

Consolidated Financial Results (Japanese Accounting Standards) for the Fiscal Year Ended March 31, 2015

May 8, 2015

Company Name	Ahresty Corporation	Stock Exchange Listing	Tokyo
Code Number	5852	URL	http://www.ahresty.co.jp
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Planned date for regular general meeting of shareholders	June 18, 2015		
Planned date for start of dividend payments	June 3, 2015		
Planned date for submission of securities report	June 18, 2015		
Supplementary documents for financial results	Yes		
Financial results briefing	Yes (for securities analysts and institutional investors)		

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

1. Consolidated performance for year ended March 2015 (April 1, 2014 – March 31, 2015)

(1) Consolidated operating results (% shows the year-on-year change)

	Net sales		Operating income		Recurring income		Net income	
	million yen	%	million yen	%	million yen	%	million yen	%
Year ended March 2015	138,727	9.4	2,521	(43.3)	1,622	(59.6)	1,054	(83.2)
Year ended March 2014	126,783	19.7	4,449	346.1	4,012	464.0	6,272	–

(Note) Comprehensive income

Year ended March 31, 2015: 7,839 million yen (-36.3%) Year ended March 2014: 12,312 million yen (204.4%)

	Net income per share	Fully diluted net income per share	Return on equity	Return on total asset	Operating profit on sales
	yen	yen	%	%	%
Year ended March 2015	40.85	40.61	1.8	1.1	1.8
Year ended March 2014	287.10	285.59	13.4	3.2	3.5

(For reference) Investment gain or loss under equity method

Year ended March 2015: – million yen

Year ended March 2014: – million yen

(2) Consolidated financial position

	Total assets	Net assets	Equity ratio	Net assets per share
	million yen	million yen	%	yen
Year ended March 2015	148,831	62,103	41.7	2,400.55
Year ended March 2014	137,233	54,592	39.7	2,110.89

(For reference) Shareholders' equity

Year ended March 2015: 61,991 million yen

Year ended March 2014: 54,512 million yen

(3) State of consolidated cash flows

	Cash flows from operating activities	Cash flows from investing activities	Cash flows from financing activities	Term-end balance of cash and cash equivalents
	million yen	million yen	million yen	million yen
Year ended March 2015	12,502	(15,211)	(538)	5,789
Year ended March 2014	11,835	(12,671)	3,012	8,791

2. Dividend payments

(Date of record)	Dividend per share					Total dividend (for year)	Dividend payout ratio (consolidated)	Dividend ratio to net asset (consolidated)
	End of first quarter	End of second quarter	End of third quarter	End of year	For the year			
Year ended March 2014	–	8.00	–	6.00	14.00	327	4.9	0.7
Year ended March 2015	–	6.00	–	6.00	12.00	309	29.4	0.5
Year ending March 2016 (projection)	–	6.00	–	6.00	12.00		15.5	

(Note) Breakdown of dividends for the first half of the fiscal year ended March 2014:

Common dividend: ¥3.00; Commemorative dividend: ¥5.00

3. Forecast of consolidated results for year ending March 2016 (April 1, 2015 – March 31, 2016)(% shows the year-on-year change)

	Net sales		Operating income		Recurring income		Net income		Net income per share
	million yen	%	million yen	%	million yen	%	million yen	%	yen
Interim	70,400	7.3	1,600	234.6	1,150	–	600	–	23.23
Full year	146,200	5.4	4,250	68.6	3,300	103.4	2,000	89.6	77.45

* Notes

- (1) Significant changes to subsidiaries during the current term (changes for a specified subsidiary accompanying a change in the scope of consolidation): None
 New: –
 Exception: –

- (2) Changes in accounting principles and changes or restatement of accounting estimates
 (i) Changes in accounting principles associated with revision of accounting standards, etc.: Yes
 (ii) Changes in accounting principles other than (i): None
 (iii) Changes in accounting estimates: None
 (iv) Restatement: None

(Note) For more detailed information, please see “(5) Notes (Changes in Accounting Principles)” in section 4. Consolidated Financial Statements on page 14 of the accompanying material.

- (3) Number of shares outstanding (common stock)
 (i) Number of shares outstanding at end of year (including treasury stock)
 Year ended March 2015: 26,027,720 shares Year ended March 2014: 26,027,720 shares
 (ii) Number of treasury stock at end of year
 Year ended March 2015: 203,748 shares Year ended March 2014: 203,106 shares
 (iii) Average number of shares
 Year ended March 2015: 25,824,355 shares Year ended March 2014: 21,848,046 shares

(For reference) Outline of non-consolidated performance

1. Non-consolidated performance for year ended March 2015 (April 1, 2014 - March 31, 2015)

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

	Net sales		Operating income		Recurring income		Net income	
	million yen	%	million yen	%	million yen	%	million yen	%
Year ended March 2015	73,193	2.5	2,379	21.3	3,008	20.9	2,173	(52.6)
Year ended March 2014	71,439	3.4	1,962	348.1	2,487	124.2	4,583	314.5

