Fiscal year ended March 2007

Interim Consolidated Financial Results

(Half year ended September 30, 2006)

November 15, 2006

Company Name	Ahresty Corporation	Stock Exchange Listing	Tokyo
Code Number	5852	Head Office	Tokyo

(URL http://www.ahresty.co.jp)

Representative Arata Takahashi, President, CEO
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Date of meeting of the board of directors November 15, 2006
Use of US accounting standards No

1. Business performance (April 1, 2006 through September 30, 2006)

(1) Consolidated Operating Results Note: Amounts are rounded down to the nearest million yen.

	Sales		Operating Income		Recurring Income	
	Millions of Yen	%	Millions of Yen	%	Millions of Yen	%
FY2007 Interim	56,554	18.9	3,645	21.2	3,633	26.7
FY2006 Interim	47,554	4.0	3,007	28.2	2,867	45.0
FY2006 Annual	101,609		6,008		5,699	

	Net Income		Net Income Per Share	Net Income Per Share – Fully Diluted
	Millions of Yen	%	Yen	Yen
FY2007 Interim	2,016	40.1	95.43	–
FY2006 Interim	1,439	250.9	81.18	–
FY2006 Annual	3,796		202.75	–

Notes: 1. Income on investment in equity method companies FY2007 Interim: ¥146 million
FY2006 Interim: ¥115 million
FY2006: ¥182 million

2. Average number of outstanding shares (consolidated) FY2007 Interim: 21,132,179 shares
FY2006 Interim: 17,736,264 shares
FY2006: 18,537,185 shares

3. Changes in accounting policies No

4. Percentages shown under sales, operating income, recurring income and net income represent changes from the previous interim period.

(2) Consolidated Balance Sheets Note: Amounts are rounded down to the nearest million yen.

	Total Assets	Net Assets	Equity Ratio	Net Assets Per Share
	Millions of Yen	Millions of Yen	%	Yen
FY2007 Interim	94,846	38,850	40.9	1,785.15
FY2006 Interim	71,091	23,707	33.3	1,336.79
FY2006 Annual	81,111	33,900	41.8	1,644.96

Note: Number of outstanding shares at year-end (consolidated) FY2007 Interim: 21,705,396 shares
FY2006 Interim: 17,734,838 shares
FY2006: 20,585,383 shares

(3) Consolidated cash flows Note: Amounts are rounded down to the nearest million yen.

	Cash Flows from Operating Activities	Cash Flows from Investing Activities	Cash Flows from Financing Activities	Cash and Cash Equivalents at End of Year
	Millions of Yen	Millions of Yen	Millions of Yen	Millions of Yen
FY2007 Interim	5,302	(5,449)	244	4,098
FY2006 Interim	5,446	(5,290)	46	2,803
FY2006 Annual	9,174	(14,178)	5,131	2,754

(4) Items relating to the scope of consolidation and use of the equity method
Number of consolidated subsidiaries: 16
Number of unconsolidated subsidiaries accounted for using the equity method: 0
Number of affiliates accounted for using the equity method: 1

(5) Changes in scope of consolidation and use of the equity method
Consolidated (new): 3 (removed): 0 Equity method (new): 0 (removed): 1

2. Forecast of consolidated operations for the fiscal year ending March 2007 (April 1, 2006 through March 31, 2007)

	Sales	Recurring Income	Net Income
	Millions of Yen	Millions of Yen	Millions of Yen
Fiscal Year	122,000	7,700	7,200

Reference: Forecast for Net Income per Share (Fiscal Year): ¥ 331.71

* The estimate values shown above are forecasts based on currently available information, and contain numerous uncertainties. Actual operations may differ from the above depending on business changes, and the such. For assumptions regarding forecasts, see “3. Results of Operations and Financial Standing”.

1. Corporate Group

Our company and affiliates (comprised of our company, 20 affiliates, and 1 subsidiary (as of September 30, 2006)) have three businesses: the Die Casting Business, Aluminum Business, and Proprietary Products Business. Each Business is positioned as follows with respect to our company and affiliates.

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 “5. Interim Consolidated Financial Statements”.

(1) Die Casting Business

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

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.

1. Die Castings

Domestically, our company manufactures and sells die castings, and subsidiaries including Ahresty Tochigi, Ahresty Kumamoto, Ahresty Yamagata and one other subsidiary manufacture die castings. Outside of Japan, Ahresty Wilmington Corporation in the US and Guangzhou Ahresty Casting Co., Ltd. in China manufacture and sell die castings. Our company outsources the machining and assembly of die castings to the aforesaid companies as well as to subsidiary Hamamatsu Mecatec Corporation and Tokai Seiko Co., Ltd.

2. Permanent Mold Castings and Sand Mold Castings

Subsidiary Ahresty Light Metal Corporation manufactures permanent mold castings. Subsidiary Tenryu Metal Industry Co., Ltd. manufactures sand mold castings. Our company handles the sales of products manufactured by both companies.

3. Die Casting Dies

In addition to our company handling die design and sales, domestic subsidiaries including Ahresty Die Mold Hamamatsu Corporation and Ahresty Die Mold Corporation manufacture die casting dies. All overseas subsidiaries handle die design. Thai Ahresty Die Co., Ltd., Ahresty Taiwan Die Mold Corporation, and one other Chinese subsidiary manufacture and sell die casting dies.

4. Die Cast Peripherals

CS Fuso Co., Ltd. and Ahresty Casting Support Corporation manufacture die cooling parts and the such, and Ahresty Techno Service Corporation handles sales.

