

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

February 9, 2012

Company Name	Ahresty Corporation	Stock Exchange Listing	Tokyo
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Filing date of quarterly securities report	February 10, 2012		
Planned date for start of dividend payments	-		
Supplementary documents for quarterly results	Yes		
Quarterly results briefing	None		

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

1. Business performance (April 1, 2011 through December 31, 2011)

(1) Consolidated results of operations (For the nine months ended December 31) (% shows change from previous first three quarters)

	Net sales		Operating income		Recurring income	
	million yen	%	million yen	%	million yen	%
Nine months ended December 31, 2011	74,940	0.6	109	(96.9)	(280)	-
Nine months ended December 31, 2010	74,512	41.1	3,558	-	3,311	-

(Note) Comprehensive income
 First three quarters ended December 2011: (4,067) million yen (-%)
 First three quarters ended December 2010: (390) million yen (-%)

	Net income		Net income per share	Fully diluted net income per share
	million yen	%	yen	yen
Nine months ended December 31, 2011	(2,205)	-	(102.32)	-
Nine months ended December 31, 2010	1,366	-	63.42	63.19

(2) Consolidated financial position

	Total assets		Net assets		Equity ratio	
	million yen		million yen			%
As of December 31, 2011	98,187		30,237			30.7
As of March 31, 2011	93,799		34,407			36.6

(For reference) Shareholders' equity
 30,169 million yen at December 31, 2011
 34,326 million yen at March 31, 2011

2. Dividend payments

(Date of record)	Dividend per share				
	End of first quarter	End of second quarter	End of third quarter	Year-end	For the year
Year ended March 31, 2011	yen -	yen 6.00	yen -	yen 6.00	yen 12.00
Year ending March 31, 2012	-	3.00	-		
Year ending March 31, 2012 (projection)				-	-

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

At this time, the dividend to be paid at the end of the fiscal year ending March 2012 and the dividend for the full fiscal year have not been decided.

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

(% shows the year-on-year change)

	Sales		Operating income		Recurring income		Net income		Net income per share	
	million yen	%	million yen	%	million yen	%	million yen	%	yen	
Full year	103,000	4.0	900	(76.1)	550	(84.5)	(1,450)	-	(67.26)	

(Notes) Revisions to consolidated results forecast published most recently: Yes

4. Others

(1) Significant changes to subsidiaries during the current term

(changes for a specified subsidiary accompanying a change in the scope of consolidation): Yes

New: 1 company (Ahresty Precision Die Mold (Guangzhou))

Exception: –

(Note) For details, please see “(1) Significant Changes to Subsidiaries during the Current Term” in “2. Matters Relating to Summary Information (Other)” on page 3 of the accompanying materials.

(2) Application of specific accounting treatment to the preparation of quarterly consolidated financial statements: None

(3) Changes in accounting principles and changes or restatement of accounting estimates

(i) Changes in accounting principles associated with revision of accounting standards, etc.: None

(ii) Changes in accounting principles other than (i): None

(iii) Changes in accounting estimates: None

(iv) Restatement: None

(4) Number of shares outstanding (Common stock)

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

21,778,220 shares at December 31, 2011

21,778,220 shares at March 31, 2011

(ii) Number of treasury stock at end of period

213,765 shares at December 31, 2011

238,709 shares at March 31, 2011

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

21,556,216 shares at December 31, 2011

21,539,897 shares at December 31, 2010

* Status of a quarterly review

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

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

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

Accompanying Materials — Contents

1.	Qualitative Information on Consolidated Operating Results, etc. for the First Three Quarters.....	2
	(1) Qualitative Information Concerning Consolidated Operating Results	2
	(2) Qualitative Information Concerning Consolidated Financial Position.....	2
	(3) Qualitative Information Concerning Consolidated Earnings Forecasts	3
2.	Matters Relating to Summary Information (Other)	3
	(1) Significant Changes to Subsidiaries during the Current Term	3
	(2) Application of Specific Accounting Treatment to the Preparation of Quarterly Consolidated Financial Statements.....	3
	(3) Changes in Accounting Principles and Changes or Restatement of Accounting Estimates	3
3.	Quarterly Consolidated Financial Statements.....	4
	(1) Quarterly Consolidated Balance Sheet.....	4
	(2) Quarterly Consolidated Income Statements and Quarterly Consolidated Statements of Comprehensive Income	6
	Quarterly Consolidated Income Statements First Three Quarters	6
	Quarterly Consolidated Statements of Comprehensive Income First Three Quarters	7
	(3) Notes on Going Concern Assumptions.....	8
	(4) Segment Information	8
	(5) Notes for Significant Change in the Amount of Shareholders' Equity	8

