Consolidated Financial Results
for the Second Quarter of the Fiscal Year Ending March 31, 2010

November 9, 2009

Company Name	Ahresty Corporation	Stock Exchange Listing	TSE Second Section
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
Filing date of quarterly securities report			November 13, 2009
Planned date for start of dividend payments			—

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

1. Business performance (April 1, 2009 through September 30, 2009)

(1) Consolidated results of operations (For the six months ended September 30) (% shows change from previous first half)

	Net sales		Operating income		Recurring income	
	million yen	%	million yen	%	million yen	%
Six months ended September 30, 2009	32,346	(46.8)	(1,376)	—	(1,426)	—
Six months ended September 30, 2008	60,770	—	402	—	889	—

	Net income		Net income per share	Fully diluted net income per share
	million yen	%	yen	yen
Six months ended September 30, 2009	(1,312)	—	(60.94)	—
Six months ended September 30, 2008	636	—	29.46	29.43

(2) Consolidated financial position

	Total assets	Net assets	Equity ratio	Net assets per share
	million yen	million yen	%	yen
As of September 30, 2009	83,503	33,789	40.4	1,565.54
As of March 31, 2009	86,560	34,175	39.4	1,583.83

(For reference) Shareholders' equity 33,722 million yen at September 30, 2009
34,116 million yen at March 31, 2009

2. Dividend payments

	Dividend per share				
(Date of record)	End of first quarter	End of second quarter	End of third quarter	Year-end	For the year
	yen	yen	yen	yen	yen
Year ended March 31, 2009	—	11.00	—	0.00	11.00
Year ended March 31, 2010	—	0.00			
Year ending March 31, 2010 (projection)			—	0.00	0.00

(Notes) Change in the current quarter to dividend forecast: None

3. Forecast of consolidated results for year ending March 2010 (April 1, 2009 – March 31, 2010)

(% shows change from previous fiscal year)

	Sales		Operating income		Recurring income		Net income		Net income per share
	million yen	%	million yen	%	million yen	%	million yen	%	yen
Full year	72,500	(30.8)	(770)	—	(1,050)	—	(1,050)	—	(48.75)

(Notes) Change in the current quarter to consolidated results forecast: Yes

4. Others

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

(2) Application of simplified accounting and accounting peculiar to preparation of quarterly consolidated financial statements: Yes

(3) Changes in accounting principles, procedures, presentations, etc. for preparation of quarterly consolidated financial statements (Changes to be stated in changes in significant matters that are fundamental to preparation of quarterly consolidated financial statements)

(i) Changes associated with revision of accounting standards, etc.: Yes

(ii) Changes other than (i): None

(4) Number of shares outstanding (Common stock)

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

21,778,220 shares at September 30, 2009

21,778,220 shares at March 31, 2009

(ii) Number of treasury stock at end of period

238,051 shares at September 30, 2009

237,722 shares at March 31, 2009

(iii) Average number of shares (Quarterly cumulative period)

21,540,376 shares at September 30, 2009

21,614,533 shares at September 30, 2008

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

1. Of the consolidated forecast announced on May 14, 2009, the full-year portion was revised in the “Announcement Concerning Revision of Previous Business Forecast”, which was released on November 9, 2009.
2. This material contains forward-looking statements based on information obtained by the management as of the day of publication, as well as certain assumptions that the management believes to be reasonable. A number of factors could cause actual results to differ materially from expectations. For notes on the use of the results forecasts and assumptions as the basis for the results forecasts, as well as specific content of the revisions concerning the results forecasts mentioned in 1. above, please see “[Qualitative Information, Financial Statements, Etc.] and 3. Qualitative Information Concerning Consolidated Earnings Forecasts” on page 4.

[Qualitative Information, Financial Statements, Etc.]

1. Qualitative Information Concerning Consolidated Operating Results

During the first half (six months) of the fiscal year under review, the Japanese economy staged a gradual recovery, owing to an increase in exports and in industrial output, reflecting the progress of inventory adjustments both in Japan and overseas, and the bottoming out of the global economy. Meanwhile, the employment situation further deteriorated, and unemployment rates reached record levels, with conditions deteriorating even further. While the employment and household income situation continued to worsen, there were signs of a recovery in private consumption, owing to the effects of government stimulus measures, such as tax credits for eco-friendly cars. The decline in corporate income appeared to bottom—nevertheless, corporate income remained stagnant. Given this scenario, capital investments continued to contract.

