

(Translation)

**Consolidated Financial Results for the Second Quarter Ended September 30, 2011 [JGAAP]**

November 11, 2011

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 of filing of quarterly report: November 11, 2011 Scheduled date for dividend payment: -  
 Quarterly earnings supplementary explanatory documents: None  
 Quarterly earnings presentation: None

(Amounts less than one million yen are rounded off)

**1. Consolidated results for FY2011 Second Quarter (April 1, 2011 through September 30, 2011)**

## (1) Consolidated operating results for the six months ended September 30

(% of change from second quarter of previous year)

	Net sales		Operating income		Ordinary income		Net income	
	Million yen	%	Million yen	%	Million yen	%	Million yen	%
FY2011 second quarter	38,577	1.3	1,521	8.4	973	(4.3)	659	35.0
FY2010 second quarter	38,071	62.1	1,403	-	1,016	-	488	-

Note: Comprehensive Income: As of September 30, 2011: 60 million yen ((73.7)%)  
 As of September 30, 2010: 229 million yen ( - %)

	Basic net income per share		Diluted net income per share	
	Yen		Yen	
FY2011 second quarter	0.89		-	
FY2010 second quarter	0.69		-	

## (2) Consolidated financial position

	Total assets	Net assets	Equity ratio
	Million yen	Million yen	%
FY2011 second quarter	54,191	17,022	29.7
FY2010	53,254	16,971	30.2

Note: Equity for reference: As of September 30, 2011: 16,098 million yen  
 As of March 31, 2011: 16,057 million yen

**2. Dividend information**

	Cash dividend per share				
	First quarter	Second quarter	Third quarter	At fiscal year end	Total
	Yen	Yen	Yen	Yen	Yen
FY2010	-	0.00	-	0.00	0.00
FY2011	-	0.00	-	-	-
FY2011 Forecast	-	-	-	0.00	0.00

Note: Revision of dividends forecast in the second quarter: None

### 3. Forecast of consolidated operating results for FY2011 (April 1, 2011 through March 31, 2012)

(% of changes from corresponding figures for the previous period)

	Net sales		Operating income		Ordinary income		Net income		Basic net income per share
FY2011	Million yen	%	Million yen	%	Million yen	%	Million yen	%	Yen
	77,000	5.4	2,350	0.8	2,000	13.3	1,500	867.7	2.00

Note: Revision of forecast of consolidated operating result: None

There is no change made for the forecast of consolidated operating result of fiscal year ending March 31, 2012. Please be noted that Asahi Tec Aluminium (Thailand) Co., Ltd. and Asahi Tec Metals (Thailand) Co., Ltd., which are the subsidiaries in Thailand, have suffered no direct flood damage and influence to the business performance of the Company, due to shutdown of our main clients, etc., should be limited.

### 4. Others

- (1) Significant changes in scope of consolidation during the period: None
- (2) Application of accounting methods which are exceptional for quarterly consolidated financial statement: None
- (3) 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

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

	As of September 30, 2011	As of September 30, 2010	As of March 31, 2011
	Shares	Shares	Shares
a. Number of shares issued including treasury stock	655,572,907	-	486,741,519
b. Number of treasury stock	5,104	-	2,816
c. Weighted average number of shares	697,071,663	584,917,868	-

#### Indication of quarterly review procedure implementation status

This quarterly earnings report is exempt from quarterly review procedure based upon the Financial Instruments and Exchange Act. The review has been completed at the time of disclosure of this report.

#### Explanation for Appropriate Use of Forecasts and Other Notes

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.

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## 1. Qualitative Information and Financial Statements

### 1. Qualitative information on consolidated operating results

During the first half of the current fiscal year, Japan's economy transitioned from the severe conditions left by the Great East Japan Earthquake to a state of recovery through rebuilding the manufacturing industry's supply chain and the resulting increase in demand, as well as increased consumer spending. Despite this shift, factors such as the sudden strength of the yen and the slowing down of international economies make the future uncertain. Internationally, the Greek debt crisis precipitated an economic slowdown in advanced nations while China and other developing nations fear that their economies are on the verge of slowing down as a result of credit crunch and the effects of the advanced nations.

