

Consolidated Financial Results (Japanese Accounting Standards) for the First Quarter of the Fiscal Year Ending March 31, 2013

August 6, 2012

Company Name	Ahresty Corporation	Stock Exchange Listing	Tokyo
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Filing date of quarterly securities report	August 9, 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, 2012 through June 30, 2012)

(1) Consolidated results of operations (For the three months ended June 30) (% shows change from previous first quarter)

	Net sales		Operating income		Recurring income	
	million yen	%	million yen	%	million yen	%
Three months ended June 30, 2012	25,937	19.7	487	-	300	-
Three months ended June 30, 2011	21,660	(8.6)	(538)	-	(515)	-

(Note) Comprehensive income
 First quarter ended June 2012: 279 million yen (127.4%)
 First quarter ended June 2011: 123 million yen (-67.9%)

	Net income		Net income per share	Fully diluted net income per share
	million yen	%	yen	yen
Three months ended June 30, 2012	49	-	2.31	2.30
Three months ended June 30, 2011	(345)	-	(16.06)	-

(2) Consolidated financial position

	Total assets		Net assets	Equity ratio
	million yen		million yen	%
As of June 30, 2012	103,395		35,629	34.4
As of March 31, 2012	105,208		35,414	33.6

(For reference) Shareholders' equity
 35,561 million yen at June 30, 2012
 35,346 million yen at March 31, 2012

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, 2012	yen -	yen 3.00	yen -	yen 3.00	yen 6.00
Year ending March 31, 2013	yen -	-	-	-	-
Year ending March 31, 2013 (projection)	-	6.00	-	6.00	12.00

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

3. Forecast of consolidated results for year ending March 2013 (April 1, 2012 – March 31, 2013)

(% 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
Interim	52,400	10.1	500	-	150	-	(200)	-	(9.27)
Full year	111,000	6.9	2,250	64.7	1,600	80.0	800	(43.7)	37.10

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

* Notes

(1) Significant changes to subsidiaries during the current term

(changes for a specified subsidiary accompanying a change in the scope of consolidation): None

(2) Application of 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.: Yes

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

(iii) Changes in accounting estimates: Yes

(iv) Restatement: None

(Note) These are subject to Article 10-5 of the Ordinance on Terminology, Forms and Preparation Methods of Quarterly Financial Statements. For more detailed information, please see "(3) Changes in Accounting Principles and Changes or Restatement of Accounting Estimates" in section 2. Matters Relating to Summary Information (Notes) on page 3 of the accompanying material.

(4) Number of shares outstanding (Common stock)

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

21,778,220 shares at June 30, 2012

21,778,220 shares at March 31, 2012

(ii) Number of treasury stock at end of period

213,776 shares at June 30, 2012

213,776 shares at March 31, 2012

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

21,564,444 shares at June 30, 2012

21,539,437 shares at June 30, 2011

* 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 "1. Qualitative Information on Consolidated Operating Results, etc. for the First Quarter (3) Qualitative Information Concerning Consolidated Earnings Forecasts" on page 3 of the accompanying materials.

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

(1) Qualitative Information Concerning Consolidated Operating Results

During the first quarter of the fiscal year under review, the Japanese economy continued to face challenges but staged a gradual recovery, with signs of a modest revival in production and an upward trend in exports, against the backdrop of demand for reconstruction following the Great East Japan Earthquake.

Overseas, there was a pervading sense of economic slowdown generally, as the European sovereign debt refused to go away and China and India expanded at a slower pace, and recovery was fragile.

In these circumstances, the Company recorded gains in sales and profits for the first quarter of the fiscal year under review, with sales of ¥25,937 million (up 19.7% year on year), operating income of ¥487 million (compared with an operating loss of ¥538 million in the same quarter of the previous fiscal year), recurring income of ¥300 million (compared with a recurring loss of ¥515 million a year), and net income of ¥49 million (compared with a net loss of ¥345 million a year ago).

Operating results by segment are as follows:

(i) Die Casting Business: Japan

In Japan, looking at the domestic automakers that are our main customers, production increased, reflecting recovery from the slump caused by the Great East Japan Earthquake, as well as expansion driven by domestic sales, pushed up by government subsidies for the purchase of fuel efficient cars. As a result of these factors, orders increased and the Company saw net sales of ¥15,560 million (up 16.2% year on year). The segment recorded profit of ¥102 million (compared with a segment loss of ¥165 million a year ago), reflecting the impact of increased orders.

(ii) Die Casting Business: North America

In North America, orders increased due to recovery in orders received from major customers that had declined due to the impact of the Great East Japan Earthquake as well as brisk auto sales in the US, and so net sales were ¥5,336 million (up 46.5% year on year). The segment recorded profit of ¥382 million (compared with a segment loss of ¥441 million a year ago), reflecting the impact of increased orders and the absence of costs incurred due to a tardy production response in Mexico during the same quarter of the previous fiscal year.

