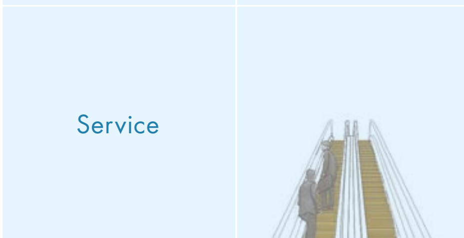
Casting Our Eyes on the Future



ANNUAL REPORT 2009

For The Year Ended March 31, 2009

Ahresty

Committed to Research, Service, Technology

Ahresty is a phonetic representation of the three letters, RST, signifying the integration of Research, Service and Technology. "R" signifies research and development as well as the resolve to create and explore which enables us to better serve our customers; "S" goes beyond the quality of our products and after-service to encompass every facet of interaction with our customers, while "T" stands for the knowledge and technology that provide the foundation for "R" and "S." True to our aspirations of serving society through our broad range of products, Ahresty remains committed to the pursuit of ever-higher standards of Research, Service and Technology.

Casting Our Eyes
on the Future

Tag line

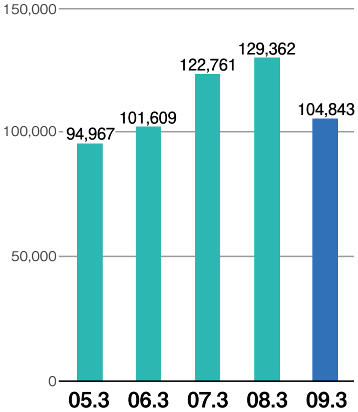
The tag line "Casting Our Eyes on the Future" embodies our business attitude of always moving forward by taking the initiative in Research and Development, Service and Technology and by keeping all of our attention here at Ahresty focused on our customers, the global environment and the future of Ahresty itself, to realize the corporate philosophy represented in our name.
The word "Casting" in the tag line combines the meaning of "to throw one's gaze" with its other meaning of "to shape molten metal in a mold" which is our main line of business, die casting.

Tag Line : Unified language is used with both the Ahresty brand and corporate symbol and defines an ultimate message to bring attention to our corporate philosophy both internally and externally.

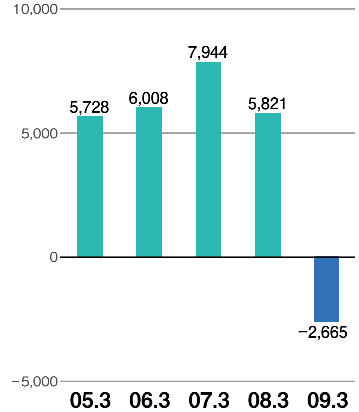
Contents

Consolidated Financial Highlights

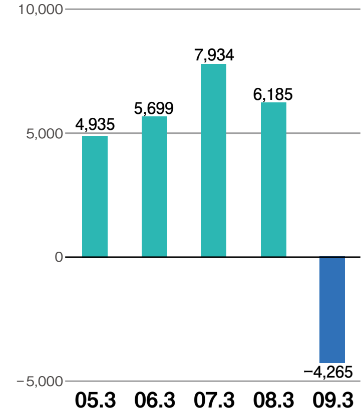
Sales
(¥ millions)



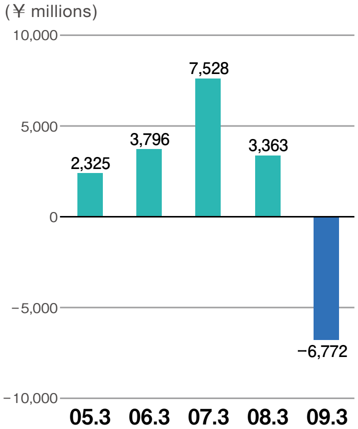
Operating income (loss)
(¥ millions)



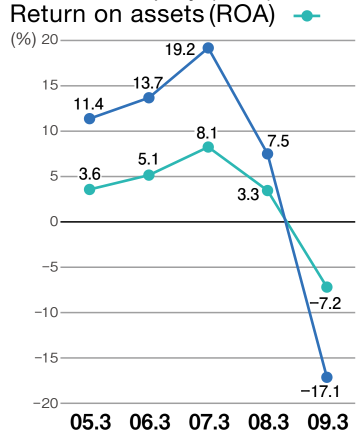
Recurring income (loss)
(¥ millions)



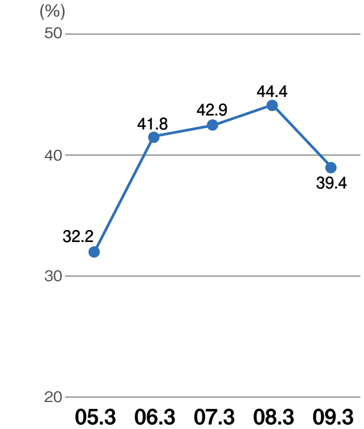
Net income (loss)
(¥ millions)



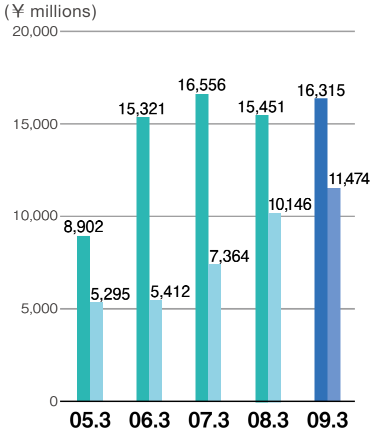
Return on equity (ROE)
Return on assets (ROA)
(%)



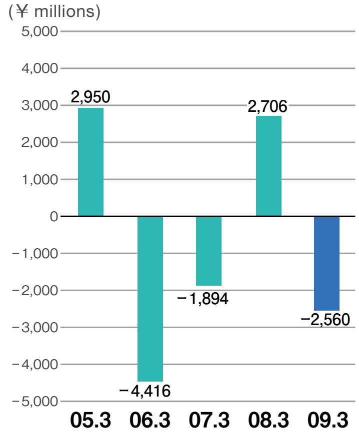
Equity ratio
(%)



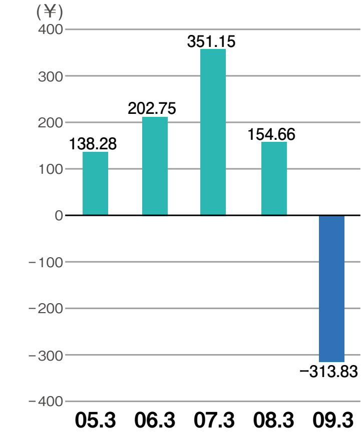
Capital expenditures*1
Depreciation*1
(¥ millions)



Free cash flow*2
(¥ millions)



Net income (loss) per share
(¥)



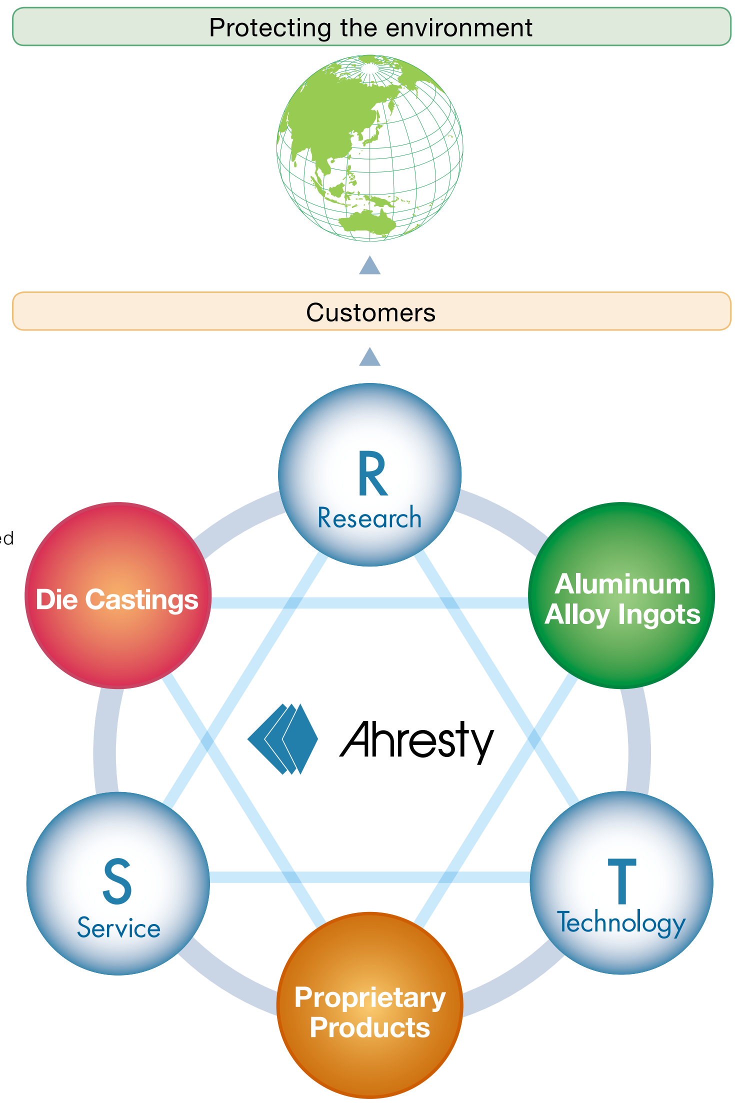
*1 Including expense of die mold

*2 Free cash flow = Cash flows from operating activities − Capital expenditures (excluding expense of die mold)

Our Business and History

Contributing to the growth of our customers and society by fully capitalizing on our advanced technology and high quality, while upholding the three principles of Ahresty

Under the three principles of Research, Service and Technology represented in our corporate name, Ahresty takes full advantage of its industry-leading technology and wealth of expertise to achieve its goals of developing products and technologies that are a step ahead of the needs of the times, efficiently producing high-quality products, and providing services that truly satisfy our customers. Furthermore, as a company handling aluminum—an environmentally-friendly resource that can be recycled from scrap—we will redouble our efforts to contribute to society by protecting the environment and recycling resources.



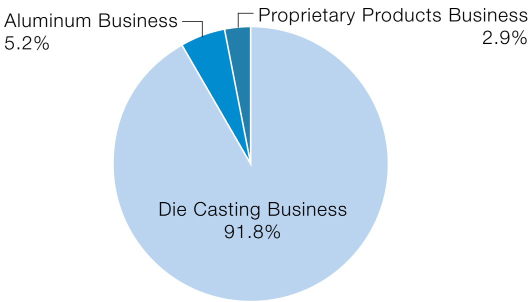
We leverage our advanced technology to produce powertrain parts, suspension-related parts and body parts of automobiles.

We produce high-quality aluminum alloy ingots from various materials including cans, window sashes and aluminum scraps from automobiles.

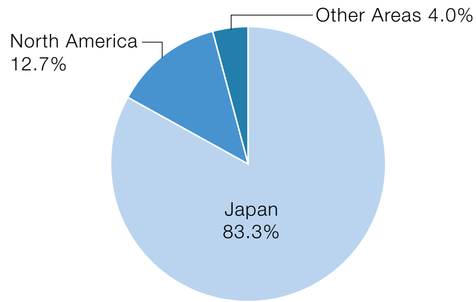
We develop and supply products that meet the latest demand, including needs of computer rooms and clean rooms.

Sales Composition

Sales by business segment



Sales by geographic segment



History

Jun. 1938	Founding of Ahresty's predecessor Shimura Aluminum Co., Ltd. Start of production for aluminum alloy ingots, die casting products and aluminum sand mold castings
Nov. 1943	Establishment of Fuso Light Alloys Co., Ltd. Start of production for die casting products and aluminum sand mold castings
Mar. 1960	Establishment of Japan Precision Die Mold Mfg. Co., Ltd. (currently Ahresty Die Mold Hamamatsu Corporation)
Jul.	Start of operations of Fuso Light Alloys Co., Ltd. Hamamatsu Plant
Oct. 1961	Listing of Fuso Light Alloys Co., Ltd. stock on the Second Section of the Tokyo Stock Exchange
Apr. 1962	Establishment of Tokai Seiko Co., Ltd. (currently Ahresty Pretech Corporation)
Mar. 1963	Start of operations of Kyoto Die Casting Co., Ltd. Toyohashi Plant (currently Toyohashi Plant)
Apr. 1971	Establishment of Tochigi Fuso Co., Ltd. (currently Ahresty Tochigi Corporation)
Mar. 1972	Establishment of Ditec Co., Ltd. (currently Ahresty Die Mold Tochigi Corporation)
Sep. 1976	Establishment of Kumamoto Fuso Co., Ltd. (currently Ahresty Kumamoto Corporation)
Mar. 1981	Start of operations of Ditec Co., Ltd., Kumamoto Plant (currently Ahresty Die Mold Kumamoto Corporation)
Jul. 1984	Start of operations of Fuso Light Alloys Co., Ltd. Kumagaya Plant
Aug.	Start of operations of Fuso Light Alloys Co., Ltd. Higashimatsuyama Plant
May 1985	Establishment of Pascal Trading Co., Ltd. (currently Ahresty Techno Service Corporation)
Jun. 1988	Establishment of Ahresty Wilmington Corporation
Oct.	Corporate name changed from Fuso Light Alloys Co., Ltd. to Ahresty Corporation
Oct. 1989	Ahresty Corporation awarded Deming Prize for the year 1989 (Small and Mid-range Industries)
Feb. 1997	Establishment of Thai Ahresty Die Co., Ltd.
Mar.	Ahresty Corporation obtains ISO9001 certification (Free Access Floor)
	Ahresty Corporation obtains ISO9002 certification (Die Castings, Aluminum Ingots)
Mar. 2001	Ahresty Corporation obtains ISO14001 certification
Jul. 2002	Establishment of Thai Ahresty Engineering Co., Ltd.
Aug. 2003	Establishment of Guangzhou Ahresty Casting Co., Ltd.
Oct.	Merger of Kyoto Die Casting Co., Ltd. and Ahresty Corporation
Nov.	Ahresty Corporation awarded the Minister of Economy, Trade and Industry Award of the 20th Materials Process Technology Commendation
Mar. 2005	Establishment of Ahresty Precision Die Mold (Guangzhou) Co., Ltd.
Apr.	Merger of Pascal Industry Co., Ltd. and Sugahara Precision Industry Co., Ltd. into Ahresty Yamagata Corporation
Jun.	Head Office moved to Chuo, Nakano-ku, Tokyo
Jun. 2006	Establishment of Ahresty Mexicana, S.A. de C.V.
Sep.	Establishment of Technical Center
Jan. 2007	Establishment of Ahresty India Private Limited

In the wake of the world economic slowdown

The rapid global economic slowdown from the third quarter in 2008 also had a major impact on our company. We deeply regret the posting of unprecedented operating losses and net loss and entering a situation where end-term dividends were not paid and fiscal 2009 dividends are also expected to be forgone for our shareholders who provide ongoing support. Because of the rapid slowdown in the auto industry, our customers' production decreased significantly. Their stocks of finished cars in the market are finally nearing proper levels and some are even starting to exhibit signs of recovery. However, it seems that more time is still required before we can return to fiscal 2007 levels.

