

Consolidated Financial Results (Japanese Accounting Standards) for the Fiscal Year Ended March 31, 2017

May 11, 2017

Company Name	Ahresty Corporation	Stock Exchange Listing	Tokyo
Code Number	5852	URL	http://www.ahresty.co.jp
Representative	President & CEO Arata Takahashi		
Contact for inquiries	Director, General Manager of Administrative Command Hiroshi Ishimaru	TEL	03-6369-8660
Planned date for regular general meeting of shareholders	June 15, 2017		
Planned date for start of dividend payments	May 29, 2017		
Planned date for submission of securities report	June 15, 2017		
Supplementary documents for financial results	Yes		
Financial results briefing	Yes (for securities analysts and institutional investors)		

(Amounts of less than 1 million yen are rounded off)

1. Consolidated performance for year ended March 2017 (April 1, 2016 – March 31, 2017)

(1) Consolidated operating results (% shows the year-on-year change)

	Net sales		Operating income		Recurring income		Net income attributable to owners of parent	
	million yen	%	million yen	%	million yen	%	million yen	%
Year ended March 2017	136,657	(5.4)	6,912	28.4	6,256	53.5	4,992	63.0
Year ended March 2016	144,451	4.1	5,385	113.6	4,077	151.4	3,062	190.3

(Note) Comprehensive income

Year ended March 31, 2017: 3,698 million yen (–%) Year ended March 31, 2016: -366 million yen (–%)

	Net income per share	Fully diluted net income per share	Return on equity	Return on total asset	Operating profit on sales
	yen	yen	%	%	%
Year ended March 2017	193.15	191.44	7.9	4.5	5.1
Year ended March 2016	118.50	117.67	5.0	2.8	3.7

(For reference) Investment gain or loss under equity method

Year ended March 2017: – million yen Year ended March 2016: – million yen

(2) Consolidated financial position

	Total assets	Net assets	Equity ratio	Net assets per share
	million yen	million yen	%	yen
Year ended March 2017	136,928	64,778	47.2	2,500.02
Year ended March 2016	141,694	61,460	43.3	2,372.85

(For reference) Shareholders' equity

Year ended March 2017: 64,613 million yen Year ended March 2016: 61,329 million yen

(3) State of consolidated cash flows

	Cash flows from operating activities	Cash flows from investing activities	Cash flows from financing activities	Term-end balance of cash and cash equivalents
	million yen	million yen	million yen	million yen
Year ended March 2017	21,779	(12,932)	(9,004)	4,100
Year ended March 2016	18,062	(14,648)	(4,372)	4,505

2. Dividend payments

(Date of record)	Dividend per share					Total dividend (for year)	Dividend payout ratio (consolidated)	Dividend ratio to net asset (consolidated)
	End of first quarter	End of second quarter	End of third quarter	End of year	For the year			
Year ended March 2016	–	6.00	–	8.00	14.00	361	11.8	0.6
Year ended March 2017	–	8.00	–	12.00	20.00	516	10.4	0.8
Year ending March 2018 (projection)	–	12.00	–	14.00	26.00		15.3	

3. Forecast of consolidated results for year ending March 2018 (April 1, 2017 – March 31, 2018) (% shows the year-on-year change)

	Net sales		Operating income		Recurring income		Net income attributable to owners of parent		Net income per share
	million yen	%	million yen	%	million yen	%	million yen	%	yen
Interim	69,800	4.2	3,300	(0.8)	3,000	5.0	2,100	(0.6)	81.25
Full year	142,000	3.9	7,000	1.3	6,400	2.3	4,400	(11.9)	170.24

* Notes

(1) Significant changes to subsidiaries during the current term (changes for a specified subsidiary accompanying a change in the scope of consolidation): None

New: –

Exception: –

(2) Changes in accounting principles and changes or restatement of accounting estimates

(i) Changes in accounting principles associated with revision of accounting standards, etc.: None

(ii) Changes in accounting principles other than (i): None

(iii) Changes in accounting estimates: None

(iv) Restatement: None

(3) Number of shares outstanding (common stock)

(i) Number of shares outstanding at end of year (including treasury stock)

Year ended March 2017: 26,027,720 shares

Year ended March 2016: 26,027,720 shares

(ii) Number of treasury stock at end of year

Year ended March 2017: 182,502 shares

Year ended March 2016: 181,586 shares

(iii) Average number of shares

Year ended March 2017: 25,845,810 shares

Year ended March 2016: 25,841,489 shares

* These consolidated financial results are not subject to the audit.

