(Translation)

Consolidated Financial Results for the First Quarter Ended June 30, 2009

August 7, 2009

Listing name: ASAHI TEC CORPORATION (the "Company") Listing: The Tokyo Stock Exchange, 1st section

Code number: 5606 URL: http://www.asahitec.co.jp/

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Date of filing Shihanki Houkokusho: August 7, 2009 Date of dividend payment: –

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

1. Consolidated Financial Results for the Three Months Ended June 30, 2009 (April 1, 2009 ~ June 30, 2009)

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

	Net sales (In ¥ million)	%	Operating income (loss) (In ¥ million)	%	Ordinary loss (In ¥ million)	%
Three months ended June 30, 2009	10,787	(85.3)	(1,090)	-	(1,143)	-
Three months ended June 30, 2008	73,331	-	1,640	-	(1,079)	-

	Net loss (In ¥ million)	%	Basic net loss per share (In ¥)	Diluted net income per share (In ¥)
Three months ended June 30, 2009	(1,127)	-	(2.75)	-
Three months ended June 30, 2008	(1,148)	-	(4.88)	-

(2) Consolidated financial position

	Total assets (In ¥ million)	Net assets (In ¥ million)	Equity ratio (%)	Net assets per share (In ¥)
Three months ended June 30, 2009	56,638	16,729	27.2	1.47
Year ended March 31, 2009	150,410	17,613	10.8	3.43

For reference: Equity capital

	(In ¥ million)
Three months ended June 30, 2009	15,398
Year ended March 31, 2009	16,179

2. Dividend Information

	Cash dividend per share (In ¥)				
	First Quarter	Second quarter	Third Quarter	Year-end	Total
Year ended March 31, 2009	-	-	-	-	-
Year ending March 31, 2010	-	-	-	-	-
Year ending March 31, 2010 (forecast)	-	-	-	-	-

(Note) Revision of dividend forecast in the first quarter: No

3. Forecast of Consolidated Operating Results for the Fiscal Year Ending March 31, 2010 (April 1, 2009 ~ March 31, 2010)

(% of change from previous year for annual forecast and from previous six months for half-year forecast)

	Net sales (In ¥ million)	%	Operating loss (In ¥ million)	%	Ordinary loss (In ¥ million)	%
Six months ending September 30, 2009	24,800	(82.0)	(2,000)	-	(2,700)	-
Year ending March 31, 2010	60,200	(72.5)	(300)	-	(1,300)	-

	Net loss (In ¥ million)	%	Basic net loss per share (In ¥)
Six months ending September 30, 2009	(2,700)	-	(6.44)
Year ending March 31, 2010	(1,400)	-	(3.87)

(Note) Revision of forecast of consolidated operating results in the first quarter: No

4. Other

(1) Change in the scope of consolidation: Yes

Newly consolidated – None

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

Note: For more details, please refer to "4. Other" on page 4.

(2) Adoption of simplified methods and accounting treatment specific to the quarterly closing: Yes

Note: For more details, please refer to "4. Other" on page 4.

(3) Change of accounting principles/methods and presentation in preparing quarterly consolidated financial statements

Change by amendments of accounting pronouncements: Yes

Changes other than above: None

Note: For more details, please refer to "4. Other" on page 4.

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

	As of June 30, 2009	As of June 30, 2008	As of March 31, 2009
Number of shares issued (including treasury stock)	437,446,163	-	437,446,163
Number of treasury stock	454,955	-	452,406
Weighted average number of shares	436,991,732	259,489,274	-

All forecasts were made based on the data available to the Company as of the date this report was filed. Therefore, the actual outcome may differ from the forecast due to various factors.

[Discussion and Analysis of Consolidated Financial Statements]

1. Consolidated operating results

The Japan economy has been troubled for the three months ended June 30, 2009, as seen in the decrease of consumer and capital spending resulting from the global financial crisis spreading to the real economy, which is continuing from the last fiscal year.

In the U.S. automotive industry, Chrysler LLC and General Motors Corporation have filed a petition with the U.S. Bankruptcy Court for reorganization proceedings under Chapter 11 of the U.S. Bankruptcy Code (“Chapter 11”), and the reorganization proceedings commenced promptly after the filing. On May 27, 2009 (U.S. time), Metaldyne Corporation (“Metaldyne”), a wholly-owned subsidiary of the Company, and 30 of its subsidiaries also filed Chapter 11 with the U.S. Bankruptcy Court for the Southern District of New York. Upon filing, Metaldyne started to seek interested buyers of Metaldyne’s businesses or assets, and the effective control of the Company over Metaldyne was dissolved. Therefore, the Company deconsolidated Metaldyne Holdings LLC and 65 of its subsidiaries starting the first quarter ended June 30, 2009.

