Financial Results for Year Ended March 31, 2010

May 13, 2010

Company Name	Ahresty Corporation	Stock Exchange Listing	Tokyo
Code Number	5852	URL http://www.ahresty.co.jp	
Representative	President & CEO	Arata Takahashi	
Contact for inquiries	General Manager of Accounting Department	Kunitoshi Hinuma	TEL 03-5332-6001
Planned date for regular general meeting of shareholders			June 23, 2010
Planned date for start of dividend payments			June 8, 2010
Planned date for Submission of securities report			June 23, 2010

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

1. Consolidated performance for year ended March 2010 (April 1, 2009 - March 31, 2010)

(1) Consolidated operating results (% shows change from previous term)

	Sales		Operating income		Recurring income		Net income	
	million yen	%	million yen	%	million yen	%	million yen	%
Year ended March 2010	75,777	(27.7)	526	—	564	—	(59)	—
Year ended March 2009	104,843	(19.0)	(2,665)	—	(4,265)	—	(6,772)	—

	Net income per share	Fully diluted net income per share	Return on equity	Return on total asset	Operating profit on sales
	yen	yen	%	%	%
Year ended March 2010	(2.77)	—	(0.2)	0.6	0.7
Year ended March 2009	(313.83)	—	(17.1)	(4.5)	(2.5)

(For reference) Investment gain or loss under equity method

Year ended March 2010: － million yen Year ended March 2009: － million yen

(2) Consolidated financial position

	Total assets	Net assets	Equity ratio	Net assets per share
	million yen	million yen	%	yen
Year ended March 2010	87,977	35,249	40.0	1,633.33
Year ended March 2009	86,560	34,175	39.4	1,583.83

(For reference) Shareholders' equity

Year ended March 2010: 35,181 million yen Year ended March 2009: 34,116 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
	million yen	million yen	million yen	million yen
Year ended March 2010	9,112	(10,341)	(232)	5,267
Year ended March 2009	9,404	(15,476)	9,841	7,274

2. Dividend payments

	Dividend per share					Total dividend (for year)	Dividend payout ratio (consolidated)	Dividend ratio to net asset (consolidated)
(Date of record)	End of first quarter	End of second quarter	End of third quarter	End of year	For the year			
	yen	yen	yen	yen	yen	million yen	%	%
Year ended March 2009	–	11.00	–	0.00	11.00	236	–	0.6
Year ended March 2010	–	0.00	–	5.00	5.00	107	–	0.3
Year ending March 2011 (projection)	–	6.00	–	6.00	12.00		10.3	

3. Consolidated forecasts for year ending March 2011 (April 1, 2010 – March 31, 2011)

(% shows change from previous year and from previous interim term)

	Sales		Operating income		Recurring income		Net income		Net income per share
	million yen	%	million yen	%	million yen	%	million yen	%	yen
Midterm	46,000	42.2	1,900	–	1,900	–	1,550	–	71.96
Full year	90,500	19.4	3,200	508.4	3,050	440.8	2,500	–	116.06

4. Other matters

(1) Significant changes to subsidiaries during the current term (changes for a specified subsidiary accompanying a change in the scope of consolidation): None

(2) Change in accounting principles, procedures, or statement methods, etc. pertaining to the presentation of consolidated financial statements (matters reported under the heading of “Changes to the basis of presenting consolidated financial statements”)

(i) Changes accompanying revision to accounting standards, etc.: Yes

(ii) Changes other than (i) above: None

(3) Number of shares outstanding (common stock)

(i) Number of shares outstanding at end of year (including treasury stock)

Year ended March 2010: 21,778,220 shares　　Year ended March 2009: 21,778,220 shares

(ii) Number of treasury stock at end of year

Year ended March 2010: 238,253 shares　　Year ended March 2009: 237,722 shares

(For reference) Outline of non-consolidated performance

1. Non-consolidated performance for year ended March 2010 (April 1, 2009 – March 31, 2010)

(1) Non-consolidated operating results (% shows change from previous term)

	Sales		Operating income		Recurring income		Net income	
	million yen	%	million yen	%	million yen	%	million yen	%
Year ended March 2010	60,853	(29.7)	(698)	–	(847)	–	(1,267)	–
Year ended March 2009	86,572	(20.7)	(1,334)	–	(1,041)	–	(3,250)	–

	Net income per share	Fully diluted net income per share
	yen	yen
Year ended March 2010	(58.83)	–
Year ended March 2009	(150.63)	–

(2) Non-consolidated financial position

	Total assets	Net assets	Equity ratio	Net assets per share
	million yen	million yen	%	yen
Year ended March 2010	70,934	29,087	40.9	1,347.27
Year ended March 2009	72,815	29,571	40.5	1,370.11

(For reference) Shareholders’ equity

Year ended March 2010: 29,020 million yen　　Year ended March 2009: 29,512 million yen

2. Non-consolidated forecasts for year ending March 2011 (April 1, 2010 – March 31, 2011)

(% shows change from previous year and from previous interim term)

	Sales		Operating income		Recurring income		Net income		Net income per share
	million yen	%	million yen	%	million yen	%	million yen	%	yen
Midterm	33,800	29.7	550	–	500	–	450	–	20.89
Full year	65,500	7.6	700	–	550	–	450	–	20.89

* 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.

