

For the Society

We continue making our social contributions through various activities as a good corporate citizen that should coexist in harmony with society.

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WITH OUR CUSTOMERS

We make efforts to provide detailed responses to the wide-ranging needs of each of our customers under our motto that “customers come first.”

Initiatives to Improve Customer Service

● Customer Satisfaction Surveys

We periodically conduct Customer Satisfaction Surveys. We survey the level of satisfaction with our business activities as a whole, and then improve upon problem areas based on the results of the reports. Hereafter, we will continue conducting periodic surveys and working to improve customer satisfaction.

● Providing Information to Customers

We publish the “Asahi Bulletin” primarily for our customers involved in the dental sector. Columns on the supply and demand situation for precious metals and on medicare are posted to the Asahi Bulletin in the interest of providing information.



Asahi Bulletin

● Initiatives Concerning Fair Trade

We have established the Group Ethics Plan, and prohibit our officers and employees from having any connection with corruption or anti-social powers.

Asahi Holdings Group Ethics Plan (Excerpt)

■ Removing incitements for personal profit and securing corporate profit

- With regard to purchase and other transactions, employees shall not exert influence designed to impede the adoption of optimal business clients in terms of price, quality, or the delivery term, and cannot act as a proxy for clients

■ Moderate business dining, entertainment, and gifts

- Employees shall neither request nor receive money from clients and customers
- Employees shall not provide money or gifts which constitute a bribe to clients and customers
- As a general rule, employees require prior permission from their superiors when both receiving and offering meals and business entertainment, and the locations and contents of such meals and entertainment should not be expensive

■ Emphasizing safety the environment, and local communities

- Employees shall not have any connection nor engage in any type of transaction whatsoever with anti-social powers or activities

Quality Assurance System

We hold a Quality Assurance Meeting that is led by the Quality Assurance Division through an amalgamation of our Sales Division, Technology Development Division, and Product Manufacturing Division. Through this meeting we share information such as customer opinions and market trends in our efforts to improve customer satisfaction.

In addition, in order to provide customers with products that earn greater reassurance and satisfaction from customers, we have acquired ISO9001 certification and strive to make continuous improvements to our quality management system and maintenance and enhancement of quality. In March 2010, we integrated the certifications of four bases which acquired ISO9001 certification and started operation of a company-wide uniform quality management system. Furthermore, Asahi Pretec also makes efforts to reduce the environmental burden while giving consideration to “green procurement” and the Restriction of Hazardous Substances (RoHS) Directive, which is a European regulations on chemical substances.



ISO9001 Certificate



Our Risk Management on Information Leakage

We employ security measures features such as a lock function on computers used by sales representatives to ensure that the computer cannot be easily operated in the unlikely event that the computer is lost or stolen.

Recycling Centers located in Saitama and Amagasaki acquired ISO27001 certification in March 2011. We provide a data deletion service as a measure to prevent information leakage in connection with disposal of PCs and contribute to information protection through our business activities.



Data deletion using an exclusive software

WITH LOCAL COMMUNITIES

We are expanding its business activities nationwide, and the support and understanding of local residents are indispensable. In order to continue being as a good corporate citizen who can coexist with the society, the Asahi Holdings Group carries out grass roots activities in local communities and contributes to society in various ways.

Introduction of Some Activities

● Efforts toward a Clean Environment

Kobe is one of the foremost urban tourist destinations in Japan, with many people visiting throughout the year. Citizens volunteer for environmental clean-up activities in every part of Kobe in order to offer tourists the beautiful scenery of the city. Employees of the Company who work at Kobe Headquarters participated in the “103rd Citizens Clean Walk” held ahead of “Kobe Tourism Day” on October 3 and participated in the clean-up activities.



● Plant Visit

The Shikoku Office mainly conducts precious metal refining and dismantling of car catalyts. Upon public requests, we provide opportunities for plant visits and explanation about the facilities and treatment processes. We will make continued efforts to improve credibility through communication.



● Participation in Forest Protection Volunteer Activities

Employees who are interested in forest conservation activities took up the challenge of thinning work in a national forest. With the advice of instructors, they selected trees to be thinned and sawed and pulled down trees by pulling rope. As a result of thinning, sunlight could beam through the forest and vegetation could grow at the base of trees. By thinning a forest, soil is protected and the volume of rain permeating into the soil is enhanced, which improves the water source cultivation function. It was the first experience for our participants and they learned firsthand about the difficult but critical task of forest management.



