

(Translation)

Consolidated Financial Results for the Third Quarter Ended December 31, 2009

February 10, 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 Co-CEO

Contact: Yoshio KOYANO, Controller

Tel: +81 – 537 – 36 – 3103

Scheduled date of filing the Quarterly Financial Report for the nine months ended December 31, 2009: February 12, 2010

Scheduled date for starting payment of Dividends: –

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

1. Consolidated results for the third quarter of fiscal year 2009 (April 1, 2009 through December 31, 2009)**(1) Consolidated operating results**

(Percentages figures shown year-on-year changes)

	Net sales		Operating loss		Ordinary loss	
	million yen	%	million yen	%	million yen	%
For nine months ended December 31, 2009	38,684	(79.3)	(1,656)	-	(2,073)	-
December 31, 2008	186,853	-	(905)	-	(8,535)	-

	Net loss		Basic net loss per share	Diluted net loss per share
	million yen	%	yen	yen
For nine months ended December 31, 2009	(1,665)	-	(4.31)	-
December 31, 2008	14,779	-	31.4	30.66

(2) Consolidated financial position

	Total assets	Net assets	Equity ratio	Net assets per share
	million yen	million yen	%	yen
As of December 31, 2009	55,655	15,917	26.3	(0.54)
March 31, 2009	150,410	17,613	10.8	3.43

For reference Equity: As of December 31, 2009: 14,661 million yen As of March 31, 2009: 16,179 million yen

2. Dividend information

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

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

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

(Percentages figures shown year-on-year changes)

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

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

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

4. Other

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

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

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

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

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

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

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

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

	As of December 31, 2009	As of December 31, 2008	As of March 31, 2009
	Shares	Shares	Shares
Number of shares issued including treasury stock	437,446,163	-	437,446,163
Number of treasury stock	442,281	-	452,406
Weighted average number of shares	436,997,471	353,744,310	-

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

Qualitative Information and Financial Statements

1. Qualitative information on consolidated operating results

The Japanese economy continued to remain depressed during the nine-month period ended December 31, 2009 due to reduction in capital expenditures and severity of the employment situation. Consumer spending and production pick up gradually as the result of increasing export, inventory adjustment and emergency economic package like eco-car subsidy.

In this economic environment, despite an increase in the number of orders for both the electric lines construction in the electric power equipment business and the water treatment works in the environmental system and equipment business, net sales declined significantly as a result of the deconsolidation of Metaldyne, weak sales arising from decrease in worldwide demand for passenger cars, econobox consumers, and reduction in demand for trucks and construction machinery in Japan and in the emerging countries, as well as inventory adjustments. Consolidated net sales for the nine month period ended December 31, 2009 was 38,684 million yen, or a decrease of 79.3% compared with the same period of the previous year.

In terms of profits, although efforts were made to minimize price reductions, reduce capital expenditures, labor costs & expenses, to offset the reduction in sales volume, operating losses of 1,656 million yen were recorded, a deterioration of 750 million yen from the same period of the previous year.

Ordinary losses including interest expenses of 473 million yen were 2,073 million yen (an improvement of 6,462 million yen compared to the same period of the previous year) and net losses were 1,665 million yen (decrease 16,445 million yen compared to the same period of the previous year).

Both net sales and operating income improved which compare the third quarter result to the second quarter result. Net sales were 15,201 million yen (an improvement of 2,505 million yen) and operating income was 517 million yen (an improvement of 1,601 million yen).

2. Qualitative information on consolidated financial position

Total assets as of December 31, 2009 were 55,655 million yen, decreasing 94,754 million yen from the end of the fiscal 2008 due to the deconsolidation of Metaldyne, collection of notes and accounts receivables, depreciation, sold unused land, drop in sales and decreasing in inventories.

Total liabilities as of December 31, 2009 were 39,737 million yen, decreasing 93,059 million yen from the end of the fiscal 2008 due to the deconsolidation of Metaldyne and a decrease of notes and accounts payable resulting from drop in sales, reducing in investment of facilities and repayment of debt.

Net assets decreased 1,695 million yen from the end of the fiscal 2008, to 15,917 million yen due to 1,665 million yen of net loss for the nine months fiscal 2009 was recorded.

3. Qualitative information consolidated operating results forecast

The forecast of the consolidated operating results for the fiscal year ending March 31, 2010 will continue what our previous announcement. The forecast based on the completion of the customer's inventory adjustment, some signs of recovery in production and also continue to reduce labor cost and expenses.

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

4. Other

(1) Change in significant subsidiaries during the period

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

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

a. Simplified accounting procedure

1. Calculation method of accounts receivable allowance

Since the actual write-off rate as of December 31, 2009 was not significantly different from the end of the fiscal 2008, therefore, the accounts receivable allowance is calculated using by the write-off rate as of the end of fiscal 2008.

