Consolidated Financial Results for the Fiscal Year Ended March 31, 2020
Asahi Holdings, Inc. [IFRS]

April 30, 2020

Stock code:	5857
Shares listed:	Tokyo Stock Exchange (First Section)
URL:	https://www.asahiholdings.com
Representative:	Tomoya Higashiura, Representative Director and President
For further information please contact:	Kunihiko Chogo, General Manager, Corporate Planning & Communications Department (Phone) +81-3-6270-1833
The Ordinary General Meeting of Shareholders:	June 16, 2020
Filing date of financial statements:	June 17, 2020
Start of dividend payment:	May 27, 2020
Supplementary materials for the financial results:	Yes
Investor conference for the financial results:	No

(Rounded down to the nearest million yen)

1. Results of the fiscal year ended March 31, 2020 (From April 1, 2019 to March 31, 2020)

(1) Results of operations (Percentage: Changes relative to corresponding previous period)

	Revenue		Operating income		Profit before tax		Profit		Profit attributable to owners of parent		Total comprehensive income	
The fiscal year ended	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
March 31, 2020	135,563	22.8	20,119	49.7	17,650	42.9	9,846	9.4	9,846	9.4	5,690	(25.4)
March 31, 2019	110,412	—	13,442	—	12,351	—	9,000	(4.8)	9,000	(4.4)	7,633	(20.3)

	Basic earnings per share	Diluted earnings per share	Profit to equity attributable to owners of parent	Profit before tax to total assets	Operating income to revenue
The fiscal year ended	Yen	Yen	%	%	%
March 31, 2020	250.24	248.53	14.4	9.0	14.8
March 31, 2019	228.14	227.21	13.6	8.5	12.2

(Reference) Share of profit (loss) of investments accounted for using equity method: Fiscal year ended March 31, 2020 (45) million yen; Fiscal year ended March 31, 2019 – million yen

(Note) The Company reclassified the business of Fuji Medical Instruments MFG. Co., Ltd., which was a consolidated subsidiary of the Company, as discontinued operations. Consequently, revenue, operating income and profit before tax for the year ended March 31, 2019 indicate the figures for continuing operations that do not include discontinued operations.

(2) Financial Position

	Total assets	Total equity	Equity attributable to owners of parent	Equity attributable to owners of parent ratio	Equity per share attributable to owners of parent
As of	Millions of yen	Millions of yen	Millions of yen	%	Yen
March 31, 2020	229,958	69,174	69,174	30.1	1,758.00
March 31, 2019	160,272	67,804	67,804	42.3	1,723.16

(3) Cash flows

	Cash flows from operating activities	Cash flows from investing activities	Cash flows from financing activities	Cash and cash equivalents at end of the fiscal year
The fiscal year ended	Millions of yen	Millions of yen	Millions of yen	Millions of yen
March 31, 2020	(60,318)	1,927	65,165	22,908
March 31, 2019	(20,648)	(5,629)	18,261	16,297

2. Dividend payments

	Dividends per share					Total dividend payment (annual)	Payout ratio (consolidated)	Dividend to equity attributable to owners of parent (consolidated)
	First quarter	Second quarter	Third quarter	Year-end	Annual			
	Yen	Yen	Yen	Yen	Yen	Millions of yen	%	%
Year ended March 31, 2019	–	60.00	–	60.00	120.00	4,778	52.6	7.2
Year ended March 31, 2020	–	60.00	–	70.00	130.00	5,176	52.0	7.5
Year ending March 31, 2021 (Forecast)	–	70.00	–	70.00	140.00		52.0	

3. Forecast (From April 1, 2020 to March 31, 2021) (Percentage: Changes relative to corresponding previous period)

	Revenue		Operating income		Profit before tax		Profit attributable to owners of parent		Basic earnings per share
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Yen
Six months ending September 30, 2020	69,000	13.1	6,700	(16.5)	6,600	(2.1)	4,400	(2.4)	111.82
Year ending March 31, 2021	150,000	10.6	16,000	(20.5)	15,800	(10.5)	10,600	7.7	269.39

(Note) One of the major revenue transactions for the precious metal refining business in North America is a financial service transaction that produces revenue from advance provision of metal to counterparties, etc. Until the fiscal year ended March 31, 2020, the revenue from this transaction was recorded as revenue, and the corresponding interest payment was recorded as finance expenses. However, in order to present the operating income from this transaction more appropriately, from the fiscal year ending March 31, 2021 the presentation method has been changed by recording the corresponding interest payment in cost of sales. As a result of this change in accounting policy, compared with the previous method used until the fiscal year ended March 31, 2020, operating income is expected to decrease by 2,100 million yen. There is no impact on profit before tax and profit attributable to owners of parent.

* Notes

(1) Changes in significant subsidiaries during the current fiscal year: No

(2) Changes in accounting policies and accounting estimates

(i) Changes in accounting policies required by IFRS: Yes

(ii) Changes other than (i) above: No

(iii) Changes in accounting estimates: No

(3) Number of issued shares (common stock)

(i) Number of issued shares at the end of year (including treasury shares)

As of March 31, 2020	39,854,344 shares
As of March 31, 2019	39,854,344 shares

(ii) Number of treasury shares at the end of year

As of March 31, 2020	505,637 shares
As of March 31, 2019	505,487 shares

(iii) Averaged number of shares during the period

Year ended March 31, 2020	39,348,825 shares
Year ended March 31, 2019	39,453,473 shares

(Reference) Summary of Nonconsolidated Results

1. Nonconsolidated Results of the Year ended March 31, 2020 (From April 1, 2019 to March 31, 2020)

(1) Results of operations (Percentage: Changes relative to corresponding previous period)

	Net sales		Operating income		Ordinary income		Net income	
The fiscal year ended	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
March 31, 2020	11,398	35.2	10,087	43.2	10,273	48.8	10,122	48.3
March 31, 2019	8,429	6.7	7,044	3.4	6,902	(0.4)	6,824	0.3

	Net income per share	Diluted net income per share
The fiscal year ended	Yen	Yen
March 31, 2020	257.25	255.48
March 31, 2019	172.98	172.27

(2) Financial Position

	Total assets	Net assets	Shareholders' equity ratio	Net assets per share
As of	Millions of yen	Millions of yen	%	Yen
March 31, 2020	85,838	60,126	70.0	1,528.03
March 31, 2019	75,394	54,782	72.7	1,392.23

(Reference)

Shareholders' equity As of March 31, 2020: 60,126 million yen As of March 31, 2019: 54,782 million yen

* This report is not subject to audit procedures

* Statement regarding the proper use of financial forecasts and other special remarks
(Notes on forward looking statements, etc.)

These forecast performance figures are based on the information currently available to the company's management and certain assumptions judged rational. Accordingly, there might be cases in which actual results materially differ from forecasts of this report. Please refer to page 2 "1. Overview of Consolidated Operating Results (1) Consolidated Business Performance for the Year ended March 31, 2020" for the assumptions used and other notes.

