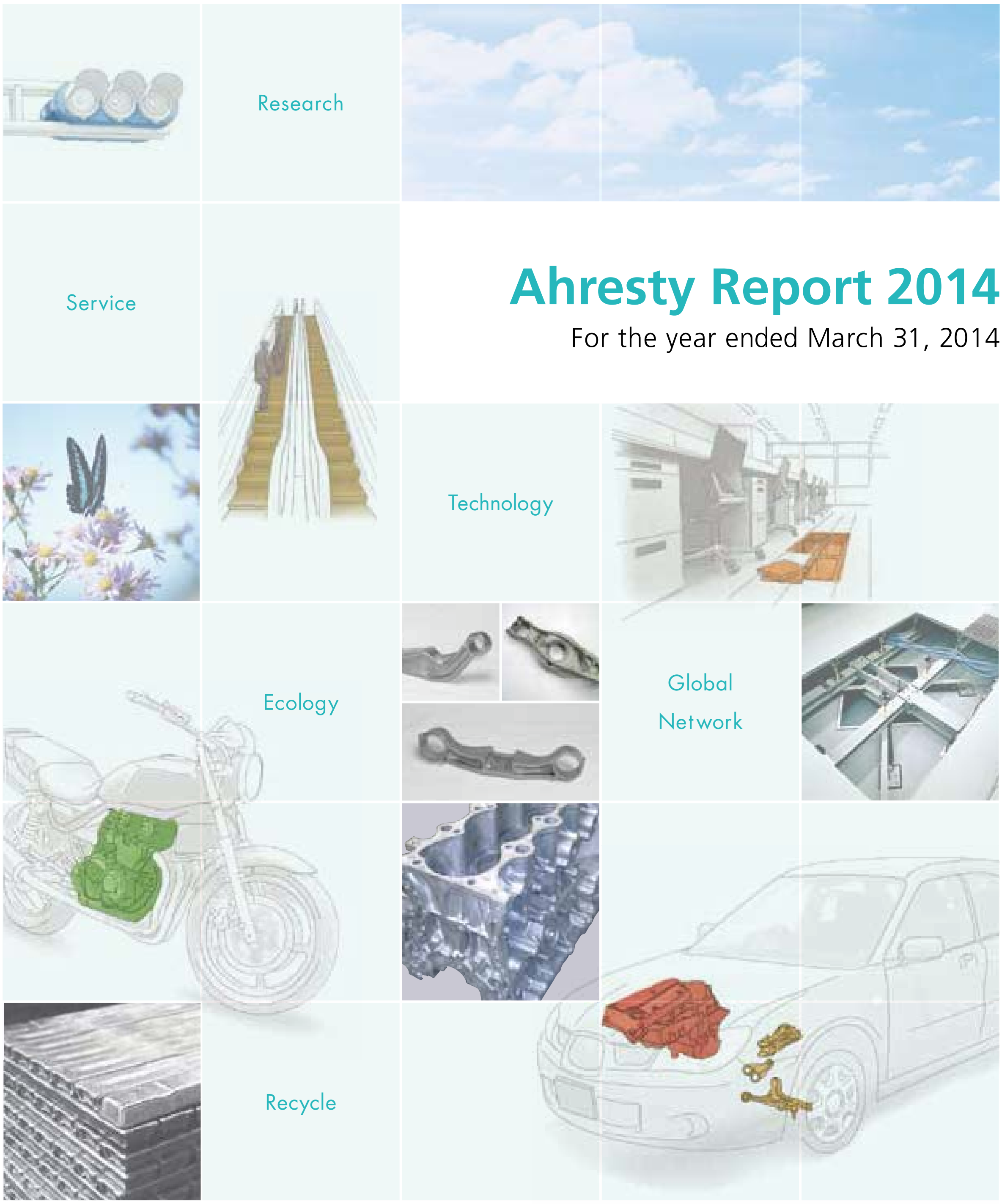
Casting Our Eyes
on the Future



Ahresty Report 2014

For the year ended March 31, 2014

Ahresty

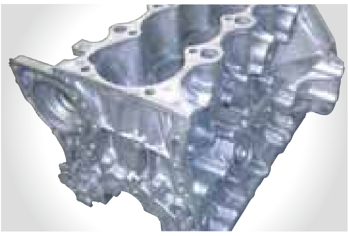
Committed to Research, Service, Technology

Ahresty is a phonetic representation of the three letters, **RST**, signifying the integration of Research, Service and Technology. “R” signifies research and development as well as the resolve to create and explore which enables us to better serve our customers; “S” goes beyond the quality of our products and after-service to encompass every facet of interaction with our customers, while “T” stands for the knowledge and technology that provide the foundation for “R” and “S.” True to our aspirations of serving society through our broad range of products, Ahresty remains committed to the pursuit of ever-higher standards of Research, Service and Technology.

Our Business

Ahresty, a leading company in the die casting industry, is a global company with operating bases not only in Japan, but also in the United States, China, Mexico, India and Thailand.

Die Castings



We leverage our advanced technology to produce powertrain parts, suspension-related parts and body parts of automobiles.

Aluminum Alloy Ingots

We produce high-quality aluminum alloy ingots from various materials including cans, window sashes and aluminum scraps from automobiles.

Proprietary Products

We develop and supply products that meet the latest demand, including needs of computer rooms and clean rooms.

Corporate Data

Corporate Profile (As of March 31, 2014)

Company name	:	Ahresty Corporation
Date of establishment	:	November 2, 1943
Paid-in capital	:	¥6,939.09 million
Number of employees	:	(Consolidated) 7,044 (Non-Consolidated) 891

Management

Board Directors and Auditors (As of June 19, 2014)

President, CEO	Arata Takahashi
Director, Senior Managing Executive Officer	Hiroshi Ishimaru
Director, Senior Managing Executive Officer	Kenichi Nonaka
Director, Managing Executive Officer	Shinichi Gamou
Independent Director	Takashi Hara
Statutory Auditor	Yasuo Kenmoku
Statutory Auditor	Shigeru Furuya
Outside Statutory Auditor	Tadao Saotome
Outside Statutory Auditor	Akihiko Shido

Stock Information (As of March 31, 2014)

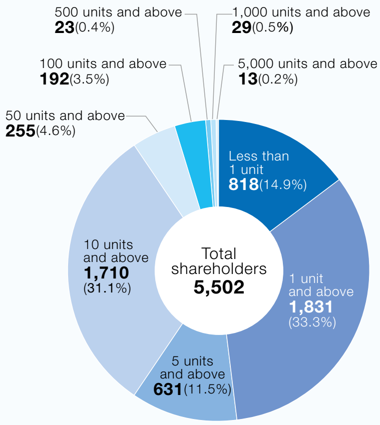
Number of Shares and Shareholders

Authorized shares	:	60,000,000 shares
Issued shares	:	26,027,720 shares
Shareholders	:	5,502

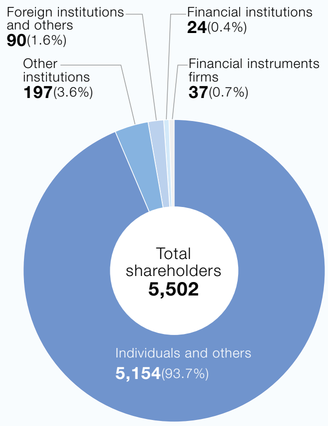
Major Shareholders (Top 10)

Name	Number of shares (Unit: 1,000 shares)
Japan Trustee Services Bank. Ltd. Trust Account	1,385
Arata Takahashi	915
Bank of Tokyo-Mitsubishi UFJ, Ltd.	765
Honda Motor Co., Ltd.	672
Nippon Light Metal Co., Ltd.	657
THE HONGKONG AND SHANGHAI BANKING CORPORATION LTD – HONG KONG PRIVATE BANKING DIVISION – CLIENT ACCOUNT	647
MSCO CUSTOMER SECURITIES	618
The Bank of New York, Jasdec Non-Treaty Account	591
Ahresty Business Partners Shareholding Association	574
SUZUKI MOTOR CORPORATION	565

Distribution by Number of Shares Held



Distribution by Type of Shareholder



Corporate Philosophy

Let us take pride in our work, respect theory and experimentation, value originality and invention and offer superior products and service to our customers.

RST Way

Conscientious Proactive Speedy Learning Challenge

Quality Policy

We at Ahresty will:

- Offer services and products that will earn from our customers the feeling that they are glad that they did business with us;
- Follow established decisions and, in the eyes of our customer, follow our conscience and take action in an upright and honest manner;
- And make continuous improvements so that we may be able to offer the best possible products and service to our customers.

July 31, 2011 Rev.1

Environmental Policy

1. We will remain constantly aware that our activities, including development, production, sale, and disposal, are closely connected with and affect the global environment. We will develop environmental objectives, targets, and plans, will review them as needed, and will improve environmental preservation activities continuously.
2. We will comply with the requirements of the national government, local governments, stakeholders, etc., including environmental rules, regulations, and agreements, develop voluntary standards as far as possible technically and economically, and thereby bolster our contributions to environmental preservation.
3. We will prioritize the following activities, thereby contributing to environmental preservation and contamination prevention:
   (i) Thoroughly managing and improving the facilities and processes relating to air pollution and water contamination
   (ii) Consistently recycling 100% of waste products
   (iii) Contributing to a recycling society by reducing the total amount of waste generation and expanding aluminum recycling operations
   (iv) Curbing CO_2 emissions, considering the prevention of global warming
   (v) Developing and designing environmentally friendly products
4. We will provide continual education and awareness programs for employees so that each employee is able to increase environmental awareness.
5. We will strive to protect the environment of local communities and coexist with them as a good corporate citizen.

We will announce our environmental policy both internally and externally.

April 18, 2005 Rev.2

Overseas affiliated company shall specify its environmental policy based on these principles; executives and employees will adhere to its policy.

CONTENTS

Striving to achieve global growth

In the previous fiscal year, the year of its 75th anniversary, Ahresty achieved a long-standing aspiration: the transfer of its shares from the Second Section of the Tokyo Stock Exchange to the First Section. Thanks to the continued support and understanding of its customers, shareholders and business partners since its original listing on the Second Section in 1961, Ahresty has finally been listed on the First Section. I would like to take this opportunity to express my gratitude to our stakeholders.

Having marked its 75th anniversary, Ahresty has now taken the first step towards the next milestone, its centenary. Although domestic demand for die casting products is likely to gradually decline, partly due to the falling birth rate and the aging population, overseas demand continues to grow on the strength of rising demand for automobiles, especially in emerging economies. Ahresty will continue to expand in tandem with overseas demand by further improving its global production structure. By pursuing and advancing MONOZUKURI (manufacturing) based on the technological capabilities that it has developed over many years, Ahresty will strive to improve its capabilities to provide on a global scale, in particular, large-scale complex die casting components that are used in engines and transmissions.

In FY2013, partly reflecting the effects of the weak yen, Ahresty recorded net sales of ¥126.7 billion, already achieving ¥125 billion, target net sales in FY2015, as set forth in the Medium-Term Strategy, two years in advance. On the earnings front, although the operating income ratio was 3.5%, failing to achieve the target operating income ratio of 4%, the ratio improved significantly in the second half of the fiscal year under review. Ahresty also achieved its target ROA of 3% and target ROE of 8% by recording 5.1% and 13.4% respectively, which, however, were mainly attributable to the sale of land of the former Hamamatsu Plant, a temporary factor. Because target net sales for FY2015 were already met in FY2013, Ahresty has set out new medium-term targets for FY2016 with net sales of ¥143 billion, an operating income ratio of 5%, an ROA of 3% and an ROE of 7%.

FY2013 was the year when Ahresty started to move out of the period of earnings sluggishness that followed in the wake of

the collapse of Lehman Brothers. In Japan, it made improvements in the Tokai Plant, which had been grappling with increased expenses as a result of the consolidation of the Hamamatsu Plant and the Toyohashi Plant. In North America, a plant in Mexico that had been performing sluggishly improved its earnings. In Asia, the Hefei Plant in China – now in its third year – recorded profits on a single month basis. Unfortunately, in India, operations remained challenging, but Ahresty has been taking steps to strengthen its business so that it can record profits in the next fiscal year.
As a consequence, each operational base has started to make positive strides, and will continue to strengthen productivity. Based on this initiative, Ahresty aims to achieve further growth and become a leading global company that is trusted by customers and that focuses on die casting as its core. As we pursue this approach, we hope that we can continue to count on the understanding and support of our stakeholders.

Arata Takahashi
President, CEO

10-Year Vision and Medium-Term Strategy

In the "Ahresty 10-Year Vision", which set out our long-term management direction, setting the basic policy of becoming "the global top company with die casts as its core products," 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.
Based on this "Ahresty 10-Year Vision," we have been establishing 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 have also adopted 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 apply themselves 100 percent to achieving the projections:

1 Pursuit and sharing of the best MONOZUKURI (manufacturing)

Rebuild manufacturing that integrates actual sites with design; realize identical quality/productivity at all locations; implement measures aimed at improving productivity, etc.

2 Development of technologies utilized on the MONOZUKURI shop-floor

Implement measures based on a technological road map in to thoroughly investigate manufacturing; implement measures aimed at cultivating markets other than the powertrain

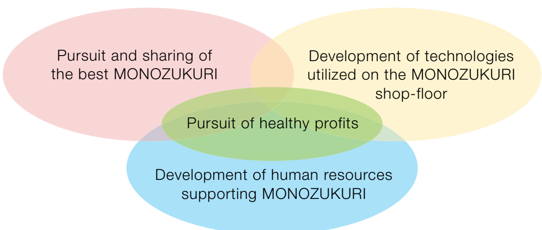
3 Development of human resources supporting MONOZUKURI

Cultivate people with skills backed by practical experience; implement measures that cultivated technologists who can take action based on the principle of five *gens* (*genba* for on site, *genbutsu* for actual thing, *genjitsu* for reality, *genri* for theory and *gensoku* for rule)

4 Pursuit of Healthy Profit

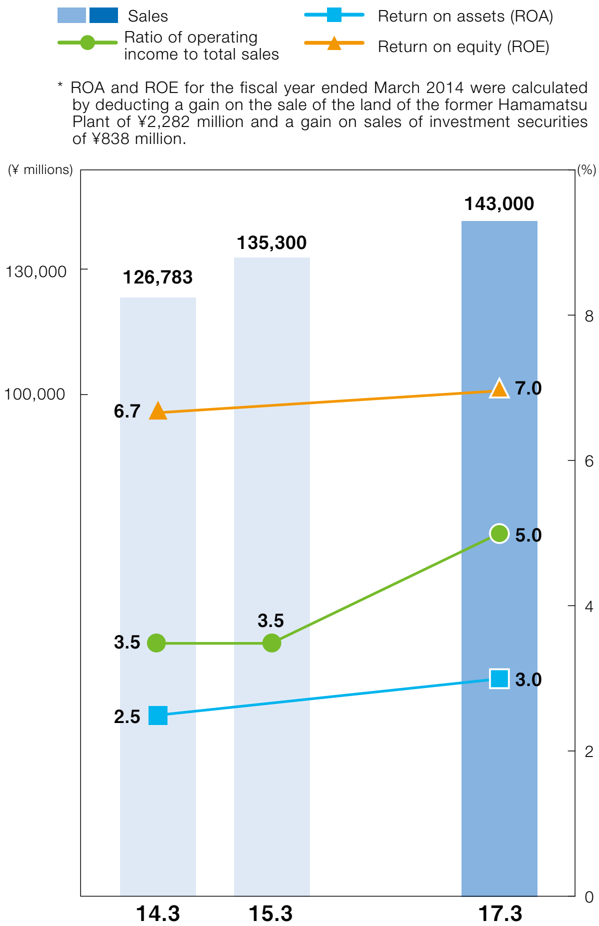
Realize sustainable corporate growth through improved profitability and develop in growth markets; realize work efficiency as well as a processing facility concept with high investment efficiency; implement measures aimed at improving the level of earnings management through the visualization of costs related to processes and divisions

Global Top Die Casting Company
"Pursue and Advance MONOZUKURI"



Target for the Medium-Term Strategy

* ROA and ROE for the fiscal year ended March 2014 were calculated by deducting a gain on the sale of the land of the former Hamamatsu Plant of ¥2,282 million and a gain on sales of investment securities of ¥838 million.



Management Message

To achieve further growth on the global stage

Hiroshi Ishimaru
Director, Senior Managing Executive Officer,
Chief, General Administrative Command

Looking back on FY2013, there were a number of significant events that marked the history of Ahresty, including the 75th anniversary ceremony, the change of the listing of the shares to the First Section of the Tokyo Stock Exchange, a strengthening of our capital through a capital increase, and the relocation of the Tokyo head office.
Responding to these events, in an effort to ensure that Ahresty will further expand as a global company, the General Administrative Command sought to establish Ahresty's standards, such as internal regulations so that both domestic and overseas operations are conducted in an efficient manner. Moreover, the General Administrative Command aims to further improve the speed of account settlement preparations by unifying accounting titles and depreciation methods worldwide. With respect to human resources, we will strengthen the development of human resources who can play a key role on a global stage while invigorating the workplace by improving communication among employees. Moreover, through improvement activities that incorporate the results of audits, which include overseas plants, we will strive to create a safe working environment. We will also establish an Information Technology System Department from the current fiscal year, and accelerate the improvement of operational efficiency using information technology systems. The General Administrative Command, a division with horizontal deployment functions, is committed to contributing to Ahresty's further growth on the global stage.

Acting on New Opportunities as They Emerge

Kenichi Nonaka
Director, Senior Managing Executive Officer,
Chief, Manufacturing Command

Ahresty will further pursue and advance MONOZUKURI (manufacturing) so that it will gain customers' unshakable trust and its employees can have a sense of pride.
Over the past 10 years, the Company has initiated operations in Mexico, China and India in addition to those in the United States and Thailand. Amid a business environment in which demand is rapidly expanding, the Company will continue its endeavors, the pursuit of MONOZUKURI (manufacturing), so that it will be able to integrate design and actual operations with a focus on basic principles to meet the expectations of customers globally.
Ahresty will consistently take steps to create a technological roadmap that will enable it to advance MONOZUKURI (manufacturing) over the next 10 years. In so doing, Ahresty is determined to position itself so that it can act on new opportunities as they emerge.

To successfully achieve the growth strategy

Naoyuki Kaneta
Managing Executive Officer,
Chief, Sales Command

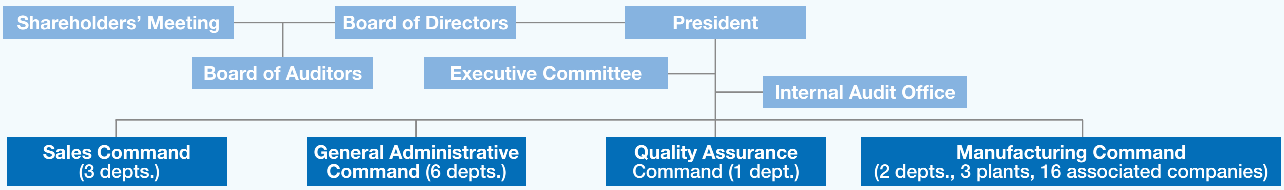
To achieve the "Ahresty 10-Year Vision," we will strive to make a quick start to our initiatives with careful preparations and to act in the belief that becoming a pioneer is unquestionably the best way to reach successful results.
Moreover, our activities will always be carried out with a determination to maintain our competitiveness in the global market and with the commitment that we will develop our own assets from experience based on knowledge about the world that we gain through our active curiosity.
In carrying out their duties, all employees of Ahresty are united and take the same direction in overcoming the severe competition.
Human resources are a source of competitiveness. I believe that competition among companies is competition among individuals. It is our aspiration to successfully achieve Ahresty's growth strategy when individuals reach their own goals through tireless efforts at personal development.

Further strengthen the foundations to support the improvement of product quality on a global scale.

