

Ahresty Corporation

Results Briefing for the First Three Quarters of the Year Ending March 31, 2013



February 7, 2013

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.

Contents

- ◆ TOPICS
- ◆ Overview of results for the first three quarters of the fiscal year ending March 31, 2013 and the full-year forecast

TOPICS

■ 2012

- April** Processing plant of Hefei Ahresty is completed
- May** Guangzhou Ahresty begins first phase of construction of a plant on an adjacent site
- October** Ahresty Mexicana completes work to expand casting plant and processing plant
- December** Hefei Ahresty begin expansion work (to be completed around May 2013)
- Plans to acquire adjacent reserved land of 20,500 m²

■ 2013

- January** Ahresty Mexicana completes work to expand die casting plant
- April** Guangzhou Ahresty plans to complete first phase of construction of a plant on an adjacent site

Expansion of Ahresty Mexicana Plant

Ahresty Mexicana, S.A. de C.V.

■ Expands the casting plant and the processing plant

Began construction in March 2012
Completed it in October

By February 2013

(Plant area) Land: 100,000 m² Building: 32,200 m²

*Of which, area to be expanded: Casting plant and processing plant: 2,600 m², die casting plant: 1,200 m²

■ Expands the die casting plant

Began construction in June 2012
Plans to complete it in January 2013

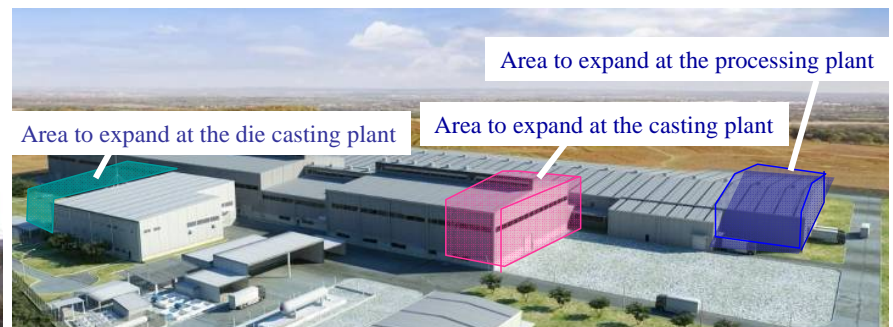
(Casting capacity) Monthly 2100 t (DC machine 21 units)

*Of which, capacity to be enhanced: Monthly 400 t (DC machine 4 units)

(Machining lines) 25 lines planned * 22 lines currently in operation



Expanded area at the die casting plant

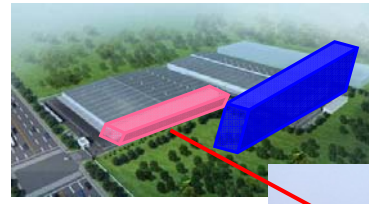


Rendering of the expansion work of Ahresty Mexicana Plant

Expansion of Hefei Ahresty

Hefei Ahresty Casting Co., Ltd.

- August 2010** Hefei Ahresty established
- July 2011** Commences operation
- October 2011** Begins second-phase construction (processing plant)
- April 2012** Construction of processing plant completed
- December 2012** Plans to begin third-phase construction
- Around May 2013** Plans to complete third-phase construction



Third-phase construction



Scene of third-phase construction (Processing plant/storehouse)



Scene of Jichinsai (October 2012)

By May 2013 (Plant area)

Land 50,500m²
 Building area 21,700m²
 (Casting capacity) Monthly 700 t (DC machine) 7 units

Of which, third-phase construction: Casting plant 4,750 m²
 Processing plant 3,000 m²
 Capacity to be enhanced: Monthly 200 t (DC machine 2 units)
 20,500 m² acquired from adjacent reserve land

Construction of a New Plant of Guangzhou Ahresty

Guangzhou Ahresty Casting Co., Ltd. Constructs a new plant on an adjacent site acquired in 2011



Scene of new plant construction (as of November 2012)



Scene of new plant construction (as of January 2013)

■ The first phase construction of the new plant

- May 2012 Begins constructing new plant
- April 2013 Plans to complete construction

