

(Translation)

Consolidated Financial Results for the Fiscal Year Ended March 31, 2012

May 18, 2012

Company name: ASAHI TEC CORPORATION (the "Company")

<Tokyo Stock Exchange First Section>

Code number: 5606

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

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Scheduled date for the shareholders' meeting: June 27, 2012

Scheduled date for dividend payment: -

Scheduled date of filing Yukashoken Houkokusho: June 27, 2012

Earnings supplementary explanatory documents: -

Earnings presentation: -

(Amounts less than one million are omitted)

1. Consolidated results for FY2011 (April 1, 2011 through March 31, 2012)

(1) Consolidated operating results

(Percentages are shown as year-on-year changes)

	Net sales		Operating income		Ordinary income		Net income	
	Million yen	%	Million yen	%	Million yen	%	Million yen	%
March 31, 2012	80,848	10.7	3,440	47.2	3,238	83.3	1,319	749.2
March 31, 2011	73,022	25.4	2,337	-	1,766	-	155	-

Note: Comprehensive income

Fiscal year ended March 31, 2012: 1,372 million yen (- %)

Fiscal year ended March 31, 2011: (265) million yen (- %)

	Basic net income per share	Diluted net income per share	Return on Equity	Ratio of ordinary income to total assets	Ratio of operating income to net sales
	Yen	Yen	%	%	%
March 31, 2012	1.71	-	7.9	5.8	4.3
March 31, 2011	0.07	-	1.0	3.2	3.2

Reference: Equity in earnings of affiliated companies: FY2011 370 million yen, FY2010 187 million yen

Note: Diluted net income per share for this fiscal year is not indicated as the if-converted method was used to reflect both A and B type preferred shares in the calculations for net income per share.

(2) Consolidated financial position

	Total assets	Net assets	Equity ratio	Net assets per share
	Million yen	Million yen	%	Yen
As of March 31, 2012	57,765	18,295	30.2	18.38
As of March 31, 2011	53,254	16,971	30.2	20.20

Reference: Equity: As of March 31, 2012 17,450 million yen, As of March 31, 2011 16,057 million yen

(3) Consolidated cash flow results

	Operating activities	Investing activities	Financing activities	Cash and cash equivalents at end of the year
	Million yen	Million yen	Million yen	Million yen
March 31, 2012	6,652	(4,385)	(1,516)	3,640
March 31, 2011	5,037	24	(4,875)	2,896

2. Dividend Information

	Dividend per share					Total Amount (Annual)	Payout ratio (consolidated)	Ratio of dividends to net assets (consolidated)
	1 st quarter	2 nd quarter	3 rd quarter	Year-end	Total			
FY2010	Yen -	Yen 0.00	Yen -	Yen 0.00	Yen 0.00	Million yen -	% -	% -
FY2011	-	0.00	-	0.00	0.00	-	-	-
FY 2012 (forecast)	-	0.00	-	0.00	0.00	-	-	-

3. Forecast of consolidated operating results for FY 2012 (April 1, 2012 through March 31, 2013)

	Net sales		Operating income		Ordinary income		Net income		Basic net income per share
	Million yen	%	Million yen	%	Million yen	%	Million yen	%	Yen
2Q (cumulative)	41,400	7.3	1,450	(4.7)	950	(2.4)	650	(1.5)	0.82
FY2012	84,000	3.9	3,300	(4.1)	2,500	(22.8)	1,900	44.0	2.43

4. Other

(1) Changes in important subsidiaries during the period (change of specified subsidiaries that lead to a change in the scope of consolidation): None

(2) Changes in accounting policies, accounting estimates and restatement of corrections

1) Changes in accounting policies resulting from the revision of the accounting standard and other regulations: None

2) Changes other than 1) in accounting policies: None

3) Changes in accounting estimates: None

4) Restatement of corrections: None

(3) Number of shares issued (common stock)

	As of:	Shares	As of:	Shares
a. Number of shares issued including treasury stock	March 31, 2012	691,272,907	March 31, 2011	486,741,519
b. Number of treasury stock	March 31, 2012	27,890	March 31, 2011	2,816
c. Weighted average number of shares	March 31, 2012	727,774,807	March 31, 2011	463,258,764

For Reference: Non-Consolidated Financial Results

1. Non-Consolidated results for FY2011 (April 1, 2011 through March 31, 2012)

(1) Non-Consolidated operating results (Percentages are shown as year-on-year changes)

	Net sales		Operating income		Ordinary income		Net income	
	Million yen	%	Million yen	%	Million yen	%	Million yen	%
March 31, 2012	34,006	7.9	1,500	5.1	1,231	7.4	(276)	-
March 31, 2011	31,515	21.1	1,428	38.0	1,146	129.6	318	77.3

	Basic net income per share		Diluted net income per share	
	Yen		Yen	
March 31, 2012	(0.56)		-	
March 31, 2011	0.40		-	

Note: For the FY2011 diluted net income per share, since it is a net loss per share for the fiscal year and so it is not indicated. The FY2010 diluted net income per share is not indicated as the if-converted method was used to reflect both A and B type preferred shares in the calculations for net income per share.

