

Consolidated Financial Results (Japanese Accounting Standards) for the Fiscal Year Ended March 31, 2013

May 13, 2013

Company Name	Ahresty Corporation	Stock Exchange Listing	Tokyo
Code Number	5852	URL	http://www.ahresty.co.jp
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Planned date for regular general meeting of shareholders		June 20, 2013	
Planned date for start of dividend payment		–	
Planned date for submission of securities report		June 20, 2013	
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 2013 (April 1, 2012 – March 31, 2013)

(1) Consolidated operating results (% shows change from previous term)

	Net sales		Operating income		Recurring income		Net income	
	million yen	%	million yen	%	million yen	%	million yen	%
Year ended March 2013	105,887	2.0	997	(27.0)	711	(20.0)	(167)	–
Year ended March 2012	103,800	4.8	1,366	(63.7)	888	(75.0)	1,420	(4.2)

(Note) Comprehensive income

Year ended March 2013: 4,045 million yen (264.5%) Year ended March 2012: 1,109 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 2013	(7.76)	–	(0.5)	0.7	0.9
Year ended March 2012	65.87	65.63	4.1	0.9	1.3

(For reference) Investment gain or loss under equity method

Year ended March 2013: – million yen Year ended March 2012: – million yen

(2) Consolidated financial position

	Total assets	Net assets	Equity ratio	Net assets per share
	million yen	million yen	%	yen
Year ended March 2013	110,752	39,335	35.5	1,820.70
Year ended March 2012	105,208	35,414	33.6	1,639.10

(For reference) Shareholders' equity

Year ended March 2013: 39,262 million yen Year ended March 2012: 35,346 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 2013	13,696	(18,548)	3,715	6,087
Year ended March 2012	6,610	(16,560)	7,609	6,688

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			
	yen	yen	yen	yen	yen	million yen	%	%
Year ended March 2012	–	3.00	–	3.00	6.00	129	9.1	0.4
Year ended March 2013	–	3.00	–	0.00	3.00	64	–	0.2
Year ending March 2014 (projection)	–	3.00	–	6.00	9.00		7.1	

3. Consolidated forecasts for year ending March 2014 (April 1, 2013 – March 31, 2014) (% shows the year-on-year change)

	Net sales		Operating income		Recurring income		Net income		Net income per share
	million yen	%	million yen	%	million yen	%	million yen	%	yen
Interim	56,250	8.0	250	(32.6)	(100)	–	1,750	–	81.15
Full year	119,500	12.9	2,250	125.6	1,500	110.8	2,750	–	127.53

* 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.: Yes
 (ii) Changes in accounting principles other than (i): None
 (iii) Changes in accounting estimates: Yes
 (iv) Restatement: None

These are subject to Article 14-7 (changes to accounting policies that are difficult differentiating from changes to accounting estimates) of the Ordinance on Terminology, Forms and Preparation Methods of Consolidated Financial Statements. For more detailed information, please see “(5) Notes (Changes in Accounting Principles)” in section 3. Consolidated Financial Statements on page 17 of the accompanying material.

- (3) Number of shares outstanding (common stock)

- (i) Number of shares outstanding at end of year (including treasury stock)
 Year ended March 2013: 21,778,220 shares Year ended March 2012: 21,778,220 shares
 (ii) Number of treasury stock at end of year
 Year ended March 2013: 213,847 shares Year ended March 2012: 213,776 shares
 (iii) Average number of shares
 Year ended March 2013: 21,564,406 shares Year ended March 2012: 21,558,264 shares

(For reference) Outline of non-consolidated performance

1. Non-consolidated performance for year ended March 2013 (April 1, 2012 - March 31, 2013)

- (1) Non-consolidated operating results (% shows change from previous term)

	Net sales		Operating income		Recurring income		Net income	
	million yen	%	million yen	%	million yen	%	million yen	%
Year ended March 2013	69,100	(7.3)	437	334.7	1,110	329.4	1,105	(12.1)
Year ended March 2012	74,521	(0.1)	100	(88.4)	258	(76.2)	1,258	517.9

	Net income per share	Fully diluted net income per share
	yen	yen
Year ended March 2013	51.28	51.04
Year ended March 2012	58.38	58.17

- (2) Non-consolidated financial position

	Total assets	Net assets	Equity ratio	Net assets per share
	million yen	million yen	%	yen
Year ended March 2013	76,303	31,687	41.4	1,466.05
Year ended March 2012	81,727	30,235	36.9	1,398.98

(For reference) Shareholders' equity

Year ended March 2013: 31,614 million yen Year ended March 2012: 30,168 million yen

2. Non-consolidated forecasts for year ending March 2014 (April 1, 2013 – March 31, 2014) (% shows the year-on-year change)

	Net sales		Operating income		Recurring income		Net income		Net income per share
	million yen	%	million yen	%	million yen	%	million yen	%	yen
Interim	32,500	(6.9)	200	95.3	150	51.3	2,100	–	97.38
Full year	67,000	(3.0)	1,000	128.3	1,000	(9.9)	2,650	139.6	122.89

* Presentation of status of audit procedures

These consolidated financial results are not subject to the audit procedures under the Financial Instruments and Exchange Act, and the audit procedures on consolidated and non-consolidated financial statements were underway at the time of disclosing these consolidated financial results.