■ Plant area

First plant

Land: 43,000 m² Building: 26,300 m²

Second plant

Land: 17,700 m² Building: 10,400 m²

New plant

Land: 21,100 m² Building: 16,000 m² (first phase)
 Building: 8,700 m² (second phase)

•Second phase of construction planned to begin in February has been delayed (start of the second phase will be determined after evaluating trends in demand)

(Casting capacity) Monthly 2,600 t (DC machine 31 units)



First Plant and New Plant (as of January 2013)



Rendering of the new plant on the adjacent site of Guangzhou Ahresty

Integrates three leased plants into new plant to improve efficiency of logistics, etc.

Overview of results for the first three quarters of the fiscal year ending March 31, 2013 and the full-year forecast



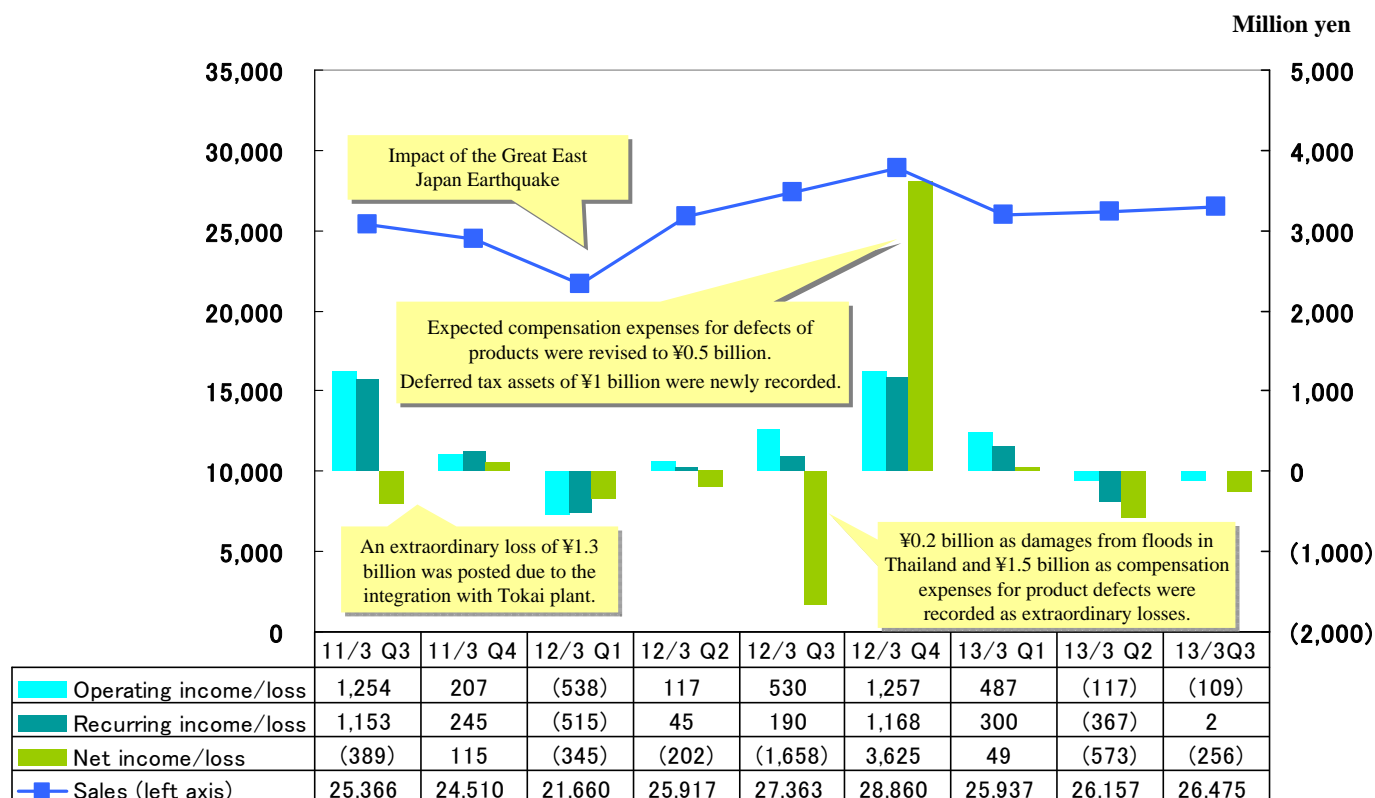
Key Results for First Three Quarters of Fiscal Year Ending March 31, 2013

