

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

November 9, 2012

Company Name	Ahresty Corporation	Stock Exchange Listing	Tokyo
Code Number	5852	URL	<a href="http://www.ahresty.co.jp">http://www.ahresty.co.jp</a>
Representative	President & CEO Arata Takahashi		
Contact for inquiries	Director, General Manager of Administrative Command	Shigeru Furuya	TEL 03-5332-6001
Filing date of quarterly securities report	November 12, 2012		
Planned date for start of dividend payments	December 5, 2012		
Supplementary documents for quarterly results	Yes		
Quarterly results briefing	Yes (for securities analysts and institutional investors)		

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

### 1. Business performance (April 1, 2012 through September 30, 2012)

#### (1) Consolidated results of operations (For the six months ended September 30) (% shows change from previous first half)

	Net sales		Operating income		Recurring income	
	million yen	%	million yen	%	million yen	%
Six months ended September 30, 2012	52,094	9.5	370	–	(67)	–
Six months ended September 30, 2011	47,577	(3.2)	(421)	–	(470)	–

(Note) Comprehensive income  
 First half ended September 2012: -1,468 million yen (–%)  
 First half ended September 2011: -1,532 million yen (–%)

	Net income		Net income per share	Fully diluted net income per share
	million yen	%	yen	yen
Six months ended September 30, 2012	(524)	–	(24.33)	–
Six months ended September 30, 2011	(547)	–	(25.39)	–

#### (2) Consolidated financial position

	Total assets		Net assets	Equity ratio
	million yen		million yen	%
As of September 30, 2012	101,375		33,886	33.4
As of March 31, 2012	105,208		35,414	33.6

(For reference) Shareholders' equity  
 33,813 million yen at September 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
	yen	yen	yen	yen	yen
Year ended March 31, 2012	–	3.00	–	3.00	6.00
Year ending March 31, 2013	–	3.00			
Year ending March 31, 2013 (projection)			–	3.00	6.00

(Note) 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
Full year	107,700	3.8	750	(45.1)	(50)	–	(450)	–	(20.87)

(Note) Revisions to consolidated results forecast published most recently: None

**\*\* 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 September 30, 2012
    - 21,778,220 shares at March 31, 2012
  - (ii) Number of treasury stock at end of period
    - 213,846 shares at September 30, 2012
    - 213,776 shares at March 31, 2012
  - (iii) Average number of shares (Quarterly cumulative period)
    - 21,564,437 shares at September 30, 2012
    - 21,552,049 shares at September 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 Half (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 Half

### (1) Qualitative Information Concerning Consolidated Operating Results

During the first half of the fiscal year under review, the Japanese economy staged a gradual recovery mainly supported by demand for reconstruction in the areas affected by the earthquake disaster, but the progress generally came to a halt in the face of a slowdown in the global economy and other factors. Overseas, the economic downturn became more evident, with a slowdown in the pace of the growth in China and India, although the US economy maintained gradual recovery.

In these circumstances, for the first half of the fiscal year under review, the Company recorded sales of ¥52,094 million (up 9.5% year on year), operating income of ¥370 million (compared with an operating loss of ¥421 million in the same half of the previous fiscal year), a recurring loss of ¥67 million (compared with a recurring loss of ¥470 million a year), and a net loss of ¥524 million (compared with a net loss of ¥547 million a year ago).

Operating results by segment are as follows:

#### (i) Die Casting Business: Japan

In Japan, the domestic automakers that are our main customers increased production, primarily in response to a rise in domestic sales, which in turn were encouraged by government subsidies for the purchase of fuel efficient cars, as well as demand from reconstruction projects in the areas hit by the Great East Japan Earthquake. As a result of these factors, orders in this segment increased, and the Company posted net sales of ¥30,777 million (up 2.3% year on year). The segment recorded profit of ¥107 million (a decline of 64.2% from the same period of the previous fiscal year), mainly reflecting the impact of a temporary rise in expenses associated with the Tokai Plant consolidation.

#### (ii) Die Casting Business: North America

In North America, orders increased with a recovery in orders from major customers that had declined in the wake of the Great East Japan Earthquake as well as brisk auto sales in the United States, and net sales were ¥10,699 million (up 27.1% year on year). The segment recorded profit of ¥496 million (compared with a segment loss of ¥425 million a year ago), reflecting the impact of increased orders and a reduction in costs incurred due to a tardy production response in Mexico.

#### (iii) Die Casting Business: Asia

Orders expanded, given the start of full-scale mass production of new products at the plants in Guangzhou, China and in India, in addition to the effects of the start of operations at the new plant in Hefei, China in the summer of 2011. As a result, net sales in Asia reached ¥8,089 million (up 27.9% year on year). A loss of ¥263 million was recorded in this segment (compared with segment loss of ¥312 million a year ago), largely because of the impact of increased fixed costs resulting from prior investment in India and Hefei.