* Explanation for appropriate use of financial forecasts and other special remarks

This material contains forward-looking statements based on information obtained by the management as of the day of publication, as well as certain assumptions that the management believes to be reasonable. A number of factors could cause actual results to differ materially from expectations. For notes on the use of the results forecasts and assumptions as the basis for the results forecasts, please see "1. Outline of Operating Results, Etc. (1) Outline of Operating Results for the Fiscal Year under Review (Future outlook)" on page 3 of the accompanying materials.

Accompanying Materials – Contents

1.	Outline of Operating Results, Etc.	2
	(1) Outline of Operating Results for the Fiscal Year under Review.....	2
	(2) Outline of Financial Position for the Fiscal Year under Review	4
	(3) Basic Policy on Profit Distribution	5
2.	Basic Concept for Choice of Accounting Standards	5
3.	Consolidated Financial Statements and Key Notes	
	(1) Consolidated Balance Sheet	6
	(2) Consolidated Income Statements and Statements of Comprehensive Income	8
	Consolidated Income Statements	8
	Consolidated Statements of Comprehensive Income	9
	(3) Consolidated Statement of Changes in Net Assets	10
	(4) Consolidated Statement of Cash Flows.....	12
	(5) Notes	13
	Notes on Going Concern Assumptions.....	13
	Segment Information	13
	Per Share Information	15
	Important Subsequent Events	15

1. Outline of Operating Results, Etc.

(1) Outline of Operating Results for the Fiscal Year under Review

(Operating results)

During the consolidated fiscal year under review, the Japanese economy remained on a gradual recovery path as consumer spending and capital expenditures picked up and corporate earnings and employment situation improved. Overseas, the U.S. economy continued to recover, aided by a positive employment situation. In Asia, the Chinese economy improved, backed by increased public investment, and the Indian economy recovered, mainly on the strength of domestic demand. Despite some weaknesses, the global economy overall is slowly recovering.

In this environment, the Group steadily pursued initiatives under its medium-term management strategy (2016-2018).

For the consolidated fiscal year under review, the Company recorded net sales of ¥136,657 million (down 5.4% year on year), operating income of ¥6,912 million (rising 28.4% year on year), recurring income of ¥6,256 million (an increase of 53.5% year on year), and net income attributable to owners of parent of ¥4,992 million (up 63.0% year on year).

Operating results by segment are as follows:

(i) Die Casting Business: Japan

In Japan, automakers, the Company's main customers, maintained strong exports mainly to the North American market. In this environment, orders received by the Company increased slightly. Net sales, however, declined 0.9% year on year, to ¥63,008 million, mainly reflecting a significant drop in the market prices of aluminum ingots. The segment recorded a profit of ¥2,519 million (down 9.0% year on year), primarily due to an increase in depreciation and labor expenses.

(ii) Die Casting Business: North America

In North America, automakers, the Company's main customers, maintained strong sales centered on light truck type vehicles. The Company also received orders for the related parts. However, chiefly reflecting a decline in orders as a result of the termination of production, a drop in the market prices of aluminum ingots and the impact on foreign currency translation, net sales amounted to ¥40,854 million (down 10.7% year on year). The segment recorded a profit of ¥2,163 million (up 42.2% year on year), mainly reflecting the effects of improved productivity of the plant in Mexico.

(iii) Die Casting Business: Asia

In China, sales of Japanese automakers, the Company's main customers, continued to exceed those for the same period of the previous fiscal year, reflecting the effects of tax reductions for compact vehicles that began the year before last. As a result, with the additional impact of the commencement of the production of new related auto parts, the Company recorded increased orders. In contrast, orders declined in India, partly due to a fall in parts for diesel vehicles as a result of changing needs. In this environment, given a drop in the market prices of aluminum ingots in both regions and the impact of foreign currency translation and other factors, net sales in Asia reached ¥26,128 million (down 5.3% year on year). The segment recorded a profit of ¥1,758 million (up 206.6% year on year), mainly reflecting an increase in production in China.