	Net income per share	Fully diluted net income per share
	yen	yen
Year ended March 2015	84.16	83.66
Year ended March 2014	209.81	208.71

(2) Non-consolidated financial position

	Total assets	Net assets	Equity ratio	Net assets per share
	million yen	million yen	%	yen
Year ended March, 2015	83,993	42,686	50.7	1,648.66
Year ended March 2014	82,464	39,853	48.2	1,540.18

(For reference) Shareholders' equity

Year ended March 2015: 42,575 million yen Year ended March 2014: 39,774 million yen

2. Non-consolidated forecasts for year ending March 2016 (April 1, 2015 – March 31, 2016) (% shows the year-on-year change)

	Net sales		Operating income		Recurring income		Net income		Net income per share
	million yen	%	million yen	%	million yen	%	million yen	%	yen
Interim	36,000	2.8	420	(49.8)	480	(61.9)	250	(74.0)	9.68
Full year	74,000	1.1	1,300	(45.4)	1,450	(51.8)	900	(58.6)	34.85

* Presentation of status of audit procedures

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

* Explanation for appropriate use of financial forecasts and other special remarks

This material contains forward-looking statements based on information obtained by the management as of the day of publication, as well as certain assumptions that the management believes to be reasonable. A number of factors could cause actual results to differ materially from expectations. For notes on the use of the results forecasts and assumptions as the basis for the results forecasts, please see “1. Analysis of Operating Results and Financial Position (1) Analysis of Operating Results (Outlook for fiscal year ending March 2016)” on page 3 of the accompanying materials.

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1. Analysis of Operating Results and Financial Position

(1) Analysis of Operating Results

(Operating results)

During the consolidated fiscal year under review, the Japanese economy remained on the road to recovery, as shown by the steady movement in personal consumption and the improvement of corporate earnings since the fourth quarter, despite weak personal consumption and production activities after the consumption tax rate increase. Overseas, the U.S. economy recovered steadily. In Asia, China's economy expanded at a moderate pace. In India, the economy improved somewhat after crawling along the bottom. As such, the global economy slowly recovered despite a certain weakness in part.

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 ¥138,727 million (up 9.4% year on year), operating income of ¥2,521 million (down 43.3% year on year), recurring income of ¥1,622 million (down 59.6% year on year) and net income of ¥1,054 million (down 83.2% year on year).

Operating results by segment are as follows:

(i) Die Casting Business: Japan

In Japan, sales of automakers, the Company's main customers, continued to decline due to the impact of the consumption tax increase. However, automakers' production and exports continued to boom, centered on those to the North American market, against the backdrop of the weakening yen. Reflecting these developments, although orders were almost on a par with those for the same period of the previous fiscal year, net sales stood at ¥63,226 million (up 1.6% year on year), mainly due to the effects of the market situation of ingots. The segment recorded a profit of ¥3,230 million (down 11.6% year on year), mainly due to an increase in depreciation expenses for plant and equipment and a rise in labor costs attributable to wage increases.

(ii) Die Casting Business: North America

In North America, mainly reflecting an increase in orders due to brisk auto sales in the United States, the launch of new parts, and the effects of the market situation of ingots as well as the impact of the weakening yen, net sales amounted to ¥40,654 million (up 19.9% year on year). The segment recorded a loss of ¥1,295 million (segment profit of ¥509 million for the previous fiscal year), mainly due to the effect of a decline in productivity in the plants in the United States. Meanwhile, the measures that are being implemented in the United States to improve business performance, such as productivity improvement programs, are progressing almost as planned with an improvement in profits for the fourth quarter.

(iii) Die Casting Business: Asia

In China, fewer orders were received than initially expected from certain customers due to the sales situations of Japanese automakers, the Group's main customers. However, the Company saw an increase in net sales, mainly reflecting the full-scale mass production of new parts and the impact of the weakening yen. As a result, net sales in Asia reached ¥27,584 million (up 14.3% year on year). The segment recorded a profit of ¥662 million (up 268.1% year on year), mainly due to profitable operations at the Hefei Plant in China, reflecting the effect of increased profit on the back of the net sales increase, although it fell below the initial estimate.

(iv) Aluminum Business

In the Aluminum business, net sales stood at ¥5,015 million (up 7.7% year on year) thanks to the review of selling prices. The segment recorded a profit of ¥5 million (segment loss of ¥6 million for the previous fiscal year), primarily thanks to the review of selling prices and the effects of cost reduction activities.

(v) Proprietary Products Business

In the Proprietary Products business, net sales amounted to ¥2,245 million (up 21.5% year on year), due primarily to orders for data centers and clean rooms from telecommunications companies and semiconductor manufacturers, the Group's main customers. The segment recorded a profit of ¥83 million (up 25.5% year on year), mainly due to the effect of increased profit on the back of the net sales increase.

