

# Ahresty Corporation

## Briefing for the Medium-Term Strategy



**February 25, 2015**

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

### 10-Year Vision (version of the year 2012)

## Global Top Die Casting Company

### "Pursue and Advance MONOZUKURI"

Pursuit and sharing of  
the best MONOZUKURI

Development of technologies utilized  
on the MONOZUKURI shop-floor

Pursuit of healthy profits

Development of human resources  
supporting MONOZUKURI

# 1315 Medium-Term Strategy

## FY2013 - 2015 Medium-Term Management Strategy

Category	Items for implementation
<b>Pursuit and sharing of the best MONOZUKURI (manufacturing)</b>	Rebuild manufacturing that integrates actual sites with design; realize identical quality/productivity at all locations; implement measures aimed at improving productivity, etc.
<b>Development of technologies utilized on the MONOZUKURI shop-floor</b>	Implement measures based on a technological road map in to thoroughly investigate manufacturing; implement measures aimed at cultivating markets other than the powertrain
<b>Development of human resources supporting MONOZUKURI</b>	Cultivate people with skills backed by practical experience; implement measures that cultivated technologists who can take action based on the principle of five <i>gens</i> ( <i>genba</i> for on site, <i>genbutsu</i> for actual thing, <i>genjitsu</i> for reality, <i>genri</i> for theory and <i>gensoku</i> for rule)
<b>Pursuit of healthy profits</b>	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

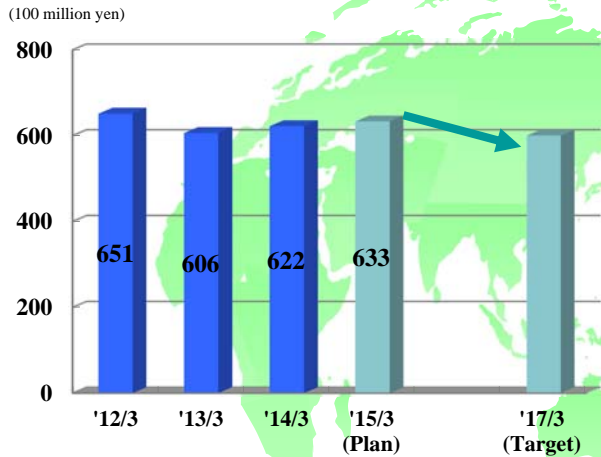
## Numerical Targets for the Fiscal Year Ending in March 2017

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

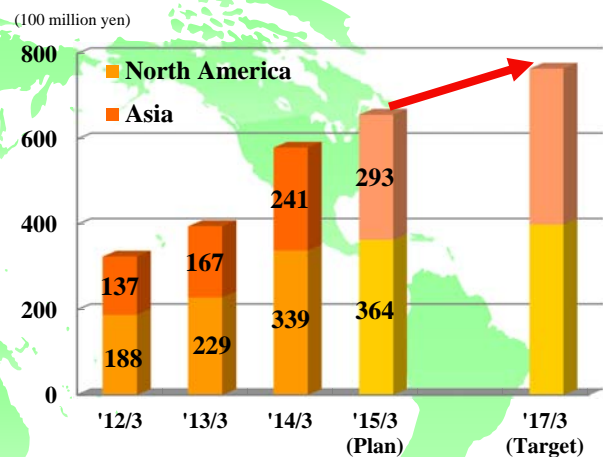
Note: The figures in parentheses are values excluding gains on sales of the site of the former Hamamatsu Plant and gains on sales of investment securities.

