

TRANSLATION FOR REFERENCE PURPOSE ONLY

This notice has been translated from the original Japanese text of the timely disclosure 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.

October 27, 2022

Company Name: **Asahi Holdings, Inc.**
Representative: Tomoya Higashiura, President & CEO
(Code: 5857, Tokyo Stock Exchange - Prime Market)
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Notice of Difference between Financial Forecast and Actual Financial Results for the Six Months Ended September 30, 2022 and Revision to Financial Forecast for the Year Ending March 31, 2023

Asahi Holdings, Inc. (the “Company”) hereby announces that, there were differences between the consolidated financial forecast for the six months ended September 30, 2022 announced on April 27, 2022 and the actual results announced today. The Company also announces that the Board of Directors of the Company has resolved today to revise its consolidated financial forecast for the year ending March 31, 2023, which was announced on April 27, 2022. The details are described below.

1. Differences between consolidated financial forecast and actual financial results for the six months ended September 30, 2022 (April 1, 2022 to September 30, 2022)

	Revenue	Operating profit	Profit before tax	Profit attributable to owners of parent	Basic earnings per share
	¥ million	¥ million	¥ million	¥ million	Yen Sen
Previous forecasts (A) (Announced on April 27, 2022)	100,000	12,000	11,700	8,000	101 73
Actual results (B)	132,653	11,493	10,241	7,293	93 30
Change (B-A)	32,653	(506)	(1,458)	(706)	
Change (%)	32.7	(4.2)	(12.5)	(8.8)	
(Ref.) Results for the six months (FY ended March 31, 2022)	96,861	13,698	13,642	9,653	122 62

2. Revisions to consolidated financial forecast for the year ending March 31, 2023 (April 1, 2022 to March 31, 2023)

	Revenue	Operating profit	Profit before tax	Profit attributable to owners of parent	Basic earnings per share
	¥ million	¥ million	¥ million	¥ million	Yen Sen
Previous forecasts (A) (Announced on April 27, 2022)	200,000	24,000	23,500	16,000	203 45
Revised forecasts (B)	270,000	24,000	22,600	15,600	201 52
Change (B-A)	70,000	—	(900)	(400)	
Change (%)	35.0	—	(3.8)	(2.5)	
(Ref.) Results for the full year (FY ended March 31, 2022)	192,442	26,446	26,372	18,735	238 11

3. Reasons for differences and revisions

Revenue exceeded the previous forecast due to the significant increase in the volume of precious metals collected and sales with the launch of the new plant for the precious metals recycling business in April this year.

On the other hand, the Company recorded “share of loss of investments accounted for using equity method” in association with the judgement rendered by the Osaka District Court on September 15, 2022 regarding a patent infringement lawsuit, which was filed to Fuji Medical Instruments MFG. Co., Ltd. (“Fuji”), an equity-method affiliate of the Company, by Family Inada Co., Ltd. In addition, when the Company and Johnson Health Tech, Co., Ltd. entered into a share transfer agreement on December 20, 2019 regarding shares of Fuji, it was agreed that the Company would bear a portion of this compensation for damages, and the Company recorded “other non-operating expenses” based on the amount for which it bore responsibility under the agreement. As a result, operating profit, profit before tax and profit attributable to owners of parent fell below the previous forecasts.

Based on the above results, the Company has resolved to revise the full-year consolidated financial forecasts for the fiscal year ending March 31, 2023.

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 economic conditions, financial trends, metal market trends and others.