(2) Non-Consolidated financial position

	Total assets		Net assets		Equity ratio		Net assets per share	
	Million yen		Million yen		%		Yen	
As of								
March 31, 2012	43,210		16,265		37.6		16.67	
March 31, 2011	42,075		16,320		38.8		20.73	

Note: Equity for reference: As of March 31, 2012 16,265 million yen, As of March 31, 2011 16,312 million yen

Implementation status of audit procedure

This summary report is not subject to audit procedure based on Financial Instruments and Exchange Act and the audit procedures for the consolidated financial statements were being conducted when this report was disclosed.

Note to forecasts on the consolidated operating results and other items

All forecasts were made based on the data available to the Company as of the filing date of this notice and certain assumptions that the Company believes reasonable. Other factors may cause changes to the Company's actual results.

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1 Business Results

(1) Analysis of Consolidated Results of Operations

In this fiscal year, the Japanese economy suffered a major blow due to the impact of both the Great East Japan Earthquake that occurred on March 11, 2011 and the concurrent nuclear accident. Although there were indications of economic recovery such as a quick restoration of the supply chain and demand from rebuilding, the high value of the yen and increased oil prices make the future uncertain.

Overseas, while Thailand is recovering from the damage caused by flooding, the European financial crisis from last summer is likely to become a long-term problem and growth has been slowing in emerging countries such as China, leading to a slowing international economy.

In these circumstances, although demand for electric supply fittings for major trunk line construction decreased in the power industry and clients ceased operating due to the Great East Japan Earthquake, acquisition of new clients, increased demand for construction machinery and trucks and automobiles in emerging countries such as China and recovery demand in Japan for truck parts due to lack of supply caused by the earthquake meant sales of the Group for this consolidated financial year increased 10.7% from the previous year to 80,848 million yen.

With continued efforts to improve profitability by reducing costs and increased income due to increased sales, operating income increased 47.2% compared to the previous year to 3,440 million yen. Although interest payments (799 million yen) increased compared to the previous year, additional investment in affiliated company Wheelhorse Asahi Aluminium Co., Ltd. led to investment income (370 million yen) by equity method increasing significantly from the previous year, so ordinary income increased 83.3% from the previous year to 3,238 million yen.

After including extraordinary losses of 1,157 million yen for shareholder transfer costs, 233 million yen in litigation costs and 178 million yen in operation capacity difference due to the disaster, net income for the fiscal year was increased 749.2% from the previous year to 1,319 million yen.

Based on the above results, we ask for your cooperation in once again not paying dividends.

Result of business segment

[Ductile]

In the ductile business segment, with the acquisition of new clients and continued strong demand for trucks and construction equipment in emergent countries, sales were up 22.1% compared to the previous year to 53,744 million yen and operating income was up 28.4% compared to the previous year to 2,080 million yen.

[Aluminum]

In the aluminum business segment, the Great East Japan Earthquake and flooding in Thailand had an effect, but with the acquisition of new customers and reconstruction demand from the earthquake sales were up 7.0% compared to the previous year to 26,135 million yen and operating income was up 217.7% compared to the previous year to 870 million yen.

[Equipments and Systems]

In the equipments and systems business segment, decreased demand for electric supply fittings for large-scale trunk line construction and lack of sales from the 3rd quarter on from consolidated subsidiary Asahi Tec Environmental Solutions Co., Ltd. due to deconsolidating it meant sales were down 43.9% from the previous year to 3,230 million yen and operating income was down 8.8% compared to the previous year to 409 million yen.

Forecasts for next fiscal year

The demand for trucks and construction machines is expected to keep growing, and so sales of 84 billion yen (3.9% increase compared to the previous year) are estimated. As for profits, because of the increases in material prices and the minimum wage at consolidated subsidiaries in Thailand, estimated operating income is 3.3 billion yen (4.1% decrease compared to the previous year)

and estimated ordinary income is 2.5 billion yen (22.8% decrease compared to the previous year), and because of the decrease in the temporary expenses for the shareholder transfer costs, etc. in extraordinary loss, net income is estimated to be 1.9 billion yen (44.0% increase compared to the previous year).

(2) Analysis of Financial Position

a) Assets, Liabilities, and Net assets

Total assets at the end of the fiscal year were 57,765 million yen, an increase of 4,510 million yen compared to the end of the previous fiscal year. This is due to an increase in cash and deposits, notes and accounts receivable-trade due to an increase in sales as well as increased property, plant and equipment from increased capital investment.

Liabilities were 39,469 million yen, and increase of 3,185 million yen compared to the end of the previous fiscal year. Although prepayment meant a decrease in loans payable, increased sales caused an increase in notes and accounts payable-trade.

