

Ahresty Corporation

Results Briefing for the First Three Quarters of the Year Ending March 31, 2014



March 18, 2014

This document and comments made in the results briefing include forecasts that the Company has prepared based on data available at the time the document was produced. Actual results may differ materially from the forecasts for a range of reasons.

Contents

- ◆ TOPICS
- ◆ Overview of results for the first three quarters of the fiscal year ending March 31, 2014
- ◆ Full-year forecast

TOPICS

■ 2013

- March** Consolidation of the former Hamamatsu Plant into the former Toyohashi Plant (Tokai Plant) completed
Expansion work starts at Ahresty Pretech's Toyohashi Plant
- April** Guangzhou Ahresty completes the first phase of plant construction on an adjacent site
Ahresty Wilmington Corp. begins expansion work
- July** Expansion work is completed at Ahresty Pretech's Toyohashi Plant
- August** Expansion work is completed at Ahresty Wilmington Corp.
- September** Expansion work is completed at Hefei Ahresty
Expansion work is completed at Ahresty India's plant
- October** Guangzhou Ahresty begins the second phase of plant construction on an adjacent site

Future plans

■ 2014

- July** Expansion work is expected to be completed at Ahresty India's plant
- September** Guangzhou Ahresty plans to complete the second phase of plant construction on an adjacent site



Overview of results for the first three quarters of the fiscal year ending March 31, 2014



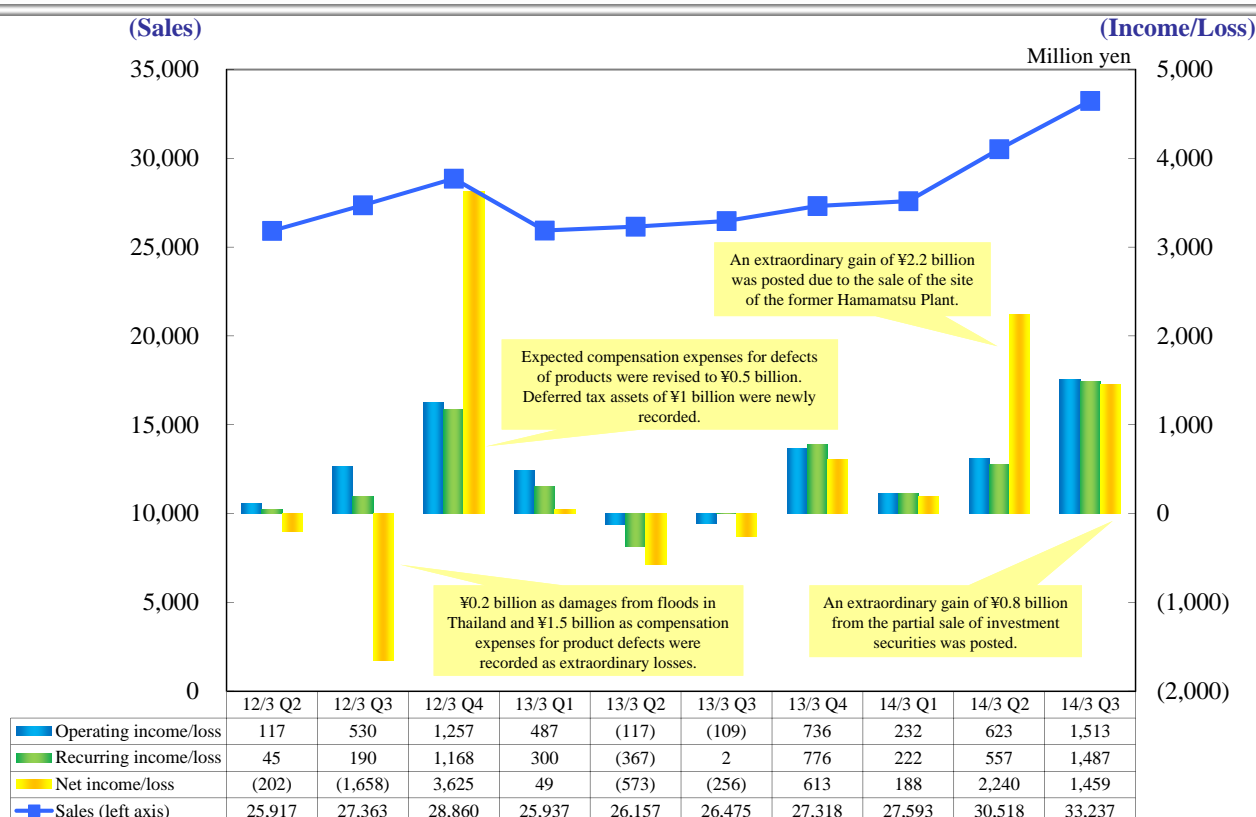
Key Results for First Three Quarters of the Fiscal Year Ending March 31, 2014