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1. Overview of Consolidated Operating Results

(1) Consolidated Business Performance for the Year ended March 31, 2020

① Operating results

During the consolidated accounting period under review, the outlook of the Japanese economy was opaque as a result of decreased personal spending after the consumption tax hike and slowdowns in the global economy triggered by the U.S.-China trade dispute, in addition to the spread of the novel coronavirus disease (COVID-19) in Japan and overseas, despite a trend of moderate recovery against the backdrop of improvements in the employment and income environment. Under these conditions, the group's results in each business segment were as follows. During the third quarter consolidated accounting period, the Company decided to transfer its equity interest in Fuji Medical Instruments MFG. Co., Ltd., a consolidated subsidiary of the Company. Businesses of Fuji Medical Instruments and its subsidiary that were previously classified under "Life & Health business" have consequently been reclassified as discontinued operations. In addition, beginning in the third quarter consolidated accounting period, the Group reduced the number of reporting segments from three: "Precious Metals business," "Environmental Preservation business" and "Life & Health business" to two: "Precious Metals business" and "Environmental Preservation business."

Precious metals business

Revenue and operating income in precious metal recycling business in Japan, South Korea and Malaysia increased from the same period in the previous year, thanks to the growing volume of precious metal collection and rise in precious metal prices. In North America, revenue and operating income in precious metal refining business expanded from the same period a year before due to an increase in refining transactions and financial transactions. Meanwhile, in order to further enhance the efficiency and profitability of precious metal refining in North America, the Company decided to discard the gold and silver refining facilities of Asahi Refining Florida Inc. and posted an impairment loss (1 billion yen) on its fixed assets. However, revenue and operating income in Precious Metals business recorded a significant growth over the same period in the preceding year.

Environmental preservation business

Revenue and operating income in Environmental Preservation business posted a year-on-year increase as the Company worked to develop new projects and strengthened mutual cooperation while capitalizing on the strengths of the respective group companies.

As a result of the above, operating income, profit before tax, profit, and profit attributable to owners of parent all achieved historic highs. In terms of the performance for this consolidated fiscal year, revenue was 135,563 million yen, a year-on-year increase of 25,150 million yen (+22.8 percent). Operating income was 20,119 million yen, an increase of 6,676 million yen (+49.7 percent) year-on-year. Profit before tax was 17,650 million yen, a year-on-year increase of 5,298 million yen (+42.9 percent). Profit was 9,846 million yen, a year-on-year increase of 845 million yen (+9.4 percent). Profit attributable to owners of parent was 9,846 million yen, a year-on-year increase of 845 million yen (+9.4 percent). By segment, revenue in the precious metals business was 113,755 million yen, a year-on-year increase of 25,951 million yen (+29.6 percent). In the environmental preservation business, revenue was 20,716 million yen, an increase of 1,308 million yen (+6.7 percent) year-on-year.

② Outlook

The outlook is extremely opaque as it is currently difficult to properly estimate the impact on the Japanese economy and the global economy as a result of the novel coronavirus disease (COVID-19). In the precious metals business segment, the amount handled changes depending on the condition of customers' business activities, etc., but the Company's business areas are diverse and the Company demonstrates the superiority of having a wide range of customers, which will link to stable performance. Furthermore, the Company expects the price of precious metals to stay relatively firm. In the environmental preservation business segment, the Company expects the amount handled to decrease as its customers' business activities scale down.

Business forecast for the next period is as follows: 150,000 million yen in revenue, 16,000 million yen in operating income, 15,800 million yen in profit before tax and 10,600 million yen in profit attributable to owners of the parent. Operating income will decrease (2.1 billion yen) in the next consolidated accounting period as a result of "Changes in Accounting Procedure Rules Regarding North American Financial Service Transactions."

Due to being in this unprecedented difficult business environment as a result of the impact of COVID-19, the Company will display the spirit of "Innovation & Challenge" set forth in "The Asahi Way," the Company's group philosophy, and will strive to further increase corporate value as one group. The above forecast was decided based on information currently available, and there may be changes due to various factors such as the impact of COVID-19 on industrial activities in Japan and overseas, financial trends and the change in the price of precious metals.

(2) Consolidated Financial Position and Cash Flows for the Year ended March 31, 2020

As of this fiscal year ended March 31, 2020, total assets amounted to 229,958 million yen, up 69,685 million yen from the previous fiscal year end. This was due mainly to an increase of 53,265 million yen in trade and other receivables, an increase of 12,556 million yen in inventories, and a decrease of 6,638 million yen in goodwill.

Total liabilities amounted to 160,783 million yen, up 68,315 million yen from the previous fiscal year end. This was due mainly to an increase of 63,004 million yen in bonds and loans payable.

Total equity amounted to 69,174 million yen, up 1,370 million yen from the previous fiscal year end.

Net cash used in operating activities amounted to 60,318 million yen due mainly to profit before tax of 17,650 million yen, depreciation and amortization of 2,827 million yen, increase in trade and other receivables, increase in inventories, and income taxes paid.

Net cash provided by investing activities amounted to 1,927 million yen due mainly to purchase of property, plant and equipment of 3,960 million yen, and proceeds from sales of shares of subsidiaries of 6,259 million yen.

Net cash provided by financial activities amounted to 65,165 million yen due mainly to net increase in short-term loans payable of 65,419 million yen, proceeds from issuance of bonds of 4,928 million yen and cash dividends paid of 4,714 million yen.

As a result, cash and cash equivalents as of March 31, 2020 increased 6,610 million yen from March 31, 2019, to 22,908 million yen.

(3) Dividends

We consider it is of utmost importance to return profits to our shareholders. Accordingly, we have made it our basic policy to pay dividends of 50 percent and above of our consolidated net profits. Based on the above basic policy, the year-end dividend for the current fiscal year will be 70 yen per share. The annual dividend for the current fiscal year combined with the interim dividend will be 130 yen per share.

For the next term, we plan to pay an interim dividend of 70 yen and a year-end dividend of 70 yen (annual dividend of 140 yen).

(4) Business and other risks

Major risks that could affect the Group's operating results and financial condition include the following. We believe these matters could have a significant impact on investor decisions, but the categories below are limited to those that the Group is currently aware of; and not necessarily all risks are covered here.

① Precious metals prices and currency exchange rates

The precious metals and rare metals that are the main products of the Group's precious metals business are traded on international markets. Their prices fluctuate based on global elements such as political and economic trends in supply countries and demand countries, currency exchange rates, and so on. The Group therefore hedges through forward transactions and provides timely reports on the status of price fluctuations for the main previous metals to management, etc., in order to reduce risk, although the size of fluctuation in precious metals prices and currency exchange rates can affect the Group's operating results and financial condition.

② Laws and regulations

In the countries and regions where the Group operates business, various laws and regulations apply regarding matters such as permission to do business, rules for import/export/transport, commercial transactions, labor, taxation, intellectual property rights, and environmental preservation. Taking the stance that compliance is important, the Group has built a system for centrally managing information about revisions to laws related to all its business fields and ensuring that this knowledge is communicated without fail to the front lines, and carefully follows laws, regulations, and social rules. However, in the unlikely event that a situation arises where laws, regulations, and social rules could not be followed, or if they change such that business is restricted, it could affect the Group's operating results and financial condition.