(Outlook for fiscal year ending March 2016)

With respect to the economic outlook going forward, the domestic market environment is expected to remain severe due to the recent harsh situations of domestic auto sales, while the Japanese economy is expected to continue its moderate recovery backed by factors such as economic measures taken by the Japanese government and the effects of the decline in the oil price as well as the continued improvement of employment and income conditions. In the United States, the economy is also anticipated to recover steadily, given factors such as the moderate increase in personal consumption and capital spending. In China, while the pace of economic expansion has further slackened as the growth of imports and production has slowed, the economy is also expected to expand moderately, giving rise to the risk of an economic downturn.

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 115.0 yen to 1 USD, 19.0 yen to 1 RMB, and 1.9 yen to 1 INR.

(Million yen)

	Net sales	Operating income	Recurring income	Net income attributable to owners of parent company
Fiscal year ending March 2016 forecast	146,200	4,250	3,300	2,000
Fiscal year ended March 2015 actual	138,727	2,521	1,622	1,054
Changes	7,472	1,728	1,677	945
Change Ratio (%)	5.4	68.6	103.4	89.6

Business segment	Net sales		Segment profit	
	Fiscal Year ended March 2015	Fiscal Year ending March 2016	Fiscal Year ended March 2015	Fiscal Year ending March 2016
Die Casting Business: Japan	63,226	62,600	3,230	2,200
Die Casting Business: North America	40,654	44,500	(1,295)	1,400
Die Casting Business: Asia	27,584	32,100	662	500
Aluminum Business	5,015	5,200	5	100
Proprietary Products Business	2,245	1,800	83	50
Elimination of intersegment transactions	–	–	(165)	–

(2) Analysis of Financial Position

(i) Assets, liabilities and net assets

Assets increased ¥11,597 million from the previous fiscal year, to ¥148,831 million. Major factors were an increase of ¥9,925 million in tangible fixed assets due to the impact of the weakening yen and an increase of ¥1,195 million in investments in securities, reflecting a rise in the stock prices of holding stocks.

Liabilities increased ¥4,086 million, to ¥86,728 million. Principal factors were an increase of ¥3,824 million in loans due to the impact of the weakening yen.

Net assets increased ¥7,511 million, to ¥62,103 million. Major factors were net income of ¥1,054 million, an increase of ¥5,640 million in foreign currency translation adjustments, and an increase of ¥928 million in the difference on the revaluation of other marketable securities attributable to a rise in the stock prices of holding stocks. As a result, the equity ratio was up from 39.7% to 41.7%.

(ii) Cash flows

(Cash flows from operating activities)

Net cash provided from operating activities increased ¥666 million from the previous consolidated fiscal year, to ¥12,502 million. This result was mainly due to income before income taxes and others of ¥1,651 million (down ¥5,356 million from the previous consolidated fiscal year), an increase in notes and accounts receivable of ¥1,555 million (up ¥7,359 million from the previous consolidated fiscal year) and income taxes paid of -¥2,144 million (down ¥1,393 million from the previous consolidated fiscal year).

(Cash flows from investing activities)

Net cash used for investing activities increased ¥2,540 million from the previous consolidated fiscal year, to ¥15,211 million. The main factors for this result were expenditure of -¥15,143 million for the acquisition of tangible fixed assets (down ¥1,060 million from the previous consolidated fiscal year), a decrease in proceeds of ¥2,479 million from the sale of tangible fixed assets, including the sale of the site of the old Hamamatsu plant for the previous fiscal year, and a decrease in proceeds of ¥1,101 million from the sale of investments in securities, including the sale of a portion of the holding stocks.

(Cash flows from financing activities)

Net cash used for financing activities increased ¥3,551 million from the previous consolidated fiscal year, to ¥538 million. Major causes of this result were proceeds from the issuance of common shares of ¥3,643 million.

As a consequence, cash and cash equivalents at the end of the fiscal year became ¥5,789 million.

Meanwhile, the funds raised upon the capital increase in March 2014 were appropriated to capital spending for overseas subsidiaries.

Transition of index related to cash flows

	Fiscal year ended March 2011	Fiscal year ended March 2012	Fiscal year ended March 2013	Fiscal year ended March 2014	Fiscal year ended March 2015
Equity Ratio (%)	36.6	33.6	35.5	39.7	41.7
Market Capitalization Equity Ratio (%)	16.2	14.7	9.5	16.2	13.3
Liabilities with Interest to Cash Flows (%)	183.9	504.5	282.3	363.4	374.6
Interest Coverage Ratio	27.2	10.3	17.2	11.4	10.2

Equity ratio: Shareholders' equity / Total assets

Market value-based equity ratio: Market capitalization / Total assets

Ratio of interest-bearing debt to cash flows: Interest-bearing debt / Cash flows

Interest coverage ratio: Cash flows / Interest paid

(Note) 1. Each indicator is calculated based on consolidated figures.

