

TRANSLATION FOR REFERENCE PURPOSE ONLY

This notice has been translated from the original Japanese text of the timely disclose statement and is for reference purpose only. In the event of any discrepancy between the original Japanese and this translation, the Japanese text shall prevail.

January 31, 2020

To whom it may concern

Company Name: **Asahi Holdings, Inc.**
Representative: Tomoya Higashiura, President
(Code: 5857, First Section of the Tokyo Stock Exchange)
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Notice on the Issuance of Green Bond (Private Placement Bond)

This is to announce that the Company plans to issue a private placement Green Bond (unsecured straight bond) in March 2020.

A Green Bond is a bond used to finance projects that have an environmental improvement impact (green projects) including measures to combat global warming and promote renewable energy.

This will be the first Green Bond to be issued in the non-ferrous metal industry in Japan.

Details

1. Purpose and background of Green Bond issuance

The Group operates in two business domains, the precious metal recycling business and the environmental preservation business, both of which contribute directly to the “resolution of the earth’s sustainability,” a social challenge on a global scale.

The values shared by the Group's employees as defined in the “Asahi Way” are represented by the common credo among the employees, “Totally Committed to Protecting the Natural Environment and Preserving Resources,” as the Company executes its daily business activities in line with the SDGs (Sustainable Development Goals) adopted by the United Nations. The Company also set up the “Asahi Holdings SDGs Awards,” an internal award for SDG activities designed to encourage employees to actively engage in eco-conscious activities.

Recently, as part of the Group's sustainability management initiatives, the Company decided to issue a Green Bond to raise funds that would be required to introduce eco-friendly facilities and equipment. Regarding the eligibility of this Green Bond and its third-party evaluation, Rating and Investment Information, Inc., has given it a “GA1” preliminary rating, the top rating in R&I Green Bond Assessment.

Moving forward, the Group will continue to launch initiatives aimed at the “resolution of the earth’s sustainability.”

2. Overview of Green Bond


Term of issuance	5 years
Scheduled amount to be issued	5 billion yen
Scheduled period of issuance	March 2020
Use of funds	The funds will be allocated to capital investment for environmental preservation (refinancing included) as shown below: 1. Renewal of incinerator and construction of power generation facility at the "Kitakyushu Plant of Asahi Pretec Corp." 2. Renewal of incinerator at the "Hibiki Plant of Asahi Pretec Corp." 3. Construction of incinerator at the "Rinkai Plant of Taiyo Chemical Co., Ltd."
Underwriter	MUFG Bank, Ltd.

(Note) The uses of funds as shown below have been selected for having fulfilled the eligibility criteria based on the “Green Bond Principles 2018” of the International Capital Market Association and the “Green Bond Guidelines, 2017” of the Ministry of the Environment.

(1) Energy saving operations

- ① Installation of waste heat recovery power generation equipment
- ② Installation of waste treatment facilities that are expected to reduce fuel consumption before and after renewal

The use of the funds in the table above is consistent with the following Sustainable Development Goals (SDGs).

Sustainable Development Goals (SDGs)	
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3. Eligibility of the Green Bond

As for the eligibility of this Green Bond and its third-party evaluation, Rating and Investment Information, Inc., has given it a “GA1” preliminary rating, the highest rating for R&I Green Bond Assessment.

4. Future schedule

The conditions including the amount of issuance will be decided in March 2020. The details will be announced as soon as they are decided.