1. Results of Operations

(1) Analysis of operating results

(Operating results)

The Japanese economy showed signs of a recovery during the fiscal year under review, buoyed by growth in exports and industrial output against a backdrop of progress in inventory adjustments both domestically and overseas and the recovery of overseas economies. While the employment and income situation remained severe, private consumption stayed firm, bolstered by government initiatives such as cash benefits and green tax incentives on environmentally friendly cars. Though the employment situation is still weak, there were some signs of improvement towards the end of the fiscal year.

Japanese corporate earnings declined steeply in the first half of the fiscal year, but tended to pick up in the second half due to the recovery in exports and the effect of lower material, labor and overhead costs. Capital expenditures showed a downward trend in the first half of the fiscal year, reflecting the slump in corporate earnings, but the recovery in corporate earnings halted the downward tendency in the second half.

Overseas, the U.S. economy remained mired in recession but began to register positive growth from the second quarter boosted by US government measures. In Asia, the Chinese economy exhibited domestic demand-led growth largely attributable to economic stimulus measures. Similarly, the Indian economy also showed signs of a domestic demand-led recovery attributable to economic stimulus measures.

In this environment, our orders were also affected by the production cuts of Japanese and overseas automakers and sales fell sharply for the second consecutive year. Profitability improved significantly from the previous fiscal year, reflecting continued efforts to shift to a production structure compatible with the decline in orders and reduce expenses.

Operational results for this fiscal year were sales of ¥75,777 million (down 27.7% from the previous fiscal year), an operating income of ¥526 million (as compared with an operating loss of ¥2,665 million the previous fiscal year), a recurring income of ¥564 million (as compared with a recurring loss of ¥4,265 million the previous fiscal year) and a net loss of ¥59 million (as compared with a net loss of ¥6,772 million the previous fiscal year).

Operating results by business segment are as follows:

In the Die Casting Business, sales reached ¥71,638 million (down 25.6% year on year). Financial support measures to encourage new car purchases adopted by governments worldwide and other factors have halted the decline in sales of automakers, who are our major customers, and demand for die-cast components is picking up gently. On emerging markets, car production volume is increasing to meet strong domestic demand and, as a result, our orders are also on the rise. Meanwhile, orders on advanced markets, including Japan, are heading upward but still at a low level. Operating income amounted to ¥608 million (as compared with an operating loss of ¥2,825 million the previous fiscal year), reflecting our efforts to cut costs, scale back capital investment and review staffing in line with orders.

In the Aluminum Business, sales were ¥2,687 million (falling 51.0%), amidst reduced demand for aluminum ingots due to the recession and plummeting ingot prices. Although we sought to reduce inventories and review our production system, we were unable to claw back losses made at the beginning of the year, resulting in an operating loss of ¥49 million (as compared with an operating loss of ¥88 million the previous fiscal year).

In the Proprietary Products Business, sales amounted to ¥1,451 million (declining 52.9%), largely because semiconductor manufacturers who are our major clients either delayed or suspended capital investment. Our efforts to reduce selling costs through cutbacks failed to offset the decline in sales, resulting in an operating loss of ¥30 million (as compared with an operating income of ¥221 million the previous fiscal year).

Operating results by geographic segment are as follows:

(i) Japan

In Japan, sales were ¥59,577 million (down 31.8%). Although domestic production by automakers who are our major clients is back on the recovery path thanks to green tax incentives on environmentally friendly cars, subsidies, and other government initiatives, and our orders are also picking up, demand has yet to recover to pre-crisis levels. Despite our best efforts to reduce labor costs, improve earnings and scale back capital investment, we reported an operating loss of ¥18 million (as compared with an operating loss of ¥1,607 million the previous fiscal year).

(ii) North America

In North America, sales amounted to ¥10,763 million (decreasing 19.3%). Car sales show a trend towards recovery, albeit at a moderate pace, and orders from major clients are also increasing. We also began supplying components to new clients in Mexico, resulting in additional orders. Nonetheless, orders have yet to recover to pre-crisis levels and the strong yen also had a negative impact on our sales. Our efforts to reduce fixed expenses and cut manufacturing and selling costs resulted in an operating income of ¥458 million (as compared with an operating loss of ¥701 million the previous fiscal year).

(iii) Other areas

In other regions, sales reached ¥5,435 million (rising 30.2%). In China, government measures to encourage new car purchases boosted car sales resulting on strong orders from automakers, who are our major clients. Similarly, in India, orders also increased. Operating income amounted to ¥186 million (as compared with an operating loss of ¥135 million the previous fiscal year), largely due to the effect of increased sales.

(Out look for Fiscal year ended March 2011)

The global economy is expected to continue to improve at a moderate pace, led by growth in China and other Asian economies. However, factors such as a deterioration in the financial sector and the employment situation give cause for concern, and Japan, Western Europe and other advanced economies face many uncertainties such as a dip in sales as a result of the withdrawal or winding down of new car incentive schemes and the high price of oil, and our operating environment is expected to remain challenging.

In this environment, the Group will continue to invest in its operations overseas especially in China and Mexico, while at the same time seeking to improve profit margins through activities aimed at raising productivity and reducing costs. Consolidated forecasts for the fiscal year ending March 2011 are as follows.

The consolidated forecasts are calculated based on the following exchange rates: ¥90 against the US dollar, ¥13.5 against the renminbi and ¥6.5 against the peso.

