

Ahresty Report 2015

For the year ended March 31, 2015

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.

Ahresty is a leading company of the Die Castings.

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.

Engine 《The Heart of an Automobile》

An engine, the heart of an automobile, uses a large number of die-cast products. Responding to demand for engine parts with higher quality and reduced weight following advances in the functionality of automobiles, cylinder head covers, cam brackets, cylinder blocks, ladder frames, oil pans, chain cases and other parts of engines and other vehicle parts, such as a range of brackets, are made by die casting.

Transmission 《The key parts of a power transmission》

Transmissions are systems that convert the power generated by engines to suitable revolutions. Transmissions are made in large, thin and complex shapes, and they certainly require great strength, high dimensional accuracy and high quality in their external appearance. Therefore, products, such as transmission cases, clutch cases, housing converters and the valve bodies essential for controlling the hydraulic circuits of automatic transmissions, are made by die casting.

Suspension 《Affecting driving stability and comfort》

Reducing the weight of suspension-related parts can deliver significant gains in driving stability and comfort. As a result, automakers are rapidly seeking to reduce weight, especially for luxury automobiles. Because suspension-related parts require stiffness, strength, toughness, corrosion resistance and other features, they are manufactured using new die-casting methods, such as the NI process and the MFT process. Die-cast products manufactured using these methods include a variety of parts, such as differential members and steering knuckles.



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 CO₂ 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

■ For Shareholders & Investors	4	■ Environmental Activities	17
■ Management Message	6	■ Safety and Sanitation	18
■ History	7	■ Establishing an Energetic Working Environment	19
■ Topics	8	■ Together with the Local Communities	20
■ Consolidated Financial Highlights	9	■ Global Development	21
■ Corporate Governance	10	■ Operating Bases	22
■ Die casting production system	11	■ Corporate Data/Stock Information	23
■ Segment Review	12	■ Financial Section	25
■ Environmental Targets and Achievements	16		



For Shareholders & Investors



Striving to Achieve Sustainable Growth

Ahresty achieved record net sales in FY2014. This partly reflected the effects of the exchange rates of the weakening yen as well as an overseas production volume and net sales that exceeded the domestic production volume and net sales of the die casting division. However, operating income declined, which was strongly affected by the sluggish performance of plants in the United States. This was the result of production being largely disrupted by the insufficient provision of training and know-how to new employees, who were recruited for the creation of new products and a production increase, despite an increase in sales as a result of a recovery in demand for automobiles following an economic turnaround. To revamp the plants in the United States, Ahresty established an improvement project in the second half of the fiscal year under review, and production improved almost in accordance with the plan in the project period that ended March 31, 2015. Ahresty will continue to thoroughly focus on employee education and training and the creation of new products. As for the quality system, in FY2014, all the die casting bases both in Japan and overseas acquired ISO/TS16949 certification. Previously, while overseas bases had already acquired ISO/TS16949 certification, domestic bases

operated under a quality system based on the requirements of ISO9001 and acquired that certificate. However, a few years ago, domestic bases also started to adopt ISO/TS16949 and, in January 2015, all the die casting bases completed acquisition of the certificate. Ahresty will strive to standardize its operations at all its bases by adopting Ahresty's standards globally in the future.

In environmental conservation, each plant engaged in activities by establishing environmental targets, and, in Japan in particular, Ahresty achieved the target of a 4% reduction in FY2014 in the basic CO₂ emission unit (emission volume per production volume) compared with 2010. Ahresty believes that environmental conservation is not only the duty of specific departments but that the environmental awareness and activities of each employee are important. Accordingly, it has been promoting its unique "eco License", and, as of the end of FY2014, 67% of its domestic employees had passed the test and were engaged in eco-friendly activities. Ahresty will continue to promote environmental awareness and contributions to local communities.

While Ahresty grew stronger by rapidly expanding overseas plants, it experienced productions disruption in the United

States last year and has experienced other disruptions in Mexico in the past. Responding to these experiences, it revised its long-term vision previously set out in the 10-year Vision, "The Global Top Company with its Die Casting as a Core," to "Winning absolute customers' trust 2025" in April 2015. Its aspirations lie with "Become the most reliable supplier in the eyes of our customers;" "Contribute to the weight reduction of automobiles globally," and "Achieve sales target over 200 billion yen."

Ahresty will strive to achieve sustainable growth by pursuing MONOZUKURI (manufacturing) globally, sharing improvements and promoting the systemization of its

operations.

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 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 over 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. Based on the "Ahresty 10-Year Vision," 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.

Winning absolute customers' trust 2025

Our aspirations

Become the most reliable supplier in the eyes of our customers
Contribute to the weight reduction of automobiles globally
Achieve sales target over 200 billion yen

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

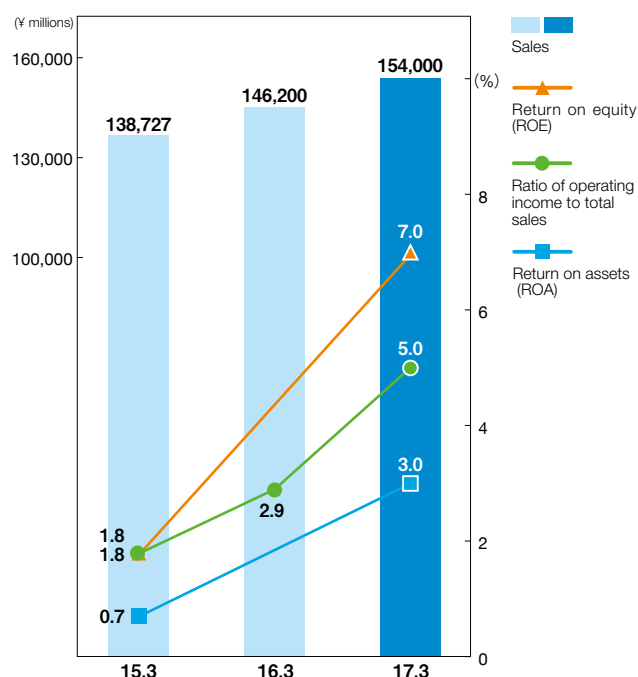
3 Development of human resources to support MONOZUKURI

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

Target for the Medium-Term Strategy





Management Message

Winning absolute customers' trust 2025

The new 10-Year Vision is "Winning absolute customers' trust 2025." These are the keywords for Ahresty to achieve sustainable growth.

Accordingly, the General Administrative Command will take five initiatives from FY2015. (i) Improve internal and external communication, develop human resources mainly by supporting individuals' independence, including the promotion of women's involvement, and pursue the development of an organizational structure, including a response to the corporate governance code; (ii) Enhance financial strength by bolstering the quality of earnings management so that Ahresty will be able to make investments

Hiroshi Ishimaru

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

for sustainable growth without relying on interest-bearing debt; (iii) Improve the quality of operations and streamline operations by strengthening the information foundation and making the IT division participate proactively in business activities; (iv) Promote the creation of safe work places; and (v) Continually improve the crisis management structure.

Through these initiatives, the General Administrative Command will support the Group, which is continually growing on a global scale, from the aspect of group management. In this way, Ahresty will aim to become a die casting manufacturer that is trusted even more strongly.



KAIZEN, Improvement Quicker and stronger

The Company has employees from a number of different countries, including Japan, America, Mexico, China, India and Thailand. Each overseas base has different languages and lifestyles as well as different social environments.

However, MONOZUKURI is a common practice everywhere in the world. For this reason, Ahresty is developing trainers who are able to teach "KAIZEN," or "Improvement," including methods to identify and address problems, to ensure that Ahresty is able to produce high-quality products with high productivity. The trainers first started their activities in plants in Japan and they started visiting

overseas bases this year.

We plan for trainers, who will have acquired know-how, to train new trainers in a few years' time, and the employees who work with the trainers will all enhance the level of their KAIZEN activities. Through this development, Ahresty will clarify conditions for creating superior products and further bolster the reliability of facilities, machines and die molds.

Quicker and stronger, through the KAIZEN activities, Ahresty will strive to achieve MONOZUKURI, or the manufacturing of products with a superior quality in the global standards.

Kenichi Nonaka

Director, Senior Managing Executive Officer,
Chief, Manufacturing Command



Mobilizing Ahresty's comprehensive capabilities

The new 10-Year Vision started in April 2015.

Sales Command will focus even more than before on the large-scale complex parts that are required to meet extensive requirements, the die casting products in which Ahresty excels, and propose the products to global automobile and parts manufacturers.

These die casting parts are demonstrating very strong demand from customers and they require comprehensive capabilities to be manufactured. For this reason, we believe that only a limited number of die casting manufacturers, even on a global scale, are capable of supplying such parts. Global auto production will reportedly

increase further in the future and will exceed 100 million units within several years. In line with an increase in the number of automobiles produced, demand for aluminum die casting products will also rise. By mobilizing its comprehensive capabilities to provide one-stop services, including development, design, die casting, processing and sales, Ahresty is committed to taking its contributions to customers to an even higher level.

To achieve this corporate aspiration, Sales Command will further strengthen cooperation among sales staff members in Japan, the United States, Mexico, China, India and other countries.

Naoyuki Kaneta

Director, Managing Executive Officer,
Chief, Sales Command



To offer superior products and service to our customers

Always pursue the essence of the concept stated in Ahresty's corporate philosophy, "Offer superior products and service to our customers," and put this into practice across the board. This is the role of the Quality Assurance Command.

Looking back on FY2014, plants in Japan also acquired ISO/TS16949 certificates (a quality management system specializing in the manufacturing of auto parts based on ISO 9001), which the overseas plants had already acquired. This is one of the outcomes achieved as a result of the commitment shared by the administrative division and all the divisions in plants in the pursuit of superior products and

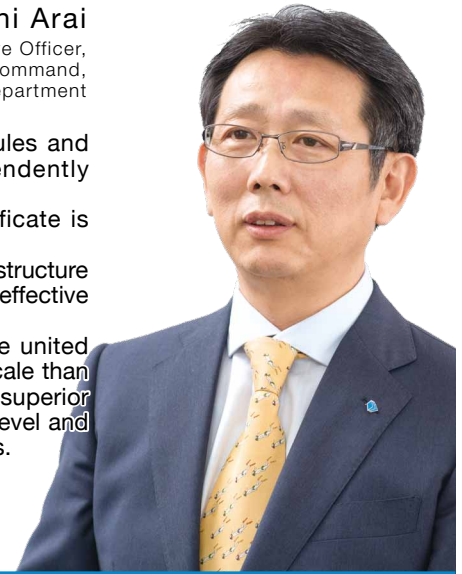
Hiroshi Arai
Executive Officer,
Chief, Quality Assurance Command,
and General Manager, Quality Management Department

service mainly by unifying the rules and manuals that had been independently used by each plant in Japan.

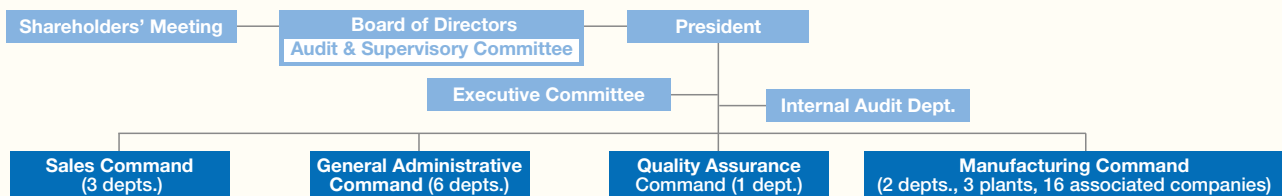
Still, the acquisition of the certificate is only a way station.

Ahresty will now strive to create a structure that is global, unified, simple and effective in the future.

Across the board, Ahresty will be united in taking initiatives on a greater scale than before to achieve the offering of superior products and service at a higher level and pursue the trust of its stakeholders.



