

Ahresty Corporation

Results Briefing

for the Year Ended March 31, 2012

May 21, 2012

This document and comments made in the results briefing include forecasts that the Company has prepared based on data available at the time the document was produced. Actual results may differ materially from the forecasts for a range of reasons.

Extraordinary Losses (Product Warranty Expense)

Announced February 9, 2012

Posted product warranty expense of ¥1,504 million as an extraordinary loss in the third quarter.

Announced April 23, 2012

Revised product warranty expense to approximately ¥500 million

Measures against product defects

Confirmed impact of event on other products → No problem

Measures against fundamental cause of defect already taken (review of standards, etc.)

Situation in Thailand

Thai Ahresty Die Co., Ltd. (Hi-Tech Industrial Estate, Ayutthaya: die manufacturing) was flooded from mid-October 2011, with the water level reaching 2 meters at one point, but around the end of 2011 the flood waters receded, and the company resumed operation in March 2012.

An extraordinary loss from flood damage of ¥200 million was recorded to cover the cost of removing and repairing machinery (announced October 17, 2011).



Exterior of Thai Ahresty Die



Plant interior (machining center) May 2012

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TOPICS

■ 2011

September Guangzhou Ahresty Casting concludes an agreement to obtain the right to use adjacent land.

October The third casting plant is completed at Tokai Plant.

November Hefei Ahresty holds opening ceremony.



Hefei Ahresty opening ceremony

■ 2012

January The second expansion is completed at Ahresty Precision Die Mold (Guangzhou).



Completion of second expansion at Ahresty Precision Die Mold (Guangzhou)

February Ahresty Precision Die Mold (Guangzhou) is awarded the Monodzukuri Nippon Grand Award.

March Plant expansion begins at Ahresty Mexicana.

May Guangzhou Ahresty Casting starts construction of plant on adjacent land.



Artist's impression of Guangzhou Ahresty Casting's completed plant on adjacent land



Progress of Tokai Plant Integration

Buyer for site of former Hamamatsu Plant after completion of transfer has been decided.

Buyer: FEEL Corporation
 Type of business: Food supermarket chain
 Purchase price: ¥2.8 billion
 Estimated completion date: August 31, 2013

* The gain on transfer of fixed assets relating to this property will be recorded as an extraordinary gain in the fiscal year ending March 31, 2014.

[For Reference] Planned Casting Capacity After Completion of Transfer to Tokai Plant

	Building Area	Melting Furnaces	DC Machines	Monthly Casting Capacity
Hamamatsu Plant (as of plan announcement in 2010)	22,991 m ²	9	33	2,500 t
Toyohashi Plant (as of plan announcement in 2010)	31,118 m ²	5	37	2,100 t
Tokai Plant (March 2013)	32,515 m ²	6 (3)	40 (15)	3,300 t

The figure in parenthesis is the number to be moved from Hamamatsu Plant.



