, organic sludge)



12.1 Kt /year

Gravel, crushed stone
(construction materials)



26.4 Kt /year

Wood chips
(Construction scrap wood)



8.5 Kt /year

Non-ferrous metals materials
(Liquid waste containing metals)



4.1 Kt /year

Refractory brick paving materials
(Furnace waste materials)



3.8 Kt /year

Scrap metals
(Construction metal scrap, QA equipment)



3.9 Kt /year

Fuels/raw materials for cement
(Plastic waste, waste oil/liquid waste, wood chips, sludge)



5.1 Kt /year

Clay waste



6.4 Kt /year

Emulsion fuels



2.2 Kt /year

Results of Reducing Greenhouse Gases

123.2 Kt /year

We are making contributions to help reduce greenhouse gas emission through business activities such as the collection of precious metals, glass, fire-proof bricks and CFCs.

● Gold

Amount of CO₂ emitted from mine production



Amount of CO₂ emitted from our company's recycling production



Results of Minimizing the Final Disposal Volume

Waste reduction volume: 32.8 Kt /year

The final disposal volume (landfill disposal) can be reduced by incinerating waste.



Treatment by incineration



TOPICS

Awarded for the great contribution to "Eco-ship Modal Shift Project"

Ecomax Co., Ltd. has been making an effort to shift its transportation system to environmentally friendly ocean freight by containers from the traditional land transportation when delivering the No.13 industrial waste to the final disposal site after the concrete solidification treatment. Consequently, Ecomax was accredited as one of the companies who greatly contribute to the "FY2012 Eco-Ship Modal Shift Project", which aims to promote environmental preservation and reduces the effect of environment.

*This project was launched by Maritime Bureau, the Japan Ministry of Land, Infrastructure, Transport and Tourism. Qualified companies may put the Eco-Ship Mark, a recognized quality symbol on their vessels and promote their contribution to environmentally friendly logistics services.



certificate of commendation

ENVIRONMENTAL MANAGEMENT

Environmental Policies

We will contribute to the environmental preservation of the earth and establish a sound material-cycle society through the company's businesses on recycling of precious and rare metals and industrial waste treatment.

- (1) In all business activities we will strive to conserve resources and energy and reduce, reuse, and recycle waste to minimize the environmental burden.
- (2) We will promote the recycling of resources of precious and rare metals to achieve a more effective use of the limited resources of the earth.
- (3) We will adequately and safely perform our operations for the collection, transportation, and treatment of industrial waste to prevent environmental pollution.
- (4) We will prioritize a harmonious coexistence with nature and regional communities. We will strictly follow the relevant environmental laws and regulations and other requirements which we recognize.
- (5) We will establish environmental objectives and targets and periodically review them to continue improving our activities.
- (6) We will educate all our employees and increase their environmental awareness as members of the community, promote their understanding of environmental preservation activities, and participate in such activities.

These environmental policies shall be conveyed to all of our employees and all those working for the company and announced to the public as our commitment.

ISO14001 Approval

Asahi Pretec has newly acquired ISO14001 Certificate at 10 locations in FY2012 and consequently 20 locations of Asahi Pretec have the Certificate.

Consequently, our group companies as a whole have acquired ISO14000 Certificate at 10 companies with 33 locations and continue developing ISO14001 activities.



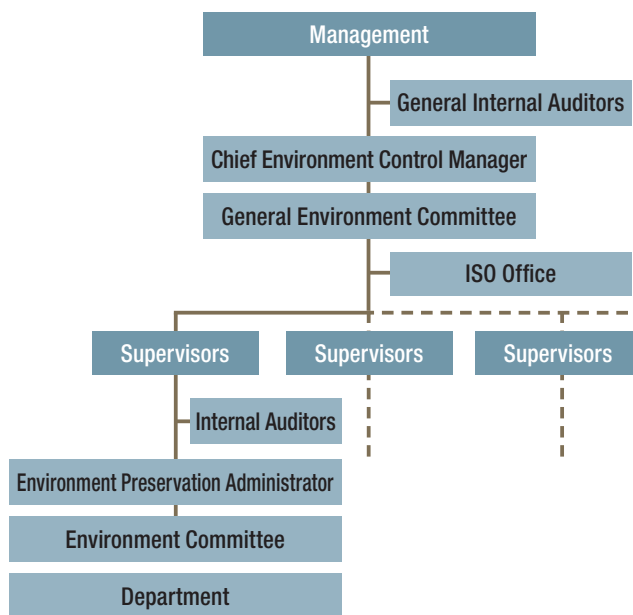
ISO14001 Authentication Certificate



Environmental Management Promotion System

Our "Company-wide Environmental Purpose/Goal (annual plan)" is devised based on the Environmental Policy that establishes our environmental preservation philosophy.

With this established, the business offices which have acquired ISO 14001 approval, set the "Center Environmental Purpose/Goal (annual plan)" and implement environmental preservation activities closely related to their business tasks. Furthermore, the Environment Committee of each center abides by the regulations set by the environmental law, revises plans and examines environmental education, etc. and provides reports to the management. While the ISO Office controls the environmental management system (EMS), an environmental preservation supervisor is assigned for each business office as an aim to implement through promotion of environmental activities.



ISO14001 Environmental Audits

Regular inspections are carried out on the state of compliance with specifications by an external examining authority for ISO14001 activities. Moreover, internal environmental audits are conducted at least once a year at business sites in order to ensure that EMS is being properly administered.



Regular external audit

For the Society

We continue making our social contributions through various activities as a good corporate citizen that should coexist in harmony with society.

