

Asahi Industries
Group Report
2017



The Earth is moving.

Asahi Industries is creating tomorrow, again today.





What we are working towards.

The realization of a plentiful society that organically ties the past to the present and the present to the future through resource recycling.

Our role in that society is to be a driver sitting at the center of that cycle, using our technical expertise to seek out, utilize and restore resources so that Earth's wealth becomes the riches of tomorrow.

The steel and agriculture sectors that we work in are paving the way for a new future for society.

The Earth is moving, and a new tomorrow is coming.

We will continue to be a company that is always at the forefront of creating new possibilities for resources.

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Management Principles

Being honest, fair, and respected by all, both now and for generations to come

Continuing to provide products and services of high quality and value while contributing to the global environment

CSR Guidelines

Focusing on appreciating and contributing to the community

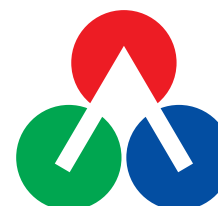
Environmental Guidelines

Contributing to the environment by decreasing environmental impacts, preventing global warming and achieving zero emissions



Corporate Icon

With the “A” of Asahi Industries at its center connecting circles that symbolize “Sun”, “Nature” and “Earth”, our corporate icon expresses our management vision of contributing to the global environment.



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TOP MESSAGE

For over 80 years since it was founded, the Asahi Industries Group has built a proud record of “contributing to the global environment and communities around the world”, honoring its commitment to being “a company that is respected by everyone”. Our goal as a Group is to help create a sustainable society through our operations, from recycling steel scrap into solid steel reinforcing for buildings, bridges and expressways through to producing safe, high-quality organic fertilizers* from livestock manure and waste products such as poultry feathers, oil cake and the wastewater from food and beverage plants.

In the period from FY2010 to FY2013, Asahi Industries experienced unavoidable losses due to factors such as the severe business downturn following the Great East Japan Earthquake, as well as the four-month shutdown of our steelmaking plant due to snow damage in February 2014.

However, with the normalization of the market and thanks to the huge effort put in by all our employees, our results quickly recovered to take us back into positive territory for three consecutive years as of FY2014. We owe a sincere debt of gratitude to all the shareholders, customers, business partners and other stakeholders who kept the faith and supported us throughout such exceptionally difficult times.

With a view to the stance the Asahi Industries Group needs to adopt for 2020, we formulated our medium-term business plan for FY2016-2018 (the ASAHI 2018 Project) that points the way to a new path.

ASAHI 2018 Project

- Ambition** ... With **great ambition**,
- Speciality** ... to be a **leader in speciality areas**,
- Action** ... we take **immediate action**.
- High quality** ... Pursuing **high quality**,
- Innovation** ... we put **steady effort into innovation**.

By the end of FY2016, we had already completed our management fundamentals enhancement strategy and our business strategy for affiliated companies. In our core businesses of agriculture and steel, we will continue to further improve in areas where we excel, such as our technology and development capacity, with the goal of becoming leaders in specialty fields, continuing to expand and grow as a “specialty-based company” committed to a sustainable society.

We look forward to your continuing support.

*Organic fertilizer in this report refers to fertilizer containing 20% or more organic materials.



July 2017
President
Masanori Murakami

村上政徳

To create a truly sustainable society

The efforts that the Asahi Industries Group is making to build a sustainable society are actually already part and parcel of everyone's daily lives.

Our activities now cover a broad spectrum through our Steel Business, Crushed Stone and Material Recycling Business and Agribusiness.

In the future, our work recycling valuable resources will inevitably become even more wide-ranging.



The Asahi Industries Story

1935	Asahi Chemical Fertilizer Co., Ltd. is established. Predecessor of the fertilizer business (Amagasaki-shi, Hyogo Prefecture)
1936	Japan Nickel Co., Ltd. is established. Predecessor of the steel business (Kodama-gun, Saitama Prefecture)
1960	Asahi Chemical Fertilizer Co., Ltd. takes over the steel division of Japan Nickel Co., Ltd. and the company name is changed to Seibu Chemical Industries Co., Ltd. Gives rise to an integrated business model : “steel and fertilizer”.
1992	The current Asahi Industries Co., Ltd. is established.
1995	Johnson Asahi Pty. Ltd. is established as a joint venture. (Victoria, Australia)
2003	Asahi Industries leaves the Saison Group.
2005	The company is listed on the JASDAQ Securities Exchange. (Currently JASDAQ on the Tokyo Stock Exchange, Inc.)
2011	Laiyang Longda Asahi Agricultural Technology Co., Ltd. is established as a joint venture. (Shandong Province, China)
2016	Medium-term Management Plan is announced. "ASAHI 2018 Project"



MEDIUM-TERM MANAGEMENT PLAN FINANCIAL RESULTS FOR FY2016

Medium-term Management Plan —Financial Results for FY2016

Medium-term Management Plan (FY2016-2018)

In April 2016, the Asahi Industries Group launched its “ASAHI 2018 Project” three-year medium-term business plan. This initiative is about facing the tumultuous changes of the modern era by keeping innovation at the forefront and rolling out our policies promptly. In FY2016, we completed our management fundamentals enhancement strategy and our business strategy for affiliated companies. Going forward, we will be fully deploying this business strategy in our core business areas of agriculture and steel, while at the same time developing new policies for the future beyond our medium-term business plan. We are also aiming to further enhance our management platform so that the newly introduced structures and systems operate efficiently, thereby raising our corporate value.

Basic Policies

A company with “Specialities (clear strengths)” as supporters of a sustainable society

Our goal is to be a leader in “Speciality areas (areas of particular strength)”, committed to excellence and to further enhancing our technological and developmental capabilities.

Key Strategies

Business strategy

- Focus resources on manufacturing and selling products backed by technical and developmental expertise and enhance our “speciality areas (areas where we are strong)”
- Strive for real cost reductions through measures such as lowering specific power consumption and improving productivity

Management fundamentals enhancement strategy

- Reform our corporate governance regime through measures such as reorganizing, transitioning to a company with an audit and supervisory committee, and reviewing our committee structures
- Broaden our “human resources” base through measures such as introducing an executive officer system and reforming our human resources systems

Financial strategy

- Reduce interest-bearing debt through stable profits

Results for FY2016 and Plan for FY2017-2018

Management fundamentals enhancement strategy

FY2016

Asahi Industries infrastructure development

- Transition to a company with an audit and supervisory committee
- Introduction of an executive officer system
- Introduction of a new human resources system
- Transfer of administrative operations to Asahi Business Support Co., Ltd (ABS)

Business strategy for affiliated companies

- Securing of new Jobu Co., Ltd mining sites
- Founding of ABS
- Withdrawal from the Environmental Solutions Business

FY2017-2018

Working toward

Improved operations in our management platform and its deployment in affiliated companies

Financial strategy

Promotion of long-term procurement at fixed interest rates with a view to hedging risk from rising interest rates

Management Indices	FY2016 results	FY2017 projected (Released May 2017)	FY2018 projected (From Medium-term business plan)
Ordinary income rate (%)	3.4	4.6	5.7
ROE (%)	10.2	16.3	17.2
Net interest-bearing debt* (Millions of yen)	7,361	7,900	8,000

* Net interest-bearing debt = Interest-bearing debt - cash and equivalents

Business Portfolio

Crushed Stone and Material Recycling Business (Jobu Co., Ltd.)

Key Business

Maintain its position as the top crushed stone manufacturer in Saitama prefecture

Expand market share by securing new mining sites

Segment net sales and income (Millions of yen)

Crushed Stone and Material Recycling Business	FY2016 results	FY2017 projected	FY2018 projected
Net sales	2,095	2,200	2,200
Segment income	127	140	150

Steel Business

Key Business

Retain and hold our position in the leading group for light bar production and sales volumes in the Kanto region

Shift to high-strength and/or large-diameter deformed bars and threaded deformed bars

Reduce specific power consumption

Improve productivity by reviewing our product portfolio

Segment net sales and income (Millions of yen)

Steel Business	FY2016 results	FY2017 projected	FY2018 projected
Net sales	17,452	21,600	20,000
Segment income	1,318	1,800	1,800

Agribusiness

Grow as a fertilizer manufacturer that specializes in seed and hay

Fertilizer Business

Key Business

Expand granular organic fertilizer production and sales
Make production more efficient through integrated management of 3 plants

Seed Business

Rise-to-the-Challenge Business

Develop our own products and increase domestic and overseas sales

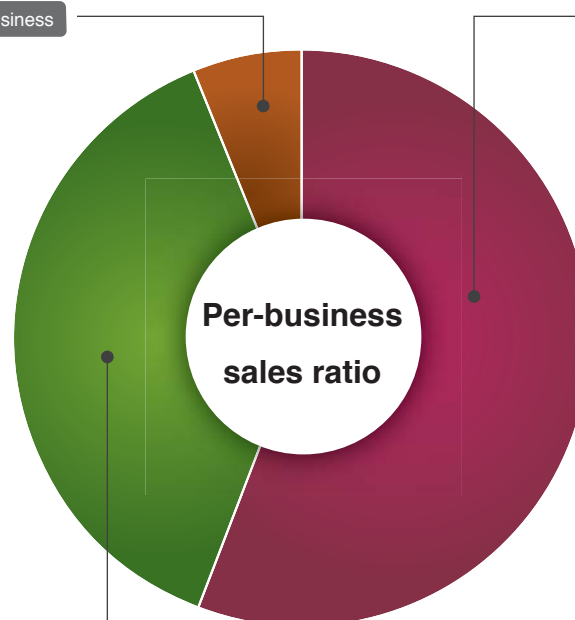
Hay Business

Profitable Business

Perform integrated management with Johnson Asahi Pty. Ltd.

Segment net sales and income (Millions of yen)

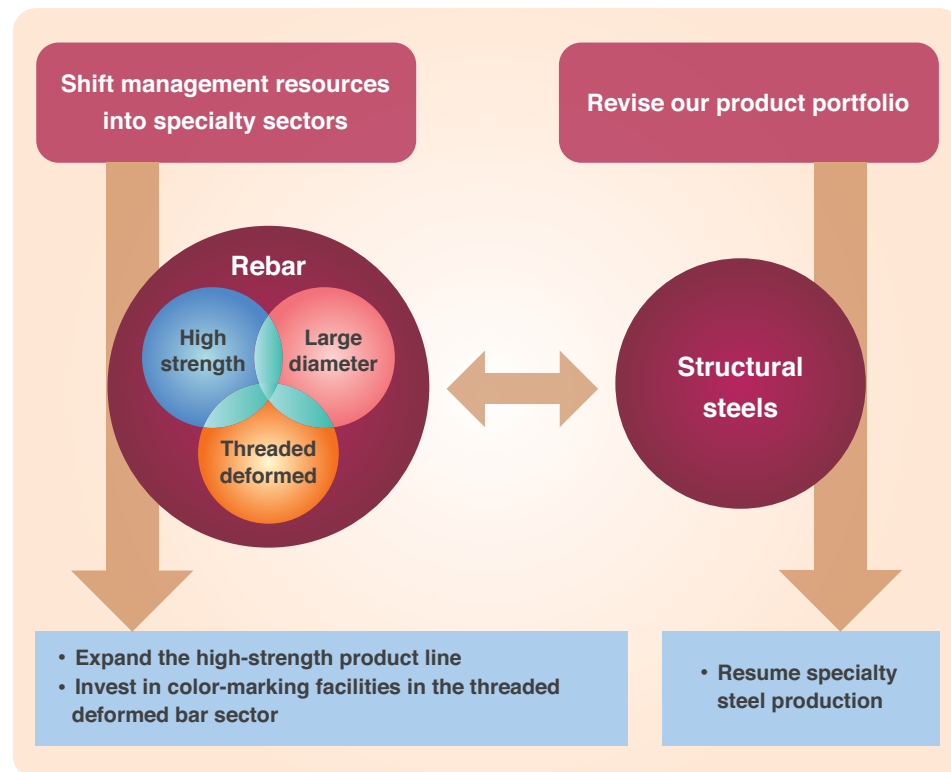
Agribusiness	FY2016 results	FY2017 projected	FY2018 projected
Net sales	12,723	13,200	14,600
Segment income	740	900	1,100