(2) Aluminum Business

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

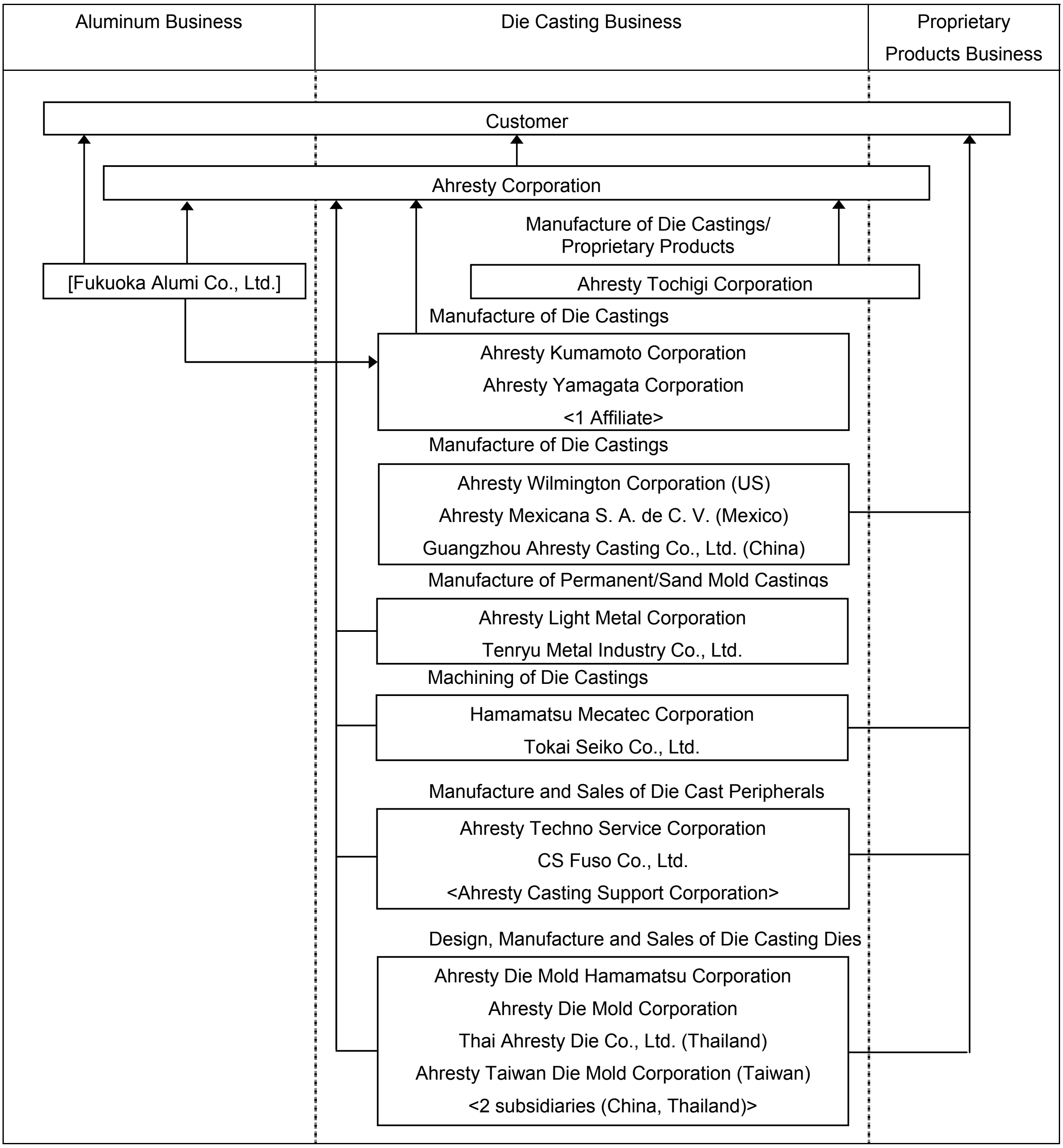
Our company handles manufacturing and sales activities. Subsidiaries including Ahresty Kumamoto Corporation procure the aluminum alloy ingots for die casting from Fukuoka Alumi Co., Ltd.

(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 Guangzou Ahresty Casting Co., Ltd. handle manufacturing of floor panels and its accessories.

A business flowchart is shown below.



Notes

1. Subsidiaries and affiliates in < > are unconsolidated; companies in [ ] are companies accounted for using 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. became a consolidated subsidiary through a stock swap on July 1, 2006.

2. 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 Rsearch, Service and Technology (abbreviation “RST”) into our corporate philosophy and have named our company "Ahresty Corporation".

The “Ahresty Ten Year Vision” devised anew in 2005 is founded on the goal of “We aim to be “the most trusted 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 Mid-Term Management Policy (0507 3-Year Ahresty Policy), and expanded this to department policy. In this way, we are pursuing company-wide policy management activities.

(2) Basic policy with regards to dividends

Our company views the continual increase of corporate value as the most important return to shareholders. Regarding dividends, our basic policy is to provide appropriate returns based on our attempt to strengthen the financial structure and management base for mid-to-long-term growth, and we provide dividends only upon considering the investment sum and payout ratio needed for mid-to-long-term growth, as well as closely considering trends in consolidated operating results.

As previously disclosed, our company has distributed combined dividends at year-end since the fiscal year ended March 2004. However, in view of the change in environment brought about by the implementation of the Company Law of Japan in May 2006, we have decided to distribute interim dividends starting from the fiscal year under review as a means for earning the trust of the market and rewarding our shareholders, while maintaining our policy of aggressively investing in plant and equipment and securing retained earnings on profits. Regarding dividend distribution for this fiscal year (ending March 2007), we expect to provide an interim dividend of ¥9 per share and a year-end dividend of ¥18 per share.

(3) 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 mid-term management policies. In order to become a company with investing value, we have defined target values for sales, return on assets (ROA), the shareholders’ equity ratio and the ratio of recurring income to sales to attempt to increase corporate value on a continual basis. (In view of the status of activities in 2005, we have revised these values for 2007 to sales: ¥120 billion, ROA: 5.5%, shareholders’ equity ratio: 45%, the ratio of recurring income to sales: 7%.) Since we are on course to attain our sales goal during this fiscal year, we are currently considering a new goal that reflects our strategies for sales and production.

(4) Mid-To-Long-Term Management Strategies

The Die Casting Business, our company’s main business, is expected to continue to strengthen into next year, with the increased car production and the need for weight reduction among our main customers in the automobile manufacturing industry. The Aluminum Business is also expected to be stronger next year, as the primary demand comes from the same industry as the Die Casting Business. The Proprietary Products Business is expected to experience greater demand next year compared to this year, due to an expected renewal in semiconductor-related infrastructure investment. Each business is expected to strengthen, but competition in terms of quality and cost is expected to continue. To achieve our company’s “10-Year Vision” and “0507 3-Year Ahresty Policy”, we will continue to apply our management resources in technology, sales and organization to their maximum potential, and will work together as a company to achieve our goals.

(Die Casting Business)

Competition is expected to grow in intensity in terms of quality and cost in the automobile manufacturing industry, which is our major customer of this business. In order to flexibly and rapidly respond to global competition, our company aims to become "a company that anticipates the needs of its customers" in terms of quality, cost, delivery and development. Specifically, we are promoting quality improvement activities to achieve quality that can face competition on a global level, activities to reduce costs by innovative improvements in productivity aimed at improving global price competitiveness, study and deployment of global distribution system, proposal-type product development based on market research, and technological development that will lead to the creation of new demand. We aim to become "a company with investing value" by continually improving corporate value through more efficient management.

World-Level Quality

Customers continue to become more demanding, resulting in vastly higher quality requirements. Faced with this situation, our company has devised measures to guarantee quality in each of our processes by using a process-based approach that encompasses every section including suppliers and contractors.

Global Competitive Strength

In addition to cost reduction activities, for some time we have been pursuing improved productivity, we have also pursued overall optimization in all processes from die production to casting to machining to distribution, reducing costs at the source with technological initiatives on the production floor.

Study and Deployment of Global Distribution System

As our second die cast production plant overseas, in 2004 operation began at a die casting plant in China (Guangzhou). The die casting plants in China and Ohio have further expanded capacity. We established a subsidiary in Mexico as our third die cast production plant, which is scheduled to begin operations in fiscal 2007. With regard to meeting the demand of other primary die casting demand areas, we will conduct research and study the possibilities based on our mid-term plan.

Technology Development and Product Development

We have promoted proposal-style product development based on market research and technological research that will lead to the creation of new demand, in order to not only meet new user needs but to stay one step ahead of user needs in product development. Furthermore, we aim to create new die casting demand and expand sales through development and by implementing new methods, technologies and materials for manufacturing parts as die casting methods, such as Ahresty's proprietary NI casting technology and magnesium die casting technology.

To provide a powerful boost to our technology and product development, we concentrated our engineering departments at the site and building that we purchased near our Toyohashi Plant and established an R&D platform, including organization and equipment. The site was formally launched as our Technical Center in September 2006.