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 | Feb. 1997 | ● Establishment of Thai Ahresty Die Co., Ltd. |
| Nov. 1943 | ● Establishment of Fuso Light Alloys Co., Ltd. Start of production for die casting products and aluminum sand mold castings | Mar. | ● Ahresty Corporation obtains ISO9001 certification (Free Access Floor) |
| Mar. 1960 | ● Establishment of Japan Precision Die Mold Mfg. Co., Ltd. (currently Ahresty Die Mold Hamamatsu Corporation) | | ● Ahresty Corporation obtains ISO9002 certification (Die Castings, Aluminum Ingots) |
| Jul. | ● Start of operations of Fuso Light Alloys Co., Ltd. Hamamatsu Plant | Mar. 2001 | ● Ahresty Corporation obtains ISO14001 certification |
| Oct. 1961 | ● Listing of Fuso Light Alloys Co., Ltd. stock on the Second Section of the Tokyo Stock Exchange | Jul. 2002 | ● Establishment of Thai Ahresty Engineering Co., Ltd. |
| Apr. 1962 | ● Establishment of Tokai Seiko Co., Ltd. (currently Ahresty Pretech Corporation) | Aug. 2003 | ● Establishment of Guangzhou Ahresty Casting Co., Ltd. |
| Mar. 1963 | ● Start of operations of Kyoto Die Casting Co., Ltd. Toyohashi Plant (currently Tokai Plant) | Oct. | ● Merger of Kyoto Die Casting Co., Ltd. and Ahresty Corporation |
| Apr. 1971 | ● Establishment of Tochigi Fuso Co., Ltd. (currently Ahresty Tochigi Corporation) | Nov. | ● Ahresty Corporation awarded the Minister of Economy, Trade and Industry Award of the 20th Materials Process Technology Commendation |
| Mar. 1972 | ● Establishment of Ditec Co., Ltd. (currently Ahresty Die Mold Tochigi Corporation) | Mar. 2005 | ● Establishment of Ahresty Precision Die Mold (Guangzhou) Co., Ltd. |
| Sep. 1976 | ● Establishment of Kumamoto Fuso Co., Ltd. (currently Ahresty Kumamoto Corporation) | Apr. | ● Merger of Pascal Industry Co., Ltd. and Sugahara Precision Industry Co., Ltd. into Ahresty Yamagata Corporation |
| Mar. 1981 | ● Start of operations of Ditec Co., Ltd., Kumamoto Plant (currently Ahresty Die Mold Kumamoto Corporation) | Jun. | ● Head Office moved to Chuo, Nakano-ku, Tokyo |
| Jul. 1984 | ● Start of operations of Fuso Light Alloys Co., Ltd. Kumagaya Plant | Jun. 2006 | ● Establishment of Ahresty Mexicana, S.A. de C.V. |
| Aug. | ● Start of operations of Fuso Light Alloys Co., Ltd. Higashimatsuyama Plant | Sep. | ● Establishment of Technical Center |
| May 1985 | ● Establishment of Pascal Trading Co., Ltd. (currently Ahresty Techno Service Corporation) | Jan. 2007 | ● Establishment of Ahresty India Private Limited |
| May 1988 | ● Establishment of Ahresty Wilmington Corporation | Aug. 2010 | ● Establishment of Hefei Ahresty Casting Co., Ltd. |
| Oct. | ● Corporate name changed from Fuso Light Alloys Co., Ltd. to Ahresty Corporation | Apr. 2011 | ● Consolidated organizations into Tokai Plant ahead of the planned integration of Hamamatsu Plant and Toyohashi Plant. |
| Oct. 1989 | ● Ahresty Corporation awarded Deming Prize for the year 1989 (Small and Mid-range Industries) | 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 |
| | | Nov. | ● Ahresty Corporation Higashimatsuyama Plant obtains ISO/TS16949 certification |
| | | Jan. 2015 | ● Ahresty Corporation Tokai Plant obtains ISO/TS16949 certification |

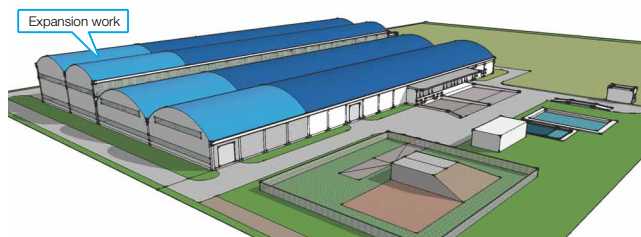
Topics

2014

- April** Ahresty Mexicana begins floor expansion work of the casting plant
- June** Guangzhou Ahresty begins delivering mass-produced products to the Volkswagen Group
- July** Expansion work is completed at Ahresty India
- September** Second phase of plant construction on an adjacent site is completed at Guangzhou Ahresty
Floor expansion work of the casting plant is completed at Ahresty Mexicana
- November** Ahresty Wilmington begins expansion work

2015

- January** All the die casting and machining plants in Japan and overseas completed acquisition of the ISO/TS16949 certificate
- March** Ahresty Tochigi plans to begin expansion work of the casting plant
- June** Ahresty Wilmington plans to complete the expansion work
- October** Ahresty Tochigi plans to complete the expansion work of the casting plant



Ahresty India: Schematic illustration of the appearance of the plant after the completion of the expansion work



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



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

All plants in Japan and overseas have completed the acquisition of the ISO/TS16949 certificate.

Following the overseas plants, which had already acquired the ISO/TS16949 certificate, [all the die casting and machining plants in Japan completed acquisition of the certificate](#) in January 2015.

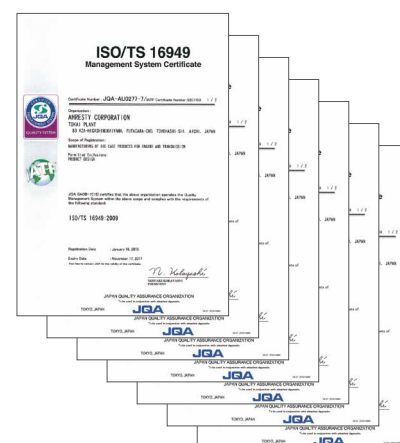
The acquisition of the ISO/TS16949 certificate in Japan

Nov. 2014

Ahresty Corporation Higashimatsuyama Plant
Ahresty Yamagata Corporation
Ahresty Pretech Corporation Head Office / Main Plant
Ahresty Pretech Corporation Toyohashi Plant

Jan. 2015

Ahresty Corporation Tokai Plant
Ahresty Tochigi Corporation
Ahresty Kumamoto Corporation



Winning the 6th Light Metal Outstanding Female Award (November 2014), one of seven light metal awards

The Light Metal Outstanding Female Award, one of the seven light metal awards, is an award conferred on young female scientists or engineers who have achieved outstanding scientific research or technological development in the light metal sector and are expected to have successful careers in the future.

[Winner] Emi Yanagihara (Technological Development Section, Engineering Department)
[Reasons for winning the award]

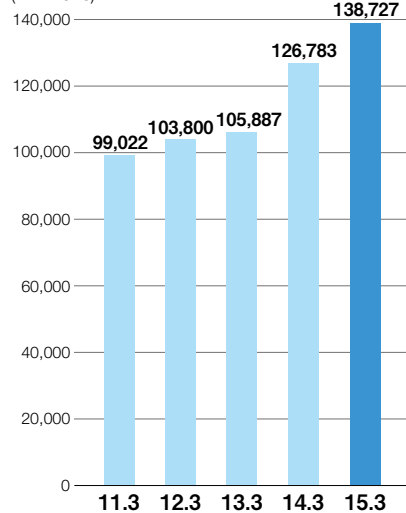
Ms. Emi Yanagihara is a core human resource who has been engaged in examination, research and development operations since entering the Company, and she has been providing training to her staff members as the leader of the materials and manufacturing method team. Ms. Emi Yanagihara is also a doctoral student and actively participates in various activities, including presiding over lecture meetings as a chairperson at the Japan Institute of Light Metals. This award was conferred on Ms. Emi Yanagihara in recognition of her achievements.



Consolidated Financial Highlights

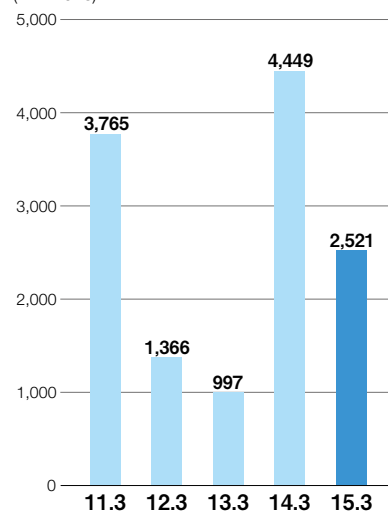
Sales

(¥ millions)



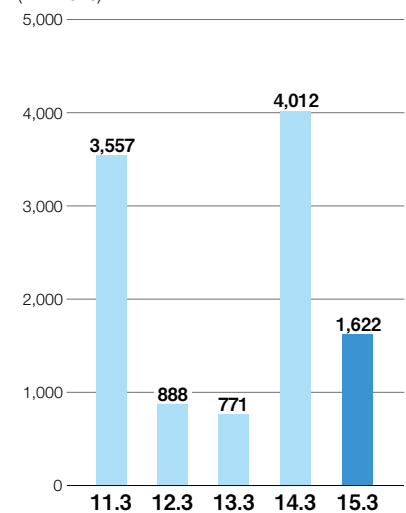
Operating income

(¥ millions)



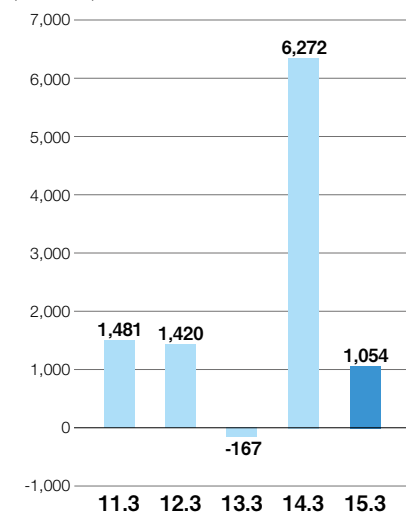
Recurring income

(¥ millions)



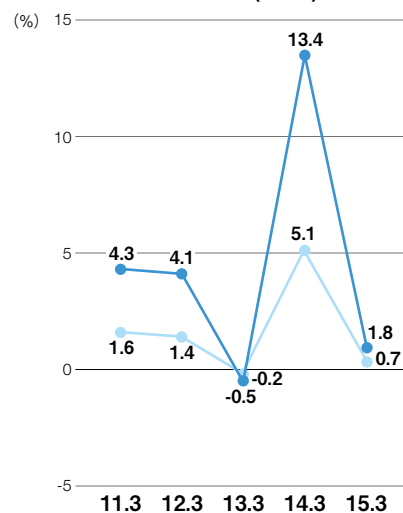
Net income (loss)

(¥ millions)



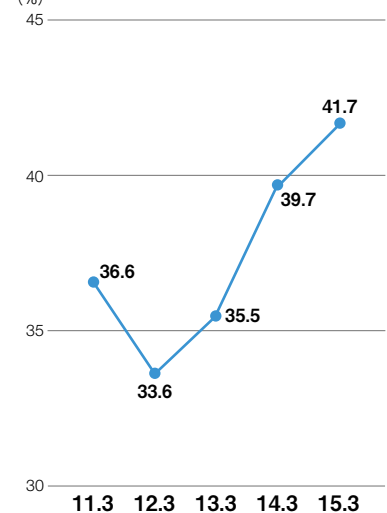
Return on equity (ROE)

Return on assets (ROA)



Equity ratio

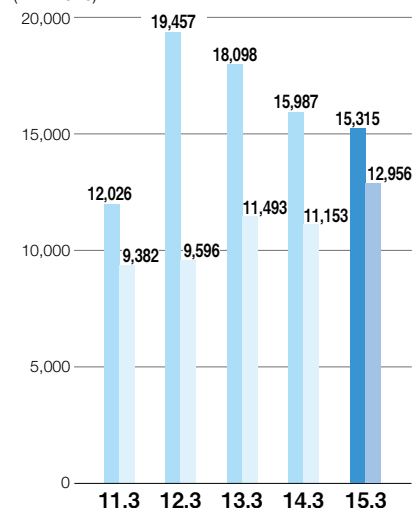
(%)



Capital expenditures*1

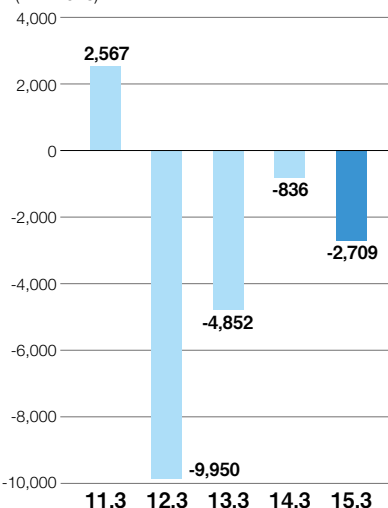
Depreciation*1

(¥ millions)



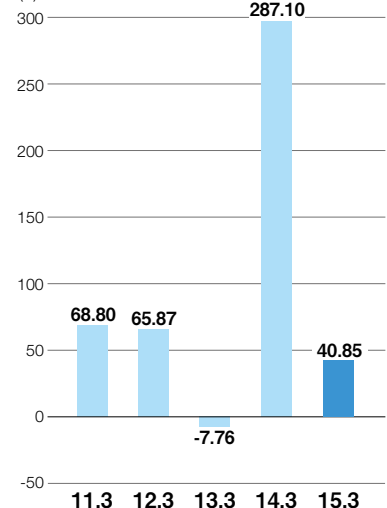
Free cash flow*2

(¥ 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

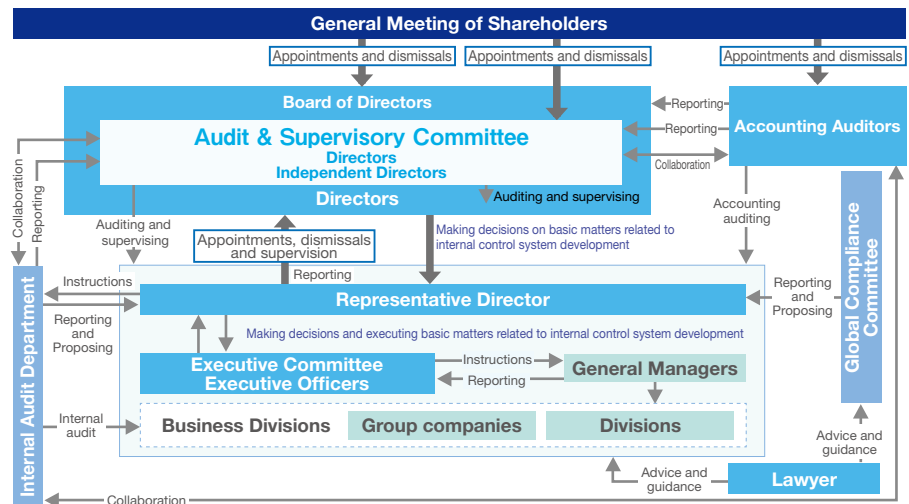
Corporate Governance

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 (As of June 18, 2015)

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.

