

Consolidated Financial Results for the Third Quarter Ended December 31, 2013

Asahi Holdings, Inc.

February 3, 2014

Stock code: 5857
 Shares listed: Tokyo Stock Exchange (First Section)
 U R L: <http://www.asahiholdings.com>
 Representative: Mitsuharu Terayama, Chairman, CEO
 For further information please contact: Keitaro Shigemasa, Director
 (Phone) +81-3-6270-1833
 Filing date of Quarterly Report: February 13, 2014
 Scheduled date of start of dividend payment: —
 Supplementary materials for the quarterly financial results: No
 Investor conference for the quarterly financial results: No

(Rounded down to the nearest million yen)

1. Results of the nine months ended December 31, 2013 (From April 1, 2013 to December 31, 2013)

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

	Net sales		Operating income		Ordinary income		Net income	
The nine months ended	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
December 31, 2013	70,654	(2.1)	7,463	49.2	7,693	51.2	4,677	63.9
December 31, 2012	72,203	(36.2)	5,000	(39.9)	5,087	(36.8)	2,854	(35.7)

(Note) Comprehensive income The nine months ended December 31, 2013 5,048 million yen 89.2%
 The nine months ended December 31, 2012 2,667 million yen (48.1%)

	Net income per share	Diluted net income per share
The nine months ended	Yen	Yen
December 31, 2013	143.78	—
December 31, 2012	87.99	—

(2) Financial Position

	Total assets	Net assets	Shareholders' equity ratio
As of	Millions of yen	Millions of yen	%
December 31, 2013	59,789	45,225	75.4
March 31, 2013	62,260	42,012	67.3

(Reference) Shareholders' equity As of December 31, 2013 45,084 million yen
 As of March 31, 2013 41,875 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, 2013	—	30.00	—	30.00	60.00
Year ending March 31, 2014	—	30.00	—		
Year ending March 31, 2014 (Forecast)				30.00	60.00

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

3. Forecast (From April 1, 2013 to March 31, 2014)

(Percentage changes relative to previous corresponding period)

	Net sales		Operating income		Ordinary income		Net income		Net income per share
Year ending March 31, 2014	Millions of Yen	%	Millions of Yen	%	Millions of Yen	%	Millions of Yen	%	Yen
	92,000	(4.5)	9,600	28.1	9,900	27.0	6,000	32.8	184.38

(Note) Revisions in forecast in the current quarter : Yes

For details, please refer to "Notification of Revision of Earnings Forecast" made public on February 3, 2014.

*Notes

(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)

As of December 31, 2013	36,254,344 shares
As of March 31, 2013	36,254,344 shares

(ii) Number of treasury shares at the quarter end

As of December 31, 2013	3,688,407 shares
As of March 31, 2013	3,756,439 shares

(iii) Averaged number of shares during the period (quarterly cumulative period)

Nine months ended December 31, 2013	32,529,616 shares
Nine months ended December 31, 2012	32,435,410 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. Please refer to page 2 "1. Qualitative Information (3) Consolidated Performance Forecasts" .

Table of contents of the appendix

1. Qualitative Information	2
(1) Consolidated Business Performance.....	2
(2) Consolidated Financial Position	2
(3) Consolidated Performance Forecasts.....	2
2. Notes Regarding Summary Information	3
(1) Changes in important subsidiaries during the current quarter.....	3
(2) Application of special accounting methods for quarterly consolidated financial statements.....	3
(3) Changes in accounting policies, accounting estimates and restatement.....	3
3. Consolidated Financial Statements.....	4
(1) Consolidated Balance Sheets	4
(2) Consolidated Statements of Income and Consolidated Statements of Comprehensive Income....	5
Consolidated Statements of Income for the nine months ended December 31, 2013.....	5
Consolidated Statements of Comprehensive Income for the nine months ended December 31, 2013.....	5
(3) Notes on Consolidated Financial Statements.....	6
(Notes on Assumptions for Going Concern)	6
(Notes in case of Significant Changes to Shareholders' Equity)	6
(Segment Information, etc.)	6

1. Qualitative Information

(1) Consolidated Business Performance

During the first three quarters of the current fiscal year (April 1 through December 31, 2013), as the yen weakened and share prices rose against the backdrop of the Government's economic policies and monetary easing, the Japanese economy showed some signs of recovery, including improved corporate profits and recovery of consumer spending.