(Million yen)

	First three quarters of year ended March 2013		First three quarters of year ending March 2014		Change	
Sales	78,569	100%	91,348	100%	12,779	16.3%
Operating income	261	0.3%	2,368	2.6%	2,107	804.3%
Recurring income	(65)	(0.1%)	2,266	2.5%	2,331	-
Net income	(780)	(1.0%)	3,887	4.3%	4,667	-
EPS	(36.21)		180.19		216.40	

- ◆ **Sales:** Domestic sales rose slightly, primarily reflecting last-minute demand before the consumption tax hike and the effect of metal prices, which offset a decrease due to the effects of the termination of eco-car subsidies (especially in the first quarter). Meanwhile, overseas sales increased with a rise in orders and the effects of the weakening yen. Overall, sales rose 16.3% year on year, to ¥91.3 billion.
- ◆ **Operating income:** Operating income increased ninefold year on year, to ¥2.3 billion chiefly due to the positive effects of a change in the depreciation method, the increase in revenue, and the effect of cost reductions.
- ◆ **Recurring income:** Recurring income stood at ¥2.2 billion, mainly reflecting a ¥182 million increase in interest expenses in non-operating expenses and a foreign currency exchange gain of ¥402 million (compared with ¥75 million a year ago) in non-operating income.
- ◆ **Net income:** The main reasons for the change are the increase in recurring income, an extraordinary gain of ¥2.28 billion due to the sale of the site of the former Hamamatsu Plant, and an extraordinary gain of ¥0.83 billion from the partial sale of investment securities.

Overview of the (Quarterly) Consolidated Results



Die Casting Business

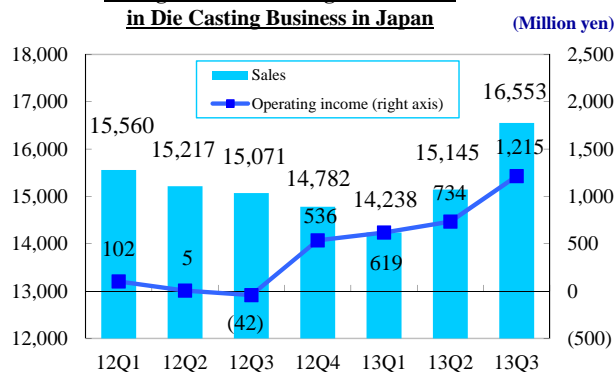
(Million yen)

		First three quarters of year ended March 2013	First three quarters of year ending March 2014	Change	
Japan	Sales	45,848 100%	45,936 100%	88	0.2%
	Segment income (loss)	65 0.1%	2,568 5.6%	2,503	39-fold
North America	Sales	16,102 100%	24,431 100%	8,329	51.7%
	Segment income (loss)	607 3.8%	245 1.0%	(362)	(59.6%)
Asia	Sales	12,802 100%	16,113 100%	3,311	25.9%
	Segment income (loss)	(423) (3.3%)	(493) (3.1%)	(70)	-

* An explanation of the factors behind changes in segment results begins on the next page.

