



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

The forecasts for the next fiscal year are undecided because the Company is currently unable to reasonably calculate them by the effect of the Great East Japan Earthquake.

4. Other

(1) Significant changes in scope of consolidation during the period: Yes

Consolidation-1 Asahi Tec TDM Co., Ltd.

Deconsolidation-2 Asahi Tec Environmental Solutions Corporation / Asahi Service Co., Ltd.

(2) Changes in accounting principles, procedures, and disclosures etc:

a. Changes due to revisions in accounting standards: Yes

b. Changes other than above (2)-a : No

Note: Refer to "Changes in Basis of Presentation of Consolidated Financial Statements" for detail.

(3) Number of shares issued (common stock)

	As of:	Shares	As of:	Shares
a. Number of shares issued including treasury stock	March 31, 2011	486,741,519	March 31, 2010	437,446,163
b. Number of treasury stock	March 31, 2011	2,816	March 31, 2010	445,249
c. Weighted average number of shares	March 31, 2011	463,258,764	March 31, 2010	436,998,672

For Reference: Non-Consolidated Financial Results

1. Non-Consolidated results for FY2010 (April 1, 2010 through March 31, 2011)

(1) Non-Consolidated operating results (Percentages are shown as year-on-year changes)

	Net sales		Operating income		Ordinary income		Net income	
	Million yen	%	Million yen	%	Million yen	%	Million yen	%
March 31, 2011	31,515	21.1	1,428	38.0	1,146	129.6	318	77.3
March 31, 2010	26,014	(35.3)	1,034	(41.3)	499	(55.9)	179	-

	Basic net income per share	Diluted net income per share
	Yen	Yen
March 31, 2011	0.40	-
March 31, 2010	(0.25)	-

Note: Diluted net income per share is not presented due to there is no residual securities

(2) Non-Consolidated financial position

	Total assets	Net assets	Equity ratio	Net assets per share
As of	Million yen	Million yen	%	Yen
March 31, 2011	42,075	16,320	38.8	20.73
March 31, 2010	43,906	16,244	36.4	2.36

Note: Equity for reference: As of March 31, 2011 16,312 million yen, As of March 31, 2010 16,003 million yen

Implementation status of audit procedure

This summary report is not subject to audit procedure based on Financial Instruments and Exchange Act and the audit procedures for the consolidated financial statements were being conducted when this report was disclosed.

Note to forecasts on the consolidated operating results and other items

The forecasts for the next fiscal year are undecided because the Company is currently unable to reasonably calculate them by the effect of the Great East Japan Earthquake. The Company will announce the forecasts when they become possible to be disclosed.

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## 1 Business Results

### (1) Analysis of Consolidated Results of Operations

The Japanese economy continues to be in a severe situation such as an appreciation of the yen and the rise in oil prices even though the recovery was observed by improvement of the employment situation, recovery on capital spending from declining trend, increasing in exports for emerging countries and also consumer spending picking up due to emergency economic package. The outlook is impacted by the major customers halting their operation and reduce production due to the Great East Japan Earthquake on March 11. On the other hand, the Chinese and Thailand's economy expanded.

Consolidated net sales have been impacted by the deconsolidation of Asahi Tec Environmental Solutions Corporation since the beginning of third quarter FY2010, decrease in the number of orders for the electric lines construction in the electric power equipment business and major customers halting their operation due to the Great East Japan Earthquake. However, consolidated net sales for the fiscal year ended March 31, 2011 were 73,022 million yen, increased by 25.4% from the prior year mainly due to increasing demand for construction machinery, trucks and cars in China and other emerging countries and new customer deals. In Japan, the demand was increased by a car subsidy program and rush demand against application of new emission standards.

Operating income increased by 2,215 million yen from the prior year to 2,337 million yen. This was mainly due to a sales increase, improving profit by inventory management and continuous cost reduction, and sales price adjusted by rising raw materials prices. Although 249 million yen of currency exchange loss and 108 million yen of bank fee were recorded, ordinary income increased by 2,159 million yen from the prior year to 1,766 million yen.

Extraordinary income included 272 million yen of gain on sales of noncurrent assets and 230 million yen of gain on reversal of subscription rights to shares and 626 million yen of loss on adjustment for changes of accounting standard for asset retirement obligations, 388 million yen of Loss on sales of Asahi Tec Environmental Solutions Corporation, 298 million yen of capacity utilization variance due to the earthquake and 232 million yen of loss on litigation were recorded as extraordinary loss. As a result, net profits were 155 million yen (improved 576 million yen from the prior year).