We made the transition to a company with an Audit & Supervisory Committee with a view of enhancing corporate governance further by reinforcing the supervisory functions of the Board of Directors, by making the most of Independent Directors who do not execute business.



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 group 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.



Ahresty's die casting production system

Ahresty has developed a fully integrated production system, from the production of raw materials to machining.

* Chart of aluminum die casting products

The development of technologies and new products, and computer analysis conducted by the Technical Center



Designing



Die production



Aluminum scrap
(used as materials)



Production of
raw materials

Smelting



Manufacturing ingots



Die casting



Machining

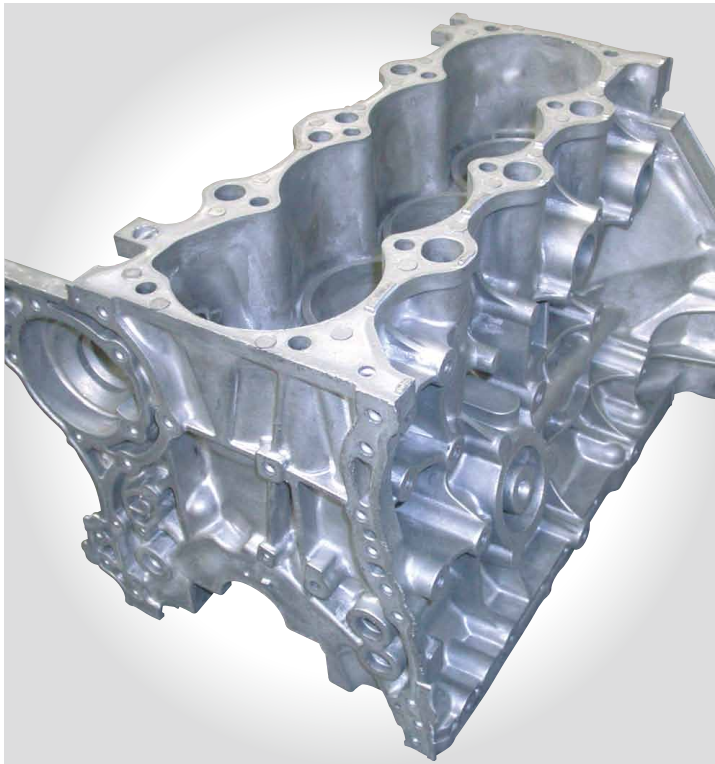


Shipping

Segment Review

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, 90% 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

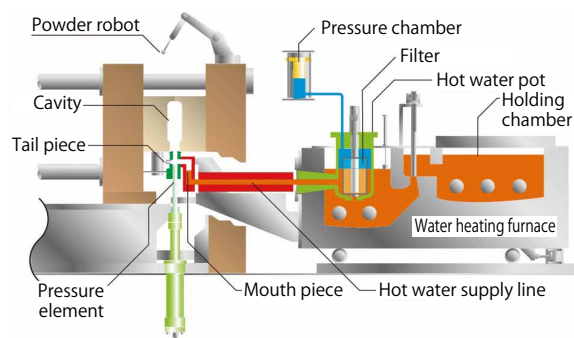
Die cast product characteristics

"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.

[New Injection Die Casting Process]

Ahresty possesses a special die casting process that it developed, the New Injection Die Casting Process. Using the New Injection Die Casting Process, Ahresty is able to manufacture products that have a higher rigidity (higher resistance to changes in shape) compared to ordinary die-cast products. At present, the Higashimatsuyama Plant is manufacturing products made using the New Injection Die Casting Process as a plant specialized in such products.

In the *sokeizai* (casting and forging) industry contribution award, the New Injection Die Casting Process received the Minister Prize of Economic, Trade and Industry, the highest award in the Sokeizai Industry Technology Award, under the theme, "The Development of Automobile Suspension-related Parts through the New Injection Die Casting Process." The award ceremony is held every November as a part of Sokeizai Month, and the Sokeizai Industry Technology Award was established in 1985.



Fiscal 2014 Results

Die Casting Business: Japan

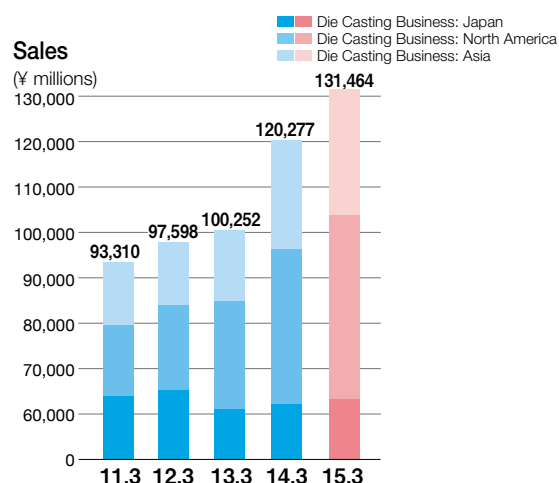
In Japan, sales of automakers, the Company's main customers, continued to decline due to the impact of the consumption tax increase. However, automakers' production and exports continued to boom, centered on those to the North American market, against the backdrop of the weakening yen. Reflecting these 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.

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.

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.



Fiscal 2015 Outlook

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.

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 at the time 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 2014 Results

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.

Fiscal 2015 Outlook

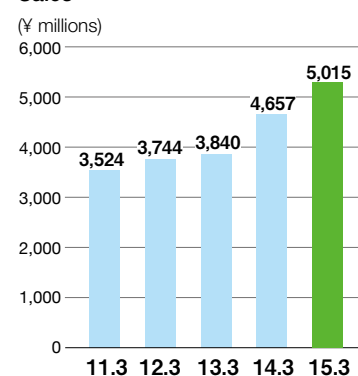
In Japan, although sales of automobiles declined as a result of the reaction to the consumption tax rate hike and the tax system revision, with the progress of inventory adjustments, production is expected to recover in certain sectors in the future on the back of the weak yen.

Despite a return of the stability in foreign exchange rates compared with certain periods in the past, the business environment that surrounds this business has become challenging given the rise in energy expenses resulting from higher crude

oil prices, a surge in domestic raw material prices and the issue of large-scale imports of imported ingots that are cheaper than domestic materials.

In this business environment, recognizing the 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 achieve a lean corporate structure by further streamlining energy consumption and improving productivity.

Sales



Proprietary Products Business

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

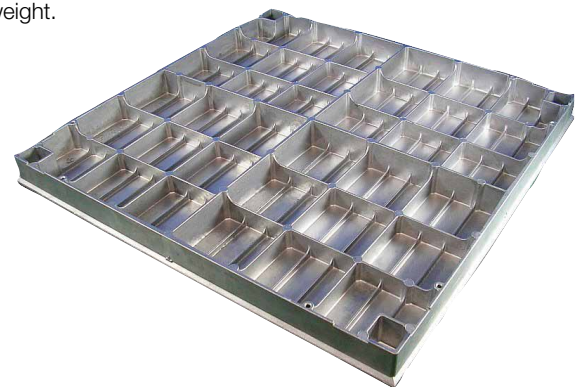


In 1962, Ahresty developed MOVAFLOR, the first aluminum die cast-based free access floor panel in Japan. A free access floor is raised flooring that can accommodate wiring and piping underneath.

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.

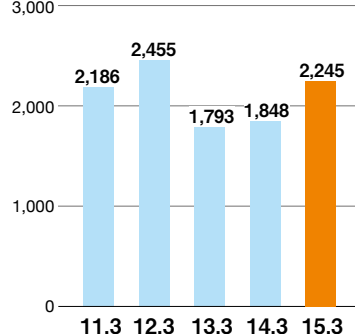
New product: MOVAFLOR L60A

With the pride of a manufacturer that specializes in aluminum die casting and its high technological capabilities, Ahresty has commercialized the lightest free-access floor panels. The product is made solely via aluminum die casting and is fully recyclable. It is also expected to reduce CO₂ emissions in transportation with its lighter volume and to contribute to the extension of the lifetimes of building structures with its lighter weight.



Sales

(¥ millions)



Fiscal 2014 Results

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.

Fiscal 2015 Outlook

While the scale of the aluminum-based free access floor panel market is contracting in Japan, Ahresty recorded higher sales for the third consecutive year. The overall market is forecast to continue to contract in FY2015. However, because the construction of clean rooms is growing in Japan, Ahresty will strive to contribute to customers by making further corporate

efforts to strengthen competitiveness and expand sales of its product, MOVAFLOR. Overseas, as there is latent demand for the construction of clean rooms centered on China, Ahresty will aim to achieve business growth by securing sales channels and responding to customers' needs.

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 CO₂ emissions in accordance with recent requirements.

Environmental Targets and Achievements for fiscal year 2014

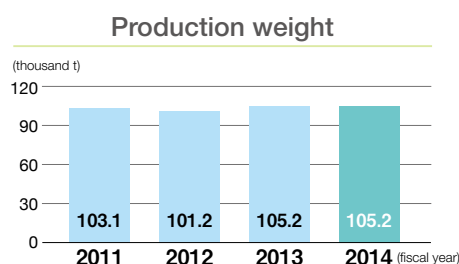
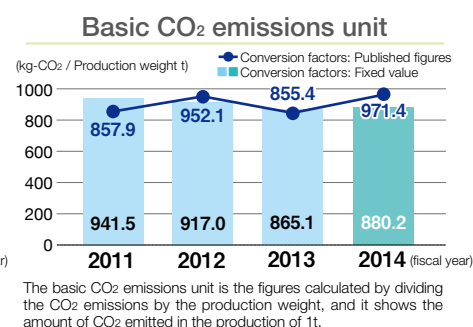
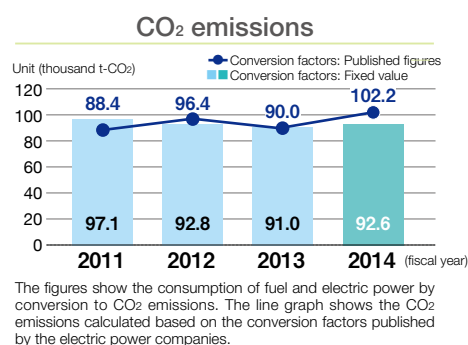
Domestic Targets and Achievements

Environmental Category	Medium-term Targets and Measures	Targets for fiscal year 2014	Achievements in fiscal year 2014	Evaluation*	Targets for fiscal year 2015
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.	2. Each business office received complaints about external leaks, noise and vibrations.	1	Eliminate non-conforming external leaks and external complaints.
Waste materials	Reduce the total amount of waste materials.	Reduce the total amount of waste materials. (The three business offices that produced the largest volume of the total amount of waste materials set targets.)	One business office achieved the targets, and the other two business offices failed to achieve the targets. We will continue to take the initiative from the next fiscal year and onward by setting targets.	2	Reduce the total amount of waste materials. (The three business offices that produced the largest volume of the total amount of waste materials set targets.)
Energy and natural resources saving	Reduce CO ₂ emissions as a measure to counter global warming.	Reduce CO ₂ in basic units by 4% compared with fiscal year 2010. (Target of 885kg-CO ₂ /t) * A 1% reduction compared with the previous fiscal year for the business offices that have already achieved the target.	A target of 880kg-CO ₂ /t has been achieved.	5	Reduce CO ₂ in basic units by 4% compared with fiscal year 2011. * A 1% reduction compared with the previous fiscal year for the business offices that have already achieved the target. In addition, reduce electricity demand based on a uniform measure in basic units by 1% compared with fiscal year 2014.
	Reduce the consumption of water used in processing.	Carry out activities to reduce water consumption in basic units by 6% compared with fiscal year 2011.	Of the five targeted business offices, three business offices achieved the target.	3	Carry out activities to reduce water consumption in basic units by 7% compared with fiscal year 2011.
Other	Enhance awareness of the environment.	Require each business office to ensure that more than 50% of its full-time employees gain the Ahresty eco License. Establish individual targets for the business offices that have already achieved the above target.	All the business offices achieved their targets. *Total number of successful employees: 1,406 (67.4%)	5	Require each business office to ensure that more than 57% of its full-time employees gain the Ahresty eco License. Establish individual targets for the business offices that have already achieved the above target.
	Promote social contribution activities.	Achieve a participation rate of more than 61% and an average number of eco points obtained per person per annum of more than 135 points.	The targets were achieved with a participation rate of 83.5% and an average number of eco points obtained per person per annum of 174.1 points.	5	Achieve a participation rate of more than 62% and an average number of eco points obtained per person per annum of more than 140 points.