Net assets were 18,295 million yen, an increase of 1,324 million yen compared to the end of the previous fiscal year. This is due to listing net income from this year.

b) Cash flows

Cash and cash equivalents at the end of the fiscal year were up 743 million yen compared to the end of the previous fiscal year, to 3,640 million yen. This is due to a 6,652 million yen increase in funds from operating activities, but use of 4,385 million yen in investing activities and use of 1,516 million yen in financing activities.

For cash flow from operating activities, although there was an increase in notes and accounts receivable-trade, the increase in income before income taxes and minority interests due to the increase in sales and increase in notes and accounts payable-trade led to income increasing by 1,615 million yen compared to the end of the previous fiscal year, for income of 6,652 million yen.

For cash flow from investing activities, there was increased expenditure for purchase of property, plant and equipment, there were also proceeds from sales of investments in subsidiaries the previous year, leading to expenditures increasing by 4,409 million yen compared to the end of the previous fiscal year, for expenditure of 4,385 million yen.

Cash flow from financing activities had expenditures increase 3,358 million yen compared to the end of the previous fiscal year, for expenditure of 1,516 million yen. This was mainly due to prepayment of loans payable and prepayment of surplus cash flow based on financing limitations.

On February 24, 2011, the Group took out a syndicate loan with Aozora Bank as the agent, for a total of 16,273 million yen including non-outstanding sums involved in the loan commitment contract. However, on February 10, 2012 an investment fund in the Unison Capital Group borrowed 13,300 million yen (including non-outstanding sums) that ATC Holdings II Co., Ltd. (holder of all shares issued) had acquired from financial institutions, and is using that money for refinancing.

Reference: Trends in cash flow indicators

	Fiscal year ended:				
	March 31, 2008	March 31, 2009	March 31, 2010	March 31, 2011	March 31, 2012
Equity ratio	18.9 %	10.8 %	28.8 %	30.2 %	30.2
Equity ratio on market value	12.8 %	11.9 %	52.1 %	38.5 %	43.8 %
Debt repayment period	9.5 years	-	6.1 years	2.5 years	1.7 years
Interest coverage ratio	1.0	-	4.6	5.4	12.9

Equity ratio: shareholders' equity divided by total assets

Equity ratio on market value: market capitalization divided by total assets

Debt repayment period: interest bearing debt divided by operating cash flow

Interest coverage ratio: operating cash flow divided by interest expense

1. The indicators are calculated based on consolidated figures.

2. Market capitalization is calculated based on the number of shares outstanding, net of treasury stock. The number of shares issued and outstanding at balance sheet date includes the number of preferred stocks convertible to common shares.
3. The operating cash flow represents the cash flow from operating activities in the consolidated statement of cash flows. However, for the fiscal years ended March 31, 2008, 2009, 2011 and 2012, unusual cash items such as “refinance costs”, “payment for litigation”, “director’s retirement benefits”, “restructuring expenses” and “cost related shareholder change paid” were excluded from the operating cash flow.
4. Interest bearing debt represents liabilities with interest payments are the corresponding figure on the Consolidated balance sheets. Interest expense is the corresponding figure on the Consolidated Statements of cash flows.

(3) Omitted disclosure

“Basic Policy on the Distribution of Profits, Distribution of Profits for FY2011, FY2012” and “Risk Factors” have been omitted since they are considered immaterial for this report.

2 Group Information

Disclosure has been omitted since this is considered immaterial for this report.

3 Management Policies

(1) Basic management Approach

(2) Medium-term to Long-term Strategies and Important Management Issues for the Company

Disclosure is omitted because there were no significant changes from the Financial Results for FY2009 (disclosed on May 20, 2010) which is available on the following URLs:

(the Company’ web)

<http://www.asahitec.co.jp/jp/>

(Tokyo Stock Exchange’ web_listed company information search)

<http://www.tse.or.jp/listing/compsearch/index.html>

4 Consolidated Financial Statements

(1) Consolidated Balance Sheets

(In millions of Yen)

	As of March 31, 2011	As of March 31, 2012
Assets		
Current assets		
Cash and deposits	2,958	3,701
Notes and accounts receivable-trade	9,686	12,928
Merchandise and finished goods	2,941	2,784
Work in process	2,304	2,391
Raw materials and supplies	2,100	1,983
Other	1,078	1,395
Allowance for doubtful accounts	(1)	(1)
Total current assets	21,067	25,183
Noncurrent assets		
Property, plant and equipment		
Buildings and structures, net	7,034	6,666
Machinery, equipment and vehicles, net	7,186	7,934
Land	11,904	11,872
Construction in progress	992	1,156
Other	1,964	1,876
Total property, plant and equipment	29,082	29,506
Intangible assets	275	310
Investments and other assets		
Investment securities	405	405
Deferred tax assets	340	256
Other	2,107	2,120
Allowance for doubtful accounts	(23)	(17)
Total investments and other assets	2,829	2,765
Total noncurrent assets	32,187	32,582
Total assets	53,254	57,765
Liabilities		
Current liabilities		
Notes and accounts payable-trade	8,778	13,137
Short-term loans payable	4,353	11,963
Provision for bonuses	1,013	1,143
Notes payable-facilities	304	649
Other provision	332	276
Other	3,589	4,220
Total current liabilities	18,371	31,391
Noncurrent liabilities		
Long-term loans payable	8,978	-
Deferred tax liabilities	872	622