Hiroshi Arai
Executive Officer,
Chief, Quality Assurance Command,
and General Manager, Quality Management Department

Ahresty has been continually growing together with its customers on a global scale.
It is now operating in Japan, China, India, Thailand and North America. As a professional die casting manufacturer and a reliable business partner for its customers, Ahresty delivers products that fully satisfy its customers through consistent mass production of new products at any operating base. To ensure this, Ahresty will continue to take steps to secure further improvement.
In taking these initiatives, it is essential for Ahresty to possess the strong MONOZUKURI (manufacturing) foundation by taking advantage of its aggressive technological pursuit, which still always respects the basics as well as the knowledge, experience and ideas of all its employees.
The Quality Assurance Command is committed to taking measures to strengthen the MONOZUKURI (manufacturing) foundation, and even accelerating the pace of its initiatives to maintain and improve quality levels.

The Ahresty Group has adopted a “four commands” system comprising the Sales Command, the General Administrative Command, the Quality Assurance Command, and the Manufacturing Command.



History

- **Jun. 1938** Founding of Ahresty’s predecessor Shimura Aluminum Co., Ltd.
  Start of production for aluminum alloy ingots, die casting products and aluminum sand mold castings
- **Nov. 1943** Establishment of Fuso Light Alloys Co., Ltd.
  Start of production for die casting products and aluminum sand mold castings
- **Mar. 1960** Establishment of Japan Precision Die Mold Mfg. Co., Ltd. (currently Ahresty Die Mold Hamamatsu Corporation)
- **Jul.** Start of operations of Fuso Light Alloys Co., Ltd. Hamamatsu Plant
- **Oct. 1961** Listing of Fuso Light Alloys Co., Ltd. stock on the Second Section of the Tokyo Stock Exchange
- **Apr. 1962** Establishment of Tokai Seiko Co., Ltd. (currently Ahresty Pretech Corporation)
- **Mar. 1963** Start of operations of Kyoto Die Casting Co., Ltd. Toyohashi Plant (currently Tokai Plant)
- **Apr. 1971** Establishment of Tochigi Fuso Co., Ltd. (currently Ahresty Tochigi Corporation)
- **Mar. 1972** Establishment of Ditec Co., Ltd. (currently Ahresty Die Mold Tochigi Corporation)
- **Sep. 1976** Establishment of Kumamoto Fuso Co., Ltd. (currently Ahresty Kumamoto Corporation)
- **Mar. 1981** Start of operations of Ditec Co., Ltd., Kumamoto Plant (currently Ahresty Die Mold Kumamoto Corporation)
- **Jul. 1984** Start of operations of Fuso Light Alloys Co., Ltd. Kumagaya Plant
- **Aug.** Start of operations of Fuso Light Alloys Co., Ltd. Higashimatsuyama Plant
- **May 1985** Establishment of Pascal Trading Co., Ltd. (currently Ahresty Techno Service Corporation)
- **May 1988** Establishment of Ahresty Wilmington Corporation
- **Oct.** Corporate name changed from Fuso Light Alloys Co., Ltd. to Ahresty Corporation
- **Oct. 1989** Ahresty Corporation awarded Deming Prize for the year 1989 (Small and Mid-range Industries)
- **Feb. 1997** Establishment of Thai Ahresty Die Co., Ltd.
- **Mar.** Ahresty Corporation obtains ISO9001 certification (Free Access Floor)
  Ahresty Corporation obtains ISO9002 certification (Die Castings, Aluminum Ingots)
- **Mar. 2001** Ahresty Corporation obtains ISO14001 certification
- **Jul. 2002** Establishment of Thai Ahresty Engineering Co., Ltd.
- **Aug. 2003** Establishment of Guangzhou Ahresty Casting Co., Ltd.
- **Oct.** Merger of Kyoto Die Casting Co., Ltd. and Ahresty Corporation
- **Nov.** Ahresty Corporation awarded the Minister of Economy, Trade and Industry Award of the 20th Materials Process Technology Commendation
- **Mar. 2005** Establishment of Ahresty Precision Die Mold (Guangzhou) Co., Ltd.
- **Apr.** Merger of Pascal Industry Co., Ltd. and Sugahara Precision Industry Co., Ltd. into Ahresty Yamagata Corporation
- **Jun.** Head Office moved to Chuo, Nakano-ku, Tokyo
- **Jun. 2006** Establishment of Ahresty Mexicana, S.A. de C.V.
- **Sep.** Establishment of Technical Center
- **Jan. 2007** Establishment of Ahresty India Private Limited
- **Aug. 2010** Establishment of Hefei Ahresty Casting Co., Ltd.
- **Apr. 2011** Consolidated organizations into Tokai Plant ahead of the planned integration of Hamamatsu Plant and Toyohashi Plant.
- **Oct. 2013** Head office/headquarters moved to Toyohashi City, Aichi Prefecture (former head office becomes the Tokyo head office)
- **Feb. 2014** Tokyo head office moved to Honcho, Nakano-ku, Tokyo
- **Mar.** Change in listing of the shares from the Second Section to the First Section of the Tokyo Stock Exchange

Topics

Japan

Ahresty Pretech: Expansion of the Toyohashi Plant

The expansion of the Toyohashi Plant (on lease from Ahresty) of Ahresty Pretech Corporation, which carries out the precision machining of the main components of motorcycles, vehicles and general-purpose machines, commenced in March 2013 and was completed at the end of July 2013. In light of an anticipated contraction in the domestic die casting market in the medium to long term, by closing Pretech's Azukimochi Plant and consolidating operations in the Toyohashi Plant, Ahresty aims to establish more efficient production systems not only for Pretech, but also for the Ahresty Group.

Ahresty Pretech Toyohashi Plant: Expansion area

Ahresty Pretech (as of the end of April 2014)
(Plants) Head Office Plant, Toyohashi Plant, Hamakita Plant, Higashimikata Plant and Takaokanishi Plant
(Toyohashi Plant building area) Approximately 8,000 m^2 * including an expansion area of approximately 2,600 m^2

Asia

Ahresty India: Expansion of the plant

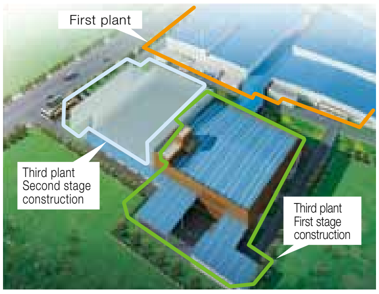
Ahresty India Private Limited commenced the expansion work of its plant in September 2013 to expand its die casting and machining facilities and secure warehouse space. The expansion work was completed at the end of July 2014.

Schematic illustration of the appearance of the plant after the completion of the fifth stage of the expansion work

Ahresty India (as of the end of April 2014)
(Building area) Approximately 12,200 m^2
(Expansion area) Approximately 3,034 m^2
(Die casting: 1,274 m^2; Machining facilities: 1,760 m^2)
(Number of die casting machines) 14 * Three more machines are installed by the end of August 2014.

Guangzhou Ahresty: Commencement of the second stage of the construction work of the third plant

Guangzhou Ahresty Casting Co., Ltd. is constructing a third plant by consolidating the three plants leased in the neighborhood to streamline distribution and other functions and respond to the production increase. Under the first stage of the construction that was completed in April 2013, space for machining and product shipping preparation was constructed, and under the second stage of the construction that commenced in October 2013 and is expected to be completed in September 2014, an office building and a product warehouse have been under construction.



First plant and third plant: First stage and second stage construction areas

Guangzhou Ahresty
(as of the end of April 2014)
(Building area)
First plant: Approximately 26,300 m^2
Second plant: Approximately 10,400 m^2
Third plant: (First stage)
Approximately 16,000 m^2
(Second stage)
Approximately 8,700 m^2, planned
(Number of die casting machines) 31

Hefei Ahresty: Commencing the mass production and delivery of engine blocks to Dongfeng Nissan Passenger Vehicle Company

In August 2013, Hefei Ahresty Casting Co., Ltd. commenced the mass production and delivery of engine blocks to Dongfeng Nissan Passenger Vehicle Company, the passenger vehicle division of Dongfeng Motor Co., Ltd., a local joint venture company in China of Nissan Motor Co., Ltd. It is the first time not only Hefei Ahresty, but also the Ahresty Group has received orders for engine blocks from Nissan Motor Co., Ltd. The products have been used in the 1,500cc class vehicles manufactured by Dongfeng Nissan in China.

Image of the products used in vehicles (engine blocks)

North America

Ahresty Mexicana: Strengthening production capability

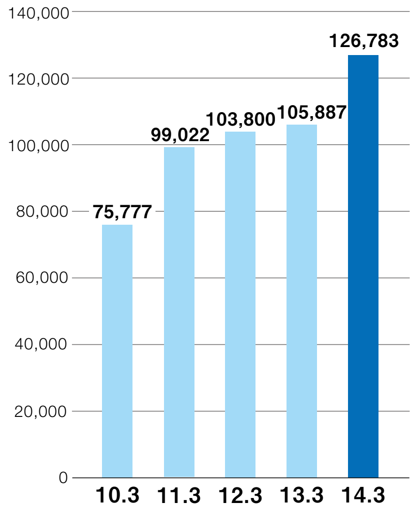
To deal with new orders and strengthen its production capability, Ahresty Mexicana, S.A. de C.V. has been engaged in the expansion work of the die casting plant since April 2014, and it aims to increase its die casting facilities by fiscal year 2015. The expansion work is expected to be completed at the end of September.

Ahresty Mexicana (as of the end of April 2014)
(Building area) Approximately 32,200 m^2
(Planned expansion area) Approximately 920m^2, planned
(Number of die casting machines) 22 * Five more machines are expected to be installed by August 2015.

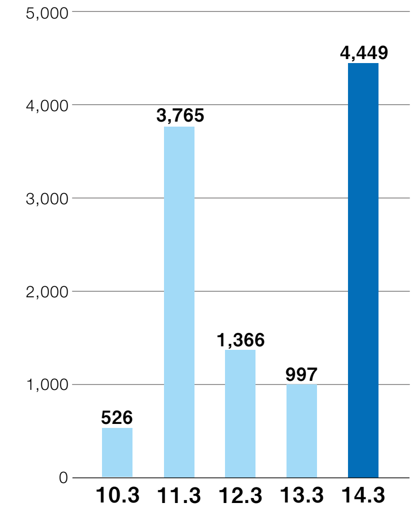
Schematic illustration of the expansion area of the die casting plant of Ahresty Mexicana

Consolidated Financial Highlights

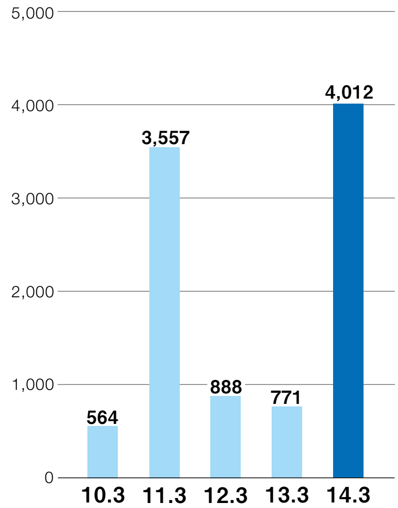
Sales
(¥ millions)



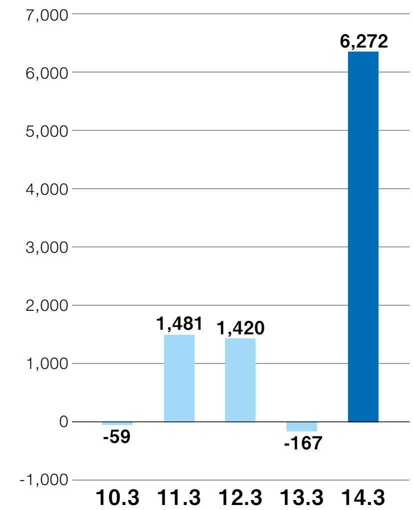
Operating income
(¥ millions)



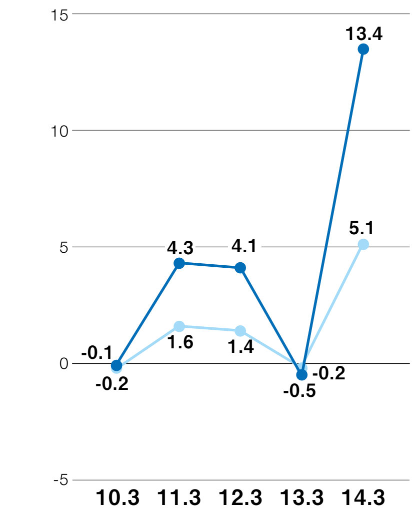
Recurring income
(¥ millions)



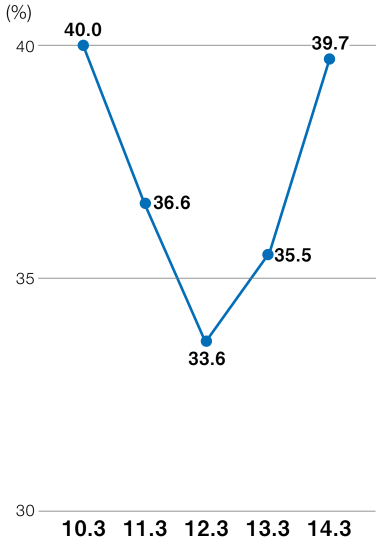
Net income (loss)
(¥ millions)



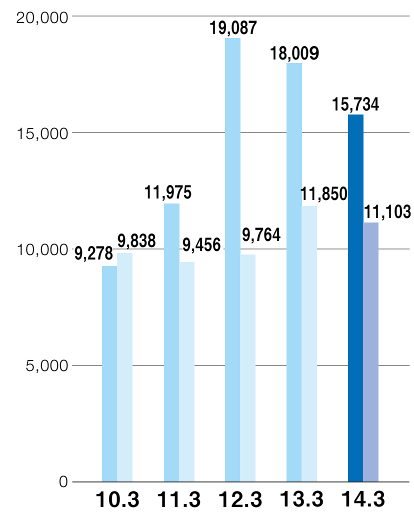
Return on equity (ROE)
Return on assets (ROA)
(%)



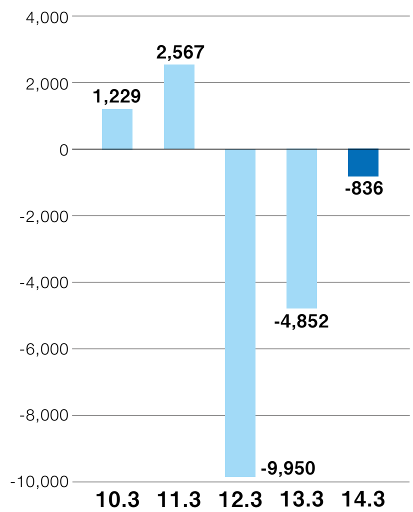
Equity ratio
(%)



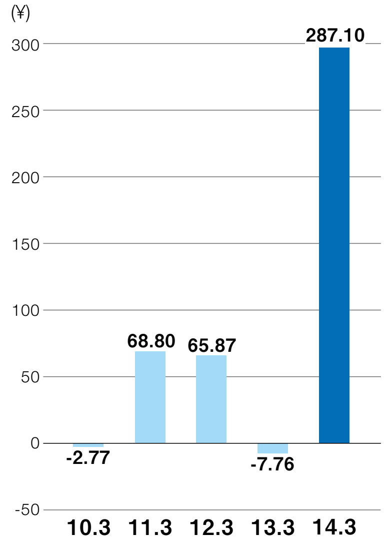
Capital expenditures*1
Depreciation*1
(¥ millions)



Free cash flow*2
(¥ millions)



Net income (loss) per share
(¥)



*1 Including expense of die mold
*2 Free cash flow = Cash flows from operating activities − Cash flows from investing activities

Die Casting Business

The most respected name in the die casting industry for consistently pioneering the development of innovative technologies

The core business of Ahresty is aluminum die casting, and the company has expanded in both size and sales volume with the growth of the automotive industry. Ahresty meets diversifying demand even as it continues to pioneer in the development of innovative solutions that resolve the technical barriers to the application of die casting technologies. The company's respected position in the industry is maintained by our ability to introduce die casting into the manufacture of products that traditionally depended on other processes, while also improving quality and efficiency. Future innovations will focus on environmentally sound technology that reduces product weight and promotes product recycling throughout the aluminum and magnesium die casting businesses.

Main die-cast products

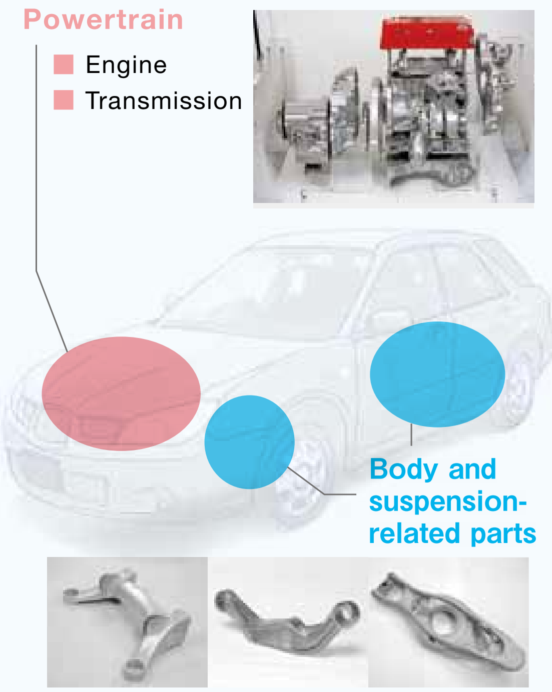
Of the die cast products produced in Ahresty, 80% are parts for four-wheeled automobiles.
In addition, we produce parts for motorcycles, generators and outboard engines.

- **Aluminum die cast products**
  - Engine parts
  - Transmission parts
  - Suspension-related parts
- **Magnesium die cast products**
- **Gravity die cast products**
- **Others**
  - Die mold for die casting
  - Peripheral equipment for die casting
  - Used die cast machine sales

Die cast product characteristics

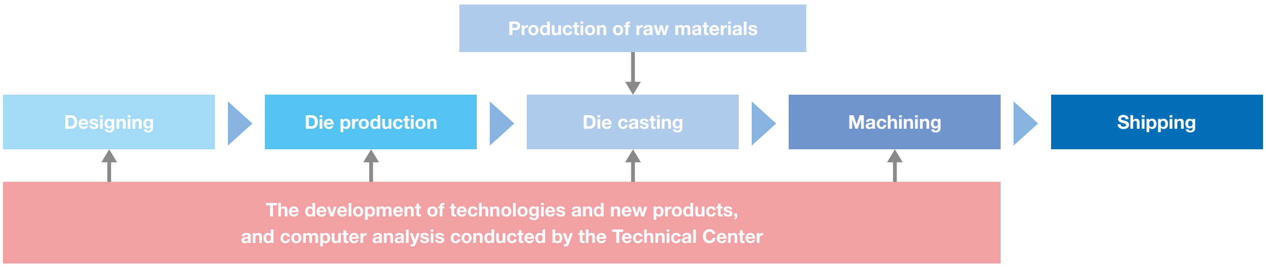
"Die cast," in a general sense, represents a cast at high speed and high pressure using a die or its production method. Die-cast products are characterized by their high productivity, superior measurement precision and beautiful casting surface. An advantage die-cast products offer is that they can be produced to have smooth surfaces, requiring only a few subsequent processing treatments. Due to these characteristics, die-cast products are used for a wide variety of items, including automobile parts, which need to be mass-produced under complex structures.

Ahresty produces a broad lineup of die casting products, particularly automobile engines and transmissions.
Following the downsizing of automobiles in recent years, Ahresty has been actively promoting the use of body parts and suspension-related parts that are produced using die-cast products.



