(Translation)

Consolidated Financial Results for the Fiscal Year Ended March 31, 2010

May 20, 2010

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 CEO)
Contact: Yoshio KOYANO (Controller) Tel: +81 – 537 – 36 – 3103
Date of the shareholders' meeting: June 25, 2010
Date of filing Yukashoken Houkokusho: June 25, 2010

(Amounts are rounded off to the nearest million yen for consolidated results)

1. Consolidated results for FY2009 (April 1, 2009 ~ March 31, 2010)

(1) Consolidated operating results (% of change from previous year)

	Net sales		Operating income (loss)		Ordinary income (loss)		Net income (loss)	
	Million yen	%	Million yen	%	Million yen	%	Million yen	%
FY2009	58,241	(73.4)	121	-	(392)	-	(421)	-
FY2008	218,806	(30.7)	(3,145)	-	(12,200)	-	(23,251)	-

	Basic net income (loss) per share	Diluted net income (loss) per share	Return on Equity	Ratio of ordinary income (loss) to total assets	Ratio of operating income (loss) to net sales
	Yen	Yen	%	%	%
FY2009	(1.63)	-	(2.6)	(0.4)	0.2
FY2008	(70.82)	-	(74.7)	(6.2)	(1.4)

Reference: Equity income from affiliates: FY2009 150 million yen, FY2008 407 million yen

(2) Consolidated financial position

	Total assets	Net assets	Equity ratio	Net assets per share
As of	Million yen	Million yen	%	Yen
March 31, 2010	56,368	17,470	28.8	2.85
March 31, 2009	150,410	17,613	10.8	3.43

Reference: Equity capital: As of March 31, 2010 16,218 million yen, As of March 31, 2009 16,179 million yen

(3) Consolidated cash flow results

	Cash flow from operating activities	Cash flow from Investing activities	Cash flow from Financing activities	Cash and cash equivalents at end of period
	Million yen	Million yen	Million yen	Million yen
FY2009	2,962	(758)	(2,805)	2,763
FY2008	(670)	(7,737)	7,449	5,350

2. Dividend Information

	Cash dividend per share					Total annual cash dividends	Dividend payout ratio (consolidated)	Ratio of dividends to net assets (consolidated)
	First quarter	Second quarter	Third quarter	Fiscal Year end	Total			
	Yen	Yen	Yen	Yen	Yen	Million yen	%	%
FY2008	-	-	-	-	-	-	-	-
FY2009	-	-	-	-	-	-	-	-
FY2010 (forecast)	-	-	-	-	-	-	-	-

3. Forecast of consolidated operating results for FY 2010 (April 1, 2010 ~ March 31, 2011)

(Percentages indicate changes over the same period in the previous fiscal year)

	Net sales		Operating income (loss)		Ordinary income (loss)	
	Million yen	%	Million yen	%	Million yen	%
Second quarter FY2010	30,700	30.7	70	-	(160)	-
Year ending March 31, 2011	67,200	15.4	2,000	-	1,600	-

	Net income (loss)		Basic net income (loss) per share
	Million yen	%	Yen
Second quarter FY2010	(800)	-	(2.17)
Year ending March 31, 2011	550	-	0.48

4. Others

(1) Change in the significant subsidiaries during FY2009: Yes

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

Note: For more details, please refer to the "Overview of Associated Companies"

(2) Change in accounting principles, procedures, and disclosures during FY2009

a. Changes by revision of accounting standards: Yes

b. Changes by other than (2)-a : None

Note: For more details, please refer to the "Significant Accounting Policies"

(3) Number of shares issued (common stock)

	As of March 31, 2010	As of March 31, 2009
	Shares	Shares
Number of shares issued as of year end (including treasury stock)	437,446,163	437,446,163
Number of treasury stock as of year end	445,249	452,406

Note: Please refer to "Earnings Per Share".

Reference: Unconsolidated Financial Results

1. Unconsolidated results for FY2009 (April 1, 2009 ~ March 31, 2010)

(1) Unconsolidated operating results (% of change from previous year)

	Net sales		Operating income (loss)		Ordinary income (loss)		Net income (loss)	
	Million yen	%	Million yen	%	Million yen	%	Million yen	%
FY2009	26,014	(35.3)	1,034	(41.3)	499	(55.9)	179	-
FY2008	40,238	(28.9)	1,763	(13.2)	1,131	(28.9)	(31,783)	-

	Basic net income (loss) per share	Diluted net income (loss) per share
	Yen	Yen
FY2009	(0.25)	-
FY2008	(96.50)	-

(2) Unconsolidated financial position

	Total assets	Net assets	Equity ratio	Net assets per share
As of	Million yen	Million yen	%	Yen
March 31, 2010	43,906	16,244	36.4	2.36
March 31, 2009	45,945	16,061	34.4	2.60

Reference: Equity capital: As of March 31, 2010 16,003 million yen, As of March 31, 2009 15,817 million yen

2. Forecast of unconsolidated operating results for FY2010 (April 1, 2010 ~ March 31, 2011)

(Percentages indicate changes over the same period in the previous fiscal year)

	Net sales		Operating income(loss)		Ordinary income(loss)	
	Million yen	%	Million yen	%	Million yen	%
Second quarter FY2010	14,000	24.9	300	-	10	-
Year ending March 31, 2011	29,000	11.5	700	(32.4)	150	(70.0)

	Net income(loss)	%	Basic net income (loss) per share
	Million yen		Yen
Second quarter FY2010	(400)	-	(1.25)
Year ending March 31, 2011	(400)	-	(1.60)

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

1. Business Results

(1) Overview of Consolidated Financial Results

The Japanese economy was depressed during the period ended March 31, 2010 due to suppressed consumer spending and reduction in capital expenditures in the aftermath of the global financial crisis and demand decreasing in the export industry which was impacted by a sharp appreciation of the yen.

Some signs of recovery like domestic production in the part of manufacturing industry and increasing export to the emerging countries were observed. However, the employment situation is still severe, and also the domestic demand is still unclear.

In this economic environment, despite and increase in the number of orders for the electric lines construction in the electric power equipment business and environmental business, increasing exports to the emerging countries and recovery orders by the completion of adjusting inventory of passenger car in the general casting and forging parts business, parts for construction machines and trucks, net sales FY2009 was 58,241 million yen, or a decrease of 73.4% compared with FY2008 as a result of the deconsolidation of Metaldyne and weak sales arising from decrease in global automotive demand.

In terms of profits, with deconsolidation of Metaldyne, and recovery efforts to reduce capital expenditures, inventory, labor costs and other expenses, to offset the impact of reduction in sales volume, operating income of 121 million yen were recorded, increasing of 3,266 million yen compared with FY2008.

Although there is equity in earnings of affiliates of 150 million yen, interest expenses of 644 million yen and bank fee of 108 million yen, result in ordinary loss of 392 million yen (an improvement of 11,808 million yen compared to FY2008).

Extraordinary loss included impairment loss of 734 million yen and loss on disposal of noncurrent assets of 129 million yen mainly according to the transfer of Aluminum gravity die casting production from Kikugawa-Minami plant to Asahi Tec Aluminium (Thailand) Co. Ltd.

Net loss was 421 million yen, improved 22,830 compared with FY2008. This is caused by 916 million yen of reverse deferred tax liabilities according to measuring market value of land and buildings of Techno-Metal Co., Ltd., and sale of idle land of the Company.

Chrysler LLC and General Motors Corporation filed Chapter 11in U.S. automotive industry. Similarly, Metaldyne Corporation and 30 of its subsidiaries filed voluntary petitions for reorganization under chapter 11 of title 11 of United States Code in the United States Bankruptcy Court for the Southern District of New York and sold its business and assets to new buyer, and the Company lost its effective control over Mataldyne. Therefore, Metaldyne deconsolidated from FY2009 consolidated financial results.

Considering these results, the Company does not plan to pay a dividend for the fiscal year ended March 31, 2010.

Segment Information

(Sales by segment include sales between segments, and operating income (loss) includes non-allocable expenses.)

a) Segment Operating Results

[General casting and forging parts]

There are signs that production improving by tax break for eco-friendly in Japan cars and improving automotive demand in Thailand, China and other emerging countries, however, Metaldyne deconsolidated and weak demand of truck, construction machine and two-wheel vehicles, as the result, consolidated sales amounted to 46,786 million yen, down 77.5% from FY2008. Consolidated operating loss improved by 2,553 million yen, amounted to 931 million yen.

[Equipments and Systems]

Consolidated sales amounted to 11,565 million yen, up 9.0% from FY2008, due to a higher demand for transmission line equipment, equipment for underground line and manhole business. Consolidated operating income amounted to 1,963 million yen, up 30.9% from FY2008.

b) Geographical segment

[Japan]

Consolidated domestic sales amounted to 51,404 million yen, down 32.5% from FY2008, due to demand downturn of passenger cars and the decrease of exports of trucks and construction machines even though partial recovery of automotive market by tax break for eco-friendly cars. Consolidated operating income amounted to 1,721 million yen, down 51.4% from FY2008.

[Asia]

Consolidated sales in Asia amounted to 9,060 million yen, down 45.7% from FY2008, due to deconsolidation of Metaldyne though recovering sales in Thailand and China automotive industry. Consolidated operating loss decreased to 859 million yen, down 1,512 million yen from FY2008, due to the decrease in sales in Asia and the deterioration of productivity.

Forecast of consolidated financial results for the year ending March 31, 2011 is as follows:

Net sales of 67,200 million yen, up 15.4 % from the previous fiscal year in accordance with recovery orders by passenger car, trucks and parts for construction machines, operating income of 2,000 million yen, up 1,879 million yen from the previous fiscal year, ordinary income of 1,600 million yen, improving 1,992 million yen from the previous fiscal year, and net profit of 550 million yen, improving 971 million yen from the previous fiscal year thoroughgoing effort to reduce capital expenditures, inventory, labor costs and other expenses.

(2) Consolidated Financial Position

a) Assets, liabilities, and net assets

Total assets as of March 31, 2010 were 56,368 million yen, decreasing 94,042 million yen from the end of FY2008 due to the deconsolidation of Metaldyne, sale of idle land, impairment loss and depreciation of tangible assets.

Total liabilities as of March 31, 2010 were 38,897 million yen, decreasing 93,899 million yen from the end of FY2008 due to the deconsolidation of Metaldyne, reducing in investment of facilities and repayment of long-term loan payable.

Net assets decreased 142 million yen from the end of FY2008, to 17,470 million yen due to an increase in foreign subsidiary's adjustment on translation of foreign currency, offset by net loss of 421 million yen for FY2009.

b) Cash flows

Cash and cash equivalents for the current year were 2,763 million yen, down 2,586 million yen from the prior year due to the deconsolidation of Metaldyne.

Net cash provided by operating activities were 2,962 million yen, increasing 3,633 million yen from the prior year due to the deconsolidation of Metaldyne, decreasing inventories and increasing account payable although account receivable increased with sales increase.

Net cash used in investing activities were 758 million yen, down 6,978 million yen from the prior year due to the deconsolidation of Metaldyne, decreasing to purchase property, plant and equipment and cash in by selling idle land.

Net cash used in financing activities were 2,805 million yen, decreasing 10,255 million yen, due to issuance of common stock in FY2008, deconsolidation of Metaldyne and repayment of long-term loan payable. There was 7,449 million yen net outflow in prior year.

Reference: Trend of cash flow indicators

	FY2005	FY2006	FY2007	FY2008	FY2009
Equity ratio (%)	21.1	24.1	18.9	10.8	28.8
Equity ratio on a market value basis (%)	43.5	20.4	12.8	11.9	52.1
Interest bearing debt / cash flow ratio (%)	8.2	39.6	9.5	-	6.1
Interest coverage ratio (times)	4.0	2.4	1.0	-	4.6

Equity ratio: Equity／Total assets

Equity ratio on a market value basis: Market capitalization／Total assets

Interest bearing debt / cash flow ratio: Interest bearing debt／Operating cash flow

Interest coverage ratio: Operating cash flow／Interest expense

1. Each indicator is calculated based on the consolidated amounts.
2. Market capitalization was calculated as follows: Closing market price of shares at balance sheet date multiplied by the number of shares issued and outstanding at balance sheet date (excluding treasury stocks). 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, 2006, 2007, 2008, and 2009, nonrecurring and unusual cash items were excluded from the operating cash flow for calculation. Such expenses were "M&A advisory fee and refinance costs paid", "payments for director's retirement benefits", and "payment of restructuring expense – severance".
4. Interest bearing debt represents liabilities with interest payments recognized in the consolidated financial statements. The interest expense represents the total amount of interest expense disclosed in the consolidated

statement of cash flows.

