

Ahresty Corporation

Results Briefing for the Year Ended March 31, 2014



May 29, 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 fiscal year ended March 31, 2014
- ◆ Forecast for the fiscal year ending March 31, 2015

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 begins expansion work
- July** Expansion work is completed at Ahresty Pretech's Toyohashi Plant
- August** Expansion work is completed at Ahresty Wilmington
Hefei Ahresty begins delivering mass-produced engine blocks to Dongfeng Motor Company Limited
- 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
The head office is relocated to Toyohashi City, Aichi

■ 2014

- March** The company moves to the First Section of the Tokyo Stock Exchange
- April** Ahresty Mexicana begins floor expansion work of the casting plant

Future plans

- June** Guangzhou Ahresty begins delivering mass-produced products to the Volkswagen Group
- 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
Ahresty Mexicana plans to complete the floor expansion work of the casting plant

Relocation of the Head Office & Listing on the First Section of the Tokyo Stock Exchange

The head office was relocated to Toyohashi City, Aichi on October 1, 2013

To operate more efficiently and expand the mainstay Die Casting Business, the location of the head office was transferred on October 1, 2013 from Nakano-ku, Tokyo to Toyohashi City, Aichi, where the Tokai Plant and Technical Center are located.

Associated with the relocation, the Technical Center and the business place location in Nakano-ku, Tokyo have been renamed Head Office/Technical Center and Tokyo Head Office, respectively.



Exterior of Head Office/Technical Center

The company transferred its listing from the Second Section to the First Section of the Tokyo Stock Exchange on March 7, 2014

Fifty three years since the listing on the Second Section of the Tokyo Stock Exchange in 1961, the company moved to the First Section on March 7, 2014.

We are deeply grateful to all our stakeholders including shareholders and investors for this designation change. We will drive our growth with confidence and pride by further pursuing MONOZUKURI (manufacturing).



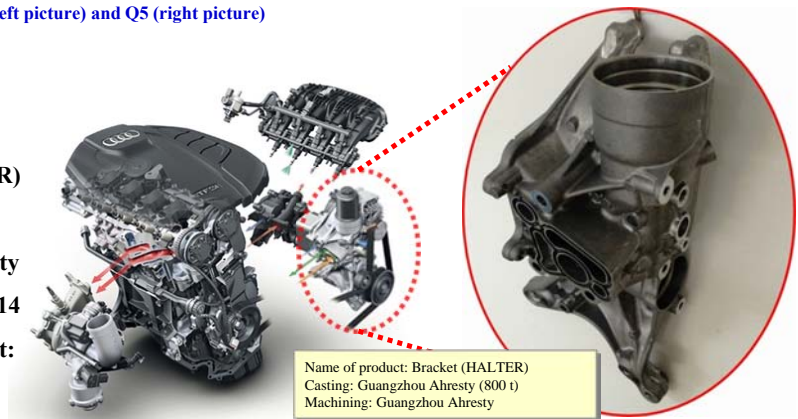
Guangzhou Ahresty Begins Delivering Mass-Produced Products to the Volkswagen Group

Guangzhou Ahresty Casting Co., Ltd.



Examples of car models mounting our product: AUDI A4L (Left picture) and Q5 (right picture)
* The pictures are posted with permission from their respective official sites.

- Name of customer:
Volkswagen FAW Engine (Dalian) Co., Ltd.
Shanghai Volkswagen Automotive Co., Ltd.
- Name of product mounted: Bracket (HALTER)
- Engine: 1.8 L, 2.0 L TFSI
- Plant for mass production: Guangzhou Ahresty
- Time to commence mass production: June 2014
- Examples of car models mounting the product: AUDI A4L, Q5



Name of product: Bracket (HALTER)
Casting: Guangzhou Ahresty (800 t)
Machining: Guangzhou Ahresty

Ahresty Mexicana Expands Production Capacity

Ahresty Mexicana, S.A. de C.V.

Production capacity is to be expanded about 20% by FY2015 by expanding the floor of the casting plant and the casting equipment.

Construction to expand the floor of the casting plant

Commenced in April 2014
To be completed in September



Image of the area to expand the floor of the casting plant in Ahresty Mexicana

As of April 2014

(Plant area)	Land: around 100,000 m ²	Building: around 32,200 m ²
(Floor area to expand)		Building: around 920 m ²
(Number of die casting machines) 22	* Five casting machines are to be added by August 2015	