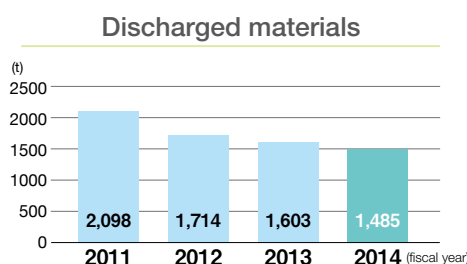
Ahresty has also set out environmental targets at overseas plants, such as the reduction of CO₂ and water consumption, with the same target categories as those adopted in Japan to carry out global environmental management.

Annual Changes

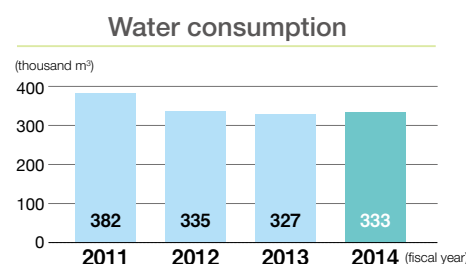
To evaluate the effects of CO₂ emission reduction activities, CO₂ conversion factors are calculated based on the past fixed value. Partly due to reduction activities, the amount of discharged materials has been further reduced from the previous fiscal year.



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



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



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.

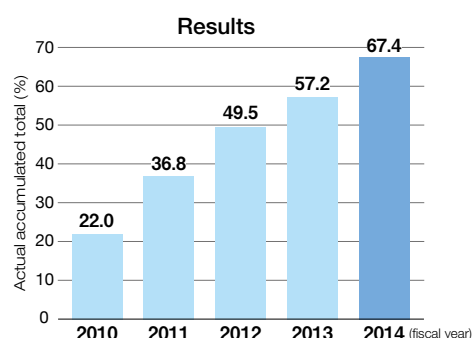
Environmental Activities

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.

Ahresty eco License

Ahresty has established the Ahresty eco License, a unique internal examination system, to improve its employees' awareness of the environment. The examination is offered several times every year. More than half of 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 12th convention was held in fiscal year 2014.

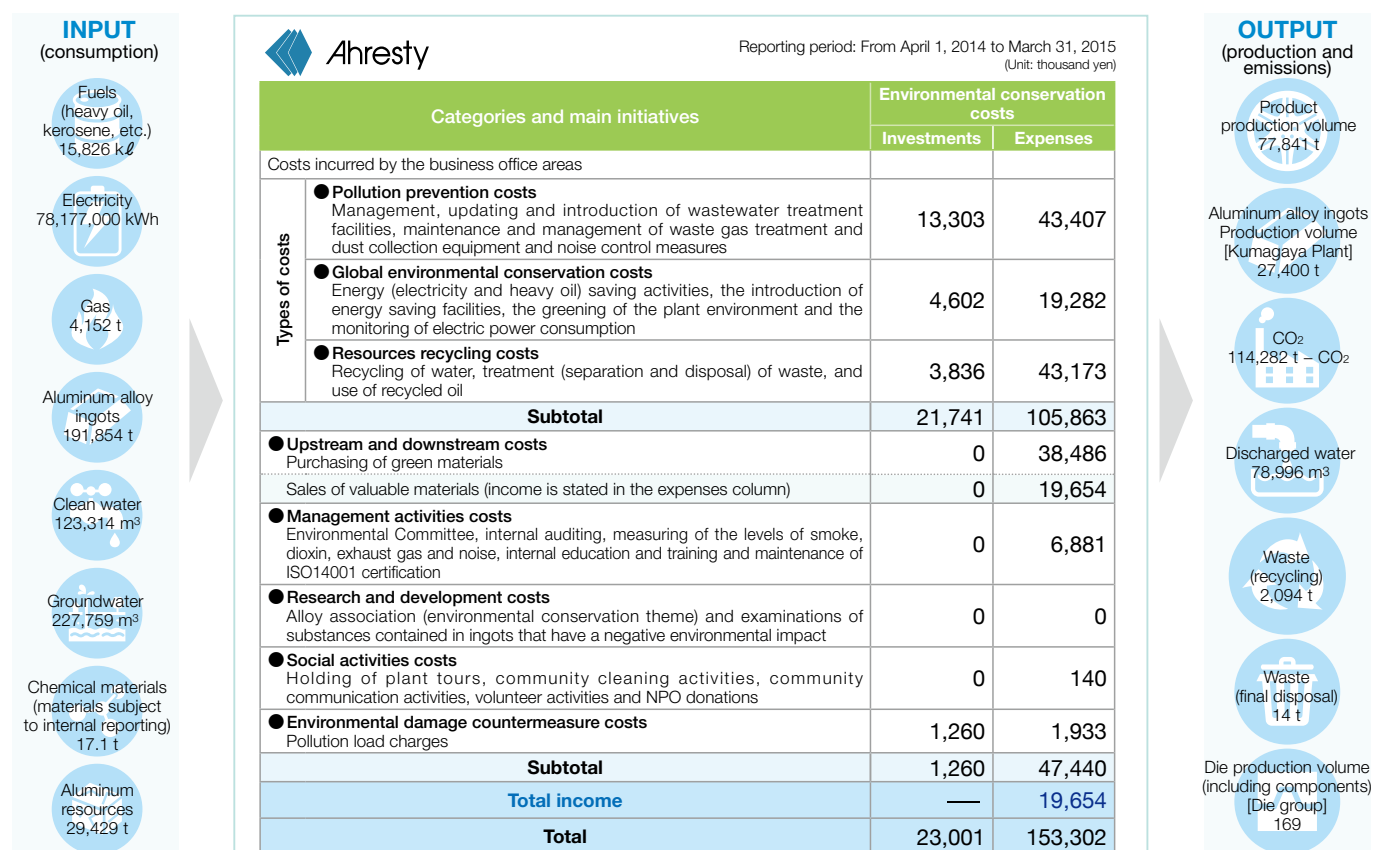
Because it was determined that the effective activities that were reported in the Convention were required to be introduced to other business offices in a horizontal manner, in the previous fiscal year, the Ahresty Group in Japan promoted energy saving activities in each business office across the board under the themes, "Reduction in the electric power consumption of die casting machines," "Improvement of fuel consumption of melting furnaces" and "Reduction in the air leakage of compressors."

Ahresty has been making improvements not only by replacing facilities and machines with those that are energy saving, but also finding out wasteful aspects in the existing operations under the spirit of "Mottainai" or "Do not waste." It will continue to take initiatives to reduce CO₂ emissions and costs in the future.

Business Office	Theme
Tokai Plant	Reduction in the amount of impregnated cleaning waste liquid disposed of
Ahresty Pretech	Reduction in cutting water leakage risks
Higashimatsuyama Plant	Greening of plants
Kumagaya Plant	Updating of lighting equipment to respond to mercury regulations
Ahresty Tochigi	Reduction of the consumption of heavy oil in melting furnaces
Ahresty Die Mold Tochigi	Introduction of LED lighting equipment
Ahresty Yamagata	Use of the waste heat of compressors
Ahresty Kumamoto	Reduction in the fuel consumption of die casting machine melting furnaces on hand

Material Flows

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



* 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 2013) is used as the CO₂ conversion factor of electric power.
* 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

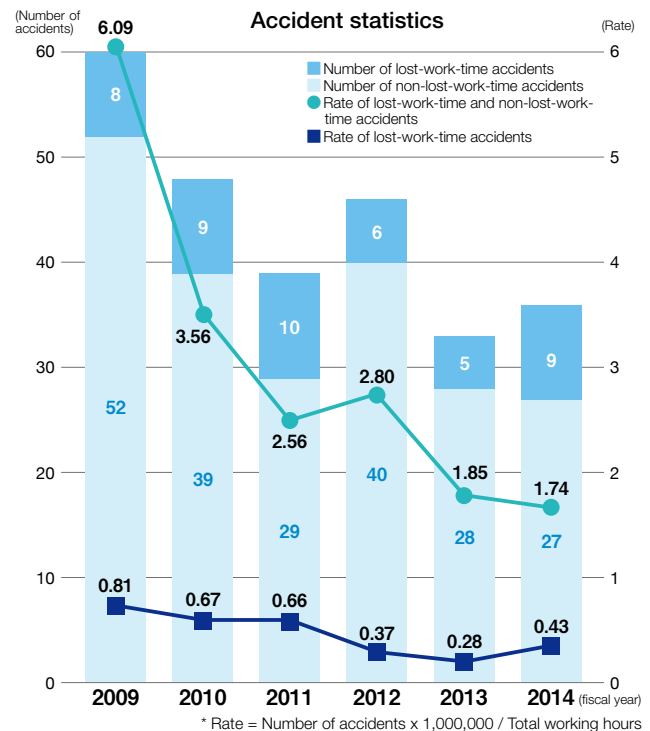
With the aim of developing a safe and comfortable working environment in compliance with laws and regulations and internal rules, Ahresty promotes safety and sanitation activities based on the principle, "Safety is the top priority."

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."

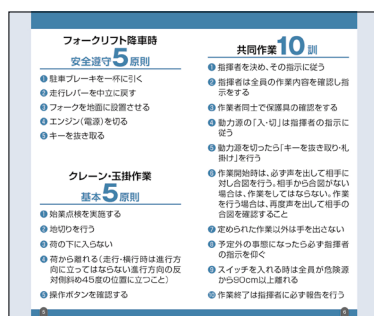


Results of key activities for fiscal year 2014

- 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
- Training of supervisors about safety

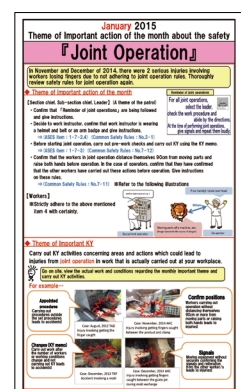
Safety and Sanitation Booklet

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.



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.

Casting Our Eyes
on the Future

Research
Service
Technology

Through our constant pursuit of Research,
Service and Technology and the integration
of these three different concepts, we aim for the
realization of a rich society.

Challenge
Learning
Speedy
Proactive
Conscientious

RST Way Prize

Presented to : _____

Recipient belongs to : _____

In recognition of valuable actions
in accordance with RST Way 5 keywords:
Conscientious Proactive
Speedy Learning Challenge

RST Way

Aihresly

Date and time : _____
Presented by : _____

10

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.