(3) Basic Policy on the Distribution of Profits and Distribution of Profits for FY2009 and FY2010

It is the basic policy of Asahi Tec group companies (collectively, the “Group”) to return appropriate profits to its shareholders by continuously increasing shareholder value, along with distributing dividends. As for the retained earnings, the Group will utilize them, from a medium-and-long-term perspective, to make essential investment to meet future growth, including R&D for new products or global business expansion, in order to strengthen the Group’s competitiveness.

Net loss of 421 million yen for FY2009 was recorded by decreasing sales due to the worldwide decline in the automotive industry. Therefore, a dividend payment is not planned for the fiscal year ended March 31, 20010.

A dividend payment for FY2010 is not planned due to not enough distributable reserve though business operation steadily improving.

(4) Risk Factors

The business results and the financial position of the Group (including the Company’s share price) will be potentially affected by certain risks as described below. The Group will implement measures to mitigate the effects. The risk information described below is based on information available at the end of the current fiscal year and does not cover all risks that may affect the Group’s operating results.

a) A significant decrease in sales and net loss

In unclear economic environment, despite and increase in the number of orders for the electric lines construction in the electric power equipment business and environmental business, increasing exports to the emerging countries and recovery orders by the completion of adjusting inventory of passenger car in the general casting and forging parts business, parts for construction machines and trucks, net sales FY2009 was 58,241 million yen, or a decrease of 73.4% compared with FY2008 as a result of the deconsolidation of Metaldyne and weak sales arising from decrease in global automotive demand.

If the global automotive demand will remain downturn or the demand will not recover by the customer’s inventory adjustment as expected, it may impact on the Company’s financial performance.

b) Transactions with major customers

For the general casting and forging parts business, the Group’s major customers are automobile manufacturers. Among these are Mitsubishi Fuso Truck and Bus Corporation (“Mitsubishi Fuso”), Mitsubishi Motors Corporation upon which the Group’s dependence for sales revenue is significant. Therefore, their business and/or operating decisions may adversely impact the Group’s operating results.

c) Raw material purchase risk

As the purchase price of certain raw materials (iron scrap, aluminum metal, coke, and etc.) is linked to worldwide supply and demand trends, prices may fluctuate dramatically. Especially, the increase of raw material prices in current year was remarkable. The Group continues efforts to recoup any increase in material costs where possible, by increasing the selling prices of its finished products to its customers, but the Group’s operating results may be adversely affected by such risk if the pass through of these costs increases is not successful.

d) Loans

Loan agreement, Syndicated loans and subordinated loans, were made on February 24, 2006. Of all loans are subject to restrictive financial covenants. Failure to achieve a specified level of performance will result in an infringement of the terms of the loan agreements, in which case, the Group may be required to immediately repay the full outstanding balance of the principal and/or accrued interest. The Company is planning to refinance by February 2011.

For the fiscal year ended March 31, 2010, there was a potential risk to breach the covenants in the loan agreement with syndicate banks, however, the Company has obtained the waiver of the covenants from syndicated banks for respective quarters. The Company has no cash flow problems throughout FY2009, but the risk of the breach of the covenants may arise depending on the economic environment and the operating results of the Company.

e) Risk associated with requests for discount from customers

Due to fierce low-cost competition in the automobile industry, the Group is subject to constant pressure from automobile manufacturers (i.e. customers) to lower its prices and improve quality. To meet such demands, the Group continues to improve productivity and to reduce purchase costs and defects. However, if these efforts are insufficient to cover discounts given to customers, this may have an adverse impact on the Group's operating results.

f) Risk associated with improving profitability and productivity

To improve profitability, the Group is taking the following measures; 1) Improve its production control system to enhance productivity, 2) reduce purchase costs, 3) reduce defective products and returns from customers by improving quality, and 4) shift production bases to lower cost countries such as Thailand and China.

The Group may lose cost competitiveness, which will adversely affect its operating results, if the abovementioned measures are not taken quickly enough, or the total investment for cost reduction exceeds its budget, or the cost reduction by shifting production overseas does not meet its expectation due to failures to execute plans effectively.

g) Parent company

RHJ International SA/NV ("RHJI") owns 60.1% of voting rights of the Company, which makes it a parent company of the Company by holding a majority of voting rights. RHJI may have an impact on the Group's financial positions and operating results by exercising its voting rights at the Company's shareholders' meetings. For more details, please refer to the "Related Party Transaction".

h) Interest rate fluctuation

As the Group has consolidated loans payable of 17,253 million yen, fluctuations in interest rates may adversely affect the Group's operating results.

i) Exchange rate fluctuation

As the Group has foreign currency transactions related to exporting products and importing raw materials, and also has assets and liabilities denominated in foreign currencies, fluctuations in foreign exchange rates may adversely affect the Group's operating results.

j) Dividend and redemption of preferred stocks

The Group issued Series A preferred stock for 28,572,000 shares, Series B preferred stock for 10,526,316 shares, and Series C preferred stock for 82,081 shares. When the Group needs to pay any accumulated unpaid dividend, that amount could be material. Consequently, the Group's financial positions may be adversely affected. Dividend and redemption of preferred stocks have no future plans yet, the Company will announce as soon as plan become clear

The Company received 97,098 shares of Series C preferred stock without consideration from Chrysler LLC during the fiscal year ended March 31, 2009 and canceled during the fiscal year ended March 31, 2010.

k) Natural disaster

The Group's operating results may be adversely affected by work stoppage due to the unexpected natural disaster.

2. Overview of Associated Companies

The Company and its group of related companies are comprised of parent, 9 consolidated subsidiaries, 1 unconsolidated subsidiary and 3 affiliated companies.

The group is engaged in the production of general casting and forging parts and equipments and systems.

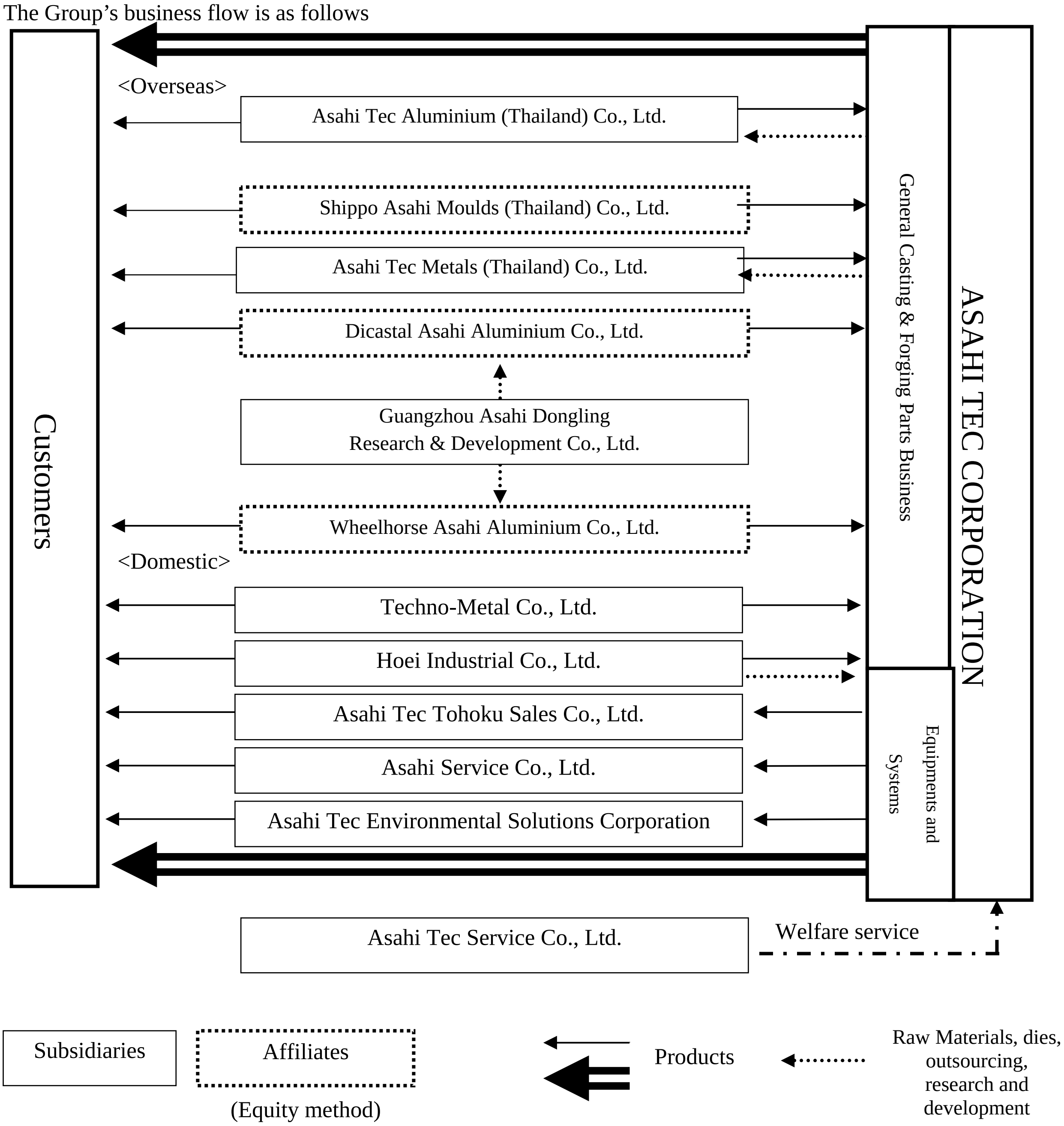
Operating Segment	Product or Service	Subsidiaries or affiliated companies
General casting and forging parts	Automotive parts *1	Hoei Industrial Co., Ltd. Techno-Metal Co., Ltd. Asahi Tec Aluminium (Thailand) Co., Ltd. Asahi Tec Metals (Thailand) Co., Ltd. Shippo Asahi Moulds (Thailand) Co., Ltd.
	Aluminum Wheel	Asahi Tec Aluminium (Thailand) Co., Ltd. Guangzhou Asahi Dongling Research & Development Co., Ltd. Dicastal Asahi Aluminium Co., Ltd. Wheelhorse Asahi Aluminium Co., Ltd.
Equipments and Systems	Electric Power	ASAHI TEC Tohoku Sales Co., Ltd.
	Environment	ASAHI Service Co., Ltd. Asahi Tec Environmental Solutions Corporation
Other	Welfare service	ASAHI TEC Service Co., Ltd.

Note;

*1 Includes production and sale of aluminum forging, aluminum alloy casting, aluminum die casting, ductile iron casting, and general iron casting and forging parts, as well as machining and sub-assembly, etc.

*2 The group also has Metaldyne Holding LLC, unconsolidated subsidiary which is a dormant company.

The Group's business flow is as follows



*Metaldyne Holdings, unconsolidated subsidiaries is dormant company and not included in above chart.

3. Management Policy

(1) Basic Management Policy

The Group, supporting the fundamentals of manufacturing for about a century since its foundation, is looking ahead to the next century. As the globalization of political, economic, and social fields expands, the Group will aim to ensure long term stability and growth by increasing shareholder value through the achievement of reasonable profitability and healthy financial conditions. The most important base of achieving it is “people” and the Group will emphasize the development of people of the Group by strengthening and vitalizing the Group’s organizational structure. In addition, it will meet its corporate social responsibility in all its business activities through working to preserve ethics and improve the environment, and maintaining social harmony such as paying attention to global environmental issues.

(2) Medium-and-Long-term Management Strategy and Future Objectives

The Group business has been in severe environment after the global economic crises, however, the automotive industry is now showing signs of recovery due to the customer’s inventory adjustment and increased demand in Thailand, China and other countries in Asia.

Changes are forecasted through competition in global automotive market for survival. Therefore, taking strategy to accommodate such changes will be one of the most important keys of management.

Progressing with environmentally friendly technologies, especially the reduction of emissions of carbon dioxide to stop global warming, becomes an opportunity to further grow the general casting and forging parts business.

The Company continues to take measures such as establishing the organizational structure and re-aligning production as growing company expanding into Asian market especially in emerging countries, and also continues efforts to reduce labor costs and expenses to be more competitive, strengthen sales force and to gain new customers.

In addition, total quality management has been implemented to improve the quality of work to “change the way of doing the business and the way of thinking”. Individual employees’ skill and motivation as well as vitality of organization are primary drivers for future growth, and development of employees and revitalization of organization are in process in order to reinforce manufacturing ability.

