

Consolidated Financial Results (Japanese Accounting Standards) for the First Quarter of the Fiscal Year Ending March 31, 2016

August 7, 2015

Company Name	Ahresty Corporation	Stock Exchange Listing	Tokyo
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Filing date of quarterly securities report	August 7, 2015		
Planned date for start of dividend payments	-		
Supplementary documents for quarterly results	Yes		
Quarterly results briefing	None		

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

1. Business performance (April 1, 2015 through June 30, 2015)

(1) Consolidated operating results (For the three months ended June 30)

(% shows change from previous first quarter)

	Net sales		Operating income		Recurring income		Net income attributable to owners of parent	
	million yen	%	million yen	%	million yen	%	million yen	%
Three months ended June 30, 2015	35,217	9.0	936	51.7	629	87.1	514	37.3
Three months ended June 30, 2014	32,312	17.1	617	165.9	336	51.4	374	98.6

(Note) Comprehensive income Three months ended June 30, 2015: 1,124 million yen (-%)
Three months ended June 30, 2014: -819 million yen (-%)

	Net income per share	Fully diluted net income per share
Three months ended June 30, 2015	19.93 yen	19.80 yen
Three months ended June 30, 2014	14.52	14.45

(2) Consolidated financial position

	Total assets	Net assets	Equity ratio
	million yen	million yen	%
As of June 30, 2015	150,317	63,073	41.9
As of March 31, 2015	148,831	62,103	41.7

(For reference) Shareholders' equity 62,976 million yen at June 30, 2015
61,991 million yen at March 31, 2015

2. Dividend payments

(Date of record)	Dividend per share				
	End of first quarter	End of second quarter	End of third quarter	End of year	For the year
Year ended March 31, 2015	- yen	6.00 yen	- yen	6.00 yen	12.00 yen
Year ending March 31, 2016	-				
Year ending March 31, 2016 (projection)		6.00	-	6.00	12.00

(Note) Revisions to dividend projection published most recently: No

3. Forecast of consolidated results for year ending March 2016 (April 1, 2015 – March 31, 2016)

(% shows the year-on-year change)

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

(Note) Revisions to consolidated results forecast published most recently: No

* Notes

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

(2) Application of specific accounting treatment to the preparation of quarterly consolidated financial statements: None

(3) Changes in accounting principles and changes or restatement of accounting estimates

(i) Changes in accounting principles associated with revision of accounting standards, etc.: Yes

(ii) Changes in accounting principles other than (i): None

(iii) Changes in accounting estimates: None

(iv) Restatement: None

(Note) For more detailed information, please see "(3) Changes in Accounting Principles and Changes or Restatement of Accounting Estimates" in section 2. Matters Relating to Summary Information (Notes) on page 3 of the accompanying material.

(4) Number of shares outstanding (Common stock)

(i) Number of shares outstanding at end of period (including treasury stock)

26,027,720 shares at June 30, 2015

26,027,720 shares at March 31, 2015

(ii) Number of treasury stock at end of period

181,058 shares at June 30, 2015

203,748 shares at March 31, 2015

(iii) Average number of shares (Quarterly cumulative period)

25,826,677 shares at June 30, 2015

25,824,576 shares at June 30, 2014

* Status of a quarterly review

These quarterly financial results are not subject to quarterly review procedures under the Financial Instruments and Exchange Act. The quarterly review on the quarterly financial statements was completed at the time of the disclosure of these financial results.

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

This material contains forward-looking statements based on information obtained by the management as of the day of publication, as well as certain assumptions that the management believes to be reasonable. A number of factors could cause actual results to differ materially from expectations. For notes on the use of the results forecasts and assumptions as the basis for the results forecasts, please see "1. Qualitative Information on Consolidated Operating Results, etc. for the First Quarter (3) Qualitative Information Concerning Consolidated Earnings Forecasts" on page 3 of the accompanying materials.