(iii) Die Casting Business: Asia

In China, orders expanded due to the start of operations at the new plant in Hefei in the summer of 2011 and the start of full-scale mass production at the plant in Guangzhou, putting net sales in Asia at ¥3,918 million (up 21.9% year on year). A loss of ¥2 million was recorded in this segment (compared with segment profit of ¥89 million a year ago), largely due to the impact of increased fixed costs resulting from prior investment in India and Hefei.

(iv) Aluminum Business

In the Aluminum business, although the stagnant market put downward pressure on prices, shipments of secondary alloy ingots grew 34.5% year on year and, as a result, net sales came to ¥925 million (climbing 15.5% from the same quarter of the previous fiscal year). The segment recorded profit of ¥20 million (compared with a segment loss of ¥32 million a year ago), reflecting expansion in orders and activities to reduce the cost of goods sold including raw materials used.

(v) Proprietary Products Business

In the Proprietary Products business, net sales amounted to ¥195 million (down 44.7% year on year), as orders declined amid weak capital investment, including orders from semiconductor manufacturers, the company's main customers, and orders from telecommunications companies for data centers. A loss of ¥34 million was recorded in this segment (compared with a loss of ¥6 million a year ago), largely due to the impact of decreased orders.

(2) Qualitative Information Concerning Consolidated Financial Position

The Company's assets at the end of the consolidated first quarter under review declined ¥1,812 million from the end of the previous fiscal year, to ¥103,395 million. The main factors included a decrease of ¥2,690 million in cash and time deposits, and a rise of ¥1,408 million in tangible fixed assets.

Liabilities at the end of the first quarter under review fell ¥2,027 million from the end of the previous fiscal year, to ¥67,766 million. The main factors included a decrease of ¥1,402 million in notes and accounts payable, and a fall of ¥855 million in loans.

Net assets at the end of the consolidated first quarter under review increased ¥215 million from the end of the previous fiscal year, to ¥35,629 million. The main factors included a decrease of ¥372 million in the difference on revaluation of other marketable

securities and an increase of ¥602 million in foreign currency translation adjustments. As a result, the equity ratio rose from 33.6% at the end of the previous consolidated fiscal year, to 34.4%.

(3) Qualitative Information Concerning Consolidated Earnings Forecasts

In Japan, although net sales are expected to exceed our initial forecasts, profits are expected to fall, mainly due to losses associated with high load. Nonconsolidated results for the first six months of the current consolidated fiscal year are expected to show decreased profits, as one-time expenses associated with the Tokai Plant consolidation will be incurred earlier than initially forecast. However, full-year results are expected to be in line with initial forecasts. The Tokai Plant consolidation is proceeding to plan and is scheduled for completion next spring.

Overseas, net sales in China and India are expected to show substantial growth, up 40% year on year in China and up 60% year on year in India. Nonetheless, overseas sales are expected to be less than initially forecast, due to the increase in the burden of fixed costs associated with less sales than initially forecast. In North America, despite the absence of costs incurred due to our tardy production response during the previous fiscal year in Mexico, the product mix is expected to result in less added value and profits are expected to be lower than initially forecast.

Against this background, we are revising our consolidated business results forecast for the fiscal year ending March 2013 announced May 14, 2012 as follows.

Moving forward, the Group plans to further improve productivity and work to ensure profitability.

The consolidated business results forecast assumes foreign exchange rates of 80.0 yen to 1 USD, 12.6 yen to 1 RMB.

	Net sales	Operating income	Recurring income	Net income	Net income per share
	million yen	million yen	million yen	million yen	yen
Previous Forecasts (A)	112,500	3,750	3,350	2,400	111.29
Revised Forecasts (B)	111,000	2,250	1,600	800	37.10
Changes (B-A)	(1,500)	(1,500)	(1,750)	(1,600)	–
Change Ratio (%)	(1.3)	(40.0)	(52.2)	(66.7)	–
Results for the Previous Fiscal Year	103,800	1,366	888	1,420	65.87

Reference (Revised Forecasts)

		Net sales	Operating income
		million yen	million yen
Die Casting Business	Japan	64,800	1,450
	North America	21,200	800
	Asia	19,300	(150)
Aluminum Business		3,800	100
Proprietary Products Business		1,900	50

2. Matters Relating to Summary Information (Notes)

(1) Significant Changes to Subsidiaries during the Current Term

Not applicable.

(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

Changes in Accounting Principles

(Change of depreciation method)

In the first quarter of the consolidated fiscal year under review, the Company and its domestic consolidated subsidiaries changed the depreciation method for tangible fixed assets acquired on or after April 1 2012 in line with the revision of the Corporation Tax Act.

This change has minimal effect on profit/loss for the first quarter of the consolidated fiscal year under review.