(Million yen)

	First three quarters of year ended March 2012		First three quarters of year ending March 2013		Year-on-year change	Year-on-year change (%)
Sales	74,940	100%	78,569	100%	3,629	+4.8%
Operating income	109	+0.1%	261	0.3%	152	+139.4%
Recurring income	(280)	(0.4%)	(65)	(0.1%)	215	-
Net income	(2,205)	(2.9%)	(780)	(1.0%)	1,425	-
EPS	(102.32)		(36.21)		66.11	-

- ◆ Sales: Sales were ¥78.5 billion (up 4.8% year on year). Despite a decline in sales volume compared with the first three quarters of the previous year due to a reversal of the impact of Japanese government subsidies for the purchase of eco-friendly cars, sales rose mainly due to an increase in sales volume in North America as a result of a recovery in orders that had slumped in the United States because of the Great East Japan Earthquake; full-scale mass production of new products at plants in Guangzhou and India; and an increase in sales volume in Asia as a result of mass production starting at the Hefei plant.
- ◆ Operating income: Operating income managed to only edge up to ¥260 million as a result of higher fixed costs due to front-loaded investment in India and Hefei Ahresty in China, the impact of a decline in domestic sales volume and a temporary increase in expenses to consolidate the Tokai Plant. Operating income was limited despite a reduction in expenses incurred to recover from a delay in dealing with production hikes in Mexico, an increase in income in North America due to the impact of a rise in sales volume in the United States and higher income in Guangzhou in China as a result of an increase in sales volume.
- ◆ In the third quarter of the previous year, an extraordinary loss of ¥1.5 billion was posted for a product warranty expense (ultimately ¥500 million) and ¥200 million in extraordinary loss resulted from damages due to flooding in Thailand.

Overview of the (Quarterly) Consolidated Results



Forecast for the Fiscal Year Ending March 31, 2013

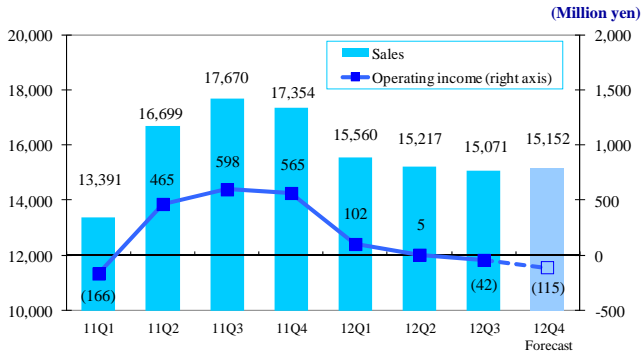
(Million yen)

	Results for year ended March 2012	Revised forecast for year ending March 2013 (October 29)	Revised forecast for year ending March 2013 (February 7)	Change from October 29 forecast	Percentage change from October 29 forecast
Sales	103,800	107,700	105,500	(2,200)	(2.0%)
Die Casting in Japan	65,114	63,900	61,000	(2,900)	(4.5%)
Die Casting in North America	18,761	21,400	22,500	1,100	5.1%
Die Casting in Asia	13,723	17,100	16,600	(500)	(2.9%)
Aluminum	3,744	3,800	3,700	(100)	(2.6%)
Proprietary Products	2,455	1,500	1,700	200	13.3%
Operating income	1,366	750	150	(600)	(80.0%)
Die Casting in Japan	1,463	1,000	(50)	(1,050)	(105.0%)
Die Casting in North America	314	400	700	300	75.0%
Die Casting in Asia	(504)	(750)	(550)	200	—
Aluminum	(42)	100	50	(50)	(50.0%)
Proprietary Products	72	0	0	0	—
Recurring income	888	(50)	(350)	(300)	—
Net income	1,420	(450)	(1,300)	(850)	—