(iv) Aluminum Business

In the Aluminum business, although the volume of sales increased year on year, selling prices fell due to changes in the market prices of aluminum ingots. Consequently, net sales stood at ¥4,402 million (falling 10.5% year on year). The segment recorded a profit of ¥274 million (down 18.9%), mainly reflecting the negative effects of a fall in selling prices, which were partly offset by the effects of cost cutting initiatives.

(v) Proprietary Products Business

In the Proprietary Products business, net sales amounted to ¥2,263 million (down 12.6% year on year), due primarily to a decrease in orders for data centers from telecommunications companies and clean rooms from semiconductor manufacturers, the Group's main customers from the previous year. The segment recorded a profit of ¥155 million (down 26.7% year on year), mainly due to the effect of the net sales decrease.

(Future outlook)

With respect to the economic outlook going forward, while the Japanese economy is expected to continue its moderate recovery backed by factors such as economic measures taken by the Japanese government and the continued improvement of employment and income conditions, uncertainties are likely to remain, including the effect of the normalization of the monetary policy of the United States, trends in emerging economies in Asia, including China, and the effect of policy uncertainty.

In this operating environment, the Group aims to achieve sustainable growth by implementing initiatives, primarily for evolving MONOZUKURI and establishing an Ahresty production way, based on the basic policy "Winning customers' absolute trust 2025" of the "Ahresty 10-Year Vision," which sets out our long-term management direction. In the next fiscal year, the outlook is as described below.

The consolidated business results forecast assumes foreign exchange rates of 110.0 yen to 1 USD, 16.0 yen to 1 RMB, and 1.6 yen to 1 INR. In addition, with the change of the fiscal year-end of the five domestic consolidated subsidiaries (Ahresty Pretech Corporation, Ahresty Techno Service Corporation, Ahresty Die Mold Hamamatsu Corporation, Ahresty Die Mold Tochigi Corporation, Ahresty Die Mold Kumamoto Corporation) from December to March, the results of these five domestic consolidated subsidiaries for fifteen months from January 2017 to March 2018 will be included in the consolidated financial statements for the following consolidated fiscal year. The impact of this change of the fiscal year-end of the subsidiaries on the consolidated results forecasts for the following fiscal year is insignificant.

(Million yen)

	Net sales	Operating income	Recurring income	Net income attributable to owners of parent
Fiscal year ending March 2018 forecast	142,000	7,000	6,400	4,400
Fiscal year ended March 2017 actual	136,657	6,912	6,256	4,992
Changes	5,342	87	143	(592)
Change Ratio (%)	3.9	1.3	2.3	(11.9)

Business segment	Net sales		Segment profit	
	Fiscal Year ended March 2017	Fiscal Year ending March 2018	Fiscal Year ended March 2017	Fiscal Year ending March 2018
Die Casting Business: Japan	63,008	66,900	2,519	2,900
Die Casting Business: North America	40,854	39,900	2,163	2,250
Die Casting Business: Asia	26,128	28,400	1,758	1,500
Aluminum Business	4,402	4,600	274	250
Proprietary Products Business	2,263	2,200	155	100
Elimination of intersegment transactions	—	—	40	—

(2) Outline of Financial Position for the Fiscal Year under Review

(i) Assets, liabilities and net assets

Assets decreased ¥4,765 million from the end of the previous consolidated fiscal year, to ¥136,928 million. Major factors were a fall of ¥3,659 million in tangible fixed assets due to the impact of foreign currency translation and a decrease of ¥903 million in trade notes and accounts receivable.

Liabilities fell ¥8,084 million, to ¥72,149 million. Principal factors were a decrease of ¥9,644 million in loans despite an increase of ¥1,386 million in notes and accounts payable.