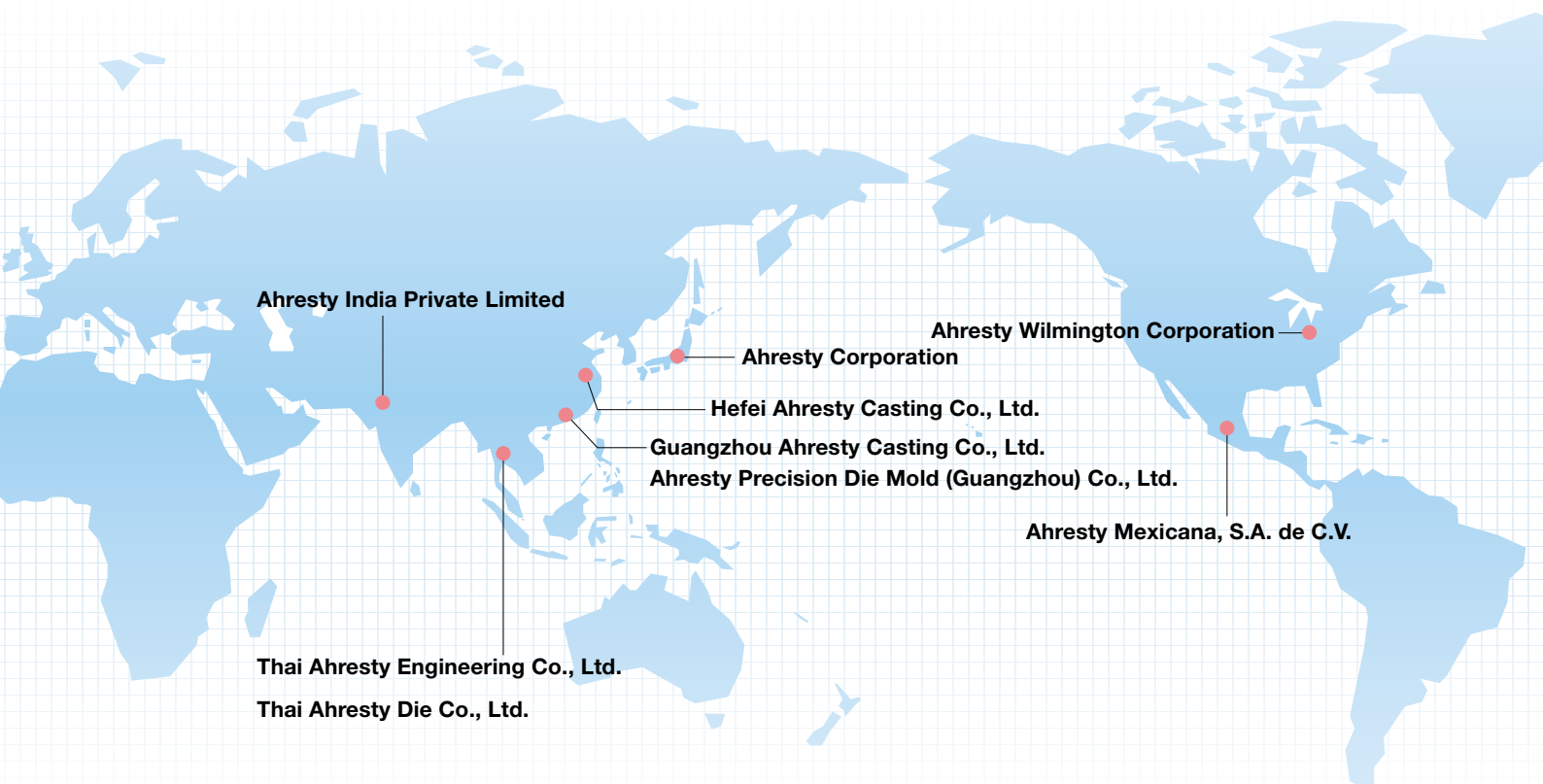
Global Development

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.

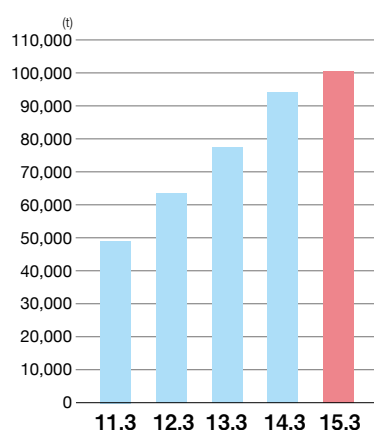
We fully apply our accumulated technology and expertise to

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.

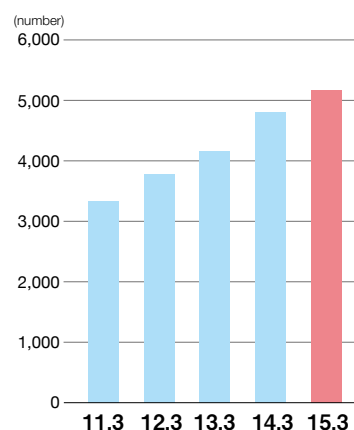


Overseas Sales Volume / Number of Employees

Overseas sales volume



Number of employees



Operating Bases

Main Global Business Offices



Ahresty Wilmington Corporation

Business Content:
Die Castings, Machining, Part Assembling
Monthly Production Capacity: 1,800 t
Site Area: 170,000 m²



Guangzhou Ahresty Casting Co., Ltd.

Business Content:
Die Castings, Machining, Part Assembling
Monthly Production Capacity: 2,700 t
Site Area: 81,825 m²



Hefei Ahresty Casting Co., Ltd.

Business Content:
Die Castings, Machining, Part Assembling,
Free Access Floor Production
Monthly Production Capacity: 1,100 t
Site Area: 50,500 m²



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

Business Content:
Die Castings, Machining, Part Assembling,
Die Casting Die
Monthly Production Capacity: 2,400 t
Site Area: 100,000 m²



Ahresty India Private Limited

Business Content:
Die Castings, Machining, Part Assembling
Monthly Production Capacity: 1,000 t
Site Area: 58,500 m²



Thai Ahresty Die Co., Ltd.

Business Content:
Die Casting Die
Site Area: 16,940 m²



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

Business Content:
Die Casting Die
Site Area: 8,748 m²

Main Business Offices in Japan



Tokai Plant

Business Content:
Die Castings
Monthly Production Capacity: 3,200 t
Site Area: 70,994 m²



Higashimatsuyama Plant

Business Content:
Die Castings, Machining, Part Assembling,
Free Access Floor Production
Monthly Production Capacity: 300 t
Site Area: 22,781 m²



Kumagaya Plant

Business Content:
Aluminum Alloy Ingots Production
Monthly Production Capacity: 3,000 t
Site Area: 47,105 m²



Head Office and Technical Center

Business Content:
Product Design, Research and
Development
Site Area: 18,067 m²



Ahresty Tochigi Corporation

Business Content:
Die Castings, Machining, Part Assembling,
Free Access Floor Production
Monthly Production Capacity: 2,800 t
Site Area: 97,844 m²



Ahresty Kumamoto Corporation

Business Content:
Die Castings, Machining, Part Assembling
Monthly Production Capacity: 500 t
Site Area: 34,342 m²



Ahresty Yamagata Corporation

Business Content:
Die Castings, Machining, Part Assembling
Monthly Production Capacity: 500 t
Site Area: 35,156 m²



Ahresty Pretech Corporation

Business Content:
Machining of Principal Component Parts
for Automobile, Motorcycle and General-
purpose Machine
Site Area: 23,616 m²



Ahresty Techno Service Corporation

Business Content:
Manufacture, Sales and Repairs of Peripheral
Equipment for Die Casting Machine
Site Area: 9,241 m²



Ahresty Die Mold Hamamatsu Corporation

Business Content:
Die Casting Die
Site Area: 13,320 m²



Ahresty Die Mold Tochigi Corporation

Business Content:
Die Casting Die
Site Area: 6,612 m²



Ahresty Die Mold Kumamoto Corporation

Business Content:
Die Casting Die
Site Area: 12,987 m²



Corporate Data

Corporate Profile (As of March 31, 2015)

Company name	: Ahresty Corporation
Date of establishment	: November 2, 1943
Paid-in capital	: ¥6,939.09 million
Number of employees	: (Consolidated) 7,373 (Non-Consolidated) 862

Management (As of June 18, 2015)

President, CEO	Arata Takahashi	Director, Managing Executive Officer	Shinichi Gamou	Independent Director (Audit & Supervisory Committee member)	Tadao Saotome
Director, Senior Managing Executive Officer	Hiroshi Ishimaru	Director, Managing Executive Officer	Naoyuki Kaneta	Independent Director (Audit & Supervisory Committee member)	Akihiko Shido
Director, Senior Managing Executive Officer	Kenichi Nonaka	Director (Audit & Supervisory Committee member)	Yasuo Kenmoku	Independent Director (Audit & Supervisory Committee member)	Shozo Hamamura

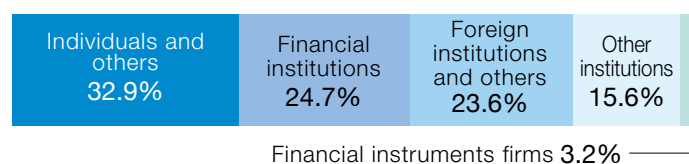


Stock Information (As of March 31, 2015)

Number of Shares and Shareholders

Authorized shares:	60,000,000 shares
Issued shares:	26,027,720 shares
Shareholders :	4,939

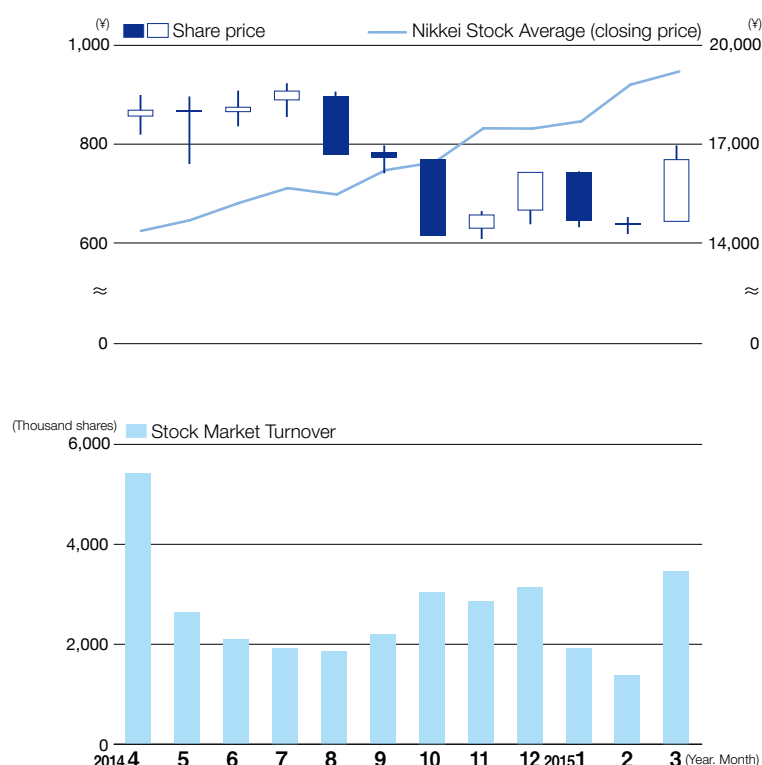
Distribution by Type of Shareholder



Major Shareholders (Top 10)

Name	Number of shares (Unit: 1,000 shares)
Japan Trustee Services Bank, Ltd. Trust Account	2,039
Arata Takahashi	915
Bank of Tokyo-Mitsubishi UFJ, Ltd.	765
STATE STREET BANK AND TRUST COMPANY 505041	684
Nippon Light Metal Co., Ltd.	657
MSCO CUSTOMER SECURITIES	623
THE BANK OF NEW YORK -JASDECNON-TREATY ACCOUNT	589
Ahresty Business Partners Shareholding Association	568
SUZUKI MOTOR CORPORATION	565
The Master Trust Bank of Japan, Ltd. Trust Account	551

Share price and Stock Trading Volume



Financial Section

Contents

Overview of Business Performance	26
Consolidated Balance Sheets	28
Consolidated Statements of Income and Statements of Comprehensive Income	30
Consolidated Statement of Changes in Net Assets	32
Consolidated Statements of Cash Flows	34
Notes to Consolidated Financial Statements	35

Overview of Business Performance

Results of Operations

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 Ahresty Group 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), ordinary income of ¥1,622 million (down 59.6% year on year) and net income of ¥1,054 million (down 83.2% year on year).

Consolidated performance for year ended March 2015 (April 1, 2014–March 31, 2015) (Amounts of less than 1 million yen are rounded off)

(1) Consolidated Operating Results

(% shows change from previous term)

	Sales		Operating Income		Ordinary Income	
	Millions of Yen	%	Millions of Yen	%	Millions of Yen	%
Fiscal year ended March 2015	138,727	9.4	2,521	(43.3)	1,622	(59.6)
Fiscal year ended March 2014	126,783	19.7	4,449	346.1	4,012	464.0

	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 2015	1,054	(83.2)	40.85	40.61	1.8	1.1	1.8
Fiscal year ended March 2014	6,272	–	287.10	285.59	13.4	3.2	3.5

Note: Comprehensive income

Year ended March 2015: 7,839 million yen (-36.3%)

Year ended March 2014: 12,312 million yen (204.4%)

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
	Millions of Yen	Millions of Yen	%	Yen
Fiscal year ended March 2015	148,831	62,103	41.7	2,400.55
Fiscal 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
	Millions of Yen	Millions of Yen	Millions of Yen	Millions of Yen
Fiscal year ended March 2015	12,502	(15,211)	(538)	5,789
Fiscal year ended March 2014	11,835	(12,671)	3,012	8,791

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 Ahresty 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.