In fiscal 2008, we were actively engaged in developing our overseas production bases to prepare ourselves for local procurement for automobile production. We also took a number of steps in Japan to respond to the rapid slowdown in demand from the end of last year.

First, with regard to our overseas production bases:

- Our plant in India began production of transmission parts. Though it was a small-scale start, we are expecting further growth in India, with its growing market.
- In Guangzhou, China, we expanded our plant and acquired land for a second plant. The objective is to offset the deficit of production capacities from orders in and after fiscal 2009. We expect sales to triple in the next three years.
- In our plant in Mexico, which began operations in fall two years ago, we secured land adjacent to the plant and enlarged the plant due to demand within Mexico as well as new orders.

Regarding our domestic operations in response to rapid decline in demand:

- Reduction of compensation for officers, reduction of salaries for those holding management-level positions or above, establishment of non-business days and control of overtime work were carried out.
- The work system of seven days/week with two shifts was changed to five days/week with two shifts.
- About 700 people were reduced as of the second half of fiscal 2008 through downsizing that included limited introduction of the early retirement preferential system.
- Consolidation of offices, dissolution of the subsidiary (ATC Tsukuba), reduction of various expenses, and other measures are being carried out.

Demand stagnation seems as if it will continue during fiscal 2009, particularly in the first half of the year. Expecting the recovery from the second half to be a mild one, we anticipate that die-cast demand will be about 70% of fiscal 2007, its peak. Though we cannot predict a recovery in demand, we expect demand for die-cast product from expanding overseas auto markets in the long term. We would like to serve not only Japanese auto manufacturers but a wide range of customers by taking full advantage of the overseas bases we have actively developed in recent years; in North America (United States and Mexico), China and India. I sincerely ask for your continued understanding and support.

Arata Takahashi
President, CEO

New Medium-Term Strategy

Innovating human resources, quality, productivity and organizational functions and winning the battle for survival

We have developed a new medium-term strategy, focusing on constitutional reform to survive under the present difficult business environment and rise during a period of demand recovery to come, based on the Ten-Year Vision, which shows the direction of our group's long-term management. Under this strategy, we will work together and dedicate all our strengths to achieving our goal.

1 Personnel reforms

We will improve management skills especially among onsite leaders and will train personnel to make constant improvements themselves to increase business efficiency and enhance quality.

2 Quality reforms

We will take steps to make quality an integral part of all processes with the aim of improving quality systems and increasing customer satisfaction.

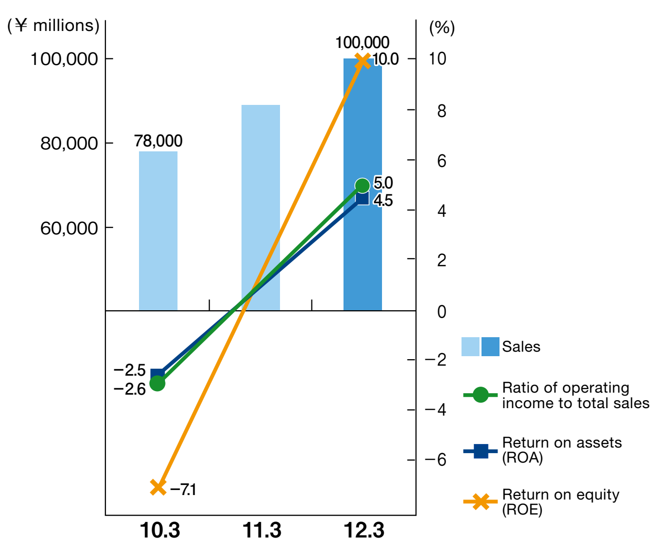
3 Productivity reforms

We will take action to raise productivity and improve the efficiency of indirect operations, aiming for outstanding productivity under a streamlined structure.

4 Organization and capability reforms

We will adopt measures such as the development of group standards to improve the efficiency of our organization and capability.

■Targets for the new medium-term management strategy



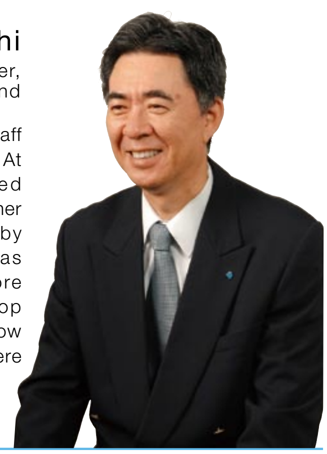
Strengthening coordination between plants and supplying uniform and high-quality products globally

Akira Ogi
Senior Managing Executive Officer,
Director of Quality Assurance Command

Looking back on fiscal 2008, we were able to improve quality levels in Japan, but variations existed among different plants. In our overseas operations, quality troubles continued when Ahresty Mexicana commenced mass production, causing problems for our customers. These troubles were caused by insufficient advance preparation for the transfer of production from Ahresty Wilmington in the United States to Mexicana. On the other hand, Ahresty India's start of mass production went smoothly. For our domestic operations in fiscal 2009, we will verify and improve the validity of measures to eliminate variations among different plants and to achieve results. Our overseas plants have many new products, and it is becoming important for the domestic and overseas plants to coordinate with each other. By strengthening coordination between departments, we would like to enhance pre-production activities and smoothly carry out the releases of new products to serve our customers.

Responding to changes in the business environment by establishing a lean production system and aiming for further productivity enhancement

Teiichi Hayashi
Managing Executive Officer,
Director of Manufacturing Command



We have been working on globalization through production expansion with our overseas bases, enhancement of in-field capabilities and reduction of CO_2 under the three-year strategy beginning in fiscal 2008. However, in the wake of the rapid economic changes from last fall, beginning this fiscal year we have developed a policy of creating a lean system to address urgent issues; a production system that can quickly respond to changes in the environment and further enhance productivity. Specifically, given the decrease in domestic production output, we will create a lean, waste-free system in our work structure and staff members in order to enhance labor productivity. At the same time, we will promote enhanced productivity in die cast and machining even further to try to create production fields unrivaled by competitors. Meanwhile, since our overseas production bases are expected to even more greatly expand in the future, we will develop Ahresty's technical and control standards to show and teach across sections to create fields where the same level of production as that of domestic plants is achieved.

Establishing a firm business base for a global rise by cultivating human resources and implementing standardization

Shigeru Furuya
Managing Executive Officer,
Director of General Administrative Command

In fiscal 2008, our profitability deteriorated due to the decreased operating ratio resulting from drastically reduced automobile production in the second half. Amid rapid changes, we pushed forth emergency responses placing immediate priority on reducing costs and other expenses. Conversely, we promoted cultivation of human resources with a focus on the education of management as an important issue. With regard to finance, we were able to secure funds. In fiscal 2009, we will set up the Profitability Promotion Dept. and move forward to reduce total expenses in response to drastically reduced demand and reduce the capital investment of the group as a whole to address the deteriorated cash flow. However, we will advance with forward-looking investments overseas to respond to recovery in demand. Furthermore, we will strengthen infrastructure, including implementation of group standardization, cultivation of global human resources and enhancement of efficiency of indirect operations, to transform our company into one with a strong foundation for its global development going forward.

Promoting environmentally responsive, auto-related technical and product development and design in overseas plants

Shinji Sannakanishi

Executive Officer,
General Manager of Technology & Engineering Command

In fiscal 2008, the development environment changed significantly from the first to the second half. In the first half, we had to simultaneously deal with numerous development plans. As customers' new development plans became significantly narrowed down following the deterioration of the economy, we carried out technical conclusions of plans that were suspended or delayed in the early second half. As a main activity in the second half, we put a great deal of energy into evolving an important plan to reduce CO_2 and reduce costs. The economy is still facing difficult conditions, though the first quarter of fiscal 2009 is already finished. However, we will push forward with development of necessary technologies and products in anticipation of demand in the hybrid and diesel fields that contribute to the global environment. On the other hand, with respect to the area of existing mass production, more and more parts are being procured overseas, and we have advanced a review of a system for overseas development of die cast design and die mold design and education for overseas design staff members. In fiscal 2009, we will carry out designs at our overseas bases and continue with this education.

Increasing business opportunities in the new market for eco car development with customer-oriented proposals

Naoyuki Kaneta

Executive Officer,
General Manager of Sales Command

The slowdown in automobile sales caused by global economic deterioration beginning last year is seriously affecting the business performance of our company, making the company's financial results the worst in recent years. This, however, does not mean that the market for the sales of new automobiles disappeared, and I feel that demand for automobiles will recover, though mildly. Environmental regulations are tightening worldwide and CO_2 reductions and fuel regulations on automobiles are also becoming increasingly stringent. Going forward, I believe Ahresty will be able to survive if we make proposals and be of assistance to auto manufacturers, our clients, with regard to consideration for the environment, fuel economy and downsizing of automobiles, which are also the needs of the consumers. By looking at the new development market to address the abovementioned issues as our business opportunities, we will be sure to meet our customers' requests with our technical capabilities and expertise cultivated over many years.

Topics

Ahresty India begins mass production

In October 2008, Ahresty India (Bawal, Haryana state) began mass production as initially scheduled. Automobile parts are produced there

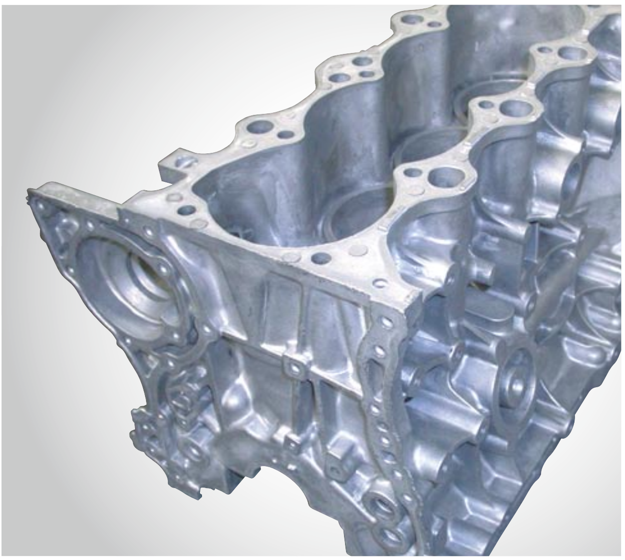
and were delivered to Japanese auto manufacturers in the same month. We currently have three die-cast machines (two 1,650-ton machines and one 800-ton), but we will again expand and strengthen our facilities in fiscal 2009 to respond to the rapidly growing Indian market. We endeavor to deliver high-quality die-cast products not only to Japanese auto manufacturers but to all customers.

Tokai Seiko Co., Ltd. changes name to Ahresty Pretech Corporation

In April 2009, Tokai Seiko Co., Ltd. (Hamamatsu, Shizuoka) changed its name to Ahresty Pretech Corporation. The objective is to increase solidarity with the Ahresty group and enhance corporate value of the group as a whole. "Pretech" is coined from "precision technology."

Die Casting Business

The most respected name in the die casting industry for consistently pioneering the development of innovative technologies



The core business of Ahresty is aluminum die casting, and the company has expanded in both size and sales volume with the growth of the automotive industry. Ahresty meets diversifying demand even as it continues to pioneer in the development of innovative solutions that resolve the technical barriers to the application of die casting technologies. The company's respected position in the industry is maintained by our ability to introduce die casting into the manufacture of products that traditionally depended on other processes, while also improving quality and efficiency. Future innovations will focus on environmentally sound technology that reduces product weight and promotes product recycling throughout the aluminum and magnesium die casting businesses.

Main die-cast products

Of the die cast products produced in Ahresty, 70% are parts for four-wheeled automobiles. In addition, we produce parts for motorcycles, generators and outboard engines.

- Aluminum die cast products
  - Engine parts
  - Transmission parts
  - Suspension-related parts
- Magnesium die cast products
- Gravity die cast products

Others

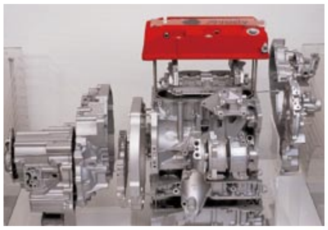
- Die mold for die casting
- Peripheral equipment for die casting
- Used die cast machine sales

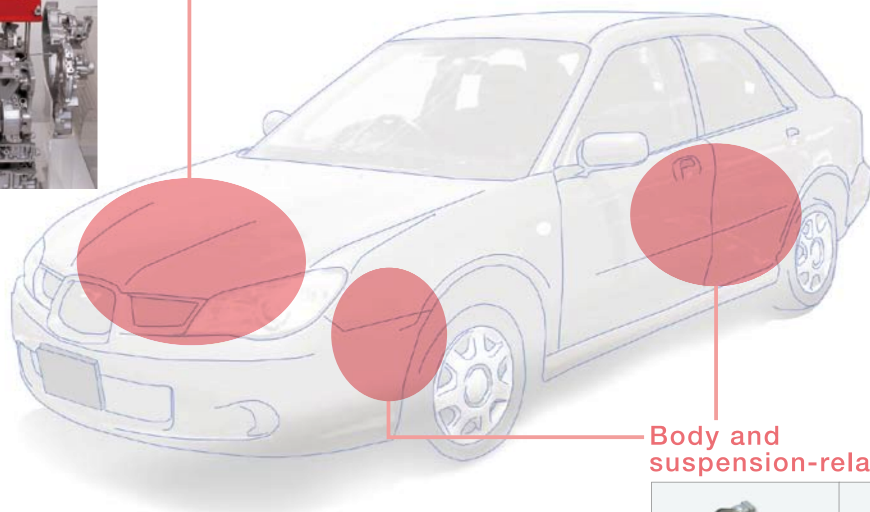
Die cast product characteristics

"Die cast," in a general sense, represents a cast at high speed and high pressure using a die or its production method. Die-cast products are characterized by their high productivity, superior measurement precision and beautiful casting surface. An advantage die-cast products offer is that they can be produced to have smooth surfaces, requiring only a few subsequent processing treatments. Due to these characteristics, die-cast products are used for a wide variety of items, including automobile parts, which need to be mass-produced under complex structures.