Overview of Results

Die Casting in Japan (Q3 '11 → Q3 '12)

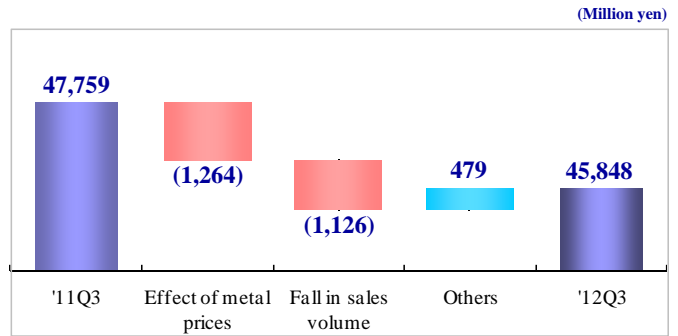
Changes in sales and segment income in Die Casting Business in Japan



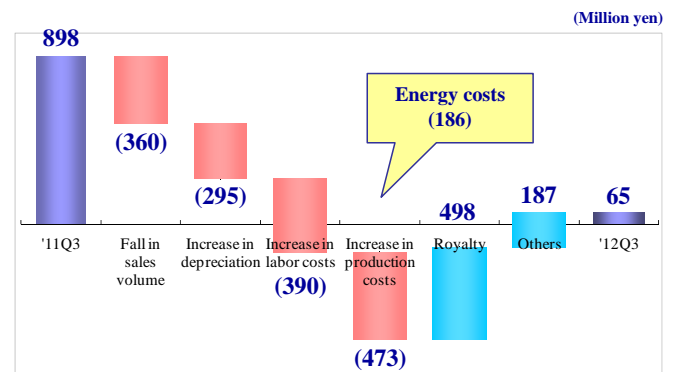
Sales declined 4.0% mainly due to a drop from the production levels that were recovered after the Great East Japan Earthquake the previous year, the impact of the end to the government's subsidy program for purchasing eco-friendly cars and the decline in automobile exports as well as the effect of the metal prices.

Segment income was limited to ¥65 million due to the impact of the sales decline; an increase in depreciation expenses associated with capital investment for new products; a delay in the progress made in cost cuts that had been planned in anticipation of a sales decline from the levels posted in the second half of the previous year; and the effect of the temporary decline in consolidating the Tokai Plant.

Factors of change in die casting sales



Factors of change in segment income



Full-Year Forecast (Die Casting in Japan)

	Results for year ended March 2012	Revised forecast for year ending March 2013 (October 29)	Revised forecast for year ending March 2013 (February 7)	Change from October 29 forecast	Percentage change from October 29 Forecast
Sales	103,800	107,700	105,500	(2,200)	(2.0%)
Die Casting Business in Japan	65,114	63,900	61,000	(2,900)	(4.5%)
Operating income	1,366	750	150	(600)	(80.0%)
Die Casting Business in Japan	1,463	1,000	(50)	(1,050)	(105.0%)

Full-year forecast

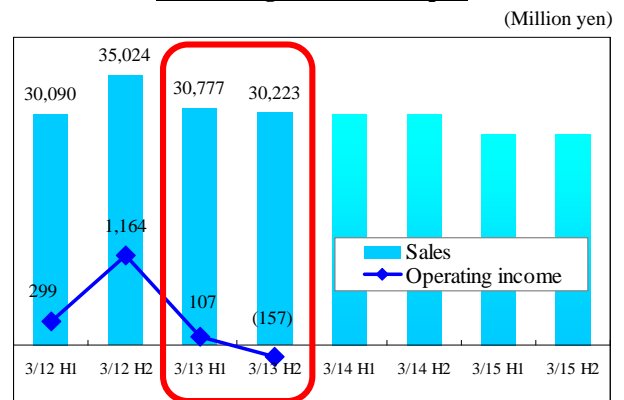
Sales are expected to fall ¥2.9 billion from the previous forecast (Q3: down ¥1.4 billion) mainly due to the greater-than-expected impact of the end to government subsidies for the purchase of eco-friendly cars.