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

(1) Qualitative Information Concerning Consolidated Operating Results

During the first three quarters of the fiscal year under review, the Japanese economy continued to confront the challenges created in the aftermath of the Great East Japan Earthquake. However, the economy was gradually improving, assisted in part by a range of policies. Nonetheless, concerns about the potential for an economic downturn persisted, given constraints on electric power supply and the impact of the nuclear power accident, as well as the risk of underperforming overseas economies, due mainly to the European sovereign debt crisis, fluctuations in exchange rates and stock prices, and other factors.

Overseas, the economic recovery in the United States was weak, and downside risks to its economy remained. The Chinese economy continued to grow, driven by domestic demand. In India, the pace of economic expansion has become slower.

In these circumstances, the Company recorded higher sales and lower profits for the first three quarters of the fiscal year under review, with sales of ¥74,940 million (up 0.6% year on year), operating income of ¥109 million (down 96.9% year on year), and a recurring loss of ¥280 million (compared with a recurring income of ¥3,311 million a year ago). As a result, the net loss came to ¥2,205 million (compared with a net income of ¥1,366 million a year ago), mainly attributable to the posting of product warranty expenses for the anticipated expenses of defective products and a loss on disaster due to the impact of the flooding in Thailand.

Operating results by segment are as follows:

(i) Die Casting Business: Japan

In Japan, auto production declined in the automobile industry, our main customer, given the effect of the Great East Japan Earthquake and the Thai flooding. Given these circumstances, the Company received fewer orders. As a result, net sales stood at ¥47,759 million (down 5.3% year on year). Income from this segment amounted to ¥898 million (down 50.9% year on year) owing chiefly to the effects of lower orders.

(ii) Die Casting Business: North America

In North America, orders from major customers started to pick up in the second part of the first half of the fiscal year under review, improving from a fall earlier in the aftermath of the Great East Japan Earthquake. Orders also expanded in Mexico. Consequently, sales came to ¥12,955 million (rising 10.5% from a year ago). The segment recorded a loss of ¥296 million (compared with segment income of ¥1,124 million in the same period of the previous fiscal year), attributable to expenses outlaid to make up for a delay in responding to an increase in orders in Mexico.

(iii) Die Casting Business: Asia

In China, orders received by the Company have remained high since summer, offsetting a temporary fall in orders in the aftermath of the Great East Japan Earthquake. In India, orders increased with the introduction of new products. As a result, net sales in Asia amounted to ¥9,723 million (increasing 19.5% year on year). With the impact of the Great East Japan Earthquake in China and the effect of operations in India, which are still in the developing stage, the segment recorded a loss of ¥530 million (compared with segment income of ¥539 million a year ago).

(iv) Aluminum Business

In the Aluminum Business, sales were ¥2,877 million (up 6.9% from the same three quarters of the previous fiscal year) with a 2.7% year-on-year increase in the shipment of secondary alloy ingots. This segment posted a loss of ¥18 million (compared with segment income of ¥3 million in the same three quarters of the previous fiscal year) because of higher raw material prices, despite continued cost-cutting activities.

(v) Proprietary Products Business

In the Proprietary Products Business, sales amounted to ¥1,624 million (up 5.3% year on year), reflecting renovation orders from semiconductor manufacturers, the Company's major clients, and orders for data centers of telecommunications companies. Reflecting intensified cost competition, the segment recorded income of ¥38 million (down 46.3% year on year).

(2) Qualitative Information Concerning Consolidated Financial Position

The Company's assets at the end of the consolidated first three quarters under review rose ¥4,388 million from the end of the previous fiscal year, to ¥98,187 million. The main factors included a rise of ¥5,002 million in tangible fixed assets.

Liabilities at the end of the consolidated first three quarters under review climbed ¥8,558 million from the end of the previous fiscal year, to ¥67,950 million. The main factors included an increase of ¥1,513 million in product warranty expense and ¥5,571 million in loans.