Business strategy

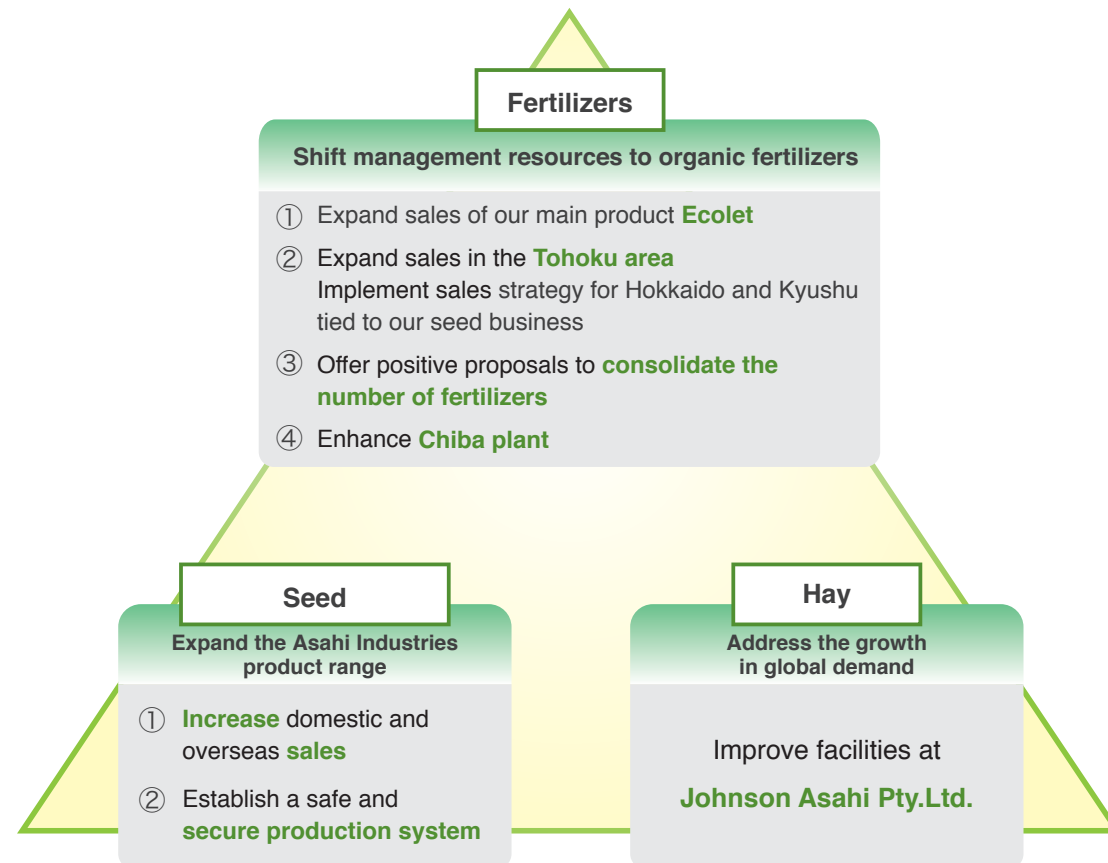
Steel Business

Secure appropriate metal spread* and reduce costs



* Metal spread: The difference between the product price and the steel scrap price

Agribusiness



Financial Results for FY2016

Consolidated results

In a difficult environment, maintaining our profitability in the face of falling revenues and profits

Three consecutive years in positive territory

(Millions of yen)

	FY2015	FY2016
Net Sales	36,348	32,354
Operating income	1,915	1,200
Ordinary income	1,931	1,115
Net income	2,503 ¹	820
Total assets	25,828	27,507
Net assets	7,716	8,404 ²
Ordinary income rate (%)	5.3	3.4
ROE (%)	36.4	10.2
Net interest-bearing debt	7,283	7,361
Dividend (yen)	40	30

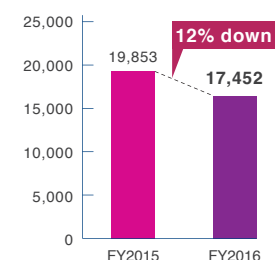
¹ Particular factors in FY2015: Sale of owned securities (407 million yen) and adjustment of corporate tax, etc. (-527 million yen) due to changes in company partitioning in the accounting benchmarks for tax effect accounting

² Ratio of equity to total assets: Increased from 29.9% to 30.6%

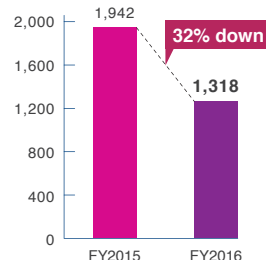
Performance by Segment

Steel Business

Segment net sales <millions of yen>



Segment income <millions of yen>

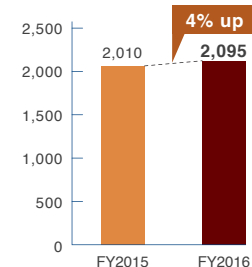


Reasons for changes

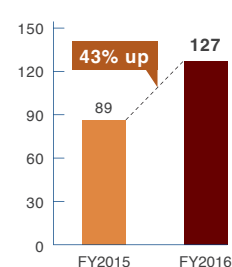
- Falling revenues resulting from reduced shipments due to softening demand
- Lower profits due to decreases in the price difference between products and metal scrap (metal spread)

Crushed Stone and Material Recycling Business

Segment net sales <millions of yen>



Segment income <millions of yen>

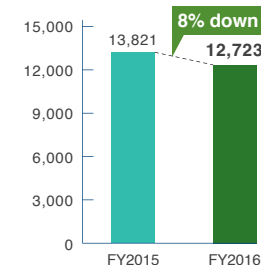


Reasons for changes

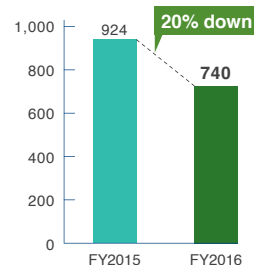
- Increased revenues and profits due to the acquisition of new mining sites and a recovery in demand for ready-mixed concrete

Agribusiness

Segment net sales <millions of yen>



Segment income <millions of yen>



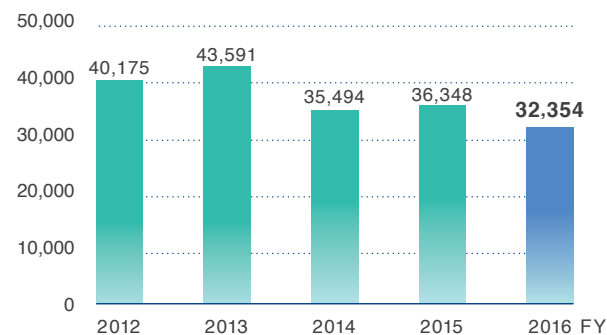
Reasons for changes

- Lower revenues and profits due to falling prices, despite increased sales of organic fertilizer and fertilizer for home gardens

Financial Highlights (Consolidated)

Net sales

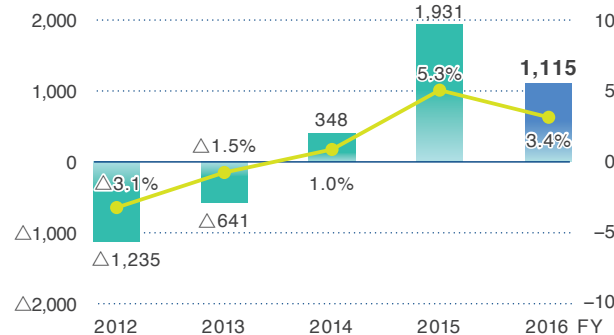
Millions of yen



Ordinary income

Millions of yen

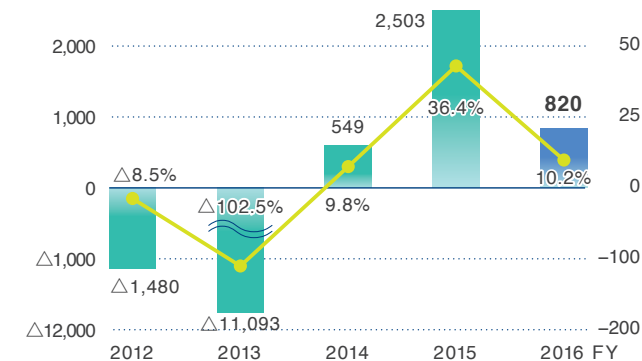
Ordinary income rate (%)



Net income

Millions of yen

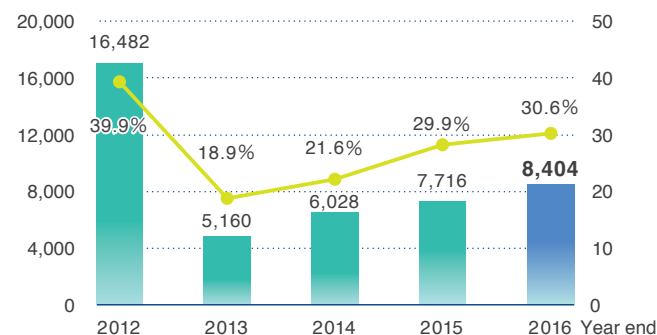
ROE (%)



Net assets

Millions of yen

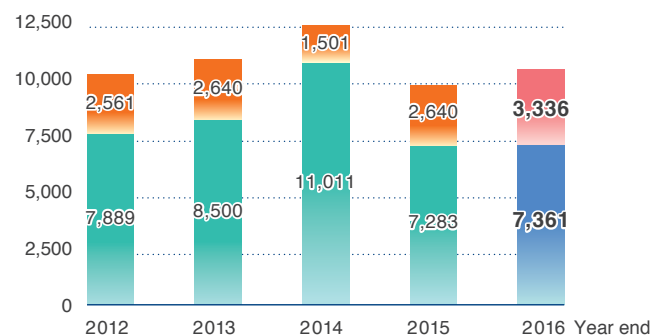
Ratio of shareholders' equity to total assets (%)



Net interest-bearing debt

Millions of yen

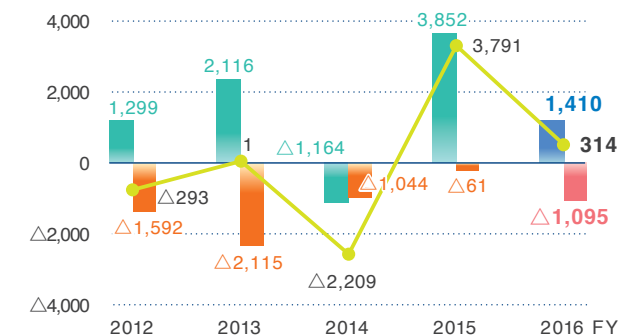
Net interest-bearing debt Cash and equivalents



Cash flow

Millions of yen

Operating cash flow Investment cash flow Free cash flow



OUR BUSINESS

Business Summary





Steel Business

Future hopes and dreams for “electric furnace steel” – the ultimate recycled product

Asahi Industries manufactures rebars (including threaded deformed bars) and structural steels from steel scrap with an electric arc furnace. Our products are produced in environmentally friendly manufacturing facilities with strict quality control. Our rebar is used in the construction and engineering work that underpins our lifestyle, and our structural steels are used in products such as construction and engineering materials and machining components.