# Trends in Die Casting Business Sales

## Die Casting Sales (Japan)

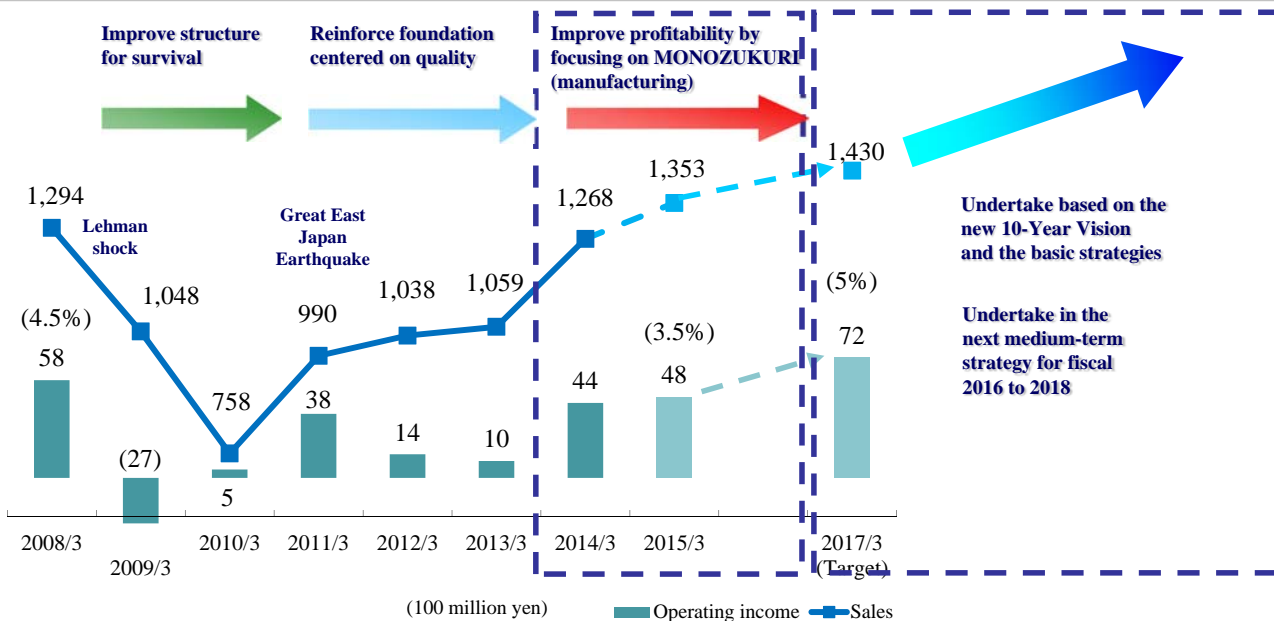


## Die Casting Sales (Overseas)



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

## Past changes and medium-and-long term direction



- ✓ Expand the overseas die casting business centered on China and North America, by responding to stronger global demand
- ✓ Promote the 1315 Medium-Term Strategy with focus on MONOZUKURI (manufacturing)
- ✓ The medium-term strategy based on the new 10-Year Vision and the basic strategies will be undertaken in earnest in the next medium-term strategy for fiscal 2016 to 2018.

## Globalization and Outsourcing

➤ Global auto production is increasing mainly in emerging countries.

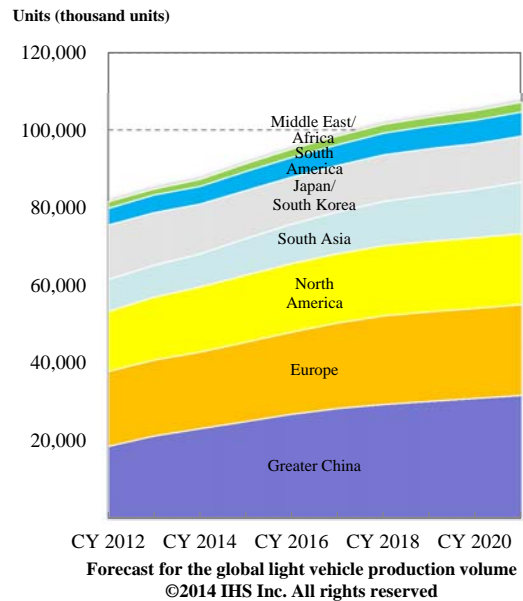
- ✓ Auto production increased about 20 million units globally.  
(An increase in demand equivalent to twice as much as the auto production in Japan)

➤ Outsourcing trends

- ✓ Amid the increase in auto production volume, die casting is outsourced according to the priorities of the capital investment of auto makers.
- ✓ Outsourcing of mechanical manufacturing.  
Engine blocks of Nissan are mass-produced in China.

➤ There are not many die cast makers that operate globally.

- ✓ Position of the Company: One of the industry leaders in terms of the business size, technical capabilities and development capabilities.



**Expand the overseas business by capturing the globalization and outsourcing trends.**



## Strengths

➤ **Able to supply large products with a high degree of difficulty (e.g. engine blocks, transmission cases, etc.) in Japan and overseas.**

**Technical capabilities and global deployment of production bases**

➤ **Able to build in quality and productivity, etc., starting from the development stage with customers.**

**Comprehensive technical and development capabilities from the design to the production of die casts**

➤ **Can handle everything from the production of raw materials, to the manufacturing of casting dies, casting and machine processing.**

**All-around production system**





## Future Business Development

# Business Expansion and a Further Increase in Corporate Value

1. Grasp the flow of globalization and outsourcing to expand the overseas business
2. Actively adopt the need to propose weight saving (aluminum use).
3. Enhance our strengths further.
4. Increase earning power by further improving productivity.



Casting Our Eyes  
on the Future

# Ahresty Corporation

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



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