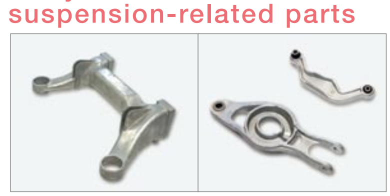
Powertrain

- Engine
- Transmission





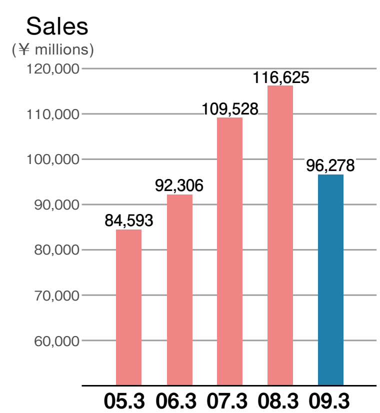
Body and suspension-related parts



Die-cast products are used in a range of automobile engines and transmissions. Following the downsizing of automobiles, an increasing number of body parts and suspension-related parts are produced using die-cast products.

Fiscal 2008 Results

In the Die Casting Business, sales reached ¥96,278 million (down 17.4% year on year), reflecting a sharp decline in orders, as the slowdown in demand triggered by the U.S. financial crisis spread from the United States and Europe to emerging economies, and automakers who are our major customers adjusted their production volumes accordingly. Although we worked to cut costs, reduce expenses and improve production efficiency, lower capacity utilization resulting from the sharp decline in orders meant lower profit margins, resulting in an operating loss of ¥2,825 million (as compared with operating income of ¥5,019 million the previous fiscal year).



Fiscal 2009 Outlook

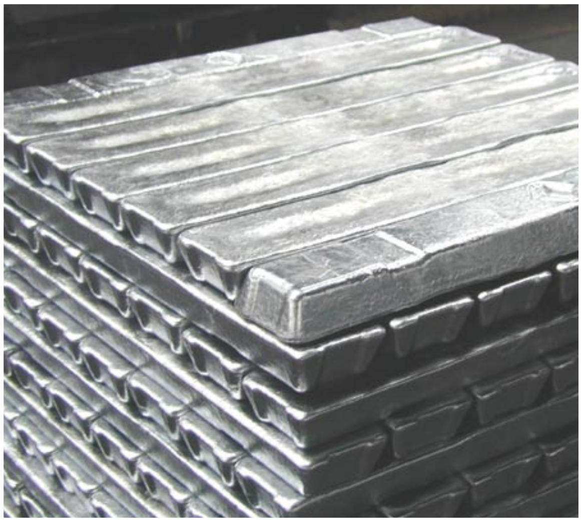
The financial crisis originating in the U.S. has seriously affected the real economy on a worldwide scale, and decline in global auto production has led to a dramatic slowdown in demand for die cast products for vehicle parts, which are our core products. The outlook remains uncertain and our operating environment has become more challenging.

In this severe business environment, the Group will implement measures to improve profit margins including reviewing its production system, curbing capital investment and reducing expenses, but the impact of falling demand in all but a few regions is unavoidable.

Though extremely difficult conditions are expected to continue in the first half, as in the second half of fiscal 2008, they are expected to recover gradually in the second half as inventory adjustments of auto manufacturers quiet down. In the medium and long term, the demand for die-cast products is expected to increase, owing to the eventual recovery of demand for automobiles and increased adoption of aluminum die-cast products due to downsizing, especially overseas.

Aluminum Business

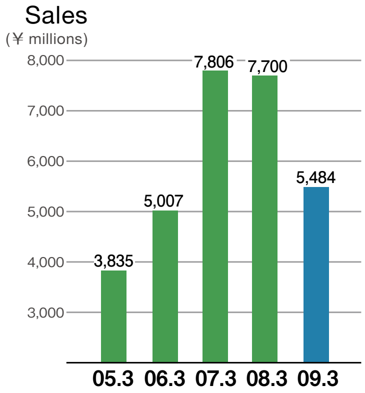
High-quality products from various materials using top-class facilities and expertise



Ahresty's Kumagaya Plant became the first in the industry to obtain JIS (Japan Industrial Standard) accreditation in 1958, and the first in Japan to obtain accreditation from the Ministry of International Trade and Industry as an aluminum can recycling facility under the revised Private Participation Promotion Law in 1997. The plant produces aluminum alloy ingots with excellent mechanical properties from various materials, including aluminum cans, window sashes and automobile scraps. These industrial-purpose ingots are produced by Ahresty's state-of-the-art facilities and outstanding recycling expertise. We boast a monthly production capacity of 3,000 tons for aluminum alloy ingots, and our products, shipped nationwide, have earned the trust of our customers.

Fiscal 2008 Results

In the Aluminum Business, sales were ¥5,484 million (falling 28.8%). Although shipments of secondary alloy ingots to the key auto industry were solid during the first half of the fiscal year, demand and ingot prices plummeted from the third quarter. Although we sought to reduce inventories and review our production system in response to the sudden drop in sales volume and ingot prices from the third quarter, lower production volumes led to lower profit margins, resulting in an operating loss of ¥88 million (as compared with operating income of ¥395 million the previous fiscal year).



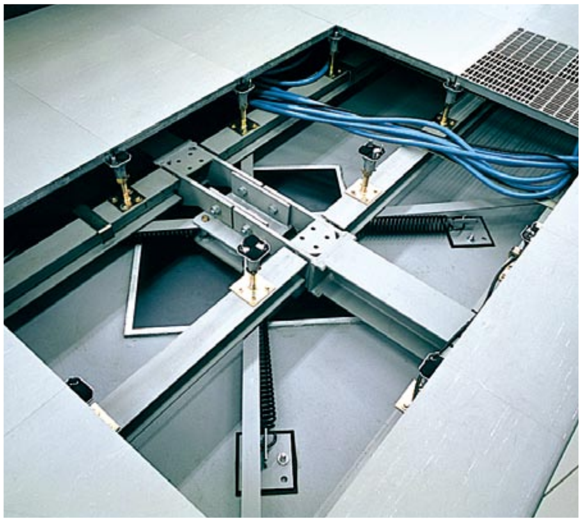
Fiscal 2009 Outlook

In the Aluminum Business, inventory adjustments of various cast production companies finally quieted down in the first quarter. However, their sales volumes remain weak, at about 50% of those of the same month in the previous year. Recovery of around 60% compared to the same month in the previous year is, however, expected for sales volumes in the second quarter as there is a sense of the economy bottoming out beginning after the end of the extended weekend in May, and production volumes of our group plants, such as those in Tochigi and Yamagata, are increasing. On the other hand, the status of raw material collection still remains difficult with respect to both volume and price following the decrease in quantities of dismantled automobiles and of construction parts due to the economic stagnation and following the increase in export to emerging countries such as China. In addition, given the price competition with imports faced by our department, the difficult environment with respect to profitability seems as if it will continue until the early second quarter.

Based on the above, while we expect that improved profits can be expected after the second half of the second quarter, we will continue to endeavor to work on enhancement of productivity and activities for business efficiency improvement in an effort to improve profits.

Proprietary Products Business

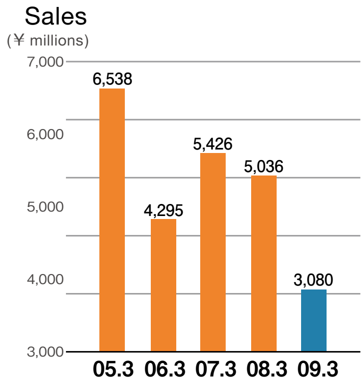
Developing new free access floor products to keep pace with expanding opportunities



In 1962, Ahresty was the first to develop aluminum die cast-based free access floors, and since that time we have been consistently developing innovative products. In response to the needs of time, a free access floor is raised flooring that can accommodate otherwise obstructive wiring in locations such as computer rooms and broadcasting studios that require a considerable amount of hard-wiring. Recently, general offices, hospitals, clean rooms and newly constructed intelligent buildings have all come to incorporate this raised flooring approach. Ahresty's MOVAFLOR, free access floors have been used in such major projects as the Tokyo Metropolitan Government building (Shinjuku, Tokyo), Century Tower (Suidobashi, Tokyo), Landmark Tower (Minato Mirai 21, Yokohama), Kansai International Airport (Osaka) and Toshiba Corporation's Yokkaichi Plant (Mie prefecture).

Fiscal 2008 Results

In the Proprietary Products Business, sales amounted to ¥3,080 million (declining 38.8%), largely because semiconductor manufacturers in Western Japan which had been expected to order mainstay aluminum panels either delayed or suspended capital investment in response to worsening economic conditions in Japan. Operating income was ¥221 million (down 45.9%), reflecting higher selling expenses associated with decreased sales.



Fiscal 2009 Outlook

In the Proprietary Products Business, sales of MOVAFLOR for clean rooms for semiconductor manufacturers came to a sudden stop beginning in the fourth quarter of 2008 following delays and suspensions of capital investments of semiconductor-related companies, including major electronics manufacturers, due to the global recession. However, in some economic views, some of these seem to be improving, resuming their delayed capital investments. We expect a direct impact from the resumption of this capital investment on the sales of this department to occur in and after the fourth quarter of 2009. Even if this leads to orders, we expect the sales of MOVAFLOR for clean rooms to remain difficult. However, given that investment in the construction of data centers by major telecommunications companies is expected to grow steadily due to the increasing volume of information handled by the companies, we would like to focus on sales for MOVAFLOR for computer rooms.

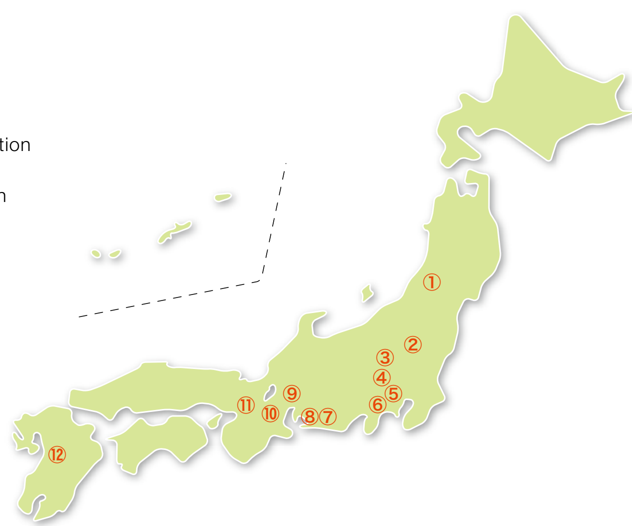
Actively pursuing global development to respond to the needs of customers worldwide

Ahresty is actively promoting its overseas operations to quickly and efficiently deliver a stable supply of products to customers around the world. In addition to our U.S. plant in Wilmington, Ohio, we established a die casting plant in Guangzhou, China, Mexico and India, and have been steadily expanding production. We fully apply our accumulated technology and expertise to manufacture and market high-quality products. We have also established a mutually complementary system that includes our die casting die production bases in Thailand and Guangzhou, encompassing our entire business line from materials and die casting die to die casting, toward complete optimization across the Group and around the world.

Domestic Network

Ahresty Group

① Ahresty Yamagata Corporation
② Tochigi Sales Office
Ahresty Tochigi Corporation
Ahresty Die Mold Tochigi Corporation
③ Kumagaya Plant
④ Higashimatsuyama Plant
⑤ Head Office
Kanto Sales Office
Ahresty Techno Service Corporation
⑥ Atsugi Sales Office



⑦ Hamamatsu Sales Office
Hamamatsu Plant
Ahresty Die Mold Hamamatsu Corporation
Ahresty Pretech Corporation
⑧ Toyohashi Plant
Technical Center
⑨ Nagoya Sales Office
⑩ Suzuka Sales Representative Office
⑪ Osaka Sales Office
Kansai Sales Office
Osaka Administration Center
⑫ Kumamoto Sales Office
Ahresty Kumamoto Corporation
Ahresty Die Mold Kumamoto Corporation

As of June 25, 2009

•Ahresty Wilmington Corporation

Functions as our base in North America from 1989; involved in the production of die casting products, machining and parts assembly. Monthly production capacity: 1,500 tons.

2627 S.South Street, Wilmington, Ohio 45177, U.S.A.

•Guangzhou Ahresty Casting Co., Ltd.

Began operations in fiscal 2004; involved in the production of die casting products, machining and parts assembly. Monthly production capacity: 950 tons.

No.7 Xinfeng St., Yonghe Economic District, Guangzhou Economic & Technological Development District, P.R. China

•Ahresty Mexicana, S.A. de C.V.

Began operations in fiscal 2007. To complement the production of Ahresty Wilmington Corporation, the plant produces die casting products, perform machining, and assemble parts. Monthly production capacity: 700 tons.

Calle Industria Automotriz #20
Complejo de Naves Industriales la Zacatecana
Guadalupe, Zacatecas C.P.98600

•Ahresty India Private Limited

The plant started operations in fiscal 2008. The plant produces die casting products, perform machining as the forth overseas operations.