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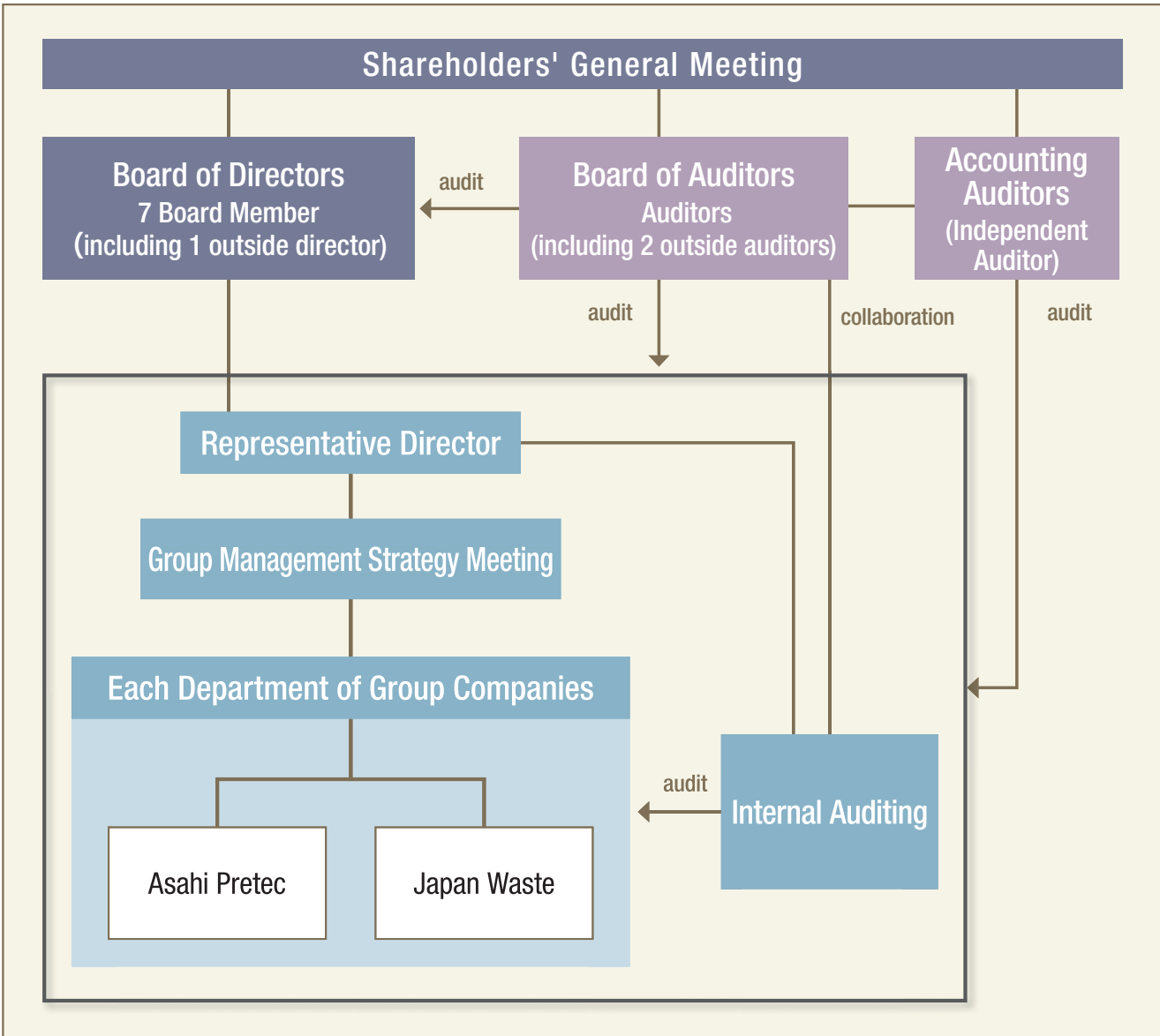
CORPORATE GOVERNANCE

Under the holding company structure, the Group is committed to building a stronger group governance and driving risk management.

Corporate governance philosophy

In order to meet the expectations of stakeholders and to maximize the corporate value, we are committed to enhancing our corporate governance with Asahi Holdings taking the initiative as a holding company. Operating companies, Asahi Pretec and Japan Waste make timely decisions and develop operations in each specialty area in order to reinforce competitiveness and expand profitability. With each company carrying out its functions, we will strive to achieve lasting growth and development as a corporate group. Currently, one out of the seven directors and two out of the three statutory auditors are selected as external corporate executives, monitoring and supervising management from an independent perspective.

● Asahi Holdings Corporate Governance Structure



Maintaining an internal control system

We have enhanced our internal control system by establishing a structure in which the Board of Directors, Board of Corporate Auditors, Accounting Auditors, Internal Audit Department, and Internal Control Department each works effectively to develop regulations and implement company-wide initiatives regarding compliance, risk management, and information management. Additionally, Asahi Way provides codes of conduct the Group employees should adhere to in order to perform fair and sound business activities.

Compliance

We consider compliance a priority issue in delivering fair business activities and ensuring legal compliance and high ethical standards. Particularly, operations related to appropriate processing of wastes are based on environmental laws and regulations as well as governmental licenses, and each and every employee is required to always act with a highly compliant mindset. We are conducting activities to raise the legal compliance awareness of each and every employee through education and mutual communication, along with rules and manuals related to compliance.



IT Protection Education Program

Internal reporting system

To quickly identify and resolve problems such as unlawful and unjust behavior, we have set up "Asahi Hotline" (internal issue-reporting program). An external law firm acts as a contact point and responds to calls, including anonymous disclosures. We improve a system where disclosed matters are to be investigated and corrective actions taken without revealing the identity of the disclosing and disclosed parties.

Risk management

To properly manage apparent and potential risks in business activities, we study risks from a comprehensive standpoint, against which assessment is performed and actions taken. We are working hard to prevent risks from arising, and to minimize losses when risks develop into a crisis, through the promotion of risk management.

Business continuity plan (BCP)

Due to various factors such as large scale disasters, there is a risk that our Group's functions needed for business continuity may weaken. As an action plan to achieve quick restoration of mission-critical functions even after a disaster, we created a business continuity plan and have carried out the following initiatives:

- Installation of power generators in major plants to supply backup power
- Suppression of peak power [use] by adjusting running hours of plant equipment and by saving electricity in offices
- Strengthening of backup of information systems including servers
- Decentralization of some parts of production and processing (multiple locations supplementing each other)
- Enhancing of earthquake resistance in equipment and facilities
- Reinforcement of facilities to prevent leakage or diffusion of chemicals, etc.
- Storing of drinking water and food at all Group locations (43 sites)
- Maintaining a system for safety confirmation and updated emergency contact information

Handling of Conflict Metals

Adhering to a strict rule on neither purchasing nor using any conflict minerals, we construct and operate our management system by setting our procurement and management policies. Receiving a designated third-party audit, in compliance with EICC Gold Conflict-free Smelter Program (www.conflictreesmelter.org), we acquired the relevant "EICC Gold Conflict-Free Smelter Program Certification". Asahi Pretec Corp. will fulfill a level of responsibility commensurate with a recycler of precious metals and will make an effort in neither purchasing nor using any conflict minerals so that our customers around the world can make use of our precious metal products without anxiety.

