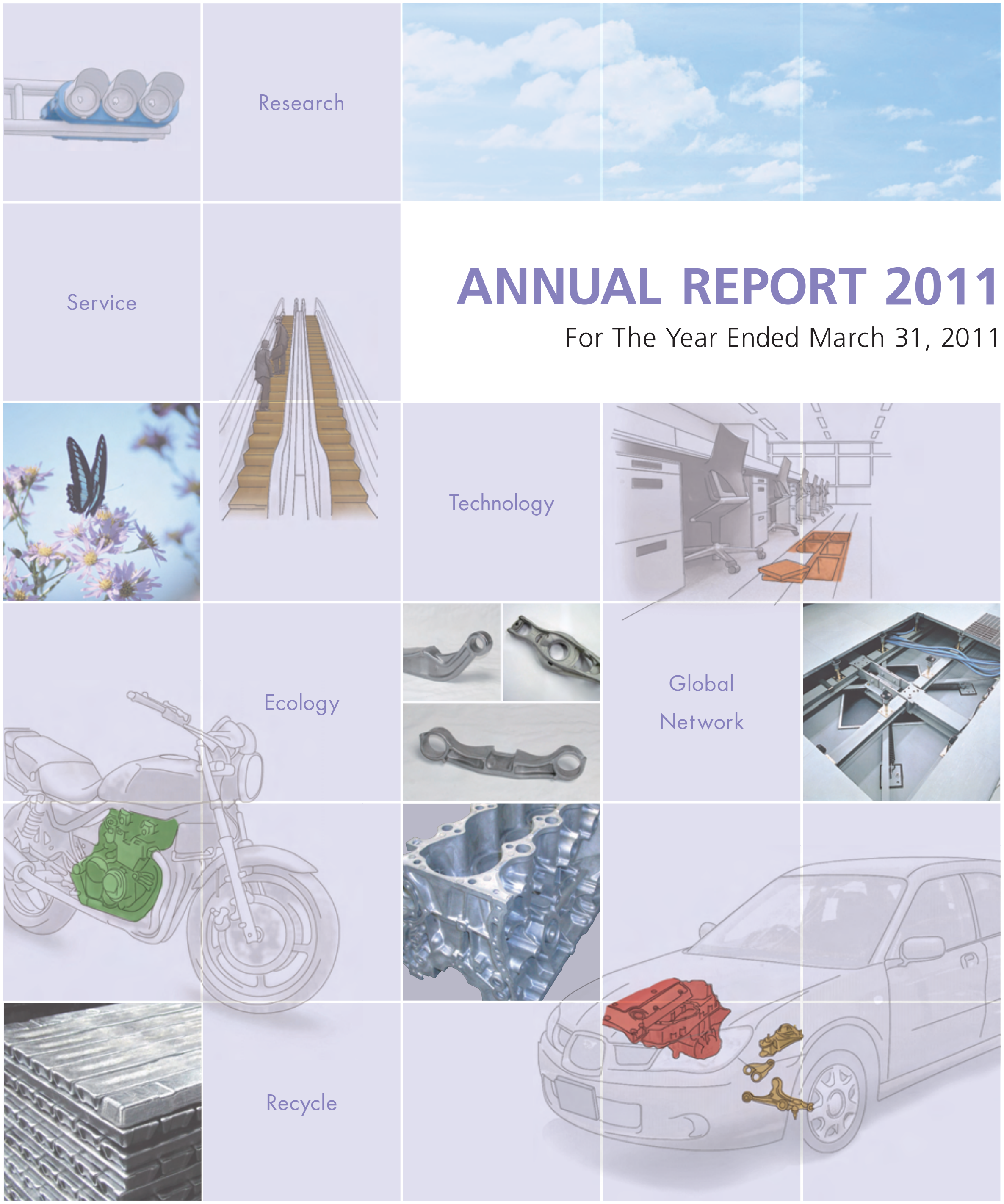
Casting Our Eyes
on the Future

ANNUAL REPORT 2011

For The Year Ended March 31, 2011

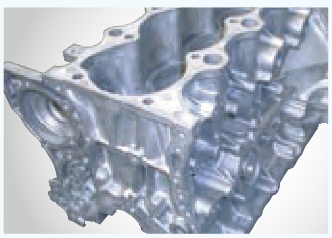


Ahresty

Committed to Research, Service, Technology

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

Our Business



Die Castings

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

Aluminum Alloy Ingots

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

Proprietary Products

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

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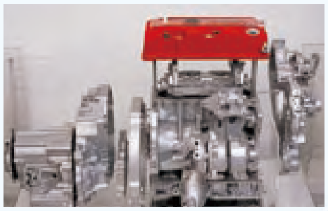
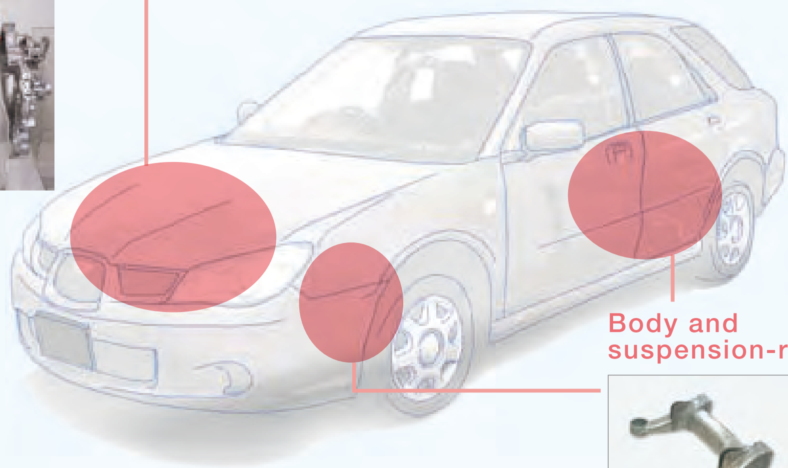
Ahresty is a leading company in the die casting industry.

Ahresty produces a broad lineup of die casting products, particularly automobile engines and transmissions. Following the downsizing of automobiles in recent years, Ahresty has been actively promoting the use of body parts and suspension-related parts that are produced using die-cast products.

Powertrain

- Engine
- Transmission





Body and suspension-related parts

History

Jun. 1938 — Founding of Ahresty's predecessor Shimura Aluminum Co., Ltd.
Start of production for aluminum alloy ingots, die casting products and aluminum sand mold castings

Nov. 1943 — Establishment of Fuso Light Alloys Co., Ltd.
Start of production for die casting products and aluminum sand mold castings

Mar. 1960 — Establishment of Japan Precision Die Mold Mfg. Co., Ltd. (currently Ahresty Die Mold Hamamatsu Corporation)

Jul. — Start of operations of Fuso Light Alloys Co., Ltd. Hamamatsu Plant (currently Tokai Plant (Hamamatsu))

Oct. 1961 — Listing of Fuso Light Alloys Co., Ltd. stock on the Second Section of the Tokyo Stock Exchange

Apr. 1962 — Establishment of Tokai Seiko Co., Ltd. (currently Ahresty Pretech Corporation)

Mar. 1963 — Start of operations of Kyoto Die Casting Co., Ltd. Toyohashi Plant (currently Tokai Plant (Toyohashi))

Apr. 1971 — Establishment of Tochigi Fuso Co., Ltd. (currently Ahresty Tochigi Corporation)

Mar. 1972 — Establishment of Ditec Co., Ltd. (currently Ahresty Die Mold Tochigi Corporation)

Sep. 1976 — Establishment of Kumamoto Fuso Co., Ltd. (currently Ahresty Kumamoto Corporation)

Mar. 1981 — Start of operations of Ditec Co., Ltd., Kumamoto Plant (currently Ahresty Die Mold Kumamoto Corporation)

Jul. 1984 — Start of operations of Fuso Light Alloys Co., Ltd. Kumagaya Plant

Aug. — Start of operations of Fuso Light Alloys Co., Ltd. Higashimatsuyama Plant

May 1985 — Establishment of Pascal Trading Co., Ltd. (currently Ahresty Techno Service Corporation)

Jun. 1988 — Establishment of Ahresty Wilmington Corporation

Oct. — Corporate name changed from Fuso Light Alloys Co., Ltd. to Ahresty Corporation

Oct. 1989 — Ahresty Corporation awarded Deming Prize for the year 1989 (Small and Mid-range Industries)

Feb. 1997 — Establishment of Thai Ahresty Die Co., Ltd.

Mar. — Ahresty Corporation obtains ISO9001 certification (Free Access Floor)
Ahresty Corporation obtains ISO9002 certification (Die Castings, Aluminum Ingots)

Mar. 2001 — Ahresty Corporation obtains ISO14001 certification

Jul. 2002 — Establishment of Thai Ahresty Engineering Co., Ltd.

Aug. 2003 — Establishment of Guangzhou Ahresty Casting Co., Ltd.

Oct. — Merger of Kyoto Die Casting Co., Ltd. and Ahresty Corporation

Nov. — Ahresty Corporation awarded the Minister of Economy, Trade and Industry Award of the 20th Materials Process Technology Commendation

Mar. 2005 — Establishment of Ahresty Precision Die Mold (Guangzhou) Co., Ltd.

Apr. — Merger of Pascal Industry Co., Ltd. and Sugahara Precision Industry Co., Ltd. into Ahresty Yamagata Corporation

Jun. — Head Office moved to Chuo, Nakano-ku, Tokyo

Jun. 2006 — Establishment of Ahresty Mexicana, S.A. de C.V.

Sep. — Establishment of Technical Center

Jan. 2007 — Establishment of Ahresty India Private Limited

Aug. 2010 — Establishment of Hefei Ahresty Casting Co., Ltd.

Apr. 2011 — Consolidated organizations into Tokai Plant ahead of the planned integration of Hamamatsu Plant and Toyohashi Plant.

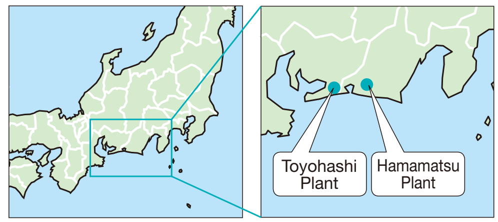
Topics

(Japan)

The Hamamatsu Plant and the Toyohashi Plant are to be integrated in March 2013

Since the collapse of Lehman Brothers, demand for die castings in Japan has fallen significantly. Because demand is expected to contract further over the medium to long term, the Company decided to amalgamate the Hamamatsu Plant and the Toyohashi Plant, which are located in the Tokai area where production capacity is particularly expected to exceed demand.

The Company integrated the organizations of the two plants in April 2011, and plans to restructure them as the Tokai Plant, based on the facilities of the Toyohashi Plant, by March 2013. The excess production capacity will be transferred to overseas plants that are located in areas where demand are expected to grow in the future.



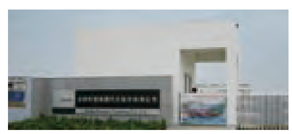
(Asia)

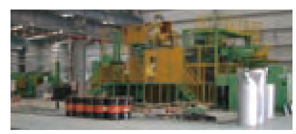
Expansion of die casting production bases in China

Hefei Ahresty Casting Co., Ltd. was established in August 2010 as the second die casting production base in China, and commenced its operations in July 2011. To meet strong demand in China, Ahresty is now engaged in the second-term construction work (a processing plant) of the Hefei Plant, and the expansion work (the second-term construction work) of the No. 2 plant of Guangzhou Ahresty Casting Co., Ltd.

Hefei Plant (Building area)
First term: 6,656 m^2
Second term: 7,851 m^2
(to be completed in March 2012)
Total: 14,507 m^2

Guangzhou No. 2 Plant (Building area)
First term: 7,142 m^2
Second term: 3,082 m^2
(completed in May 2011)
Total: 10,224 m^2


Hefei Ahresty Casting Co., Ltd.


Inside the Hefei Plant

A new die plant is completed in Guangzhou

Ahresty Precision Die Mold (Guangzhou) Co., Ltd. planned to relocate its operations from the site of Guangzhou Ahresty Casting Co., Ltd. to a nearby site. A new plant was completed in July 2010, and Ahresty Precision Die Mold (Guangzhou) held a opening ceremony and commenced operations in November 2010.

(Building area)
First term: 2,679 m^2
Second term: 1,830 m^2
(to be completed in February 2012)
Total: 4,509 m^2

Expansion of the plant in India

Ahresty India Private Limited began operating two years ago, and has since been growing steadily. Aiming to continue bolstering its sales, it is engaged in the fourth term expansion work.

(Building area)
Up to the third term: 8,262 m^2
(completed in October 2010)
Fourth term: 3,232 m^2
(to be completed in September 2011)
Total: 11,494 m^2

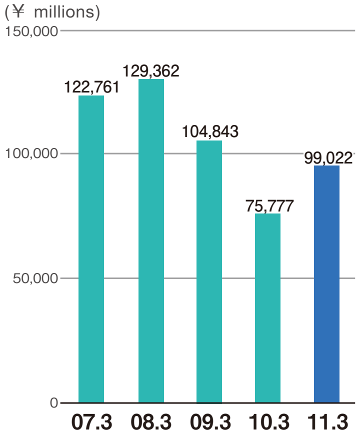
(North America)

Expansion of the plant and the construction of a new die plant in Mexico

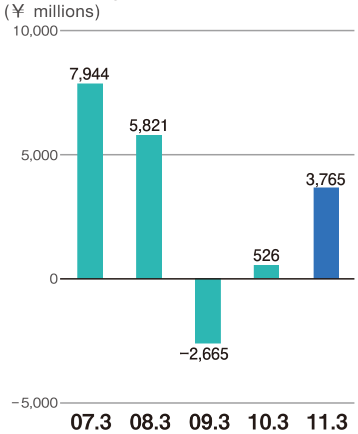
Since the commencement of its operations in 2007, Ahresty Mexicana, S.A. de C.V. has performed steadily and expanded its operations. In August 2010, it expanded the building for die casting (3,010 m^2). Moreover, to strengthen the cost competitiveness, it constructed a new die plant (2,004 m^2) in September 2010, commencing operations in December 2010 as part of its efforts to manufacture dies locally.