* 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. Analysis of Operating Results and Financial Position (1) Analysis of Operating Results (Outlook for fiscal year ending March 2014)” on page 3 of the accompanying materials.

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1. Analysis of Operating Results and Financial Position

(1) Analysis of Operating Results

(Operating results)

During the consolidated fiscal year under review, although the Japanese economy initially showed signs of upward momentum, chiefly reflecting strong demand from reconstruction projects in the areas affected by the Great East Japan Earthquake, subsequently it generally struggled as exports declined and capital spending remained weak, principally reflecting the downturn in the global economy. However, in the wake of the change in government, the economy began to show some positive indications, given an improvement in the export environment and expectations for economic and monetary policies. Overseas, the U.S. economy recovered, albeit at a slow rate, and that gave rise to the expectation that the economy would follow a moderate recovery path for some time. In China and India, although the pace of expansion slowed temporarily, the economies finally stabilized and growth again began to improve.

In this environment, to meet the increase in global die cast demand, the Ahresty Group has upgraded and expanded its production capacity in North America and Asia. Meanwhile, in Japan, the Company integrated the Hamamatsu Plant and the Toyohashi Plant at the Tokai Plant, preparing for an anticipated decline in domestic demand for die-cast components over the medium and long terms, and completed the consolidation of the two plants in March 2013.

Results for the consolidated fiscal year under review showed net sales of ¥105,887 million (up 2.0% year on year), thanks to an increase in sales overseas, which offset a decline in Japan. Reflecting the adverse effects associated with smaller sales in Japan, operating income came to ¥997 million (down 27.0% year on year), and recurring income were ¥711 million (down 20.0% year on year). A net loss of ¥167 million was recorded (compared with net income of ¥1,420 million in the previous fiscal year).

Operating results by business segment are as follows:

(i) Die Casting Business: Japan

In Japan, domestic automakers, our main customers, increased production in the first half on the back of higher sales attributable to the effects of eco-car subsidies and demand from reconstruction projects in areas affected by the Great East Japan Earthquake. In the second half, however, production started to decline, mainly reflecting the termination of eco-car subsidies and declines in auto exports to Asia and Europe. In this environment, the Company recorded net sales of ¥60,630 million (down 6.9% year on year), mainly on lower orders for export products. It posted segment profits of ¥601 million (down 58.9% year on year), mainly owing to lower sales and a temporary rise in expenses associated with the Tokai Plant consolidation.

(ii) Die Casting Business: North America

In North America, orders increased with a recovery in orders from major customers that had declined in the wake of the Great East Japan Earthquake as well as brisk auto sales in the United States, reflecting its gradual economic recovery. As a result, net sales were ¥22,886 million (up 22.0% year on year). The segment recorded profit of ¥744 million (up 136.7% from a year ago), reflecting the impact of increased orders and a reduction in costs incurred in the previous fiscal year due to a tardy production response in Mexico.

(iii) Die Casting Business: Asia

In Asia, orders expanded, given the start of full-scale mass production of new products in Guangzhou, China and in India, in addition to the effects of the start of operations at the new plant in Hefei, China in the summer of 2011. As a result, net sales in Asia reached ¥16,736 million (up 22.0% year on year). A loss of ¥521 million was recorded in this segment (compared with segment loss of ¥504 million a year ago), largely because of the impact of increased fixed costs resulting from prior investment in India and Hefei.

(iv) Aluminum Business

In the Aluminum business, net sales reached ¥3,840 million (up 2.6% year on year), chiefly attributable to firm orders throughout the year. The segment recorded a profit of ¥50 million (compared with a segment loss of ¥42 million a year ago), reflecting the effects of activities to increase orders and reduce the cost of goods sold, despite weak market prices mainly attributable to the strong yen.

(v) Proprietary Products Business

In the Proprietary Products business, net sales amounted to ¥1,793 million (down 27.0% year on year), given a fall in demand from telecommunications companies for data centers compared to the level of the previous year, in addition to reduced capital spending by semiconductor manufacturers, the Company's main customers, despite an increase in domestic market share. The segment recorded profit of ¥78 million (up 8.4% year on year), largely because of the effect of reduced cost of goods sold, despite the impact of decreased sales.

(Outlook for fiscal year ending March 2014)

With respect to the economic outlook going forward, the Japanese economy is expected to recover moderately thanks to the depreciation of the yen and rising share prices supported by the bold monetary policy led by the government. However, the domestic market environment is expected to grow increasingly severe, with a contraction of domestic demand due to the falling population and the rising transfer of production overseas by Japanese automakers. Overseas, the future outlook is likely to remain uncertain, given the prolonged fiscal crisis in Europe and economic trends in emerging countries.