(Continued)

	As of March 31, 2011	As of March 31, 2012
Deferred tax liabilities for land revaluation	2,303	2,016
Provision for retirement benefits	3,968	3,828
Other provision	797	693
Asset retirement obligations	705	708
Other	286	208
Total noncurrent liabilities	17,912	8,078
Total liabilities	36,283	39,469
Net assets		
Shareholders' equity		
Capital stock	13,703	13,703
Retained earnings	663	1,981
Treasury stock	(0)	(0)
Total shareholders' equity	14,366	15,684
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	11	5
Revaluation reserve for land	2,278	2,562
Foreign currency translation adjustment	(600)	(802)
Total accumulated other comprehensive income	1,690	1,766
Subscription rights to shares	7	-
Minority interests	906	845
Total net assets	16,971	18,295
Total liabilities and net assets	53,254	57,765

(Concluded)

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

Consolidated Statements of Income

(In millions of Yen)

	FY2010 April 1, 2010 – March 31, 2011	FY2011 April 1, 2011 – March 31, 2012
Net sales	73,022	80,848
Cost of sales	64,414	71,106
Gross profit	8,607	9,742
Selling, general and administrative expenses	6,270	6,302
Operating income	2,337	3,440
Non-operating income		
Equity in earnings of affiliates	187	370
Subsidy income	68	117
Other	159	273
Total non-operating income	415	762
Non-operating expenses		
Interest expenses	637	799
Foreign exchange losses	249	-
Other	98	163
Total non-operating expenses	985	963
Ordinary income	1,766	3,238
Extraordinary income		
Gain on sales of noncurrent assets	272	111
Gain on reversal of subscription rights to shares	230	7
Other	30	10
Total extraordinary income	533	129
Extraordinary loss		
Loss on adjustment for changes of accounting standard for asset retirement obligations	626	-
Loss on sales of subsidiaries' stocks	388	-
Litigation cost	232	233
Shareholder transfer costs	-	1,157
Capacity utilization variance due to the disaster	298	178
Other	530	445
Total extraordinary losses	2,075	2,014
Income before income taxes and minority interests	224	1,353
Income taxes – current	106	310
Income taxes – deferred	59	(253)
Total income taxes	166	56
Income before minority interests	58	1,297
Minority interests in loss	(97)	(21)
Net Income	155	1,319

(Concluded)

Consolidated Statements of Comprehensive Income

(In millions of Yen)

	FY2010 April 1, 2010 – March 31, 2011	FY2011 April 1, 2011 – March 31, 2012
Income before minority interests	58	1,297
Other comprehensive income		
Valuation difference on available-for-sale securities	(8)	(6)
Deferred gains or losses on hedges	72	-
Revaluation reserve for land	-	284
Foreign currency translation adjustment	(273)	(155)
Share of other comprehensive income of associates accounted for using equity method	(113)	(46)
Total other comprehensive income	(323)	75
Comprehensive income	(265)	1,372

Comprehensive income attributable to:		
owners of the parent	(160)	1,395
minority interests	(104)	(22)

(3) Consolidated Statements of Changes in Equity

(In millions of Yen)

	FY2010 April 1, 2010 – March 31, 2011	FY2011 April 1, 2011 – March 31, 2012
Shareholders' equity		
Capital stock		
Balance at the beginning of current period	38,282	13,703
Changes of items during the period		
Capital reduction	(24,578)	-
Total changes of items during the period	(24,578)	-
Balance at the end of current period	13,703	13,703
Capital surplus		
Balance at the beginning of current period	39,180	-
Changes of items during the period		
Capital reduction	24,578	-
Deficit disposition	(63,758)	-
Retirement of treasury stock	(21)	-
Transfer to capital surplus from retained earnings	21	-
Total changes of items during the period	(39,180)	-
Balance at the end of current period	-	-
Retained earnings		
Balance at the beginning of current period	(63,229)	663
Changes of items during the period		
Deficit disposition	63,758	-
Net income	155	1,319
Transfer to capital surplus from retained earnings	(21)	-
Reversal of revaluation reserve for land	-	(0)
Total changes of items during the period	63,892	1,318
Balance at the end of current period	663	1,981
Treasury stock		
Balance at the beginning of current period	(21)	(0)
Changes of items during the period		
Purchase of treasury stock	(0)	(0)
Retirement of treasury stock	21	-
Total changes of items during the period	21	(0)
Balance at the end of current period	(0)	(0)
Total shareholders' equity		
Balance at the beginning of current period	14,211	14,366
Changes of items during the period		
Net income	155	1,319
Purchase of treasury stock	(0)	(0)
Reversal of revaluation reserve for land	-	(0)
Total changes of items during the period	155	1,317
Balance at the end of current period	14,366	15,684