In the environmental preservation business in particular, the Group engages in the collection, transport and treatment of various types of industrial waste as an enterprise under the Waste Management and Public Cleansing Act. In addition to that law, the business is regulated by laws such as the Water Pollution Control Act, the Air Pollution Control Act, and the Sewerage Act. Furthermore, the Group has a license for the collection and transport of industrial waste in every prefecture and ordinance-designated city, for its disposal in 12 prefectures and 8 ordinance-designated cities and core cities, and for the collection and transport of specially-controlled industrial waste in every prefecture and ordinance-designated city, for its disposal in 10 prefectures and 7 ordinance-designated cities and core cities. Obtaining such licenses is predicated on strict compliance with regulations at the regional level, including each prefectural and municipal ordinance and rule.

With society's interest in environmental issues rising, such legal regulations are tending to tighten. Not only capital investments as countermeasures to those trends but also the construction, relocation, and renovation of disposal facilities require construction permits and permission to change. Such occasions may also necessitate obtaining the consent of nearby residents, which could be difficult to obtain in some cases. Therefore, such legal regulations and social trends could affect the Group's operating results and financial condition.

③ Economic fluctuation

Manufacturing industries are among the primary demand industries for the Group's two business segments: the precious metals business and the environmental preservation business. Demand trends in each sector within these industries are affected by economic conditions in various countries and regions. When demand from such industries declines due to recession and so on, it can affect the Group's operating results and financial condition. Moreover, in the previous metals recycling business, the Group recycles precious metals contained in end products such as information equipment and automobiles, and is therefore affected by consumption trends. A decrease in personal consumption caused by a decline in the general level of consumption could therefore affect the Group's operating results and financial condition.

④ Business environment

The Group's two business segments, the precious metals business and the environmental preservation business, face the possibility of major changes in customer needs due to changes in laws, regulations, and permits that concern a sector or faster-than-expected shifts overseas by corporate customers. Furthermore, industry reorganization and other major changes in the business environment are possible. The results could affect the Group's operating results and financial condition.

⑤ Intensified competition

The Group's two business segments, the precious metals business and the environmental preservation business, face competition from various companies. The Group continues to make efforts to overcome the competition in each sector by accurately meeting customer needs through sales efforts and initiatives on technology, products, and cost responsiveness. Intensified competition from competitor companies, however, can force the Group's products and services into harsh price competition. The results could affect the Group's operating results and financial condition.

⑥ Overseas business deployment

Under the slogan, "Building a global company that pursues originality and growth," one of the Group's growth strategies is expansion of its overseas business. In this regard, the Group carries out business in countries and regions in North America, Asia, etc. Political or economic phenomena unfavorable to business, labor disputes due to differences in labor environment, uncertainty in finding suitable local personnel, conflicts, terrorism, and other social disturbances, and unfair intervention by authorities due to underdeveloped business infrastructure in a country or region are inherent risks. If such situations occur, it could affect the Group's operating results and financial condition.

⑦ Corporate acquisition, etc.

The Group has worked to expand its lines of business and business scale through corporate acquisition and expects to take a forward-looking approach projects that will contribute to further growth in the future. In order to maximize the integration effect with target businesses and companies, the Group will attempt to integrate and unify them with its business strategy and operations. However, if the integration of human resources and assets does not proceed as planned, it is possible that the expected integration and unification effects will not be realized. The results could affect the Group's operating results and financial condition.

⑧ Impairment of goodwill and fixed assets

When the Group acquired a company, it records goodwill arising from the acquisition, as well as various property, plant and equipment and intangible assets for business use. At the acquisition examination stage, the Group carries out sufficient surveys from the financial, legal, and human resource perspectives, among others, but if the acquired company and business do not achieve business results as initially expected due to changes in the market environment, etc., and the management results and profitability deteriorate markedly, these assets may become impaired. If such situations occur, it could affect the Group's operating results and financial condition.

⑨ Natural disasters and infectious disease

Natural disasters such as large earthquakes or typhoons or the outbreak of new infectious diseases could cause serious damage to the Group's production, distribution, sales, and information management facilities. The Group has implemented countermeasures such as business continuity management (BCM), flood countermeasures, disaster readiness drills, and building an employee safety confirmation system. However, these are not able to completely eliminate damage due to natural disasters or unknown infectious diseases, etc. Therefore, if these should occur it could affect the Group's operating results and financial condition.

In addition, the impact of the novel coronavirus (COVID-19) outbreak is expected to see adverse market conditions continue, and at this point there is no outlook for controlling the outbreak. If the situation continues even longer, it could have a further negative impact on economies and markets in Japan and overseas, the result of which could affect the Group's operating results and financial condition.

⑩ Health and safety

The Group works to strengthen its safety management system, and regularly carries out disaster/accident prevention activities such as holding Safety Promotion Meetings that are also attended by management and taking necessary measures in order to eliminate occupational and facilities accidents. However, there is no guarantee that they can be completely prevented or mitigated. Therefore, if a serious occupational or facilities accident should occur, it could affect the Group's operating results and financial condition.

⑪ Human resources

Since the Group's medium- to long-term growth depends on the abilities and experience of individual employees, the Group systematically secures and develops high quality human resources. "Actively investing in human capital" is also an important strategy of the 8th Mid-term Business Plan, which ends in the fiscal year ending March 31, 2021. In addition to human resource development through sending employees to leader training and business schools, we are also promoting work style reforms such as observing "rest intervals" of at least 11 hours before an employee can return to work the next day, and encouraging employees to take refreshment leave. However, if the Group is unable to secure high quality human resources and prepare the necessary talent for taking on challenges at the right time due to increased speed of business development, it could affect the Group's operating results and financial condition.

⑫ Research and development

The Group conducts independent research and development and analysis technology development aimed at “precious metals recycling’ and “detoxifying and recycling of industrial waste.” However, research and development of new technologies is affected by various factors, such as changes in the market environment, competition, and the ability to commercialize development results. Therefore, it is highly uncertain whether the expenses used in research and development can be recovered. For this reason, if the results of research and development are not obtained as initially anticipated, it could affect the Group’s operating results and financial condition.

⑬ Key intellectual property rights

In order to protect intellectual property rights important to business deployment, the Group carries out appropriate management. However, unforeseen leaks to outside parties can occur, and complete protection of intellectual property rights may be impossible in certain regions. Therefore, it may not be possible to effectively prevent third parties from using the Group’s intellectual property rights to manufacture and sell similar products and services. Moreover, the Group could be embroiled in a dispute if the products and technologies that it is developing for the future infringe unintentionally on the intellectual property rights of another company, or regarding the handling of workplace inventions in its relationships with employees. The results could affect the Group’s operating results and financial condition.

⑭ Product quality assurance and product liability

Led by its Quality Assurance Division, the Group has acquired ISO9001 to provide products offering customers greater confidence and satisfaction, and makes continuous improvements to its quality management systems and strives to maintain and improve quality. Through such measures, the Group makes every effort with its product quality assurance system, but if a product produced by the Group causes damages, it could affect the Group’s operating results and financial condition.