2. Market capitalization is calculated based on the number of shares issued excluding treasury stock.

3. Cash flows mean cash provided by cash provided from operating activities.

4. Interest-bearing debt denotes all liabilities bearing interest recorded in the consolidated balance sheet

(3) Basic Policy on Profit Distribution

The Company views the continuing increase of corporate value as the most important return to shareholders. The Company's basic policy on dividends is to provide appropriate returns while bolstering the financial structure and the management base for business development in the medium and long terms. We pay dividends, taking into consideration the amount of investment necessary for medium- and long-term growth, the payout ratio, and consolidated results.

In principle, we pay a dividend twice a year (interim dividend and year-end dividend). The Board of Directors determines a dividend.

Based on the above policy, the Company decided to pay dividends of ¥12 per share (including an interim dividend of ¥6 per share) for the fiscal year under review.

The Company's Articles of Incorporation stipulate that the Company can pay an interim dividend (the record date is September 30) under Article 454, paragraph 5 of the Corporate Code and that the Board of Directors can determine a dividend by resolution under Article 459, paragraph 1. In giving the Board of Directors the authority to determine a dividend, the Company intends to adopt a flexible approach to distributing profits to shareholders.

Dividends from surplus for the fiscal year under review are as follows:

Date of resolution	Total dividend (million yen)	Dividend per share (yen)
Board of Directors meeting on November 12, 2014	154	6
Board of Directors meeting on May 8, 2015	154	6

Further, regarding dividends in the next fiscal year, they are scheduled to be ¥12 per share (¥6 at the end of the interim period and ¥6 at the end of the fiscal year).

2. Management Policies

(1) Basic Management Policies

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

In the "Ahresty 10-Year Vision," which sets out our long-term management direction, establishing the basic policy of becoming "the top global 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. In our Medium-Term Management Policy based on this new 10-Year Vision, we aim to become the top global company. According to it, we expanded our overseas business; however, the production problems due to rapid growth resulted in failure to achieve the performance targets. The new 10-Year Vision was therefore revised to "Winning customers' absolute trust 2025" during the current consolidated fiscal period. The revised vision defined what we need to be as "Become the most reliable supplier in the eyes of our customers," "Contribute to the weight reduction of automobiles on a global basis" and "Achieve a sales target exceeding 200 billion yen," setting down the basic strategies for winning the absolute trust of customers and achieving sustainable growth in a stable manner through categorization into business strategy, functional strategy and management initiatives.

The current Medium-Term Management Policy based on the 10-Year Vision is the "1315 3-year Ahresty Policy," which focuses on manufacturing. The new 10-Year Vision also sets "Pursue and Advance MONOZUKURI (manufacturing)" as the way for "winning absolute trust." Upon reviewing it, some of the basic strategies were added for achieving the policy "Winning customers' absolute trust 2025," which was newly developed under the policy for FY2015, the last fiscal year under the Medium-Term Management Policy.

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

(2) Target Management Indicators

Our company's long-term management direction is indicated in "Ahresty 10-Year Vision", and concrete targets for management indicators are defined in medium-term management policies. In order to become a company with investing value, we defined target values for sales, the ratio of operating income to sales, return on assets (ROA) and return on equity (ROE). (These values for 2016 to sales: ¥154 billion (changed from ¥143 billion), ratio of operating income to sales: 5%, ROA: 3%, ROE: 7%.)

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

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

In this environment, based on the "Ahresty 10-Year Vision," which sets out our long-term management direction, we have been focusing on the expansion of the Die Casting Business overseas, particularly in China and North America, to an extent that sustainable growth may be secured in a stable manner, to respond to growing global demand, placing the priority on winning absolute trust. We have also adopted a policy of focusing on winning absolute trust and manufacturing as the "1315 3-year Ahresty Policy." With the following four initiatives as the pillars of 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)

Major actions: to rebuild manufacturing that integrates actual sites with design; and to achieve identical quality/productivity in all locations

2) Development of technologies utilized on the MONOZUKURI shop-floor

Major actions: to implement measures based on a technological road map to thoroughly investigate manufacturing; and to cultivate markets other than the powertrain

3) Development of human resources to support MONOZUKURI

Major actions: to cultivate people with skills backed by practical experience; and to cultivate 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

Major actions: to realize sustainable corporate growth through improved profitability and develop growth markets; to achieve work efficiency as well as a processing facility concept with high investment efficiency; and to improve the level of earnings management through the visualization of costs related to processes and divisions

3. Basic concept for the choice of the accounting standards

The Ahresty Group intends to prepare its consolidated financial statements according to Japan's standards at present, considering the comparability of the consolidated financial statements in terms of period and between companies.

Meanwhile, as for the application of the IFRS, it is intended to take appropriate actions in consideration of the various conditions in Japan and abroad.