Net assets increased ¥3,318 million, to ¥64,778 million. Major factors were net income attributable to owners of parent of ¥4,992 million, an increase of ¥853 million in the difference on the revaluation of other marketable securities attributable to a rise in the stock prices of holding stocks, and a decrease of ¥2,297 million in foreign currency translation adjustments. As a result, the equity ratio was up from 43.3% to 47.2%.

(ii) Cash flows

(Cash flows from operating activities)

Net cash provided from operating activities increased ¥3,716 million from the previous consolidated fiscal year, to ¥21,779 million. This result was mainly due to income before income taxes and others of ¥6,778 million (up ¥3,018 million from the previous consolidated fiscal year), depreciation and amortization of ¥13,781 million (down ¥1,095 million from the previous consolidated fiscal year), a decrease in inventories of ¥196 million (down ¥1,966 million from the previous consolidated fiscal year), and an increase in notes and accounts payable of ¥1,604 million (up ¥4,100 million from the previous consolidated fiscal year).

(Cash flows from investing activities)

Net cash used for investing activities decreased ¥1,715 million from the previous consolidated fiscal year, to ¥12,932 million. The main factor for this result was expenditure of ¥13,669 million for the acquisition of tangible fixed assets (down ¥811 million from the previous consolidated fiscal year), proceeds of ¥439 million from sales of tangible fixed assets (down ¥416 million from the previous consolidated fiscal year) and proceeds of ¥461 million from sales of investment securities for the consolidated fiscal year under review.

(Cash flows from financing activities)

Net cash used for financing activities increased ¥4,632 million from the previous fiscal year, to ¥9,004 million. The main factor was a decrease of ¥4,553 million in interest-bearing debt.

As a consequence, cash and cash equivalents at the end of the fiscal year become ¥4,100 million.

Transition of index related to cash flows

	Fiscal year ended March 2013	Fiscal year ended March 2014	Fiscal year ended March 2015	Fiscal year ended March 2016	Fiscal year ended March 2017
Equity Ratio (%)	35.5	39.7	41.7	43.3	47.2
Market Capitalization Equity Ratio (%)	9.5	16.2	13.3	13.4	21.5
Liabilities with Interest to Cash Flows (%)	282.3	363.4	374.6	235.0	150.6
Interest Coverage Ratio	17.2	11.4	10.2	14.4	25.0

Equity ratio: Shareholders' equity / Total assets

Market value-based equity ratio: Market capitalization / Total assets

Ratio of interest-bearing debt to cash flows: Interest-bearing debt / Cash flows

Interest coverage ratio: Cash flows / Interest paid

(Note) 1. Each indicator is calculated based on consolidated figures.

2. Market capitalization is calculated based on the number of shares issued excluding treasury stock.

3. Cash flows mean cash provided by cash provided from operating activities.

4. Interest-bearing debt denotes all liabilities bearing interest recorded in the consolidated balance sheet

(3) Basic Policy on Profit Distribution

The Company views the continuing increase of corporate value as the most important return to shareholders. The Company's basic policy on dividends is to provide appropriate returns while bolstering the financial structure and the management base for business development in the medium and long terms. We pay dividends, taking into consideration the amount of investment necessary for medium- and long-term growth, the payout ratio, and consolidated results.

In principle, we pay a dividend twice a year (interim dividend and year-end dividend). The Board of Directors determines a dividend. Based on this policy, the Company decided to pay dividends of ¥20 per share (including an interim dividend of ¥8 per share) for the fiscal year under review.

The Company's Articles of Incorporation stipulates that the Company can pay an interim dividend (the record date is September 30) under Article 454, paragraph 5 of the Corporate Code and that the Board of Directors can determine a dividend by resolution under Article 459, paragraph 1. In giving the Board of Directors the authority to determine a dividend, the Company intends to adopt a flexible approach to distributing profits to shareholders.

Dividends from surplus for the fiscal year under review are as follows:

Date of resolution	Total dividend (million yen)	Dividend per share (yen)
Board of Directors meeting on November 8, 2016	206	8
Board of Directors meeting on May 11, 2017	310	12

Further, regarding dividends in the next fiscal year, they are scheduled to be ¥26 per share (¥12 at the end of the interim period and ¥14 at the end of the fiscal year).

