



Corporate Report 2014



ASAHI HOLDINGS

The group's logo uses a spiral shape as a motif to signify our corporate stance in seeking "environmental preservation through recycling", a feature of our business, and also means continuity and growth. The arrowheads stretching upward and downward symbolize our being an advanced and cutting-edge company. The three colors of blue, red and green each respectively signifies "clean water and sky", "the energy of people doing activities" and "beautiful nature and forests".

Editorial Policy

This report has been created as a communication tool that presents basic company information and introduces our philosophy regarding "company", "environment", and "society," as well as initiatives taken in the previous fiscal year on those aspects.

Disclaimer

This report not only includes facts on the past and present of the Asahi Holdings Group, but also contains statements pertaining to future plans and prospects, and the forecasts based on our management business plan. This report inherently contains the information available at the time of editing. Consequently, actual business results and activities could differ from those projected due to management environment changes and other various factors.

Period covered by this report:

April 1, 2013 through March 31, 2014

*including some information/events beyond the above period.

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Company Overview

The Asahi Holdings Group complies in good faith with the demands of its customers and society in order to fulfill its responsibilities as a sensible corporate group

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ASAHI WAY

“Doing Our Part to Protect the Natural Environment and Resources”

Our Credo

To preserve the environment and protect earth’s natural resources, entrusted to us by future generations, by using original technology and expertise.

Our Corporate Values

Trust and bonds

Safety first: “People’s lives” over “Company name”

Innovation and challenge. No need for those without

No growth without profit

Our Employee Principles

Act with courtesy and cheerfulness

Be swift and thoughtful in our work

Immediately report bad news and inconvenient facts

Grow through achieving higher goals

The Ten Codes of Asahi Holdings Group

- #1 We will not act in violation of any relevant regulations or standards.
- #2 We will not judge or act in contradiction to social rules, customs, or our own conscience.
- #3 We will not discriminate on the basis of age, race, nationality, or title.
- #4 We will not conduct political or religious activities at the workplace or at work-related venues without permission.
- #5 We will not conduct business or services with clients in a dishonest or inappropriate manner.
- #6 We will not behave in a way that obstructs fair competition or finding ideal business partners in all transactions.
- #7 We will not disclose staff or client information obtained for business purposes, nor will we release unpublished technological, financial or personnel-related information. Furthermore, we will not buy or sell stocks or other financial instruments based on internal or confidential information.
- #8 We will not provide or participate in meals, entertainment or gift-giving for personal gain.
- #9 We will not act or behave in a manner that profits any affiliated individual or group, understanding that all work-related activities are for the greater good.
- #10 We will not overlook the slightest detail, understanding thoroughly actual sites, actual products and actual situations.

Should violations of these codes arise, top management officials at Asahi Holdings Group subsidiaries will resolve them by implementing strict and just measures, even against themselves, while investigating the cause of the incident and striving to prevent similar incidents in the future.

Company Slogan (April 2012 through March 2015)

Act III, with Asahi Way

Act I of the Asahi Holdings Group’s history was the period from its founding in 1952 until its public stock offering in 1999. Act II was the period from the stock offering until the Fifth Medium-Term Business Plan, the Group’s 60th anniversary. Act III will be the Sixth Mid-Term Business Plan, under which the Group will expand its overseas operations and develop globally.

The Sixth Mid-Term Business Plan, which raises the curtain of Act III, emphasizes three areas for action: expanding business in Asian markets, broadening our business domains through M&A, and improving the Group’s management efficiency.



MESSAGE FROM CEO

“Being recognized for increasing Corporate Value”

The Japanese economy recovered some of its strength during fiscal year 2013 with so-called “Abenomics” in the background. However, the business environment for our company was not necessarily favorable with factors such as drastic changes in the electronics industry and ever so volatile precious metal markets.

In this environment, we have focused on the three key strategies outlined in our mid-term plan. The processing plant at our Taiwan business, which we launched the previous year, has commenced operations, and activities at our Vietnam representative office is in good progress. We have steadily expanded our business in other Southeast Asian and East Asian countries. Going forward, we are also determined to make strong efforts in areas outside of Asia.

In March 2014, we have acquired and added KOEIKOGYO to our group of companies. The company is engaged in design and construction of facilities for disaster prevention, air-conditioning and sanitation, and is in the same business domain as INTER CENTRAL, which we acquired in 2012. We expect the two companies to have synergetic effects and to mutually grow in the air-conditioning design and construction area. With regards to M&A, we plan to be open minded and will pursue opportunities in broad fields.

In terms of group management, we will continue our efforts to be lean and effective, and to operate with agility and speed, leveraging Information Technology and other tools.

Our stock has been selected as one of the composition stocks for “JPX-Nikkei Index 400”, a new index that the Tokyo Stock Exchange established at the beginning of 2014. We consider this an honor, and are very proud to be one of the 400 selected among the 3400 or so listed companies in Japan. We have always managed our companies with emphasis on effective use of capital, and other shareholder oriented policies, and we consider the selection to the Index a high recognition of this management philosophy. We appreciate and value this selection just like our selection to the list of “ESG Themed Stocks” the previous year (ESG stands for Environmental, Social, and Governance).

We will continue to strive to be “strongly aware of ESG” and to “achieve sustained growth in corporate value”. Your continued support will be highly appreciated. Thank you.

May 2014



Mitsuharu Terayama
CEO

GROUP OVERVIEW

We are expanding business activities on the recycling of precious metals and environmental preservation, thereby contributing to the preservation of the earth's environment.

Asahi Holdings, Inc.

● Company Profiles

Established: July 1952
 Incorporated: April 2009
 Capital: 4,480 million yen
 Representative: Mitsuharu Terayama (President & CEO)
 Head Offices: Nissay Sannomiya Building 16F
 4-4-17 Kano-cho, Chuo-ku, Kobe,
 Hyogo Prefecture 650-0001 Japan
 Sapia Tower 11F
 1-7-12 Marunouchi, Chiyoda-ku,
 Tokyo 100-0005 Japan
 Number of Employees
 (consolidated): 1,360 (As of April 2014)
 URL: <http://www.asahiholdings.com>

Officers:
 President & CEO: Mitsuharu Terayama
 Director: Yoshikatsu Takeuchi
 Director: Tomoya Higashiura
 Director: Masaki Hirano
 Director: Keitaro Shigemasa
 Director: Kazuo Kawabata
 Outside Director: Shoji Morii*
 Auditor: Yukio Tanabe
 Outside Auditor: Kazuhiko Tokumine*
 Outside Auditor: Junzo Kojima*
 *External board members stipulated in
 Article 2 of the Company Act
 (As of June 17, 2014)

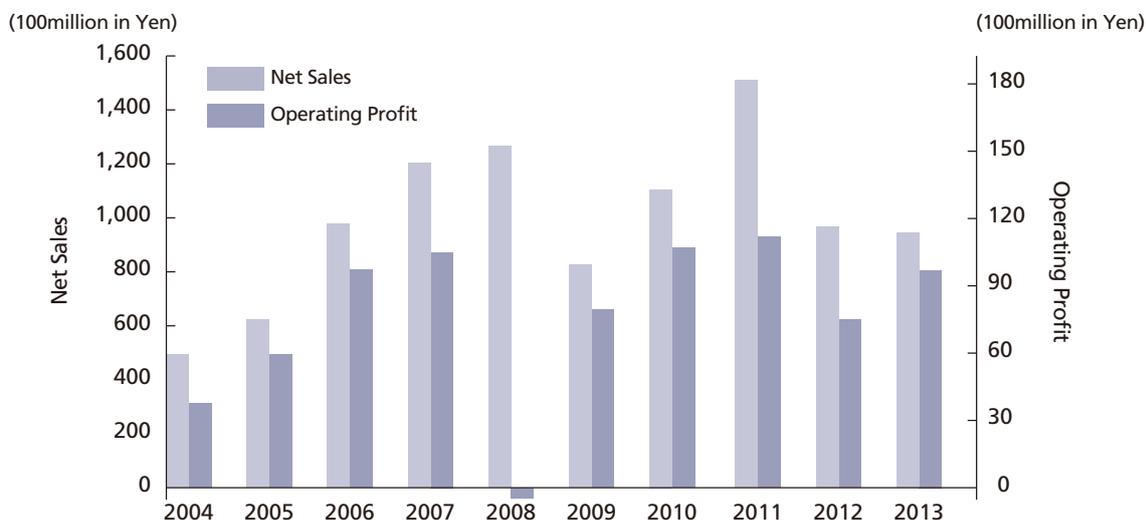


Kobe Headquarters

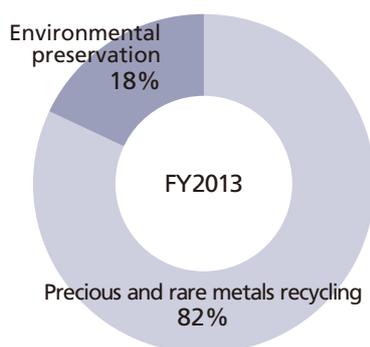


Tokyo Headquarters

● Changes in Sales and Operating Profit



● Component Ratio



Asahi Pretec Corp.

● Company Profile

Business line: Precious metals / rare metals recycling and industrial waste treatment

Representative: Tomoya Higashiura

Headquarters: Nissay Sannomiya Building 16F
4-4-17 Kano-cho, Chuo-ku, Kobe,
Hyogo Prefecture 650-0001 Japan
TEL+81-(0)78-333-5600
FAX+81-(0)78-333-5681
Sapia Tower 11F
1-7-12 Marunouchi, Chiyoda-ku,
Tokyo 100-0005, Japan
TEL +81-(0)3-6270-1820
FAX+81-(0)3-6270-1825

Number of Employees: 901

URL: <http://www.asahipretec.com>

<Domestic Business Locations>

Research laboratory: Technical Research Center (Kobe)

Plant: Saitama, Amagasaki, Kobe, Ehime, Fukuoka, Kitakyushu, Kitakyushu Hibiki

Recycling centers: Saitama, Chiba, Amagasaki

Business Office: Sapporo, Aomori, Sendai, Niigata, Kitakanto, Kanto, Yokohama, Kofu, Shizuoka, Nagoya, Hokuriku, Hanshin, Kobe, Okayama, Hiroshima, Shikoku, Fukuoka, Kitakyushu, Kagoshima, Okinawa

<Group Company> Usuda Manufacturing Co., Ltd.

<Overseas Bases>

South Korea: Asahi Pretec Korea Co., Ltd.

China : Shanghai Asahi Pretec Co., Ltd.

Taiwan : Asahi Pretec Taiwan Co., Ltd.
Asahi Shih Her Technologies Co., Ltd. (JV)

Malaysia : Asahi G&S Sdn. Bhd.

Vietnam : The Representative Office of Asahi Pretec Corp.
in Ho Chin Minh City

Japan Waste Corporation

● Company Profile

Business line: Environmental preservation (Industrial waste treatment and other environmental preservation businesses)

Representative: Yoshikatsu Takeuchi

Headquarters: Nissay Sannomiya Building 16F
4-4-17 Kano-cho, Chuo-ku, Kobe,
Hyogo Prefecture 650-0001 Japan
TEL +81-(0)78-333-5680
FAX +81-(0)78-333-5681
Sapia Tower 11F
1-7-12 Marunouchi, Chiyoda-ku,
Tokyo 100-0005, Japan
TEL +81-(0)3-6270-1828
FAX +81-(0)3-6270-1839

Number of Employees: 419

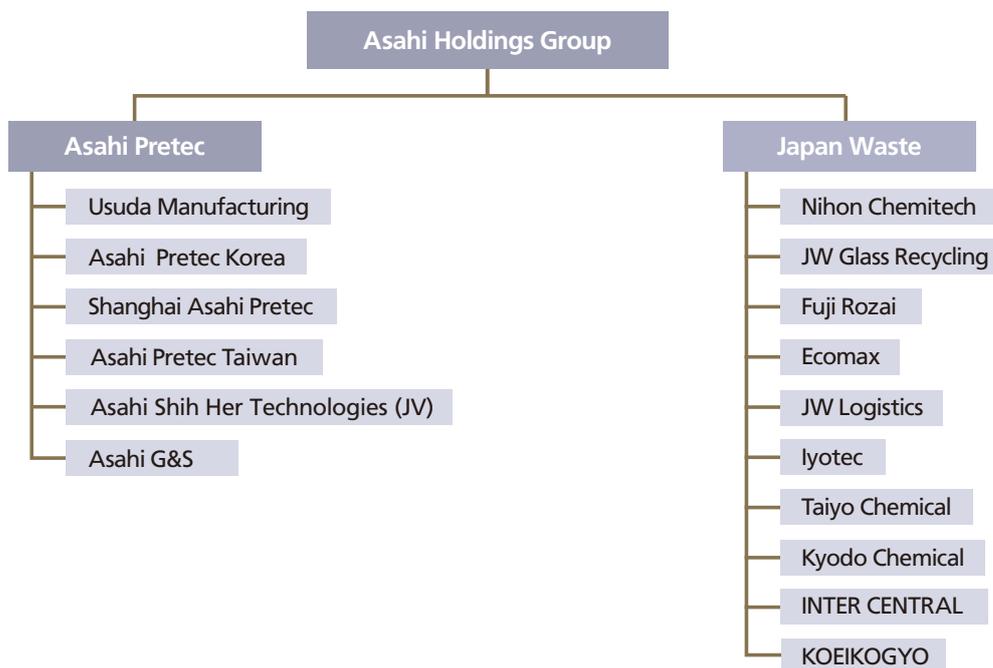
URL: <http://www.japanwaste.co.jp>

<Domestic Business Locations >

Plant and Business Office: Yokohama

<Group Companies>

Nihon Chemitech Co., Ltd.
JW Glass Recycling Co., Ltd.
Fuji Rozai Co., Ltd.
Ecomax Incorporated
JW Logistics Co., Ltd.
Iyotec Co., Ltd.
Taiyo Chemical Co., Ltd.
Kyodo Chemical Co., Ltd.
INTER CENTRAL, INC.
KOEIKOGYO CO., LTD.



