

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 half of the fiscal year ending March 31, 2011

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

(1) Consolidated operating results

[Rounded off to millions of yen]

	The six months ended September 30, 2010	The six months ended September 30, 2009
	(%)	(%)
Net sales (Millions of yen)	52,486 (46.4)	35,856 (—)
Operating income (Millions of yen)	5,597 (105.6)	2,722 (—)
Ordinary income (Millions of yen)	5,475 (103.5)	2,691 (—)
Net income (Millions of yen)	3,202 (104.4)	1,566 (—)
Net income per share for the first half	¥99.32	¥48.63
Diluted net income per share for the first half	— —	— —

(2) Changes in the consolidated financial position

	As of September 30, 2010	As of March 31, 2010
Total assets (Millions of yen)	51,537	50,139
Net assets (Millions of yen)	32,213	29,897
Equity ratio (%)	62.5	59.6
Net assets per share	¥998.30	¥927.97

Note: Equity capital (millions of yen)

The six months ended September 30, 2010: 32,204

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 half: None

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

	Full year
	(%)
Net sales (Millions of yen)	104,000 (25.9)
Operating income(Millions of yen)	10,000 (26.8)
Ordinary income (Millions of yen)	10,000 (26.2)
Net income (Millions of yen)	5,800 (32.5)
Forecasted net income per share (Yen)	180.00

Note: Changes in forecast for this half: 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 September 30, 2010 and at March 31, 2010

	At September 30,		At March 31,		At September 30,
	2010		2010		2010
	Millions of yen	%	Millions of yen	%	Thousands of U.S.dollars
ASSETS					
Current assets					
Cash and deposits	2,498		2,263		29,806
Notes and accounts receivable-trade	5,233		4,037		62,439
Merchandise and finished goods	3,550		4,250		42,356
Work in process	8,959		8,327		106,894
Raw materials and supplies	493		616		5,890
Other	1,468		2,867		17,523
Allowance for doubtful accounts	(10)		(8)		(121)
Total current assets	22,194	43.1	22,354	44.6	264,787
Noncurrent assets					
Property, plant and equipment					
Buildings and structures, net	8,691		8,751		103,687
Land	12,559		12,440		149,835
Other, net	4,817		3,964		57,473
Total property, plant and equipment	26,067	50.6	25,156	50.2	310,995
Intangible assets					
Goodwill	2,186		1,571		26,089
Other	515		567		6,156
Total intangible assets	2,702	5.2	2,139	4.2	32,245
Investments and other assets	573	1.1	489	1.0	6,836
Total noncurrent assets	29,343	56.9	27,784	55.4	350,077
Total assets	51,537	100.0	50,139	100.0	614,864
LIABILITIES					
Current liabilities					
Notes and accounts payable-trade	3,388		2,161		40,422
Short-term loans payable	6,982		12,449		83,298
Current portion of long-term loans payable	1,000		—		11,930
Income taxes payable	800		2,304		9,550
Provision for bonuses	731		721		8,722
Provision for directors' bonuses	7		15		89
Provision for repairs	54		124		651
Other	2,596		2,048		30,976
Total current liabilities	15,560	30.2	19,825	39.6	185,638
Noncurrent liabilities					
Long-term loans payable	2,000		—		23,861
Provision for retirement benefits	234		179		2,796
Other	1,529		237		18,250
Total noncurrent liabilities	3,764	7.3	416	0.8	44,907
Total liabilities	19,324	37.5	20,241	40.4	230,545
NET ASSETS					
Shareholders' equity					
Capital stock	4,480	8.7	4,480	8.9	53,458
Capital surplus	6,063	11.8	6,054	12.1	72,341
Retained earnings	27,840	54.0	25,444	50.7	332,149
Treasury stock	(5,856)	(11.4)	(5,917)	(11.8)	(69,872)
Total shareholders' equity	32,528	63.1	30,061	59.9	388,075
Valuation and translation adjustments					
Valuation difference on available-for-sale securities	15	0.0	14	0.0	182
Deferred gains or losses on hedges	(275)	(0.5)	(152)	(0.3)	(3,287)
Foreign currency translation adjustment	(63)	(0.1)	(26)	(0.0)	(758)
Total valuation and translation adjustments	(323)	(0.6)	(164)	(0.3)	(3,863)
Subscription rights to shares	8	0.0	—		107
TOTAL NET ASSETS	32,213	62.5	29,897	59.6	384,319
TOTAL LIABILITIES AND NET ASSETS	51,537	100.0	50,139	100.0	614,864

U.S. dollar amounts represent translations using the approximate exchange rate on September 30, 2010 of yen 83.82=US\$1, and are included solely for the convenience of readers.