Considering these results, the Company does not plan to pay a dividend for the fiscal year ended March 31, 2011.

#### Result of business segment

##### [Ductile]

Consolidated net sales for the fiscal year ended March 31, 2011 were 44,022 million yen, increased by 55.8% from the prior year mainly due to new customer deals and increasing demand for construction machinery and trucks in emerging countries. Operating income increased by 2,857 million yen from the prior year to 1,620 million yen.

##### [Aluminum]

Consolidated net sales for the fiscal year ended March 31, 2011 were 24,437 million yen, increased by 30.9% from the prior year because of increase in demands in Thailand and increase by rush against subsidy program end despite the impact of the Great East Japan Earthquake. Operating income increased by 1,011 million yen from the prior year to 274 million yen.

##### [Equipments and Systems]

Consolidated sales for the fiscal year ended March 31, 2011 were 5,760 million yen, decreased by 50.2% from the prior year. Sales have been impacted by the deconsolidation of Asahi Tec Environmental Solutions Corporation since the beginning of third quarter FY2010 and decrease in the number of orders for the electric lines construction in the electric power equipment business. Operating income decreased by 1,408 million yen from the prior year to 448 million yen.

#### Forecasts for next fiscal year

The forecasts for the next fiscal year are undecided because the Company is currently unable to reasonably calculate them by the effect of the Great East Japan Earthquake. The Company will announce the forecasts when they become possible to be disclosed.

## (2) Analysis of Financial Position

### a) Assets, Liabilities, and Net assets

Total assets as of March 31, 2011 were 53,254 million yen, decreasing 3,113 million yen from the previous fiscal year-end. This was mainly due to deconsolidation of subsidiary and decreasing noncurrent assets by recording depreciation despite increasing inventories and additional investment into one of the related company “Wheelhorse Asahi Aluminium Co., Ltd.”.

Total liabilities as of March 31, 2011 were 36,283 million yen, decreasing 2,614 million yen from the previous fiscal year-end. This was mainly due to deconsolidation of subsidiary and repayment of loan, and due to increases in current liabilities and asset retirement obligations.

Net assets decreased 499 million yen from the previous fiscal year-end, to 16,971 million yen mainly due to decreasing foreign currency translation adjustment and subscription rights to shares, and due to 155 million yen of the net profits.

Capital stock, capital surplus and retained earnings decreased for the recapitalization under the resolution of the extraordinary meeting of shareholders held on March 25, 2011.

### b) Cash flows

Cash and cash equivalents at the end of this fiscal year were 2,896 million yen, for a 133 million yen increase from the previous fiscal year-end.

Net cash provided by operating activities were 5,037 million yen, increasing 2,074 million yen from the previous fiscal year-end. This was mainly because of increased income before income taxes according to the sales increased, receivable-trade decreased and payable-trade increased despite increasing inventories.

Net cash provided by investing activities were 24 million yen, up 782 million yen from the previous fiscal year-end. The main reason was cash from the subsidiary sold although fixed assets acquired.

Net cash used in financing activities were 4,875 million yen, down 2,805 million yen. This was mainly due to loan payment made by advanced repayment according to the financial covenant.

Syndicate loan agreed with the agent, Aozora Bank, Ltd., on February 24 and refinance of 16,273 million yen was executed.

Reference: Trends in cash flow indicators

	Fiscal year ended:				
	March 31, 2007	March 31, 2008	March 31, 2009	March 31, 2010	March 31, 2011
Equity ratio	24.1 %	18.9 %	10.8 %	28.8 %	30.2 %
Equity ratio on market value	20.4 %	12.8 %	11.9 %	52.1 %	38.5 %
Debt repayment period	39.6 years	9.5 years	-	6.1 years	2.5 years
Interest coverage ratio	2.4	1.0	-	4.6	5.4

Equity ratio: shareholders' equity divided by total assets

Equity ratio on market value: market capitalization divided by total assets

Debt repayment period: interest bearing debt divided by operating cash flow

Interest coverage ratio: operating cash flow divided by interest expense

1. The indicators are calculated based on consolidated figures.
2. Market capitalization is calculated based on the number of shares outstanding, net of treasury stock. 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, 2007, 2008, 2009 and 2011, unusual cash items such as “refinance costs”, “litigation costs”, “director’s retirement benefits” and “restructuring expenses” were excluded from the operating cash flow.
4. Interest bearing debt represents liabilities with interest payments are the corresponding figure on the Consolidated balance sheets. Interest expense is the corresponding figure on the Consolidated Statements of cash flows.