(Continued)

	FY2010 April 1, 2010 – March 31, 2011	FY2011 April 1, 2011 – March 31, 2012
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities		
Balance at the beginning of current period	20	11
Changes of items during the period		
Net changes of items other than shareholders' equity	(8)	(6)
Total changes of items during the period	(8)	(6)
Balance at the end of current period	11	5
Deferred gains or losses on hedges		
Balance at the beginning of current period	(72)	-
Changes of items during the period		
Net changes of items other than shareholders' equity	72	-
Total changes of items during the period	72	-
Balance at the end of current period	-	-
Revaluation reserve for land		
Balance at the beginning of current period	2,278	2,278
Changes of items during the period		
Net changes of items other than shareholders' equity	-	284
Total changes of items during the period	-	284
Balance at the end of current period	2,278	2,562
Foreign currency translation adjustment		
Balance at the beginning of current period	(220)	(600)
Changes of items during the period		
Net changes of items other than shareholders' equity	(379)	(201)
Total changes of items during the period	(379)	(201)
Balance at the end of current period	(600)	(802)
Total accumulated other comprehensive income		
Balance at the beginning of current period	2,006	1,690
Changes of items during the period		
Net changes of items other than shareholders' equity	(316)	75
Total changes of items during the period	(316)	75
Balance at the end of current period	1,690	1,766
Subscription rights to shares		
Balance at the beginning of current period	241	7
Changes of items during the period		
Net changes of items other than shareholders' equity	(233)	(7)
Total changes of items during the period	(233)	(7)
Balance at the end of current period	7	-
Minority interests		
Balance at the beginning of current period	1,010	906
Net changes of items other than shareholders' equity	(104)	(61)
Total changes of items during the period	(104)	(61)
Balance at the end of current period	906	845

(Continued)

	FY2010 April 1, 2010 – March 31, 2011	FY2011 April 1, 2011 – March 31, 2012
Total net assets		
Balance at the beginning of current period	17,470	16,971
Changes of items during the period		
Net income	155	1,319
Purchase of treasury stock	(0)	(0)
Reversal of revaluation reserve for land	-	(0)
Net changes of items other than shareholders' equity	(654)	7
Total changes of items during the period	(499)	1,324
Balance at the end of current period	16,971	18,295

(Concluded)

(4) Consolidated Statements of Cash Flows

(In millions of Yen)

	FY2010 April 1, 2010 – March 31, 2011	FY2011 April 1, 2011 – March 31, 2012
Net Cash provided by (used in) operating activities		
Income before income taxes and minority interests	224	1,353
Depreciation and amortization	3,836	3,627
Impairment loss	67	58
Amortization of goodwill	6	6
Amortization of negative goodwill	(40)	(57)
Loss on adjustment for changes of accounting standard for asset retirement obligations	626	-
Increase in provision for bonuses	305	132
Increase (decrease) in allowance for doubtful accounts	(4)	(6)
Decrease in provision for retirement benefits	(241)	(137)
Loss (gain) on sales and retirement of noncurrent assets	(151)	(34)
Loss on sales of subsidiaries' stocks	388	-
Shareholder transfer costs	-	1,157
Litigation cost	232	233
Interest and dividends income	(9)	(7)
Interest expenses	637	799
Foreign exchange gains	(68)	(0)
Equity in earnings of affiliates	(187)	(370)
Decrease (increase) in notes and accounts receivable-trade	1,078	(3,352)
Decrease (increase) in inventories	(1,618)	160
Increase in notes and accounts payable-trade	1,068	4,357
Other, net	300	316
Sub-total	6,451	8,237
Interest and dividends income received	9	7
Interest expenses paid	(1,029)	(582)
Income taxes paid	(265)	(174)
Income taxes refund	13	53
Litigation cost paid	(83)	(341)
Shareholder transfer costs paid	-	(547)
Other, net	(59)	-
Net cash provided by (used in) operating activities	5,037	6,652
Net cash provided by (used in) investing activities		
Payments into time deposits	(24)	-
Purchase of property, plant and equipment	(2,201)	(4,434)
Proceeds from sales of property, plant and equipment	492	174
Purchase of intangible assets	(86)	(71)
Purchase of investments in subsidiaries	-	(8)
Payments for investments in capital of subsidiaries and affiliates	(276)	-
Proceeds from sales of investments in subsidiaries resulting in change in scope of consolidation	2,098	-
Other, net	22	(44)
Net cash provided by (used in) investing activities	24	(4,385)