Overview of results for the fiscal year ended March 31, 2014



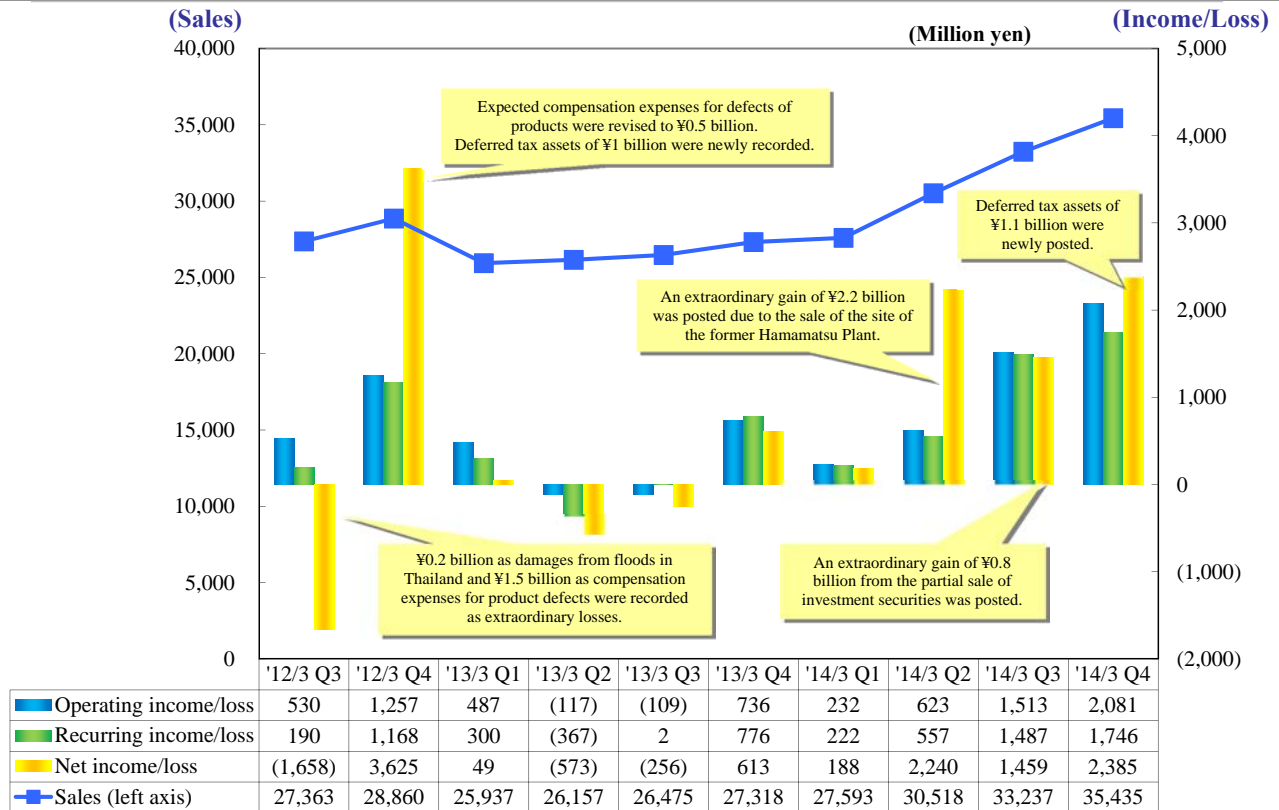
Key Results for the Fiscal Year Ended March 31, 2014

(Million yen)

	Fiscal year ended March 2013		Fiscal year ended March 2014		Change	
Sales	105,887	100%	126,783	100%	20,896	19.7%
Operating income	997	0.9%	4,449	3.5%	3,452	346.1%
Recurring income	711	0.7%	4,012	3.2%	3,301	464.0%
Net income	(167)	(0.2%)	6,272	4.9%	6,439	–
EPS	(7.76)		287.10		294.86	

- ◆ Sales: Domestic sales increased, primarily reflecting last-minute demand before the consumption tax hike and the effect of metal prices, which offset a decrease caused by 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 19.7% year on year, to ¥126.7 billion.
- ◆ Operating income: Operating income rose 4.4 times year on year, to ¥4.4 billion, chiefly due to the positive effects of a change in the depreciation method made in the fiscal year under review (¥2.1 billion), an increase in revenue, and the effect of cost reductions.
- ◆ Recurring income: Recurring income stood at ¥4.0 billion, mainly reflecting a foreign currency exchange gain of ¥123 million and a ¥242 million increase in interest expenses.
- ◆ 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, an extraordinary gain of ¥0.83 billion from the partial sale of investment securities, and the posting of deferred tax assets of approximately ¥1.1 billion.

Overview of the (Quarterly) Consolidated Results



Die Casting Business

(Million yen)

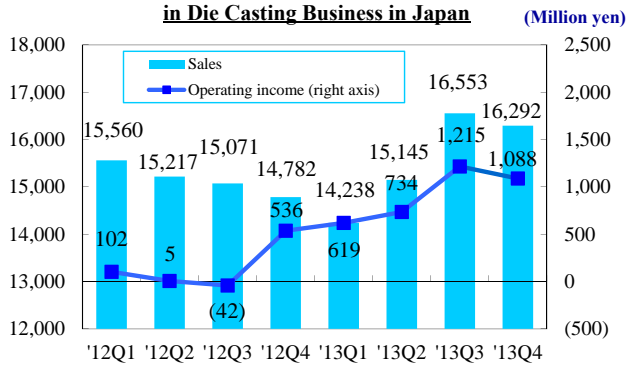
		Fiscal year ended March 2013	Fiscal year ended March 2014	Change	
Japan	Sales	60,630 100%	62,228 100%	1,598	2.6%
	Segment income (loss)	601 1.0%	3,656 5.9%	3,055	507.9%
North America	Sales	22,886 100%	33,906 100%	11,020	48.1%
	Segment income (loss)	744 3.3%	509 1.5%	(235)	(31.7%)
Asia	Sales	16,736 100%	24,143 100%	7,407	44.3%
	Segment income (loss)	(521) (3.1%)	180 0.7%	701	-