2. Basic concept for the choice of the accounting standards

The Ahresty Group intends to prepare its consolidated financial statements according to Japan's standards at present, considering the comparability of the consolidated financial statements in terms of period and between companies.

Meanwhile, as for the application of the IFRS, it is intended to take appropriate actions in consideration of the various conditions in Japan and abroad.

3. Consolidated Financial Statements and Key Notes

(1) Consolidated Balance Sheets

(Amount: million yen)

	Previous consolidated fiscal year (March 31, 2016)	Current consolidated fiscal year (March 31, 2017)
(Assets)		
Current assets		
Cash and time deposits	4,505	4,100
Trade notes and accounts receivable	24,055	23,015
Electronically recorded monetary claims - operating	2,021	2,158
Merchandise and products	2,999	2,801
Partly finished goods	4,006	3,994
Raw materials and inventories	3,351	3,344
Deferred tax assets	1,091	1,342
Others	2,150	1,520
Allowance for doubtful accounts	(1)	(1)
Total current assets	44,181	42,275
Fixed assets		
Tangible fixed assets		
Buildings and structures	29,000	28,808
Accumulated depreciation and impairment loss	(12,566)	(13,352)
Buildings and structures, net	16,434	15,455
Machinery and delivery equipment	123,145	124,699
Accumulated depreciation and impairment loss	(74,768)	(79,219)
Machinery and delivery equipment, net	48,376	45,480
Tools, furniture and fixtures	47,066	46,062
Accumulated depreciation	(39,771)	(38,694)
Tools, furniture and fixtures, net	7,295	7,367
Land	5,268	5,199
Lease assets	1,092	1,043
Accumulated depreciation	(385)	(450)
Lease assets, net	707	592
Construction in progress	7,724	8,051
Total tangible fixed assets	85,806	82,146
Intangible fixed assets	1,628	1,535
Investments and other assets		
Investments in securities	6,201	7,363
Deferred tax assets	3,499	3,269
Others	376	337
Allowance for doubtful accounts	(0)	(0)
Total investments and other assets	10,077	10,970
Total fixed assets	97,512	94,652
Total assets	141,694	136,928

(Amount: million yen)

	Previous consolidated fiscal year (March 31, 2016)	Current consolidated fiscal year (March 31, 2017)
(Liabilities)		
Current liabilities		
Notes and accounts payable	12,065	12,903
Electronically recorded obligations-operating	6,053	6,601
Short-term loans	4,536	837
Current portion of long-term loans	10,850	10,608
Accrued income taxes	475	899
Bonus allowances	1,568	1,644
Directors' bonus allowances	20	30
Provision for product warranties	121	73
Others	8,612	8,277
Total current liabilities	44,304	41,877
Long-term liabilities		
Long-term loans	27,062	21,359
Long-term accounts payable	1,671	1,066
Deferred tax liabilities	3,553	4,480
Net defined benefit liability	2,985	2,919
Others	655	446
Total long-term liabilities	35,929	30,271
Total liabilities	80,233	72,149
(Net assets)		
Shareholders' equity		
Common stock	6,939	6,939
Additional paid-in capital	10,180	10,180
Retained earnings	35,462	40,041
Treasury stock	(271)	(272)
Total shareholders' equity	52,311	56,889
Other accumulated comprehensive income		
Difference on revaluation of other marketable securities	2,875	3,728
Foreign currency translation adjustments	6,772	4,474
Remeasurements of defined benefit plans	(629)	(479)
Total other accumulated comprehensive income	9,017	7,724
Share warrants	131	165
Total net assets	61,460	64,778
Total liabilities and net assets	141,694	136,928

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

(Amount: million yen)

