

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.

July 29, 2020

To whom it may concern

Company Name: **Asahi Holdings, Inc.**
Representative: Tomoya Higashiura, Representative Director,
President & CEO
(Code: 5857, First Section of the Tokyo Stock Exchange)
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Notice on the Revision of Financial Forecasts and Revision of Dividend Forecast (Dividend Increase)

This is to notify that the Company has revised its consolidated financial forecasts for the fiscal year ending March 31, 2021 (April 1, 2020 - March 31, 2021) and the year-end dividend forecast, which were announced on April 30, 2020, in view of the recent trends in its business performance, as shown in the sections below.

Details

1. Revision of the financial forecasts

(1) Revision of the first half period consolidated financial forecasts for the fiscal year ending March 31, 2021 (April 1, 2020 to September 30, 2020)

(Unit: millions of yen, %)

	Revenue	Operating income	Profit before tax	Profit attributable to owners of parent	Basic earnings per share
Previous forecast (A) (Announced on April 30, 2020)	69,000	6,700	6,600	4,400	Yen Sen 111 82
Revised forecast (B)	79,000	10,800	10,700	7,300	185 52
Change (B-A)	10,000	4,100	4,100	2,900	—
Change (%)	14.5	61.2	62.1	65.9	—
(Ref.) Results for the first half period (FY ended March 31, 2020)	60,985	6,937	6,744	4,506	114 53

(2) Revision of the full-term consolidated financial forecasts for the fiscal year ending March 31, 2021 (April 1, 2020 to March 31, 2021)

(Unit: millions of yen, %)

	Revenue	Operating income	Profit before tax	Profit attributable to owners of parent	Basic earnings per share
Previous forecast (A) (Announced on April 30, 2020)	150,000	16,000	15,800	10,600	Yen Sen 269 39
Revised forecast (B)	165,000	21,000	20,800	14,000	355 79
Change (B-A)	15,000	5,000	5,000	3,400	—
Change (%)	10.0	31.3	31.6	32.1	—
(Ref.) Results for the full-term (FY ended March 31, 2020)	135,563	18,010	17,650	9,846	250 24

(3) Reasons for the revision of financial forecasts

The consolidated financial performance for the fiscal year ending March 31, 2021 is expected to substantially exceed our initial estimates since the volume of precious metals collected for recycling is steady and precious metal prices are rising in precious metal recycling business in Japan. Also, the sales of refined products and financial transactions are increasing in precious metal refining business in North America. Therefore, the first half period consolidated financial forecasts and the full-term consolidated financial forecasts were revised accordingly.

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. Until the fiscal year ended March 31, 2020, the revenue from this transaction was recorded as revenue, while the corresponding interest payment was recorded as finance expenses. From the fiscal year ending March 31, 2021, the presentation method has been changed by recording the corresponding interest payment in cost of sales, and the descriptions of the financial results for the fiscal year ended March 31, 2020 are also changed. As a result of this change, the description of the results of operating income for the full-term of the fiscal year ended March 31, 2020 decreased by 2,108 million yen compared with the previous method. There is no impact on profit before tax and profit attributable to owners of parent.

2. Revision of Dividend Forecast

(1) Revision of dividend forecast for the fiscal year ending March 31, 2021

	Annual Dividend		
	End of second quarter	End of FY	Total
Previous forecast (Announced on April 30, 2020)	70 yen	70 yen	140 yen
Revised forecast	80 yen	80 yen	160 yen
Results for the current FY			
Results for the previous FY (FY ended March 31, 2020)	60 yen	70 yen	130 yen

(2) Reasons for the revision of dividend forecast

In this revised full-term consolidated financial forecast, revenue, operating income, profit before tax and profit attributable to owners of parent are all projected to be record high. Based on this judgment, the Company plans to increase its dividend payment both at the end of second quarter and fiscal year by 10 yen each from 70 yen in the previous forecast, and the total annual dividend of the year is planned to be 160 yen.

The above forecasts have been prepared based on the information available at the time of issuance of this announcement. Actual results may differ from the aforementioned forecasts due to a variety of factors including domestic and international industrial activities, financial trends, transition of precious metal prices and others, which are affected by the spread of COVID-19 infections.