Overseas, the U.S. economy, which had been crippled by recession since the onset of the financial crisis last year, continued to show signs of recovery in the second quarter of the fiscal year under review, primarily reflecting the government's economic measures, after significantly reducing the rate of contraction in the first quarter of the current fiscal year. In China, with domestic demand spearheading the country's recovery due to official stimulus packages and other measures, capital investment has steadily risen.

In this environment, the Company recorded lower sales and profits for the first half of the fiscal year under review, with sales of ¥32,346 million (down 46.8% from the previous fiscal year), an operating loss of ¥1,376 million (compared with operating income of ¥402 million in the previous fiscal year), a recurring loss of ¥1,426 million (compared with a recurring income of ¥889 million in the previous fiscal year), and a net loss of ¥1,312 million (compared with net income of ¥636 million in the previous fiscal year).

In the Die Casting Business, although the recovery in personal consumption was delayed, signs of a recovery in production were apparent, reflecting the completion of inventory adjustments by automakers, our major customers, amid the impact of the economic turnaround due to government stimulus measures, such as tax credits for eco-friendly cars, and to a recovery in consumption, mainly reflecting economic measures by the U.S. government. However, demand remained sluggish in the wake of the financial crisis. As a result, sales were ¥30,547 million (down 45.0% year on year). Although we made efforts to restructure our workforce to ensure that suitable personnel was allocated to meet the volume of orders, to cut costs, and to reduce selling, general, and administrative expenses, the decline in orders meant lower profit margins, resulting in an operating loss of ¥1,260 million (compared with operating income of ¥199 million for the previous fiscal year).

In the Aluminum Business, sales were ¥1,088 million (down 69.7% year on year), reflecting a 40% year-on-year drop in the shipment of secondary alloy ingots for both die casting and casting, as well as lower sales prices, due to a decline in ingot prices. Although we sought to reduce production costs, mainly by restructuring our production system and cutting labor costs, sluggish sales led to lower profit margins, which resulted in an operating loss of ¥82 million (compared with operating income of ¥142 million in the previous fiscal year).

In the Proprietary Products Business, sales totaled ¥711 million (declining 55.6% year on year), reflecting the significant impact from continued sluggish capital investment by semiconductor manufacturers, which have suspended such investment since the previous fiscal year. The operating loss stood at ¥34 million (compared with operating income of ¥53 million for the previous fiscal year), due to lower sales, offsetting our efforts in cutting sales costs.

Operating results by geographic segment are as follows:

(i) Japan

In Japan, given the effects of stimulus measures, including tax credits for eco-friendly cars and subsidies, sales of new automobiles by automakers, our major customers, rose every month during the second quarter of the fiscal year under review. Because the economic environment remained severe, however, this rise in sales failed to offset the slump in demand associated with the economic crisis. As a result, sales amounted to ¥25,817 million (down 49.7% from the previous fiscal year). With regard to income, although we made efforts to restructure our workforce to ensure that suitable personnel was allocated to meet the volume of orders, to cut costs, and to reduce selling, general, and administrative expenses, the decline in orders meant lower profit margins, resulting in an operating loss of ¥1,259 million (compared with operating income of ¥687 million for the previous fiscal year)

(ii) North America

In North America, sales of automobiles appeared to have risen, reflecting the U.S. government's economic measures, which include the provision of subsidies for the trade-in of gas guzzlers for more fuel-efficient vehicles. However, this increase in sales could not offset the impact of production adjustments by customers who saw a sharp drop in their auto sales. As a result, sales amounted to ¥4,495 million (down 39.2% from the previous year). Operating income stood at ¥57 million (compared with an operating loss of ¥253 million), primarily reflecting cuts in personnel and a restructuring of our production system in the United States.

(iii) Other areas

In China, orders from automakers, our major customers, remained steady, thanks to the impact of the Chinese government's stimulus measures. Sales increased, as a result of the commencement of sales in India last October, and sales in other regions amounted to ¥2,034 million (up 0.1% from the previous fiscal year). With regard to income, operating loss stood at ¥136 million (compared with operating income of ¥65 million from the previous fiscal year), principally because of the continued decline of orders in the die division.

2. Qualitative Information Concerning Consolidated Financial Position

The Company's assets at the end of the consolidated first half under review decreased 3,057 million yen from a year earlier, to 83,503 million yen. The main factors included a decrease of ¥2,107 million in trade notes and accounts receivable, an increase of ¥1,090 million in investments in securities, a decline of ¥753 million in inventories, and a decrease of ¥663 million in cash and time deposits.