Net assets at the end of the consolidated first three quarters under review decreased ¥4,170 million from the end of the previous

fiscal year, to ¥30,237 million. The main factors included a net loss of ¥2,205 million and a decline of ¥1,341 million in foreign currency translation adjustments. As a result, the equity ratio fell from 36.6% at the end of the previous consolidated fiscal year, to 30.7%.

(3) Qualitative Information Concerning Consolidated Earnings Forecasts

With respect to earnings forecasts for the fiscal year ending March 2012, consolidated sales are expected to fall below the previous forecasts. This is because orders are likely to be short of expectations in the aftermath of the Great East Japan Earthquake and because of the impact of Thai flooding. Along with the decline in sales, operating income, recurring income, and net income are likely to fall short of the previous forecasts.

An estimated loss on disaster of ¥205 million associated with inundation damage at Thai Ahresty Die Co., Ltd., a consolidated subsidiary of the Company, and an estimated product warranty expense for defective products of ¥1,504 million were recorded as an extraordinary loss in the third quarter.

In its consolidated forecast, the Company assumes exchange rates of 78.0 yen to 1 USD, and 12.1 yen to 1 RMB for the fourth quarter of the fiscal year under review.

Revisions of the consolidated full-year earnings forecasts announced on November 9, 2011 are as follows:

	Net sales	Operating income	Recurring income	Net income	Net income per share
	million yen	million yen	million yen	million yen	yen
Previous Forecasts (A)	105,700	1,450	1,300	900	41.75
Revised Forecasts (B)	103,000	900	550	(1,450)	(67.26)
Changes (B-A)	(2,700)	(550)	(750)	(2,350)	–
Change Ratio (%)	(2.6)	(37.9)	(57.7)	–	–
Results for the Previous Fiscal Year	99,022	3,765	3,557	1,481	68.80

Reference (Revised Forecasts)

		Net sales	Operating income
		million yen	million yen
Die Casting Business	Japan	65,000	1,350
	North America	18,300	100
	Asia	13,500	(600)
Aluminum Business		3,800	0
Proprietary Products Business		2,400	50

2. Matters Relating to Summary Information (Other)

(1) Significant Changes to Subsidiaries during the Current Term

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

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

Not applicable.

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

Not applicable.

3. Quarterly Consolidated Financial Statements

(1) Quarterly Consolidated Balance Sheet

	As of March 31, 2011	As of December 31, 2011
	Amount (million yen)	Amount (million yen)
(Assets)		
Current assets		
Cash and time deposits	9,179	6,368
Trade notes and accounts receivable	20,254	23,366
Merchandise and products	2,717	2,631
Partly finished goods	3,542	3,997
Raw materials and inventories	2,903	2,866
Others	1,933	2,393
Allowance for doubtful accounts	(1)	(1)
Total current assets	40,530	41,621
Fixed assets		
Tangible fixed assets		
Buildings and structures, net	9,486	9,060
Machinery and delivery equipment, net	21,318	22,193
Land	5,746	5,700
Construction in progress	6,333	10,706
Others, net	3,399	3,625
Total tangible fixed assets	46,284	51,287
Intangible fixed assets	543	728
Investments and other assets		
Investments in securities	6,052	4,068
Others	388	483
Allowance for doubtful accounts	(1)	(1)
Total investments and other assets	6,440	4,550
Total fixed assets	53,268	56,566
Total assets	93,799	98,187

	As of March 31, 2011	As of December 31, 2011
	Amount (million yen)	Amount (million yen)
(Liabilities)		
Current liabilities		
Notes and accounts payable	18,571	19,125
Short-term loans	3,910	4,905
Current portion of long-term loans	6,990	8,553
Accrued income taxes	364	174
Bonus allowances	1,225	807
Provision for product warranties	31	1,544
Provision for loss due to disaster	-	153
Others	4,682	7,428
Total current liabilities	35,775	42,692
Long-term liabilities		
Long-term loans	14,950	17,962
Allowances for employees' retirement benefits	3,587	3,760
Provision for business structure improvement	1,220	560
Negative goodwill	54	-
Others	3,803	2,973
Total long-term liabilities	23,616	25,258
Total liabilities	59,391	67,950
(Net assets)		
Shareholders' equity		
Common stock	5,117	5,117
Additional paid-in capital	8,363	8,359
Retained earnings	24,943	22,615
Treasury stock	(358)	(320)
Total shareholders' equity	38,066	35,771
Other accumulated comprehensive income		
Difference on revaluation of other marketable securities	1,680	1,143
Deferred gains or losses on hedges	(16)	-
Foreign currency translation adjustments	(5,404)	(6,745)
Total other accumulated comprehensive income	(3,740)	(5,602)
Share warrants	81	67
Total net assets	34,407	30,237
Total liabilities and net assets	93,799	98,187