⑮ Environmental protection

Based on its Environmental Policies, the Group carries out various initiatives to protect the global environment. For example, it has established the Company-wide Environmental Goals (Annual Plan) and an Environmental Committee is set up at every business site. Through these and other efforts, the Group complies with environmental laws and regulations, revises its plans, deliberates about environmental education and so forth, and reports to management. However, there is no guarantee that all pollution and other environmental risk can be completely prevented or mitigated, so if the Group should cause serious pollution of the environment, it could affect the Group’s operating results and financial condition.

⑯ Climate change

The adoption of the Paris Agreement at the 21st Session of the Conference of the Parties to the United Nations Framework Convention on Climate Change (COP 21), which has been ratified by every country, has sparked a global wave of initiatives aimed at reducing greenhouse gases deemed to cause climate change and global warming. Abnormal weather such as local destructive storms caused by climate change has the potential to cause serious flooding and landslides, which can significantly damage the Group’s infrastructure such as facilities and logistics. If business activities are forced to halt for a long period until these can be restored, it could affect the Group’s operating results and financial condition.

⑰ Information security

PCs and tablets used by the Group use the latest security countermeasures, and we take sufficient measures to ensure that system faults and information theft or loss do not occur during their installation and operation. We also implement regular employee training to enhance their IT literacy. However, there is a possibility that unexpected events could occur such as destruction or tampering of important data or external leaks of information as a result of infection by a computer virus, hacking damage, and system faults due to software defects, or a larger than anticipated external attack. Such an event could affect the Group’s operating results and financial condition.

⑱ Lawsuits and other legal procedures

As the Group carries out business in Japan and overseas, it could be subjected to lawsuits and other legal procedures. The Group appropriately monitors major lawsuits that have already been instigated or have the potential to be instigated, and takes countermeasures as needed. However, if the Group becomes a party to such action, it might have to pay large damages, etc. The results could affect the Group's operating results and financial condition.

2. Our Group

Our Group comprises of the holdings company “Asahi Holdings, Inc.,” “Asahi Pretec Corp.,” “Asahi Americas Holdings, Inc.” and 16 other consolidated subsidiaries and affiliated companies. Our main businesses are precious metals business and environmental preservation business. The details are as follows:

(1) Precious metals business

In the precious metals business, we sell precious/rare metal products such as gold, silver, platinum, and palladium by recycling scrap containing rare metals, etc.

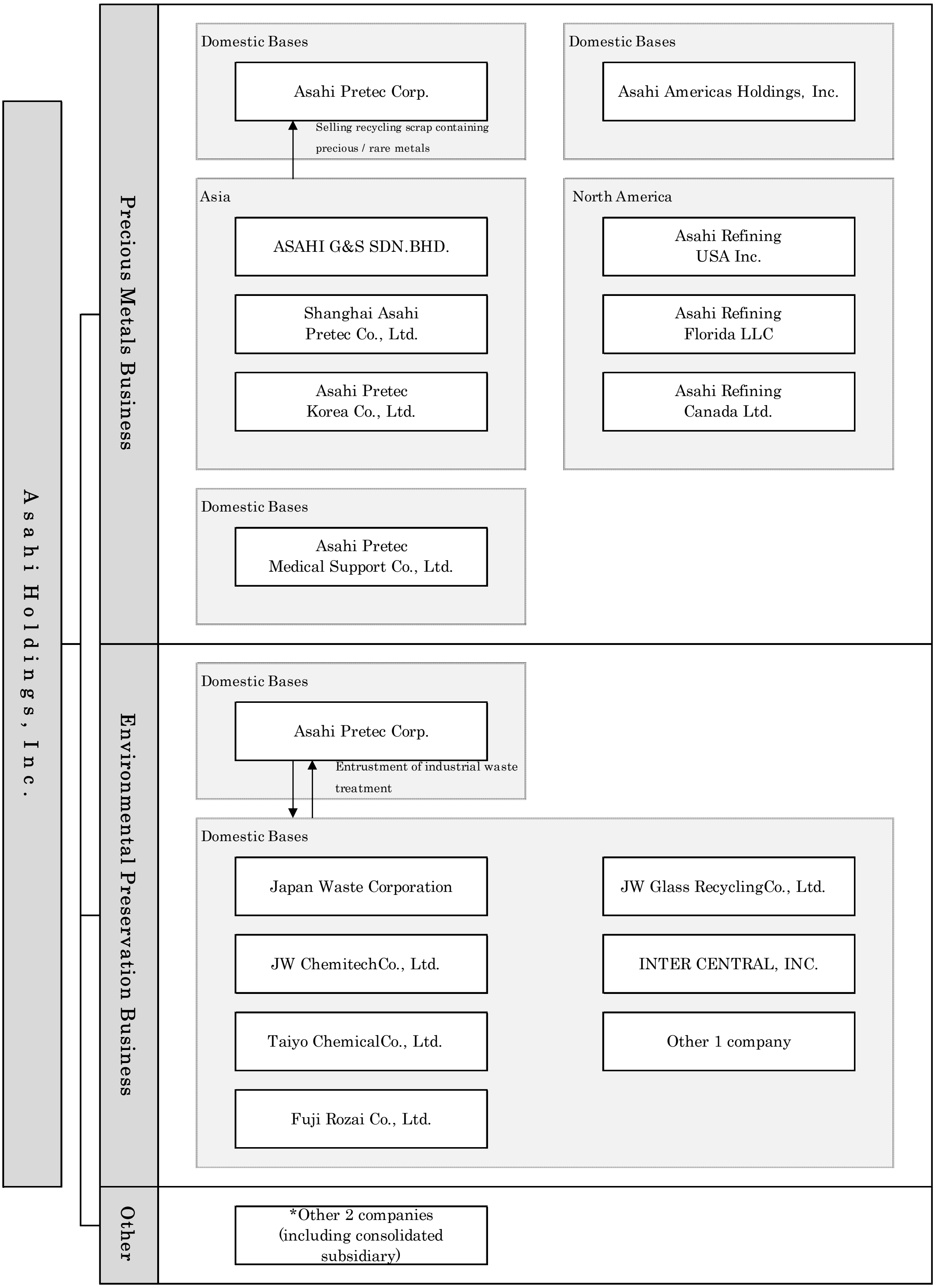
In Japan, Asahi Pretec Corp. collects scraps containing precious/rare metals from the electronics, dentistry, jewelry manufacturing and distribution, and automotive catalyst sectors. At factories around the country, it collects, separates and refines the scrap and sells high-purity metals to trading companies, semiconductor/electronic component makers, etc. also engages in precision cleaning and precious metal delamination of manufacturing equipment parts from semiconductor/electronic component makers. In addition, the Group established Asahi Pretec Medical Support Co., Ltd. as a paid human resource introduction business operating a recruitment website specializing in dental hygienists.

Overseas, Asahi G&S Sdn. Bhd. in the Malaysia/Singapore region and Asahi Pretec Korea Co., Ltd. in South Korea are engaged in the precious metals recycling business. Additionally, Asahi Refining USA Inc., Asahi Refining Florida LLC and Asahi Refining Canada Ltd. carry out the refining and processing of gold, silver, and other precious metals in the United States and Canada respectively.