The overseas sales ratio in the Die Casting Business: Fiscal year ended March 2013: 39.5% ⇒ Fiscal year ended March 2014: 48.3%

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

Die Casting in Japan

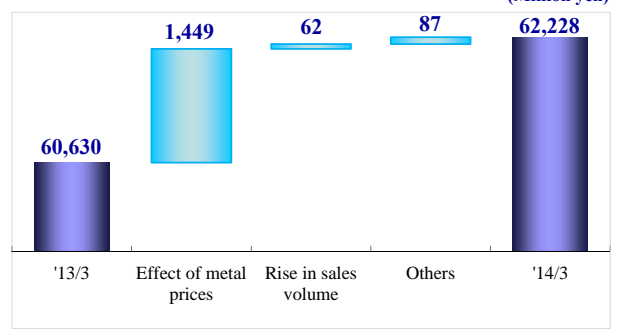
Changes in sales and segment income in Die Casting Business in Japan



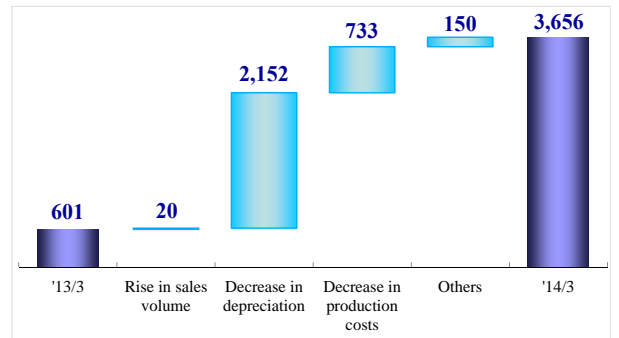
Sales rose with last-minute demand before the consumption tax hike and the effect of metal prices, which offset negative factors, including a decline following the termination of eco-car subsidies.

Segment income increased sharply (six times higher than a year ago), to ¥3.6 billion, primarily reflecting a decrease in depreciation due to the change in the depreciation method and the effect of cuts in manufacturing costs.

Factors of change in die casting sales



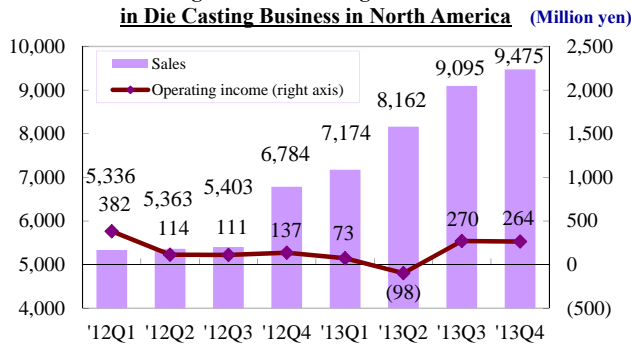
Factors of change in segment income



Effect of changing the depreciation method: 1,743

Die Casting in North America

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

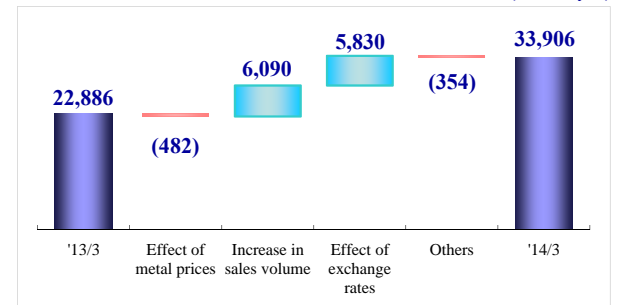


U.S.: Although sales rose, reflecting an increase in orders associated with strong auto sales and the effects of the weakening yen, income declined due to a temporary rise in expenses.

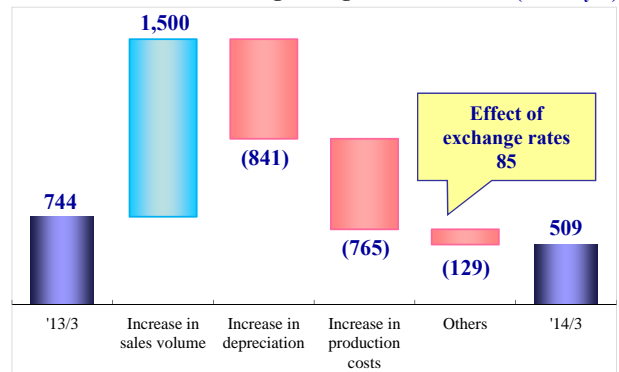
Mexico: Sales rose significantly due to an increase in orders and the effects of exchange rates. Despite an increase in manufacturing costs attributable to a heavier burden in the first half and a rise in depreciation, these adverse factors improved in the second half.