(As of April 2014)

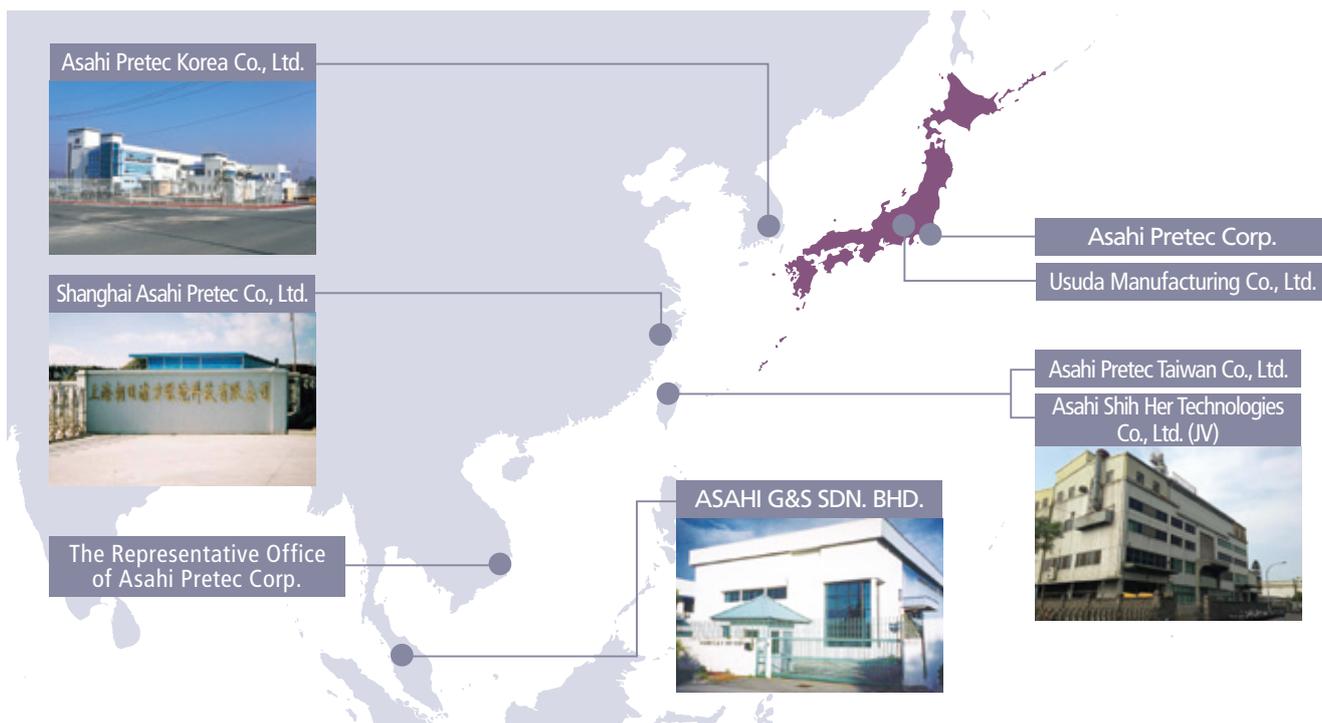
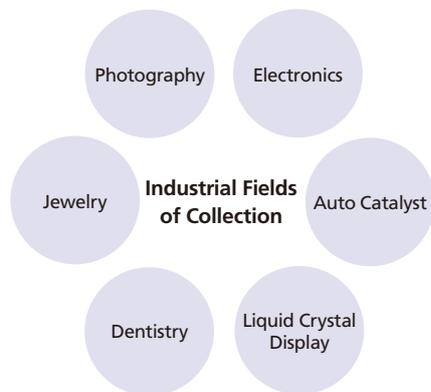
BUSINESS INTRODUCTION PRECIOUS METAL RECYCLING BUSINESS

Utilizing Effectively the Limited Resources to Contribute to the Earth and Society

We collect scraps containing precious and rare metals which are yielded from a variety of fields and recycle them mainly with Asahi Pretec as a core of precious metal recycling business,. By recycle precious metals and rare metals such as gold, silver, platinum, palladium and indium, which are essential to modern manufacturing, we are contributing to the effective utilization of resources and the industry development

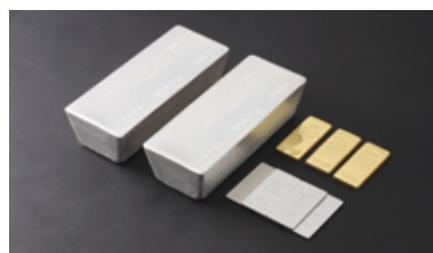
There are a wide variety of fields and regions in which precious metal raw materials can be recovered.

Utilizing overseas locations and sales networks that cover the entire country, we efficiently recover and recycle precious metals and rare metal resources from various industry fields such as electronics, auto catalysts, liquid crystal display, dental, jewelry, and photography.



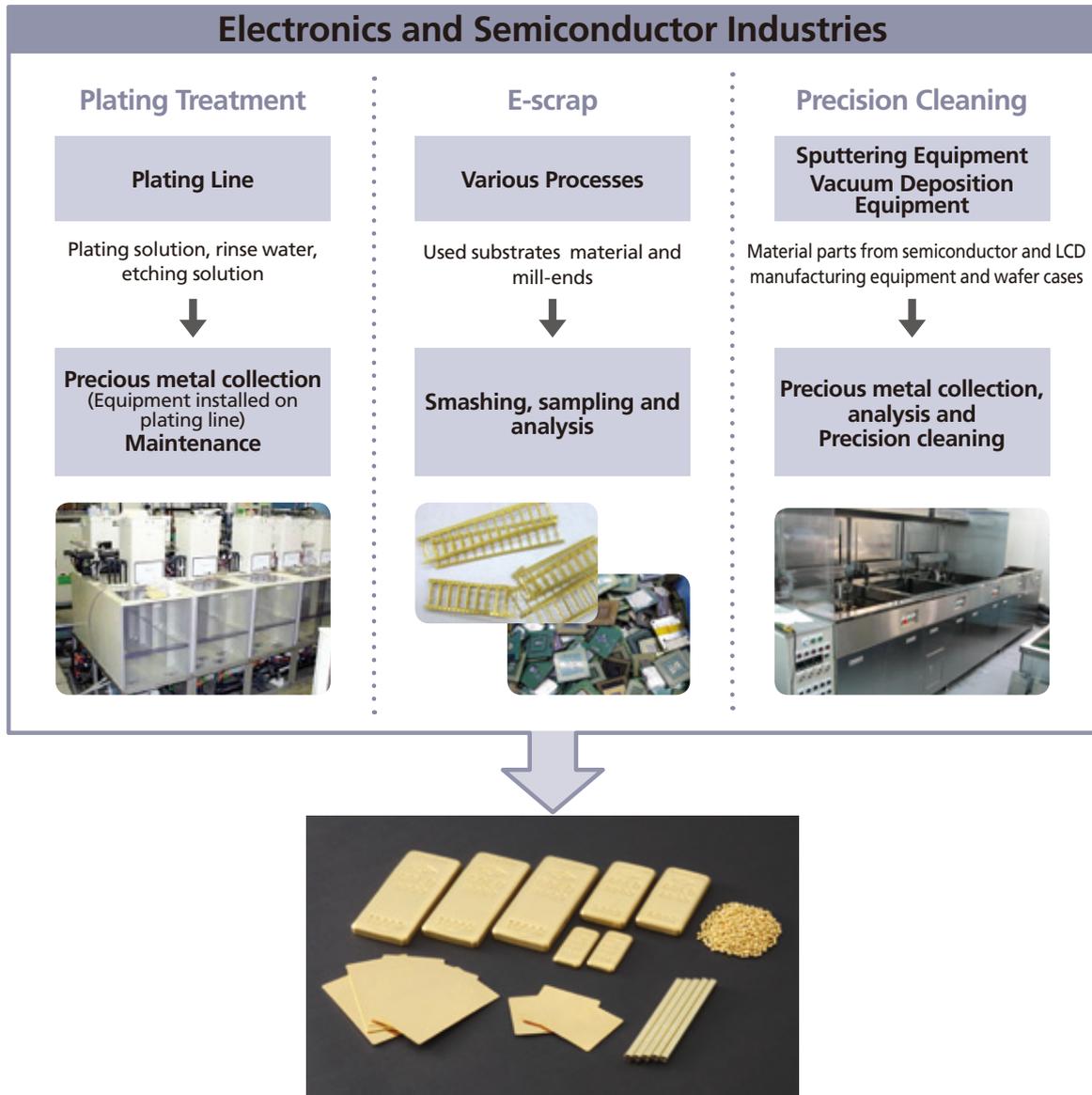
Our Reliable Quality Receives High Accolades from Japan and Overseas.

Asahi Pretec is a full-fledged member of the Japan Gold Metal Association and its gold, silver, platinum and palladium metals are recognized as brand products for the delivery supply of the Tokyo Commodity Exchange. Additionally, those metals are highly regarded in the global market for their reliable quality, with gold and silver being recognized by the London Bullion Market Association (LBMA), and platinum and palladium being certified by the London Platinum and Palladium Market (LPPM) as good delivery bars.



Electronics

In the electronics and semiconductor industry, precious metals and rare metals are used in the manufacturing process of electronic components and PCB (Print-Circuit Board) in PCs and portable terminals. We recover and recycle precious metals and rare metals that are yielded from a variety of processes, leveraging our prominent technology.



In addition, we collect IT equipment such as PCs from offices, factories, data centers, etc. in Japan. We contribute to reducing environmental burdens and creating a recycle-oriented society through thorough material analysis and recycling of the materials used.

Handling of Conflict Metals

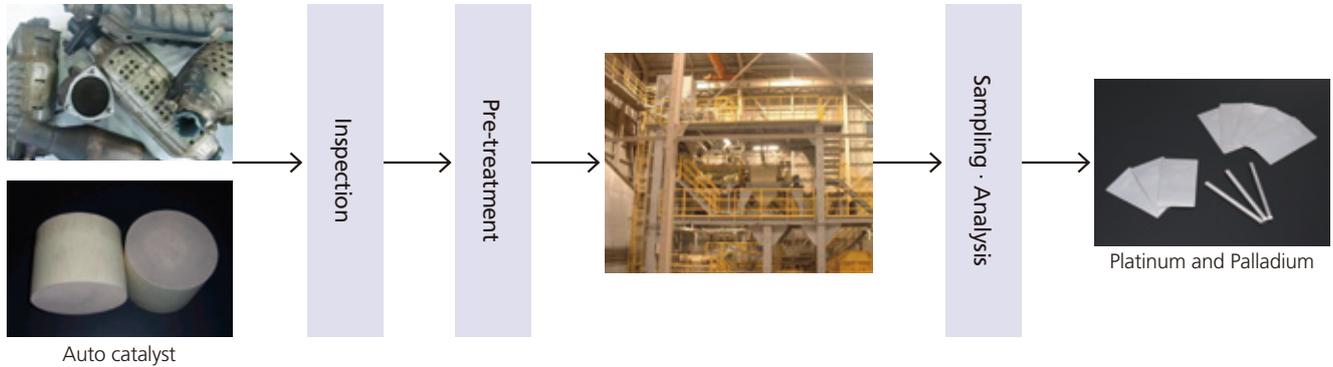
In order for customers all over the world to make use of our precious metal products without anxiety, we adhere to strict rule on neither purchasing nor using any conflict minerals. Receiving a designated third-party audit, in compliance with "EICC Gold Conflict-Free Smelter Program",*1) we acquired the relevant "EICC Gold Conflict-free Smelter Program Certification" *2)

*1) Conflict metals can be defined by any conflict minerals derived from countries or regions, in which any inhumane acts such as conflicts, human trafficking, slavery, force labor, child abuse, war crimes, terrorist activities, or any fraudulent activities such as money laundering, which can become a source of war chests.

*2) URL: <http://www.conflictreesourcing.org/>

Auto Catalyst

In accordance with environmental regulations concerning exhaust fumes such as the Air Pollution Control Act , the NOx/PM Act for auto catalyst area, and other laws, precious metals such as platinum, palladium and rhodium are used as catalysts for automobile exhaust gas. We are making efforts to recycle precious metals from automotive catalysts, chemical catalysts, etc. utilizing our unique technology.



Liquid Crystal Display (LCD)

In the field of Liquid Crystal Display (LCD), indium is yielded from portable terminals, automotive accessories, etc. Through our own advanced technologies, we have developed the process of recycling precious metals.

TOPICS

Start-up Factory Operation in Taiwan

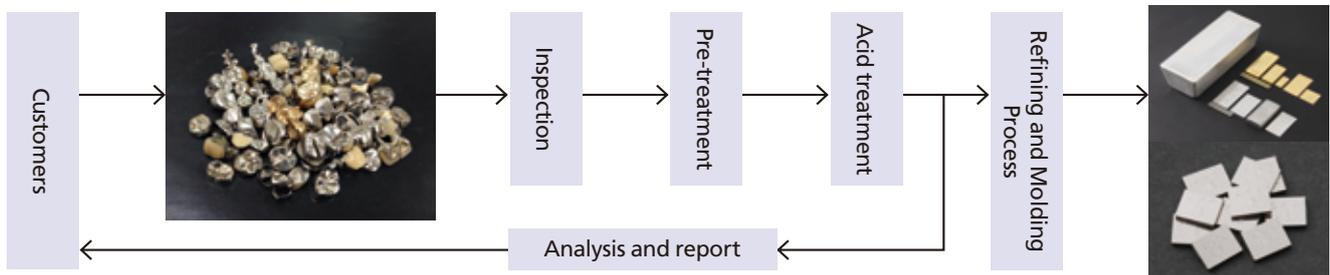
In December 2013, Asahi Pretec Taiwan commenced its factory operation at Hsinchu Industrial District, adjacent to Hsinchu Science Park. The factory develops both "Precious Metal Recycling Business" and "Precision Cleaning Business". In the recycling business, we recover and recycle precious metals with efficiency, yielding from a variety of industry fields. In the precision cleaning business, we develop precious metal separation and cleaning technology from parts of semiconductor/LED manufacturing equipment. The cleaning business are conducted by Asahi Shih Her Technologies, which was established in March 2013 as a subsidiary of Asahi Pretec Taiwan as a JV with Shih Her Technologies.