(Aluminum Business)

To become "a company walking hand-in-hand with society", this business feels obligated to take part in building a recycling-based society. As demand for aluminum continues to increase, by fulfilling our duty to society through our recycling business, we aim to expand the aluminum recycling business and increase revenue, and are considering the addition of overseas production sites.

(Proprietary Products Business)

In the proprietary products business, as price competition continues to increase among both domestic and foreign rival manufacturers, we are not only pursuing cost reduction through the integrated production of an aluminum die cast floor (MOVAFLOR), but are also pursuing management activities with a focus on profitability. Furthermore, to increase foreign sales, we aim to expand business and improve earnings, and are considering using foreign production sites.

(5) Operational issues

The following issues are being addressed by the company.

No significant changes have been made to issues being addressed as a Group during this interim fiscal period.

We have taken the following measures during the interim fiscal period under review to address the issues of training and acquisition of personnel, rebuilding the Toyohashi Plant, and internal control system improvement and risk management, which were reported in the previous consolidated fiscal year:

(Training and Acquisition of Personnel)

The Human Resource Department has taken the initiative in pursuing recruiting activities to address the task of acquiring personnel for supporting the growth of the Group. Activities including the effective use of the Web and school visits have proven to be relatively effective in terms of recruiting new graduates, and the number of applicants has increased, enabling us to meet our goal for new recruits. With regard to the training of personnel, we promoted the formulation of an educational plan linked to our personnel assessment system, while concurrently pursuing measures designed to encourage renewed recognition of the importance of education throughout the Group.

(Rebuilding the Toyohashi Plant)

In the previous consolidated fiscal year, we implemented various measures related to equipment, management and sales at the Toyohashi Plant, successfully improving productivity over the previous fiscal year (fiscal 2004) and raising the cost of sales ratio by 3.6 points. Nevertheless, the plant's productivity remained below that of other plants in our company. During the interim period under review, we took further steps to improve productivity at the plant, and as a result raised the cost of sales ratio by 5.3 points compared with the same period of the previous fiscal year. In addition to purchasing the site and building next to the Toyohashi Plant in February 2006 and then using these acquisitions as a machining and distribution center, we intend to create a more efficient production model by extending and structurally altering the casting plant and by installing equipment to further improve the plant's productivity and earnings.

(Internal Control System Improvement and Risk Management)

We adopted a "Basic Policy on Internal Control System Improvement" at a meeting of the board of directors held on May 11, 2006, and have followed this basic policy in promoting concrete plans for systemization. During the consolidated interim period under review, we reviewed and revised the Group's overall compliance system, the foundation of our internal control system, through measures including the revision of the Ahresty Group Standards of Behavior as well as the implementation of preparatory measures for establishing an internal control system related to financial reporting.

3. Results of Operations and Financial Standing

(1) Results of Operations

Although rising prices of petroleum products and raw materials caused by high oil prices provided some cause for concern during the consolidated interim period, the Japanese economy remained on its path of recovery based on support provided by the private sector, which maintained a solid footing due to improved corporate earnings, increased plant and equipment investments and gradual growth in personal consumption. Outside of Japan, the U.S. and Asian economies maintained their expansive trend, while the European region also showed signs of economic recovery.

In this situation, our Group has continued to vigorously increase sales, enhance plant equipment both in Japan and abroad, and reduce costs of manufacturing at our plants and expenses in non-front-line departments.

Therefore, operational results for the consolidated interim period under review were sales of ¥56,554 million (up 18.9% from the same period of the previous fiscal year), operating income of ¥3,645 million (up 21.2% from the same period of the previous fiscal year), and recurring income of ¥3,633 million (up 26.7% from the same period of the previous fiscal year).

Operating results by business segment were as follows:

In the Die Casting Business, sales amounted to ¥50,653 million (up 16.2% from the same period of the previous fiscal year). Sales of our flagship parts for four-wheel vehicles, although varying somewhat by automobile manufacturer, showed a generally positive trend, and were up 18.7%. In terms of income, we pursued measures to reduce costs and marketing expenses, and as a result operating income amounted to ¥3,305 million (up 16.4% from the same period of the previous fiscal year).

In the Aluminum Business, sales by weight of aluminum ingots increased by 12.6% over the same period of the previous fiscal year, and combined with the effect of increased sales prices associated with a drastic increase in the price of ingots, sales amounted to ¥3,689 million (up 63.6% from the same period of the previous fiscal year). With regard to profits, the rise in raw material prices was more than offset by increased sales, and together with the expanded sales of higher value-added products, operating income totaled ¥179 million (up 94.1% from the same period of the previous fiscal year).

In the Proprietary Products Business, sales were ¥2,211 million (up 29.6% from the same period of the previous fiscal year) due in part to a major contract. In terms of income, as a result of sales activities emphasizing operating margin, operating income amounted to ¥157 million (up 107.7% from the same period of the previous fiscal year).

Operating results by geographic segment were as follows:

1. Japan

Despite the continuing slump in domestic demand, sales amounted to ¥47,920 million (up 18.0% from the same period of the previous fiscal year). As a result, operating income amounted to ¥2,748 million (up 37.0% from the same period of the previous fiscal year).

2. USA

Sales amounted to ¥7,651 million (up 18.1% from the same period of the previous fiscal year), sustained by the bullish U.S. market. As a result, operating income came to ¥856 million (up 0.9% from the same period of the previous fiscal year).

3. Other areas

Sales amounted to ¥982 million (up 106.8% from the same period of the previous fiscal year), as the start of operations by our Chinese subsidiary contributed to a positive performance. As a result, operating income amounted to ¥78 million (up 31.3% from the same period of the previous fiscal year).

(2) Financial Standing

Cash and cash equivalents (hereafter "cash") for the consolidated interim period under review amounted to ¥4,098 million (up 46.2% from the same period of the previous fiscal year), as net interim income before income taxes totaled ¥3,452 million (up 33.0% from the same period of the previous fiscal year).

(Millions of Yen)

	September 2005	September 2006	March 2006
Cash Flows from Operation Activities	5,446	5,302	9,174
Cash Flows from Investing Activities	(5,290)	(5,449)	(14,178)
Cash Flows from Financing Activities	46	244	5,131
Effect of exchange rate changes on cash and cash equivalents	31	(68)	57
Net increase/(decrease) in cash and cash equivalents	234	28	185
Increase in cash and cash equivalents at consolidated subsidiaries	—	1,315	—
Cash and cash equivalents at end of period	2,803	4,098	2,754

(Cash Flows from Operating Activities)

Cash earned from operating activities decreased by ¥144 million from the same period of the previous fiscal year to ¥5,302 million.

Positive factors for the interim period included an increase of ¥879 million in net interim income before income taxes, ¥602 million in depreciation and amortization and an increase of ¥3,923 million in notes and accounts payable for procurement, while negative factors included an increase of ¥5,389 million in sales receivables.

(Cash Flows from Investing Activities)

Cash used for investing activities decreased by ¥158 million from the same period of the previous fiscal year to ¥5,449 million. This was largely due to aggressive investments in plant and equipment improvements both in Japan and abroad, with the USA and China accounting for a major portion of overseas investments.

(Cash Flows from Financing Activities)

Cash from financing activities increased by ¥197 million from the same period of the previous fiscal year to ¥244 million. This was largely due to the procurement of funds from lending.