	Year ended March 31, 2016	Year ended March 31, 2017
Sales	144,451	136,657
Cost of goods sold	128,271	118,774
Gross profit	16,180	17,882
Selling, general and administrative expenses		
Transportation expenses	1,813	1,896
Salaries and bonuses	3,238	3,266
Retirement and severance expenses	223	208
Provision for bonuses	322	334
Provision for bonuses for directors	20	30
Allowance for depreciation	239	266
Research and development expenses	493	451
Other expenses	4,444	4,516
Total Selling, general and administrative expenses	10,795	10,970
Operating income (loss)	5,385	6,912
Non-operating income		
Interest income	17	24
Dividends received	153	165
Gain on sales of scraps	115	160
Others	195	256
Total non-operating income	482	607
Non-operating expenses		
Interest expenses	1,260	872
Foreign currency exchange loss	448	193
Others	81	198
Total non-operating expenses	1,790	1,263
Recurring income	4,077	6,256
Extraordinary gains		
Gain on sale of fixed assets	15	318
Gain on sales of investment securities	–	380
Subsidy income	65	55
Total extraordinary gains	80	754
Extraordinary losses		
Loss on sale of fixed assets	140	151
Impairment loss	–	80
Loss on revision of retirement benefit plan	257	–
Total extraordinary losses	397	232
Income before income taxes and others	3,760	6,778
Income taxes and enterprise taxes	862	1,441
Deferred income taxes	(164)	345
Total income taxes	698	1,786
Net income	3,062	4,992
Net income attributable to owners of parent	3,062	4,992

(Consolidated Statements of Comprehensive Income)

(Amount million yen)

	Year ended March 31, 2016	Year ended March 31, 2017
Net income	3,062	4,992
Other comprehensive income		
Difference on revaluation of other marketable securities	(593)	853
Foreign currency translation adjustments	(2,529)	(2,297)
Remeasurements of defined benefit plans, net of tax	(305)	150
Total other comprehensive income	(3,429)	(1,293)
Comprehensive income	(366)	3,698
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	(366)	3,698
Comprehensive income attributable to non-controlling interests	—	—

(3) Consolidated Statement of Changes in Net Assets

Previous consolidated fiscal year (April 1, 2015 through March 31, 2016)

(Amount: million yen)

	Shareholders' equity				
	Common stock	Additional paid-in capital	Retained earnings	Treasury stock	Total shareholders' equity
Balance at beginning of current fiscal year	6,939	10,180	32,730	(304)	49,545
Changes					
Cash dividend from retained earnings			(310)		(310)
Net income (loss) attributable to owners of parent			3,062		3,062
Purchase of own shares				(0)	(0)
Disposal of treasury stock			(19)	34	14
Changes (net) in non-shareholders' equity items					
Total changes	-	-	2,732	33	2,766
Balance at end of current fiscal year	6,939	10,180	35,462	(271)	52,311

	Other accumulated comprehensive income				Share warrants	Total net assets
	Difference on revaluation of other marketable securities	Foreign currency translation adjustments	Remeasurements of defined benefit plans	Total other accumulated comprehensive income		
Balance at beginning of current fiscal year	3,468	9,301	(324)	12,446	111	62,103
Changes						
Cash dividend from retained earnings						(310)
Net income (loss) attributable to owners of parent						3,062
Purchase of own shares						(0)
Disposal of treasury stock						14
Changes (net) in non-shareholders' equity items	(593)	(2,529)	(305)	(3,429)	19	(3,409)
Total changes	(593)	(2,529)	(305)	(3,429)	19	(643)
Balance at end of current fiscal year	2,875	6,772	(629)	9,017	131	61,460

Current consolidated fiscal year (April 1, 2016 through March 31, 2017)

(Amount: million yen)

	Shareholders' equity				
	Common stock	Additional paid-in capital	Retained earnings	Treasury stock	Total shareholders' equity
Balance at beginning of current fiscal year	6,939	10,180	35,462	(271)	52,311
Changes					
Cash dividend from retained earnings			(413)		(413)
Net income (loss) attributable to owners of parent			4,992		4,992
Purchase of own shares				(0)	(0)
Changes (net) in non-shareholders' equity items					
Total changes	–	–	4,578	(0)	4,577
Balance at end of current fiscal year	6,939	10,180	40,041	(272)	56,889