Consolidated Financial Highlights

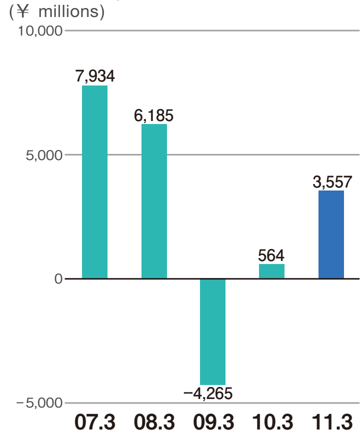
Sales
(¥ millions)



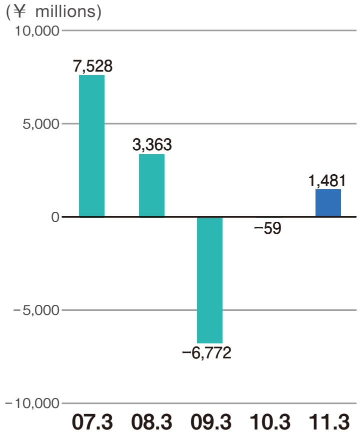
Operating income (loss)
(¥ millions)



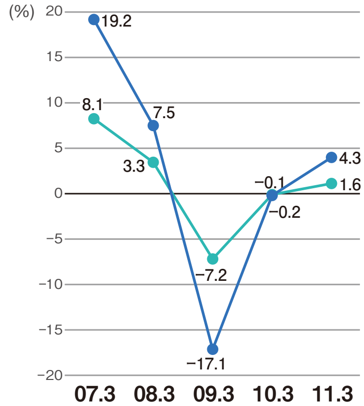
Recurring income (loss)
(¥ millions)



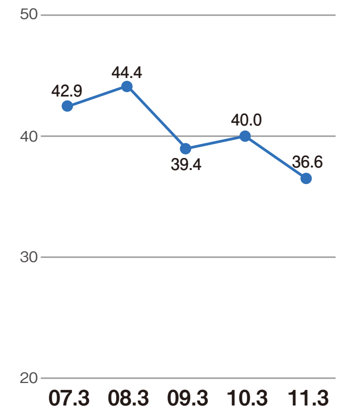
Net income (loss)
(¥ millions)



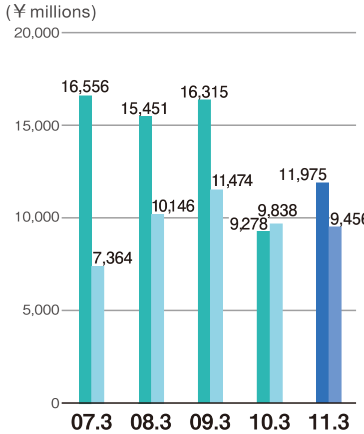
Return on equity (ROE)
Return on assets (ROA)



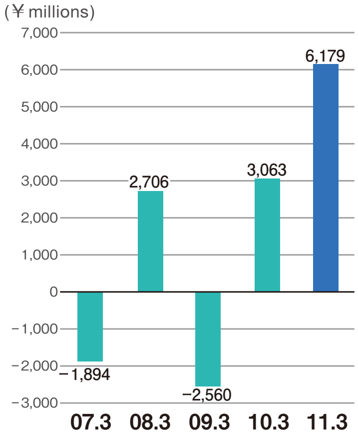
Equity ratio
(%)



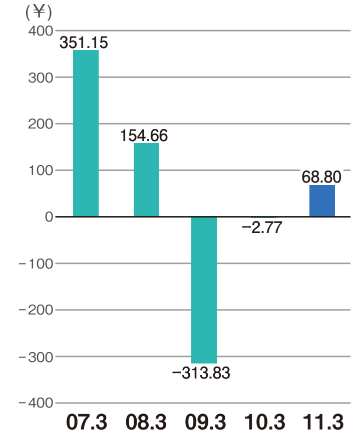
Capital expenditures*1
Depreciation*1
(¥ millions)



Free cash flow*2
(¥ millions)



Net income (loss) per share
(¥)



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

Becoming a Reliable Global Partner for Our Customers

We would like to express our deepest condolences for the victims of the Great East Japan Earthquake that took place on March 11, 2011.

In fiscal 2010, having recovered from the impact of the collapse of Lehman Brothers, Ahresty performed strongly before the Great East Japan Earthquake struck. As a result, despite the sharp drop in its production activities after the March 11 disaster, Ahresty recorded consolidated net sales of ¥99.0 billion. Production of die castings, Ahresty's mainstay business, expanded both in Japan and overseas. The increase in overseas sales was particularly noteworthy. Overseas net sales from the die casting business accounted for 30% of the overall sales of Ahresty, rising from 23% for fiscal 2009. In fiscal 2012, overseas sales of die castings are likely to reach approximately 40% of overall sales, and I believe that this upward trend will continue in the future.

In response to a situation of declining domestic and rising overseas demand, Ahresty has been taking steps to optimize its production bases in Japan and strengthen its overseas presence.

As part of its efforts to optimize its operations in Japan, Ahresty decided to merge the Hamamatsu Plant and the Toyohashi Plant. It first merged organizations, and then executed a comprehensive physical amalgamation, commencing integrated operations as the Tokai Plant in April 2011. To concentrate its operating facilities in the Toyohashi area, Ahresty is now constructing plant buildings and transferring die casting machines, with the process expected to be complete around March 2013.

To strengthen overseas production bases, during the fiscal year ended March 2011 Ahresty bolstered production capacities by constructing and expanding plants as follows:

- Mexico: Expansion of the casting plant and the construction of a new die casting die plant
- China (Guangzhou): Construction of a new die casting die plant and the commencement of the second-term construction of the No. 2 die casting plant
- India: Expansion of the casting plant and the processing plant

Moreover, in addition to the production

base in Guangzhou, Ahresty commenced die casting production in Hefei City, Anhui, in July 2011. The Hefei Plant will reinforce the supply capability of the Guangzhou facility, which alone cannot fully meet the rapidly growing demand of the Chinese market.

Global demand for automobiles is expected to exceed 95 million units in 2020. In step with this growth, demand for die castings is likely to increase rapidly, particularly in growth markets. However, the number of die casting manufacturers that have the capacity to supply large and sophisticated die casting products to major global consumption areas is extremely limited.
Under the three-year strategies that commenced from fiscal 2010, we have been focusing on five main pillars: (i) Quality-focused improvement of business platform for global leap forward; (ii) Creation of professional development environment and autonomous growth; (iii) Development of global business standards; (iv) Construction and operation of the administration system of overseas subsidiaries (v) Risk management. By developing the business foundations described above and strengthening its overseas bases, Ahresty aims to become a global partner that customers trust.
As we pursue this approach, we hope that we can continue to count on the support and understanding of our stakeholders.

Arata Takahashi
President, CEO

10-12 Medium-Term Strategy

The quality-focused improvement of our business platform for a further leap forward

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 "10-12 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.

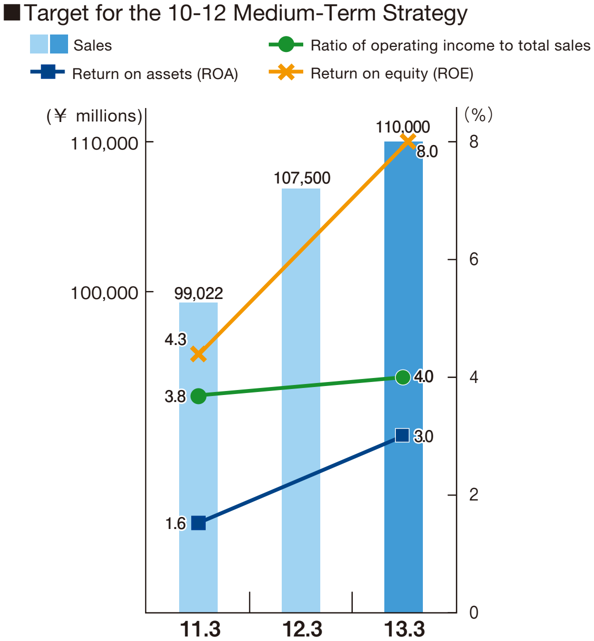
4 Construction and operation of the administration system of overseas subsidiaries

As the ratio of overseas businesses is increasing, we will take steps to enhance the management, sales and manufacturing functions of overseas subsidiaries and strengthen the control and support functions at head office, as a means to bolster the foundation for operating overseas businesses.

5 Risk management

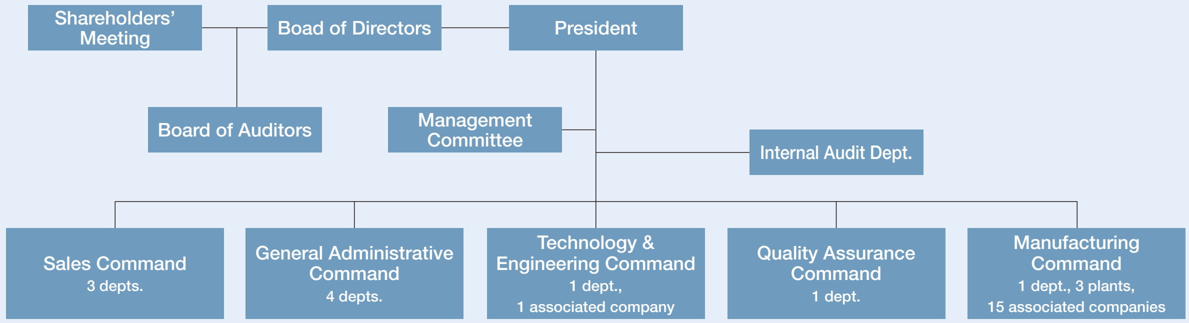
We will introduce business continuity management and formulate and implement a business continuity plan. We will also review the business continuity plan in light of the experience of the Great East Japan Earthquake.

■Target for the 10-12 Medium-Term Strategy



Management Message

The Ahresty Group has adopted a “five commands” system comprising the Sales Command, the General Administrative Command, the Technology & Engineering Command, the Quality Assurance Command, and the Manufacturing Command.



To achieve global expansion, Ahresty will establish a steady business foundation by developing human resources and promoting standardization.

Shigeru Furuya

Director, Senior Managing Executive Officer,
General Manager of General Administrative Command

In fiscal 2010, with the global economy recovering from its downturn, Ahresty took steps to respond to the rapid globalization of the automobile industry, with overseas investments and cost-cutting initiatives. As a result, the Company recorded higher sales and profits. Meanwhile, in fiscal 2010, the first year of its three-year strategy, Ahresty launched initiatives to develop its business foundations by reviewing and establishing systems to train the human resources that form the foundations of manufacturing, while promoting global standards.

In fiscal 2011, the second year of its efforts to bolster its manufacturing foundations, Ahresty aims to redevelop and promote quality training for all personnel in different positions. It will also make efforts to establish and promote specialty training systems to develop professionals in all individual duties. Moreover, it will establish a robust foundation appropriate for a global company by methodically promoting global standards.

Ahresty will pursue initiatives to improve its global quality system to meet customers’ expectations.

Hiroshi Ishimaru

Director, Senior Managing Executive Officer,
General Manager of Quality Assurance Command

Under the 10-12 three-year Ahresty Policy, which started in fiscal 2010, Ahresty has been taking initiatives based on the recognition that “Quality-focused improvement of business platform for rapid worldwide progress” is its most important challenge.

In activities to minimize post-processing defects, one of the initiatives stipulated in the policy, Ahresty has started to produce positive results, albeit varying depending on the operating base. It will continue to promote these activities across the company through plan-do-check-act (PDCA) actions. Moreover, in activities to improve the quality system, Ahresty aims to strengthen its structure in which weaknesses that are pointed out through “audits for ideal processing” are improved so that the operations can be steadily strengthened. It will also steadily develop standards to acquire a TS16949 certificate in Japan. Through these measures, Ahresty will strive to improve the quality system of Ahresty worldwide to meet customers’ expectations.

Ahresty will focus on producing quality products by clarifying the manufacturing fundamentals and embodying them in its manufacturing processes.

Kennichi Nonaka

Director, Senior Managing Executive Officer,
General Manager of Manufacturing Command

Ahresty has a long history, over which it has developed and inherited a number of manufacturing fundamentals. Based on these fundamentals, Ahresty has earned a reputation from customers for providing reliable technologies.
Ahresty has been achieving significant global expansion in the United States, Thailand, China, Mexico, and India. Acting on its basic management policy, "LET US TAKE PRIDE IN OUR WORK, RESPECT THEORY AND EXPRIMENTATION, VALUE ORIGINALITY AND INVENTION AND OFFER SUPERIOR PRODUCTS AND SERVICE TO OUR CUSTOMERS" Ahresty is now striving to clarify the fundamentals of manufacturing and to embody them in its manufacturing processes. To identify the conditions for manufacturing high-quality products, the Company acquires knowledge from information after analyzing and examining the relevant information, and it uses its expertise. The key is the activities of employees. By observing its employees' activities based on the standard operations of each operating site and adopting their suggestions for improvement, Ahresty aims to create a workplace where employees enjoy manufacturing and enthusiastically engage in their work.

Ahresty is focusing on developing technologies and products related to HEVs and EVs, and global products.

Shinji Sannakanishi

Managing Executive Officer,
General Manager of Technology & Engineering Command

In fiscal 2010, our department primarily focused on product development targeting HEVs and EVs in Japan. In product development for overseas orders, we focused mainly on the existing components of engines and transmissions used in compact cars. Because components, particularly for the overseas market, are progressively being miniaturized while maintaining their existing functions, we held comprehensive discussions with customer design sections to achieve both the design space that customers require and the efficient production of die castings. Meanwhile, rapid technical innovation related to HEVs and EVs have brought significant change to the functions that customers seek. Consequently, we sought to develop products in which we mainly focused on the selection of materials and the proposal of shapes, by taking into account future trends. We will continue our efforts to collect information and make proposals on a timely basis.
We have also participated in initiatives to bolster the productivity of the Higashimatsuyama Plant, particularly related to suspension-related products, and have actively sought to solve the remaining technological issues. Given the improvement in plant operations and the progress on technological issues, productivity has almost reached targeted figures. We plan to focus our resources on preparing for the production of new products in the future.

Ahresty aims to rapidly develop global talent and bolster operating efficiency by establishing training systems and standards.