*Conflict metals can be defined by any conflict minerals derived from countries or regions, in which any inhuman acts such as conflicts, human trafficking, slavery, forced labor, child labor, abuse, war crimes, any terrorist activities, or any fraudulent activities such as money laundering, which can become a source of war chests.

WITH OUR CUSTOMERS

We make efforts to provide detailed responses to the wide-ranging needs of each of our customers under our motto that “customers come first.”

Initiatives to Improve Customer Service

● Customer Satisfaction Surveys

We periodically conduct Customer Satisfaction Surveys. We survey the level of satisfaction with our business activities as a whole, and then improve upon problem areas based on the results of the reports. Hereafter, we will continue conducting periodic surveys and working to improve customer satisfaction.

● Fair trade initiatives

Our group [of companies] provides, in the Asahi Way (Page 3), “Prohibition of Acts That Compromise Fair Competition”, “Confidentiality of Supplier Information and Technology”, “Prohibition of Inappropriate Offering/Receiving of Benefits” and other rules, to ensure fair trade practices and compliance with corporate ethics.

Quality Assurance System

We hold a Quality Assurance Meeting that is led by the Quality Assurance Division through an amalgamation of our Sales Division, Technology Development Division, and Product Manufacturing Division. Through this meeting we share information such as customer opinions and market trends in our efforts to improve customer satisfaction. In addition, in order to provide customers with products that earn greater reassurance and satisfaction from customers, we have acquired ISO9001 certification and strive to make continuous improvements to our quality management system and maintenance and enhancement of quality. In March 2010, we integrated the certifications of four bases which acquired ISO9001 certification and started operation of a company-wide uniform quality management-system. Furthermore, Asahi Pretec also makes efforts to reduce the environmental burden while giving consideration to “green procurement” and the Restriction of Hazardous Substances (RoHS) Directive, which is a European regulations on chemical substances.

Risk Management System for Information Leakage

We employ the latest security measures on PCs and tablet-type devices used by sales persons. In case of the property loss or theft, we can reduce the possibility of information leakage close to as zero by means of deleting the information through remote operation, and etc. Recycling Centers located in Saitama and Amagasaki acquired ISO27001 certification in March 2011. We provide a data deletion and HDD destruction, etc. service as measures to prevent information leakage in connection with disposal of PCs and contribute to information protection through our business activities.



ISO9001 Certificate

Acquisition of ISO 9001 approval
 Asahi Pretec Co., Ltd.
 Technical Research Center
 Fukuoka Plant
 Ehime Plant
 Saitama Plant



Data deletion using an exclusive software

WITH OUR COMMUNITIES

Understanding and support from people in local communities are indispensable for our company since we develop our business operation across the country. To be a company that coexists with society as a corporate citizen, we carry out activities that are rooted in communities in various ways.

Our Initiative Activities

● Effort for the Environment Beautification

Since 1999, at the time of Okinawa Office establishment, all the staff member at Okinawa Office have cleaned up beaches around Nishizaki area in Itoman City. It sometimes happens at the sea in the district that marine creatures eat the rubbish by mistake. We feel even more keenly the importance of the continuous environment cleaning activities and will make continued efforts for the community environment conservation activities.



● Kobe Association of Corporate Executive's Forest Project

We participate in "The Kobe Association of Corporate Executive's (KACE) Forest Project", a volunteer program organized by KACE. This program is intended to assist efforts to develop the forests over five years, and employees of participating companies work on forest conservation and engage in nature walks. The program includes volunteer activities (forest thinning and improvement cutting) on Mt. Futatabi-san in the Rokko Mountains, and will continue in the future.



● Patrol Activity for the Illegal Waste Dumping/ Clean-up Activity

Ecomax Co., Ltd., one of our group companies, conducts a regular environment patrol around Samukawa town in Chigasaki city cooperating with companies belonging to Industrial Wastes Association in the central district of Kanagawa Prefecture. We also engage in the clean-up and environment beautification activities around the Sagami River, which is one of the most precious water sources.



Social Contributions Through Business Activities

We agree with the purpose and support the activities of the 8020 Promotion Foundation for the 8020 Campaign (a campaign to still have over 20 of one's own teeth upon reaching the age of 80). We also recycle the removed teeth crowns collected by dental clinics that agree with the purpose of the cooperating organization for reproducing precious metals such as gold and palladium. The net profits obtained from sales of these precious metals are made available as funds to assist the activities of various cooperating organizations.



©V. Dupont/Medecins Du Monde
Medical assistance by Medecins Du Monde

<Major organizations that our company assists>

- The 8020 Promotion Foundation



- The Japan Cleft Palate Foundation, a Specified NPO

(Provides medical assistance to children with oral handicaps such as cleft lips and palates)



- Medecins Du Monde Japon, a Specified NPO

(Provides medical assistance to people suffering from wars and natural disasters)



世界の医療団
メドゥサン・デュ・モンド

TOPICS

Participation in the TOOTH FAIRY Project



The social project "TOOTH FAIRY", promoted by the cooperation of Nippon Foundation and Japan Dental Association, recycles metals that have finished their functional role at dental clinics across Japan to support children and their families both domestically and abroad. As a partner company in metals recycling, we participate in supporting and operating this project. The project contributes establishing "The Ocean View Forest", a facility that supports children with incurable diseases and serious disabilities, and "Child Chemo House - Dream Hospital", a residential center for pediatric chemotherapy that allows children and their families to live together during their healing. As an overseas project, we have built schools in Myanmar to support the education of economically disadvantaged children.

TOPICS

International Environmental Management Program

Asahi Pretec Corp. participated, as a cooperative company, in the Fukuoka International Environmental Management Program for young administrative officers assuming the role of environmental measures and policies in Asian countries. Trainees from overseas were invited to our Kita-Kyushu Plant and a lecture on the industrial waste and incineration disposal a plant tour were conducted. They gained better understanding about the industrial treatment technology through lively questions from the trainees.



WITH OUR EMPLOYEES

By respecting individuality, we aim to create a positive and cohesive workplace in which employees develop their skills through work and find something to live for. Also, we are providing various support so that each and every employee can bring out the best in their work and engage and find their duties “rewarding” and “fulfilling”.