Social Contributions Through Business Activities

We agree with the purpose and support the activities of the 8020 Promotion Foundation for the 8020 Campaign (a campaign to still have over 20 of one's own teeth upon reaching the age of 80). We also recycle the removed teeth crowns collected by dental clinics that agree with the purpose of the cooperating organization for reproducing precious metals such as gold and palladium. The net profits obtained from sales of these precious metals are made available as funds to assist the activities of various cooperating organizations.

<Major organizations that our company assists>

- The 8020 Promotion Foundation



- The Japan Cleft Palate Foundation, a Specified NPO

(Provides medical assistance to children with oral handicaps such as cleft lips and palates)



- Medecins Du Monde Japon, a Specified NPO

(Provides medical assistance to people suffering from wars and natural disasters)



Medical assistance by Medecins Du Monde

TOPICS 1

Support for the Great Eastern Japan Earthquake Victims

Asahi Holdings group contributed to the Japan Red Cross Society and the organizations concerned in the afflicted area to support rescue and restoration in the area stricken by the quake on March 11, 2011. In addition, we set a special hiring quota for new graduates etc., as permanent staff who were withdrawn job offers or who have difficulty in getting employed in the area.

TOPICS 2

Exhibiting at the World Dental Show

We Participated at the World Dental Show 2010 held at the Pacifico Yokohama in October. At our booth we provided information concerning our recycling technology and products in the area of dental materials to visitors from the dentistry world. By exhibiting at such specialized shows, we are promoting our company activities and disseminating the awareness of the importance of material recycling.



WITH OUR EMPLOYEES

Our aim is to create happy workplaces infused with a sense of motivation and solidarity that respect individuality and enable self-refinement through work under the management philosophy of “Respect for Human Dignity/Capability.”

We promote a variety of initiatives designed to elicit the strengths possessed by each individual employee to the greatest extent possible and apply this to work, and to enable them to tackle their work with a sense of challenge and job satisfaction.

Creating an Environment Where People Can Work with Peace of Mind

Work-Life Balance

Living one’s life by utilizing the abilities to full extent while striking a balance between challenging, rewarding work and a fulfilling personal life is not only important to employees, but to the company as well. There are a wide variety of important values in one’s personal life, such as family, health, sports, and hobbies, which vary depending on each individuals. Our company offers support which allows employees to strike a balance in their personal and working lives.

● Refresh Holiday

This is a system whereby employees can take three to five days of continuous holiday time every year beginning in their second year. This makes it possible to take nine days of continuous vacation time if weekends are included, which can be used for travel with family or hobbies.



● Managing Working Hours

Aiming for suitable workloads and working hours, we conduct personal interviews with employees and have created a system to manage actual working conditions with a view to the work-life balance of each and every employee. We also provide guidance individually on improving one’s working environment.

● Mental Healthcare

It is said that stress from work or daily-living related anxieties or worries is spreading in our modern society.

At Asahi Holdings, we believe that mental health is a vital key to our employees’ productivity and the improvement of their vitality, and work with industrial medical professionals with expertise on mental healthcare to provide individual consultations and preventive seminars. In addition, efforts are made toward comprehensive health management and seminars concerning better health through medical viewpoints are given whenever necessary.



Individual Consultaion



Disease Prevention Seminar

● **Efforts toward a Health Care System**

We provide employees over 45 years old, whose health risk increases, with "Complete Medical Checkups." Depending on requests from employees, we support such medical checkups of a brain and PET examination. The consultation rate is 100%, including periodic health checkups of all employees (lifestyle disease prevention checkups, checkups for employees engaged in specific tasks, and general checkups) and both the Company and employees make every effort to promote health, prevention and early discovery of diseases.

● **Childcare Leave**

The Company supports the balance between birth, childcare and nursing care of family members and work. We support working patterns suited to the lifestyles of employees by shortening working hours specified in the childcare leave system.

● **Self-Assessment System**

Once a year, all employees fill in a declaration form the degree of exertion of abilities in work, achievement and atmosphere of the workplace and career plans, etc., and directly submit to the Human Resources Department. Human Resources Department, together with the officer in charge and superiors, encourages staff assignments, improvement in atmosphere of the workplace and the dignity of each employee based on the contents of a report.

● **Employees' Consciousness Survey**

Every three years, the Company conducts a "Consciousness Survey" of all employees. This survey is conducted to objectively comprehend the degree of satisfaction of employees with the Company and used for further activation of organization and human resources.

● **Creation of an Environment enabling active roles overseas**

We create an environment enabling employees to actively engage in roles overseas, including language training for employees to be transferred overseas and those going on business trips overseas.