(2) Quarterly Consolidated Income Statements and Quarterly Consolidated Statements of Comprehensive Income
 Quarterly Consolidated Income Statements
 First Three Quarters

	Nine months ended December 31, 2010	Nine months ended December 31, 2011
	Amount (million yen)	Amount (million yen)
Sales	74,512	74,940
Cost of goods sold	64,027	67,547
Gross profit	10,484	7,392
Selling, general and administrative expenses	6,926	7,282
Operating income	3,558	109
Non-operating income		
Interest income	8	29
Dividends received	71	85
Amortization of negative goodwill	82	54
Others	185	192
Total non-operating income	348	362
Non-operating expenses		
Interest expenses	386	486
Foreign currency exchange loss	165	208
Others	43	57
Total non-operating expenses	594	752
Recurring income (loss)	3,311	(280)
Extraordinary gains		
Gain on the sale of fixed assets	3	10
Gain on revision of retirement benefit plan	141	–
Gain on insurance claim	21	–
Total extraordinary gains	166	10
Extraordinary losses		
Loss on sales and retirement of fixed assets	61	67
Business structure improvement expenses	1,363	–
Loss on adjustment for changes of accounting standard for asset retirement obligations	48	–
Loss on revision of retirement benefit plan	–	22
Product warranty expense	–	1,504
Loss on disaster	–	205
Others	–	11
Total extraordinary losses	1,473	1,810
Income (loss) before income taxes and others	2,004	(2,080)
Income taxes and enterprise taxes	462	592
Deferred income taxes	175	(467)
Total income taxes	638	125
Income (loss) before minority interests	1,366	(2,205)
Net income (loss)	1,366	(2,205)

Quarterly Consolidated Statements of Comprehensive Income
 First Three Quarters

	Nine months ended December 31, 2010	Nine months ended December 31, 2011
	Amount (million yen)	Amount (million yen)
Income (loss) before minority interests	1,366	(2,205)
Other comprehensive income		
Difference on revaluation of other marketable securities	(58)	(537)
Deferred gains or losses on hedges	-	16
Foreign currency translation adjustments	(1,698)	(1,341)
Total other comprehensive income	(1,757)	(1,861)
Comprehensive income	(390)	(4,067)
Comprehensive income attributable to		
Comprehensive income attributable to owners of the parent	(390)	(4,067)
Comprehensive income attributable to minority interests	-	-

(3) Notes on Going Concern Assumptions

Not applicable.

(4) Segment Information

I. Nine months ended December 31, 2010 (from April 1, 2010 to December 31, 2010)

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

(Million yen)

	Reported segments					Total
	Die Casting Business			Aluminum Business	Proprietary Products Business	
	Japan	North America	Asia			
Sales						
Customers	50,410	11,729	8,139	2,690	1,542	74,512
Intersegment	1,779	43	233	1,987	–	4,044
Total	52,190	11,773	8,372	4,677	1,542	78,556
Segment income	1,830	1,124	539	3	70	3,569

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

(Million yen)

Income	Amount
Total income in reported segments	3,569
Elimination of intersegment transactions	(11)
Operating income in the quarterly consolidated statement of income	3,558

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

Not applicable.

II. Nine months ended December 31, 2011 (from April 1, 2011 to December 31, 2011)

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

(Million yen)

	Reported segments					Total
	Die Casting Business			Aluminum Business	Proprietary Products Business	
	Japan	North America	Asia			
Sales						
Customers	47,759	12,955	9,723	2,877	1,624	74,940
Intersegment	2,580	9	446	1,543	1	4,582
Total	50,339	12,965	10,169	4,420	1,626	79,522
Segment income (loss)	898	(296)	(530)	(18)	38	90

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

(Million yen)

Income	Amount
Total income in reported segments	90
Elimination of intersegment transactions	19
Operating income in the quarterly consolidated statement of income	109

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

Not applicable.

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

Not applicable.