Progress made in income improvement initiatives based on the previous (October 29) plan is generally as projected, but forecast for segment income was revised down by ¥1.05 billion (Q3: down ¥350 million; impact of royalties in Q4) mainly due to the impact of the sales decline and a delay in the reaching a fully executed contract on the royalty rate change from a subsidiary in China.

After the next fiscal year

Production in the Hamamatsu district will end and the consolidation of the Tokai Plant will be completed at the end of this fiscal year. Amid waning domestic demand, we will secure profits as a result of the effect of the consolidation and initiatives aimed at improving profitability.

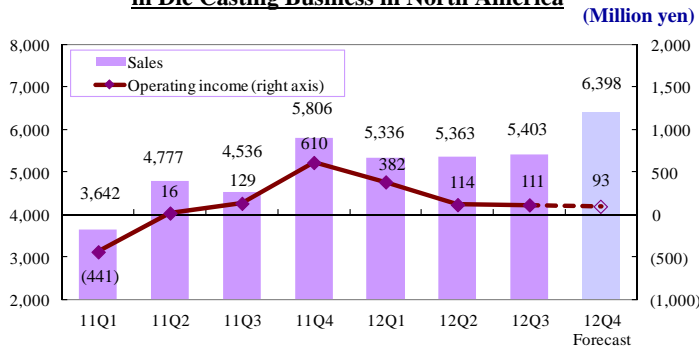
Results and Forecast for Die Casting Business in Japan



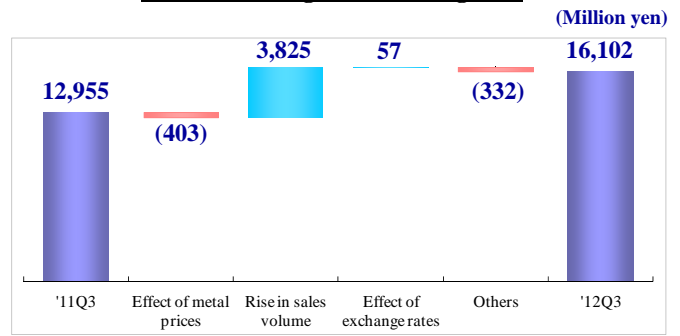
Overview of Results

Die Casting in North America (Q3 '11 → Q3 '12)

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



Factors of change in die casting sales

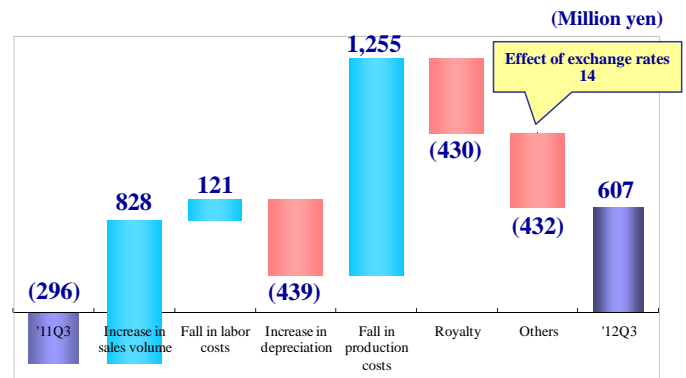


U.S.: While profitability declined temporarily due to a front-loaded rise in fixed costs in Q3 ahead of increased production starting in Q4, profit increased year over year as a result of a rise in sales volume, with earnings remaining solid.

Mexico: Segment loss narrowed greatly year over year mainly due to a reduction in costs that were incurred starting in Q4 2010 to catch up with delayed production. The challenge is to raise profitability by accelerating the progress to be made in cost reduction in response to lower added value resulting from model changes in newly ordered products this fiscal year.