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1. Qualitative Information on Consolidated Operating Results, etc. for the First Quarter

(1) Qualitative Information Concerning Consolidated Operating Results

During the first quarter of the consolidated fiscal year under review, the Japanese economy maintained its gradual recovery, largely reflected in signs of a recovery in capital spending and personal consumption, amid continued improvements in corporate performance and the employment environment. Overseas, the U.S. economy continued to improve, despite the evidence of weakness in certain areas. In Asia, the Chinese economy slowed further, although consumption steadily increased, while in India the economy bottomed out. In general, there were signs that the global economy is slowly recovering despite weaknesses in certain areas.

In this environment, for the first quarter of the consolidated fiscal year under review, the Company recorded net sales of ¥35,217 million (up 9.0% year on year), operating income of ¥936 million (rising 51.7% year on year), recurring income of ¥629 million (an increase of 87.1% year on year), and net income attributable to owners of parent of ¥514 million (up 37.3% year on year).

Operating results by segment are as follows:

(i) Die Casting Business: Japan

In Japan, automakers, the Company's main customers, maintained strong exports for mainly the North American and European markets, backed by the weakening yen, but they continued to experience a slowdown in domestic sales, primarily due to the consumption tax hike of the previous year. Although orders were down as a result of these developments, mainly thanks to the effects of the market situation of ingots, net sales came to ¥15,196 million (up 1.3% year on year). The segment recorded a profit of ¥595 million (down 4.3% year on year), primarily thanks to an increase in depreciation expenses.

(ii) Die Casting Business: North America

In North America, net sales amounted to ¥12,010 million (up 26.6% year on year), 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 on foreign currency translation from the weakening yen. The segment recorded a profit of ¥344 million (compared with a segment loss of ¥43 million in the same period of the previous fiscal year), mainly reflecting the fact that the plants in the United States recorded profits as a result of implementing various initiatives, such as productivity improvement measures, in addition to the effects of higher sales.

(iii) Die Casting Business: Asia

In China, sales of Japanese automakers, the Company's main customers, declined due to mainly changes in demand in the market. The Company saw a decline in sales, given the effects of the market environment as described above, although there were effects of the start of the full-scale mass production of new parts and the impact of foreign currency translation from the weakening yen. In India, sales increased due to the start of mass production of new parts and other factors. As a result, net sales in Asia reached ¥6,233 million (up 0.5% year on year). The segment recorded a loss of ¥132 million (compared with a segment profit of ¥58 million in the same period of the previous fiscal year), given the significant effects of lower sales in China.

(iv) Aluminum Business

In the Aluminum business, although orders remained almost unchanged year on year, net sales stood at ¥1,272 million (rising 12.7% year on year) thanks to the increase in selling prices. The segment recorded a profit of ¥74 million (compared with a segment loss of ¥0 in the same period of the previous fiscal year), mainly reflecting a decline in the prices of raw materials used and the effects of cost reduction activities.

(v) Proprietary Products Business

In the Proprietary Products business, net sales amounted to ¥503 million (up 2.6% 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 ¥33 million (compared with a segment loss of ¥19 million in the same period of the previous fiscal year), primarily thanks to higher sales and the effects of cost reduction activities.

(2) Qualitative Information Concerning Consolidated Financial Position

Net assets at the end of the consolidated first quarter under review increased ¥1,485 million from the end of the previous consolidated fiscal year, to ¥150,317 million. Major factors included an increase of ¥864 million in tangible fixed assets and an increase of ¥637 million in investments in securities as a result of higher stock prices.

Liabilities at the end of the consolidated first quarter under review rose ¥515 million from the end of the previous consolidated fiscal year, to ¥87,243 million. Principal factors included a decrease of ¥1,358 million in notes and accounts payable, an increase of ¥1,102 million in loans, and a rise of ¥580 million in bonus allowances.

Net assets at the end of the consolidated first quarter under review increased ¥969 million from the end of the previous consolidated fiscal year, to ¥63,073 million. Major factors included an increase of ¥436 million in the difference on revaluation of other marketable securities attributable to a rise in the stock prices and a rise of ¥340 million in retained earnings, mainly reflecting net income attributable to owners of parent. As a result, the equity ratio was up from 41.7% to 41.9%.

(3) Qualitative Information Concerning Consolidated Earnings Forecasts

Consolidated earnings forecasts for the interim and full year periods of the fiscal year under review remain unchanged from those announced on May 8, 2015.