In this economic environment, consolidated sales for the three months ended June 30, 2009 amounted to ¥10,787 million, down 85.3% from the prior year three-month period. This is due to the deconsolidation of Metaldyne, production cuts impacted by a decline in demands for trucks and construction machines in Japan and emerging countries, inventory adjustments, and weakening sales of passenger cars, despite an increase in the number of constructions of electric lines in the electric power equipment business and orders for environmental equipments in the environmental system and equipment business.

Cost of sales and selling, general and administrative expenses amounted to ¥10,490 million (97.2% of net sales) and ¥1,363 million (12.6% of net sales), respectively.

Operating loss amounted to ¥1,090 million (down ¥2,730 million compared to an operating income of ¥1,640 million during the prior year three-month period) due to the deterioration of profit impacted by a sales decrease as seen in a continuing decline in orders in Japan and Asian countries, despite inventory adjustment, readjustment of capital expenditure, improvement of productivity, and continuing cost reduction efforts in selling, general and administrative expenses. Ordinary loss amounted to ¥1,143 million (down ¥64 million compared to an ordinary loss of ¥1,079 million during the prior year three-month period) due to interest expense of ¥158 million.

In addition, amortization of stock issuance cost of ¥59 million was recorded as an extraordinary loss and deferred tax benefit of ¥98 million was recognized. Based on the above, the net loss for the three months ended June 30, 2009 amounted to ¥1,127 million (up ¥20 million compared to the net loss of ¥1,148 million during the prior year three-month period).

2. Consolidated financial position

Total assets amounted to ¥56,638 million, down ¥93,771 million from the prior year-end, due to the deconsolidation of Metaldyne and a decrease of notes and accounts receivables and inventories resulting from a decline in sales.

Total liabilities amounted to ¥39,909 million, down ¥92,887 million from the prior year-end, due to the deconsolidation of Metaldyne and a decrease of notes and accounts payable resulting from a decline in sales.

Net assets amounted to ¥16,729 million, down ¥883 million from the prior year-end, due to a net loss of ¥1,127 million recognized for the three months ended June 30, 2009.

3. Forecast of consolidated operating results

There is no change to the forecast of the consolidated operating results for the fiscal year ending March 31, 2010 and the six months ending September 30, 2009, respectively, which we announced on May 29, 2009.

4. Other

(1) Change in the scope of consolidation

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 methods and accounting treatment specific to the quarterly closing

1) Simplified methods

1. Calculation method of allowance for accounts receivable – Since the actual write-off rate as of June 30, 2009 was not significantly different from one as of March 31, 2009, the allowance for accounts receivable for this quarter is calculated using the write-off rate as of March 31, 2009.
2. Valuation of inventories – The inventory balance as of June 30, 2009 is calculated using the reasonable method based on the inventory balance as of March 31, 2009, and inventory observation is also omitted.
3. Calculation method of depreciation expense – Depreciation expense for fixed assets under the declining method is recorded by prorating the annual deprecation expense to be recorded during this fiscal year.
4. Calculation method of corporate income taxes – The calculation of corporate income tax expense for the Company and some of its consolidated subsidiaries is performed considering only material additive/ subtractive items and tax credits.
5. Elimination of assets and liabilities and transactions among consolidated entities – Elimination of assets and liabilities is performed without making adjustments when the difference between assets and liabilities is considered immaterial. Elimination of transactions is performed by using the Company's amount when the difference is considered immaterial.

2) Accounting treatment specific to quarterly closing: None

(3) Change of accounting principles/methods and presentation in preparing quarterly consolidated financial statements

For the revenue recognition of construction contracts, the percentage-of-completion method has been applied to construction contracts exceeding ¥100 million in contract amount and one year in construction period, and the completed-contract method has been applied to other construction contracts. However, Accounting Standards Board of Japan ("ASBJ") Statement No. 15 *Accounting Standard for Construction Contracts* and ASBJ Guidance No. 18 *Guidance on Accounting Standard for Construction Contracts* were newly adopted for the first quarter ended June 30, 2009, and the percentage-of-completion method began to be applied to construction contracts that commenced during the first quarter ended June 30, 2009 and are still in progress as of June 30, 2009 if the outcome of the construction activity is deemed certain during the course of the activity (the percentage of completion of construction activity will be estimated by using the percentage of the cost incurred to the estimated total cost) and the completed-contract method is used for other construction contracts. The adoption of these new pronouncements did not affect the consolidated operating results for the three months ended June 30, 2009.