In this environment, the Group will continue efforts to improve profitability through cost cutting and gains in productivity in Japan and overseas, while expanding its overseas die casting business, centering on China and North America. However, investment this fiscal year will be somewhat lower than it was in the previous level. We set our below the consolidated business results forecast for the next fiscal year.

We expect depreciation expenses to decrease by around ¥800 million from the level under the previous method due to the change in depreciation method for tangible fixed assets from the declining-balance method to the straight-line method (the production output method for die casts, etc.) and the change in useful lives according to the conditions of actual use in the next fiscal year, reflecting progress in the globalization of the Group.

We also anticipate extraordinary gains of about ¥2.7 billion from the sale of the vacant lot of the former Hamamatsu Plant and the sale of some investment securities.

The consolidated business results forecast assumes foreign exchange rates of 92.0 yen to 1 USD, 14.5 yen to 1 RMB, and 1.7 yen to 1 INR.

(Million yen)

	Net sales	Operating income	Recurring income	Net income
Fiscal year ending March 2014 forecast	119,500	2,250	1,500	2,750
Fiscal year ended March 2013 actual	105,887	997	711	(167)
Changes	13,612	1,253	789	2,917
Change Ratio (%)	12.9	125.6	110.8	-

Business segment	Net sales		Segment profit	
	Fiscal Year ended March 2013	Fiscal Year ending March 2014	Fiscal Year ended March 2013	Fiscal Year ending March 2014
Die Casting Business: Japan	60,630	57,700	601	1,450
Die Casting Business: North America	22,886	31,200	744	850
Die Casting Business: Asia	16,736	24,700	(521)	(150)
Aluminum Business	3,840	4,100	50	50
Proprietary Products Business	1,793	1,800	78	50

(2) Analysis of Financial Position

(i) Assets, liabilities and net assets

Assets increased ¥5,544 million from the previous fiscal year, to ¥110,752 million. Major factors were an increase of ¥11,014 million in tangible fixed assets and a decrease of ¥5,921 million in trade notes and accounts receivable.

Liabilities increased ¥1,622 million, to ¥71,416 million. Principal factors were an increase of ¥5,315 million in loans and a decrease of ¥2,651 million in notes and accounts payable.

Net assets increased ¥3,921 million, to ¥39,335 million. Major factors were a net loss of ¥167 million, an increase of ¥3,694 million in foreign currency translation adjustments and an increase of ¥518 million in difference on revaluation of other marketable securities. As a result, the equity ratio was up from 33.6% to 35.5%.

(ii) Cash flows

(Cash flows from operating activities)

Net cash provided from operating activities increased ¥7,085 million from the previous consolidated fiscal year, to ¥13,696 million. This was mainly due to a decrease in notes and accounts receivable of ¥6,638 million (up ¥10,898 million in cash from the previous fiscal year) and a decrease in notes and accounts payable of ¥3,212 million (down ¥3,253 million in cash).

(Cash flows from investing activities)

Net cash used for investing activities increased ¥1,987 million to ¥18,548 million. The main factor was expense including ¥19,143 million (up ¥3,057 million year on year) for the acquisition of tangible fixed assets.

(Cash flows from financing activities)

Net cash provided from financing activities declined by ¥3,894 million from the previous fiscal year, to ¥3,715 million. The main factor was a decrease in interest-bearing debt including loans of ¥4,565 million.

As a consequence, cash and cash equivalents at the end of the fiscal year became ¥6,087 million.

Transition of index related to cash flows

	Fiscal year ended March 2009	Fiscal year ended March 2010	Fiscal year ended March 2011	Fiscal year ended March 2012	Fiscal year ended March 2013
Equity Ratio (%)	39.4	40.0	36.6	33.6	35.5
Market Capitalization Equity Ratio (%)	7.2	23.8	16.2	14.7	9.5
Liabilities with Interest to Cash Flows (%)	263.0	267.9	183.9	504.5	282.3
Interest Coverage Ratio	30.6	19.7	27.2	10.3	17.2

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 the above policy, we paid an interim dividend of ¥3 per share for the fiscal year under review. However, to our great regret, we decided not to pay the year-end dividend in consideration of operating results for the full year. As a result, the annual dividend came to ¥3 per share.

The Company's Articles of Incorporation stipulate 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 9, 2012	64	3

Further, regarding dividends in the next fiscal year, they are scheduled to be 9 yen per share (3 yen at the end of the interim period and 6 yen at the end of the fiscal year).

2. Management Policies

(1) Basic Management Policies

Our corporate name of "AHRESTY" is a phonetic representation of the letters R, S and T which stand for Research, Service and Technology. Research means continuous development and research into new technologies, markets and sales approaches. Service means careful, satisfying service rendered through warm personal interaction. Technology means the technology to produce hardware and software which are truly useful and beneficial to society. These three concepts have intricate links between each other in which they depend on each other and become refined and improved through interaction. We have incorporated the sum total of Research, Service and Technology (abbreviation "RST") into our corporate philosophy and have named our company "Ahresty Corporation".