#### (iv) Aluminum Business

In the Aluminum business, although the weak market put downward pressure on prices, shipments of secondary alloy ingots grew 20.0% year on year and, as a result net sales came to ¥1,834 million (climbing 4.4% from the same period of the previous fiscal year). The segment recorded profit of ¥45 million (compared with a segment loss of ¥23 million a year ago), reflecting an 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 ¥693 million (down 29.5% year on year), given sluggish demand from telecommunications companies for data centers, in addition to reduced capital spending by semiconductor manufacturers, the company's main customers. A loss of ¥32 million was recorded in this segment (compared with a profit of ¥19 million a year ago), largely because of the impact of decreased orders.

## (2) Qualitative Information Concerning Consolidated Financial Position

The Company's assets at the end of the consolidated first half of the fiscal year under review declined ¥3,832 million from the end of the previous fiscal year, to ¥101,375 million. The main factors included a decrease of ¥4,028 million in notes and accounts receivable, and a rise of ¥1,867 million in tangible fixed assets.

Liabilities at the end of the first half of the fiscal year under review fell ¥2,305 million from the end of the previous fiscal year, to ¥67,488 million. The main factors included a decrease of ¥1,319 million in notes and accounts payable.

Net assets at the end of the consolidated first half of the fiscal year under review decreased ¥1,527 million from the end of the previous fiscal year, to ¥33,886 million. The main factors included a net loss of ¥524 million and a decrease of ¥678 million in the difference on revaluation of other marketable securities. As a result, the equity ratio rose from 33.6% at the end of the previous consolidated fiscal year, to 33.4%.

## (3) Qualitative Information Concerning Consolidated Earnings Forecasts

Full-year earnings forecasts as announced on October 29, 2012.

## 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 this consolidated fiscal year, 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 half of the consolidated fiscal year under review.

### 3. Quarterly Consolidated Financial Statements

#### (1) Quarterly Consolidated Balance Sheet

	As of March 31, 2012	As of September 30, 2012
	Amount (million yen)	Amount (million yen)
<b>(Assets)</b>		
Current assets		
Cash and time deposits	7,358	6,117
Trade notes and accounts receivable	24,541	20,513
Merchandise and products	2,153	2,548
Partly finished goods	3,826	4,188
Raw materials and inventories	2,657	2,558
Others	3,949	3,890
Allowance for doubtful accounts	(1)	(1)
Total current assets	44,486	39,814
Fixed assets		
Tangible fixed assets		
Buildings and structures, net	10,433	10,854
Machinery and delivery equipment, net	25,228	26,080
Land	5,716	5,701
Construction in progress	8,747	8,796
Others, net	4,009	4,569
Total tangible fixed assets	54,135	56,003
Intangible fixed assets	901	901
Investments and other assets		
Investments in securities	5,150	4,104
Others	535	552
Allowance for doubtful accounts	(1)	(1)
Total investments and other assets	5,685	4,655
Total fixed assets	60,721	61,560
Total assets	105,208	101,375

	As of March 31, 2012	As of September 30, 2012
	Amount (million yen)	Amount (million yen)
<b>(Liabilities)</b>		
Current liabilities		
Notes and accounts payable	18,653	14,493
Electronically recorded obligations-operating	–	2,839
Short-term loans	4,541	6,092
Current portion of long-term loans	9,133	9,308
Accrued income taxes	273	479
Bonus allowances	1,092	1,063
Provision for business structure improvement	–	375
Provision for product warranties	448	202
Provision for loss due to disaster	104	68
Others	7,919	7,274
Total current liabilities	42,166	42,198
Long-term liabilities		
Long-term loans	19,674	18,342
Allowances for employees' retirement benefits	3,790	3,868
Provision for business structure improvement	482	–
Others	3,680	3,079
Total long-term liabilities	27,627	25,290
Total liabilities	69,794	67,488
<b>(Net assets)</b>		
Shareholders' equity		
Common stock	5,117	5,117
Additional paid-in capital	8,359	8,359
Retained earnings	26,240	25,651
Treasury stock	(320)	(320)
Total shareholders' equity	39,397	38,807
Other accumulated comprehensive income		
Difference on revaluation of other marketable securities	1,846	1,168
Foreign currency translation adjustments	(5,897)	(6,162)
Total other accumulated comprehensive income	(4,050)	(4,994)
Share warrants	67	73
Total net assets	35,414	33,886
Total liabilities and net assets	105,208	101,375