Ahresty's die casting production system

— A fully integrated production system, from the production of raw materials to machining—



Fiscal 2013 Results

Die Casting Business: Japan

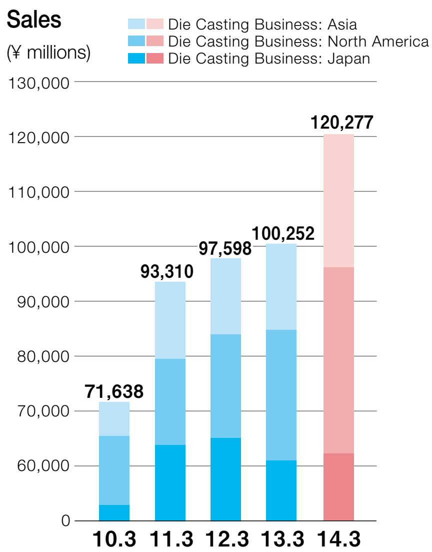
In Japan, production declined at automakers, the Group's main customers, due mainly to the termination of eco-car subsidies. However, there were positive developments on a full-year basis, including the frontloading of orders ahead of the consumption tax increase, production for the strong North American market and a recovery in production for the Chinese market, which had fallen due to the deteriorating relationship between Japan and China. Under their effects, the Company recorded net sales of ¥62,228 million (up 2.6% year on year) and segment profits of ¥3,656 million (up 507.9% year on year), primarily reflecting the effects of a change in the depreciation method and increased productivity.

Die Casting Business: Asia

In China, auto production began to pick up at Japanese automakers, the Group's main customers, after a decline caused by the deteriorating relationship between Japan and China. The Company saw an increase in orders as a result. Orders also grew in India, given the full-fledged mass production of new products. Reflecting these factors and the effects of foreign exchange caused by the yen's depreciation, net sales for the region reached ¥24,143 million (up 44.3% year on year). The segment recorded a profit of ¥180 million (compared with a segment loss of ¥521 million a year ago), due mainly to an increase in profit associated with net sales increase, despite the impact of changes in royalty rates in China and increased fixed costs resulting from prior investment in India and China.

Die Casting Business: North America

In North America, orders increased on the back of strong auto sales in the United States. Mainly reflecting the order growth and the effects of foreign exchange, net sales for the segment amounted to ¥33,906 million (up 48.1% year on year). The segment recorded a profit of ¥509 million (down 31.7% year on year), primarily due to the effects of an increase in fixed costs attributable to capital spending.



Fiscal 2014 Outlook

The Japanese economy is expected to stage a recovery and avoid falling back into a recessionary phase, mainly reflecting the support of the government's economic stimulus packages, a recovery in the overseas economy, an increase in exports on the back of the depreciation of the yen, a rise in capital spending attributable to improved domestic demand and an improvement in employment and wages, although there are concerns over a slowdown in demand in reaction to the last-minute demand before the hike of consumption taxes. Moreover, the overseas economy is likely to gradually recover, mainly reflecting the fact that the issue of the debt limit has reached a certain consensus in the United States, the economic downturn has been halted, and the scale of mid-income earners is expected to steadily increase in the future in China. In this environment, Ahresty will expand the overseas die casting business mainly in China and North America, and it will continue to strive to bolster its earnings by improving its productivity and promoting cost-cutting initiatives.

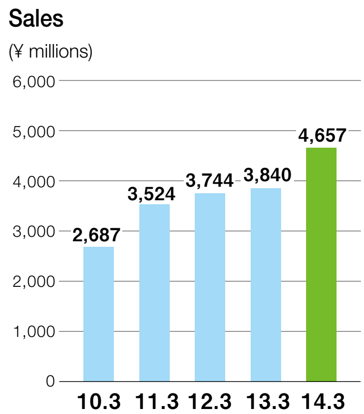
Aluminum Business

High-quality products from various materials using top-class facilities and expertise

Ahresty's Kumagaya Plant became the first in the industry to obtain JIS (Japan Industrial Standard) accreditation in 1958, and the first in Japan to obtain accreditation from the Ministry of International Trade and Industry as an aluminum can recycling facility under the revised Private Participation Promotion Law in 1997. The plant produces aluminum alloy ingots with excellent mechanical properties from various materials, including aluminum cans, window sashes and automobile scraps. These industrial-purpose ingots are produced by Ahresty's state-of-the-art facilities and outstanding recycling expertise. We boast a monthly production capacity of 3,000 tons for aluminum alloy ingots, and our products, shipped nationwide, have earned the trust of our customers.

Fiscal 2013 Results

In the Aluminum business, net sales reached ¥4,657 million (up 21.3% year on year), chiefly attributable to firm orders throughout the year. The segment recorded a loss of ¥6 million (compared with a segment profit of ¥50 million a year ago), mainly reflecting the inability of selling prices to follow the surging prices of raw materials, in addition to a rise in energy costs due to the increased prices of heavy oil, electricity and gas.



Fiscal 2014 Outlook

The Japanese economy is expected to recover on the strength of the steady domestic demand, primarily reflecting the promotion of economic policies that aim to establish virtuous cycles, despite concerns over the negative reaction to the consumption tax hike. On the other hand, with concerns over the surge in energy costs due to the fluctuations of foreign exchange rates and the issues of a shortage in raw materials and a rise in raw material prices as a result of the economic recovery, the business environment surrounding this business segment has become more severe. In this business environment, recognizing its responsibility to participate in the recycling of aluminum and the importance of the role that it is expected to play, Ahresty will seek to cut costs and strengthen its business structure by streamlining energy consumption and improving productivity.

Proprietary Products Business

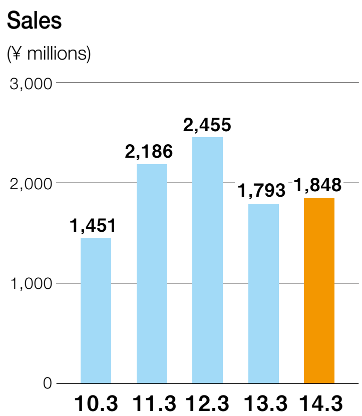
Developing new free access floor products to keep pace with expanding opportunities

In 1962, Ahresty developed MOVAFLOR, the first aluminum die cast-based free access floor panel in Japan. A free access floor is raised flooring that can accommodate wiring and piping underneath.
While it is widely used among general offices and hospitals, Ahresty particularly focuses on floor panels for the clean rooms of semiconductor manufacturing plants, data centers and computer rooms.

Construction underway in Jiangsu Province

Fiscal 2013 Results

In the Propriety Products business, net sales amounted to ¥1,848 million (up 3.1% year on year), due primarily to orders from semiconductor manufacturers, the Group's main customers, and orders for data centers received from telecommunications companies. The segment recorded a profit of ¥66 million (down 14.7% year on year), reflecting intensified price competition.



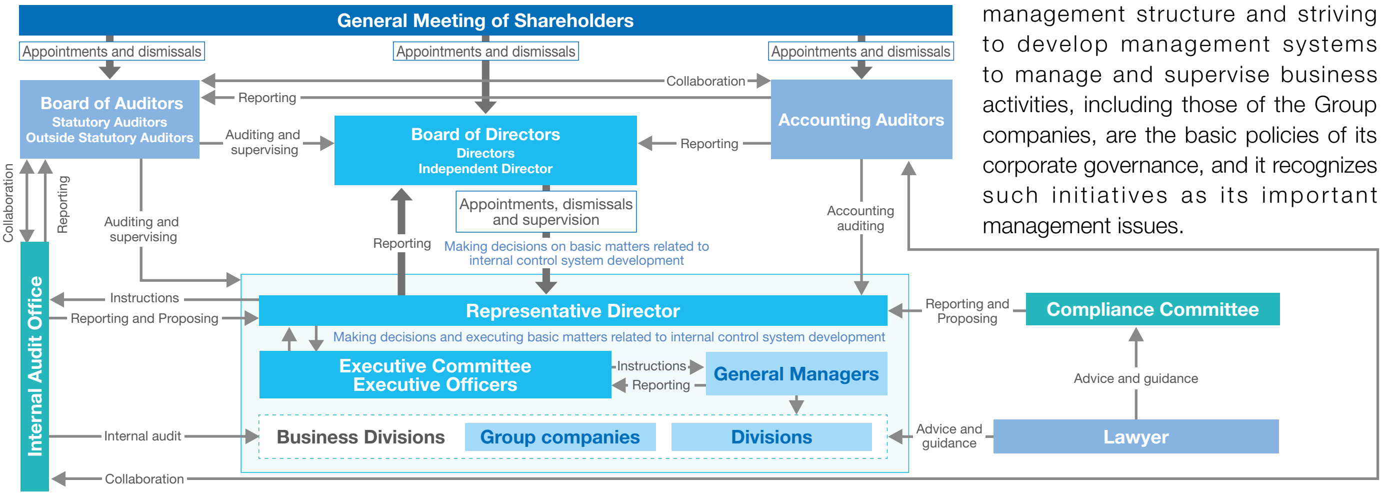
Fiscal 2014 Outlook

In Japan, Ahresty expects that sales of MOVAFLOR used in computer rooms will grow, reflecting the expectation that the construction of data centers and other facilities is likely to rise given the increasing use of big data. On the other hand, demand in the clean room market is expected to remain stagnant, and overall, the free access floor market is likely to contract slightly in the future. However, Ahresty will strengthen its competitiveness through its continued corporate initiatives even if the market contracts, and it is committed to contributing to customers by selling MOVAFLOR. Moreover, because the construction of clean rooms overseas continues to be active, particularly in the Chinese market, Ahresty will focus on this market and strive to achieve overall business growth on a global basis.

Corporate Governance

**Ahresty has been developing internal control systems and risk management structures, including the governance of the Group companies, to ensure management soundness, transparency and compliance.
It also supports the prompt disclosure of information to fulfill its accountability to its stakeholders.**

Corporate Governance Structure



Ahresty believes that improving the internal control system and the risk management structure and striving to develop management systems to manage and supervise business activities, including those of the Group companies, are the basic policies of its corporate governance, and it recognizes such initiatives as its important management issues.

Compliance Principles

Ahresty established these basic principles as the foundation for compliance.
Executives and employees will adhere to the principles in their individual actions and operational execution.

1. We will uphold customer satisfaction and trust as our goals and pay due consideration to quality and safety in providing excellent products and meticulous service.
2. We will be mindful of customer reassurance and trust, comply with all relevant regulations and act with the highest standards of ethics and responsibility.
3. We will establish fair and transparent business relations and undertake sound operations.
4. We will seek to consistently enhance corporate value and strive to become an attractive company.
5. We will respect each other's individuality and values to create healthy and safe working environments.
6. We will protect corporate assets and handle them in an appropriate manner.
7. We will maintain and establish sound relationships to avoid causing any stakeholder to lose trust.
8. We recognize consideration for the earth's environment as a priority concern, and actively take part in activities to protect the environment at our own initiative.
9. We will maintain a global perspective respect local cultures and practices, and actively contribute to society.
10. We will endeavor to broadly communicate with society at large, cooperate in activities for local development and comfortable, safe living toward our goal of coexisting with local communities.
11. We will strongly oppose anti-social forces or parties that threaten to disrupt the order and safety of our community, and resolutely refuse or eliminate unreasonable demands and business related request etc.

Each overseas affiliated company's compliance policy shall be specified based on these principles by each company's president. Executives and employees of overseas affiliated company adhere to their compliance policy.

Ahresty Group's Code of Conduct

We have set up "Ahresty Group's Code of Conduct" which defines fundamental matters that we should comply with in daily business.

1. Compliance with laws (Provisions for intent of norms and responsibility of compliance)
2. Relationship with clients and partners (Provisions for open competition and for trade)
3. Relationship with shareholders and investors (Provisions for corporate information and insiders trading)
4. Relationship with employees (Provisions for respect human right and privacy protection)
5. Management of corporate assets and information (Provisions for trade secrets and intellectual property)
6. Relationship with society (Provisions for endowment acts and political contributions)
7. Operating procedures

Management System

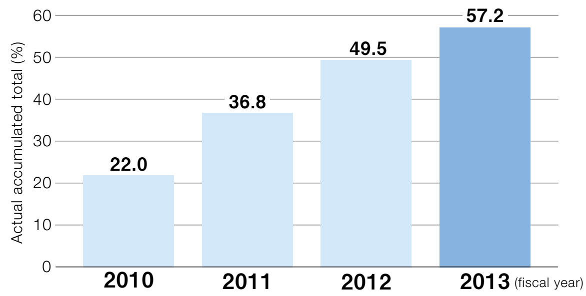
Ahresty maintains and enhances the quality of its operations by setting out the Ahresty Standards (AS), documents that define the standards of various operations. With the certification of third-party organizations, the system has been approved to be effective, particularly in quality and environmental management.

Environmental Activities

Ahresty takes the initiative in reducing the negative impact caused by its production activities on the global environment mainly by engaging in pollution prevention activities and energy and resources conservation activities. Followings are some examples in Japan.

eco License

Ahresty has established the Ahresty eco License, a unique internal examination system, to improve its employees' awareness of the environment. By encouraging learning about general environmental knowledge and the environmental initiatives taken by Ahresty, the examination aims to develop human resources that have a strong environmental awareness, not only in their private lives, but also in their business activities. The examination is offered several times every year. Half the employees have passed the examination to date, and they undertake their daily business activities with a higher level of environmental awareness.



Ahresty Green Convention

Ahresty Green Convention is an assembly for reporting on actual environmental improvement activities, and the 11th convention was held in fiscal year 2013. The convention is a forum where each business office reports on the activities it has focused on, and in response to these reports, the management provides encouragement as well as proposals for further improvements. It has now become an assembly that is expected to continually achieve improvements every year. Ahresty also takes initiatives to introduce the effective activities that are reported to the convention to other business offices in a horizontal manner by establishing a cross-sectional energy saving activities group.

Presentation at the Ahresty Green Convention

Business Office	Theme	Outline
Tokai Plant	Reduction in the basic unit of heavy oil as a result of the introduction of a melting furnace	Report on the case of the introduction of a melting furnace based on consideration of energy saving and a reduction in the basic unit following the integration into the Tokai Plant (the integration of the former Hamamatsu Plant and the former Toyohashi Plant)
Ahresty Pretech	Reduction in the use of water in the production process	Report on the case of a review of dilution water used in waste water treatment machines and a review of water-cooled compressors to reduce the consumption of water in the production process
Higashimatsuyama Plant	Reuse of recycling water of dies and visualization of electric power use	Report on the case of initiatives for the use of die recycling water as localized cooling water, ongoing follow-up activities to reduce water consumption reported in the previous year, and the visualization of electric power used in electric facilities
Kumagaya Plant	Response to odor generated from waste gas	Report on the case of the initiative to reduce the odor generated when aluminum alloy materials are melted
Ahresty Tochigi	Various energy-saving activities on the machining line	Report on the case of air leakage prevention activities and the introduction of energy-saving lighting equipment at the time of the construction of a new machining plant
Ahresty Die Mold Hamamatsu	Waste reduction activities in die manufacturing	Report on the case of reducing chip discharge in die manufacturing by eliminating raw material waste
Ahresty Yamagata	Reduction in the electric power consumption of die casting machines	Report on the case of achieving a reduction in electric power consumption by investigating die casting machines whose electric power consumption per basic unit was not efficient and taking countermeasures
Ahresty Kumamoto	Reduction in the electric power consumption of the recycling water pump of the plant	Report on the case of achieving a reduction in the electric power consumption of recycling water by introducing inverter control to the recycling water pump

Environmental Targets and Achievements

Through its unique internal environmental qualification and social contribution activities, Ahresty is also striving to produce positive achievements in preventing pollution and other common hazards and reducing CO_2 emissions in accordance with recent requirements.

Environmental Targets and Achievements for fiscal year 2013

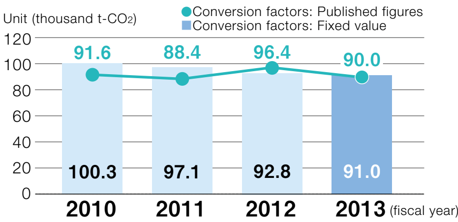
Environmental Category	Medium-term Targets and Measures	Targets for fiscal year 2013	Achievements in fiscal year 2013	
Atmosphere, water quality, noise, etc.	Prevent the occurrence of environmental problems such as atmospheric pollution, water contamination and noise pollution.	Eliminate non-conforming external leaks and external complaints.	One case of a complaint about noise was reported.	×
	Treat and supervise accumulated pollution, such as land and groundwater contamination.	Investigate land that is potentially exposed to a high level of pollution risk by using land use history documents.	Investigations of the relevant land were carried out.	●
Waste materials	Reduce the total amount of waste materials.	For the business offices that had not achieved their targets by the previous fiscal year, reduce the total amount of waste materials by 50% compared with fiscal year 2004.	Of the two business offices in question, both failed to achieve the targets.	×
Energy and natural resources saving	Reduce CO_2 emissions as a measure to counter global warming.	Reduce CO_2 in basic units by 1% per annum. (Target: 908.0kg-CO_2/t)	865.0kg-CO_2/t was achieved.	●
	Reduce the consumption of water used in processing.	Reduce water consumption by 5% compared with fiscal year 2011.	Three of the five business offices in question achieved the targets.	▲
Green procurement	Promote green purchasing.	Aim to complete 12 of the 19 items provided in the eco action 21 requirement items check sheet to develop an environmental management system for the main customers.	Four of the six business offices in question achieved the target.	▲
		Continue to develop a structure to manage materials that negatively impact on the environment for the main customers.	Three of the five business offices in question achieved the target.	▲
Other	Enhance awareness of the environment.	Require each business office to ensure that more than 40% of its full-time employees gain the Ahresty eco License. Establish individual targets for the business offices that have already achieved the above target.	The target was met, with 57.2% of the employees gaining the license.	●
	Promote social contribution activities.	Achieve a participation rate of more than 60% and an average number of eco points obtained per person per annum of more than 130 points.	The targets were met with the achievement of a participation rate of 77.8% and an average number of eco points obtained per person of 162.5 points.	●

* Above is mentioned only operating bases in Japan.

Annual Changes

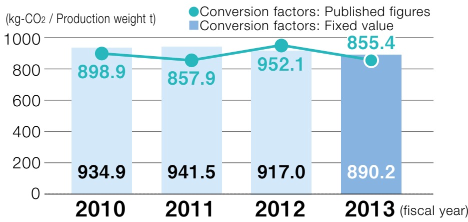
Ahresty has achieved a reduction of all CO_2 emissions, discharged materials and water consumption since the previous fiscal year. To evaluate the effects of the CO_2 emission reduction activities, CO_2 conversion factors were calculated based on the past fixed value.

CO_2 emissions



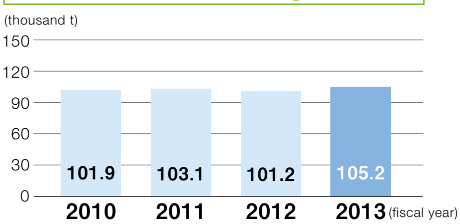
The figures show the consumption of fuel and electric power by conversion to CO_2 emissions. The line graph shows the CO_2 emissions calculated based on the conversion factors published by the electric power companies.

Basic CO_2 emissions unit



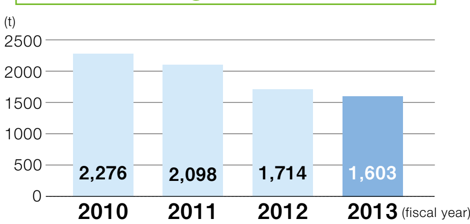
The basic CO_2 emissions unit is the figures calculated by dividing the CO_2 emissions by the production weight, and it shows the amount of CO_2 emitted in the production of 1t.

Production weight



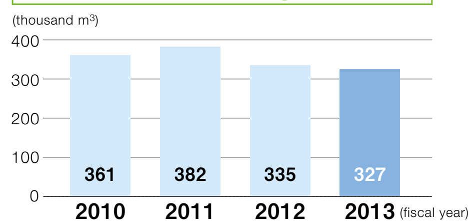
The production weight shows the weight of the products manufactured by Ahresty. The energy consumption is proportional to the production weight.

Discharged materials



Discharged materials are all the materials discharged from business offices, excluding steel and aluminum, and they include waste and valuable materials.

Water consumption



Water consumption is the amount of clean water and groundwater consumption. Ahresty has included the target of reducing the use of water resources since fiscal year 2011.

* The figures are based only on the six main plants in Japan that have maintained annual data.

Material Flows

Ahresty manufactures products by using a variety of energy and materials and paying the necessary costs.