Earnings declined year on year in North America, but the segment income was recovering from the second half.

Factors of change in die casting sales



Factors of change in segment income



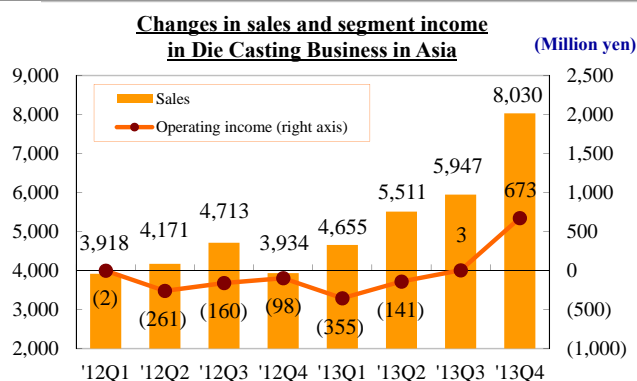
Effect of changing the depreciation method: 355

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

Average exchange rate ('13/3 → '14/3)
US dollar 83.23 → 99.99
Mexican peso (US\$) 79.93 → 97.11

Die Casting in Asia

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



China: Sales rose 18% except for the effect of exchange rates as auto production was recovering to the level it had attained before it started to decline as a result of the deteriorating relationship between Japan and China. Hefei Ahresty in the third year of operation turned to profitability in the fourth quarter. Increases in depreciation and royalties to Japan were offset by the effect of cutting manufacturing costs.

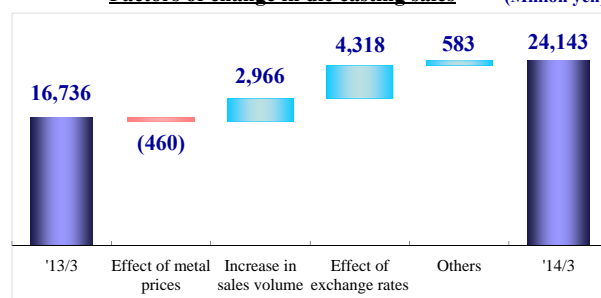
India: Sales were below initial forecasts, but rose from a year earlier. Losses narrowed significantly, partly due to the effects of a change in the depreciation method.

Earnings are improving in Asia.

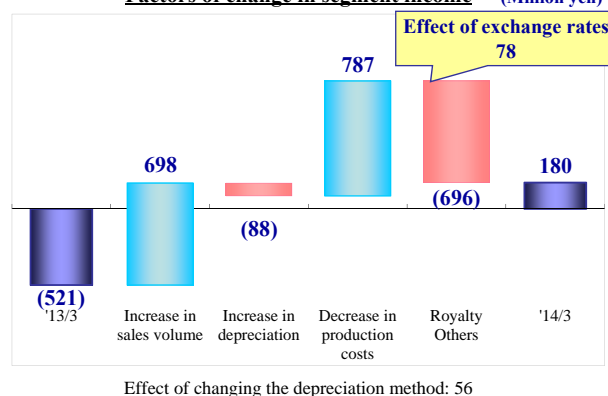
* China: January – December
India: April – March

Average exchange rate ('13/3 → '14/3)
Chinese yuan 12.69 → 15.80
Indian rupee 1.54 → 1.67

Factors of change in die casting sales



Factors of change in segment income



Aluminum Business and Proprietary Products Business

(Million yen)

		Fiscal year ended March 2013	Fiscal year ended March 2014	Change
Aluminum Business	Sales	3,840 100%	4,657 100%	817 21.3%
	Segment income (loss)	50 1.3%	(6) (0.1%)	(56) (112.0%)
Proprietary Products Business	Sales	1,793 100%	1,848 100%	55 3.1%
	Segment income (loss)	78 4.4%	66 3.6%	(12) (14.7%)

Aluminum Business:

Sales rose 21.3% year on year, chiefly attributable to firm shipments of secondary alloy ingots and a rise in sales unit prices due to the effects of changes in foreign exchange rates. Segment loss stood at ¥6 million mainly due to the effects of market conditions for raw materials.

Proprietary Products Business:

Sales climbed 3.1% 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 declined 14.7%, primarily due to the effect of price competition.

Overview of Results Balance Sheets

(Million yen)

	Fiscal year ended March 2013	Fiscal year ended March 2014	Change
Current assets	37,153	48,920	11,767
Cash and time deposits	6,087	8,791	2,704
Notes and accounts receivable	18,620	25,924	7,304
Inventories	9,417	10,536	1,119
Fixed assets	73,599	88,313	14,714
Tangible fixed assets	65,150	78,208	13,058
Total assets	110,752	137,233	26,481
Total liabilities	71,416	82,641	11,225
Notes and accounts payable	16,001	19,714	3,713
Long-term and short-term loans	38,662	43,014	4,352
Total net assets	39,335	54,592	15,257

- ◆ Exchange rate effects accounted for around 50% of the change in total assets.
- ◆ Cash and time deposits increased temporarily due to capital increase. 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 exceeded the amount of operating cash flow, through borrowing.
- ◆ Total net assets rose as a result of capital increase, an increase in foreign currency translation adjustment, an increase in the change in valuation of negotiable securities, and an increase in net income.



