

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

February 7, 2013

Company Name	Ahresty Corporation	Stock Exchange Listing	Tokyo
Code Number	5852	URL	http://www.ahresty.co.jp
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	February 12, 2013		
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 December 31, 2012)

(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, 2012	78,569	4.8	261	138.6	(65)	-
Nine months ended December 31, 2011	74,940	0.6	109	(96.9)	(280)	-

(Note) Comprehensive income

First three quarters ended December 2012: -300 million yen (-%)

First three quarters ended December 2011: -4,067 million yen (-%)

	Net income		Net income per share	Fully diluted net income per share
	million yen	%	yen	yen
Nine months ended December 31, 2012	(780)	-	(36.21)	-
Nine months ended December 31, 2011	(2,205)	-	(102.32)	-

(2) Consolidated financial position

	Total assets		Net assets	Equity ratio
	million yen		million yen	%
As of December 31, 2012	103,084		34,989	33.9
As of March 31, 2012	105,208		35,414	33.6

(For reference) Shareholders' equity

34,916 million yen at December 31, 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)				0.00	3.00

(Note) Revisions to dividend projection published most recently: Yes

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	105,500	1.6	150	(89.0)	(350)	-	(1,300)	-	(60.28)

(Note) 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 December 31, 2012

21,778,220 shares at March 31, 2012

(ii) Number of treasury stock at end of period

213,846 shares at December 31, 2012

213,776 shares at March 31, 2012

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

21,564,416 shares at December 31, 2012

21,556,216 shares at December 31, 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 Three Quarters (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.....	3
	(3) Qualitative Information Concerning Consolidated Earnings Forecasts	3
2.	Matters Relating to Summary Information (Notes).....	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) Notes for Significant Change in the Amount of Shareholders' Equity	8
	(5) Segment Information	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 initially staged a recovery, chiefly reflecting strong demand from reconstruction projects in the disaster afflicted areas. Subsequently, however, it began to weaken as exports and capital spending slowed, principally reflecting the downturn in the global economy. Overseas economies meanwhile achieved only a modest recovery in general, given a slowdown in economic growth in India among other factors, despite a gradual recovery in the United States and a stabilization in the pace of growth in China, which had earlier been slowing.

In these circumstances, for the first three quarters of the fiscal year under review, the Company recorded sales of ¥78,569 million (up 4.8% year on year), operating income of ¥261 million (up 138.6% year on year), a recurring loss of ¥65 million (compared with a recurring loss of ¥280 million a year ago), and a net loss of ¥780 million (compared with a net loss of ¥2,205 million a year ago).

Operating results by segment are as follows:

(i) Die Casting Business: Japan

In Japan, domestic automakers, our main customers, increased production on the back of higher domestic sales, primarily attributable to the effects of eco-car subsidies and demand from reconstruction projects in areas affected by the Great East Japan Earthquake. In the third quarter, however, production started to decline, mainly in reaction to the termination of eco-car subsidies and declines in auto exports. In this business environment, the Company recorded net sales of ¥45,848 million (down 4.0% year on year), mainly on lower orders for export products. It posted segment profits of ¥65 million (down 92.7% year on year). This decline was mainly attributable to lower sales and an increase in fixed costs due to capital spending related to the launch of new products, as well as a temporary rise in expenses associated with the Tokai Plant consolidation.

(ii) Die Casting Business: North America

In North America, orders increased with the 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, reflecting its gradual economic recovery. As a result, net sales were ¥16,102 million (up 24.3% year on year). The segment recorded profit of ¥607 million (compared with a segment loss of ¥296 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 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 ¥12,802 million (up 31.7% year on year). A loss of ¥423 million was recorded in this segment (compared with segment loss of ¥530 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, shipments of secondary alloy ingots grew 10.0% year on year. However, given lower product prices, which were attributable to the effects of the strong yen and sluggish market prices in the LME, net sales reached 2,776 million (down 3.5% year on year). The segment recorded a profit of ¥48 million (compared with a segment loss of ¥18 million a year ago), reflecting the effects of 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 ¥1,039 million (down 36.0% 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, despite an increase in the domestic market share. A loss of ¥35 million was recorded in this segment (compared with a profit of ¥38 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 three quarters of the fiscal year under review declined ¥2,124 million from the end of the previous fiscal year, to ¥103,084 million. The main factors included a decrease of ¥2,074 million in cash and time deposits, a fall of ¥5,208 million in notes and accounts receivable, and a rise of ¥4,332 million in tangible fixed assets.

Liabilities at the end of the first three quarters of the fiscal year under review fell ¥1,699 million from the end of the previous fiscal year, to ¥68,094 million. The main factors included a decrease of ¥2,361 million in notes and accounts payable.

Net assets at the end of the consolidated first three quarters of the fiscal year under review decreased ¥424 million from the end of the previous fiscal year, to ¥34,989 million. The main factors included a net loss of ¥780 million and an increase of ¥362 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 33.9%.

(3) Qualitative Information Concerning Consolidated Earnings Forecasts

The Company has revised its consolidated full-year earnings forecasts, announced on October 29, 2012. For details, please refer to the notice of the revision of earnings forecasts and dividend forecasts announced on February 7, 2013.