Die Casting in Japan

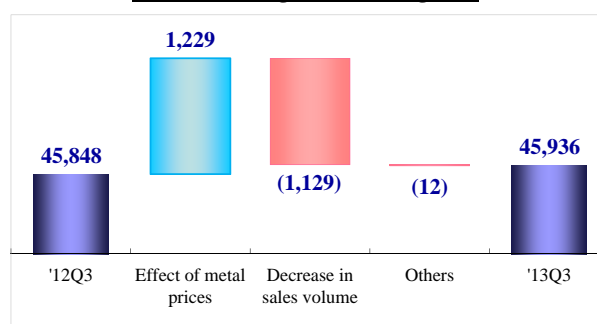
Changes in sales and segment income in Die Casting Business in Japan



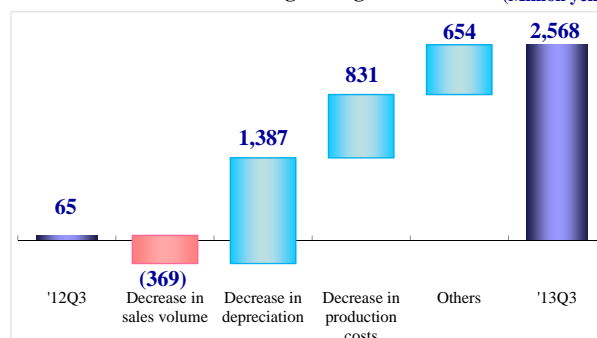
Sales rose slightly due to last-minute demand before the consumption tax hike and the effect of metal prices, which offset negative factors, including a decline following the termination of eco-car subsidies.

Segment income increased sharply (39 times higher than a year ago), to ¥2.5 billion, primarily reflecting a decrease in the depreciation, partly due to a change in the depreciation method, and the effect of cuts in manufacturing costs, which more than offset the effects of a decline in sales volume.

Factors of change in die casting sales (Million yen)

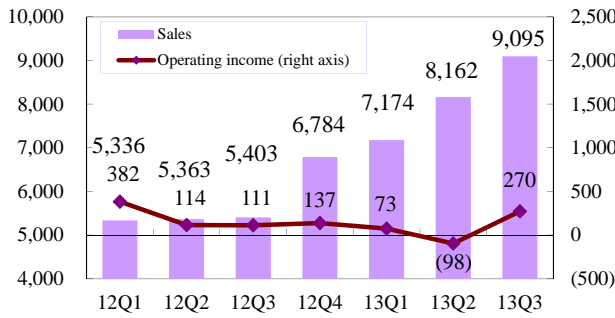


Factors of change in segment income (Million yen)

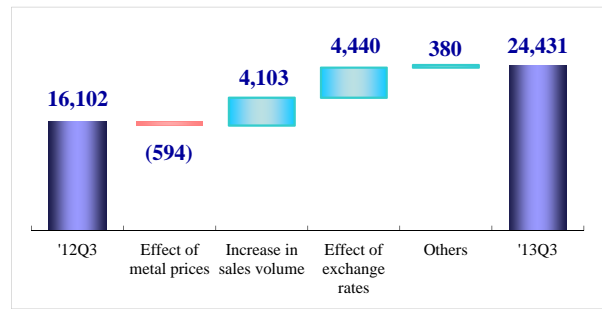


Die Casting in North America

Changes in sales and segment income in Die Casting Business in North America (Million yen)



Factors of change in die casting sales (Million yen)



U.S.: Although sales rose, reflecting an increase in orders associated with strong auto sales and the effects of the weakening yen, income declined due to a temporary rise in expenses.

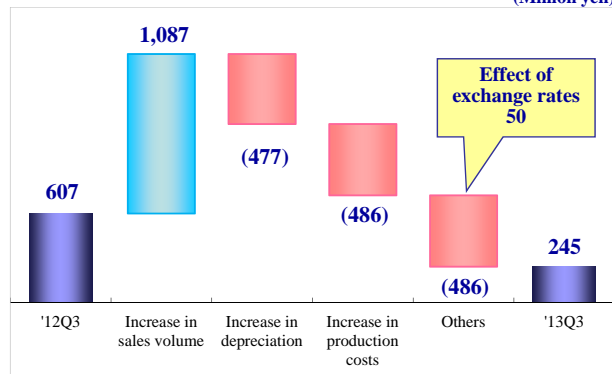
Mexico: Although sales rose significantly due to an increase in orders and the effects of exchange rates, segment income declined, reflecting increases in manufacturing costs and depreciation. However, income improved in the third quarter (three months).

Earnings are recovering in North America.