2. Calculation method of accounting for inventory

Inventory calculation at the third quarter ended based on the physical stocktaking made at the second quarter ended.

3. Calculation method of depreciation expense

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

4. Calculation method of corporate income taxes

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

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

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

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

b. Accounting treatment specific to quarterly closing: None

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

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

5. Consolidated Financial Statements

(1) Consolidated Balance Sheets

(Amount: million yen)

	As of December 31, 2009	As of March 31, 2009
Assets		
Current assets		
Cash and deposits	4,752	5,350
Notes and accounts receivable-trade	8,940	17,886
Merchandise and finished goods	2,803	6,032
Work in process	1,715	2,389
Raw materials and supplies	2,496	6,088
Other	850	4,012
Allowance for doubtful accounts	(5)	(191)
Total current assets	21,553	41,568
Fixed Assets		
Property, plant and equipment		
Buildings and structures, net	7,713	13,648
Machinery, equipment and vehicles, net	8,148	35,396
Tools, furniture and fixtures, net	1,638	3,293
Land	12,376	16,123
Construction in progress	962	4,094
Other, net	569	1,055
Total property, plant and equipment	31,408	73,611
Intangible assets		
Goodwill	113	118
Other	222	31,182
Total intangible assets	335	31,301
Investments and other assets	2,358	3,869
Total fixed assets	34,102	108,782
Deferred assets	-	59
Total assets	55,655	150,410
Liabilities		
Current liabilities		
Notes and accounts payable-trade	8,678	18,919
Short-term loans payable	4,385	6,657
Income taxes payable	30	261
Provision for bonuses	322	686
Other provision	406	843
Other	3,048	9,544
Total current liabilities	16,871	36,912
Long-term liabilities		
Bonds payable	-	2,908
Long-term loans payable	13,576	64,968
Provision for retirement benefits	4,361	12,876
Other provision	759	885
Negative goodwill	115	145
Other	4,053	14,100
Total long-term liabilities	22,866	95,884
Total liabilities	39,737	132,797

(Continued)

	As of December 31, 2009	As of March 31, 2009
Net assets		
Shareholders' equity		
Capital stock	38,282	38,282
Capital surplus	39,180	39,180
Retained earnings	(64,660)	(63,464)
Treasury stock	(21)	(21)
Total shareholders' equity	12,781	13,976
Valuation and translation adjustments		
Valuation difference on available-for-sale	15	14
Deferred losses on hedges	(102)	(165)
Revaluation reserve for land	2,465	3,045
Foreign currency translation adjustment	(498)	(690)
Total valuation and translation adjustments	1,880	2,203
Subscription rights to shares	233	244
Minority interests	1,022	1,189
Total net assets	15,917	17,613
Total liabilities and net assets	55,655	150,410

(Concluded)

(2) Consolidated Statement of Income

(Amount: million yen)

	nine months ended December 31, 2008	nine months ended December 31, 2009
Net sales	186,853	38,684
Cost of sales	174,469	36,150
(Reversal of) provision for loss on sales	(351)	152
Gross profit	12,736	2,381
Selling, general and administrative expenses	13,641	4,037
Operating loss	(905)	(1,656)
Non-operating income		
Interest income	28	1
Dividends income	4	3
Amortization of negative goodwill	22	48
Equity in earnings of affiliates	284	77
Subsidy income	147	77
Miscellaneous income	130	42
Total non-operating income	618	252
Non-operating expenses		
Interest expenses	7,184	473
Miscellaneous expenses	1,063	195
Total non-operating expenses	8,248	669
Ordinary loss	(8,535)	(2,073)
Extraordinary income		
Reversal of provision for retirement benefits	1,565	-
Gain on sales of noncurrent assets	270	3
Gain on reversal of subscription rights to shares	-	32
Reversal of provision for directors' bonuses	-	15
Gain on forgiveness of debt	3,191	-
Gain on redemption of bonds	31,120	-
Other	45	3
Total extraordinary income	36,195	55
Extraordinary loss		
Loss on disposal of noncurrent assets	740	93
Impairment loss	9,258	74
Amortization of stock issuance cost	-	59
Loss on adjustment for changes of accounting	366	-
Provision for Directors Retirement Benefits		69
Restructuring expense – severance	386	-
Other	965	3
Total extraordinary losses	11,718	300
Loss before income taxes and minority interests	15,941	(2,318)
Income taxes – current	1,153	70
Income taxes – deferred	(52)	(665)
Total income taxes	1,101	(595)
Minority interests in income (loss)	60	(57)
Net loss	14,779	(1,665)

(3) Note to going concern

None

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

None