(3) Omitted disclosure

“Basic Policy on the Distribution of Profits, Distribution of Profits for FY2010, FY2011” and “Risk Factors” have been omitted since they are considered immaterial for this report.

## 2 Group Information

Disclosure has been omitted since this is considered immaterial for this report.

## 3 Management Policies

(1) Basic management Approach

(2) Medium-term to Long-term Strategies and Important Management Issues for the Company

Disclosure is omitted because there were no significant changes from the Financial Results for FY2009 (disclosed on May 20, 2010) which is available on the following URLs:

(the Company' web)

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

(Tokyo Stock Exchange' web\_listed company information search)

<http://www.tse.or.jp/listing/compsearch/index.html>

## 4 Consolidated Financial Statements

### (1) Consolidated Balance Sheets

(In millions of Yen)

	As of March 31, 2010	As of March 31, 2011
<b>Assets</b>		
<b>Current assets</b>		
Cash and deposits	2,806	2,958
Notes and accounts receivable-trade	12,769	9,686
Merchandise and finished goods	2,618	2,941
Work in process	1,738	2,304
Raw materials and supplies	2,437	2,100
Deferred tax assets	95	28
Other	755	1,049
Allowance for doubtful accounts	(5)	(1)
<b>Total current assets</b>	<b>23,215</b>	<b>21,067</b>
<b>Noncurrent assets</b>		
Property, plant and equipment		
Buildings and structures, net	7,506	7,034
Machinery, equipment and vehicles, net	7,684	7,186
Tools, furniture and fixtures, net	1,637	1,514
Land	12,093	11,904
Lease assets, net	550	450
Construction in progress	840	992
Total property, plant and equipment	30,313	29,082
Intangible assets		
Goodwill	111	104
Other	188	170
Total intangible assets	299	275
Investments and other assets		
Investment securities	467	405
Deferred tax assets	506	340
Other	1,597	2,107
Allowance for doubtful accounts	(31)	(23)
Total investments and other assets	2,540	2,829
<b>Total noncurrent assets</b>	<b>33,152</b>	<b>32,187</b>
<b>Total assets</b>	<b>56,368</b>	<b>53,254</b>
<b>Liabilities</b>		
<b>Current liabilities</b>		
Notes and accounts payable-trade	8,831	8,778
Short-term loans payable	13,253	4,353
Income taxes payable	142	93
Provision for bonuses	775	1,013
Notes payable-facilities	222	304
Other provision	268	332
Other	2,679	3,495
<b>Total current liabilities</b>	<b>26,173</b>	<b>18,371</b>
<b>Noncurrent liabilities</b>		
Long-term loans payable	4,000	8,978
Deferred tax liabilities	837	872

(Continued)

	As of March 31, 2010	As of March 31, 2011
Deferred tax liabilities for land revaluation	2,303	2,303
Provision for retirement benefits	4,214	3,968
Other provision	794	797
Asset retirement obligations	-	705
Negative goodwill	105	65
Other	469	221
<b>Total noncurrent liabilities</b>	<b>12,724</b>	<b>17,912</b>
<b>Total liabilities</b>	<b>38,897</b>	<b>36,283</b>
<b>Net assets</b>		
<b>Shareholders' equity</b>		
Capital stock	38,282	13,703
Capital surplus	39,180	-
Retained earnings	(63,229)	663
Treasury stock	(21)	(0)
<b>Total shareholders' equity</b>	<b>14,211</b>	<b>14,366</b>
<b>Accumulated other comprehensive income</b>		
Valuation difference on available-for-sale securities	20	11
Deferred gains or losses on hedges	(72)	-
Revaluation reserve for land	2,278	2,278
Foreign currency translation adjustment	(220)	(600)
<b>Total accumulated other comprehensive income</b>	<b>2,006</b>	<b>1,690</b>
<b>Subscription rights to shares</b>	<b>241</b>	<b>7</b>
<b>Minority interests</b>	<b>1,010</b>	<b>906</b>
<b>Total net assets</b>	<b>17,470</b>	<b>16,971</b>
<b>Total liabilities and net assets</b>	<b>56,368</b>	<b>53,254</b>