I. Overview of results for the fiscal year ended March 31, 2012



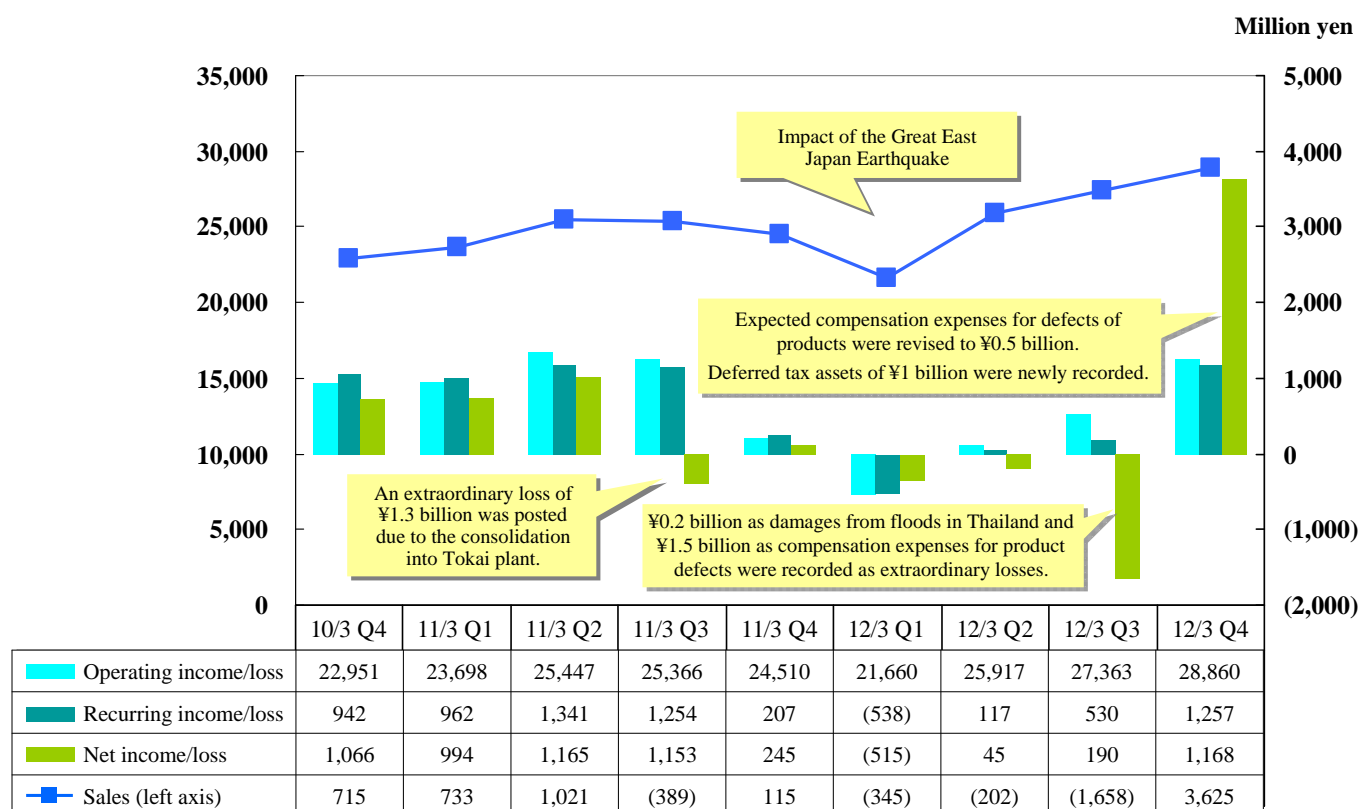
Key Results for the Fiscal Year Ended March 31, 2012

(Million yen)

	Fiscal year ended March 2011		Fiscal year ended March 2012		Year-on-year change
Sales	99,022	100%	103,800	100%	+4.8%
Gross profit	13,241	13.4%	11,074	10.7%	(16.4%)
Operating income (loss)	3,765	3.8%	1,366	1.3%	(63.7%)
Recurring income (loss)	3,557	3.6%	888	0.9%	(75.0%)
Net income (loss)	1,481	1.5%	1,420	1.4%	(4.2%)
EPS	68.80		65.87		(4.3%)

- ◆ Sales increased year on year to ¥103.8 billion and operating income decreased to ¥1.3 billion.
- ◆ Sales: Consolidated sales rose 4.8% year on year, with increased sales volume in Mexico and China offsetting unchanged sales in Japan and only a slight rise in the U.S. due to the effects of the Great East Japan Earthquake and the Thailand floods.
- ◆ Operating income: Although sales volume for the full year increased, this was not enough to offset the impact of falling orders in the first half and, due to expense incurred to avoid a tardy response to increased production in Mexico, prior investment in a second base in China (Hefei) ,and delay in turning profitable in India, operating income came to just ¥1.3 billion.

Overview of the (Quarterly) Consolidated Results



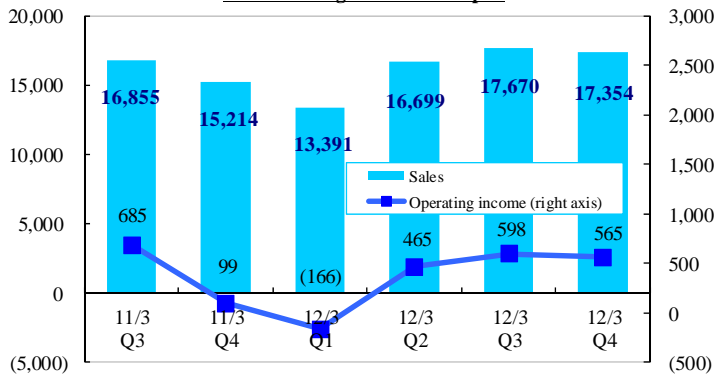
Die Casting Business

(Million yen)