The Company’s environmental systems and equipment business and electric power equipment business have sophisticated technologies and products to answer the needs for infrastructure such as efficient rehabilitation of old environmental infrastructure in cities, supply of environmental infrastructure to local areas, and power supply in case of earthquake. The Company believes that contribution to society using those technologies is the Company’s mission.

a) Technological innovation

The Group will expedite technological development by making the most of its technology, know-how, and human resources with the right focus and concentration. As mentioned above, the trend of weight reduction in automobiles accelerates the shift to lighter materials, and the Company will try to expand the customers and increase customer orders by utilizing the aluminum or magnesium casting and forging technologies both developed for applying lighter weight materials. It will also provide attractive new products that will meet future customer needs in the field of environmental systems and equipment as well as electric power transmission equipment.

b) Thorough control of quality and delivery of products

In order to be one of the most reliable companies and to satisfy its customers, the Group encourages all employees to put a priority on working together to create high-quality products, and to deliver products in a timely manner. In addition, the Group will pay more attention to improving quality of product which will lead to the Group's operating results.

c) Improvement of financial positions and growth under improved profitability

The non-manufacturing department of the Group has been doing intensive cost reductions under the worldwide recession. At the same time, the manufacturing department of the Group has been working on the improvement of financial position and profitability to prepare for the time when the economy picks up by taking the time of production reductions as an opportunity to act. In addition, the Company's environmental systems and equipment business and electric power equipment business will aim for the maximization of profit by taking advantage of their distinctive technologies and competitive products.

d) Intensive manpower development

The Company believes that each individual's ability and strong will contribute to the vitality of the organization which is key to the Company's development. To meet the challenges of ongoing globalization, the Group will upgrade its human resource development systems. By improving training courses, and by supporting employees' education and official certifications, it can improve the skills of each employee. Also, it will introduce an evaluation system that rewards each employee according to their individual ability and contribution.

With these measures, the Group will promote sales expansion and cost reduction, and finally contribute to the society while also continuing the Group's growth and increasing the Group's profitability.

4. Consolidated Financial Statements

(1) Consolidated Balance Sheets (Amount: Million yen)

	As of March 31, 2009	As of March 31, 2010
Assets		
Current assets		
Cash and deposits	5,350	2,806
Notes and accounts receivable-trade	17,886	12,769
Merchandise and finished goods	6,032	2,618
Work in process	2,389	1,738
Raw materials and supplies	6,088	2,437
Deferred tax assets	1,031	95
Other	2,980	755
Allowance for doubtful accounts	(191)	(5)
Total current assets	41,568	23,215
Noncurrent assets		
Property, plant and equipment		
Buildings and structures, net	13,648	7,506
Machinery, equipment and vehicles, net	35,396	7,684
Tools, furniture and fixtures, net	3,293	1,637
Land	16,123	12,093
Lease assets, net	1,055	550
Construction in progress	4,094	840
Total property, plant and equipment	73,611	30,313
Intangible assets		
Goodwill	118	111
Patent right	15,124	-
Customer contracts	12,446	-
Other	3,612	188
Total intangible assets	31,301	299
Investments and other assets		
Investment securities	486	467
Deferred tax assets	333	506
Other	3,347	1,597
Allowance for doubtful accounts	(297)	(31)
Total investments and other assets	3,869	2,540
Total noncurrent assets	108,782	33,152
Deferred assets		
Stock issuance cost	59	-
Total deferred assets	59	-
Total assets	150,410	56,368

(Continued)

(Amount: Million yen)

	As of March 31, 2009	As of March 31, 2010
Liabilities		
Current liabilities		
Notes and accounts payable-trade	18,919	8,831
Short-term loans payable	6,657	13,253
Income taxes payable	261	142
Provision for bonuses	686	775
Notes payable-facilities	482	222
Other provision	843	268
Other	9,061	2,679
Total current liabilities	36,912	26,173
Noncurrent liabilities		
Bonds payable	2,908	-
Long-term loans payable	64,968	4,000
Deferred tax liabilities	7,939	837
Deferred tax liabilities for land revaluation	2,815	2,303
Provision for retirement benefits	12,876	4,214
Other provision	885	794
Negative goodwill	145	105
Other	3,345	469
Total noncurrent liabilities	95,884	12,724
Total liabilities	132,797	38,897
Net assets		
Shareholders' equity		
Capital stock	38,282	38,282
Capital surplus	39,180	39,180
Retained earnings	(63,464)	(63,299)
Treasury stock	(21)	(21)
Total shareholders' equity	13,976	14,211
Valuation and translation adjustments		
Valuation difference on available-for-sale securities	14	20
Deferred gains or losses on hedges	(165)	(72)
Revaluation reserve for land	3,045	2,278
Foreign currency translation adjustment	(690)	(220)
Total valuation and translation adjustments	2,203	2,006
Subscription rights to shares	244	241
Minority interests	1,189	1,010
Total net assets	17,613	17,470
Total liabilities and net assets	150,410	56,368

(Concluded)

(2) Consolidated Statements of Income (Amount: Million yen)

	Year ended March 31, 2009	Year ended March 31, 2010
Net sales	218,806	58,241
Cost of sales	205,488	52,607
Reversal of loss on sales	(378)	(50)
Gross profit	13,696	5,685
Selling, general and administrative expenses	16,841	5,563
Operating income (loss)	(3,145)	121
Non-operating income		
Interest income	35	2
Dividends income	4	3
Amortization of negative goodwill	32	58
Equity in earnings of affiliates	407	150
Subsidy income	172	34
Miscellaneous income	159	67
Total non-operating income	811	317
Non-operating expenses		
Interest expenses	8,604	644
Bank fee	-	108
Miscellaneous expenses	1,262	78
Total non-operating expenses	9,867	831
Ordinary income (loss)	(12,200)	(392)
Extraordinary income		
Gain on prior period adjustment	-	16
Reversal of provision for retirement benefits	1,537	-
Gain on sales of noncurrent assets	299	6
Gain on sales of investment securities	-	38
Subsidy Income	-	63
Gain on reversal of subscription rights to shares	-	32
Reversal of provision for directors' bonuses	-	15
Gain on forgiveness of debts	3,133	-
Gain on redemption of bonds	30,552	-
Other	539	8
Total extraordinary income	36,062	180
Extraordinary loss		
Loss on disposal of noncurrent assets	817	129
Impairment loss	40,793	734
Amortization of stock issuance cost	-	59
Loss on adjustment for changes of accounting standard for measurement of inventories	366	-
Volume variances	2,582	-
Directors' retirement benefits	-	69
Restructuring expense – severance	542	-
Other	1,029	2
Total extraordinary losses	46,131	994
Loss before income taxes and minority interests	(22,270)	(1,206)
Income taxes – current	1,328	201
Income taxes – deferred	(394)	(916)
Total income taxes	934	(714)
Minority interests in income (loss)	46	(70)
Net income (loss)	(23,251)	(421)

(3) Consolidated Statements of Changes in Net Assets (Amount: Million yen)

	Year ended March 31, 2009	Year ended March 31, 2010
Shareholders' equity		
Capital stock		
Balance at the end of previous period	34,384	38,282
Changes of items during the period		
Issuance of new shares	3,897	-
Total changes of items during the period	3,897	-
Balance at the end of current period	38,282	38,282
Capital surplus		
Balance at the end of previous period	35,309	39,180
Changes of items during the period		
Issuance of new shares	3,871	-
Total changes of items during the period	3,871	-
Balance at the end of current period	39,180	39,180
Retained earnings		
Balance at the end of previous period	(36,607)	(63,464)
Changes of items during the period		
Change of scope of consolidation	-	(109)
Net loss	(23,251)	(421)
Pension and postretirement benefit plans of foreign subsidiary	(3,606)	-
Reversal of revaluation reserve for land	-	766
Total changes of items during the period	(26,857)	235
Balance at the end of current period	(63,464)	(63,229)
Treasury stock		
Balance at the end of previous period	(20)	(21)
Changes of items during the period		
Purchase of treasury stock	(1)	(0)
Disposal of treasury stock	-	0
Total changes of items during the period	(1)	0
Balance at the end of current period	(21)	(21)
Total shareholders' equity		
Balance at the end of previous period	33,067	13,976
Changes of items during the period		
Change of scope of consolidation	-	(109)
Issuance of new shares	7,768	-
Net loss	(23,251)	(421)
Pension and postretirement benefit plans of foreign subsidiary	(3,606)	-
Purchase of treasury stock	(1)	(0)
Disposal of treasury stock	-	0
Reversal of revaluation reserve for land	-	766
Total changes of items during the period	(19,090)	235
Balance at the end of current period	13,976	14,211

(Continued)

(Amount: Million yen)

	Year ended March 31, 2009	Year ended March 31, 2010
Valuation and translation adjustments		
Valuation difference on available-for-sale securities		
Balance at the end of previous period	25	14
Changes of items during the period		
Net changes of items other than shareholders' equity	(11)	6
Total changes of items during the period	(11)	6
Balance at the end of current period	14	20
Deferred gains or losses on hedges		
Balance at the end of previous period	(143)	(165)
Changes of items during the period		
Net changes of items other than shareholders' equity	(22)	93
Total changes of items during the period	(22)	93
Balance at the end of current period	(165)	(72)
Revaluation reserve for land		
Balance at the end of previous period	3,044	3,045
Changes of items during the period		
Net changes of items other than shareholders' equity	0	(766)
Total changes of items during the period	0	(766)
Balance at the end of current period	3,045	2,278
Foreign currency translation adjustment		
Balance at the end of previous period	10,078	(690)
Changes of items during the period		
Change of scope of consolidation-foreign currency translation adjustment	-	190
Net changes of items other than shareholders' equity	(10,769)	280
Total changes of items during the period	(10,769)	470
Balance at the end of current period	(690)	(220)
Total valuation and translation adjustments		
Balance at the end of previous period	13,005	2,203
Changes of items during the period		
Change of scope of consolidation-foreign currency translation adjustment	-	190
Net changes of items other than shareholders' equity	(10,802)	(386)
Total changes of items during the period	(10,802)	(196)
Balance at the end of current period	2,203	2,006
Subscription rights to shares		
Balance at the end of previous period	255	244
Changes of items during the period		
Net changes of items other than shareholders' equity	(11)	(3)
Total changes of items during the period	(11)	(3)
Balance at the end of current period	244	241

(Continued)

	Year ended March 31, 2009	Year ended March 31, 2010
Minority interests		
Balance at the end of previous period	1,363	1,189
Changes of items during the period		
Decrease of consolidated subsidiaries	-	(80)
Net changes of items other than shareholders’ equity	(173)	(98)
Total changes of items during the period	(173)	(179)
Balance at the end of current period	1,189	1,010
Total net assets		
Balance at the end of previous period	47,692	17,613
Changes of items during the period		
Change of scope of consolidation	-	(109)
Change of scope of consolidation-foreign currency translation adjustment	-	190
Decrease of consolidated subsidiaries-minority interests	-	(80)
Issuance of new shares	7,768	-
Net loss	(23,251)	(421)
Pension and postretirement benefit plans of foreign subsidiary	(3,606)	-
Purchase of treasury stock	(1)	(0)
Disposal of treasury stock	-	0
Reversal of revaluation reserve for land	-	766
Net changes of items other than shareholders’ equity	(10,987)	(488)
Total changes of items during the period	(30,078)	(142)
Balance at the end of current period	17,613	17,470

(Concluded)

(4) Consolidated Statements of Cash Flows (Amount: Million yen)

	Year ended March 31, 2009	Year ended March 31, 2010
Cash flows from operating activities		
Loss before income taxes and minority interests	(22,270)	(1,206)
Depreciation and amortization	17,823	4,436
Impairment loss	40,793	734
Amortization of goodwill	1,216	6
Amortization of negative goodwill	(32)	(58)
Increase (decrease) in provision for bonuses	(1,223)	158
Reversal of provision for retirement benefits	(1,537)	-
Gain on forgiveness of debt	(3,133)	-
Gain on extinguishment of bonds	(30,552)	-
Restructuring expense – severance	542	-
Increase (decrease) in allowance for doubtful accounts	(25)	2
Increase (decrease) in provision for retirement benefits	(1,406)	(146)
Loss (gain) on sales and retirement of noncurrent assets	551	122
Interest and dividends income	(39)	(6)
Interest expenses	8,604	644
Foreign exchange losses (gains)	279	(200)
Equity in (earnings) losses of affiliates	(407)	(150)
Decrease (increase) in notes and accounts receivable-trade	16,851	(3,783)
Decrease (increase) in inventories	4,651	1,089
Increase (decrease) in notes and accounts payable-trade	(19,826)	1,475
Other, net	(1,447)	618
Sub-total	9,411	3,735
Interest and dividends income received	39	6
Interest expenses paid	(7,512)	(645)
Income taxes paid	(2,417)	(239)
Income taxes refund	407	104
Payment of restructuring expense – severance	(599)	-
Net cash provided by (used in) operating activities	(670)	2,962
Cash flows from investing activities		
Payments into time deposits	-	(41)
Purchase of property, plant and equipment	(9,186)	(1,783)
Proceeds from sales of property, plant and equipment	469	1,087
Purchase of intangible assets	(7)	(30)
Purchase of investments in subsidiaries	(36)	(4)
Proceeds from sales of investments in subsidiaries	1,051	-
Other, net	(28)	13
Net cash provided by (used in) investing activities	(7,737)	(758)