(Millions of Yen)

	Sales	Operating Income	Recurring Income	Net Income
For the year ended March 2011	90,500	3,200	3,050	2,500
For the year ended March 2010	75,777	526	564	(59)
Increase/decrease	14,723	2,674	2,486	2,559
Rate of increase/decrease	19.4	508.4	440.8	–

Segment	Sales		Operating Income	
	Current fiscal year	Next fiscal year	Current fiscal year	Next fiscal year
Die Casting	71,638	84,400	608	2,950
Aluminum	2,687	3,700	(49)	200
Proprietary Products	1,451	2,400	(30)	50

(2) Analysis of financial position

(i) Assets, liabilities and net assets

Assets increased ¥1,417 million from the previous fiscal year, to ¥87,977 million. Major increases included ¥3,127 million in trade notes and accounts receivable, and ¥1,600 million in securities investments in securities. The primary decreases were ¥2,177 million in cash and time deposits, and ¥1,010 million in tangible fixed assets.

Liabilities increased ¥343 million, to ¥52,728 million. Principal increases included ¥1,897 million in notes and accounts payable. Major falls were ¥1,509 million in long-term loans.

Net assets increased ¥1,074 million, to ¥35,249 million. Major increases included the difference on revaluation of other marketable securities of ¥840 million, and foreign currency translation adjustments of ¥284 million. The principal decreases included net loss of ¥59 million. As a result, the equity ratio rose from 39.4% to 40.0%.

(ii) Cash flows

(Cash flows from operating activities)

Net cash provided from operating activities fell ¥291 million from the previous fiscal year, to ¥9,112 million. The main factors were loss before taxes of ¥82 million and depreciation of ¥9,693 million.

(Cash flows from investing activities)

Net cash used for investing activities fell ¥5,135 million to ¥10,341 million. The main factor was expense including ¥10,715 million for the acquisition of tangible fixed assets.

(Cash flows from financing activities)

Net cash provided from financing activities rose ¥10,074 million from the previous fiscal year, to ¥232 million. The main factors were an decrease in interest-bearing debt, including loans of ¥186 million.

As a consequence, cash and cash equivalents at the end of the fiscal year became ¥5,267 million.

Transition of index related to cash flows

	Fiscal year ended March 2006	Fiscal year ended March 2007	Fiscal year ended March 2008	Fiscal year ended March 2009	Fiscal year ended March 2010
Equity Ratio (%)	41.8	42.9	44.4	39.4	40.0
Market Capitalization Equity Ratio (%)	76.6	66.7	28.5	7.2	23.8
Liabilities with Interest to Cash Flows (%)	140.4	112.0	111.1	263.0	267.9
Interest Coverage Ratio	37.3	29.3	39.3	30.6	19.7

Equity ratio: Shareholders' equity / Total assets

Market value-based equity ratio: Market capitalization / Total assets

Ratio of interest-bearing debt to cash flows: Interest-bearing debt / Cash flows.

Interest coverage ratio: Cash flows / Interest paid.

(Note) 1. Each indicator is calculated based on consolidated figures.

2. Market capitalization is calculated based on the number of shares issued excluding treasury stock.

3. Cash flows mean cash provided by cash provided from operating activities.

4. Interest-bearing debt denotes all liabilities bearing interest recorded in the consolidated balance sheet.

(3) Basic policy on profit distribution

The Company views the continuing increase of corporate value as the most important return to shareholders. The Company's basic policy on dividends is to provide appropriate returns while bolstering the financial structure and the management base for business development in the medium and long terms. We pay dividends, taking into consideration the amount of investment necessary for medium- and long-term growth, the payout ratio, and consolidated results.

In principle, we pay a dividend twice a year (interim dividend and year-end dividend). The Board of Directors determines a dividend.

Based on the above policy, we decided to pay ¥5 per share (no interim dividend) for the fiscal year.

The Company's Articles of Incorporation stipulate that the Company can pay an interim dividend (the record date is September 30) under Article 454, paragraph 5 of the Corporate Code and that the Board of Directors can determine a dividend by resolution under Article 459, paragraph 1. In giving the Board of Directors the authority to determine a dividend, the Company intends to adopt a flexible approach to distributing profits to shareholders.

For the next term, we plan to pay an annual dividend of ¥12 (an interim dividend of ¥6 and a year-end dividend of ¥6).

2. Overview of Corporate Group

The Group consists of the Company and 17 subsidiaries and engages in three businesses: the Die Casting Business, Aluminum Business and Proprietary Products Business.

The overview of each business and the positions of the Company and subsidiaries in each business are described below.

Note that the three businesses listed below are classified the same as in the section on information by business segment listed in the notes to “4. Consolidated Financial Statements”.

(1) Die Casting Business

Primary products include die castings, permanent mold castings and die casting dies, primarily for automobiles and motorcycles.

Die cast products progress through a number of steps before reaching the customer, from product design (including melt filling and strength analyses), die production to trial and mass production (die casting, machining, etc). Most affiliated group companies are involved with the Die Casting Business, either handling a part of the die cast manufacturing process or providing the equipment used in this process.

(i) Die Castings

Domestically, our company manufactures and sells die castings, and subsidiaries including Ahresty Tochigi, Ahresty Kumamoto and Ahresty Yamagata. Outside of Japan, Ahresty Wilmington Corporation in the US and Guangzhou Ahresty Casting Co., Ltd. in China, Ahresty Mexicana, S.A. de C.V. in Mexico and Ahresty India Private Limited in India manufacture and sell die castings. Our company outsources the machining and assembly of die castings to the aforesaid companies as well as to subsidiary Ahresty Pretech Corporation.

(ii) Permanent Mold Castings

Toyohashi plant of our company manufactures and sells permanent mold castings.