		Year ended March 2011	Year ended March 2012	Year-on-year change
Japan	Sales	65,624 100%	65,114 100%	(510) (0.8%)
	Segment income	1,929 2.9%	1,463 2.2%	(466) (24.1%)
North America	Sales	16,020 100%	18,761 100%	2,741 17.1%
	Segment income	1,029 6.4%	314 1.7%	(715) (69.4%)
Asia	Sales	11,666 100%	13,723 100%	2,057 17.6%
	Segment income (loss)	723 6.1%	(504) (3.7%)	(1,227) (169.7%)

Die Casting Business in Japan

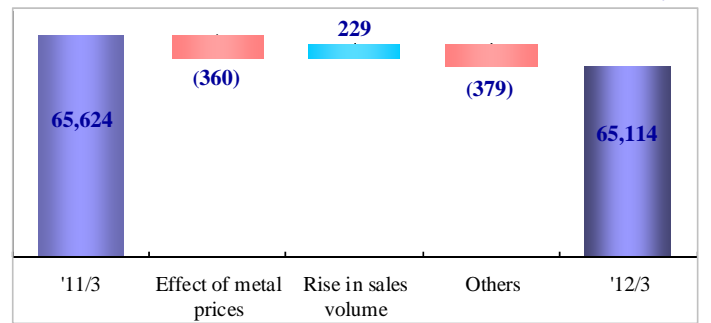
Changes in sales and operating income in Die Casting Business in Japan



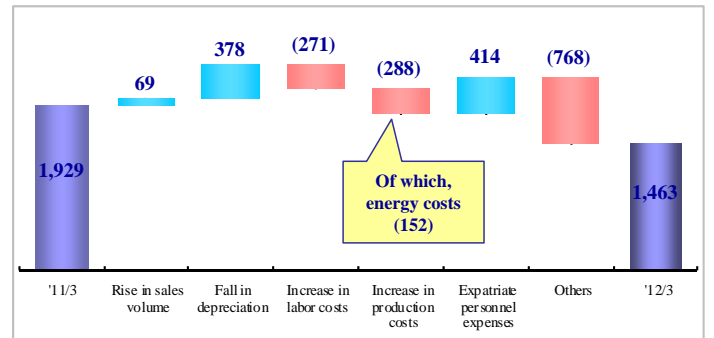
Although sales volume increased slightly year on year recovering from the effect of the earthquake, sales fell slightly due to the effect of metal prices.

Segment income declined 73.9%, severely affected by the sharp fall in sales volume after the earthquake.

Factors of change in die casting sales (Million yen)

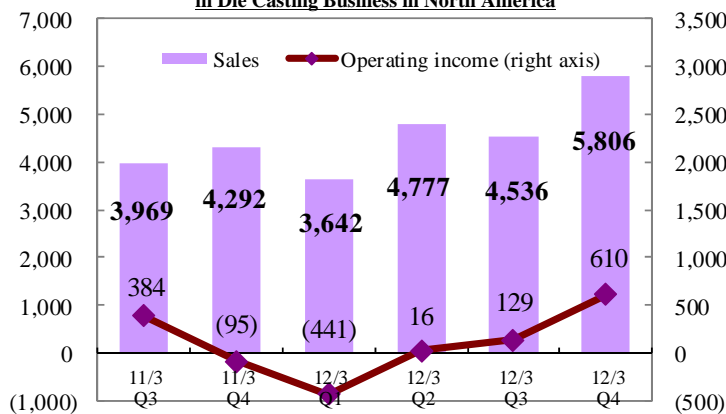


Factors in change in segment income (loss) (Million yen)