5. Consolidated Financial Statements

(1) Consolidated Balance Sheets (In ¥ million)

	As of June 30, 2009	As of March 31, 2009
Assets		
Current assets		
Cash and deposits	¥4,041	¥5,350
Notes and accounts receivable-trade	7,237	17,886
Merchandise and finished goods	3,177	6,032
Work in process	1,395	2,389
Raw materials and supplies	2,713	6,088
Other	813	4,012
Allowance for doubtful accounts	(5)	(191)
Total current assets	19,374	41,568
Noncurrent assets		
Property, plant and equipment		
Buildings and structures, net	8,000	13,648
Machinery, equipment and vehicles, net	8,900	35,396
Tools, furniture and fixtures, net	1,967	3,293
Land	13,530	16,123
Construction in progress	1,584	4,094
Other, net	651	1,055
Total property, plant and equipment	34,635	73,611
Intangible assets		
Goodwill	116	118
Other	282	31,182
Total intangible assets	399	31,301
Investments and other assets	2,229	3,869
Total noncurrent assets	37,264	108,782
Deferred assets	-	59
Total assets	56,638	150,410
Liabilities		
Current liabilities		
Notes and accounts payable-trade	6,021	18,919
Short-term loans payable	4,319	6,657
Income taxes payable	18	261
Provision for bonuses	431	686
Other provision	310	843
Other	3,916	9,544
Total current liabilities	15,018	36,912
Noncurrent liabilities		
Bonds payable	-	2,908
Long-term loans payable	15,166	64,968
Provision for retirement benefits	4,346	12,876
Other provision	716	885
Negative goodwill	135	145
Other	4,525	14,100
Total noncurrent liabilities	24,890	95,884
Total liabilities	¥39,909	¥132,797

(Continued)

(In ¥ million)

	As of June 30, 2009	As of March 31, 2009
Net assets		
Shareholders' equity		
Capital stock	¥38,282	¥38,282
Capital surplus	39,180	39,180
Retained earnings	(64,702)	(63,464)
Treasury stock	(21)	(21)
Total shareholders' equity	12,738	13,976
Valuation and translation adjustments		
Valuation difference on available-for-sale securities	17	14
Deferred losses on hedges	(144)	(165)
Revaluation reserve for land	3,045	3,045
Foreign currency translation adjustment	(258)	(690)
Total valuation and translation adjustments	2,659	2,203
Subscription rights to shares	258	244
Minority interests	1,073	1,189
Total net assets	16,729	17,613
Total liabilities and net assets	¥56,638	¥150,410

(Concluded)

(2) Consolidated Statement of Operations (In ¥ million)

	Three months ended June 30, 2008	Three months ended June 30, 2009
Net sales	¥73,331	¥10,787
Cost of sales	66,908	10,490
(Reversal of) provision for loss on sales	(141)	24
Gross profit	6,564	272
Selling, general and administrative expenses	4,924	1,363
Operating income (loss)	1,640	(1,090)
Non-operating income		
Interest income	13	0
Dividends income	2	2
Amortization of negative goodwill	2	10
Equity in earnings of affiliates	78	21
Foreign exchange gains	-	67
Subsidy income	66	4
Miscellaneous income	55	21
Total non-operating income	218	127
Non-operating expenses		
Interest expenses	2,588	158
Miscellaneous expenses	349	22
Total non-operating expenses	2,937	180
Ordinary loss	(1,079)	(1,143)
Extraordinary income		
Reversal of provision for retirement benefits	1,044	-
Gain on sales of noncurrent assets	61	0
Reversal of provision for directors' bonuses	-	15
Gain on reversal of subscription rights to shares	-	4
Other	16	3
Total extraordinary income	1,121	23
Extraordinary loss		
Loss on disposal of noncurrent assets	150	19
Impairment loss	10	9
Amortization of stock issuance cost	-	59
Loss on adjustment for changes of accounting standard for measurement of inventories	366	-
Restructuring expense – severance	44	-
Other	108	1
Total extraordinary losses	680	90
Loss before income taxes and minority interests	(638)	(1,210)
Income taxes – current	430	51
Income taxes – deferred	59	(98)
Total income taxes	490	(46)
Minority interests in income (loss)	20	(35)
Net loss	(¥1,148)	(¥1,127)

(3) Note to going-concern assumption

This section is not applicable to the three months ended June 30, 2009.

(4) Material change in shareholders' equity during the three months ended June 30, 2009

This section is not applicable to the three months ended June 30, 2009.