3. Quarterly Consolidated Financial Statements

(1) Quarterly Consolidated Balance Sheet

	As of March 31, 2012	As of June 30, 2012
	Amount (million yen)	Amount (million yen)
(Assets)		
Current assets		
Cash and time deposits	7,358	4,668
Trade notes and accounts receivable	24,541	23,120
Merchandise and products	2,153	2,752
Partly finished goods	3,826	4,592
Raw materials and inventories	2,657	2,656
Others	3,949	3,993
Allowance for doubtful accounts	(1)	(1)
Total current assets	44,486	41,782
Fixed assets		
Tangible fixed assets		
Buildings and structures, net	10,433	10,550
Machinery and delivery equipment, net	25,228	26,487
Land	5,716	5,699
Construction in progress	8,747	8,595
Others, net	4,009	4,210
Total tangible fixed assets	54,135	55,544
Intangible fixed assets	901	929
Investments and other assets		
Investments in securities	5,150	4,573
Others	535	567
Allowance for doubtful accounts	(1)	(1)
Total investments and other assets	5,685	5,139
Total fixed assets	60,721	61,613
Total assets	105,208	103,395

	As of March 31, 2012	As of June 30, 2012
	Amount (million yen)	Amount (million yen)
(Liabilities)		
Current liabilities		
Notes and accounts payable	18,653	17,251
Electronically recorded obligations-operating	–	1,083
Short-term loans	4,541	3,398
Current portion of long-term loans	9,133	9,664
Accrued income taxes	273	308
Bonus allowances	1,092	1,816
Provision for business structure improvement	–	442
Provision for product warranties	448	436
Provision for loss due to disaster	104	102
Others	7,919	6,349
Total current liabilities	42,166	40,853
Long-term liabilities		
Long-term loans	19,674	19,430
Allowances for employees' retirement benefits	3,790	3,844
Provision for business structure improvement	482	–
Others	3,680	3,636
Total long-term liabilities	27,627	26,912
Total liabilities	69,794	67,766
(Net assets)		
Shareholders' equity		
Common stock	5,117	5,117
Additional paid-in capital	8,359	8,359
Retained earnings	26,240	26,226
Treasury stock	(320)	(320)
Total shareholders' equity	39,397	39,382
Other accumulated comprehensive income		
Difference on revaluation of other marketable securities	1,846	1,473
Foreign currency translation adjustments	(5,897)	(5,294)
Total other accumulated comprehensive income	(4,050)	(3,820)
Share warrants	67	67
Total net assets	35,414	35,629
Total liabilities and net assets	105,208	103,395

(2) Quarterly Consolidated Income Statements and Quarterly Consolidated Statements of Comprehensive Income

Quarterly Consolidated Income Statements.

First Quarter

	Three months ended June 30, 2011	Three months ended June 30, 2012
	Amount (million yen)	Amount (million yen)
Sales	21,660	25,937
Cost of goods sold	19,720	23,080
Gross Profit	1,940	2,856
Selling, general and administrative expenses	2,478	2,369
Operating income (loss)	(538)	487
Non-operating income		
Interest income	8	5
Dividends received	37	37
Amortization of negative goodwill	27	–
Foreign currency exchange gain	65	–
Gain on sales of scraps	17	19
Others	32	12
Total non-operating income	190	75
Non-operating expenses		
Interest expenses	141	180
Foreign currency exchange loss	–	55
Others	25	26
Total non-operating expenses	167	261
Recurring income (loss)	(515)	300
Extraordinary gains		
Gain on the sale of fixed assets	0	1
Subsidy income	–	168
Total extraordinary gains	0	170
Extraordinary losses		
Loss on the sale of fixed assets	4	34
Loss on revision of retirement benefit plan	22	–
Others	8	–
Total extraordinary losses	34	34
Income (loss) before income taxes and others	(549)	436
Income taxes and enterprise taxes	226	369
Deferred income taxes	(430)	17
Total income taxes	(203)	386
Income (loss) before minority interests	(345)	49
Net income (loss)	(345)	49

Quarterly Consolidated Statements of Comprehensive Income
 First Quarter

	Three months ended June 30, 2011	Three months ended June 30, 2012
	Amount (million yen)	Amount (million yen)
Income before minority interests	(345)	49
Other comprehensive income		
Difference on revaluation of other marketable securities	(53)	(372)
Deferred gains or losses on hedges	16	–
Foreign currency translation adjustments	505	602
Total other comprehensive income	468	229
Comprehensive income	123	279
Comprehensive income attributable to		
Comprehensive income attributable to owners of the parent	123	279
Comprehensive income attributable to minority interests	–	–

(3) Notes on Going Concern Assumptions

Not applicable.

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

Not applicable.

(5) Segment Information

I. Three months ended June 30, 2011 (from April 1, 2011 to June 30, 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	13,391	3,642	3,471	801	353	21,660
Intersegment	1,249	9	155	379	–	1,793
Total	14,640	3,651	3,627	1,181	353	23,454
Segment profit (loss)	(165)	(441)	89	(32)	(6)	(556)

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	(556)
Elimination of intersegment transactions	18
Operating income (loss) in the quarterly consolidated statement of income	(538)

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

Not applicable.

II. Three months ended June 30, 2012 (from April 1, 2012 to June 30, 2012)

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	15,560	5,336	3,918	925	195	25,937
Intersegment	668	2	155	697	–	1,522
Total	16,228	5,338	4,073	1,623	195	27,459
Segment profit (loss)	102	382	(2)	20	(34)	468

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	468
Elimination of intersegment transactions	18
Operating income in the quarterly consolidated statement of income	487

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

Not applicable.