

Consolidated Financial Results (Japanese Accounting Standards) for the First Quarter of the Fiscal Year Ending March 31, 2012

August 3, 2011

Company Name	Ahresty Corporation	Stock Exchange Listing	Tokyo
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Filing date of quarterly securities report	August 8, 2011		
Planned date for start of dividend payments	-		
Supplementary documents for quarterly results	Yes		
Quarterly results briefing	None		

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

1. Business performance (April 1, 2011 through June 30, 2011)

(1) Consolidated results of operations (For the three months ended June 30) (% shows change from previous first quarter)

	Net sales		Operating income		Recurring income	
	million yen	%	million yen	%	million yen	%
Three months ended June 30, 2011	21,660	(8.6)	(538)	-	(515)	-
Three months ended June 30, 2010	23,698	61.2	962	-	994	-

(Note) Comprehensive income
 First quarter ended June 2011: 123 million yen (-67.9%)
 First quarter ended June 2010: 383 million yen (-%)

	Net income		Net income per share	Fully diluted net income per share
	million yen	%	yen	yen
Three months ended June 30, 2011	(345)	-	(16.06)	-
Three months ended June 30, 2010	733	-	34.06	33.96

(2) Consolidated financial position

	Total assets		Net assets		Equity ratio
	million yen		million yen		%
As of June 30, 2011	93,278		34,487		36.9
As of March 31, 2011	93,799		34,407		36.6

(For reference) Shareholders' equity
 34,429 million yen at June 30, 2011
 34,326 million yen at March 31, 2011

2. Dividend payments

(Date of record)	Dividend per share				
	End of first quarter	End of second quarter	End of third quarter	Year-end	For the year
Year ended March 31, 2011	yen -	yen 6.00	yen -	yen 6.00	yen 12.00
Year ending March 31, 2012	yen -	-	-	-	-
Year ending March 31, 2012 (projection)	-	yen 6.00	yen -	yen 6.00	yen 12.00

(Notes) Revisions to dividend projection published most recently: None

3. Forecast of consolidated results for year ending March 2012 (April 1, 2011 – March 31, 2012)

(% shows the year-on-year change)

	Sales		Operating income		Recurring income		Net income		Net income per share
	million yen	%	million yen	%	million yen	%	million yen	%	yen
Interim	47,500	(3.3)	(500)	-	(500)	-	(400)	-	(18.55)
Full year	107,500	8.6	2,300	(38.2)	2,200	(38.2)	1,800	21.5	83.49

(Notes) Revisions to consolidated results forecast published most recently: None

4. Others

- (1) Significant changes to subsidiaries during the current term
(changes for a specified subsidiary accompanying a change in the scope of consolidation): Yes
New: 1 company (Ahresty Precision Die Mold (Guangzhou))
Exception: –
- (2) Application of specific accounting treatment to the preparation of quarterly consolidated financial statements: None
- (3) Changes in accounting principles and changes or restatement of accounting estimates
 - (i) Changes in accounting principles associated with revision of accounting standards, etc.: None
 - (ii) Changes in accounting principles other than (i): None
 - (iii) Changes in accounting estimates: None
 - (iv) Restatement: None
- (4) Number of shares outstanding (Common stock)
 - (i) Number of shares outstanding at end of period (including treasury stock)
 - 21,778,220 shares at June 30, 2011
 - 21,778,220 shares at March 31, 2011
 - (ii) Number of treasury stock at end of period
 - 213,659 shares at June 30, 2011
 - 238,709 shares at March 31, 2011
 - (iii) Average number of shares (Quarterly cumulative period)
 - 21,539,437 shares at June 30, 2011
 - 21,539,947 shares at June 30, 2010

* Status of a quarterly review

These quarterly financial results are not subject to quarterly review procedures under the Financial Instruments and Exchange Law. The quarterly review on the quarterly financial statements is underway at the time of the disclosure of these financial results.