Average exchange rate (Q3 '11 → Q3 '12)
US dollar 78.96 → 80.43
Mexican peso (US\$) 80.33 → 79.07

Factors of change in segment income (loss)



Full-Year Forecast (Die Casting in North America)

	Results for year ended March 2012	Revised forecast for year ending March 2013 (October 29)	Revised forecast for year ending March 2013 (February 7)	Change from October 29 forecast	Percentage change from October 29 Forecast
Sales	103,800	107,700	105,500	(2,200)	(2.0%)
Die Casting Business in North America	18,761	21,400	22,500	1,100	5.1%
Operating income	1,366	750	150	(600)	(80.0%)
Die Casting Business in North America	314	400	700	300	75.0%

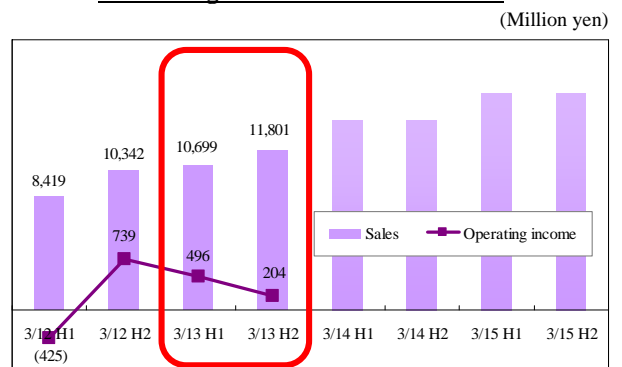
Full-year forecast

Sales were revised upward by ¥1.1 billion mainly due to an increase in orders on the back of strong auto sales in the U.S. and the impact of a change in the assumed exchange rate (about half of the increase due to the exchange rate impact). Segment income is projected to rise ¥300 million mostly because of the impact from an increase in sales volume in the U.S.

After the next fiscal year

We will improve profitability on the effect of growth in sales as well as a cost improvement plan in Mexico.

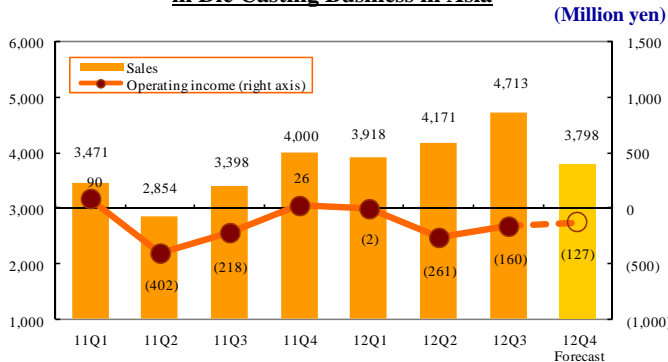
Results and Forecast for Die Casting Business in North America



Overview of Results

Die Casting in Asia (Q3 '11 → Q3 '12)

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

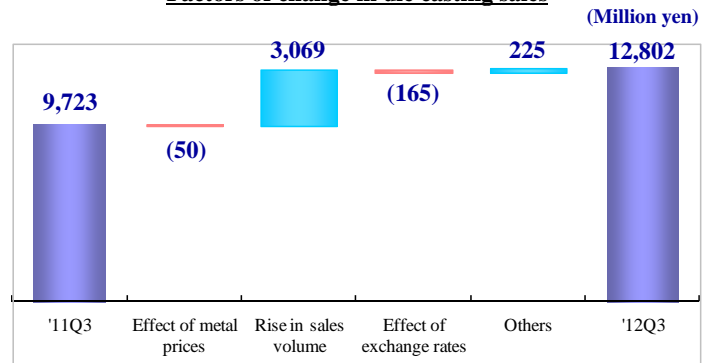


China: Sales increased due to the full-scale mass production of new products at the Guangzhou Plant and the start of operations of the Hefei Plant. As for segment income, increased income from higher revenues at the Guangzhou Plant offset, to a certain extent, a decline in income from an increase in fixed costs due to the front-loaded investment in the Hefei Plant. (The royalty rate is unchanged.)