	Sales	Operating Income	Ordinary Income	(Millions of Yen) Net Income
For the year ending March 2016 forecast	146,200	4,250	3,300	2,000
For the 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

	Sales		Segment Income	
Segment	Current fiscal year	Next fiscal year	Current fiscal year	Next fiscal year
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)	–

Consolidated Balance Sheets

(Assets)	Millions of yen		Thousands of U.S. dollars
	Fiscal year ended March 31		Fiscal year ended March 31
	2014	2015	2015
Current Assets			
Cash and time deposits	¥ 8,791	¥ 5,885	\$ 53,493
Trade notes and accounts receivable	25,416	24,229	220,208
Electronically recorded monetary claims - operating	508	1,450	13,181
Merchandise and finished goods	3,303	4,166	37,868
Work-In-Process	4,062	4,549	41,346
Raw materials and supplies	3,171	3,887	35,328
Deferred tax assets	1,423	828	7,525
Other current assets	2,243	3,468	31,520
Allowance for doubtful accounts	(1)	(1)	(11)
Total Current Assets	48,920	48,464	440,462
Fixed Assets			
Tangible fixed assets			
Buildings and structures	25,199	28,538	259,366
Accumulated depreciation and impairment loss	(10,488)	(11,800)	(107,247)
Buildings and structures, net	14,710	16,737	152,118
Machinery and delivery equipment	103,120	119,684	1,087,743
Accumulated depreciation and impairment loss	(62,307)	(70,114)	(637,229)
Machinery and delivery equipment, net	40,813	49,570	450,513
Tools, furniture and fixtures	42,600	46,274	420,563
Accumulated depreciation	(35,839)	(38,146)	(346,693)
Tools, furniture and fixtures, net	6,760	8,127	73,870
Land	5,252	5,294	48,121
Lease assets	1,027	1,113	10,117
Accumulated depreciation	(219)	(301)	(2,744)
Lease assets, net	807	811	7,373
Construction in progress	9,862	7,591	68,998
Total Tangible Fixed Assets	78,208	88,133	800,996
Intangible Fixed Assets	1,340	1,541	14,008
Investments and other assets			
Investments in securities * 1	5,964	7,160	65,075
Deferred tax assets	2,145	3,077	27,966
Other assets	655	454	4,134
Allowance for doubtful accounts	(0)	(0)	0
Total Investments and Other Assets	8,764	10,692	97,176
Total Fixed Assets	88,313	100,367	912,181
Total Assets	¥137,233	¥148,831	\$1,352,644

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 ¥110.03 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.

(Liabilities)	Millions of yen		Thousands of U.S. dollars
	Fiscal year ended March 31		Fiscal year ended March 31
	2014	2015	2015
Current Liabilities			
Notes and accounts payable	¥ 15,140	¥ 14,388	\$ 130,767
Electronically recorded obligations-operating	4,574	6,548	59,515
Short-term loans	6,676	6,187	56,235
Current portion of long-term loans	9,848	11,806	107,303
Income tax payable	1,526	777	7,069
Bonus allowances	1,254	1,532	13,931
Directors' bonus allowances	28	13	120
Provision for product warranties	180	196	1,783
Other current liabilities	7,612	7,051	64,083
Total Current Liabilities	46,841	48,502	440,810
Long-term Liabilities			
Long-term loans	26,490	28,845	262,161
Deferred tax liabilities	3,197	3,502	31,831
Net defined benefit liability	4,913	4,816	43,772
Other long-term liabilities	1,199	1,061	9,646
Total Long-term Liabilities	35,800	38,225	347,411
Total Liabilities	82,641	86,728	788,222
(Net Assets)			
Shareholders' Equity			
Common stock	6,939	6,939	63,065
Capital surplus	10,180	10,180	92,528
Retained earnings	32,035	32,730	297,464
Treasury stock, at cost	(304)	(304)	(2,768)
Total Shareholders' Equity	48,851	49,545	450,290
Other Accumulated Comprehensive Income			
Unrealized holding gain (loss) on marketable securities	2,540	3,468	31,526
Foreign currency translation adjustments	3,660	9,301	84,538
Remeasurements of defined benefit plans	(539)	(324)	(2,947)
Total Other Accumulated Comprehensive Income	5,661	12,446	113,118
Share Warrants	79	111	1,013
Total Net Assets	54,592	62,103	564,421
Total Liabilities and Net Assets	¥137,233	¥148,831	\$1,352,644

Consolidated Statements of Income and Statements of Comprehensive Income

(Consolidated Statements of Income)

		Millions of yen		Thousands of U.S. dollars
		April 1, 2013 through March 31, 2014	April 1, 2014 through March 31, 2015	April 1, 2014 through March 31, 2015
Sales		¥126,783	¥138,727	\$1,260,812
Cost of Goods Sold	* 1	112,562	125,865	1,143,919
Gross Profit		14,220	12,861	116,893
Selling, General and Administrative Expenses				
Transportation expenses		1,830	1,771	16,095
Salaries and bonuses		2,848	3,051	27,729
Retirement and severance expenses		276	249	2,264
Provision for bonuses		267	305	2,774
Provision for bonuses for directors		28	13	120
Depreciation		143	180	1,641
Research and development expenses	* 2	457	448	4,079
Other expenses		3,918	4,321	39,273
Total Selling, General and Administrative Expenses		9,771	10,340	93,978
Operating Income (loss)		4,449	2,521	22,914
Non-operating Income				
Interest income		10	18	165
Dividends received		120	127	1,154
Gain on sales of scraps		102	141	1,283
Foreign currency exchange gain		474	–	–
Others		82	184	1,677
Total Non-operating Income		790	471	4,281
Non-operating Expenses				
Interest expenses		1,054	1,254	11,397
Foreign exchange losses		–	50	455
Others		173	66	601
Total Non-operating Expenses		1,227	1,370	12,454
Ordinary Income		4,012	1,622	14,741
Extraordinary Gains				
Gain on the sale of fixed assets	* 3	2,288	51	466
Gain on sales of investment securities		838	–	–
Subsidy income		35	99	902
Total Extraordinary Gains		3,161	150	1,368
Extraordinary Losses				
Loss on sales and retirement of fixed assets	* 4	156	121	1,100
Loss on sales of investment securities		9	–	–
Total Extraordinary Losses		166	121	1,100
Income before Income Taxes		7,007	1,651	15,009
Income taxes and enterprise taxes		1,650	812	7,384
Deferred income taxes		(915)	(215)	(1,962)
Total Income Taxes		735	596	5,421
Income before Minority Interests		6,272	1,054	9,587
Net Income		¥ 6,272	¥ 1,054	\$ 9,587

(Consolidated Statements of Comprehensive Income)

	Millions of yen		Thousands of U.S. dollars
	April 1, 2013 through March 31, 2014	April 1, 2014 through March 31, 2015	April 1, 2014 through March 31, 2015
Income before Minority Interests	¥ 6,272	¥ 1,054	\$ 9,587
Other Comprehensive Income			
Difference on revaluation of other marketable securities	175	928	8,434
Foreign currency translation adjustments	5,864	5,640	51,266
Remeasurements of defined benefit plans, net of tax	–	215	1,959
Total Other Comprehensive Income	*	6,039	61,660
Comprehensive Income	12,312	7,839	71,247
Comprehensive income attributable to owners of the parent	12,312	7,839	71,247
Comprehensive income attributable to minority interests	¥ –	¥ –	\$ –

Consolidated Statement of Changes in Net Assets

Previous 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			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					Total net assets
	Unrealized holding gain (loss) on marketable securities	Foreign currency translation adjustments	Remeasurements of defined benefit plans	Total other comprehensive income	Share warrants	
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)

(Millions of yen)

	Shareholders' equity				
	Common stock	Capital surplus	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

(Millions of yen)

	Other comprehensive income					
	Unrealized holding gain (loss) on marketable securities	Foreign currency translation adjustments	Remeasurements of defined benefit plans	Total other comprehensive income	Share warrants	Total net assets
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

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

(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	\$63,065	\$92,528	\$291,149	\$(2,764)	\$443,979
Cumulative effects of changes in accounting policies			(455)		(455)
Restated balance	63,065	92,528	290,693	(2,764)	443,523
Changes					
Cash dividend from retained earnings			(2,816)		(2,816)
Net income			9,587		9,587
Purchase of own shares				(4)	(4)
Changes (net) in non-shareholders' equity items					
Total changes	–	–	6,771	(4)	6,766
Balance at end of current fiscal year	\$63,065	\$92,528	\$297,464	\$(2,768)	\$450,290

(Thousands of U.S. dollars)

	Other comprehensive income					
	Unrealized holding gain (loss) on marketable securities	Foreign currency translation adjustments	Remeasurements of defined benefit plans	Total other comprehensive income	Share warrants	Total net assets
Balance at beginning of current fiscal year	\$23,092	\$33,272	\$(4,906)	\$ 51,458	\$ 718	\$496,155
Cumulative effects of changes in accounting policies						(455)
Restated balance	23,092	33,272	(4,906)	51,458	718	495,700
Changes						
Cash dividend from retained earnings						(2,816)
Net income						9,587
Purchase of own shares						(4)
Changes (net) in non-shareholders' equity items	8,434	51,266	1,959	61,660	294	61,954
Total changes	8,434	51,266	1,959	61,660	294	68,721
Balance at end of current fiscal year	\$31,526	\$84,538	\$(2,947)	\$113,118	\$1,013	\$564,421

Consolidated Statements of Cash Flows

	Millions of yen		Thousands of U.S. dollars
	April 1, 2013 through March 31, 2014	April 1, 2014 through March 31, 2015	April 1, 2014 through March 31, 2015
Cash Flows from Operating Activities			
Income before income taxes	¥ 7,007	¥ 1,651	\$ 15,009
Depreciation and amortization	11,153	12,956	117,753
Increase (decrease) in allowances for bonuses	323	244	2,219
Increase (decrease) in liabilities for retirement benefits	221	167	1,518
Increase (decrease) in provision for product warranties	(17)	8	78
Increase (decrease) in provision for business structure improvement	(157)	–	–
Interest and dividend income	(131)	(145)	(1,320)
Interest expenses	1,054	1,254	11,397
Loss (gain) on sales and disposal of tangible fixed assets	(2,132)	68	620
Loss (gain) on sales of investment securities	(828)	–	–
Subsidy income	(35)	(99)	(902)
Decrease (increase) in notes and accounts receivable	(5,803)	1,555	14,139
Decrease (increase) in inventories	(281)	(1,143)	(10,393)
Increase (decrease) in notes and accounts payable	2,845	428	3,893
Increase (decrease) in accrued expenses	546	(49)	(452)
Increase (decrease) in accrued consumption taxes and others	517	(252)	(2,298)
Others	(861)	(1,241)	(11,282)
Subtotal	13,421	15,402	139,981
Interest and dividends received	131	145	1,320
Interest paid	(1,034)	(1,230)	(11,180)
Proceeds from subsidy income	20	89	816
Income taxes paid	(750)	(2,144)	(19,487)
Refund of income taxes for prior periods	48	239	2,179
Net Cash Provided by Operating Activities	11,835	12,502	113,628
Cash Flows from Investing Activities			
Payments into time deposits	–	(86)	(784)
Expenditures from purchases of tangible fixed assets	(16,204)	(15,143)	(137,632)
Proceeds from sales of tangible fixed assets	2,684	205	1,865
Proceeds from sales of investment securities	1,101	–	–
Others	(253)	(187)	(1,699)
Net Cash Used in Investing Activities	(12,671)	(15,211)	(138,251)
Cash Flows from Financing Activities			
Proceeds from short-term loans	27,302	31,053	282,223
Repayment of short-term loans	(27,920)	(32,295)	(293,515)
Proceeds from long-term debt	10,880	10,958	99,591
Repayment of long-term debt	(10,519)	(9,725)	(88,389)
Proceeds from issuance of common shares	3,643	–	–
Dividends paid	(174)	(308)	(2,800)
Others	(198)	(220)	(2,000)
Net Cash Provided by Financing Activities	3,012	(538)	(4,891)
Effect of Exchange Rate Changes on Cash and Cash Equivalents	526	245	2,227
Net Increase (Decrease) in Cash and Cash Equivalents	2,704	(3,002)	(27,285)
Cash and Cash Equivalents at Beginning of Year	6,087	8,791	79,900
Cash and Cash Equivalents at End of Period	* ¥ 8,791	¥ 5,789	\$ 52,614

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 main non-consolidated 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 main 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 the cost of such securities sold is determined by 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 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 casting mold that are included in tools, furniture and fixtures: Straight-line method
Die casting mold 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

Notes to Consolidated Financial Statements

Tools, furniture and fixtures (excluding die casting mold 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.

(3) 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) Allowance 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 goodwill

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)

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 March 26, 2015; "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.

(Unapplied accounting standards, etc.)

Details were omitted because of their insignificance.