Under these economic conditions, in the precious metal recycling business, the collection volumes of gold, palladium, and so on surpassed those of the corresponding term the year before. In addition, the average sales prices of gold, silver, platinum, and palladium were higher than they were in the corresponding term the year before.

In the environmental preservation business, even though domestic production activity was sluggish, the collection volumes of medical-related waste, recycled glass, and so on surpassed those of the same term one year earlier.

As a result of the above, as consolidated results for the nine-month period, we recorded net sales of 70,654 million yen, down 1,548 million yen (-2.1%) year-on-year; operating income of 7,463 million yen, up 2,462 million yen (+49.2%) year-on-year; ordinary income of 7,693 million yen, up 2,605 million yen (+51.2%) year-on-year; and net income of 4,677 million yen, up 1,822 million yen (+63.9%) year-on-year.

Looked at by segment, sales in the precious metal recycling business were 58,483 million yen, down 1,858 million yen (-3.1%) year-on-year; and sales in the environmental preservation business were 12,170 million yen, up 309 million yen (+2.6%) year-on-year.

(2) Consolidated Financial Position

As of December 31, 2013, total assets amounted to 59,789 million yen, down 2,471 million yen from the previous fiscal year end. This was due mainly to decrease of 3,394 million yen in notes and accounts of receivable trade.

Total liabilities amounted to 14,563 million yen, down 5,684 million yen from the previous fiscal year end. This was due mainly to decrease of 6,010 million yen in loans payable.

Net assets totaled 45,225 million yen up 3,212 million yen from the previous fiscal year end. This was due mainly to the 4,677 million yen in net income.

As a result, the shareholders' equity ratio changed to 75.4%, from 67.3% at the end of the previous fiscal year.

(3) Consolidated Performance Forecasts

Plans were revised based on consolidated results, current trends in precious metal prices, and so on. Consequently, the consolidated earnings forecast for the whole term was adjusted.

In the precious metal recycling business, collection volumes of precious metals are generally in accordance with plans.

Revision of consolidated results forecast for the fiscal year ending March 2014

(April 1, 2013 to March 31, 2014)

(Millions of Yen, %)

	Net Sales	Operating Income	Ordinary Income	Net Income FY2013	Net Income per Share FY2013
Previous Forecast (A) (Announced on July 29, 2013)	93,000	9,000	9,100	5,400	165.92
Revised Forecast (B)	92,000	9,600	9,900	6,000	184.38
Change (B-A)	(1,000)	600	800	600	—
Change (%)	(1.1)	6.7	8.8	11.1	—
(Ref.) the fiscal year ended March 31, 2013	96,368	7,495	7,794	4,518	139.24

2. Notes Regarding Summary Information

(1) Changes in important subsidiaries during the current quarter

Not applicable

(2) Application of special accounting methods for quarterly consolidated financial statements

Not applicable

(3) Changes in accounting policies, accounting estimates and restatement

Not applicable

3. Consolidated Financial Statements
(1) Consolidated Balance Sheets

	As of March 31, 2013 Millions of yen	As of December 31, 2013 Millions of yen	As of December 31, 2013 Thousands of U.S.dollars
ASSETS			
Current assets			
Cash and deposits	4,141	7,811	74,123
Notes and accounts receivable-trade	12,539	9,144	86,773
Merchandise and finished goods	5,067	3,922	37,218
Work in process	8,114	8,917	84,613
Raw materials and supplies	1,077	1,087	10,314
Other	2,367	990	9,397
Allowance for doubtful accounts	(9)	(9)	(92)
Total current assets	33,298	31,864	302,346
Noncurrent assets			
Property, plant and equipment			
Buildings and structures, net	9,281	8,962	85,037
Land	13,031	13,012	123,473
Other, net	2,647	2,196	20,838
Total property, plant and equipment	24,959	24,171	229,349
Intangible assets			
Goodwill	2,380	2,089	19,824
Other	797	830	7,883
Total intangible assets	3,177	2,920	27,707
Investments and other assets	824	833	7,912
Total noncurrent assets	28,962	27,924	264,968
Total assets	62,260	59,789	567,314
LIABILITIES			
Current liabilities			
Notes and accounts payable-trade	2,463	2,707	25,694
Short-term loans payable	10,245	645	6,125
Current portion of long-term loans payable	1,500	20	190
Income taxes payable	349	1,535	14,570
Provision for bonuses	597	290	2,757
Provision for directors' bonuses	8	—	—
Provision for repairs	113	60	569
Provision for product warranties	21	16	154
Other	3,253	2,475	23,490
Total current liabilities	18,553	7,751	73,549
Noncurrent liabilities			
Long-term loans payable	—	5,070	48,107
Provision for retirement benefits	107	119	1,129
Other	1,587	1,623	15,402
Total noncurrent liabilities	1,694	6,812	64,639
Total liabilities	20,248	14,563	138,188
NET ASSETS			
Shareholders' equity			
Capital stock	4,480	4,480	42,517
Capital surplus	6,087	6,103	57,913
Retained earnings	36,697	39,423	374,074
Treasury stock	(5,507)	(5,407)	(51,311)
Total shareholders' equity	41,758	44,600	423,193
Accumulated other comprehensive income			
Valuation difference on available-for-sale securities	19	18	176
Deferred gains or losses on hedges	(41)	13	131
Foreign currency translation adjustment	139	452	4,291
Total accumulated other comprehensive income	116	484	4,599
Subscription rights to shares	77	77	739
Minority interests	59	62	595
TOTAL NET ASSETS	42,012	45,225	429,126
TOTAL LIABILITIES AND NET ASSETS	62,260	59,789	567,314