Casting Our Eyes
on the Future

Forecast for the fiscal year ending March 31, 2015



Forecast for the Fiscal Year Ending March 31, 2015

(Million yen)

	Fiscal year ended March 2014		Forecast for year ending March 2015		Change	
Sales	126,783	100%	135,300	100%	8,517	6.7%
Operating income	4,449	3.5%	4,800	3.5%	351	7.9%
Recurring income	4,012	3.2%	4,000	3.0%	(12)	(0.3%)
Net income	6,272	4.9%	2,500	1.8%	(3,772)	(60.1%)
EPS	287.10		96.81		(190.29)	

- ◆ **Sales:** Domestic sales are expected to increase in the full year, despite a concern about a reactionary fall to the last-minute demand increase before the consumption tax hike in the previous fiscal year. Overseas sales are expected to rise in both Asia and North America. Consolidated sales are thus projected to increase ¥8.5 billion year on year.
 - ◆ **Operating income:** Although operating income is expected to decline in Japan due to an increase in depreciation, despite the positive effect of higher revenue, income is likely to improve in Asia and North America. As a result, consolidated operating income is expected to rise ¥350 million year on year.
 - ◆ **Recurring income:** Recurring income is projected to be on par with a year-ago level as foreign currency exchange gain (¥470 million in the previous fiscal year) is not anticipated.
 - ◆ **Net income:** The projection of net income is based on the effective tax rate on income before taxes, without taking into account extraordinary gains and losses.
- Exchange rate assumptions (full-year average): ¥100.00/US dollar, ¥16.5/Chinese yuan, ¥1.65/Indian rupee

Forecast for the Fiscal Year Ending March 31, 2015

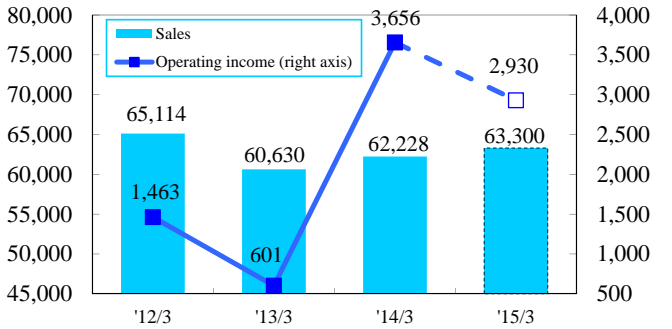
(Million yen)

	Fiscal year ended March 2014	Forecast for year ending March 2015	Change	Percentage change
Sales	126,783	135,300	8,517	6.7%
Die Casting in Japan	62,228	63,300	1,072	1.7%
Die Casting in North America	33,906	36,400	2,494	7.4%
Die Casting in Asia	24,143	29,300	5,157	21.4%
Aluminum	4,657	4,700	43	0.9%
Proprietary Products	1,848	1,600	(248)	(13.4%)
Operating income	4,449	4,800	351	7.9%
Die Casting in Japan	3,656	2,930	(726)	(19.9%)
Die Casting in North America	509	850	341	67.0%
Die Casting in Asia	180	950	770	427.8%
Aluminum	(6)	50	56	—
Proprietary Products	66	20	(46)	(69.7%)
Eliminations and Corporate	43	—	(43)	(100.0%)
Recurring income	4,012	4,000	(12)	(0.3%)
Net income	6,272	2,500	(3,772)	(60.1%)

The overseas sales ratio in the Die Casting Business: Fiscal year ended March 2014: 48.3% ⇨ Fiscal year ended March 2015: 50.9%

Die Casting in Japan

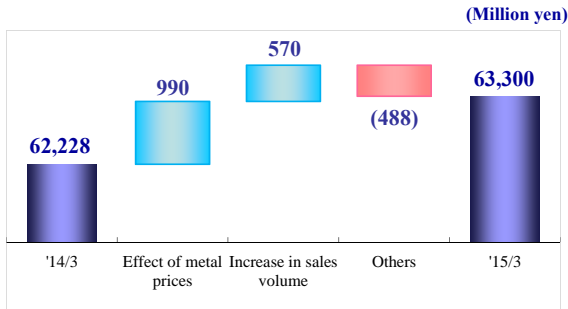
Changes in sales and segment income in Die Casting Business in Japan



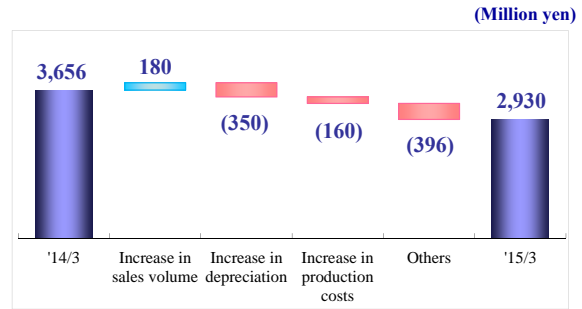
Sales: Sales are expected to increase in the full year, partly due to recovery from the second quarter and the effect of metal prices, despite a concern about a reactionary fall to the last-minute demand increase before the consumption tax hike in the previous fiscal year.