(Changes in presentation methods)

(Consolidated balance sheets)

The "Electronically recorded monetary claims – operating" that were presented in "Trade notes and accounts receivable" of "Current assets" until the previous consolidated fiscal year have been presented separately from the consolidated fiscal year under review because of their increasing monetary importance.

Notes to Consolidated Financial Statements

To reflect the change of this presentation method, the consolidated balance sheets for the previous consolidated fiscal year have been reclassified.

As a result, the ¥25,924 million that was stated in "Trade notes and accounts receivable" of "Current assets" in the previous consolidated fiscal year has been reclassified as ¥25,416 million in "Trade notes and accounts receivable" and ¥508 million in "Electronically recorded monetary claims – operating."

(Matters related to employees' retirement benefits)

As a result of the revision of the Implementation Guidance on Accounting Standard for Retirement Benefits (ASBJ Guidance No. 25 issued on March 26, 2015), the method for presenting notes on employees' retirement benefits based on the multiemployer pension plan has been changed, and the consolidated balance sheets for the previous consolidated fiscal year have been reclassified.

In addition, the details of the reclassification of the consolidated balance sheets and the amounts related to the main items of the consolidated balance sheets for the previous consolidated fiscal year have been stated in the corresponding parts.

Notes on Consolidated Balance Sheets

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

	As of March 31, 2014	As of March 31, 2015
Investments in securities (share)	¥36 million	¥36 million

* 2. Notes receivable transfer by endorsement

	As of March 31, 2014	As of March 31, 2015
Notes receivable transfer by endorsement	¥304 million	¥1,112 million

* 3. Contingent liabilities related to the general-type employees' pension fund

The general-type employees' pension fund, of which the Company and some of its consolidated subsidiaries are members, has been moving forward with the procedures necessary for its dissolution. The Company expects to incur expenses in the future related to the dissolution of the fund, but because there are many uncertain factors, it is difficult to calculate the amount in a rational manner at the present time.

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, 2014	As of March 31, 2015
	¥221 million	¥230 million

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

	As of March 31, 2014	As of March 31, 2015
	¥457 million	¥448 million

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

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

	As of March 31, 2014	As of March 31, 2015
Machinery and delivery equipment	¥4 million	¥7 million
Tools, furniture and fixtures	¥1 million	¥44 million
Land	¥2,281 million	–
Others	¥0 million	–
Total	¥2,288 million	¥51 million

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

	As of March 31, 2014	As of March 31, 2015
Building and structures	¥33 million	¥16 million
Machinery and delivery equipment	¥81 million	¥61 million
Tools, furniture and fixtures	¥21 million	¥7 million
Others	¥18 million	¥35 million
Total	¥156 million	¥121 million

Notes on Consolidated Statements of Comprehensive Income

* Recycling and tax effect relating to other comprehensive income

	As of March 31, 2014	As of March 31, 2015
Valuation difference on available-for-sale securities		
Amount arising during fiscal year under review	¥1,108 million	¥1,180 million
Recycling	¥(838 million)	–
Before tax effect adjustment	¥270 million	¥1,180 million
Tax effect	¥(94 million)	¥(252 million)
Valuation difference on available-for-sale securities	¥175 million	¥928 million
Foreign currency translation adjustment		
Amount arising during fiscal year under review	¥5,864 million	¥5,640 million
Remeasurements of defined benefit plans, net of tax:		
Amount for the current term	–	¥214 million
Reclassification remeasurements	–	¥127 million
Before tax-effect adjustment	–	¥341 million
Tax-effect	–	¥(125 million)
Remeasurements of defined benefit plans, net of tax	–	¥215 million
Total other comprehensive income	¥6,039 million	¥6,784 million

Notes on Consolidated Statement of Changes in Net Assets

Previous 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.

Notes to Consolidated Financial Statements

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

Current consolidated fiscal year under review (from April 1, 2014 to March 31, 2015)

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	26,027,720	—	—	26,027,720
Total	26,027,720	—	—	26,027,720
Treasury stock				
Common stock (Note)	203,106	642	—	203,748
Total	203,106	642	—	203,748

Note: The number of shares of treasury stock increased 642 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	—	—	—	—	—	111
Total		—	—	—	—	—	111

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 May 9, 2014	Common share	154	Retained earnings	6	March 31, 2014	June 4, 2014
Meeting of the Board of Directors on November 12, 2014	Common share	154	Retained earnings	6	September 30, 2014	December 5, 2014

- (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 8, 2015	Common share	154	Retained earnings	6	March 31, 2015	June 3, 2015

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, 2014	As of March 31, 2015
Cash on hand and with banks	¥8,791 million	¥5,885 million
Time deposits of over three months	–	¥(96 million)
Cash and cash equivalents	¥8,791 million	¥5,789 million

Notes on Lease Transactions

The Company has omitted notes for lease transactions because the Company believes there is a bit 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.

Notes to Consolidated Financial Statements

(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, 2014)

	Carrying amount in the consolidated balance sheets	Fair value	Difference
	(¥ millions)	(¥ millions)	(¥ millions)
(1) Cash and time deposits	8,791	8,791	—
(2) Trade notes and accounts receivable	25,416	25,416	—
(3) Investments in securities	5,833	5,833	—
Total assets	40,042	40,042	—
(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 ().

Current consolidated fiscal year (March 31, 2015)

	Carrying amount in the consolidated balance sheets	Fair value	Difference
	(¥ millions)	(¥ millions)	(¥ millions)
(1) Cash and time deposits	5,885	5,885	—
(2) Trade notes and accounts receivable	24,229	24,229	—
(3) Investments in securities	7,029	7,029	—
Total assets	37,145	37,145	—
(1) Trade notes and accounts payable	14,388	14,388	—
(2) Short-term loans	6,187	6,187	—
(3) Long-term loans	40,652	40,888	236
Total liabilities	61,228	61,464	236
Derivative transactions*	(5)	(5)	—

(*) 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, 2014	As of March 31, 2015
	(¥ millions)	(¥ millions)
Shares of unlisted shares	94	93
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, 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	25,416	—	—	—
Total	34,208	—	—	—

Current consolidated fiscal year (March 31, 2015)

	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	5,885	—	—	—
Trade notes and accounts receivable	24,229	—	—	—
Total	30,115	—	—	—

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

Previous 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 to Consolidated Financial Statements

Current consolidated fiscal year (March 31, 2015)

	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	6,187	–	–	–	–	–
Long-term loans	11,806	9,617	8,222	5,575	3,983	1,446
Total	17,994	9,617	8,222	5,575	3,983	1,446

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, 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

Current consolidated fiscal year (March 31, 2015)

	Type	Consolidated Balance Sheet Amount	Acquisition Cost	Difference
		(¥ millions)	(¥ millions)	(¥ millions)
Consolidated balance sheet amount is above acquisition cost	1. Share	7,010	1,711	5,299
	2. Bonds	–	–	–
	3. Other	–	–	–
	Subtotal	7,010	1,711	5,299
	Type	Consolidated Balance Sheet Amount	Acquisition Cost	Difference
		(¥ millions)	(¥ millions)	(¥ millions)
Consolidated balance sheet amount is below acquisition cost	1. Share	18	21	(2)
	2. Bonds	–	–	–
	3. Other	–	–	–
	Subtotal	18	21	(2)
	Total	7,029	1,732	5,297

4. Other marketable securities sold

Previous 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

Current consolidated fiscal year (March 31, 2015)

N/A

Notes on Derivative Transactions

1. Derivative transactions to which hedge accounting is not applied

Interest rate

Previous 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.

Current consolidated fiscal year (March 31, 2015)

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	930	893	(5)	(5)
Total	930	893	(5)	(5)

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, 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 the interest rate swaps is therefore included in the market value of the long-term loans payable.

Notes to Consolidated Financial Statements

Current consolidated fiscal year (March 31, 2015)

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	3,676	3,151	(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

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 (excluding systems that adopt the simplified method described in (3))

(¥ millions)	Previous consolidated fiscal year	Current consolidated fiscal year
	(From April 1, 2013 to March 31, 2014)	(From April 1, 2014 to March 31, 2015)
Balance of retirement benefit liabilities at the beginning of the current fiscal year	5,354	5,638
Cumulative effects of changes in accounting policies	–	72
Restated balance	5,354	5,711
Service cost	381	356
Interest expenses	76	75
Actuarial difference	(23)	(100)
Retirement benefits payments	(150)	(282)
Others	–	(7)
Balance of retirement benefit liabilities at the end of the current fiscal year	5,638	5,752

(2) Adjustment statement of the balance of pension assets at the beginning and end of the current fiscal year (excluding systems that adopt the simplified method described in (3))

(¥ millions)	Previous consolidated fiscal year	Current consolidated fiscal year
	(From April 1, 2013 to March 31, 2014)	(From April 1, 2014 to March 31, 2015)
Balance of pension assets at the beginning of the current fiscal year	1,328	1,531
Expected return on pension plan assets	82	50
Actuarial difference	(41)	109
Contributions from the business owner	227	226
Retirement benefits payments	(65)	(130)
Balance of pension assets at the end of the current fiscal year	1,531	1,786

(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)	Previous consolidated fiscal year	Current consolidated fiscal year
	(From April 1, 2013 to March 31, 2014)	(From April 1, 2014 to March 31, 2015)
Balance of net defined benefit liability at the beginning of the current fiscal year	789	805
Retirement benefit expenses	104	97
Retirement benefits payments	(88)	(52)
Balance of net defined benefit liability at the end of the current fiscal year	805	850

- (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)	Previous consolidated fiscal year	Current consolidated fiscal year
	(March 31, 2014)	(March 31, 2015)
Retirement benefit liabilities of the funded pension	2,812	2,803
Pension assets	(1,531)	(1,786)
	1,281	1,016
Retirement benefit liabilities of the unfunded pension	3,632	3,799
Net liabilities and assets recorded on the consolidated balance sheet	4,913	4,816
Net defined benefit liability	4,913	4,816
Net liabilities and assets recorded on the consolidated balance sheet	4,913	4,816

- (5) Retirement benefit expenses and their breakdown

(¥ millions)	Previous consolidated fiscal year	Current consolidated fiscal year
	(From April 1, 2013 to March 31, 2014)	(From April 1, 2014 to March 31, 2015)
Service cost	381	356
Interest expenses	76	75
Expected return on pension plan assets	(82)	(50)
Recognized actuarial difference	69	71
Recognized prior service cost	74	60
Retirement benefit expenses calculated by the simple method	104	97
Others	–	(0)
Retirement benefit expenses related to the defined benefit system	624	610

- (6) Remeasurements of defined benefit plans

The details of the items (before tax effects) that have been recorded in the remeasurements of defined benefit plans are as follows.

(¥ millions)	Previous consolidated fiscal year	Current consolidated fiscal year
	(From April 1, 2013 to March 31, 2014)	(From April 1, 2014 to March 31, 2015)
Prior service cost	–	60
Actuarial difference	–	280
Total	–	341

- (7) 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)	Previous consolidated fiscal year	Current consolidated fiscal year
	(March 31, 2014)	(March 31, 2015)
Unrecognized prior service cost	(143)	(82)
Unrecognized actuarial difference	(627)	(346)
Total	(770)	(429)

Notes to Consolidated Financial Statements

(8) 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:

	Previous consolidated fiscal year (March 31, 2014)	Current consolidated fiscal year (March 31, 2015)
Bonds	23%	23%
Shares	37%	38%
Insurance assets (general account)	38%	36%
Others	2%	3%
Total	100%	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.

(9) Matters related to the actuarial calculation basis

The main actuarial calculation basis

	Previous consolidated fiscal year (March 31, 2014)	Current consolidated fiscal year (March 31, 2015)
Discount rate	Primarily 1.3%	Primarily 1.3%
Expected rate of increase	—	Primarily 3.4%
Rate of long-term expected return on pension plan assets	2.5%	2.5%

3. Defined contribution retirement benefit system

The required contribution amount of some of the consolidated subsidiaries was ¥138 million as the previous consolidated fiscal year and ¥161 million as the current consolidated fiscal year.

4. Multiemployer pension plan

Contributions that are processed using the same accounting method as the defined contribution retirement benefit system and are required by the employees' pension fund system under the multiemployer pension plan are ¥409 million for the previous consolidated fiscal year and ¥291 million for the consolidated fiscal year under review.