Creating an Environment Where People Can Work Free from Anxiety

Work-Life Balance

Living one's life by utilizing the abilities to full extent while striking a balance between challenging, rewarding work and a fulfilling personal life is not only important to employees, but to the company as well. There are a wide variety of important values in one's personal life, such as family, health, sports, and hobbies, which vary depending on each individuals. Our company offers support which allows employees to strike a balance in their personal and working lives.

● Holding General Meetings of Employees

We hold a general meeting of employees every year. At the general meeting of employees a number of different activities are held, including a message from CEO, presentations on the previous term's performance and priority issues for the current term and discussions between top management and employees.



General Meeting of Employees

● Our Healthcare Administration

Regular physical examination programs (e.g., checkup for preventing lifestyle-related disease, checkup for people engaged in designated operations, and general medical checkup), which are required by law, are offered to all employees. For those aged 45 or above and all managers, a comprehensive medical checkup program is offered. We also support medical checkups for brain and PET scans for early detection of cancer upon requests from eligible employees.

100% of the employees go through these routine checkups, which shows that both the company and the employees are committed to improving health, preventing disease, and detecting early symptoms.

● Mental Healthcare

It is said that stress from work or daily-living related anxieties or worries is spreading in our modern society.

At Asahi Holdings, we believe that mental health is a vital key to our employees' productivity and the improvement of their vitality, and work with industrial medical professionals with expertise on mental healthcare to provide individual consultations and preventive seminars. In addition, efforts are made toward comprehensive health management and seminars concerning better health through medical viewpoints are given whenever necessary.



Individual Consultation



Mental Health Care Management Training

● Self-assessment system

Once a year, all employees are asked to carry out a written self assessment on topics including how effectively they are using their abilities, their suitability for their roles, their feelings of challenge and accomplishment, and the atmosphere in their workplace, and are invited to write about their desired career path. The report card also includes a checklist to self-diagnose the degree of fatigue accumulation. The completed self assessments are submitted directly to the HR department, which works together with employees' managers and supervising directors in order to adjust personnel assignments, improve the work atmosphere, and promote a feeling of rewarding and encouraging work.

● Interviews for all employees

Every three years, individual interviews are held for all employees. Employees are asked about their current work environment and their jobs in the interview. In order to improve the working environment by taking into account the work-life balance for each employee, employees are advised to maintain an appropriate workload as well as [appropriate number of] working hours.

● Employee Survey

Every three years, an "employee survey" is given to all company employees. This survey is carried out in order to objectively measure employees' attitudes to and levels of satisfaction with their workplace, work, managers and the company, and their awareness of the corporate culture. The survey results are used to promote the further development of the organization and its employees.

● Employment of Disabled Persons

Employees with disabilities engage in the same types of work that physically unimpaired employees do at our workplaces.



Amagasaki Recycling Center

● Childcare Leave

The Company supports the balance between birth, childcare and nursing care of family members and work. We support working patterns suited to the lifestyles of employees by shortening working hours specified in the childcare leave system.

● Holiday for Refreshment

This is a system whereby employees can take three to five days of continuous holiday time every year beginning in their second year. This makes it possible to take nine days of continuous vacation time if weekends are included, which can be used for travel with family or hobbies.



● Supporting Company Club Activities

Communication between colleagues and with clients is enhanced through club activities such as baseball and futsal.



Fostering Human Resources

HR development philosophy

Employees at all levels/in all lines of work are encouraged to become professionals with an emphasis on expertise, and are offered original certification programs as well as internal educational curriculums. Additionally, so-called ASG Activities are carried out in small groups on a voluntary basis. Furthermore, we hope to cultivate ambition in employees through a performance-based personnel system which evaluates the performance and contributions of each employee in an impartial and fair manner.

● Employee Training Program

Our company provides education suited to the employees' level of proficiency from the time they join the company (Entrance Training, Step-up Training, Power-up Training), as well as education and training for selective human resources by rank (Junior Leader Training, Manager Training, Leader Training). In addition to which

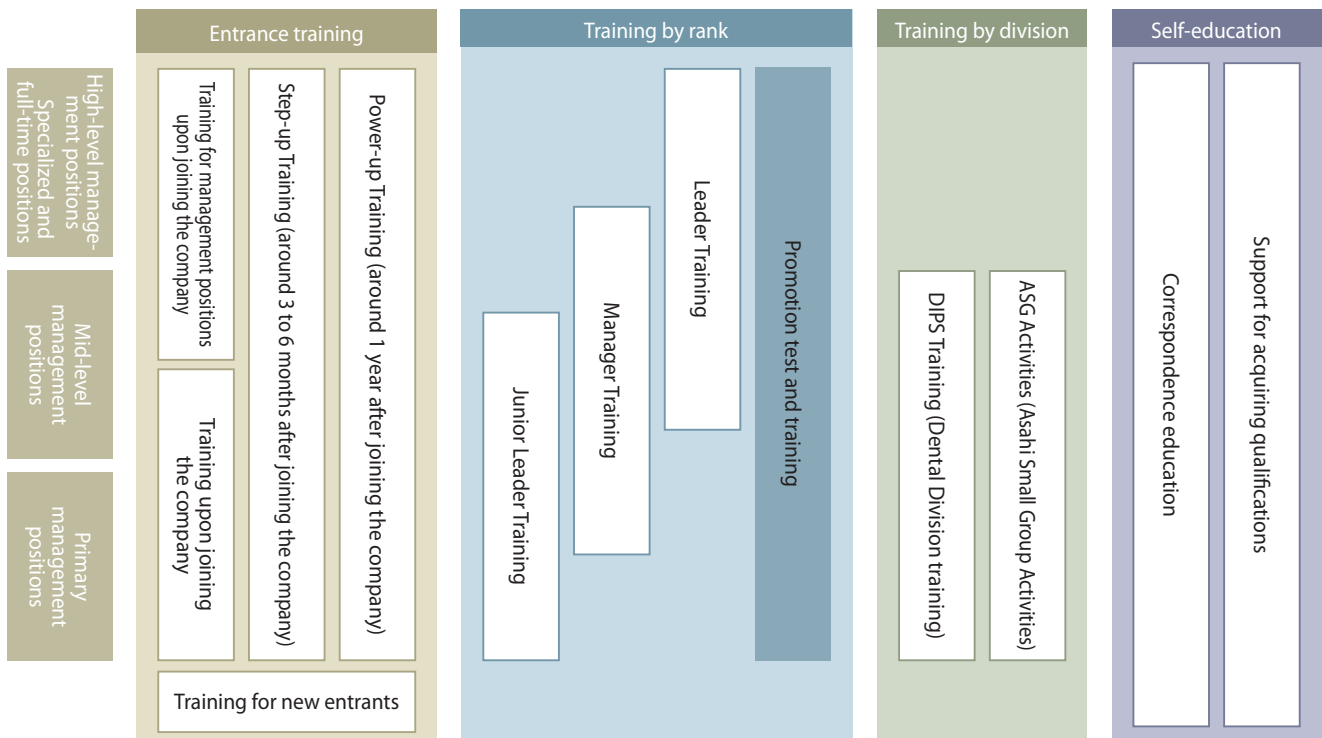
we also instill each individual with the practical knowledge needed by professional human resources through training by division and technical ability education. We have also established training programs which make it possible to nurture specialized capabilities.