INPUT (consumption)

Fuels (heavy oil, kerosene, etc.) 14,523 kℓ

Electricity 95,490,000 kWh

Gas 4,127 t

Aluminum alloy ingots 176,084 t

Clean water 116,938 m³

Groundwater 227,690 m³

Chemical materials (materials subject to internal reporting) 17.6 t

Aluminum resources 30,168 t

Ahresty

Reporting period: From April 1, 2013 to March 31, 2014

(Unit: thousand yen)

Categories and main initiatives		Environmental conservation costs	
		Investments	Expenses
Costs incurred by the business office areas			
Types of costs	●Pollution prevention costs Management, updating and introduction of wastewater treatment facilities, maintenance and management of waste gas treatment and dust collection equipment and noise control measures	21,929	84,910
	●Global environmental conservation costs Energy (electricity and heavy oil) saving activities, the introduction of energy saving facilities, the greening of the plant environment and the monitoring of electric power consumption	8,834	22,782
	●Resources recycling costs Recycling of water, treatment (separation and disposal) of waste, and use of recycled oil	17,055	273,644
Subtotal		47,818	381,336
●Upstream and downstream costs Purchasing of green materials Sales of valuable materials (income is stated in the expenses column)		— —	29,719 62,671
●Management activities costs Environmental Committee, internal auditing, measuring of the levels of smoke, dioxin, exhaust gas and noise, internal education and training and maintenance of ISO14001 certification		—	18,365
●Research and development costs Alloy association (environmental conservation theme) and examinations of substances contained in ingots that have a negative environmental impact		—	6
●Social activities costs Holding of plant tours, community cleaning activities, community communication activities, volunteer activities and NPO donations		—	157
●Environmental damage countermeasure costs Pollution load charges		—	1,557
Subtotal		—	49,804
Total income		—	62,671
Total		47,818	431,140

* Investments are those made in fixed assets, such as facilities, and expenses are those incurred with regard to other matters.
* The latest figure published by the electric power companies (the figure for fiscal year 2012) is used as the CO_2 conversion factor of electric power

OUTPUT (production and emissions)

Product production volume 77,048 t

Aluminum alloy ingots Production volume [Kumagaya Plant] 28,183 t

CO_2 95,668 m3

Discharged water 73,784 m3

Waste (recycling) 2,361 t

Waste (final disposal) 21 t

Die production volume (including components) [Die group] 145

* The figures of Material Flows are based only on the operating bases in Japan.

Safety and Sanitation

Ahresty carries out production activities based on the principle of prioritizing safety first.
Accordingly, by carrying out a variety of safety and sanitation activities, Ahresty as a whole aims to develop a safe working environment.

Safety and Sanitation Initiatives

Basic safety and sanitation policies

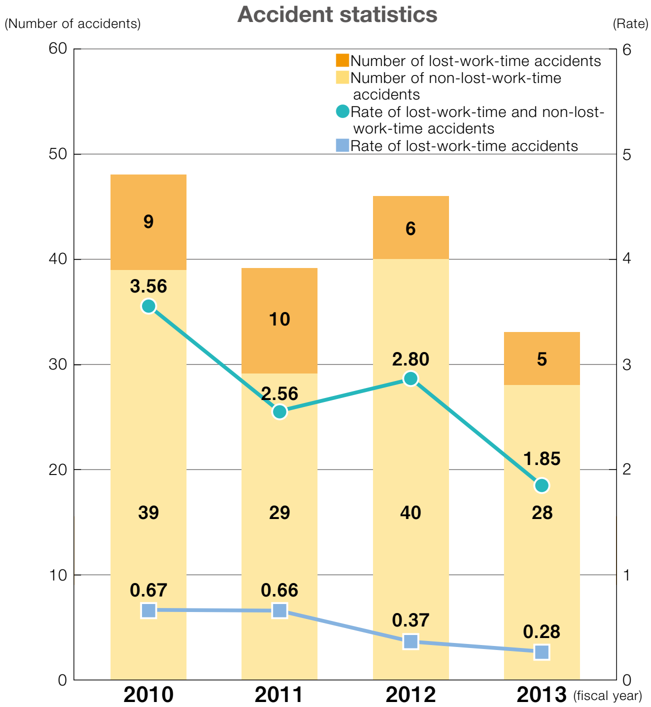
With the aim of developing a safe and comfortable working environment in compliance with laws and regulations and internal rules, Ahresty promotes safety and sanitation activities based on the principle, "Safety is the top priority."

Three-year safety and sanitation policy (medium-term safety and sanitation plan)

- Identify and improve dangerous workplaces by undertaking regular risk assessments.
- Carry out safety and sanitation activities by using analysis based on questions.
- Eliminate unsafe activities by strengthening daily management.

Ahresty Group safety slogan

"Don't commit, allow or overlook dangerous operations and unsafe activities. Let us all work to create a safe workplace by complying with the rules and raising safety awareness."



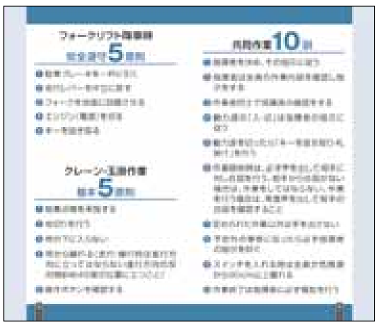
* Rate = Number of accidents x 1,000,000 / Total working hours

Results of key activities for fiscal year 2013

- Improvement in the safety of the workplace through the effective use of risk assessments
- Development of instructors who can teach risk assessments in business offices
- Realization of a workplace that complies with rules through safety awareness improvement activities that focus on the development of human resources and corporate culture
- Implementation of safety awareness improvement activities by holding safety awareness enhancement months
- Implementation of safety awareness improvement activities by setting out KY key themes
- Finalization of the common safety specifications of facilities

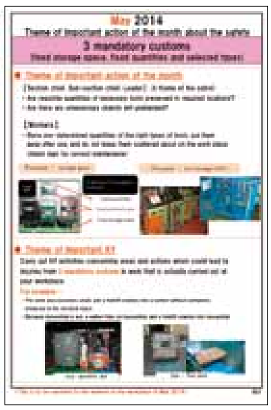
Safety and Sanitation Booklet

Ahresty has integrated the safety and sanitation booklets that were published by each business office in Japan, and has issued the Safety and Sanitation Booklet as the unified rules. Ahresty is now developing global safety rules based on this booklet.



Monthly Theme Enhancement Activities

To reduce the risk of serious accidents and prevent the recurrence of accidents that previously occurred, Ahresty believes that it is required to rectify a shortage in equipment safety and a lack of safety awareness. Accordingly, it will continue to carry out risk assessments on a global scale, develop common equipment safety specifications, ensure the implementation of workplace patrols by determining monthly themes, and carry out activities that focus on surprising and shocking or worrying incidents and KY activities.



Establishing an Energetic Working Environment

All employees strive to improve their individual skills to ensure that they can engage energetically in their duties as a member of Ahresty and, while remaining confident about the products they produce, they contribute to society through superior products.

RST Way and RST Way Prize

The RST Way Prize is a system that has been introduced on a global scale to enhance awareness of the RST Way and facilitate communication. The RST Way means the five codes of conduct that all employees must observe in their business activities: *Conscientious, Proactive, Speedy, Learning* and *Challenge*. The RST Way Prize is a system in which the activities and concept based on the RST Way are recognized and rewarded.

Training System

In terms of training in safety and sanitation, production management, quality control, environmental conservation and other issues, Ahresty has developed a training system through which its employees can obtain training in a systematic manner by providing three major programs: common training that is offered to all employees, management training for managers, and professional training that provides expertise in a wide range of specialized technologies. In particular, professional training also offers valuable opportunities for employees to obtain training from the specialists within the Ahresty Group.

Internal Communication

Ahresty issues *WiLL*, a magazine for its Japanese employees and their family members, and *All for One*, the Group's global magazine. These internal magazines have already reached 443 issues in total, and they provide information including timely focus topics and news about employee recruitment, retirement, marriage and childbirth.
Ahresty also takes the initiative to introduce news about the adoption of auto components manufactured by Ahresty as one of topics in the wall newspaper to ensure that its employees are familiar with Ahresty's production activities.

The Group's global magazine
All for One

The Group's Japanese magazine
WiLL

Together with the Local Communities

Ahresty has been making continued efforts to ensure that its plants become rooted in the local communities and develop human resources that can initiate leadership in contributing to society.
Ahresty is committed to growth together with the local communities.

Social Contribution Activities

Ahresty focuses on the provision and promotion of venues for a variety of social contribution activities so that its employees can contribute to society while enjoying the friendly companionship of their colleagues.
Each of Ahresty's business offices has been carrying out ongoing social contribution activities, including the cleaning of local areas and river beds, the conservation of local forests, blood donation, welfare support and community crime prevention patrol.

Examples of activities

- Ahresty's forest development (local forest development)
- Volunteer activities in the Iwaya Ryokuchi
- Cleaning of the Flower Road and Adopt-a-River activities
- Voluntary cleaning of nursing homes
- Red Cross Blood Center Voluntary blood donation
- Cleaning campaign at Lake Hamana
- Meeting for appreciating the nature of the Arakawa River and Kumagaya
- Tenryu River cleaning campaign
- Umeda River community cleaning campaign

and other activities totaling approximately 80 events

Local Community Communication

Ahresty's plants emit die casting noise, machining noise, noise from delivery vehicles, odors particular to the plants and other emissions. In response to these issues, Ahresty takes measures to eradicate the sources of the problems and requests that people in the local communities advise it of any inconveniences they experience when visiting houses, residents' associations and companies that are located near the plants. In such visits, this report is used as a communication tool to help them to understand what kind of company Ahresty is.

Eco Point System

Ahresty has established a system whereby it gives points to employees who participate in social contribution activities and offers awards to those who obtain more than certain number of points. Although there is a view that certain employees are embarrassed to receive awards publicly, Ahresty promotes public awards in the belief that it should reward their activities at corporate events.

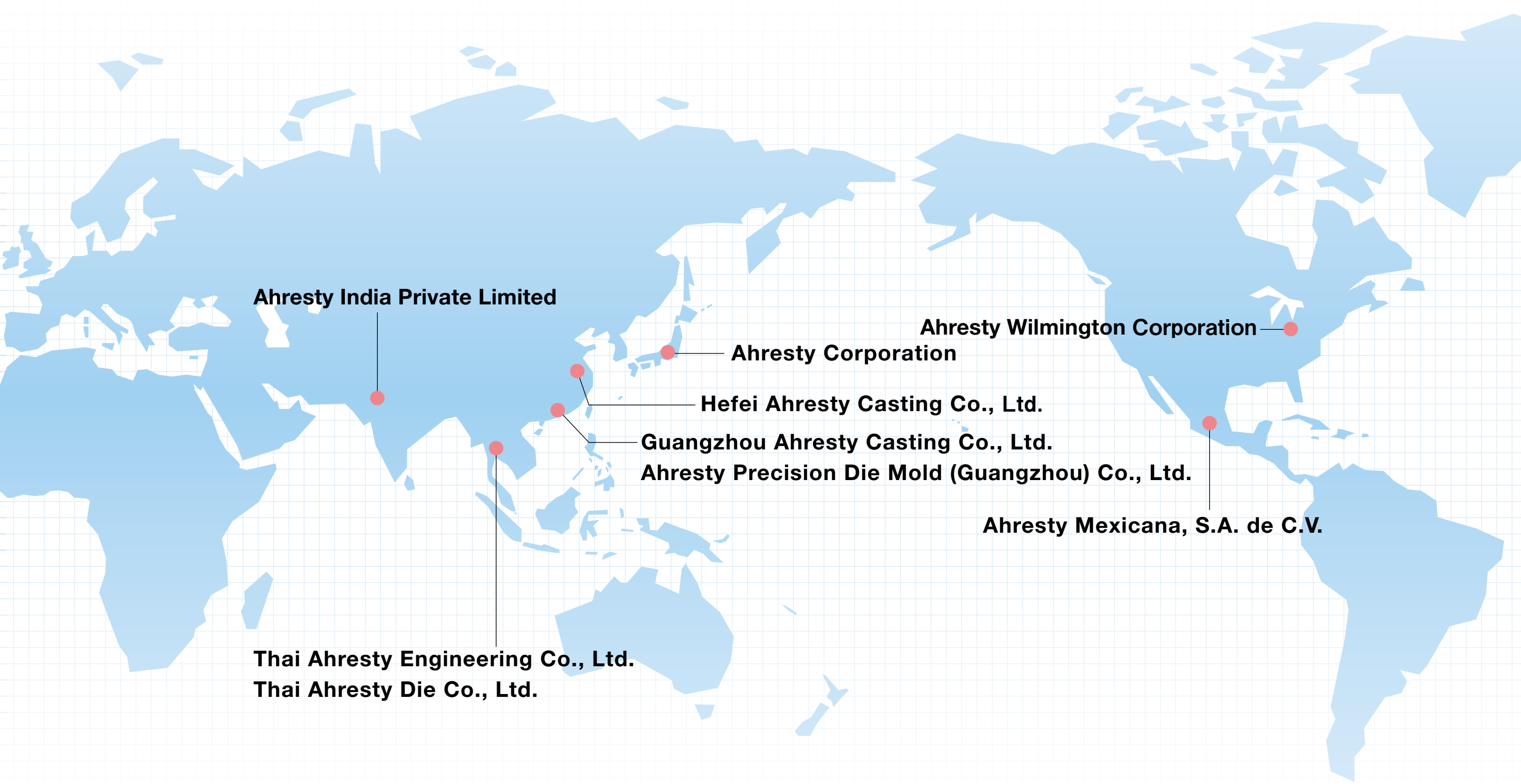
* Currently applied only to operating bases in Japan.

Global Development

Actively pursuing global development to respond to the needs of customers worldwide

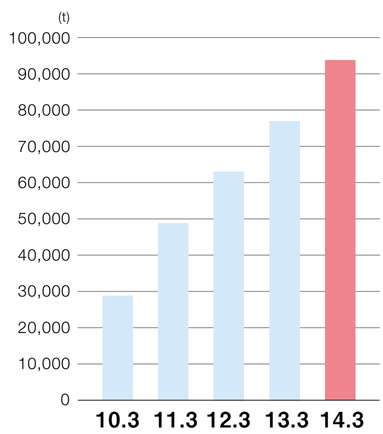
Ahresty is actively promoting its overseas operations to quickly and efficiently deliver a stable supply of products to customers around the world. In addition to our U.S. plant in Wilmington, Ohio, we established a die casting plant in Guangzhou, China, Mexico, India, and Hefei, China, and have been steadily expanding production.

We fully apply our accumulated technology and expertise to manufacture and market high-quality products. We have also established a mutually complementary system that includes our die casting die production bases in Thailand and Guangzhou, encompassing our entire business line from materials and die casting die to die casting, toward complete optimization across the Group and around the world.

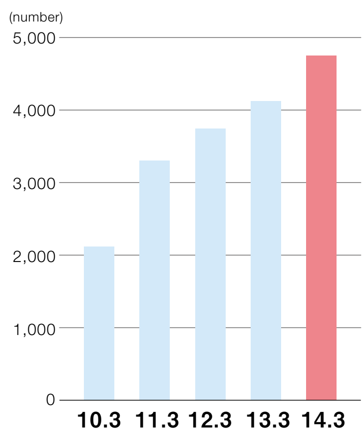


Overseas Sales Volume / Number of Employees

Overseas sales volume



Number of employees



Operating Bases

Main Global Business Offices

Ahresty Wilmington Corporation

Address:
2627 S. South Street, Wilmington, Ohio 45177, U.S.A.
Tel.:+1-937-382-6112
Business Content:
Die Castings, Machining, Part Assembling
Monthly Production Capacity: 1,800 t
Site Area: 170,000 m²

Guangzhou Ahresty Casting Co., Ltd.

Address:
No.7 Xinfeng St., Yonghe Economic District, Guangzhou Economic & Technological Development District, P.R. China Zip: 511356
Tel.: +86-20-3222-1638
Business Content:
Die Castings, Machining, Part Assembling
Monthly Production Capacity: 2,600 t
Site Area: 81,800 m²

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

Address:
Calle Industria Automotriz #20 Complejo de Naves Industriales la Zacatecana Guadalupe, Zacatecas C.P.98600, Mexico
Tel.: +52-492-491-4010
Business Content:
Die Castings, Machining, Part Assembling, Die Casting Die
Monthly Production Capacity: 2,100 t
Site Area: 100,000 m²

Ahresty India Private Limited

Address:
Plot No. 194, Sector 4, Phase Ⅱ, Growth Centre, Bawal, Dist. Rewari, Haryana India PIN 123501
Tel.: +91-1284-26-4130
Business Content:
Die Castings, Machining, Part Assembling
Monthly Production Capacity: 900 t
Site Area: 58,500 m²

Hefei Ahresty Casting Co., Ltd.

Address:
2295Qinglongtan Rd., Hefei Economic and Technological Development Area, Anhui, China, P.O. 230601
Tel.: +86-551-6367-9389
Business Content:
Die Castings, Machining, Part Assembling, Free Access Floor Production
Monthly Production Capacity: 1,000 t
Site Area: 50,500 m²

Thai Ahresty Die Co., Ltd.

Address:
Hi-Tech Industrial Estate, #133 Moo1, Bhan Wha Sub-Dist Bang Pa-In Dist, Ayutthaya Province, 13160, Thailand
Tel.: +66-35-351-655
Business Content: Die Casting Die
Site Area: 16,940 m²

Ahresty Precision Die Mold (Guangzhou) Co., Ltd.