We will continue to be a familiar part of our customers' lives and move towards a sustainable society. In response to the changing business environment, we will review our product portfolio and improve our manufacturing and sales systems as we strive to fulfill our hopes and dreams.

Expand range of high-strength and large-diameter rebar

Meeting the needs of high-rise buildings and earthquake-proof construction with our full range of high-strength steels

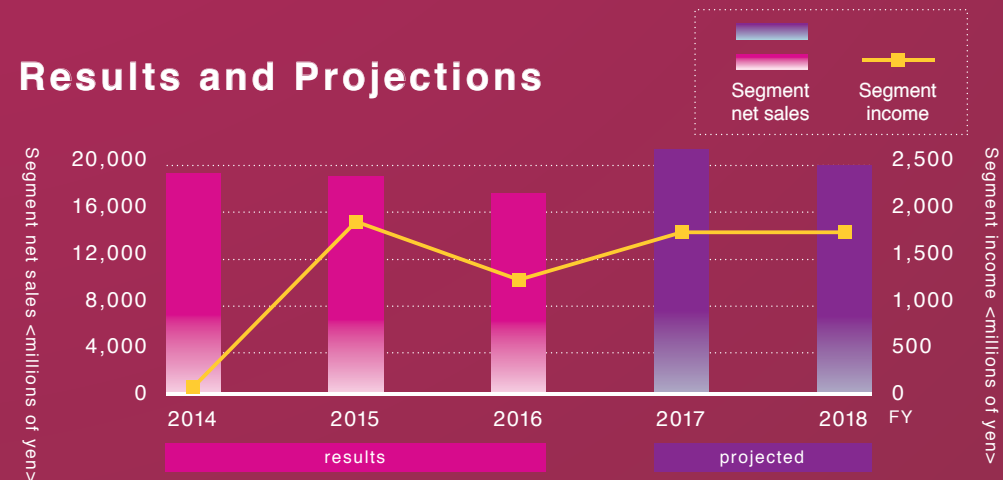
Strengthen threaded deformed bar operations

Contributing to the construction sector by responding quickly to changes in demand (through construction method development and product research), improved work practices and shorter construction times

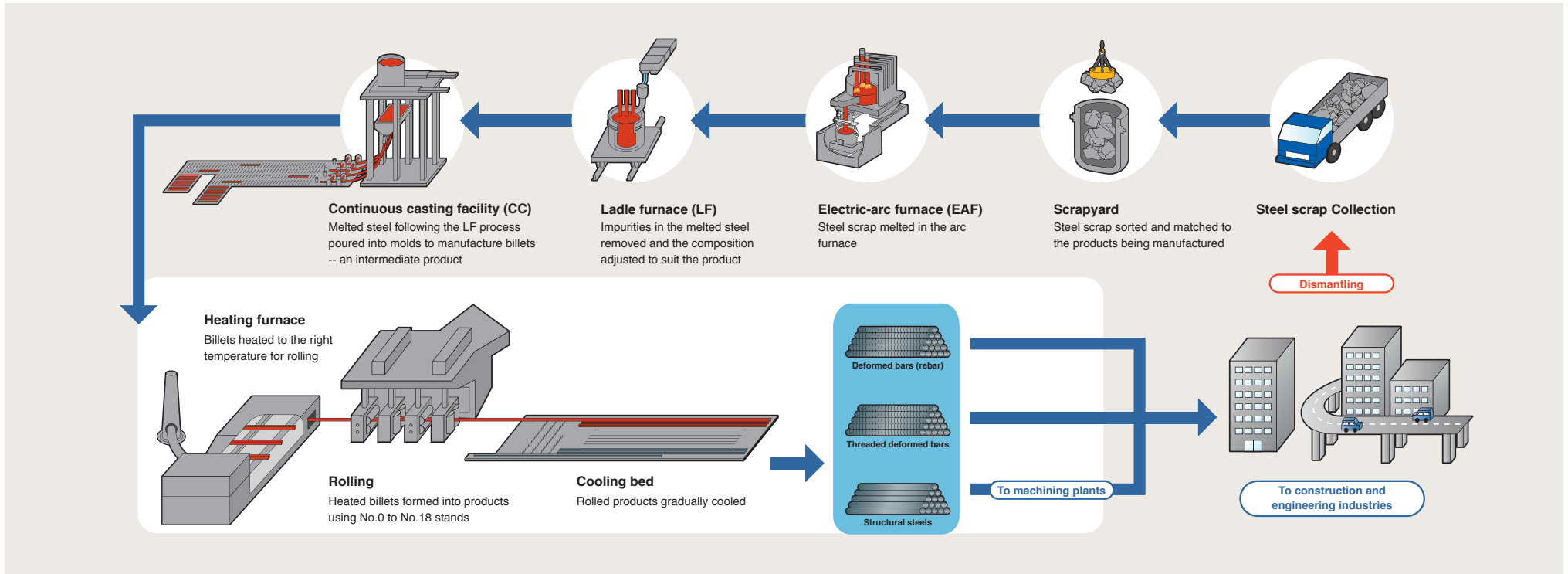
Assured quality backed by history

Developing advanced techniques for manufacturing a wide range of steels through continual quality improvement

Results and Projections



Manufacturing Process



Quality Control

Highly accurate electron microscopes are used in extremely precise quality control processes to ensure that our product assurance system is flawless. We also provide rapid responses to users and implement information feedback to earn their trust.



Microscope



Tension testing



Pickling

Products

“Neji-A-Con” threaded deformed bars

Threaded deformed bars are rebars formed with a screw thread so that they can be joined together using mechanical couplers. The benefits of using these bars include shorter working times and the fact that they can be assembled in any sort of weather. With a few simple instructions, they can be assembled by anyone, and demand for this product is growing. The USD590A, USD590B, USD685A, USD685B and USD980 Neji-A-Con products have been granted Ministry certification.



The Asahi Industries mechanical coupling method is a process that uses steel couplers to join threaded deformed bars together. We provide 6 different coupler types to suit a wide range of applications.

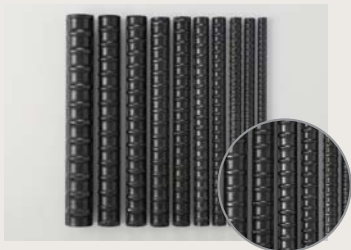


The screw plate method is a mechanical fastening method that has been certified by the Building Center of Japan (BCJ). It is a method for fastening rebar in place that offers an alternative to fastening rebar by bending the ends over.



Deformed bars (rebar)

Deformed bars are very widely used in construction projects such as apartment blocks and office buildings, as well as expressways and Shinkansen bridge piers. Asahi Industries is one of the few manufacturers who produce and sell deformed bars in a wide range of diameters. Our products have been used in projects such as Tokyo Station and Tokyo metropolitan expressways.



Structural steels

Structural steel is processed into a variety of secondary products ranging from mechanical components through to materials for construction and engineering. Its applications underpin our everyday lives, ranging from reinforcing material for the runways at Haneda airport to the foundations for major shopping centers.





Crushed Stone and Material Recycling Business (Jobu Co., Ltd.)

**Helping provide infrastructure
and recycling waste materials
for a sustainable society**

Crushed Stone Business

Jobu Co., Ltd. owns a mining claim of 1 million m² in Minanomachi in Saitama prefecture, and the crushed stone and sand from the mine is used as a raw material for buildings, bridges, roads and other construction projects. In November 2016, it acquired a new adjoining mining claim covering 300,000 m² (6 times the size of Tokyo Dome). This gives us an assured crushed rock reserve equivalent to 35 million tons and a crushed stone production system capable of consistently meeting a wide range of requirements.

**No.1 share
in Saitama
prefecture**

**Stable supply
of a wide
range of
products**



Main products

- Crushed stone for concrete
 - Material for ready-mixed concrete
 - Material for secondary concrete products
- Crushed sand
 - Material for ready-mixed concrete
 - Material for secondary concrete products
 - Material for asphalt mixture
- Crushed stone for roads
 - Material for asphalt mixture
 - Gardening material



Material Recycling Business

By recycling the concrete debris from building demolitions into roadbed material and turning waste timber from house demolitions and logging into wood chips, we are helping to build a sustainable society.

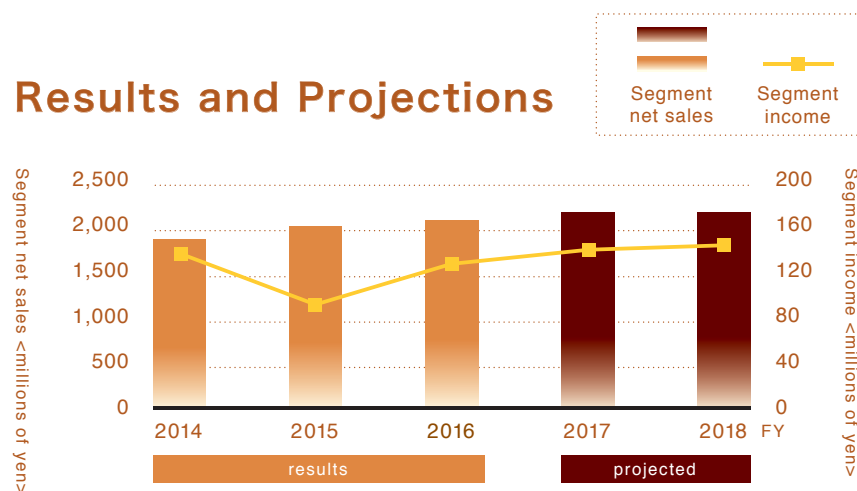
- Recycled roadbed material
 - Civil engineering and construction material



- Wood chips
 - Material for pulp
 - Fuel



Results and Projections





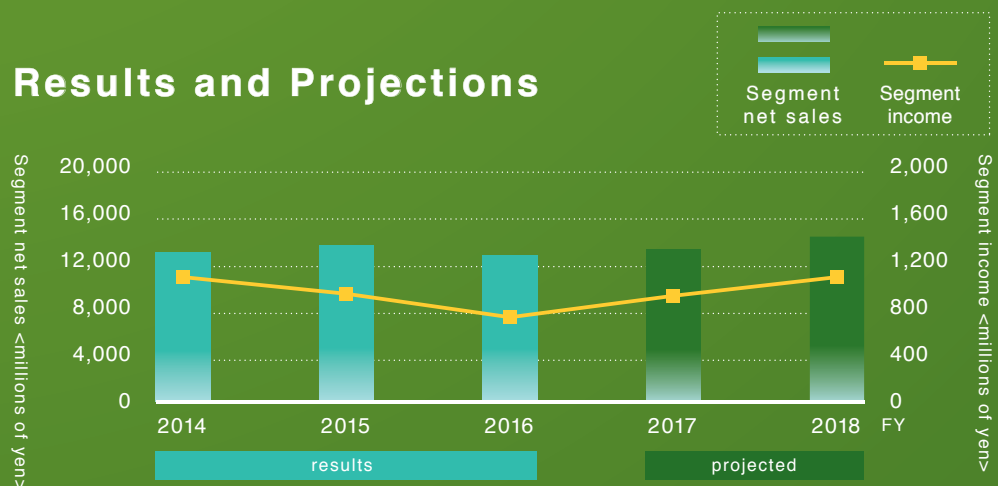
Agribusiness

Growing as a fertilizer manufacturer that specializes in seed and hay

Asahi Industries is Japan's only company operating a seed business and a hay business in addition to manufacturing and selling fertilizer, focusing particularly on granular organic fertilizer. By drawing on our many strengths and maximizing the advantages arising from synergies, we are exploring our potential in agriculture.