(iii) Die Casting Dies

In addition to our company handling die design and sales, domestic subsidiaries including Ahresty Die Mold Hamamatsu Corporation, Ahresty Die Mold Tochigi Corporation and Ahresty Die Mold Kumamoto Corporation manufacture die casting dies. Outside of Japan, Thai Ahresty Engineering Co., Ltd. handles a part of die design. Thai Ahresty Die Co., Ltd., and Ahresty Precision Die Mold (Guangzhou) Co., Ltd. manufacture and sell die casting dies.

(iv) Die Cast Peripherals

Ahresty Techno Service Corporation manufactures and sells die cooling parts and such.

(2) Aluminum Business

Primary products include aluminum alloy ingots for die casting and aluminum alloy ingots for casting.

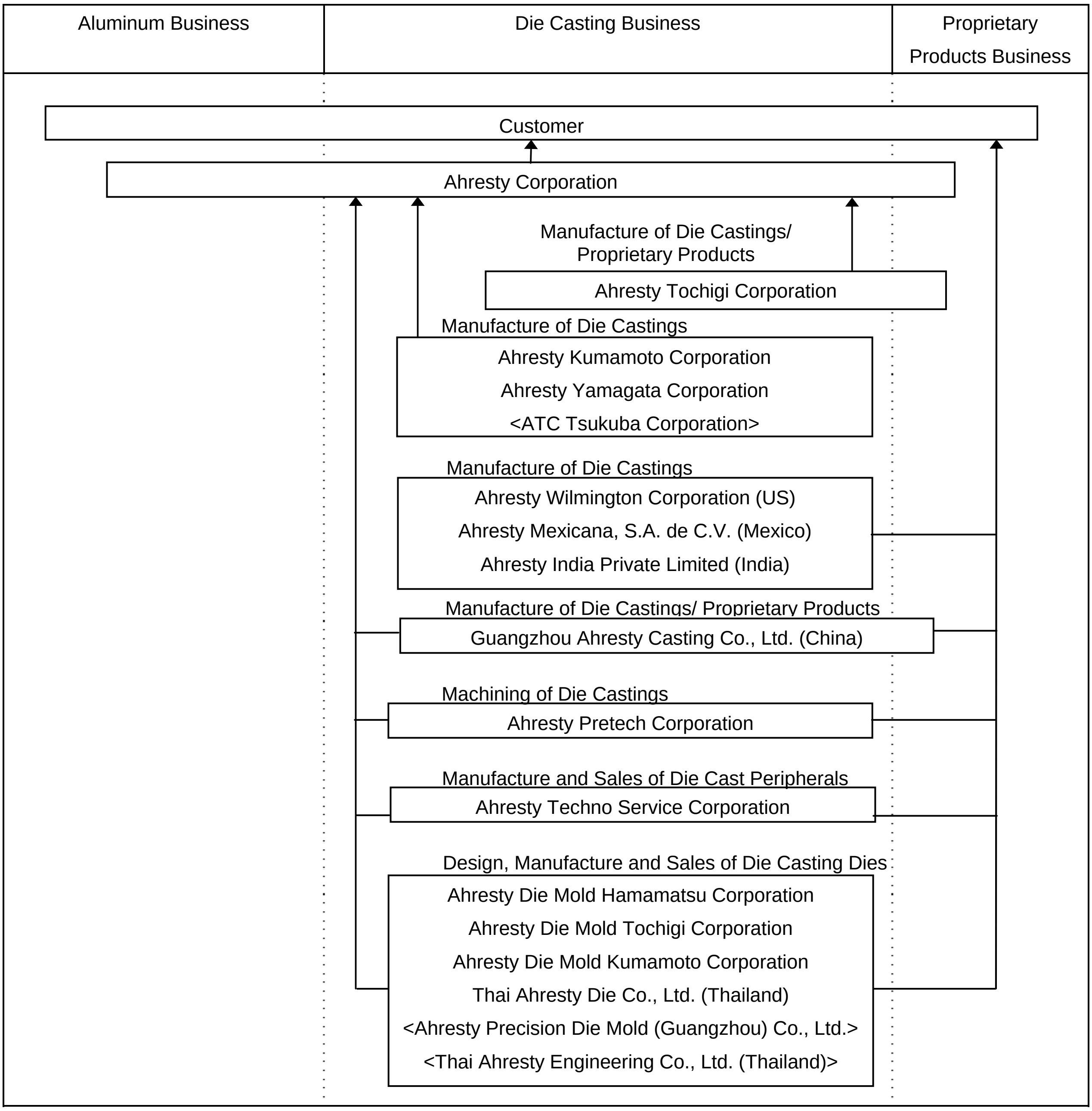
Our company handles manufacturing and sales activities.

(3) Proprietary Products Business

Primary products include free access floors (duplex floor for building).

Our company handles installation and sales of products while Ahresty Tochigi Corporation and Guangzhou Ahresty Casting Co., Ltd. handle manufacturing of floor panels and its accessories.

A business flowchart is shown below.



Notes

1. Companies in < > are unconsolidated subsidiaries and affiliates not under the equity method; all other companies are consolidated subsidiaries.
2. Companies not in ( ) are domestic companies.
3. Arrows in the diagram indicate main products and labor flow.
4. Tokai Seiko Co., Ltd. was renamed Ahresty Pretech Corporation on April 1, 2009. ATC Tsukuba Corporation was dissolved with effect June 11, 2009 and is currently undergoing liquidation.