(2) Environmental preservation business

The main line of our environmental preservation business is the collection, transport, and intermediate treatment of industrial waste.

Asahi Pretec Corp. treats and detoxifies waste acid, waste alkali, waste oil, sludge, waste drugs, and medical-related waste generated by sites in various industries, such as factories, printing presses, hospitals, schools, and research institutes. Additionally, Japan Waste Corporation is engaged in the collection, transportation, intermediate processing and recycling of various industrial wastes. JW Chemitech Co., Ltd. mainly performs the collection, transport, and intermediate treatment of industrial waste generated by factories. Taiyo Chemical Co., Ltd. processes medical-related waste and industrial effluent from companies in the IT, electronics, and petrochemical businesses. Fuji Rozai Co., Ltd. processes specially controlled industrial waste including dioxin and heavy metals at local governments’ incinerators. It engages in repair, demolition, and waste brick processing of smelting furnaces for glass manufacturing. It removes firebricks from smelting furnaces and performs materials recycling and hazardous materials handling. JW Glass Recycling Co., Ltd. collects sheet glass and glass bottles, separates them for crushing, and recycles them into high-quality glass cullet, which it sells. INTER CENTRAL, INC., manufactures and sells electric heaters and designs and installs radiant heating and air conditioning systems.



(Notes) Unmarked: Consolidated subsidiary
* Equity method affiliate

3. Basic Concept Regarding Selection of Accounting Standards

We have applied International Financial Reporting Standards (IFRS) with the objectives of enhancing our management base for global business development and enabling easier international comparison of financial information in capital markets from the first quarter of fiscal year ended March 31, 2017.

4. Consolidated Financial Statements

(1) Consolidated Statements of Financial Position

	As of March 31, 2019	As of March 31, 2020
	Millions of yen	Millions of yen
ASSETS		
Current assets		
Cash and cash equivalents	16,297	22,908
Trade and other receivables	66,489	119,754
Inventories	25,191	37,748
Income tax receivables	1,515	2,029
Other financial assets	389	93
Other current assets	3,906	5,069
Total current assets	113,790	187,604
Non-current assets		
Property, plant and equipment	36,083	34,953
Goodwill	8,243	1,604
Intangible assets	697	529
Investments accounted for using equity method	—	3,254
Deferred tax assets	873	1,132
Net defined benefit asset	47	155
Financial assets	498	683
Other non-current assets	39	42
Total non-current assets	46,482	42,354
Total assets	160,272	229,958

	As of March 31, 2019	As of March 31, 2020
	Millions of yen	Millions of yen
LIABILITIES and EQUITY		
Liabilities		
Current liabilities		
Trade and other payables	17,169	13,710
Loans payable	44,712	121,873
Income tax payable	2,405	4,624
Other financial liabilities	1,537	6,991
Provisions	1,207	1,293
Other current liabilities	3,540	4,643
Total current liabilities	70,573	153,137
Non-current liabilities		
Bonds and loans payable	19,085	4,928
Deferred tax liabilities	1,360	1,453
Net defined benefit liability	157	172
Other financial liabilities	1,291	1,066
Other non-current liabilities	–	24
Total non-current liabilities	21,895	7,645
Total liabilities	92,468	160,783
Equity		
Capital stock	7,790	7,790
Capital surplus	10,353	10,755
Treasury stock	(955)	(956)
Retained earnings	55,547	60,797
Other components of equity	(4,931)	(9,212)
Total equity attributable to owners of parent	67,804	69,174
Total equity	67,804	69,174
Total liabilities and equity	160,272	229,958

(2) Consolidated Statements of Income

	The fiscal year ended March 31, 2019	The fiscal year ended March 31, 2020
	Millions of yen	Millions of yen
Continuing operations		
Revenue	110,412	135,563
Cost of sales	(89,691)	(107,264)
Gross profit	20,720	28,298
Selling, general and administrative expenses	(7,237)	(7,174)
Other operating income	115	195
Other operating expenses	(155)	(1,154)
Share of profit (loss) of investments accounted for using equity method	—	(45)
Operating income	13,442	20,119
Finance income	32	24
Finance cost	(1,123)	(2,440)
Other non-operating income	—	87
Other non-operating expenses	—	(140)
Profit before tax	12,351	17,650
Income tax expenses	(4,078)	(6,230)
Profit from continuing operations	8,273	11,419
Discontinued operations		
Profit (loss) from discontinued operations	727	(1,573)
Profit	9,000	9,846
Profit attributable to:		
Owners of parent	9,000	9,846
Non-controlling interests	—	—
Profit (loss)	9,000	9,846
Earnings (loss) per share		
Basic earnings (loss) per share (Yen)		
Continuing operations	209.70	290.22
Discontinued operations	18.44	(39.98)
Total	228.14	250.24
Diluted earnings (loss) per share (Yen)		
Continuing operations	208.84	288.24
Discontinued operations	18.37	(39.71)
Total	227.21	248.53

(3) Consolidated Statements of Comprehensive Income

	The fiscal year ended March 31, 2019	The fiscal year ended March 31, 2020
	Millions of yen	Millions of yen
Profit (loss)	9,000	9,846
Other comprehensive income		
Items that will not be reclassified to profit or loss		
Financial assets measured at fair value through other comprehensive income	(17)	(12)
Remeasurements of defined benefit plans	(69)	125
Share of other comprehensive income of investments accounted for using equity method	―	(2)
Total items that will not be reclassified to profit or loss	(86)	110
Items that will be reclassified to profit or loss		
Cash flow hedges	(1,168)	(3,805)
Translation adjustments of foreign operations	(112)	(461)
Total items that will be reclassified to profit or loss	(1,280)	(4,266)
Other comprehensive income, net of tax	(1,367)	(4,155)
Comprehensive income	7,633	5,690
Comprehensive income attributable to:		
Owners of parent	7,633	5,690
Non-controlling interests	―	―
Comprehensive income	7,633	5,690

(4) Consolidated Statements of Changes in Equity

(Millions of yen)

	Equity attributable to owners of parent					
					Other components of equity	
	Capital stock	Capital surplus	Treasury stock	Retained earnings	Translation adjustments of foreign operations	Cash flow hedges
Balance at April 1, 2018	7,790	10,381	(386)	50,282	(3,624)	(34)
Profit	—	—	—	9,000	—	—
Other comprehensive income	—	—	—	—	(112)	(1,168)
Total comprehensive income	—	—	—	9,000	(112)	(1,168)
Purchase of treasury stock	—	—	(744)	—	—	—
Disposal of treasury stock	—	24	70	—	—	—
Dividends	—	—	—	(3,667)	—	—
Reclassified from other components of equity to retained earnings	—	—	—	(68)	—	—
Share-based payment transactions	—	(52)	104	—	—	—
Total transactions with owners	—	(27)	(568)	(3,736)	—	—
Balance at March 31, 2019	7,790	10,353	(955)	55,547	(3,737)	(1,203)

(Millions of yen)