Trends in cash flow indicators for the Group are shown below.

	FY2005		FY2006		FY2007 Interim
	Interim	Annual	Interim	Annual	
Equity Ratio (%)	27.5	32.2	33.3	41.8	40.9
Market Capitalization Equity Ratio (%)	35.8	49.9	59.6	76.6	76.2
Number of years for Amortization of Liabilities (years)	—	1.5	—	1.4	—
Interest Coverage Ratio	40.3	30.6	39.8	37.0	37.2

Equity Ratio: Net Assets / Total Assets

Market Capitalization Equity Ratio: Market Capitalization / Total Assets

Number of years for Amortization of Liabilities: Interest-Bearing Debt / Operating Cash Flow

Interest Coverage Ratio: Operating Cash Flow / Interest Payments

* All indices are calculated from consolidated financial values.

* Total market capitalization is calculated from the closing share price at term-end x shares outstanding at term-end. (Excluding treasury stock)

* Operating cash flow refers to cash provided by operating activities as noted in consolidated cash flow statements.
Interest-bearing debt refers to all interest-incurring debt noted in the liabilities ledger of the consolidated balance sheet.
Interest paid refers to amounts paid on interest as recorded in the consolidated statements of cash flows.

(3) Outlook for Fiscal 2007

The Japanese economy is expected to continue on a gradual recovery trend, as is the global economy, with the US and Asia continuing to recover. On the other hand, some elements that may affect both the foreign and domestic economies, such as trends in the price of crude oil, may cause a sense of uncertainty going forward. However, strong demand is expected to continue from our company's major customers, automobile manufacturers and automobile parts manufacturers.

In view of this, our forecasts for the next fiscal year are as follows.

Consolidated basis (Millions of Yen)

	Sales	Operating Income	Recurring Income	Net Income
FY2007 Forecast as of August 7, 2006	117,400	7,250	7,050	4,150
FY2007 Forecast	122,000	7,800	7,700	7,200
Increase/(decrease)	4,600	550	650	3,050
Rate of increase/(decrease)	3.9%	7.6%	9.2%	73.5%
FY2006 (Reference)	101,609	5,916	5,594	3,734

Non-consolidated basis (Millions of Yen)

	Sales	Operating Income	Recurring Income	Net Income
FY2007 Forecast as of August 7, 2006	98,700	3,650	4,750	3,250
FY2007 Forecast	102,000	4,000	5,000	6,100
Increase/(decrease)	3,300	350	250	2,850
Rate of increase/(decrease)	3.3%	9.6%	5.3%	87.7%
FY2006 (Reference)	87,355	2,848	2,635	1,984

<Consolidated Outlook>

We anticipate that all our businesses will continue to perform favorably in the second half of the fiscal year, led by the Die Casting Business, and we expect sales to reach ¥122,000 million, up ¥4,600 million from our previous forecast. We expect sales will be affected by fluctuations in the cost of raw materials (ingot-basis) and assume increases in material prices will impact sales by ¥1,800 million.

Profits are expected to increase due in part to the effects of production increases following increased revenue and cost-reduction efforts, and as a result, operating income and current income are anticipated to reach ¥7,800 million (up ¥550 million from the previously announced forecast) and ¥7,700 million (up ¥650 million from the previously announced forecast), respectively. We expect to report gains of ¥4,300 million from the sale of fixed assets and ¥500 million from the sale of stock of affiliates as extraordinary income, and as a consequence, net income is anticipated to reach ¥7,200 million (up ¥3,050 million from the previously announced forecast).

For the consolidated outlook, we used an exchange rate of JPY¥115/USD$1.

<Non-Consolidated Outlook>

In 2004, in order to raise the investment ratio in related companies to improve the management efficiency of the Ahresty Group, five companies were changed from affiliates accounted for using the equity method to consolidated subsidiaries. We are planning to increase the dividends received from subsidiaries in order to reduce the fiscal contents of each subsidiary, including the aforesaid. Non-consolidated recurring income and net income include dividends amounting to ¥1,300 million (non-operating income) received from these subsidiaries. (This does not affect consolidated results.)

4. Business Risks

The following risks may affect corporate results, share price or the financial standing of the Group. Future forecasts in this section were made by the Group as of the date of submission of this financial statement (November 15, 2006), but are not limited to items represented herein.

(1) Economic Conditions

Operating revenue of the Group depends heavily on the Die Casting Division, with approximately 70% of operating revenue from the Die Casting Business coming from automobile-related products. Automobile production numbers and sales numbers are expected to be affected by foreign and domestic economic conditions. Consequently, there is the possibility that an economic recession in the Group's main markets, including Japan, North America and Asia, and any resulting reduction in demand, could affect the corporate Group's operating results and financial standing. Furthermore, sales of different models in the automobile industry may be affected by the preference of customers and reduced consumption, possibly affecting operating income due to sales numbers of the vehicles for which parts are supplied by the corporate Group.

(2) Fluctuation in Exchange Rates

The Group's business includes production and sales in North America and Asia. Sales, expenses and assets and other items in local currencies in each area are converted to Yen using the exchange rate at the end of the fiscal year in order to create the consolidated financial statements. Although the exchange rate at the end of the fiscal term does not affect the value of these items in the original currency, there is the possibility that it may affect their value upon conversion to Yen. Generally speaking, a strong Yen with regards to other currencies negatively affects the corporate Group's business, while a weak yen positively affects the corporate Group's business.

(3) Other risks posed by hedging exchange rate and interest rate risk

It is impossible to hedge all exchange rate and interest rate risks, but our company has signed a hedging contract in order to allay the effect of exchange rate and interest rate risk. As with all contracts, risks are unavoidable with currency swap, currency option and interest rate swap contracts. While use of these hedge contracts allays some of the risks involved in exchange rate and interest rate variation, the exchange rate and interest rate can swing in the other direction at any time, resulting in the loss of any income that may have been earned. We will make every attempt to minimize the risk of being exposed to credit risk in hedge contracts we have signed with other parties, and in any future hedge contracts. Nevertheless, the company may be negatively affected in the event that one of these parties should default on a debt.

(4) Protecting intellectual property

Over the decades, our company has obtained numerous patents and trademarks, or rights thereto, on products manufactured by the company. These patents and trademarks have been important to the growth of our business over the years, and this importance will not change. At our company, each business does not depend on any single patent, or any number or related patents, but if we are unable to protect this form of intellectual property, or if our company's intellectual property rights are legally infringed in a serious fashion, there is the possibility that this may adversely affect the corporation's business activities.

(5) Effect of disaster, war, terrorist attack, strikes, etc.

Our company engages in businesses around the world, and is therefore vulnerable to the effects of natural disasters, disease, war, terrorism, strikes and so on. Thus, there is the possibility that there may be delays or halts in the purchase of raw materials/parts, production, sales or distribution of products, and the provision of services in any affected countries. If these delays or halts continue for an extended period, there is the possibility that this may adversely affect the business activities, financial standing or operating results of the corporation.

(6) Regarding product quality

The corporate Group follows strict quality control measures, delivering products to our customers only after inspection in accordance with product standards of each customer. However, in the event that a complaint or recall should occur in regard to a compensation issue, there is the possibility that this may seriously affect the operating results of the corporate Group due to financial outlays for damage reparations and the loss of credibility.