3. Management Policies

(1) Basic management policies

Our corporate name of “AHRESTY” is a phonetic representation of the letters R, S and T which stand for Research, Service and Technology. Research means continuous development and research into new technologies, markets and sales approaches. Service means careful, satisfying service rendered through warm personal interaction. Technology means the technology to produce hardware and software which are truly useful and beneficial to society. These three concepts have intricate links between each other in which they depend on each other and become refined and improved through interaction. We have incorporated the sum total of Research, Service and Technology (abbreviation “RST”) into our corporate philosophy and have named our company "Ahresty Corporation".

The “Ahresty 10-Year Vision”, which set out our long-term management direction, is founded on the goal of “We aim to be “the most trusted global top company in the industry” by our stakeholders”. To become “a company that is trusted” by the five elements that form an interlocking relationship – customers, shareholders/investors, employees, business partners and society – we devised concrete guidelines and methods to define our policies. Based on this 10-year vision, we devised more concrete measures and goals in our Medium-Term Management Policy, and expanded this to department policy. In this way, we are pursuing company-wide policy management activities.

(2) Target management indicators

Our company’s long-term management direction is indicated in “Ahresty 10-Year Vision”, and concrete targets for management indicators are defined in medium-term management policies. In order to become a company with investing value, we defined target values for sales, the ratio of operating income to sales, return on assets (ROA) and return on equity (ROE). (These values for 2012 to sales: ¥100 billion, the ratio of operating income to sales: 4%, ROA: 3%, ROE: 8%.)

(3) Medium-to-long-term management strategies and operational issues

In our core Die Casting Business, in the medium-to-long term, global demand for die casting parts is expected to grow, as demand for cars expands in emerging nations, demand picks up in advanced nations, and increasing quantities of aluminum die casting parts are sold as weight saving parts. Meanwhile, domestic demand for die casting parts is expected to remain flat or decrease on factors such as a decline in domestic car sales reflecting Japan’s falling birth rate and aging population and the expansion of overseas auto production to guard against the risk of currency fluctuations, among other things. Also in the Aluminum Business, demand comes primarily from the same industry and is expected to follow a similar pattern. In the Proprietary Products Business, domestic demand cannot be expected to increase significantly, but overseas demand is expected to grow.

In this environment, based on the “Ahresty 10-Year Vision,” which set out our long-term management direction, we will establish an efficient production system in anticipation of expansion of Die Casting Business overseas especially in China and Mexico to meet growing global demand and contraction of domestic demand, and we will also make maximum use of our management resources to achieve the policy of quality-focused improvement of our business platform for a further leap forward included in the “1012 3-year Ahresty Policy”. All our employees will take positive action and apply themselves 100 percent to attaining projections.

1) Quality-focused improvement of business platform for global leap forward
   As a company that anticipates its customers’ needs, we aim to produce high quality products that are worthy of our customers’ trust and meet their expectations. To this end, we will take steps to improve quality control technologies and proprietary technologies to prevent the production and distribution of defective products in every process from design to shipment, and we will improve our business platform, making quality an integral part of all the processes with the aim of improving quality systems and increasing customer satisfaction.
2) Creation of professional development environment and autonomous growth
   In a challenging age of intensifying global competition, we will create an environment in which all employees can develop as professionals, maintaining our Company’s high standards and contributing to the growth of our Company, and we will provide quality training and other skills-based training.
3) Development of global business standards
   We will adopt measures such as the development of global standards to improve the efficiency of our organization and capability.
4) Risk management
   We will introduce business continuity management and formulate and implement a business continuity plan.

４．Consolidated Financial Statements
(1) Consolidated Balance Sheets

(Amount: millions of yen)

	Previous consolidated fiscal year (March 31, 2009)	Current consolidated fiscal year (March 31, 2010)
(Assets)		
Current assets		
Cash and time deposits	7,444	5,267
Trade notes and accounts receivable	17,118	20,246
Merchandise and products	1,575	1,732
Partly finished goods	3,080	2,792
Raw materials and inventories	1,965	2,353
Deferred tax assets	616	736
Others	1,595	1,347
Allowance for doubtful accounts	(6)	(3)
Total current assets	33,391	34,472
Fixed assets		
Tangible fixed assets		
Buildings and structures	19,700	20,561
Accumulated depreciation and impairment loss	(10,039)	(10,513)
Buildings and structures, net	9,660	10,047
Machinery and delivery equipment	64,440	68,446
Accumulated depreciation and impairment loss	(44,290)	(47,732)
Machinery and delivery equipment, net	20,150	20,714
Tools, furniture and fixtures	25,981	27,986
Accumulated depreciation	(22,209)	(24,477)
Tools, furniture and fixtures, net	3,772	3,508
Land	5,951	5,803
Lease assets	11	66
Accumulated depreciation	(0)	(10)
Lease assets, net	11	56
Construction in progress	7,692	6,098
Total tangible fixed assets	47,238	46,228
Intangible fixed assets		
Good will	138	－
Others	692	620
Total intangible fixed assets	830	620
Investments and other assets		
Investments in securities	4,531	6,131
Deferred tax assets	264	182
Others	312	343
Allowance for doubtful accounts	(8)	(2)
Total investments and other assets	5,100	6,656
Total fixed assets	53,169	53,505
Total assets	86,560	87,977

(Amount: millions of yen)

