

To our shareholders

Interim Business Report for FY2015

April 1, 2015 ▶ September 30, 2015

Asahi Holdings, Inc.

Stock Code : 5857

Tokyo Stock Exchange (First Section)

To Our Shareholders

I would like to express our cordial appreciation for your continuous support and loyal patronage.

In April 2015, we launched our three-year 7th Med-term Management Plan "**Pursuing Growth and Efficiency: achieving 50% profit growth and minimum 13% ROE for FY 2017.**" Consolidated performance goals for the final fiscal year are sales: 170,000 million yen, operating profit: 16,000 million yen, and ROE of at least 13%. We are currently undertaking various initiatives in each business segment in order to achieve those goals. In two segments particularly positioned as growth engines, the gold and silver refining business in North America (brought into the Group in March 2015) and the life & health business (begun in July 2014), we have embarked on large-scale and diverse measures. Those efforts are expected to come to fruition during the final fiscal year (ending March 2018).

In June 2015, we shifted to a company with audit and supervisory committee, including one-third of our Directors being Outside Directors. Moreover, we have been studying measures to further strengthen our corporate governance. We intend to announce the results during the current fiscal year.

The Group's results during the first half of the current fiscal year (April 1, 2015 through September 30, 2015) in each business segment were as follows.

Precious metal business

In the precious metals recycling business, prices fell during the second quarter of the current fiscal year, but domestic volumes of collection were generally higher than in the same period a year earlier. In the electronics sector, the overall market continues to contract, but we expanded market share in the E-scrap and precision cleaning businesses. In the dental sector, the decreased volume of precious metals used had an impact, but there was an increase in the jewelry sector. In the automotive catalyst sector, we worked aggressively to develop new customers amidst the shrinking market.

In the gold and silver refining business in North America, amidst stagnant market prices and a global economic slowdown, we were forced to reduce both processing volume and unit price for commissioned refining business.

Meanwhile, along with beginning to upgrade facilities by sharing Japanese technology, we began various initiatives for the building of worldwide business.

Environmental preservation business

Reflecting the state of production activity in domestic businesses, the volume of collection of industrial waste continued declining. Under these circumstances, by working to develop new customers and new spot contracts, performance for the segment as a whole was solid.

Life & health business

In the healthcare equipment sector, recovery of sales of our mainstay product, massage chairs, has not been achieved, but the effects of cost reduction and of upgrading our product lineup through the introduction of smaller merchandise are beginning to appear. In construction-related markets, the effects of a shortage of skilled labor leading to delays in construction completion are being felt, but we are working to expand sales of new heater products and to reduce costs.

Consequently, operating results for the first half of the current fiscal year were as follows: consolidated net sales 61,646 million yen, operating profit 4,820 million yen, ordinary profit 4,698 million yen, and profit attributable to owners of parent 2,752 million yen.

The company maintained an interim dividend of 30 yen per share.

We would appreciate your continued understanding and support for the business activities of our group companies.



President & CEO

A handwritten signature in black ink, appearing to read "Mr. Terayama".

Advancement of corporate governance

□ Establishment of the Nominating Committee and the Compensation Committee

In June 2015, we shifted to a company with audit and supervisory committee, including one-third of our Directors being Outside Directors. We will continue seeking to achieve highly transparent corporate governance.

As part of this, effective October 1, we established the Nominating Committee and the Compensation Committee as advisory committees. Each consists of one Director and two Outside Directors.

“Nominating Committee”

This committee discusses nomination of prospective Directors and dismissal of Directors and offers suggestions to the Board of Directors. In addition, Directors in charge of various business make proposals on personnel changes for key executives including officers at affiliated companies, about which the committee deliberates and reports to the Board of Directors.

“Compensation Committee”

This committee discusses and decides the direction and design of the system of compensation for Directors. It discusses individual evaluations of each Director and sets his or her compensation. When necessary, it also discusses key executives at affiliated companies.

Accelerated growth through new business sectors

□ Expansion of our business base in North America

We are working to expand the business base of Asahi Refining (gold and silver refining business in North America), which was brought into the Group in March 2015. Having inherited the long, proud history of that business, we have begun working to spread the "Asahi" brand globally. Shipping of products with the "Asahi" brand has begun in earnest. We aim to strengthen our competitiveness on the global level through initiatives on technical aspects and necessary investment.