* Explanation for appropriate use of financial forecasts and other special remarks

This material contains forward-looking statements based on information obtained by the management as of the day of publication, as well as certain assumptions that the management believes to be reasonable. A number of factors could cause actual results to differ materially from expectations. For notes on the use of the results forecasts and assumptions as the basis for the results forecasts, please see “(3) Qualitative Information Concerning Consolidated Earnings Forecasts” on page 3 of the accompanying materials.

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1. Qualitative Information on Consolidated Operating Results, etc. for the First Quarter

(1) Qualitative Information Concerning Consolidated Operating Results

During the first quarter of the fiscal year under review, the Japanese economy continued to grapple with the challenges created in the aftermath of the Great East Japan Earthquake. However, signs of improvement began to emerge with the recovery of supply chains and production activities.

Overseas, the economic recovery in the United States slowed, with persistently high unemployment and falling home prices. The Chinese and Indian economies are expected to continue to grow, driven by domestic demand.

In these circumstances, the Company recorded lower sales and profits for the first quarter of the fiscal year under review, with sales of ¥21,660 million (down 8.6% year on year), an operating loss of ¥538 million (compared with an operating income of ¥962 million in the same quarter of the previous fiscal year), a recurring loss of ¥515 million (compared with a recurring income of ¥994 million a year ago), and a net loss of ¥345 million (compared with a net income of ¥733 million a year ago).

Operating results by segment are as follows:

(i) Die Casting Business: Japan

In Japan, sales to auto manufacturers, our main customers, declined with the termination of subsidies for purchasing eco-cars. Production was suspended for a period and operation rates remained low in the wake of the Great East Japan Earthquake, which struck in March this year. Given the circumstances, the Company received fewer orders. Meanwhile, the yen appreciated sharply. As a result, net sales stood at ¥13,391 million (down 18.6% year on year). A loss of ¥165 million was recorded in this segment (compared with segment income of ¥495 million in the same quarter of the previous fiscal year) owing chiefly to the effects of lower orders.

(ii) Die Casting Business: North America

In North America, orders from major customers fell, reflecting the effect of the Great East Japan Earthquake. However, with the expansion of the supply of components to new customers in Mexico, sales came to ¥3,642 million (rising 0.7% from a year ago). The segment recorded a loss of ¥441 million (compared with segment income of ¥301 million in the same quarter of the previous fiscal year), attributable to a decline in orders received in the United States and expenses outlaid to make up for a delay in responding to an increase in orders in Mexico.

(iii) Die Casting Business: Asia

In China, orders received by the Company remained high, reflecting continued strength in car sales and the start of the supply of new products by the Company. Despite the effect of the Great East Japan Earthquake, orders rose in India. As a result, net sales in Asia amounted to ¥3,471 million (increasing 48.8% year on year). With a rise in labor costs in China and the effect of operations in India, which are still in the developing stage, income from this segment was ¥89 million (falling 51.1% year on year).

(iv) Aluminum Business

In the Aluminum Business, sales were ¥801 million (declining 15.3% from the same quarter of the previous fiscal year) with a 17% year-on-year decrease in the shipment of secondary alloy ingots. This segment posted a loss of ¥32 million (compared with segment income of ¥8 million in the same quarter of the previous fiscal year) because of the effect of the decrease in shipments, despite continued cost-cutting activities.

(v) Proprietary Products Business

In the Proprietary Products Business, sales amounted to ¥353 million (down 1.3% year on year), reflecting renovation orders from semiconductor manufacturers, the Company's major clients, and orders for data centers of telecommunications companies. Despite continued cost cutting, the segment recorded a loss of ¥6 million (compared with a segment loss of ¥11 million in the same quarter of the previous fiscal year).

(2) Qualitative Information Concerning Consolidated Financial Position

The Company's assets at the end of the consolidated first quarter under review declined ¥520 million from the end of the previous fiscal year, to ¥93,278 million. The main factors included a decrease of ¥2,824 million in cash and time deposits, an increase of ¥335 million in inventories, and a rise of ¥2,906 million in tangible fixed assets.