In this economic environment, in the first half of the current fiscal year, the Company's Group's sales saw the demand of construction machinery, trucks, and passenger cars continue to increase in China and other developing nations. Further, domestically, the supply chain recovered from the effects of the Great East Japan Earthquake, and demand needed to recover the supply shortage until then, as well as demand toward new clients increased. As a result, sales were overall increase of 1.3% to ¥38,577 million as compared to the same period last year, despite a decline in demand due to the completion of construction on the large-scale trunk power lines, and the impact of the sale of Asahi Tec Environmental Solutions Corporation, a wholly owned subsidiary, in the previous year.

Operating income for the first half of the current fiscal year was ¥1,521 million, an increase of 8.4% from the same period of the previous year. While sales prices went down and raw material costs went up, the increase in operating income can be attributed to the increased profit from increased sales, the increased profitability due to improved productivity and cost cutting, as well as excluding from the sales cost the operations variance, a result of the drastic decline in production after the earthquake, treating it, instead, as an extraordinary loss.

As for ordinary income, there was an increased return on investments on equity method but, interest paid and foreign exchange loss increased, resulting in a decrease of 4.3% to ¥ 973 million from the same period of the previous year.

In addition, ¥ 136 million of the operations variance from the earthquake, and ¥ 133 million of litigation expenses were appropriated as extraordinary losses, resulting in a net income for the first half of ¥ 659 million, an increase of 35.0% from the same period of the previous year.

### 2. Qualitative information on consolidated financial position

Total assets as of September 30, 2011 were ¥ 54,191 million, an increase of ¥ 936 million compared to the end of the previous fiscal year. While there were decreasing factors such as the strong yen causing the value of assets held by foreign subsidiaries to go down when converted to yen, as well as ongoing depreciation of noncurrent assets, the increase is a result of increased cash and deposits, increased notes and accounts receivable-trade due to recovery from the influence of the disaster, and increased investments and other assets lead by an increase in return on investment on equity method (investments in affiliate companies).

Total liabilities as of September 30, 2011 were ¥ 37,169 million, an increase of ¥ 885 million compared to the end of the previous fiscal year. This was due to the fact that, while there were decrease in the amount of liabilities of foreign subsidiaries, when converted to yen due to the strong yen, and decrease in loan payable because of repayment, there was an increase in notes and accounts payable-trade due to the effects of earthquake-recovery efforts.

Net assets were ¥ 17,022 million, an increase of ¥ 51 million compared to the end of the previous fiscal year. This is because there was an increase in retained earnings from the declared quarterly net income, even though the foreign currency translation adjustment decreased due to the strong yen.

### 3. Qualitative information consolidated operating results forecast

There is no change made for the forecast of consolidated operating result of fiscal year ending March 31, 2012. Please be noted that Asahi Tec Aluminium (Thailand) Co., Ltd. and Asahi Tec Metals (Thailand) Co., Ltd., which are the subsidiaries in Thailand, have suffered no direct flood damage and influence to the business performance of the Company, due to shutdown of our main clients, etc., should be limited.

## 2. Consolidated Financial Statements

### 1. Consolidated Balance Sheets

(In millions of Yen)

	As of March 31, 2011	As of September 30, 2011
<b>Assets</b>		
<b>Current assets</b>		
Cash and deposits	2,958	3,717
Notes and accounts receivable-trade	9,686	11,386
Merchandise and finished goods	2,941	2,814
Work in process	2,304	2,490
Raw materials and supplies	2,100	1,837
Other	1,078	704
Allowance for doubtful accounts	(1)	(1)
<b>Total current assets</b>	<b>21,067</b>	<b>22,948</b>
<b>Noncurrent Assets</b>		
Property, plant and equipment		
Buildings and structures, net	7,034	6,672
Machinery, equipment and vehicles, net	7,186	6,690
Land	11,904	11,830
Other	2,957	2,841
Total property, plant and equipment	29,082	28,035
Intangible assets	275	233
Investments and other assets	2,829	2,975
<b>Total noncurrent assets</b>	<b>32,187</b>	<b>31,243</b>
<b>Total assets</b>	<b>53,254</b>	<b>54,191</b>
<b>Liabilities</b>		
<b>Current liabilities</b>		
Notes and accounts payable-trade	8,778	11,670
Short-term loans payable	4,353	4,289
Provision for bonuses	1,013	1,142
Other provision	332	352
Other	3,893	3,232
<b>Total current liabilities</b>	<b>18,371</b>	<b>20,688</b>
<b>Noncurrent liabilities</b>		
Long-term loans payable	8,978	7,677
Provision for retirement benefits	3,968	3,991
Other provision	797	665
Asset retirement obligations	705	706
Other	3,462	3,438
<b>Total noncurrent liabilities</b>	<b>17,912</b>	<b>16,480</b>
<b>Total liabilities</b>	<b>36,283</b>	<b>37,169</b>