Chinese Seminar (Techno-Center)

● **Employment of Disabled Persons**

Employees with disabilities engage in the same types of work that physically unimpaired employees do at our workplaces.



Amagasaki Recycling Center

● **Supporting Company Club Activities**

The Asahi Holdings Group supports the Golden Fighters, the group's American football club team. We hope you will continue to support and cheer for the team.



Communication between colleagues and with clients is enhanced through club activities such as baseball and futsal.



Fostering Human Resources

Basic Philosophy Regarding the Fostering of Human Resources

We strive to have professional human resources which value expertise within every rank and line of work within the company. We provide initiatives like our unique qualification scheme and internal education curriculum, as well as voluntary small group activities which are known as Asahi Small Group Activities (ASG Activities). Furthermore, we have seven courses of action (mindfulness of profits, CS, information, cooperation, CSR, growth, and risk) which adopts a results-oriented personnel system that fairly and impartially evaluates the degree to which each and every employee contributes to business performance. As such, we endeavor to foster human resources with a fighting spirit.

● Employee Training Program

Our company provides education suited to the employees' level of proficiency from the time they join the company (Entrance Training, Step-up Training, Power-up Training), as well as education and training for selective human resources by rank (Junior Leader Training, Manager Training, Leader Training). In addition to which we also

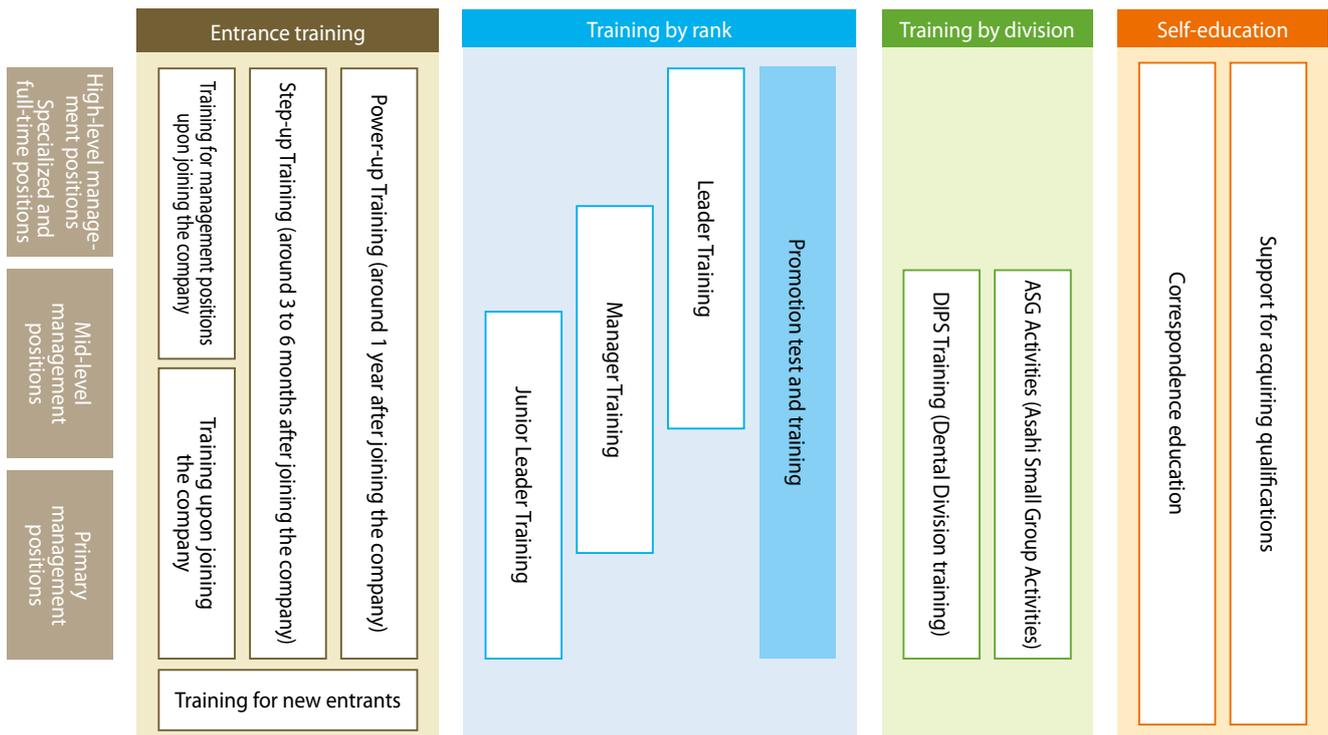
instill each individual with the practical knowledge needed by professional human resources through training by division and technical ability education. We have also established training programs which make it possible to nurture specialized capabilities.



