

Asahi Holdings, Inc. Flash Report (Consolidated Basis)

Asahi Holdings, Inc.(Securities No.5857, Tokyo Stock Exchange first section)
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1. Consolidated results for the first quarter of the fiscal year ending March 31, 2011

(From April 1, 2010 to June 30, 2010)

(1) Consolidated operating results

[Rounded off to millions of yen]

	The three months ended June 30, 2010	The three months ended June 30, 2009
	(%)	(%)
Net sales (Millions of yen)	26,587 (43.2)	18,570 (—)
Operating income (Millions of yen)	3,307 (214.2)	1,052 (—)
Ordinary income (Millions of yen)	3,364 (236.9)	998 (—)
Net income (Millions of yen)	2,032 (243.3)	592 (—)
Net income per share for the first quarter	¥63.06	¥18.38
Diluted net income per share for the first quarter	— —	— —

(2) Changes in the consolidated financial position

	As of June 30, 2010	As of March 31, 2010
Total assets (Millions of yen)	51,658	50,139
Net assets (Millions of yen)	31,548	29,897
Equity ratio (%)	61.1	59.6
Net assets per share	¥978.34	¥927.97

Note: Equity capital (millions of yen)

The three months ended June 30,2010: 31,548 Fiscal year ended March 31,2010: 29,897

2. Dividends

	the fiscal year ended March 31, 2010	the fiscal year ended March 31, 2011	the fiscal year ended March 31, 2011 [forecast]
Dividends per share			
-The three months-end dividend(Yen)	—	—	—
-Interim dividend(Yen)	25.00	—	25.00
-The nine months-end dividend(Yen)	—	—	—
-Year -end dividend(Yen)	25.00	—	25.00
-Annual dividend(Yen)	50.00	—	50.00

Note: Changes in forecast of dividends for this quarter: None

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

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

Note: Changes in forecast for this quarter: None

(Notice for the use of the forecasts, and other instructions)

The financial forecasts stated above are based on currently available information. They may fluctuate according to various factors including economic situations and financial trends.

CONSOLIDATED BALANCE SHEET

At June 30, 2010 and at March 31, 2010

	At June 30, 2010		At March 31, 2010		At June 30, 2010
	Millions of yen	%	Millions of yen	%	Thousands of U.S.dollars
ASSETS					
Current assets					
Cash and deposits	2,455		2,263		27,757
Notes and accounts receivable-trade	4,482		4,037		50,661
Merchandise and finished goods	4,211		4,250		47,597
Work in process	9,060		8,327		102,400
Raw materials and supplies	711		616		8,046
Other	2,754		2,867		31,130
Allowance for doubtful accounts	(9)		(8)		(107)
Total current assets	23,666	45.8	22,354	44.6	267,484
Noncurrent assets					
Property, plant and equipment					
Buildings and structures, net	8,635		8,751		97,604
Land	12,532		12,440		141,641
Other, net	4,256		3,964		48,108
Total property, plant and equipment	25,424	49.2	25,156	50.2	287,352
Intangible assets					
Goodwill	1,514		1,571		17,121
Other	551		567		6,231
Total intangible assets	2,066	4.0	2,139	4.2	23,353
Investments and other assets	499	1.0	489	1.0	5,650
Total noncurrent assets	27,991	54.2	27,784	55.4	316,355
Total assets	51,658	100.0	50,139	100.0	583,839
LIABILITIES					
Current liabilities					
Notes and accounts payable-trade	2,986		2,161		33,751
Short-term loans payable	12,949		12,449		146,359
Income taxes payable	1,043		2,304		11,792
Provision for bonuses	324		721		3,668
Provision for directors' bonuses	3		15		42
Provision for repairs	36		124		407
Other	2,311		2,048		26,124
Total current liabilities	19,655	38.0	19,825	39.6	222,143
Noncurrent liabilities					
Provision for retirement benefits	207		179		2,342
Other	247		237		2,796
Total noncurrent liabilities	454	0.9	416	0.8	5,138
Total liabilities	20,109	38.9	20,241	40.4	227,281
NET ASSETS					
Shareholders' equity					
Capital stock	4,480	8.7	4,480	8.9	50,642
Capital surplus	6,060	11.8	6,054	12.1	68,497
Retained earnings	26,670	51.6	25,444	50.7	301,435
Treasury stock	(5,875)	(11.4)	(5,917)	(11.8)	(66,405)
Total shareholders' equity	31,336	60.7	30,061	59.9	354,168
Valuation and translation adjustments					
Valuation difference on available-for-sale securities	17	0.0	14	0.0	202
Deferred gains or losses on hedges	194	0.4	(152)	(0.3)	2,194
Foreign currency translation adjustment	(0)	(0.0)	(26)	(0.0)	(7)
Total valuation and translation adjustments	211	0.4	(164)	(0.3)	2,389
TOTAL NET ASSETS	31,548	61.1	29,897	59.6	356,557
TOTAL LIABILITIES AND NET ASSETS	51,658	100.0	50,139	100.0	583,389