CONSOLIDATED STATEMENTS OF INCOME

For the six months ended September 30, 2010 and 2009

	2010		2009		2010
	Millions of yen	%	Millions of yen	%	Thousands of U.S.dollars
Net sales	52,486	100.0	35,856	100.0	626,184
Cost of sales	44,633	85.0	31,087	86.7	532,491
Gross profit	7,853	15.0	4,768	13.3	93,693
Selling, general and administrative expenses	2,255	4.3	2,045	5.7	26,914
Operating income	5,597	10.7	2,722	7.6	66,779
Non-operating income	35	0.0	53	0.1	418
Non-operating expenses	156	0.3	85	0.2	1,873
Ordinary income	5,475	10.4	2,691	7.5	65,324
Extraordinary income	1	0.0	0	0.0	14
Extraordinary loss	8	0.0	23	0.1	103
Income before income taxes and minority interests	5,468	10.4	2,668	7.4	65,235
Income taxes-current	752	1.4	140	0.4	8,981
Income taxes-deferred	1,513	2.9	961	2.6	18,053
Total income taxes	2,265	4.3	1,101	3.0	27,033
Income before minority interests	3,202	6.1	—	—	38,202
Net income	3,202	6.1	1,566	4.4	38,202

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CONSOLIDATED STATEMENTS OF CASH FLOWS

For the six months ended September 30, 2010 and 2009

	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	5,468	2,668	65,235
Depreciation and amortization	949	1,049	11,326
Impairment loss	—	7	—
Amortization of goodwill	126	110	1,508
Amortization of negative goodwill	—	(1)	—
Increase (decrease) in provision for retirement benefits	54	47	655
Interest and dividends income	(12)	(3)	(150)
Interest expenses	19	29	235
Loss (gain) on sales and retirement of noncurrent assets	6	14	83
Loss (gain) on valuation of investment securities	0	—	6
Decrease (increase) in notes and accounts receivable-trade	(1,139)	151	(13,594)
Decrease (increase) in inventories	191	(556)	2,281
Increase (decrease) in notes and accounts payable-trade	1,301	631	15,529
Increase (decrease) in accounts payable-other	150	(611)	1,792
Other, net	(510)	451	(6,096)
Subtotal	6,605	3,988	78,810
Interest and dividends income received	15	3	181
Interest expenses paid	(17)	(29)	(210)
Income taxes paid	(2,237)	(123)	(26,697)
Income taxes refund	1,619	460	19,315
Net cash provided by (used in) operating activities	5,984	4,300	71,399
Net cash provided by (used in) investing activities			
Payments into time deposits	(786)	—	(9,383)
Proceeds from withdrawal of time deposits	1,001	—	11,942
Proceeds from collection of guarantee deposits	25	6	305
Purchase of property, plant and equipment	(1,335)	(696)	(15,937)
Proceeds from sales of property, plant and equipment	7	4	86
Purchase of intangible assets	(23)	(437)	(275)
Purchase of stocks of subsidiaries and affiliates	(933)	(53)	(11,141)
Other, net	(56)	(42)	(676)
Net cash provided by (used in) investing activities	(2,102)	(1,219)	(25,079)
Net cash provided by (used in) financing activities			
Net increase (decrease) in short-term loans payable	(5,598)	(1,600)	(66,790)
Proceeds from long-term loans payable	3,000	—	35,791
Repayment of long-term loans payable	(0)	(7)	(6)
Repayments of finance lease obligations	(6)	(5)	(80)
Purchase of treasury stock	(0)	(0)	(6)
Proceeds from sales of treasury stock	70	—	841
Cash dividends paid	(805)	(802)	(9,609)
Net cash provided by (used in) financing activities	(3,341)	(2,415)	(39,859)
Effect of exchange rate change on cash and cash equivalents	(40)	27	(479)
Net increase (decrease) in cash and cash equivalents	501	691	5,981
Cash and cash equivalents at beginning of period	1,711	1,824	20,413
Cash and cash equivalents at end of period	2,212	2,516	26,394

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