(Concluded)



## (2) Consolidated Statements of Income and Consolidated Statements of Comprehensive Income

## Consolidated Statements of Income

(In millions of Yen)

	FY2009 April 1, 2009 – March 31, 2010	FY2010 April 1, 2010 – March 31, 2011
<b>Net sales</b>	58,241	73,022
<b>Cost of sales</b>	52,607	64,539
<b>Reversal of loss on sales</b>	(50)	(125)
<b>Gross profit</b>	5,685	8,607
<b>Selling, general and administrative expenses</b>	5,563	6,270
<b>Operating income</b>	<b>121</b>	<b>2,337</b>
<b>Non-operating income</b>		
Interest income	2	7
Dividends income	3	3
Amortization of negative goodwill	58	40
Equity in earnings of affiliates	150	187
Subsidy income	34	68
Miscellaneous income	67	108
Total non-operating income	317	415
<b>Non-operating expenses</b>		
Interest expenses	644	637
Foreign exchange losses	-	249
Bank fee	108	-
Miscellaneous expenses	78	98
Total non-operating expenses	831	985
<b>Ordinary income (loss)</b>	<b>(392)</b>	<b>1,766</b>
<b>Extraordinary income</b>		
Gain on prior period adjustment	16	-
Gain on sales of noncurrent assets	6	272
Gain on sales of investment securities	38	-
Subsidy income	63	-
Gain on reversal of subscription rights to shares	32	230
Reversal of provision for directors' bonuses	15	-
Other	8	30
Total extraordinary income	180	533
<b>Extraordinary loss</b>		
Loss on disposal of noncurrent assets	129	85
Impairment loss	734	-
Loss on adjustment for changes of accounting standard for asset retirement obligations	-	626
Loss on sales of subsidiaries' stocks	-	388
Litigation cost	-	232
Amortization of stock issuance cost	59	-
Directors' retirement benefits	69	-
Capacity utilization variance	-	298
Other	2	445
Total extraordinary losses	994	2,075
<b>Income (loss) before income taxes and minority interests</b>	<b>(1,206)</b>	<b>224</b>
<b>Income taxes – current</b>	201	106

(Continued)

	FY2009 April 1, 2009 – March 31, 2010	FY2010 April 1, 2010 – March 31, 2011
<b>Income taxes – deferred</b>	(916)	59
<b>Total income taxes</b>	(714)	166
<b>Income before minority interests</b>	-	58
<b>Minority interests in loss</b>	(70)	(97)
<b>Net Income (loss)</b>	<b>(421)</b>	<b>155</b>

(Concluded)

Consolidated Statements of Comprehensive Income

(In millions of Yen)

	FY2009 April 1, 2009 – March 31, 2010	FY2010 April 1, 2010 – March 31, 2011
<b>Income before minority interests</b>	-	58
<b>Other comprehensive income</b>		
Valuation difference on available-for-sale securities	-	(8)
Deferred gains or losses on hedges	-	72
Foreign currency translation adjustment	-	(273)
Share of other comprehensive income of associates accounted for using equity method	-	(113)
Total other comprehensive income	-	(323)
<b>Comprehensive income</b>	-	<b>(265)</b>

Comprehensive income attributable to:		
owners of the parent	-	(160)
minority interests	-	(104)

## (3) Consolidated Statements of Changes in Equity

(In millions of Yen)