Results and Projections



Fertilizer Business

The environment for our fertilizer business is undergoing significant changes due to the increasing pace of agricultural reform in Japan. We see these changes as an opportunity and have set our sights on increasing sales to designated special agricultural producers and agricultural corporations, with high-quality granular organic fertilizers as our key product. In addition to our joint ventures in China, our overseas developments include starting the joint development of organic fertilizers in Thailand in April 2017, progressing the construction of a system able to respond nimbly to domestic and overseas demand.

Experience in
developing raw
materials for
organic fertilizers

Granulation
techniques

Expand sales areas
through cooperation
with seed business

Promote sustainable
agriculture through the
utilization of unused
resources such
as livestock manure

Laiyang Longda Asahi Agricultural Technology Co., Ltd.

- Established in 2011 as a joint venture with Toyota Tsusho Corporation and Longda Foodstuffs Group Co., Ltd.
- Located in Shandong Province, China's largest agricultural production region, the company uses environmentally friendly facilities such as exhaust gas scrubbing and industrial wastewater recycling equipment to manufacture high-quality granular organic fertilizers with technical guidance from Asahi Industries
- Its sales network extends into regions beyond Shandong Province
- Achieved profitability in FY2016



Environmentally Friendly Manufacturing

Asahi Industries manufactures high-quality granular organic fertilizers while also caring for the environment.

Odors

- Electrostatic precipitators, exhaust gas scrubbers, soil deodorizing equipment, regenerative thermal deodorizers
- Sealed plant buildings

Waste -water

- Factory wastewater recycled inside the plant using closed systems (Chiba and Kansai plants)

Exhaust gases

- Exhaust gas scrubbers, electrostatic precipitators



Soil deodorizer



Regenerative thermal deodorizer



Exhaust gas scrubber

Thailand's National Center for Genetic Engineering and Biotechnology (BIOTEC)

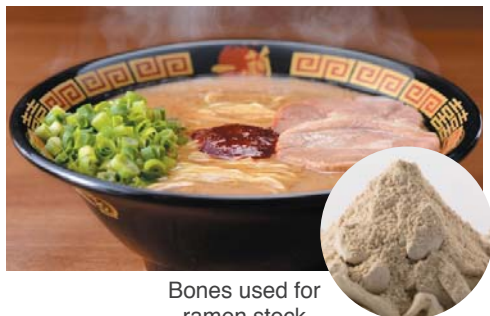
In April 2017, we signed a memorandum of understanding (MOU) with BIOTEC, a research facility conducting R&D in the biotechnology and genetic engineering fields and designed to foster industries. The MOU covers joint research into organic fertilizers for the Thai market and marks the start of a new fertilizer project.



Materials Development and Manufacturing Techniques for Organic Fertilizers

Asahi Industries fertilizers are made using our own specially developed organic materials as well as regular organic materials, and are formed into superbly round, firm granules suited to mechanical application.

- The primary organic materials developed by Asahi Industries include powdered bone made from the pork bones used by major ramen noodle chains to make their soup stock, compost made using bacteria from the wastewater produced by foodstuff factories, and livestock manure.
- By increasing the ratio of our own materials used in our fertilizers, we are making even more superior products (fertilizers) in terms of both quality and cost.



Bones used for ramen stock



Pig manure

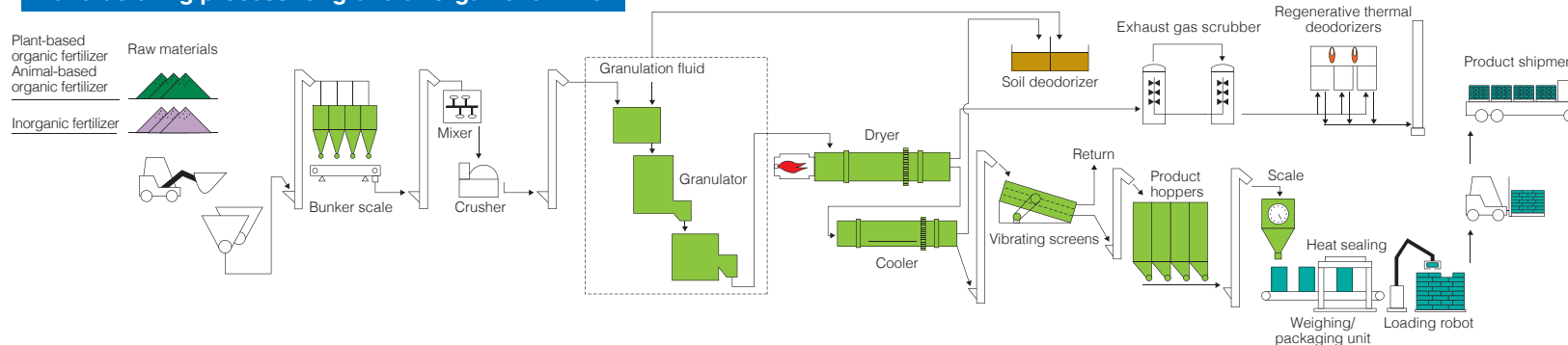


Poultry feathers



Organic fertilizer granules

Manufacturing process for granular organic fertilizer



Fertilizer for farmers



Home gardening fertilizer



Vege*Garden
ベジ ガーデン

Also available from our
Vege Garden website
<http://www.vege-garden.com/>

Seed Business

Using our own in-house developments coupled with techniques developed jointly with a leading Dutch seed company, we are developing vegetable varieties with a particular focus on disease resistance, high-yields and ease of cultivation. And by introducing unique vegetable strains from all over Japan and around the world, we can offer a huge selection of seed varieties.

Develop kabocha squash varieties tailored to domestic Japanese requirements and original rootstock products targeted at overseas markets

Develop disease-resistant tomatoes jointly with a Dutch seed company

Expand markets, implementing cultivation guidelines in collaboration with the fertilizer business



Kamikawa Research Station

The Kamikawa Research Station holds Field Days twice a year in Spring and Fall, offering an opportunity to show new varieties to growers, marketers and the media.



Products



- A sweet, smooth-fleshed and high-yielding kabocha squash
- Rootstocks for the global market that are resistant to soil diseases and tailored for vigor



- A famously delicious tomato that is resistant to diseases such as yellow leaf curl virus and leaf spot
- A vigorous, high-yielding cucumber that is resistant to brown spot disease



- Vegetables that look and taste superb, including vividly deep green spinach, sweet corn as sweet as fruit and brilliantly colored carrots and mini-tomatoes

Shanghai Wells Seed Co.,Ltd.

In May 2016, we signed an exclusive sales agreement with China's Shanghai Wells Seed Co.,Ltd. In China, grafting is recognized as an effective measure against soil diseases and pests, so the prospects are good for Asahi Industries rootstocks as products that offer resistance to many such diseases.



Hay Business

European influences on diet have led to increased consumption of beef and dairy products, while water shortages are restricting hay production, leading to a forecast rise in global demand for hay. Eager to grasp this opportunity, Asahi Industries is working with its Australian joint venture Johnson Asahi Pty. Ltd. on plans to ramp up hay production and sales.

Increase sales
on the back of
rising demand for
hay in Asia

Provide a stable
supply of high-quality
Australian hay to
Japan's dairy and cattle
farmers



Products

Oaten hay

Our main product and a highly palatable variety due to its high sugar content



Johnson Asahi Pty. Ltd.

- Established in 1995 as a joint venture with J.T. Johnson & Sons Pty. Ltd. (Australian hay company)
- Thorough quality control for the production of high-quality hay
 - Secure traceability
 - X-ray inspection, component measurement, nitrate nitrogen concentration measurement
- Hay produced in Victoria and exported to Japan, China, Korea and Taiwan
- Scattered corporate farms (managed by the company) to disperse climate risk



ENVIRONMENT SOCIAL GOVERNANCE

**The Environment,
Governance & Social Responsibility**

Environmental Management

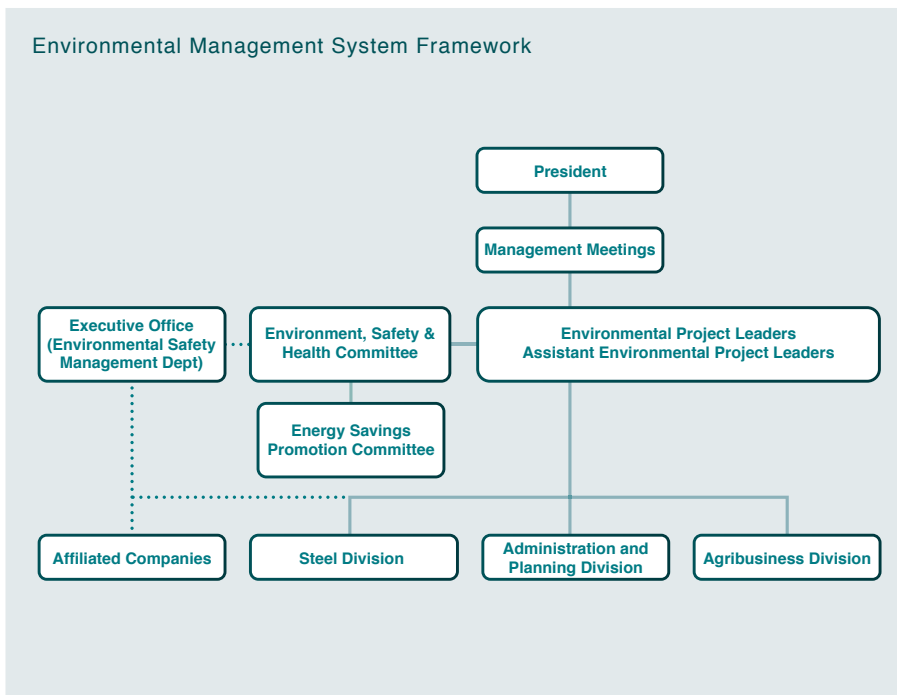
The Asahi Industries Group endeavors above all to “contribute to the global environment and communities around the world”, honoring its commitment to being “a company that is respected by everyone”.