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

## Quarterly Consolidated Income Statements

## First Half

	Six months ended September 30, 2011	Six months ended September 30, 2012
	Amount (million yen)	Amount (million yen)
Sales	47,577	52,094
Cost of goods sold	43,105	47,072
Gross Profit	4,471	5,022
Selling, general and administrative expenses	4,892	4,651
Operating income (loss)	(421)	370
Non-operating income		
Interest income	21	12
Dividends received	53	56
Amortization of negative goodwill	54	–
Foreign currency exchange gain	82	–
Gain on sales of scraps	35	36
Others	62	65
Total non-operating income	311	170
Non-operating expenses		
Interest expenses	312	377
Foreign currency exchange loss	–	169
Others	47	63
Total non-operating expenses	360	609
Recurring income (loss)	(470)	(67)
Extraordinary gains		
Gain on the sale of fixed assets	2	3
Subsidy income	–	168
Total extraordinary gains	2	171
Extraordinary losses		
Loss on sales and retirement of fixed assets	57	96
Loss on revision of retirement benefit plan	22	–
Others	10	–
Total extraordinary losses	89	96
Income (loss) before income taxes and others	(558)	7
Income taxes and enterprise taxes	451	645
Deferred income taxes	(462)	(112)
Total income taxes	(10)	532
Income (loss) before minority interests	(547)	(524)
Net income (loss)	(547)	(524)

Quarterly Consolidated Statements of Comprehensive Income  
 First Half

	Six months ended September 30, 2011	Six months ended September 30, 2012
	Amount (million yen)	Amount (million yen)
Income (loss) before minority interests	(547)	(524)
Other comprehensive income		
Difference on revaluation of other marketable securities	(566)	(678)
Deferred gains or losses on hedges	16	–
Foreign currency translation adjustments	(435)	(265)
Total other comprehensive income	(984)	(943)
Comprehensive income	(1,532)	(1,468)
Comprehensive income attributable to		
Comprehensive income attributable to owners of the parent	(1,532)	(1,468)
Comprehensive income attributable to minority interests	–	–

## (3) Quarterly Consolidated Statement of Cash Flows

	Six months ended September 30, 2011	Six months ended September 30, 2012
	Amount (million yen)	Amount (million yen)
Cash flows from operating activities		
Income (loss) before income taxes	(558)	7
Depreciation and amortization	4,588	5,398
Amortization of negative goodwill	(54)	-
Increase (decrease) in allowances for bonuses	6	(29)
Increase (decrease) in provision for product warranties	56	(244)
Increase (decrease) in allowances for employees' retirement benefits	135	77
Increase (decrease) in provision for business structure improvement	(99)	(107)
Interest and dividend income	(75)	(68)
Interest expenses	312	377
Loss (gain) on sales and retirement of tangible fixed assets	54	92
Subsidy income	-	(168)
Loss on revision of retirement benefit plan	22	-
Decrease (increase) in notes and accounts receivable	(2,266)	4,099
Decrease (increase) in inventories	(377)	(548)
Increase (decrease) in notes and accounts payable	(1,374)	(1,345)
Increase (decrease) in accrued expenses	(171)	(171)
Increase (decrease) in accrued consumption taxes and others	(693)	293
Others	649	438
Subtotal	156	8,100
Interest and dividends received	75	69
Interest paid	(313)	(376)
Proceeds from subsidy	-	168
Income taxes paid	(667)	(537)
Income taxes refunded	280	348
Payments for loss on disaster	-	(50)
Net cash provided by (used in) operating activities	(468)	7,721
Cash flows from investing activities		
Payment into time deposits	(484)	-
Proceeds from refund of time deposits	87	198
Expenditures from purchases of tangible fixed assets	(7,049)	(8,985)
Proceeds from sales of tangible fixed assets	111	12
Others	(175)	(45)
Net cash provided by (used in) investing activities	(7,509)	(8,820)
Cash flows from financing activities		
Proceeds from short-term loans	10,820	10,350
Repayment of short-term loans	(9,574)	(8,856)
Proceeds from long-term debt	6,670	4,963
Repayment of long-term debt	(3,662)	(6,172)
Dividends paid	(129)	(65)
Others	(13)	(13)
Net cash provided by (used in) financing activities	4,110	206
Effect of exchange rate changes on cash and cash equivalents	(189)	(117)
Net increase (decrease) in cash and cash equivalents	(4,057)	(1,010)
Cash and cash equivalents at beginning of year	9,179	6,688
Increase (decrease) in cash and cash equivalents resulting from change of scope of consolidation	153	-
Cash and cash equivalents at end of period	5,275	5,678

(4) Notes on Going Concern Assumptions

Not applicable.

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

Not applicable.

(6) Segment Information

I. Six months ended September 30, 2011 (from April 1, 2011 to September 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	30,090	8,419	6,325	1,758	983	47,577
Intersegment	2,080	9	251	987	1	3,331
Total	32,170	8,429	6,577	2,745	985	50,908
Segment income (loss)	299	(425)	(312)	(23)	19	(442)

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	(442)
Elimination of intersegment transactions	20
Operating loss in the quarterly consolidated statement of income	(421)

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

Not applicable.

II. Six months ended September 30, 2012 (from April 1, 2012 to September 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	30,777	10,699	8,089	1,834	693	52,094
Intersegment	1,656	2	341	1,257	–	3,257
Total	32,433	10,701	8,431	3,092	693	55,352
Segment income (loss)	107	496	(263)	45	(32)	353

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	353
Elimination of intersegment transactions	17
Operating income in the quarterly consolidated statement of income	370

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

Not applicable.