

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

November 10, 2015

Company Name	Ahresty Corporation	Stock Exchange Listing	Tokyo
Code Number	5852	URL	<a href="http://www.ahresty.co.jp">http://www.ahresty.co.jp</a>
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Filing date of quarterly securities report	November 12, 2015		
Planned date for start of dividend payments	December 4, 2015		
Supplementary documents for quarterly results	Yes		
Quarterly results briefing	Yes (for securities analysts and institutional investors)		

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

### 1. Business performance (April 1, 2015 through September 30, 2015)

#### (1) Consolidated operating results (For the six months ended September 30) (% shows change from previous first half)

	Net sales		Operating income		Recurring income		Net income attributable to owners of parent company	
	million yen	%	million yen	%	million yen	%	million yen	%
Six months ended September 30, 2015	72,206	10.1	1,819	280.4	1,236	—	872	—
Six months ended September 30, 2014	65,606	12.9	478	(44.1)	45	(94.2)	(107)	—

(Note) Comprehensive income Six months ended September 30, 2015: 1,187 million yen (—%)

Six months ended September 30, 2014: -398 million yen (—%)

	Net income per share	Fully diluted net income per share
Six months ended September 30, 2015	33.77 <sup>yen</sup>	33.50 <sup>yen</sup>
Six months ended September 30, 2014	(4.18)	—

#### (2) Consolidated financial position

	Total assets	Net assets	Equity ratio
As of September 30, 2015	149,419 <sup>million yen</sup>	63,169 <sup>million yen</sup>	42.2%
As of March 31, 2015	148,831	62,103	41.7

(For reference) Shareholders' equity 63,038 million yen at September 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	— <sup>yen</sup>	6.00 <sup>yen</sup>	— <sup>yen</sup>	6.00 <sup>yen</sup>	12.00 <sup>yen</sup>
Year ending March 31, 2016	—	6.00	—	6.00	12.00
Year ending March 31, 2016 (projection)	—	—	—	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 company	Net income per share
Full year	143,900 <sup>million yen</sup> 3.7%	4,200 <sup>million yen</sup> 66.6%	2,800 <sup>million yen</sup> 72.6%	1,750 <sup>million yen</sup> 65.9%	67.72 <sup>yen</sup>

(Note) Revisions to consolidated results forecast published most recently: Yes

\* 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 4 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 September 30, 2015

26,027,720 shares at March 31, 2015

(ii) Number of treasury stock at end of period

181,346 shares at September 30, 2015

203,748 shares at March 31, 2015

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

25,836,655 shares at September 30, 2015

25,824,492 shares at September 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 is underway 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 Half (3) Qualitative Information Concerning Consolidated Earnings Forecasts" on page 3 of the accompanying materials.

## Accompanying Materials — Contents

1.	Qualitative Information on Consolidated Operating Results, etc. for the First Half .....	2
	(1) Qualitative Information Concerning Consolidated Operating Results .....	2
	(2) Qualitative Information Concerning Consolidated Financial Position .....	2
	(3) Qualitative Information Concerning Consolidated Earnings Forecasts.....	3
2.	Matters Relating to Summary Information (Notes) .....	4
	(1) Significant Changes to Subsidiaries during the Current Term .....	4
	(2) Application of Specific Accounting Treatment to the Preparation of Quarterly Consolidated Financial Statements .....	4
	(3) Changes in Accounting Principles and Changes or Restatement of Accounting Estimates .....	4
3.	Quarterly Consolidated Financial Statements .....	5
	(1) Quarterly Consolidated Balance Sheet .....	5
	(2) Quarterly Consolidated Income Statements and Quarterly Consolidated Statements of Comprehensive Income .....	7
	Quarterly Consolidated Income Statements First Half .....	7
	Quarterly Consolidated Statements of Comprehensive Income First Half .....	8
	(3) Quarterly Consolidated Statement of Cash Flows. ....	9
	(4) Notes on Going Concern Assumptions.....	10
	(5) Notes for Significant Change in the Amount of Shareholders' Equity .....	10
	(6) Segment Information. ....	10

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

### (1) Qualitative Information Concerning Consolidated Operating Results

During the first half of the consolidated fiscal year under review, the Japanese economy maintained a gradual recovery partly on the strength of economic policies, amid continued improvements in the employment and income environment. Overseas, the U.S. economy continued to improve. In Asia, the Chinese economy slowed and growth in consumption declined slightly. The Indian economy recovered. Overall the global economy is slowly recovering despite weaknesses in emerging economies in Asia and other areas.