Plot No. 194, Sector 4, Phase-II Growth Centre, Bawal, Rewari, Haryana, India

Higashimatsuyama Plant

25-27 Oaza Miyako,
Namegawa-machi,Hiki-gun,
Saitama Prefecture 355-0812
TEL. +81-493-56-4421

Kumagaya Plant

284-11 Miizugahara,
Kumagaya-shi,
Saitama Prefecture 360-8543
TEL. +81-48-533-5161

Hamamatsu Plant

4-14-1 Azukimochi, Naka-ku,
Hamamatsu-shi,
Shizuoka Prefecture 433-8520
TEL. +81-53-436-2111

Toyohashi Plant

80 Aza Higashimukaiyama,
Futagawa-chou,Toyohashi-shi,
Aichi Prefecture 441-3153
TEL. +81-532-41-0511

Ahresty Yamagata Corporation

65 Oaza Arato, Shirataka-machi,
Nishiokitama-gun, Yamagata
Prefecture 992-0832
TEL. +81-238-85-5233

Ahresty Tochigi Corporation

4060 Oaza Mibu Otsu, Mibu-machi,
Shimotsuga-gun, Tochigi Prefecture
321-0215
TEL. +81-282-82-5111

Ahresty Kumamoto Corporation

36 Urakawachi, Matsubase-machi,
Uki-shi, Kumamoto Prefecture
869-0521
TEL. +81-964-33-3111

Technical Center

1-2 Nakahara, Mitsuya-cho,
Toyohashi-shi, Aichi Prefecture
441-3114
TEL. +81-532-65-2170

Consistently striving to contribute to society

Ahresty is not only committed to contributing to the business expansion of our customers, but is also actively engaged in fulfilling our social responsibilities as a corporate citizen. In addition to company-wide efforts for environmental preservation, we have formulated the “Ahresty Compliance Basic Policy” covering rules that govern the actions of all employees, and the “Ahresty Group Standards of Behavior” encompassing basic rules for the execution of daily operations. We have established a Compliance Committee Secretariat to strengthen our system of compliance with laws related to our corporate activities, corporate ethics and in-house regulations.

Ahresty Group Standards of Behavior

1. Compliance with laws
(purpose of the code, rules related to compliance responsibility)
2. Relationship with customers and business partners
(rules related to free competition, fair transactions and other issues)
3. Relationship with shareholders and investors
(rules related to corporate information, insider trading and other issues)
4. Relationship with employees
(rules related to human rights, protection of privacy and other issues)
5. Management of corporate assets and information
(rules related to trade secrets, intellectual property and other issues)
6. Relationship with society
(rules related to donations, political contributions and other issues)
7. Rules related to implementation

Employee Education

To continually provide higher levels of technology and services for our customers, we consistently strive to enhance the level of our technology and responsiveness through the positive promotion of QC circle activity.

Hosting Ahresty Plant Tours

We actively host plant tours as part of our effort to communicate with the local community and increase stakeholders’ understanding of our environmental efforts.

Becoming an environmentally-friendly company by consistently working to reduce environmental load

Ahresty seeks to protect the earth's beautiful environment by applying our technology to pursue an ongoing series of environmental preservation measures and making products that fully consider environmental load. Aluminum, which can be recycled using only 3% of the energy required to produce products from raw material, is considered the model for recycling, and is an environmentally-friendly metal that contributes to reducing CO_2 by making vehicles that are lighter in weight. Ahresty intends to become an environmentally-friendly company by actively developing our recycling business to promote the creation of a recycling-oriented society, and by participating in zero-waste activities, energy and resource conservation and LCA (Life Cycle Assessment).

ISO14001 Certification

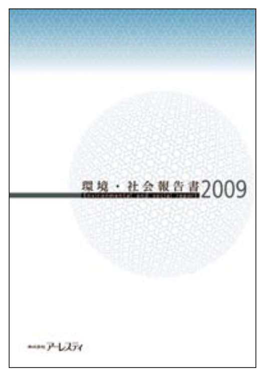
Ahresty contributes to the protection of the global environment by obtaining ISO14001:2004 certification for our operational bases, as listed below.

JAB
EMS Accreditation
RE014

JUSE
REGISTERED FIRM
EMS Registration
JUSE−EG−048

ISO14001:2004 certification
Obtained by Head Office, Hamamatsu Plant, Higashimatsuyama Plant, Kumagaya Plant, Toyohashi Plant, Technical Center,
Ahresty Tochigi Corporation,
Ahresty Kumamoto Corporation,
Ahresty Yamagata Corporation

Environmental and Social Report 2009



Ahresty publishes an annual Environmental and Social Report and strives to provide information on the environmental preservation measures implemented across our business operations to increase stakeholders' understanding.

Environmental Preservation Measures

Ahresty engages in recycling waste toward establishing zero-waste plants. For example, the company reuses sludge formally disposed of in landfills to produce roadbed material and recycled sand.

Ex. : recycled materials

Wastewater treatment

↓

Sludge

↓ After quality improvement

Roadbed material, recycled sand

Cleanup Programs in Local Communities

Ahresty places priority on activities that encourage coexistence with the local community. As part of our local contribution, the company actively participates in its tree planting efforts.

Corporate Governance Policies

Ahresty has worked to develop new business areas that utilize the light-weight property of aluminum based on our own R&D and technological capabilities. At the same time, we seek to differentiate ourselves by reducing costs and achieving high levels of quality. The company recognizes the importance of constantly enhancing our corporate value to achieve our goal of becoming the most trusted company by all stakeholders, including customers, shareholders and investors, employees, business partners and society at large. Therefore, we seek to improve our corporate governance on a foundation of strengthened competitiveness and sound, transparent management, while establishing an organizational structure that can quickly respond to changes in the management environment.

Compliance Principles

Ahresty Corporation established these basic principles as the foundation for compliance. Executives and employees will adhere to the principles in their individual actions and operational execution.

1. **We will uphold customer satisfaction and trust as our goals and pay due consideration to quality and safety in providing excellent products and meticulous service.**
2. **We will be mindful of customer reassurance and trust, comply with all relevant regulations and act with the highest standards of ethics and responsibility.**
3. **We will establish fair and transparent business relationships and undertake sound operations.**
4. **We will seek to consistently enhance corporate value and strive to become an attractive company.**
5. **We will respect each other's individuality and values to create healthy and safe working environments.**
6. **We will protect corporate assets and handle them in an appropriate manner.**
7. **We will maintain and establish sound relationships to avoid causing any stakeholder to lose trust.**
8. **We recognize consideration for the earth's environment as a priority concern, and actively take part in activities to protect the environment at our own initiative.**
9. **We will maintain a global perspective respect local cultures and practices, and actively contribute to society.**
10. **We will endeavor to broadly communicate with society at large, cooperate in activities for local development and comfortable, safe living toward our goal of coexisting with local communities.**

Financial Section

Contents

Results of Operations

The Japanese economy went from bad to worse during the fiscal year under review. In the first half of the fiscal year, higher costs due to rising oil and raw material prices tended to weigh down corporate income. In the second half, the financial crisis sparked by the bankruptcy of leading U.S. securities company Lehman Brothers had serious repercussions for the real economy and, on top of plunging exports, shrinking capital investment and an increasingly severe employment and income situation, Japan's industrial output also hit an all-time low. Overseas, the U.S. economy plunged deeper into recession, as employment conditions deteriorated rapidly and private consumption plummeted amid growing unease in the financial and credit markets. European economies also experienced a sharp drop in business confidence in the wake of the Lehman collapse.

In this environment, the Company also experienced a dramatic decline in orders, as Japanese and overseas automakers significantly scaled back production, and consequently sales dropped sharply. Although we took steps such as shifting to a production structure compatible with the decline in orders and reducing expenses, this was not enough to offset the impact of decreased sales, and income also deteriorated.

Operational results for this fiscal year were sales of ¥104,843 million (down 19.0% from the previous fiscal year), an operating loss of ¥2,665 million (as compared with operating income of ¥5,821 million the previous fiscal year), a recurring loss of ¥4,265 million (as compared with recurring income of ¥6,185 million the previous fiscal year) and a net loss of ¥6,772 million (as compared with net income of ¥3,363 million the previous fiscal year) due to such factors as impairment loss for assets in part and reversal of deferred tax assets.

Consolidated performance for year ended March 2009 (April 1, 2008–March 31, 2009)

(Amounts of less than 1 million yen are rounded off)

(1) Consolidated Operating Results

	Sales		Operating Income		Recurring Income	
	Millions of Yen	%	Millions of Yen	%	Millions of Yen	%
Fiscal year ended March 2009	104,843	(19.0)	(2,665)	–	(4,265)	–
Fiscal year ended March 2008	129,362	5.4	5,821	(26.7)	6,185	(22.0)

	Net Income		Net Income per Share	Fully Diluted Net Income per Share	Return on Equity	Return on Total Asset	Operating Profit on Sales
	Millions of Yen	%	Yen	Yen	%	%	%
Fiscal year ended March 2009	(6,772)	–	(313.83)	–	(17.1)	(4.5)	(2.5)
Fiscal year ended March 2008	3,363	(55.3)	154.66	154.56	7.5	6.0	4.5

Note : % shows change from previous term

For reference : Investment gain or loss under equity method
Year ended March 2009 : – million yen
Year ended March 2008 : – million yen

(2) Consolidated Financial Position

	Total Assets	Net Assets	Equity Ratio	Net Assets per Share
	Millions of Yen	Millions of Yen	%	Yen
Fiscal year ended March 2009	86,560	34,175	39.4	1,583.83
Fiscal year ended March 2008	101,894	45,299	44.4	2,081.01

For reference : Shareholders' equity
Year ended March 2009 : 34,116 million yen
Year ended March 2008 : 45,250 million yen

(3) State of Consolidated Cash Flows

	Cash Flows from Operating Activities	Cash Flows from Investing Activities	Cash Flows from Financing Activities	Term-end Balance of Cash and Cash Equivalents
	Millions of Yen	Millions of Yen	Millions of Yen	Millions of Yen
Fiscal year ended March 2009	9,404	(15,476)	9,841	7,274
Fiscal year ended March 2008	13,004	(15,655)	2,565	3,877

Outlook for Fiscal 2009

The financial crisis originating in the U.S. has seriously affected the real economy on a worldwide scale, and decline in global auto production has led to a dramatic slowdown in demand for die cast products for vehicle parts, which are our core products. The outlook remains uncertain and our operating environment has become more challenging.

In this severe business environment, the Group will implement measures to improve profit margins including reviewing its production system, curbing capital investment and reducing expenses, but the impact of falling demand in all but a few regions is unavoidable, and consolidated forecasts for the fiscal year ending March 2010 are as follows.

The consolidated forecasts are calculated based on the following exchange rates: ¥95 against the US dollar, ¥14.5 against the renminbi and ¥7 against the peso.

(Millions of Yen)

	Sales	Operating Income	Recurring Income	Net Income
For the year ended March 2010	78,000	(2,000)	(2,650)	(2,400)
For the year ended March 2009	104,843	(2,665)	(4,265)	(6,772)
Increase/decrease	(26,843)	665	1,615	4,372
Rate of increase/decrease	(25.6%)	–	–	–

(Millions of Yen)

	Sales		Operating Income	
Segment	Current fiscal year	Next fiscal year	Current fiscal year	Next fiscal year
Die Casting	96,278	73,000	(2,825)	(2,100)
Aluminum	5,484	2,300	(88)	50
Proprietary Products	3,080	2,700	221	50

Consolidated Balance Sheets

(Assets)		Millions of yen Fiscal year ended March 31 2008	2009	Thousands of U.S. dollars Fiscal year ended March 31 2009
Current Assets				
Cash and time deposits		¥ 3,962	**¥ 7,444**	**$ 73,983**
Trade notes and accounts receivable		30,174	**17,118**	**170,118**
Merchandise		21	**–**	**–**
Products		3,290	**–**	**–**
Merchandise and products		–	**1,575**	**15,655**
Partly finished goods		4,452	**3,080**	**30,612**
Raw materials		2,645	**–**	**–**
Inventories		696	**–**	**–**
Raw materials and inventories		–	**1,965**	**19,532**
Advances		39	**–**	**–**
Pre-paid expenses		92	**–**	**–**
Deferred tax assets		903	**616**	**6,128**
Short-term loans		1	**–**	**–**
Accounts receivable		315	**–**	**–**
Income taxes and other taxes receivable		280	**–**	**–**
Consumption tax receivable		230	**–**	**–**
Others		297	**1,595**	**15,856**
Allowance for doubtful accounts		(14)	**(6)**	**(65)**
Total Current Assets		47,391	**33,391**	**331,820**
Fixed Assets				
Tangible fixed assets				
Buildings and structures	*2	18,695	**19,700**	**195,771**
Accumulated depreciation and impairment loss		(9,550)	**(10,039)**	**(99,771)**
Buildings and structures, net	*2	9,145	**9,660**	**96,000**
Machinery and delivery equipment	*2	60,904	**64,440**	**640,372**
Accumulated depreciation and impairment loss		(40,329)	**(44,290)**	**(440,129)**
Machinery and delivery equipment, net	*2	20,574	**20,150**	**200,243**
Tools, furniture and fixtures		24,001	**25,981**	**258,189**
Accumulated depreciation		(19,295)	**(22,209)**	**(220,701)**
Tools, furniture and fixtures, net		4,705	**3,772**	**37,487**
Land	*2	6,078	**5,951**	**59,137**
Lease assets		–	**11**	**115**
Accumulated depreciation		–	**(0)**	**(5)**
Lease assets, net		–	**11**	**109**
Construction in progress		6,264	**7,692**	**76,447**
Total Tangible Fixed Assets		46,768	**47,238**	**469,426**
Intangible fixed assets				
Good will		297	**138**	**1,373**
Others		579	**692**	**6,881**
Total Intangible Fixed Assets		877	**830**	**8,255**
Investments and other assets				
Investments in securities	*1,2	6,034	**4,531**	**45,028**
Long-term loans		1	**–**	**–**
Capital investments		0	**–**	**–**
Long-term prepaid loans		14	**–**	**–**
Deferred tax assets		351	**264**	**2,629**
Others		474	**312**	**3,108**
Allowance for doubtful accounts		(20)	**(8)**	**(81)**
Total Investments and Other Assets		6,857	**5,100**	**50,685**
Total Fixed Assets		54,503	**53,169**	**528,367**
Total Assets		¥101,894	**¥86,560**	**$860,187**

Note:The translations of yen amounts into U.S. dollar amounts are included solely for the convenience of readers outside Japan and have been made at the rate of ¥100.63 to $1.00, the average exchange rate during period. U.S. dollar figures less than a thousand dollars are rounded down to the nearest thousand dollars.