In the "Ahresty 10-Year Vision", which set out our long-term management direction, we established the goal of "aiming to be "the most trusted global top company in the industry" by our stakeholders", and to become "a company that is trusted", we devised specific methods and guidelines to define our policies based on the five elements that form an interlocking relationship: customers, shareholders/investors, employees, business partners and society. However, we have developed a new "Ahresty 10-Year Vision" that focuses more on manufacturing, while retaining the basic concept of the former 10-Year Vision. Setting the basic policy of becoming "the global top company with its die casting as a core," we have defined what we need to be, with "Pursue and Advance MONOZUKURI (manufacturing)" as our slogan, and have set down our policies as specific guidelines and methods.

In our Medium-Term Management Policy based on this new 10-Year Vision, we devised more specific measures and goals and expanded this to department policy, to pursue Company-wide policy management activities.

(2) Target Management Indicators

Our company's long-term management direction is indicated in "Ahresty 10-Year Vision", and concrete targets for management indicators are defined in medium-term management policies. In order to become a company with investing value, we defined target values for sales, the ratio of operating income to sales, return on assets (ROA) and return on equity (ROE). (These values for 2015 to sales: ¥125 billion, the ratio of operating income to sales: 4%, ROA: 3%, ROE: 8%.)

(3) Medium- to Long-Term Management Strategies and Operational Issues

In our core Die Casting Business, in the medium-to-long term, global demand for die casting parts is expected to grow, as demand for cars expands in emerging nations, demand picks up in advanced nations, and increasing quantities of aluminum die casting parts are sold as weight saving parts. Meanwhile, domestic demand for die casting parts is expected to decrease on factors such as a decline in domestic car sales reflecting Japan's falling birth rate and aging population and the expansion of overseas auto production to guard against the risk of currency fluctuations, among other things. Also in the Aluminum Business, demand comes primarily from the same industry and is expected to follow a similar pattern. In the Proprietary Products Business, domestic demand cannot be expected to increase significantly, but overseas demand is expected to grow.

In this environment, based on the "Ahresty 10-Year Vision," which set out our long-term management direction, we will establish an efficient production system in anticipation of expansion of Die Casting Business overseas, especially in China and North America, to respond to both growing global demand and the contraction of domestic demand. We will also adopt a policy of focusing on manufacturing as the "1315 3-year Ahresty Policy." With the following four initiatives as the pillars for the policy, all of our employees take positive action and will apply themselves 100 percent to achieving the projections:

- 1) Pursuit and sharing of the best MONOZUKURI (manufacturing)
- 2) Development of technologies utilized on the MONOZUKURI shop-floor
- 3) Development of human resources to support MONOZUKURI
- 4) Pursuit of Healthy Profit

The improvement in our business platform that was set up as the task in the "1012 3-year Ahresty Policy" is as follows:

- Enhance the quality foundation of manufacturing

To deliver product quality that meets our customers' expectations and inspires their confidence, in every process, from design to shipping, we developed measures to enhance management and traditional technology to prevent the manufacture of defects or the distribution of defects and policies to reduce cycle times. Aiming to improve quality systems, customer satisfaction, and productivity, we have enhanced the manufacturing foundation in every process. Although we have reaped certain benefits from these endeavors, we are not yet satisfied with the outcomes. Therefore, we will take steps to pursue and share the best manufacturing in the "1315 3-year Ahresty Policy."

- Develop professional human resources

In a challenging age of intensifying global competition, we have created an environment in which all employees can develop as professionals, maintaining our Company's high standards and contributing to its growth, and have provided quality training and other skills-based training, while encouraging the development of management experts. We have completed infrastructure development such as a special training system, and we are developing human resources based on this system. In the "1315 3-year Ahresty Policy," we will seek to cultivate human resources able to support our manufacturing.

- Construction, development and knowledge of a global management system

To achieve greater efficiency in our organization and functions as we proceed with globalization, we have pursued policies to enhance the foundation of management, sales and manufacturing functions centered on global standards, and have completed the development of major standards and others.

- Risk management

We have been developing business continuity management and moving forward with a business continuity plan that can respond to earthquakes and other major risks. We will continue to take steps to deal with risks based on the business continuity plan.

3. Consolidated Financial Statements

(1) Consolidated Balance Sheets

(Amount: million yen)