Asahi Industries Group Environmental Guidelines

Contributing to the environment by decreasing environmental impacts, preventing global warming and achieving zero emissions

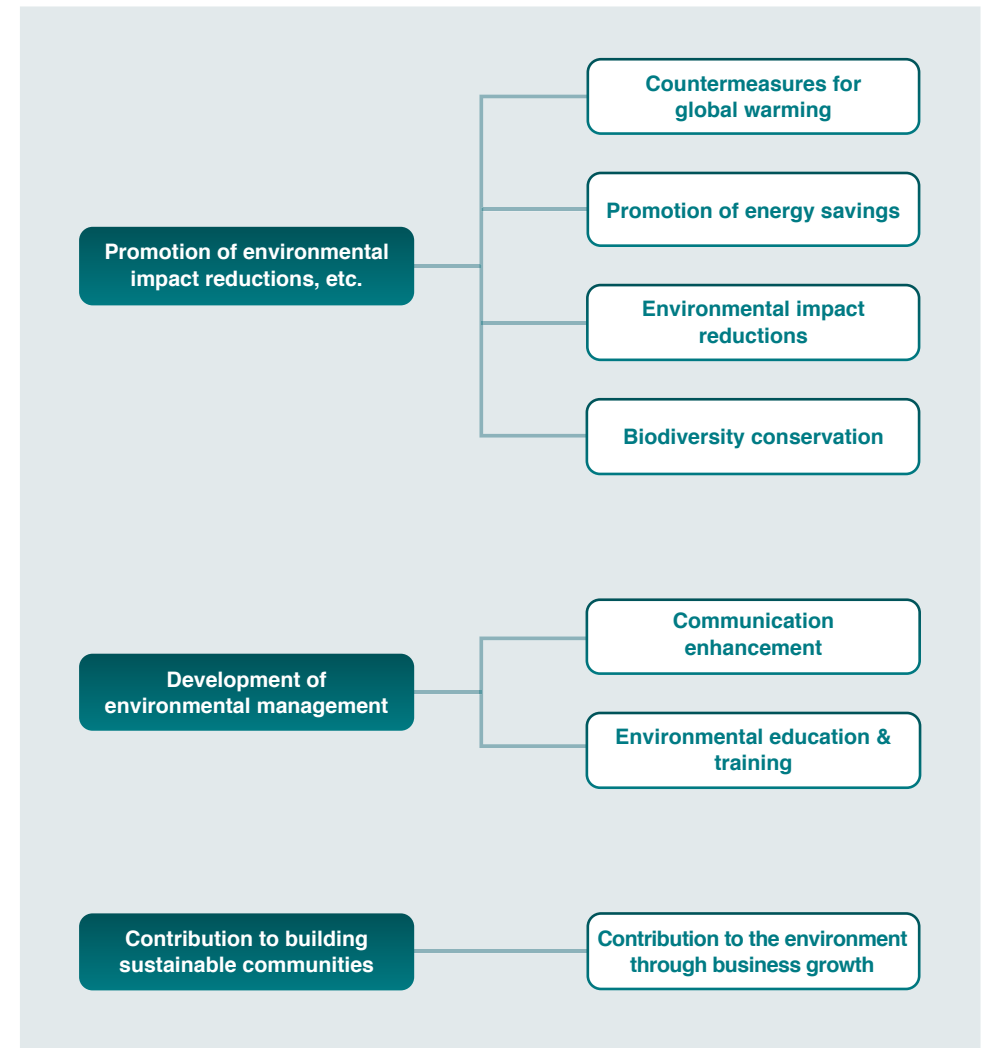
Environmental Management System

Working to build an environmental management system that encompasses the entire Asahi Industries Group and forcefully promoting ongoing environmental activities



Fourth Medium-term Environmental Action Plan

The Asahi Industries Group has formulated its “Fourth Medium-term Environmental Action Plan” (FY2015-2018) and has been undertaking activities based on that plan.



Promotion of environmental impact reductions, etc.

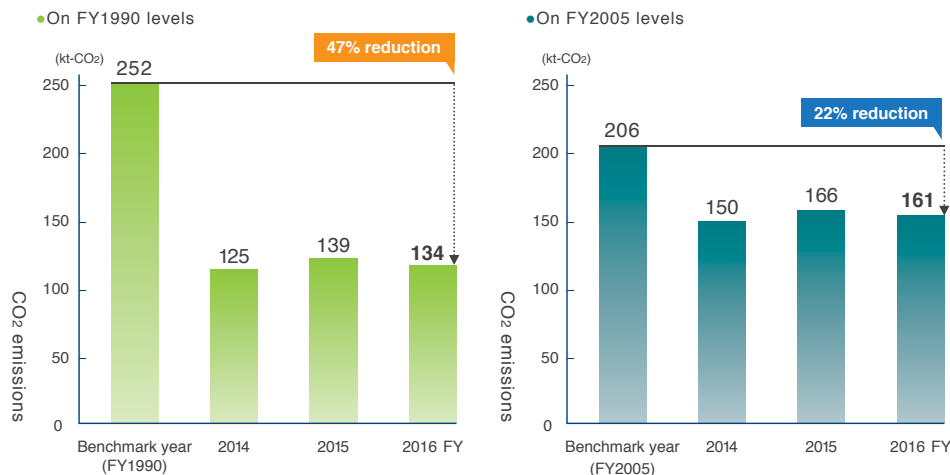
Countermeasures for global warming

We are actively engaged in efforts to reduce our CO₂ emissions as a countermeasure against global warming. The conversion of the fuels used in our main facilities (to natural gas) between FY2009 and FY2012 has since helped to significantly reduce CO₂ emissions.

- Main activities in FY2016 -
- Reduced energy in production processes
- Saved energy thoroughly in factories/offices
- Converted sales fleet to hybrid vehicles
- Sold CO₂ emissions reductions by Asahi Industries offices in Saitama Prefecture under the prefecture's emissions trading system

Targets	Results	Assessment
<ul style="list-style-type: none"> CO₂ emissions 25% reduction on FY1990 levels 5% reduction on FY2005 levels 	<ul style="list-style-type: none"> 47% reduction on FY1990 levels 22% reduction on FY2005 levels 	◎
Assessment ◎: 100% achieved ○: 70% achieved △: Less than 70% achieved, improvement required		

Changes in CO₂ emissions



* Results for each year calculated using the energy coefficient for FY1990

* Results calculated using the energy coefficient for each year

Promotion of energy savings

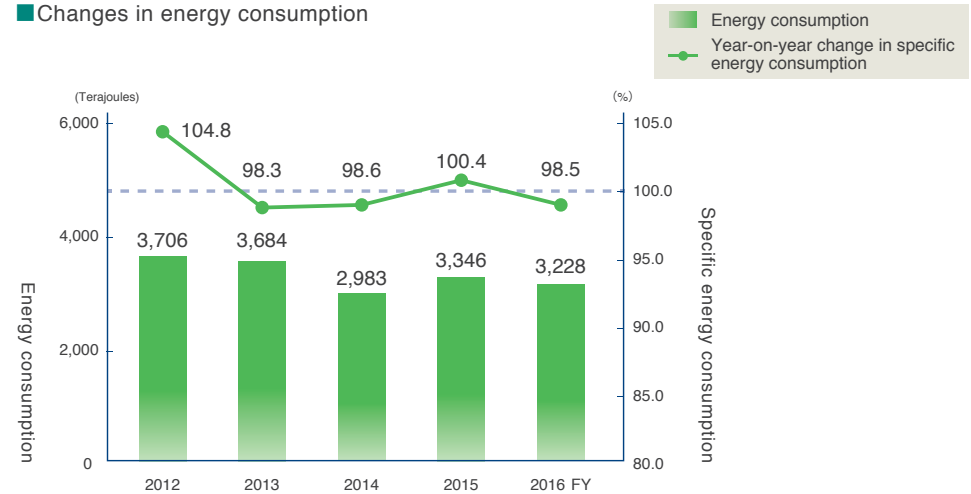
The Asahi Industries Group is working to reduce its energy usage as a key measure. The Steel Division is a particularly heavy user of energy and manages its energy consumption very carefully.

The Energy Savings Promotion Committee is made up of energy managers from each factory and manages the progress of energy saving measures throughout the company while also rolling out energy saving campaigns.

- Main activities in FY2016 -
- Saved energy in each factory
- Reduced energy consumption significantly in the Steel Division by renewing burners and promoting linked production between processes
- Reduced energy consumption in the Fertilizer Division by adjusting production among factories

Targets	Results	Assessment
<ul style="list-style-type: none"> 1% reduction in specific energy consumption on a 5-year average 	<ul style="list-style-type: none"> 1% increase in yearly average from FY2012 to FY2016 	◎
<ul style="list-style-type: none"> Investigation into renewable energy and available energy 	<ul style="list-style-type: none"> Research into the installation of energy conversion systems for waste heat 	○

Changes in energy consumption



* Terajoule -- amount of heat

Environmental impact reduction

In order to conserve the environment and biodiversity, we are setting and administering our own voluntary management targets for exhaust gas and wastewater emissions from our factories that are stricter than the standards stipulated by law.

As well as lowering our emissions, we are also making more effective use of our waste products through in-house recycling and the re-use of valuable materials.

- Main activities in FY2016 (exhaust gases and wastewater management) -
- Thoroughly implemented appropriate operation management and maintenance for exhaust gas and wastewater treatment equipment

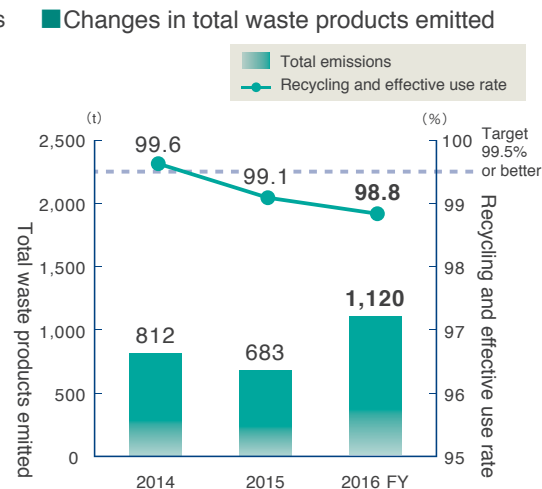
Targets	Results	Assessment
• Exhaust gases: One half or less of legal environmental standard	• Fully achieved	◎
• Wastewater: One tenth or less of legal environmental standard	• Successful, with a few exceptions • SS (suspended solids) failed to reach 1/10, within environmental standards	○

- Main activities in FY2016 (waste products) -

- Recycled all soot and smoke emissions from steelmaking processes at Asahi Industries recycling facilities

- Performed scheduled repairs of the above facilities
(Soot and smoke emissions during repairs outsourced, total emissions increased)

* Recycling and effective use rate: Calculated from the ratio of the amount for final disposal relative to standard emissions (7,223 tons in FY2003)

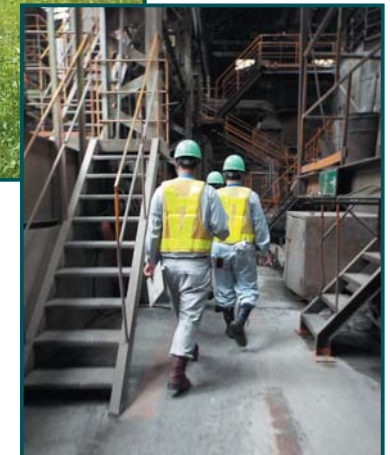


Targets	Results	Assessment
• Zero waste product emissions Recycling and effective use rate of 99.5% or better	• Recycling and effective use rate: 98.8% (Reason for not achieving target: Generation of waste materials that could not be recycled due to scheduled repair work)	○

Biodiversity conservation

Each of the Asahi Industries Group plants is surrounded by abundant natural beauty. Our environmental protection efforts include participating in local volunteer programs and conducting clean-up programs in the factory surrounds. In our Seed Business, we have also developed disease-resistant varieties that can be cultivated with low levels of chemicals, helping us to maintain biodiversity with products that customers prefer us to use.

Targets	Results	Assessment
• Promotion of the development and adoption of disease resistant seed	• Developed the large disease-resistant "Arisa" tomato and "Grazie" cucumber varieties	◎
• Conservation activities at offices and plants	• Carried out workplace 5S programs and regular patrols of the surroundings • Drafted the Green Space Guidelines and managed green spaces so as to conserve biodiversity	◎
• Participation in programs aimed at preserving water sources and planting trees	• Continued to undertake volunteer activities • Maintained the Asahi Flower Garden	◎



Development of environmental management

Communication enhancement

“Environmental Communication” seminars are held each year for regional residents to increase community awareness of environmental activities by the Asahi Industries Group. Factory visits and discussions serve as an opportunity to exchange views and give people a better understanding of Asahi Industries.