		Millions of yen		Thousands of U.S. dollars
		Fiscal year ended March 31		Fiscal year ended March 31
(Liabilities)		2008	2009	2009
Current Liabilities				
Notes and accounts payable		¥ 26,977	**¥13,161**	**$130,793**
Short-term loans		5,514	**2,219**	**22,053**
Current portion of long-term loans	＊2	3,411	**5,574**	**55,396**
Current portion of bonds		700	**–**	**–**
Accrued expenses		1,589	**–**	**–**
Accrued income taxes		1,113	**211**	**2,102**
Accrued consumption taxes		384	**–**	**–**
Bonus allowances		1,474	**907**	**9,020**
Directors' bonus allowances		42	**2**	**24**
Facilities-related bills payable		821	**–**	**–**
Others		2,259	**6,055**	**60,172**
Total Current Liabilities		44,288	**28,132**	**279,563**
Long-term Liabilities				
Long-term loans	＊2	4,818	**16,934**	**168,288**
Deferred tax liabilities		3,132	**3,331**	**33,104**
Allowances for employees' retirement benefits		3,168	**3,281**	**32,610**
Allowances for directors' retirement benefits		196	**161**	**1,605**
Long-term accrued payments		34	**–**	**–**
Negative goodwill		903	**444**	**4,421**
Others		52	**98**	**980**
Total Long-term Liabilities		12,306	**24,253**	**241,012**
Total Liabilities		56,594	**52,385**	**520,575**
(Net Assets)				
Shareholders' Equity				
Common stock		5,117	**5,117**	**50,855**
Additional paid-in capital		8,361	**8,363**	**83,113**
Retained earnings		31,072	**23,758**	**236,098**
Treasury stock		(57)	**(357)**	**(3,555)**
Total Shareholders' Equity		44,494	**36,882**	**366,512**
Revaluation/Translation Differences				
Difference on revaluation of other marketable securities		1,883	**954**	**9,485**
Foreign currency translation adjustments		(1,126)	**(3,720)**	**(36,968)**
Total Revaluation/Translation Differences		756	**(2,765)**	**(27,483)**
Share Warrants		49	**58**	**583**
Total Net Assets		45,299	**34,175**	**339,612**
Total Liabilities and Net Assets		¥101,894	**¥86,560**	**$860,187**

Consolidated Income Statements

		Millions of yen		Thousands of U.S. dollars
		April 1, 2007 through March 31, 2008	April 1, 2008 through March 31, 2009	April 1, 2008 through March 31, 2009
Sales		¥129,362	**¥104,843**	**$1,041,871**
Cost of Goods Sold		113,165	**98,172**	**975,575**
Gross Profit		16,196	**6,671**	**66,295**
Selling, General and Administrative Expenses				
Transportation expenses		2,486	**2,114**	**21,011**
Salaries and bonuses		2,312	**2,247**	**22,337**
Retirement and severance expenses		263	**242**	**2,407**
Provision for bonuses		304	**186**	**1,856**
Provision for bonuses for directors		42	**2**	**22**
Provision for retirement benefits for directors		4	**–**	**–**
Allowance for depreciation		187	**165**	**1,645**
Research and development expenses	*1	1,271	**1,095**	**10,890**
Provision for allowance for doubtful accounts		19	**8**	**81**
Other expenses		3,484	**3,273**	**32,531**
Total Selling, General and Administrative Expenses		10,375	**9,337**	**92,785**
Operating Income (Loss)		5,821	**(2,665)**	**(26,490)**
Non-operating Income				
Interest income		24	**18**	**182**
Dividends received		179	**115**	**1,147**
Amortization of negative goodwill		448	**456**	**4,540**
Rental income		59	**–**	**–**
Others		217	**225**	**2,244**
Total Non-operating Income		928	**816**	**8,114**
Non-operating Expenses				
Interest expenses		332	**312**	**3,101**
Loss on disposal of inventories		143	**–**	**–**
Foreign currency exchange loss		–	**2,045**	**20,323**
Others		89	**59**	**591**
Total Non-operating Expenses		564	**2,416**	**24,016**
Recurring Income (Loss)		6,185	**(4,265)**	**(42,392)**
Extraordinary Gains				
Gain on the sale of fixed assets	*2	596	**8**	**87**
Gain on the sale of investments in securities		12	**–**	**–**
Gain of the sale of stock of affiliates		59	**–**	**–**
Gain on liquidation of affiliates		–	**100**	**998**
Gain on insurance adjustment		0	**–**	**–**
Others		0	**11**	**117**
Total Extraordinary Gains		669	**121**	**1,203**
Extraordinary Losses				
Loss on the sale of fixed assets	*3	218	**230**	**2,286**
Loss from the write-down of securities		0	**–**	**–**
Retirement and severance benefits		1	**–**	**–**
Impairment loss	*4	14	**711**	**7,065**
Retirement and severance expenses	*5	600	**–**	**–**
Early extra retirement payments		–	**350**	**3,484**
Product compensation cost		165	**–**	**–**
Accident benefits		60	**–**	**–**
Others		–	**54**	**544**
Total Extraordinary Losses		1,061	**1,346**	**13,380**
Income (Loss) before Income Taxes and Others		5,792	**(5,491)**	**(54,569)**
Income taxes and enterprise taxes		2,557	**603**	**5,996**
Income tax refund		–	**(399)**	**(3,970)**
Deferred income taxes		(127)	**1,076**	**10,701**
Total Income Taxes		2,429	**1,280**	**12,726**
Net Income (Loss)		¥ 3,363	**¥ (6,772)**	**$ (67,296)**

Consolidated Statement of Changes in Net Assets

	Millions of yen		Thousands of U.S. dollars
	April 1, 2007 through March 31, 2008	April 1, 2008 through March 31, 2009	April 1, 2008 through March 31, 2009
Shareholders' Equity			
Common Stock			
Balance at end of previous fiscal year	¥ 5,117	**¥ 5,117**	**$ 50,855**
Changes			
Total Changes	–	**–**	**–**
Balance at End of Current Fiscal Year	5,117	**5,117**	**50,855**
Capital Surplus			
Balance at end of previous fiscal year	8,359	**8,361**	**83,095**
Changes			
Sales of own shares	2	**1**	**17**
Total Changes	2	**1**	**17**
Balance at End of Current Fiscal Year	8,361	**8,363**	**83,113**
Retained Earnings			
Balance at end of previous fiscal year	28,208	**31,072**	**308,774**
Changes			
Cash dividend from retained earnings	(500)	**(541)**	**(5,380)**
Net income (loss)	3,363	**(6,772)**	**(67,296)**
Total Changes	2,863	**(7,313)**	**(72,676)**
Balance at End of Current Fiscal Year	31,072	**23,758**	**236,098**
Treasury Stock			
Balance at end of previous fiscal year	(53)	**(57)**	**(567)**
Changes			
Purchase of own shares	(6)	**(302)**	**(3,010)**
Sales of own shares	2	**2**	**22**
Total Changes	(4)	**(300)**	**(2,987)**
Balance at End of Current Fiscal Year	(57)	**(357)**	**(3,555)**
Total Shareholders' Equity			
Balance at end of previous fiscal year	41,632	**44,494**	**442,158**
Changes			
Cash dividend from retained earnings	(500)	**(541)**	**(5,380)**
Net income (loss)	3,363	**(6,772)**	**(67,296)**
Purchase of own shares	(6)	**(302)**	**(3,010)**
Sales of own shares	4	**4**	**40**
Total Changes	2,861	**(7,612)**	**(75,646)**
Balance at End of Current Fiscal Year	44,494	**36,882**	**366,512**
Revaluation/Translation Differences			
Difference on Revaluation of Other Marketable Securities			
Balance at end of previous fiscal year	3,045	**1,883**	**18,714**
Changes			
Changes (net) in non-shareholders' equity items	(1,162)	**(928)**	**(9,229)**
Total Changes	(1,162)	**(928)**	**(9,229)**
Balance at End of Current Fiscal Year	1,883	**954**	**9,485**
Foreign Currency Translation Adjustments			
Balance at end of previous fiscal year	(111)	**(1,126)**	**(11,197)**
Changes			
Changes (net) in non-shareholders' equity items	(1,015)	**(2,593)**	**(25,770)**
Total Changes	(1,015)	**(2,593)**	**(25,770)**
Balance at End of Current Fiscal Year	(1,126)	**(3,720)**	**(36,968)**
Total Revaluation/Translation Differences			
Balance at end of previous fiscal year	2,934	**756**	**7,516**
Changes			
Changes (net) in non-shareholders' equity items	(2,177)	**(3,522)**	**(34,999)**
Total Changes	(2,117)	**(3,522)**	**(34,999)**
Balance at End of Current Fiscal Year	756	**(2,765)**	**(27,483)**
Share Warrants			
Balance at end of previous fiscal year	29	**49**	**487**
Changes			
Changes (net) in non-shareholders' equity items	19	**9**	**96**
Total Changes	19	**9**	**96**
Balance at End of Current Fiscal Year	49	**58**	**583**
Total Net Assets			
Balance at end of previous fiscal year	44,596	**45,299**	**450,162**
Changes			
Cash dividend from retained earnings	(500)	**(541)**	**(5,380)**
Net income (loss)	3,363	**(6,772)**	**(67,296)**
Purchase of own shares	(6)	**(302)**	**(3,010)**
Sales of own shares	4	**4**	**40**
Changes (net) in non-shareholders' equity items	(2,158)	**(3,512)**	**(34,903)**
Total Changes	703	**(11,124)**	**(110,550)**
Balance at End of Current Fiscal Year	¥45,299	**¥34,175**	**$339,612**

Consolidated Statements of Cash Flows

	Millions of yen		Thousands of U.S. dollars
	April 1, 2007 through March 31, 2008	April 1, 2008 through March 31, 2009	April 1, 2008 through March 31, 2009
Cash Flows from Operating Activities			
Income (loss) before income taxes	¥ 5,792	**¥ (5,491)**	**$(54,569)**
Depreciation and amortization	10,146	**11,474**	**114,029**
Impairment loss	14	**711**	**7,065**
Amortization of goodwill and negative goodwill	(290)	**–**	**–**
Amortization of goodwill	–	**157**	**1,566**
Amortization of negative goodwill	–	**(456)**	**(4,540)**
Increase/(decrease) in allowances for doubtful accounts	5	**(19)**	**(198)**
Increase/(decrease) in allowances for bonuses	158	**(566)**	**(5,628)**
Increase/(decrease) in allowances for directors' bonuses	(10)	**(39)**	**(392)**
Increase/(decrease) in allowances for employees' retirement benefits	616	**113**	**1,125**
Increase/(decrease) in allowances for directors' retirement benefits	(23)	**(34)**	**(341)**
Increase/(decrease) in prepaid pension expenses	48	**58**	**578**
Interest and dividend income	(204)	**(133)**	**(1,330)**
Interest expenses	332	**312**	**3,101**
(Gain)/loss on sales of investment securities	(12)	**(0)**	**(4)**
(Gain)/loss of the sales of stock of affiliates	(59)	**–**	**–**
(Gain)/loss on liquidation of affiliate	–	**(100)**	**(998)**
Gain on sales of tangible fixed assets	(596)	**–**	**–**
Loss on sales of tangible fixed assets	216	**–**	**–**
(Gain)/loss on sales of tangible fixed assets	–	**220**	**2,192**
(Gain)/loss from revaluation of investment securities	0	**2**	**20**
(Increase)/decrease in notes and accounts receivable	2,181	**12,872**	**127,916**
(Increase)/decrease in inventories	(560)	**4,008**	**39,836**
Increase/(decrease) in notes and accounts payable	(1,211)	**(13,585)**	**(135,008)**
Increase/(decrease) in accrued expenses	–	**2,392**	**23,777**
Increase/(decrease) in accrued consumption taxes and others	156	**(395)**	**(3,932)**
Others	(332)	**(578)**	**(5,748)**
Subtotal	16,366	**10,920**	**108,517**
Interest and dividends received	212	**134**	**1,332**
Interest paid	(331)	**(307)**	**(3,057)**
Income taxes paid	(3,381)	**(1,710)**	**(16,995)**
Income taxes refunded	138	**367**	**3,655**
Net Cash Provided by Operating Activities	13,004	**9,404**	**93,452**
Cash Flows from Investing Activities			
Payment into time deposits	(185)	**(120)**	**(1,192)**
Proceeds from refund of time deposits	358	**132**	**1,320**
Expenditures from purchases of investment securities	(26)	**(28)**	**(281)**
Proceeds from sales of marketable securities	13	**0**	**5**
Expenditures from purchases of affiliate shares	–	**(50)**	**(496)**
Proceeds from liquidation of affiliate	–	**106**	**1,056**
Expenditures from purchases of tangible fixed assets	(17,096)	**(15,446)**	**(153,499)**
Proceeds from sales of tangible fixed assets	1,369	**26**	**265**
Expenditures from loans	(54)	**(1)**	**(15)**
Proceeds from collection of loans	54	**3**	**30**
Others	(88)	**(99)**	**(990)**
Net Cash Used in Investing Activities	(15,655)	**(15,476)**	**(153,796)**
Cash Flows from Financing Activities			
Proceeds from short-term loans	71,440	**79,490**	**789,926**
Repayment of short-term loans	(70,065)	**(82,376)**	**(818,607)**
Proceeds from long-term debt	6,451	**18,605**	**184,885**
Repayment of long-term debt	(4,408)	**(4,298)**	**(42,711)**
Redemption of corporate bonds	(300)	**(700)**	**(6,956)**
Proceeds from sale of treasury stock	0	**0**	**0**
Payments for purchase of treasury stock	(6)	**(302)**	**(3,010)**
Dividends paid	(498)	**(539)**	**(5,357)**
Others	(47)	**(36)**	**(366)**
Net Cash Used in Financing Activities	2,565	**9,841**	**97,803**
Effect of Exchange Rate Changes on Cash and Cash Equivalents	(223)	**(372)**	**(3,696)**
Net Increase/(Decrease) in Cash and Cash Equivalents	(308)	**3,397**	**33,761**
Cash and Cash Equivalents at Beginning of Year	4,185	**3,877**	**38,532**
Cash and Cash Equivalents at End of Period	¥ 3,877	**¥ 7,274**	**$ 72,293**

Notes to Consolidated Financial Statements

1. Scope of consolidation

· Previous consolidated fiscal year (April 1, 2007 to March 31, 2008)

Consolidated subsidiaries consist of 16 companies: Ahresty Tochigi Corporation, Ahresty Kumamoto Corporation, Ahresty Wilmington Corporation, Tenryu Metal Industry Co., Ltd., Ahresty Yamagata Corporation, Hamamatsu Mecatec Corporation, Ahresty Die Mold Hamamatsu Corporation, Ahresty Die Mold Corporation, Ahresty Taiwan Die Mold Corporation, Thai Ahresty Die Co., Ltd., Ahresty Techno Service Corporation, CS Fuso Co., Ltd., Guangzhou Ahresty Casting Co., Ltd., Tokai Seiko Co., Ltd., Ahresty Mexicana, S.A. de C.V. and Ahresty India Private Limited.