*U.S.: April – March
Mexico: January – December

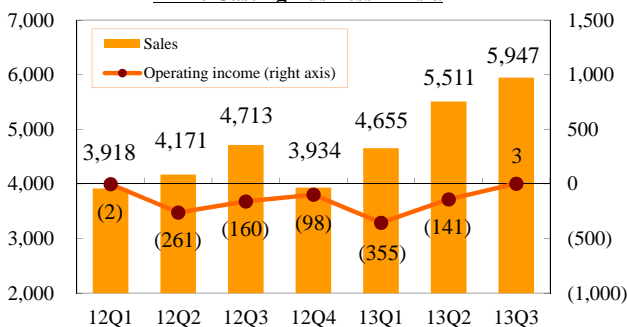
Average exchange rate ('12Q3 → '13Q3)
US dollar 80.43 → 99.22
Mexican peso (US\$) 79.07 → 95.61

Factors of change in segment income (Million yen)

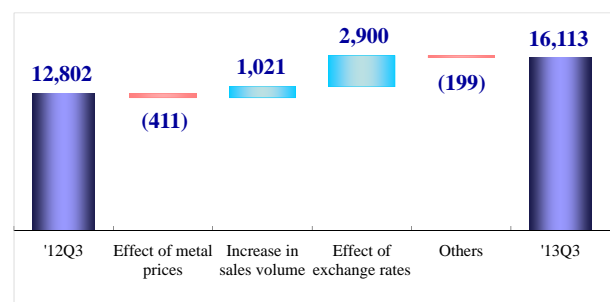


Die Casting in Asia

Changes in sales and segment income in Die Casting Business in Asia (Million yen)



Factors of change in die casting sales (Million yen)



China: Sales rose 10% except for the effect of exchange rates as auto production is recovering to the level it had attained before it started to decline as a result of the deteriorating relationship between Japan and China. Income declined, mainly due to increases in depreciation and royalties to Japan.

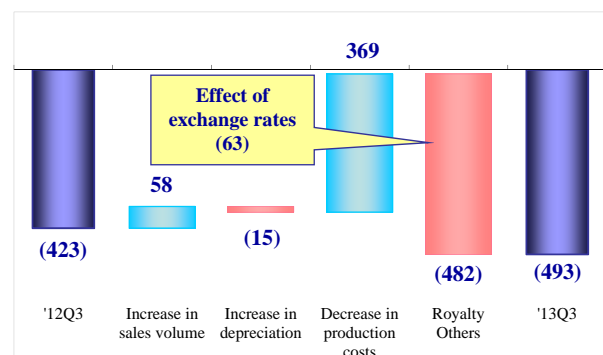
India: Sales were below forecasts, but rose from a year earlier. Losses narrowed, partly due to the effects of a change in the depreciation method.

Earnings are improving in Asia.

*China: January – December
India: April – March

Average exchange rate ('12Q3 → '13Q3)
Chinese yuan 12.51 → 15.51
Indian rupee 1.48 → 1.66

Factors of change in segment income (Million yen)



Aluminum Business and Proprietary Products Business

(Million yen)

		First three quarters of year ended March 2013	First three quarters of year ending March 2014	Change
Aluminum Business	Sales	2,776 100%	3,438 100%	662 23.8%
	Segment income (loss)	48 1.7%	3 0.1%	(45) (93.7%)
Proprietary Products Business	Sales	1,039 100%	1,427 100%	388 37.4%
	Segment income (loss)	(35) (3.4%)	39 2.8%	74 -

Aluminum Business:

First-three-quarters sales rose 23.8% year on year, chiefly attributable to a 10.3% year-on-year increase in shipments of secondary alloy ingots and a rise in sales unit prices due to the effects of changes in foreign exchange rates. Segment income declined 93.7% due to the effects of market conditions for raw materials.

Proprietary Products Business:

Sales climbed 37.4% from a year earlier, given increased orders from semiconductor manufacturers, the Company's main customers, and orders from telecommunications companies for data centers. Segment income was ¥39 million, primarily due to the effect of increased sales.