Targets	Results	Assessment
<ul style="list-style-type: none"> Dissemination of environmental information and participation in regional discourse 	<ul style="list-style-type: none"> Held environmental communication seminars to disseminate environmental information Expanded the Asahi Kamikawa Gallery 	◎

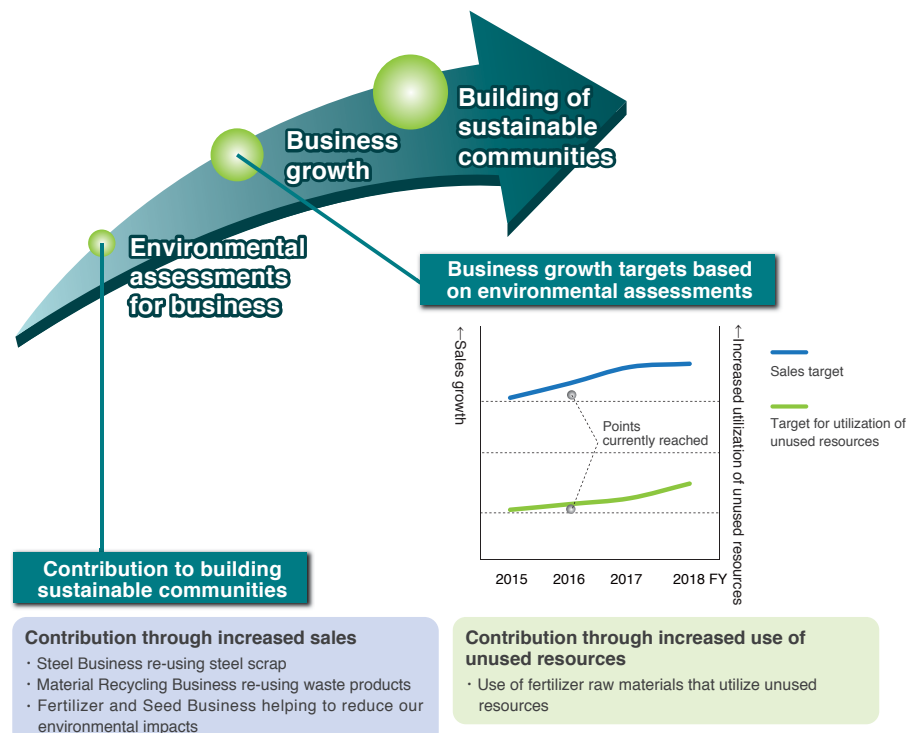
Environmental education & training

The Asahi Industries Group conducts a range of educational and other programs to increase environmental awareness among its employees. By raising awareness of the environment among individual employees, we aim to grow our business as a contributor to a sustainable society.

Targets	Results	Assessment
<ul style="list-style-type: none"> Hosting of in-house environmental seminars 	<ul style="list-style-type: none"> Held environmental seminars tailored to work content 	◎
<ul style="list-style-type: none"> Encouragement to acquire certifications 	<ul style="list-style-type: none"> Attained total of 21 certifications, including Eco certification and internal ecological certification 	◎

Contribution to building sustainable communities

The main businesses of the Asahi Industries Group are helping to build a sustainable society. Business growth is linked to helping the environment and the company is united in its efforts.



Topics

Ranked 1st among steel businesses in the Environmental Management Survey

In the Environmental Management Survey of companies conducted by Nikkei Inc., we secured the top spot among steel companies in FY2016. This survey is a mechanism for assessing companies on both their environmental policies and their management. Specifically, environmental efforts such as policies to address global warming and pollution as well as the company's profitability are applied to the scores for each question when the assessment is made.

Material Balance

INPUT

Raw materials	Steel	372 kt	Energy	Electricity	218MkWh
	Fertilizers	152 kt		Natural gas	17Mm³N
	Crushed stone	1,633 kt		Heavy oil	3,000 kl
	Material recycling	47 kt		Other fuels	4,000 kl
Water					
	Water	1,658 km³			

* Raw materials for crushed stone production consist of the raw stone used.
Raw materials for material recycling consist of the industrial waste received

Production

Production volumes	Steel	330 kt	Crushed stone	1,175 kt
	Fertilizers	136 kt	Material recycling	61 kt

OUTPUT

Atmospheric exhaust	CO ₂	161 kt	Waste and byproducts	Total amount generated	54 kt	
	NO _x	42 t		Amount recycled	53 kt	
	SO _x	10 t		Within the Group	7 kt	
Wastewater				On consignment	46 kt	
	Water	1,470 km ³		Amount treated on consignment	1 kt	
				Amount for final disposal	0.08 kt	

Environmental Accounting

Environmental accounting is a mechanism for ascertaining as quantifiably as possible the costs of environmental impacts and environmental conservation (environmental conservation cost) and its effects (economic impact). The goal is to effectively and efficiently promote environmental conservation activities so that growth is sustainable.

Environmental conservation cost: Amount of investment and costs incurred in efforts to reduce environmental impacts and provide infrastructure to conserve the environment

Economic impact: Results of implementing environmental conservation policies and economic benefit to profits

Environmental conservation costs

(Millions of yen)

Category	FY2014	FY2015	FY2016	Ratio (%)
Pollution prevention costs	530	560	458	47.9
Global environmental conservation costs	84	87	77	8.1
Recycling costs	330	318	302	31.6
Management costs	38	30	29	3.0
R&D costs	50	50	54	5.7
Social activity costs	25	24	31	3.2
Environmental damage remediation costs, etc.	5	5	5	0.5
Environmental conservation costs (total)	1,062	1,074	956	100.0

Economic Benefits

(Millions of yen)

Category	FY2014	FY2015	FY2016	Ratio (%)
In-house recycling benefit*	381	540	389	67.8
Waste disposal benefit	57	63	49	8.5
Product cost reduction benefit	51	51	41	7.1
Received industrial waste treatment benefit	102	96	95	16.6
Economic benefit (total)	591	750	574	100.0

* The decline in the effects of in-house recycling is primarily due to reduced recycling of soot and smoke emissions in the steel plant.

●Reporting of environmental activities
Our environmental activities are also described on the "Environmental Activities" page on the Asahi Industries website.
<http://www.asahi-kg.co.jp/csr/environment/> (Japanese)

Corporate Governance

On 23 June 2016, Asahi Industries transitioned from a company with a board of corporate auditors to one with an audit and supervisory committee. In doing so, we set as our key management issues the provision of a structure capable of responding quickly to changes in the management environment, ensuring management transparency through prompt and appropriate public disclosure, the pursuit of efficiency in management based on sensible criteria, and enhanced corporate governance through measures such as strict compliance.

Corporate Governance Framework

① Board of Directors

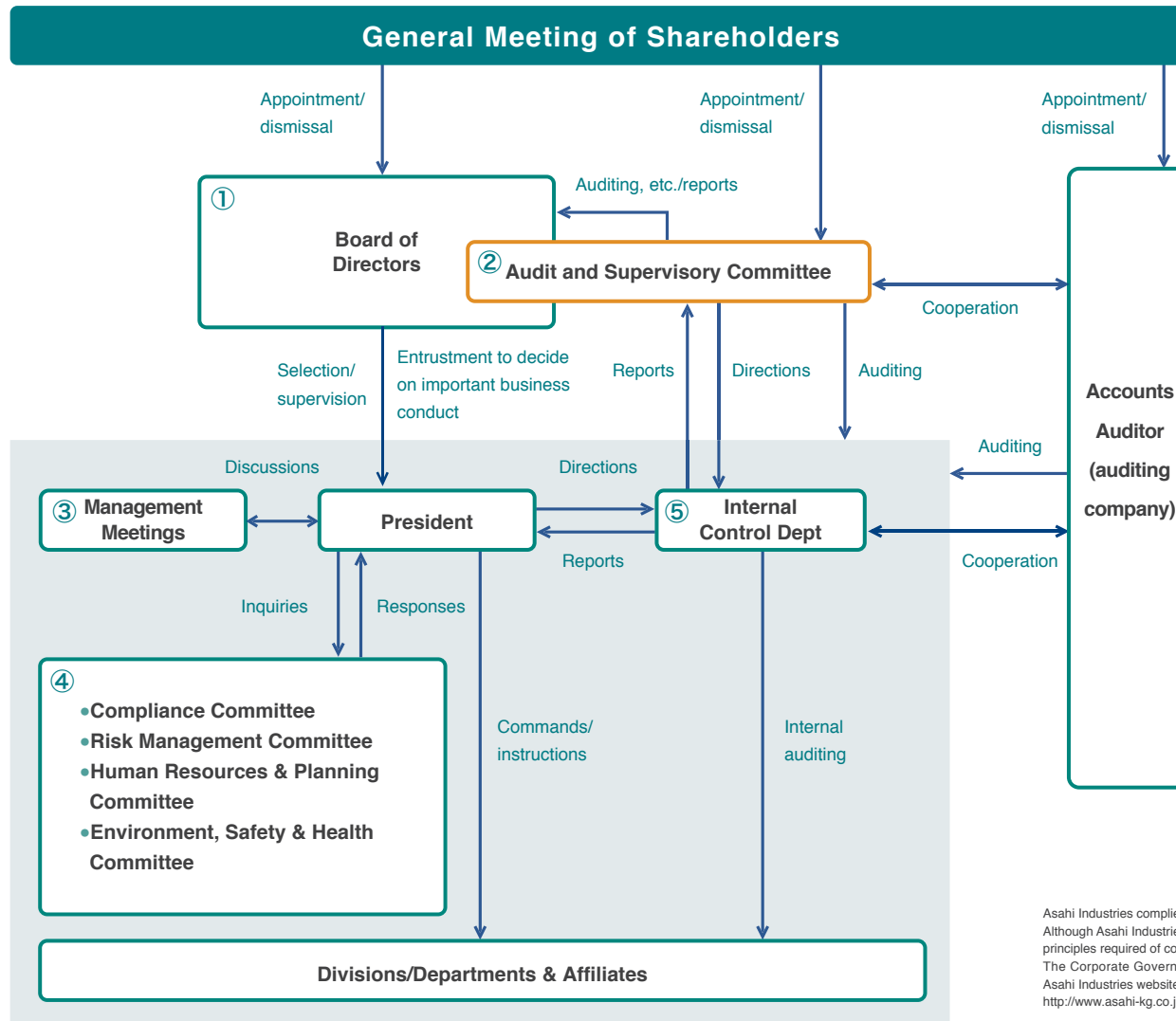
Board of Directors (excluding directors on the Audit and Supervisory Committee) is composed of eleven members, comprising six directors and five members of the Audit and Supervisory Committee (three of whom are external directors). Regular meetings of the Board of Directors are held monthly and extraordinary meetings of the board are held as required. The board is organized so as to make decisions on items stipulated by the applicable legislation and other important matters relating to management, and to supervise the business conduct of the directors.

③ Management Meetings

Management meetings are bodies that discuss, negotiate and decide on important matters relating to items to be discussed by the Board of Directors and the conduct of business for which authority is granted by the Board of Directors. Management meetings are made up of executive directors, the heads of business divisions, executive officers, general managers and the heads of management divisions, and are organized so as to be capable of considering and discussing planning for profits, manufacturing and sales, products, personnel and development from a medium- and long-term perspective.

④ Committees

Committees are established as advisory bodies for the President and plan, propose and discuss matters in the respective individual sectors. Committees report on those important matters to management meetings or to the Board of Directors.



② Audit and Supervisory Committee

The Audit and Supervisory Committee is made up of three external directors and five directors and is organized so as to meet monthly or as necessary. It also works with the Internal Control Office and accounts auditors in the course of supervising the business conduct of directors. The members of the Audit and Supervisory Committee also attend meetings of the Board of Directors to make decisions on proposals and also meet each quarter with the President to exchange opinions and provide candid feedback.

⑤ Internal Control Dept (Internal Audit Section, Internal Control Section)

The Internal Audit Section supervises matters such as risk management and appropriateness with respect to internal regulations and the relevant legislation as they pertain to the work done by the company's departments and Japanese subsidiaries under the annual plans. The Internal Control Section also studies and evaluates the status of the provision and operation of internal controls regarding financial reporting. The Internal Control Department cooperates with the Audit and Supervisory Committee and external auditors (auditing company) to ensure effective auditing and supervision.