(Continued)

	FY2010 April 1, 2010 – March 31, 2011	FY2011 April 1, 2011 – March 31, 2012
Net cash provided by (used in) financing activities		
Net decrease in short-term loans payable	(543)	7,606
Proceeds from long-term loans payable	10,843	-
Repayment of long-term loans payable	(14,850)	(8,978)
Proceeds from sale-leaseback transactions	126	-
Repayments of finance lease obligations	(389)	(151)
Cash dividends paid to minority shareholders	(0)	-
Other, net	(62)	6
Net cash provided by (used in) financing activities	(4,875)	(1,516)
Effect of exchange rate change on cash and cash equivalents	(52)	(7)
Net increase (decrease) in cash and cash equivalents	133	743
Cash and cash equivalents at beginning of period	2,763	2,896
Cash and cash equivalents at end of period	2,896	3,640

(Concluded)

(5) Significant Doubt about Going Concern Assumption

There are no applicable items.

(6) Additional Information

(Application of Accounting Standard for Accounting Changes and Error Corrections)

For accounting changes and error corrections carried out after the beginning of this fiscal year, the Accounting Standard for Accounting Changes and Error Corrections (ASBJ Statement No.24, December 4, 2009) and the Guidance on Accounting Standard for Accounting Changes and Error Corrections (ASBJ Guidance No.24, December 4, 2009) are applied.

(7) Notes to consolidated financial statements

(Segment Information, etc)

Segment Information

I Fiscal year from April 1, 2010 to March 31, 2011

1. Overview of reportable segments

Reportable segments of the Company are components of an entity about which separate financial information is available and such information is evaluated regularly by the board of directors in deciding how to allocate resources and in assessing performance.

The Company assigns product division and service division at headquarter. The each division develops comprehensive business strategies for the products and services, and performs business activities.

Accordingly, the Company's segments are separated based on the products and services provided by the divisions, and 3 segments, "Ductile", "Aluminum", and "Equipments and Systems" are treated as reportable segments.

2. Calculation for net sales and income/loss of reportable segments

Accounting treatment for reportable segments is the same as the treatment described in "Basis of Presentation of Consolidated Financial Statements".

Income of reportable segments is based on operating income (before amortization of goodwill).

Internal sales or transferred sales in-between segments are recorded by arms length basis.

Types of products and sales of each reporting segment are as follows.

[Ductile] Chassis parts of trucks, power train parts of trucks and passenger cars, and parts for construction machineries, etc.

[Aluminum] Intake manifold products for passenger cars, power train parts, aluminum wheels for passenger cars and motorcycle, etc.

[Equipments and Systems] Parts for transmission and distribution lines for electric power business, equipment for sewer lines, waste water treatment, construction for rehabilitation of water pipes, etc.

3 Sales and segment income of reportable segments

(In millions of Yen)

	Reportable segments				Other *	Total
	Ductile	Aluminum	Equipments and Systems	Total		
I. Sales						
Sales to external customers	42,889	24,386	5,760	73,036	62	73,099
Inter-segment sales or transfers	1,133	50	-	1,183	27	1,210
Total	44,022	24,437	5,760	74,220	90	74,310
Segment Income	1,620	274	448	2,343	6	2,349
Other Item depreciation and amortization	2,204	1,610	57	3,871	(45)	3,826

Note 1. Other is not included reportable segments. The subsidiary of welfare service provider is included in "other".

2. The depreciation and amortization listed in the financial statements is 3,826 million yen, with the depreciation and amortization in the "Other Item" area being the depreciation and amortization as well as adjusted unrealized profit from a consolidated subsidiary in the welfare services field.

4 Details of variance between reportable segments and consolidated financial statements

Sales	Amount (million yen)
Total of reportable segment	73,036
"other"	62
Other adjustment	(77)
Sales of Consolidated statements of income	73,022

Segment Income	Amount (million yen)
Total of reportable segment	2,343
"other"	6
Unrealized gain on inventory and noncurrent assets	(92)
Other adjustment	80
Operating income of Consolidated statements of income	2,337

5 The Group does not allocate assets or liabilities to different reportable segments, and so no related information is given.

6 Change of reportable segment

Asahi Tec Environmental Solutions was deconsolidated since November 19, 2010. The reportable segment has been changed since the third quarter of fiscal year ended March 31, 2011 accordingly.

[Ductile] Chassis parts of trucks, power train parts of trucks and passenger cars, and parts for construction machineries, etc.

[Aluminum] Intake manifold products for passenger cars, power train parts, aluminum wheels for passenger cars and motorcycle, etc.

[Equipments and Systems] Parts for transmission and distribution lines for electric power business.

II Fiscal year from April 1, 2011 to March 31, 2012

1. Overview of reportable segments

Reportable segments of the Company are components of an entity about which separate financial information is available and such information is evaluated regularly by the board of directors in deciding how to allocate resources and in assessing performance.