Step-up Training



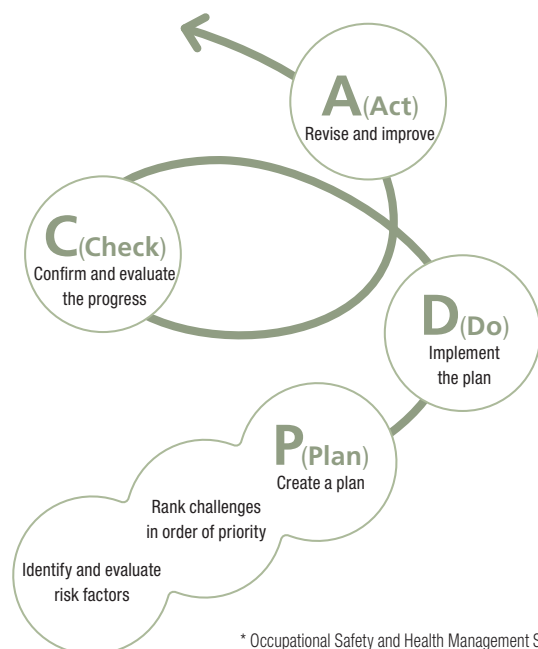
Power-up Training



Promoting Safety and Health Activities

Initiatives for OSHMS

It is essential to nip disasters in the bud by focusing on the innumerable risks latent in the workplace and reducing such risks in advance so as to reduce the number of disasters. Our company aims to improve the safety and health standards of our workplaces by incorporating the reasoning behind the Occupational Safety and Health Management System (OSHMS*) and reducing risks. Our OSHMS is based upon reducing workplace risks by repeatedly applying the PDCA Cycle. This is a sequential cycle which runs from "establishing a plan" based on assessments of factors contributing to risk and hazards (Plan) -> "implementing the plan" (Do) -> "evaluating the results of the plan" (Check) -> "revisions and improvements based on the evaluation" (Act).



Environmental Safety Education

Environmental safety education is conducted as part of the Human Resource Fostering Program in the employee training system described above, and teaches things like a frame of mind for safely conducting work and basic knowledge of hazardous substances. Furthermore, we also incorporate into this role play-type education which holds group discussions by envisioning specific emergency situations, such as how you should react if a fire were to break out during working hours. We also contrive of means to enable individuals to correctly understand the actions that should be taken at the actual work site.



Environmental safety education

In terms of on-site support, on-the-job training (OJT) is provided by specialized staff concerned with health and safety at our sales and plant sites. We strive to improve health and safety in workplace environments by means of safety instruction to workers and persons in charge.



Plant training

TOPICS Approach to Safety Activity

We make an effort for a risk reduction by picking up and improving potential risks in the work place. In January 2012, a special project team for tightening security measures was set up in order to accept and study the information of the serious industrial accidents, the hazardous waste liquid spill incidents and the explosion accidents occurred in other companies. We made on-site visits with our revised strict safety standards and found 94 risk factor items, which can lead to serious accidents. In FY2012, we implemented a risk assessment of those risk factors extracted and 32 items were improved by prioritizing of the measures and actions. Continuous amelioration for the rest of the items will be executed accordingly.

Responding to Emergencies

By way of safety measures at plants, our company seeks out risks regarding our business activities, decides on a "Safety Promotion Director" for each work site, and takes preventive measures. In addition, we have set in place a structure for promptly responding to any problems in the event that something should occur. Furthermore, as a means of responding within the company and outside the company when emergencies occur, we have completed the "Emergency Response and Management Manual." We have also distributed "Accident and Disaster Response Procedures," which contain essentials for responding to accidents and disasters when they initially occur, and have mandated that every employee must carry these with them at all times.

We set up the disaster headquarters led by our CEO of Asahi Holdings on the day of the Great Eastern Japan Earthquake in March, 2011. Then we confirmed all of the safety of our employees and their family members and offered support for our damaged production/sales sites to be restored.

TOPICS Re-assessment of Height of Tsunami, Tidal Waves

We re-assessed the envisioned maximum height of Tsunami of each office in our group companies in preparation for Tokai Earthquake, Tonankai Earthquake, Nankai Earthquake, which are said they are well overdue and ready to happen at any moment. Cabinet Office released them re-assessed number of the maximum height of each earthquake. Based on the numbers reviewed, we re-investigate the height of Tsunami at each office in group companies and shared the information of the evacuation area, the route, etc. Each office conducts an emergency drill to prevent the expansion of the damage and to take measures so that we can act appropriately without any confusion in a state of emergency.



Firefighting training

INTERVIEW Taking Part in AGS Activities

Kyushu Plant, where I work for, treats, disposes and manages the industrial wastes properly, which are collected from all customers across the nation. On-site inspections by our customers, who are the original waste producers, and factory tours by the overseas trainees are frequently made at our plant. Providing a thorough control, as a trusted and reliable factory offering a proper disposal for the industrial waste, we take a serious effort for the plant aesthetic maintenance and improve the work environment. Emphasizing on the self-maintenance and the management rule review, we have aimed for getting the state of "the always well-organized plant" entrenched, without just ending a simple cleaning activity, by creating the working atmosphere where everybody can work on one's own initiative. The activity brought us a lot of positive impacts on our daily work such as a smooth communication among the organization and the deep understanding of the facility derived from the enhancement of the self-maintenance consciousness.