(Continued)

(Amount: Million yen)

	Year ended March 31, 2009	Year ended March 31, 2010
Cash flows from financing activities		
Net increase (decrease) in short-term loans payable	(1,022)	(12)
Proceeds from long-term loans payable	22,032	-
Repayment of long-term loans payable	(14,586)	(2,330)
Redemption of bonds	(6,203)	-
Proceeds from issuance of common stock	7,737	-
Proceeds from sale-leaseback transactions	381	-
Repayments of finance lease obligations	(860)	(428)
Cash dividends paid to minority shareholders	(7)	(6)
Other, net	(21)	(27)
Net cash provided by (used in) financing activities	7,449	(2,805)
Effect of exchange rate change on cash and cash equivalents	(220)	11
Net increase (decrease) in cash and cash equivalents	(1,179)	(590)
Cash and cash equivalents at beginning of period	6,529	5,350
Decrease in cash and cash equivalents resulting from exclusion of subsidiaries from consolidation	-	(1,995)
Cash and cash equivalents at end of period	5,350	2,763

(Concluded)

Note to Going-Concern Assumption

N/A

Significant Accounting Policies

1. Scope of Consolidation

(1) Consolidated subsidiaries – the following nine (9) subsidiaries were consolidated:

Hoei Industrial Co., Ltd., Techno-Metal Co., Ltd., Asahi Tec Aluminum (Thailand) Co., Ltd., Asahi Tec Metals (Thailand) Co., Ltd., Guangzhou Asahi Dongling Research & Development Co., Ltd., Asahi Tec Tohoku Sales Co., Ltd., Asahi Service Co., Ltd., Asahi Tec Environmental Solutions Corporation, and Asahi Tec Service Co., Ltd.

Metaldyne Corporation and 30 of its subsidiaries, subsidiaries as of FY2008, filed voluntary petitions for reorganization under chapter 11 of title 11 of United States Code in the United States Bankruptcy Court on May 27, 2009 (U.S. time zone) and sold its business and assets to new buyer, and the Company lost its effective control over Mataldyne. Therefore, Metaldyne deconsolidated from FY2009 consolidated financial results.

(2) Unconsolidated subsidiary –the following one (1)

Metaldyne Holdings LLC

Metaldyne Holdings LLC, Metaldyne Corporation and 30 of its subsidiaries are defunct companies, therefore, Metaldyne Holdings LLC treats as unconsolidated subsidiary for FY2009.

2. Matters Related to Equity Method

(1) Non-consolidated companies accounted for under the equity method – three (3) companies

Shippo Asahi Moulds (Thailand) Co., Ltd., Dicastal Asahi Aluminum Co., Ltd., and Wheelhorse Asahi Aluminum Co., Ltd.

(2) Since the statutory fiscal year-end of above entities is different from that of the Company, they are accounted for by using their financial results reported as of their respective statutory fiscal year end.

3. Closing Date of Consolidated Subsidiaries

The names of entity whose statutory fiscal year end is different from that of the Company are as follows:

(1) December 31

Guangzhou Asahi Dongling Research & Development Co., Ltd. – the Company used its financial statements as of December 31, 2009, and material transactions during intervening period, if any, are reflected in the consolidated financial statements.

4. Accounting Policies

(1) Evaluation standards and methods for significant assets

Securities

Available-for-sale securities – Available-for-sale securities with readily determinable market prices are stated at fair value as of the balance sheet date, with unrealized gains and losses, net of applicable taxes, reported as a separate component of net assets. The cost of securities sold was calculated by the moving-average method. Available-for-sale securities without readily determinable market prices were stated at cost determined by the moving-average method.

Inventories

Evaluated by lower of cost or market method. The Company and its domestic subsidiaries stated inventories at cost determined by the period average method. Foreign subsidiaries stated inventories at the lower of cost or net realizable value, with cost determined by use of the first-in, first-out method.

Derivatives

The fair value method was applied.

(2) Depreciation methods for significant fixed assets

Property, plant and equipment (excluding lease assets)

Buildings other than fixtures - the straight-line method was applied.

Moulds included in tools, furniture and fixtures - the Company, Techno-Metal Co., Ltd., and foreign subsidiaries applied the straight-line method. The domestic subsidiaries applied the declining-balance method.

Other tangible fixed assets - the Company and its domestic subsidiaries other than Techno-Metal Co., Ltd. applied the declining-balance method. Techno-Metal Co., Ltd. and the foreign subsidiaries applied the straight-line method. The useful lives of the major tangible fixed assets are as follows:

Buildings and structures:	10 to 60 years
Machinery, equipment, and vehicles:	4 to 15 years
Tools, furniture and fixtures:	2 to 7 years

Intangible assets (excluding lease assets)

Software (internal use) - the straight-line method was applied using the useful life of five (5) years.

Other intangible assets - the straight-line method was applied.

Lease assets

Finance lease transactions that transfer ownership – depreciation expense is calculated based on the same way as it is applied to the assets owned by the lessee.

Finance lease transactions that do not transfer ownership – deprecation expense is calculated based on the assumption that the useful life equals the lease term and the residual value is zero. Finance lease transactions that do not transfer ownership which consummated before March 31, 2008 have been accounted for as operating lease transactions.

(3) Accounting method for significant provisions

Allowance for doubtful accounts

The Company and its domestic subsidiaries recorded allowance for doubtful accounts at amounts considered to be the Company’s and its domestic subsidiaries’ best estimates after considering their past credit losses for existing non doubtful accounts and individual collectibility for specific doubtful accounts. The foreign subsidiaries recorded allowance for doubtful accounts considering individual collectibility for specific doubtful accounts.

Provision for bonuses

The Company recorded provision for bonuses for the estimated amount to be paid to employees.

Provision for retirement benefits

The Company and its subsidiaries have retirement benefit plans and record provision for retirement benefits based on projected benefit obligations and a fair value of plan assets at the balance sheet date. Unrecognized actuarial gains or losses start to be amortized, in the following fiscal year, by the straight-line method over a period of ten (10) to fourteen (14) years, which represents the employees' average remaining service period at the time the actuarial gains or losses are incurred.

(4) Translation of assets and liabilities denominated in foreign currency into Japanese Yen

Financial assets and liabilities denominated in foreign currencies were translated into Japanese Yen at spot exchange rates on the balance sheet date, and unrealized foreign exchange gains and losses were charged to the income statements. As for the foreign subsidiaries' financial statements, assets and liabilities were translated into Japanese Yen at spot exchange rates on the balance sheet date, and revenues and expenses were translated at the average exchange rates for the year. Any foreign exchange impact arising from such translation was charged to foreign currency translation adjustment in net assets.

(5) Accounting for Revenue and Expense

Change in Accounting Principle

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. The Company has 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 April 1, 2009. Then the construction contracts initiated during the FY2009 has been accounted for based on the percent of completion method, if the outcome of the construction to the end of FY2009 (March 31, 2010) can be estimated reliably (the percentage of completion shall be estimated based on the cost method).

As the result, net sales increased 288 million yen, gross profit & operating income increased 30 million yen each and ordinary loss and loss before income taxes and minority interests decreased 30 million yen each.

(6) Accounting for derivative instruments

Accounting – Hedge accounting is applied.

Hedging activity and hedged item:

Hedging activity – Foreign currency contract

Hedged item – Forecasted transactions involving foreign currencies

Policy related to transactions – Foreign currency risk associated with hedged items is hedged within a certain level based on the internal rules where authorization of derivative transactions and limit on transaction amount are defined.

Assessment of hedge effectiveness – Assessment of hedge effectiveness for foreign currency contracts was omitted since those transactions meet prerequisites allowing for omission of the assessment of hedge effectiveness.

(7) Other significant matters for the preparation of consolidated financial statements

Accounting for consumption taxes

Consumption taxes were excluded from the amounts of all related accounts in this report.

5. Valuation method of assets and liabilities of consolidated subsidiaries

All assets and liabilities of consolidated subsidiaries are evaluated at fair value.

6. Goodwill and negative goodwill

The Company amortizes goodwill and negative goodwill by the straight-line method over a period not exceeding twenty (20) years. When the amount of goodwill is deemed to be immaterial, all goodwill is charged to the income statement in the year when it's incurred.

7. Cash and cash equivalents

Cash and cash equivalents on the consolidated statement of cash flows consists of cash on hand, deposits immediately available for withdrawal, and short-term and highly liquid investments with original maturities of three (3) months or less that were readily convertible to known amounts of cash and so near their maturity that they present insignificant risks of change in value resulting from changes in interest rates.

Change in Presentation of Consolidated Financial Statements

(Consolidated Balance Sheets)

Patent right (0 million yen for FY2009) disclosed in balance sheet of FY2008 is included in Other of Intangible assets for FY2009.

Notes to the Consolidated Financial Statements

Notes to the Consolidated Balance Sheets (Amount: Million yen)

	Year ended March 31, 2009	Year ended March 31, 2010
1. Accumulated depreciation of property, plant, and equipment	106,905	89,961
2. Pledged assets and obligations guaranteed		
Amount of pledged assets:		
Cash and deposits	2,252	1,975
Notes and accounts receivable-trade	9,649	5,821
Inventories	10,725	6,684
Deferred tax assets	842	-
Short-term loans receivable	10	4
Accounts receivable-other	186	24
Other current assets	678	140
Buildings and structures	10,399	7,152
Machinery, equipment, and vehicles	22,012	7,433
Tools, furniture and fixtures	1,480	758
Land	13,740	12,010
Construction in progress	998	225
Software	144	29
Patent right & Customer contracts	15,527	-
Other intangible assets	8	7
Investment securities	467	457
Long-term prepaid expenses	836	-
Long-term loans receivable	14	1
Other non-current assets	857	3
Total	90,835	42,732
Pledged assets of entire plants included in the above list		
Buildings and structures	2,961	3,145
Machinery, equipment, and vehicles	3,342	2,824
Land	3,463	3,905
Total	9,767	9,876
Liabilities corresponding to the pledged assets above:		
Short-term loans payable	2,960	3,076
Current portion of long-term loans payable	1,320	10,176
Long-term loans payable	59,053	4,000
Total	63,333	17,253

Assets pledged disclosed in the above table include ones collateralized for operating lease obligations of ¥3,336 million for the fiscal year ended March 31, 2009.

Liabilities related to the pledged assets of entire plants listed above: (Amount: Million yen)

	FY2008	FY2009
Short-term loans payable	2,960	3,076
Current portion of long-term loans payable	1,320	10,176
Long-term loans payable	15,131	4,000
Total	19,411	17,253

3. Land revaluation

Under the “Law of Land Revaluation” (No. 34 issued on March 31, 1998) and the “Law Partially Revising the Law of Land Revaluation" (No. 19 issued on March 31, 2001), the Company revalued its land for business use, and recorded the amount equal to taxes to be imposed on the unrealized gain on land as deferred tax liabilities for land revaluation, and the remaining excess as a revaluation reserve for land, a component of net assets.

- Revaluation method: The value of land was determined through reasonable adjustment based on the value used for property tax purpose as prescribed in Article 2 (3) of Enforcement Regulations Regarding Land Revaluation (Promulgated Government Ordinance No. 119 issued on March 31, 1998).
- Date of revaluation: March 31, 2002
- Difference between (1) the year-end total market value of land for business use revalued according to Article 10 of "Law of Land Revaluation" and (2) the year-end total book value of land for business use after revaluation was 1,990 million yen for the year ended March 31, 2009 and 1,517 million yen for the fiscal year ended March 31, 2010.

4. Bank overdraft agreement, loan commitment, and outstanding balance (Amount: Million yen)

	Year ended March 31, 2009	Year ended March 31, 2010
Limit of bank overdraft and loan commitment	65,158	6,544
Actual committed balance	47,224	3,076
Outstanding balance	17,934	3,467

5. Restrictive financial covenants on loans payable

(1) Of all loans payable of the Group, the senior loans from Aozora Bank, Ltd., Sumitomo Mitsui Banking Corporation, the Tokyo Star Bank, Ltd., and Mizuho Corporate Bank, Ltd. and the subordinated loans from Aozora Bank, Ltd. are subject to restrictive financial covenants based upon consolidated cash flows and consolidated profit levels. Failure to achieve certain specified levels of performance will result in a breach of the terms and conditions of the loan agreements, in which case, the Group will be required to accelerate repayment of the loans, including principal and accrued interest, upon receipt of notice from Aozora Bank, Ltd.