Income: Income is projected to decline, given an increase in depreciation, a rise in labor costs, and a smaller income in die casting dies, costs of which are recovered with payment in installments, despite expected higher sales.

Factors of change estimated for sales

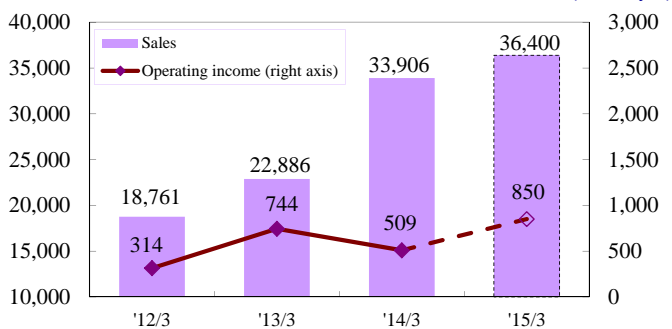


Factors of change estimated for segment income



Die Casting in North America

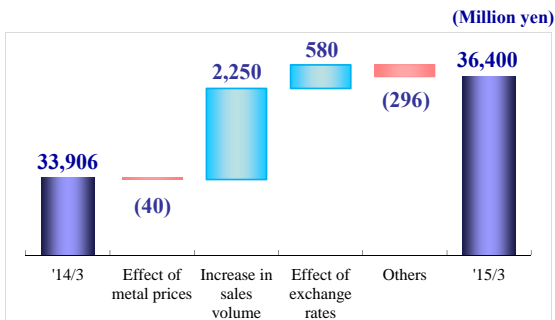
Changes in sales and segment income in Die Casting Business in North America



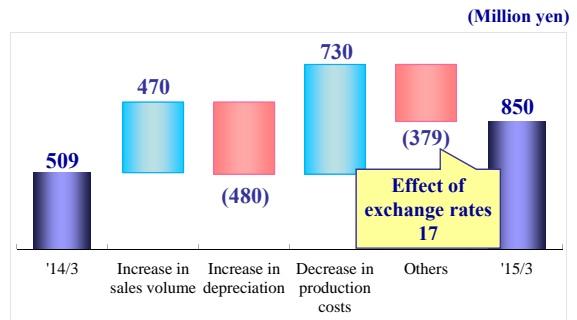
Sales: Sales are projected to increase, although growth will be slower than in the previous fiscal year.

Income: Income is expected to increase due to improvement in manufacturing costs, despite a rise in depreciation.

Factors of change estimated for sales

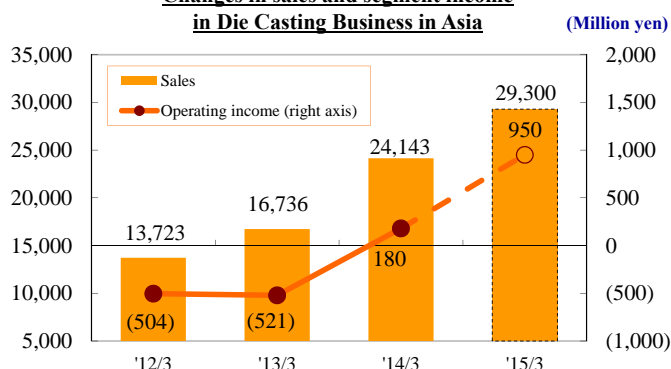


Factors of change estimated for segment income



Die Casting in Asia

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

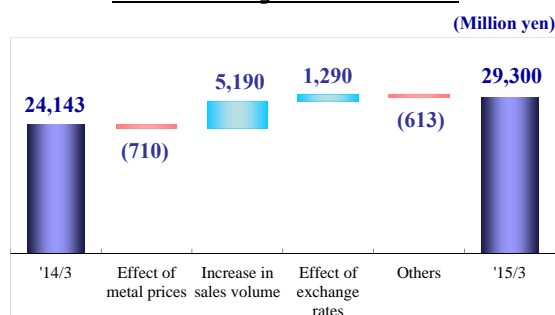


Sales: Sales are likely to increase steadily in both China and India, chiefly thanks to the launch of new products and a production hike.

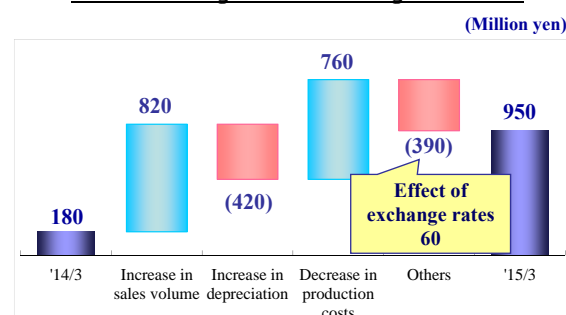
Income: Income is expected to rise in Guangzhou Ahresty due to the effect of higher sales and the reduction of manufacturing costs. Hefei Ahresty is also expected to move into the black as sales are increasing steadily. The loss in India is projected to contract as income will improve mainly due to the effect of higher sales.