	Other accumulated comprehensive income				Share warrants	Total net assets
	Difference on revaluation of other marketable securities	Foreign currency translation adjustments	Remeasurements of defined benefit plans	Total other accumulated comprehensive income		
Balance at beginning of current fiscal year	2,875	6,772	(629)	9,017	131	61,460
Changes						
Cash dividend from retained earnings						(413)
Net income (loss) attributable to owners of parent						4,992
Purchase of own shares						(0)
Changes (net) in non-shareholders' equity items	853	(2,297)	150	(1,293)	34	(1,258)
Total changes	853	(2,297)	150	(1,293)	34	3,318
Balance at end of current fiscal year	3,728	4,474	(479)	7,724	165	64,778

(4) Consolidated Statements of Cash Flows

(Amount: million yen)

	Year ended March 31, 2016	Year ended March 31, 2017
Cash flows from operating activities		
Income before income taxes and others	3,760	6,778
Depreciation and amortization	14,877	13,781
Impairment loss	–	80
Increase (decrease) in allowances for bonuses	53	99
Increase (decrease) in provision for product warranties	(72)	(47)
Increase (decrease) in net defined benefit liability	(2,196)	127
Interest and dividend income	(171)	(190)
Interest expenses	1,260	872
Loss (gain) on sales and retirement of tangible fixed assets	125	(166)
Loss (gain) on sales of investment securities	–	(380)
Subsidy income	(65)	(55)
Decrease (increase) in notes and accounts receivable	(927)	607
Decrease (increase) in inventories	2,162	196
Increase (decrease) in notes and accounts payable	(2,496)	1,604
Increase (decrease) in accrued expenses	533	52
Increase (decrease) in accrued consumption taxes and others	649	364
Increase (decrease) in long-term accounts payable - other	1,533	(605)
Others	940	120
Subtotal	19,967	23,240
Interest and dividends received	171	190
Interest paid	(1,252)	(870)
Proceeds from subsidy income	55	46
Income taxes paid	(1,201)	(1,146)
Income taxes refunded	322	320
Net cash provided by operating activities	18,062	21,779
Cash flows from investing activities		
Payments into time deposits	(38)	–
Proceeds from withdrawal of time deposits	134	–
Expenditures from purchases of tangible fixed assets	(14,480)	(13,669)
Proceeds from sales of tangible fixed assets	22	439
Proceeds from sales of investment securities	–	461
Others	(286)	(164)
Net cash used in investing activities	(14,648)	(12,932)
Cash flows from financing activities		
Proceeds from short-term loans	31,792	12,052
Repayment of short-term loans	(33,346)	(15,391)
Proceeds from long-term debt	10,698	6,022
Repayment of long-term debt	(12,959)	(11,050)
Dividends paid	(311)	(413)
Others	(246)	(223)
Net cash used in financing activities	(4,372)	(9,004)
Effect of exchange rate changes on cash and cash equivalents	(326)	(246)
Net increase (decrease) in cash and cash equivalents	(1,283)	(404)
Cash and cash equivalents at beginning of year	5,789	4,505
Cash and cash equivalents at end of period	4,505	4,100

(5) Notes

Notes on Going Concern Assumptions

Not applicable.

Segment Information, Etc.

Segment Information

1. Overview of reported segments

The reported segments of the Company are those units for which separate financial information can be obtained among the constituent units of the Company and for which the Board of Directors of the Company regularly carries out examinations to determine the allocation of management resources and assess the business performance.

The Company manages the Die Casting Business, the Aluminum Business, and the Proprietary Products Business.

In the Die Casting Business, the Company develops comprehensive strategies by regions: Japan, North America, and Asia, and is engaged in business activities accordingly.

As a result, the Company has five reported segments: Die Casting Business: Japan, Die Casting Business: North America, Die Casting Business: Asia, Aluminum Business, and Proprietary Products Business.

In the Die Casting Business, the Company is mainly engaged in manufacturing and sales of auto parts, general engine parts, industrial machinery parts, and dies in Japan, North America and Asia. In the Aluminum Business, the Company is engaged in smelting and sales of aluminum alloy ingots. In the Proprietary Products Business, it sells access floors and its accessories.

2. Methods for calculating net sales, profits or losses, assets, liabilities and amounts for other items by reported segment

Profits in the reported segments are figures based on operating income.