Overview of Results Balance Sheets

(Million yen)

	Fiscal year ended March 2013	First three quarters of year ending March 2014	Change
Current assets	37,153	42,854	5,701
Cash and time deposits	6,087	6,507	420
Notes and accounts receivable	18,620	23,248	4,628
Inventories	9,417	10,200	783
Fixed assets	73,599	84,554	10,955
Tangible fixed assets	65,150	74,190	9,040
Total assets	110,752	127,409	16,657
Total liabilities	71,416	79,913	8,497
Notes and accounts payable	16,001	18,898	2,897
Long-term and short-term loans	38,662	41,602	2,940
Total net assets	39,335	47,495	8,160

- ◆ Exchange rate effects accounted for around 50% of the change in total assets.
- ◆ With the increase in net sales, notes and accounts receivable and inventories rose.
- ◆ Tangible fixed assets rose mainly as a result of an increase in investments overseas.
- ◆ Procured investment funds that exceed the amount of operating cash flow through borrowing.
- ◆ Total net assets rose as a result of an increase in foreign currency translation adjustment and an increase in the change in valuation of negotiable securities, in addition to an increase net income.

Full-year forecast



Forecast for the Fiscal Year Ending March 31, 2014

(Million yen)

	Fiscal year ended March 2013		Previous forecast for year ending March 2014 (November 11)		Revised forecast for year ending March 2014 (February 10)		Change from the previous forecast	
Sales	105,887	100%	123,500	100%	126,500	100%	3,000	2.4%
Operating income	997	0.9%	3,550	2.9%	4,250	2.9%	700	19.7%
Recurring income	711	0.7%	2,750	2.2%	3,950	2.2%	1,200	43.6%
Net income	(167)	(0.2%)	4,100	3.3%	5,000	3.3%	900	22.0%
EPS	(7.76)		190.05		231.77		41.72	

- ◆ **Sales:** Although the previous forecast reflected an expected decline in domestic sales in the fourth quarter in reaction to last-minute demand before the consumption tax hike, the decline in domestic sales will likely be less than expected. Overseas sales are expected to rise from the previous forecast chiefly due to a change in exchange rate assumptions. Consolidated sales are thus projected to exceed the previous forecast by ¥3.0 billion.
- ◆ **Operating income:** Despite a temporary decline in North America, operating income is expected to exceed the previous forecast by ¥0.7 billion, primarily due to a rise in domestic sales and an improvement in earnings in Asia.
- ◆ **Net income:** The forecast incorporates as extraordinary income around ¥2.2 billion in proceeds from the sale of the site of the former Hamamatsu Plant (recorded in the first half), and around ¥0.8 billion from the partial sale of investment securities (recorded in the first nine months).

Exchange rate assumptions (full-year average): ¥98.58/US dollar, ¥15.8/Chinese yuan, ¥1.67/Indian rupee

Forecast for the Fiscal Year Ending March 31, 2014

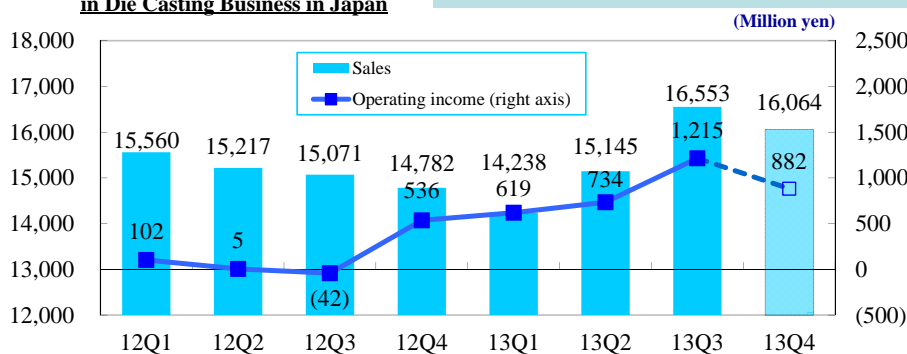
(Million yen)