Group Leader Koji Kodama
Kita-Kyushu Plant

Safety Commendation Activities

Every year, we strive to enhance awareness of safety by holding activities to commend business sites and employees who have made a contribution to safety management at general meetings of employees.



Safety commendation

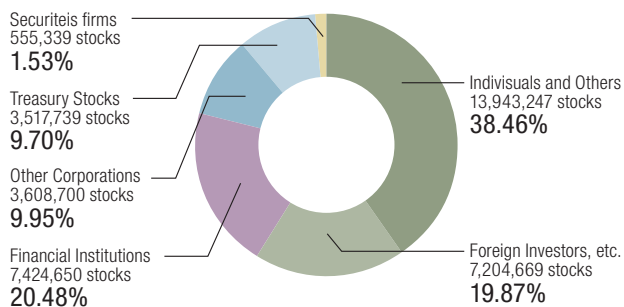
Creating Vital Workplaces Through Small Group Activities

We implement what we call Asahi Small Group Activities (ASG Activities) with voluntary participation from employees within the same workplace. Through these activities, participants use their creativity to work toward solving issues and problems within their workplace. Groups with outstanding efforts are awarded at the employee general assembly.

WITH OUR SHAREHOLDERS AND INVESTORS

We are proactively promoting growth strategy and striving to improve corporate value and provide stabilized returns to our shareholders through business development.

● Stock Distribution by Shareholders

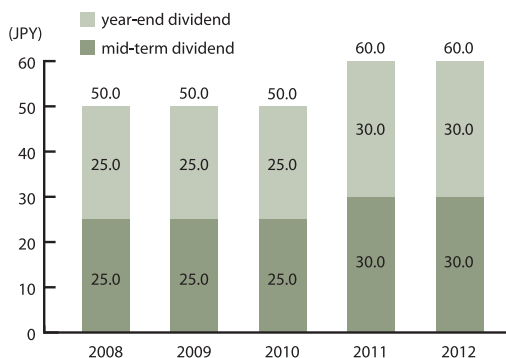


as of March 31, 2013

Basic Policy on Shareholder Returns

In order to continue to grow our corporate value, we carry out strategic investment for growth while working to enhance our revenue base. Our payout ratio is a key metric in the distribution of the proceeds of this, and we return profits to our shareholders through the provision of a stable dividend.

● Dividend Per Share

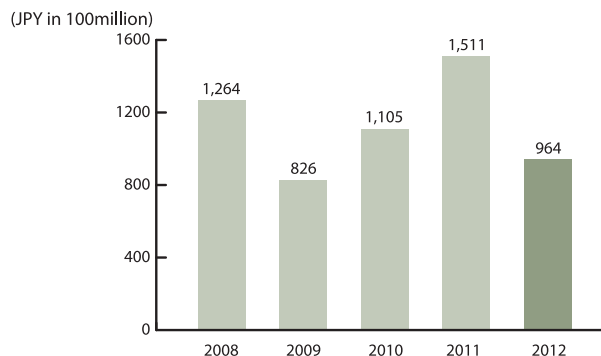


TOPICS

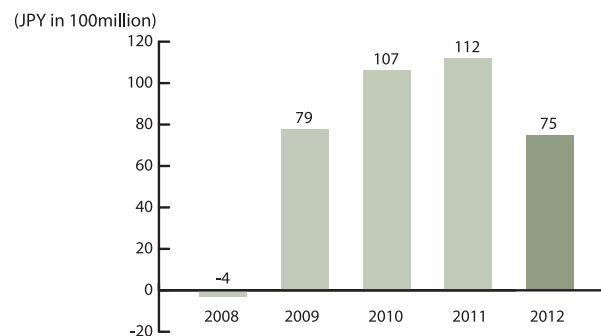
Selected "ESG Theme Issues" by Tokyo Stock Exchange (TSE) Group, Inc.

ESG stands for "Environmental," "Social," and "Governance". It is expected that appropriate evaluation for companies' attitudes toward ESG issues and its incorporation into investment decision will contribute to solving and improving environmental problems and social issues, as well as developing a sound capital market. Fifteen companies were selected as a company with high evaluation of ESG activities and higher ROE compared to the industry average, and Asahi Holding was evaluated and selected as one of the companies among over 1,600 listing companies at TSE 1st section.

● Net Sales



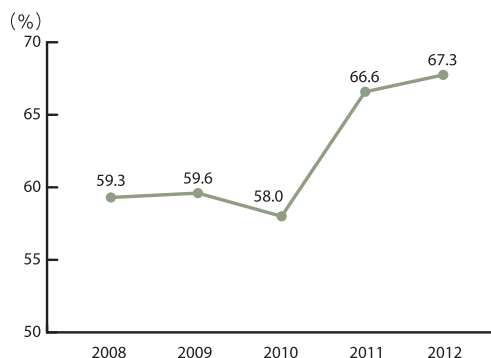
● Operating Profit



● ROE (Return on Equity)



● Capital Equity Ratio



Reference

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GROUP HISTORY

“Effective Utilization of Resources” and “Environmental Preservation”— these are the themes that we have been consistently and invariably addressing since our foundation.

We commercialized the recycling of silver from photographic development processes at a time when public concern was not as focused on recycling and environmental issues as it is today. We also newly entered the environmental preservation business.

1952

Founded Asahi Chemical Laboratory.

Started silver recycling business from photographic fixing solutions. The photography industry expanded significantly along with the rapid economic growth, and the demand for silver increased in industries related to silver for photo-sensitive materials

1959

Started operation at Kobe Business Office

1964

Incorporated as a limited company

1968

Kobe Plant constructed in Higashi-Nada-Ku, Kobe

Started supply of silver to Fuji Photo Film Co., Ltd.

1969

Introduced our own electrolytic silver recycling equipment ahead of the industry, making it possible to recycle silver with efficiency and high purity

1971

Enactment of the Waste Management and Public Cleansing Law.

Required to control the amount of waste discharged and treat it properly

Became a specified contractor with Photo Treatment and Environmental preservation System of Fuji Photo Film Co., Ltd.

1974

Opened Fukuoka Office. Thereafter followed by offices and plants throughout the country

1975

Acquired Industrial waste disposal license from Kobe City (Detoxification of Photographic Effluent Treatment)

Developed a compact electrolytic silver recovery device “PLATA”

1978

Completed Head Office building in Higashi-Nada-Ku, Kobe

Registration of environmental measurement certification office

1981

Started objective management and internal proposal system

Announced practical use of the digital camera

We responded to changes in the market through technical innovations while promoting the diversification of our precious metal recycling business.