Asahi Industries complies with the five basic principles of the code of corporate governance. Although Asahi Industries is a company listed on the JASDAQ exchange, it discloses the 11 principles required of companies listed on the Main Markets. The Corporate Governance Report filed to the Tokyo Stock Exchange is posted on the Asahi Industries website.
<http://www.asahi-kg.co.jp/corporate/governance> (Japanese)

Compliance

In the Asahi Industries Group, compliance activities are conducted across the entire Group. Based on a charter on ethical standards, a code of conduct and in compliance with the legislation, Asahi Industries makes every effort to abide by corporate ethics and social morality.

Important guidelines and promotional planning relating to Group compliance are discussed and formulated by the Compliance Committee, an advisory body to the President of Asahi Industries that includes representatives from the labor unions in each workplace as members. The Committee reports either to a management committee or to the Board of Directors where final decisions are made.

Main activities in FY2016

■ Revision of the compliance manual

- Compliance training for all Group employees

■ Revision of the management rules for the internal whistleblower system

- Whistleblower status broadened to include retirees and suppliers as well as employees

Risk Management

In the Asahi Industries Group, risks are defined as “uncertain events that have an adverse impact on the organization” , and Group-wide risk management is promoted so as to continually improve our capacity to deal with and appropriately manage the various risks that could impact on the Group.

To promote basic policies and develop systems for risk management, risk management issues, key policies and promotional planning, and important matters relating to risk management are discussed and formulated by the Risk Management Committee. This Committee is an advisory body to the President of Asahi Industries that includes representatives from each workplace as members and that reports either to a management committee or to the Board of Directors where final decisions are made.

Main activities in FY2016

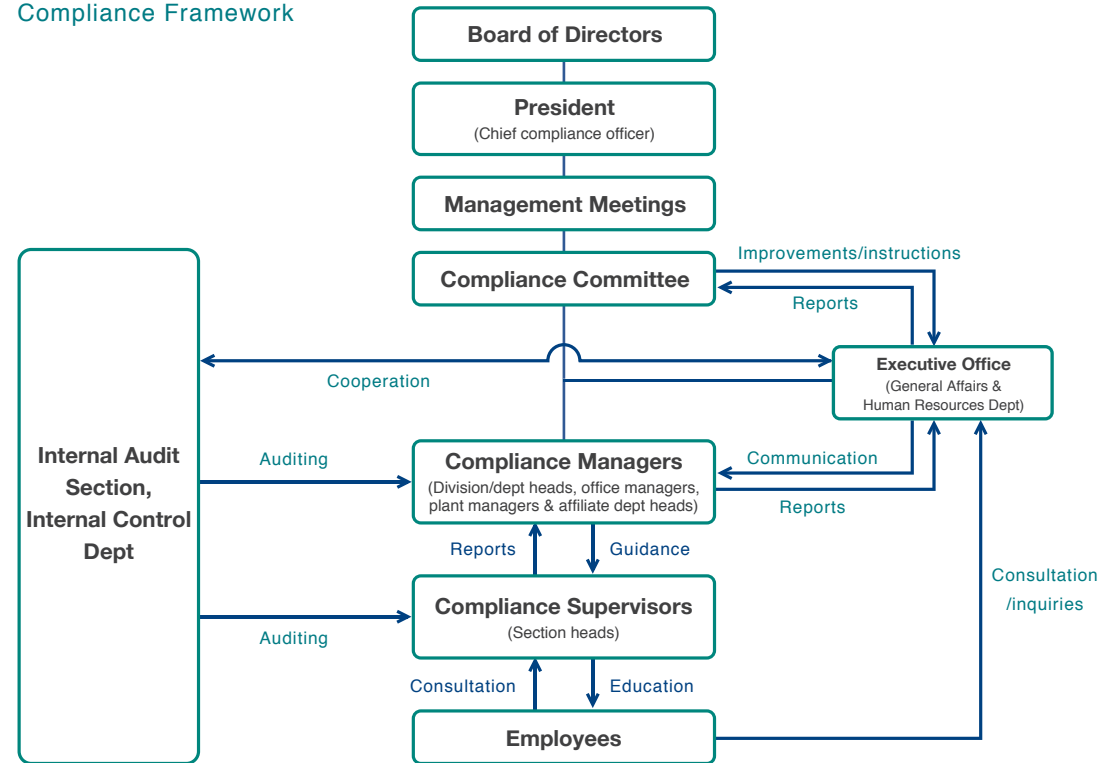
■ Business Continuity Plan (BCP)

- Annual implementation of BCP training in case of large-scale earthquakes

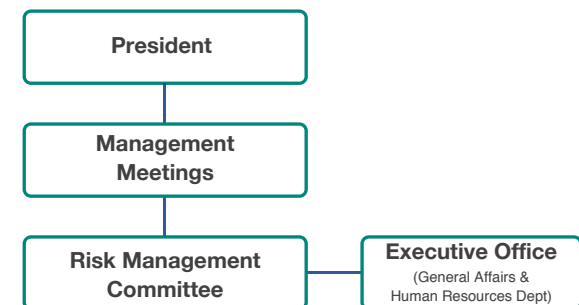
■ Revision of hazard management rules

- Dealing appropriately with complaints and incidents as well as large-scale disasters and accidents

Compliance Framework



Risk Management Committee Framework



Human Resources Management

The environment in which businesses operate is changing significantly as globalization leads to greater competition and the population and labor force shrink, and this demands constant innovation. In this sort of environment, developing and retaining human resources has emerged as a key issue.

Human Resources System Reform

In October 2016, the new human resources system was introduced with the aims of improving human resource development and motivation, building greater diversity in our work practices and improving productivity. We are making efforts to promote the employment of people with a disability and the creation of a workforce that is employable worldwide. By expanding opportunities for female participation in the workforce and rewarding workers who work hard to achieve their goals, we aim to create an environment in which every single employee finds their work rewarding and looks forward to taking on the next challenge.

Enhanced Training System

At present, the training conducted by Asahi Industries consists of standard employee training and specialist skills training.

- Standard employee training
Inductee training, mid-level (5th year) staff training, management candidate before-and-after training, department head before-and-after training, executive training
- Specialist skills training
Participation in training conducted by research facilities, such as instruction in DNA markers and blight certification
New programs, such as in-house skills testing for manufacturing positions and production “maester” training, are also planned



In-house Chinese classes



Executive staff training



Inductee training

Self Study

We also support employees who study of their own volition to improve themselves and progress their knowledge and skills.

- Correspondence courses
We offer an extensive selection of correspondence courses tailored to a wide range of employees from new recruits through to managers. Courses cover areas such as sales, technology, finance, accounting, computing, stress management, health management and gaining qualifications.
- Learning languages
Language classes in English and Chinese are provided with the aim of improving the level of communication with our affiliates and other overseas companies.

Employee Care

Based on "Guidelines for Maintaining and Improving Workers' Mental Health", we are endeavoring to create vital workplaces that support psychological wellbeing. Using the Stress Check System introduced in FY2016, employee stress levels are monitored to promote awareness of stress among the employees themselves. Where necessary, measures such as interviews with psychotherapists or vocational counselors can also be arranged, providing a comprehensive support structure and creating workplaces that are pleasant to work in.

Communication with employee families

So that employee families have a better understanding of Asahi Industries, we started organizing family visits (visitor days for children) as of FY2017. These events provide families with an opportunity to see the dynamic manufacturing processes and environmentally friendly product manufacturing at our steel plants and fertilizer plants, while at the same time strengthening employees' family bonds.

CSR Activities

The Asahi Industries Group undertakes a range of activities aimed at supporting children and regional communities.

By regularly volunteering to help clean up river banks, parks and roads, maintaining parks, holding festivals for local residents and supporting sporting events, we engage in active programs to beautify the natural environment and local neighborhoods for all the local residents.

We also support regional education programs in the hope of enriching the lives of local children through initiatives such as classes in growing vegetables, factory and farm tours and art classes (Asahi Kamikawa Gallery).

Engaging with local communities



Clean-up volunteers



Summer river festival
for local residents



Asahi Flower Garden

Supporting regional education



Factory tour



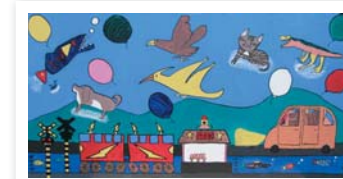
Seed sowing class
at a local kindergarten



Asahi Photo News



Asahi Kamikawa Gallery



Every year since March 2008, the walls surrounding the Saitama Office have been used to exhibit artworks by children from local elementary and junior-high schools. In March 2017, 59 new artworks were added, bringing the total number exhibited so far to 446. This display of youthful energy puts a smile on everyone's face.

COMPANY INFORMATION

**Financial Data,
Corporate Information,
Investors Information**

Consolidated Balance Sheets

(Millions of yen)

	End FY2012	End FY2013	End FY2014	End FY2015	End FY2016
Assets					
Current assets	18,140	14,162	14,849	13,845	14,856
Cash and deposits	2,561	2,640	1,501	2,640	3,336
Trade notes and accounts receivable	7,792	5,952	5,671	4,727	4,734
Merchandise inventory and finished goods	5,477	3,221	5,830	4,754	4,762
Raw materials and supplies	1,908	2,060	1,527	1,397	1,510
Other	410	293	321	328	514
Allowance for doubtful accounts	△10	△5	△3	△1	△1
Noncurrent assets	23,208	13,129	13,088	11,982	12,650
Property, plant and equipment	20,112	10,652	10,620	10,116	10,611
Buildings and structures, net	3,785	3,139	3,344	3,134	3,046
Machinery, equipment and vehicles, net	12,540	4,053	3,817	3,509	3,745
Land	2,665	2,678	2,678	2,678	2,721
Other	1,120	780	779	792	1,098
Intangible assets	659	196	193	182	234
Investments and other assets	2,436	2,280	2,274	1,683	1,804
Total assets	41,348	27,292	27,938	25,828	27,507

(Millions of yen)

	End FY2012	End FY2013	End FY2014	End FY2015	End FY2016
Liabilities					
Current liabilities	20,279	16,848	16,638	13,348	13,592
Trade notes and accounts payable	7,714	5,947	5,626	3,831	4,268
Short-term loans payable	5,915	5,915	7,245	4,950	4,700
Current portion of bonds	120	120	120	60	60
Current portion of long-term loans payable	1,690	1,790	1,434	1,649	1,947
Income taxes payable	84	62	77	231	34
Allowance for bonuses	261	146	135	271	262
Other	4,493	2,866	2,000	2,354	2,318
Noncurrent liabilities	4,586	5,284	5,271	4,762	5,510
Long-term loans payable	2,395	3,105	3,623	3,234	3,870
Net defined benefit liability*	1,083	1,050	722	1,097	964
Other	1,107	1,128	925	430	675
Total liabilities	24,865	22,132	21,909	18,111	19,102

*Figures for end FY2012 show the provision for retirement benefits

Net assets

Shareholders' equity	16,102	4,729	5,361	7,864	8,334
Other comprehensive income, accumulated	379	430	667	△ 148	69
Total net assets	16,482	5,160	6,028	7,716	8,404
Total liabilities and net assets	41,348	27,292	27,938	25,828	27,507

Consolidated Statements of Income

(Millions of yen)