Naoyuki Kaneta

Managing Executive Officer,
General Manager of Sales Command

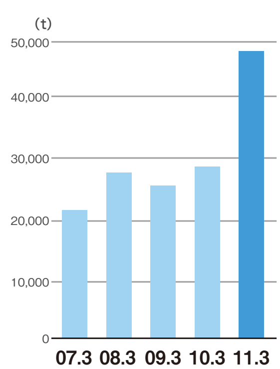
Automotive production, which temporarily stalled in the wake of the Great East Japan Earthquake, has recovered more quickly than expected as a result of efforts by the Japan Automobile Manufacturers Association and automakers. For the Company, orders have also recovered ahead of schedule, and it expects to increase production. In contrast, demand for die castings in Japan is likely to fall over the medium and long terms, given the contraction of the domestic automobile market and the appreciation of the yen. Moreover, given problems in the supply chain highlighted in the wake of the 3/11 disaster, the pace of the localization of the procurement of parts and production is expected to accelerate. Demand for die castings overseas, meanwhile, is likely to continue growing, mainly in emerging economies, although there are certain adverse factors, including the fiscal crises in the United States and Europe and a slowdown in the growth of the Chinese economy.
In this business environment, to contribute to the global growth strategies of its customers, the Sales Command will take steps to promptly develop global human resources and bolster operating efficiency through standardization. Ahresty is fully committed to contributing to customer growth through appropriate proposals and speedy sales activities.

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

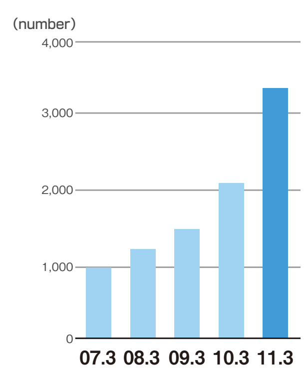
Ahresty is actively promoting its overseas operations to quickly and efficiently deliver a stable supply of products to customers around the world. In addition to our U.S. plant in Wilmington, Ohio, we established a die casting plant in Guangzhou, China, Hefei, China, Mexico and India, and have been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

Overseas sales volume / Number of employees

Overseas sales volume



The number of employees



•Ahresty Wilmington Corporation

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

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

•Hefei Ahresty Casting Co., Ltd.

The plant commenced its operations in 2011. As the second manufacturing base in China, it will lead the production of die casting products, machining, and parts assembly.

2295 Qinglongtan Rd., Hefei Economic and Technological Development Area, Anhui, China P.O. 230601

•Ahresty India Private Limited

The plant started operations in fiscal 2008. The plant produces die casting products, perform machining as the forth overseas operations. Monthly production capacitiy: 500 tons.

Plot No. 194, Sector 4, Phase-II Growth Centre, Bawal, Rewari, Haryana 123401, India

•Guangzhou Ahresty Casting Co., Ltd.

Began operations in fiscal 2004; involved in the production of die casting products, machining and parts assembly. Monthly production capacity: 2,000 tons.

No.7 Xinfeng St., Yonghe Economic District, Guangzhou Economic & Technological Development District, P.R. China Zip 511356

•Ahresty Mexicana, S.A. de C.V.

Began operations in fiscal 2007. To complement the production of Ahresty Wilmington Corporation, the plant produces die casting products, perform machining, and assemble parts. Monthly production capacity: 1,700 tons.

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

Domestic major facilities

Higashimatsuyama Plant

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

Kumagaya Plant

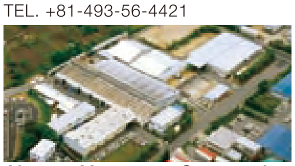
284-11 Miizugahara, Kumagaya-shi, Saitama Prefecture 360-8543
TEL. +81-48-533-5161

Tokai Plant (Hamamatsu)

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

Tokai Plant (Toyohashi)

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



Ahresty Yamagata Corporation

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

Ahresty Tochigi Corporation

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

Ahresty Kumamoto Corporation

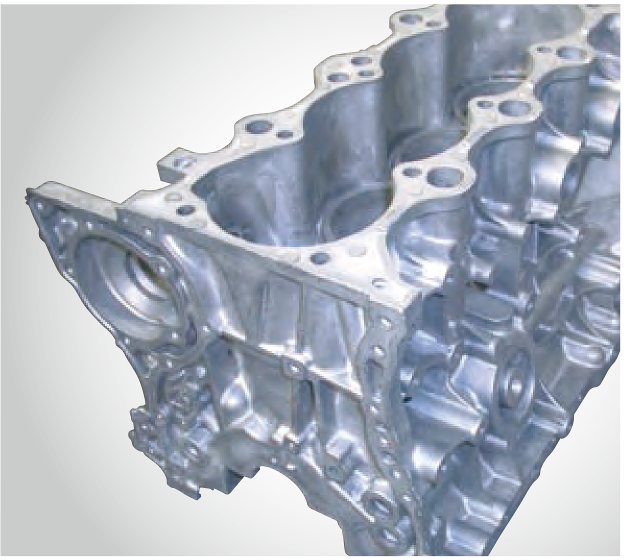
36 Urakawachi, Matsubase-machi, Uki-shi, Kumamoto Prefecture 869-0521
TEL. +81-964-33-3111

Technical Center

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

Die Casting Business

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



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

Main die-cast products

Of the die cast products produced in Ahresty, 80% are parts for four-wheeled automobiles. In addition, we produce parts for motorcycles, generators and outboard engines.

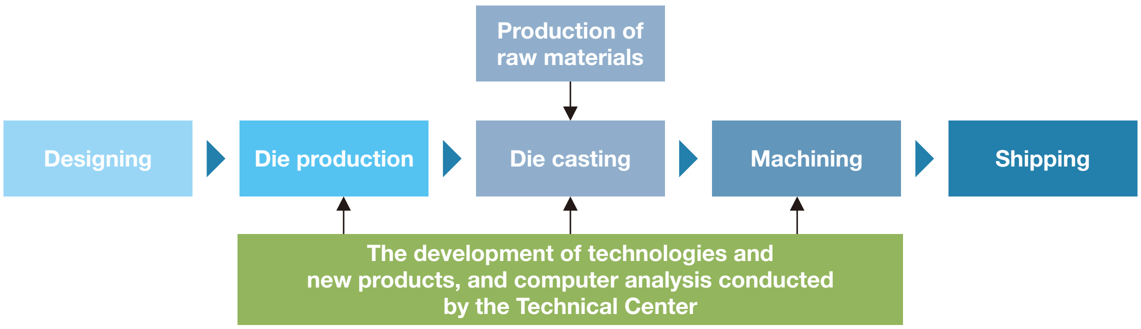
- Aluminum die cast products
  - Engine parts
  - Transmission parts
  - Suspension-related parts
- Magnesium die cast products
- Gravity die cast products

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

Die cast product characteristics

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

Ahresty's die casting production system— A fully integrated production system, from the production of raw materials to machining



Fiscal 2010 Results

Die Casting Business: Japan

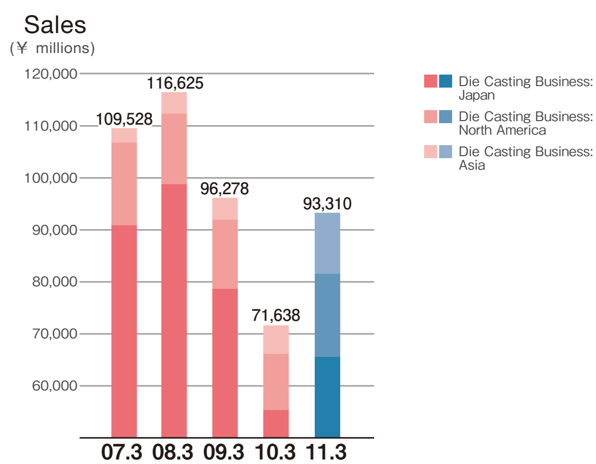
In Japan, although the automotive industry, our main customer, suffered a fall in domestic car sales below the year-ago level in reaction to the termination of subsidies for purchasing eco-cars and the effects of the Great East Japan Earthquake, domestic car production exceeded the level a year ago, backed by firm exports of finished cars. As a result, the segment enjoyed an increase in orders and recorded net sales of ¥65,624 million (rising 18.4% from the previous fiscal year). Income from this segment amounted to ¥1,929 million (as compared with segment income of ¥26 million the previous fiscal year) owing chiefly to the effects of higher sales.

Die Casting Business: Asia

In China, orders received by the Company remained high, reflecting strong car sales driven by purchase support policies and other measures by the government. In India, orders received by the Company also increased, and the supply of components to new customers began. Consequently, sales reached ¥11,666 million (up 114.6% year on year). Income from this segment amounted to ¥723 million (increasing 151.6% from the previous fiscal year), reflecting the effects of higher sales.

Die Casting Business: North America

In North America, as sales of automobiles remained on a recovery track, orders from major customers also increased. With the commencement of the supply of components to new customers in Mexico, sales stood at ¥16,020 million (increasing 48.8% year on year). Income from this segment amounted to ¥1,029 million (rising 99.7% from the previous fiscal year), reflecting the Company's efforts to cut costs, in addition to the effects of higher sales and production.



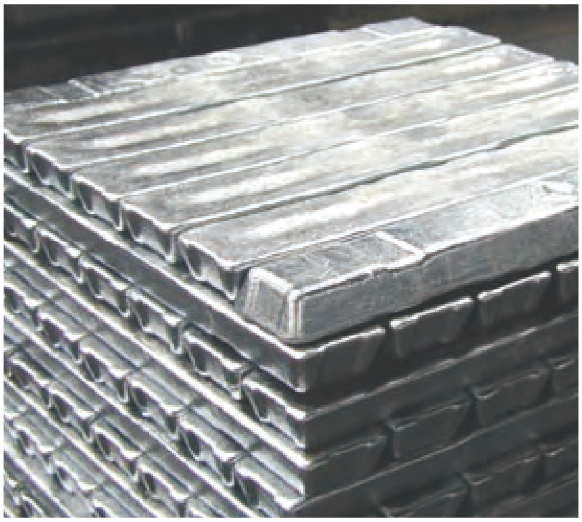
Fiscal 2011 Outlook

Demand for die castings in Japan is likely to remain unchanged or contract in the medium and long terms, given the decline in sales of automobiles in Japan, reflecting the falling birthrate and the aging population, as well as an increase in the overseas production of automobiles as a result of efforts by companies to avoid foreign exchange risks. However, given rising demand for automobiles in emerging economies, a recovery in demand in advanced economies, and an increase in the use of aluminum die castings as a result of a growing demand for lighter products, global demand for die castings is expected to increase in the future.

In this environment, the Company will strive to improve productivity and take action to cut costs, while it will continue to invest in Asia and Mexico to achieve global business expansion. The Company is, however, forced to post lower income in fiscal 2011, mainly reflecting the effects of prior investments, although the recovery from the Great East Japan Earthquake is progressing steadily.

Aluminum Business

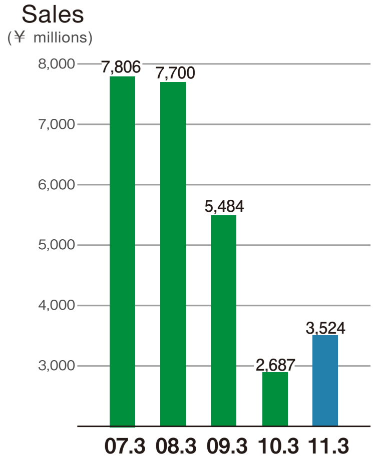
High-quality products from various materials using top-class facilities and expertise



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

Fiscal 2010 Results

In the Aluminum Business, although orders remained almost in line with the level in the previous fiscal year, mainly due to the effects of price competition, sales were up to ¥3,524 million (increasing 31.1% year on year) as ingot prices rose. In terms of income, the segment recorded a loss of ¥13 million (as compared with a segment loss of ¥188 million the previous fiscal year), despite the positive effects of promoting cost reduction activities.



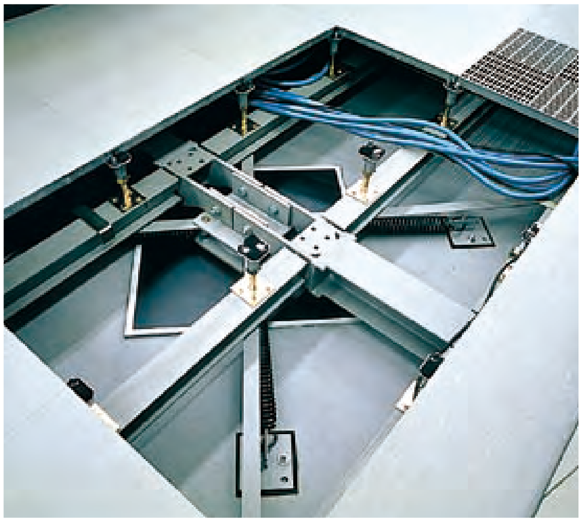
Fiscal 2011 Outlook

The Company was forced to slow production in April and May 2011, given a decline in orders in the wake of the Great East Japan Earthquake. In June 2011, however, orders recovered sharply. Meanwhile, the Company is one of the businesses that receive electric power from the Tokyo Electric Power Company and as such are subject to power consumption cuts of 15%. As a result, it is likely to be forced to restrain production levels during the period from July 2011 through September 2011. Production for the first half of the fiscal year under review is likely to reach only around 85% of that achieved in the same period of the previous fiscal year. This situation is likely to negatively affect the Company's income.

In the second half of the fiscal year under review, because companies have developed plans to catch up on earnings missed in the first half of the year, the Company expects to maintain output in its aluminum business at a demanding level. It will respond to the situation by taking comprehensive steps to improve productivity and operating efficiency, and aim to bolster earnings.

Proprietary Products Business

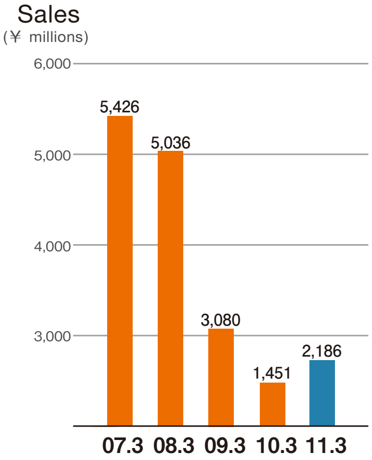
Developing new free access floor products to keep pace with expanding opportunities



In 1962, Ahresty developed MOVAFLOR, the first aluminum die cast-based free access floor panel in Japan. A free access floor is raised flooring that can accommodate wiring and piping underneath.
While it is widely used among general offices and hospitals, Ahresty particularly focuses on floor panels for the clean rooms of semiconductor manufacturing plants, data centers and computer rooms.