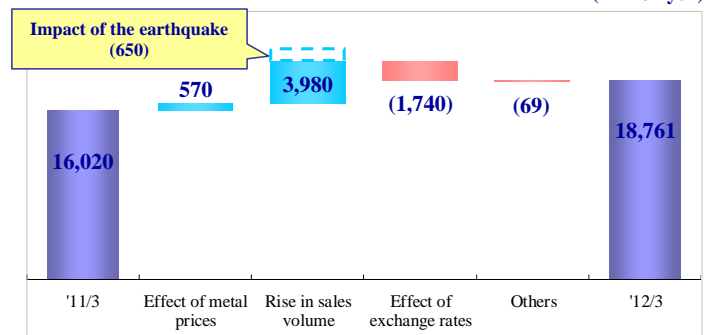


Die Casting Business in North America

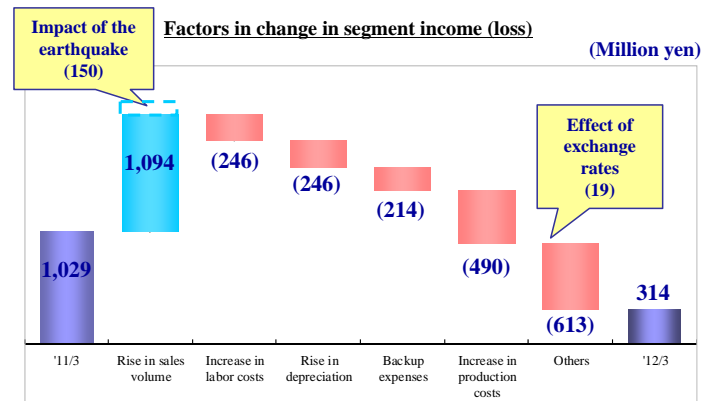
Changes in sales and operating income in Die Casting Business in North America



Factors of change in die casting sales (Million yen)



Factors in change in segment income (loss) (Million yen)



U.S.: A reasonable level of income was maintained even though sales increased and income fell due to the effects of the Great East Japan Earthquake and the Thailand flooding.

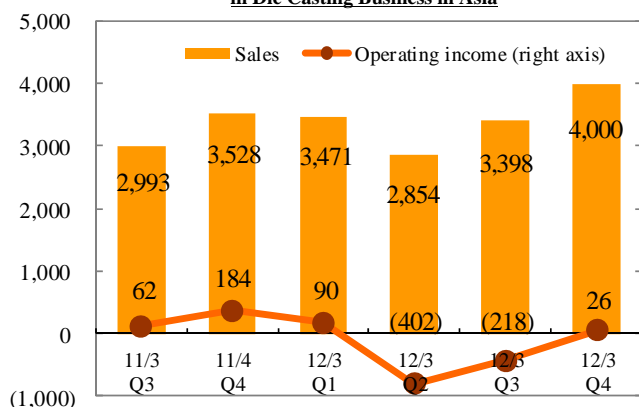
Mexico: Although sales increased due to expansion in orders, on the profit front, costs to avoid a tardy response to increased production were incurred and profit margins narrowed significantly from the 4Q of 2010 onwards. However, income began to recover in the 2Q of 2011 and, in the 4Q 2011, business in Mexico returned to profitability.

* U.S.: April - March
Mexico: January - December

Average exchange rate
US dollar 85.81 -> 79.14
Mexican peso (US\$) 87.68 -> 79.61

Die Casting Business in Asia

Changes in sales and operating income in Die Casting Business in Asia



China: Sales increased, supported by robust demand which offset a temporary decline in sales volume due to the effect of the earthquake. On the profit front, profit margins narrowed due to the sharp decline in sales volume caused by the earthquake and prior investment in the second base (Hefei). However, income is now starting to recover.

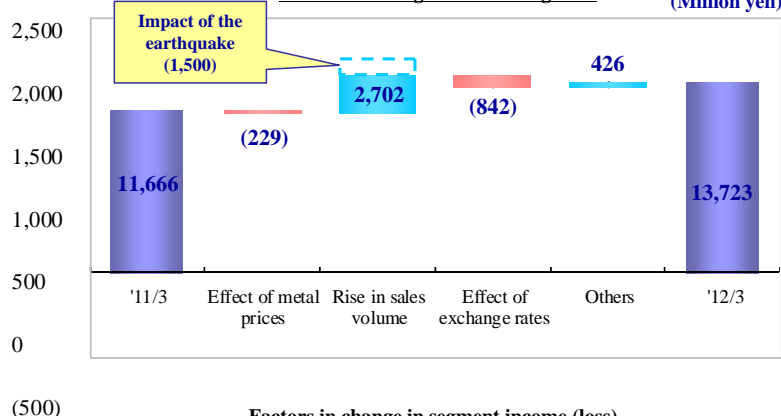
India: Expansion in orders was offset by the heavy burden of fixed costs due to prior investment, and further expansion in sales needs to be achieved.

