

Consolidated Financial Results for the First Quarter Ended June 30, 2011

Asahi Holdings, Inc.

July 29, 2011

Stock code: 5857
 Shares listed: Tokyo Stock Exchange (First Section)
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(Rounded down to the nearest million yen)

1. Results of the three months ended June 30, 2011 (From April 1, 2011 to June 30, 2011)

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

| | Net sales | | Operating income | | Ordinary income | | Net income | |
|-----------------------------|--------------------------------------|------|------------------|-------|--------------------------|-------|-----------------|-------|
| The three months ended | Millions of yen | % | Millions of yen | % | Millions of yen | % | Millions of yen | % |
| June 30, 2011 | 35,036 | 31.8 | 3,232 | (2.3) | 3,326 | (1.1) | 1,940 | (4.5) |
| June 30, 2010 | 26,587 | 43.2 | 3,307 | 214.2 | 3,364 | 236.9 | 2,032 | 243.3 |
| (Note) Comprehensive income | The three months ended June 30, 2011 | | | | 2,504 million yen (4.0%) | | | |
| | The three months ended June 30, 2010 | | | | 2,408 million yen (—%) | | | |

| | Net income per share | Diluted net income per share |
|------------------------|----------------------|------------------------------|
| The three months ended | Yen | Yen |
| June 30, 2011 | 60.04 | — |
| June 30, 2010 | 63.06 | — |

(2) Financial Position

| | Total assets | Net assets | Shareholders' equity ratio |
|----------------|-----------------|-----------------|----------------------------|
| As of | Millions of yen | Millions of yen | % |
| June 30, 2011 | 63,119 | 36,099 | 57.1 |
| March 31, 2011 | 59,143 | 34,341 | 58.0 |

(Reference) Shareholders' equity As of June 30, 2011: 36,061 million yen As of March 31, 2011: 34,313 million yen

2. Dividend payments

| | Dividends per share | | | | |
|---------------------------------------|---------------------|----------------|---------------|----------|--------|
| | First quarter | Second quarter | Third quarter | Year-end | Annual |
| | Yen | Yen | Yen | Yen | Yen |
| Year ended March 31, 2011 | — | 25.00 | — | 25.00 | 50.00 |
| Year ending March 31, 2012 | — | | | | |
| Year ending March 31, 2012 (Forecast) | | 30.00 | — | 30.00 | 60.00 |

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

3. Forecast (From April 1, 2011 to March 31, 2012)

(Percentage changes relative to previous corresponding period)

| | Net sales | | Operating income | | Ordinary income | | Net income | | Net income per share |
|----------------------------|-----------------|------|------------------|--------|-----------------|-------|-----------------|-------|----------------------|
| 1st half | Millions of Yen | % | Millions of Yen | % | Millions of Yen | % | Millions of Yen | % | Yen |
| Year ending March 31, 2012 | 63,500 | 21.0 | 5,000 | (10.7) | 5,000 | (8.7) | 3,000 | (6.3) | 92.81 |
| Year ending March 31, 2012 | 130,000 | 17.6 | 11,000 | 3.2 | 11,000 | 4.7 | 6,500 | 5.8 | 200.97 |

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

4. Other

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

| | |
|-----------------------------------|-------------------|
| Three months ended June 30, 2011: | 36,254,344 shares |
| Year ended March 31, 2011: | 36,254,344 shares |
 - (ii) Number of treasury shares at the quarter end

| | |
|-----------------------------------|------------------|
| Three months ended June 30, 2011: | 3,921,689 shares |
| Year ended March 31, 2011: | 3,953,239 shares |
 - (iii) Averaged number of shares during the period (quarterly cumulative period)

| | |
|-----------------------------------|-------------------|
| Three months ended June 30, 2011: | 32,312,630 shares |
| Three months ended June 30, 2010: | 32,228,098 shares |

*Indication regarding the situation of quarterly review procedures

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

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

These forecast performance figures are based on the information currently available to the Company's management and certain assumptions judged rational. Accordingly, these might be cases in which actual results materially differ from forecasts of this report.

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1. Qualitative Information Regarding Consolidated Performance for the Current Quarter

(1) Qualitative Information on Consolidated Business Performance

During the three months of the fiscal year under review (three months ending June 30, 2011), the Japanese economy remained in a severe situation, due to the Great East Japan Earthquake and the insufficiency of electric power supply caused by the nuclear power plants accident.

The Japanese economy is expected to recover due to restoration of the supply chains and production activities and also demand for reconstruction of the stricken area. However, the outlook of the economy is still unpredictable, due to insecure electric power supply and the continuous strong Japanese yen.