Fiscal 2010 Results

In the Proprietary Products Business, sales increased to ¥2,186 million (up 50.7% year on year), reflecting the resumption of postponed capital spending by semiconductor manufacturers as well as orders for products for data centers and computer rooms of large financial institutions mainly in the Tokyo metropolitan area. Income from this segment amounted to ¥84 million (compared with a segment loss of ¥123 million the previous fiscal year), thanks to the effects of higher sales.



Fiscal 2011 Outlook

The data center market in Japan is set to grow in the future, as companies are likely to continue to diversify their operations to different regions to reduce geographical business risks.
In the clean-room market, although the outlook remains uncertain, the market for small and midsize liquid crystal displays, mainly for smartphones and tablet terminals, began to grow. With a rise in capital investments by electric manufacturers, the market is expected to expand.
The overseas market is likely to continue to grow, especially in Southeast Asia, in the long-term.
The Company plans to strengthen sales in these markets.

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

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

ISO14001 Certification

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

ISO14001:2004 certification

Obtained by Head Office, Kumagaya Plant,
Higashimatsuyama Plant, Tokai Plant (Hamamatsu),
Tokai Plant (Toyohashi), Technical Center,
Ahresty Tochigi Corporation,
Ahresty Kumamoto Corporation,
Ahresty Yamagata Corporation
Ahresty Pretech Corporation,
Ahresty Die Mold Hamamatsu Corporation
Ahresty Die Mold Tochigi Corporation
Ahresty Die Mold Kumamoto Corporation

Eco Action 21

To further expand environmental initiatives, Group companies who have not adopted an environmental management system have been working to introduce Eco Action 21, which is relatively easy to introduce compared to ISO14001.

Eco-Action 21
reg No. 0003801

0003801
Ahresty Techno Service Corporation

Environmental and Social Report 2011

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

Environmental Preservation Measures

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

Ex. : recycled materials

Wastewater treatment

↓

Sludge

↓ After quality improvement

Roadbed material, recycled sand

Consistently striving to contribute to society

To create a corporate culture in which all its employees recognize the importance of making a contribution to society, and to encourage participation in a range of activities, Ahresty supports its employees in their community activities. The Company values initiatives to beautify the areas surrounding plants and sales offices, activities to clean up nearby rivers, volunteer tree planting to improve forests through tree thinning and planting, and the planning and the promotion of forest development activities, as well as its own employees' welfare activities and blood donation through external organizations. To encourage these contributions, Ahresty presents and awards Ahresty Eco Points to employees who take part.

As a corporate citizen, Ahresty is committed to actively participating in social contribution activities, and supporting the revitalization of the local communities through close communications.

Activities to clean nearby rivers (Ahresty Techno Service Corporation)

The Flower Road and Adopt-a-River activities (Ahresty Yamagata)

Ahresty's initiatives to improve forests (Kanto area)

Umeda River Fureai Clean Action (Tokai Plant, Toyohashi)

Volunteer activities to create Iwaya Ryokuchi (Tokai Plant, Toyohashi)

Participating in activities to clean up Enshunada Beach (Ahresty Die Mold Hamamatsu)

Cleanup activities in the areas around the plant (Ahresty Tochigi)

Activities to clean areas surrounding the head office

Corporate Governance Policies

Ahresty recognizes the importance of constantly enhancing our corporate value to achieve our goal of becoming the most trusted company by all stakeholders, including customers, shareholders and investors, employees, business partners and society at large. Therefore, we seek to improve our corporate governance on a foundation of strengthened competitiveness and sound, transparent management, while establishing an organizational structure that can quickly respond to changes in the management environment.

Compliance

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

We have established a Compliance Committee Secretariat to strengthen our system of compliance with laws related to our corporate activities, corporate ethics and in-house regulations.

Compliance Principles

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

Ahresty Group Standards of Behavior

We have formulated the "Ahresty Group Standards of Behavior" encompassing basic rules for the execution of daily operations.

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

Financial Section

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Results of Operations

During the consolidated fiscal year under review, the Japanese economy staged a generally modest recovery against a backdrop of improving private consumption backed by economic stimulus packages such as supportive measures for purchasing automobiles and improvements in corporate earnings supported by growth in exports. However, the Great East Japan Earthquake that occurred in March 2011 had a significant impact on production and consumption activities.
Overseas, the U.S. economy was also achieving a moderate recovery, despite high unemployment, while China and India continued to enjoy economic growth, centering on domestic demand.
In this environment, the Ahresty Group strengthened its production presence, particularly in China, Mexico, and India, to meet rising international demand for die-cast components. The Group also took steps to expand its overseas production capacity by establishing a second die-cast production base in China in Hefei, Anhui province, scheduled to comment operation in the summer of 2011. Meanwhile, in Japan, the Company integrated the Hamamatsu Plant and the Toyohashi Plant to consolidate and restructure them as the Tokai Plant by March 2013, preparing for an anticipated decline in domestic demand for die-cast components over the medium and long terms.
With respect to operating results for the consolidated fiscal year under review, the Group posted net sales of ¥99,022 million (increasing 30.7% from the previous fiscal year), as sales generally increased in Japan and overseas thanks to a recovery in demand and orders for new components, despite the adverse effects of the Great East Japan Earthquake.
In terms of profits, operating income came to ¥3,765 million (increasing 614.5% from the previous fiscal year), attributable to the effects of higher sales and cost cutting, and recurring income rose to ¥3,557 million (up 530.4% year on year). Net income was ¥1,481 million (compared with a net loss of ¥59 million the previous fiscal year), mainly due to the posting of extraordinary losses of ¥1,363 million as business structure improvement expenses associated with the integration of the Hamamatsu Plant and the Toyohashi Plant into the Tokai Plant.

Consolidated performance for year ended March 2011 (April 1, 2010–March 31, 2011)

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

(1) Consolidated Operating Results

	Sales		Operating Income		Recurring Income	
	Millions of Yen	%	Millions of Yen	%	Millions of Yen	%
Fiscal year ended March 2011	99,022	30.7	3,765	614.5	3,557	530.4
Fiscal year ended March 2010	75,777	(27.7)	526	–	564	–

	Net Income		Net Income per Share	Fully Diluted Net Income per Share	Return on Equity	Return on Total Asset	Operating Profit on Sales
	Millions of Yen	%	Yen	Yen	%	%	%
Fiscal year ended March 2011	1,481	–	68.80	68.54	4.3	3.9	3.8
Fiscal year ended March 2010	(59)	–	(2.77)	–	(0.2)	0.6	0.7

Note : % shows change from previous term

For reference : Investment gain or loss under equity method
Year ended March 2011 : – million yen
Year ended March 2010 : – million yen

(2) Consolidated Financial Position

	Total Assets	Net Assets	Equity Ratio	Net Assets per Share
	Millions of Yen	Millions of Yen	%	Yen
Fiscal year ended March 2011	93,799	34,407	36.6	1,593.63
Fiscal year ended March 2010	87,977	35,249	40.0	1,633.33

For reference : Shareholders' equity
Year ended March 2011 : 34,326 million yen
Year ended March 2010 : 35,181 million yen

(3) State of Consolidated Cash Flows

	Cash Flows from Operating Activities	Cash Flows from Investing Activities	Cash Flows from Financing Activities	Term-end Balance of Cash and Cash Equivalents
	Millions of Yen	Millions of Yen	Millions of Yen	Millions of Yen
Fiscal year ended March 2011	14,058	(11,491)	2,090	9,179
Fiscal year ended March 2010	9,112	(10,341)	(232)	5,267

Outlook for Fiscal 2011

Despite facing a severe situation in the aftermath of the Great East Japan Earthquake, the Japanese economy is expected to recover, with an improvement in production activities, following progress in the restoration of the supply chain, a gradual recovery in the global economy, and the effects of a range of stimulus policies. However, there are negative factors that raise concerns over the economic outlook, including restrictions on electricity power supply, the impact of the nuclear power accident, and a surge in the price of crude oil.

The global economic recovery is slowing, mainly because of the persistently high unemployment rates and the fall in housing prices in the United States. The Chinese and Indian economies are meanwhile likely to continue to grow, chiefly supported by domestic demand.

In this environment, the Company will continue to invest in Asia and Mexico to expand its global businesses, and will take steps to improve productivity and cut costs. Given the impact of these prior investments, the Company will be forced to post lower income for fiscal 2011. Accordingly, the Company forecasts the following consolidated operating results for fiscal 2011.

The consolidated forecasts are calculated based on the following exchange rates: ¥80 against the US dollar and ¥12.5 against the renminbi.

(Millions of Yen)

	Sales	Operating Income	Recurring Income	Net Income
For the year ended March 2012	107,500	2,300	2,200	1,800
For the year ended March 2011	99,022	3,765	3,557	1,481
Increase/decrease	8,478	(1,465)	(1,357)	319
Rate of increase/decrease	8.6%	–	–	21.5%

(Millions of Yen)

	Sales		Segment Income	
Segment	Current fiscal year	Next fiscal year	Current fiscal year	Next fiscal year
Die Casting Business: Japan	65,624	66,500	1,929	1,400
Die Casting Business: North America	16,020	19,000	1,029	1,000
Die Casting Business: Asia	11,666	15,700	723	(150)
Aluminum Business	3,524	3,500	(13)	0
Proprietary Products Business	2,186	2,800	84	50

Consolidated Balance Sheets

(Assets)		Millions of yen Fiscal year ended March 31 2010	2011	Thousands of U.S. dollars Fiscal year ended March 31 2011
Current Assets				
Cash and time deposits		¥ 5,267	**¥ 9,179**	**$ 106,979**
Trade notes and accounts receivable		20,246	**20,254**	**236,037**
Merchandise and products		1,732	**2,717**	**31,669**
Partly finished goods		2,792	**3,542**	**41,277**
Raw materials and inventories		2,353	**2,903**	**33,840**
Deferred tax assets		736	**673**	**7,844**
Others		1,347	**1,260**	**14,690**
Allowance for doubtful accounts		(3)	**(1)**	**(11)**
Total Current Assets		34,472	**40,530**	**472,327**
Fixed Assets				
Tangible fixed assets				
Buildings and structures	*2	20,561	**20,332**	**236,944**
Accumulated depreciation and impairment loss		(10,513)	**(10,845)**	**(126,389)**
Buildings and structures, net	*2	10,047	**9,486**	**110,554**
Machinery and delivery equipment		68,446	**71,781**	**836,520**
Accumulated depreciation and impairment loss		(47,732)	**(50,463)**	**(588,079)**
Machinery and delivery equipment, net		20,714	**21,318**	**248,440**
Tools, furniture and fixtures		27,986	**29,326**	**341,764**
Accumulated depreciation		(24,477)	**(25,971)**	**(302,666)**
Tools, furniture and fixtures, net		3,508	**3,354**	**39,097**
Land	*2	5,803	**5,746**	**66,963**
Lease assets		66	**72**	**846**
Accumulated depreciation		(10)	**(28)**	**(327)**
Lease assets, net		56	**44**	**519**
Construction in progress		6,098	**6,333**	**73,807**
Total Tangible Fixed Assets		46,228	**46,284**	**539,383**
Total Intangible Fixed Assets		620	**543**	**6,332**
Investments and other assets				
Investments in securities	*1,2	6,131	**6,052**	**70,539**
Deferred tax assets		182	**79**	**931**
Others		343	**309**	**3,601**
Allowance for doubtful accounts		(2)	**(1)**	**(13)**
Total Investments and Other Assets		6,656	**6,440**	**75,059**
Total Fixed Assets		53,505	**53,268**	**620,775**
Total Assets		¥87,977	**¥93,799**	**$1,093,102**

Note:The translations of yen amounts into U.S. dollar amounts are included solely for the convenience of readers outside Japan and have been made at the rate of ¥85.81 to $1.00, the average exchange rate during period. U.S. dollar figures less than a thousand dollars are rounded down to the nearest thousand dollars.

		Millions of yen		Thousands of U.S. dollars
		Fiscal year ended March 31		Fiscal year ended March 31
(Liabilities)		2010	2011	2011
Current Liabilities				
Notes and accounts payable		¥15,059	**¥18,571**	**$ 216,420**
Short-term loans		2,942	**3,910**	**45,573**
Current portion of long-term loans	*2	6,045	**6,990**	**81,462**
Accrued income taxes		98	**364**	**4,247**
Bonus allowances		1,147	**1,225**	**14,280**
Directors' bonus allowances		1	**18**	**212**
Others		4,356	**4,695**	**54,722**
Total Current Liabilities		29,650	**35,775**	**416,919**
Long-term Liabilities				
Long-term loans	*2	15,424	**14,950**	**174,225**
Deferred tax liabilities		3,732	**3,514**	**40,956**
Allowances for employees' retirement benefits		3,485	**3,587**	**41,802**
Allowances for directors' retirement benefits		122	**122**	**1,426**
Provision for business structure improvement		–	**1,220**	**14,217**
Negative goodwill		165	**54**	**640**
Others		147	**166**	**1,944**
Total Long-term Liabilities		23,077	**23,616**	**275,213**
Total Liabilities		52,728	**59,391**	**692,133**
(Net Assets)				
Shareholders' Equity				
Common stock		5,117	**5,117**	**59,638**
Additional paid-in capital		8,363	**8,363**	**97,467**
Retained earnings		23,698	**24,943**	**290,687**
Treasury stock		(358)	**(358)**	**(4,176)**
Total Shareholders' Equity		36,822	**38,066**	**443,616**
Revaluation/Translation Differences				
Difference on revaluation of other marketable securities		1,795	**1,680**	**19,585**
Deferred gains or losses on hedges		–	**(16)**	**(196)**
Foreign currency translation adjustments		(3,435)	**(5,404)**	**(62,982)**
Total Revaluation/Translation Differences		(1,640)	**(3,740)**	**(43,593)**
Share Warrants		67	**81**	**946**
Total Net Assets		35,249	**34,407**	**400,969**
Total Liabilities and Net Assets		¥87,977	**¥93,799**	**$1,093,102**

Consolidated Income Statements and Statements of Comprehensive Income

(Consolidated Income Statements)