	Previous consolidated fiscal year (March 31, 2009)	Current consolidated fiscal year (March 31, 2010)
(Liabilities)		
Current liabilities		
Notes and accounts payable	13,161	15,059
Short-term loans	2,219	2,942
Current portion of long-term loans	5,574	6,045
Accrued income taxes	211	98
Bonus allowances	907	1,147
Directors' bonus allowances	2	1
Others	6,055	4,356
Total current liabilities	28,132	29,650
Long-term liabilities		
Long-term loans	16,934	15,424
Deferred tax liabilities	3,331	3,732
Allowances for employees' retirement benefits	3,281	3,485
Allowances for directors' retirement benefits	161	122
Negative goodwill	444	165
Others	98	147
Total long-term liabilities	24,253	23,077
Total liabilities	52,385	52,728
(Net assets)		
Shareholders' equity		
Common stock	5,117	5,117
Additional paid-in capital	8,363	8,363
Retained earnings	23,758	23,698
Treasury stock	(357)	(358)
Total shareholders' equity	36,882	36,822
Revaluation / Translation differences		
Difference on revaluation of other marketable securities	954	1,795
Foreign currency translation adjustments	(3,720)	(3,435)
Total revaluation / translation differences	(2,765)	(1,640)
Share warrants	58	67
Total net assets	34,175	35,249
Total liabilities and net assets	86,560	87,977

(2) Consolidated Income Statements

(Amount: millions of yen)

	Year ended March 31, 2009	Year ended March 31, 2010
Sales	104,843	75,777
Cost of goods sold	98,172	67,090
Gross Profit	6,671	8,686
Selling, general and administrative expenses		
Transportation expenses	2,114	1,665
Salaries and bonuses	2,247	2,133
Retirement and severance expenses	242	248
Provision for bonuses	186	251
Provision for bonuses for directors	2	1
Allowance for depreciation	165	148
Research and development expenses	1,095	875
Provision for allowance for doubtful accounts	8	2
Other expenses	3,273	2,834
Total Selling, general and administrative expenses	9,337	8,159
Operating income (loss)	(2,665)	526
Non-operating income		
Interest income	18	12
Dividends received	115	60
Amortization of negative goodwill	456	279
Foreign currency exchange gain	—	78
Others	225	194
Total non-operating income	816	624
Non-operating expenses		
Interest expenses	312	459
Foreign currency exchange loss	2,045	—
Others	59	127
Total non-operating expenses	2,416	587
Recurring income (loss)	(4,265)	564
Extraordinary gains		
Gain on the sale of fixed assets	8	177
Gain on liquidation of affiliates	100	—
Reversal of allowance for doubtful accounts	—	6
Others	11	—
Total extraordinary gains	121	183

(Amount: millions of yen)

	Year ended March 31, 2009	Year ended March 31, 2010
Extraordinary losses		
Loss on the sale of fixed assets	230	173
Impairment loss	711	—
Early extra retirement payments	350	—
Loss on liquidation of affiliate	—	167
Special severance payments	—	43
Product compensation cost	—	420
Compensation payments	—	16
Others	54	9
Total extraordinary losses	1,346	830
Income (loss) before income taxes and others	(5,491)	(82)
Income taxes and enterprise taxes	603	146
Income tax refund	(399)	—
Deferred income taxes	1,076	(169)
Total income taxes	1,280	(22)
Net income (loss)	(6,772)	(59)

(3) Consolidated Statement of Changes in Net Assets

(Amount: millions of yen)

	Year ended March 31, 2009	Year ended March 31, 2010
Shareholders' equity		
Common stock		
Balance at end of previous fiscal year	5,117	5,117
Changes		
Total changes	—	—
Balance at end of current fiscal year	5,117	5,117
Capital surplus		
Balance at end of previous fiscal year	8,361	8,363
Changes		
Sales of own shares	1	—
Total changes	1	—
Balance at end of current fiscal year	8,363	8,363
Retained earnings		
Balance at end of previous fiscal year	31,072	23,758
Changes		
Cash dividend from retained earnings	(541)	—
Net income (loss)	(6,772)	(59)
Total changes	(7,313)	(59)
Balance at end of current fiscal year	23,758	23,698
Treasury stock		
Balance at end of previous fiscal year	(57)	(357)
Changes		
Purchase of own shares	(302)	(0)
Sales of own shares	2	—
Total changes	(300)	(0)
Balance at end of current fiscal year	(357)	(358)
Total shareholders' equity		
Balance at end of previous fiscal year	44,494	36,882
Changes		
Cash dividend from retained earnings	(541)	—
Net income (loss)	(6,772)	(59)
Purchase of own shares	(302)	(0)
Sales of own shares	4	—
Total changes	(7,612)	(59)
Balance at end of current fiscal year	36,882	36,822

(Amount: millions of yen)

	Year ended March 31, 2009	Year ended March 31, 2010
Revaluation / Translation differences		
Difference on revaluation of other marketable securities		
Balance at end of previous fiscal year	1,883	954
Changes		
Changes (net) in non-shareholders’ equity items	(928)	840
Total changes	(928)	840
Balance at end of current fiscal year	954	1,795
Foreign currency translation adjustments		
Balance at end of previous fiscal year	(1,126)	(3,720)
Changes		
Changes (net) in non-shareholders’ equity items	(2,593)	284
Total changes	(2,593)	284
Balance at end of current fiscal year	(3,720)	(3,435)
Total revaluation / translation differences		
Balance at end of previous fiscal year	756	(2,765)
Changes		
Changes (net) in non-shareholders’ equity items	(3,522)	1,125
Total changes	(3,522)	1,125
Balance at end of current fiscal year	(2,765)	(1,640)
Share warrants		
Balance at end of previous fiscal year	49	58
Changes		
Changes (net) in non-shareholders’ equity items	9	8
Total changes	9	8
Balance at end of current fiscal year	58	67
Total net assets		
Balance at end of previous fiscal year	45,299	34,175
Changes		
Cash dividend from retained earnings	(541)	—
Net income (loss)	(6,772)	(59)
Purchase of own shares	(302)	(0)
Sales of own shares	4	—
Changes (net) in non-shareholders’ equity items	(3,512)	1,134
Total changes	(11,124)	1,074
Balance at end of current fiscal year	34,175	35,249