Liabilities at the end of the consolidated first half under review decreased 2,672 million yen from a year earlier, to 49,713 million yen. The main factors included a decline of ¥2,687 million in notes and accounts payable.

Net assets at the end of the consolidated first half under review decreased 385 million yen from a year earlier, to 33,789 million yen. The main factors included a net loss of ¥1,312 million, an increase of ¥521 million in the revaluation difference of other marketable securities, and a rise of ¥397 million in foreign currency translation adjustments. As a result, the equity ratio rose from 39.4% at the end of the previous consolidated fiscal year to 40.4%.

3. Qualitative Information Concerning Consolidated Earnings Forecasts

Sales for the first half of the fiscal year under review more or less reached the forecast level. However, as the demand situation in the second half of the current fiscal year is expected to remain severe, and a recovery in demand is unlikely to reach initial forecast levels, full-year sales appear set to fall short of forecasts. With regard to income, for the second half of the current fiscal year, income is also likely to fall below initial forecasts, given the decline in sales. However, income for the full year is expected to exceed initial forecasts, reflecting positive effects from the changes to the production system that will facilitate better management of the volume of orders, and from other initiatives, including cost cuts and a reduction in selling, general, and administrative expenses.

In its consolidated forecast, the Company assumes exchange rates of 93 yen to 1 USD, 13.75 yen to 1 RMB, and 6.9 yen to 1 peso.

4. Others

(1) Changes in significant subsidiaries during the quarter (Changes in certain subsidiaries resulting in change in the scope of consolidation)

Not applicable.

(2) Application of simplified accounting and accounting peculiar to preparation of quarterly consolidated financial statements

1. Simplified accounting

(Calculation method for loan-loss reserve for general receivables)

Because the Company has determined that the loan-loss ratio during the consolidated first half under review has not changed significantly from the figure at the end of the previous consolidated fiscal year, it uses the loan-loss ratio calculated in the settlement of the previous consolidated fiscal year to calculate the loan-loss reserve for general receivables.

(Calculation method for corporate and other taxes, deferred tax assets, and deferred tax liabilities)

In terms of calculating the payment amount of corporate and other taxes for certain consolidated subsidiaries, only important items for addition/subtraction and tax deduction are considered.

In addition, with regard to determining the possibilities for collecting deferred tax assets at certain consolidated subsidiaries, the Company has established that there has been no substantial change in the management environment since the end of the previous consolidated fiscal year, and that the occurrence of temporary and other differences has not changed significantly. For this reason, the future business forecasts and tax planning used in the previous consolidated fiscal year continue to be utilized.

2. Accounting peculiar to preparation of quarterly consolidated financial statements

Not applicable.

(3) Changes in accounting principles, procedures, presentations, etc. for preparation of quarterly consolidated financial statements

Changes in accounting standards

The Company previously adopted the completed contract method as the standard to recognize construction revenues. Starting the first quarter of the consolidated fiscal year, however, it has adopted the Accounting Standard for Construction Contracts (ASBJ

Statement No. 15; December 27, 2007) and the Guidance on the Accounting Standard for Construction Contracts (ASBJ Guidance No. 18; December 27, 2007), and recognized construction revenues by the percentage-of-completion method for construction contracts that started from the first quarter of the consolidated fiscal year, and whose progress on work performed through the end of the first half of the consolidated fiscal year under review was clearly confirmed (the cost method was adopted for the estimation of the rate of progress on work performed). The completed contract method was adopted for other work.

These changes did not affect sales or income and losses.

5. Quarterly Consolidated Financial Statements

(1) Quarterly Consolidated Balance Sheets

	As of September 30, 2009	As of March 31, 2009
	Amount (¥ millions)	Amount (¥ millions)
(Assets)		
Current assets		
Cash and time deposits	6,781	7,444
Trade notes and accounts receivable	15,011	17,118
Merchandise and products	1,452	1,575
Partly finished goods	2,367	3,080
Raw materials and inventories	2,048	1,965
Others	1,706	2,212
Allowance for doubtful accounts	(5)	(6)
Total current assets	29,361	33,391
Fixed assets		
Tangible fixed assets		
Buildings and structures, net	10,072	9,660
Machinery and delivery equipment, net	19,752	20,150
Land	5,959	5,951
Construction in progress	7,884	7,692
Others, net	3,543	3,783
Total tangible fixed assets	47,211	47,238
Intangible fixed assets		
Good will	70	138
Others	670	692
Total intangible fixed assets	741	830
Investments and other assets		
Investments in securities	5,621	4,531
Others	575	577
Allowance for doubtful accounts	(8)	(8)
Total investments and other assets	6,189	5,100
Total fixed assets	54,142	53,169
Total assets	83,503	86,560

