

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.

December 9, 2022

Company Name:	Asahi Holdings, Inc.
Representative:	Tomoya Higashiura, President & CEO (Code: 5857, Tokyo Stock Exchange - Prime Market)
Contact:	Kunihiko Chogo, General Manager, Corporate Planning & Communications Department (Phone: +81-3-6270-1833)

Notice Concerning Transfer of Equity-Method Affiliate (Share Transfer)

Asahi Holdings, Inc. (hereinafter the “Company”) hereby announces that the Company has concluded today a share transfer agreement to transfer all the holding shares of Fuji Medical Instruments Mfg. Co., Ltd. (hereinafter “Fuji”), an equity-method affiliate of the Company, to Johnson Health Tech Co., Ltd. (hereinafter “Johnson Health Tech”), a company listed on the Taiwan Stock Exchange, as shown below.

As a result of this share transfer, Fuji will be excluded from the Company's equity-method affiliate.

1. Reasons for the share transfer

In March 2020, aiming for further growth of Fuji, which was a wholly owned subsidiary of the Company, it transferred 60% of shares of Fuji to Johnson Health Tech, which possesses 30 sales subsidiaries and over 300 directly managed stores around the world. Since then, Fuji has been engaged in launching new product development designed to fulfill customer needs and expanding overseas business by reciprocally leveraging the management resources of the two companies.

On the other hand, one of the basic policies of the Company’s 9th Medium-Term Management Plan is to “reinforce the foundation for global growth” and the Company is promoting selection and concentration of businesses while continuing the “scrap and build” initiatives. In the fiscal year ended March 31, 2020, the Company exited the "Life & Health Business" and concentrated management resources on the "Precious Metals Business" and "Environmental Preservation Business". The Company is making steady progress toward achieving the Medium-Term Management Plan.

Under these circumstances, as a result of various considerations, the Company has determined that it would be optimal for Fuji to operate as a wholly owned subsidiary of Johnson Health Tech in order for Fuji to expand the business by increasing its share of the domestic market and developing overseas markets, and to further enhance its corporate value. From the above, the Company has decided on this share transfer.

The Company will continue to work on innovating and embracing challenges, and contribute to the realization of a sustainable world.

2. Overview of Fuji

(1) Name	Fuji Medical Instruments Mfg. Co., Ltd.	
(2) Location	1-22, Noninbashi 1-chome, Chuo-ku, Osaka	
(3) Job title and name of representative	Representative Director: Seiji Yasunaga	
(4) Description of business	Manufacture, sales, import and export of health equipment, etc.	
(5) Share capital	30 million yen	
(6) Date of establishment	April 13, 1965	
(7) Major shareholder and ownership ratio	Johnson Health Tech Co., Ltd.: 60% Asahi Holdings, Inc.: 40%	
(8) Relationship between the Company and Fuji	Capital relationship	An equity-method affiliate of the Company
	Personnel relationship	No applicable item
	Business relationship	No applicable item

(9) Operating performance and financial condition of Fuji in the past three years			
As of / Fiscal year ended	March 31, 2020	December 31, 2020	December 31, 2021
Net assets (million yen)	4,333	4,792	5,281
Total assets (million yen)	8,565	9,270	9,093
Net assets per share (yen)	14,445.26	15,974.48	17,604.39
Revenue (million yen)	17,534	13,640	17,846
Operating profit (million yen)	489	698	1,016
Ordinary profits (million yen)	342	665	1,021
Net income (million yen)	160	452	720
Net income per share (yen)	534.83	1,507.17	2,400.89
Annual dividend per share (yen)	—	750	1,200

(Note): Due to the change in the accounting period for the fiscal year ended December 31, 2020, the accounting period covers nine months from April 1, 2020 to December 31, 2020.

3. Overview of Johnson Health Tech

(1) Name	Johnson Health Tech. Co., Ltd.	
(2) Location	No. 999, Sec. 2, Dongda Rd., Daya Dist., Taichung City 428, Taiwan, R.O.C.	
(3) Job title and name of representative	Chairman: Lo Kun Chuan	
(4) Description of business	Manufacture and sales of fitness equipment, etc.	
(5) Share capital	3,036 million New Taiwan dollars (13,662 million yen)	
(6) Date of establishment	October 7, 1975	
(7) Relationship with the Company	Capital relationship	No applicable item
	Personnel relationship	No applicable item
	Business relationship	No applicable item
	Related party relationship	No applicable item

(Note): Calculated at 1 New Taiwan dollar = 4.5 yen

4. Number of shares to be transferred and number of shares owned before and after the transfer

(1) Number of shares owned before transfer	120,000 (Number of voting rights: 120,000) (Ratio of voting rights held by the Company: 40%)
(2) Number of shares to be transferred	120,000 (Number of voting rights: 120,000) (Ratio of voting rights held by the Company: 40%)
(3) Transfer price	The Company refrains from disclosing the transfer price due to confidentiality obligations with the transferee.
(4) Number of shares owned after transfer	0 (Number of voting rights: 0) (Ratio of voting rights held by the Company: 0%)

5. Timetable

(1) Date of the conclusion of the share transfer agreement	December 9, 2022
(2) Date of share transfer	December 14, 2022 (Scheduled)

6. Outlook

The impact of the share transfer on the Company's consolidated financial performance for the fiscal year ending March 2023 is currently under examination. The Company will promptly disclose the details if matters requiring further disclosure arise.