Step-up Training



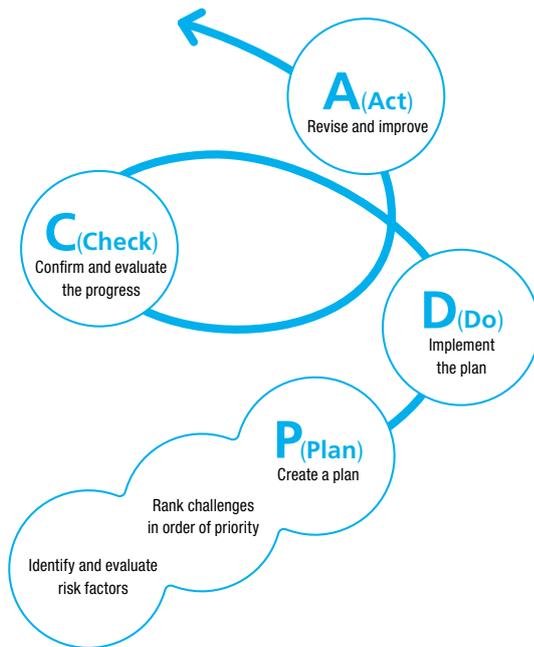
Power-up Training



Promoting Safety and Health Activities

Initiatives for OSHMS

It is essential to nip disasters in the bud by focusing on the innumerable risks latent in the workplace and reducing such risks in advance so as to reduce the number of disasters. Our company aims to improve the safety and health standards of our workplaces by incorporating the reasoning behind the Occupational Safety and Health Management System (OSHMS*) and reducing risks. Our OSHMS is based upon reducing workplace risks by repeatedly applying the PDCA Cycle. This is a sequential cycle which runs from “establishing a plan” based on assessments of factors contributing to risk and hazards (Plan) -> “implementing the plan” (Do) -> “evaluating the results of the plan” (Check) -> “revisions and improvements based on the evaluation” (Act).



*: Occupational Safety and Health Management System

Environmental Safety Education

Environmental safety education is conducted as part of the Human Resource Fostering Program in the employee training system described above, and teaches things like a frame of mind for safely conducting work and basic knowledge of hazardous substances. Furthermore, we also incorporate into this role play-type education which holds group discussions by envisioning specific emergency situations, such as how you should react if a fire were to break out during working hours. We also contrive of means to enable individuals to correctly understand the actions that should be taken at the actual work site.



Environmental safety education

In terms of on-site support, on-the-job training (OJT) is provided by specialized staff concerned with health and safety at our sales and plant sites. We strive to improve health and safety in workplace environments by means of safety instruction to workers and persons in charge.



Plant training

Responding to Emergencies

By way of safety measures at plants, our company seeks out risks regarding our business activities, decides on a "Safety Promotion Director" for each work site, and takes preventive measures. In addition, we have set in place a structure for promptly responding to any problems in the event that something should occur. Furthermore, as a means of responding within the company and outside the company when emergencies occur, we have completed the "Emergency Response and Management Manual." We have also distributed "Accident and Disaster Response Procedures," which contain essentials for responding to accidents and disasters when they initially occur, and have mandated that every employee must carry these with them at all times.

We set up the disaster headquarters led by our CEO of Asahi Holdings on the day of the Great Eastern Japan Earthquake in March, 2011. Then we confirmed all of the safety of our employees and their family members and offered support for our damaged production/sales sites to be restored.

Holding General Meetings of Employees

We hold general meetings of employees every year. At the general meetings of employees a number of different activities are held, including a message from CEO, presentations on the previous term's performance and priority issues for the current term from the various division directors, ASG presentations by selected teams, and discussions between top management and employees.



General meeting of employees

Safety Commendation Activities

Every year, we strive to enhance awareness of safety by holding activities to commend business sites and employees who have made a contribution to safety management at general meetings of employees.



Safety commendation

Creating Vital Workplaces Through Small Group Activities

We implement what we call Asahi Small Group Activities (ASG Activities) with voluntary participation from employees within the same workplace. Through these activities, participants use their creativity to work toward solving issues and problems within their workplace. Groups with outstanding efforts are awarded at the employee general assembly.

INTERVIEW After Participating in ASG Activities

Operation improvement activities from a new perspective which places family as the main theme and connects the feelings of employees about family with motivation for work, improvement in sales performance and safety management as, "What can I do for my family? What should I do to cherish the time spent with my family?" were valued and the Hiroshima Sales Office

received the ASG Activities Highest Award for 2010. In particular, it was a good opportunity for children to understand their parents' workplace in the sales office visits by family members. We won't forget that we have families behind us and make efforts to continue to achieve zero occupational accidents, zero car accidents and traffic violations, and performance targets.