Taiwan is the agglomerations of electronics, semiconductor, and other high-tech industries. Especially, Hsinchu Science Park, where our factory is adjacent to, is congregated with world-class companies, factories and research laboratories and offers a great atmosphere with nature and cultural environment resources. The park contribute a lot to the development of the global high-tech industries. As a group company of Asahi Holdings, Asahi Pretec Taiwan will continuously expand the precious metal recycling business and the precision cleaning business in Taiwan.

Dentistry

Removed tooth crowns and cast chips from dental clinics and laboratories are valuable precious metals resources containing gold, palladium, silver, etc. Through our unique management system, we realize the shortening of the analysis delivery time and the accuracy improvement of the analyzed values with the double and triple cross check process by process.



Asahi Metal Account System (For Dental Customers)

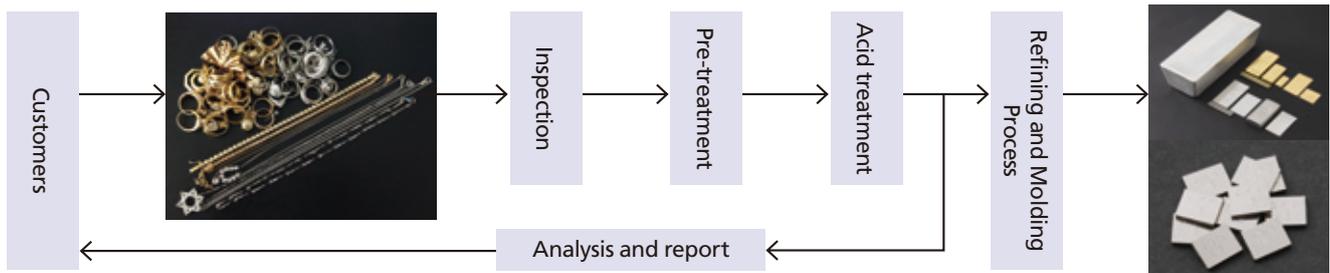
Asahi Metal Account System ^{*1)} is the first service in the field of the dental industry. Based on the analysis results of the precious metals collected from dentists or dental laboratories, we keep the metals and customers deposit them on the web. According to the balance of the deposit on the web, customers can choose either cash settlement or actual metal products return^{*2)} at their own discretion. The systems is highly recognized and successfully-used by customers.

*1) Prior application is required to enroll in Asahi Metal Account System

*2) Actual metal return is exclusively only for gold

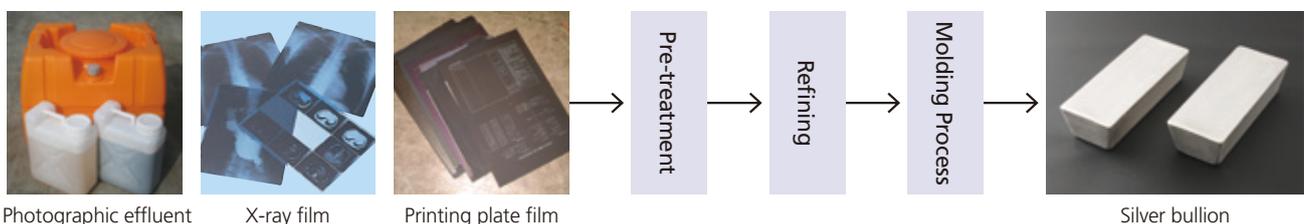
Jewelry

Based on our advanced analysis and precious metal refining technologies, we collect buffing powder and electrolytic polishing solutions, etc. in the manufacturing process and respond to various recycling required in the distribution process, etc. We are subcontracted by jewelry manufacturing organizations for "precious metal scrap collection and analysis". Our many years of proven performance have earned the profound trust with all of our customers.



Photography

We collect photographic effluent, X-ray film, printing plate film, etc that are disposed by photographic developers, medical institutions, printing plate makers, etc and recycle the silver and detoxify the remaining solutions. Film cases, cartridges, and medicine bottles are also recycled as raw materials after being compressed and crushed to achieve zero-emission material recycling.



The Technical Research Center

Symbolizing Technology

For “recycle of precious metals and rare metals” and “detoxification and recycling of industrial wastes”, we have promoted proprietary research and development with analytical technology improvement. The Technical Research Center was established in Kobe High-Tech Park as the nucleus of R&D. We are looking to take even greater strides forward as a company that contributes to society through improvements in quality and technical innovation.



R & D

We anticipate the demand of our customers and strive to create new products and business through the application of the accumulated elemental technologies and the development of new technologies.

- (1) Technology for separating and refining of precious and rare metals
- (2) Environmental preservation and resource recycling technology
- (3) Precious metal molding and refining technology
- (4) Applied neutral electrolysis water technology



Analysis

As Asahi Holdings Group's core analysis function, we support a diversity of corporate activities using the latest analytical equipment and high-level analysis technology. In addition, we play an important role in maintaining and enhancing the trust with our customers and client companies.

- (1) Development of new analysis technology
- (2) Technical guidance for analysis groups at each plant and sales office
- (3) Purity analysis of precious metal products and dental alloys
- (4) Environmental analysis of issues such as factory wastewater discharges
- (5) Environmental measurement certification



Engineering

Using cutting-edge technology, experts from each business area design, produce, construct and provide maintenance of facilities in domestic and overseas subsidiaries, helping to support safe and stable operation of the facilities.

- (1) Design, production, construction and maintenance of facilities and buildings
- (2) Maintenance control of existing facilities
- (3) Installation of precious metals collection facilities for our customers and after-sales service



LBMA Proficiency Testing

The London Bullion Market Association, LBMA, has launched the new scheme called “LBMA Proficiency Testing” since FY2012 in order for accredited refineries to maintain and enhance their assaying accuracy ability. Asahi Pretec achieved solid results in the analysis values in a couple of the Proficiency Testing, in which the 40 accredited refineries participated. The internal proficiency test program is implemented for the further improvement of our assay technical experts.

BUSINESS INTRODUCTION

ENVIRONMENTAL PRESERVATION BUSINESS

We contribute to the global environmental preservation mainly performing the detoxification and appropriate disposal of various types of wastes. We respond to our customers' varied needs by offering the proprietary technology which our group companies have cultivated over many years in their respective fields

Striving for providing high-value added services in a variety of field

We promptly meet the diversified and sophisticated needs of our customers through disposal technology that is specially suited to each industry.

- Asahi Pretec Sales Offices
- Plants
- Group companies

INTER CENTRAL, INC.

(Iwate, Hokkaido, Sendai, Akita, Kanazawa, Tokyo, Nagoya, Osaka, Fukuoka)

- Manufacturing and sale of electric heating equipment and design and construct of radiant air-conditioning systems

Iyotec (Hyogo)

- Labor dispatch, recruitment and outsourcing services to various manufacturers

Ecomax (Kanagawa)

- Process of concreting burnt residues, dust and sludge generated from incinerators, etc.

Taiyo Chemical (Kagoshima)

- Processing of wastes from the electronic components industry and hospitals, etc.
- Photosensitive materials business

JW Logistic

(Yokohama, Kawasaki)

- Collection and transportation of industrial waste and specially controlled industrial waste

KOEIKOGYO (Yokohama)

- Design, construction and maintenance of facilities for disaster prevention, air-conditioning and sanitation

Kyodo Chemical (Hokkaido)

- Collection, transport and intermediate processing of industrial wastes
- Photosensitive materials business

Nihon Chemitech (Saitama, Yokohama, Ibaraki)

- Processing of effluent from plants such as those in the semiconductor industry
- Processing of organic liquid waste and fermentation/composting of sludge

JW Glass Recycling (Tokyo, Hokkaido, Miyagi, Gunma, Shizuoka)

- Recycling of glass sheets and bottles

Japan Waste (Tokyo, Yokohama, Kawasaki, Kanagawa)

- Production of fuels from waste oil
- Production of cement materials from sludge, etc.
- Recycling of wood chips
- Processing of wastes from electronic & IT devices
- Cleaning of semiconductor manufacturing equipment

Fuji Rozai (Tokyo, Yokohama, Nagano, Kobe)

- Regular maintenance and demolition work of glass manufacturing kilns and waste incinerators
- Collection, transportation, immediate processing and recycle of fire-proof bricks, etc.
- Construction/demolition work

TOPICS

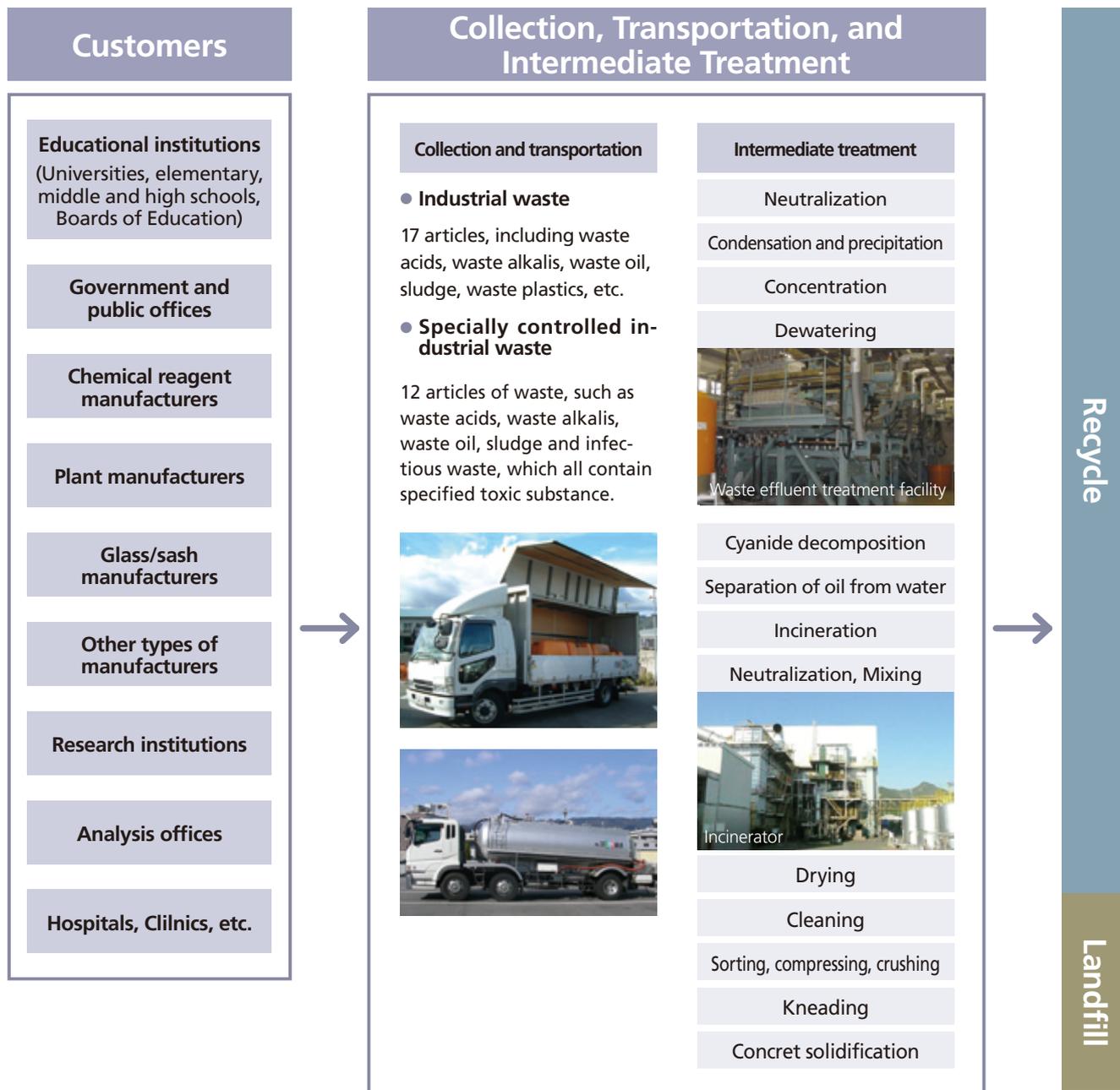
Incorporation of KOEIKOGYO CO., LTD. into our Group

In March 2014, KOEIKOGYO CO., LTD. was added into our Group as a subsidiary of INTER CENTRAL, INC. which is one of our consolidated subsidiaries and engaged in design and construction of radiant air-conditioning systems. KOEIKOGYO has provided the design and construction of facilities for disaster prevention, air-conditioning and sanitation to public facilities, hospitals, cultural and commercial institutions, etc. We will continuously make a group-wide contribution for the development expecting synergy effects with INTER CENTRAL.



WE DEVELOP ONE-STOP SOLUTION FOR VARIOUS WASTES WITHIN OUR GROUP

We have acquired permission for the collection, transportation, and intermediate treatment of most articles of industrial waste and specially controlled industrial waste, and have created a structure that allows us to dispose of such waste appropriately and promptly. Furthermore, we are promoting the establishment of distinguished detoxification and disposal technology and working towards one-stop solution within our group in the environment preservation business.