4. Consolidated Financial Statements

(1) Consolidated Balance Sheets

(Amount: million yen)

	Previous consolidated fiscal year (March 31, 2014)	Current consolidated fiscal year (March 31, 2015)
(Assets)		
Current assets		
Cash and time deposits	8,791	5,885
Trade notes and accounts receivable	25,416	24,229
Electronically recorded monetary claims - operating	508	1,450
Merchandise and products	3,303	4,166
Partly finished goods	4,062	4,549
Raw materials and inventories	3,171	3,887
Deferred tax assets	1,423	828
Others	2,243	3,468
Allowance for doubtful accounts	(1)	(1)
Total current assets	48,920	48,464
Fixed assets		
Tangible fixed assets		
Buildings and structures	25,199	28,538
Accumulated depreciation and impairment loss	(10,488)	(11,800)
Buildings and structures, net	14,710	16,737
Machinery and delivery equipment	103,120	119,684
Accumulated depreciation and impairment loss	(62,307)	(70,114)
Machinery and delivery equipment, net	40,813	49,570
Tools, furniture and fixtures	42,600	46,274
Accumulated depreciation	(35,839)	(38,146)
Tools, furniture and fixtures, net	6,760	8,127
Land	5,252	5,294
Lease assets	1,027	1,113
Accumulated depreciation	(219)	(301)
Lease assets, net	807	811
Construction in progress	9,862	7,591
Total tangible fixed assets	78,208	88,133
Intangible fixed assets	1,340	1,541
Investments and other assets		
Investments in securities	5,964	7,160
Deferred tax assets	2,145	3,077
Others	655	454
Allowance for doubtful accounts	(0)	(0)
Total investments and other assets	8,764	10,692
Total fixed assets	88,313	100,367
Total assets	137,233	148,831

(Amount: million yen)

	Previous consolidated fiscal year (March 31, 2014)	Current consolidated fiscal year (March 31, 2015)
(Liabilities)		
Current liabilities		
Notes and accounts payable	15,140	14,388
Electronically recorded obligations-operating	4,574	6,548
Short-term loans	6,676	6,187
Current portion of long-term loans	9,848	11,806
Accrued income taxes	1,526	777
Bonus allowances	1,254	1,532
Directors' bonus allowances	28	13
Provision for product warranties	180	196
Others	7,612	7,051
Total current liabilities	46,841	48,502
Long-term liabilities		
Long-term loans	26,490	28,845
Deferred tax liabilities	3,197	3,502
Net defined benefit liability	4,913	4,816
Others	1,199	1,061
Total long-term liabilities	35,800	38,225
Total liabilities	82,641	86,728
(Net assets)		
Shareholders' equity		
Common stock	6,939	6,939
Additional paid-in capital	10,180	10,180
Retained earnings	32,035	32,730
Treasury stock	(304)	(304)
Total shareholders' equity	48,851	49,545
Other accumulated comprehensive income		
Difference on revaluation of other marketable securities	2,540	3,468
Foreign currency translation adjustments	3,660	9,301
Remeasurements of defined benefit plans	(539)	(324)
Total other accumulated comprehensive income	5,661	12,446
Share warrants	79	111
Total net assets	54,592	62,103
Total liabilities and net assets	137,233	148,831

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

(Amount: million yen)

	Year ended March 31, 2014	Year ended March 31, 2015
Sales	126,783	138,727
Cost of goods sold	112,562	125,865
Gross Profit	14,220	12,861
Selling, general and administrative expenses		
Transportation expenses	1,830	1,771
Salaries and bonuses	2,848	3,051
Retirement and severance expenses	276	249
Provision for bonuses	267	305
Provision for bonuses for directors	28	13
Allowance for depreciation	143	180
Research and development expenses	457	448
Other expenses	3,918	4,321
Total Selling, general and administrative expenses	9,771	10,340
Operating income (loss)	4,449	2,521
Non-operating income		
Interest income	10	18
Dividends received	120	127
Gain on sales of scraps	102	141
Foreign currency exchange gain	474	—
Others	82	184
Total non-operating income	790	471
Non-operating expenses		
Interest expenses	1,054	1,254
Foreign exchange losses	—	50
Others	173	66
Total non-operating expenses	1,227	1,370
Recurring income	4,012	1,622
Extraordinary gains		
Gain on the sale of fixed assets	2,288	51
Gain on sales of investment securities	838	—
Subsidy income	35	99
Total extraordinary gains	3,161	150
Extraordinary losses		
Loss on the sale of fixed assets	156	121
Loss on sales of investment securities	9	—
Total extraordinary losses	166	121
Income before income taxes	7,007	1,651
Income taxes and enterprise taxes	1,650	812
Deferred income taxes	(915)	(215)
Total income taxes	735	596
Income before minority interests	6,272	1,054
Net income	6,272	1,054

(Consolidated Statements of Comprehensive Income)

(Amount million yen)

	Year ended March 31, 2014	Year ended March 31, 2015
Income before minority interests	6,272	1,054
Other comprehensive income		
Difference on revaluation of other marketable securities	175	928
Foreign currency translation adjustments	5,864	5,640
Remeasurements of defined benefit plans, net of tax	–	215
Total other comprehensive income	6,039	6,784
Comprehensive income	12,312	7,839
Comprehensive income attributable to		
Comprehensive income attributable to owners of the parent	12,312	7,839
Comprehensive income attributable to minority interests	–	–