U.S. dollar amounts represent translations using the approximate exchange rate on December 30, 2013 of Yen105.39=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 nine months ended December 31, 2013

	The nine months ended December 31, 2012	The nine months ended December 31, 2013	The nine months ended December 31, 2013
	Millions of yen	Millions of yen	Thousands of U.S.dollars
Net sales	72,203	70,654	670,412
Cost of sales	63,258	59,221	561,926
Gross profit	8,945	11,433	108,486
Selling, general and administrative expenses	3,944	3,969	37,666
Operating income	5,000	7,463	70,820
Non-operating income	123	266	2,526
Non-operating expenses	37	36	349
Ordinary income	5,087	7,693	72,997
Extraordinary income	6	43	415
Extraordinary loss	362	119	1,137
Income before income taxes and minority interests	4,731	7,617	72,275
Income taxes-current	1,340	2,774	26,326
Income taxes-deferred	537	165	1,573
Total income taxes	1,877	2,940	27,898
Income before minority interests	2,854	4,676	44,377
(Minority interests in loss)	—	(0)	(2)
Net income	2,854	4,677	44,378

Consolidated Statements of Comprehensive Income for the nine months ended December 31, 2013

	The nine months ended December 31, 2012	The nine months ended December 31, 2013	The nine months ended December 31, 2013
	Millions of yen	Millions of yen	Thousands of U.S.dollars
Income before minority interests	2,854	4,676	44,377
Other comprehensive income			
Valuation difference on available-for-sale securities	(2)	(0)	(4)
Deferred gains or losses on hedges	(210)	55	524
Foreign currency translation adjustment	27	303	2,876
Share of other comprehensive income of associates accounted for using equity method	(0)	13	127
Total other comprehensive income	(186)	371	3,524
Comprehensive income	2,667	5,048	47,900
(Comprehensive income attributable to)			
Comprehensive income attributable to owners of the parent	2,667	5,044	47,868
Comprehensive income attributable to minority interests	—	3	33

U.S. dollar amounts represent translations using the approximate exchange rate on December 30, 2013 of Yen105.39=US\$1, and are included solely for the convenience of readers.

(3) Notes on Consolidated Financial Statements

(Notes on Assumptions for Going Concern)

Not applicable

(Notes in case of Significant Changes to Shareholders' Equity)

Not applicable

(Segment Information, etc.)

[Segment information]

I For the nine months ended December 31, 2012(From April 1, 2012 to December 31, 2012)

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

(Millions of Yen)

	Precious metal recycling business	Environmental preservation business	Total
Net sales			
1) Customers	60,342	11,861	72,203
2) Intersegment	—	—	—
Total	60,342	11,861	72,203
Segment income	3,464	1,535	5,000

(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 nine months ended December 31, 2013(From April 1, 2013 to December 31, 2013)

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

(Millions of Yen)

	Precious metal recycling business	Environmental preservation business	Total
Net sales			
1) Customers	58,483	12,170	70,654
2) Intersegment	—	—	—
Total	58,483	12,170	70,654
Segment income	6,069	1,393	7,463

(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