(4) Consolidated Statements of Cash Flows

(Amount: millions of yen)

	Year ended March 31, 2009	Year ended March 31, 2010
Cash flows from operating activities		
Income (loss) before income taxes	(5,491)	(82)
Depreciation and amortization	11,474	9,693
Impairment loss	711	—
Amortization of goodwill	157	135
Amortization of negative goodwill	(456)	(279)
Increase/(decrease) in allowances for doubtful accounts	(19)	(9)
Increase/(decrease) in allowances for bonuses	(566)	239
Increase/(decrease) in allowances for directors' bonuses	(39)	(1)
Increase/(decrease) in allowances for employees' retirement benefits	113	204
Increase/(decrease) in allowances for directors' retirement benefits	(34)	(39)
Increase/(decrease) in prepaid pension expenses	58	1
Interest and dividend income	(133)	(72)
Interest expenses	312	459
(Gain)/loss on sales of tangible fixed assets	220	(9)
(Gain)/loss on sales of investment securities	(0)	—
(Gain)/loss from revaluation of investment securities	2	—
(Gain)/loss on liquidation of affiliate	(100)	167
Special severance payments	—	43
Product compensation cost	—	420
(Increase)/decrease in notes and accounts receivable	12,872	(3,219)
(Increase)/decrease in inventories	4,008	(113)
Increase/(decrease) in notes and accounts payable	(13,585)	1,921
Increase/(decrease) in accrued expenses	2,392	(284)
Increase/(decrease) in accrued consumption taxes and others	(395)	87
Others	(578)	642
Subtotal	10,920	9,904
Interest and dividends received	134	72
Interest paid	(307)	(461)
Income taxes paid	(1,710)	(388)
Income taxes refunded	367	544
Special severance payments paid	—	(506)
Compensation payments paid	—	(52)
Net cash provided by operating activities	9,404	9,112

(Amount: millions of yen)		
	Year ended March 31, 2009	Year ended March 31, 2010
Cash flows from investing activities		
Payment into time deposits	(120)	(90)
Proceeds from refund of time deposits	132	260
Expenditures from purchases of investment securities	(28)	(21)
Proceeds from sales of marketable securities	0	—
Expenditures from purchases of affiliate shares	(50)	(240)
Proceeds from liquidation of affiliate	106	—
Expenditures from purchases of tangible fixed assets	(15,446)	(10,715)
Proceeds from sales of tangible fixed assets	26	530
Expenditures from loans	(1)	(5)
Proceeds from collection of loans	3	6
Others	(99)	(66)
Net cash used in investing activities	(15,476)	(10,341)
Cash flows from financing activities		
Proceeds from short-term loans	79,490	29,211
Repayment of short-term loans	(82,376)	(28,537)
Proceeds from long-term debt	18,605	5,288
Repayment of long-term debt	(4,298)	(6,150)
Redemption of corporate bonds	(700)	—
Proceeds from sale of treasury stock	0	—
Payments for purchase of treasury stock	(302)	(0)
Dividends paid	(539)	(1)
Others	(36)	(44)
Net cash used in Financing Activities	9,841	(232)
Effect of exchange rate changes on cash and cash equivalents	(372)	(39)
Net increase/(decrease) in cash and cash equivalents	3,397	(1,500)
Decrease in cash and cash equivalents resulting from exclusion of subsidiaries from consolidation	—	(507)
Cash and cash equivalents at beginning of year	3,877	7,274
Cash and cash equivalents at end of period	7,274	5,267

Notes

(Segment Information)

a. Business Segment Information

A breakdown of sales by business segment for the two most recent consolidated fiscal years is shown below.

Previous consolidated fiscal year (April 1, 2008 through March 31, 2009) (¥ millions)

	Die Casting Business	Aluminum Business	Proprietary Products Business	Total	Eliminations and Corporate	Consolidated
Ⅰ Sales and Operating Income (Loss)						
Sales						
(1) Customers	96,278	5,484	3,080	104,843	–	104,843
(2) Inter-segment	–	4,101	1	4,101	(4,101)	–
Total	96,278	9,586	3,080	108,945	(4,101)	104,843
Operating expenses	99,103	9,675	2,859	111,637	(4,128)	107,509
Operating income (loss)	(2,825)	(88)	221	(2,692)	26	(2,665)
Ⅱ Total Assets, Depreciation and Amortization, and Capital Expenditures						
Total Assets	77,343	1,796	1,874	81,014	5,546	86,560
Depreciation and Amortization	11,301	110	62	11,474	–	11,474
Impairment Loss	711	–	–	711	–	711
Capital Expenditures	16,236	67	11	16,315	–	16,315

Current consolidated fiscal year (April 1, 2009 through March 31, 2010) (¥ millions)

	Die Casting Business	Aluminum Business	Proprietary Products Business	Total	Eliminations and Corporate	Consolidated
Ⅰ Sales and Operating Income (Loss)						
Sales						
(1) Customers	71,638	2,687	1,451	75,777	–	75,777
(2) Inter-segment	5	2,223	0	2,229	(2,229)	–
Total	71,644	4,910	1,451	78,006	(2,229)	75,777
Operating expenses	71,035	4,960	1,481	77,477	(2,227)	75,250
Operating income (loss)	608	(49)	(30)	528	(1)	526
Ⅱ Total Assets, Depreciation and Amortization, and Capital Expenditures						
Total Assets	80,314	2,157	1,239	83,710	4,267	87,977
Depreciation and Amortization	9,696	81	50	9,828	–	9,828
Capital Expenditures	9,408	10	2	9,421	–	9,421

(Notes) 1. Business segments are classified based on internal classification.