Address:
No.70 Xin Ye St., Yonghe Economic District, Guangzhou Economic & Technological Development District, P.R. China Zip: 511356
Tel.: +86-20-8246-1670
Business Content: Die Casting Die
Site Area: 8,748 m²

Main Business Offices in Japan

Tokai Plant

Address:
80 Aza Higashimukaiyama, Futagawa-cho, Toyohashi-shi, Aichi 441-3153, Japan
Tel.: +81-532-41-0511
Business Content: Die Castings
Monthly Production Capacity: 3,200 t
Site Area: 70,994 m²

Higashimatsuyama Plant

Address:
25-27 Oaza Miyako, Namegawa-machi, Hiki-gun, Saitama 355-0812, Japan
Tel.: +81-493-56-4421
Business Content:
Die Castings, Machining, Part Assembling, Free Access Floor Production
Monthly Production Capacity: 300 t
Site Area: 13,774 m²

Kumagaya Plant

Address:
284-11 Miizugahara, Kumagaya-shi, Saitama 360-8543, Japan

Tel.: +81-485-33-5161

Business Content:
Aluminum Alloy Ingots Production

Monthly Production Capacity: 3,000 t

Site Area: 47,105 m²

Head Office and Technical Center

Address:
1-2 Nakahara, Mitsuya-cho, Toyohashi-shi, Aichi 441-3114, Japan

Tel.: +81-532-65-2170

Business Content:
Product Design, Research and Development

Site Area: 18,067 m²

Ahresty Tochigi Corporation

Address:
4060 Oaza Mibu Otsu, Mibu-machi, Shimotsuga-gun, Tochigi 321-0215, Japan

Tel.: +81-282-82-5111

Business Content:
Die Castings, Machining, Part Assembling, Free Access Floor Production

Monthly Production Capacity: 2,800 t

Site Area: 97,800 m²

Ahresty Kumamoto Corporation

Address:
36 Urakawachi, Matsubase-machi, Uki-shi, Kumamoto 869-0521, Japan

Tel.: +81-964-33-3111

Business Content: Die Castings, Machining, Part Assembling

Monthly Production Capacity: 500 t

Site Area: 34,342 m²

Ahresty Yamagata Corporation

Address:
65 Arato Otsu, Shirataka-machi, Nishiokitama-gun, Yamagata 992-0832, Japan

Tel.: +81-238-85-5233

Business Content: Die Castings, Machining, Part Assembling, Design and Production of Machining Equipment, Design and Production of Assembling and Inspection Equipment

Monthly Production Capacity: 400 t

Site Area: 35,156 m²

Ahresty Pretech Corporation

Address:
3-8-38 Takaokahigashi, Naka-ku, Hamamatsu-shi, Shizuoka 433-8117, Japan

Tel.: +81-53-436-2121

Business Content:
Machining of Principal Component Parts for Automobile, Motorcycle and General-purpose Machine

Site Area: 23,616 m²

Ahresty Techno Service Corporation

Address:
938 Nagashima, Hamakita-ku, Hamamatsu-shi, Shizuoka 434-0013, Japan

Tel.: +81-53-584-1414

Business Content: Manufacture, Sales and Repairs of Peripheral Equipment for Die Casting Machine

Site Area: 9,241 m²

Ahresty Die Mold Hamamatsu Corporation

Address:
5-3-10 Sakuradai, Nishi-ku, Hamamatsu-shi, Shizuoka 431-1104, Japan

Tel.: +81-53-436-1711

Business Content: Die Casting Die

Site Area: 13,320 m²

Ahresty Die Mold Kumamoto Corporation

Address:
12 Urakawachi, Matsubase-machi, Uki-shi, Kumamoto 869-0521, Japan

Tel.: +81-964-33-3536

Business Content: Die Casting Die

Site Area: 12,987 m²

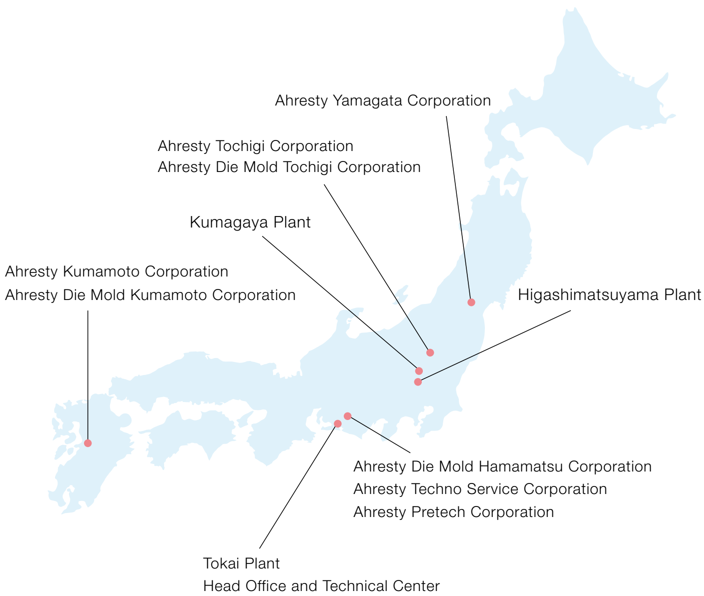
Ahresty Die Mold Tochigi Corporation

Address:
4060 Oaza Mibu Otsu, Mibu-machi, Shimotsuga-gun, Tochigi 321-0215, Japan

Tel.: +81-282-82-2150

Business Content: Die Casting Die

Site Area: 6,612 m²



Financial Section

Contents

Results of Operations

During the consolidated fiscal year under review, the Japanese economy remained on the road to recovery. Personal consumption recovered, with factors such as the positive effects of economic and monetary policies in the background. In addition, last-minute growth in demand ahead of the consumption tax rate increase was observed in certain sectors. Moreover, companies centered on large enterprises improved their business performance, backed by increased production. Overseas, the U.S. economy maintained a modest upturn, and its recovery is expected to accelerate, although possibilities such as the adverse effects of reduced monetary relaxation require attention. In China, the economy expanded at a moderate pace, and this trend is anticipated to continue, even though the risk of an economic downturn attributable to factors such as exports and financial market trends remains a matter of concern. In India, the economy crawled along the bottom, and its growth is expected to remain low.
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.
For the consolidated fiscal year under review, the Company recorded net sales of¥126,783 million (up 19.7% year on year), operating income of ¥4,449 million (up 346.1% year on year) and recurring income of ¥4,012 million (up 464.0% year on year). Net income came to ¥6,272 million (compared with a net loss of ¥167 million a year ago), partially attributable to the posting of extraordinary profit from the sale of the site of the old Hamamatsu plant.

Consolidated performance for year ended March 2014 (April 1, 2013–March 31, 2014)

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

(1) Consolidated Operating Results

(% shows change from previous term)

	Sales		Operating Income		Recurring Income	
	Millions of Yen	%	Millions of Yen	%	Millions of Yen	%
Fiscal year ended March 2014	126,783	19.7	4,449	346.1	4,012	464.0
Fiscal year ended March 2013	105,887	2.0	997	(27.0)	711	(20.0)

	Net Income		Net Income per Share	Fully Diluted Net Income per Share	Return on Equity	Return on Total Asset	Operating Profit on Sales
	Millions of Yen	%	Yen	Yen	%	%	%
Fiscal year ended March 2014	6,272	–	287.10	285.59	13.4	3.2	3.5
Fiscal year ended March 2013	(167)	–	(7.76)	–	(0.5)	0.7	0.9

Note: Comprehensive income
Year ended March 2014: 12,312 million yen (204.4%)
Year ended March 2013: 4,045 million yen (264.5%)

For reference: Investment gain or loss under equity method
Year ended March 2014: – million yen
Year ended March 2013: – million yen

(2) Consolidated Financial Position

	Total Assets	Net Assets	Equity Ratio	Net Assets per Share
	Millions of Yen	Millions of Yen	%	Yen
Fiscal year ended March 2014	137,233	54,592	39.7	2,110.89
Fiscal year ended March 2013	110,752	39,335	35.5	1,820.70

For reference: Shareholders' equity
Year ended March 2014: 54,512 million yen
Year ended March 2013: 39,262 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
	Millions of Yen	Millions of Yen	Millions of Yen	Millions of Yen
Fiscal year ended March 2014	11,835	(12,671)	3,012	8,791
Fiscal year ended March 2013	13,696	(18,548)	3,715	6,087

Outlook for Fiscal 2014

With respect to the economic outlook going forward, the Japanese economy is expected to continue its recovery without falling into a recessionary phase, backed by factors such as economic measures taken by the Japanese government, capital spending growth from export expansion and its repercussions on domestic demand that will accompany economic recoveries overseas and the yen's depreciation, and rises in employment and wages, even though a decline in demand in reaction to the last-minute demand ahead of the consumption tax rate hike is a matter of concern. Overseas economies are also anticipated to recover moderately, given factors such as a certain prospect for the resolution of the debt ceiling crisis in the United States and the settlement of a business slowdown and the steady growth of the middle income class forecast in China.
In this operating environment, the Group will continue advancing activities for improving profitability and cutting costs while expanding its overseas die casting business in regions centered on China and North America. We set out below the consolidated business results forecast for the next fiscal year.
The consolidated business results forecast assumes foreign exchange rates of 100.0 yen to 1 USD, 16.5 yen to 1 RMB, and 1.65 yen to 1 INR.

(Millions of Yen)

	Sales	Operating Income	Recurring Income	Net Income
For the year ending March 2015 forecast	135,300	4,800	4,000	2,500
For the year ended March 2014 actual	126,783	4,449	4,012	6,272
Increase/decrease	8,517	351	(12)	(3,772)
Rate of increase/decrease (%)	6.7	7.9	(0.3)	(60.1)

(Millions of Yen)

	Sales		Segment Income	
Segment	Current fiscal year	Next fiscal year	Current fiscal year	Next fiscal year
Die Casting Business: Japan	62,228	63,300	3,656	2,930
Die Casting Business: North America	33,906	36,400	509	850
Die Casting Business: Asia	24,143	29,300	180	950
Aluminum Business	4,657	4,700	(6)	50
Proprietary Products Business	1,848	1,600	66	20

Consolidated Balance Sheets

(Assets)		Millions of yen Fiscal year ended March 31 2013	 2014	Thousands of U.S. dollars Fiscal year ended March 31 2014
Current Assets				
Cash and time deposits		¥ 6,087	**¥ 8,791**	**$ 87,923**
Trade notes and accounts receivable	*3	18,620	**25,924**	**259,273**
Merchandise and products		2,777	**3,303**	**33,038**
Partly finished goods		3,999	**4,062**	**40,633**
Raw materials and inventories		2,641	**3,171**	**31,722**
Deferred tax assets		1,255	**1,423**	**14,235**
Others		1,772	**2,243**	**22,434**
Allowance for doubtful accounts		(1)	**(1)**	**(12)**
Total Current Assets		37,153	**48,920**	**489,249**
Fixed Assets				
Tangible fixed assets				
Buildings and structures	*2	24,429	**25,199**	**252,023**
Accumulated depreciation and impairment loss		(12,679)	**(10,488)**	**(104,898)**
Buildings and structures, net	*2	11,749	**14,710**	**147,124**
Machinery and delivery equipment		87,884	**103,120**	**1,031,305**
Accumulated depreciation and impairment loss		(57,712)	**(62,307)**	**(623,132)**
Machinery and delivery equipment, net		30,171	**40,813**	**408,172**
Tools, furniture and fixtures		36,665	**42,600**	**426,051**
Accumulated depreciation		(32,149)	**(35,839)**	**(358,435)**
Tools, furniture and fixtures, net		4,515	**6,760**	**67,615**
Land	*2	5,743	**5,252**	**52,531**
Lease assets		784	**1,027**	**10,271**
Accumulated depreciation		(102)	**(219)**	**(2,192)**
Lease assets, net		681	**807**	**8,078**
Construction in progress		12,289	**9,862**	**98,639**
Total Tangible Fixed Assets		65,150	**78,208**	**782,161**
Intangible Fixed Assets		984	**1,340**	**13,411**
Investments and other assets				
Investments in securities	*1	5,956	**5,964**	**59,653**
Deferred tax assets		1,258	**2,145**	**21,456**
Others		251	**655**	**6,552**
Allowance for doubtful accounts		(1)	**(0)**	**(9)**
Total Investments and Other Assets		7,464	**8,764**	**87,652**
Total Fixed Assets		73,599	**88,313**	**883,225**
Total Assets		¥110,752	**¥137,233**	**$1,372,474**

Note:The translations of yen amounts into U.S. dollar amounts are included solely for the convenience of readers outside Japan and have been made at the rate of ¥99.99 to $1.00, the average exchange rate during period. U.S. dollar figures less than a thousand dollars are rounded down to the nearest thousand dollars.

		Millions of yen		Thousands of U.S. dollars
		Fiscal year ended March 31		Fiscal year ended March 31
(Liabilities)		2013	2014	2014
Current Liabilities				
Notes and accounts payable	＊3	¥ 12,418	**¥ 15,140**	**$ 151,417**
Electronically recorded obligations-operating		3,583	**4,574**	**45,744**
Short-term loans		6,315	**6,676**	**66,768**
Current portion of long-term loans	＊2	9,406	**9,848**	**98,493**
Accrued income taxes		270	**1,526**	**15,269**
Bonus allowances		930	**1,254**	**12,549**
Directors’ bonus allowances		–	**28**	**283**
Provision for business structure improvement		196	**–**	**–**
Provision for product warranties		189	**180**	**1,802**
Others	＊3	6,831	**7,612**	**76,130**
Total Current Liabilities		40,143	**46,841**	**468,457**
Long-term Liabilities				
Long-term loans		22,941	**26,490**	**264,932**
Deferred tax liabilities		3,428	**3,197**	**31,973**
Allowances for employees’ retirement benefits		3,919	**–**	**–**
Net defined benefit liability		–	**4,913**	**49,138**
Others		984	**1,199**	**11,997**
Total Long-term Liabilities		31,273	**35,800**	**358,041**
Total Liabilities		71,416	**82,641**	**826,499**
(Net Assets)				
Shareholders’ Equity				
Common stock		5,117	**6,939**	**69,397**
Additional paid-in capital		8,359	**10,180**	**101,819**
Retained earnings		25,944	**32,035**	**320,383**
Treasury stock		(320)	**(304)**	**(3,041)**
Total Shareholders’ Equity		39,100	**48,851**	**488,559**
Other Accumulated Comprehensive Income				
Difference on revaluation of other marketable securities		2,365	**2,540**	**25,410**
Foreign currency translation adjustments		(2,203)	**3,660**	**36,613**
Remeasurements of defined benefit plans		–	**(539)**	**(5,399)**
Total Other Accumulated Comprehensive Income		161	**5,661**	**56,624**
Share Warrants		73	**79**	**790**
Total Net Assets		39,335	**54,592**	**545,974**
Total Liabilities and Net Assets		¥110,752	**¥137,233**	**$1,372,474**

Consolidated Statements of Income and Statements of Comprehensive Income

(Consolidated Statements of Income)

		Millions of yen		Thousands of U.S. dollars
		April 1, 2012 through March 31, 2013	April 1, 2013 through March 31, 2014	April 1, 2013 through March 31, 2014
Sales		¥105,887	**¥126,783**	**$1,267,963**
Cost of Goods Sold	＊1	95,533	**112,562**	**1,125,741**
Gross Profit		10,354	**14,220**	**142,221**
Selling, General and Administrative Expenses				
Transportation expenses		2,000	**1,830**	**18,309**
Salaries and bonuses		2,726	**2,848**	**28,487**
Retirement and severance expenses		276	**276**	**2,763**
Provision for bonuses		222	**267**	**2,671**
Provision for bonuses for directors		–	**28**	**283**
Allowance for depreciation		149	**143**	**1,436**
Research and development expenses	＊2	489	**457**	**4,579**
Other expenses		3,491	**3,918**	**39,191**
Total Selling, General and Administrative Expenses		9,356	**9,771**	**97,722**
Operating Income		997	**4,449**	**44,499**
Non-operating Income				
Interest income		24	**10**	**108**
Dividends received		107	**120**	**1,205**
Gain on sales of scraps		76	**102**	**1,020**
Foreign currency exchange gain		351	**474**	**4,749**
Others		133	**82**	**824**
Total Non-operating Income		693	**790**	**7,908**
Non-operating Expenses				
Interest expenses		812	**1,054**	**10,545**
Others		167	**173**	**1,734**
Total Non-operating Expenses		979	**1,227**	**12,279**
Recurring Income		711	**4,012**	**40,128**
Extraordinary Gains				
Gain on the sale of fixed assets	＊3	4	**2,288**	**22,883**
Gain on sales of investment securities		–	**838**	**8,381**
Subsidy income		171	**35**	**353**
Total Extraordinary Gains		175	**3,161**	**31,618**
Extraordinary Losses				
Loss on sales and retirement of fixed assets	＊4	158	**156**	**1,563**
Loss on sales of investment securities		–	**9**	**98**
Total Extraordinary Losses		158	**166**	**1,662**
Income before Income Taxes and Others		728	**7,007**	**70,085**
Income taxes and enterprise taxes		857	**1,650**	**16,508**
Deferred income taxes		37	**(915)**	**(9,154)**
Total Income Taxes		895	**735**	**7,354**
Income (Loss) before Minority Interests		(167)	**6,272**	**62,731**
Net Income (Loss)		¥ (167)	**¥ 6,272**	**$ 62,731**

(Consolidated Statements of Comprehensive Income)

	Millions of yen		Thousands of U.S. dollars
	April 1, 2012 through March 31, 2013	April 1, 2013 through March 31, 2014	April 1, 2013 through March 31, 2014
Income (Loss) before Minority Interests	¥ (167)	**¥ 6,272**	**$ 62,731**
Other Comprehensive Income			
Difference on revaluation of other marketable securities	518	**175**	**1,757**
Foreign currency translation adjustments	3,694	**5,864**	**58,647**
Total Other Comprehensive Income *	4,212	**6,039**	**60,405**
Comprehensive Income	4,045	**12,312**	**123,136**
Comprehensive income attributable to owners of the parent	4,045	**12,312**	**123,136**
Comprehensive income attributable to minority interests	¥ –	**¥ –**	**$ –**

Consolidated Statement of Changes in Net Assets

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

(Millions of yen)

	Shareholders' equity				
	Common stock	Capital surplus	Retained earnings	Treasury stock	Total shareholders' equity
Balance at beginning of current fiscal year	¥5,117	¥8,359	¥26,240	¥(320)	¥39,397
Changes					
Cash dividend from retained earnings			(129)		(129)
Net income (loss)			(167)		(167)
Purchase of own shares				(0)	(0)
Changes (net) in non-shareholders' equity items					
Total changes	–	–	(296)	(0)	(296)
Balance at end of current fiscal year	¥5,117	¥8,359	¥25,944	¥(320)	¥39,100

(Millions of yen)

	Other comprehensive income					
	Difference on revaluation of other marketable securities	Foreign currency translation adjustments	Remeasure-ments of defined benefit plans	Total other comprehensive income	Share warrants	Total net assets
Balance at beginning of current fiscal year	¥1,846	¥(5,897)	–	¥(4,050)	¥67	¥35,414
Changes						
Cash dividend from retained earnings						(129)
Net income (loss)						(167)
Purchase of own shares						(0)
Changes (net) in non-shareholders' equity items	518	3,694	–	4,212	5	4,218
Total changes	518	3,694	–	4,212	5	3,921
Balance at end of current fiscal year	¥2,365	¥(2,203)	–	¥ 161	¥73	¥39,335

Current consolidated fiscal year (April 1, 2013 through March 31, 2014)

(Millions of yen)

	Shareholders' equity				
	Common stock	Capital surplus	Retained earnings	Treasury stock	Total shareholders' equity
Balance at beginning of current fiscal year	¥5,117	¥ 8,359	¥25,944	¥(320)	¥39,100
Changes					
Issuance of new shares	**1,821**	**1,821**			**3,643**
Cash dividend from retained earnings			**(172)**		**(172)**
Net income (loss)			**6,272**		**6,272**
Purchase of own shares				**(0)**	**(0)**
Disposal of treasury stock			**(8)**	**17**	**8**
Changes (net) in non-shareholders' equity items					
Total changes	**1,821**	**1,821**	**6,090**	**16**	**9,750**
Balance at end of current fiscal year	**¥6,939**	**¥10,180**	**¥32,035**	**¥(304)**	**¥48,851**

(Millions of yen)

	Other comprehensive income					
	Difference on revaluation of other marketable securities	Foreign currency translation adjustments	Remeasure-ments of defined benefit plans	Total other comprehensive income	Share warrants	Total net assets
Balance at beginning of current fiscal year	¥2,365	¥(2,203)	–	¥ 161	¥73	¥39,335
Changes						
Issuance of new shares						**3,643**
Cash dividend from retained earnings						**(172)**
Net income (loss)						**6,272**
Purchase of own shares						**(0)**
Disposal of treasury stock						**8**
Changes (net) in non-shareholders' equity items	**175**	**5,864**	**(539)**	**5,500**	**5**	**5,505**
Total changes	**175**	**5,864**	**(539)**	**5,500**	**5**	**15,256**
Balance at end of current fiscal year	**¥2,540**	**¥3,660**	**¥(539)**	**¥5,661**	**¥79**	**¥54,592**

Current consolidated fiscal year (April 1, 2013 through March 31, 2014)

(Thousands of U.S. dollars)

	Shareholders' equity				
	Common stock	Capital surplus	Retained earnings	Treasury stock	Total shareholders' equity
Balance at beginning of current fiscal year	$51,181	$ 83,602	$259,467	$(3,208)	$391,042
Changes					
Issuance of new shares	18,216	18,216			36,433
Cash dividend from retained earnings			(1,726)		(1,726)
Net income (loss)			62,731		62,731
Purchase of own shares				(5)	(5)
Disposal of treasury stock			(88)	172	83
Changes (net) in non-shareholders' equity items					
Total changes	18,216	18,216	60,916	166	97,516
Balance at end of current fiscal year	**$69,397**	**$101,819**	**$320,383**	**$(3,041)**	**$488,559**

(Thousands of U.S. dollars)

	Other comprehensive income					
	Difference on revaluation of other marketable securities	Foreign currency translation adjustments	Remeasure-ments of defined benefit plans	Total other comprehensive income	Share warrants	Total net assets
Balance at beginning of current fiscal year	$23,653	$(22,034)	–	$ 1,619	$734	$393,396
Changes						
Issuance of new shares						36,433
Cash dividend from retained earnings						(1,726)
Net income (loss)						62,731
Purchase of own shares						(5)
Disposal of treasury stock						83
Changes (net) in non-shareholders' equity items	1,757	58,647	(5,399)	55,005	56	55,062
Total changes	1,757	58,647	(5,399)	55,005	56	152,578
Balance at end of current fiscal year	**$25,410**	**$36,613**	**$(5,399)**	**$56,624**	**$790**	**$545,974**