As part of our activities to increase global brand awareness, we participated in a conference jointly hosted by the London Bullion Market Association (LBMA) and the Shanghai Gold Exchange (SGE) on June 24–25, 2015 in Shanghai. In October, we participated in the LBMA Precious Metals Conference 2015 held in Vienna. We were sponsors for both of those events, and such exposure of the "Asahi Refining" name and logo had a significant effect on raising brand awareness.



ASAHI REFINING

Topics (2/2)

□ Expansion of the life & health business

We aim to expand the life & health business, which we launched as the growth engine of the 7th Med-term Management Plan in the second quarter of FY 2014. This includes Fujiiryoki working to upgrade its product lineup by renovating the massage chairs that are its mainstay product and introducing products from fresh perspectives.

Fujiiryoki has created a new beauty and healthcare series to fulfill women's self-care

The new brand, “mashua”

The first product in the series is a full-fledged foot massager that soothes swollen feet. Since going on sale in March 2015, it has been covered in various media and received much acclaim. Please see the Fujiiryoki website for details.

*website: <http://www.fujiiryoki.co.jp/>



“mashua” series
foot massager



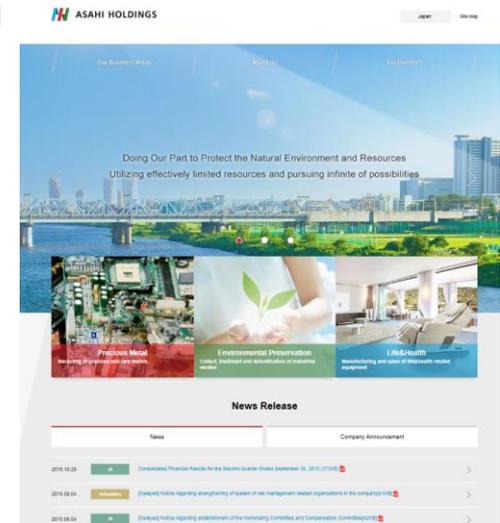
High-end massage chair
"AS-1000"

*launched in November 2015

Asahi Holdings website update

We updated our website in November 2015. We added a page introducing the life & health business in order to make the Group's business lines easier to understand. We also constructed the site to be easily viewed on tablets as well as computers. Our English content is now more complete than ever as well. We thank you for your continued patronage.

* website: <http://www.asahiholdings.com/english/> (English)
<http://www.asahiholdings.com/> (Japanese)



Consolidated Financial Highlights (1/2)

(Millions of yen)

Consolidated Balance Sheet

	As of March 31,2015	As of September 30,2015
ASSETS		
Current assets	48,556	50,562
Noncurrent assets	56,321	55,096
Property, plant and equipment	32,334	31,730
Intangible assets	22,643	22,133
Investments and other assets	1,343	1,232
Total assets	104,877	105,659
LIABILITIES		
Current liabilities	45,603	28,806
Noncurrent liabilities	8,316	24,204
Total liabilities	53,919	53,011
NET ASSETS		
Shareholders' equity	49,819	51,790
Capital stock	4,480	4,480
Capital surplus	6,038	6,112
Retained earnings	44,459	46,229
Treasury stock	(5,159)	(5,032)
Total accumulated other comprehensive income	685	442
Subscription rights to shares	77	-
Non-controlling interests	375	414
Total net assets	50,958	52,648
Total liabilities and net assets	104,877	105,659

Notes: Amounts above are rounded down to unit of display

Consolidated Statements of Income

	The six months ended September 30, 2014	The six months ended September 30, 2015
Net sales	51,632	61,646
Cost of sales	41,810	48,346
Gross profit	9,822	13,299
Selling, general and administrative expenses	5,148	8,479
Operating income	4,674	4,820
Non-operating income	75	40
Non-operating expenses	36	163
Ordinary income	4,713	4,698
Extraordinary income	14	57
Extraordinary loss	27	239
Income before income taxes	4,701	4,516
Income taxes-current	1,641	1,774
Income taxes-deferred	118	(47)
Profit attributable to non-controlling	31	36
Profit attributable to owners of parent	2,909	2,752

Notes: Amounts above are rounded down to unit of display

Consolidated Financial Highlights (2/2)

(Millions of yen)

Consolidated Statements of Comprehensive Income

	The six months ended September 30, 2014	The six months ended September 30, 2015
Profit	2,941	2,789
Total other comprehensive income	256	(240)
Comprehensive income	3,197	2,549