	FY2009 April 1, 2009 – March 31, 2010	FY2010 April 1, 2010 – March 31, 2011
<b>Shareholders' equity</b>		
Capital stock		
Balance at the end of previous period	38,282	38,282
Changes of items during the period		
Capital reduction	-	(24,578)
Total changes of items during the period	-	(24,578)
Balance at the end of current period	38,282	13,703
Capital surplus		
Balance at the end of previous period	39,180	39,180
Changes of items during the period		
Capital reduction	-	24,578
Deficit disposition	-	(63,758)
Retirement of treasury stock	-	(21)
Transfer to capital surplus from retained earnings	-	21
Total changes of items during the period	-	(39,180)
Balance at the end of current period	39,180	-
Retained earnings		
Balance at the end of previous period	(63,464)	(63,229)
Changes of items during the period		
Change of scope of consolidation	(109)	-
Deficit disposition	-	63,758
Net income (loss)	(421)	155
Transfer to capital surplus from retained earnings	-	(21)
Reversal of revaluation reserve for land	766	-
Total changes of items during the period	235	63,892
Balance at the end of current period	(63,229)	663
Treasury stock		
Balance at the end of previous period	(21)	(21)
Changes of items during the period		
Purchase of treasury stock	(0)	(0)
Disposal of treasury stock	0	-
Retirement of treasury stock	-	21
Total changes of items during the period	0	21
Balance at the end of current period	(21)	(0)
<b>Total shareholders' equity</b>		
Balance at the end of previous period	13,976	14,211
Changes of items during the period		
Change of scope of consolidation	(109)	-
Net income (loss)	(421)	155
Purchase of treasury stock	(0)	(0)
Disposal of treasury stock	0	-
Reversal of revaluation reserve for land	766	-
Total changes of items during the period	235	155
Balance at the end of current period	14,211	14,366
<b>Accumulated other comprehensive income</b>		
Valuation difference on available-for-sale securities		
Balance at the end of previous period	14	20

(Continued)

	FY2009 April 1, 2009 – March 31, 2010	FY2010 April 1, 2010 – March 31, 2011
Changes of items during the period		
Net changes of items other than shareholders' equity	6	(8)
Total changes of items during the period	6	(8)
Balance at the end of current period	20	11
Deferred gains or losses on hedges		
Balance at the end of previous period	(165)	(72)
Changes of items during the period		
Net changes of items other than shareholders' equity	93	72
Total changes of items during the period	93	72
Balance at the end of current period	(72)	-
Revaluation reserve for land		
Balance at the end of previous period	3,045	2,278
Changes of items during the period		
Net changes of items other than shareholders' equity	(766)	-
Total changes of items during the period	(766)	-
Balance at the end of current period	2,278	2,278
Foreign currency translation adjustment		
Balance at the end of previous period	(690)	(220)
Changes of items during the period		
Change of scope of consolidation-foreign currency translation adjustment	190	-
Net changes of items other than shareholders' equity	280	(379)
Total changes of items during the period	470	(379)
Balance at the end of current period	(220)	(600)
Total accumulated other comprehensive income		
Balance at the end of previous period	2,203	2,006
Changes of items during the period		
Change of scope of consolidation-foreign currency translation adjustment	190	-
Net changes of items other than shareholders' equity	(386)	(316)
Total changes of items during the period	(196)	(316)
Balance at the end of current period	2,006	1,690
<b>Subscription rights to shares</b>		
Balance at the end of previous period	244	241
Changes of items during the period		
Net changes of items other than shareholders' equity	(3)	(233)
Total changes of items during the period	(3)	(233)
Balance at the end of current period	241	7
<b>Minority interests</b>		
Balance at the end of previous period	1,189	1,010
Changes of items during the period		
Decrease of consolidated subsidiaries	(80)	-
Net changes of items other than shareholders' equity	(98)	(104)
Total changes of items during the period	(179)	(104)
Balance at the end of current period	1,010	906
<b>Total net assets</b>		
Balance at the end of previous period	17,613	17,470
Changes of items during the period		
Change of scope of consolidation	(109)	-

(Continued)

	FY2009 April 1, 2009 – March 31, 2010	FY2010 April 1, 2010 – March 31, 2011
Change of scope of consolidation-foreign currency translation adjustment	190	-
Decrease of consolidated subsidiaries-minority interests	(80)	-
Net income (loss)	(421)	155
Purchase of treasury stock	(0)	(0)
Disposal of treasury stock	0	-
Reversal of revaluation reserve for land	766	-
Net changes of items other than shareholders' equity	(488)	(654)
Total changes of items during the period	(142)	(499)
Balance at the end of current period	17,470	16,971

(Concluded)

## (4) Consolidated Statements of Cash Flows

(In millions of Yen)