2. Main products in each segment:

(1) Die Casting Business	Auto parts, general engine parts, industrial machinery parts, dies etc.
(2) Aluminum Business	Aluminum alloy ingots
(3) Proprietary Products Business	Access floors and its accessories

3. The following amounts and primary contents were incorporated into “Eliminations and Corporate”.

	Previous consolidated fiscal year (¥ millions)	Current consolidated fiscal year (¥ millions)	Main Content
Eliminations including company-wide assets	5,546	4,267	Assets related to our company surplus capital (cash and time deposits, and investments in securities) and administration

4. Change in accounting policy

(Previous consolidated fiscal term under review)

(Accounting Standard for Measurement of Inventories)

Starting the fiscal year under review, the Company adopts the Accounting Standard for Measurement of Inventories (Accounting Standards Board of Japan Standard No. 9 issued on July 5, 2006). As a result of this change, in comparison with the previous method, operating expenses and operating loss increased by ¥424 million each in Die Casting Business and by ¥32 million each in the Aluminum Business, while in the Proprietary Products Business operating expense increased by ¥24 million and operating income decreased by the same amount.

(Translation of Major Foreign-Currency Assets and Liabilities into Yen)

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. As a result of this change, in comparison with the previous method, operating loss decreased by ¥23 million in the Die Casting business and operating income decreased by ¥55 million in the Proprietary Product Business.

(Practical Solution on Unification of Accounting Policies Applied to Foreign Subsidiaries for Consolidated Financial Statements)

Starting from the fiscal year under review, the Company adopts 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). This change will have only a minor impact on segment information.

5. Additional information

(Previous consolidated fiscal term under review)

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, in comparison with the previous method, operating expenses and operating loss increased by ¥580 million each in Die Casting Business and by ¥14 million each in the Aluminum Business, while in the Proprietary Products Business operating expense increased by ¥3 million and operating income decreased by the same amount.

b. Geographic Segment Information

Previous consolidated fiscal year (April 1, 2008 through March 31, 2009) (¥ millions)

	Japan	North America	Other Areas	Total	Eliminations and Corporate	Consolidated
Ⅰ Sales and Operating Income (Loss)						
Sales						
(1) Customers	87,324	13,342	4,176	104,843	–	104,843
(2) Inter-segment	1,276	0	714	1,990	(1,990)	–
Total	88,601	13,342	4,890	106,834	(1,990)	104,843
Operating expenses	90,208	14,043	5,025	109,277	(1,768)	107,509
Operating income (loss)	(1,607)	(701)	(135)	(2,443)	(222)	(2,665)
Ⅱ Total Assets	57,116	16,609	10,853	84,579	1,981	86,560

Current consolidated fiscal year (April 1, 2009 through March 31, 2010) (¥ millions)

	Japan	North America	Other Areas	Total	Eliminations and Corporate	Consolidated
Ⅰ Sales and Operating Income (Loss)						
Sales						
(1) Customers	59,577	10,763	5,435	75,777	–	75,777
(2) Inter-segment	1,379	–	277	1,656	(1,656)	–
Total	60,957	10,763	5,712	77,433	(1,656)	75,777
Operating expenses	60,975	10,305	5,525	76,806	(1,556)	75,250
Operating income (loss)	(18)	458	186	626	(99)	526
Ⅱ Total Assets	52,487	18,487	15,172	86,146	1,831	87,977

(Notes) 1. Countries and areas are classified according to geographic proximity.

2. Countries or areas in each main class: North America: USA and Mexico
Other areas: China, Taiwan, Thailand and India

3. Amounts and primary contents incorporated into "Eliminations and Corporate" are the same as those in Note 3 under “a. Business Segment Information”.

4. Change in accounting policy

(Previous consolidated fiscal term under review)

(Accounting Standard for Measurement of Inventories)

Starting the fiscal year under review, the Company adopts the Accounting Standard for Measurement of Inventories (Accounting Standards Board of Japan Standard No. 9 issued on July 5, 2006). As a result of this change, in comparison with the previous method, operating expenses and operating loss increased by ¥481 million in Japan, and operating loss increased by the same amount.

(Translation of Major Foreign-Currency Assets and Liabilities into Yen)

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. As a result of this change, in comparison with the previous method, operating loss decreased by ¥57 million in North America and operating loss increased by ¥90 million in other areas.

(Practical Solution on Unification of Accounting Policies Applied to Foreign Subsidiaries for Consolidated Financial

Statements)

Starting from the fiscal year under review, the Company adopts 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). This change will have only a minor impact on segment information.

5. Additional information

(Previous consolidated fiscal term under review)

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, in comparison with the previous method, operating expenses rose ¥598 million in Japan, and operating loss increased by the same amount.