(3) Consolidated Statement of Changes in Net Assets
 Previous consolidated fiscal year (April 1, 2013 through March 31, 2014)

(Amount: million yen)

	Shareholders' equity				
	Common stock	Additional paid-in capital	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			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

	Other accumulated comprehensive income				Share warrants	Total net assets
	Difference on revaluation of other marketable securities	Foreign currency translation adjustments	Remeasurements of defined benefit plans	Total other accumulated comprehensive income		
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						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, 2014 through March 31, 2015)

(Amount: million yen)

	Shareholders' equity				
	Common stock	Additional paid-in capital	Retained earnings	Treasury stock	Total shareholders' equity
Balance at beginning of current fiscal year	6,939	10,180	32,035	(304)	48,851
Cumulative effects of changes in accounting policies			(50)		(50)
Restated balance	6,939	10,180	31,984	(304)	48,800
Changes					
Cash dividend from retained earnings			(309)		(309)
Net income			1,054		1,054
Purchase of own shares				(0)	(0)
Changes (net) in non-shareholders' equity items					
Total changes	–	–	745	(0)	744
Balance at end of current fiscal year	6,939	10,180	32,730	(304)	49,545

	Other accumulated comprehensive income				Share warrants	Total net assets
	Difference on revaluation of other marketable securities	Foreign currency translation adjustments	Remeasurements of defined benefit plans	Total other accumulated comprehensive income		
Balance at beginning of current fiscal year	2,540	3,660	(539)	5,661	79	54,592
Cumulative effects of changes in accounting policies						(50)
Restated balance	2,540	3,660	(539)	5,661	79	54,541
Changes						
Cash dividend from retained earnings						(309)
Net income						1,054
Purchase of own shares						(0)
Changes (net) in non-shareholders' equity items	928	5,640	215	6,784	32	6,816
Total changes	928	5,640	215	6,784	32	7,561
Balance at end of current fiscal year	3,468	9,301	(324)	12,446	111	62,103

(4) Consolidated Statements of Cash Flows

(Amount: million yen)

	Year ended March 31, 2014	Year ended March 31, 2015
Cash flows from operating activities		
Income before income taxes	7,007	1,651
Depreciation and amortization	11,153	12,956
Increase (decrease) in allowances for bonuses	323	244
Increase (decrease) in net defined benefit liability	221	167
Increase (decrease) in provision for product warranties	(17)	8
Increase (decrease) in provision for business structure improvement	(157)	–
Interest and dividend income	(131)	(145)
Interest expenses	1,054	1,254
Loss (gain) on sales and retirement of tangible fixed assets	(2,132)	68
Loss (gain) on sales of investment securities	(828)	–
Subsidy income	(35)	(99)
Decrease (increase) in notes and accounts receivable	(5,803)	1,555
Decrease (increase) in inventories	(281)	(1,143)
Increase (decrease) in notes and accounts payable	2,845	428
Increase (decrease) in accrued expenses	546	(49)
Increase (decrease) in accrued consumption taxes and others	517	(252)
Others	(861)	(1,241)
Subtotal	13,421	15,402
Interest and dividends received	131	145
Interest paid	(1,034)	(1,230)
Proceeds from subsidy income	20	89
Income taxes paid	(750)	(2,144)
Income taxes refunded	48	239
Net cash provided by operating activities	11,835	12,502
Cash flows from investing activities		
Payments into time deposits	–	(86)
Expenditures from purchases of tangible fixed assets	(16,204)	(15,143)
Proceeds from sales of tangible fixed assets	2,684	205
Proceeds from sales of investment securities	1,101	–
Others	(253)	(187)
Net cash used in investing activities	(12,671)	(15,211)
Cash flows from financing activities		
Proceeds from short-term loans	27,302	31,053
Repayment of short-term loans	(27,920)	(32,295)
Proceeds from long-term debt	10,880	10,958
Repayment of long-term debt	(10,519)	(9,725)
Proceeds from issuance of common shares	3,643	–
Dividends paid	(174)	(308)
Others	(198)	(220)
Net cash provided by financing activities	3,012	(538)
Effect of exchange rate changes on cash and cash equivalents	526	245
Net increase (decrease) in cash and cash equivalents	2,704	(3,002)
Cash and cash equivalents at beginning of year	6,087	8,791
Cash and cash equivalents at end of period	8,791	5,789

(5) Notes

Notes on Going Concern Assumptions

Not applicable.

Changes in Accounting Principles

(Application of accounting standards for employees' retirement benefits)

Effective from this consolidated fiscal year, the Ahresty Group has adopted the Accounting Standard for Retirement Benefits (ASBJ Standard 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") for 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. As a result, the Group reviewed the method of calculating retirement benefit obligations and current service costs, and it has changed the method of attributing expected retirement benefits to periods from the straight-line basis to the benefit formula basis. The Group has also changed the method of determining the discount rate from the method that uses the discount rate based on the period of remaining working lives to the method that uses the single weighted average discount rate that reflects the estimated period of retirement benefits payment and the amount for each estimated period of retirement benefits payment.