	FY2009 April 1, 2009 – March 31, 2010	FY2010 April 1, 2010 – March 31, 2011
<b>Net Cash provided by (used in) operating activities</b>		
Income (loss) before income taxes and minority interests	(1,206)	224
Depreciation and amortization	4,436	3,836
Impairment loss	734	67
Amortization of goodwill	6	6
Amortization of negative goodwill	(58)	(40)
Loss on adjustment for changes of accounting standard for asset retirement obligations	-	626
Increase in provision for bonuses	158	305
Increase (decrease) in allowance for doubtful accounts	2	(4)
Decrease in provision for retirement benefits	(146)	(241)
Loss (gain) on sales and retirement of noncurrent assets	122	(151)
Loss on sales of subsidiaries' stocks	-	388
Litigation cost	-	232
Interest and dividends income	(6)	(9)
Interest expenses	644	637
Foreign exchange gains	(200)	(68)
Equity in earnings of affiliates	(150)	(187)
Decrease (increase) in notes and accounts receivable-trade	(3,783)	1,078
Decrease (increase) in inventories	1,089	(1,618)
Increase in notes and accounts payable-trade	1,475	1,068
Other, net	618	300
<b>Sub-total</b>	<b>3,735</b>	<b>6,451</b>
Interest and dividends income received	6	9
Interest expenses paid	(645)	(1,029)
Income taxes paid	(239)	(265)
Income taxes refund	104	13
Other, net	-	(83)
<b>Net cash provided by (used in) operating activities</b>	<b>-</b>	<b>(59)</b>
<b>Net cash provided by (used in) investing activities</b>	<b>2,962</b>	<b>5,037</b>
Payments into time deposits	(41)	(24)
Purchase of property, plant and equipment	(1,783)	(2,201)
Proceeds from sales of property, plant and equipment	1,087	492
Purchase of intangible assets	(30)	(86)
Purchase of investments in subsidiaries	(4)	-
Payments for investments in capital of subsidiaries and affiliates	-	(276)
Proceeds from sales of investments in subsidiaries resulting in change in scope of consolidation	-	2,098
Other, net	13	22
<b>Net cash provided by (used in) investing activities</b>	<b>(758)</b>	<b>24</b>

(Continued)

	FY2009 April 1, 2009 – March 31, 2010	FY2010 April 1, 2010 – March 31, 2011
<b>Net cash provided by (used in) financing activities</b>		
Net decrease in short-term loans payable	(12)	(543)
Proceeds from long-term loans payable	-	10,843
Repayment of long-term loans payable	(2,330)	(14,850)
Proceeds from sale-leaseback transactions	-	126
Repayments of finance lease obligations	(428)	(389)
Cash dividends paid to minority shareholders	(6)	(0)
Other, net	(27)	(62)
<b>Net cash provided by (used in) financing activities</b>	<b>(2,805)</b>	<b>(4,875)</b>
<b>Effect of exchange rate change on cash and cash equivalents</b>	<b>11</b>	<b>(52)</b>
<b>Net increase (decrease) in cash and cash equivalents</b>	<b>(590)</b>	<b>133</b>
<b>Cash and cash equivalents at beginning of period</b>	<b>5,350</b>	<b>2,763</b>
<b>Decrease in cash and cash equivalents resulting from exclusion of subsidiaries from consolidation</b>	<b>(1,995)</b>	<b>-</b>
<b>Cash and cash equivalents at end of period</b>	<b>2,763</b>	<b>2,896</b>

(Concluded)

(5) Significant Doubt about Going Concern Assumption

There are no applicable items.

(6) Changes in Basis of Presentation of Consolidated Financial Statements

*Application of accounting standard for asset retirement obligations*

“Accounting Standard for Asset Retirement Obligations” (Accounting Standards Board of Japan (ASBJ) Statement No. 18, March 31, 2008) and “Guidance on Accounting Standard for Asset Retirement Obligations” (ASBJ Guidance No. 21, March 31, 2008) were applied as of April 1, 2010.

The effect of this change in operating income and ordinary income decreased by 27 million yen each and income before income taxes and minority interests decreased by 653 million yen for the fiscal year ended March 31, 2011.

*Application of accounting standard for equity method of accounting for investments and Practical solution on unification of accounting policies applied to associates accounted for using the equity method*

“Accounting Standard for Equity Method of Accounting for Investments” (ASBJ Statement No. 16, March 10, 2008) and “Practical Solution on Unification of Accounting Policies Applied to Associates Accounted for Using the Equity Method” (Practical Issues Task Force (PITF) No. 24, March 10, 2008) were applied and necessary adjustments for the consolidated accounting were made for the fiscal year ended March 31, 2011.

The effect of this change is not material for the fiscal year ended March 31, 2011.

*Changes in scope of consolidation*

Changes in scope of consolidation are as follows:

< Consolidation> Asahi Tec TDM Co., Ltd.