Profitability is expected to improve significantly in Asia.

Factors of change estimated for sales



Factors of change estimated for segment income



Dividends

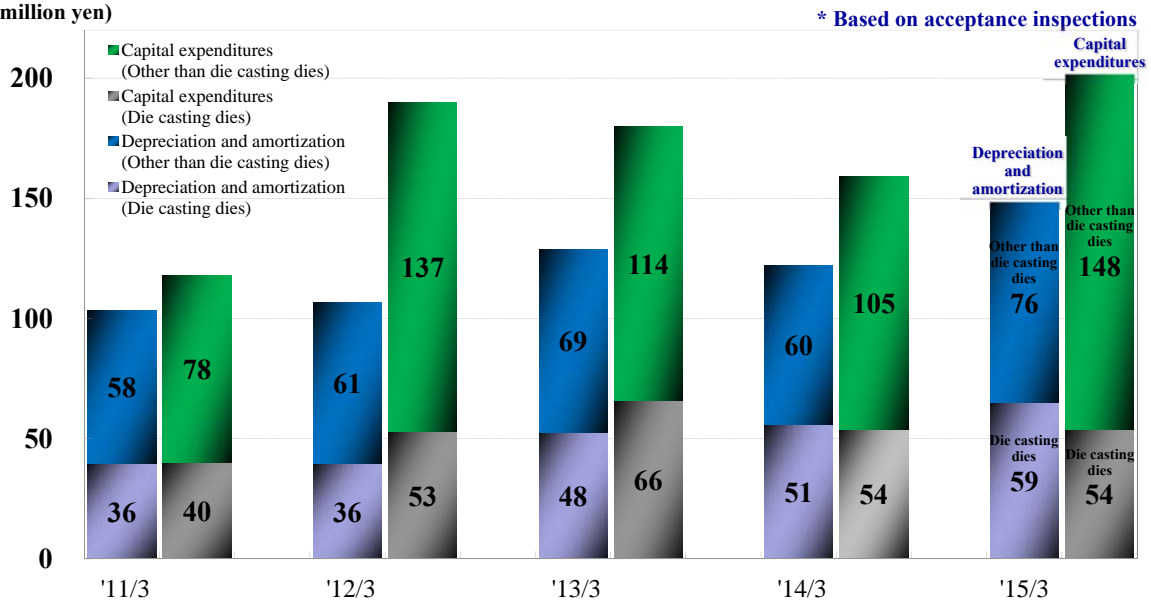
(Yen)	FY ended March 2011	FY ended March 2012	FY ended March 2013	FY ended March 2014	FY ending March 2015 Plan
Dividend per share					
(Annual dividend)	12	6	3	14	12
Interim dividend	6	3	3	8	6
Year-end dividend	6	3	—	6	6
Net income (loss) per share (consolidated)	68.80	65.87	(7.76)	287.10	96.81
Payout ratio (consolidated)	17.4%	9.1%	—	4.9%	12.4%

- ◆ Regarding dividends for the fiscal year ended March 31, 2014, we have decided 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.)
- ◆ For dividends at the end of the fiscal year ending March 2015, we are estimating a payout of ¥12 for the full year after considering earnings results.
- ◆ Will allocate management resources for future growth, while considering the payout ratio.

Trends of Capital Expenditures and Depreciation and Amortization

◆ Capital investment is planned in order to expand the capacity of the overseas die casting business.

(100 million yen)



* Capital investment: 40% more than in the previous fiscal year is planned (for other than die casting dies) mainly to expand the capacity at die casting bases overseas. Investment in die casting dies will be on par with the year-ago level.

Medium-Term Targets (Fiscal Year Ending in March 2017)