Consolidated Statements of Cash Flows

	Millions of yen		Thousands of U.S. dollars
	April 1, 2012 through March 31, 2013	April 1, 2013 through March 31, 2014	April 1, 2013 through March 31, 2014
Cash Flows from Operating Activities			
Income before income taxes	¥ 728	**¥ 7,007**	**$ 70,085**
Depreciation and amortization	11,493	**11,153**	**111,545**
Increase (decrease) in allowances for bonuses	(161)	**323**	**3,235**
Increase (decrease) in allowances for employees' retirement benefits	128	**(3,921)**	**(39,214)**
Increase (decrease) in net defined benefit liability	–	**4,142**	**41,432**
Increase (decrease) in provision for product warranties	(266)	**(17)**	**(178)**
Increase (decrease) in provision for business structure improvement	(285)	**(157)**	**(1,572)**
Interest and dividend income	(132)	**(131)**	**(1,313)**
Interest expenses	812	**1,054**	**10,545**
Loss (gain) on sales and retirement of tangible fixed assets	154	**(2,132)**	**(21,322)**
Loss (gain) on sales of investment securities	–	**(828)**	**(8,282)**
Subsidy income	(171)	**(35)**	**(353)**
Decrease (increase) in notes and accounts receivable	6,638	**(5,803)**	**(58,040)**
Decrease (increase) in inventories	(196)	**(281)**	**(2,816)**
Increase (decrease) in notes and accounts payable	(3,212)	**2,845**	**28,458**
Increase (decrease) in accrued expenses	(611)	**546**	**5,463**
Increase (decrease) in accrued consumption taxes and others	114	**517**	**5,171**
Others	(108)	**(861)**	**(8,619)**
Subtotal	14,922	**13,421**	**134,224**
Interest and dividends received	132	**131**	**1,314**
Interest paid	(795)	**(1,034)**	**(10,349)**
Proceeds from subsidy income	168	**20**	**201**
Income taxes paid	(1,020)	**(750)**	**(7,507)**
Income taxes refunded	398	**48**	**485**
Payments for loss on disaster	(109)	**–**	**–**
Net Cash Provided by Operating Activities	13,696	**11,835**	**118,369**
Cash Flows from Investing Activities			
Proceeds from refund of time deposits	678	**–**	**–**
Expenditures from purchases of tangible fixed assets	(19,143)	**(16,204)**	**(162,056)**
Proceeds from sales of tangible fixed assets	20	**2,684**	**26,846**
Proceeds from sales of investment securities	–	**1,101**	**11,018**
Others	(104)	**(253)**	**(2,537)**
Net Cash Used in Investing Activities	(18,548)	**(12,671)**	**(126,728)**
Cash Flows from Financing Activities			
Proceeds from short-term loans	22,680	**27,302**	**273,049**
Repayment of short-term loans	(21,389)	**(27,920)**	**(279,228)**
Proceeds from long-term debt	19,069	**10,880**	**108,811**
Repayment of long-term debt	(17,094)	**(10,519)**	**(105,205)**
Proceeds from issuance of common shares	–	**3,643**	**36,433**
Proceeds from sale and leaseback	634	**–**	**–**
Dividends paid	(130)	**(174)**	**(1,744)**
Others	(54)	**(198)**	**(1,984)**
Net Cash Provided by Financing Activities	3,715	**3,012**	**30,132**
Effect of Exchange Rate Changes on Cash and Cash Equivalents	535	**526**	**5,270**
Net Increase (Decrease) in Cash and Cash Equivalents	(601)	**2,704**	**27,042**
Cash and Cash Equivalents at Beginning of Year	6,688	**6,087**	**60,880**
Cash and Cash Equivalents at End of Period *	¥ 6,087	**¥ 8,791**	**$ 87,923**

Notes to Consolidated Financial Statements

1. Scope of consolidation

(1) Consolidated subsidiaries consist of 15 companies: Ahresty Tochigi Corporation, Ahresty Kumamoto Corporation, Ahresty Yamagata Corporation, Ahresty Wilmington Corporation, Ahresty Techno Service Corporation, Ahresty Die Mold Hamamatsu Corporation, Ahresty Die Mold Tochigi Corporation, Ahresty Die Mold Kumamoto Corporation, Thai Ahresty Die Co., Ltd., Guangzhou Ahresty Casting Co., Ltd., Ahresty Pretech Corporation, Ahresty Mexicana, S.A. de C.V., Ahresty India Private Limited, Hefei Ahresty Casting Co., Ltd. and Ahresty Precision Die Mold (Guangzhou) Co., Ltd.

(2) The unconsolidated subsidiary: Thai Ahresty Engineering Co., Ltd.
It has been excluded from the scope of consolidation as they have no significant impact on the Consolidated Financial Statements in terms of total assets, sales, current term net profit or loss (in accordance to their equity), and retained earnings (in accordance to their equity).

2. Equity method affiliates

There are no non-consolidated subsidiaries accounted for using the equity method. There are no affiliates.
The equity method is not applied to investments in Thai Ahresty Engineering Co., Ltd. among the non-consolidated subsidiaries, because the investments had only a slight influence on net income/loss (an amount in accordance with equity), retained earnings (an amount in accordance with equity), etc. and did not have sufficient importance overall.

3. Business years of consolidated subsidiaries

The closing date for consolidated subsidiaries was December 31 for Ahresty Techno Service Corporation, Ahresty Die Mold Hamamatsu Corporation, Ahresty Die Mold Tochigi Corporation, Ahresty Die Mold Kumamoto Corporation, Thai Ahresty Die Co., Ltd., Guangzhou Ahresty Casting Co., Ltd., Ahresty Pretech Corporation, Ahresty Mexicana, S.A. de C.V., Hefei Ahresty Casting Co., Ltd. and Ahresty Precision Die Mold (Guangzhou) Co., Ltd.
In order to prepare the Consolidated Financial Statements, the financial statements used for these subsidiaries were as of their closing dates, except for important transactions that took place in the period before the consolidated closing date, which were adjusted as necessary for consolidation.

4. Summary of Significant Accounting Policies

(1) Evaluation standards and evaluation methods for key assets

(a) Marketable securities
Other marketable securities
Securities with market value
Market value method based on the market price on the closing date (variance of estimate is treated with the total net assets input method and cost of products sold are estimated using the moving average method)
Securities without market value
Moving average cost method

(b) Derivatives — market value method

(c) Inventories
The Company and consolidated some subsidiaries evaluate according to cost method based primarily on the gross average method (the carrying value on the balance sheet is written down to reflect the effect of lower profit margins), while other consolidated subsidiaries evaluate according to lower of cost method based on the first-in, first-out (FIFO) method.

(2) Depreciation methods for important depreciable assets

(a) Tangible fixed assets (excluding lease assets)
Tangible fixed assets other than die casts that are included in tools, furniture and fixtures: Straight-line method
Die casts that are included in tools, furniture and fixtures: Mainly the production output method
Main useful lives are as follows:
Buildings and structures: Between 2 years and 50 years
Machinery and delivery equipment: Between 2 years and 20 years

Tools, furniture and fixtures (excluding die casts for which the production output method is adopted): Between 2 years and 20 years

(b) Intangible fixed assets (excluding lease assets) — straight-line method

The straight-line method is employed for software used in-house, based on the availability period of five years.

(c) Lease assets

Depreciation is computed using the straight-line method based on the assumption that the useful life equals the lease term and the residual value equals zero.

Finance lease transactions not involving transfer of ownership commencing on or before March 31, 2008 are accounted for based on methods applicable to ordinary rental transactions.

(3) Reporting standards for important allowances

(a) Allowances for doubtful accounts

To provide against doubtful accounts, the estimated amount of unrecoverable accounts is reported by employing the loan loss ratio for regular bonds. Recovery rates are calculated individually for specific doubtful accounts and bonds.

(b) Bonus allowances

In order to appropriate bonus payments for employees for the current fiscal year, the parent company and consolidated subsidiaries report this allowance based on projected payment figures.

(c) Allowance for directors' bonuses

To prepare for the actual payments of bonuses to directors, the estimated bonuses for the fiscal year are recorded.

(d) Provision for product warranties

In preparation for expenses for charge-free repairs, the Company and its consolidated subsidiaries record the provision based on estimates of different kinds of repairs and the ratio of the expenses to sales in the past.

(4) Accounting method for employees' retirement benefits

(a) Period approximation method for the estimated amount of employees' retirement benefits

For the calculation of employees' retirement benefit liabilities, the Group has adopted fixed amount standards as a method of approximating the estimated amount of employees' retirement benefits to the period up to the end of the consolidated fiscal year under review.

(b) Amortization methods for actuarial difference and prior service costs

Prior service costs are amortized based on the straight-line method over a specified period (10 years) within the average remaining service period of employees at the time when such costs are incurred.

Actuarial difference is amortized based on the straight-line method over a specified period (15 years) within the average remaining service period of employees at the time of its occurrence in each consolidated fiscal year, and it is allocated proportionately from the fiscal year following the respective fiscal year of its occurrence.

(5) Standard for recognizing revenue and expenses

Standard for recognizing revenue and costs associated with construction contracts

(a) Construction contracts for which benefits can be ascertained in relation to the completed portion at the end of the fiscal year under review:

Percentage-of-completion method (percentage of completion based on cost incurred compared to the estimated total cost)

(b) Other construction:

Completed contract method

(6) Currency conversion standards for key total assets or liabilities in foreign currencies

Cash, assets and liabilities in foreign currencies are converted into yen based on the spot exchange rate on the consolidated closing date, and the exchange difference is treated as profit or loss. Total assets and liabilities of consolidated subsidiaries overseas are converted into yen based on the spot exchange rate on the consolidated closing date. Income and expenses are converted into yen based on the average exchange rate during period, and the exchange difference is included in the net assets of the foreign currency translation adjustment.

(7) Hedge accounting

(a) Hedge accounting methods

The deferral hedge accounting method is applied. Foreign exchange contracts are appropriated when they meet the requirements for this method, and interest rate swaps are treated as exceptions when they meet the requirements for this method.

(b) Hedge measures and hedge targets
a. Hedge measures — interest rate swap
Hedge targets — long-term loans paid by variable interest rates
b. Hedge measures — foreign exchange contracts
Hedge targets — debts and credits in foreign currencies
(c) Hedge policies
For long-term loans paid at variable interest rates, derivatives trading is used to avoid the risk of variable interest rates. The interest rate swap provides against the risk of fluctuations in exchange rates at the time of import and export. The company's accounting department conducts internal reviews in employing hedge methods.
(d) Methods for evaluating hedge effectiveness
The effectiveness of hedge transactions is evaluated by the degree of variability between the cumulative amount of either the hedge target market fluctuation or cash flow fluctuation and the cumulative amount of either the hedge means market fluctuation or cash flow fluctuation. However, the evaluation of effectiveness is omitted for interest rate swaps treated as exceptions.

(8) Depreciation method and period of goodwilll
Goodwill is depreciated by straight-line method over a period of five years. If the difference to be eliminated is minor, it is depreciated as a lump sum in the consolidated fiscal year including the date of accrual.

(9) Scope of funds in the Consolidated Statements of Cash Flows
Cash on hand, deposits that can be withdrawn as necessary, and short-term investments that are easily convertible, have low risk of value fluctuation and are due for redemption within three months of the date of acquisition are included in the scope of funds.

(10) Other key considerations for creating the Consolidated Financial Statements
Accounting procedures for consumption tax, etc.
Consumption tax and local consumption tax are treated by the tax exclusive method.

Change in Accounting Policy

(Application of accounting standards for employees' retirement benefits)
The Ahresty Group applied the Accounting Standard for Retirement Benefits (ASBJ Statement No. 26 issued on May 17, 2012; "Accounting Standard for Retirement Benefits") and the Implementation Guidance on Accounting Standard for Retirement Benefits (ASBJ Guidance No. 25 issued on May 17, 2012; "Implementation Guidance on Retirement Benefits") to employees' retirement benefits from the end of the consolidated fiscal year under review (with the exception of the provisions in the text of Item 35 of the Accounting Standard for Retirement Benefits and the provisions in the text of Item 67 of the Implementation Guidance on Retirement Benefits). Accordingly, the Group switched to the method of posting the amount arrived at by deducting pension assets from employees' retirement benefit liabilities as net defined benefit liability, and posted the unrecognized actuarial difference and unrecognized prior service costs as net defined benefit liability.
The Group applied the Accounting Standard for Retirement Benefits and the like in accordance with the transitional handling prescribed in Item 37 of the Accounting Standard. The Group added the amount of the impact caused by the changes concerned to, or subtracted the amount from, the remeasurements of defined benefit plans in other accumulated comprehensive income at the end of the consolidated fiscal year under review.
As a result, net defined benefit liability of ¥4,913 million was posted, and other accumulated comprehensive income decreased ¥539 million at the end of the consolidated fiscal year under review.
Reflecting these changes, net assets per share declined ¥20.91.

(Changes in the depreciation method and useful lives)
In the Ahresty Group, the Company and its domestic subsidiaries had mainly used the declining-balance method, while its overseas subsidiaries had primarily adopted the straight-line method for the depreciation of tangible fixed assets. However, from the consolidated fiscal year under review, the Company and its domestic subsidiaries adopted the straight-line method for the depreciation of tangible fixed assets other than die casts included in tools, furniture and fixtures, while the Company, its domestic subsidiaries and its overseas subsidiaries switched mainly to the production output method for the depreciation of die casts included in tools, furniture and fixtures.
The Group positioned the strengthening of earnings management as a key initiative in its medium-term management plan that commenced in fiscal 2013. Accordingly, the Group discussed the need to select targets and concentrate

investments in them on a global scale, and chose to continue investments in overseas operating bases. In the meantime, the Group curbed new investments and began investing in numerous initiatives for improving production systems and maintaining and updating existing facilities in Japan. Considering these changes in the business environment, the Group investigated the actual situation regarding the use of its principal tangible fixed assets.
The investigation made it clear that tangible fixed assets are likely to be used stably over their useful lives in Japan through the finding that such assets tend to be used intensively from immediately after the commencement of their operations. From the consolidated fiscal year under review, the Group decided to change the depreciation method to the straight-line method, whereby costs are recorded evenly over the assets' useful lives, because the economic benefit of tangible fixed assets is assumed to be consumed stably.
The Group also chose to change the depreciation method for die casts included in tools, furniture and fixtures mainly to the production output method as a main method based on numeration management, an indicator for the level of the consumption of die casts, to more appropriately reflect the actual state of consumption according to the differences in production systems and production lots in Japan and overseas.
Furthermore, the Group changed the useful lives of certain tangible fixed assets to reflect the results of its investigation into the actual state of principal tangible fixed asset use under the same situation and conditions, taking into consideration the progress of its global operations.
As a result of these changes, operating income for the consolidated fiscal year under review rose ¥2,171 million, and recurring income and income before income taxes and others grew ¥2,166 million from the figures calculated according to the previous methods.

(Accounting standard yet to be applied)
The Accounting Standard for Retirement Benefits (ASBJ Statement No. 26 issued on May 17, 2012) and the Implementation Guidance on the Accounting Standard for Retirement Benefits (ASBJ Guidance No. 25 issued on May 17, 2012)

(1) Outline

The amortization method of unrecognized actuarial difference and unrecognized prior service costs and the calculation method and the improvement of the disclosure of employees' retirement benefit liabilities and service costs have been changed.

(2) Planned effective date

The change in the calculation method of employees' retirement benefit liabilities and service costs will be applied from the beginning of the fiscal year ending March 31, 2015.
The Accounting Standard stipulates transitional treatment, and there will be no retrospective application to financial statements in prior periods.

(3) Effect of the application of the Accounting Standard

With respect to the effect of the change in the calculation method of employees' retirement benefit liabilities and service costs on the consolidated financial statements, as a result of the change in the calculation method of employees' retirement benefit liabilities, retained earnings at the beginning of the period are expected to decline ¥50 million. Meanwhile, the effect of the change in the calculation method of service costs on the consolidated income statement is expected to be negligible.

Notes on Consolidated Balance Sheets

＊1. Figures related to unconsolidated subsidiaries and affiliates are as follows.

	As of March 31, 2013	As of March 31, 2014
Investments in securities (share)	¥36 million	¥36 million

＊2. Pledged assets and secured liabilities

Pledged assets

	As of March 31, 2013	As of March 31, 2014
Buildings and structures	¥521 million	–
Land	¥2,339 million	–
Total	¥2,861 million	–

Secured liabilitie

	As of March 31, 2013	As of March 31, 2014
Current portion of long-term loans	¥220 million	–

＊3. Notes due at the end of the consolidated fiscal year

Notes due at the end of the consolidated fiscal year are settled on the date of clearing. Since the end of the consolidated fiscal year under review fell on a bank holiday, the following notes due at the end of the fiscal year are included in the balance at the end of the fiscal year.

	As of March 31, 2013	As of March 31, 2014
Trade notes receivable	¥106 million	–
Notes payable	¥998 million	–
Others of current liabilities (notes payable for equipment)	¥78 million	–

＊4. Notes receivable transfer by endorsement

	As of March 31, 2013	As of March 31, 2014
Notes receivable transfer by endorsement	¥49 million	¥304 million

Notes on Consolidated Statements of Income

＊1. Amount after write-down of year-end inventory to reflect the effect of lower profit margins. The write-down of inventory shown below is included in cost of goods sold.

As of March 31, 2013	As of March 31, 2014
¥269 million	¥221 million

＊2. Research and development expenses included in the administrative expenses

As of March 31, 2013	As of March 31, 2014
¥489 million	¥457 million

No research and development expenses were included in the manufacturing costs incurred for the current period.

＊3. Breakdown of gains on the sale of fixed assets

	As of March 31, 2013	As of March 31, 2014
Machinery and delivery equipment	¥4 million	¥4 million
Tools, furniture and fixtures	¥0 million	¥1 million
Land	–	¥2,281 million
Others	–	¥0 million
Total	¥4 million	¥2,288 million

＊4. Breakdown of losses on the sale of fixed assets

	As of March 31, 2013	As of March 31, 2014
Building and structures	¥32 million	¥33 million
Machinery and delivery equipment	¥115 million	¥81 million
Tools, furniture and fixtures	¥6 million	¥21 million
Others	¥3 million	¥18 million
Total	¥158 million	¥156 million

Notes on Consolidated Statements of Comprehensive Income

* Recycling and tax effect relating to other comprehensive income

	As of March 31, 2013	As of March 31, 2014
Valuation difference on available-for-sale securities		
Amount arising during fiscal year under review	¥794 million	¥1,108 million
Recycling	–	¥(838 million)
Before tax effect adjustment	¥794 million	¥270 million
Tax effect	¥(276 million)	¥(94 million)
Valuation difference on available-for-sale securities	¥518 million	¥175 million
Foreign currency translation adjustment		
Amount arising during fiscal year under review	¥3,694 million	¥5,864 million
Total other comprehensive income	¥4,212 million	¥6,039 million

Notes on Consolidated Statement of Changes in Net Assets

Previous consolidated fiscal year under review (from April 1, 2012 to March 31, 2013)

1. Type and number of issued shares, and the type and number of shares of treasury stock

	Number of shares at end of previous fiscal year	Increase in number of shares in fiscal year	Decrease in number of shares in fiscal year	Number of shares at end of fiscal year
Issued shares				
Common stock	21,778,220	–	–	21,778,220
Total	21,778,220	–	–	21,778,220
Treasury stock				
Common stock (Note)	213,776	71	–	213,847
Total	213,776	71	–	213,847

Note: The number of shares of treasury stock increased 71 as a result of fractional share repurchases.