(2) Payment of dividend and directors' bonuses by the Company should not infringe on the aforementioned covenants after the payment, and should be made only when there is no existing or potential cause for default of obligation (excluding minor and potential causes that are reasonably expected to be recovered within the recovery period stipulated separately), and such payments will not generate such causes.

Notes to Consolidated Operations of Income

1. Adjustment to inventories owned for trading purposes based on the measurement at the lower of cost or market

(Amount: Million yen)

	FY2008	FY2009
Cost of sales	47	(96)
Extraordinary loss	366	-

2. Major items and amounts included in selling, general and administrative expenses: (Amount: Million yen)

	FY2008	FY2009
Packing and freightage expenses	1,780	1,143
Salaries and bonuses	4,945	1,466
Provision for bonuses	208	177
Provision for directors' bonuses	-	67
Retirement benefit costs	505	124
Provision for directors' retirement benefits	81	66
Provision of allowance for doubtful accounts	115	-
Amortization of goodwill	1,216	-

3. Impairment loss

For the fiscal year ended March 31, 2010, the Group recorded impairment losses for the following assets. The Group categorizes its assets by management accounting unit or by location

Type	Category of assets	Location	Impairment loss (Million yen)
Aluminum	Buildings and structures, Machinery, equipment and vehicles, Tools, Furniture and Fixtures, Land, Construction in progress and Other intangible assets	Kikugawa, Shizuoka	620
Idle asset	Buildings and structures, Machinery, equipment and vehicles, Tools, Furniture and Fixtures and Construction in progress	Kikugawa, Shizuoka etc.	53
	Machinery, equipment and vehicles, Tools and Furniture and Fixtures	Chonburi, Thailand Samutprakarn, Thailand	61
		Total	734

Cash generating units of Aluminum production in Japan stop by re-organization. Therefore, Impairment loss is included in extraordinary expenses.

The Group recorded an impairment loss of "idle assets" as an extraordinary loss since there is no future intended use for these assets. The Group evaluated the net realizable value of idle assets based on the estimated sales price or real-estate appraisal less the expected costs to sell.

Below is the breakdown of impairment loss by category of asset:

	Million yen
Buildings and structures	109
Machinery, equipment, and vehicles	221
Tools, furniture and fixtures	74
Land	309
Construction in progress	19
Other intangible assets	0
Total	734

Notes to Consolidated Statements of Changes in Net Assets

Year ended March 31, 2009

1. Information of shares issued (In thousand shares)

Type	Number of shares issued as of March 31, 2008	Increase	Decrease	Number of shares issued as of March 31, 2009
Common stock	259,907	177,538	-	437,446
Series A preferred stock	28,572	-	-	28,572
Series B preferred stock	10,526	-	-	10,526
Series C preferred stock	179	-	-	179
Total	299,185	177,538	-	476,723

Notes: Common stock increased by 177,538 thousand shares through a third-party allotment.

2. Information of treasury stock (In thousand shares)

Type	Number of shares as of March 31, 2008	Increase	Decrease	Number of shares as of March 31, 2009
Common stock	415	37	-	452
Series C preferred stock	-	97	-	97

Notes:

Common Stock; The increase of treasury stock for 37 thousand shares was as a result of buying up odd lot shares (18 thousand shares) and the acquisition of common stocks through the execution of security right by the Company (18 thousand shares).

Series C preferred stock; The increase of treasury stock (preferred stock) for 97 thousand shares was as a result of the return of shares without consideration from Chrysler LLC.

3. Information of stock option

Company name	Description	Type	Number of shares to be subscribed (In thousand shares)				Total (In ¥ million)
			Number of shares as of March 31, 2008	Increase	Decrease	Number of shares as of March 31, 2009	
Asahi Tec Corporation	Share subscription rights as stock option	-	-	-	-	-	244
Total			-	-	-	-	244

4. Dividend information

N/A

Year ended March 31, 2010

1. Information of shares issued (In thousand shares)

Type	Number of shares issued as of March 31, 2009	Increase	Decrease	Number of shares issued as of March 31, 2010
Common stock	437,446	-	-	437,446
Series A preferred stock	28,572	-	-	28,572
Series B preferred stock	10,526	-	-	10,526
Series C preferred stock	179	-	97	82
Total	476,723	-	97	476,626

Notes: Series C preferred stock decreased 97 thousand shares by cancellation

2. Information of treasury stock (In thousand shares)

Type	Number of shares as of March 31, 2009	Increase	Decrease	Number of shares as of March 31, 2010
Common stock	452	11	18	445
Series C preferred stock	97	-	97	-

Notes:

Common Stock; The increase of treasury stock (common stock) for 11 thousand shares was as a result of buying up odd lot shares and decrease 18 thousand shares due to selling common stock which held by consolidated affiliated companies.

Series C preferred stock; 97 thousand shares decreased due to cancellation

3. Information of stock option (Amount: Million yen)

Company name	Description	Type	Number of shares to be subscribed (In thousand shares)				Total
			Number of shares as of March 31, 2009	Increase	Decrease	Number of shares as of March 31, 2010	
Asahi Tec Corporation	Share subscription rights as stock option	-	-	-	-	-	241
Total			-	-	-	-	241

4. Dividend information

N/A

Notes to Consolidated Statements of Cash Flows

1. Ending balance of cash and cash equivalents consists of the following: (Amount: Million yen)

	Year ended March 31, 2009	Year ended March 31, 2010
Cash and bank deposits	5,350	2,763
Time deposits whose terms are over 3 months	-	43
Ending balance of cash and cash equivalents	5,350	2,806

Leases

1. Finance lease transactions

[Lessee]

(1) Finance lease transactions that transfer ownership

Description of lease assets

Property, plant, and equipment - Tools, furniture, and fixtures used under corporate

Intangible assets – Software used under corporate

Depreciation method - depreciation expense is calculated based on the same way as it is applied to the assets owned by the lessee.

(2) Finance lease transactions that do not transfer ownership

Description of lease assets

Property, plant, and equipment - Machinery, equipment, and vehicles used mainly under general casting and forging parts business

Intangible assets – Software

Depreciation method – deprecation expense is calculated based on the assumption that the useful life equals to the lease term and the residual value is zero.

Finance lease transactions that do not transfer ownership which consummated before March 31, 2008 have been accounted for as operating lease transactions and related information of such lease transactions is as follows;

[Lessee]

(1) Estimated acquisition cost, accumulated depreciation, accumulated impairment loss, and balance of leased assets at year end: (Amount: Million yen)

	Year ended March 31, 2009				Year ended March 31, 2010			
	Property, plant, and equipment		Intangible Asset	Total	Property, plant, and equipment		Intangible Asset	Total
	Machinery, equipment, Vehicles	Tools, Furniture & fixtures	Software		Machinery, equipment, Vehicles	Tools, Furniture & fixtures	Software	
Acquisition cost	801	360	38	1,200	381	227	24	634
Accumulated depreciation	326	223	27	578	122	159	21	302
Ending balance	474	137	10	622	259	68	3	331

(2) Future lease payments (Amount: Million yen)

	Year ended March 31, 2009	Year ended March 31, 2010
Amounts due within one year	291	102
Amounts due after one year	331	228
Total	622	331

(3) Lease and estimated depreciation expenses (Amount: Million yen)

	Year ended March 31, 2009	Year ended March 31, 2010
Lease expense	220	148
Estimated depreciation expense	220	148

(4) Calculation method of estimated depreciation expense

Straight-line method is used over the lease term with no residual value.

2. Operating lease transactions (Amount: Million yen)

	Year ended March 31, 2009		Year ended March 31, 2010	
	Lessor	Lessee	Lessor	Lessee
Amounts due/receivable within one year	140	4,050	70	159
Amounts due/receivable over one year	1,090	14,286	209	44
Total	1,230	18,338	279	203

(Impairment loss)

There was no impairment loss allocated to leased assets for the fiscal years ended March 31, 2009 and 2010, respectively.

Financial Instrument

Years ended March 31, 2009

(1) Policy related to transaction

Fund management limits short-term deposit and others and financing by bank loan only. Derivative is for minimizing the risks associated with fluctuation in foreign currency. The Group does not engage in any speculative transactions.

(2) Risk management and related financial instrument

Trade receivables;

Exposed to credit risks which are influenced by the customers. The Company manages account receivable aging and also to review the customer's business performance periodically according to the Internal Policy

Investment securities;

Common stocks owned by the Company are for the companies based upon regular business, and these are exposed by Market risk. The Company continues to review its positions with those companies' financial condition and relationship with those frequently.

Trade payable;

Payment due are within one year.

Loan payable;

Mainly used for capital expenditure, and exposed to changes in interest rates.

Derivative;

The derivative is forward exchange contract to minimize risk of foreign currency fluctuation and manage according to the Internal Policy.

Liquidity risk;

Liquidity risk is the risk that the Company will not be able to meet its financial obligations. The Company including subsidiaries prepare and manage by monthly cash management

(3) Supplementary information about valuation method

Fair values are measured by market value and used amount which is reasonably assessed if no market value. Assessed amounts are used by fluctuating factor, therefore, amounts may be changed depends on conditions.

Derivative of [2 Fair value information] about contracts is based on the amounts when contracts are entered into or notional amounts. Therefore, such contract amounts are not equivalent to the market or credit risk associated with the transactions themselves.

2. Fair value information

Comparison of fair values and carrying amounts

The fair values and the carrying amounts shown in the balance sheet are as follows:

Year ended March 31, 2010 (Amount: Million yen)

	Carrying amount (*1)	Fair value(*1)	Variance
(1) Cash and deposits	2,806	2,806	-
(2) Notes and accounts receivable-trade	12,764	12,764	-
(3) Investment securities -Other	111	111	-
(4) Notes and accounts payable-trade	(8,831)	(8,831)	-
(5) Short-term loans payable	(13,253)	(13,253)	-
(6) Long-term loans payable	(4,000)	(3,800)	199
(7) Derivative transaction (*2)	(45)	(45)	-

*1; Liabilities in Balance sheet shows "( )"

*2; Net amount. The result of net become liability shows "( )"

The methods in determining fair values and derivative

(1) Cash and deposit: Transaction is expected to occur within short-term period and fair value is similar with carrying amount, fair value is based on carrying amount.

(2) Notes and accounts receivable-trade: Transaction is expected to occur within short-term period and fair value is similar with carrying amount, fair value is based on carrying amount.

(3) Investment securities: Fair value is based on the stock exchange market. The comparison of acquisition cost and carrying amount are as follows:

Year ended March 31, 2010 (Amount: Million yen)

	Description	Acquisition cost	Carrying amount	Variance
Carrying amount > Acquisition cost	Common stock	77	111	34
Carrying amount < Acquisition cost	Common stock	-	-	-
Total		77	111	34

(4) Notes and accounts payable-trade: Transaction is expected to occur within short-term period and fair value is similar with carrying amount, fair value is based on carrying amount.

(5) Short-term loans payable: Transaction is expected to occur within short-term period and fair value is similar with carrying amount, fair value is based on carrying amount.

(6) Long-term loans payable: Assumed new loan will be made and determined the rate used to discount.

(7) Derivative transaction:

(a) Excluded hedge accounting

Year ended March 31, 2010 (Amount: Million yen)

Classification	Type	Contract amount	Contract over one year	Fair value	Gain (Loss)	Method
Transaction outside of the market	Foreign currency contract Buy – Baht Sell – Yen	753	-	799	(45)	Information provided from financial institutions

(b) Hedge accounting

Year ended March 31, 2010 (Amount: Million yen)

Classification	Type	Contract amount	Contract over one year	Fair value	Method
Transaction outside of the market	Foreign currency contract Buy – Baht Sell – Yen	1,248	-	1,351	Information provided from financial institutions

Notes:

Unlisted stock (27 million yen) and stock investment in subsidiaries and affiliated companies (328 million yen) have no fair value and difficulty to estimate future cash flow. Therefore, these are not included in [(3) Investment securities -Other].

Selling price of unlisted stock is 48 million yen and profit on selling is 37 million yen during FY2009.

Receivable with settlement date (Amount: Million yen)

	Within one year
Cash and deposits	54
Notes and accounts receivable-trade	12,764
Total	12,819

Repayment schedule of Long-term loans payable (Amount: Million yen)

	Over 1 year and within 2 years
Long-term loans payable	4,000

Additional Information

The Company and its subsidiaries have adopted in accordance with Accounting Standards Board of Japan (“ASBJ”) Statement No. 10 *Financial Instrument* (March 10, 2009) and in accordance with ASBJ Guidance No. 19 *Guidance on Financial Instrument* (March 10, 2009) for FY2009.

