

(Translation)

Consolidated Financial Results for the Second Quarter Ended September 30, 2009

November 12, 2009

Listing name: ASahi TEC CORPORATION (the "Company")

Listing: The Tokyo Stock Exchange, 1st section

Code number: 5606

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

Representative: Shoichiro IRIMAJIRI, President, Representative Executive Officer and Co-CEO

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Scheduled date of filing the Quarterly Financial Report for the six months ended September 30, 2009: November 13, 2009

Scheduled date for starting payment of Dividends: –

(Amounts are rounded to the nearest million yen except "per share" information)

1. Consolidated results for the second quarter of fiscal year 2009 (April 1, 2009 through September 30, 2009)**(1) Consolidated operating results**

(Percentages figures shown year-on-year changes)

	Net sales		Operating loss		Ordinary loss	
For six months ended	million yen	%	million yen	%	million yen	%
September 30, 2009	23,483	(82.9)	(2,173)	-	(2,459)	-
September 30, 2008	137,674	-	(202)	-	(5,562)	-

	Net loss		Basic net loss per share	Diluted net loss per share
For six months ended	million yen	%	yen	yen
September 30, 2009	(2,578)	-	(6.23)	-
September 30, 2008	(12,292)	-	(46.56)	-

(2) Consolidated financial position

	Total assets	Net assets	Equity ratio	Net assets per share
As of	million yen	million yen	%	yen
September 30, 2009	54,513	14,881	24.9	(2.83)
March 31, 2009	150,410	17,613	10.8	3.43

For reference Equity: As of September 30, 2009: 13,587 million yen As of March 31, 2009: 16,179 million yen

2. Dividend information

	Cash dividend per share				
	First quarter	Second quarter	Third quarter	Year-end	Annual
	yen	yen	yen	yen	yen
FY2008	-	-	-	-	-
FY2009	-	-	-	-	-
FY2009 Forecast	-	-	-	-	-

(Note) Revision to the forecast of cash dividends in the current quarter: None

3. Forecast of consolidated operating results for fiscal year 2009 (April 1, 2009 through March 31, 2010)

(Percentages figures shown year-on-year changes)

	Net sales		Operating loss		Ordinary loss	
FY2009	million yen	%	million yen	%	million yen	%
	60,200	(72.5)	(300)	-	(1,300)	-

	Net loss		Basic net loss per share
FY2009	million yen	%	yen
	(1,400)	-	(3.87)

(Note) Revision to the consolidated operating results forecast in the current quarter: None

4. Other

- (1) Change in significant subsidiaries during the period: Yes

Deconsolidated – 2 (Metaldyne Holdings LLC and Metaldyne Corporation defined as specified subsidiaries)

Note: For more details, please refer to the section 4 of Qualitative Information and Financial Statements on page 3

- (2) Adoption of simplified accounting procedure and specific accounting procedure for preparing the quarterly consolidated financial statement: Yes

Note: For more details, please refer to the section 4 of Qualitative Information and Financial Statements on page 3

- (3) Change in accounting principles, procedures, and disclosures for preparing quarterly consolidated financial statements
a. Changes by revision of accounting standards: Yes
b. Changes by other than (3)-a : None

Note: For more details, please refer to the section 4 of Qualitative Information and Financial Statements on page 4

- (4) Number of shares issued (common stock)

	As of September 30, 2009	As of September 30, 2008	As of March 31, 2009
	Shares	Shares	Shares
Number of shares issued including treasury stock	437,446,163	-	437,446,163
Number of treasury stock	439,018	-	452,406
Weighted average number of shares	436,993,750	269,076,838	-

All forecasts were made based on the available data to the Company as of the filing date of this notice. Therefore, other factors may cause the Company's actual results.

Qualitative Information and Financial Statements

1. Qualitative information on consolidated operating results

The Japanese economy continued to remain depressed during the six-month period ended September 30, 2009 due to suppressed consumer spending and reduction in capital expenditures. Some signs of recovery were observed, however, in increased domestic production and exports as a result of completion of adjustment of inventory levels.