	Fiscal year ended March 2013	Previous forecast for year ending March 2014 (November 11)	Revised forecast for year ending March 2014 (February 10)	Change from the previous forecast	Percentage change from the previous forecast
Sales	105,887	123,500	126,500	3,000	2.4%
Die Casting in Japan	60,630	60,900	62,000	1,100	1.8%
Die Casting in North America	22,886	33,000	34,000	1,000	3.0%
Die Casting in Asia	16,736	23,300	24,100	800	3.4%
Aluminum	3,840	4,400	4,650	250	5.7%
Proprietary Products	1,793	1,900	1,750	(150)	(7.9%)
Operating income	997	3,550	4,250	700	19.7%
Die Casting in Japan	601	2,900	3,450	550	19.0%
Die Casting in North America	744	900	700	(200)	(22.2%)
Die Casting in Asia	(521)	(350)	50	400	-
Aluminum	50	50	10	(40)	(80.0%)
Proprietary Products	78	50	40	(10)	(20.0%)
Eliminations and Corporate	45	0	0	-	-
Recurring income	711	2,750	3,950	1,200	43.6%
Net income	(167)	4,100	5,000	900	22.0%

Die Casting in Japan

Changes in sales and segment income in Die Casting Business in Japan

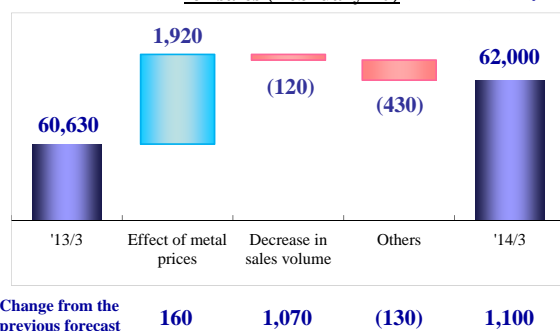
First half: Sales of ¥29,383 million and income of ¥1,353 million
Second half: Sales of ¥32,617 million and income of ¥2,097 million



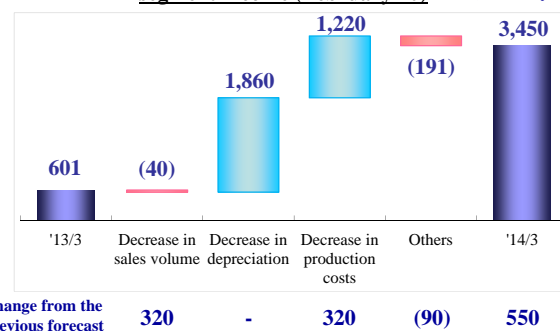
Sales: The effect of the previously forecast decrease in sales volume is expected to be reduced with a domestic production increase at major customers, and bolstered by ingot market conditions, sales are expected to exceed the previous forecast by ¥1.1 billion. Fourth quarter sales are expected to decline following the consumption tax hike (the decline being less than expected in the previous forecast).

Income: Income is projected to exceed the previous forecast due to a less severe decline in sales volume.

Revised factors of change estimated for sales (February 10) (Million yen)



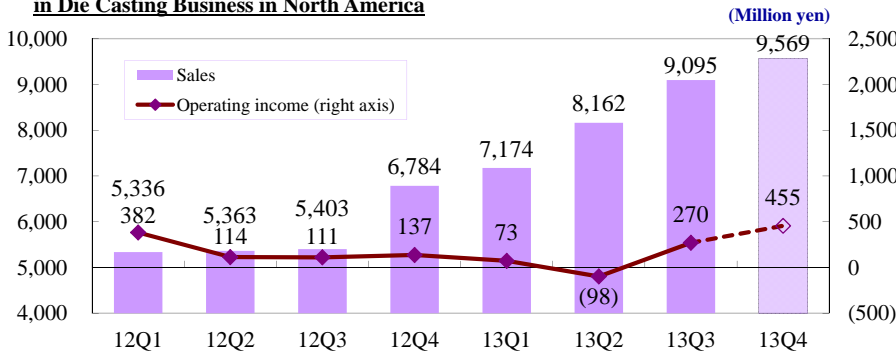
Revised factors of change estimated for segment income (February 10) (Million yen)



Die Casting in North America

Changes in sales and segment income in Die Casting Business in North America

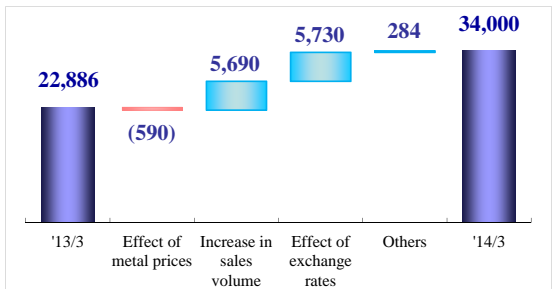
First half: Sales of ¥15,336 million and income of ¥-25 million
 Second half: Sales of ¥18,664 million and income of ¥725 million