Licenses acquired by our Group

(As of March 31, 2014)

- | | |
|--|--|
| <ul style="list-style-type: none"> ■ Industrial waste collection transportation license : ■ Industrial waste disposal license : ■ Specially-controlled industrial waste collection transportation license : ■ Specially-controlled industrial waste disposal license : ■ Certified company as the environmentally sound management of hazardous wastes and other wastes : | <p>(Asahi Pretec) All prefectures and government ordinance cities
 (Japan Waste) 24 prefectures and 2 government ordinance cities
 All prefectures and government ordinance cities
 15 prefectures and 9 government ordinance cities
 (Asahi Pretec) All prefectures and government ordinance cities
 (Japan Waste) 12 prefectures and 8 government ordinance cities</p> |
|--|--|

* In April 2011, laws concerning industrial waste management were revised and a recognition system for excellent industrial waste management companies was newly created. Prefectures and government ordinance offices select companies which conform with their strict standards such as ability for implementation of operations, actual performance, etc. Our group companies will pursue for acquiring the certification to organize our systems so that customers can contract business without anxiety

Treatment of Specified Hazardous Waste Acid, Waste Alkaline and Waste Reagents

It is necessary to appropriately treat waste acid and waste alkaline discharged from plants and business offices and waste reagents which are unnecessary at laboratories and institutes of universities and private companies. These various kinds of waste are treated for detoxification on the line exclusively at each plant by utilizing technology which has been cultivated over many years by our group under thorough safety management procedures. Waste is separately stored in containers in accordance with classification standards of our group and measures are taken to prevent abnormal reactions during collection, transportation and storage. We analyze and provide appropriate treatment of waste reagent with a bottle being peeled off label, which precludes the gauge of the content.



Packaging Work



Waste Reagent Treatment Facility

High-Speed Microbial Treatment of Waste Acid/Alkaline and Sludge

After removing hazardous substances from waste liquids from plants and offices, even if liquids contain nitrogen and phosphorus, they are detoxified and purified to under environmental management standards value for water discharge by our original technology, such as microbial treatment, etc., and are discharged. In particular, energy consumption and CO₂ emissions are lower than the ones of other treatment methods.

Sludge after neutralization and dewatering of waste liquids are reused for raw materials of non-ferrous metals and steel. Some sludge which cannot be recycled is sent for landfill disposal.



Micro Organisms Facility

Concreting of Hazardous Substances

Some wastes from incinerators that contain burnt residues, dust, sludge and harmful substances (heavy metal such as arsenic, lead, chrome, selenium, etc. and dioxin.) may not be suited for recycling. We process concrete with waste into a solidified form (insoluble) in such a way that harmful substances will not be eluted. We possess original facilities and technologies that prevent harmful substances from eluting into the natural environment even under powerful acidic conditions.



Insoluble Treatment Facility

Cleaning and Treatment of Hazardous Wastes

We clean and treat the hazardous waste on the semiconductor manufacturing devices and a variety of laboratory equipment from manufacturers of semiconductors, electronics components and research laboratories. After cleaning and treatment, the devices and equipment are separated by material and recycled for the reduction of environmental burden.

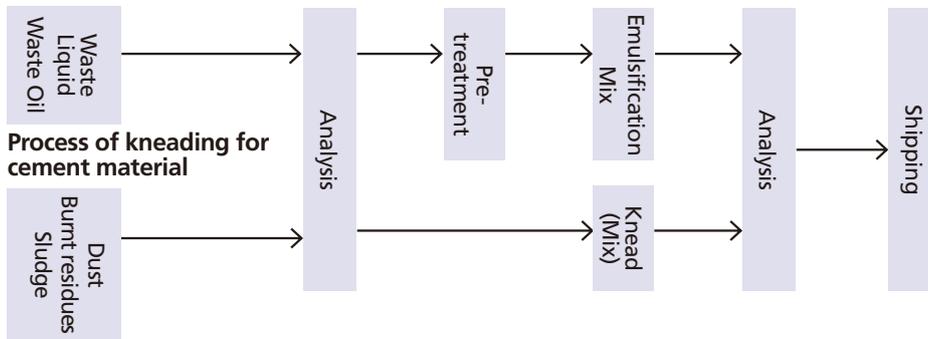


Precision Cleaning System

Recycling of waste oil and sludge

Based on analysis results, various kinds of waste oil and liquid waste are blended in an optimal formula, and the ingredients are adjusted to produce supplementary fuels used in cement production and waste incineration. Furthermore, sludge and burnt residues are also recycled into cement materials by adjusting their ingredients and moisture and by kneading. Thoroughgoing analysis is also performed upon receiving and shipping for its quality maintenance control as qualified recycled materials.

Process of neutralization · mixing for fuel



Process of kneading for cement material



Waste Oil and Product Storage Tanks



Manufacturing Facility for Cement Raw Material

Wood waste recycling

Wood chips made from crushing demolition wastes and other wood wastes are recycled into biomass generation fuels and particleboards.



Wood Chips

Fire-Proof Brick Recycling

Disused fire-proof bricks produced from demolished furnaces of glass manufacturing and periodic repair work of incinerators are carefully separated and treated with the aim of recycling for reuse as fire-proof bricks and paving materials.



Fire-proof Bricks

Glass Recycling

We collect sheet glass and glass bottles from glass manufacturers, sash manufacturers and local municipalities. Sheet glass scraps and glass bottles collected are reused and sold for high-quality glass cullet after separation and crushing at our plant. Glass scraps which are not usable for glass materials are recycled as paving materials. Through glass recycling, we are helping to prevent exhaustion of mineral resources and reduce the environmental burden.



Glass Cullet

Organic Waste Liquid and Sludge Recycling

Organic food waste liquids discharged from food manufacturing plants and restaurant chains are neutralized and dewatered. The filtered liquid is purified by microbial treatment to less than the emission standard value and then discharged into sewers. Sludge, after composting through fermentation and maturing process, are made an effective use by farmers as organic fertilizer.



Fermented Compost Facility

Energy-saving Effects

We manufacture and sell eco-friendly heating equipment with clean and energy-saving effects. We also design and construct most leading-edge radiant air-conditioning systems. A wide variety of products and systems are provided to schools, hospitals, cultural institutions, commercial facilities, and general homes. We pursue the possibility of air-conditioning for the better and more comfortable living environment.



Construction Example

For the Environment

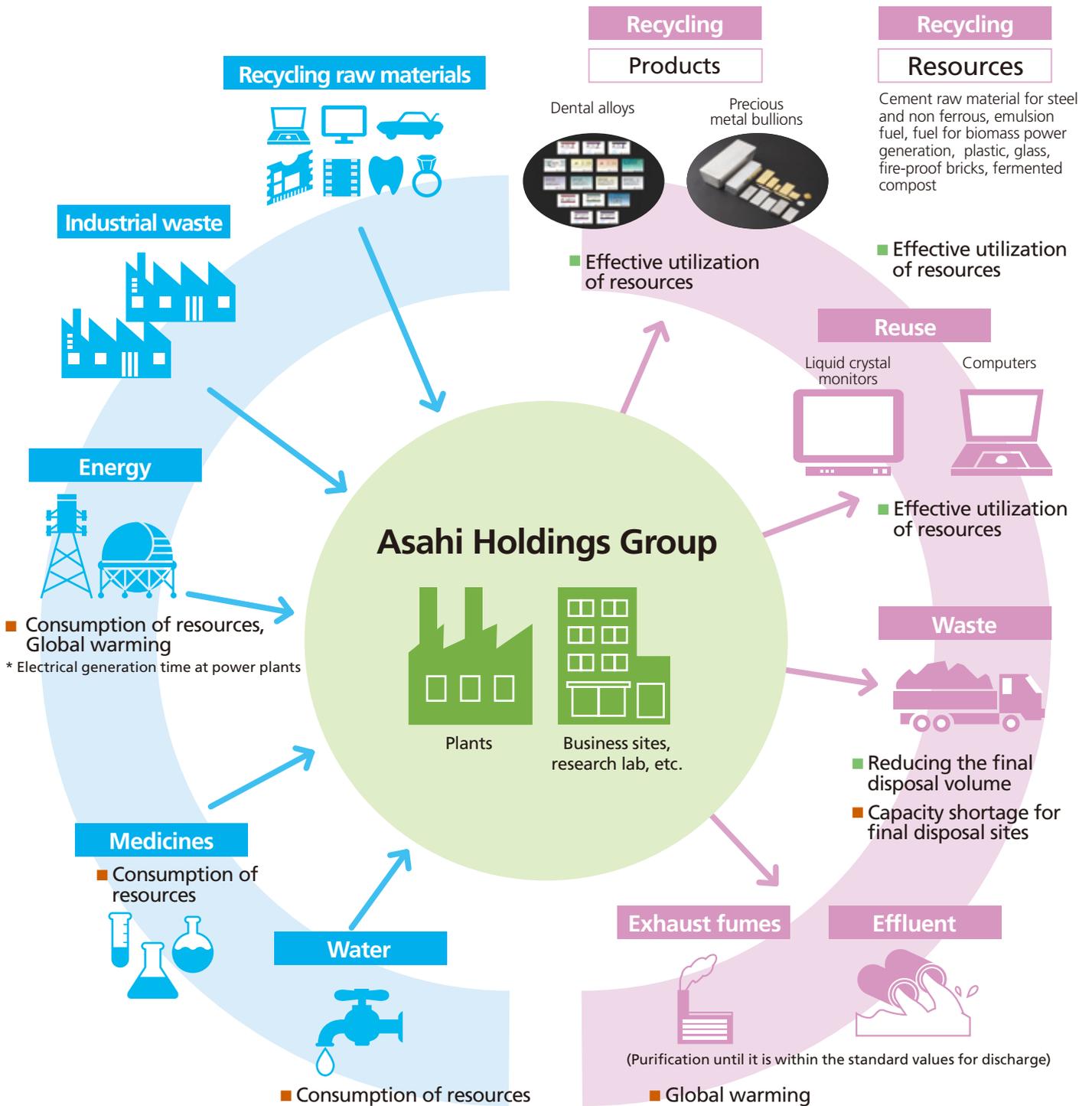
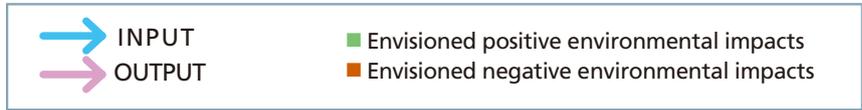
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ENVIRONMENTAL IMPACT RESULTING FROM BUSINESS ACTIVITIES

“INPUT” represents resource and energy, which is necessary for business activities and “OUTPUT” represents environmental impact through business activities



Environmental Performance

The energy, resources (water), chemicals, and etc, used in our environmental preservation, precious and rare metal recycling business activities are listed as "INPUT" data, while the environmental burdens given off from performing business activities with the substances are listed as "OUTPUT" data.

The volume of CO₂ emission has been decreased by reviewing the production efficiency and the disposal process, the amount of energy usage remained the same level as the previous year. However, group-wide CO₂ emission amount increased on year-to-year comparison due to the raise of CO₂ coefficient at electricity companies.

INPUT

	Unit	FY2009	FY2010	FY2011	FY2012	FY2013
Electricity	MWh	21,674	24,097	23,816	23,035	22,963
Heavy oil	kl	1,466	1,465	1,192	891	739
Kerosene	kl	379	440	440	451	449
Light oil	kl	2,965	3,216	3,200	3,176	3,241
Gasoline	kl	848	899	914	928	917
Urban gas	1,000 m ³	527	64	27	13	12
LPG	t	17	20	22	19	13
Water	1,000 m ³	345	378	364	336	322
Chemical, etc.	t	13,293	13,189	14,191	13,140	12,688

OUTPUT

	Unit	FY2009	FY2010	FY2011	FY2012	FY2013
CO ₂ emissions	t	24,327	24,798	23,863	25,474	26,946
Effluent*	1,000 m ³	208	246	251	217	180
Waste	t	16,644	16,249	17,719	16,048	15,460

* Purified until under environmental management standards values for discharge.

Environmental Accounting

For the promotion of environmental management, we have introduced environmental accounting since FY2005 and publicly disclose costs related to environmental preservation. These are prepared in accordance with the Environmental Accounting Guidelines of the Ministry of the Environment.

● FY2013 Environmental Preservation Costs

(Unit: million yen)

	Category	Major Initiatives	Expenses	Investments
1. Cost within business areas	(1) Cost of preventing pollution	Control and maintenance of gas emission facilities, water drainage, and etc.	361.4	14.5
	(2) Cost of protecting the earth's environment	Energy conservation activities (power-saving, improvement of fuel-efficiency for vehicles, and etc.)	11.2	19.1
	(3) Cost of recycling resources	Entrustment of industrial waste treatment	213.7	0
2. Cost of upstream and downstream		—	0	0
3. Cost of management activities		<ul style="list-style-type: none"> ● SO14001 management activities ● Disclosure cost of environmental information 	72.8	0
4. Cost of research and development		<ul style="list-style-type: none"> ● Improving efficiency for the precious metal refining process ● Decreasing the volume of landfill disposal 	40.3	0
5. Cost of social activities		Clean up activities in the neighboring communities	2.8	0
6. Cost of handling environmental damages		—	0	0
Total		—	702.3	33.7

GLOBAL WARMING PREVENTION EFFORTS

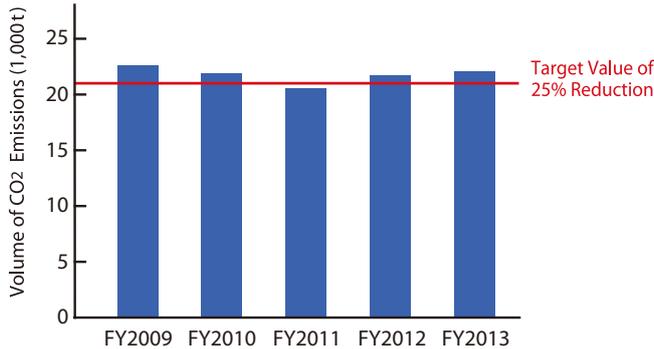
Target: Cutting GHG* emissions by more than 25% by 2020 from a 2008 base of 100

* Energy source CO₂ determined in the Global Warming Countermeasures Law

Major Actions

- ① Effective use of waste (alternative use for fossil fuels)
- ② Renewal to energy efficient equipment, facilities and buildings
- ③ Effective use of waste heat from incinerators
- ④ Expansion of use of waste fuels

● Greenhouse Gas Emissions (Energy sources: production, transportation and offices, etc.)