		Millions of yen		Thousands of U.S. dollars
		April 1, 2009 through March 31, 2010	April 1, 2010 through March 31, 2011	April 1, 2010 through March 31, 2011
Sales		¥75,777	**¥99,022**	**$1,153,973**
Cost of Goods Sold	*1	67,090	**85,780**	**999,656**
Gross Profit		8,686	**13,241**	**154,317**
Selling, General and Administrative Expenses				
Transportation expenses		1,665	**1,897**	**22,110**
Salaries and bonuses		2,133	**2,544**	**29,655**
Retirement and severance expenses		248	**260**	**3,036**
Provision for bonuses		251	**286**	**3,341**
Provision for bonuses for directors		1	**18**	**212**
Allowance for depreciation		148	**124**	**1,447**
Research and development expenses	*2	875	**940**	**10,954**
Provision for allowance for doubtful accounts		2	**0**	**8**
Other expenses		2,834	**3,403**	**39,668**
Total Selling, General and Administrative Expenses		8,159	**9,476**	**110,436**
Operating Income		526	**3,765**	**43,880**
Non-operating Income				
Interest income		12	**14**	**164**
Dividends received		60	**103**	**1,210**
Gain on sales of scraps		–	**103**	**1,203**
Amortization of negative goodwill		279	**110**	**1,283**
Foreign currency exchange gain		78	**–**	**–**
Others		194	**198**	**2,317**
Total Non-operating Income		624	**530**	**6,179**
Non-operating Expenses				
Interest expenses		459	**517**	**6,025**
Foreign currency exchange loss		–	**172**	**2,014**
Others		127	**48**	**563**
Total Non-operating Expenses		587	**738**	**8,603**
Recurring Income		564	**3,557**	**41,457**
Extraordinary Gains				
Gain on the sale of fixed assets	*3	177	**46**	**546**
Reversal of allowance for doubtful accounts		6	**3**	**38**
Gain on revision of retirement benefit plan		–	**141**	**1,643**
Gain on insurance adjustment		–	**20**	**240**
Total Extraordinary Gains		183	**211**	**2,469**
Extraordinary Losses				
Loss on the sale of fixed assets	*4	173	**84**	**989**
Loss on valuation of investment securities		–	**56**	**654**
Loss on liquidation of affiliate		167	**–**	**–**
Special severance payments		43	**–**	**–**
Product compensation cost		420	**–**	**–**
Business structure improvement expenses		–	**1,363**	**15,895**
Compensation payments		16	**–**	**–**
Loss on adjustment for changes of accounting standard for asset retirement obligations		–	**48**	**567**
Others		9	**–**	**–**
Total Extraordinary Losses		¥ 830	**¥ 1,553**	**$ 18,107**

	Millions of yen		Thousands of U.S. dollars
	April 1, 2009 through March 31, 2010	April 1, 2010 through March 31, 2011	April 1, 2010 through March 31, 2011
Income (Loss) before Income Taxes and Others	¥ (82)	**¥2,215**	**$25,818**
Income taxes and enterprise taxes	146	**745**	**8,682**
Income tax refund	–	**(11)**	**(133)**
Deferred income taxes	(169)	**733**	**8,548**
Total Income Taxes	(22)	**1,481**	**17,269**
Net Income (Loss)	¥ (59)	**¥1,481**	**$17,269**

(Consolidated Statements of Comprehensive Income)

	Millions of yen		Thousands of U.S. dollars
	April 1, 2009 through March 31, 2010	April 1, 2010 through March 31, 2011	April 1, 2010 through March 31, 2011
Income before Minority Interests	¥–	**¥1,481**	**$17,269**
Other Comprehensive Income			
Difference on revaluation of other marketable securities	–	**(114)**	**(1,334)**
Deferred gains or losses on hedges	–	**(16)**	**(196)**
Foreign currency translation adjustments	–	**(1,969)**	**(22,946)**
Total Other Comprehensive Income	–	**(2,100)**	**(24,476)**
Comprehensive Income	–	**(618)**	**(7,206)**
Comprehensive income attributable to owners of the parent	–	**(618)**	**(7,206)**
Comprehensive income attributable to minority interests	¥–	**¥ –**	**$ –**

Consolidated Statement of Changes in Net Assets

	Millions of yen		Thousands of U.S. dollars
	April 1, 2009 through March 31, 2010	April 1, 2010 through March 31, 2011	April 1, 2010 through March 31, 2011
Shareholders' Equity			
Common Stock			
Balance at end of previous fiscal year	¥ 5,117	**¥ 5,117**	**$ 59,638**
Changes			
Total Changes	–	**–**	**–**
Balance at End of Current Fiscal Year	5,117	**5,117**	**59,638**
Capital Surplus			
Balance at end of previous fiscal year	8,363	**8,363**	**97,467**
Changes			
Total Changes	–	**–**	**–**
Balance at End of Current Fiscal Year	8,363	**8,363**	**97,467**
Retained Earnings			
Balance at end of previous fiscal year	23,758	**23,698**	**276,179**
Changes			
Cash dividend from retained earnings	–	**(236)**	**(2,761)**
Net income (loss)	(59)	**1,481**	**17,269**
Total Changes	(59)	**1,244**	**14,508**
Balance at End of Current Fiscal Year	23,698	**24,943**	**290,687**
Treasury Stock			
Balance at end of previous fiscal year	(357)	**(358)**	**(4,172)**
Changes			
Purchase of own shares	(0)	**(0)**	**(4)**
Total Changes	(0)	**(0)**	**(4)**
Balance at End of Current Fiscal Year	(358)	**(358)**	**(4,176)**
Total Shareholders' Equity			
Balance at end of previous fiscal year	36,882	**36,822**	**429,112**
Changes			
Cash dividend from retained earnings	–	**(236)**	**(2,761)**
Net income (loss)	(59)	**1,481**	**17,269**
Purchase of own shares	(0)	**(0)**	**(4)**
Total Changes	(59)	**1,244**	**14,503**
Balance at End of Current Fiscal Year	36,822	**38,066**	**443,616**
Revaluation/Translation Differences			
Difference on Revaluation of Other Marketable Securities			
Balance at end of previous fiscal year	954	**1,795**	**20,919**
Changes			
Changes (net) in non-shareholders' equity items	840	**(114)**	**(1,334)**
Total Changes	840	**(114)**	**(1,334)**
Balance at End of Current Fiscal Year	1,795	**1,680**	**19,585**
Deferred Gains or Losses on Hedges			
Balance at end of previous fiscal year	–	**–**	**–**
Changes			
Changes (net) in non-shareholders' equity items	–	**(16)**	**(196)**
Total Changes	–	**(16)**	**(196)**
Balance at End of Current Fiscal Year	–	**(16)**	**(196)**
Foreign Currency Translation Adjustments			
Balance at end of previous fiscal year	(3,720)	**(3,435)**	**(40,036)**
Changes			
Changes (net) in non-shareholders' equity items	284	**(1,969)**	**(22,946)**
Total Changes	284	**(1,969)**	**(22,946)**
Balance at End of Current Fiscal Year	¥(3,435)	**¥(5,404)**	**$(62,982)**

	Millions of yen		Thousands of U.S. dollars
	April 1, 2009 through March 31, 2010	April 1, 2010 through March 31, 2011	April 1, 2010 through March 31, 2011
Total Revaluation/Translation Differences			
Balance at end of previous fiscal year	¥ (2,765)	**¥ (1,640)**	**$ (19,116)**
Changes			
Changes (net) in non-shareholders' equity items	1,125	**(2,100)**	**(24,476)**
Total Changes	1,125	**(2,100)**	**(24,476)**
Balance at End of Current Fiscal Year	(1,640)	**(3,740)**	**(43,593)**
Share Warrants			
Balance at end of previous fiscal year	58	**67**	**787**
Changes			
Changes (net) in non-shareholders' equity items	8	**13**	**158**
Total Changes	8	**13**	**158**
Balance at End of Current Fiscal Year	67	**81**	**946**
Total Net Assets			
Balance at end of previous fiscal year	34,175	**35,249**	**410,783**
Changes			
Cash dividend from retained earnings	–	**(236)**	**(2,761)**
Net income (loss)	(59)	**1,481**	**17,269**
Purchase of own shares	(0)	**(0)**	**(4)**
Changes (net) in non-shareholders' equity items	1,134	**(2,086)**	**(24,317)**
Total Changes	1,074	**(842)**	**(9,813)**
Balance at End of Current Fiscal Year	¥35,249	**¥34,407**	**$400,969**

Consolidated Statements of Cash Flows

	Millions of yen		Thousands of U.S. dollars
	April 1, 2009 through March 31, 2010	April 1, 2010 through March 31, 2011	April 1, 2010 through March 31, 2011
Cash Flows from Operating Activities			
Income (loss) before income taxes	¥ (82)	**¥ 2,215**	**$ 25,818**
Depreciation and amortization	9,693	**9,382**	**109,338**
Amortization of goodwill	135	**–**	**–**
Amortization of negative goodwill	(279)	**(110)**	**(1,283)**
Increase/(decrease) in allowances for doubtful accounts	(9)	**–**	**–**
Increase/(decrease) in allowances for bonuses	239	**77**	**907**
Increase/(decrease) in allowances for directors' bonuses	(1)	**–**	**–**
Increase/(decrease) in allowances for employees' retirement benefits	204	**101**	**1,179**
Increase/(decrease) in provision for business structure improvement	–	**1,220**	**14,217**
Increase/(decrease) in allowances for directors' retirement benefits	(39)	**–**	**–**
Increase/(decrease) in prepaid pension expenses	1	**–**	**–**
Interest and dividend income	(72)	**(118)**	**(1,375)**
Interest expenses	459	**517**	**6,025**
(Gain)/loss on sales of tangible fixed assets	(9)	**38**	**443**
(Gain)/loss on liquidation of affiliate	167	**–**	**–**
Special severance payments	43	**–**	**–**
Product compensation cost	420	**–**	**–**
Gain on revision of retirement benefit plan	–	**(141)**	**(1,643)**
(Increase)/decrease in notes and accounts receivable	(3,219)	**(339)**	**(3,956)**
(Increase)/decrease in inventories	(113)	**(2,505)**	**(29,194)**
Increase/(decrease) in notes and accounts payable	1,921	**3,821**	**44,532**
Increase/(decrease) in accrued expenses	(284)	**256**	**2,990**
Increase/(decrease) in accrued consumption taxes and others	87	**(221)**	**(2,576)**
Others	642	**805**	**9,385**
Subtotal	9,904	**15,000**	**174,808**
Interest and dividends received	72	**117**	**1,374**
Interest paid	(461)	**(516)**	**(6,019)**
Income taxes paid	(388)	**(629)**	**(7,333)**
Income taxes refunded	544	**85**	**1,000**
Special severance payments paid	(506)	**–**	**–**
Compensation payments paid	(52)	**–**	**–**
Net Cash Provided by Operating Activities	9,112	**14,058**	**163,831**
Cash Flows from Investing Activities			
Payment into time deposits	(90)	**–**	**–**
Proceeds from refund of time deposits	260	**–**	**–**
Expenditures from purchases of investment securities	(21)	**–**	**–**
Expenditures from purchases of affiliate shares	(240)	**(160)**	**(1,864)**
Expenditures from purchases of tangible fixed assets	(10,715)	**(11,748)**	**(136,913)**
Proceeds from sales of tangible fixed assets	530	**83**	**978**
Proceeds from liquidation of subsidiaries and affiliates	–	**425**	**4,960**
Expenditures from loans	(5)	**–**	**–**
Proceeds from collection of loans	6	**–**	**–**
Others	(66)	**(92)**	**(1,082)**
Net Cash Used in Investing Activities	(10,341)	**(11,491)**	**(133,921)**
Cash Flows from Financing Activities			
Proceeds from short-term loans	29,211	**34,908**	**406,815**
Repayment of short-term loans	(28,537)	**(33,564)**	**(391,145)**
Proceeds from long-term debt	5,288	**7,460**	**86,947**
Repayment of long-term debt	(6,150)	**(6,449)**	**(75,161)**
Payments for purchase of treasury stock	(0)	**–**	**–**
Dividends paid	(1)	**(236)**	**(2,751)**
Others	(44)	**(29)**	**(344)**
Net Cash Used in Financing Activities	(232)	**2,090**	**24,360**
Effect of Exchange Rate Changes on Cash and Cash Equivalents	(39)	**(774)**	**(8,675)**
Net Increase/(Decrease) in Cash and Cash Equivalents	(1,500)	**3,912**	**45,595**
Cash and Cash Equivalents at Beginning of Year	7,274	**5,267**	**61,384**
Decrease in cash and cash equivalents resulting from exclusion of subsidiaries from consolidation	(507)	**–**	**–**
Cash and Cash Equivalents at End of Period ＊1	¥ 5,267	**¥ 9,179**	**$106,979**

Notes to Consolidated Financial Statements

1. Scope of consolidation

· **Previous consolidated fiscal year (April 1, 2009 to March 31, 2010)**

Consolidated subsidiaries consist of 13 companies: Ahresty Tochigi Corporation, Ahresty Kumamoto Corporation, Ahresty Wilmington Corporation, Ahresty Yamagata Corporation, Ahresty Die Mold Hamamatsu Corporation, Ahresty Die Mold Tochigi Corporation, Ahresty Die Mold Kumamoto Corporation, Thai Ahresty Die Co., Ltd., Ahresty Techno Service Corporation, Guangzhou Ahresty Casting Co., Ltd., Ahresty Pretech Corporation, Ahresty Mexicana, S.A. de C.V. and Ahresty India Private Limited.

Ahresty Taiwan Die Mold Corporation was excluded from the scope of consolidation with the completion of liquidation on February 9, 2010.

Tokai Seiko Co., Ltd. changed its name to Ahresty Pretech Corporation with effect April 1, 2009.

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

· **Current consolidated fiscal year (April 1, 2010 to March 31, 2011)**

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

Of the above, Hefei Ahresty Casting Co., Ltd. was established in the fiscal year under review, it has been included in the scope of consolidation.

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

2. Equity method affiliates

· **Previous consolidated fiscal year (April 1, 2009 to March 31, 2010)**

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

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

· **Current consolidated fiscal year (April 1, 2010 to March 31, 2011)**

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

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

3. Business years of consolidated subsidiaries

· **Previous consolidated fiscal year (April 1, 2009 to March 31, 2010)**

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

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

Ahresty Taiwan Die Mold Corporation was excluded from the scope of consolidation due to the completion of liquidation on February 9, 2010, but consolidated results reflect the income statements and cash flow statements of Ahresty Taiwan Die Mold Corporation for the fourteen months prior to completion of liquidation.