	Equity attributable to owners of parent				
	Other components of equity				
	Financial assets measured at fair value through other comprehen-sive income	Remeasure-ments of defined benefit plans	Total	Total	Total equity
Balance at April 1, 2018	27	—	(3,632)	64,435	64,435
Profit	—	—	—	9,000	9,000
Other comprehensive income	(17)	(69)	(1,367)	(1,367)	(1,367)
Total comprehensive income	(17)	(69)	(1,367)	7,633	7,633
Purchase of treasury stock	—	—	—	(744)	(744)
Disposal of treasury stock	—	—	—	95	95
Dividends	—	—	—	(3,667)	(3,667)
Reclassified from other components of equity to retained earnings	(0)	69	68	—	—
Share-based payment transactions	—	—	—	52	52
Total transactions with owners	(0)	69	68	(4,264)	(4,264)
Balance at March 31, 2019	8	—	(4,931)	67,804	67,804

(Millions of yen)

	Equity attributable to owners of parent					
					Other components of equity	
	Capital stock	Capital surplus	Treasury stock	Retained earnings	Translation adjustments of foreign operations	Cash flow hedges
Balance at April 1, 2019	7,790	10,353	(955)	55,547	(3,737)	(1,203)
Profit	–	–	–	9,846	–	–
Other comprehensive income	–	–	–	–	(461)	(3,805)
Total comprehensive income	–	–	–	9,846	(461)	(3,805)
Purchase of treasury stock	–	–	(0)	–	–	–
Dividends	–	–	–	(4,721)	–	–
Changes due to loss of control of subsidiaries	–	337	–	–	–	–
Reclassified from other components of equity to retained earnings	–	–	–	125	–	–
Share-based payment transactions	–	64	–	–	–	–
Total transactions with owners	–	401	(0)	(4,596)	–	–
Balance at March 31, 2020	7,790	10,755	(956)	60,797	(4,198)	(5,008)

(Millions of yen)

	Equity attributable to owners of parent				
	Other components of equity				
	Financial assets measured at fair value through other comprehensive income	Remeasurements of defined benefit plans	Total	Total	Total equity
Balance at April 1, 2019	8	–	(4,931)	67,804	67,804
Profit	–	–	–	9,846	9,846
Other comprehensive income	(15)	125	(4,155)	(4,155)	(4,155)
Total comprehensive income	(15)	125	(4,155)	5,690	5,690
Purchase of treasury stock	–	–	–	(0)	(0)
Dividends	–	–	–	(4,721)	(4,721)
Changes due to loss of control of subsidiaries	–	–	–	337	337
Reclassified from other components of equity to retained earnings	0	(125)	(125)	–	–
Share-based payment transactions	–	–	–	64	64
Total transactions with owners	0	(125)	(125)	(4,320)	(4,320)
Balance at March 31, 2020	(5)	–	(9,212)	69,174	69,174

(5) Consolidated Statements of Cash Flows

	The fiscal year ended March 31, 2019	The fiscal year ended March 31, 2020
	Millions of yen	Millions of yen
Net cash provided by (used in) operating activities		
Profit before tax	12,351	17,650
Profit (loss) before tax from discontinued operations	1,053	(1,074)
Depreciation and amortization	2,320	2,827
Impairment loss	15	2,605
Finance income and finance cost	1,055	2,239
Other non-operating income and expenses	－	52
Share of loss (profit) of investments accounted for using equity method	－	45
Decrease (increase) in inventories	(2,720)	(15,209)
Decrease (increase) in trade and other receivables	(29,497)	(64,029)
Increase (decrease) in trade and other payables	2,829	790
Other, net	(2,051)	396
Subtotal	(14,645)	(53,704)
Interest and dividends income received	33	25
Interest expenses paid	(1,114)	(2,093)
Income taxes paid	(6,287)	(5,940)
Income taxes refund	1,365	1,394
Net cash provided by (used in) operating activities	(20,648)	(60,318)
Net cash provided by (used in) investing activities		
Payments into time deposits	(100)	(93)
Proceeds from withdrawal of time deposits	100	－
Purchase of property, plant and equipment	(5,552)	(3,960)
Proceeds from sales of property, plant and equipment	236	122
Purchase of intangible assets	(249)	(174)
Proceeds from sales of shares of subsidiaries	－	6,259
Proceeds from sales and redemption of investments	15	6
Other, net	(79)	(231)
Net cash provided by (used in) investing activities	(5,629)	1,927
Net cash provided by (used in) financing activities		
Net increase (decrease) in short-term loans payable	23,645	65,419
Repayment of long-term loans payable	(1,010)	－
Proceeds from issuance of bonds	－	4,928
Proceeds from sales of treasury stock	95	－
Purchase of treasury stock	(744)	(0)
Cash dividends paid	(3,666)	(4,714)
Other, net	(59)	(466)
Net cash provided by (used in) financing activities	18,261	65,165
Effect of exchange rate change on cash and cash equivalents	174	(163)
Net increase (decrease) in cash and cash equivalents	(7,842)	6,610
Cash and cash equivalents at beginning of period	24,140	16,297
Cash and cash equivalents at end of period	16,297	22,908

(6) Notes on Assumptions for Going Concern

Not applicable

(7) Notes on Consolidated Financial Statements

1. Reporting entity

Asahi Holdings, Inc. (hereinafter the "Company") is a company located in Japan. The addresses of the Company's registered head office and principal offices are available on its website (https://www.asahiholdings.com). The Company's consolidated financial statements have a fiscal year-end date of March 31, 2020 and comprise the financial statements of the Company as well as its subsidiaries (the "Group").

For the main activities of the Group, please refer to Note 5. Segment information.

2. Basis of preparation

(1) Statement of compliance with IFRS

The consolidated financial statements of the Group have been prepared based on IFRS issued by the International Accounting Standards Board.

Having met the requirements for a Specified Company under the Designated International Accounting Standards, as prescribed in Article 1-2 of the Ordinance on the Terminology, Forms, and Preparation Methods of Consolidated Financial Statements (Ordinance of the Ministry of Finance No. 28 of 1976; the "Ordinance on Consolidated Financial Statements"), the Group adopts the provisions of Article 93 of the aforementioned rules.

(2) Basis of measurement

The consolidated financial statements of the Group have been prepared based on costs of acquisition, except for the specified financial instruments that have been measured at fair value.

(3) Functional currency and presentation currency

The consolidated financial statements of the Group are presented in Japanese yen, which is the functional currency of the Company, and figures less than one million yen are rounded down to the nearest million yen.

3. Changes in accounting policies

The significant accounting policies adopted for the consolidated financial statements are the same as those for the consolidated financial statements for the fiscal year ended March 31, 2019, with the exception of the items described below.

(1) Basis for consolidation

Affiliated companies

Affiliated companies refer to companies over which the Group does not have control or joint control, despite having significant influence over finance or operating policy. When the Group has between 20% and 50% of the voting rights of another company, the Group is assumed to have significant influence over that company.

Affiliated companies are accounted for by the equity method from the day that the Group assumes a significant influence until the day that it loses the significant influence. Investments in affiliates include goodwill recognized upon acquisition (net of accumulated impairment losses).

Where affiliated companies have adopted different accounting policies to those adopted by the Group, adjustments are made to the affiliated companies' financial statements as needed.

(2) Leases

The Group adopted the standards shown below in the first quarterly consolidated accounting period.