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	As of March 31, 2011	As of September 30, 2011
<b>Net assets</b>		
<b>Shareholders' equity</b>		
Capital stock	13,703	13,703
Retained earnings	633	1,324
Treasury stock	(0)	(0)
<b>Total shareholders' equity</b>	<b>14,366</b>	<b>15,028</b>
<b>Accumulated other comprehensive income</b>		
Valuation difference on available-for-sale securities	11	1
Revaluation reserve for land	2,278	2,276
Foreign currency translation adjustment	(600)	(1,206)
<b>Total accumulated other comprehensive income</b>	<b>1,690</b>	<b>1,070</b>
<b>Subscription rights to shares</b>	<b>7</b>	<b>-</b>
<b>Minority interests</b>	<b>906</b>	<b>923</b>
<b>Total net assets</b>	<b>16,971</b>	<b>17,022</b>
<b>Total liabilities and net assets</b>	<b>53,254</b>	<b>54,191</b>

(Concluded)

2. Consolidated Statement of Income and Consolidated Statement of Comprehensive Income  
Consolidated Statement of Income  
Six months ended September 30, 2011

(In millions of Yen)

	Six months ended September 30, 2010	Six months ended September 30, 2011
<b>Net sales</b>	38,071	38,577
<b>Cost of sales</b>	33,352	34,118
<b>Gross profit</b>	4,719	4,459
<b>Selling, general and administrative expenses</b>	3,315	2,937
<b>Operating income</b>	<b>1,403</b>	<b>1,521</b>
<b>Non-operating income</b>		
Equity in earnings of affiliates	72	126
Other	125	131
Total non-operating income	198	258
<b>Non-operating expenses</b>		
Interest expenses	326	419
Foreign exchange losses	206	317
Other	52	69
<b>Total non-operating expenses</b>	<b>585</b>	<b>806</b>
<b>Ordinary income</b>	<b>1,016</b>	<b>973</b>
<b>Extraordinary income</b>		
Gain on sales of noncurrent assets	10	96
Gain on reversal of subscription rights to shares	85	7
Other	19	10
<b>Total extraordinary income</b>	<b>115</b>	<b>114</b>
<b>Extraordinary loss</b>		
Capacity utilization variance due to the earthquake	-	136
Litigation cost	-	133
Loss on adjustment for changes of accounting standard for asset retirement obligations	667	-
Other	85	108
<b>Total extraordinary losses</b>	<b>752</b>	<b>379</b>
<b>Income before income taxes and minority interests</b>	<b>379</b>	<b>708</b>
Income taxes – current	51	135
Income taxes – deferred	(140)	(102)
<b>Total income taxes</b>	<b>(88)</b>	<b>32</b>
<b>Income before minority interests</b>	<b>467</b>	<b>676</b>
<b>Minority interests in income (loss)</b>	<b>(21)</b>	<b>16</b>
<b>Net income</b>	<b>488</b>	<b>659</b>

Consolidated Statements of Comprehensive Income  
Six months ended September 30, 2011

(In millions of Yen)

	Six months ended September 30, 2010	Six months ended September 30, 2011
<b>Income before minority interests</b>	<b>467</b>	<b>676</b>
<b>Other comprehensive income</b>		
Valuation difference on available-for-sale securities	(7)	(10)
Deferred gains or losses on hedges	34	-
Foreign currency translation adjustment	(224)	(599)
Share of other comprehensive income of associates accounting for using method	(40)	(6)
<b>Total other comprehensive income</b>	<b>(238)</b>	<b>(615)</b>
<b>Comprehensive income</b>	<b>229</b>	<b>60</b>
(Comprehensive income attributable to)		
Comprehensive income attributable to parent company	252	43
Comprehensive income attributable to minority interests	(23)	17

3. Note to going concern

None

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

None

5. Note other

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 U.S. entity that administers and enforces the pension plan termination insurance program under the U.S. Employee Retirement Income Security Act of 1974 (ERISA) and its complaint release 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.