	As of September 30, 2009	As of March 31, 2009
	Amount (¥ millions)	Amount (¥ millions)
(Liabilities)		
Current liabilities		
Notes and accounts payable	10,474	13,161
Short-term loans	2,373	2,219
Current portion of long-term loans	5,854	5,574
Accrued income taxes	63	211
Bonus allowances	911	907
Directors' bonus allowances	0	2
Others	5,251	6,055
Total current liabilities	24,930	28,132
Long-term liabilities		
Long-term loans	17,397	16,934
Allowances for employees' retirement benefits	3,373	3,281
Allowances for directors' retirement benefits	161	161
Negative goodwill	293	444
Other	3,557	3,430
Total long-term liabilities	24,783	24,253
Total liabilities	49,713	52,385
(Net assets)		
Shareholders' equity		
Common stock	5,117	5,117
Additional paid-in capital	8,363	8,363
Retained earnings	22,445	23,758
Treasury stock	(357)	(357)
Total shareholders' equity	35,569	36,882
Revaluation / Translation differences		
Difference on revaluation of other marketable securities	1,475	954
Foreign currency translation adjustments	(3,323)	(3,720)
Total revaluation / translation differences	(1,847)	(2,765)
Share warrants	67	58
Total net assets	33,789	34,175
Total liabilities and net assets	83,503	86,560

(2) Quarterly Consolidated Statements of Income

(Amount: millions of yen)

	Six months ended September 30, 2008	Six months ended September 30, 2009
Sales	60,770	32,346
Cost of goods sold	55,289	29,820
Gross Profit	5,480	2,526
Selling, general and administrative expenses	5,078	3,902
Operating income (loss)	402	(1,376)
Non-operating income		
Interest income	12	6
Dividends received	68	36
Amortization of negative goodwill	228	151
Foreign currency exchange gain	179	—
Others	153	95
Total non-operating income	642	289
Non-operating expenses		
Interest expenses	126	234
Foreign currency exchange loss	—	62
Others	29	41
Total non-operating expenses	155	339
Recurring income (loss)	889	(1,426)
Extraordinary gains		
Gain on the sale of fixed assets	4	0
Reversal of allowance for doubtful accounts	—	2
Gain on liquidation of affiliate	100	—
Others	6	—
Total extraordinary gains	112	2
Extraordinary losses		
Loss on the sale of fixed assets	70	46
Compensation payments	—	26
Others	0	0
Total extraordinary losses	70	74
Income (loss) before income taxes and others	931	(1,497)
Income taxes and enterprise taxes	703	60
Deferred income taxes	(409)	(245)
Total income taxes	294	(185)
Net income (loss)	636	(1,312)

(3) Quarterly Consolidated Statements of Cash Flows

(Amount: millions of yen)

	Six months ended September 30, 2008	Six months ended September 30, 2009
Cash flows from operating activities		
Income (loss) before income taxes	931	(1,497)
Depreciation and amortization	5,671	4,783
Amortization of goodwill and negative goodwill	(149)	—
Amortization of goodwill	—	67
Amortization of negative goodwill	—	(151)
Increase/(decrease) in allowances for doubtful accounts	(4)	(0)
Increase/(decrease) in allowances for bonuses	(72)	3
Increase/(decrease) in allowances for directors' bonuses	(29)	(2)
Increase/(decrease) in allowances for employees' retirement benefits	142	91
Increase/(decrease) in allowances for directors' retirement benefits	(19)	—
Increase/(decrease) in prepaid pension expenses	40	15
Interest and dividend income	(80)	(42)
Interest expenses	126	234
(Gain)/loss on sales of tangible fixed assets	65	45
(Gain)/loss on sales of investment securities	(0)	—
(Gain)/loss on liquidation of affiliate	(100)	—
(Increase)/decrease in notes and accounts receivable	2,130	2,050
(Increase)/decrease in inventories	(351)	806
Increase/(decrease) in notes and accounts payable	(44)	(2,675)
Increase/(decrease) in accrued expenses	—	(395)
Increase/(decrease) in accrued consumption taxes and others	(385)	174
Others	(316)	338
Subtotal	7,551	3,846
Interest and dividends received	81	42
Interest paid	(126)	(215)
Income taxes paid	(1,131)	(244)
Income taxes refunded	323	519
Special severance payments paid	—	(338)
Compensation payments paid	—	(52)
Net cash provided by operating activities	6,699	3,557