(7) Effect of raw material markets

The price of raw materials in the Die Casting Business (aluminum alloy ingots) and raw materials in the Aluminum Business (aluminum alloy scrap, etc.) is affected by trends in the price of other nonferrous metals, trends in the price of primary aluminum ingots, and trends in overseas markets, particularly the LME (London Metal Exchange).

In the Die Casting Business, contracts with customers allow product prices to be shifted (contract specifics vary from customer to customer, but generally speaking, contract prices for raw materials are revised every three months based on market trends), and consequently sales may be affected by the prices of raw materials, but in the long term this will have almost no effect on income. Nevertheless, in the short term, there is the possibility that variation in the cost of raw materials may affect income.

In the Aluminum Business, there is variation in sales prices and raw materials costs, but for the most part sales prices and raw material costs move in sync, and though this may have some effect on sales, for the most part the effect on income is negligible. Nevertheless, there is the possibility that income may be affected if there should be a gap between sales prices and the trend of raw material costs.

5. Interim Consolidated Financial Statements

(1) Interim Consolidated Balance Sheets

Classification	Note No.	As of September 30, 2005 Amount (¥ millions)		(%)	As of September 30, 2006 Amount (¥ millions)		(%)	As of March 31, 2006 Amount (¥ millions)		(%)
(Assets)										
I Current Assets										
1. Cash and time deposits			2,803			4,425			3,128	
2. Trade notes and accounts receivable	*4		21,029			28,428			24,130	
3. Inventories			8,116			10,448			8,247	
4. Deferred tax assets			960			1,106			961	
5. Other			1,174			871			1,095	
Allowance for doubtful accounts			(4)			(2)			(3)	
Total current assets			34,080	47.9		45,277	47.7		37,560	46.3
II Fixed assets										
1. Tangible fixed assets	*1,2									
(1) Buildings and structures		6,411			8,178			6,795		
(2) Machinery and delivery equipment		12,407			17,937			12,496		
(3) Tools, equipment, and furniture		2,784			4,044			2,648		
(4) Land		2,934			6,367			5,364		
(5) Construction in progress		2,354	26,892		2,937	39,465		4,311	31,617	
2. Intangible fixed assets										
(1) Intangible fixed assets			1,055			1,084			998	
3. Investments and other assets										
(1) Investments in securities	*2	8,232			8,028			9,924		
(2) Long-term loans		8			2			1		
(3) Deferred tax assets		292			286			412		
(4) Other		541			709			602		
Allowance for doubtful accounts		(11)	9,063		(7)	9,019		(5)	10,934	
Total Fixed Assets			37,011	52.1		49,569	52.3		43,550	53.7
Total Assets			71,091	100.0		94,846	100.0		81,111	100.0

Classification	Note No.	As of September 30, 2005 Amount (¥ millions)	(%)	As of September 30, 2006 Amount (¥ millions)	(%)	As of March 31, 2006 Amount (¥ millions)	(%)
(Liabilities)							
I Current liabilities							
1. Notes and accounts payable	*4	19,960		26,372		22,196	
2. Short-term loans	*2	5,271		5,277		4,405	
3. Current portion of long-term loans	*2	1,503		2,784		1,210	
4. Current portion of bonds		–		300		–	
5. Bonus allowances		1,317		1,524		1,208	
6. Directors' bonus allowances		–		18		–	
7. Other	*4	5,613		7,592		4,896	
Total Current Liabilities		33,666	47.4	43,869	46.2	33,918	41.8
II Long-term liabilities							
1. Corporate bonds		1,000		700		1,000	
2. Long-term loans	*2	6,834		4,284		6,264	
3. Deferred tax liabilities		1,875		2,653		2,153	
4. Allowances for employees' retirement benefits		2,304		2,574		2,279	
5. Allowances for directors' retirement benefits		227		217		198	
6. Consolidated adjustment account		1,358		1,575		1,194	
7. Other		3		121		99	
Total Long-Term Liabilities		13,605	19.1	12,126	12.8	13,191	16.3
Total Liabilities		47,272	66.5	55,996	59.0	47,109	58.1
(Minority Interests)							
Minority interests		111	0.2	–	–	101	0.1

		As of September 30, 2005		As of September 30, 2006		As of March 31, 2006	
Classification	Note No.	Amount (¥ millions)	(%)	Amount (¥ millions)	(%)	Amount (¥ millions)	(%)
(Shareholders' Equity)							
I Common stock		1,691	2.4	–	–	5,117	6.3
II Additional paid-in capital		1,253	1.7	–	–	5,065	6.2
III Retained earnings		19,121	26.9	–	–	21,477	26.5
IV Net unrealized gains on securities		2,333	3.3	–	–	2,725	3.4
V Foreign currency translation adjustments		(644)	(0.9)	–	–	(432)	(0.5)
VI Treasury stock		(46)	(0.1)	–	–	(54)	(0.1)
Total Shareholders' Equity		23,707	33.3	–	–	33,900	41.8
Total Liabilities, Minority Interests, and Shareholders' Equity		71,091	100.0	–	–	81,111	100.0
(Net Assets)							
I Shareholders' equity		–	–			–	–
1. Common stock		–	–	5,117	5.4	–	–
2. Additional paid-in capital		–	–	8,303	8.8	–	–
3. Retained earnings		–	–	22,898	24.2	–	–
4. Treasury stock		–	–	(64)	(0.1)	–	–
Total Shareholders' Equity		–	–	36,254	38.3	–	–
II Revaluation / Translation differences							
1. Difference on revaluation of other marketable securities		–	–	2,920	3.1	–	–
2. Foreign currency translation adjustments		–	–	(427)	(0.5)	–	–
Total Revaluation / Translation differences		–	–	2,492	2.6	–	–
III Minority interst in consolidated subsidiaries		–	–	103	0.1	–	–
Total net assets		–	–	38,850	41.0	–	–
Total liabilities and net assets		–	–	94,846	100.0	–	–

(2) Interim Consolidated Income Statements

Classification	Note No.	Half year ended September 30, 2005 Amount (¥ millions)		(%)	Half year ended September 30, 2006 Amount (¥ millions)		(%)	Year ended March 31, 2006 Amount (¥ millions)		(%)
I Sales			47,554	100.0		56,554	100.0		101,609	100.0
II Cost of goods sold			40,718	85.6		48,621	86.0		87,596	86.2
Gross Profit			6,836	14.4		7,933	14.0		14,013	13.8
III Selling, general and administrative expenses										
1. Salaries and bonuses		800			1,192			1,758		
2. Retirement and severance expenses		91			120			178		
3. Provision for bonuses		248			10			477		
4. Provision for bonuses for directors		—			18			—		
5. Provision for retirement benefits for directors		30			—			30		
6. Allowance for depreciation		36			74			134		
7. Transportation expenses		1,009			1,081			1,903		
8. Research and development expenses		304			327			663		
9. Other		1,307	3,828	8.1	1,462	4,287	7.6	2,863	8,005	7.9
Operating income			3,007	6.3		3,645	6.4		6,008	5.9
IV Non-operating income										
1. Interest income		3			2			11		
2. Dividends received		41			57			71		
3. Amortization of consolidated adjustment account		169			169			339		
4. Income on investments in equity method affiliates		115			146			182		
5. Rental income		45			23			61		
6. Compensation for dies		23			1			176		
7. Other		111	509	1.1	68	469	0.8	259	1,101	1.1
V Non-operating expenses										
1. Interest expenses		138			142			247		
2. Expenses from processing returned goods due to manufacturing defects		156			92			446		
3. Loss on disposal of inventories		79			83			169		
4. Inventory loss		104			—			175		
5. Other		171	649	1.4	163	481	0.8	370	1,410	1.4
Recurring Income			2,867	6.0		3,633	6.4		5,699	5.6