	Previous consolidated fiscal year (March 31, 2012)	Current consolidated fiscal year (March 31, 2013)
(Assets)		
Current assets		
Cash and time deposits	7,358	6,087
Trade notes and accounts receivable	24,541	18,620
Merchandise and products	2,153	2,777
Partly finished goods	3,826	3,999
Raw materials and inventories	2,657	2,641
Deferred tax assets	2,138	1,255
Others	1,811	1,772
Allowance for doubtful accounts	(1)	(1)
Total current assets	44,486	37,153
Fixed assets		
Tangible fixed assets		
Buildings and structures	22,306	24,429
Accumulated depreciation and impairment loss	(11,873)	(12,679)
Buildings and structures, net	10,433	11,749
Machinery and delivery equipment	78,540	87,884
Accumulated depreciation and impairment loss	(53,311)	(57,712)
Machinery and delivery equipment, net	25,228	30,171
Tools, furniture and fixtures	32,189	36,665
Accumulated depreciation	(28,215)	(32,149)
Tools, furniture and fixtures, net	3,974	4,515
Land	5,716	5,743
Lease assets	75	784
Accumulated depreciation	(39)	(102)
Lease assets, net	35	681
Construction in progress	8,747	12,289
Total tangible fixed assets	54,135	65,150
Intangible fixed assets	901	984
Investments and other assets		
Investments in securities	5,150	5,956
Deferred tax assets	255	1,258
Others	280	251
Allowance for doubtful accounts	(1)	(1)
Total investments and other assets	5,685	7,464
Total fixed assets	60,721	73,599
Total assets	105,208	110,752

(Amount: million yen)

	Previous consolidated fiscal year (March 31, 2012)	Current consolidated fiscal year (March 31, 2013)
(Liabilities)		
Current liabilities		
Notes and accounts payable	18,653	12,418
Electronically recorded obligations-operating	–	3,583
Short-term loans	4,541	6,315
Current portion of long-term loans	9,133	9,406
Accrued income taxes	273	270
Bonus allowances	1,092	930
Directors' bonus allowances	12	–
Provision for business structure improvement	–	196
Provision for product warranties	448	189
Provision for loss due to disaster	104	–
Others	7,906	6,831
Total current liabilities	42,166	40,143
Long-term liabilities		
Long-term loans	19,674	22,941
Deferred tax liabilities	3,039	3,428
Allowances for employees' retirement benefits	3,790	3,919
Provision for business structure improvement	482	–
Others	641	984
Total long-term liabilities	27,627	31,273
Total liabilities	69,794	71,416
(Net assets)		
Shareholders' equity		
Common stock	5,117	5,117
Additional paid-in capital	8,359	8,359
Retained earnings	26,240	25,944
Treasury stock	(320)	(320)
Total shareholders' equity	39,397	39,100
Other accumulated comprehensive income		
Difference on revaluation of other marketable securities	1,846	2,365
Foreign currency translation adjustments	(5,897)	(2,203)
Total other accumulated comprehensive income	(4,050)	161
Share warrants	67	73
Total net assets	35,414	39,335
Total liabilities and net assets	105,208	110,752

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

(Amount: million yen)

	Year ended March 31, 2012	Year ended March 31, 2013
Sales	103,800	105,887
Cost of goods sold	92,726	95,533
Gross profit	11,074	10,354
Selling, general and administrative expenses		
Transportation expenses	1,991	2,000
Salaries and bonuses	2,828	2,726
Retirement and severance expenses	262	276
Provision for bonuses	232	222
Provision for bonuses for directors	12	–
Allowance for depreciation	127	149
Research and development expenses	882	489
Other expenses	3,370	3,491
Total Selling, general and administrative expenses	9,707	9,356
Operating income	1,366	997
Non-operating income		
Interest income	41	24
Dividends received	101	107
Gain on sales of scraps	65	76
Amortization of negative goodwill	54	–
Foreign currency exchange gain	–	351
Others	176	133
Total non-operating income	439	693
Non-operating expenses		
Interest expenses	652	812
Foreign currency exchange loss	187	–
Others	76	167
Total non-operating expenses	917	979
Recurring income	888	711
Extraordinary gains		
Gain on the sale of fixed assets	24	4
Subsidy income	–	171
Total extraordinary gains	24	175

(Amount: million yen)

	Year ended March 31, 2012	Year ended March 31, 2013
Extraordinary losses		
Loss on sales and retirement of fixed assets	113	158
Loss on revision of retirement benefit plan	22	–
Product warranty expense	471	–
Loss on disaster	198	–
Others	59	–
Total extraordinary losses	864	158
Income before income taxes and others	48	728
Income taxes and enterprise taxes	727	857
Deferred income taxes	(2,098)	37
Total income taxes	(1,371)	895
Income (loss) before minority interests	1,420	(167)
Net income (loss)	1,420	(167)

(Consolidated Statements of Comprehensive Income)

(Amount: million yen)

	Year ended March 31, 2012	Year ended March 31, 2013
Income (loss) before minority interests	1,420	(167)
Other comprehensive income		
Difference on revaluation of other marketable securities	166	518
Deferred gains or losses on hedges	16	—
Foreign currency translation adjustments	(493)	3,694
Total other comprehensive income	(310)	4,212
Comprehensive income	1,109	4,045
Comprehensive income attributable to		
Comprehensive income attributable to owners of the parent	1,109	4,045
Comprehensive income attributable to minority interests	—	—

(3) Consolidated Statement of Changes in Net Assets

(Amount: million yen)