In this economic environment, despite an increase in the number of orders for both the electric lines construction in the electric power equipment business and the water treatment works in the environmental system and equipment business, net sales declined significantly as a result of the deconsolidation of Metaldyne, weak sales arising from decrease in worldwide demand for passenger cars, and reduction in demand for trucks and construction machinery in Japan and in the emerging countries, as well as inventory adjustments. Consolidated net sales for the six-month period ended September 30, 2009 was 23,483 million yen, or a decrease of 82.9% compared with the same period of the previous year.

In terms of profits, although efforts were made to minimize price reductions, reduce capital expenditures, labor costs & expenses, to offset the reduction in sales volume, operating losses of 2,173 million yen were recorded, a deterioration of 1,971 million yen from the same period of the previous year.

Ordinary losses including interest expenses of 313 million yen were 2,459 million yen (an improvement of 3,102 million yen compared to the same period of the previous year) and net losses were 2,578 million yen (improvement of 9,714 million yen compared to the same previous of the previous year).

2. Qualitative information on consolidated financial position

Total assets as of September 30, 2009 were 54,513 million yen, decreasing 95,897 million yen from the end of the fiscal 2008 due to the deconsolidation of Metaldyne, collection of notes and accounts receivables, depreciation, drop in sales and decreasing in inventories.

Total liabilities as of September 30, 2009 were 39,632 million yen, decreasing 93,164 million yen from the end of the fiscal 2008 due to the deconsolidation of Metaldyne and a decrease of notes and accounts payable resulting from drop in sales, reducing in investment of facilities and repayment of debt.

Net assets decreased 2,732 million yen from the end of the fiscal 2008, to 14,881 million yen due to 2,578 million yen of net loss for the fiscal 2009 semi-annual was recorded.

3. Qualitative information consolidated operating results forecast

There is no change to the forecast of the consolidated operating results for the fiscal year ending March 31, 2010, respectively, which were announced on May 29, 2009.

4. Other

(1) Change in significant subsidiaries during the period

The Company deconsolidated Metaldyne Holdings LLC and Metaldyne Corporation defined as specified subsidiaries starting the first quarter ended June 30, 2009.

(2) Adoption of simplified accounting procedure and specific accounting procedure for preparing the quarterly consolidated financial statement

a. Simplified accounting procedure

1. Calculation method of accounts receivable allowance

Since the actual write-off rate as of September 30, 2009 was not significantly different from the end of the fiscal 2008, therefore, the accounts receivable allowance is calculated using by the write-off rate as of the end of fiscal 2008.

2. Calculation method of depreciation expense

Depreciation of fixed assets to which the declining method is applied is calculated dividing the depreciation expense for the consolidated fiscal year proportionally over the period.

3. Calculation method of corporate income taxes

Only important tax adjustments and tax credits are applied to income taxes calculation for the Company and some of its consolidated subsidiaries.

4. Netting of receivables, payables and transactions among consolidated entities

Netting of receivables and payables: In case where there are differences between receivables and payables, are netted without making adjustments.

Netting of transactions: In case where there are differences in transaction amounts and these are not significant, are netted and eliminated by matching amounts with those of the parent company.

b. Accounting treatment specific to quarterly closing: None

(3) Change in accounting principles, procedures, and disclosures for preparing quarterly consolidated financial statements

The Company and its subsidiaries have adopted the percentage of completion method to recognize revenue for the contract amount over 100 million yen and construction period over one year, and also the completed contract method has been adopted to recognize revenue for the other construction contracts. We have changed in accordance with Accounting Standards Board of Japan (“ASBJ”) Statement No. 15 *Accounting Standard for Construction Contracts* (December 27, 2007) and ASBJ Guidance No. 18 *Guidance on Accounting Standard for Construction Contracts* (December 27, 2007) from the first quarter of the current fiscal year. Then the construction contracts initiated during the current first quarter has been accounted for based on the percent of completion method, if the outcome of the construction contracts to the end of the current second quarter can be estimated reliably (the percentage of completion shall be estimated based on the cost method). The completed contract method has been applied to account for other construction contracts. Nevertheless, there is no impact on the consolidated operating result by these changes.