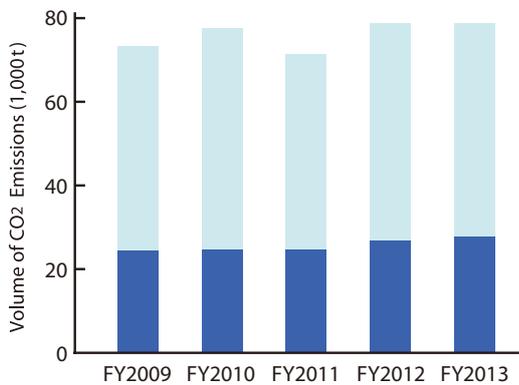


By improving energy efficiency and seeking further streamlined operation of the facilities/equipment, we have contributed to the reduction of electricity and fuels. While the energy usage at our offices*¹⁾ in FY2013 was reduced by 30% compared to base year, CO₂ emission stayed at the 22% reduction level compared to base year due to the electricity coefficient was raised.

■ GHG emission amount for reduction target

* Targets are business lines at offices, which were operated at the time of FY2008

● Greenhouse Gas Emissions (Net emissions*: production, transportation and offices, etc.)



Group-wide CO₂ emission in FY2013, together with energy source CO₂ and non-energy source CO₂ emission, was 80,000t and increased by 3% on the same period last year. CO₂ emission amount was increased due to the 2% increase of the incineration amount of the industrial waste and the higher electricity coefficient although the amount of usage remained the same as the previous fiscal year.

■ Emission amount of energy source CO₂

■ Emission amount of non-energy source CO₂

* Calculation of Greenhouse Gas Emission Volume (comply with Law Concerning the Promotion of the Measures to Cope with Global Warming)

[Energy Origin CO₂]=[CO₂ released in connection with use of electricity and fossil fuels]

[Net Emissions]=[Energy Origin CO₂]+ [CO₂ released in connection with incineration of industrial waste]

● Solar Power Generation System



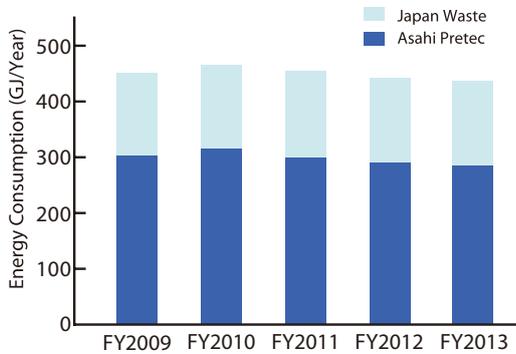
Explanation of electric generation condition via monitor

Asahi Pretec Corp. installed a solar power generation system with a 20kW generation capacity at Hanshin Office and started selling all amount of the power generation to Kansai Electric Power Co., Inc. from April 2013.

Total power generation in FY2013 was 126,000kWh, which comes to about 63,000t converted into the amount of CO₂ reduction. Trying to absorb the same annual amount of CO₂ through the artificial forest of Japanese cedar, it would require about an 8ha land (4,500 pieces of tree) to cover the amount.

ENERGY-SAVING EFFORTS

● Energy Consumption (production, transportation and offices, etc.)

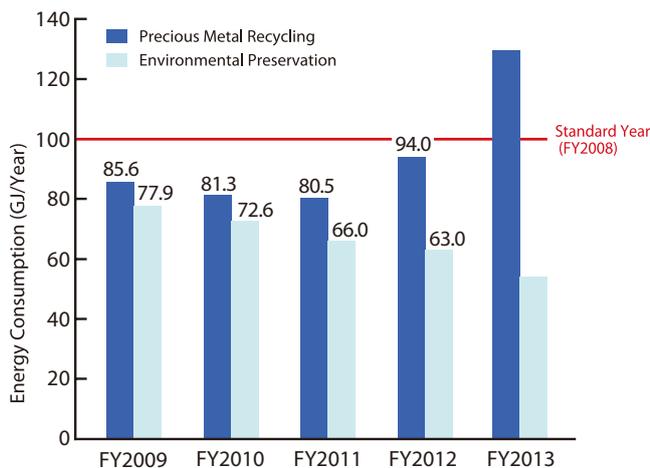


The amount of group-wide energy consumption remains almost the same level as the previous year. In Asahi Pretec, the amount of the energy consumption was decreased by 2% through the following measures:

- = Energy-saving Efforts (Asahi Pretec)=
- *Promotion to use recycled oil at Ehime Plant
- *Electricity reduction by intensive use of compressors (Kita-kyushu Plant)
- *Introduction of LED lightning system (Technical Research Center, Saitama Plant, Kobe Plant, etc.)

In Japan Waste, the amount of the energy consumption was, however, increased by 2% on the same period last year due to the increase of the volume treated although we have promoted energy-saving activities.

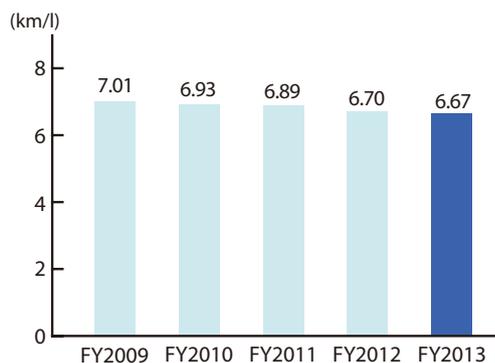
● Energy Consumption Rate compared to FY2008 (Asahi Pretec)



In Precious Metal Recycling Business, energy consumption rate got worse on year-to-year comparison due to the production volume.

In Environmental Preservation Business, energy consumption rate was raised by 10% by means of replacing the facilities with higher energy-efficiency and maintaining more efficient operation for the incinerators.

● Vehicle Fuel Consumption (Asahi Pretec)



We have promoted eco-friendly drive by utilizing digital tachometer graph and improved transport efficiency by reviewing the collection routes.

FY2013 vehicle fuel consumption remained at the same level as the previous year although there were minor factors such as superimposed load increase, which leads to low fuel consumption, and auto weigh increase due to the introduction of boxy trucks.

REDUCTION OF ENVIRONMENTAL BURDEN THROUGH BUSINESS ACTIVITIES

Results of Our Group's Environmental Burden Reduction (FY2013)

We evaluated the major businesses and tasks of the company group to see how much of the environmental burden in the society as a whole has been reduced through our business activities. As the subjects of evaluation, we make calculations in regard to (1) the reduction volume of natural resources, (2) the volume of recycling, (3) the volume of controlled greenhouse gas emissions and (4) the effects of reduction of final disposal in the two business divisions - precious metal recycling and environmental preservation, (5) Stabilization of toxic substances.

Business process	Environmental Preservation								
	Precious Metal Recycling	Treatment of effluent	Recycling of glass and fire-proof bricks	Treatment by incineration	Fermenting and composting	Fuel production for energy generation	Freon detoxification treatment	Burnt residue and sludge	IT equipment recycling
Reduction of environmental burden									
Saving exhaustible natural resources	●		●	●		●			
Recycling		●	●		●	●			●
Reduction of greenhouse gases	●						●		
Minimization of the final disposal volume			●	●	●	●			◆
Stabilization of toxic substances								●	

● Calculated by weight
◆ Not targeted for numerical evaluation

Result of minimization of the final disposal volume excludes waste oil, waste acid and waste alkaline, which are brought to us. The volume is the reduced one through our industrial waste treatment, which equals to the volume without treatment of controlled landfill.

Results of Saving Exhaustible Natural Resources

Through recycling all kinds of raw materials, we are cutting back on the amount of natural resources (precious metals, non-ferrous metal ores, agalmatolite, quartz sand, plaster, forests, etc.) that are being mined or felled, thus contributing to the protection of the global environment.

Precious Metal Ores (Precious Metal Recycling)



Recycling materials containing a lot of precious and rare metals contributes to saving mineral resources, such as precious metal ores.

2,118.3 Kt /year

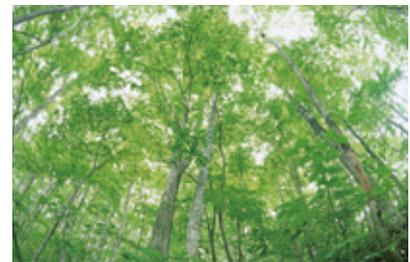
Fossil Fuels (Effective Use of Waste)



By making effective use of waste heat energy (waste oil and plastics, etc.) in an incinerator, fuels (fossil fuels) required for incineration can be reduced.

8.4 Kt /year

Timber (Construction Waste Recycling)



Wood chips made from wooden construction waste are used as a carbon-neutral fuel in place of fossil fuels.

60.0 t /year

Recycling (including reuse products)

A variety of industrial wastes are recycled into raw materials and are mainly used to produce the following recycled/reused products: Wastes used are shown in parentheses “()”.

Glass cullet
(bottles, waste glass sheets)



93.6 Kt /year

Fermented compost
(Food wastes, organic sludge)



14.4 Kt /year

Wood chips
(Construction scrap wood)



60.0 t /year

Non-ferrous metals materials
(Liquid waste containing metals)



4.2 Kt /year

Refractory brick paving materials
(Furnace waste materials)



4.1 Kt /year

Scrap metals
(Construction metal scrap, OA equipment)



4.2 Kt /year

Fuels/raw materials for cement
(Plastic waste, waste oil/liquid waste, wood chips, sludge)



5.4 Kt /year

Clay waste



10.5 Kt /year

Emulsion fuels



3.8 Kt /year

Results of Reducing Greenhouse Gases

115.3 Kt /year

We are making contributions to help reduce greenhouse gas emission through business activities such as the collection of precious metals, glass, fire-proof bricks and CFCs.

● Gold

Amount of CO₂ emitted from mine production



Amount of CO₂ emitted from our company's recycling production



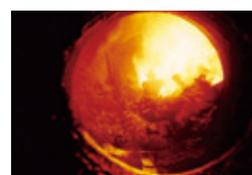
Stabilization of Harmful Substances

24.8 Kt /year

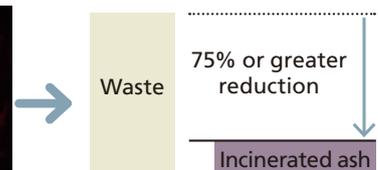
Results of Minimizing the Final Disposal Volume

Waste reduction volume: 29.7 Kt /year

The final disposal volume (landfill disposal) can be reduced by incinerating waste.



Treatment by incineration



Burst residue, smoke dust, sludge and etc., containing harmful substances such as heavy metals, dioxins, lead, arsenic, chrome, selenium and so on, are unsuited for recycling. We stabilize the harmful substances by concrete solidification treatment so that they will not elute from the wastes. In FY2013, the amount treated of the toxic substances is 24.8Kt and its stabilization ratio is 98.9%.

ENVIRONMENTAL MANAGEMENT

Environmental Policies

We will contribute to the environmental preservation of the earth and establish a sound material-cycle society through the company's businesses on recycling of precious and rare metals and industrial waste treatment.

- (1) In all business activities we will strive to conserve resources and energy and reduce, reuse, and recycle waste to minimize the environmental burden.
- (2) We will promote the recycling of resources of precious and rare metals to achieve a more effective use of the limited resources of the earth.
- (3) We will adequately and safely perform our operations for the collection, transportation, and treatment of industrial waste to prevent environmental pollution.
- (4) We will prioritize a harmonious coexistence with nature and regional communities. We will strictly follow the relevant environmental laws and regulations and other requirements which we recognize.
- (5) We will establish environmental objectives and targets and periodically review them to continue improving our activities.
- (6) We will educate all our employees and increase their environmental awareness as members of the community, promote their understanding of environmental preservation activities, and participate in such activities.

These environmental policies shall be conveyed to all of our employees and all those working for the company and announced to the public as our commitment.

Environmental Management Promotion System

Our "Company-wide Environmental Purposes and Goals (annual plan)" is developed based on the Environmental Policy that establishes our environmental preservation philosophy. According to the above established purposes and goals, each business office with ISO14001 develops its own "Annual Environmental Purposes and Goals" and implements environmental preservation activities closely related to their business tasks. Furthermore, the Environment Committee of each center abides by the regulations set by the environmental law, revises plans and examines environmental education, etc. and provides reports to the management. While the ISO Office controls the environmental management system (EMS), an environmental preservation supervisor is assigned for each business office as an aim to implement thorough promotion of environmental activities.



ISO14001 Approval Status

Asahi Pretec has acquired ISO14001 Certificate at 22 locations since 2000 when Technical Research Center was initially certified. Consequently, our group companies as a whole have acquired ISO14001 Certificate at 10 companies with 35 locations. We will continuously develop ISO14001 maintenance and improvement activities by promoting the integration of our operation and ISO14001 Certificate.



ISO14001 Certificate

ISO14001 Environmental Audits

Regular inspections are carried out on the state of compliance with specifications by an external examining authority for ISO14001 activities. Moreover, internal environmental audits are conducted at least once a year at business sites in order to ensure that EMS is being properly administered.