Under these circumstances, regarding precious metal recycling business, the volume and average sales price of collected metals (gold, silver and palladium) were higher than those of the previous corresponding period, due to the market price of metals staying at high level and the efforts in acquiring new customers. Amagasaki plant and Chungju plant of Asahi Pretec Korea corporation started operation.

Regarding environmental protection business, though there were influences from the earthquake disaster, the transaction volume of sludge, waste liquid, waste plastic, medical-related wastes and sheet glass scraps were stable and the treatment volume of them were higher than the previous corresponding period.

As a result of the above, consolidated net sales for the period totaled ¥35,036 million. Looked at by segment, sales in the precious metal recycling business were ¥31,754 million and sales in the environmental protection business were ¥3,281 million. Operating income amounted ¥3,232 million, ordinary income was ¥3,326 million, and net income totaled ¥1,940 million.

Compared with the previous corresponding period, Net sales increased ¥8,449 million, operating income decreased ¥74 million, ordinary income decreased ¥38 million, and net income decreased ¥92 million.

(2) Qualitative Information on Consolidated Financial Position

As of June 30, 2011, total assets mounted ¥63,119 million, up ¥3,976 million from the previous fiscal year end. This was due mainly to an increase of ¥1,533 million in notes and accounts receivable-trade, an increase of ¥1,706 million in inventories.

Net assets totaled ¥36,099 million and shareholders' equity ratio is 57.1%.

(3) Qualitative Information on Consolidated Performance Forecasts

Forecasts for full-year performance in the fiscal year 2011 (ending March 2012) remain unchanged from forecasts announced in the Consolidated Financial Results for The Year Ended March 31, 2011 released May 13, 2011.

2. Consolidated Financial Statements
(1) Consolidated Balance Sheets

| | As of March 31, 2011 | As of June 30, 2011 | As of June 30, 2011 |
|---|-------------------------|------------------------|-----------------------------|
| | Millions of yen | Millions of yen | Thousands of U.S.dollars |
| <u>ASSETS</u> | | | |
| Current assets | | | |
| Cash and deposits | 2,321 | 3,420 | 42,364 |
| Notes and accounts receivable-trade | 4,754 | 6,288 | 77,891 |
| Merchandise and finished goods | 5,914 | 7,380 | 91,428 |
| Work in process | 12,509 | 12,564 | 155,636 |
| Raw materials and supplies | 530 | 714 | 8,850 |
| Other | 3,312 | 2,764 | 34,240 |
| Allowance for doubtful accounts | (10) | (9) | (116) |
| Total current assets | 29,332 | 33,122 | 410,292 |
| Noncurrent assets | | | |
| Property, plant and equipment | | | |
| Buildings and structures, net | 9,349 | 9,939 | 123,117 |
| Land | 12,563 | 12,749 | 157,926 |
| Other, net | 4,644 | 4,002 | 49,574 |
| Total property, plant and equipment | 26,557 | 26,690 | 330,617 |
| Intangible assets | | | |
| Goodwill | 2,036 | 2,045 | 25,338 |
| Other | 519 | 487 | 6,043 |
| Total intangible assets | 2,556 | 2,533 | 31,381 |
| Investments and other assets | 697 | 772 | 9,573 |
| Total noncurrent assets | 29,811 | 29,996 | 371,571 |
| Total assets | 59,143 | 63,119 | 781,864 |
| <u>LIABILITIES</u> | | | |
| Current liabilities | | | |
| Notes and accounts payable-trade | 3,405 | 4,704 | 58,281 |
| Short-term loans payable | 9,448 | 13,548 | 167,819 |
| Current portion of long-term loans payable | 1,000 | 1,000 | 12,387 |
| Income taxes payable | 2,512 | 1,128 | 13,979 |
| Provision for bonuses | 741 | 343 | 4,255 |
| Provision for directors' bonuses | 28 | 7 | 96 |
| Provision for repairs | 100 | 114 | 1,416 |
| Provision for loss on disaster | 59 | 58 | 721 |
| Other | 3,180 | 1,945 | 24,100 |
| Total current liabilities | 20,475 | 22,850 | 283,054 |
| Noncurrent liabilities | | | |
| Long-term loans payable | 2,500 | 2,250 | 27,871 |
| Provision for retirement benefits | 205 | 245 | 3,039 |
| Other | 1,620 | 1,673 | 20,733 |
| Total noncurrent liabilities | 4,325 | 4,169 | 51,643 |
| Total liabilities | 24,801 | 27,020 | 334,696 |
| <u>NET ASSETS</u> | | | |
| Shareholders' equity | | | |
| Capital stock | 4,480 | 4,480 | 55,504 |
| Capital surplus | 6,074 | 6,079 | 75,304 |
| Retained earnings | 29,976 | 31,109 | 385,346 |
| Treasury stock | (5,795) | (5,749) | (71,217) |
| Total shareholders' equity | 34,736 | 35,919 | 444,937 |
| Accumulated other comprehensive income | | | |
| Valuation difference on available-for-sale securities | 33 | 19 | 237 |
| Deferred gains or losses on hedges | (374) | 182 | 2,261 |
| Foreign currency translation adjustment | (81) | (59) | (738) |
| Total accumulated other comprehensive income | (422) | 142 | 1,759 |
| Subscription rights to shares | 28 | 37 | 471 |
| <u>TOTAL NET ASSETS</u> | 34,341 | 36,099 | 447,167 |
| <u>TOTAL LIABILITIES AND NET ASSETS</u> | 59,143 | 63,119 | 781,864 |