Ahresty Light Metal Corporation was merged with the Company and became a division of the Toyohashi Plant on October 1, 2007, and was therefore excluded from the scope of consolidation.

Four unconsolidated subsidiaries including Ahresty Casting Support Corporation have been excluded from the scope of consolidation as they have no significant impact on the Consolidated Financial Statements in terms of total assets, sales, current term net profit or less (in accordance to their equity), and retained earnings (in accordance to their equity).

· Current consolidated fiscal year (April 1, 2008 to March 31, 2009)

Consolidated subsidiaries consist of 14 companies: Ahresty Tochigi Corporation, Ahresty Kumamoto Corporation, Ahresty Wilmington Corporation, Ahresty Yamagata Corporation, Ahresty Die Mold Hamamatsu Corporation, Ahresty Die Mold Tochigi Corporation, Ahresty Die Mold Kumamoto Corporation, Ahresty Taiwan Die Mold Corporation, Thai Ahresty Die Co., Ltd., Ahresty Techno Service Corporation, Guangzhou Ahresty Casting Co., Ltd., Tokai Seiko Co., Ltd., Ahresty Mexicana, S.A. de C.V. and Ahresty India Private Limited.

Tenryu Metal Industry Co., Ltd. and CS Fuso Co., Ltd. were merged with Ahresty Techno Service Corporation on January 1, 2008, and were therefore excluded from the scope of consolidation.

Ahresty Die Mold Corporation was split up on January 4, 2008, and Ahresty Die Mold Kumamoto Corporation was spun off. Ahresty Die Mold Corporation was renamed Ahresty Die Mold Tochigi Corporation on the date of the spin off. As a result, newly established Ahresty Die Mold Kumamoto Corporation is included in the scope of consolidation.

Three unconsolidated subsidiaries included Ahresty Precision Die Mold (Guangzhou) Co., Ltd. have been excluded from the scope of consolidation as they have no significant impact on the Consolidated Financial Statements in terms of total assets, sales, current term net profit or less (in accordance to their equity), and retained earnings (in accordance to their equity).

2. Equity method affiliates

· Previous consolidated fiscal year (April 1, 2007 to March 31, 2008)

There are no non-consolidated subsidiaries accounted for using the equity method. There are no affiliates.

The equity method is not applied to investments in four companies, including Ahresty Casting Support Corporation among the non-consolidated subsidiaries, because these investments had only a slight influence on net income/loss (an amount in accordance with equity), retained earnings (an amount in accordance with equity), etc. and did not have sufficient importance overall.

· Current consolidated fiscal year (April 1, 2008 to March 31, 2009)

There are no non-consolidated subsidiaries accounted for using the equity method. There are no affiliates.

The equity method is not applied to investments in three companies, including Ahresty Precision Die Mold (Guangzhou) Co., Ltd. among the non-consolidated subsidiaries, because these investments had only a slight influence on net income/loss (an amount in accordance with equity), retained earnings (an amount in accordance with equity), etc. and did not have sufficient importance overall.

3. Business years of consolidated subsidiaries

· Previous consolidated fiscal year (April 1, 2007 to March 31, 2008)

The closing date for consolidated subsidiaries was December 31 for Tenryu Metal Industry Co., Ltd., Hamamatsu Mecatec Corporation, Ahresty Techno Service Corporation, Ahresty Die Mold Hamamatsu Corporation, Ahresty Die Mold Corporation, Ahresty Taiwan Die Mold Corporation, Thai Ahresty Die Co., Ltd., CS Fuso Co., Ltd., Guangzhou Ahresty Casting Co., Ltd., Tokai Seiko Co., Ltd. and Ahresty Mexicana, S.A. de C.V.

In order to prepare the Consolidated Financial Statements, the financial statements used for these subsidiaries were as of their closing dates, except for important transactions that took place in the period before the consolidated closing date, which were adjusted as necessary for consolidation.

· **Current consolidated fiscal year (April 1, 2008 to March 31, 2009)**

The closing date for consolidated subsidiaries was December 31 for Ahresty Techno Service Corporation, Ahresty Die Mold Hamamatsu Corporation, Ahresty Die Mold Tochigi Corporation, Ahresty Die Mold Kumamoto Corporation, Ahresty Taiwan Die Mold Corporation, Thai Ahresty Die Co., Ltd., Guangzhou Ahresty Casting Co., Ltd., Tokai Seiko Co., Ltd. and Ahresty Mexicana, S.A. de C.V.

In order to prepare the Consolidated Financial Statements, the financial statements used for these subsidiaries were as of their closing dates, except for important transactions that took place in the period before the consolidated closing date, which were adjusted as necessary for consolidation.

4. Summary of Significant Accounting Policies

(1) Evaluation standards and evaluation methods for key assets

(a) Marketable securities

Other marketable securities

Securities with market value

Market value method based on the market price on the closing date (variance of estimate is treated with the total net assets input method and cost of products sold are estimated using the moving average method)

Securities without market value

Moving average cost method

(b) Derivatives — market value method

(c) Inventories

The Company and consolidated subsidiaries in Japan evaluate according to cost method based primarily on the gross average method (the carrying value on the balance sheet is written down to reflect the effect of lower profit margins), while consolidated subsidiaries overseas evaluate according to lower of cost method based on the first-in, first-out (FIFO) method.

(Change of accounting policies)

Starting from the fiscal year under review, Accounting Standard for Measurement of Inventories (Accounting Standards Board of Japan (ASBJ) Standard No. 9 issued on July 5, 2006) has been applied. As a result, operating loss, recurring loss, and loss before income taxes and others each increased by ¥481 million.

The impact of this change on segment information is described in the applicable section.

(2) Depreciation methods for important depreciable assets

(a) Tangible fixed assets (excluding lease assets)

The Company and consolidated subsidiaries in Japan — declining balance method

However, the straight-line method is employed for buildings (excluding attached structures) acquired on or after April 1, 1998.

Consolidated subsidiaries overseas — straight-line method

Period of depreciation are as follows:

Buildings and structures — 3 to 50 years

Machinery and delivery equipment — 3 to 15 years

Tools, furniture and fixtures — 2 to 20 years

(Additional information)

The Company and its domestic consolidated subsidiaries reviewed the useful life of mechanical device assets in response to the revision of the Corporation Tax Act in fiscal 2008, and, with respect to both newly acquired assets and existing assets, have shifted to the use of the post-revision method of amortizing assets over the applicable useful lifetimes of those assets.

As a result of this change, operating loss, recurring loss and loss before income taxes and others each increased by ¥598 million.

The effects of the change on segment information are described in the applicable section.

(b) Intangible fixed assets (excluding lease assets) — straight-line method

The straight-line method is employed for software used in-house, based on the availability period of five years.

(c) Lease assets

Depreciation is computed using the straight-line method based on the assumption that the useful life equals the lease term and the residual value equals zero.

Finance lease transactions not involving transfer of ownership commencing on or before March 31, 2008 are accounted for based on methods applicable to ordinary rental transactions.

(3) Accounting procedure for deferred assets

Stock delivery expense

All amounts are accounted for as expenses at the time they are incurred.

(4) Reporting standards for important allowances

(a) Allowances for doubtful accounts

To provide against doubtful accounts, the estimated amount of unrecoverable accounts is reported by employing the loan loss ratio for regular bonds. Recovery rates are calculated individually for specific doubtful accounts and bonds.

(b) Bonus allowances

In order to appropriate bonus payments for employees for the current fiscal year, the parent company and consolidated subsidiaries report this allowance based on projected payment figures.

(c) Allowance for directors' bonuses

To prepare for the actual payments of bonuses to directors, the estimated bonuses for the fiscal year are recorded.

(d) Allowances for employees' retirement benefits

The Company and consolidated subsidiaries report this allowance to appropriate retirement benefit obligations and projected pension assets at the end of the current fiscal year. Some consolidated subsidiaries overseas employ defined contribution retirement benefits.

As for mathematical differences, the amount calculated with the straight-line method over a certain number of years (fifteen years) within the average remaining work period at the time they occurred in their respective fiscal years will be settled starting with the next fiscal year.

Past service cost is accounted for as an expense using the fixed-amount method for certain years (10 years), within the employees' average remaining period of service at the time of occurrence.

(e) Allowances for directors' retirement benefits

The Company reports the amount necessary at term end according to the Company's bylaws to prepare for the payment of retirement and severance benefits to its directors.

A resolution was passed at the parent company's 84th annual meeting of shareholders held on June 24, 2005, to abolish the retirement and severance benefits system and to issue retirement and severance benefits to all board members and auditors at the time of their retirement based on their incumbency up to the date the system was abolished. The parent company has not reported allowances for directors' retirement benefits after this date.

Main consolidated subsidiaries in Japan have also passed resolutions to issue retirement and severance benefits to all board members and auditors at the time of their retirement based on their incumbency, and to abolish the allowance for directors' retirement benefits. Allowances for directors' retirement benefits were reported while at the same time these benefits were abolished.

(5) Currency conversion standards for key total assets or liabilities in foreign currencies

Cash, assets and liabilities in foreign currencies are converted into yen based on the spot exchange rate on the consolidated closing date, and the exchange difference is treated as profit or loss. Total assets and liabilities of consolidated subsidiaries overseas are converted into yen based on the spot exchange rate on the consolidated closing date. Income and expenses are converted into yen based on the average exchange rate during period, and the exchange difference is included in the net assets of the foreign currency translation adjustment.

(Change of accounting policies)

Starting from the fiscal year under review, revenues and expenses of overseas consolidated subsidiaries, etc. which were previously translated into yen at the spot rates prevailing at the balance sheet date, are translated into yen at the average rate during the term.

This change is designed to accurately reflect the effects of changes in exchange rates on business performance.

As a result of this change, operating loss increased by ¥32 million, recurring loss rose by ¥577 million and loss before income taxes and others increased by ¥576 million.

(6) Hedge accounting

(a) Hedge accounting methods

The deferral hedge accounting method is applied. Foreign exchange contracts are appropriated when they meet the requirements for this method, and interest rate swaps are treated as exceptions when they meet the requirements for this method.

(b) Hedge measures and hedge targets

a. Hedge measures — interest rate swap

Hedge targets — long-term loans paid by variable interest rates

b. Hedge measures — foreign exchange contracts

Hedge targets — debts and credits in foreign currencies

(c) Hedge policies

For long-term loans paid at variable interest rates, derivatives trading is used to lower the loan spread. The interest rate swap provides against the risk of fluctuations in exchange rates at the time of import and export. The company's accounting department conducts internal reviews in employing hedge methods.

(d) Methods for evaluating hedge effectiveness

The effectiveness of hedge transactions is evaluated by the degree of variability between the cumulative amount of either the hedge target market fluctuation or cash flow fluctuation and the cumulative amount of either the hedge means market fluctuation or cash flow fluctuation. However, the evaluation of effectiveness is omitted for interest rate swaps treated as exceptions.

(7) Other key considerations for creating the Consolidated Financial Statements

Accounting procedures for consumption tax, etc.

Consumption tax and local consumption tax are treated by the tax exclusive method.

5. Evaluation of assets and expenses of consolidated subsidiaries

The assets and expenses of consolidated subsidiaries are evaluated by the total market value method.

6. Depreciation of goodwill and negative goodwill

Goodwill and negative goodwill are depreciated by straight-line method over a period of five years from the consolidated fiscal year including the date of accrual. If the difference to be eliminated is minor, it is depreciated as a lump sum in the consolidated fiscal year including the date of accrual.

7. Scope of funds in the Consolidated Statements of Cash Flows

Cash on hand, deposits that can be withdrawn as necessary, and short-term investments that are easily convertible, have low risk of value fluctuation and are due for redemption within three months of the date of acquisition are included in the scope of funds.

Change of Accounting Treatment

(Accounting Standards for Lease Transactions)

Starting from the fiscal year under review, the Accounting Standard for Lease Transactions (ASBJ Standard No. 13, issued by the First Subcommittee of the Business Accounting Council on June 17, 1993, and revised on March 30, 2007) and Guidance on Accounting Standard for Lease Transactions (ASBJ Guidance No. 16, issued by the Accounting Practice Committee of the Japan Institute of Certified Public Accountants on January 18, 1994, and revised on March 30, 2007) are applied. Under these standards, the accounting treatment for finance leases for which ownership is not transferred to the lessee has been changed from methods applicable to operating lease transactions to methods applicable to ordinary buying and selling transactions.

Also the accounting treatment for finance lease transactions not involving the transfer ownership commenced before the fiscal year in which the Accounting Standards for Lease transactions were first applied continues to follow mutatis mutandis the ordinary method for operating lease transactions.

This change has no impact on income.

(Tentative Treatment for the Unification of Accounting Policies of Foreign Subsidiaries in Preparing Consolidated Financial Statements)

Starting from the fiscal year under review, the Company applied the Tentative Treatment for the Unification of Accounting Policies of Foreign Subsidiaries in Preparing Consolidated Financial Statements (ASBJ Practical Issues Task Force No. 18 issued on May 17, 2006), and made the necessary adjustments to its consolidated financial statements.

This change has a minimal effect on income.

The impact of this change on segment information is described in the applicable section.

Notes on Consolidated Balance Sheets

*1. Figures related to unconsolidated subsidiaries and affiliates are as follows.

	As of March 31, 2008	As of March 31, 2009
Investments in securities (share)	¥612 million	¥656 million

*2. Pledged assets

As of March 31, 2008, in regard to tangible fixed assets and marketable securities, the following assets are held in pledge for long-term loans (including long-term loans to be repaid within one year) of ¥5,793 million (including ¥123 million for factory foundations). As of March 31, 2009, they are held in pledge for long-term loans (including long-term loans to be repaid within one year) of ¥15,013 million (including ¥63 million for factory foundations).