< Deconsolidation> Asahi Tec Environmental Solutions Corporation / Asahi Service Co., Ltd.

*Additional Information*

Consolidated taxation system was introduced for the fiscal year ended March 31, 2011.

(7) Changes in disclosures

Consolidated Statements of Income

(a) “Cabinet Office Ordinance Partially Revising Regulation on Terminology, Forms and Preparation of Financial Statements” (Cabinet Office Ordinance No.5, March 24, 2009) which is based on “Accounting Standard for Consolidated Financial Statements” (ASBJ Statement No.22, December 26, 2008) were applied and the Company has used the term “Income before minority interests” for the fiscal year ended March 31, 2011.

(b) Foreign exchange losses disclosed in consolidated statements of income for FY2010 was included in miscellaneous income (13 million yen) of non-operating income for FY2009.

(c) Subsidy income disclosed in consolidated statements of income for FY2009 was included in other (17 million yen) of extraordinary income for FY2010.

(d) Reversal of provision for directors’ bonuses disclosed in consolidated statements of income for FY2009 was included in other (8 million yen) of extraordinary income for FY2010.

(e) Impairment loss disclosed in consolidated statements of income for FY2009 was included in other (67 million yen) of extraordinary loss for FY2010.



(8) Notes to consolidated financial statements  
(Consolidated statements of comprehensive income)

Fiscal year from April 1, 2010 to March 31, 2011

1. Comprehensive Income attributable for the last fiscal year

Comprehensive income attributable to owners of the parent	148 million yen
<u>Comprehensive income attributable to minority interests</u>	<u>(68)</u>
Total	80

2. Other Comprehensive income for the last fiscal year

Valuation difference on available-for-sale securities	6 million yen
Deferred gain or losses on hedge	93
Foreign currency translation adjustment	429
Share of other comprehensive income of associates accounted <u>for using equity method</u>	<u>43</u>
Total	572

(Segment Information)

Fiscal year from April 1, 2010 to March 31, 2011

1. Overview of reportable segments

Reportable segments of the Company are components of an entity about which separate financial information is available and such information is evaluated regularly by the board of directors in deciding how to allocate resources and in assessing performance.

The Company assigns product division and service division at headquarter. The each division develops comprehensive business strategies for the products and services, and performs business activities.

Accordingly, the Company's segments are separated based on the products and services provided by the divisions, and 3 segments, "Ductile", "Aluminum", and "Equipments and Systems" are treated as reportable segments.

2. Calculation for net sales and income/loss of reportable segments

Accounting treatment for reportable segments is the same as the treatment described in "Basis of Presentation of Consolidated Financial Statements". However, "Basis of Presentation of Consolidated Financial Statements" is omitted in this report.

Income of reportable segments is based on operating income (before amortization of goodwill).

Internal sales or transferred sales in-between segments are recorded by arms length basis.

Types of products and sales of each reporting segment are as follows.

[Ductile] Chassis parts of trucks, power train parts of trucks and passenger cars, and parts for construction machineries, etc.

[Aluminum] Intake manifold products for passenger cars, power train parts, aluminum wheels for passenger cars and motorcycle, etc.

[Equipments and Systems] Parts for transmission and distribution lines for electric power business, equipment for sewer lines, waste water treatment, construction for rehabilitation of water pipes, etc.

### 3 Sales and segment income of reportable segments

(In millions of Yen)

	Reportable segments				Other *	Total
	Ductile	Aluminum	Equipments and Systems	Total		
I. Sales						
Sales to external customers	42,889	24,386	5,760	73,036	62	73,099
Inter-segment sales or transfers	1,133	50	-	1,183	27	1,210
Total	44,022	24,437	5,760	74,220	90	74,310
Segment Income	1,620	274	448	2,343	6	2,349

\* Other is not included reportable segments. The subsidiary of welfare service provider is included in "other".

### 4 Details of variance between reportable segments and consolidated financial statements

Sales	Amount (million yen)
Total of reportable segment	73,036
"other"	62
Other adjustment	(77)
Sales of Consolidated statements of income	73,022

Segment Income	Amount (million yen)
Total of reportable segment	2,343
"other"	6
Unrealized gain on inventory and noncurrent assets	(92)
Other adjustment	80
Operating income of Consolidated statements of income	2,337

### 5 Change of reportable segment

Asahi Tec Environmental Solutions was deconsolidated since November 19, 2010. The reportable segment has been changed since the third quarter of fiscal year ended March 31, 2011 accordingly.