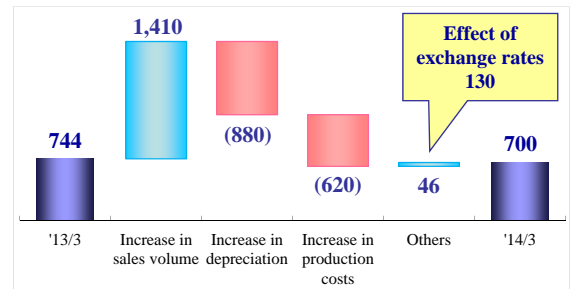
Sales: Despite the adverse effects of ingot market conditions and a smaller increase in sales volume, sales will exceed the previous forecast by ¥1.0 billion due to increased sales of die casting dies and other products and the effect of exchange rates. Sales are growing steadily.

Income: Although income is expected to be less than the previous forecast due to a temporary rise in expenses for an increase in production, income in North America is recovering.

Revised factors of change estimated for sales (February 10)



Revised factors of change estimated for segment income (February 10)



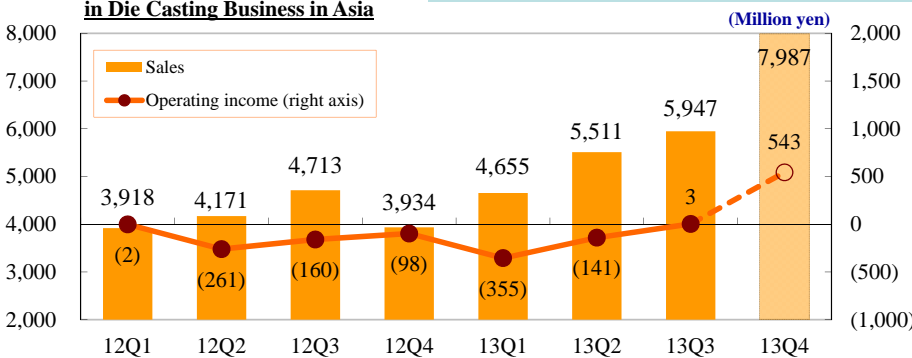
Change from the previous forecast: (80), 360, 510, 210, 1,000

Change from the previous forecast: 90, 30, (320), -, (200)

Die Casting in Asia

Changes in sales and segment income in Die Casting Business in Asia

First half: Sales of ¥10,166 million and income of ¥-496 million
 Second half: Sales of ¥13,934 million and income of ¥546 million

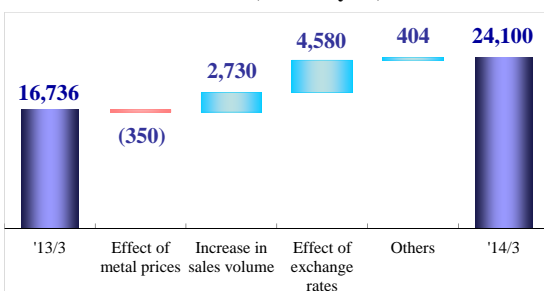


Sales: Sales are projected to be ¥0.7 billion more than the previous forecast mainly due to a change in exchange rate assumptions. Sales will rise steadily.

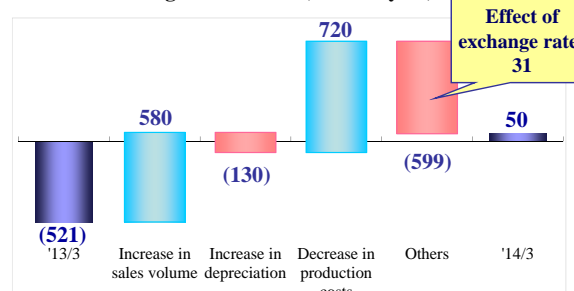
Income: An increase in income at Guangzhou, China, a profit in the fourth quarter at Hefei, China, and a reduction in the loss in India are expected due to an increase in sales and a reduction in production costs. Income is thus forecast to exceed the previous forecast.