	Year ended March 31, 2012	Year ended March 31, 2013
Shareholders' equity		
Common stock		
Balance at beginning of current fiscal year	5,117	5,117
Changes		
Total changes	—	—
Balance at end of current fiscal year	5,117	5,117
Capital surplus		
Balance at beginning of current fiscal year	8,363	8,359
Changes		
Disposal of treasury stock	(4)	—
Total changes	(4)	—
Balance at end of current fiscal year	8,359	8,359
Retained earnings		
Balance at beginning of current fiscal year	24,943	26,240
Changes		
Cash dividend from retained earnings	(193)	(129)
Net income (loss)	1,420	(167)
Change of scope of consolidation	81	—
Disposal of treasury stock	(10)	—
Total changes	1,296	(296)
Balance at end of current fiscal year	26,240	25,944
Treasury stock		
Balance at beginning of current fiscal year	(358)	(320)
Changes		
Purchase of own shares	(0)	(0)
Disposal of treasury stock	37	—
Total changes	37	(0)
Balance at end of current fiscal year	(320)	(320)
Total shareholders' equity		
Balance at beginning of current fiscal year	38,066	39,397
Changes		
Cash dividend from retained earnings	(193)	(129)
Net income (loss)	1,420	(167)
Change of scope of consolidation	81	—
Purchase of own shares	(0)	(0)
Disposal of treasury stock	23	—
Total changes	1,330	(296)
Balance at end of current fiscal year	39,397	39,100

(Amount: million yen)

	Year ended March 31, 2012	Year ended March 31, 2013
Other comprehensive income		
Difference on revaluation of other marketable securities		
Balance at beginning of current fiscal year	1,680	1,846
Changes		
Changes (net) in non-shareholders' equity items	166	518
Total changes	166	518
Balance at end of current fiscal year	1,846	2,365
Deferred gains or losses on hedges		
Balance at beginning of current fiscal year	(16)	–
Changes		
Changes (net) in non-shareholders' equity items	16	–
Total changes	16	–
Balance at end of current fiscal year	–	–
Foreign currency translation adjustments		
Balance at beginning of current fiscal year	(5,404)	(5,897)
Changes		
Changes (net) in non-shareholders' equity items	(493)	3,694
Total changes	(493)	3,694
Balance at end of current fiscal year	(5,897)	(2,203)
Total other comprehensive income		
Balance at beginning of current fiscal year	(3,740)	(4,050)
Changes		
Changes (net) in non-shareholders' equity items	(310)	4,212
Total changes	(310)	4,212
Balance at end of current fiscal year	(4,050)	161
Share warrants		
Balance at beginning of current fiscal year	81	67
Changes		
Changes (net) in non-shareholders' equity items	(13)	5
Total changes	(13)	5
Balance at end of current fiscal year	67	73
Total net assets		
Balance at beginning of current fiscal year	34,407	35,414
Changes		
Cash dividend from retained earnings	(193)	(129)
Net income (loss)	1,420	(167)
Change of scope of consolidation	81	–
Purchase of own shares	(0)	(0)
Disposal of treasury stock	23	–
Changes (net) in non-shareholders' equity items	(323)	4,218
Total changes	1,006	3,921
Balance at end of current fiscal year	35,414	39,335

(4) Consolidated Statements of Cash Flows

(Amount: million yen)

	Year ended March 31, 2012	Year ended March 31, 2013
Cash flows from operating activities		
Income before income taxes	48	728
Depreciation and amortization	9,596	11,493
Amortization of negative goodwill	(54)	-
Increase (decrease) in allowances for bonuses	(132)	(161)
Increase (decrease) in allowances for employees' retirement benefits	203	128
Increase (decrease) in provision for product warranties	416	(266)
Increase (decrease) in provision for business structure improvement	(737)	(285)
Interest and dividend income	(142)	(132)
Interest expenses	652	812
Loss (gain) on sales and retirement of tangible fixed assets	88	154
Subsidy income	-	(171)
Loss on revision of retirement benefit plan	22	-
Loss on disaster	198	-
Decrease (increase) in notes and accounts receivable	(4,259)	6,638
Decrease (increase) in inventories	904	(196)
Increase (decrease) in notes and accounts payable	41	(3,212)
Increase (decrease) in accrued expenses	109	(611)
Increase (decrease) in accrued consumption taxes and others	(504)	114
Others	1,476	(108)
Subtotal	7,926	14,922
Interest and dividends received	142	132
Interest paid	(643)	(795)
Proceeds from subsidy income	-	168
Income taxes paid	(1,102)	(1,020)
Income taxes refunded	287	398
Payments for loss on disaster	-	(109)
Net cash provided by operating activities	6,610	13,696

(Amount: million yen)

	Year ended March 31, 2012	Year ended March 31, 2013
Cash flows from investing activities		
Payment into time deposits	(1,169)	–
Proceeds from refund of time deposits	586	678
Expenditures from purchases of tangible fixed assets	(16,085)	(19,143)
Proceeds from sales of tangible fixed assets	214	20
Others	(105)	(104)
Net cash used in investing activities	(16,560)	(18,548)
Cash flows from financing activities		
Proceeds from short-term loans	18,681	22,680
Repayment of short-term loans	(17,896)	(21,389)
Proceeds from long-term debt	25,417	19,069
Repayment of long-term debt	(18,371)	(17,094)
Proceeds from sale and leaseback	–	634
Dividends paid	(195)	(130)
Others	(27)	(54)
Net cash provided by financing activities	7,609	3,715
Effect of exchange rate changes on cash and cash equivalents	(304)	535
Net increase (decrease) in cash and cash equivalents	(2,644)	(601)
Cash and cash equivalents at beginning of year	9,179	6,688
Increase (decrease) in cash and cash equivalents resulting from exclusion of subsidiaries from consolidation	153	–
Cash and cash equivalents at end of period	6,688	6,087

(5) Notes

Notes on Going Concern Assumptions

Not applicable.