U.S. dollar amounts represent translations using the approximate exchange rate on June 30, 2010 of yen 88.48=

US\$1, and are included solely for the convenience of readers.

CONSOLIDATED STATEMENTS OF INCOME

For the three months ended June 30, 2010

	2010		2009		2010
	Millions of yen	%	Millions of yen	%	Thousands of U.S.dollars
Net sales	26,587	100.0	18,570	100.0	300,489
Cost of sales	22,128	83.2	16,490	88.8	250,096
Gross profit	4,458	16.8	2,080	11.2	50,393
Selling, general and administrative expenses	1,151	4.4	1,027	5.5	13,009
Operating income	3,307	12.4	1,052	5.7	37,384
Non-operating income	72	0.3	17	0.1	823
Non-operating expenses	15	0.1	71	0.4	177
Ordinary income	3,364	12.6	998	5.4	38,030
Extraordinary income	1	0.0	0	0.0	14
Extraordinary loss	0	0.0	2	0.0	1
Income before income taxes and minority interests	3,366	12.6	996	5.4	38,043
Income taxes-current	1,017	3.8	51	0.3	11,497
Income taxes-deferred	316	1.2	353	1.9	3,577
Total income taxes	1,333	5.0	404	2.2	15,074
Net income	2,032	7.6	592	3.2	22,969

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CONSOLIDATED STATEMENTS OF CASH FLOWS

For the three months ended June 30, 2010

	2010	2009	2010
	Millions of yen	Millions of yen	Thousands of U.S.dollars
Net cash provided by (used in) operating activities			
Income before income taxes and minority interests	3,366	996	38,043
Depreciation and amortization	457	515	5,173
Amortization of goodwill	56	55	644
Amortization of negative goodwill	—	(0)	—
Increase (decrease) in provision for retirement benefits	27	24	314
Interest and dividends income	(7)	(1)	(89)
Interest expenses	10	16	117
Loss (gain) on sales and retirement of noncurrent assets	(1)	2	(13)
Decrease (increase) in notes and accounts receivable-trade	(444)	(183)	(5,019)
Decrease (increase) in inventories	(788)	993	(8,916)
Increase (decrease) in notes and accounts payable-trade	824	436	9,313
Increase (decrease) in accounts payable-other	333	(159)	3,765
Other, net	(809)	35	(9,148)
Subtotal	3,024	2,730	34,184
Interest and dividends income received	9	1	113
Interest expenses paid	(10)	(16)	(113)
Income taxes paid	(2,239)	(108)	(25,313)
Income taxes refund	43	—	491
Net cash provided by (used in) operating activities	828	2,607	9,361
Net cash provided by (used in) investing activities			
Payments into time deposits	(576)	—	(6,511)
Proceeds from withdrawal of time deposits	576	—	6,511
Proceeds from collection of guarantee deposits	22	3	258
Purchase of property, plant and equipment	(392)	(123)	(4,436)
Proceeds from sales of property, plant and equipment	4	2	46
Purchase of intangible assets	(21)	(397)	(247)
Other, net	(48)	(27)	(547)
Net cash provided by (used in) investing activities	(435)	(541)	(4,926)
Net cash provided by (used in) financing activities			
Net increase (decrease) in short-term loans payable	500	(1,100)	5,651
Repayment of long-term loans payable	—	(3)	—
Repayments of finance lease obligations	(3)	(2)	(36)
Purchase of treasury stock	(0)	(0)	(3)
Proceeds from sales of treasury stock	48	—	547
Cash dividends paid	(798)	(793)	(9,020)
Net cash provided by (used in) financing activities	(253)	(1,900)	(2,862)
Effect of exchange rate change on cash and cash equivalents	29	18	334
Net increase (decrease) in cash and cash equivalents	168	184	1,908
Cash and cash equivalents at beginning of period	1,711	1,824	19,338
Cash and cash equivalents at end of period	1,879	2,008	21,246

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