*China: January - December

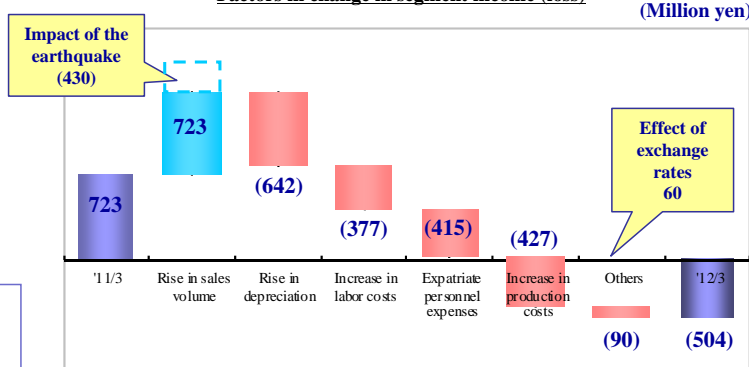
India: April - March

Average exchange rate
Chinese yuan 12.95 -> 12.31
Indian rupee 1.89 -> 1.67

Factors of change in die casting sales (Million yen)



Factors in change in segment income (loss) (Million yen)



Aluminum Business and Proprietary Products Business

(Million yen)

		Year ended March 2011	Year ended March 2012	Year-on-year change
Aluminum Business	Sales	3,524 100%	3,744 100%	+6.3%
	Operating income (loss)	(13) (0.4%)	(42) (1.1%)	-
Proprietary Products Business	Sales	2,186 100%	2,455 100%	+12.3%
	Operating income	84 3.8%	72 2.9%	(14.3%)

Aluminum Business:

Second-half sales offset the decline in sales for the first half caused by the earthquake. Nonetheless, the operating loss widened slightly on account of the strong yen and lower selling prices attributed to market conditions.

Proprietary Products Business:

Although sales increased 12.3% (year on year) thanks to increased orders for new construction and renewal projects from semiconductor-related companies and projects for data centers, income declined 14.3%, reflecting lower selling prices due to intensified competition.

Balance Sheets

(Million yen)

	Year ended March 2011	Year ended March 2012	Year-on-year change
Current assets	40,530	44,486	3,956
Cash and time deposits	9,179	7,358	(1,821)
Notes and accounts receivable	20,254	24,541	4,287
Inventories	9,162	8,636	(526)
Fixed assets	53,268	60,721	7,453
Tangible fixed assets	46,284	54,135	7,851
Total assets	93,799	105,208	11,409
Total liabilities	59,391	69,794	10,403
Notes and accounts payable	18,571	18,653	82
Long-term and short-term loans	25,850	33,348	7,498
Total net assets	34,407	35,414	1,007

◆ Tangible fixed assets and loans increased due to investment in overseas expansion.

Dividends

(Yen)	FY ended March 2009	FY ended March 2010	FY ended March 2011	FY ended March 2012	FY ending March 2013 (plan)
Dividend per share					
(Annual dividend)	11	5	12	6	12
Interim dividend	11	-	6	3	6
Year-end dividend	-	5	6	3	6
Net income (loss) per share (consolidated)	(313.8)	(2.8)	68.8	65.9	111.3
Payout ratio (consolidated)	-	-	17.4%	9.1%	10.8%

◆ Will promote the distribution of management resources for growth for the future, considering the payout ratio