(1) Latest contribution status in the multiemployer pension plan

National Die Cast Industry Employees' Pension Fund

(¥ millions)	Previous consolidated fiscal year (From April 1, 2013 to March 31, 2014)	Current consolidated fiscal year (From April 1, 2014 to March 31, 2015)
Pension assets	19,477	20,674
Total amount of actuarial liabilities based on pension plan finance calculation and the minimum policy reserves (note)	23,085	24,638
Balance	(3,607)	(3,963)

Shizuoka Prefecture Seibu Machinery Industry Employees' Pension Fund

(¥ millions)	Previous consolidated fiscal year (From April 1, 2013 to March 31, 2014)	Current consolidated fiscal year (From April 1, 2014 to March 31, 2015)
Pension assets	35,600	36,445
Total amount of actuarial liabilities based on pension plan finance calculation and the minimum policy reserves (note)	55,646	57,380
Balance	(20,045)	(20,935)

(Note) This is the item that was presented as "Benefit obligations based on pension plan finance calculation" in the previous consolidated fiscal year.

(2) The ratio of the Ahresty Group in the total salaries or plan members of the multiemployer pension plan

Previous consolidated fiscal year (from April 1, 2013 to March 31, 2014)

National Die Cast Industry Employees' Pension Fund: 28.5%

Shizuoka Prefecture Seibu Machinery Industry Employees' Pension Fund: 3.0%

Consolidated fiscal year under review (from April 1, 2014 to March 31, 2015)

National Die Cast Industry Employees' Pension Fund: 28.5%

Shizuoka Prefecture Seibu Machinery Industry Employees' Pension Fund: 2.8%

(3) Supplementary explanation

National Die Cast Industry Employees' Pension Fund

The balance listed in (1) was mainly due to prior service obligations based on pension plan finance calculation (-¥1,946 million for the previous consolidated fiscal year and -¥1,723 million for the consolidate fiscal year under review) and the deficiency carried forward (-¥1,661 million for the previous consolidated fiscal year and -¥2,240 million for the consolidate fiscal year under review).

In this pension plan, prior service obligations are amortized through the amortization of principal and interest using the straight-line method over a period of 9 years. In its consolidated financial statements, the Ahresty Group amortized special premiums (¥30 million for the previous consolidated fiscal year and ¥30 million for the consolidate fiscal year under review) for the relevant amortization.

Moreover, the deficiency carried forward based on pension plan finance calculation (-¥1,661 million for the previous consolidated fiscal year and -¥2,240 million for the consolidate fiscal year under review) will be recognized through methods such as raising the special premium rate as required based on financial recalculation.

The ratios in (2) above do not match with the actual ratios for which the Ahresty Group is responsible.

Moreover, the National Die Cast Industry Employees' Pension Fund, of which the Company and some of its consolidated subsidiaries are members, has been moving forward with the procedures necessary for its dissolution. The Company expects to incur expenses in the future related to the dissolution of the fund, but because there are many uncertain factors, it is difficult to calculate the amount in a rational manner at the present time.

Shizuoka Prefecture Seibu Machinery Industry Employees' Pension Fund

The balance listed in (1) was mainly due to prior service obligations based on pension plan finance calculation (-¥6,667 million for the previous consolidated fiscal year and -¥8,383 million for the consolidate fiscal year under review) and the deficiency carried forward (-¥13,378 million for the previous consolidated fiscal year and -¥12,552 million for the consolidate fiscal year under review).

In this pension plan, prior service obligations are amortized through the amortization of principal and interest using the straight-line method over a period of 20 years. In its consolidated financial statements, the Ahresty Group amortized special premiums (¥19 million for the previous consolidated fiscal year and ¥17 million for the consolidate fiscal year under review) for the relevant amortization.

Moreover, the deficiency carried forward based on pension plan finance calculation (-¥13,378 million for the previous consolidated fiscal year and -¥12,552 million for the consolidate fiscal year under review) will be recognized through methods such as raising the special premium rate as required based on financial recalculation.

The ratios in (2) above do not match with the actual ratios for which the Ahresty Group is responsible.

Moreover, the Shizuoka Prefecture Seibu Machinery Industry Employees' Pension Fund, of which the Company and some of its consolidated subsidiaries are members, has been moving forward with the procedures necessary for its dissolution. The Company expects to incur expenses in the future related to the dissolution of the fund, but because there are many uncertain factors, it is difficult to calculate the amount in a rational manner at the present time.

Notes on Stock Option

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

(¥ millions)	Previous consolidated fiscal year	Current consolidated fiscal year
	(From April 1, 2013 to March 31, 2014)	(From April 1, 2014 to March 31, 2015)
Charges for stock compensation in general and administrative expenses	13	32

Notes to Consolidated Financial Statements

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

2014 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: 48,600 shares
Grant date	August 19, 2014
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 20, 2014 to August 19, 2044

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, 2015). 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	2014 stock options
Before vesting date (number of share)									
At end of previous fiscal year	4,200	6,100	15,200	14,900	15,600	22,000	22,000	24,000	–
Granted	–	–	–	–	–	–	–	–	48,600
Expired	–	–	–	–	–	–	–	–	–
Vested	–	–	–	–	–	–	–	–	–
Not yet vested	4,200	6,100	15,200	14,900	15,600	22,000	22,000	24,000	48,600
After vesting date (number of share)									
At end of previous fiscal year	–	–	–	–	–	–	–	–	–
Vested	–	–	–	–	–	–	–	–	–
Exercise of rights	–	–	–	–	–	–	–	–	–
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	2014 stock options
Exercise price (yen)	1	1	1	1	1	1	1	1	1
Average stock price at time of exercise (yen)	–	–	–	–	–	–	–	–	–
Fair unit value on grant date (yen)	3,418	2,219	572	369	568	409	234	582	667

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

The method for estimating the fair unit value of 2014 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

2014 stock options		2014 stock options	
Stock price volatility (Note 1)	55.1%	Projected dividend (Note 3)	12 yen/share
Estimated remaining period (Note 2)	15 years	Risk-free interest rate (Note 4)	0.93%

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.

Notes to Consolidated Financial Statements

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, 2014) (¥ millions)	Current consolidated fiscal year (March 31, 2015) (¥ millions)
Deferred tax assets		
Accrued expenses	185	220
Net defined benefit liability	1,463	1,560
Excess deductible amount in bonus allowances	459	412
Unrealized profits for inventories	185	24
Unrealized profits for fixed assets	753	851
Loss carried forward	1,460	1,501
Over-depreciation	1,676	2,088
Provision for product warranties	35	34
Other	124	683
Deferred tax assets subtotal	6,344	7,377
Allowance account	(1,447)	(1,988)
Deferred tax assets total	4,896	5,388
Deferred tax liabilities		
Property replacement reserve	(1,246)	(1,078)
Special depreciation reserve	(13)	(13)
Fixed assets reserve	(153)	(147)
Net unrealized gains on securities	(1,460)	(1,712)
Allowance for depreciation of overseas consolidated subsidiaries	(1,138)	(1,261)
Other	(512)	(772)
Deferred tax liabilities total	(4,524)	(4,985)
Net deferred tax assets (liabilities)	371	402

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, 2014) (%)	Current consolidated fiscal year (March 31, 2015) (%)
Statutory effective tax rate	38.0	35.6
(adjustments)		
Items that will never be included as losses, such as entertainment expenses	0.7	2.7
Items that will never be included as profits, such as dividend revenue	(0.3)	(1.3)
Per capita residential tax	0.4	2.0
Tax credits for research and development expenses	(0.7)	0.3
Employees salary increase tax deduction, etc.	–	(3.6)
Increase (decrease) in valuation allowance	(24.1)	9.5
Difference in statutory tax rates of consolidated subsidiaries	(0.2)	(2.0)
Exemptions of overseas consolidated subsidiaries	0.4	0.4
Retained earnings of overseas consolidated subsidiaries	1.4	2.6
Carryback refund of overseas consolidated subsidiaries	(1.5)	–
Foreign tax credit	(1.7)	(4.0)
Downward revision of deferred tax assets at the end of the term following changes to the tax rate	0.8	1.3
Other	(2.7)	(7.4)
Burden ratio of corporate tax after application of deferred tax accounting	10.5	36.1

3. Amendments to the amounts of deferred tax assets and deferred tax liabilities mainly as a result of changes in the rates of corporate taxes, etc.

Starting from consolidated fiscal years which begin on or after April 1, 2015, corporate tax rates, etc. are lowered following the issuing of partial amendments to the Income Tax Act, etc. (Law No. 9 of 2015) and amendments to the Local Tax Act (Law No. 2 of 2015) on March 31, 2015. As a result, the legal effective tax rates that are used in the calculation of deferred tax assets and deferred tax liabilities will change from the current 35.6% to 33.1% for the temporary differences, etc. that are expected to be eliminated in the consolidated fiscal year starting on April 1, 2015, and 32.3% for those that are expected to be eliminated after the consolidated fiscal year starting on April 1, 2016.

As a result of the changes in the tax rates, deferred tax liabilities (the amount in which deferred tax assets were deducted) declined ¥136 million, and deferred income taxes and remeasurements of defined benefit plans fell ¥19 million and ¥10 million respectively. The difference on the revaluation of other marketable securities increased ¥166 million.

Moreover, in the loss carryover deduction system, the deduction limits have been revised to an amount equivalent to 65% of income before the carryover deduction from the consolidated fiscal years starting on or after April 1, 2015, and 50% of income before the carryover deduction from the consolidated fiscal years starting on or after April 1, 2017. The impact of these changes on deferred tax assets and deferred income taxes is negligible.

(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 a bit 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 a bit 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.

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, 2013 through March 31, 2014)

(Millions of yen)

	Reported segments					Total
	Die Casting Business			Aluminum Business	Proprietary Products Business	
	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

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

(Millions of yen)

	Reported segments					Total
	Die Casting Business			Aluminum Business	Proprietary Products Business	
	Japan	North America	Asia			
Sales						
(1) Customers	63,226	40,654	27,584	5,015	2,245	138,727
(2) 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 profits/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)

(Millions of yen)			(Millions of yen)		
Net sales	Previous consolidated fiscal year	Current consolidated fiscal year	Profit	Previous consolidated fiscal year	Current consolidated fiscal year
Total sales in reported segments	134,485	147,744	Total profit in reported segments	4,405	2,686
Elimination of intersegment transactions	(7,701)	(9,017)	Elimination of intersegment transactions	43	(165)
Net sales in the consolidated financial statement	126,783	138,727	Operating income in the consolidated financial statement	4,449	2,521

(Millions of 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

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

Related Information

Consolidated fiscal year under review (from April 1, 2014 to March 31, 2015)

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
70,618	37,496	27,192	3,420	138,727

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
21,013	35,713	31,406		88,133

3. Information by major customers

			(Millions of yen)
Name of customer	Sales	Titles of the related segments	
Fuji Heavy Industries Ltd.	17,837	Die casting business: Japan	

Per Share Information

	Previous consolidated fiscal year (From April 1, 2013 to March 31, 2014)	Current consolidated fiscal year (From April 1, 2014 to March 31, 2015)
Net assets per share	2,110.89 yen	2,400.55 yen
Net income per share	287.10 yen	40.85 yen
Diluted net income per share	285.59 yen	40.61 yen

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

	Previous consolidated fiscal year (From April 1, 2013 to March 31, 2014)	Current consolidated fiscal year (From April 1, 2014 to March 31, 2015)
Net income per share		
Net income (¥ millions)	6,272	1,054
Amount that does not belong to ordinary shareholders (¥ millions)	–	–
Net income related to common shares (¥ millions)	6,272	1,054
Average number of shares during the period	21,848,046	25,824,355
Diluted net income per share		
Net income adjustment (¥ millions)	–	–
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	–	–

Notes to Consolidated Financial Statements

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.

Segment	Previous consolidated fiscal year	Current consolidated fiscal year	Increase/(decrease)
	(From April 1, 2013 to March 31, 2014)	(From April 1, 2014 to March 31, 2015)	
	Amount (¥ millions)	Amount (¥ millions)	%
Die Casting Business: Japan	56,571	58,227	2.9
Die Casting Business: North America	32,806	40,694	24.0
Die Casting Business: Asia	22,727	26,339	15.9
Aluminum Business	6,391	7,141	11.7
Proprietary Products Business	612	782	27.8
Total	119,109	133,186	11.8

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 of 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.

Segment	Previous consolidated fiscal year	Current consolidated fiscal year	Increase/(decrease)
	(From April 1, 2013 to March 31, 2014)	(From April 1, 2014 to March 31, 2015)	
	Amount (¥ millions)	Amount (¥ millions)	%
Die Casting Business: Japan	62,228	63,226	1.6
Die Casting Business: North America	33,906	40,654	19.9
Die Casting Business: Asia	24,143	27,584	14.3
Aluminum Business	4,657	5,015	7.7
Proprietary Products Business	1,848	2,245	21.5
Total	126,783	138,727	9.4

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.

Customer	Previous consolidated fiscal year		Current consolidated fiscal year	
	(From April 1, 2013 to March 31, 2014)		(From April 1, 2014 to March 31, 2015)	
	Amount (¥ millions)	%	Amount (¥ millions)	%
Fuji Heavy Industries Ltd.	15,178	12.0	17,837	12.9

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 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