The Company assigns product division and service division at headquarter. The each division develops comprehensive business strategies for the products and services, and performs business activities.

Accordingly, the Company's segments are separated based on the products and services provided by the divisions, and 3 segments, "Ductile", "Aluminum", and "Equipments and Systems" are treated as reportable segments.

2. Calculation for net sales and income/loss of reportable segments

Accounting treatment for reportable segments is the same as the treatment described in "Basis of Presentation of Consolidated Financial Statements".

Income of reportable segments is based on operating income (before amortization of goodwill).

Internal sales or transferred sales in-between segments are recorded by arms length basis.

Types of products and sales of each reporting segment are as follows.

[Ductile] Chassis parts of trucks, power train parts of trucks and passenger cars, and parts for construction machineries, etc.

[Aluminum] Intake manifold products for passenger cars, power train parts, aluminum wheels for passenger cars and motorcycle, etc.

[Equipments and Systems] Parts for transmission and distribution lines for electric power business, equipment for sewer lines, waste water treatment, construction for rehabilitation of water pipes, etc.

3 Sales and segment income of reportable segments

(In millions of Yen)

	Reportable segments				Other *	Total
	Ductile	Aluminum	Equipments and Systems	Total		
I. Sales						
Sales to external customers	51,452	26,104	3,230	80,786	62	80,848
Inter-segment sales or transfers	2,292	31	-	2,323	25	2,349
Total	53,744	26,135	3,230	83,109	87	83,197
Segment Income	2,080	870	409	3,360	7	3,368
Other Item depreciation and amortization	2,089	1,424	34	3,548	68	3,616

Note 1. Other is not included reportable segments. The subsidiary of welfare service provider is included in "other".

2. The depreciation and amortization listed in the financial statements is 3,616 million yen, with the depreciation and amortization in the "Other Item" area being the depreciation and amortization, depreciation and amortization of assets leased to others and adjusted unrealized profit from fixed assets for a consolidated subsidiary in the welfare services field.

4 Details of variance between reportable segments and consolidated financial statements

Sales	Amount (million yen)
Total of reportable segment	80,786
"other"	62
Sales of Consolidated statements of income	80,848

Segment Income	Amount (million yen)
Total of reportable segment	3,360
“other”	7
Unrealized gain on inventory and noncurrent assets	18
Other adjustment	53
Operating income of Consolidated statements of income	3,440

5 The Group does not allocate assets or liabilities to different reportable segments, and so no related information is given.

(Per share data)

	FY2010 April 1, 2010 – March 31, 2011	FY2011 April 1, 2011 – March 31, 2012
Net assets per share	20.20 Yen	18.38 Yen
Basic net income (loss) per share	0.07 Yen	1.71 Yen

Note: For type A and B preferred shares, following Section 12 of the “Accounting Standard Guidelines for Net Income Per Share” (ASBJ Accounting Standards Guidelines No. 4) the if-converted method was used to reflect them in calculations for net income per share. Therefore, the diluted net income per share is not indicated.

3 Basis of calculation

(1) Net assets per share

	FY2010 April 1, 2010 – March 31, 2011	FY2011 April 1, 2011 – March 31, 2012
Total value of net assets (million yen)	16,971	18,295
Amount deducted from total value of net assets (million yen)	7,138	5,589
(included, share warrants)	7	-
(included, minority shareholders' equity)	906	845
(included, capital and capital surplus related to preferred shares)	5,000	3,779
(included, value of distributed residual assets)	500	377
(included, value of cumulative dividends for type A preferred shares)	350	136
(included, value of cumulative dividends for type B preferred shares)	374	449
Value at end of fiscal year for net assets involved with common shares (million yen)	9,832	12,706
Number of common shares at end of fiscal year used in calculations for value of net income per share (thousand shares)	486,738	691,245

Note: For type A and B preferred shares, the amounts paid within the value of distributed residual assets is listed in the capital and capital surplus related to preferred shares row, and amounts paid beyond the value of distributed residual assets are listed in the value of distributed residual assets row.

(2) Basic net income per share

	FY2010 April 1, 2010 – March 31, 2011	FY2011 April 1, 2011 – March 31, 2012
Net income (in millions of yen)	155	1,319
Amounts not allocated to shareholders (in millions of yen)	124	74
Series A preferred stock	50	-
Series B preferred stock	74	74
Net income allocated to common stock outstanding (in millions of yen)	30	1,244
Weighted average number of common stock outstanding during each year (unit: thousand shares)	463,258	625,366
Weighted average number of preferred stock	-	102,408
Weighted average number of shares for the purpose of diluted EPS (unit: thousand shares)	463,258	727,774
Residual securities which do not dilute net income per share:	3 types of share warrants (168,179 share warrants)	-----

(Significant subsequent events)

1. Establishment of a Joint Venture in China

In the board of directors' meeting held on April 13, 2012, the Company decided to establish an iron casting joint company making large-scale ductile parts together with the Guangzhou Dongling Industry Group Co., Ltd.