Changes in Accounting Principles

(Change of depreciation method)

In the fiscal year under view, the Company and its consolidated subsidiaries in Japan changed their depreciation method for tangible fixed assets acquired on or after April 1, 2012 to that under the revised Corporation Tax Act in association with the revision of Corporation Tax Act.

The impact of this change on profits and losses in the fiscal year under review is minor.

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, 2011 through March 31, 2012)

(Million yen)

	Reported segments					Total
	Die Casting Business			Aluminum Business	Proprietary Products Business	
	Japan	North America	Asia			
Sales						
(1) Customers	65,114	18,761	13,723	3,744	2,455	103,800
(2) Intersegment	3,087	12	609	2,147	1	5,858
Total	68,201	18,774	14,333	5,891	2,457	109,658
Segment profits/loss	1,463	314	(504)	(42)	72	1,304
Segment assets	50,172	22,214	27,239	2,337	1,308	103,273
Other items						
Depreciation and amortization	5,266	2,203	2,124	47	2	9,644
Increase in tangible fixed assets and intangible fixed assets	6,948	5,271	7,370	5	1	19,598

Current consolidated fiscal year (April 1, 2012 through March 31, 2013)

(Million yen)

	Reported segments					Total
	Die Casting Business			Aluminum Business	Proprietary Products Business	
	Japan	North America	Asia			
Sales						
(1) Customers	60,630	22,886	16,736	3,840	1,793	105,887
(2) Intersegment	3,701	3	867	2,198	1	6,772
Total	64,331	22,890	17,604	6,038	1,794	112,659
Segment profits/loss	601	744	(521)	50	78	953
Segment assets	44,284	32,707	32,293	2,278	1,325	112,889
Other items						
Depreciation and amortization	5,889	2,767	2,859	37	2	11,557
Increase in tangible fixed assets and intangible fixed assets	5,029	7,647	5,725	13	17	18,432

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	109,658	112,659
Elimination of intersegment transactions	(5,858)	(6,772)
Net sales in the consolidated financial statement	103,800	105,887

(Million yen)

Profit	Previous consolidated fiscal year	Current consolidated fiscal year
Total profit in reported segments	1,304	953
Elimination of intersegment transactions	62	43
Operating income in the consolidated financial statement	1,366	997

(Million yen)

Assets	Previous consolidated fiscal year	Current consolidated fiscal year
Total assets in reported segments	103,273	112,889
Elimination of intersegment transactions	(3,919)	(5,102)
Company-wide assets	5,854	2,966
Assets in the consolidated financial statement	105,208	110,752

(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	9,644	11,557	(48)	(63)	9,596	11,493
Increase in tangible fixed assets and intangible fixed assets	19,598	18,432	(102)	(196)	19,495	18,236

Per Share Information

(Yen)

	Year ended March 31, 2012	Year ended March 31, 2013
Net assets per share	1,639.10	1,820.70
Net income (loss) per share	65.87	(7.76)
Diluted net income per share	65.63	—

(Notes) 1. Although there are latent shares, diluted net income per share in the fiscal year ended March 31, 2013 is not stated, as a net loss per share is recorded.

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

	Year ended March 31, 2012	Year ended March 31, 2013
Net income (loss) per share		
Net income (loss) (million yen)	1,420	(167)
Amount that does not belong to ordinary shareholders (million yen)	—	—
Net income (loss) (related to common shares (million yen)	1,420	(167)
Average number of shares during the period	21,558,264	21,564,406
Diluted net income per share		
Net income adjustments (million yen)	—	—
Increase in number of common shares	78,894	—
Outline of latent shares without dilution effect not taken into account for calculation of diluted net income per share	—	—

Important Subsequent Events

At a meeting of the Board of Directors held on May 13, 2013, the Company resolved to sell certain of the investment securities it owned.

We expect that the gain on sales of the investment securities will be approximately ¥800 million.