[Ductile] Chassis parts of trucks, power train parts of trucks and passenger cars, and parts for construction machineries, etc.

[Aluminum] Intake manifold products for passenger cars, power train parts, aluminum wheels for passenger cars and motorcycle, etc.

[Equipments and Systems] Parts for transmission and distribution lines for electric power business.

### 6 Other Information

#### (1) Information about product segment

(in millions of yen)	Ductile	Aluminum	Equipments and Systems	Other	Total
Sales to external customers	42,889	24,386	5,760	62	73,099

#### (2) Information about geographic areas

##### (a) Sales (in millions of yen)

Japan	Asia	Other	Total
60,441	12,482	97	73,022

(b) Tangible assets (in millions of yen)

Japan	Asia	Total
22,031	7,050	29,082

(3) Information about major customer (in millions of yen)

Customer	Sales	Reportable segments
Mitsubishi Fuso Truck & Bus Corporation	23,677	Ductile, Aluminum
Mitsubishi Motors Corporation	8,541	Ductile, Aluminum

7 Information on impairment loss of noncurrent assets of reportable segments

(in millions of yen)	Ductile	Aluminum	Equipments and Systems	Other	Total
Impairment	-	67	-	-	67

8 Information on amortization of goodwill and balance of goodwill of reportable segments

(in millions of yen)	Ductile	Aluminum	Equipments and Systems	Other	Total
Amortization of goodwill	6	-	-	-	6
Balance of goodwill	104	-	-	-	104

Amortization of negative goodwill according to the business combination before April 1, 2010 as follows:

(in millions of yen)	Ductile	Aluminum	Equipments and Systems	Other	Total
Amortization of goodwill	-	40	-	-	40
Balance of goodwill	-	65	-	-	65

Additional Information

“Accounting Standard for Disclosures about Segments of an Enterprise and Related information” (ASBJ Statement No. 17, March 27, 2009) and “Guidance on Accounting Standard for Disclosures about Segments of an Enterprise and Related information” (ASBJ Guidance No. 20, March 21, 2008) (hereafter “the new standards”) were applied for the fiscal year ended March 31, 2011.

(Per share data)

	FY2009 April 1, 2009 – March 31, 2010	FY2010 April 1, 2010 – March 31, 2011
Net assets per share	2.85 Yen	20.20 Yen
Basic net income (loss) per share	(1.63) Yen	0.07 Yen

Note: 1 Diluted net income per share is not presented for the years ended March 31, 2010 since the Group had a net loss even though the Company has dilutive shares. Diluted net income per share is not presented due to there is no residual securities for the year ended March 31, 2011.

Note: 2 Basis of calculation as follows:

	FY2009 April 1, 2009 – March 31, 2010	FY2010 April 1, 2010 – March 31, 2011
Net income (loss) (in millions of yen)	(421)	155
Amounts not allocated to shareholders (in millions of yen)	290	124
Series A preferred stock	50	50
Series B preferred stock	74	74
Series C preferred stock	166	-
Net income (loss) allocated to common stock outstanding (in millions of yen)	(712)	30
Weighted average number of common stock outstanding during each year (unit: thousand shares)	436,998	463,258
Weighted average number of preferred stock	-	-
Weighted average number of shares for the purpose of diluted EPS (unit: thousand shares)	436,998	463,258
Residual securities which do not dilute net income per share:	-----	-----

(Significant subsequent events)

There are no applicable items.

(Contingency liability)

The Pension Benefit Guaranty Corporation (“PBGC”) has filed a lawsuit against the Company in federal court in the U.S on November 12, 2010. The PBGC is a US entity that administers and enforces the pension plan termination insurance program under the US Employee Retirement Income Security Act of 1974 and its complaint relates to the pension plan of Metaldyne Corporation, which was the Company's U.S. subsidiary and filed a petition for reorganization proceedings under Chapter 11 of the U.S. Bankruptcy Code in May 2009.

(Omitted items)

Notes related to consolidated financial statements, leases, financial instruments, retirement benefit, stock option, deferred tax, related parties, securities, derivative transaction and rental property have been omitted since they are considered immaterial for this report.

**5 Omitted items**

Notes related to non-consolidated financial statements and change of directors have been omitted since they are considered immaterial for this report.