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 three quarters of the consolidated fiscal year under review.

3. Quarterly Consolidated Financial Statements

(1) Quarterly Consolidated Balance Sheet

	As of March 31, 2012	As of December 31, 2012
	Amount (million yen)	Amount (million yen)
(Assets)		
Current assets		
Cash and time deposits	7,358	5,284
Trade notes and accounts receivable	24,541	19,333
Merchandise and products	2,153	2,721
Partly finished goods	3,826	4,027
Raw materials and inventories	2,657	2,671
Others	3,949	3,789
Allowance for doubtful accounts	(1)	(1)
Total current assets	44,486	37,827
Fixed assets		
Tangible fixed assets		
Buildings and structures, net	10,433	11,169
Machinery and delivery equipment, net	25,228	25,712
Land	5,716	5,716
Construction in progress	8,747	10,850
Others, net	4,009	5,020
Total tangible fixed assets	54,135	58,468
Intangible fixed assets	901	886
Investments and other assets		
Investments in securities	5,150	5,343
Others	535	558
Allowance for doubtful accounts	(1)	(1)
Total investments and other assets	5,685	5,901
Total fixed assets	60,721	65,256
Total assets	105,208	103,084

	As of March 31, 2012	As of December 31, 2012
	Amount (million yen)	Amount (million yen)
(Liabilities)		
Current liabilities		
Notes and accounts payable	18,653	12,714
Electronically recorded obligations-operating	–	3,577
Short-term loans	4,541	4,169
Current portion of long-term loans	9,133	9,057
Accrued income taxes	273	237
Bonus allowances	1,092	731
Provision for business structure improvement	–	301
Provision for product warranties	448	173
Provision for loss due to disaster	104	20
Others	7,919	7,505
Total current liabilities	42,166	38,487
Long-term liabilities		
Long-term loans	19,674	21,617
Allowances for employees' retirement benefits	3,790	3,923
Provision for business structure improvement	482	–
Others	3,680	4,066
Total long-term liabilities	27,627	29,606
Total liabilities	69,794	68,094
(Net assets)		
Shareholders' equity		
Common stock	5,117	5,117
Additional paid-in capital	8,359	8,359
Retained earnings	26,240	25,330
Treasury stock	(320)	(320)
Total shareholders' equity	39,397	38,486
Other accumulated comprehensive income		
Difference on revaluation of other marketable securities	1,846	1,964
Foreign currency translation adjustments	(5,897)	(5,535)
Total other accumulated comprehensive income	(4,050)	(3,570)
Share warrants	67	73
Total net assets	35,414	34,989
Total liabilities and net assets	105,208	103,084

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

	Nine months ended December 31, 2011	Nine months ended December 31, 2012
	Amount (million yen)	Amount (million yen)
Sales	74,940	78,569
Cost of goods sold	67,547	71,254
Gross Profit	7,392	7,314
Selling, general and administrative expenses	7,282	7,052
Operating income	109	261
Non-operating income		
Interest income	29	16
Dividends received	85	89
Amortization of negative goodwill	54	-
Foreign currency exchange gain	-	75
Gain on sales of scraps	51	53
Others	141	135
Total non-operating income	362	370
Non-operating expenses		
Interest expenses	486	593
Foreign currency exchange loss	208	-
Others	57	104
Total non-operating expenses	752	698
Recurring income (loss)	(280)	(65)
Extraordinary gains		
Gain on the sale of fixed assets	10	2
Subsidy income	-	168
Total extraordinary gains	10	171
Extraordinary losses		
Loss on sales and retirement of fixed assets	67	134
Loss on revision of retirement benefit plan	22	-
Product warranty expense	1,504	-
Loss on disaster	205	-
Others	11	-
Total extraordinary losses	1,810	134
Income (loss) before income taxes and others	(2,080)	(29)
Income taxes and enterprise taxes	592	702
Deferred income taxes	(467)	48
Total income taxes	125	750
Income (loss) before minority interests	(2,205)	(780)
Net income (loss)	(2,205)	(780)

Quarterly Consolidated Statements of Comprehensive Income
 First Three Quarters

	Nine months ended December 31, 2011	Nine months ended December 31, 2012
	Amount (million yen)	Amount (million yen)
Income (loss) before minority interests	(2,205)	(780)
Other comprehensive income		
Difference on revaluation of other marketable securities	(537)	117
Deferred gains or losses on hedges	16	-
Foreign currency translation adjustments	(1,341)	362
Total other comprehensive income	(1,861)	480
Comprehensive income	(4,067)	(300)
Comprehensive income attributable to		
Comprehensive income attributable to owners of the parent	(4,067)	(300)
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. 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 loss in the quarterly consolidated statement of income	109

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

Not applicable.

II. Nine months ended December 31, 2012 (from April 1, 2012 to December 31, 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	45,848	16,102	12,802	2,776	1,039	78,569
Intersegment	2,797	2	390	1,781	0	4,972
Total	48,645	16,105	13,192	4,558	1,040	83,542
Segment income (loss)	65	607	(423)	48	(35)	263

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	263
Elimination of intersegment transactions	(1)
Operating income in the quarterly consolidated statement of income	261

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

Not applicable.