II. Forecast for the fiscal year ending March 31, 2013



Forecast for the Fiscal Year Ending March 31, 2013

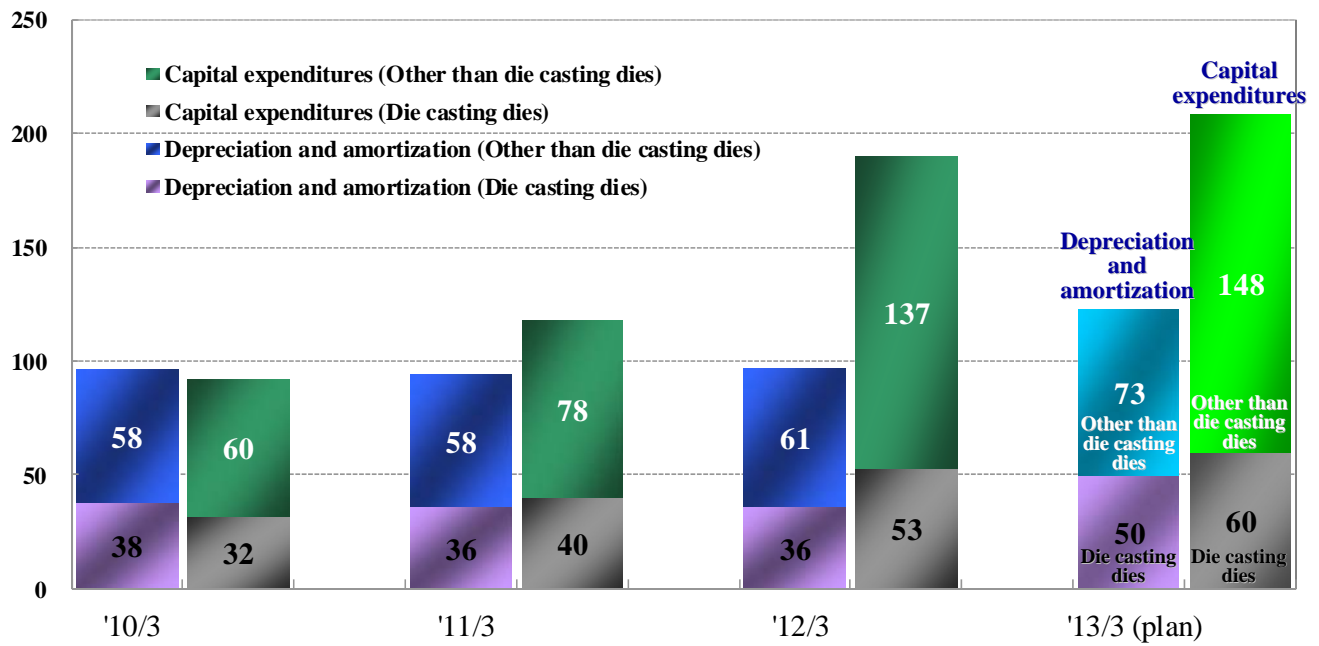
(Million yen)

	Results for year ended March 2012	Forecast for year ending March 2013	Year-on-year change	Percentage change
Sales	103,800	112,500	8,700	8.4%
Die Casting in Japan	65,114	63,500	(1,614)	(2.5%)
Die Casting in North America	18,761	21,500	2,739	14.6%
Die Casting in Asia	13,723	21,000	7,277	53.0%
Aluminum	3,744	4,000	256	6.8%
Proprietary Products	2,455	2,500	45	1.8%
Operating income	1,366	3,750	2,384	174.5%
Die Casting in Japan	1,463	1,900	437	29.9%
Die Casting in North America	314	1,250	936	298.1%
Die Casting in Asia	(504)	450	954	—
Aluminum	(42)	100	142	—
Proprietary Products	72	50	(22)	(30.6%)
Eliminations and Corporate	62	0	(62)	(100.0%)
Recurring income	888	3,350	2,462	277.3%
Net income	1,420	2,400	980	69.0%

Trends of Capital Expenditures and Depreciation and Amortization

(100 million yen)

* Based on acceptance inspections



III. Future direction



Future Direction

Operating Environment

- Global auto demand will grow steadily, driven by emerging markets.
 - Expected to reach 90 - 100 million units by 2020,
 - Share of hybrid electric vehicles, plug-in electric vehicles and electric vehicles will expand to 20% of total new car sales.
- Existing engine-powered cars are expected to remain mainstream
- Decline in domestic auto production is forecast in the medium-to-long term.

Challenges

- Turn around loss-making Indian subsidiary
- Improve profit margins, which were temporarily narrowed as a result of consolidation of the Tokai Plant

Future Direction

To fiscal year ending March 31, 2013

Strengthen quality-focused manufacturing foundations

From fiscal year ending March 31, 2014

Start implementing growth strategies for a further leap forward

Future Direction

To fiscal year ending March 31, 2013

Strengthen quality-focused manufacturing foundations

➤ **Finish 1012 3-Year Ahresty Policy (2011/3 - 2013/3)**

The quality-focused improvement of the business platform for leap forward from 2013

		Initiatives
1	Strengthening of manufacturing foundations	Deployment of measures to enhance control technologies and proprietary technologies Action against causal factors through investigation of the root causes of quality problems
2	Development of professional human resources	Development and provision of division-based and skills/class-based specialist training, including quality training Development of management experts Promotion of Ahresty Way
3	Creation, deployment and communication of global management system	Establishment and communication of global operating standards and technology standards
4	Risk management	BCM (Business Continuity Management) BCP (Business Continuity Plan)