5. Consolidated Financial Statements

(1) Consolidated Balance Sheets

(Amount: million yen)

	As of September 30, 2009	As of March 31, 2009
Assets		
Current assets		
Cash and deposits	3,717	5,350
Notes and accounts receivable-trade	7,597	17,886
Merchandise and finished goods	2,713	6,032
Work in process	1,501	2,389
Raw materials and supplies	2,420	6,088
Other	797	4,012
Allowance for doubtful accounts	(4)	(191)
Total current assets	18,744	41,568
Noncurrent assets		
Property, plant and equipment		
Buildings and structures, net	7,771	13,648
Machinery, equipment and vehicles, net	8,378	35,396
Tools, furniture and fixtures, net	1,704	3,293
Land	13,484	16,123
Construction in progress	1,305	4,094
Other, net	605	1,055
Total property, plant and equipment	33,248	73,611
Intangible assets		
Goodwill	115	118
Other	244	31,182
Total intangible assets	359	31,301
Investments and other assets	2,161	3,869
Total fixed assets	35,769	108,782
Deferred assets	-	59
Total assets	54,513	150,410
Liabilities		
Current liabilities		
Notes and accounts payable-trade	6,476	18,919
Short-term loans payable	4,373	6,657
Income taxes payable	31	261
Provision for bonuses	779	686
Other provision	439	843
Other	3,499	9,544
Total current liabilities	15,599	36,912
Noncurrent liabilities		
Bonds payable	-	2,908
Long-term loans payable	14,392	64,968
Provision for retirement benefits	4,336	12,876
Other provision	720	885
Negative goodwill	125	145
Other	4,458	14,100
Total long-term liabilities	24,033	95,884
Total liabilities	39,632	132,797

(Continued)

	As of September 30, 2009	As of March 31, 2009
Net assets		
Shareholders' equity		
Capital stock	38,282	38,282
Capital surplus	39,180	39,180
Retained earnings	(66,146)	(63,464)
Treasury stock	(21)	(21)
Total shareholders' equity	11,295	13,976
Valuation and translation adjustments		
Valuation difference on available-for-sale securities	15	14
Deferred losses on hedges	(197)	(165)
Revaluation reserve for land	3,038	3,045
Foreign currency translation adjustment	(564)	(690)
Total valuation and translation adjustments	2,292	2,203
Subscription rights to shares	239	244
Minority interests	1,053	1,189
Total net assets	14,881	17,613
Total liabilities and net assets	54,513	150,410

(Concluded)

(2) Consolidated Statement of Income

(Amount: million yen)

	Six months ended September 30, 2008	Six months ended September 30, 2009
Net sales	137,674	23,483
Cost of sales	128,739	22,843
(Reversal of) provision for loss on sales	(133)	165
Gross profit	9,068	474
Selling, general and administrative expenses	9,270	2,648
Operating loss	(202)	(2,173)
Non-operating income		
Interest income	23	1
Dividends income	2	2
Amortization of negative goodwill	12	20
Equity in earnings of affiliates	163	44
Subsidy income	115	59
Miscellaneous income	104	30
Total non-operating income	421	158
Non-operating expenses		
Interest expenses	5,179	313
Miscellaneous expenses	602	130
Total non-operating expenses	5,782	444
Ordinary loss	(5,562)	(2,459)
Extraordinary income		
Reversal of provision for retirement benefits	1,625	-
Gain on sales of noncurrent assets	274	3
Gain on forgiveness of debt	3,313	-
Reversal of provision for directors' bonuses	-	17
Gain on reversal of subscription rights to shares	-	11
Other	40	3
Total extraordinary income	5,254	35
Extraordinary loss		
Loss on disposal of noncurrent assets	576	43
Impairment loss	9,387	51
Amortization of stock issuance cost	-	59
Loss on adjustment for changes of accounting standard for measurement of inventories	366	-
Restructuring expense – severance	67	-
Other	906	3
Total extraordinary losses	11,305	158
Loss before income taxes and minority interests	(11,613)	(2,581)
Income taxes – current	770	64
Income taxes – deferred	(135)	(14)
Total income taxes	634	49
Minority interests in income (loss)	45	(53)
Net loss	(12,292)	(2,578)

(3) Note to going concern

None

(4) Note regarding significant changes in the amount of shareholders' equity

None