2. Matters Relating to Summary Information (Notes)

(1) Significant Changes to Subsidiaries during the Current Term

Not applicable.

(2) Application of Specific Accounting Treatment to the Preparation of Quarterly Consolidated Financial Statements

Not applicable.

(3) Changes in Accounting Principles and Changes or Restatement of Accounting Estimates

Changes in Accounting Principles

(Application of the Accounting Standard for Business Combinations and Other Accounting Standards)

Effective from the first quarter of the consolidated fiscal year under review, the Company adopted the Accounting Standard for Business Combinations (ASBJ Statement No. 21 on September 13, 2013; "Accounting Standard for Business Combinations"), the Accounting Standard for Consolidated Financial Statements (ASBJ Statement No. 22 on September 13, 2013; "Accounting Standard for Consolidated Financial Statements"), the Accounting Standard for Business Divestiture (ASBJ Statement No. 7 on September 13, 2013; "Accounting Standard for Business Divestiture"), and other standards. As a result, the Company changed its accounting methods and, in the cases of subsidiaries that the Company continued to control, it recorded differences due to changes in its equity in these subsidiaries as additional paid-in capital, and expenses related to acquisitions are recorded as expenses for the consolidated fiscal year in which they are incurred. The Company has also changed the presentation of net income and other items. To reflect these changes, the Company has reclassified quarterly consolidated financial statements for the first quarter of the previous fiscal year.

In accordance with the transitional handling set forth in paragraph 2 (4) of No. 58 of the Accounting Standard for Business Combinations, paragraph 5 (4) of No. 44 of the Accounting Standard for Consolidated Financial Statements and paragraph 4 (4) of No. 57 of the Accounting Standard for Business Divestiture, the Company applied the Accounting Standard for Business Combinations and other standards from the beginning of the first quarter of the consolidated fiscal year under review.

These changes had no effect on profits or losses.

3. Quarterly Consolidated Financial Statements

(1) Quarterly Consolidated Balance Sheet

	As of March 31, 2015	As of June 30, 2015
	Amount (million yen)	Amount (million yen)
(Assets)		
Current assets		
Cash and time deposits	5,885	7,751
Trade notes and accounts receivable	24,229	22,799
Electronically recorded monetary claims - operating	1,450	1,505
Merchandise and products	4,166	3,804
Partly finished goods	4,549	4,337
Raw materials and inventories	3,887	3,874
Others	4,296	4,175
Allowance for doubtful accounts	(1)	(1)
Total current assets	48,464	48,247
Fixed assets		
Tangible fixed assets		
Buildings and structures, net	16,737	16,615
Machinery and delivery equipment, net	49,570	48,796
Land	5,294	5,295
Construction in progress	7,591	9,714
Others, net	8,939	8,575
Total tangible fixed assets	88,133	88,998
Intangible fixed assets	1,541	1,556
Investments and other assets		
Investments in securities	7,160	7,797
Others	3,532	3,717
Allowance for doubtful accounts	(0)	(0)
Total investments and other assets	10,692	11,515
Total fixed assets	100,367	102,069
Total assets	148,831	150,317

	As of March 31, 2015	As of June 30, 2015
	Amount (million yen)	Amount (million yen)
(Liabilities)		
Current liabilities		
Notes and accounts payable	14,388	13,288
Electronically recorded obligations-operating	6,548	6,290
Short-term loans	6,187	5,997
Current portion of long-term loans	11,806	12,001
Accrued income taxes	777	467
Bonus allowances	1,532	2,112
Directors' bonus allowances	13	-
Provision for product warranties	196	139
Others	7,051	7,424
Total current liabilities	48,502	47,721
Long-term liabilities		
Long-term loans	28,845	29,943
Net defined benefit liability	4,816	4,836
Others	4,563	4,741
Total long-term liabilities	38,225	39,521
Total liabilities	86,728	87,243
(Net assets)		
Shareholders' equity		
Common stock	6,939	6,939
Additional paid-in capital	10,180	10,180
Retained earnings	32,730	33,070
Treasury stock	(304)	(270)
Total shareholders' equity	49,545	49,919
Other accumulated comprehensive income		
Difference on revaluation of other marketable securities	3,468	3,905
Foreign currency translation adjustments	9,301	9,453
Remeasurements of defined benefit plans	(324)	(302)
Total other accumulated comprehensive income	12,446	13,056
Share warrants	111	96
Total net assets	62,103	63,073
Total liabilities and net assets	148,831	150,317