Regular External Audit

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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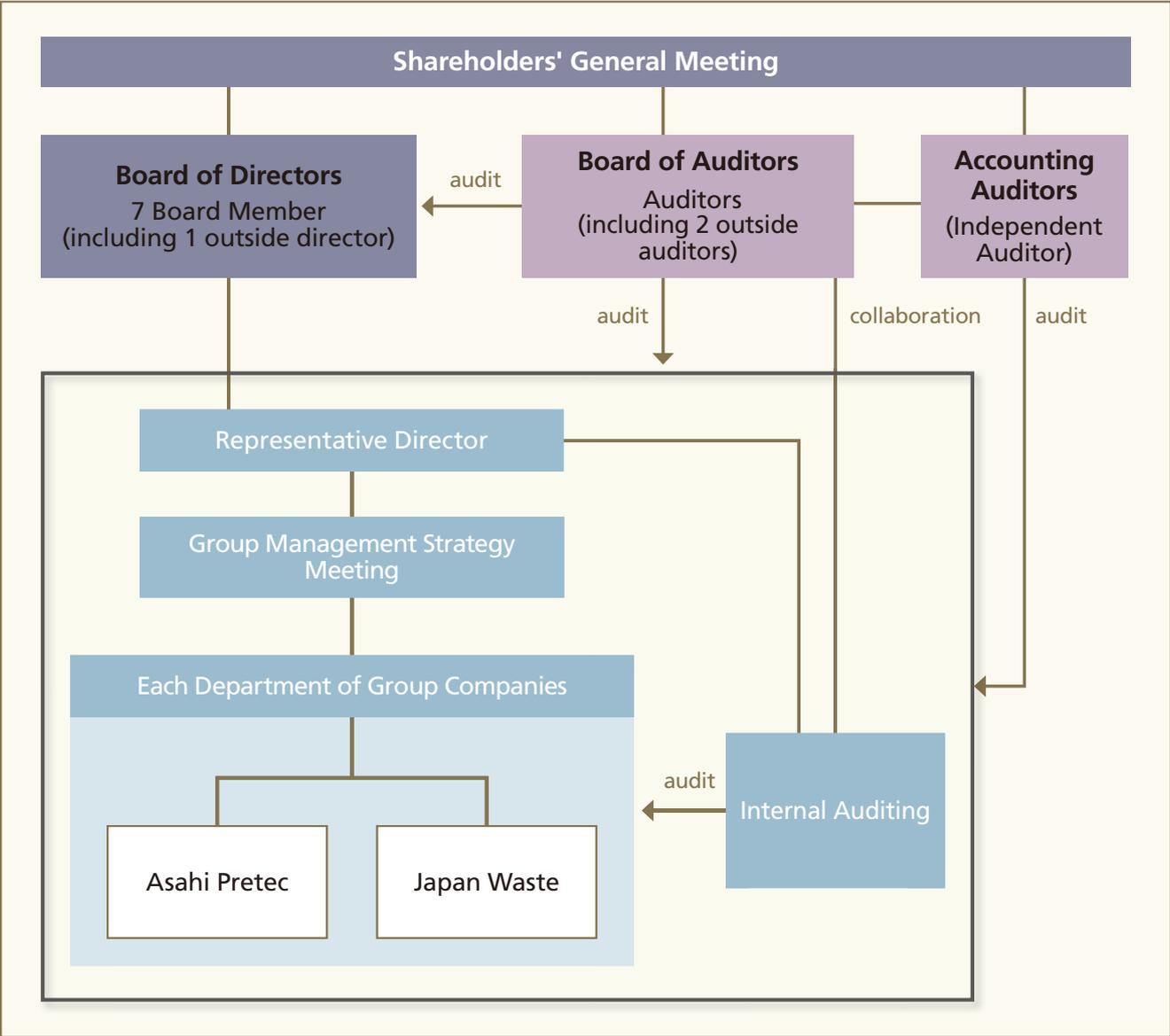
CORPORATE GOVERNANCE

Under the holding company structure, the Group is committed to building a stronger group governance and driving risk management

Corporate governance philosophy

In order to meet the expectations of stakeholders and to maximize the corporate value, we are committed to enhancing our corporate governance with Asahi Holdings taking the initiative as a holding company. Operating companies, Asahi Pretec and Japan Waste make timely decisions and develop operations in each specialty area in order to reinforce competitiveness and expand profitability. With each company carrying out its functions, we will strive to achieve lasting growth and development as a corporate group. Currently, one out of the seven directors and two out of the three statutory auditors are selected as external corporate executives, monitoring and supervising management from an independent perspective.

Asahi Holdings Corporate Governance Structure



Maintaining an internal control system

We have enhanced our internal control system by establishing a structure in which the Board of Directors, Board of Corporate Auditors, Accounting Auditors, Internal Audit Department, and Internal Control Department each works effectively to develop regulations and implement company-wide initiatives regarding compliance, risk management, and information management. Additionally, Asahi Way provides codes of conduct the Group employees should adhere to in order to perform fair and sound business activities.

Compliance

We consider compliance a priority issue in delivering fair business activities and ensuring legal compliance and high ethical standards. Particularly, operations related to appropriate processing of wastes are based on environmental laws and regulations as well as governmental licenses, and each and every employee is required to always act with a highly compliant mindset. We are conducting activities to raise the legal compliance awareness of each and every employee through education and mutual communication, along with rules and manuals related to compliance.



IT Protection Education Program

Internal reporting system

To quickly identify and resolve problems such as unlawful and unjust behavior, we have set up “Asahi Hotline” (internal issue-reporting program). An external law firm acts as a contact point and responds to calls, including anonymous disclosures. We improve a system where disclosed matters are to be investigated and corrective actions taken without revealing the identity of the disclosing and disclosed parties.

Risk management

To properly manage apparent and potential risks in business activities, we study risks from a comprehensive standpoint, against which assessment is performed and actions taken. We are working hard to prevent risks from arising, and to minimize losses when risks develop into a crisis, through the promotion of risk management.

Business continuity plan (BCP)

Due to various factors such as large scale disasters, there is a risk that our Group’s functions needed for business continuity may weaken. As an action plan to achieve quick restoration of mission-critical functions even after a disaster, we created a business continuity plan and have carried out the following initiatives:

- Installation of power generators in major plants to supply backup power
- Suppression of peak power [use] by adjusting running hours of plant equipment and by saving electricity in offices
- Strengthening of backup of information systems including servers
- Decentralization of some parts of production and processing (multiple locations supplementing each other)
- Enhancing of earthquake resistance in equipment and facilities
- Reinforcement of facilities to prevent leakage or diffusion of chemicals, etc.
- Storing of drinking water and food at all Group locations
- Maintaining a system for safety confirmation and updated emergency contact information



Stock-pile for Emergency

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.

● Fair trade initiatives

Our group articulates "Prohibition of Acts That Compromise Fair Competition", "Confidentiality of Supplier Information and Technology", "Prohibition of Inappropriate Offering/Receiving of Benefits" in the Asahi Way (page 3) and other rules, to ensure fair trade practices and compliance with corporate ethics.

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 managementsystem. 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

Acquisition of ISO 9001 approval

Asahi Pretec Co., Ltd.
Technical Research Center
Fukuoka Plant
Ehime Plant
Saitama Plant

Risk Management System for Information Leakage

We employ the latest security measures on PCs and tablet-type devices used by sales persons. In case of the property loss or theft, we can reduce the possibility of information leakage close to as zero by means of deleting the information through remote operation, and etc. Recycling Centers located in Saitama and Amagasaki acquired ISO27001 certification in March 2011. We provide a data deletion and HDD destruction, etc. service as measures 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 OUR COMMUNITIES

Understanding and support for our business from people of the local community is indispensable for us since we develop our business operation across the county. To be a company that coexists with society as a corporate citizen, we carry out activities that are rooted in communities in various ways

Our Initiative Activities

● Adopt Program in Koga City, Fukuoka Prefecture

Fukuoka office participates in a volunteer program, "Adopt Program in Koga City". This program is designed for being attentive to beautification and conservation activities aiming for beautiful cityscapes by Koga City, partnering with corporations and business offices. To enhance our awareness for environmental beautification of public spaces such as roads, etc., a variety of organizations like elementary schools, junior high schools and high schools in Koga City conduct the activities regularly. We will continuously make an active contribution for the environmental conservation of the community.



● Forest Project of Kobe Association of Corporate Executive

We participate in "Forest Project of Kobe Association of Corporate Executive (KACE)", a volunteer program hosted by KACE. Three years have been passed since we initially joined the program, whose objective is to assist efforts to foster the forests over five years. We develop the activities to deepen our understanding for nature and to nurture the forests for the next generation through forest improvement, such as tree thinning and cutting on Mt. Futatabisan in the Rokko Mountains, and nature observation.



● Registration as a Place for "Refuge for Children Dial 110"

Aomori office has registered and conducted a volunteer activity, called "Refuge for Children Dial 110", for the children's safety in the community. We offer drop-in emergency assistance and refuge for children as a temporary shelter when they suffer something dangerous or fear for their physical safety. At the same time, a report for the police, school, family, etc. are provided to protect their safety. A poster for "Refuge for the Children Dial 110" is posted at a place where children can easily recognize. We will make an effort to conduct community-based activities to foster a safety environment, in which children can live free from anxiety.



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.



©V. Dupont/Medecins Du Monde
Medical assistance by Medecins Du Monde

<Major organizations that our company assists>

- The 8020 Promotion Foundation



- Medecins Du Monde Japon, a Specified NPO
(Provides medical assistance to people suffering from wars and natural disasters)



- Nippon Foundation ("TOOTH FAIRY" Project)



- The Japan Cleft Palate Foundation, a Specified NPO
(Provides medical assistance to children with oral handicaps such as cleft lips and palates)



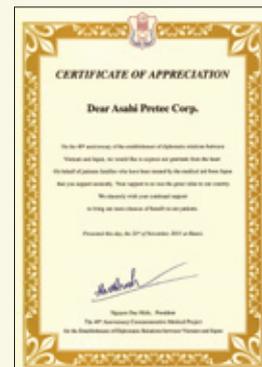
TOPICS 1

Medical Support by Free Operation for Patients with Cleft Lip and Palate in Vietnam "

Japan Cleft and Palate Foundation is engaged in support activities for children with congenital physical imperfections and provides free operations, relief work in developing countries, etc. The Foundation has been engaged in medical assistance activities over 20 years in Vietnam and provided free operations for about



Awards ceremony at the convention



3,000 people with cleft lip and palate. Asahi Pretec, as a cooperative company, has carried out support activities through our precious metal recycling business. Our assistance activities were highly appreciated and we received a letter of appreciation from Principal of Hanoi Medical University at an international convention, which was held in Hanoi by commemorating the 40th anniversary of diplomatic relations between Vietnam and Japan. We continuously serve social roles through our precious metal recycling business.

TOPICS 2

A visit of Hidaka High School for our Factory Tour

We perform a factory tour as part of CRS activities for high-school students. In October 2013, 80 students from Hidaka High School in Wakayama Prefecture were welcomed to Amagasaki and Kobe Factory for each site factory tour. We mainly introduced rare metal refining process at Amagasaki Factory and Treatment process of industrial wastes at Kobe Factory.



WITH OUR EMPLOYEES

We aim to create a livable and cohesive workplace through respect for the individuals and daily work. Also, we are providing various support so that each and every employee can bring out the best in their work and find their duties “rewarding” and “fulfilling”

Creating an Environment Where People Can Work Free from Anxiety

Work-Life Balance

It is very important not only for employees but also for the company to go through life with giving free scope to one's talent and striking a balance between challenging assignments and fulfilling personal life. The important things in one's personal life diversify according to individual values such as family, health, sports and hobbies. We support all employees, as a corporate, in order for them to have a balance between private and work life.

● Employee General Meeting

An employee general meeting is held every year. At the meeting, a message from CEO, the previous fiscal year's performance results and the priority issues of the current fiscal year are presented. Also a panel discussion between top management and employees are implemented.



General Meeting of Employees

● Mental Healthcare

We believe mental health care is vital for the employees' productivity and the improvement of vitality. We provide an individual consultation and a preventive seminar working with an industrial physician with expertise in mental health-care.



Individual Consultation

● Our Healthcare Administration

Regular physical examination programs (e.g. checkup for preventing lifestyle-related disease, checkup for people engaged in designated operations, and general medical checkup), which are required by law, are offered to all employees. For those aged 45 or above and all managers, a comprehensive medical checkup program is offered. We also support medical checkups for brain and PET scans for early detection of cancer upon requests from eligible employees.

100% of the employees go through these routine checkups, which shows that both the company and the employees are committed to improving health, preventing disease, and detecting early symptoms.



Mental Health Care Management Training

● **Self-assessment system**

Once a year, all employees are asked to carry out a written self assessment on topics including how effectively they are using their abilities, their suitability for their roles, their feelings of challenge and accomplishment, and the atmosphere in their workplace, and are invited to write about their desired career path. The report card also includes a checklist to self-diagnose the degree of fatigue accumulation. The completed self assessments are submitted directly to the HR department, which works together with employees' managers and supervising directors in order to adjust personnel assignments, improve the work atmosphere, and promote a feeling of rewarding and encouraging work.

● **Interviews for all employees**

Every three years, individual interviews are conducted for all employees. Employees are asked about their current work environment and their jobs in the interview. In order to improve the working environment by taking into account the work-life balance for each employee, employees are advised to maintain an appropriate workload as well as appropriate number of working hours.

● **Employee Survey**

Every three years, an "employee survey" is given to all company employees. This survey is carried out in order to grasp objectively employees' satisfaction, attitudes, values and recognition of corporate culture concerning workplace, assignment, supervisors and the company. The survey results are used to promote the further development of the organization and its employees.