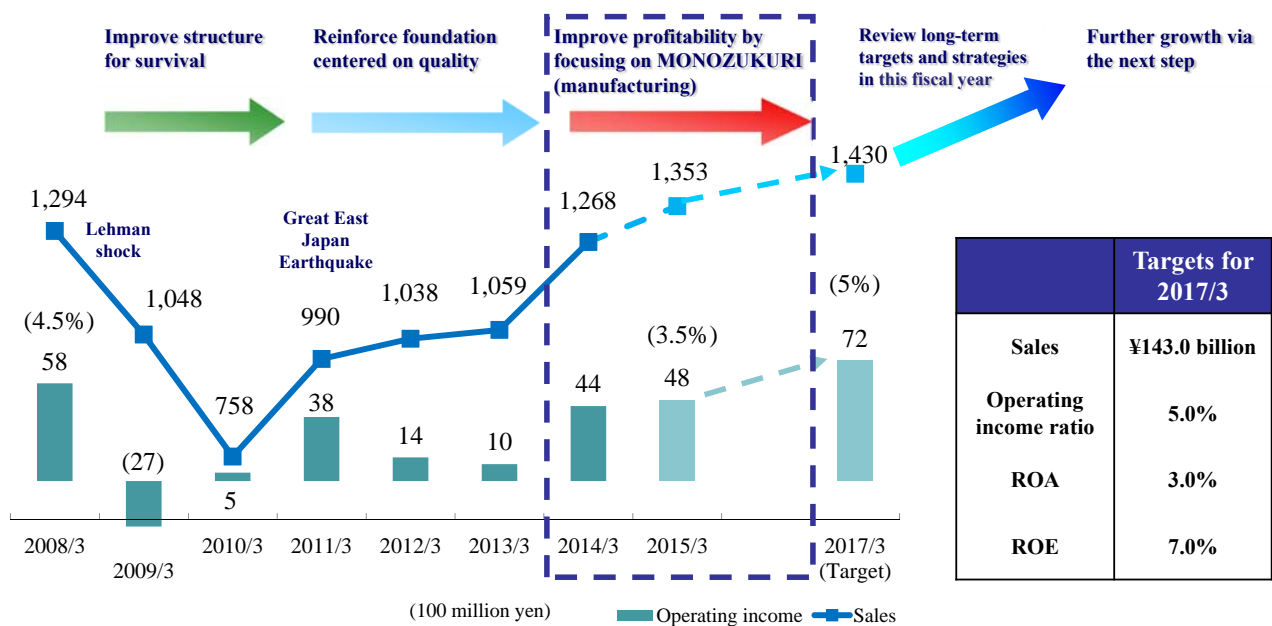


Numerical Targets for the Fiscal Year Ending in March 2017

	Existing targets (Fiscal year ending in March 2016)	Actual results in fiscal year ended in March 2014	Assessment	New targets (Fiscal year ending in March 2017)
Sales	¥125.0 billion	¥126.7 billion	○	¥143.0 billion
Operating income ratio	4.0%	3.5%	△	5.0%
ROA (Return on Assets)	3.0%	5.1% (2.5%)	△	3.0%
ROE (Return on Equity)	8.0%	13.4% (6.7%)	△	7.0%

Note: The figures in parentheses are values excluding gains on sales of the site of the former Hamamatsu Plant and gains on sales of investment securities.

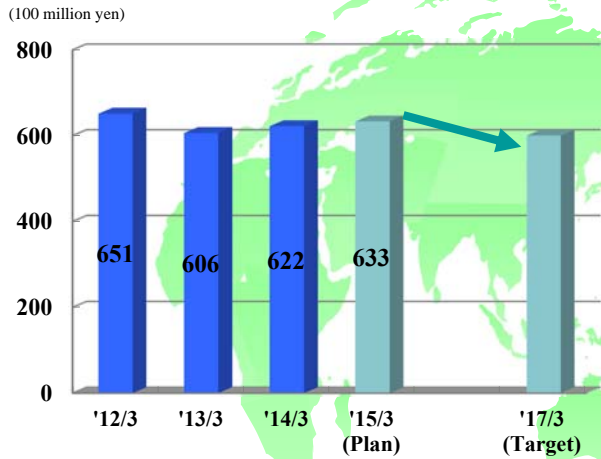
Numerical Targets for the Fiscal Year Ending in March 2017



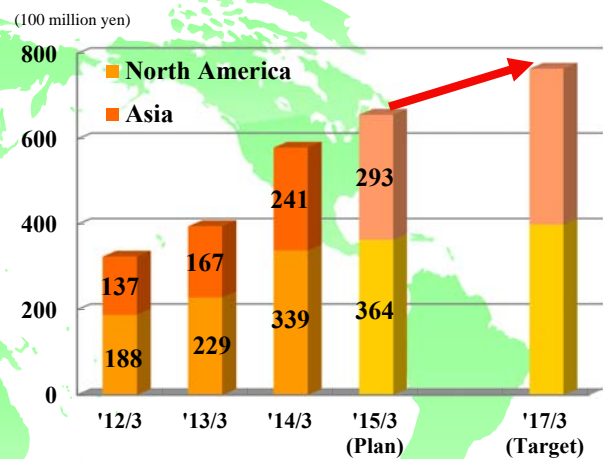
- ✓ Expand the overseas die casting business centered on China and North America, by responding to stronger global demand
- ✓ Promote the 1315 Medium-Term Strategy with focus on MONOZUKURI (manufacturing)

Trends in Die Casting Business Sales

Die Casting Sales (Japan)



Die Casting Sales (Overseas)



- Japan: Domestic demand is due to decrease in the medium and long terms, but to achieve a certain level of sales and income through proactive sales activities.
- North America: Increase profitability by investing in capacity expansion to respond to higher demand.
- Asia: Strive to move into the black in India by improving productivity; and increase profitability in China by responding to expanding demand.



Casting Our Eyes
on the Future

Ahresty Corporation

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



Contact for inquiries about this document and the Company's IR Management Planning Section, Management Planning Department, Ahresty Corporation

Phone: +81-3-6369-8664

E-mail: ahresty_MP0_IR@ahresty.co.jp

URL: <http://www.ahresty.co.jp>

This document and what has been said in the results briefing include forecasts that the Company has made based on data available when the document was prepared. Actual results could be different from the forecasts for a range of reasons.