

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.

October 25, 2018

To whom it may concern:

Company Name: **Asahi Holdings, Inc.**
Representative: Tomoya Higashiura, President
(Code: 5857, First Section of the Tokyo Stock Exchange)
Contact: Hisanobu Aoki, General Manager of
Corporate Planning & Communications Department
(Phone: +81-3-6270-1833)

Notice on changes in the dividend policy, dividend of surplus, and revision of dividends forecast (increase in dividends)

This is to notify that Asahi Holdings, Inc. (hereinafter the “Company”) resolved at its board of directors’ meeting held on October 25, 2018 on changes in its dividend policy, dividend of surplus for which the record date is September 30, 2018, and revision of dividends forecast for the fiscal year ending on March 31, 2019, as shown below.

Details

1. Changes in the dividend policy and reasons for the changes

The Company has positioned the enhancement of shareholder returns as one of its top priority issues. To further expand its profit distribution to its shareholders, the Company decided to raise the target level of dividend payout ratio.

Regarding dividends that are paid out basically twice each fiscal year as an interim dividend and a year-end dividend, the Company will seek a consolidated dividend payout ratio of “50% and above,” instead of “30% and above” in the past.

(Before change) Targeting a dividend payout ratio of 30% and above of the consolidated net income

(After change) Targeting a dividend payout ratio of 50% and above of the consolidated net income

The aggregate operating cash flow for the three-year period of the 8th medium-term business plan is planned at approx. 37 billion yen. The Company plans to allocate 18.5 billion yen of the above sum to growth strategy investment focused on investment in new equipment, 3 billion yen to investment in maintenance and renewal of existing equipment, and distribute the remaining 15.5 billion yen primarily as dividends.

2. Dividend of surplus for which the record date is September 30, 2018 (interim dividend)

	Determined value	Latest dividend forecast (Released on May 8, 2018)	Results in the previous fiscal year (Year ended March 2018)
Record date	September 30, 2018	Same as on the left	September 30, 2017
Dividend per share	60.00 yen	37.00 yen	30.00 yen
Total dividends	2,389 million yen	–	984 million yen
Effective date	November 26, 2018	–	November 27, 2017
Dividend source	Retained earnings	–	Retained earnings

3. Dividends forecast for the year ending on March 31, 2019

	Annual dividends		
	End of the second quarter	End of the fiscal year	Total
Previous forecast (Released on May 8, 2018)	37.00 yen	37.00 yen	74.00 yen
Recently revised forecast	/	60.00 yen	120.00 yen
Results for the current year	60.00 yen	/	/
Results of the previous year (Year ended March 2018)	30.00 yen	33.00 yen	63.00 yen

(Reference)

Financial indicators (forecast) for the period of the 8th medium-term business plan, after reflecting the impact of changes in dividend policy and revised dividends forecast, are as follows:

	Year ending March 2019 (forecast)	Year ending March 2020 (forecast)	Year ending March 2021 (forecast)
Dividend payout ratio	50.0%	50.2%	50.5%
Earnings per share (EPS)	239.90 yen	259.22 yen	277.01 yen
Return on equity (ROE)	14.1%	14.2%	14.1%
Dividend on equity (DOE)	7.1%	7.1%	7.1%
Return on assets (ROA)	7.0%	7.3%	8.0%
Equity ratio	50.5%	51.8%	61.4%