	As of March 31, 2008	As of March 31, 2009
Buildings and structures	¥131 million	¥757 million
Machinery and delivery equipment	¥495 million	¥661 million
Land	¥108 million	¥2,707 million
Investments in securities	¥1,869 million	¥2,625 million
Total	¥2,604 million	¥6,752 million

Of the above tangible fixed assets, assets that are held in mortgage for factory foundations:

Buildings and structures	¥131 million	¥147 million
Machinery and delivery equipment	¥495 million	¥661 million
Land	¥108 million	¥108 million
Total	¥735 million	¥918 million

Notes on Consolidated Income Statements

*1. Research and development expenses included in the administrative expenses were ¥1,271 million as of March 31, 2008, and ¥1,095 million as of March 31, 2009. No research and development expenses were included in the manufacturing costs incurred for either period.

*2. Breakdown of gains on the sale of fixed assets

	As of March 31, 2008
Machinery and delivery equipment	¥4 million
Tools, furniture and fixtures	¥0 million
Land	¥591 million
Total	¥596 million

	As of March 31, 2009
Machinery and delivery equipment	¥0 million
Tools, furniture and fixtures	¥7 million
Land	¥0 million
Total	¥8 million

*3. Breakdown of losses on the sale of fixed assets

	As of March 31, 2008
Building and structures	¥59 million
Machinery and delivery equipment	¥134 million
Tools, furniture and fixtures	¥21 million
Others	¥2 million
Total	¥218 million

	As of March 31, 2009
Building and structures	¥56 million
Machinery and delivery equipment	¥140 million
Tools, furniture and fixtures	¥31 million
Others	¥2 million
Total	¥230 million

*4. For the fiscal year, the Company recorded an impairment loss for the following asset:

(a) Outline

Use	Factory and equipment
Type	Building, structures, machinery and equipment
Location	Namegawa-machi, Hiki-gun, Saitama

(b) Breakdown by property type

Building	¥57 million
Structures	¥1 million
Machinery and equipment	¥651 million
Total	¥711 million

(c) Background

The portion of the carrying value of the assets for which there is no prospect of recovery due to reduced utilization is recorded as “Impairment loss” in “Extraordinary losses.”

(d) Method for calculating a recoverable amount

A recoverable amount is valued using a net sale value and based on anticipated sale proceeds.

Notes on Consolidated Statement of Changes in Net Assets

Fiscal year under review (from April 1, 2007 to March 31, 2008)

1. Type and number of issued shares, and the type and number of shares of treasury stock

	Number of shares at end of previous fiscal year	Increase in number of shares in fiscal year	Decrease in number of shares in fiscal year	Number of shares at end of fiscal year
Issued shares				
Common stock	21,778,220	–	–	21,778,220
Total	21,778,220	–	–	21,778,220
Treasury stock				
Common stock (Notes 1 and 2)	32,313	2,645	1,400	33,558
Total	32,313	2,645	1,400	33,558

Notes: 1. The number of shares of treasury stock increased as a result of fractional share repurchases.
2. The number of shares of treasury stock fell with the exercise of stock options.

2. Share warrants and own share warrants

Classification	Share warrant type	Type of shares underlying share warrants	Number of shares underlying share warrants (number of share)				Balance at end of fiscal year (millions of yen)
			End of previous fiscal year	Increase during fiscal year	Decrease during fiscal year	Number at end of fiscal year	
Submitting company (parent company)	Share warrants as stock options	–	–	–	–	–	49
Total		–	–	–	–	–	49

3. Dividends

(1) Dividend payments

(Resolution)	Type of shares	Amount of dividend (millions of yen)	Dividend per share (yen)	Record date	Effective date
Meeting of the Board of Directors on May 14, 2007	Common share	304	14	March 31, 2007	June 25, 2007
Meeting of the Board of Directors on November 14, 2007	Common share	195	9	September 30, 2007	December 14, 2007

(2) Dividends with record date falling in the fiscal year under review and with an effective date belonging to the following fiscal year

(Resolution)	Type of shares	Amount of dividend (millions of yen)	Source of dividend	Dividend per share (yen)	Record date	Effective date
Meeting of the Board of Directors on May 14, 2008	Common share	304	Retained earnings	14	March 31, 2008	June 9, 2008

Fiscal year under review (from April 1, 2008 to March 31, 2009)

1. Type and number of issued shares, and the type and number of shares of treasury stock

	Number of shares at end of previous fiscal year	Increase in number of shares in fiscal year	Decrease in number of shares in fiscal year	Number of shares at end of fiscal year
Issued shares				
Common stock	21,778,220	–	–	21,778,220
Total	21,778,220	–	–	21,778,220
Treasury stock				
Common stock (Notes 1 and 2)	33,558	205,664	1,500	237,722
Total	33,558	205,664	1,500	237,722

Notes: 1. The increase in treasury stock was attributable to the acquisition of treasury stock based on the resolution of the Board of Directors meeting held on May 14, 2008 (200,000 shares) and the purchase of shares constituting less than one unit.
2. The number of shares of treasury stock fell with the exercise of stock options.

2. Share warrants and own share warrants

Classification	Share warrant type	Type of shares underlying share warrants	Number of shares underlying share warrants (number of share)				Balance at end of fiscal year (millions of yen)
			End of previous fiscal year	Increase during fiscal year	Decrease during fiscal year	Number at end of fiscal year	
Submitting company (parent company)	Share warrants as stock options	–	–	–	–	–	58
Total		–	–	–	–	–	58

3. Dividends

(1) Dividend payments

(Resolution)	Type of shares	Amount of dividend (millions of yen)	Dividend per share (yen)	Record date	Effective date
Meeting of the Board of Directors on May 14, 2008	Common share	304	14	March 31, 2008	June 9, 2008
Meeting of the Board of Directors on November 10, 2008	Common share	236	11	September 30, 2008	December 11, 2008

(2) Dividends with record date falling in the fiscal year under review and with an effective date belonging to the following fiscal year
N/A

Notes on Consolidated Statements of Cash Flows

*1. Relationship between the final balance of cash and cash equivalents and the account amounts listed in the consolidated balance sheets

	As of March 31, 2008	As of March 31, 2009
Cash on hand and with banks	¥3,962 million	¥7,444 million
Fixed-term deposits over 3 months	(¥85 million)	(¥170 million)
Cash and cash equivalents	¥3,877 million	¥7,274 million

Notes on Lease Transactions

The Company has omitted notes for lease transactions because the Company believes there is no significant need in this report for such disclosure.

Notes on Marketable Securities

1. Marketable securities for trading

N/A

2. Securities held to maturity that have market value

N/A

3. Other securities that have market value

Previous consolidated fiscal year (March 31, 2008)

	Type	Acquisition Cost (¥ millions)	Consolidated Balance Sheet Amount (¥ millions)	Difference (¥ millions)
Consolidated balance sheet amount is above acquisition cost	1. Share	1,758	5,145	3,387
	2. Bonds	–	–	–
	3. Other	–	–	–
	Subtotal	1,758	5,145	3,387
	Type	Acquisition Cost (¥ millions)	Consolidated Balance Sheet Amount (¥ millions)	Difference (¥ millions)
Consolidated balance sheet amount is below acquisition cost	1. Share	91	75	(15)
	2. Bonds	–	–	–
	3. Other	–	–	–
	Subtotal	91	75	(15)
	Total	1,849	5,221	3,371

Current consolidated fiscal year (March 31, 2009)

	Type	Acquisition Cost (¥ millions)	Consolidated Balance Sheet Amount (¥ millions)	Difference (¥ millions)
Consolidated balance sheet amount is above acquisition cost	1. Share	1,581	3,480	1,898
	2. Bonds	–	–	–
	3. Other	–	–	–
	Subtotal	1,581	3,480	1,898
	Type	Acquisition Cost (¥ millions)	Consolidated Balance Sheet Amount (¥ millions)	Difference (¥ millions)
Consolidated balance sheet amount is below acquisition cost	1. Share	295	199	(94)
	2. Bonds	–	–	–
	3. Other	–	–	–
	Subtotal	295	199	(94)
	Total	1,877	3,680	1,804

Notes : The Company wrote down 2 million yen in investment securities (2 million yen in other securities having market value) in the fiscal year under review.
In principle, the Company posts asset impairment when the market value at the end of the term fell 50% or more from the acquisition cost. If the market value declines 30-50%, the Company writes down the necessary amount, considering the possibility of restoration, among other factors.

4. Other marketable securities sold within the consolidated fiscal year

	Previous consolidated fiscal year (From April 1, 2007 to March 31, 2008)	Current consolidated fiscal year (From April 1, 2008 to March 31, 2009)
Sold amount (¥ millions)	13	0
Total profit on sales (¥ millions)	12	0
Total loss on sales (¥ millions)	–	–

5. Principal marketable securities that have not been evaluated for their market value

	Consolidated balance sheet amount (¥ millions)	
	As of March 31, 2008	As of March 31, 2009
Other marketable securities		
Unlisted stock	194	194
Other	6	–

6. Expected redemption for marketable securities that have maturity dates and bonds held to maturity

N/A

Notes on Derivative Transactions

The Company has omitted notes for derivative transactions because the Company believes there is no significant need in this report for such disclosure.

Notes on Employees' Retirement Benefits

1. Overview of retirement benefit scheme

The company and its consolidated subsidiaries in Japan have established an approved retirement annuity system and a termination allowance plan as our defined benefit systems. The company and some of its subsidiaries in Japan also have employees' pension funds. Some of its subsidiaries in Japan and overseas subsidiaries have defined contribution retirement benefit schemes. Upon the retirement of employees, there are instances where premium severance payments not covered in the retirement benefit liabilities are made.

2. Retirement benefit liabilities and breakdown

(¥ millions)	Previous consolidated fiscal year (March 31, 2008)	Current consolidated fiscal year (March 31, 2009)
(1) Retirement benefit liabilities	(7,110)	(6,722)
(2) Pension assets	2,530	2,057
(3) Non-reserved retirement benefit liabilities (1)+(2)	(4,580)	(4,664)
(4) Unrecognized mathematical difference	774	789
(5) Unrecognized past service liabilities (reduction in liabilities)	712	610
(6) Net consolidated balance sheet amount (3)+(4)+(5)	(3,092)	(3,264)
(7) Prepaid pension cost	75	17
(8) Allowances for employees' retirement benefits (6)–(7)	(3,168)	(3,281)

Note: The domestic consolidated subsidiaries except Ahresty Tochigi applies a simple method for calculating retirement benefit liabilities. Ahresty Tochigi changed the simple method to the standard method in the previous fiscal year.

3. Breakdown of retirement and severance expenses

(¥ millions)	Previous consolidated fiscal year (From April 1, 2007 to March 31, 2008)	Current consolidated fiscal year (From April 1, 2008 to March 31, 2009)
(1) Business expenses	915	1,028
(2) Interest expenses	118	120
(3) Expected interest income	(62)	(55)
(4) Provisional premium severance pay	22	344
(5) Treatment of mathematical difference	80	97
(6) Treatment of past service liabilities	102	102
(7) Amount of expense appropriated in association with the change to the standard method	600	–
Total	1,777	1,636

Notes: 1. The retirement and severance expenses of consolidated subsidiaries that employ the compendium method are included in "(1) Business expenses."

2. The amount of contributions (¥89 million for the previous consolidated fiscal year, ¥81 million for the current consolidated fiscal year) recognized as expenses in the defined contribution retirement benefit schemes of overseas consolidated subsidiaries are included in "(1) Business expenses."

3. As the employees' pension funds joined by the company and some of its consolidated subsidiaries in Japan are an integrated pension system, the amount of pension funds for contribution cannot be calculated rationally. Therefore the amount to be contributed to this pension fund (¥358 million for the previous consolidated fiscal year, ¥345 million for the current consolidated fiscal year) is treated as retirement and severance expenses. The balance of the pension fund calculated according to the premium contribution rate was ¥5,846 million for the previous consolidated fiscal year, and ¥3,897 million for the current consolidated fiscal year.

4. A domestic consolidated subsidiary (Ahresty Tochigi) changed the method of calculating retirement benefit liabilities from a simple method to the standard method in the previous fiscal year. The amount of expense appropriated in association with the change was posted in extraordinary loss (retirement and severance expenses) in the previous fiscal year.

4. Calculation basis for retirement and severance liabilities

	Previous consolidated fiscal year (March 31, 2008)	Current consolidated fiscal year (March 31, 2009)
(1) Allocation method for expected amounts of retirement benefits	Flat-rate standard for the period	Flat-rate standard for the period
(2) Discount rate	Beginning of the term 2.1% End of the term 2.1%	Beginning of the term 2.1% End of the term 2.1%
(3) Expected rate of interest income	3.5～4.4%	3.5～4.4%
(4) Period for the amount of past service liabilities	10 years	10 years
(5) Period for mathematical difference	15 years	15 years

Notes on Stock Option

Fiscal year under review (from April 1, 2008 to March 31, 2009)

1. The amount and account of expenses related to stock options for the fiscal year under review

Selling, general and administrative expenses: ¥13 million

2. Description and scale of stock options and changes

(1) Description of stock options

	2006 stock options
Position and number of persons granted stock options	Directors of the Company: Five persons Corporate auditors of the Company: Two persons
Number of stock options by share type (Note)	Common shares: 8,600 shares
Grant date	November 30, 2006
Vesting conditions	Losing the positions of director and corporate auditor of the Company
Target length of service	No condition has been set with respect to length service.
Period for exercising rights	From December 1, 2006 To November 30, 2036

	2007 stock options
Position and number of persons granted stock options	Directors of the Company: Four persons Corporate auditors of the Company: Two persons
Number of stock options by share type (Note)	Common shares: 11,000 shares
Grant date	August 10, 2007
Vesting conditions	Losing the positions of director and corporate auditor of the Company
Target length of service	No condition has been set with respect to length service.
Period for exercising rights	From August 11, 2007 To August 10, 2037

	2008 stock options
Position and number of persons granted stock options	Directors of the Company: Four persons Corporate auditors of the Company: Two persons
Number of stock options by share type (Note)	Common shares: 24,000 shares
Grant date	August 18, 2008
Vesting conditions	Losing the positions of director and corporate auditor of the Company
Target length of service	No condition has been set with respect to length service.
Period for exercising rights	From August 19, 2008 To August 18, 2038

Note: Converted to the number of shares

(2) Scale of stock options and changes

Stock options existed in the fiscal year under review (ended March 31, 2009). The number of stock options is converted to the number of shares.

a. Number of stock options

	2006 stock options	2007 stock options	2008 stock options
Before vesting date (number of share)			
At end of previous fiscal year	7,200	11,000	–
Granted	–	–	24,000
Expired	–	–	–
Vested	600	900	–
Not yet vested	6,600	10,100	24,000
After vesting date (number of share)			
At end of previous fiscal year	–	–	–
Vested	600	900	–
Exercise of rights	600	900	–
Expired	–	–	–
Unexercised	–	–	–

b. Unit price information

	2006 stock options	2007 stock options	2008 stock options
Exercise price (yen)	1	1	1
Average stock price at time of exercise (yen)	1,317	1,317	–
Fair unit value on grant date (yen)	3,418	2,219	572

3. Method for estimating the fair unit value of stock options

The method for estimating the fair unit value of 2008 stock options granted in the fiscal year under review is as follows:

(1) Valuation techniques used: Black-Scholes Model

(2) Main basic figures and estimation methods

	2008 stock options
Stock price volatility (Note 1)	50%
Estimated remaining period (Note 2)	15 years

	2008 stock options
Projected dividend (Note 3)	23 yen/share
Risk-free interest rate (Note 4)	1.97%

Notes: 1. The weekly historical volatility calculated based on weekly stock prices for the period corresponding to the estimated remaining period on the calculation date is used.