・**Current consolidated fiscal year (April 1, 2010 to March 31, 2011)**

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

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

4. Summary of Significant Accounting Policies

(1) Evaluation standards and evaluation methods for key assets

(a) Marketable securities

Other marketable securities

Securities with market value

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

Securities without market value

Moving average cost method

(b) Derivatives — market value method

(c) Inventories

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

(2) Depreciation methods for important depreciable assets

(a) Tangible fixed assets (excluding lease assets)

The Company and consolidated subsidiaries in Japan — declining balance method

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

Consolidated subsidiaries overseas — straight-line method

Period of depreciation are as follows:

Buildings and structures — 2 to 50 years

Machinery and delivery equipment — 2 to 15 years

Tools, furniture and fixtures — 2 to 20 years

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

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

(c) Lease assets

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

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

(3) Reporting standards for important allowances

(a) Allowances for doubtful accounts

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

(b) Bonus allowances

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

(c) Allowance for directors' bonuses

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

(d) Allowances for employees' retirement benefits

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

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

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

(Additional information)

Following the enforcement of the Defined Contribution Pension Act, certain domestic consolidated subsidiaries have changed some of their retirement benefit plans to defined contribution pension plans, and adopted the Accounting Processing for Transfers among Retirement Benefit Plans (Corporate Accounting Standards Implementation Guidelines, No. 1).

As a result of this change, the Company recorded extraordinary gains of ¥141 million.

(e) Allowances for directors' retirement benefits

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

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

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

(f) Provision for business structure improvement

The Ahresty Group has determined to integrate the Hamamatsu Plant and the Toyohashi Plant into the Tokai Plant, which succeeded operations of the Toyohashi Plant. The Company recorded reasonably estimated expenses and losses that are likely to be incurred in the future, as a result of this restructuring of the domestic production structure.

(4) Standard for recognizing revenue and expenses

Standard for recognizing revenue and costs associated with construction contracts

(a) Construction contracts for which benefits can be ascertained in relation to the completed portion at the end of the fiscal year under review:

Percentage-of-completion method (percentage of completion based on cost incurred compared to the estimated total cost)

(b) Other construction:

Completed contract method

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

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

(6) Hedge accounting

(a) Hedge accounting methods

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

(b) Hedge measures and hedge targets

a. Hedge measures — interest rate swap

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

b. Hedge measures — foreign exchange contracts

Hedge targets — debts and credits in foreign currencies

(c) Hedge policies

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

(d) Methods for evaluating hedge effectiveness

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

(7) Depreciation method and period of goodwilll

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

(8) Scope of funds in the Consolidated Statements of Cash Flows

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

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

Accounting procedures for consumption tax, etc.

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

Change of Accounting Treatment

(Application of the Accounting Standards for Asset Retirement Obligations)

The Accounting Standards for Asset Retirement Obligations (Accounting Standards Board of Japan (ASBJ) Statement No. 18 on March 31, 2008) and the Guidance on Accounting Standards for Asset Retirement Obligations (ASBJ Guidance No. 21 on March 31, 2008) were applied from the consolidated fiscal year under review.

As a result of these applications, operating income and recurring income remained unchanged, but income before income taxes and others declined ¥48 million.

Notes on Consolidated Balance Sheets

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

	As of March 31, 2010	As of March 31, 2011
Investments in securities (share)	¥817 million	¥966 million

∗2. Pledged assets

As of March 31, 2010, in regard to tangible fixed assets and marketable securities, the following assets are held in pledge for long-term loans (including long-term loans to be repaid within one year) of ¥11,481 million. As of March 31, 2011, they are held in pledge for long-term loans (including long-term loans to be repaid within one year) of ¥12,382 million.

	As of March 31, 2010	As of March 31, 2011
Buildings and structures	¥587 million	¥565 million
Land	¥2,598 million	¥2,339 million
Investments in securities	¥3,603 million	¥3,362 million
Total	¥6,789 million	¥6,267 million

Notes on Consolidated Income Statements

＊1. Amount after write-down of year-end inventory to reflect the effect of lower profit margins. The write-down of inventory shown below is included in cost of goods sold.

	As of March 31, 2010	As of March 31, 2011
Write-down of inventory	¥198 million	¥227 million

＊2. Research and development expenses included in the administrative expenses were ¥875 million as of March 31, 2010, and ¥940 million as of March 31, 2011. No research and development expenses were included in the manufacturing costs incurred for either period.

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

	As of March 31, 2010
Machinery and delivery equipment	¥13 million
Tools, furniture and fixtures	¥4 million
Land	¥159 million
Total	¥177 million

	As of March 31, 2011
Machinery and delivery equipment	¥3 million
Tools, furniture and fixtures	¥0 million
Land	¥43 million
Total	¥46 million

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

	As of March 31, 2010
Building and structures	¥22 million
Machinery and delivery equipment	¥121 million
Tools, furniture and fixtures	¥18 million
Others	¥11 million
Total	¥173 million

	As of March 31, 2011
Building and structures	¥6 million
Machinery and delivery equipment	¥65 million
Tools, furniture and fixtures	¥6 million
Others	¥6 million
Total	¥84 million

Notes on Consolidated Statements of Comprehensive Income

Consolidated fiscal year under review (from April 1, 2010 to March 31, 2011)

＊1. Comprehensive income for the consolidated fiscal year immediately prior to the consolidated fiscal year under review

Comprehensive income associated with the shareholders of the parent company	¥1,065 million
Comprehensive income associated with minority shareholders	–
Total	¥1,065 million

＊2. Other comprehensive income for the consolidated fiscal year immediately prior to the consolidated fiscal year under review

Difference on revaluation of other marketable securities	¥840 million
Foreign currency translation adjustments	¥284 million
Total	¥1,125 million

Notes on Consolidated Statement of Changes in Net Assets

Fiscal year under review (from April 1, 2009 to March 31, 2010)

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

	Number of shares at end of previous fiscal year	Increase in number of shares in fiscal year	Decrease in number of shares in fiscal year	Number of shares at end of fiscal year
Issued shares				
Common stock	21,778,220	–	–	21,778,220
Total	21,778,220	–	–	21,778,220
Treasury stock				
Common stock (Note)	237,722	531	–	238,253
Total	237,722	531	–	238,253

Note: The number of shares of treasury stock increased as a result of fractional share repurchases.

2. Share warrants and own share warrants

Classification	Share warrant type	Type of shares underlying share warrants	Number of shares underlying share warrants (number of share)				Balance at end of fiscal year (millions of yen)
			End of previous fiscal year	Increase during fiscal year	Decrease during fiscal year	Number at end of fiscal year	
Submitting company (parent company)	Share warrants as stock options	–	–	–	–	–	67
Total		–	–	–	–	–	67

3. Dividends

(1) Dividend payments

N/A

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

(Resolution)	Type of shares	Amount of dividend (millions of yen)	Source of dividend	Dividend per share (yen)	Record date	Effective date
Meeting of the Board of Directors on May 13, 2010	Common share	107	Retained earnings	5	March 31, 2010	June 8, 2010

Fiscal year under review (from April 1, 2010 to March 31, 2011)

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

	Number of shares at end of previous fiscal year	Increase in number of shares in fiscal year	Decrease in number of shares in fiscal year	Number of shares at end of fiscal year
Issued shares				
Common stock	21,778,220	–	–	21,778,220
Total	21,778,220	–	–	21,778,220
Treasury stock				
Common stock (Note)	238,253	456	–	238,709
Total	238,253	456	–	238,709

Note: The number of shares of treasury stock increased as a result of fractional share repurchases.

2. Share warrants and own share warrants

Classification	Share warrant type	Type of shares underlying share warrants	Number of shares underlying share warrants (number of share)				Balance at end of fiscal year (millions of yen)
			End of previous fiscal year	Increase during fiscal year	Decrease during fiscal year	Number at end of fiscal year	
Submitting company (parent company)	Share warrants as stock options	–	–	–	–	–	81
Total		–	–	–	–	–	81

3. Dividends

(1) Dividend payments

(Resolution)	Type of shares	Amount of dividend (millions of yen)	Dividend per share (yen)	Record date	Effective date
Meeting of the Board of Directors on May 13, 2010	Common share	107	5	March 31, 2010	June 8, 2010
Meeting of the Board of Directors on November 9, 2010	Common share	129	6	September 30, 2010	December 3, 2010

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

(Resolution)	Type of shares	Amount of dividend (millions of yen)	Source of dividend	Dividend per share (yen)	Record date	Effective date
Meeting of the Board of Directors on May 13, 2011	Common share	129	Retained earnings	6	March 31, 2011	June 8, 2011

Notes on Consolidated Statements of Cash Flows

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

	As of March 31, 2010	As of March 31, 2011
Cash on hand and with banks	¥5,267 million	¥9,179 million
Cash and cash equivalents	¥5,267 million	¥9,179 million

Notes on Lease Transactions

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

Financial Instruments

Fiscal year under review (from April 1, 2009 to March 31, 2010)

1. Information about use of financial instruments

(1) Policy on use of financial instruments

The Group raises necessary capital (mainly bank loans), in light of its capital investment plan. It invests temporarily surplus funds primarily in financial assets that are highly liquid and raises short-term working capital by obtaining bank loans. The Group uses derivatives to guard against the following risks but does not engage in speculative transactions.

(2) Types of financial instruments and risks arising from these financial instruments

The Group is exposed to credit risk through its trade notes and accounts receivable from customers, in other words, its operating receivables. It is also exposed to foreign currency fluctuation risk through foreign currency denominated operating receivables that arise when conducting business overseas.

The Group's investment securities are mainly shares in firms with which the Group has a strategic business relationship, and the Group is exposed to share price risk.

Trade notes and accounts payable, in other words, operating payables, are mostly due within one year. The Group is exposed to foreign currency fluctuation risk on certain foreign currency denominated payables.

The Group obtains loans mainly for the purpose of raising capital for capital investment. The Group is exposed to interest rate risk on certain loans but uses derivative transactions to guard against this risk (interest rate swap transactions).

The derivatives used by the Group are foreign currency futures contracts to hedge against foreign currency fluctuation risk arising from foreign currency denominated operating receivables and payables, and interest rate swap transactions to guard against the risk of changes in interest payments on loans.

For further information on hedge accounting including our hedging methods and hedged transactions, hedging policy and method for assessing hedge effectiveness, please refer to "(7) Hedge accounting" of "4. Summary of Significant Accounting Policies" of "Notes to Consolidated Financial Statements."

(3) System for managing risks arising from financial instruments

(a) Managing credit risk

The Group's sales division periodically monitors the status of operating receivables from major customers and manages due dates and outstanding balances for individual customers with the aim of early identification and mitigation of concerns over recovery arising as a result of deterioration in financial position, etc.

The Group understands that it has hardly any credit exposure on derivative transactions, as it deals only with financial institutions that have high ratings.

(b) Managing market risk

The Group uses interest rate swap transactions to mitigate the risk of changes in interest payments on its loans.

The Group periodically monitors market risk in relation to its investment securities including monitoring fair value and the financial position of the issuing body (partner company), and, except in the case of held-to-maturity bonds, constantly reviews its stockholding in the light of market conditions and its relationship with the partner company.

The division responsible for executing and managing derivative transactions engages in derivative transactions with the approval of the person with decision-making authority, in accordance with management regulations which specify trading authority, trading limit and other trading procedure. The division reports monthly trading figures to the director with jurisdiction.

(c) Managing liquidity risk arising from fund procurement

The division in charge prepares and updates a fund procurement plan in a timely manner based on reports from each division and manages liquidity risk by means such as ensuring on-hand liquidity.

No liquidity risk management is carried out in relation to domestic consolidated subsidiaries as they are linked into a cash management system (CMS) and obtain loans via the parent company.

(4) Supplementary explanation about fair value of financial instruments

The fair value of financial instruments may be their value based on market price or a rationally estimated value in cases where no market price exists. Since variables are taken into consideration when estimating fair value, fair value may fluctuate due to the adoption of different assumptions, etc.

2. Fair value of financial instruments

Carrying amounts in the consolidated balance sheets, fair values and differences between carrying amounts and fair values as at March 31, 2010 are as follows.

	Carrying amount in the consolidated balance sheets	Fair value	Difference
	(¥ millions)	(¥ millions)	(¥ millions)
(1) Cash and time deposits	5,267	5,267	–
(2) Trade notes and accounts receivable	20,246	20,246	–
(3) Investment securities	5,119	5,119	–
Total assets	30,634	30,634	–
(1) Trade notes and accounts payable	15,059	15,059	–
(2) Short-term loans	2,942	2,942	–
(3) Long-term loans	21,470	21,655	185
Total liabilities	39,472	39,657	185

Notes : 1. Methods for estimating fair value of financial instruments and trading in securities and derivatives

Assets

(1) Cash and time deposits, (2) Trade notes and accounts receivable

Recognized at their carrying amounts, as carrying amounts approximate fair value because of the short-term maturity of these instruments.

(3) Investment securities

Shares, etc. are measured at value quoted on the stock exchange. See “Notes on Marketable Securities” for information about securities held for different purposes.

Liabilities

(1) Trade notes and accounts payable, (2) Short-term loans

Recognized at their carrying amounts, as carrying amounts approximate fair value because of the short-term maturity of these instruments.

(3) Long-term loans

For the fair values of long-term loans payable at fixed interest rates, the total amount of the principal and interest is discounted using a rate that is assumed to be applied when a similar loan is newly borrowed. For the fair values of long-term loans payable at variable interest rates that are subject to the special treatment of interest rate swaps, the total amount of the principal and interest that were accounted for as a single item with the relevant interest rate swap is discounted with a rate that is assumed to be applied when a new, similar loan is taken out.

2. Financial instruments with no reliable fair value measurement

	Carrying amount in the consolidated balance sheets
	(¥ millions)
Unlisted shares	194
Shares of non-consolidated subsidiaries	817

These instruments are not included in "(3) Investment securities" because they do not have market values and it is considered extremely difficult to calculate their fair values.