1982

Launched precious metal recycling business in the field of dental

Determined the diversification of precious metal recycling business foreseeing the reduction of the photo effluent treatment market

1984

Launched precious metal recycling business in the field of plating solution

1986

Launched precious metal recycling business in the field of electronics components and jewelry

Developed compact electrolytic gold collection equipment ZIPANG

1988

Started manufacturing and sales of chemicals for plating

1990

Entered into environmental preservation business other than photographic effluents

1993

Acquired Specially-controlled Industrial Waste Disposal License.

Establishment of the Basic Environmental Law which forms the backbone of Japan’s environmental policy

Opened overseas office to meet the needs for the local collection of precious metal scrap in accordance with overseas business development of our customers in Japan and listed on the stock market.

1994

Established Asahi G&S Sdn. Bhd. in Malaysia

1997

Merged five group companies and changed their names into Asahi Pretec Corp.

1998

Transferred headquarters operations to Sannomiya, Kobe City
Established Techno-Center
Started manufacturing of dental alloy

1999

Acquisition of ISO9002 certification with Technical Research Center
(Changed registration to ISO9001 in 2002)
Made initial public stock offering on over-the-counter market

2000

Acquisition of ISO14001 certification with Technical Research Center
Entered into indium refinery full operations
Listed on the 2nd Section of the Tokyo Stock Exchange

Promoted an expansion of the items dealt with and enlarged our service provision area through M&A in order to meet the increasingly diverse needs of our customers concerning waste treatment.

2001

Acquired Sansho Co., Ltd., Daimon Co., Ltd., and Eco-Material Co., Ltd.

2002

Promoted to the 1st Section of the Tokyo Stock Exchange
The 50th Anniversary

2003

Shanghai Asahi Pretec Co., Ltd., established in China

2004

Acquired Nihon Chemitech Co., Ltd.

2005

Acquired Shioiri Kenzai Co., Ltd.
Expanded auto-catalyst recycle business
Daimon Co., Ltd. merged to Nihon Chemitech Co., Ltd.

2006

Acquired Iyotec Co., Ltd.
Acquired Nishiki Kosan Co., Ltd.
Eco-Material Co., Ltd. merged to Nihon Chemitech Co., Ltd.
Established Asahi Pretec Korea Co., Ltd. in Korea

2007

Established the Tokyo Headquarters in Marunouchi, Chiyoda-ku, Tokyo
Merged Nishiki Kosan Co., Ltd.
Acquired Taiyo Chemical Co., Ltd.
Acquired part of the environmental business from SANIX INCORPORATED, established Kitakyushu Office

2008

Established Japan Waste Corporation
Acquired Fuji Rozai Co., Ltd.

Carrying on with challenges in aspiring to be a leading company in the eco-business that contributes to society through its businesses.

2009

Asahi Holdings, Inc. newly listed after transferring to a holding company
Launched glass recycling business at JW Glass Recycling after acquiring a part of the glass recycling business from Iyo Glass

2010

Established a joint-venture in China, Jiangmen Asahi Pretec Kanfort Environmental Management Co., Ltd.
Acquired Ecomax Co., Ltd.
Opened Yokohama Office of Japan Waste Corporation
Established Asahi Pretec Korea Co., Ltd. and launched dental business in Korea

2011

Launched E-scrap business
Acquired Usuda Manufacturing Co., Ltd.
Acquired Kyodo Chemical Co., Ltd.

2012

Acquired INTER CENTRAL, INC.
Shioiri Kenzai Co., Ltd. merged into Fuji Rozai Co., Ltd.

2013

Established Asahi Pretec Taiwan Co., Ltd. in Taiwan
Established a joint-venture, Asahi Shih Her Technologies Co., Ltd. in Taiwan
Opened The Representative Office of Asahi Pretec Corp. in Ho Chi Minh City, Vietnam
Sansho Co., Ltd. changed its name to JW Logistics Co., Ltd.

ASAHI HOLDINGS GROUP COMPANIES

Asahi Pretec Corp.

Precious Metal Recycling

Collect, refine, recycle precious and rare metals used in a variety of areas such as electronics, flat panel displays, catalysts, dentistry, jewelry, information device, photography and so forth.

Environmental Preservation

Waste treatment and other environmental preservation efforts.

<Domestic Base>

● Usuda Manufacturing Co., Ltd.

Precious Metal Recycling

Engaged in the precision cleaning and degreasing business of components and risen wafer cases from semiconductors/flat panel display manufacturing equipment, and precious metal collection/analysis.

4063-1 Shigeno-Otsu, Tomi City, Nagano Prefecture 389-0512 Japan

TEL: +81-(0)268-62-4533 FAX: +81-(0)268-62-4534

URL: <http://www.usuda-jp.com/>

<Overseas Bases>

● Asahi Pretec Korea Co., Ltd.

Precious Metal Recycling

Collect and recycle precious metals from a wide range of areas including the electronics industry and dentistry, etc.

(Seoul)

#501, City Air Tower, 159-9, Samsung-Dong, Gangnam-Gu, Seoul, 135-973 KOREA

(Chungju)

Chungju 1 Sadan, 1131-2 Yongtan-dong, Chungju-si, Chungcheongbuk-do, 380-250 North Korea

TEL: +82-(0)43-723-2503 FAX: +82-(0)43-723-2525

URL: <http://asahipretec.co.kr/>

● Shanghai Asahi Pretec Co., Ltd.

Precious Metal Recycling

Collect precious metals from mainly Japanese IT manufacturers established in China and recycle them at the local plant.

No.419 Sub-Chuhua Road, Fengxian Sub-zone, Shanghai Chemical Industry Park, Shanghai, 201417 China

TEL: +86-(0)21-5744-8158 FAX: +86-(0)21-5744-8168

● Jiangmen Asahi Pretec Kanfort Environmental Management Co., Ltd.

Precious Metal Recycling

Collect precious metals from mainly Japanese IT manufacturers established in China and recycle them at the local plant.

No. 191, West Gaoxin Road, High-Tech Industrial Development Zone, Jiangmen City, Guangdong Province, 529040 China

TEL: +86-(0)750-3920725 FAX: +86-(0)750-3920719

● Asahi Pretec Taiwan Co., Ltd.