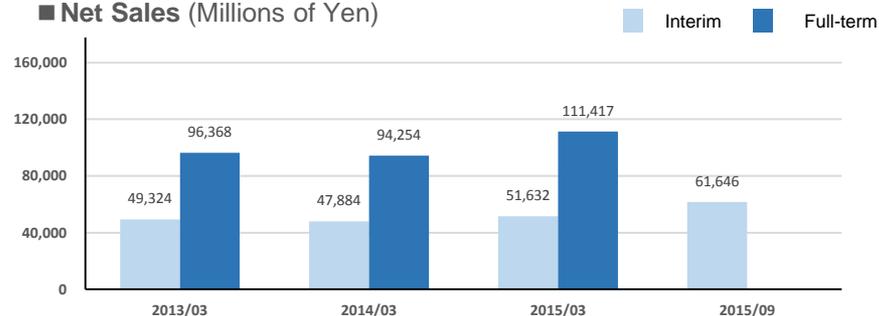
Notes: Amounts above are rounded down to unit of display

Consolidated Statements of Cash Flows

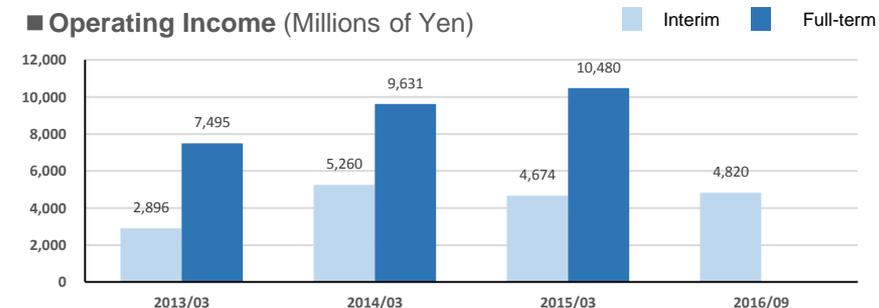
	The six months ended September 30, 2014	The six months ended September 30, 2015
Net cash provided by (used in) operating activities	4,260	4,514
Net cash provided by (used in) investing activities	(7,642)	(717)
Net cash provided by (used in) financing activities	(601)	(871)
Effect of exchange rate change on cash and cash equivalents	(8)	94
Net increase (decrease) in cash and cash equivalents	(3,991)	3,020
Cash and cash equivalents at beginning of period	9,470	10,841
Cash and cash equivalents at the end of period	5,478	13,861

Notes: Amounts above are rounded down to unit of display

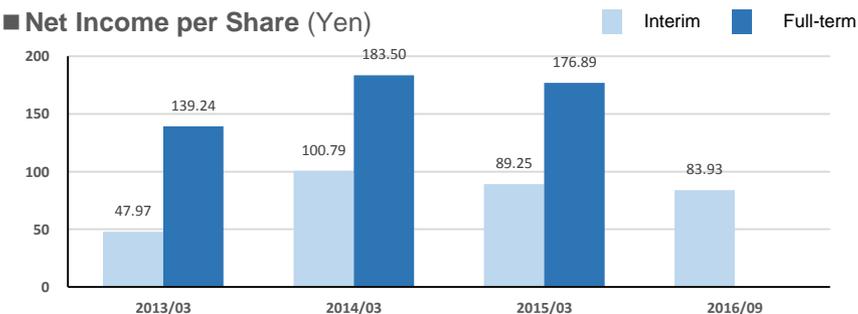
Net Sales (Millions of Yen)



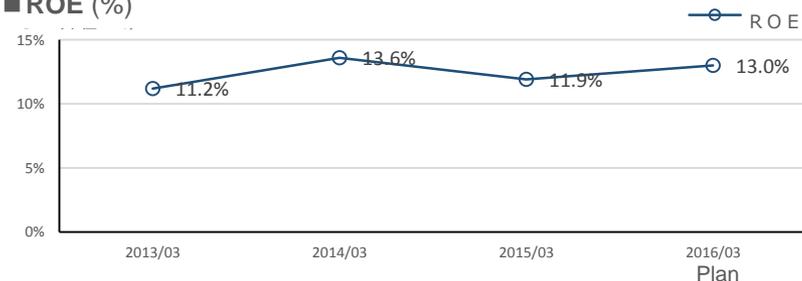
Operating Income (Millions of Yen)



Net Income per Share (Yen)



ROE (%)