Intersegment sales and transfers are based on current market values.

3. Information related to net sales, profits or losses, assets, liabilities and amounts for other items by reported segment

Previous consolidated fiscal year (April 1, 2015 through March 31, 2016)

(Million yen)

	Reported segments					Total
	Die Casting Business			Aluminum Business	Proprietary Products Business	
	Japan	North America	Asia			
Sales						
Customers	63,583	45,760	27,594	4,921	2,590	144,451
Intersegment	4,169	48	1,356	4,723	0	10,298
Total	67,753	45,809	28,950	9,644	2,590	154,749
Segment profit	2,769	1,521	573	338	212	5,415
Segment assets	48,372	47,469	40,378	2,527	1,797	140,546
Other items						
Depreciation and amortization	4,047	6,303	4,683	28	3	15,066
Increase in tangible fixed assets and intangible fixed assets	7,025	5,812	3,050	48	6	15,945

Current consolidated fiscal year (April 1, 2016 through March 31, 2017)

(Million yen)

	Reported segments					Total
	Die Casting Business			Aluminum Business	Proprietary Products Business	
	Japan	North America	Asia			
Sales						
Customers	63,008	40,854	26,128	4,402	2,263	136,657
Intersegment	3,768	28	2,217	3,907	0	9,921
Total	66,776	40,882	28,345	8,310	2,263	146,578
Segment profit	2,519	2,163	1,758	274	155	6,872
Segment assets	51,614	43,293	36,995	2,773	1,213	135,890
Other items						
Depreciation and amortization	4,465	5,471	3,967	29	5	13,940
Increase in tangible fixed assets and intangible fixed assets	7,295	4,471	2,003	68	0	13,838

4. Total amount in reported segments, difference from the amount posted in consolidated financial statement and important details in the difference (Difference adjustment)

(Million yen)

Net sales	Previous consolidated fiscal year	Current consolidated fiscal year
Total sales in reported segments	154,749	146,578
Elimination of intersegment transactions	(10,298)	(9,921)
Net sales in the consolidated financial statement	144,451	136,657

(Million yen)

Profit	Previous consolidated fiscal year	Current consolidated fiscal year
Total profit in reported segments	5,415	6,872
Elimination of intersegment transactions	(30)	40
Operating income in the consolidated financial statement	5,385	6,912

(Million yen)

Assets	Previous consolidated fiscal year	Current consolidated fiscal year
Total assets in reported segments	140,546	135,890
Elimination of intersegment transactions	(1,674)	(1,955)
Company-wide assets	2,821	2,992
Assets in the consolidated financial statement	141,694	136,928

(Million yen)

Other items	Total amount in reported segments		Adjustment		Amount recorded in consolidated financial statements	
	Previous consolidated fiscal year	Current consolidated fiscal year	Previous consolidated fiscal year	Current consolidated fiscal year	Previous consolidated fiscal year	Current consolidated fiscal year
Depreciation and amortization	15,066	13,940	(189)	(159)	14,877	13,781
Increase in tangible fixed assets and intangible fixed assets	15,945	13,838	(172)	(149)	15,773	13,688

Per Share Information

(Yen)

	Year ended March 31, 2016	Year ended March 31, 2017
Net assets per share	2,372.85	2,500.02
Net income per share	118.50	193.15
Diluted net income per share	117.67	191.44

(Note) The following shows the basis of the calculation of net income per share and diluted net income per share.

	Year ended March 31, 2016	Year ended March 31, 2017
Net income per share		
Net income (loss) attributable to owners of parent (million yen)	3,062	4,992
Amount that does not belong to ordinary shareholders (million yen)	—	—
Net income (loss) attributable to owners of parent (related to common shares) (million yen)	3,062	4,992
Average number of shares during the period	25,841,489	25,845,810
Diluted net income per share		
Net income (loss) attributable to owners of parent (million yen)	—	—
Increase in number of common shares	182,347	231,103
Outline of latent shares without dilution effect not taken into account for calculation of diluted net income per share	—	—

Important Subsequent Events

Not applicable