4. Non-Consolidated Financial Statements

(1) Non-Consolidated Balance Sheets

(Amount: million yen)

	Previous fiscal year (March 31, 2012)	Current fiscal year (March 31, 2013)
(Assets)		
Current assets		
Cash and time deposits	4,614	1,693
Trade notes receivable	1,844	1,853
Accounts receivable	17,257	11,361
Merchandise and products	658	799
Partly finished goods	1,420	1,273
Raw materials and inventories	829	869
Prepaid expenses	49	59
Deferred tax assets	988	1,029
Short-term loans receivable from subsidiaries and affiliates	43	594
Accounts receivable–other	3,076	3,255
Others	338	186
Allowance for doubtful accounts	(1)	(1)
Total current assets	31,120	22,974
Fixed assets		
Tangible fixed assets		
Buildings	7,637	7,677
Accumulated depreciation and impairment loss	(4,528)	(4,705)
Buildings, net	3,109	2,972
Structures	717	704
Accumulated depreciation and impairment loss	(637)	(642)
Structures, net	79	61
Machinery and equipment	16,268	14,330
Accumulated depreciation and impairment loss	(14,642)	(12,875)
Machinery and equipment, net	1,625	1,454
Delivery equipment	205	201
Accumulated depreciation	(182)	(184)
Delivery equipment, net	23	17
Tools, furniture and fixtures	13,927	14,241
Accumulated depreciation	(13,234)	(13,635)
Tools, furniture and fixtures, net	693	606
Land	3,580	3,580
Lease assets	36	24
Accumulated depreciation	(21)	(18)
Lease assets, net	15	5
Construction in progress	588	1,000
Total tangible fixed assets	9,715	9,699
Intangible fixed assets		
Software	87	57
Others	15	38
Total intangible fixed assets	102	95
Investments and other assets		
Investments in securities	4,859	5,587
Stocks of subsidiaries and affiliates	35,734	37,764
Others	196	182
Allowance for doubtful accounts	(1)	(1)
Total investments and other assets	40,788	43,534
Total fixed assets	50,606	53,329
Total assets	81,727	76,303

(Amount: million yen)

	Previous fiscal year (March 31, 2012)	Current fiscal year (March 31, 2013)
(Liabilities)		
Current liabilities		
Notes payable	3,049	2,745
Electronically recorded obligations-operating	–	3,320
Accounts payable	9,924	5,245
Short-term loans	1,000	1,800
Current portion of long-term loans	6,817	6,086
Accounts payable–other	2,573	1,075
Accrued expenses	301	254
Accrued income taxes	17	16
Advances received	3	282
Deposits received	8,199	7,426
Bonus allowances	637	502
Directors' bonus allowances	10	–
Provision for product warranties	158	79
Provision for business structure improvement	–	237
Others	130	255
Total current liabilities	32,822	29,329
Long-term liabilities		
Long-term loans	13,073	10,197
Deferred tax liabilities	2,040	2,237
Allowances for employees' retirement benefits	2,594	2,707
Provision for business structure improvement	538	–
Others	420	144
Total long-term liabilities	18,668	15,286
Total liabilities	51,491	44,615
(Net assets)		
Shareholders' equity		
Common stock	5,117	5,117
Additional paid-in capital		
Legal capital surplus	8,177	8,177
Total additional paid-in capital	8,177	8,177
Retained earnings		
Legal retained earnings	393	393
Other retained earnings		
Reserve for dividends	120	120
Reserve for reduction entry of replaced property	1,762	1,678
Reserve for advanced depreciation of noncurrent assets	0	0
General reserve	13,240	13,240
Retained earnings brought forward	(223)	837
Total retained earnings	15,293	16,269
Treasury stock	(320)	(320)
Total shareholders' equity	28,268	29,244
Revaluation / Translation differences		
Difference on revaluation of other marketable securities	1,899	2,369
Total revaluation / translation differences	1,899	2,369
Share warrants	67	73
Total net assets	30,235	31,687
Total liabilities and net assets	81,727	76,303

(2) Non-Consolidated Income Statements

(Amount: million yen)

	Year ended March 31, 2012	Year ended March 31, 2013
Sales		
Gross sales	75,382	69,993
Sales allowance and returns	860	893
Total gross sales	74,521	69,100
Cost of goods sold		
Beginning finished goods	1,098	658
Cost of products manufactured	36,187	33,860
Purchase of finished goods	32,018	30,022
Total	69,305	64,542
Ending finished goods	658	799
Cost of finished goods sold	68,646	63,742
Gross profit	5,875	5,357
Selling, general and administrative expenses	5,774	4,919
Operating income	100	437
Non-operating income		
Interest income	2	2
Dividends received	236	299
Rent income	71	71
Foreign currency exchange gain	30	420
Others	114	143
Total non-operating income	454	938
Non-operating expenses		
Interest expenses	261	233
Others	34	32
Total non-operating expenses	296	265
Recurring income	258	1,110
Extraordinary gains		
Gain on the sale of fixed assets	6	1
Total extraordinary gains	6	1
Extraordinary losses		
Loss on sales and retirement of fixed assets	15	7
Product warranty expense	113	-
Others	6	-
Total extraordinary losses	134	7
Income before income taxes and others	130	1,104
Income taxes and enterprise taxes	73	91
Deferred income taxes	(1,201)	(92)
Total income taxes	(1,128)	(1)
Net income	1,258	1,105