As for the application of the Accounting Standard for Retirement Benefits, etc., in accordance with the transitional handling as provided in Item 37 of the Accounting Standard for Retirement Benefits, at the beginning of the consolidated fiscal year under review, the Group adjusted its retained earnings by taking into account the amount affected by the change of the method to calculate retirement benefit obligations and current service costs.

As a result, liabilities related to retirement benefits at the beginning of the consolidated fiscal year under review rose ¥72 million, and retained earnings fell ¥50 million. The impact on operating income, recurring income and income before income taxes and others for the consolidated fiscal year under review was negligible.

In addition, the impact on net assets per share, net income per share and fully diluted net income per share for the consolidated fiscal year under review was negligible.

Segment Information, Etc.

Segment Information

1. Overview of reported segments

The reported segments of the Company are those units for which separate financial information can be obtained among the constituent units of the Company and for which the Board of Directors of the Company regularly carries out examinations to determine the allocation of management resources and assess the business performance.

The Company manages the Die Casting Business, the Aluminum Business, and the Proprietary Products Business.

In the Die Casting Business, the Company develops comprehensive strategies by regions: Japan, North America, and Asia, and is engaged in business activities accordingly.

As a result, the Company has five reported segments: Die Casting Business: Japan, Die Casting Business: North America, Die Casting Business: Asia, Aluminum Business, and Proprietary Products Business.

In the Die Casting Business, the Company is mainly engaged in manufacturing and sales of auto parts, general engine parts, industrial machinery parts, and dies in Japan, North America and Asia. In the Aluminum Business, the Company is engaged in smelting and sales of aluminum alloy ingots. In the Proprietary Products Business, it sells access floors and its accessories.

2. Methods for calculating net sales, profits or losses, assets, liabilities and amounts for other items by reported segment

Profits in the reported segments are figures based on operating income.

Intersegment sales and transfers are based on current market values.

3. Information related to net sales, profits or losses, assets, liabilities and amounts for other items by reported segment
Previous consolidated fiscal year (April 1, 2013 through March 31, 2014) (Million yen)

	Reported segments					Total
	Die Casting Business			Aluminum Business	Proprietary Products Business	
	Japan	North America	Asia			
Sales						
Customers	62,228	33,906	24,143	4,657	1,848	126,783
Intersegment	4,103	29	917	2,650	0	7,701
Total	66,332	33,936	25,060	7,308	1,848	134,485
Segment profit (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

Current consolidated fiscal year (April 1, 2014 through March 31, 2015) (Million yen)

	Reported segments					Total
	Die Casting Business			Aluminum Business	Proprietary Products Business	
	Japan	North America	Asia			
Sales						
Customers	63,226	40,654	27,584	5,015	2,245	138,727
Intersegment	4,398	14	1,337	3,266	0	9,017
Total	67,625	40,669	28,922	8,282	2,245	147,744
Segment profit (loss)	3,230	(1,295)	662	5	83	2,686
Segment assets	46,869	48,533	46,859	3,030	1,397	146,691
Other items						
Depreciation and amortization	3,304	5,522	4,256	15	2	13,101
Increase in tangible fixed assets and intangible fixed assets	5,153	6,609	3,791	109	0	15,664

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

(Million yen)		
Net sales	Previous consolidated fiscal year	Current consolidated fiscal year
Total sales in reported segments	134,485	147,744
Elimination of intersegment transactions	(7,701)	(9,017)
Net sales in the consolidated financial statement	126,783	138,727

(Million yen)		
Profit	Previous consolidated fiscal year	Current consolidated fiscal year
Total profit in reported segments	4,405	2,686
Elimination of intersegment transactions	43	(165)
Operating income in the consolidated financial statement	4,449	2,521

(Million yen)

Assets	Previous consolidated fiscal year	Current consolidated fiscal year
Total assets in reported segments	133,034	146,691
Elimination of intersegment transactions	(3,273)	(2,216)
Company-wide assets	7,473	4,356
Assets in the consolidated financial statement	137,233	148,831

(Million yen)

Other items	Total amount in reported segments		Adjustment		Amount recorded in consolidated financial statements	
	Previous consolidated fiscal year	Current consolidated fiscal year	Previous consolidated fiscal year	Current consolidated fiscal year	Previous consolidated fiscal year	Current consolidated fiscal year
Depreciation and amortization	11,216	13,101	(63)	(145)	11,153	12,956
Increase in tangible fixed assets and intangible fixed assets	16,156	15,664	(202)	(330)	15,954	15,334

Per Share Information

(Yen)

	Year ended March 31, 2014	Year ended March 31, 2015
Net assets per share	2,110.89	2,400.55
Net income per share	287.10	40.85
Diluted net income per share	285.59	40.61