Liabilities at the end of the consolidated first quarter under review fell ¥600 million from the end of the previous fiscal year, to ¥58,791 million. The main factors included a decrease of ¥2,992 million in notes and accounts payable, an increase of ¥1,223 million in loans, and a rise of ¥759 million in bonus allowances.

Net assets at the end of the consolidated first quarter under review increased ¥79 million from the end of the previous fiscal year, to ¥34,487 million. The main factors included a net loss of ¥345 million and an increase of ¥505 million in foreign currency translation adjustments. As a result, the equity ratio rose from 36.6% at the end of the previous consolidated fiscal year, to 36.9%.

(3) Qualitative Information Concerning Consolidated Earnings Forecasts

We have not changed our forecast consolidated results for the first half and the full year stated in the Notice of Earnings and Dividend Forecasts announced on July 20, 2011.

2. Matters Relating to Summary Information (Other)

(1) Significant Changes to Subsidiaries during the Current Term

Since the importance of Ahresty Precision Die Mold (Guangzhou) increased, it is included in the scope of consolidation from the first quarter under review.

(2) Application of Specific Accounting Treatment to the Preparation of Quarterly Consolidated Financial Statements

Not applicable.

(3) Changes in Accounting Principles and Changes or Restatement of Accounting Estimates

Not applicable.

3. Quarterly Consolidated Financial Statements

(1) Quarterly Consolidated Balance Sheet

	As of March 31, 2011	As of June 30, 2011
	Amount (million yen)	Amount (million yen)
(Assets)		
Current assets		
Cash and time deposits	9,179	6,355
Trade notes and accounts receivable	20,254	19,688
Merchandise and products	2,717	3,029
Partly finished goods	3,542	3,786
Raw materials and inventories	2,903	2,682
Others	1,933	2,226
Allowance for doubtful accounts	(1)	(0)
Total current assets	40,530	37,767
Fixed assets		
Tangible fixed assets		
Buildings and structures, net	9,486	9,649
Machinery and delivery equipment, net	21,318	22,745
Land	5,746	5,740
Construction in progress	6,333	7,346
Others, net	3,399	3,708
Total tangible fixed assets	46,284	49,190
Intangible fixed assets	543	777
Investments and other assets		
Investments in securities	6,052	5,036
Others	388	507
Allowance for doubtful accounts	(1)	(1)
Total investments and other assets	6,440	5,543
Total fixed assets	53,268	55,510
Total assets	93,799	93,278

	As of March 31, 2011	As of June 30, 2011
	Amount (million yen)	Amount (million yen)
(Liabilities)		
Current liabilities		
Notes and accounts payable	18,571	15,578
Short-term loans	3,910	5,700
Current portion of long-term loans	6,990	7,214
Accrued income taxes	364	241
Bonus allowances	1,225	1,985
Others	4,713	5,484
Total current liabilities	35,775	36,203
Long-term liabilities		
Long-term loans	14,950	14,160
Allowances for employees' retirement benefits	3,587	3,678
Provision for business structure improvement	1,220	1,162
Negative goodwill	54	27
Others	3,803	3,558
Total long-term liabilities	23,616	22,587
Total liabilities	59,391	58,791
(Net assets)		
Shareholders' equity		
Common stock	5,117	5,117
Additional paid-in capital	8,363	8,359
Retained earnings	24,943	24,544
Treasury stock	(358)	(320)
Total shareholders' equity	38,066	37,700
Other accumulated comprehensive income		
Difference on revaluation of other marketable securities	1,680	1,627
Deferred gains or losses on hedges	(16)	-
Foreign currency translation adjustments	(5,404)	(4,899)
Total other accumulated comprehensive income	(3,740)	(3,271)
Share warrants	81	58
Total net assets	34,407	34,487
Total liabilities and net assets	93,799	93,278

(2) Quarterly Consolidated Income Statements and Quarterly Consolidated Statements of Comprehensive Income

Quarterly Consolidated Income Statements.