3. The amount of monetary claims and securities with maturity to be redeemed after the consolidated closing date

	Within one year	More than one year, within five years	More than five years, within ten years	More than 10 years
	(¥ millions)	(¥ millions)	(¥ millions)	(¥ millions)
Cash and time deposits	5,267	–	–	–
Trade notes and accounts receivable	20,246	–	–	–
Total	25,514	–	–	–

4. The amount of long-term loans payable to be repaid after the consolidated closing date
The Company has omitted details for the amount of long-term loans payable because the Company believes there is no significant need in this report for such disclosure.

(Additional information)
Starting the fiscal year under review, the Company adopts Accounting Standards for Financial Instruments (Accounting Standards Board of Japan Standard No. 10 issued March 10, 2008) and Guidance on Disclosures about Fair Value, etc. of Financial Instruments (ASBJ Guidance No. 19 issued March 10, 2008).

Fiscal year under review (from April 1, 2010 to March 31, 2011)

1. Information about use of financial instruments

(1) Policy on use of financial instruments

The Group raises necessary capital (mainly bank loans), in light of its capital investment plan. It invests temporarily surplus funds primarily in financial assets that are highly liquid and raises short-term working capital by obtaining bank loans. The Group uses derivatives to guard against the following risks but does not engage in speculative transactions.

(2) Types of financial instruments and risks arising from these financial instruments

The Group is exposed to credit risk through its trade notes and accounts receivable from customers, in other words, its operating receivables. It is also exposed to foreign currency fluctuation risk through foreign currency denominated operating receivables that arise when conducting business overseas.

The Group's investment securities are mainly shares in firms with which the Group has a strategic business relationship, and the Group is exposed to share price risk.

Trade notes and accounts payable, in other words, operating payables, are mostly due within one year. The Group is exposed to foreign currency fluctuation risk on certain foreign currency denominated payables.

The Group obtains loans mainly for the purpose of raising capital for capital investment. The Group is exposed to interest rate risk on certain loans but uses derivative transactions to guard against this risk (interest rate swap transactions).

The derivatives used by the Group are mainly foreign currency futures contracts to hedge against foreign currency fluctuation risk arising from foreign currency denominated operating receivables and payables, and interest rate swap transactions to guard against the risk of changes in interest payments on loans.

For further information on hedge accounting including our hedging methods and hedged transactions, hedging policy and method for assessing hedge effectiveness, please refer to "(7) Hedge accounting" of "4. Summary of Significant Accounting Policies" of "Notes to Consolidated Financial Statements."

(3) System for managing risks arising from financial instruments

(a) Managing credit risk

The Group's sales division periodically monitors the status of operating receivables from major customers and manages due dates and outstanding balances for individual customers with the aim of early identification and mitigation of concerns over recovery arising as a result of deterioration in financial position, etc.

The Group understands that it has hardly any credit exposure on derivative transactions, as it deals only with financial institutions that have high ratings.

(b) Managing market risk

The Group uses interest rate swap transactions to mitigate the risk of changes in interest payments on its loans.

The Group periodically monitors market risk in relation to its investment securities including monitoring fair value and the financial position of the issuing body (partner company), and, except in the case of held-to-maturity bonds, constantly reviews its stockholding in the light of market conditions and its relationship with the partner company.

The division responsible for executing and managing derivative transactions engages in derivative transactions with the approval of the person with decision-making authority, in accordance with management regulations which specify trading authority, trading limit and other trading procedure. The division reports monthly trading figures to the director with jurisdiction.

(c) Managing liquidity risk arising from fund procurement

The division in charge prepares and updates a fund procurement plan in a timely manner based on reports from each division and manages liquidity risk by means such as ensuring on-hand liquidity.

No liquidity risk management is carried out in relation to domestic consolidated subsidiaries as they are linked into a cash management system (CMS) and obtain loans via the parent company.

(4) Supplementary explanation about fair value of financial instruments

The fair value of financial instruments may be their value based on market price or a rationally estimated value in cases where no market price exists. Since variables are taken into consideration when estimating fair value, fair value may fluctuate due to the adoption of different assumptions, etc.

2. Fair value of financial instruments

Carrying amounts in the consolidated balance sheets, fair values and differences between carrying amounts and fair values as at March 31, 2011 are as follows.

	Carrying amount in the consolidated balance sheets	Fair value	Difference
	(¥ millions)	(¥ millions)	(¥ millions)
(1) Cash and time deposits	9,179	9,179	–
(2) Trade notes and accounts receivable	20,254	20,254	–
(3) Investment securities	4,962	4,962	–
Total assets	34,396	34,396	–
(1) Trade notes and accounts payable	18,571	18,571	–
(2) Short-term loans	3,910	3,910	–
(3) Long-term loans	21,940	22,185	244
Total liabilities	44,422	44,666	244
Derivative transactions	–	–	–

Notes : 1. Methods for estimating fair value of financial instruments and trading in securities and derivatives

Assets

(1) Cash and time deposits, (2) Trade notes and accounts receivable

Recognized at their carrying amounts, as carrying amounts approximate fair value because of the short-term maturity of these instruments.

(3) Investment securities

Shares, etc. are measured at value quoted on the stock exchange.

Liabilities

(1) Trade notes and accounts payable, (2) Short-term loans

Recognized at their carrying amounts, as carrying amounts approximate fair value because of the short-term maturity of these instruments.

(3) Long-term loans

For the fair values of long-term loans payable at fixed interest rates, the total amount of the principal and interest is discounted using a rate that is assumed to be applied when a similar loan is newly borrowed. For the fair values of long-term loans payable at variable interest rates that are subject to the special treatment of interest rate swaps, the total amount of the principal and interest that were accounted for as a single item with the relevant interest rate swap is discounted with a rate that is assumed to be applied when a new, similar loan is taken out.

Derivative transactions
See “Notes on Derivative Transactions”.

2. Financial instruments with no reliable fair value measurement

	Carrying amount in the consolidated balance sheets
	(¥ millions)
Unlisted shares	124
Shares of non-consolidated subsidiaries	966

These instruments are not included in “(3) Investment securities” because they do not have market values and it is considered extremely difficult to calculate their fair values.

3. The amount of monetary claims and securities with maturity to be redeemed after the consolidated closing date

	Within one year	More than one year, within five years	More than five years, within ten years	More than 10 years
	(¥ millions)	(¥ millions)	(¥ millions)	(¥ millions)
Cash and time deposits	9,179	–	–	–
Trade notes and accounts receivable	20,254	–	–	–
Total	29,434	–	–	–

4. The amount of long-term loans payable to be repaid after the consolidated closing date
The Company has omitted details for the amount of long-term loans payable because the Company believes there is no significant need in this report for such disclosure.

Notes on Marketable Securities

1. Marketable securities for trading
N/A
2. Securities held to maturity that have market value
N/A
3. Other securities that have market value
Previous consolidated fiscal year (March 31, 2010)

	Type	Acquisition Cost	Consolidated Balance Sheet Amount	Difference
		(¥ millions)	(¥ millions)	(¥ millions)
Consolidated balance sheet amount is above acquisition cost	1. Share	4,948	1,715	3,232
	2. Bonds	–	–	–
	3. Other	–	–	–
	Subtotal	4,948	1,715	3,232
	Type	Acquisition Cost	Consolidated Balance Sheet Amount	Difference
		(¥ millions)	(¥ millions)	(¥ millions)
Consolidated balance sheet amount is below acquisition cost	1. Share	171	181	(9)
	2. Bonds	–	–	–
	3. Other	–	–	–
	Subtotal	171	181	(9)
	Total	5,119	1,896	3,222

Note : Unlisted shares (carrying amount in the consolidated balance sheets of 1.94 million yen) are not included in “Other securities” in the above table because they do not have market values and it is considered extremely difficult to calculate their fair values.

Current consolidated fiscal year (March 31, 2011)

	Type	Acquisition Cost	Consolidated Balance Sheet Amount	Difference
		(¥ millions)	(¥ millions)	(¥ millions)
Consolidated balance sheet amount is above acquisition cost	1. Share	4,819	1,782	3,036
	2. Bonds	–	–	–
	3. Other	–	–	–
	Subtotal	4,819	1,782	3,036
	Type	Acquisition Cost	Consolidated Balance Sheet Amount	Difference
		(¥ millions)	(¥ millions)	(¥ millions)
Consolidated balance sheet amount is below acquisition cost	1. Share	142	147	(5)
	2. Bonds	–	–	–
	3. Other	–	–	–
	Subtotal	142	147	(5)
	Total	4,962	1,930	3,031

Note : Unlisted shares (carrying amount in the consolidated balance sheets of 1.24 million yen) are not included in “Other securities” in the above table because they do not have market values and it is considered extremely difficult to calculate their fair values.

4. Impairment of marketable securities

The Company wrote down 2 million yen in investment securities (56 million yen in other securities having market value) in the fiscal year under review.

The Company posts all asset impairment when the market value at the end of the term fell 50% or more from the acquisition cost. If the market value declines 30-50%, the Company writes down the necessary amount, considering the possibility of restoration, among other factors.

Notes on Derivative Transactions

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

Notes on Employees’ Retirement Benefits

1. Overview of retirement benefit scheme

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

Certain domestic consolidated subsidiaries have changed some of their retirement lump sum grant plans to the defined contribution pension plans.

2. Retirement benefit liabilities and breakdown

(¥ millions)	Previous consolidated fiscal year (March 31, 2010)	Current consolidated fiscal year (March 31, 2011)
(1) Retirement benefit liabilities	(6,681)	(5,800)
(2) Pension assets	2,108	1,371
(3) Non-reserved retirement benefit liabilities (1)+(2)	(4,573)	(4,429)
(4) Unrecognized mathematical difference	594	415
(5) Unrecognized past service liabilities (reduction in liabilities)	508	427
(6) Net consolidated balance sheet amount (3)+(4)+(5)	(3,470)	(3,587)
(7) Prepaid pension cost	15	–
(8) Allowances for employees’ retirement benefits (6)–(7)	(3,485)	(3,587)

Notes: 1. The domestic consolidated subsidiaries except Ahresty Tochigi applies a simple method for calculating retirement benefit liabilities.
2. The amount affected by the partial transfer from retirement lump sum grant plans to the defined contribution pension plans is as follows:

Decline of retirement benefit obligation	¥566 million
Unrecognized net retirement benefit obligation at transition	–
Unrecognized actuarial gain or loss	(¥41 million)
Unrecognized prior service cost	¥22 million
Decline of allowances for employees' retirement benefits	¥547 million

In addition, asset transfer to the defined contribution pension plans was ¥404 million.

3. Breakdown of retirement and severance expenses

(¥ millions)	Previous consolidated fiscal year (From April 1, 2009 to March 31, 2010)	Current consolidated fiscal year (From April 1, 2010 to March 31, 2011)
(1) Business expenses	745	776
(2) Interest expenses	113	95
(3) Expected interest income	(36)	(20)
(4) Provisional premium severance pay	2	0
(5) Treatment of mathematical difference	105	91
(6) Treatment of past service liabilities	102	104
Total	1,032	1,047

Notes: 1. The retirement and severance expenses of consolidated subsidiaries that employ the compendium method are included in "(1) Business expenses."
2. The amount of contributions (¥58 million for the previous consolidated fiscal year, ¥58 million for the current consolidated fiscal year) recognized as expenses in the defined contribution retirement benefit schemes of overseas consolidated subsidiaries are included in "(1) Business expenses."
3. As the employees' pension funds joined by the company and some of its consolidated subsidiaries in Japan are an integrated pension system, the amount of pension funds for contribution cannot be calculated rationally. Therefore the amount to be contributed to this pension fund (¥289 million for the previous consolidated fiscal year, ¥312 million for the current consolidated fiscal year) is treated as retirement and severance expenses. The balance of the pension fund calculated according to the premium contribution rate was ¥4,692 million for the previous consolidated fiscal year, and ¥4,644 million for the current consolidated fiscal year.
4. A gain of ¥141 million from the transfer to the defined contribution pension plans was recorded as extraordinary gains.

4. Calculation basis for retirement and severance liabilities

	Previous consolidated fiscal year (March 31, 2010)	Current consolidated fiscal year (March 31, 2011)
(1) Allocation method for expected amounts of retirement benefits	Flat-rate standard for the period	Flat-rate standard for the period
(2) Discount rate	Beginning of the term 2.1% End of the term 2.1%	Beginning of the term 2.1% End of the term 2.1%
(3) Expected rate of interest income	2.5～4.4%	2.5%
(4) Period for the amount of past service liabilities	10 years	10 years
(5) Period for mathematical difference	15 years	15 years

Notes on Stock Option

Fiscal year under review (from April 1, 2010 to March 31, 2011)

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

Selling, general and administrative expenses: ¥13 million

2. Description and scale of stock options and changes

(1) Description of stock options

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

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

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

	2009 stock options
Position and number of persons granted stock options	Directors of the Company: Four persons Corporate auditors of the Company: Two persons
Number of stock options by share type (Note)	Common shares: 24,000 shares
Grant date	August 17, 2009
Vesting conditions	Losing the positions of director and corporate auditor of the Company
Target length of service	No condition has been set with respect to length service.
Period for exercising rights	From August 18, 2009 To August 17, 2039

	2010 stock options
Position and number of persons granted stock options	Directors of the Company: Five persons Corporate auditors of the Company: Two persons
Number of stock options by share type (Note)	Common shares: 24,000 shares
Grant date	July 28, 2010
Vesting conditions	Losing the positions of director and corporate auditor of the Company
Target length of service	No condition has been set with respect to length service.
Period for exercising rights	From July 29, 2010 To July 28, 2040

Note: Converted to the number of shares

(2) Scale of stock options and changes

Stock options existed in the fiscal year under review (ended March 31, 2011). The number of stock options is converted to the number of shares.

a. Number of stock options

	2006 stock options	2007 stock options	2008 stock options	2009 stock options	2010 stock options
Before vesting date (number of share)					
At end of previous fiscal year	6,600	10,100	24,000	24,000	–
Granted	–	–	–	–	24,000
Expired	–	–	–	–	–
Vested	–	–	–	–	–
Not yet vested	6,600	10,100	24,000	24,000	24,000
After vesting date (number of share)					
At end of previous fiscal year	–	–	–	–	–
Vested	–	–	–	–	–
Exercise of rights	–	–	–	–	–
Expired	–	–	–	–	–
Unexercised	–	–	–	–	–

b. Unit price information

	2006 stock options	2007 stock options	2008 stock options	2009 stock options	2010 stock options
Exercise price (yen)	1	1	1	1	1
Average stock price at time of exercise (yen)	–	–	–	–	–
Fair unit value on grant date (yen)	3,418	2,219	572	369	568