Precious Metal Recycling

Collect precious metals from electronics component manufacturers and etc. and recycle them at the local plant.

No. 17-2, Datong Rd., Hukou Township, Hsinchu County 30352, Taiwan(R.O.C.)

TEL: +886-(0)3-597-0622 FAX: +886-(0)3-597-0625

● Asahi Shih Her Technologies Co., Ltd

Precious Metal Recycling

Joint venture with Shih Her Technologies Inc., a leading company in the precision cleaning business in Taiwan. Precision cleaning and precious metal recycling from jigs and tools of electronics, semiconductor and LED manufacturing equipments.

No. 17-2, Datong Rd., Hukou Township, Hsinchu County 30352, Taiwan(R.O.C.)

● Asahi G&S Sdn. Bhd. (Malaysia)

Precious Metal Recycling

Collect precious metals from electronic parts and local jewelry manufacturers and recycle them at the local plant.

Plot 65, Lintang Bayan Lepas 6, Phase IV, Non FTZ, 11900 Bayan Lepas, Penang, Malaysia

TEL: +60-(0)4-646-1292 FAX: +60-(0)4-646-2292

● The Representative Office of Asahi Pretec Corp. in Ho Chi Minh City

Precious Metal Recycling

Market research and local support for the Precious Metal Recycling Business

R.802.2 Vietnam Business Center, 57-59, Ho Tung Mau, Ben Nghe Ward, Dist.1, Ho Chi Minh City, Vietnam

Japan Waste Corporation

Environmental Preservation

1. Transform waste oil into fuel.
2. Transform sludge ,etc., into cement materials.
3. Transform waste wood from construction materials into fuel for biomass power generation.
4. Efficiently separate and treat by crushing such industrial waste such as waste plastics from industrial sites.
5. Clean and treat hazardous waste deposited on semiconductor manufacturing devices and various laboratory facilities.
Conduct extensive industrial waste treatment and other environmental preservation business, integrated with affiliated companies under control of Japan Waste.

<Subsidiaries>

● Nihon Chemitech Co., Ltd.

Environmental Preservation

1. Detoxify industrial wastes from manufacturers of semiconductors, electronic components, etc., by neutralization and biotreatment.
2. Biotreat, dewater and reduce volume of organic waste liquids and sludge from food discharged from various food manufacturers and restaurants. In addition, produce compost from organic waste.

5-1-39 Ryoke, Kawaguchi City, Saitama Prefecture 332-0004 Japan

TEL : +81-(0)48-222-8711 FAX : +81-(0)48-222-8719

URL : <http://nihon-chemitech.co.jp/>

● JW Glass Recycling Co., Ltd.

Environmental Preservation

Recycle sheet glass and glass bottles.

4-3-2 Shin-kiba Koto-ku, Tokyo 136-0082 Japan

TEL : +81-(0)3-3521-6303 FAX : +81-(0)3-3521-6305

URL : <http://www.jwglass.co.jp/>

● Fuji Rozai Co., Ltd.

Furnace Repair

Demolish and repair periodically glass manufacturing furnaces, waste incinerators, etc.

Constructions

Civil engineering work of rivers, roads, bridges and tunnel, etc. Contract construction of water and sewerage and demolishing work.

Environmental Preservation

Collect, transport, treat intermedially and recycle fire-proof bircks, etc.

8th Floor, Nishi-Kamata NS Bldg. 6-36-11 Nishi-Kamata, Ota-ku, Tokyo 144-0051 Japan

TEL : +81-(0)3-3735-8111 FAX : +81-(0)3-3733-2479

URL : <http://www.fujirozai.co.jp/>

● Ecomax Co., Ltd.

Environmental Preservation

Conduct concrete solidification treatment of combustion residue, dust and sludge, etc., produced by incineration treatment facilities, etc.

1590-4 Tabata, Samukawa-cho, Koza-gun, Kanagawa Prefecture 253-0114 Japan

TEL : +81-(0)467-75-1044 FAX : +81-(0)467-75-1217

URL : <http://www.eco-max.co.jp/>

● JW Logistics, Co., Ltd.

Environmental Preservation

Collect and transport industrial waste and industrial waste subject to special control.

4-1 Daikoku-cho, Tsurumi-ku, Yokohama City, 230-053 Japan

TEL : +81-(0)45-718-5181 FAX : +81-(0)45-510-3450

URL : <http://www.san-shou.co.jp/>

● Iyotec Co., Ltd.

Workers Dispatch/Contracting

Dispatch personnel, introduce human resources to manufacturers and contracts for manufacturing business.

3rd Floor, Yomiuri Nikkei Bldg.

799-2 Higashi-Futami, Futami-Cho, Akashi City, Hyogo Prefecture 674-0092 Japan

TEL : +81-(0)78-941-3377 FAX : +81-(0)78-941-3388

URL : <http://www.iyotec.co.jp/>

● Taiyo Chemical Co., Ltd.

Environmental Preservation

1. Incinerate and neutralize waste oil and liquids discharged from electronics components and photography industries.
2. Incinerate medical wastes from hospitals.

106-2 Ishitani-Cho, Kagoshima City, Kagoshima Prefecture, 899-2701 Japan

TEL : +81-(0)99-278-1783 FAX : +81-(0)99-278-4463

URL : <http://www.taiyo-kagaku.com/>

● Kyodo Chemical Co., Ltd.

Environmental Preservation Business

1. We collect, transport, and neutralize (intermediate process) industrial wastes and specially-controlled wastes.
2. We recover and process liquid waste and films, etc., generated from printing plate companies and hospitals.

2-4-5 Shinmei-Cho, Tomakomai City, Hokkaido 053-0055 Japan

TEL : +81-(0)144-55-2277 FAX : +81-(0)144-55-2838

URL : <http://kyka.co.jp>

● INTER CENTRAL, INC.

Environment Preservation

Manufacture and sales of heating equipment and construction of radiant air-conditioning systems.

417-1 Tokusagawa, Takizawa, Takizawa-Mura, Iwate-Gun, Iwate Pref. 020-0173 Japan

TEL : +81-(0)19-688-1031 FAX : +81-(0)19-688-1030

URL : <http://www.i-central.co.jp/>

Asahi Holdings, Inc.

11F Sapia Tower,
1-7-12 Marunouchi, Chiyoda-ku, Tokyo
100-0005, Japan
TEL: +81-3-6270-1833
Website: <http://www.asahiholdings.com>

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