First Quarter

	Three months ended June 30, 2010	Three months ended June 30, 2011
	Amount (million yen)	Amount (million yen)
Sales	23,698	21,660
Cost of goods sold	20,523	19,720
Gross Profit	3,175	1,940
Selling, general and administrative expenses	2,212	2,478
Operating income (loss)	962	(538)
Non-operating income		
Interest income	1	8
Dividends received	30	37
Amortization of negative goodwill	27	27
Foreign currency exchange gain	59	65
Others	68	50
Total non-operating income	189	190
Non-operating expenses		
Interest expenses	144	141
Others	12	25
Total non-operating expenses	157	167
Recurring income (loss)	994	(515)
Extraordinary gains		
Gain on the sale of fixed assets	–	0
Gain on the sale of investment securities	0	–
Total extraordinary gains	0	0
Extraordinary losses		
Loss on the sale of fixed assets	32	4
Loss on adjustment for changes of accounting standard for asset retirement obligations	48	–
Loss on revision of retirement benefit plan	–	22
Others	–	8
Total extraordinary losses	81	34
Income (loss) before income taxes and others	912	(549)
Income taxes and enterprise taxes	212	226
Deferred income taxes	(33)	(430)
Total income taxes	179	(203)
Income (loss) before minority interests	733	(345)
Net income (loss)	733	(345)

Quarterly Consolidated Statements of Comprehensive Income
 First Quarter

	Three months ended June 30, 2010	Three months ended June 30, 2011
	Amount (million yen)	Amount (million yen)
Income before minority interests	733	(345)
Other comprehensive income		
Difference on revaluation of other marketable securities	(506)	(53)
Deferred gains or losses on hedges	–	16
Foreign currency translation adjustments	156	505
Total other comprehensive income	(350)	468
Comprehensive income	383	123
Comprehensive income attributable to		
Comprehensive income attributable to owners of the parent	383	123
Comprehensive income attributable to minority interests	–	–

(3) Notes on Going Concern Assumptions

Not applicable.

(4) Segment Information

I. Three months ended June 30, 2010 (from April 1, 2010 to June 30, 2010)

1. Information on sales and profits income or losses by reported segment

(Million yen)

	Reported segments					Total
	Die Casting Business			Aluminum Business	Proprietary Products Business	
	Japan	North America	Asia			
Sales						
Customers	16,446	3,616	2,332	945	358	23,698
Intersegment	436	4	81	654	–	1,176
Total	16,882	3,621	2,413	1,599	358	24,875
Segment profits income (loss)	495	301	183	8	(11)	977

2. Total profits income or losses in reported segments, difference from the amount posted in quarterly consolidated statement of income and important details in the difference (Difference adjustment)

(Million yen)

ProfitIncome	Amount
Total profit income in reported segments	977
Elimination of intersegment transactions	(14)
Operating income in the quarterly consolidated statement of income	962

3. Impairment losses in fixed assets or goodwill by reported segment

Not applicable.

II. Three months ended June 30, 2011 (from April 1, 2011 to June 30, 2011)

1. Information on sales and profits income or losses by reported segment

(Million yen)

	Reported segments					Total
	Die Casting Business			Aluminum Business	Proprietary Products Business	
	Japan	North America	Asia			
Sales						
Customers	13,391	3,642	3,471	801	353	21,660
Intersegment	1,249	9	155	379	–	1,793
Total	14,640	3,651	3,627	1,181	353	23,454
Segment profits income (loss)	(165)	(441)	89	(32)	(6)	(556)

2. Total profits income or losses in reported segments, difference from the amount posted in quarterly consolidated statement of income and important details in the difference (Difference adjustment)

(Million yen)

ProfitIncome	Amount
Total profit income in reported segments	(556)
Elimination of intersegment transactions	18
Operating income (loss) in the quarterly consolidated statement of income	(538)

3. Impairment losses in fixed assets or goodwill by reported segment

Not applicable.

(5) Notes for Significant Change in the Amount of Shareholders' Equity

Not applicable.