Retirement Benefits

1. Adopted Retirement Benefit Plans

The Company and Techno-Metal Co., Ltd. adopted 1) a lump-sum retirement benefit payment plan and 2) a tax-qualified pension plan both as their defined benefit plans. Hoei Industries Co., Ltd. adopted a lump-sum retirement benefit payment plan as its defined benefit plan and another plan as its defined contribution plan. Other domestic subsidiaries adopted lump-sum retirement benefit payment plans. Some foreign subsidiaries adopted defined benefit plans and/or defined contribution plans.

2. Provision for Retirement Benefits

(Amount: Million yen)

	Year ended March 31, 2009	Year ended March 31, 2010
(a) Projected benefit obligation	(37,132)	(8,444)
(b) Fair value of plan assets	22,635	3,316
(c) Funded status [(a)+(b)]	(14,496)	(5,127)
(d) Unrecognized actuarial gain	1,675	1,185
(e) Net liabilities on consolidated balance sheets [(c)+(d)]	(12,821)	(3,941)
(f) Prepaid pension cost	249	272
(g) Benefits expected to be paid within next fiscal year	(194)	-
(h) Provision for retirement benefits [(e)+(f)-(g)]	(12,876)	(4,214)

Note: Some subsidiaries adopted a simplified method for calculating their provision for retirement benefits.

3. Components of Net Periodic Benefit Cost

(Amount: Million yen)

	Year ended March 31, 2009	Year ended March 31, 2010
(a) Service cost	637	369
(b) Interest cost	2,321	166
(c) Expected return on plan assets	(2,243)	(85)
(d) Amortization of unrecognized actuarial gain/loss	134	235
(e) Defined contribution benefits and additional retirement benefits	1,672	14
(f) Net periodic benefit cost [(a)+(b)+(c)+(d)+(e)]	2,521	700

Note: Net periodic benefit cost of the subsidiaries using the simplified method is included in “(a) Service cost”.

4. Assumptions

	Year ended March 31, 2009	Year ended March 31, 2010
a. Discount rate	1.8% ~ 6.9%	1.8% ~ 4.5%
b. Expected rate of return on plan assets	2.9% ~ 8.5%	2.5% ~ 3.0%
c. Allocation method of retirement benefits expected to be paid at the retirement date	Straight-line method	Straight-line method
d. Number of years for amortizing unrecognized actuarial gain/loss	10 ~ 15 years	10 ~ 14 years

Note: Unrecognized actuarial gain or loss start to be amortized in the following fiscal year using the straight-line method over a certain number of years related to the applicable employees' average remaining service period.

Stock Option

Year ended March 31, 2009

1. Financial information - Cost of sales: 9 million yen and Selling, general and administrative expenses: 83 million yen

2. Gain recognized for unexercised options due to forfeiture - Gain on reversal of subscription rights to shares: 104 million yen

3. Detail description of stock option, size and movement schedule

(1) Detail description of stock option

Year 2004 stock option plan 1	
Type of eligible employee and the number of eligible Employee	Director of the Company: 8 Officer of the Company: 11 Employee of the Company: 90 Director of the subsidiary: 1
The number of stock option granted by type of share	Common stock – 2,781,773 shares
Grant date	July 1, 2004
Terms and conditions	After the first vesting date (July 1, 2005) until the last vesting date (March 31, 2009), one sixteenth (1/16) of stock option becomes vested every quarter as long as employees remain with the Group at the vesting date. However, below terms and conditions are also set respectively: After the first vesting date (July 1, 2005) until the last vesting date (March 31, 2009), one sixteenth (1/16) of stock option becomes vested every quarter as long as employees remain with the Group at the vesting date. At retirement, all options become vested. After the first vesting date (July 1, 2006) until the last vesting date (March 31, 2011), one twentieth (1/20) of stock option becomes vested every quarter as long as employees remain with the Group at the vesting date. After the first vesting date (July 1, 2007) until the last vesting date (March 31, 2012), one twentieth (1/20) of stock option becomes vested every quarter as long as employees remain with the Group at the vesting date.
Requisite service period	Requisite service period until the first vesting date is 1 year (from July 1, 2004 to June 30, 2005). Thereafter, requisite service period is extended every quarter, and the requisite service period until the last vesting date is 4 years and 9 months (from July 1, 2004 to March 31, 2009). However, below requisite service periods are also set respectively: Requisite service period until the first vesting date is 1 year (from July 1, 2004 to June 30, 2005). Thereafter, requisite service period is extended every quarter, and the requisite service period until the last vesting date is 4 years and 9 months. At retirement, all options become vested. Requisite service period until the first vesting date is 2 years (from July 1, 2004 to June 30, 2006). Thereafter, requisite service period is extended every quarter, and

	the requisite service period until the last vesting date is 6 years and 9 months. Requisite service period until the first vesting date is 3 years (from July 1, 2004 to June 30, 2007). Thereafter, requisite service period is extended every quarter, and the requisite service period until the last vesting date is 7 years and 9 months.
Exercise period	From July 1, 2005 to June 30, 2014

Year 2005 stock option plan 1	
Type of eligible employee and the number of eligible Employee	Director of the Company: 2 Officer of the Company: 1
The number of stock option granted by type of share	Common stock – 85,000 shares
Grant date	July 1, 2005
Terms and conditions	After the first vesting date (July 1, 2006) until the last vesting date (March 31, 2011), one twentieth (1/20) of stock option becomes vested every quarter as long as employees remain with the Group at the vesting date.
Requisite service period	Requisite service period until the first vesting date is 1 year (from July 1, 2005 to June 30, 2006). Thereafter, requisite service period is extended every quarter, and the requisite service period until the last vesting date is 5 years and 9 months (from July 1, 2005 to March 31, 2011).
Exercise period	From July 1, 2006 to June 30, 2015

Year 2005 stock option plan 2	
Type of eligible employee and the number of eligible Employee	Director of the Company: 2 Officer of the Company: 7 Employee of the Company: 97 Director of the subsidiary: 1
The number of stock option granted by type of share	Common stock – 1,299,000 shares
Grant date	July 1, 2005
Terms and conditions	After the first vesting date (July 1, 2007) until the last vesting date (March 31, 2011), one sixteenth (1/16) of stock option becomes vested every quarter as long as employees remain with the Group at the vesting date. However, below terms and conditions are also for one of the two directors of the Company: After the first vesting date (January 1, 2008) until the last vesting date (September 30, 2012), one twentieth (1/20) of stock option becomes vested every quarter as long as employees remain with the Group at the vesting date.
Requisite service period	Requisite service period until the first vesting date is 2 years (from July 1, 2005 to June 30, 2007). Thereafter, requisite service period is extended every quarter, and the requisite service period until the last vesting date is 5 years and 9 months (from July 1, 2005 to March 31, 2011). However, below requisite service period is also set for one of the two directors of the Company: Requisite service period until the first vesting date is 2 years and 6 months (from July 1, 2005 to December 31, 2007). Thereafter, requisite service period is extended every quarter, and the requisite service period until the last vesting date is 7 years and 3 months (from July 1, 2005 to September 30, 2012).

Exercise period	From June 29, 2007 to June 28, 2015

Year 2006 stock option plan 1	
Type of eligible employee and the number of eligible Employee	Officer of the Company: 1 Employee of the Company: 1
The number of stock option granted by type of share	Common stock – 180,000 shares
Grant date	July 1, 2006
Terms and conditions	After the first vesting date (July 1, 2008) until the last vesting date (March 31, 2013), one twentieth (1/20) of stock option becomes vested every quarter as long as employees remain with the Group at the vesting date.
Requisite service period	Requisite service period until the first vesting date is 2 years (from July 1, 2006 to June 30, 2008). Thereafter, requisite service period is extended every quarter, and the requisite service period until the last vesting date is 6 years and 9 months (from July 1, 2006 to March 31, 2013).
Exercise period	From July 1, 2008 to June 28, 2016

Year 2006 stock option plan 1-2	
Type of eligible employee and the number of eligible Employee	Director of the subsidiary: 1 Employee of the subsidiary: 2
The number of stock option granted by type of share	Common stock – 240,000 shares
Grant date	July 1, 2006
Terms and conditions	After the first vesting date (July 1, 2009) until the last vesting date (March 31, 2014), one twentieth (1/20) of stock option becomes vested every quarter as long as employees remain with the Group at the vesting date.
Requisite service period	Requisite service period until the first vesting date is 3 years (from July 1, 2006 to June 30, 2009). Thereafter, requisite service period is extended every quarter, and the requisite service period until the last vesting date is 7 years and 9 months (from July 1, 2006 to March 31, 2014).
Exercise period	From July 1, 2009 to June 28, 2016

Year 2006 stock option plan 2	
Type of eligible employee and the number of eligible Employee	Officer of the Company: 7 Employee of the Company: 92 Director of the subsidiary: 1 Employee of the subsidiary: 38
The number of stock option granted by type of share	Common stock – 1,201,000 shares
Grant date	July 1, 2006
Terms and conditions	After the first vesting date (July 1, 2008) until the last vesting date (March 31, 2012), one sixteenth (1/16) of stock option becomes vested every quarter as long as employees remain with the Group at the vesting date.
Requisite service period	Requisite service period until the first vesting date is 2 years (from July 1, 2006 to June 30, 2008). Thereafter, requisite service period is extended every quarter, and the requisite service period until the last vesting date is 5 years and 9 months (from July 1, 2006 to March 31, 2012).
Exercise period	From July 1, 2008 to June 28, 2016

Year 2007 stock option plan	
Type of eligible employee and the number of eligible Employee	Director of the Company: 1 Director and Executive Officer of the subsidiary: 7 Employee of the subsidiary: 15

The number of stock option granted by type of share	Common stock – 3,031,835 shares
Grant date	January 11, 2007
Terms and conditions	After the first vesting date (January 11, 2008) until the last vesting date (January 11, 2010), one third (1/3) of stock option becomes vested every year as long as employees remain with the Group at the vesting date.
Requisite service period	Requisite service period until the first vesting date is 1 year (from January 12, 2007 to January 10, 2008). Thereafter, requisite service period is extended every year, and the requisite service period until the last vesting date is 3 years (from January 12, 2007 to January 10, 2010).
Exercise period	From January 11, 2008 to January 11, 2017

(2) Size and movement schedule

Stock options that existed during this fiscal year are described below, and the number of stock options is converted to the number of shares in the below table.

a) Number of stock options (In shares)

	Year 2004 stock option plan 1	Year 2005 stock option plan 1	Year 2005 stock option plan 2	Year 2006 stock option plan 1	Year 2006 stock option plan 1-2	Year 2006 stock option plan 2	Year 2007 stock option Plan
Non-vested:							
Balance as of March 31, 2008	928,870	51,000	625,500	120,000	175,000	1,159,000	628,999
Granted	-	-	-	-	-	-	-
Forfeited	114,306	12,000	16,750	-	-	27,250	219,379
Vested	491,364	14,600	205,750	24,000	-	286,490	204,810
Balance as of March 31, 2009	323,200	24,400	403,000	96,000	175,000	845,260	204,810
Vested:							
Balance as of March 31, 2008	1,341,009	34,000	208,500	-	-	-	812,864
Vested	491,364	14,600	205,750	24,000	-	286,490	204,810
Exercised	-	-	-	-	-	-	-
Forfeited	145,141	12,000	6,000	-	-	2,500	498,365
Balance as of March 31, 2009	1,687,232	36,600	408,250	24,000	-	283,990	519,309

b) Price information (In yen)

	Year 2004 stock option plan 1	Year 2005 stock option plan 1	Year 2005 stock option plan 2	Year 2006 stock option plan 1	Year 2006 stock option plan 1-2	Year 2006 stock option plan 2	Year 2007 stock option plan
Exercise price	145	145	261	251	251	251	313
Average stock price on exercise	-	-	-	-	-	-	-
Fair value on grant date	-	-	-	145	151	141	209

3. Valuation method

This section is not applicable for the fiscal year ended March 31, 2009.

4. Estimation of the number of stock options vested

In principle, forfeiture rate is estimated based on the actual retirement rate. For the Year 2007 stock option plan, the Company reflected the actual forfeiture rate to calculate the number of vested stock options since future forfeiture rate is not reasonably estimable.

Year ended March 31, 2010

1. Financial information - Cost of sales: 4 million yen and Selling, general and administrative expenses: 25 million yen

2. Gain recognized for unexercised options due to forfeiture - Gain on reversal of subscription rights to shares: 32 million yen.