Classification	Note No.	Half year ended September 30, 2005 Amount (¥ millions)		(%)	Half year ended September 30, 2006 Amount (¥ millions)		(%)	Year ended March 31, 2006 Amount (¥ millions)		(%)
VI Extraordinary gains										
1. Gain on the sale of fixed assets	*1	14			0			18		
2. Gain on the sale of investments in securities		0			–			668		
3. Gain on the sale of stock of affiliates		–			44			–		
4. Revenue of government subsidies		–			24			–		
5. Reversal of allowance for doubtful accounts		2			0			5		
6. Other		–	17	0.0	3	73	0.1	14	707	0.7
VII Extraordinary losses										
1. Loss on the sale of fixed assets	*2	103			67			269		
2. Advanced depreciation deduction of fixed assets	*4	–			18			–		
3. Impairment loss	*3	–			104			–		
4. Retirement and severance benefits		60			4			74		
5. Provision for retirement benefits reserve for directors in the previous period		80			–			80		
6. Loss from the write-down of securities		1			–			2		
7. Other		6	252	0.5	–	195	0.3	5	432	0.4
Income before Income Taxes and Others			2,632			3,511	6.2		5,974	5.9
Income taxes and enterprise taxes		1,074			1,402			2,213		
Deferred income taxes		110	1,185	2.5	88	1,491	2.6	(58)	2,155	2.1
Gain (loss) on minority interests in consolidated subsidiaries			6	0.0		3	0.0		21	0.0
Net Income			1,439	3.0		2,016	3.6		3,796	3.7

(3) Interim Consolidated Statements of Retained Earnings

		Half year ended September 30, 2005		Year ended March 31, 2006	
Classification	Note No.	Amount (¥ millions)		Amount (¥ millions)	
(Additional Paid-in Capital)					
I Additional paid-in capital balance at beginning of year			1,253		1,253
II Increase in additional paid-in capital					
1. Increase in additional paid-in capital due to stock swap		–		–	
2. Increase in capital due to new share issuance		–		3,424	
3. Gain on disposition of treasury stock		–		–	
4. Increase in additional paid-in capital due to merger(s)		–	–	387	3,812
III Additional paid-in capital balance at end of year			1,253		5,065
(Retained Earnings)					
I Retained earnings at beginning of year			17,968		17,968
II Increase in retained earnings					
1. Net income		1,439	1,439	3,796	3,796
III Decrease in retained earnings					
1. Dividends		248		248	
2. Bonus to company executives		38		38	
(In-house auditor's share)		(2)		(2)	
3. Decrease in retained earnings due to inclusion of equity method affiliates		–	287	–	287
IV Retained earnings at end of year			19,121		21,477

(4) Interim Statement of Changes in Consolidated Shareholders' Equity

For the consolidated interim period under review (April 1, 2006 through September 30, 2006) (Millions of Yen)

	Shareholders' equity				
	Common stock	Additional paid-in capital	Retained earnings	Treasury stock	Total shareholders' equity
Balances at March 31, 2006	5,117	5,065	21,477	(54)	31,606
Changes					
Increase in additional paid-in capital due to stock swap		3,235			3,235
Dividents paid (Note 1)			(371)		(371)
Directors' bonus (Note 1)			(35)		(35)
Net income			2,016		2,016
Purchase of Treasury stock				(4)	(4)
Change in the scope of consolidation or accountability based on the equity method			(189)	(6)	(196)
Other (Note 2)		2			2
Changes (net) in non-shareholders' equity item					
Total changes	–	3,238	1,420	(10)	4,647
Balances at September 30, 2006	5,117	8,303	22,898	(64)	36,254

	Difference on revaluation of other marketable securities	Foreign currency translation adjustments	Total revaluation / translation differnces	Minority interest in consolidated subsidiaries	Total net assets
Balances at March 31, 2006	2,725	(432)	2,293	101	34,002
Changes					
Increase in additional paid-in capital due to stock swap					3,235
Dividents paid (Note 1)					(371)
Directors' bonus (Note 1)					(35)
Net income					2,016
Purchase of Treasury stock					(4)
Change in the scope of consolidation or accountability based on the equity method					(196)
Other (Note 2)					2
Changes (net) in non-shareholders' equity item	194	4	199	1	200
Total changes	194	4	199	1	4,848
Balances at September 30, 2006	2,920	(427)	2,492	103	38,850

(Notes) 1. Appropriation of retained earnings at General shareholders' meeting

2. Additional paid-in capital

Gain on disposition of treasury stock ¥2 million

(5) Interim Consolidated Statements of Cash Flows

Classification	Note No.	Half year ended September 30, 2005 Amount (¥ millions)	Half year ended September 30, 2006 Amount (¥ millions)	Year ended March 31, 2006 Amount (¥ millions)
I Cash flows from operating activities				
Income before income taxes		2,632	3,511	5,974
Depreciation and amortization		2,333	2,936	5,412
Impairment losses		–	104	–
Amortization of consolidated adjustment account		(84)	(91)	(170)
Income from investments in equity method affiliates		(115)	(146)	(182)
Increase/(decrease) in allowances for bonuses		175	138	56
Increase/(decrease) in allowances for directors' bonuses		–	18	–
Increase/(decrease) in allowances for director's retirement benefits		84	(32)	55
Increase/(decrease) in allowances for employee's retirement benefits		7	47	(24)
Increase/(decrease) in prepaid pension expenses		(13)	11	(61)
Increase/(decrease) in allowances for doubtful accounts		0	3	(7)
Interest and dividend income		(44)	(60)	(82)
Interest expenses		138	142	247
Proceeds from sales of investment securities		(0)	–	(668)
Losses from revaluation of investment securities		1	–	2
Proceeds from sales of tangible fixed assets		(14)	(0)	(17)
Losses from sales of tangible fixed assets		103	88	269
(Increase)/decrease in notes and accounts receivable		1,966	(3,423)	(1,169)
(Increase)/decrease in inventories		(267)	(1,447)	(418)
Increase/(decrease) in notes and accounts payable		413	4,336	2,908
Increase/(decrease) in accrued consumption taxes and others		24	(96)	(57)
Bonus paid to directors		(38)	(35)	(38)
Other		289	684	296
Subtotal		7,591	6,690	12,325
Interest and dividends received		45	68	87
Interest paid		(136)	(143)	(246)
Income taxes paid		(2,066)	(1,384)	(3,010)
Income taxes refunded		13	17	17
Cash Flows from Operating Activities		5,446	5,302	9,174