Stock Information / Corporate Profile

■ Stock Information (As of September 30, 2015)

Total number of authorized shares	129,000,000 Shares
Total number of shares outstanding	36,254,344 Shares
Number of shares per trading unit	100 Shares
Number of shareholders	10,024 Person

■ Principal shareholders

Name of Shareholders	Number of Shares-Held (Thousand Shares)	Ratio of Share-Holding (%)
Japan Trustee Services Bank, Ltd. (Trust account)	1,869	5.16
TERA ENTERPRISES Co., Ltd.	1,350	3.72
The Master Trust Bank of Japan, Ltd. (Trust account)	1,044	2.88
Mitsuharu Terayama	882	2.43
Masamichi Terayama	802	2.21
K&M Co., Ltd.	700	1.93
Asahi Employee Stock Ownership Plan	683	1.89
STATE STREET BANK AND TRUST COMPANY 505025	510	1.41
CBNY-GOVERNMENT OF NORWAY	498	1.37
Japan Trustee Services Bank, Ltd. (Trust account 9)	481	1.33

※Total Number of Treasury Shares (3,432,457 shares) are excluding from the above.

■ Corporate Profile (As of September 30, 2015)

Corporate name	Asahi Holdings, Inc.
Establishment	April 2009
Foundation	July 1952
Capital	¥4,480 million
Number of employees	2,034 (Consolidated)
Business lines	Recycling of precious & rare metals Industrial waste treatment (Industrial waste treatment and other environmental preservation business) Manufacturing and sales, construction of life and healthcare related equipment

Subsidiaries

Asahi Pretec Corp.	Taiyo Chemical Co., Ltd.
Japan Waste Corporation	Kyodo Chemical Co., Ltd.
Asahi Americas Holdings, Inc	Iyotec Co., Ltd.
JW Logistics Co., Ltd.	FUJI MEDICAL INSTRUMENTS MFG. Co., Ltd.
Nihon Chemitec Co., Ltd.	INTER CENTRAL, INC.
Fuji Rozai Co., Ltd.	KOEIKOGYO CO., LTD.
Ecomax Incorporated	
JW Glass Recycling Co., Ltd.	

Overseas subsidiaries

Asahi G&S SDN. BHD. (Malaysia)
Shanghai Asahi Pretec Co., Ltd. (China)
Asahi Pretec Korea Co., Ltd. (Korea)
Asahi Pretec Taiwan Co., Ltd. (Taiwan)
Asahi Shih Her Technologies Co., Ltd. (Taiwan)
Asahi Refining USA (USA)
Asahi Refining Canada (Canada)

■ Board of Directors

President & CEO: Mitsuharu Terayama	Directors: Shoji Morii *1 *2
Directors: Yoshikatsu Takeuchi	Yukio Tanabe *1
Tomoya Higashiura	Kazuhiko Tokumine *1 *2
Keitaro Shigemasa	Hiroharu Okubo *1 *2
Kazuo Kawabata	

*1 Audit and Supervisory Committee member

*2 Outside officers pursuant to Article 2, paragraph (3) item (v) of Ordinance for Enforcement of the Companies Act.

Head Offices

Asahi Holdings Group operates the business in three segments: the precious metal business, the environmental preservation business, and the life & health business under Asahi Holdings, Inc. which is the pure holding company.

■ Head Offices

KOBE

Nissei Sannomiya Bldg., 4-4-17 Kano-cho, Chuo-ku, Kobe, 650-0001, Japan
Tel. +81-78-333-5633 (Pilot number) Facsimile +81-78-333-5681

TOKYO

Sapia Tower, 1-7-12 Marunouchi, Chiyoda-ku, Tokyo, 100-0005, Japan
Tel. +81-3-6270-1833 (Pilot number) Facsimile +81-3-6270-1859

General Information

- Business Term April 1 - March 31
- Record Date March 31
- Fixed Date of Dividend Paid March 31
- Fixed date of Interim Dividend Paid September 30
- Shareholder Registry Administrator Mitsubishi UFJ Trust and Banking Corporation
- Transfer Agent Mitsubishi UFJ Trust and Banking Corporation
- Contact of the Agent 3-6-3 Fushimi-cho, Chuo-ku, Osaka City, Osaka 541-8502 JAPAN
Mitsubishi UFJ Trust and Banking Corporation Osaka Stock Transfer Agent Dept.
- Public Notice Electronic public notice <http://www.asahiholdings.com/>