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

	Year ended March 31, 2014	Year ended March 31, 2015
Net income per share		
Net income (million yen)	6,272	1,054
Amount that does not belong to ordinary shareholders (million yen)	—	—
Net income (related to common shares) (million yen)	6,272	1,054
Average number of shares during the period	21,848,046	25,824,355
Diluted net income per share		
Net income adjustments (million yen)	—	—
Increase in number of common shares	115,308	153,759
Outline of latent shares without dilution effect not taken into account for calculation of diluted net income per share	—	—

Important Subsequent Events

Not applicable

5. Non-Consolidated Financial Statements

(1) Non-Consolidated Balance Sheets

(Amount: million yen)

	Previous fiscal year (March 31, 2014)	Current fiscal year (March 31, 2015)
(Assets)		
Current assets		
Cash and time deposits	5,633	2,695
Trade notes receivable	1,642	1,424
Electronically recorded monetary claims - operating	499	1,434
Accounts receivable	13,142	13,036
Merchandise and products	800	752
Partly finished goods	1,215	1,178
Raw materials and inventories	896	1,081
Prepaid expenses	66	84
Deferred tax assets	442	354
Accounts receivable—other	1,829	772
Others	152	77
Allowance for doubtful accounts	(1)	(1)
Total current assets	26,321	22,892
Fixed assets		
Tangible fixed assets		
Buildings	3,163	3,071
Structures	66	83
Machinery and equipment	1,578	1,868
Delivery equipment	19	16
Tools, furniture and fixtures	1,008	1,373
Land	3,530	3,530
Lease assets	3	8
Construction in progress	865	977
Total tangible fixed assets	10,236	10,930
Intangible fixed assets		
Software	84	144
Others	53	20
Total intangible fixed assets	138	164
Investments and other assets		
Investments in securities	5,476	6,750
Stocks of subsidiaries and affiliates	40,127	43,042
Others	165	212
Allowance for doubtful accounts	(0)	—
Total investments and other assets	45,768	50,006
Total fixed assets	56,143	61,101
Total assets	82,464	83,993

(Amount: million yen)

	Previous fiscal year (March 31, 2014)	Previous fiscal year (March 31, 2015)
(Liabilities)		
Current liabilities		
Notes payable	2,711	1,520
Electronically recorded obligations-operating	2,811	4,414
Accounts payable	5,393	6,031
Current portion of long-term loans	4,809	5,456
Accounts payable—other	829	868
Accrued expenses	291	311
Accrued income taxes	1,029	529
Advances received	9	21
Deposits received	8,444	7,475
Bonus allowances	690	681
Directors' bonus allowances	25	12
Provision for product warranties	94	96
Others	268	567
Total current liabilities	27,409	27,986
Long-term liabilities		
Long-term loans	10,591	8,348
Deferred tax liabilities	1,550	1,707
Allowances for employees' retirement benefits	2,890	3,089
Others	169	174
Total long-term liabilities	15,202	13,320
Total liabilities	42,611	41,307
(Net assets)		
Shareholders' equity		
Common stock	6,939	6,939
Additional paid-in capital		
Legal capital surplus	9,999	9,999
Total additional paid-in capital	9,999	9,999
Retained earnings		
Legal retained earnings	393	393
Other retained earnings		
Reserve for dividends	120	120
Reserve for reduction entry of replaced property	2,248	2,249
General reserve	13,240	13,240
Retained earnings brought forward	4,670	6,491
Total retained earnings	20,672	22,495
Treasury stock	(304)	(304)
Total shareholders' equity	37,306	39,129
Revaluation / Translation differences		
Difference on revaluation of other marketable securities	2,467	3,445
Total revaluation / translation differences	2,467	3,445
Share warrants	79	111
Total net assets	39,853	42,686
Total liabilities and net assets	82,464	83,993

(2) Non-Consolidated Income Statements

(Amount: million yen)

	Year ended March 31, 2014	Year ended March 31, 2015
Sales	71,439	73,193
Cost of goods sold	64,568	66,018
Gross Profit	6,870	7,175
Selling, general and administrative expenses	4,908	4,795
Operating income (loss)	1,962	2,379
Non-operating income		
Interest income	2	0
Dividends received	196	514
Rent income	76	67
Foreign currency exchange gain	345	109
Others	118	98
Total non-operating income	738	791
Non-operating expenses		
Interest expenses	199	150
Others	13	12
Total non-operating expenses	213	162
Recurring income	2,487	3,008
Extraordinary gains		
Gain on the sale of fixed assets	2,290	1
Gain on sales of investment securities	838	–
Subsidy income	–	8
Total extraordinary gains	3,128	10
Extraordinary losses		
Loss on the sale of fixed assets	22	14
Loss on sales of investment securities	9	–
Total extraordinary losses	32	14
Income before income taxes and others	5,583	3,003
Income taxes and enterprise taxes	1,151	844
Deferred income taxes	(152)	(13)
Total income taxes	999	830
Net income	4,583	2,173