2. Share warrants and own share warrants

Classification	Share warrant type	Type of shares underlying share warrants	Number of shares underlying share warrants (number of share)				Balance at end of fiscal year (millions of yen)
			End of previous fiscal year	Increase during fiscal year	Decrease during fiscal year	Number at end of fiscal year	
Submitting company (parent company)	Share warrants as stock options	–	–	–	–	–	73
Total		–	–	–	–	–	73

3. Dividends

Dividend payments

(Resolution)	Type of shares	Amount of dividend (millions of yen)	Source of dividend	Dividend per share (yen)	Record date	Effective date
Meeting of the Board of Directors on May 14,2012	Common share	64	Retained earnings	3	March 31, 2012	June 7, 2012
Meeting of the Board of Directors on November 9, 2012	Common share	64	Retained earnings	3	September 30, 2012	December 5, 2012

Current consolidated fiscal year under review (from April 1, 2013 to March 31, 2014)

1. Type and number of issued shares, and the type and number of shares of treasury stock

	Number of shares at end of previous fiscal year	Increase in number of shares in fiscal year	Decrease in number of shares in fiscal year	Number of shares at end of fiscal year
Issued shares				
Common stock (Note 1)	21,778,220	4,249,500	–	26,027,720
Total	21,778,220	4,249,500	–	26,027,720
Treasury stock				
Common stock (Notes 2,3)	213,847	759	11,500	203,106
Total	213,847	759	11,500	203,106

Notes: 1. The increase of 4,249,500 shares in the number of shares outstanding of common stock was attributable to the increase of 3,750,000 shares as a result of the issuance of new shares through the public offering and the increase of 499,500 shares due to the issuance of new shares through the third-party allotment.
2. The number of shares of treasury stock increased 759 as a result of fractional share repurchases.
3. The number of shares of treasury stock decreased 11,500 as a result of the exercise of stock options.

2. Share warrants and own share warrants

Classification	Share warrant type	Type of shares underlying share warrants	Number of shares underlying share warrants (number of share)				Balance at end of fiscal year (millions of yen)
			End of previous fiscal year	Increase during fiscal year	Decrease during fiscal year	Number at end of fiscal year	
Submitting company (parent company)	Share warrants as stock options	–	–	–	–	–	79
Total		–	–	–	–	–	79

3. Dividends

(1)Dividend payments

(Resolution)	Type of shares	Amount of dividend (millions of yen)	Source of dividend	Dividend per share (yen)	Record date	Effective date
Meeting of the Board of Directors on November 11, 2013	Common share	172	Retained earnings	8	September 30, 2013	December 5, 2013

(2) Dividends with a record date falling in the fiscal year under review and with an effective date belonging to the following fiscal year

(Resolution)	Type of shares	Amount of dividend (millions of yen)	Source of dividend	Dividend per share (yen)	Record date	Effective date
Meeting of the Board of Directors on May 9, 2014	Common share	154	Retained earnings	6	March 31, 2014	June 4, 2014

Notes on Consolidated Statements of Cash Flows

＊ Relationship between the final balance of cash and cash equivalents and the account amounts listed in the consolidated balance sheets

	As of March 31, 2013	As of March 31, 2014
Cash on hand and with banks	¥6,087 million	¥8,791 million
Cash and cash equivalents	¥6,087 million	¥8,791 million

Notes on Lease Transactions

The Company has omitted notes for lease transactions because the Company believes there is no significant need in this report for such disclosure.

Notes on Financial Instruments

1. Information about use of financial instruments

(1) Policy on use of financial instruments

The Group raises necessary capital (mainly bank loans), in light of its capital investment plan. It invests temporarily surplus funds primarily in financial assets that are highly liquid and raises short-term working capital by obtaining bank loans. The Group uses derivatives to guard against the following risks but does not engage in speculative transactions.

(2) Types of financial instruments and risks arising from these financial instruments

The Group is exposed to credit risk through its trade notes and accounts receivable from customers, in other words, its operating receivables. It is also exposed to foreign currency fluctuation risk through foreign currency denominated operating receivables that arise when conducting business overseas.

Investments in securities are mostly the shares of companies that we have business relations with and that are subject to a risk of market price fluctuations.

Trade notes and accounts payable, in other words, operating payables, are mostly due within one year. The Group is exposed to foreign currency fluctuation risk on certain foreign currency denominated payables.

The Group obtains loans mainly for the purpose of raising capital for capital investment. The Group is exposed to interest rate risk on certain loans but uses derivative transactions to guard against this risk (interest rate swap transactions).

The derivatives used by the Group are mainly foreign currency futures contracts to hedge against foreign currency fluctuation risk arising from foreign currency denominated operating receivables and payables, and interest rate swap transactions to guard against the risk of changes in interest payments on loans.

For further information on hedge accounting including our hedging methods and hedged transactions, hedging policy and method for assessing hedge effectiveness, please refer to “(7) Hedge accounting” of “4. Summary of Significant Accounting Policies” of “Notes to Consolidated Financial Statements.”

(3) System for managing risks arising from financial instruments

(a) Managing credit risk

The Group’s sales division periodically monitors the status of operating receivables from major customers and manages due dates and outstanding balances for individual customers with the aim of early identification and mitigation of concerns over recovery arising as a result of deterioration in financial position, etc.

The Group understands that it has hardly any credit exposure on derivative transactions, as it deals only with financial institutions that have high ratings.

(b) Managing market risk

The Group uses interest rate swap transactions to mitigate the risk of changes in interest payments on its loans.

We review our investments in securities continuously, checking the market values of the securities and the financial situation of the issuers (business partners) regularly and taking market conditions and our relations with business partners into account.

The division responsible for executing and managing derivative transactions engages in derivative transactions with the approval of the person with decision-making authority, in accordance with management regulations which specify trading authority, trading limit and other trading procedure. The division reports monthly trading figures to the director with jurisdiction.

(c) Managing liquidity risk arising from fund procurement

The division in charge prepares and updates a fund procurement plan in a timely manner based on reports from each division and manages liquidity risk by means such as ensuring on-hand liquidity.

No liquidity risk management is carried out in relation to domestic consolidated subsidiaries as they are linked into a cash management system (CMS) and obtain loans via the parent company.

(4) Supplementary explanation about fair value of financial instruments

The fair value of financial instruments may be their value based on market price or a rationally estimated value in cases where no market price exists. Since variables are taken into consideration when estimating fair value, fair value may fluctuate due to the adoption of different assumptions, etc.

2. Fair value of financial instruments

Carrying amounts in the consolidated balance sheets, fair values and differences between carrying amounts and fair values are as follows.

Previous consolidated fiscal year (March 31, 2013)

	Carrying amount in the consolidated balance sheets (¥ millions)	Fair value (¥ millions)	Difference (¥ millions)
(1) Cash and time deposits	6,087	6,087	–
(2) Trade notes and accounts receivable	18,620	18,620	–
(3) Investments in securities	5,790	5,790	–
Total assets	30,499	30,499	–
(1) Trade notes and accounts payable	12,418	12,418	–
(2) Short-term loans	6,315	6,315	–
(3) Long-term loans	32,348	32,371	23
Total liabilities	51,082	51,105	23
Derivative transactions	–	–	–

Current consolidated fiscal year (March 31, 2014)

	Carrying amount in the consolidated balance sheets (¥ millions)	Fair value (¥ millions)	Difference (¥ millions)
(1) Cash and time deposits	8,791	8,791	–
(2) Trade notes and accounts receivable	25,924	25,924	–
(3) Investments in securities	5,833	5,833	–
Total assets	40,550	40,550	–
(1) Trade notes and accounts payable	15,140	15,140	–
(2) Short-term loans	6,676	6,676	–
(3) Long-term loans	36,338	36,402	63
Total liabilities	58,155	58,218	63
Derivative transactions*	10	10	–

(*) Net assets and liabilities arising from derivatives transactions are stated in the net amount, and items that become net liabilities in total are stated in ( ).

Notes : 1. Methods for estimating fair value of financial instruments and trading in securities and derivatives

Assets

(1) Cash and time deposits, (2) Trade notes and accounts receivable

Recognized at their carrying amounts, as carrying amounts approximate fair value because of the short-term maturity of these instruments.

(3) Investments in securities

The prices of shares on the stock exchange are considered the market values of the shares.

Liabilities

(1) Trade notes and accounts payable, (2) Short-term loans

Recognized at their carrying amounts, as carrying amounts approximate fair value because of the short-term maturity of these instruments.

(3) Long-term loans

For the fair values of long-term loans payable at fixed interest rates, the total amount of the principal and interest is discounted using a rate that is assumed to be applied when a similar loan is newly borrowed. For the fair values of long-term loans payable at variable interest rates that are subject to the special treatment of interest rate swaps, the total amount of the principal and interest that were accounted for as a single item with the relevant interest rate swap is discounted with a rate that is assumed to be applied when a new, similar loan is taken out.

Derivative transactions

See “Notes on Derivative Transactions”.

2. Financial instruments whose market values are considered very difficult to determine

	As of March 31, 2013	As of March 31, 2014
	(¥ millions)	(¥ millions)
Unlisted shares	128	94
Shares in non-consolidated subsidiaries	36	36

These securities do not have any market prices, and it is very difficult to determine their market values. They are not therefore included in (3) Investments in securities.

3. The amount of monetary claims and securities with maturity to be redeemed after the consolidated closing date

Previous consolidated fiscal year (March 31, 2013)

	Within one year	More than one year, within five years	More than five years, within ten years	More than 10 years
	(¥ millions)	(¥ millions)	(¥ millions)	(¥ millions)
Cash and time deposits	6,087	–	–	–
Trade notes and accounts receivable	18,620	–	–	–
Total	24,708	–	–	–

Current consolidated fiscal year (March 31, 2014)

	Within one year	More than one year, within five years	More than five years, within ten years	More than 10 years
	(¥ millions)	(¥ millions)	(¥ millions)	(¥ millions)
Cash and time deposits	8,791	–	–	–
Trade notes and accounts receivable	25,924	–	–	–
Total	34,716	–	–	–

4. Schedule of repayment of short-term loans and long-term loans after the consolidated account closing date

Previous consolidated fiscal year (March 31, 2013)

	Within one year	More than one year, within two years	More than two years, within three years	More than three years, within four years	More than four years, within five years	More than five years
	(¥ millions)	(¥ millions)	(¥ millions)	(¥ millions)	(¥ millions)	(¥ millions)
Short-term loans	6,315	–	–	–	–	–
Long-term loans	9,406	7,564	7,678	4,644	1,841	1,212
Total	15,722	7,564	7,678	4,644	1,841	1,212

Current consolidated fiscal year (March 31, 2014)

	Within one year	More than one year, within two years	More than two years, within three years	More than three years, within four years	More than four years, within five years	More than five years
	(¥ millions)	(¥ millions)	(¥ millions)	(¥ millions)	(¥ millions)	(¥ millions)
Short-term loans	6,676	–	–	–	–	–
Long-term loans	9,848	10,298	7,462	5,254	2,842	632
Total	16,524	10,298	7,462	5,254	2,842	632

Notes on Marketable Securities

1. Marketable securities for trading
N/A

2. Securities held to maturity that have market value
N/A

3. Other securities that have market value

Previous consolidated fiscal year (March 31, 2013)

	Type	Consolidated Balance Sheet Amount	Acquisition Cost	Difference
		(¥ millions)	(¥ millions)	(¥ millions)
Consolidated balance sheet amount is above acquisition cost	1. Share	5,684	1,818	3,866
	2. Bonds	–	–	–
	3. Other	–	–	–
	Subtotal	5,684	1,818	3,866

	Type	Consolidated Balance Sheet Amount	Acquisition Cost	Difference
		(¥ millions)	(¥ millions)	(¥ millions)
Consolidated balance sheet amount is below acquisition cost	1. Share	106	129	(22)
	2. Bonds	–	–	–
	3. Other	–	–	–
	Subtotal	106	129	(22)
	Total	5,790	1,947	3,843

Current consolidated fiscal year (March 31, 2014)

	Type	Consolidated Balance Sheet Amount	Acquisition Cost	Difference
		(¥ millions)	(¥ millions)	(¥ millions)
Consolidated balance sheet amount is above acquisition cost	1. Share	5,754	1,629	4,125
	2. Bonds	–	–	–
	3. Other	–	–	–
	Subtotal	5,754	1,629	4,125

	Type	Consolidated Balance Sheet Amount	Acquisition Cost	Difference
		(¥ millions)	(¥ millions)	(¥ millions)
Consolidated balance sheet amount is below acquisition cost	1. Share	79	87	(8)
	2. Bonds	–	–	–
	3. Other	–	–	–
	Subtotal	79	87	(8)
	Total	5,833	1,717	4,116

4. Other marketable securities sold

Previous consolidated fiscal year (March 31, 2013)
N/A

Current consolidated fiscal year (March 31, 2014)

Type	Sales Amount	Total Gain on Sales	Total Loss on Sales
	(¥ millions)	(¥ millions)	(¥ millions)
1. Share	1,101	838	9
2. Bonds			
(a) Government Bonds, Municipal Bonds, etc.	–	–	–
(b) Corporate Bonds	–	–	–
(c) Other	–	–	–
3. Other	–	–	–
Total	1,101	838	9

Notes on Derivative Transactions

1. Derivative transactions to which hedge accounting is not applied

Interest rate

Previous consolidated fiscal year (March 31, 2013)

	Type of transaction	Value of contracts	Value of contracts for longer than a year	Market value	Appraisal profit or loss
		(¥ millions)	(¥ millions)	(¥ millions)	(¥ millions)
Transactions other than market transactions	Interest rate swap, receipt of floating rates, payment of fixed rates	819	819	(15)	(15)
Total		819	819	(15)	(15)

Note: Method of calculating market value
The market value is calculated based on prices offered by correspondent financial institutions.

Current consolidated fiscal year (March 31, 2014)

	Type of transaction	Value of contracts	Value of contracts for longer than a year	Market value	Appraisal profit or loss
		(¥ millions)	(¥ millions)	(¥ millions)	(¥ millions)
Transactions other than market transactions	Interest rate swap, receipt of floating rates, payment of fixed rates	1,019	956	10	10
Total		1,019	956	10	10

Note: Method of calculating market value
The market value is calculated based on prices offered by correspondent financial institutions.

2. Derivative transactions to which hedge accounting is applied

Interest rate

Previous consolidated fiscal year (March 31, 2013)

Hedge accounting method	Type of transaction	Main hedge target	Value of contracts	Value of contracts for longer than a year	Market value
			(¥ millions)	(¥ millions)	(¥ millions)
Special accounting methods for interest rate swaps	Interest rate swap, receipt of floating rates, payment of fixed rates	Long-term loans payable	7,635	7,095	(Note)

Note: Interest rate swaps accounted for by special accounting methods are accounted for with the hedge target, long-term loans payable. The market value of the interest rate swaps is therefore included in the market value of the long-term loans payable.

Current consolidated fiscal year (March 31, 2014)

Hedge accounting method	Type of transaction	Main hedge target	Value of contracts	Value of contracts for longer than a year	Market value
			(¥ millions)	(¥ millions)	(¥ millions)
Special accounting methods for interest rate swaps	Interest rate swap, receipt of floating rates, payment of fixed rates	Long-term loans payable	5,797	5,797	(Note)

Note: Interest rate swaps accounted for by special accounting methods are accounted for with the hedge target, long-term loans payable. The market value of interest rate swaps is therefore included in the market value of long-term loans payable.

Notes on Employees' Retirement Benefits

Previous consolidated fiscal year (March 31, 2013)

1. Overview of retirement benefit scheme

The company and some of its consolidated subsidiaries have established an approved retirement annuity system and a termination allowance plan as our defined benefit systems. The company and some of its subsidiaries also have employees' pension funds. Some of its subsidiaries have defined contribution retirement benefit schemes. Upon the retirement of employees, there are instances where premium severance payments not covered in the retirement benefit liabilities are made.

2. Retirement benefit liabilities and breakdown

(¥ millions)

(1) Retirement benefit liabilities	(6,144)
(2) Pension assets	1,328
(3) Non-reserved retirement benefit liabilities (1)+(2)	(4,816)
(4) Unrecognized mathematical difference	678
(5) Unrecognized past service liabilities (reduction in liabilities)	217
(6) Net consolidated balance sheet amount (3)+(4)+(5)	(3,919)
(7) Allowances for employees' retirement benefits (6)	(3,919)

Note: The domestic consolidated subsidiaries except Ahresty Tochigi applies a simple method for calculating retirement benefit liabilities.

3. Retirement and severance expenses

(¥ millions)

(1) Business expenses (Notes 1, 2, 3)	789
(2) Interest expenses	105
(3) Expected interest income	(23)
(4) Provisional premium severance pay	62
(5) Treatment of mathematical difference	72
(6) Treatment of past service liabilities	104
(7) Retirement and severance expenses (1)+(2)+(3)+(4)+(5)+(6)	1,110

Notes: 1. The retirement and severance expenses of consolidated subsidiaries that employ the compendium method are included in "(1) Business expenses."
2. The amount of contributions ¥113 million recognized as expenses in the defined contribution retirement benefit schemes of some consolidated subsidiaries are included in "(1) Business expenses."
3. As the employees' pension funds joined by the company and some of its consolidated subsidiaries are an integrated pension system, the amount of pension funds for contribution cannot be calculated rationally. Therefore the amount to be contributed to this pension fund ¥331 million is treated as retirement and severance expenses.
4. The latest contribution status in the multiemployer pension plan (as of March 31, 2012) was net benefit obligations of ¥3,688 million with pension assets of ¥17,683 million and benefit obligations for the purpose of pension financing calculations of ¥21,371 million. The Ahresty Group accounted for 27.5% against gross wages in the multiemployer pension plan (from April 1, 2011 to March 31, 2012). The main factors attributable to the net benefit obligations of ¥3,688 million were the balance of prior service obligations for the purpose of pension financing calculations of ¥2,088 million and insufficient carry forward of ¥1,600 million. Prior service obligations in the plan are amortized through the amortization of principal and interest using the straight-line method over a period of 11 years, and the Ahresty Group has amortized special premiums of ¥28 million on its consolidated financial statements. Meanwhile, insufficient carry forward for the purpose of pension financing calculations of ¥1,600 million will be amortized mainly through a method of raising the special premium rate as required based on fiscal recalculation. Moreover, the ratio that the Ahresty Group accounts for in the total benefits of the multiemployer pension plan does not match the actual obligations of the Group.

4. Calculation basis for retirement and severance liabilities

(1) Allocation method for expected amounts of retirement benefits
Flat-rate standard for the period

(2) Discount rate
1.3% for the most part
Note: For the calculation of retirement benefit obligations at the beginning of the term, a discount rate of 2.1% was used. However, as a result of our reconsideration of the discount rate at the end of the term, we have determined that a change in the discount rate will affect the amount of retirement benefit obligations and have changed the discount rate to 1.3% for the most part.

(3) Expected rate of interest income
2.5%

(4) Period for the amount of past service liabilities
10 years
(Recorded as an expense appropriated by means of the fixed-amount method for certain years within the employees' average remaining period at the time of the occurrence)

(5) Period for mathematical difference
15 years
(Recorded as an expense appropriated by means of the fixed-amount method for certain years within the employees' average remaining period at the time of the occurrence in each consolidated fiscal year from the fiscal year following the occurrence)

Current consolidated fiscal year (March 31, 2014)

1. Overview of retirement benefit scheme

The company and some of its consolidated subsidiaries have established an approved retirement annuity system and a termination allowance plan as our defined benefit systems. The company and some of its subsidiaries also have employees' pension funds. Some of its subsidiaries have defined contribution retirement benefit schemes. Upon the retirement of employees, there are instances where premium severance payments not covered in the retirement benefit liabilities are made. Some of its consolidated subsidiaries also adopt a simple method for calculating retirement benefit liabilities. The employees' pension fund system to which the Company and some of its consolidated subsidiaries belong is a multiemployer pension plan, and the portion of pension assets that they contribute cannot be calculated in a reasonable manner. As a result, the required contribution amount is recognized as retirement benefit expenses.