	FY2012	FY2013	FY2014	FY2015	FY2016
Sales	40,175	43,591	35,494	36,348	32,354
Cost of sales	34,340	37,317	29,174	28,064	24,835
Gross profit	5,835	6,274	6,320	8,284	7,519
Selling, general and administrative expenses	7,011	6,836	5,911	6,369	6,318
Operating income (loss)	△1,176	△562	409	1,915	1,200
Non-operating income	178	174	197	280	149
Non-operating expenses	238	253	258	264	235
Ordinary income (loss)	△1,235	△641	348	1,931	1,115
Extraordinary gains	-	3	545	410	25
Extraordinary losses	233	9,337	263	118	177
Income (loss) before income taxes	△1,468	△9,975	630	2,223	963
Income taxes - current	75	104	114	246	73
Income taxes - deferred	△64	1,013	△33	△527	69
Net income (loss)	△1,480	△11,093	549	2,503	820
Current net income (loss) returned to parent company shareholders	△1,480	△11,093	549	2,503	820

Consolidated Statements of Comprehensive Income

(Millions of yen)

	FY2012	FY2013	FY2014	FY2015	FY2016
Net income (loss)	△1,480	△11,093	549	2,503	820
Other comprehensive income					
Net unrealized gains on available-for-sale securities	133	56	3	△327	133
Foreign currency translation adjustments	50	18	28	△67	△28
Remeasurements of defined benefit plans			204	△420	113
Total other comprehensive income	184	74	236	△815	218
Comprehensive income	△1,295	△11,018	785	1,688	1,038
Comprehensive income attributed to parent company shareholders	△1,295	△11,018	785	1,688	1,038
Comprehensive income attributes to minority shareholders	-	-	-	-	-

Consolidated Statements of Cash Flow

(Millions of yen)

	FY2012	FY2013	FY2014	FY2015	FY2016
Operating activities	1,299	2,116	△1,164	3,852	1,410
Investment activities	△1,592	△2,115	△1,044	△61	△1,095
Financing activities	519	73	1,065	△2,639	388
Effect of exchange rate changes on cash and cash equivalents	7	3	4	△12	△7
Net increase (decrease) in cash and cash equivalents	234	78	△1,139	1,139	695
Cash and cash equivalents at the beginning of current period	2,327	2,561	2,640	1,501	2,640
Cash and cash equivalents at the end of current period	2,561	2,640	1,501	2,640	3,336

Consolidated Statements of Changes in Net Assets

April 1, 2016 through March 31, 2017

(Millions of yen)

	Shareholders' equity					Other comprehensive income, accumulated				Total net assets
	Common stock	Capital surplus	Retained earnings	Treasury stock	Total shareholders' equity	Net unrealized gains on available for sale securities	Foreign currency translation adjustments	Remeasurements of defined benefit plans	Total other comprehensive income, accumulated	
Balance at the beginning of current period	2,190	1,802	4,166	△293	7,864	26	64	△239	△148	7,716
Changes in items during the period										
Dividends from surplus			△350		△350					△350
Current net income (loss) returned to parent company shareholders			820		820					820
Net changes in items other than shareholders' equity						133	△28	113	218	218
Total changes in items during the period	-	-	470	-	470	133	△28	113	218	688
Balance at the end of current period	2,190	1,802	4,636	△293	8,334	160	35	△125	69	8,404

Performance by Segment*1

(Millions of yen)

	FY2012	FY2013	FY2014	FY2015	FY2016
Segment net sales					
Steel Business	24,961	26,242	19,860	19,853	17,452
Crushed Stone and Material Recycling Business	1,800	1,994	1,938	2,010	2,095
Agribusiness	12,729	14,628	13,018	13,821	12,723
Other*2	374	223	151	150	338
Adjustments*3	△385	△221	△116	△108	△255
Total	40,175	43,591	35,494	36,348	32,354

*1: Environmental Solutions Business sold in FY2016 not shown

*2: Other: Contracting business operations not categorized in the reporting segments

*3: Adjustments: Sales among segments

(Millions of yen)

	FY2012	FY2013	FY2014	FY2015	FY2016
Segment income*4					
Steel Business	△1,045	△1,210	65	1,942	1,318
Crushed Stone and Material Recycling Business	77	146	151	89	127
Agribusiness	970	1,628	1,100	924	740
Other*2	4	△30	△20	△6	17
Adjustments*5	△1,185	△1,114	△924	△1,071	△1,002
Total	△1,176	△562	409	1,915	1,200

*4: Segment income: Includes investment profit/loss under the equity method, but investment profit/loss under the equity method is excluded in the adjustment amount when the operating profit/loss is adjusted

*5: Adjustments: Primarily general and administrative expenses in departments outside the reporting segments

Corporate Information

As of the end of June 2017

Corporate Information

Company Name	Asahi Industries Co., Ltd.
Head Office	Daiwa Higashi-Ikebukuro Building, 23-5, Higashi-Ikebukuro 3-chome, Toshima-ku, Tokyo 170-0013, Japan
TEL:	03-3987-2161
URL:	http://www.asahi-kg.co.jp/
Founded	August 16, 1935
Established	October 29, 1991
Common Stock	2,190 million yen
No. of Employees	419 (consolidated base: 472) As of the end of March 2017

Corporate Officers

President	Masanori Murakami
Senior Managing Director	Noriyuki Nakamura
Managing Directors	Kiyoshi Hirose, Susumu Inaba
Directors	Masaru Kusama, Masaru Sekine
Directors and Audit and Supervisory Committee Members	Ichiro Tajima, Kou Sato
Directors and Audit and Supervisory Committee Members (Independent)	Shinichi Tajima, Hideki Hanaeda, Mitsuaki Tsuchiya
Executive Officers	Toshio Sakamoto, Satoru Tanaka, Yoshiro Yamada

Offices

Saitama Office (Steel Business, Agribusiness)

222 Wataruse, Kamikawa-machi, Kodama-gun, Saitama 367-0394, Japan
TEL: 0274-52-2711

Osaka Office (Agribusiness)

Osaka JA Building, 2-5, Nishitenma 1-chome, Kita-ku, Osaka-shi, Osaka 530-0047, Japan
TEL: 06-6311-6215

[Steel Plant] Saitama Plant 222 Wataruse, Kamikawa-machi, Kodama-gun, Saitama 367-0394, Japan TEL: 0274-52-2713

[Fertilizer Plant] Kanto Plant 222 Wataruse, Kamikawa-machi, Kodama-gun, Saitama 367-0394, Japan TEL: 0274-52-2712

Chiba Plant 13, Sakuradai 1-chome, Asahi-shi, Chiba 289-0506, Japan TEL: 0479-68-1600

Kansai Plant 6776 Minakuchi, Minakuchi-cho, Koka-shi, Shiga 528-0005, Japan TEL: 0748-62-8171

[Farm] Kamikawa Research Station 863-2 Higashikitahara, Niisato, Kamikawamachi, Kodama-gun, Saitama 367-0232, Japan

Affiliated Companies

Jobu Co., Ltd. (Crushed Stone Production and Sales, Construction Waste materials etc. Recycling)

President: Atsushi Terai

3085-1 Kanezawa, Minano-machi, Chichibu-gun, Saitama 369-1601, Japan
TEL: 0494-62-1321

Asahi Business Support Co., Ltd. (Contracting, Temporary Staffing)

President: Makoto Sato

222 Wataruse, Kamikawa-machi, Kodama-gun, Saitama 367-0301, Japan
TEL: 0274-52-6411

Stock Information As of the end of March 2017

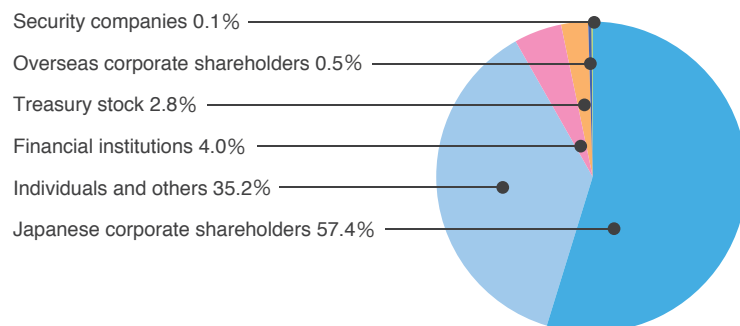
Stock listing	Tokyo Stock Exchange, JASDAQ
Securities identification code	5456
Stocks	Total shares authorized: 24,000,000 Total shares issued: 7,200,000
No. of shareholders	7,599

Major Shareholders

Name of shareholder	No. of shares held	Shareholding percentage (%)
Hanwa Co., Ltd.	600,000	8.6
Mitsui & Co., Ltd.	600,000	8.6
Asagami Corporation	522,000	7.5
Katakura & Co-op Agri Corporation	300,000	4.3
The Norinchukin Bank	210,000	3.0
Tokyo Tekko Co., Ltd.	200,000	2.9
Nihon Matai Co., Ltd.	181,000	2.6
Kanehira Steel Co., Ltd.	180,000	2.6
Marubeni Itochu Sumisho Techno Steel Inc.	180,000	2.6
Credit Saison Co., Ltd.	134,700	1.9

(Note) Shareholding percentage (%) is calculated exclusive of treasury stock (200,000 shares). Percentages are shown rounded off to the first decimal place.

Composition of Shareholders



Investors Information

As of the end of June 2017

Dividends

Our basic policy is to return profits to shareholders, fully taking into consideration our consolidated financial results, and the company's financial status and financial requirements, ensuring that stable profit distribution is continued.

	FY2014	FY2015	FY2016
Interim	0 yen	0 yen	10 yen
Year-end	0 yen	40 yen*	20 yen
Full-year dividends	0 yen	40 yen*	30 yen

*Breakdown of FY2015 year-end dividend: Ordinary dividend: 30 yen; Commemorative dividend: 10 yen

Shareholder Benefit Program

Long-term Asahi Industries shareholders are eligible for additional benefits over and above the benefits awarded to normal shareholders.

No. of shares held	Benefits	
	Normal shareholder benefits	Long-term shareholders (shareholders who have owned shares for one year or more)*
100-199	Rice coupons (4)	500 yen Quo card (gift card)
200-299	Rice coupons (8)	1,000 yen Quo card (gift card)
300-499	Rice coupons (12)	1,500 yen Quo card (gift card)
500 or more	Rice coupons (16)	2,000 yen Quo card (gift card)

* Holdings where the shareholder number has changed are not regarded as continuous holdings (as in the following situations):

- ① Change in securities company (stockbroker)
- ② Repurchase after selling all shares held
- ③ Use of stock lending transactions
- ④ Change to registered owner due to inheritance, etc.

Facility Tours

As of FY2016, we have been conducting tours of our various facilities to provide all our shareholders with an opportunity to gain a deeper understanding of the work we do at Asahi Industries. In FY2016, tours of the Kamikawa Research Station were conducted in Spring and Fall, allowing visitors to see our progress in the development of vegetable varieties and to tasted freshly picked samples. In FY2017, tours are planned at our steel and fertilizer plants as well as the Kamikawa Research Station. The facility tours are an opportunity for us to send information about Asahi Industries out into the community, but also a chance to hear candid feedback from shareholders, and we plan to hold the tours on a regular basis in years to come.





Compilation policy

This report was compiled so as to provide everyone with clear and straightforward account of the business activities and financial details of the Asahi Industries Group (Asahi Industries Co., Ltd. and its affiliated companies), together with its environmental and CSR activities.

Companies covered

Asahi Industries Co., Ltd.
Jobu Co., Ltd.
Asahi Business Support Co., Ltd.
Johnson Asahi Pty. Ltd.
Laiyang Longda Asahi Agricultural
Technology Co., Ltd.

Period covered

April 1, 2016 through March 31, 2017
(*Periods other than FY2016 are also partially covered.)
Publication date: September 2017
Previously published: September 2016
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Reference guidelines

- GRI (Global Reporting Initiative)
“Sustainability Reporting Guidelines 4.0”
- Ministry of the Environment, Japan,
“Environmental Reporting Guidelines” (Fiscal Year 2012 Version)

Available on our website at:

<http://www.asahi-kg.co.jp/csr/>

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