Future Direction

From fiscal year ending March 31, 2014

Starting implementing growth strategies for a further leap forward

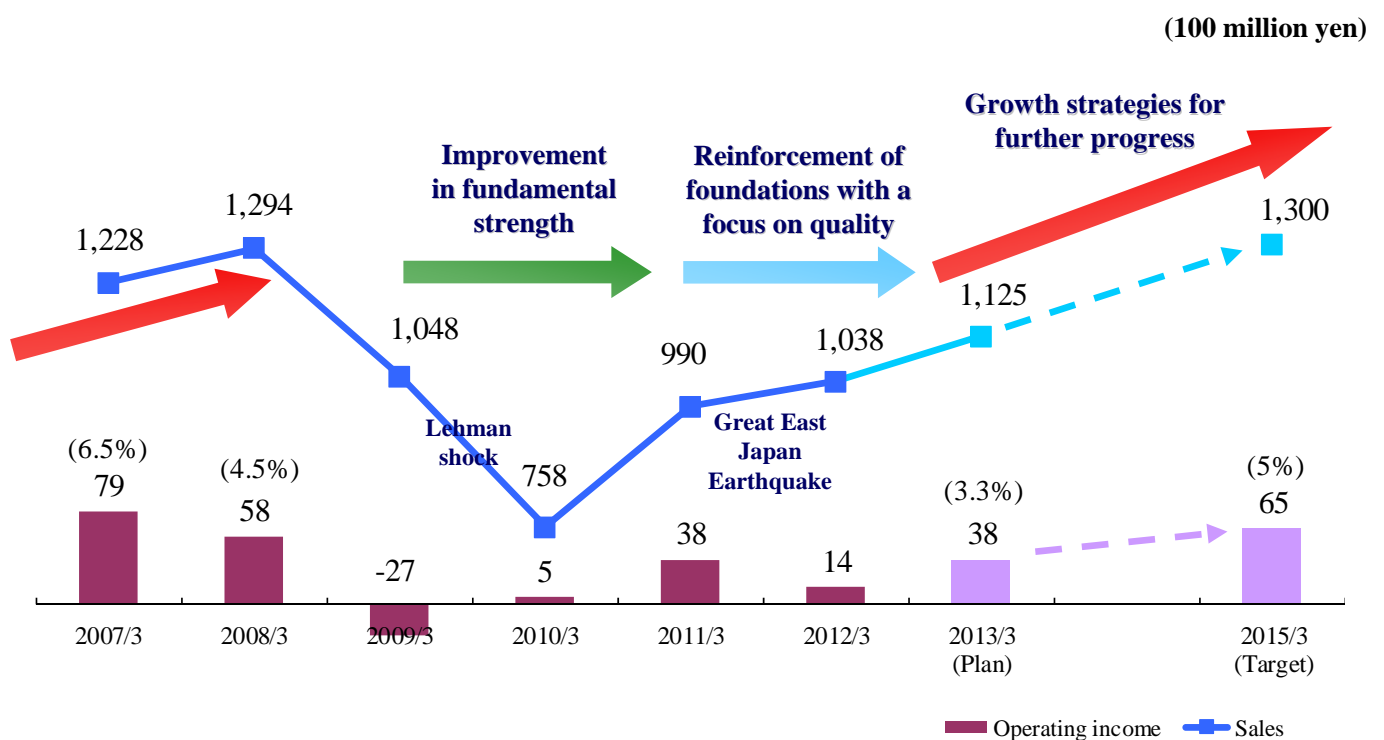
- **Expand sales, focusing on emerging markets (quickly increase overseas sales ratio to over 50%)**
 - **Expand capacity of existing overseas bases**
(Total capital investment of around ¥35 - 40 billion (excluding dies) over next three years, focusing on overseas operations)
- **Examine establishment of new overseas bases**
 - **Advance into regions where increased auto production is forecast**
- **Increase productivity and strengthen competitiveness (based on improvement of the business platform under 1012 3-Year Ahresty Policy)**
 - **Improve profit margins by increasing productivity through lean manufacturing and strengthening competitiveness.**