(2) Quarterly Consolidated Income Statements and Quarterly Consolidated Statements of Comprehensive Income
 Quarterly Consolidated Income Statements.
 First Quarter

	Three months ended June 30, 2014	Three months ended June 30, 2015
	Amount (million yen)	Amount (million yen)
Sales	32,312	35,217
Cost of goods sold	29,221	31,644
Gross profit	3,090	3,572
Selling, general and administrative expenses	2,473	2,636
Operating income (loss)	617	936
Non-operating income		
Interest income	2	4
Dividends received	49	55
Gain on sales of scraps	28	39
Others	40	43
Total non-operating income	121	144
Non-operating expenses		
Interest expenses	294	334
Foreign currency exchange loss	80	110
Others	27	5
Total non-operating expenses	402	450
Recurring income	336	629
Extraordinary gains		
Gain on sales of fixed assets	5	1
Subsidy income	3	42
Total extraordinary gains	9	44
Extraordinary losses		
Loss on sales of fixed assets	20	32
Total extraordinary losses	20	32
Income before income taxes and others	325	641
Income taxes and enterprise taxes	450	475
Deferred income taxes	(499)	(348)
Total income taxes	(49)	126
Net income	374	514
Net income attributable to owners of parent	374	514

Quarterly Consolidated Statements of Comprehensive Income
 First Quarter

	Three months ended June 30, 2014	Three months ended June 30, 2015
	Amount (million yen)	Amount (million yen)
Net income	374	514
Other comprehensive income		
Difference on revaluation of other marketable securities	121	436
Foreign currency translation adjustments	(1,337)	151
Remeasurements of defined benefit plans, net of tax	20	21
Total other comprehensive income	(1,194)	610
Comprehensive income	(819)	1,124
Comprehensive income attributable to		
Comprehensive income attributable to owners of the parent	(819)	1,124
Comprehensive income attributable to non-controlling interests	—	—

(3) Notes on Going Concern Assumptions

Not applicable.

(4) Notes for Significant Change in the Amount of Shareholders' Equity

Not applicable.

(5) Segment Information

Segment information

I. Three months ended June 30, 2014 (from April 1, 2014 to June 30, 2014)

1. Information on sales and income or losses by reported segment

(Million yen)

	Reported segments					Total
	Die Casting Business			Aluminum Business	Proprietary Products Business	
	Japan	North America	Asia			
Sales						
Customers	15,005	9,486	6,199	1,129	491	32,312
Intersegment	1,282	2	212	805	0	2,302
Total	16,288	9,489	6,411	1,934	491	34,615
Segment profit (loss)	621	(43)	58	(0)	(19)	617

2. Total income or losses in reported segments, difference from the amount posted in quarterly consolidated statement of income and important details in the difference (Difference adjustment)

(Million yen)

Income	Amount
Total income in reported segments	617
Elimination of intersegment transactions	(0)
Operating income in the quarterly consolidated statement of income	617

3. Impairment losses in fixed assets or goodwill by reported segment

Not applicable.

II. Three months ended June 30, 2015 (from April 1, 2015 to June 30, 2015)

1. Information on sales and income or losses by reported segment

(Million yen)

	Reported segments					Total
	Die Casting Business			Aluminum Business	Proprietary Products Business	
	Japan	North America	Asia			
Sales						
Customers	15,196	12,010	6,233	1,272	503	35,217
Intersegment	1,173	0	343	1,192	–	2,710
Total	16,370	12,010	6,576	2,465	503	37,927
Segment profit (loss)	595	344	(132)	74	33	914

2. Total income or losses in reported segments, difference from the amount posted in quarterly consolidated statement of income and important details in the difference (Difference adjustment)

(Million yen)

Income	Amount
Total income in reported segments	914
Elimination of intersegment transactions	21
Operating income in the quarterly consolidated statement of income	936

3. Impairment losses in fixed assets or goodwill by reported segment

Not applicable.