		Half year ended September 30, 2005	Half year ended September 30, 2006	Year ended March 31, 2006
Classification	Note No.	Amount (¥ millions)	Amount (¥ millions)	Amount (¥ millions)
II Cash flows from investing activities				
Payment into time deposits		–	(68)	(618)
Proceeds from refund of time deposits		36	171	280
Expenditures from purchases of investment securities		(59)	(8)	(67)
Proceeds from sales of marketable securities		0	–	892
Expenditures from purchases of subsidiary shares		(916)	(240)	(2,109)
Proceeds from the acquisition of a subsidiary's stock accompanied by a change in the scope of consolidation		–	364	–
Expenditures from purchases of tangible fixed assets		(4,583)	(5,689)	(13,114)
Proceeds from sales of tangible fixed assets		267	5	594
Expenditures from loans		–	(0)	–
Proceeds from collection of loans		18	2	44
Other		(53)	12	(80)
Cash Flows from Investing Activities		(5,290)	(5,449)	(14,178)
III Cash flows from financing activities				
Proceeds from short-term loans		8,030	10,214	18,270
Repayment of short-term loans		(6,939)	(8,956)	(17,939)
Proceeds from long-term debt		800	175	800
Repayment of long-term debt		(1,656)	(798)	(2,543)
Proceeds from issuance of bonds		–	–	6,850
Proceeds from sale of treasury stock		–	0	–
Payments for purchase of treasury stock		(4)	(4)	(8)
Dividends paid		(248)	(373)	(248)
Cash dividends paid to minority shareholders		(5)	–	(13)
Other		71	(11)	(37)
Cash Flows from Financing Activities		46	244	5,131

		Half year ended September 30, 2005	Half year ended September 30, 2006	Year ended March 31, 2006
Classification	Note No.	Amount (¥ millions)	Amount (¥ millions)	Amount (¥ millions)
IV Effect of exchange rate changes on cash and cash equivalents		31	(68)	57
V Net increase/(decrease) in cash and cash equivalents		234	28	185
VI Cash and cash equivalents at beginning of period		2,568	2,754	2,568
VII Increase in cash and cash equivalents at consolidated subsidiaries		–	1,315	–
VIII Cash and cash equivalents at end of period		2,803	4,098	2,754

Notes

(Notes on Interim Consolidated Balance Sheets)

As of September 30, 2005	As of September 30, 2006	As of March 31, 2006
*1. Cumulative depreciation and amortization on tangible fixed assets amounted to ¥56,036 million.	*1. Cumulative depreciation and amortization on tangible fixed assets amounted to ¥61,334 million.	*1. Cumulative depreciation and amortization on tangible fixed assets amounted to ¥52,816 million.
*2. Pledged assets	*2. Pledged assets	*2. Pledged assets
In regard to tangible fixed assets and marketable securities, the following assets are held in pledge for short-term loans of ¥2,850 million and long-term loans (including long-term loans to be repaid within one year) of ¥6,148 million (including ¥334 million for factory foundations).	In regard to tangible fixed assets and marketable securities, the following assets are held in pledge for short-term loans of ¥400 million and long-term loans (including long-term loans to be repaid within one year) of ¥4,816 million (including ¥24 million for factory foundations).	In regard to tangible fixed assets and marketable securities, the following assets are held in pledge for short-term loans of ¥400 million and long-term loans (including long-term loans to be repaid within one year) of ¥5,259 million (including ¥71 million for factory foundations).
Buildings and structures ¥528 million	Buildings and structures ¥456 million	Buildings and structures ¥478 million
Machinery and delivery equipment ¥764 million	Machinery and delivery equipment ¥567 million	Machinery and delivery equipment ¥618 million
Tools, equipment, and furniture ¥8 million	Tools, equipment, and furniture ¥7 million	Tools, equipment, and furniture ¥7 million
Land ¥502 million	Land ¥502 million	Land ¥502 million
Investments in securities ¥2,538 million	Investments in securities ¥1,020 million	Investments in securities ¥2,339 million
Total ¥4,342 million	Total ¥2,553 million	Total ¥3,946 million
Of the above tangible fixed assets, assets that are held in mortgage for factory foundations	Of the above tangible fixed assets, assets that are held in mortgage for factory foundations	Of the above tangible fixed assets, assets that are held in mortgage for factory foundations
Buildings and structures ¥528 million	Buildings and structures ¥456 million	Buildings and structures ¥478 million
Machinery and delivery equipment ¥764 million	Machinery and delivery equipment ¥567 million	Machinery and delivery equipment ¥618 million
Tools, equipment, and furniture ¥8 million	Tools, equipment, and furniture ¥7 million	Tools, equipment, and furniture ¥7 million
Land ¥502 million	Land ¥502 million	Land ¥502 million
Total ¥1,804 million	Total ¥1,533 million	Total ¥1,606 million
*3. Amount of notes receivable endorsed and transferred ¥18 million	*3. Amount of notes receivable endorsed and transferred ¥14 million	*3. Amount of notes receivable endorsed and transferred – million
*4. —	*4. Notes maturing on the closing day of the interim fiscal period Accountings for notes that reach maturity on the closing day of the interim fiscal period are settled on the date of exchange. The closing day of the interim fiscal period under review fell on a bank holiday, and accordingly the following notes maturing on the closing day of the fiscal period were included in the outstanding amount as of the end of the interim fiscal period: Notes receivable ¥280 million Notes payable ¥2,061 million Notes payable-equipment ¥188 million	*4. —

(Notes on Interim Consolidated Income Statements)

Half year ended September 30, 2005	Half year ended September 30, 2006	Year ended March 31, 2006
*1. Breakdown of gains on the sale of fixed assets Machinery ¥12 million Vehicles ¥1 million Total ¥14 million	*1. Breakdown of gains on the sale of fixed assets Machinery ¥0 million	*1. Breakdown of gains on the sale of fixed assets Machinery ¥16 million Vehicles ¥1 million Total ¥17 million
*2. Breakdown of losses on the sale of fixed assets Machinery ¥62 million Tools, equipment, and furniture ¥18 million Buildings ¥22 million Total ¥103 million	*2. Breakdown of losses on the sale of fixed assets Machinery ¥43 million Tools, equipment, and furniture ¥10 million Buildings ¥13 million Total ¥67 million	*2. Breakdown of losses on the sale of fixed assets Machinery ¥221 million Tools, equipment, and furniture ¥26 million Vehicles ¥7 million Buildings ¥14 million Total ¥269 million
*3. —	*3. Impairment loss The company has reported impairment losses on the following assets for the consolidatede interim fiscal period: Intended use: Dormant asset Location: Itabashi-ku, Tokyo Class Machinery ¥91 million Tools, equipment, and furniture ¥6 million Vehicles ¥1 million Buildings ¥4 million Total ¥104 million The book value of property that became a dormant asset due to an office transfer was reported as an impairment loss in its entire amount.	*3. —
*4. —	*4. Loss on deduction of fixed assets Breakdown of amount directly deducted from the acquisition value of alternative assets. Machinery and Vehicles ¥18 million	*4. —

(Notes on Interim Statement of Changes in Consolidated Shareholders' Equity)

For the consolidated interim period under review (April 1, 2006 through September 30, 2006)

1. Class and Number of Shares Issued, and Class and Number of Treasury Stock

	Shares at previous year-end (Shares)	Increased shares during the interim term (Shares)	Decreased shares during the interim term (Shares)	Shares at interim term-end (Shares)
Shares issued				
Common stock	20,660,670	1,117,550	–	21,778,220
Total	20,660,670	1,117,550	–	21,778,220
Treasury stock				
Common stock (Notes)	75,287	35,549	38,012	72,824
Total	75,287	35,549	38,012	72,824

(Notes)
1. The 1,117,550 shares increase in the number of shares issued of commom stock reflects stock swap due to new share issuance.
2. The increase of 35,549 shares of treasury stock, which is common stock, includes 1,314 shares from the repurchase of odd lot certificates, 1,400 shares of treasury stock (Ahresty Corporation stock) acquired by a consolidated subsidiary following its transformation from an equity method affiliate into a fully-owned subsidiary by means of a stock swap, 29,187 shares due to an increase in the percentage of ownership in treasury stock (Ahresty Corporation stock) previously owned by an equity method affiliate and 3,648 shares of treasury stock (Ahresty Corporation stock) acquired from an equity method affiliate.
3. The 38,012 shares decrease in the number of treasury stock of common stock reflects disposal of shares.