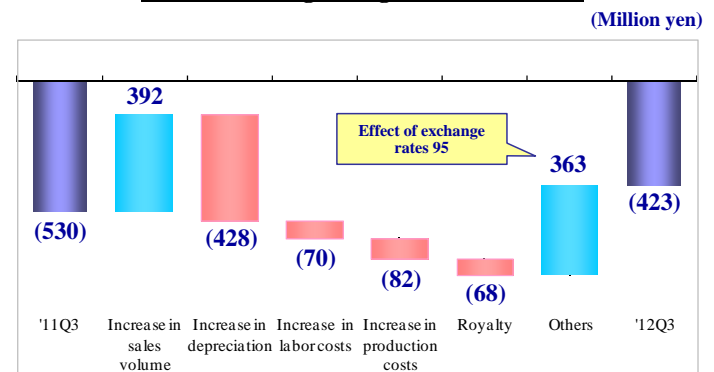
India: Sales increased but were lower than projected, with a decline in income mainly due to higher depreciation expenses and an increase in energy costs.

Average exchange rate (Q3 '11 → Q3 '12)
 Chinese yuan 12.35 → 12.51
 Indian rupee 1.69 → 1.48

Factors of change in die casting sales



Factors of change in segment income (loss)



Full-Year Forecast (Die Casting in Asia)

(Million yen)

	Results for year ended March 2012	Revised forecast for year ending March 2013 (October 29)	Revised forecast for year ending March 2013 (February 7)	Change from October 29 forecast	Percentage change from October 29 Forecast
Sales	103,800	107,700	105,500	(2,200)	(2.0%)
Die Casting Business in Asia	13,723	17,100	16,600	(500)	(2.9%)
Operating income	1,366	750	150	(600)	(80.0%)
Die Casting Business in Asia	(504)	(750)	(550)	200	26.7%

Full-year forecast

Sales in Asia were revised down by ¥500 million as the slump in Japanese car sales in China that started in October 2012 was more sluggish than expected (sales in China revised down by ¥800 million), although the recovery in sales in India is expected to be greater than in the previous plan. While the sales decline in China is expected to be greater than expected, segment income was revised upward by ¥200 million as a result of cost cuts at the Guangzhou Plant.

After the next fiscal year

We will secure profitability as progress is seen in recovery in orders in China and due to an increase in production in India.

Results and Forecast for Die Casting Business in Asia

(Million yen)



Overview of Results

Aluminum Business and Proprietary Products Business

(Million yen)

		First three quarters of year ended March 2012		First three quarters of year ending March 2013		Year-on-year change	Year-on-year percentage change
Aluminum Business	Sales	2,877	100%	2,776	100%	(101)	(3.5%)
	Operating income	(18)	(0.6%)	48	1.7%	66	-
Proprietary Products Business	Sales	1,624	100%	1,039	100%	(585)	(36.0%)
	Operating income	38	2.3%	(35)	(3.4%)	(73)	(192.1%)

Aluminum Business:

Sales declined 3.5% as prices were pushed down due to the effect of the strong yen and the slump in LME prices, although shipping volume of secondary alloy metal products rose 10.0% compared with the same quarter the previous fiscal year. Income stood at ¥48 million as a result of cost-cut initiatives, including expenses for raw materials used.

Proprietary Products Business:

Sales declined 36% due to weak capital spending by semiconductor-related companies, our mainstay customers, as well as anemic demand for data centers from telecommunications companies, even though domestic share increased. Income declined to an operating loss of ¥35 million due to the impact of a decline in orders.



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Overview of Results

Balance Sheets

(Million yen)

	Year ended March 2012	First three quarters of year ending March 2013	Change
Current assets	44,486	37,827	(6,659)
Cash and time deposits	7,358	5,284	(2,074)
Notes and accounts receivable	24,541	19,333	(5,208)
Inventories	8,636	9,419	783
Fixed assets	60,721	65,256	4,535
Tangible fixed assets	54,135	58,468	4,333
Total assets	105,208	103,084	(2,124)
Total liabilities	69,794	68,094	(1,700)
Notes and accounts payable	18,653	16,291	(2,362)
Long-term and short-term loans	33,348	34,843	1,495
Total net assets	35,414	34,989	(425)

◆ Current assets decreased as a result of a decline in cash and time deposits as well as a decline in notes and accounts receivable (including securitized receivables).

◆ Tangible fixed assets rose as a result of an increase in investments overseas.

◆ Procured investment funds that exceed the amount of operating cash flow through a decline in cash and time deposits as well as through borrowing.