● **Employment of Disabled Persons**

Employees with impairment engage in each job at the same workplace with healthy people.



● **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.

● **Holiday for Refreshment**

We provide a welfare benefit plan, "holiday for refreshment", where employees can take 3 to 5-consecutive-day holiday every year from the 2nd year after joining the company. Added to the weekends, 9-consecutive-day vacation can be taken. Employees can enjoy spending time with family in traveling and doing hobbies.



● **Supporting Company Club Activities**

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



Fostering Human Resources

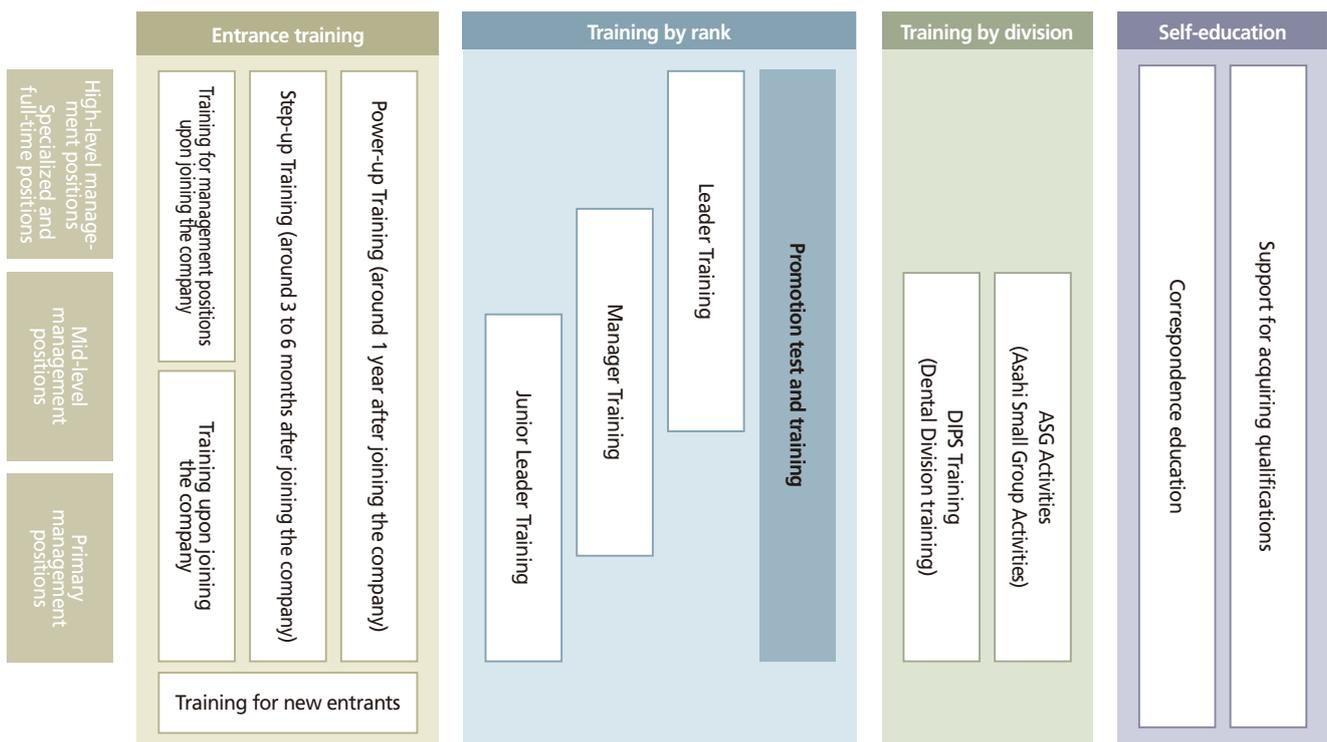
Human Resource Development

Employees at all levels/in all lines of work are encouraged to become professionals with an emphasis on expertise, and are offered original certification programs as well as internal educational curriculums. Additionally, so-called ASG Activities are carried out in small groups on a voluntary basis. Furthermore, we hope to cultivate ambition in employees through a performance-based personnel system which evaluates the performance and contributions of each employee in an impartial and fair manner.

● 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.



Power-up Training



Junior Leader Training



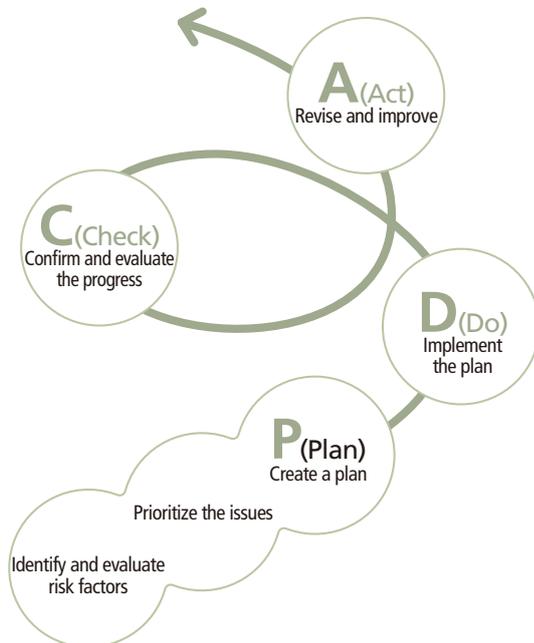
Manager Training

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 such risks in advance so as to reduce the number of industrial accidents. 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, in which attitudes toward conducting a safety work and basic knowledge of hazardous substances are educated. Furthermore, we also incorporate a role-play discussion into the education assuming a specific emergency situation such as fire breaking-out during working hours. We also devise 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 of safety and health at the site of sales and plant. We strive to improve health and safety in workplace environments by means of safety guidance for workers and persons in charge.



Plant training

TOPICS

Project for Accident Eradication

Social demand for safety has steadily been increasing year by year while we have promoted proactively to extract, improve and reduce potential risks at the workplace. Therefore, we started "Accident Eradication Project" in October 2013. By assigning the top management as the project leader, we aim to construct a prompt and essential safety management system. We aim for providing a safe workplace so that employees can work free from anxiety by securing, maintaining and improving higher safety standards.

Responding to Emergencies

As safety measures, we examine risks in business activities closely and decide a "Safety Promotion Administrator" at each site in order to prevent accidents/problems. In addition, we organize a system properly for a prompt response in the event that something unexpected occurs.

As a means of internal and external response at the time of emergency, we have prepared "Management Manual for Emergency" and also distributed "Manual at the time of Accident and Disaster" to all employees, which stipulates guidelines at the initial stage of accident and disaster.



Emergency training

Safety Commendation Activities

We make an effort to enhance our awareness for safety and every year some business sites and employees are commended for their contribution to their outstanding achievement at the general meeting of employees.



commendation for safety activities

Creating Vital Workplaces Through Small Group Activities

We implement Asahi Small Group Activities (what we call "ASG Activities") with voluntary and independent 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 general meeting of employees.

INTERVIEW Taking Part in ASG Activities

I work at Administration Group in Yokohama Office in charge of administrative task of Precious Metal Recycling and Environmental Preservation Business. Our FY2013 target of ASG(AsahiSmallGroup) activities is to enforce our organizational power by focusing on the following three - "Efficiency in Operation", "CS Improvement" and "Cost Reduction".

For operational efficiency, we reviewed all office work and offered effective alternatives for improvement and put them into practice. For CS improvement, we promoted to share information internally and to enforce communication for smooth and sophisticated telephone skills. For cost reduction, we reconstructed a system, in which each employee could address cost reduction proactively by raising each individual's awareness of responsibility for the cost reduction.

Implementation of this restructuring through ASG activities resulted in reform of the mindset of all members of Administration Group. This activity developed the willingness for one's task and enforced the communication among others that led to improve the strength of both organization and motivation as a group of "thinking". Furthermore, we will engage in organization management keeping in mind "Innovation and Challenge" stipulated in ASAHI WAY, our corporate credo without being satisfied of the situation in which we are now.

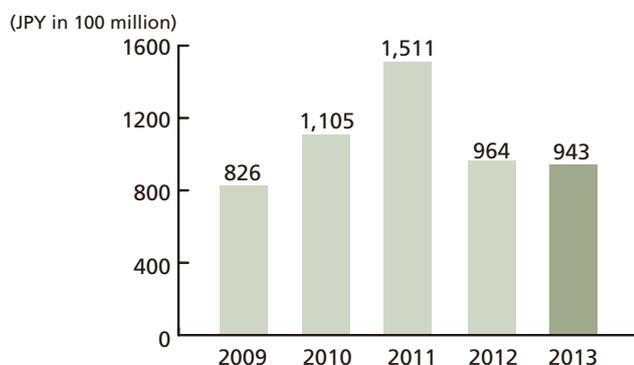


Group Leader Hiroataka Nagaoka
Yokohama Office

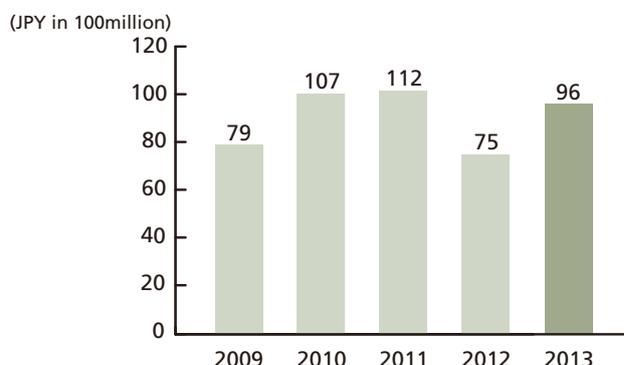
WITH OUR SHAREHOLDERS AND INVESTORS

We are proactively promoting strategic focus on growth and striving to improve corporate values through business development and provide stabilized returns to our shareholders

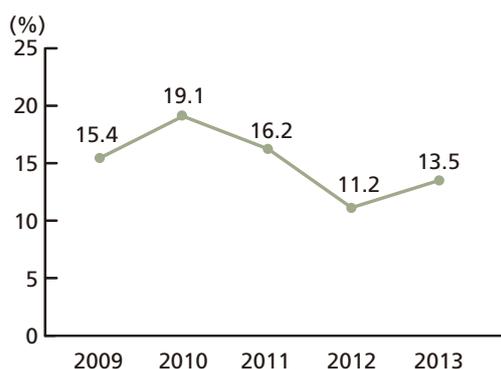
● Net Sales



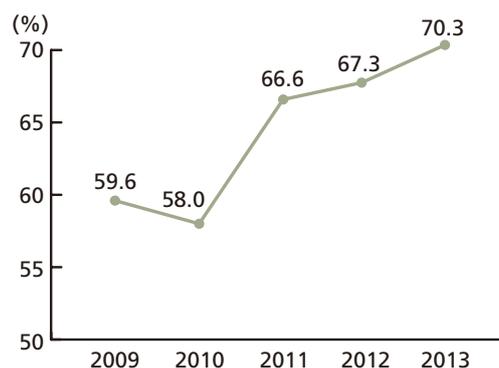
● Operating Profit



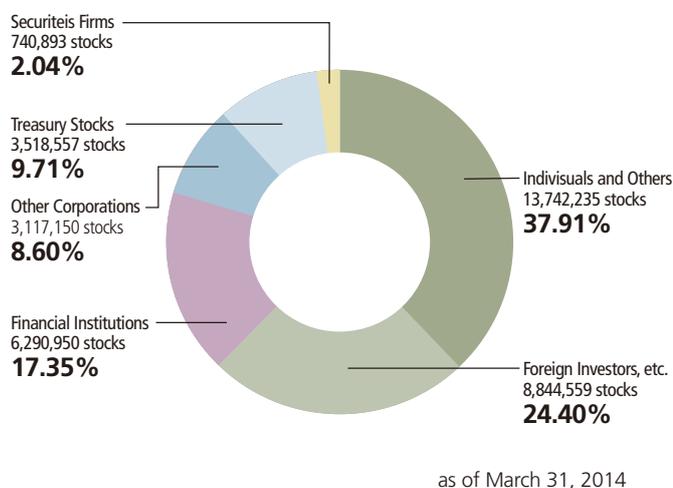
● ROE (Return on Equity)



● Capital Equity Ratio



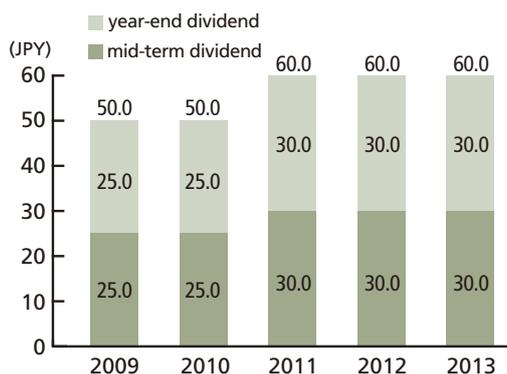
● Stock Distribution by Shareholders



Basic Policy on Shareholder Returns

In order to continue to grow our corporate value, we carry out strategic investment for growth while working to enhance our revenue base. Our payout ratio is a key metric in the distribution of the proceeds of this, and we return profits to our shareholders through the provision of a stable dividend.

● Dividend Per Share



Reference

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GROUP HISTORY

“Effective Utilization of Resources” and “Environmental Preservation”— these are the themes we have been consistently and invariably addressing since our foundation.

We commercialized the recycling of silver from photographic development processes at a time when public concern was not as focused on recycling and environmental issues as it is today. We also newly entered the environmental preservation business.

1952

Founded Asahi Chemical Laboratory.

Started silver recycling business from photographic fixing solutions. The photography industry expanded significantly along with the rapid economic growth, and the demand for silver increased in industries related to silver for photo-sensitive materials

1959

Started operation at Kobe Business Office

1964

Incorporated as a limited company

1968

Kobe Plant constructed in Higashi-Nada-Ku, Kobe
Started supply of silver to Fuji Photo Film Co., Ltd.