IFRS		Overview of new and revised items
IFRS 16	Leases	Revision of accounting procedures on leases

The Group adopted IFRS 16 “Leases” (announced in January 2016, hereinafter referred to as “IFRS 16”) in the first quarterly consolidated period.

IFRS 16, which replaces the former IAS 17 for lease transactions of the lessee, prescribes the elimination of the classification between operating leases and finance leases and introduction of a single accounting model to record assets and liabilities in relation to all important lease transactions.

As of the lease commencement date, right-of-use assets are measured at acquisition cost, and lease liabilities are measured at the present value of remaining lease payments as of the lease commencement date. When the ownership of the underlying asset is transferred to the Group prior to the termination of the lease period, or when the exercise of a purchase option is reflected in the acquisition price of the right-of-use asset, the right-of-use asset is depreciated using the straight-line method based on its useful life. In other cases, right-of-use assets are depreciated using the straight-line method based on either the useful life or at the termination of the lease period, whichever is shorter. Lease payments are apportioned between finance costs and repayment of lease obligations based on the interest method, and financial costs are recognized in the consolidated statements of income.

The lease period is determined by adjusting the period subject to an option to extend or terminate the lease that can be exercised with reasonable certainty during the non-cancelable period as set forth in the lease contract. The rate used in calculating the present value of the lease payments is the interest rate implicit in the lease or the lessee’s incremental borrowing rate.

Short-term leases with a lease term of 12 months or less and leases of low-value underlying assets are recognized as expenses on either a straight-line basis or another systematic basis over the lease term for the total lease payments.

The method adopted in the application of IFRS 16 is to recognize the cumulative effect of applying this standard at the date of initial application that is approved as an interim measure without retrospectively adjusting the balance in the earlier reporting periods.

In transitioning to IFRS 16, the Company chose to adopt the practical expedient of succeeding the previous assessment of which transactions constitute leases. IFRS 16 is applied only to contracts that were identified as leases under the previous IAS 17 and IFRIC 4 and a review on whether the contracts correspond to leases is not performed on contracts not previously identified as leases.

Consequently, the identification of leases based on IFRS 16 is applied solely to contracts that were signed or changed after the initial date of application.

For leases that were classified as operating leases under IAS 17, lease liabilities on transition are initially measured at the present value of the total remaining leases as of the date of transition, discounted at the incremental borrowing rate of the lessee. Right-of-use assets are recorded at the same value as lease liabilities. The weighted-average for incremental borrowing rate of the lessee applied to lease liabilities recognized in the consolidated financial statements as of the date of initial application is 0.4%.

Also, the Company has used the practical expedients in the past as shown below prior to the application of IFRS 16 to leases classified as operating leases with the application of IAS 17:

* Rely on an assessment of whether leases are onerous in accordance with IAS 37 “Provisions, Contingent Liabilities and Contingent Assets” immediately before the date of initial application as an alternative to performing an impairment review.

* Apply a single discount rate to a portfolio of leases with reasonably similar characteristics

* Account for leases for which the lease term ends within 12 months of the date of initial application in the same way as short-term leases

* Exclude initial direct costs from the measurement of right-of-use assets at the date of initial application

* Use hindsight: e.g. in determining the lease term of the contract that contains options to extend or terminate the lease.

The differential between the lease liabilities recognized on the day of initial application and total future minimum lease payments on operating leases that cannot be terminated, disclosed by applying IAS 17, as of the end of the consolidated accounting year immediately before the date of initial application is 1,652 million yen. A major reason behind this differential is a review of the lease period performed upon the application of IFRS 16.

The carrying amount of right-of-use assets and lease liabilities as of April 1, 2019 for leases classified as finance leases under IAS 17 is calculated at the carrying amount of lease assets and lease liabilities according to IAS 17 as of the day immediately preceding the above date.

In transitioning to IFRS 16, the Company recorded 2,138 million yen, 507 million yen and 1,631 million yen as Property, plant and equipment, other financial liabilities (current) and other financial liabilities (noncurrent), respectively, at the beginning of the period.

The impact of the transition on the profits and cash flow during the current fiscal year remains minimal.

(3) Discontinued operations

The Group recognizes any component of a company that has already been disposed of or has been classified as held for sale and that falls under either one of the following categories as a discontinued operation:

・It represents a major independent business area or operating territory.

・It is a component of a consolidated plan to dispose of a major independent business area or operating territory.

・It is a subsidiary that has been acquired solely for the purpose of resale.

The after-tax gain or loss on discontinued operations and the after-tax gain or loss recognized after the disposal of the disposal group that constitutes the discontinued operations are reported separately from continued operations as profit from discontinued operations in the consolidated income statement. The disclosed data on prior periods have also been restated accordingly.

Note 7 discloses additional information related to discontinued operations while notes to all other consolidated financial statements show the amounts relating to continuing operations, unless otherwise specified.

4. Significant accounting estimates and associated judgements

In preparing consolidated financial statements, the management is required to make judgement, estimates and assumptions that affect the adoption of accounting policies and the amounts of assets, liabilities, revenues and expenses. Actual results may differ from such estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. The effect of a change in accounting estimates is recognized in the accounting period in which such change occurs as well as the accounting periods to be affected in the future.

The estimates and judgements made by the management that may have material impacts on the figures in the consolidated financial statements are the same as those for the consolidated financial statements for the fiscal year ended March 31, 2019.

5. Segment information

(1) Overview of reporting segments

The Group's reporting segments are those Group constituent units for which separate financial information is obtainable, and which the Board of Directors subjects to regular examination in order to decide the allocation of management resources and evaluate business results.

As a pure holding company, the Company is in charge of overall strategic function for the Group, whereas operating companies of the Group engage in the precious and rare metals recycling business and the refining and processing business, industrial waste management and other environmental preservation business.

Therefore, the Group is composed of product and service segments based on business sectors. The two reporting segments are the precious metals business and the environmental preservation business. Meanwhile, these reporting segments are not be aggregated.

The precious metals business engages mainly in recycling and selling of precious and rare metals such as gold, silver, palladium, and platinum, as well as refining and processing of precious metals such as gold and silver. The main work of environmental preservation business is the collection, transport and intermediate processing of industrial waste, and the manufacture and sale of electric heaters.

In the current consolidated fiscal year, the Company transferred 60% of all shares of Fuji Medical Instruments MFG. Co., Ltd. to Johnson Health Tech Co., Ltd., a company listed on the Taiwan Stock Exchange. Consequently, the Company classified the business of Fuji under discontinuing operations, and the amounts presented for segment information are amounts from continuing operations from which discontinuing operations have been excluded. Please refer to Note "7. Discontinued Operations" for details on discontinued operations.

Also, starting in the current consolidated fiscal year, the number of reporting segments was reduced from 3 (three) in the past: "Precious Metals business," "Environmental Preservation business" and "Life & Health business" to 2 (two): "Precious Metals business" and "Environmental Preservation business." This step was taken in response to partial changes in the Group's business management structure following the classification of Fuji, which constituted a core section of the "Life & Health business," into discontinued operations. In line with this change, the Company transferred the business of INTER CENTRAL, INC. from "Life & Health business" to "Environmental Preservation business" category in the previous consolidated fiscal year. Also, the business of KOEIKOGYO CO., LTD., transferred from "Life & Health business" to "Other" because it sold all shares and was excluded from consolidation.