2. Items Concerning Stock Purchase Warrants and Own-Stock Purchase Warrants

Not applicable

3. Dividends

(1) Dividends Paid

Resolution	Class of stock	Total dividends (Million yen)	Dividend per share (Yen)	Record date	Effective date
General shareholders' meeting on June 23, 2006	Common stock	371	18	March 31, 2006	June 23, 2006

(2) Of the dividends for which the record date was included in the current interim fiscal period, those for which effective date occurs after the closing of the interim fiscal period.

Resolution	Class of stock	Total dividends (Million yen)	Dividend source	Dividend per share (Yen)	Record date	Effective date
Meeting of the board of directors on Nobember 15, 2006	Common stock	195	Retained earnings	9	September 30, 2006	December 15, 2006

(Notes on Interim Consolidated Statements of Cash Flows)

Half year ended September 30, 2005	Half year ended September 30, 2006	Year ended March 31, 2006
1. Relationship between cash and cash equivalents at half year end and the account amounts listed in the Interim consolidated balance sheets	1. Relationship between cash and cash equivalents at half year end and the account amounts listed in the Interim consolidated balance sheets	1. Relationship between the final balance of cash and cash equivalents and the account amounts listed in the consolidated balance sheets
(As of September 30, 2005)	(As of September 30, 2006)	(As of March 31, 2006)
Cash on hand and with banks ¥2,803 million	Cash on hand and with banks ¥4,425 million	Cash on hand and with banks ¥3,128 million
Fixed-term deposits over 3 months (– million)	Fixed-term deposits over 3 months (¥327 million)	Fixed-term deposits over 3 months (¥374 million)
Cash and cash equivalents ¥2,803 million	Cash and cash equivalents ¥4,098 million	Cash and cash equivalents ¥2,754 million

(Segment Information)

a. Business Segment Information

Previous consolidated interim fiscal period (From April 1, 2005 to September 30, 2005) (¥ millions)

	Die Casting Business	Aluminum Business	Proprietary Products Business	Total	Eliminations and Corporate	Consolidated
Sales						
(1) Customers	43,591	2,255	1,706	47,554	–	47,554
(2) Intersegment	–	640	0	640	(640)	–
Total	43,591	2,896	1,706	48,195	(640)	47,554
Operating expenses	40,753	2,803	1,631	45,187	(640)	44,546
Operating income	2,838	92	75	3,007	–	3,007

Current consolidated interim fiscal period (From April 1, 2006 to September 30, 2006) (¥ millions)

	Die Casting Business	Aluminum Business	Proprietary Products Business	Total	Eliminations and Corporate	Consolidated
Sales						
(1) Customers	50,653	3,689	2,211	56,554	–	56,554
(2) Intersegment	20	745	–	766	(766)	–
Total	50,674	4,434	2,211	57,320	(766)	56,554
Operating expenses	47,368	4,254	2,053	53,677	(768)	52,908
Operating income	3,305	179	157	3,643	2	3,645

Previous consolidated fiscal year (From April 1, 2005 to March 31, 2006) (¥ millions)

	Die Casting Business	Aluminum Business	Proprietary Products Business	Total	Eliminations and Corporate	Consolidated
Sales						
(1) Customers	92,306	5,007	4,295	101,609	–	101,609
(2) Intersegment	–	1,123	1	1,125	(1,125)	–
Total	92,306	6,131	4,297	102,734	(1,125)	101,609
Operating expenses	86,797	5,897	4,030	96,725	(1,124)	95,601
Operating income	5,508	234	266	6,009	(1)	6,008

(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
(2) Aluminum Business	Aluminum alloy ingots
(3) Proprietary Products Business	Access floors and its accessories, lawn mowers, grass cutters

3. Change in Accounting Policy (Current Consolidated Interim Fiscal Period)

The company adopted the "Accounting Standard for Directors' Bonus" (ASBJ Statement No. 4; November 29, 2005) during the current consolidated interim fiscal period.

As a result of this change, administration costs for this consolidated interim fiscal period has increased from what it would have been using the previos method by ¥17 million in the Die Casting Business, ¥0 million in the Aluminum Business and ¥0 million in the Proprietary Products Business, and operating income for this consolidated interim fiscal period has decreased the same amount by each business segment.

b. Geographic Segment Information

Previous consolidated interim fiscal period (From April 1, 2005 to September 30, 2005) (¥ millions)

	Japan	North America	Other Areas	Total	Eliminations and Corporate	Consolidated
Sales						
(1) Customers	40,602	6,476	475	47,554	–	47,554
(2) Intersegment	490	25	11	527	(527)	–
Total	41,092	6,502	486	48,081	(527)	47,554
Operating expenses	39,087	5,652	427	45,167	(620)	44,546
Operating income	2,005	849	59	2,913	93	3,007

Current consolidated interim fiscal period (From April 1, 2006 to September 30, 2006) (¥ millions)

	Japan	North America	Other Areas	Total	Eliminations and Corporate	Consolidated
Sales						
(1) Customers	47,920	7,651	982	56,554	–	56,554
(2) Intersegment	618	6	79	704	(704)	–
Total	48,538	7,658	1,062	57,259	(704)	56,554
Operating expenses	45,790	6,801	984	53,575	(667)	52,908
Operating income	2,748	856	78	3,683	(37)	3,645

Previous consolidated fiscal year (From April 1, 2004 to March 31, 2006) (¥ millions)

	Japan	North America	Other Areas	Total	Eliminations and Corporate	Consolidated
Sales						
Sales						
(1) Customers	86,708	13,711	1,188	101,609	–	101,609
(2) Intersegment	900	38	23	962	(962)	–
Total	87,609	13,750	1,211	102,571	(962)	101,609
Operating expenses	83,536	12,173	1,059	96,769	(1,167)	95,601
Operating income	4,073	1,576	152	5,802	205	6,008

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

2. Countries or areas in each main class:

North America: U. S. A. and Mexico

Other areas: East Asia and Southeast Asia

3. Change in Accounting Policy (Current Consolidated Interim Fiscal Period)

The company adopted the “Accounting Standard for Directors’ Bonus” (ASBJ Statement No. 4; November 29, 2005) during the current consolidated interim fiscal period.

As a result of this change, administration costs for this consolidated interim fiscal period has increased from what it would have been using the previos method by ¥18 million in Japan, and operating income for this consolidated interim fiscal period has decreased the same amount.