1969

Introduced our own electrolytic silver recycling equipment ahead of the industry, making it possible to recycle silver with efficiency and high purity

1971

Enactment of the Waste Management and Public Cleansing Law.
Required to control the amount of waste discharged and treat it properly

Became a specified contractor with Photo Treatment and Environmental preservation System of Fuji Photo Film Co., Ltd.

1974

Opened Fukuoka Office. Thereafter followed by offices and plants throughout the country

1975

Acquired Industrial waste disposal license from Kobe City (Detoxification of Photographic Effluent Treatment)

Developed a compact electrolytic silver recovery device “PLATA”

1978

Completed Head Office building in Higashi-Nada-Ku, Kobe
Registration of environmental measurement certification office

1981

Started objective management and internal proposal system
Announced practical use of the digital camera

We responded to changes in the market through technical innovations while promoting the diversification of our precious metal recycling business.

1982

Launched precious metal recycling business in the filed of dental
Determined the diversification of precious metal recycling business foreseeing the reduction of the photo effluent treatment market

1984

Launched precious metal recycling business in the filed of plating solution

1986

Launched precious metal recycling business in the filed of electronics components and jewelry
Developed compact electrolytic gold collection equipment ZIPANG

1988

Started manufacturing and sales of chemicals for plating

1990

Entered into environmental preservation business other than photographic effluents

1993

Acquired Specially-controlled Industrial Waste Disposal License.
Establishment of the Basic Environmental Law which forms the backbone of Japan’s environmental policy

Opened overseas office to meet the needs for the local collection of precious metal scrap in accordance with overseas business development of our customers in Japan and listed on the stock market.

1994

Established Asahi G&S Sdn. Bhd. in Malaysia

1997

Merged five group companies and changed their names into Asahi Pretec Corp.

1998

Transferred headquarters operations to Sannomiya, Kobe City
Established Technical Research Center
Started manufacturing of dental alloy

1999

Acquisition of ISO9002 certification with Technical Research Center
(Changed registration to ISO9001 in 2002)
Made initial public stock offering on over-the-counter market

2000

Acquisition of ISO14001 certification with Technical Research Center
Entered into indium refinery full operations
Listed on the 2nd Section of the Tokyo Stock Exchange

In response to the growing diversification of customer needs in the industrial waste treatment, promoted to expansion of the dealing items and service provision area through M&A.

2001

Acquired Sansho Co., Ltd., Daimon Co., Ltd., and Eco-Material Co., Ltd.

2002

Promoted to the 1st Section of the Tokyo Stock Exchange
The 50th Anniversary

2003

Shanghai Asahi Pretec Co., Ltd., established in China

2004

Acquired Nihon Chemitech Co., Ltd.

2005

Acquired Shioiri Kenzai Co., Ltd.
Expanded auto-catalyst recycle business
Daimon Co., Ltd. merged to Nihon Chemitech Co., Ltd.

2006

Acquired Iyotec Co., Ltd.
Acquired Nishiki Kosan Co., Ltd.
Eco-Material Co., Ltd. merged to Nihon Chemitech Co., Ltd.
Established Asahi Pretec Korea Co., Ltd. in Korea

2007

Established the Tokyo Head Office in Marunouchi, Chiyoda-ku, Tokyo
Merged Nishiki Kosan Co., Ltd.
Acquired Taiyo Chemical Co., Ltd.
Acquired part of the environmental business from SANIX INCORPORATED, established Kitakyushu Office

2008

Established Japan Waste Corporation
Acquired Fuji Rozai Co., Ltd.

Carrying on with challenges in aspiring to be a leading company in the eco-business that contributes to society through its businesses.

2009

Asahi Holdings, Inc. newly listed after transferring to a holding company
Launched glass recycling business at JW Glass Recycling after acquiring a part of the glass recycling business from Iyo Glass

2010

Established a joint-venture in China, Jiangmen Asahi Pretec Kanfort Environmental Management Co., Ltd.
Acquired Ecomax Co., Ltd.
Opened Yokohama Office of Japan Waste Corporation
Established Jungju Factory of Asahi Pretec Korea Co., Ltd. and launched dental business in Korea

2011

Launched E-scrap business
Acquired Usuda Manufacturing Co., Ltd.
Acquired Kyodo Chemical Co., Ltd.

2012

Acquired INTER CENTRAL, INC.
Shioiri Kenzai Co., Ltd. merged into Fuji Rozai Co., Ltd.

2013

Established Asahi Pretec Taiwan Co., Ltd. in Taiwan
Established a joint-venture, Asahi Shih Her Technologies Co., Ltd. in Taiwan
Opened The Representative Office of Asahi Pretec Corp. in Ho Chi Minh City, Vietnam
Sansho Co., Ltd. changed its name to JW Logistics Co., Ltd.
Established Taiwan Factory of Asahi Pretec Taiwan Co., Ltd.

2014

Acquired KOEIKOGYO CO., LTD.

ASAHI HOLDINGS GROUP COMPANIES

Asahi Pretec Corp.

Precious Metal Recycling

Collect, refine and recycle precious and rare metals used in a variety of areas such as electronics, auto catalyst, LCD panel display, dentistry, jewelry, photography and so forth

Environmental Preservation

Waste treatment and other environmental preservation

<Domestic Base>

● Usuda Manufacturing Co., Ltd.

Precious Metal Recycling

Engaged in the precision cleaning and degreasing business of components and risen wafer cases from semiconductor manufacturing equipment and precious metal collection/analysis

4063-1 Shigeno-Otsu, Tomi City, Nagano Prefecture 389-0512 Japan

TEL:+81-(0)268-62-4533 FAX:+81-(0)268-62-4534

URL:<http://www.usuda-jp.com/>

<Overseas Bases>

● Asahi Pretec Korea Co., Ltd.

Precious Metal Recycling

Collect and recycle precious metals from a wide range of areas including the electronics industry and dentistry, etc.

Seoul

#501, City Air Tower, 159-9, Samsung-Dong, Gangnam-Gu, Seoul, 135-973 South Korea

Chungju

Chungju 1 Sadan, 1131-2 Yongtan-dong, Chungju-si, Chungcheongbuk-do, 380-250 South Korea

TEL:+82-(0)43-723-2503 FAX:+82-(0)43-723-2525

URL:<http://asahipretec.co.kr/>

● Shanghai Asahi Pretec Co., Ltd.

Precious Metal Recycling

Collect precious metals from mainly Japanese IT manufacturers established in China and recycle them at the local plant

No.419 Sub-Chuhua Road, Fengxian Sub-zone, Shanghai Chemical Industry Park, Shanghai, 201417 China

TEL:+86-(0)21-5744-8158 FAX:+86-(0)21-5744-8168

● Asahi Pretec Taiwan Co., Ltd.

Precious Metal Recycling

Collect precious metals from electronics component manufacturers etc. and recycle them at the local plant

No. 17-2, Datong Rd., Hukou Township, Hsinchu Country, 30352 Taiwan (R.O.C.)

TEL:+886-(0)3-597-0622 FAX:+886-(0)3-597-0625

● Asahi Shih Her Technologies Co., Ltd

Precious Metal Recycling

Joint venture with Shih Her Technologies Inc., a leading company in the precision cleaning business in Taiwan. Precision cleaning and precious metal recycling from jigs and tools of electronics, semiconductor and LED manufacturing equipments

No. 17-2, Datong Rd., Hukou Township, Hsinchu Country, 30352 Taiwan(R.O.C.)

● Asahi G&S Sdn. Bhd. (Malaysia)

Precious Metal Recycling

Recycle precious metals from electronic components / local jewelry manufacturers

Plot 65, Lintang Bayan Lepas 6, Phase IV, Non FTZ,

Bayan Lepas, Penang, 1900 Malaysia

TEL:+60-(0)4-646-1292 FAX:+60-(0)4-646-2292

● The Representative Office of Asahi Pretec Corp. in Ho Chi Minh City

Precious Metal Recycling

Market research and local support in Precious Metal Recycling Business

R. 8022.2 Vietnam Business Center

57-59 Ho Tung Mau, Ben Nghe Ward,

District 1, Ho Chi Minh City, Vietnam

Japan Waste Corporation

Environmental Preservation

1. Transform waste oil into fuel
2. Transform sludge ,etc., into cement materials
3. Transform waste wood from construction materials into fuel for biomass power generation
4. Efficiently separate and treat by crushing such industrial waste such as waste plastics from industrial sites
5. Clean and treat hazardous waste deposited on semiconductor manufacturing devices and various laboratory facilities
6. Conduct extensive industrial waste treatment and other environmental preservation business, integrated with affiliated companies under control of Japan Waste

<Subsidiaries>

● Nihon Chemitech Co., Ltd.

Environmental Preservation

1. Intermediate treatment and detoxification by microbial treatment of industrial waste from manufacturers of semiconductor, electronics components, etc.
 2. Microbial treatment, dewatering and reduction of organic liquid waste discharged from food manufacturers, restaurants etc.
Compost production from dewatered sludge cake
- 5-1-39 Ryoke, Kawaguchi City, Saitama Prefecture 332-0004 Japan
TEL:+81-(0)48-222-8711 FAX:+81-(0)48-222-8719
URL:<http://nihon-chemitech.co.jp/>

● JW Glass Recycling Co., Ltd.

Environmental Preservation

Recycling of sheet glass and glass bottles
4-3-2 Shin-kiba Koto-ku, Tokyo 136-0082 Japan
TEL:+81-(0)3-3521-6303 FAX:+81-(0)3-3521-6305
URL:<http://www.jwglass.co.jp/>

● Fuji Rozai Co., Ltd.

Furnace Repair

Demolishing work and regular repairment of glass manufacturing furnaces, waste incinerators, etc.

Construction

Civil engineering work of rivers, roads, bridges and tunnel, etc. Contract construction of water and sewerage and demolishing work

Environmental Preservation

Collect, transport, treat intermedially and recycle fire-proof bircks, etc.
8th Floor, Nishi-Kamata NS Bldg. 6-36-11 Nishi-Kamata,
Ota-ku, Tokyo 144-0051 Japan
TEL:+81-(0)3-3735-8111 FAX:+81-(0)3-3733-2479
URL:<http://www.fujirozai.co.jp/>

● Ecomax Co., Ltd.

Environmental Preservation

Concrete solidification treatment of combustion residue, dust and sludge, etc., produced by incineration treatment facilities, etc.
1590-4 Tabata, Samukawa-cho, Koza-gun,
Kanagawa Prefecture 253-0114 Japan
TEL:+81-(0)467-75-1044 FAX:+81-(0)467-75-1217
URL:<http://www.eco-max.co.jp/>

● JW Logistics, Co., Ltd.

Environmental Preservation

Collect and transport industrial waste and specially-controlled industrial waste
4-1 Daikoku-cho, Tsurumi-ku, Yokohama City, 230-053 Japan
TEL:+81-(0)45-718-5181 FAX:+81-(0)45-510-3450
URL:<http://www.san-shou.co.jp/>

● Iyotec Co., Ltd.

Workers Dispatch/Contracting

Temporary staffing service, recruiting and contracting business to manufacturing companies
3rd Floor, Yomiuri Nikkei Bldg.
799-2 Higashi-Futami, Futami-Cho, Akashi City,
Hyogo Prefecture 674-0092 Japan
TEL:+81-(0)78-941-3377 FAX:+81-(0)78-941-3388
URL:<http://www.iyotec.co.jp/>

● Taiyo Chemical Co., Ltd.

Environmental Preservation

1. Incinerate and neutralize waste oil and liquids yielded from electronics components and photography industries
 2. Incinerate medical wastes from hospitals, etc.
- 106-2 Ishitani-Cho, Kagoshima City, Kagoshima Prefecture, 899-2701 Japan
TEL:+81-(0)99-278-1783 FAX:+81-(0)99-278-4463
URL:<http://www.taiyo-kagaku.com/>

● Kyodo Chemical Co., Ltd.

Environmental Preservation Business

1. Collection, transportation and intermediate treatment (neutralization) of industrial waste and specially-controlled industrial waste.
 2. Treatment of liquid waste and film collection from printing plate companies, hospitals etc.
- 2-4-5 Shinmei-Cho, Tomakomai City, Hokkaido 053-0055 Japan
TEL:+81-(0)144-55-2277 FAX:+81-(0)144-55-2838
URL:<http://kyka.co.jp>

● INTER CENTRAL, INC.

Environment Preservation

Manufacture and sales of heating equipment and construction and design of radiant air-conditioning systems
417-1 Tokusagawa, Takizawa City Iwate Pref. 020-0173 Japan
TEL:+81-(0)19-688-1031 FAX:+81-(0)19-688-1030
URL:<http://www.i-central.co.jp/>

● KOEIKOGYO CO., LTD.

Environment Preservation

Design, construction and maintenance of facilities for disaster prevention, air-conditioning and sanitation
191-2 Kashio-cho, Totsuka-ku, Yokohama City,
Kanagawa Prefecture 244-0812 JAPAN
TEL:045-826-1145 FAX:045-826-1149
URL:<http://www.koei-kogyo.com/company/>

Asahi Holdings, Inc.

11F Sapia Tower,
1-7-12 Marunouchi, Chiyoda-ku,
Tokyo 100-0005, Japan
TEL: +81-3-6270-1833

Website: <http://www.asahiholdings.com>

Environmental Consideration in Printing

■ Paper

This report uses paper certified by Forest Stewardship Council® (FSC) that includes fiber from responsibly managed forests certified by the FSC®.

■ Ink

This report was printed with ink which does not contain volatile organic compounds (VOC).

■ Printing

This report has adopted a waterless printing method requiring no dampening water containing alkaline developers or isopropyl alcohol.