2. Defined benefit system

(1) Adjustment statement of the balance of retirement benefit liabilities at the beginning and end of the current fiscal year

(¥ millions)

Balance of retirement benefit liabilities at the beginning of the current fiscal year	5,354
Service cost	381
Interest expenses	76
Actuarial difference	(23)
Retirement benefits payments	(150)
Balance of retirement benefit liabilities at the end of the current fiscal year	5,638

(2) Adjustment statement of the balance of pension assets at the beginning and end of the current fiscal year

(¥ millions)

Balance of pension assets at the beginning of the current fiscal year	1,328
Expected return on pension plan assets	82
Actuarial difference	(41)
Contributions from the business owner	227
Retirement benefits payments	(65)
Balance of pension assets at the end of the current fiscal year	1,531

(3) Adjustment statement of the balance of net defined benefit liability under the system whereby the simple method is adopted at the beginning and end of the current fiscal year

(¥ millions)

Balance of net defined benefit liability at the beginning of the current fiscal year	789
Retirement benefit expenses	104
Retirement benefits payments	(88)
Balance of net defined benefit liability at the end of the current fiscal year	805

(4) Adjustment statement of the balance of retirement benefit liabilities and pension assets at the end of the current fiscal year and net defined benefit liabilities and assets related to employees' retirement benefits that are recorded on the consolidated balance sheet

(¥ millions)

Retirement benefit liabilities of the funded pension	2,812
Pension assets	(1,531)
	1,281
Retirement benefit liabilities of the unfunded pension	3,632
Net liabilities and assets recorded on the consolidated balance sheet	4,913
Net defined benefit liability	4,913
Net liabilities and assets recorded on the consolidated balance sheet	4,913

(5) Retirement benefit expenses and their breakdown

(¥ millions)

Service cost	381
Interest expenses	76
Expected return on pension plan assets	(82)
Recognized actuarial difference	69
Recognized prior service cost	74
Retirement benefit expenses calculated by the simple method	104
Retirement benefit expenses related to the defined benefit system	624

(6) Remeasurements of defined benefit plans

The breakdown of items recorded in the remeasurements of defined benefit plans (before tax impact deduction) is as follows:

(¥ millions)

Unrecognized prior service cost	143
Unrecognized actuarial difference	(612)
Total	(756)

(7) Matters related to pension assets

(i) Main breakdown of pension assets

The ratio of the main categories against the total pension assets is as follows:

Bonds	23%
Shares	37%
Insurance assets (general account)	38%
Others	2%
Total	100%

(ii) Method for establishing the rate of the long-term expected return on pension plan assets

To determine the rate of the long-term expected return on pension plan assets, the current and expected allocation of pension assets and the current and expected future rate of long-term return from a variety of assets that constitute pension assets have been taken into account.

(8) Matters related to the actuarial calculation basis

The main actuarial calculation basis as at the end of the consolidated fiscal year under review

Discount rate	Primarily1.3%
Rate of long-term expected return on pension plan assets	2.5%

3. Defined contribution retirement benefit system

The required contribution amount of some of the consolidated subsidiaries was ¥138 million.

4. Multiemployer pension plan

The required contribution amount to the employees' pension fund system with the multiemployer pension plan, which is recorded in the same manner as the defined contribution, was ¥350 million.

(1) Latest contribution status in the multiemployer pension plan (as of March 31, 2013)

(¥ millions)

Pension assets	19,477
Benefit obligations for the purpose of the pension financing calculation	23,085
Balance	(3,607)

(2) Ratio of the Ahresty Group accounting for the gross wages in the multiemployer pension plan (from April 1, 2012 to March 31, 2013)

28.5%

(3) Supplementary explanation

The main factors attributable to the balance as described in (1) above were prior service obligations for the purpose of the pension financing calculation of ¥1,946 million and insufficient carry forward of ¥1,661 million. Prior service obligations in the plan are amortized through the amortization of principal and interest using the straight-line method over a period of nine years. The Ahresty Group has amortized special premiums of ¥30 million in its consolidated financial statements. Meanwhile, insufficient carry forward for the purpose of the pension financing calculation of ¥1,661 million will be amortized mainly through a method of raising the special premium rate as required based on fiscal recalculation.

Moreover, the ratio as described in (2) does not match the actual obligations of the Group.

Notes on Stock Option

1. The amount and account of expenses related to stock options

	Previous consolidated fiscal year (From April 1, 2012 to March 31, 2013)	Current consolidated fiscal year (From April 1, 2013 to March 31, 2014)
Charges for stock compensation in general and administrative expenses	5	13

2. Description and scale of stock options and changes

(1) Description of stock options

	2006 stock options
Position and number of persons granted stock options	Directors of the Company: Five persons Corporate auditors of the Company: Two persons
Number of stock options by share type (Note)	Common shares: 4,200 shares
Grant date	November 30, 2006
Vesting conditions	Losing the positions of director and corporate auditor of the Company
Target length of service	No condition has been set with respect to length service.
Period for exercising rights	From December 1, 2006 To November 30, 2036

	2007 stock options
Position and number of persons granted stock options	Directors of the Company: Four persons Corporate auditors of the Company: Two persons
Number of stock options by share type (Note)	Common shares: 6,100 shares
Grant date	August 10, 2007
Vesting conditions	Losing the positions of director and corporate auditor of the Company
Target length of service	No condition has been set with respect to length service.
Period for exercising rights	From August 11, 2007 To August 10, 2037

	2008 stock options
Position and number of persons granted stock options	Directors of the Company: Four persons Corporate auditors of the Company: Two persons
Number of stock options by share type (Note)	Common shares: 15,200 shares
Grant date	August 18, 2008
Vesting conditions	Losing the positions of director and corporate auditor of the Company
Target length of service	No condition has been set with respect to length service.
Period for exercising rights	From August 19, 2008 To August 18, 2038

	2009 stock options
Position and number of persons granted stock options	Directors of the Company: Four persons Corporate auditors of the Company: Two persons
Number of stock options by share type (Note)	Common shares: 14,900 shares
Grant date	August 17, 2009
Vesting conditions	Losing the positions of director and corporate auditor of the Company
Target length of service	No condition has been set with respect to length service.
Period for exercising rights	From August 18, 2009 To August 17, 2039

	2010 stock options
Position and number of persons granted stock options	Directors of the Company: Five persons Corporate auditors of the Company: Two persons
Number of stock options by share type (Note)	Common shares: 15,600 shares
Grant date	July 28, 2010
Vesting conditions	Losing the positions of director and corporate auditor of the Company
Target length of service	No condition has been set with respect to length service.
Period for exercising rights	From July 29, 2010 To July 28, 2040

	2011 stock options
Position and number of persons granted stock options	Directors of the Company: Four persons Corporate auditors of the Company: Two persons
Number of stock options by share type (Note)	Common shares: 22,000 shares
Grant date	August 8, 2011
Vesting conditions	Losing the positions of director and corporate auditor of the Company
Target length of service	No condition has been set with respect to length service.
Period for exercising rights	From August 9, 2011 To August 8, 2041

	2012 stock options
Position and number of persons granted stock options	Directors of the Company: Four persons Corporate auditors of the Company: Two persons
Number of stock options by share type (Note)	Common shares: 22,000 shares
Grant date	August 8, 2012
Vesting conditions	Losing the positions of director and corporate auditor of the Company
Target length of service	No condition has been set with respect to length service.
Period for exercising rights	From August 9, 2012 To August 8, 2042

	2013 stock options
Position and number of persons granted stock options	Directors of the Company: Four persons Corporate auditors of the Company: Two persons
Number of stock options by share type (Note)	Common shares: 24,000 shares
Grant date	August 9, 2013
Vesting conditions	Losing the positions of director and corporate auditor of the Company
Target length of service	No condition has been set with respect to length of service.
Period for exercising rights	From August 10, 2013 to August 9, 2043

Note: Converted to the number of shares

(2) Scale of stock options and changes

Stock options existed in the fiscal year under review (ended March 31, 2014). The number of stock options is converted to the number of shares.

a. Number of stock options

	2006 stock options	2007 stock options	2008 stock options	2009 stock options	2010 stock options	2011 stock options	2012 stock options	2013 stock options
Before vesting date (number of share)								
At end of previous fiscal year	4,800	7,000	17,200	16,900	17,600	24,000	24,000	–
Granted	–	–	–	–	–	–	–	24,000
Expired	–	–	–	–	–	–	–	–
Vested	600	900	2,000	2,000	2,000	2,000	2,000	–
Not yet vested	4,200	6,100	15,200	14,900	15,600	22,000	22,000	24,000
After vesting date (number of share)								
At end of previous fiscal year	–	–	–	–	–	–	–	–
Vested	600	900	2,000	2,000	2,000	2,000	2,000	–
Exercise of rights	600	900	2,000	2,000	2,000	2,000	2,000	–
Expired	–	–	–	–	–	–	–	–
Unexercised	–	–	–	–	–	–	–	–

b. Unit price information

	2006 stock options	2007 stock options	2008 stock options	2009 stock options	2010 stock options	2011 stock options	2012 stock options	2013 stock options
Exercise price (yen)	1	1	1	1	1	1	1	1
Average stock price at time of exercise (yen)	622	622	622	622	622	622	622	–
Fair unit value on grant date (yen)	3,418	2,219	572	369	568	409	234	582

3. Method for estimating the fair unit value of stock options

The method for estimating the fair unit value of 2013 stock options granted in the fiscal year under review is as follows:

(1) Valuation techniques used: Black-Scholes Model

(2) Main basic figures and estimation methods

	2013 stock options
Stock price volatility (Note 1)	56.0%
Estimated remaining period (Note 2)	15 years

	2013 stock options
Projected dividend (Note 3)	12 yen/share
Risk-free interest rate (Note 4)	1.25%

Notes: 1. The weekly historical volatility calculated based on weekly stock prices for the period corresponding to the estimated remaining period on the calculation date is used.

2. Since it is difficult to make a reasonable estimate, the remaining period is estimated based on the assumption that stock options are exercised between the point of calculation and the midpoint of the exercise period.

3. The dividend is projected based on the past results of dividends.

4. The Company used the average of compound interest yields of bonds with redemption dates falling within three months before or within three months after the estimated remaining period based on the reference statistics of interest-bearing, long-term government bonds announced by the Japan Securities Dealers Association.

4. Method for estimating the number of vested stock options

Since it is inherently difficult to estimate the number of stock options expected to expire, only the actual number of stock options that have expired is reflected.

Notes on Tax Accounting

1. Breakdown of major causes for deferred tax assets and liabilities

	Previous consolidated fiscal year (March 31, 2013) (¥ millions)	Current consolidated fiscal year (March 31, 2014) (¥ millions)
Deferred tax assets		
Accrued expenses	113	185
Excess deductible amount in allowances for employees' retirement benefits	1,406	–
Net defined benefit liability	–	1,463
Excess deductible amount in bonus allowances	361	459
Unrealized profits for inventories	179	185
Unrealized profits for fixed assets	540	753
Loss carried forward	2,301	1,460
Provision for business structure improvement	294	–
Over-depreciation	725	1,676
Provision for product warranties	53	35
Other	14	124
Deferred tax assets subtotal	5,990	6,344
Allowance account	(3,211)	(1,447)
Deferred tax assets total	2,779	4,896
Deferred tax liabilities		
Property replacement reserve	(940)	(1,246)
Special depreciation reserve	(15)	(13)
Fixed assets reserve	(167)	(153)
Net unrealized gains on securities	(1,365)	(1,460)
Allowance for depreciation of overseas consolidated subsidiaries	(575)	(1,138)
Other	(629)	(512)
Deferred tax liabilities total	(3,693)	(4,524)
Net deferred tax assets (liabilities)	(914)	371

2. Breakdown by item of major causes for important differences between the burden rates of corporate tax at the statutory effective tax rate and after the application of deferred tax accounting

	Previous consolidated fiscal year (March 31, 2013) (%)	Current consolidated fiscal year (March 31, 2014) (%)
Statutory effective tax rate	38.0	38.0
(adjustments)		
Items that will never be included as losses, such as entertainment expenses	4.2	0.7
Items that will never be included as profits, such as dividend revenue	(2.6)	(0.3)
Per capita residential tax	3.6	0.4
Tax credits for research and development expenses	–	(0.7)
Increase (decrease) in valuation allowance	59.4	(24.1)
Difference in statutory tax rates of consolidated subsidiaries	5.1	(0.2)
Exemptions of overseas consolidated subsidiaries	(0.1)	0.4
Retained earnings of overseas consolidated subsidiaries	9.7	1.4
Carryback refund of overseas consolidated subsidiaries	–	(1.5)
Foreign tax credit	4.2	(1.7)
Downward revision of deferred tax assets at the end of the term following changes to the tax rate	–	0.8
Other	1.5	(2.7)
Burden ratio of corporate tax after application of deferred tax accounting	123.0	10.5

3. Revision of deferred tax assets and deferred tax liabilities as a result of changes in the corporate tax rates, etc.

Following the promulgation of the Act for Partial Amendment of the Income Tax Act, etc. (Law No. 10 of 2014) on March 31, 2014, special reconstruction corporate taxes are no longer applicable from consolidated fiscal years starting on April 1, 2014 or thereafter. As a result, the legal effective tax rates used for the calculation of deferred tax assets and deferred tax liabilities will become 35.6% from the current 38.0% for temporary differences that are expected to be eliminated in the consolidated fiscal year starting on April 1, 2014.

As a result of these changes in tax rates, deferred tax assets (the amount after the deduction of deferred tax liabilities) declined ¥52 million, and deferred income taxes increased by the same amount.

(Notes on Business Combination)

Not applicable

(Notes on Asset Retirement Obligations)

The Company has omitted notes for asset retirement obligations because the Company believes there is no significant need in this report for such disclosure.

(Notes on Rental Properties)

The Company has omitted notes for rental properties because the Company believes there is no significant need in this report for such disclosure.

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.

(Changes in the depreciation method and useful lives)

As stated in Changes in Accounting Principles, the Group changed the depreciation method for certain of its tangible fixed assets and their useful lives.

The effects of these changes on segment profits or loss are as follows:

(Millions of yen)

	Reported segments					
	Die Casting Business			Aluminum Business	Proprietary Products Business	Total
	Japan	North America	Asia			
Segment profits/loss	1,743	355	56	15	0	2,171

Notes to Consolidated Financial Statements

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, 2012 through March 31, 2013)

(Millions of yen)

	Reported segments					
	Die Casting Business			Aluminum Business	Proprietary Products Business	Total
	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

Current consolidated fiscal year (April 1, 2013 through March 31, 2014)

(Millions of yen)

	Reported segments					
	Die Casting Business			Aluminum Business	Proprietary Products Business	Total
	Japan	North America	Asia			
Sales						
(1) Customers	62,228	33,906	24,143	4,657	1,848	126,783
(2) Intersegment	4,103	29	917	2,650	0	7,701
Total	66,332	33,936	25,060	7,308	1,848	134,485
Segment profits/loss	3,656	509	180	(6)	66	4,405
Segment assets	45,433	41,354	42,635	2,609	1,000	133,034
Other items						
Depreciation and amortization	3,399	4,355	3,446	13	1	11,216
Increase in tangible fixed assets and intangible fixed assets	4,530	6,532	5,067	21	4	16,156

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

(Millions of yen)

Net sales	Previous consolidated fiscal year	Current consolidated fiscal year
Total sales in reported segments	112,659	134,485
Elimination of intersegment transactions	(6,772)	(7,701)
Net sales in the consolidated financial statement	105,887	126,783

(Millions of yen)

Profit	Previous consolidated fiscal year	Current consolidated fiscal year
Total profit in reported segments	953	4,405
Elimination of intersegment transactions	43	43
Operating income in the consolidated financial statement	997	4,449

(Millions of yen)

Assets	Previous consolidated fiscal year	Current consolidated fiscal year
Total assets in reported segments	112,889	133,034
Elimination of intersegment transactions	(5,102)	(3,273)
Company-wide assets	2,966	7,473
Assets in the consolidated financial statement	110,752	137,233

(Millions of 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	11,557	11,216	(63)	(63)	11,493	11,153
Increase in tangible fixed assets and intangible fixed assets	18,432	16,156	(196)	(202)	18,236	15,954

Related Information

Consolidated fiscal year under review (from April 1, 2013 to March 31, 2014)

1. Information by products and services

The statement is omitted because the same information is presented in segment information.

2. Information by regions

(1) Sales

(Millions of yen)

Japan	North America	Asia	Other regions	Total
68,856	29,108	23,806	5,012	126,783

Note: Sales are presented in categories by countries or regions based on the addresses of customers

(2) Tangible fixed assets

(Millions of yen)

Japan	North America	Asia	Total
19,278	30,214	28,714	78,208

3. Information by major customers

(Millions of yen)

Name of customer	Sales	Titles of the related segments
Fuji Heavy Industries Ltd.	15,178	Die casting business: Japan

Per Share Information

	Previous consolidated fiscal year (From April 1, 2012 to March 31, 2013)	Current consolidated fiscal year (From April 1, 2013 to March 31, 2014)
Net assets per share	1,820.70 yen	2,110.89 yen
Net income (loss) per share	(7.76) yen	287.10 yen
Diluted net income per share	–	285.59 yen

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.

	Previous consolidated fiscal year (From April 1, 2012 to March 31, 2013)	Current consolidated fiscal year (From April 1, 2013 to March 31, 2014)
Net income (loss) per share		
Net income (loss) (¥ millions)	(167)	6,272
Amount that does not belong to ordinary shareholders (¥ millions)	–	–
Net income (loss) related to common shares (¥ millions)	(167)	6,272
Average number of shares during the period	21,564,406	21,848,046
Diluted net income per share		
Net income adjustment (¥ millions)	–	–
Increase in number of common shares	–	115,308
Outline of latent shares without dilution effect not taken into account for calculation of diluted net income per share	–	–

Important Subsequent Events

Not applicable

Current status of production, orders received, and sales

(1) Production results

Production results by segment for the past two consolidated fiscal years are shown below.

	Previous consolidated fiscal year (From April 1, 2012 to March 31, 2013)	Current consolidated fiscal year (From April 1, 2013 to March 31, 2014)	Increase/(decrease)
Segment	Amount (¥ millions)	Amount (¥ millions)	%
Die Casting Business: Japan	56,556	56,571	100.0
Die Casting Business: North America	22,112	32,806	48.4
Die Casting Business: Asia	16,721	22,727	35.9
Aluminum Business	5,374	6,391	18.9
Proprietary Products Business	691	612	(11.4)
Total	101,457	119,109	17.4

Notes: 1. Monetary amounts are based on manufacturing costs, as available prior to inter-segment eliminations.
2. Consumption tax is not included in these amounts.

(2) Results of orders received

A significant part or our businesses depends on make-to-stock production based on informal orders received from customers, which are delivered (and sales recorded) for formal orders received several days prior to the date of delivery. Therefore the listing of results on orders received has been omitted.

(3) Sales results

Sales results by business segment for the past two consolidated fiscal years are shown below.

	Previous consolidated fiscal year (From April 1, 2012 to March 31, 2013)	Current consolidated fiscal year (From April 1, 2013 to March 31, 2014)	Increase/(decrease)
Segment	Amount (¥ millions)	Amount (¥ millions)	%
Die Casting Business: Japan	60,630	62,228	2.6
Die Casting Business: North America	22,886	33,906	48.1
Die Casting Business: Asia	16,736	24,143	44.3
Aluminum Business	3,840	4,657	21.3
Proprietary Products Business	1,793	1,848	3.1
Total	105,887	126,783	19.7

Notes: 1. Transactions among segments have been balanced out.
2. Sales results by major customers for the past two consolidated fiscal years and the ratio of their sales to overall sales are as follows.

	Previous consolidated fiscal year (From April 1, 2012 to March 31, 2013)		Current consolidated fiscal year (From April 1, 2013 to March 31, 2014)	
Customer	Amount (¥ millions)	%	Amount (¥ millions)	%
Fuji Heavy Industries Ltd.	13,333	12.6	15,178	12.0

3. Consumption tax is not included in the above amounts.

Casting Our Eyes on the Future

The Tag line "Casting Our Eyes on the Future" embodies our business attitude of always moving forward by taking the initiative in Research and Development, Service and Technology and by keeping all of our attention here at Ahresty focused on our customers, the global environment and the future of Ahresty itself, to realize the corporate philosophy represented in our name.
The word "Casting" in the Tag line combines the meaning of "to throw one's gaze" with its other meaning of "to shape molten metal in a mold" which is our main line of business, die casting.

Ahresty

Ahresty Corporation

Tokyo Head Office
Nakanosakaue Sunbright Twin 5F, 2-46-1 Honcho,
Nakano-ku, Tokyo, 164-0012, Japan
TEL. +81-3-6369-8660 FAX. +81-3-5358-5331

Issue: August, 2014

MIX Paper FSC® C010568

VEGETABLE OIL INK