Kenji Inoue
ASG Activities Group Leader
Hiroshima Sales Office

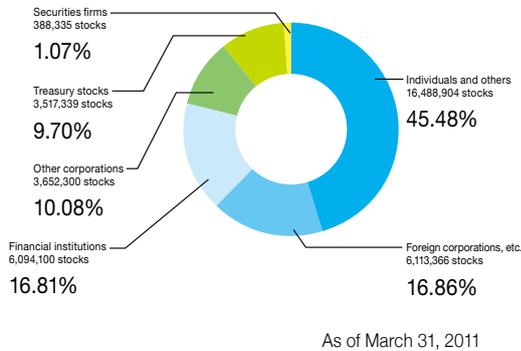
WITH OUR SHAREHOLDERS AND INVESTORS

We are proactively promoting growth strategy and striving to improve corporate value and provide stabilized returns to our shareholders through business development.

Shareholder Composition

The total number of our shareholders as of the end of March 2011 was 10,563. When it comes to the stock distribution status by holder, individuals and others hold 45.48%, foreign corporations and others hold 16.86%, financial institutions hold 16.81%, other corporations hold 10.08%, treasury stocks hold 9.70%, and securities firms account for 1.07%.

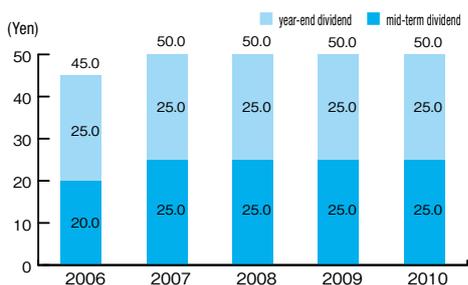
Stock Distribution Status by Holder



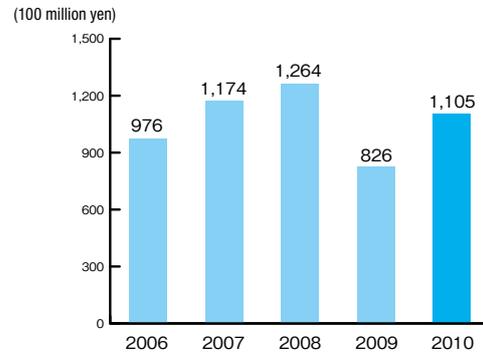
Basic Philosophy on Shareholder Returns

Our basic philosophy with regard to the sharing of profits is to “measure up to the expectations of all of our shareholders through dividends and the like by striving to raise our corporate value through maintaining a stable earning capacity and further growth.” At the same time, we also believe that “it is important to aim for ample retained earnings in order to provide for things like investment to growth sectors and new business development.” As such, we have adopted Dividends on Equity (DOE) as indicators for returns to shareholders, which is a multiple with Return on Equity (ROE) by the dividend payout ratio. Based upon this fundamental policy, with regard to shareholder dividends we will make strategic business investments to strengthen and grow our earnings structure, while also striving to continue effectively utilizing shareholders’ equity.

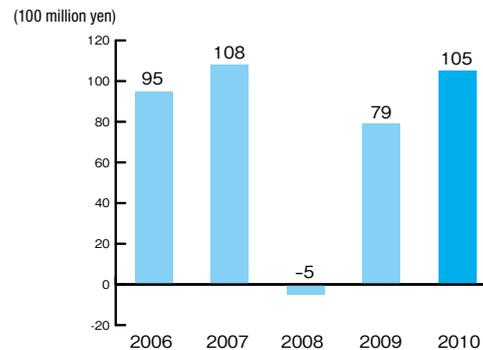
Transition of Dividend Per Share



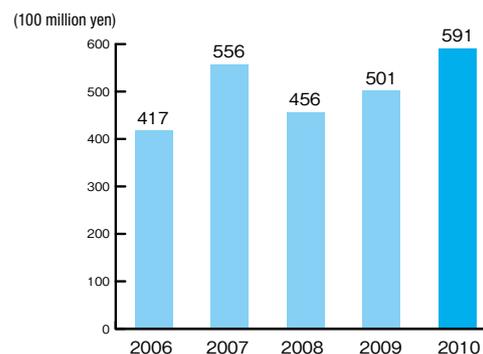
Sales



Ordinary Profit



Total Assets



Number of Employees