Future Direction

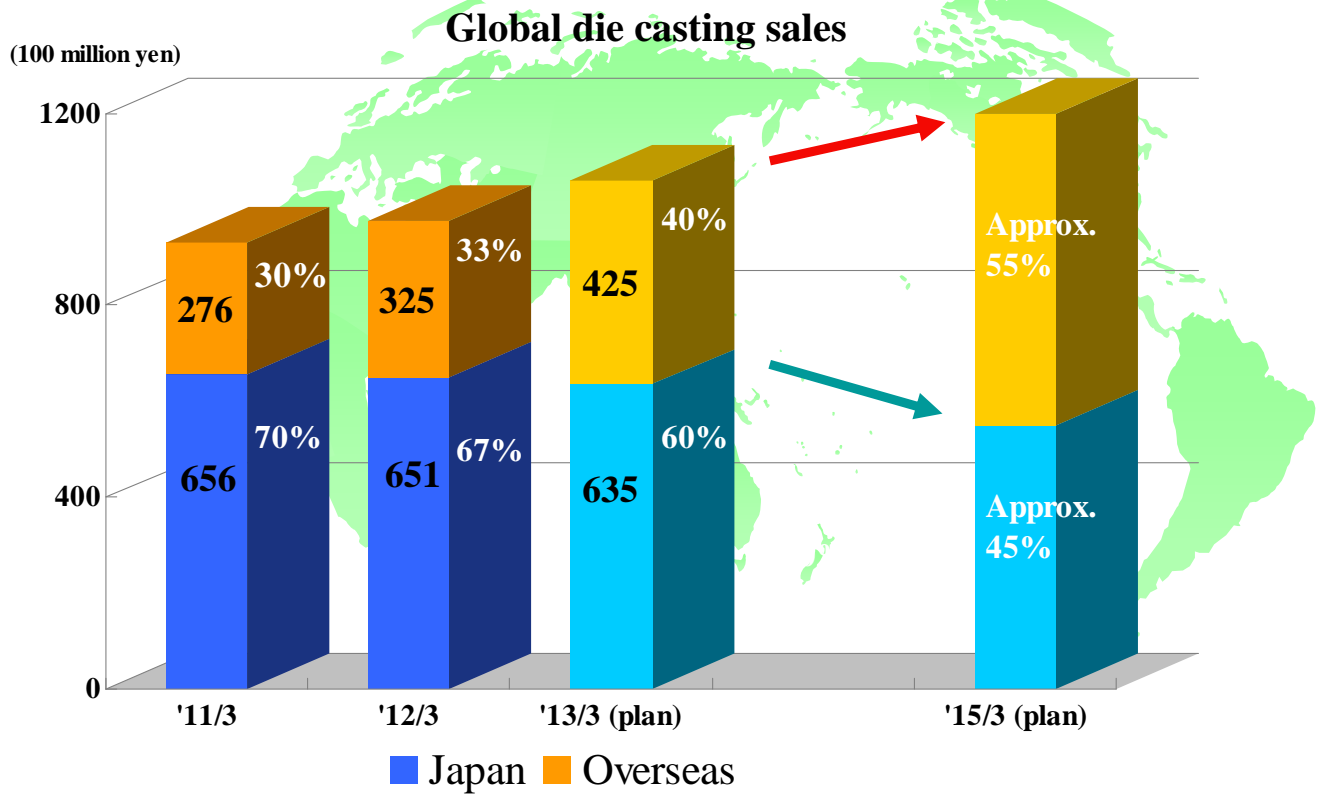
	Previous Target (FY ending March 2013)	Forecast (FY ending March 2013)	New Target (FY ending March 2015)
Consolidated sales	¥110 billion	¥112.5 billion	¥130 billion
Operating margin	4%	3.3%	5%
Return on assets (ROA)	3%	2.2%	4%
Return on equity (ROE)	8%	6.5%	8%

- ✓ Although we expect to be able to achieve our previous sales target , it will unfortunately be difficult to attain the other targets.
- ✓ In the fiscal year ending March 31, 2013, we plan to finish off the 1012 3-Year Ahresty Policy in preparation for a leap forward from the fiscal year ending March 31, 2014, and have set new targets.

Future Direction



Future Direction



Casting Our Eyes
on the Future

Ahresty Corporation

Aiming to become a leader in research and development, service, and technology



Contact for inquiries about this document and the Company's IR Management Planning Section, Management Planning Department, Ahresty Corporation

Phone: +81-3-5332-6004

E-mail: ahresty_MP0_IR@ahresty.co.jp

URL: <http://www.ahresty.co.jp>

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