(Amount: millions of yen)

	Six months ended September 30, 2008	Six months ended September 30, 2009
Cash flows from investing activities		
Payment into time deposits	(50)	(90)
Proceeds from refund of time deposits	84	110
Expenditures from purchases of investment securities	(12)	(10)
Proceeds from sales of marketable securities	0	―
Expenditures from purchases of affiliate shares	(50)	(200)
Proceeds from liquidation of affiliate	106	―
Expenditures from purchases of tangible fixed assets	(8,390)	(4,966)
Proceeds from sales of tangible fixed assets	16	2
Expenditures from loans	(1)	(5)
Proceeds from collection of loans	1	0
Others	(35)	(26)
Net cash used in investing activities	(8,330)	(5,185)
Cash flows from financing activities		
Proceeds from short-term loans	49,564	8,183
Repayment of short-term loans	(45,247)	(8,226)
Proceeds from long-term debt	3,000	3,875
Repayment of long-term debt	(2,285)	(2,904)
Redemption of corporate bonds	(700)	―
Proceeds from sale of treasury stock	0	―
Payments for purchase of treasury stock	(300)	(0)
Dividends paid	(302)	(1)
Others	(17)	(18)
Net cash used in Financing Activities	3,711	909
Effect of exchange rate changes on cash and cash equivalents	(70)	73
Net increase/(decrease) in cash and cash equivalents	2,010	(643)
Cash and cash equivalents at beginning of year	3,877	7,274
Cash and cash equivalents at end of period	5,887	6,631

(4) Notes on Going Concern Assumptions

Not applicable.

(5) Segment Information

[Business Segment Information]

Six months ended September 30, 2008 (Millions of Yen)

	Die Casting Business	Aluminum Business	Proprietary Products Business	Total	Eliminations and Corporate	Consolidated
Sales						
(1) Customers	55,576	3,592	1,601	60,770	–	60,770
(2) Intersegment	–	2,139	–	2,139	(2,139)	–
Total	55,576	5,731	1,601	62,909	(2,139)	60,770
Operating income	199	142	53	395	7	402

Six months ended September 30, 2009 (Millions of Yen)

	Die Casting Business	Aluminum Business	Proprietary Products Business	Total	Eliminations and Corporate	Consolidated
Sales						
(1) Customers	30,547	1,088	711	32,346	–	32,346
(2) Intersegment	4	943	–	948	(948)	–
Total	30,551	2,032	711	33,295	(948)	32,346
Operating income (loss)	(1,260)	(82)	(34)	(1,377)	0	(1,376)

[Geographic Segment Information]

Six months ended September 30, 2008 (Millions of Yen)

	Japan	North America	Other Areas	Total	Eliminations and Corporate	Consolidated
Sales						
(1) Customers	51,342	7,394	2,033	60,770	–	60,770
(2) Intersegment	694	0	421	1,116	(1,116)	–
Total	52,037	7,394	2,454	61,886	(1,116)	60,770
Operating income (loss)	687	(253)	65	499	(96)	402

Six months ended September 30, 2009 (Millions of Yen)

	Japan	North America	Other Areas	Total	Eliminations and Corporate	Consolidated
Sales						
(1) Customers	25,817	4,495	2,034	32,346	–	32,346
(2) Intersegment	522	—	168	691	(691)	–
Total	26,339	4,495	2,203	33,038	(691)	32,346
Operating income (loss)	(1,259)	57	(136)	(1,338)	(38)	(1,376)

[Overseas sales]

Six months ended September 30, 2008 (Millions of Yen)

	North America	Other Areas	Total
1. Overseas sales	7,396	2,114	9,510
2. Total sales			60,770
3. Overseas sales on total sales	12.2%	3.5%	15.7%

Six months ended September 30, 2009 (Millions of Yen)

	North America	Other Areas	Total
1. Overseas sales	4,504	2,069	6,574
2. Total sales			32,346
3. Overseas sales on total sales	13.9%	6.4%	20.3%

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

Not applicable.