3. Detail description of stock option, size and movement schedule

(1) Detail description of stock option

Year 2004 stock option plan 1	
Type of eligible employee and the number of eligible Employee	Director of the Company: 8 Officer of the Company: 11 Employee of the Company: 90 Director of the subsidiary: 1
The number of stock option granted by type of share	Common stock – 2,781,773 shares
Grant date	July 1, 2004
Terms and conditions	After the first vesting date (July 1, 2005) until the last vesting date (March 31, 2009), one sixteenth (1/16) of stock option becomes vested every quarter as long as employees remain with the Group at the vesting date. However, below terms and conditions are also set respectively: After the first vesting date (July 1, 2005) until the last vesting date (March 31, 2009), one sixteenth (1/16) of stock option becomes vested every quarter as long as employees remain with the Group at the vesting date. At retirement, all options become vested. After the first vesting date (July 1, 2006) until the last vesting date (March 31, 2011), one twentieth (1/20) of stock option becomes vested every quarter as long as employees remain with the Group at the vesting date. After the first vesting date (July 1, 2007) until the last vesting date (March 31, 2012), one twentieth (1/20) of stock option becomes vested every quarter as long as employees remain with the Group at the vesting date.
Requisite service period	Requisite service period until the first vesting date is 1 year (from July 1, 2004 to June 30, 2005). Thereafter, requisite service period is extended every quarter, and the requisite service period until the last vesting date is 4 years and 9 months (from July 1, 2004 to March 31, 2009). However, below requisite service periods are also set respectively: Requisite service period until the first vesting date is 1 year (from July 1, 2004 to June 30, 2005). Thereafter, requisite service period is extended every quarter, and the requisite service period until the last vesting date is 4 years and 9 months. At retirement, all options become vested. Requisite service period until the first vesting date is 2 years (from July 1, 2004 to June 30, 2006). Thereafter, requisite service period is extended every quarter, and the requisite service period until the last vesting date is 6 years and 9 months.

	Requisite service period until the first vesting date is 3 years (from July 1, 2004 to June 30, 2007). Thereafter, requisite service period is extended every quarter, and the requisite service period until the last vesting date is 7 years and 9 months.
Exercise period	From July 1, 2005 to June 30, 2014

Year 2005 stock option plan 1	
Type of eligible employee and the number of eligible Employee	Director of the Company: 2 Officer of the Company: 1
The number of stock option granted by type of share	Common stock – 85,000 shares
Grant date	July 1, 2005
Terms and conditions	After the first vesting date (July 1, 2006) until the last vesting date (March 31, 2011), one twentieth (1/20) of stock option becomes vested every quarter as long as employees remain with the Group at the vesting date.
Requisite service period	Requisite service period until the first vesting date is 1 year (from July 1, 2005 to June 30, 2006). Thereafter, requisite service period is extended every quarter, and the requisite service period until the last vesting date is 5 years and 9 months (from July 1, 2005 to March 31, 2011).
Exercise period	From July 1, 2006 to June 30, 2015

Year 2005 stock option plan 2	
Type of eligible employee and the number of eligible Employee	Director of the Company: 2 Officer of the Company: 7 Employee of the Company: 97 Director of the subsidiary: 1
The number of stock option granted by type of share	Common stock – 1,299,000 shares
Grant date	July 1, 2005
Terms and conditions	After the first vesting date (July 1, 2007) until the last vesting date (March 31, 2011), one sixteenth (1/16) of stock option becomes vested every quarter as long as employees remain with the Group at the vesting date. However, below terms and conditions are also for one of the two directors of the Company: After the first vesting date (January 1, 2008) until the last vesting date (September 30, 2012), one twentieth (1/20) of stock option becomes vested every quarter as long as employees remain with the Group at the vesting date.
Requisite service period	Requisite service period until the first vesting date is 2 years (from July 1, 2005 to June 30, 2007). Thereafter, requisite service period is extended every quarter, and the requisite service period until the last vesting date is 5 years and 9 months (from July 1, 2005 to March 31, 2011). However, below requisite service period is also set for one of the two directors of the Company: Requisite service period until the first vesting date is 2 years and 6 months (from July 1, 2005 to December 31, 2007). Thereafter, requisite service period is extended every quarter, and the requisite service period until the last vesting date is 7 years and 3 months (from July 1, 2005 to September 30, 2012).
Exercise period	From June 29, 2007 to June 28, 2015

Year 2006 stock option plan 1

Type of eligible employee and the number of eligible Employee	Officer of the Company: 1 Employee of the Company: 1
The number of stock option granted by type of share	Common stock – 180,000 shares
Grant date	July 1, 2006
Terms and conditions	After the first vesting date (July 1, 2008) until the last vesting date (March 31, 2013), one twentieth (1/20) of stock option becomes vested every quarter as long as employees remain with the Group at the vesting date.
Requisite service period	Requisite service period until the first vesting date is 2 years (from July 1, 2006 to June 30, 2008). Thereafter, requisite service period is extended every quarter, and the requisite service period until the last vesting date is 6 years and 9 months (from July 1, 2006 to March 31, 2013).
Exercise period	From July 1, 2008 to June 28, 2016

Year 2006 stock option plan 1-2	
Type of eligible employee and the number of eligible Employee	Director of the subsidiary: 1 Employee of the subsidiary: 2
The number of stock option granted by type of share	Common stock – 240,000 shares
Grant date	July 1, 2006
Terms and conditions	After the first vesting date (July 1, 2009) until the last vesting date (March 31, 2014), one twentieth (1/20) of stock option becomes vested every quarter as long as employees remain with the Group at the vesting date.
Requisite service period	Requisite service period until the first vesting date is 3 years (from July 1, 2006 to June 30, 2009). Thereafter, requisite service period is extended every quarter, and the requisite service period until the last vesting date is 7 years and 9 months (from July 1, 2006 to March 31, 2014).
Exercise period	From July 1, 2009 to June 28, 2016

Year 2006 stock option plan 2	
Type of eligible employee and the number of eligible Employee	Officer of the Company: 7 Employee of the Company: 92 Director of the subsidiary: 1 Employee of the subsidiary: 38
The number of stock option granted by type of share	Common stock – 1,201,000 shares
Grant date	July 1, 2006
Terms and conditions	After the first vesting date (July 1, 2008) until the last vesting date (March 31, 2012), one sixteenth (1/16) of stock option becomes vested every quarter as long as employees remain with the Group at the vesting date.
Requisite service period	Requisite service period until the first vesting date is 2 years (from July 1, 2006 to June 30, 2008). Thereafter, requisite service period is extended every quarter, and the requisite service period until the last vesting date is 5 years and 9 months (from July 1, 2006 to March 31, 2012).
Exercise period	From July 1, 2008 to June 28, 2016

Year 2007 stock option plan	
Type of eligible employee and the number of eligible Employee	Director of the Company: 1 Director and Executive Officer of the subsidiary: 7 Employee of the subsidiary: 15
The number of stock option granted by type of share	Common stock – 3,031,835 shares
Grant date	January 11, 2007
Terms and conditions	After the first vesting date (January 11, 2008) until the last vesting date (January 11, 2010), one third (1/3) of

	stock option becomes vested every year as long as employees remain with the Group at the vesting date.
Requisite service period	Requisite service period until the first vesting date is 1 year (from January 12, 2007 to January 10, 2008). Thereafter, requisite service period is extended every year, and the requisite service period until the last vesting date is 3 years (from January 12, 2007 to January 10, 2010).
Exercise period	From January 11, 2008 to January 11, 2017

(2) Size and movement schedule

Stock options that existed during this fiscal year are described below, and the number of stock options is converted to the number of shares in the below table.

a) Number of stock options (In shares)

	Year 2004 stock option plan 1	Year 2005 stock option plan 1	Year 2005 stock option plan 2	Year 2006 stock option plan 1	Year 2006 stock option plan 1-2	Year 2006 stock option plan 2	Year 2007 stock option Plan
Non-vested:							
Balance as of March 31, 2009	323,200	24,400	403,000	96,000	175,000	845,260	204,810
Granted	-	-	-	-	-	-	-
Forfeited	24,000	-	20,000	-	-	35,002	19,014
Vested	143,600	12,200	192,750	24,000	35,000	272,242	185,796
Balance as of March 31, 2010	155,600	12,200	190,250	72,000	140,000	538,016	-
Vested:							
Balance as of March 31, 2009	1,687,232	36,600	408,250	24,000	-	283,990	519,309
Vested	143,600	12,200	192,750	24,000	35,000	272,242	185,796
Exercised	-	-	-	-	-	-	-
Forfeited	88,000	-	24,750	-	-	12,998	147,718
Balance as of March 31, 2010	1,742,832	48,800	576,250	48,000	35,000	543,234	557,387

b) Price information (In yen)

	Year 2004 stock option plan 1	Year 2005 stock option plan 1	Year 2005 stock option plan 2	Year 2006 stock option plan 1	Year 2006 stock option plan 1-2	Year 2006 stock option plan 2	Year 2007 stock option plan
Exercise price	145	145	261	251	251	251	313
Average stock price on exercise	-	-	-	-	-	-	-
Fair value on grant date	-	-	-	145	151	141	209

3. Valuation method

This section is not applicable for the fiscal year ended March 31, 2010.

4. Estimation of the number of stock options vested

In principle, forfeiture rate is estimated based on the actual retirement rate. For the Year 2007 stock option plan, the Company reflected the actual forfeiture rate to calculate the number of vested stock options since future forfeiture rate is not reasonably estimable.

Income Taxes

(1) Components of deferred tax assets and liabilities (Amount: Million yen)

	Year ended March 31, 2009	Year ended March 31, 2010
Deferred tax assets:		
Provision for bonuses	234	303
Depreciation	328	498
Loss on write-down of mold	140	100
Unrealized gain on fixed assets	11	6
Provision of allowance for doubtful accounts	51	5
Provision for retirement benefits	3,473	1,432
Loss on valuation of investments in capital of subsidiaries	24,472	-
M&A advisory fee and refinance costs	37	34
Provision for loss on sales	78	48
Loss on retirement of lease assets (machinery and equipment)	82	49
Net operating losses	15,608	26,191
Other	4,784	1,989
Sub-total	49,304	30,659
Valuation allowance	(41,715)	(29,808)
Total deferred tax assets	7,588	851
Deferred tax liabilities:		
Valuation difference under consolidation	(13,883)	-
Unrealized loss on available-for-sale securities	(9)	(13)
Assets valuation difference	-	(747)
Other	(269)	(325)
Total deferred tax liabilities	(14,163)	(1,087)
Net deferred tax liabilities	(6,574)	(236)
Deferred tax assets/liabilities associated with land revaluation:		
Deferred tax assets	486	482
Valuation allowance	(486)	(482)
Deferred tax liabilities	(2,815)	(2,303)
Net deferred tax liabilities associated with land valuation	(2,815)	(2,303)

(2) Reconciliation of statutory tax rate to effective tax rate

The table of reconciliation of statutory tax rates to effective tax rates is omitted here since the Group had consolidated net loss.

Segment Information

1. Information by Business Segment

Year ended March 31, 2009 (Amount: Million yen)

	General casting and forging parts	Equipments and Systems	Total	Elimination or Corporate	Consolidated
I. Sales					
(1) Sales to external customers	208,206	10,599	218,806	-	218,806
(2) Inter-segment sales or transfers	50	10	61	(61)	-
Total	208,257	10,610	218,868	(61)	218,806
Operating expenses	211,742	9,110	220,852	1,099	221,951
Operating income	(3,484)	1,500	(1,984)	(1,161)	(3,145)
II. Assets, deprecation, impairment loss and capital expenditures					
Assets	133,566	12,625	146,191	4,219	150,410
Depreciation	18,766	95	18,861	177	19,039
Impairment loss	40,793	-	40,793	-	40,793
Capital expenditures	8,006	114	8,120	29	8,150

Year ended March 31, 2010 (Amount: Million yen)

	General casting and forging parts	Equipments and Systems	Total	Elimination or Corporate	Consolidated
I. Sales					
(1) Sales to external customers	46,731	11,510	58,241	-	58,241
(2) Inter-segment sales or transfers	55	54	110	(110)	-
Total	46,786	11,565	58,351	(110)	58,241
Operating expenses	47,718	9,601	57,319	800	58,120
Operating income	(931)	1,963	1,032	(910)	121
II. Assets, deprecation, impairment loss and capital expenditures					
Assets	48,242	8,834	57,077	(709)	56,368
Depreciation	4,194	77	4,272	170	4,442
Impairment loss	679	-	679	-	679
Capital expenditures	1,050	52	1,102	2	1,104

Notes:

1. The business segments in the above table were categorized based on the Company’s administrative policies.
2. Major products included in business segments
   (1) General casting and forging parts: general parts for vehicles (including aluminum wheels), parts for industrial machinery.
   (2) Equipments and Systems: overhead wire casting, electric power transmission equipment and environmental systems.
3. For “operating expenses”, the amount of non-allocable operating expenses included in “Elimination or

Corporate” for the fiscal years ended March 31, 2009 and 2010 were 1,171 million yen and 931 million yen, respectively, which mainly relates to administrative sections, such as the general affairs department in the headquarters of the Company.