(2) Segment revenue and performance

For the fiscal year ended March 31, 2019 (from April 1, 2018 to March 31, 2019)

(Millions of yen)

	Reporting segment						
	Precious Metals Business	Environmental Preservation Business	Subtotal	Other	Total	Adjustment	Consolidated
Revenue							
External revenue	87,804	19,366	107,171	3,241	110,412	―	110,412
Intersegment revenue	―	41	41	0	42	(42)	―
Total	87,804	19,408	107,212	3,241	110,454	(42)	110,412
Operating income by business segment	11,992	3,850	15,842	156	15,998	(2,556)	13,442
Finance income							32
Finance costs							(1,123)
Profit before tax							12,351
Others:							
Depreciation and amortization	986	687	1,673	13	1,686	487	2,174
Impairment loss	0	14	15	―	15	―	15

(Notes) 1. Intersegment transactions are based on prevailing market prices.

2. Adjustments of operating income by business segment are mainly corporate expenses that are not allocated to each reporting segment.

For the fiscal year ended March 31, 2020 (from April 1, 2019 to March 31, 2020)

(Millions of yen)

	Reporting segment						
	Precious Metals Business	Environmental Preservation Business	Subtotal	Other	Total	Adjustment	Consolidated
Revenue							
External revenue	113,755	20,713	134,468	1,094	135,563	—	135,563
Intersegment revenue	—	3	3	—	3	(3)	—
Total	113,755	20,716	134,472	1,094	135,566	(3)	135,563
Operating income by business segment	18,022	4,355	22,378	3	22,381	(2,261)	20,119
Finance income							24
Finance costs							(2,440)
Other non-operating income							87
Other non-operating expenses							(140)
Profit before tax							17,650
Others:							
Depreciation and amortization	1,347	792	2,139	3	2,142	501	2,644
Impairment loss	998	—	998	—	998	—	998
Share of loss (profit) of investments accounted for using equity method	—	—	—	(45)	(45)	—	(45)

(Notes) 1. Intersegment transactions are based on prevailing market prices.
2. Adjustments of operating income by business segment are mainly corporate expenses that are not allocated to each reporting segment.
3. Please refer to Note 6. Impairment loss for details on impairment loss.

6. Impairment loss

The impairment loss of 998 million yen on property, plant and equipment recognized during the fiscal year under review was due to the decision of disposal of gold and silver refining facilities (buildings and machinery) in Asahi Refining Florida LLC belonging to the segment of Precious Metals Business to further enhance the efficiency and profitability of business in North America. And the book value of the property, plant and equipment has been reduced to the recoverable amount. The recoverable value is measured based on the fair value less costs of disposal, and that is evaluated using the estimated disposal value, etc. of the asset. The fair value hierarchy level is 3. Impairment losses are recorded in “Other operating expenses” in the consolidated statements of income.

7. Discontinued operations

(1) Outline of discontinued operations

On December 20, 2019, the Company signed an agreement to transfer of 60% of all the shares of Fuji Medical Instruments Mfg. Co., Ltd, which was a consolidated subsidiary of the Company, to Johnson Health Tech. Co., Ltd., a listed company on the Taiwan Stock Exchange. For this reason, profit and loss as well as cash flows relating to operations of Fuji Medical Instruments Mfg. Co., Ltd in the fiscal year under review are classified as discontinued operations, while those for the previous fiscal year are restated with the discontinued operations concerned displayed in a separate category. The transfer was completed on March 13, 2020.

(2) Discontinued operations performance

(Millions of yen)

	The fiscal year ended March 31, 2019	The fiscal year ended March 31, 2020
Revenue and expense of discontinued operations		
Revenue	18,378	13,698
Expense (note)	(17,325)	(14,772)
Profit (loss) before tax from discontinued operations	1,053	(1,074)
Corporate income tax expense (note)	(325)	(499)
Profit (loss) from discontinued operations	727	(1,573)

(Note) This includes losses worth 1,607 million yen, which were recognized by the measurement in the current consolidated fiscal year of the disposal group that constitutes discontinued operations at fair value less selling cost. Corporation income tax expenses pertaining to this change totaled 332 million yen.

(3) Cash flow from discontinued operations

(Millions of yen)

	The fiscal year ended March 31, 2019	The fiscal year ended March 31, 2020
Cash flow from discontinued operations		
Net cash provided by (used in) operating activities	119	1,388
Net cash provided by (used in) investing activities	(42)	(80)
Net cash provided by (used in) financing activities	42	(1,493)
Total	119	(184)

8. Per share information

(1) Basic and diluted earnings per share

(Yen)

	Year ended March 31, 2019	Year ended March 31, 2020
Continuing operations	209.70	290.22
Discontinued operations	18.44	(39.98)
Total basic earnings (loss) per share	228.14	250.24
Continuing operations	208.84	288.24
Discontinued operations	18.37	(39.71)
Total diluted earnings per share	227.21	248.53

(2) The basis for calculating basic earnings per share

(Millions of yen)

	Year ended March 31, 2019	Year ended March 31, 2020
Profit attributable to owners of parent	9,000	9,846
Profit (loss) from discontinued operations attributable to owners of parent	727	(1,573)
Profit from continuing operations attributable to owners of parent used for calculation of the basic earnings per share	8,273	11,419

(3) The basis for calculating diluted earnings per share

(Millions of yen)

	Year ended March 31, 2019	Year ended March 31, 2020
Profit from continuing operations used for calculation of the basic earnings per share	8,273	11,419
Adjustments of profit for the year	—	—
Profit from continuing operations used for calculation of the diluted earnings per share	8,273	11,419
Profit (loss) from discontinued operations used for calculation of the diluted earnings per share	727	(1,573)
Profit used for calculation of the diluted earnings per share	9,000	9,846

(4) Weighted average number of common stock

(Shares)

	Year ended March 31, 2019	Year ended March 31, 2020
Weighted average number of common stock	39,453,473	39,348,825
Increase in number of common stock		
Share acquisition rights	161,261	271,512
Weighted average number of diluted common stock	39,614,734	39,620,337

9. Subsequent events

Not applicable

5. Others

(1) Amounts of Sales

	Year ended March 31, 2019		Year ended March 31, 2020	
	Amount (Millions of yen)	Year-on-Year (%)	Amount (Millions of yen)	Year-on-Year (%)
Gold	41,742	131.9	52,898	126.7
Silver	4,414	91.7	4,125	93.4
Palladium	22,069	120.3	29,908	135.5
Platinum	5,051	78.7	6,576	130.2
Industrial waste treatment	19,272	105.6	20,622	107.0
Other	17,861	―	21,431	120.0
Total	110,412	―	135,563	122.8

(Note) The Company classified the business of Fuji Medical Instruments MFG. Co., Ltd., which was a consolidated subsidiary of the Company, under discontinuing operations. Consequently, the Company restated “Amounts of Sales” from the previous consolidated fiscal year to amounts from continuing operations.