Profitability is improving in Asia.

Revised factors of change estimated for sales (February 10)



Revised factors of change estimated for segment income (February 10)



Change from the previous forecast: 70, 20, 440, 270, 800

Change from the previous forecast: 60, 70, 90, 180, 400

Dividends

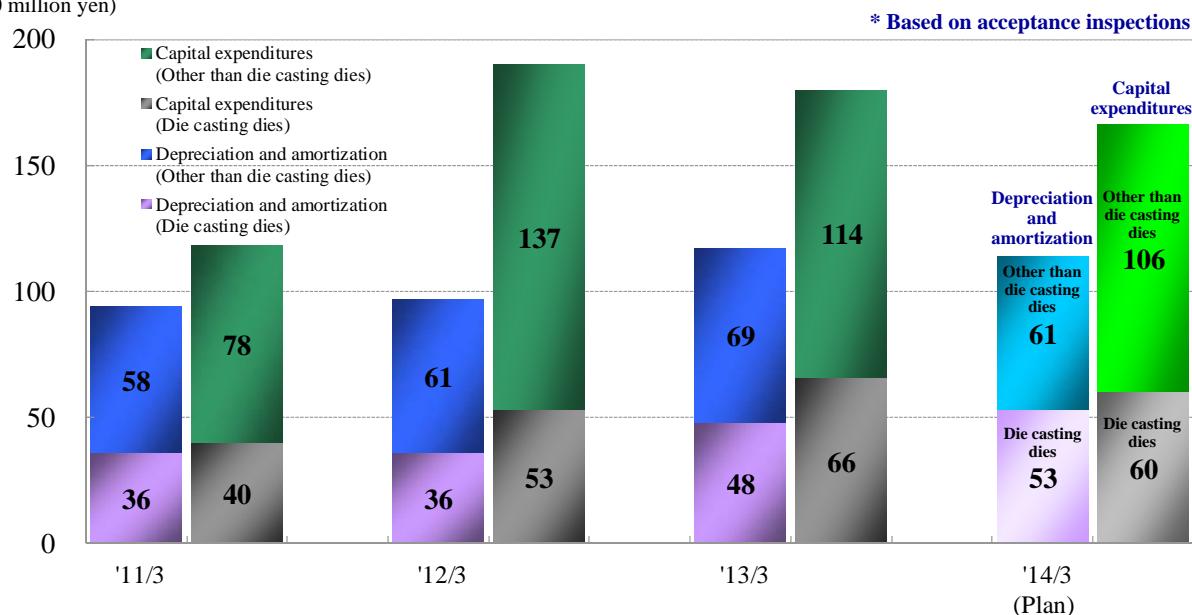
(Yen)	FY ended March 2010	FY ended March 2011	FY ended March 2012	FY ended March 2013	FY ending March 2014 Plan
Dividend per share					
(Annual dividend)	5	12	6	3	14
Interim dividend	-	6	3	3	8
Year-end dividend	5	6	3	-	6
Net income (loss) per share (consolidated)	(2.77)	68.80	65.87	(7.76)	231.77
Payout ratio (consolidated)	-	17.4%	9.1%	-	6.0%

- ◆ Regarding dividends for the fiscal year ending March 31, 2014, we are estimating a payout of ¥14 after considering earnings results and commemorative dividends. (We paid an interim dividend of ¥8, inclusive of ¥5 in commemoration of our 75th anniversary.)
- ◆ We will allocate management resources for future growth, while considering the payout ratio.

Trends of Capital Expenditures and Depreciation and Amortization

- ◆ Will proceed with expanding the overseas die casting business, but restrain capital investment compared with the past

(100 million yen)



* In light of the advancement of globalization, the straight-line method (units of production method, etc. to be used for die casting) is used for depreciation of tangible fixed assets instead of the declining balance method starting in the fiscal year ending in March 2014. The number of years used for the useful life of tangible fixed assets is also changed based on actual use. As a result of these changes, depreciation costs will be reduced by around ¥2 billion compared with the method used thus far.



Ahresty

Casting Our Eyes
on the Future

Ahresty Corporation

Aiming to become a leader in research and
development, service, and technology



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