4. Assets included in “Elimination or Corporate” for the fiscal years ended March 31, 2009 and 2010 were 4,900 million yen and 3,179 million yen, respectively. These amounts mostly consisted of excess funds (cash and securities), long-term investment funds (investment securities), and assets used by administrative sections.
5. General casting and forging parts in assets decreased by 87,941 million yen due to deconsolidated Metaldyne.
6. Change in accounting principle

(Year ended March 31, 2009)

a) ASBJ Statement No. 9 *Accounting Standard for Measurement of Inventories* was newly adopted for FY2008. As a result of this adoption, operating expense of “general casting and forging parts” and “Equipments and Systems” increased by ¥37 million and ¥9 million, respectively, and operating income decreased by the same amount accordingly for the fiscal year ended March 31, 2009.

b) ASBJ Statement No. 13 *Accounting Standard for Lease Transactions* and ASBJ Guidance No. 16 *Guidance on Accounting Standard for Lease Transactions* were early adopted for FY2008. Finance lease transactions that do not transfer ownership which consummated before March 31, 2008 have been accounted for as operating lease transactions. The adoption of these new pronouncements did not materially affect the above segment information for the fiscal year ended March 31, 2009.

c) ASBJ Practical Issues Task Force (PITF) No. 18 *Practical Solution on Unification of Accounting Policies Applied to Foreign Subsidiaries for Consolidated Financial Statements* was newly adopted for FY2008, and necessary consolidating adjustments are made accordingly. The adoption of this new pronouncement did not affect the above segment information for the fiscal year ended March 31, 2009.

(Year ended March 31, 2010)

d) Change in subsidiaries

Metaldyne Corporation and 30 of its subsidiaries filed voluntary petitions for reorganization under chapter 11 of title 11 of United States Code in the United States Bankruptcy Court for the Southern District of New York on May 27, 2009 and sold its business and assets to new buyer, and the Company lost its effective control over Mataldyne. Therefore, Metaldyne is excluded from General casting and forging parts.

e) 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. The Company has 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 April 1, 2009. Then the construction contracts initiated during the FY2009 has been accounted for based on the percent of completion method, if the outcome of the construction contracts to the end of FY2009 (March 31, 2010) can be estimated reliably (the percentage of completion shall be estimated based on the cost method). As the result, net sales of “Equipment and Systems” increased 288 million yen, operating expenses increased 258 million yen and operating income increased 30 million yen.

2. Information by Geographical Segment

Year ended March 31, 2009 (Amount: Million yen)

	Japan	Asia	United States	Europe	Other	Total	Elimination or Corporate	Consolidated
I. Sales and operating income								
(1) Sales to external customers	75,828	12,685	78,452	40,008	11,831	218,806	-	218,806
(2) Inter-segment sales or transfers	376	3,998	3,184	40	0	7,600	(7,600)	-
Total	76,205	16,684	81,636	40,048	11,831	226,407	(7,600)	218,806
Operating expenses	72,664	16,031	89,706	38,256	11,703	228,362	(6,410)	221,951
Operating income	3,540	652	(8,069)	1,792	128	(1,955)	(1,189)	(3,145)
II. Assets	43,287	20,202	43,676	30,586	8,508	146,261	4,149	150,410

Year ended March 31, 2010 (Amount: Million yen)

	Japan	Asia	Total	Elimination or Corporate	Consolidated
I. Sales and operating income					
(1) Sales to external customers	51,155	7,086	58,241	-	58,241
(2) Inter-segment sales or transfers	249	1,974	2,223	(2,223)	-
Total	51,404	9,060	60,465	(2,223)	58,241
Operating expenses	49,682	9,920	59,602	(1,482)	58,120
Operating income	1,721	(859)	862	(741)	121
II. Assets	50,320	12,100	62,421	(6,052)	56,368

Notes:

1. Policies for geographical segment, and countries included in each geographical segment:
   (1) The geographical segments are determined based on geographical closeness of countries.
   (2) Asia – Thailand, China, Korea, and India
   (3) United States – United States
   (4) Europe – Germany, France, United Kingdom, Italy, Czech Republic, and Luxembourg
2. For "operating expenses", the amount of non-allocable operating expenses included in "Elimination or Corporate" was the same as one described in the Note 3 for "1. Information by Business Segment".
3. Assets included in "Elimination or Corporate" are the same as those indicated in the Note 4 for "1. Information by Business Segment".
4. Metaldyne' location of United States, Europe and Other are deleted for FY2009
5. Change in accounting principle

   (Year ended March 31, 2009)

   a) ASBJ Statement No. 9 *Accounting Standard for Measurement of Inventories* was newly adopted for the first quarter ended June 30, 2008. As a result of this adoption, operating expense of "Japan" increased by ¥47 million and operating income decreased by the same amount accordingly for the fiscal year ended March 31, 2009.

b) ASBJ Statement No. 13 *Accounting Standard for Lease Transactions* and ASBJ Guidance No. 16 *Guidance on Accounting Standard for Lease Transactions* were early adopted for the first quarter ended June 30, 2008. Finance lease transactions that do not transfer ownership which consummated before March 31, 2008 have been accounted for as operating lease transactions. The adoption of these new pronouncements did not materially affect the above segment information for the fiscal year ended March 31, 2009.

c) ASBJ Practical Issues Task Force (PITF) No. 18 *Practical Solution on Unification of Accounting Policies Applied to Foreign Subsidiaries for Consolidated Financial Statements* was newly adopted for the first quarter ended June 30, 2008, and necessary consolidating adjustments are made accordingly. The adoption of this new pronouncement did not affect the above segment information for the fiscal year ended March 31, 2009.

(Year ended March 31, 2010)

d) Metaldyne Corporation and 30 of its subsidiaries filed voluntary petitions for reorganization under chapter 11 of title 11 of United States Code in the United States Bankruptcy Court for the Southern District of New York on May 27, 2009 and sold its business and assets to new buyer, and the Company lost its effective control over Mataldyne. Therefore, Metaldyne' location deleted from FY2009.

e) 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. The Company has 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 April 1, 2009. Then the construction contracts initiated during the FY2009 has been accounted for based on the percent of completion method, if the outcome of the construction contracts to the end of FY2009 (March 31, 2010) can be estimated reliably (the percentage of completion shall be estimated based on the cost method). Net sales in Japan increased 288 million yen, operating expenses in Japan increased 258 million yen and operating income in Japan increased 30 million yen.

3. Overseas Sales

Year ended March 31, 2009 (Amount: Million yen)

		Asia	United States	North America	Europe	Other Area	Total
I	Overseas sales	13,051	62,259	24,879	39,582	1,872	141,645
II	Consolidated sales						218,806
III	Ratio of overseas sales to the consolidated sales	6.0%	28.5%	11.4%	18.1%	0.9%	64.7%

Year ended March 31, 2010 (Amount: Million yen)

		Asia	Other Area	Total
I	Overseas sales	6,966	150	7,116
II	Consolidated sales			58,241
III	Ratio of overseas sales to the consolidated sales	12.0%	0.2%	12.2%

Notes:

1. Geographical segments are based on geographical closeness of countries.
2. Geographical segments mainly consist of the following countries:

   FY2008

Asia:	Thailand, China, Korea, and other
United States:	United States
North America:	Canada and Mexico
Europe:	Germany, France, United Kingdom, and other
Other Area:	Middle East, Africa, and other

   FY2009

Asia:	Thailand, China, Korea, India and other
Other:	Europe and other

3. Metaldyne' customers location of United States, North America, Europe and Other are deleted. Europe is included in Other for FY2009.
4. Overseas sales represent the Company's and its consolidated subsidiaries' sales in countries or areas other than Japan.

Related Party Transactions

Year ended March 31, 2009

(Additional information)

ASBJ Statement No. 11 *Accounting Standard for Related Party Disclosures* and ASBJ Guidance No. 13 *Guidance on Accounting Standard for Related Party Disclosures* were newly adopted for the fiscal year ended March 31, 2009. As a result of the adoption of these new pronouncements, consolidated subsidiary of the Company, parent company of the Company and/or major corporate shareholders were newly included in the scope of disclosure for the fiscal year ended March 31, 2009.

1. Related party transactions

(1) Parent company and/or major corporate shareholder

Type (Note 1)	Parent company
Name	RHJ International SA/NV ("RHJI")
Location	Brussels, Belgium
Capital	88,491 Million yen
Description of business or occupation	Holding company
Percentage of voting rights held	Directly owned 60.1%
Relationship	Post of director
Description and amount of transactions	Provision of collateral (Note 2): 19,411 Million yen Subscription of new shares: 7,768 Million yen Foreign currency contract (Note 3): 4,869 Million yen
Ending balance	--

Notes:

1. RHJI which was classified as a related party as of March 31, 2008 became a parent company as a result of increase in RHJI's percentage of voting rights of the Company through a third party allotment executed on July 15, 2008.
2. The securities owned by RHJI are provided as collateral for the Company's bank loans. The amount represents the loans of the Company.
3. The Company and RHJI executed a foreign currency contract for US$50 million. The contract rate was calculated based on the spot rate at the day of execution of the contract.

(2) Entity having the same parent company of the Company and/or affiliates of the Company and subsidiary of affiliates

Type	Entity having the same parent company of the Company
Name	RHJI Services SA
Location	Brussels, Belgium
Capital	8,224 Million yen
Description of business or occupation	Advisory services
Percentage of voting rights held	--
Relationship	--
Description and amount of transactions	Interest expenses: 225 Million yen Borrowing of short-term loan: 227 Million yen
Ending balance	Accrued interest expense: 13 Million yen Short-term loans payable: 2,007 Million yen

2. Notes to parent company and/or affiliates considered material

(1) Information of parent company - RHJ International SA/NV (listed on NYSE-EURONEXT in Belgium)

(2) Summarized financial data of affiliates considered material – This section is not applicable.

Year ended March 31, 2010

1. Related party transactions

(1) Parent company and/or major corporate shareholder

Type (Note 1)	Parent company
Name	RHJ International SA/NV (“RHJI”)
Location	Brussels, Belgium
Capital	80,936 Million yen
Description of business or occupation	Holding company
Percentage of voting rights held	Directly owned 60.1％
Relationship	Post of director
Description and amount of transactions	Provision of collateral (Note 2): ¥15,199
Ending balance	--

Notes:

1. The securities owned by RHJI are provided as collateral for the Company’s bank loans. The amount represents the loans of the Company.

2. Notes to parent company and/or affiliates considered material

(1) Information of parent company - RHJ International SA/NV (listed on NYSE-EURONEXT in Belgium)

(3) Summarized financial data of affiliates considered material – This section is not applicable.

Business Combinations

N/A

Earnings Per Share

Year ended March 31, 2009 (In ¥)		Year ended March 31, 2010 (In ¥)	
Net assets per share	3.43	Net assets per share	2.85
Basic net loss per share	(70.82)	Basic net loss per share	(1.63)

Notes:

1. Diluted net income per share is not presented for the years ended March 31, 2009 and 2010 since the Group had a net loss even though the Company has dilutive shares.
2. Basis of calculation:

(Amount: Million yen)

	Year ended March 31, 2009	Year ended March 31, 2010
Basic net loss per share:		
Net loss	(23,251)	(421)
Less amount that does not belong to common stock:	284	290
Series A preferred stock	50	50
Series B preferred stock	74	74
Series C preferred stock	159	166
Net loss that belongs to common stock	(23,536)	(712)
	Thousands shares	Thousands Shares
Weighted average number of shares – common stock	332,333	436,998
Weighted average number of shares – preferred stock and stock option	-	-
Weighted average number of shares for the purpose of diluted EPS	332,333	436,998
Stock options that are excluded from the calculation of diluted earnings per share as they are anti-dilutive:	----------------------	----------------------

Subsequent Events

N/A

Omission

Related with Securities, Derivative, Rental property are omitted to disclose because these are not applicable or are not required enough any significant matters

Notice of Change of Directors of the Board and Executive Officers

Followings will be proposed at the annual general shareholders' meeting held on June 25, 2010.

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

Suminori Arima* (Managing Director of RHJ International Japan, Board member of Niles, Board member of Asrapport Dining)

（２） To be retired

Thomas T. Stallkamp
Tetsuo Komuro
Hideyuki Sato

Following change of executive officers was resolved by the board of Directors' meeting held on May 19, 2010.

（１） Newly appointed executive officers (effective on June 1st, 2010)

Hiroshi Onari
Toshihisa Tagawa
Hiroshi Yamazaki
Naohisa Murakami
Yasuhisa Jinma

（２） To be retired

Hiroaki Okuma (To retire on June 25th, 2010）
Tatsuro Kawara (To retire on May 31st, 2010)
Keiichi Ochiai (Same as above)
Kiyofumi Takechi (Same as above)