2. Since it is difficult to make a reasonable estimate, the remaining period is estimated based on the assumption that stock options are exercised between the point of calculation and the midpoint of the exercise period.

3. The dividend is projected based on the results of dividends for the term ended March 31, 2008.

4. The Company used the average of compound interest yields of bonds with redemption dates falling within three months before or within three months after the estimated remaining period based on the reference statistics of interest-bearing, long-term government bonds announced by the Japan Securities Dealers Association.

4. Method for estimating the number of vested stock options

Since it is inherently difficult to estimate the number of stock options expected to expire, only the actual number of stock options that have expired is reflected.

Notes on Tax Accounting

1. Breakdown of major causes for deferred tax assets and liabilities

	Previous consolidated fiscal year (March 31, 2008) (¥ millions)	Current consolidated fiscal year (March 31, 2009) (¥ millions)
Deferred tax assets		
Accrued expenses	77	48
Excess deductible amount in allowances for employees' retirement benefits	1,295	1,343
Excess deductible amount in bonus allowances	598	367
Accrued enterprise tax	110	25
Unrealized profits for inventories	80	70
Unrealized profits for fixed assets	255	256
Impairment loss	12	298
Loss carried forward	334	2,102
Other	409	590
Deferred tax assets subtotal	3,175	5,102
Allowance account	(794)	(3,900)
Deferred tax assets total	2,381	1,201
Deferred tax liabilities		
Property replacement reserve	(1,643)	(1,464)
Special depreciation reserve	(71)	(64)
Fixed assets reserve	(151)	(150)
Net unrealized gains on securities	(1,373)	(735)
Prepaid pension expenses	(56)	(6)
Allowance for depreciation of overseas consolidated subsidiaries	(518)	(607)
Other	(444)	(622)
Deferred tax liabilities total	(4,258)	(3,651)
Net deferred tax assets (liabilities)	(1,877)	(2,450)

2. Breakdown by item of major causes for important differences between the burden rates of corporate tax at the statutory effective tax rate and after the application of deferred tax accounting

	Current consolidated fiscal year (March 31, 2009) (%)
Statutory effective tax rate	(40.7)
(adjustments)	
Items that will never be included as losses, such as entertainment expenses	0.5
Items that will never be included as profits, such as dividend revenue	(0.6)
Per capita residential tax	0.6
Amortization of goodwill and negative goodwill	(2.2)
Increase (decrease) in valuation allowance	58.2
Difference in statutory tax rates of consolidated subsidiaries	6.0
Exemptions of foreign consolidated subsidiaries	(0.5)
Retained earnings of foreign consolidated subsidiaries	2.0
Other	0.2
Burden ratio of corporate tax after application of deferred tax accounting	23.3

Note : In the fiscal year under review (ending March 31, 2008), the difference between the statutory effective tax rate and the corporate tax burden rate after the application of deferred tax accounting was not more than 5% of the statutory effective tax rate. Notes are therefore omitted.

Overseas sales

	Previous consolidated fiscal year (From April 1, 2007 to March 31, 2008)			Current consolidated fiscal year (From April 1, 2008 to March 31, 2009)		
	North America	Other Areas	Total	North America	Other Areas	Total
I. Overseas sales (¥ millions)	13,629	4,302	17,931	13,359	4,304	17,663
II. Consolidated sales (¥ millions)			129,362			104,843
III. Ratio of overseas sales against consolidated sales (%)	10.5	3.3	13.9	12.7	4.1	16.8

Notes: 1. Segmentation by country or area is sectionalized according to geographic proximity.
2. Countries or areas included in the segmentations are as follows: North America – U.S.A., Mexico; Other Areas – Europe, Asia
3. Overseas sales mentioned here represent the amount of sales in countries or areas other than the Company and its consolidated subsidiaries in Japan.

Transactions with Related Parties

Fiscal year under review (from April 1, 2007 to March 31, 2008)
N/A
Fiscal year under review (from April 1, 2008 to March 31, 2009)
N/A
(Additional information)
Starting from the fiscal year under review, the Company applied the Accounting Standard for Disclosure of Transaction with Related Parties (ASBJ Standard No. 11 issued on October 17, 2006) and the Guidance on Accounting Standard for Related Party Disclosures (ASBJ Guidance No. 13 issued on October 17, 2006).
There is no change in the scope of disclosure as a result of application of this standard.

Mergers and Acquisitions

Fiscal year under review (from April 1, 2007 to March 31, 2008)
N/A
Fiscal year under review (from April 1, 2008 to March 31, 2009)
N/A

Per-Share Information

	Previous consolidated fiscal year (From April 1, 2007 to March 31, 2008)	Current consolidated fiscal year (From April 1, 2008 to March 31, 2009)
Net assets amount per share	2,081.01 yen	1,583.83 yen
Current net income (loss) per share	154.66 yen	(313.83) yen
Fully diluted net income per share	154.56 yen	Although dilutive latent shares exist, diluted net income per share was not stated because a net loss was reported.

Note: The basis for calculation of current term net income per share and fully diluted net income per share are as follows.

	Previous consolidated fiscal year (From April 1, 2007 to March 31, 2008)	Current consolidated fiscal year (From April 1, 2008 to March 31, 2009)
Current net income per share		
Current net income (loss) (¥ millions)	3,363	(6,772)
Amount not attributed to common shareholders (¥ millions)	–	–
Net income (loss) from common stock (¥ millions)	3,363	(6,772)
Average number of outstanding shares (number of share)	21,745,663	21,578,355
Fully diluted net income per share		
Net income adjustment (¥ millions)	–	–
Increase in number of common shares (number of share)	14,573	–
(Of the above, share warrants)	(14,573)	–
Summary of potential shares of common stock not included in the calculation of diluted net income because they do not have a dilutive effect	–	–

Important Subsequent Events

· Previous consolidated fiscal year (April 1, 2007 to March 31, 2008)
(Acquisition of treasury stock)
To implement agile capital policy in response to changes in the business environment, the Company adopted at a Board of Directors meeting held on May 14, 2008 a resolution to acquire treasury stock and to specify an acquisition method.
Details of the Board of Directors resolution about the acquisition of treasury stock are as follows:

(i) Type of stock to be acquired
Common stock of the Company
(ii) Number of shares to be acquired
200,000 shares (maximum)
(iii) Period of acquisition
From May 15, 2008 to August 31, 2008
(iv) Total acquisition price
300 million yen (maximum)
(v) Acquisition method
Acquisition in the market

· Current consolidated fiscal year (April 1, 2008 to March 31, 2009)
(Dissolution of Consolidated Subsidiary)
The meeting of the Board of Directors held on May 14, 2009 approved the plan to dissolve consolidated subsidiary Ahresty Taiwan Die Mold Corporation.

(i) Reason
For the efficient business expansion of the Ahresty Group
(ii) Main businesses
Manufacture and sale of die molds

(iii) Equity interest
100%
(iv) Date of dissolution
Late May 2009
(v) Total liabilities
¥108 million (as at December 31, 2008)
(vi) Estimated loss
Minimal
(vii) Significant impact on operating activities, etc.
N/A

Current status of production, orders received, and sales

(1) Production results

Production results by business segment for the past two consolidated fiscal years are shown below.

Business segment	Previous consolidated fiscal year (From April 1, 2007 to March 31, 2008) Amount (¥ millions)	Current consolidated fiscal year (From April 1, 2008 to March 31, 2009) Amount (¥ millions)	Increase/(decrease) %
Die Casting Business	104,934	87,475	(16.6)
Aluminum Business	8,810	7,098	(19.4)
Proprietary Products Business	938	686	(26.9)
Total	114,683	95,260	(16.9)

Notes: 1. Monetary amounts are based on manufacturing costs, as available prior to inter-segment eliminations.
2. Consumption tax is not included in these amounts.

(2) Results of orders received

A significant part or our businesses depends on make-to-stock production based on informal orders received from customers, which are delivered (and sales recorded) for formal orders received several days prior to the date of delivery. Therefore the listing of results on orders received has been omitted.

(3) Sales results

Sales results by business segment for the past two consolidated fiscal years are shown below.

Business segment	Previous consolidated fiscal year (From April 1, 2007 to March 31, 2008) Amount (¥ millions)	Current consolidated fiscal year (From April 1, 2008 to March 31, 2009) Amount (¥ millions)	Increase/(decrease) %
Die Casting Business	116,625	96,278	(17.4)
Aluminum Business	7,700	5,484	(28.8)
Proprietary Products Business	5,036	3,080	(38.8)
Total	129,362	104,843	(19.0)

Notes: 1. Transactions among segments have been balanced out.
2. Sales results by major customers for the past two consolidated fiscal years and the ratio of their sales to overall sales are as follows.

Customer	Previous consolidated fiscal year (From April 1, 2007 to March 31, 2008)		Current consolidated fiscal year (From April 1, 2008 to March 31, 2009)	
	Amount (¥ millions)	%	Amount (¥ millions)	%
Honda Motor Co., Ltd.	21,817	16.9	16,790	16.0
Suzuki Motor Corporation	16,350	12.6	11,830	11.3
Fuji Heavy Industries Ltd.	12,766	9.9	10,535	10.0

3. Consumption tax is not included in the above amounts.

Corporate Data

Corporate Profile (As of March 31, 2009)

Company name	:	Ahresty Corporation
Date of establishment	:	November 2, 1943
Paid-in capital	:	¥5,117.59 million
Number of employees	:	(Consolidated) 3,937 (Non-Consolidated) 1,041

Management

■**Board Directors and Auditors** (As of June 25, 2009)

President, CEO	Arata Takahashi
Director, Senior Managing Executive Officer	Akira Ogi
Director, Managing Executive Officer	Teiichi Hayashi
Director, Managing Executive Officer	Shigeru Furuya
Director	Tadakazu Miyauchi
Corporate Auditor (full-time)	Tsutomu Kumaki
Corporate Auditor (full-time)	Yasuo Kenmoku
Corporate Auditor	Tadao Saotome
Corporate Auditor	Akihiko Shido

Stock Information (As of March 31, 2009)

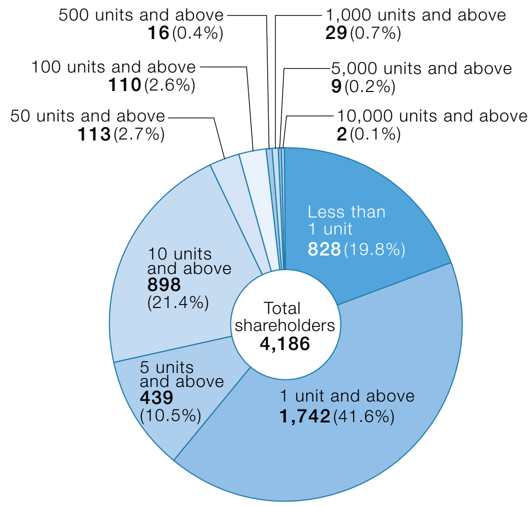
Number of Shares and Shareholders

Authorized shares	:	60,000,000 shares
Issued shares	:	21,778,220 shares
Shareholders	:	4,186

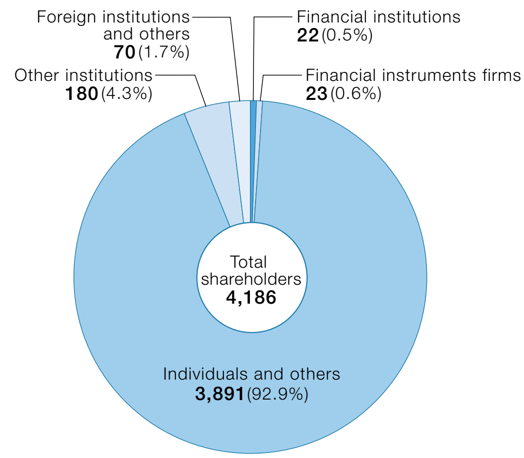
Major Shareholders (Top 10)

Name	Number of shares (Unit: 1,000 shares)
Morgan Stanley & Co., Inc.	1,403
Toshie Takahashi	1,075
Japan Trustee Services Bank. Ltd. Corporate Trust Account	790
Bank of Tokyo-Mitsubishi UFJ, Ltd.	765
Japan Trustee Services Bank. Ltd. Corporate Trust Account 4G	760
Honda Motor Co., Ltd.	672
Nippon Light Metal Co., Ltd.	657
Bank of NY Jasdic Non Treaty Account	589
Suzuki Motor Corporation	565
Mizuho Corporate Bank, Ltd.	544

Distribution by Number of Shares Held



Distribution by Type of Shareholder



Ahresty

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