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Income Improvement Initiatives

◆ Review and implementation of income improvement (cost reduction) plan

- (1) Deployment of productivity improvement measures
- (2) The effect of increased production overseas
- (3) Generation of integration effects through consolidation of Tokai Plant
- (4) Human resource development

Dividends

(Yen)	FY ended March 2009	FY ended March 2010	FY ended March 2011	FY ended March 2012	FY ending March 2013 Plan (February 7)
Dividend per share					
(Annual dividend)	11	5	12	6	3
Interim dividend	11	-	6	3	3
Year-end dividend	-	5	6	3	-
Net income (loss) per share (consolidated)	(313.8)	(2.8)	68.8	65.9	(60.28)
Payout ratio (consolidated)	-	-	17.4%	9.1%	-

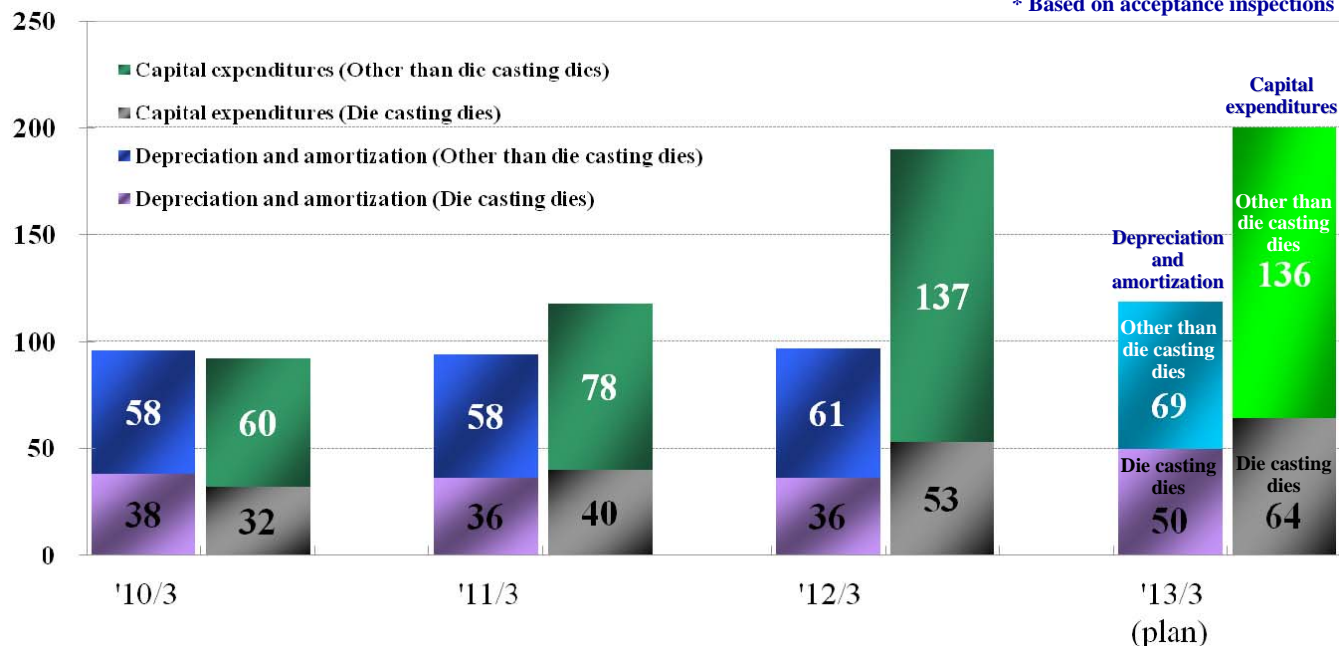
- ◆ For dividends at the end of the fiscal year, we have determined based on comprehensive consideration that dividends are unlikely given the consolidated earnings forecast.
- ◆ Will allocate management resources for future growth, while considering the payout ratio.

Trends of Capital Expenditures and Depreciation and Amortization

- ◆ Capital expenditures starting next fiscal year will lean toward restrained spending compared with the level this fiscal year

(100 million yen)

* Based on acceptance inspections



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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