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

The method for estimating the fair unit value of 2010 stock options granted in the fiscal year under review is as follows:

(1) Valuation techniques used: Black-Scholes Model

(2) Main basic figures and estimation methods

	2010 stock options
Stock price volatility (Note 1)	56.4%
Estimated remaining period (Note 2)	15 years

	2010 stock options
Projected dividend (Note 3)	12 yen/share
Risk-free interest rate (Note 4)	1.51%

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

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

3. The dividend is projected based on the past results of dividends.

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

4. Method for estimating the number of vested stock options

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

Notes on Tax Accounting

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

	Previous consolidated fiscal year (March 31, 2010) (¥ millions)	Current consolidated fiscal year (March 31, 2011) (¥ millions)
Deferred tax assets		
Accrued expenses	65	71
Excess deductible amount in allowances for employees' retirement benefits	1,406	1,451
Excess deductible amount in bonus allowances	464	496
Accrued enterprise tax	15	40
Unrealized profits for inventories	2	108
Unrealized profits for fixed assets	306	462
Impairment loss	194	124
Loss carried forward	2,415	1,820
Provision for business structure improvement	–	522
Other	336	103
Deferred tax assets subtotal	5,207	5,202
Allowance account	(4,086)	(4,147)
Deferred tax assets total	1,120	1,054
Deferred tax liabilities		
Property replacement reserve	(1,446)	(1,353)
Special depreciation reserve	(49)	(37)
Fixed assets reserve	(31)	(59)
Net unrealized gains on securities	(1,365)	(1,233)
Prepaid pension expenses	(6)	–
Allowance for depreciation of overseas consolidated subsidiaries	(615)	(628)
Other	(428)	(549)
Deferred tax liabilities total	(3,944)	(3,862)
Net deferred tax assets (liabilities)	(2,824)	(2,807)

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

	Previous consolidated fiscal year (March 31, 2010) (%)	Current consolidated fiscal year (March 31, 2011) (%)
Statutory effective tax rate	(40.7)	(40.7)
(adjustments)		
Items that will never be included as losses, such as entertainment expenses	21.3	1.6
Items that will never be included as profits, such as dividend revenue	(175.2)	(5.6)
Per capita residential tax	41.5	1.4
Amortization of goodwill and negative goodwill	(71.3)	(2.0)
Increase (decrease) in valuation allowance	310.2	6.8
Difference in statutory tax rates of consolidated subsidiaries	(150.0)	(7.2)
Exemptions of foreign consolidated subsidiaries	(81.4)	(5.4)
Retained earnings of foreign consolidated subsidiaries	(10.0)	3.0
Impact of liquidation of consolidated subsidiary	29.5	–
Non-deductible foreign withholding tax	97.3	–
Other	1.2	(0.2)
Burden ratio of corporate tax after application of deferred tax accounting	(27.6)	33.1

Segment Information

Current consolidated fiscal year (April 1, 2010 through March 31, 2011)

1. Overview of reported segments

The reported segments of the Company are those units for which separate financial information can be obtained among the constituent units of the Company and for which the Board of Directors of the Company regularly carries out examinations to determine the allocation of management resources and assess the business performance.

The Company manages the Die Casting Business, the Aluminum Business, and the Proprietary Products Business.

In the Die Casting Business, the Company develops comprehensive strategies by regions: Japan, North America, and Asia, and is engaged in business activities accordingly.

As a result, the Company has five reported segments: Die Casting Business: Japan, Die Casting Business: North America, Die Casting Business: Asia, Aluminum Business, and Proprietary Products Business.

In the Die Casting Business, the Company is mainly engaged in manufacturing and sales of auto parts, general engine parts, industrial machinery parts, and dies in Japan, North America and Asia. In the Aluminum Business, the Company is engaged in smelting and sales of aluminum alloy ingots. In the Proprietary Products Business, it sells access floors and its accessories.

2. Methods for calculating net sales, profits or losses, assets, liabilities and amounts for other items by reported segment

Accounting methods in the reported business segments are the same as those as described in Significant Items Regarding Preparation of Consolidated Financial Statements.

Profits in the reported segments are figures based on operating income.

Intersegment sales and transfers are based on current market values.

3. Information related to net sales, profits or losses, assets, liabilities and amounts for other items by reported segment

Previous consolidated fiscal year (April 1, 2009 through March 31, 2010)

(Millions of yen)

	Reported segments					
	Die Casting Business			Aluminum Business	Proprietary Products Business	Total
	Japan	North America	Asia			
Sales						
(1) Customers	55,439	10,763	5,435	2,687	1,451	75,777
(2) Intersegment	1,384	–	277	2,223	–	3,885
Total	56,824	10,763	5,712	4,910	1,451	79,662
Segment profits/loss	26	515	287	(188)	(123)	517
Segment assets	48,641	18,453	15,978	2,148	823	86,045
Other items						
Depreciation and amortization	7,292	1,520	975	74	14	9,876
Increase in tangible fixed assets and intangible fixed assets	2,556	2,406	4,527	9	–	9,500

Current consolidated fiscal year (April 1, 2010 through March 31, 2011)

(Millions of yen)

	Reported segments					
	Die Casting Business			Aluminum Business	Proprietary Products Business	Total
	Japan	North America	Asia			
Sales						
(1) Customers	65,624	16,020	11,666	3,524	2,186	99,022
(2) Intersegment	2,591	71	384	2,612	–	5,660
Total	68,216	16,092	12,051	6,136	2,186	104,683
Segment profits/loss	1,929	1,029	723	(13)	84	3,753
Segment assets	46,989	22,489	21,255	2,125	1,279	94,139
Other items						
Depreciation and amortization	5,848	1,982	1,528	55	6	9,421
Increase in tangible fixed assets and intangible fixed assets	3,694	4,491	3,893	38	–	12,119

4. **Total amount in reported segments, difference from the amount posted in consolidated financial statement and important details in the difference (Difference adjustment)**

(Millions of yen)

Net sales	Previous consolidated fiscal year	Current consolidated fiscal year
Total sales in reported segments	79,662	104,683
Elimination of intersegment transactions	(3,885)	(5,660)
Net sales in the consolidated financial statement	75,777	99,022

(Millions of yen)

Profit	Previous consolidated fiscal year	Current consolidated fiscal year
Total profit in reported segments	517	3,753
Elimination of intersegment transactions	9	11
Operating income in the consolidated financial statement	526	3,765

(Millions of yen)

Assets	Previous consolidated fiscal year	Current consolidated fiscal year
Total assets in reported segments	86,045	94,139
Elimination of intersegment transactions	(2,365)	(5,160)
Company-wide assets	4,298	4,819
Assets in the consolidated financial statement	87,977	93,799

(Millions of yen)

Other items	Total amount in reported segments		Adjustment		Amount recorded in consolidated financial statements	
	Previous consolidated fiscal year	Current consolidated fiscal year	Previous consolidated fiscal year	Current consolidated fiscal year	Previous consolidated fiscal year	Current consolidated fiscal year
Depreciation and amortization	9,876	9,421	(48)	(39)	9,828	9,382
Increase in tangible fixed assets and intangible fixed assets	9,500	12,119	(78)	(96)	9,421	12,022

Related Information

Consolidated fiscal year under review (from April 1, 2010 to March 31, 2011)

1. Information by products and services

The statement is omitted because the same information is presented in segment information.

2. Information by regions

(1) Sales

(Millions of yen)

Japan	North America	Asia	Other regions	Total
71,226	15,688	11,695	412	99,022

Note: Sales are presented in categories by countries or regions based on the addresses of customers

(2) Tangible fixed assets

(Millions of yen)

Japan	North America	Asia	Total
19,194	14,733	12,357	46,284

3. Information by major customers

(Millions of yen)

Names of customers	Sales	Titles of the related segments
Fuji Heavy Industries Ltd.	13,809	Die casting business: Japan
Honda Motor Co., Ltd.	10,752	Die casting business: Japan

Per-Share Information

	Previous consolidated fiscal year (From April 1, 2009 to March 31, 2010)	Current consolidated fiscal year (From April 1, 2010 to March 31, 2011)
Net assets amount per share	1,633.33 yen	1,593.63 yen
Current net income (loss) per share	(2.77) yen	68.80 yen
Fully diluted net income per share	Although dilutive latent shares exist, diluted net income per share was not stated because a net loss was reported.	68.54 yen

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

	Previous consolidated fiscal year (From April 1, 2009 to March 31, 2010)	Current consolidated fiscal year (From April 1, 2010 to March 31, 2011)
Current net income per share		
Current net income (loss) (¥ millions)	(59)	1,481
Amount not attributed to common shareholders (¥ millions)	–	–
Net income (loss) from common stock (¥ millions)	(59)	1,481
Average number of outstanding shares (number of share)	21,540,224	21,539,834
Fully diluted net income per share		
Net income adjustment (¥ millions)	–	–
Increase in number of common shares (number of share)	–	80,842
Summary of potential shares of common stock not included in the calculation of diluted net income because they do not have a dilutive effect	–	–

Current status of production, orders received, and sales

(1) Production results

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

	Previous consolidated fiscal year (From April 1, 2009 to March 31, 2010)	Current consolidated fiscal year (From April 1, 2010 to March 31, 2011)	Increase/(decrease)
Segment	Amount (¥ millions)	Amount (¥ millions)	%
Die Casting Business: Japan	49,793	59,409	19.3
Die Casting Business: North America	9,650	14,902	54.4
Die Casting Business: Asia	5,097	10,798	111.8
Aluminum Business	4,819	5,547	15.1
Proprietary Products Business	131	668	408.2
Total	69,493	91,326	31.4

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

(2) Results of orders received

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

(3) Sales results

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

Segment	Previous consolidated fiscal year (From April 1, 2009 to March 31, 2010) Amount (¥ millions)	Current consolidated fiscal year (From April 1, 2010 to March 31, 2011) Amount (¥ millions)	Increase/(decrease) %
Die Casting Business: Japan	55,439	65,624	18.4
Die Casting Business: North America	10,763	16,020	48.8
Die Casting Business: Asia	5,435	11,666	114.6
Aluminum Business	2,687	3,524	31.1
Proprietary Products Business	1,451	2,186	50.7
Total	75,777	99,022	30.7

Notes: 1. Transactions among segments have been balanced out.

2. Sales results by major customers for the past two consolidated fiscal years and the ratio of their sales to overall sales are as follows.

	Previous consolidated fiscal year (From April 1, 2009 to March 31, 2010)		Current consolidated fiscal year (From April 1, 2010 to March 31, 2011)	
Customer	Amount (¥ millions)	%	Amount (¥ millions)	%
Fuji Heavy Industries Ltd.	10,780	14.2	13,809	13.9
Honda Motor Co., Ltd.	9,972	13.2	10,752	10.9

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

Corporate Data

Corporate Profile (As of March 31, 2011)

Company name	:	Ahresty Corporation
Date of establishment	:	November 2, 1943
Paid-in capital	:	¥5,117.59 million
Number of employees	:	(Consolidated) 5,671 (Non-Consolidated) 1,002

Management

■Board Directors and Auditors (As of June 23, 2011)

President, CEO	Arata Takahashi
Director, Senior Managing Executive Officer	Shigeru Furuya
Director, Senior Managing Executive Officer	Hiroshi Ishimaru
Director, Senior Managing Executive Officer	Kenichi Nonaka
Director	Tadakazu Miyauchi
Corporate Auditor (full-time)	Tsutomu Kumaki
Corporate Auditor (full-time)	Yasuo Kenmoku
Corporate Auditor	Tadao Saotome
Corporate Auditor	Akihiko Shido

Stock Information (As of March 31, 2011)

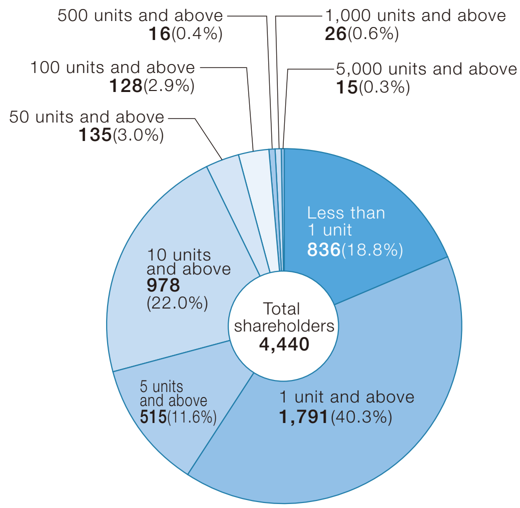
Number of Shares and Shareholders

Authorized shares	:	60,000,000 shares
Issued shares	:	21,778,220 shares
Shareholders	:	4,440

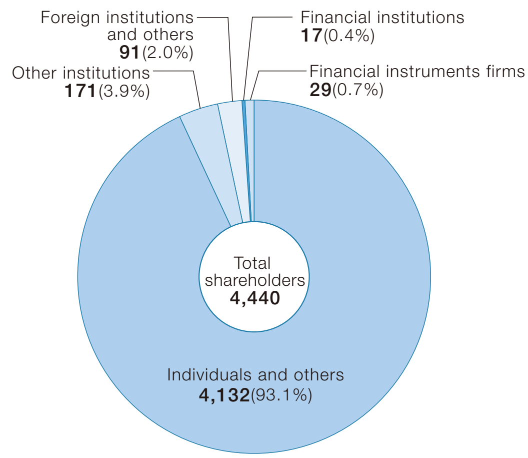
Major Shareholders (Top 10)

Name	Number of shares (Unit: 1,000 shares)
Japan Trustee Services Bank. Ltd. Trust Account 9	1,032
Arata Takahashi	915
The Master Trust Bank of Japan, Ltd. Trust Account	816
Bank of Tokyo-Mitsubishi UFJ, Ltd.	765
Honda Motor Co., Ltd.	672
Japan Trustee Services Bank. Ltd. Trust Account	672
Nippon Light Metal Co., Ltd.	657
Morgan Stanley & Co., Inc.	647
HSBC Private Bank (Suisse) SA Hong Kong Branch – Client Account	597
Bank of NY Jasdic Non Treaty Account	589

Distribution by Number of Shares Held



Distribution by Type of Shareholder



Ahresty

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