U.S. dollar amounts represent translations using the approximate exchange rate on June 30, 2011 of yen80.73=US\$1, and are included solely for the convenience of readers.

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

Consolidated Statements of Income for the three months ended June 30, 2011

| | The three months ended June 30, 2010 | The three months ended June 30, 2011 | The three months ended June 30, 2011 |
|---|---|---|---|
| | Millions of yen | Millions of yen | Thousands of U.S.dollars |
| Net sales | 26,587 | 35,036 | 433,994 |
| Cost of sales | 22,128 | 30,570 | 378,681 |
| Gross profit | 4,458 | 4,465 | 55,313 |
| Selling, general and administrative expenses | 1,151 | 1,232 | 15,267 |
| Operating income | 3,307 | 3,232 | 40,047 |
| Non-operating income | 72 | 105 | 1,301 |
| Non-operating expenses | 15 | 11 | 145 |
| Ordinary income | 3,364 | 3,326 | 41,202 |
| Extraordinary income | 1 | — | — |
| Extraordinary loss | 0 | 24 | 305 |
| Income before income taxes and minority interests | 3,366 | 3,301 | 40,898 |
| Income taxes-current | 1,017 | 1,105 | 13,697 |
| Income taxes-deferred | 316 | 255 | 3,169 |
| Total income taxes | 1,333 | 1,361 | 16,866 |
| Income before minority interests | 2,032 | 1,940 | 24,032 |
| Net income | 2,032 | 1,940 | 24,032 |

Consolidated Statements of Comprehensive Income for the three months ended June 30, 2011

| | The three months ended June 30, 2010 | The three months ended June 30, 2011 | The three months ended June 30, 2011 |
|--|---|---|---|
| | Millions of yen | Millions of yen | Thousands of U.S.dollars |
| Income before minority interests | 2,032 | 1,940 | 24,032 |
| Other comprehensive income | | | |
| Valuation difference on available-for-sale securities | 3 | (14) | (182) |
| Deferred gains or losses on hedges | 346 | 557 | 6,901 |
| Foreign currency translation adjustment | 25 | 26 | 328 |
| Share of other comprehensive income of associates accounted for using equity method | — | (4) | (55) |
| Total other comprehensive income | 375 | 564 | 6,993 |
| Comprehensive income | 2,408 | 2,504 | 31,024 |
| Comprehensive income attributable to | | | |
| Comprehensive income attributable to owners of the parent | 2,408 | 2,504 | 31,024 |
| Comprehensive income attributable to minority interests | — | — | — |

U.S. dollar amounts represent translations using the approximate exchange rate on June 30, 2011 of yen80.73=US\$1, and are included solely for the convenience of readers.

(3) Notes on Assumptions for Going Concern
Not applicable

(4) Segment Information, Etc.

[Segment information]

I For the three months ended June 30, 2010(From April 1, 2010 to June 30, 2010)

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

(Millions of Yen)

| | Precious metal recycling business | Environmental protection business | Total |
|-----------------|--------------------------------------|--------------------------------------|--------|
| Net sales | | | |
| 1) Customers | 23,337 | 3,250 | 26,587 |
| 2) Intersegment | — | — | — |
| Total | 23,337 | 3,250 | 26,587 |
| Segment income | 2,960 | 346 | 3,307 |

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

2. Impairment losses on noncurrent assets, goodwill, etc. by reporting segment
Not applicable

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

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

(Millions of Yen)

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

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

2. Impairment losses on noncurrent assets, goodwill, etc. by reporting segment
Not applicable

(5) Notes in case significant changes were made to the amount of shareholders' equity
Not applicable