(1) Reasons for Joint Venture

The Company is already engaged in a joint venture in the aluminum wheel business with the partner in this venture, Guangzhou Dongling Industry Group Co., Ltd. With this joint venture, plans are to use the Group's manufacturing skills for large-scale cast products to the fullest and specialize in the production of large-scale cast products for the Chinese construction equipment and truck markets, with a planned production capacity of 25,000 tons annually by 2016.

Combined with the Company's production capacity for cast iron products in Japan and Thailand, this would make an annual production of approximately 200,000 tons, allowing us to provide customers in Japan, Thailand and China with a stable supply of products.

(2) Overview of Joint Venture

- ① Company Name: Hefei Dongling Asahi Tec Metals Industries Co., Ltd.
- ② Capital: 100 million Chinese yuan
- ③ Capital Contribution Ratio: Guangzhou Dongling Industry Group Co., Ltd. 51%
Asahi Tec Corporation 49%
- ④ Time of Establishment: June 2012 (Planned)

2. Regarding the issuance of a new class of shares

The Board of Directors of the Company has resolved: (i) that the Relevant Shareholders Meetings will be held on Wednesday June 27, 2012, (ii) to submit, for discussion at the Extraordinary Shareholders Meeting, proposals for a partial amendment to the Articles of Incorporation of the Company concerning the establishment of a new class of shares, a partial amendment to the Articles of Incorporation concerning the establishment of a class-wide call clause and the acquisition by the Company of the Common Stock Subject to Class-wide Call.

The common stock of the Company is currently listed in the First Section of the Tokyo Stock Exchange. However, if these items of business concerning are approved at the Shareholders Meetings in their forms as originally proposed, the common stock will meet the delisting standards of the Tokyo Stock Exchange, and after being assigned to the delisting post during the period of June 27, 2012 to July 27, 2012, will be delisted as of July 30, 2012.

(Contingency liability)

The Pension Benefit Guaranty Corporation ("PBGC") has filed a lawsuit against the Company in federal court in the U.S on November 12, 2010. The PBGC is a US entity that administers and enforces the pension plan termination insurance program under the US Employee Retirement Income Security Act of 1974 and its complaint relates to the pension plan of Metaldyne Corporation, which was the Company's U.S. subsidiary and filed a petition for reorganization proceedings under Chapter 11 of the U.S. Bankruptcy Code in May 2009.

(Omitted items)

Notes on changes to disclosure method/consolidated balance sheets/consolidated profit-and-loss statement/consolidated statement of comprehensive income/consolidated statement of shareholders' equity/consolidated cash flow statement, lease transactions, financial instruments, employee retirement benefits, accounting for income taxes, transactions with related parties, securities, real estate such as rentals, related information, information on impairment losses of fixed assets by reportable segment, information on depreciation of goodwill and unamortized balance by reportable segment, and notes on information on negative goodwill incurred by reportable segment were all considered unnecessary to disclose in these financial results and were therefore omitted.

5 Other

Notice of Change of Directors of the Board and Executive Officers

(1) Followings will be proposed at the annual general shareholders' meeting held on June 27, 2012.

① Newly appointed director of the board (* Outside director)

Kiyoto Matsuda* (Director, Unison Capital, Inc., Director, UCOM Corporation, Director, Sanyo Shokai, Ltd., Director, IDERA Capital Management Ltd., Director, Ranzan Country Club, Director, Atlas Partners Japan Ltd., Representative Director, Marble Holdings Co., Ltd., Representative Director, ATC Holdings I Co., Ltd., Representative Director, ATC Holdings II Co., Ltd.)

Tatsuya Hayashi* (Director, Unison Capital, Inc., Director, Akindo Sushiro Co., Ltd., Director, UCOM Corporation, Director, Bacchus Co., Ltd., Director, Enoteca Co., Ltd., Representative Director, Flora Co., Ltd.)

Koichi Tateno* (Director, Unison Capital, Inc., Director, Akindo Sushiro Co., Ltd.)

Tetsuo Komori* (Management Advisor, Unison Capital, Inc., Director, TOMOEGAWA PAPER Co., Ltd)

Hiroaki Tanji (Advisor, Asahi Tec Corporation)

② Retired

Thomas Amato

Edward G. Krubasik

Soichi Koshio

Masataka Matsumura

(2) Following change of executive officers was resolved by the board of Directors' meeting held on May 17, 2012.

Newly appointed executive officers

Hiroaki Tanji (Representative executive officer, effective on May 31st, 2012)

Yoshinori Kasama (Executive officer, effective on June 26th, 2012)

6 Omitted items

Notes related to non-consolidated financial statements have been omitted since they are considered immaterial for this report.