In this environment, for the first half of the consolidated fiscal year under review, the Company recorded net sales of ¥72,206 million (up 10.1% year on year), operating income of ¥1,819 million (rising 280.4% year on year), recurring income of ¥1,236 million (recurring income of ¥45 million for the first half of the previous consolidated fiscal year), and net income attributable to owners of parent of ¥872 million (net loss attributable to owners of parent of ¥107 million for the first half of the previous consolidated fiscal year).

Operating results by segment are as follows:

#### (i) Die Casting Business: Japan

In Japan, automakers, the Company's main customers, continued to experience sluggish sales following the consumption tax hike last year and a slowdown in domestic sales due to the light motor vehicle tax hike in April this year. Meanwhile, exports, mainly for the North American market, remained strong, backed by the weakening yen and low crude oil prices. Although orders were on a downward trend as a result of these developments, mainly thanks to the effects of the market situation of ingots, net sales came to ¥31,157 million (up 2.7% year on year). The segment recorded a profit of ¥1,056 million (down 5.7% year on year), primarily thanks to an increase in depreciation expenses.

#### (ii) Die Casting Business: North America

In North America, net sales amounted to ¥23,776 million (up 24.7% year on year), mainly reflecting an increase in orders due to record-high auto sales in the United States, the launch of new parts, and the impact on foreign currency translation from the weakening yen. The segment recorded a profit of ¥470 million (compared with a segment loss of ¥608 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, chiefly reflecting the effect of a slowdown in growth in the auto market mainly due to a slowdown in the economy and changes in demand in the market. The Company was affected by the situation but sales rose slightly thanks mainly to the impact of foreign currency translation from the weakening yen. In India, sales increased due to the effect of the start of mass production of new parts. As a result, net sales in Asia reached ¥13,618 million (up 4.9% year on year). The segment recorded a profit of ¥106 million (up 56.4% year on year) mainly due to an improvement in earnings at the India Plant, despite a decline in orders received in China.

#### (iv) Aluminum Business

In the Aluminum business, although orders remained almost unchanged year on year, net sales stood at ¥2,590 million (rising 10.5% year on year) thanks to the increase in selling prices. The segment recorded a profit of ¥149 million (compared with a segment loss of ¥33 million 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 ¥1,063 million (up 22.2% 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 ¥41 million (compared with a segment loss of ¥12 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

Assets at the end of the consolidated first half under review increased ¥587 million from the end of the previous consolidated fiscal year, to ¥149,419 million. Major factors included an increase of ¥1,395 million in tangible fixed assets, a decrease of ¥684 million in inventories, and a decrease of ¥139 million in notes and accounts receivable-trade.

Liabilities at the end of the consolidated first half under review declined ¥478 million from the end of the previous consolidated fiscal year, to ¥86,249 million. Principal factors included a decrease of ¥1,081 million in notes and accounts payable and an increase of ¥656 million in obligations related to facilities, which is included in “others” in current liabilities.

Net assets at the end of the consolidated first half under review increased ¥1,066 million from the end of the previous consolidated fiscal year, to ¥63,169 million. Major factors included an increase of ¥697 million in retained earnings mainly due to the posting of net income attributable to owners of parent of ¥872 million and an increase of ¥355 million in foreign currency translation adjustments. As a result, the equity ratio was up from 41.7% to 42.2%.

## (3) Qualitative Information Concerning Consolidated Earnings Forecasts

The Company has revised the earnings forecast announced on May 8, 2015.

In the Die Casting Business, the volume of sales in Japan is expected to be roughly on a par with the initial forecast, but sales will likely increase due to the effect of the ingot market condition. Sales in North America are expected to rise due to the effect of exchange rates, despite a decline in the volume of sales in Mexico. Meanwhile, sales in Asia are projected to fall significantly due to a decrease in the volume of sales in China. Overall, consolidated sales are forecast to decline. Operating income in Japan is set to increase, with cost cutting offsetting a decline in revenue from royalties associated with a decrease in sales overseas. In Asia, operating income is projected to fall due to the effect of the significant fall in sales. In North America, operating income is expected to decrease due to the decline in the volume of sales in Mexico. Although operating income will likely rise in the Aluminum Business and the Proprietary Products Business chiefly due to cost cutting, consolidated operating income overall is forecast to be slightly short of the initial forecast. In addition to the decrease in operating income, a foreign currency exchange loss is expected to be posted in non-operating expenses. As a result, recurring income and net income attributable to owners of parent company are forecast to be lower than the initial forecast.

	Net sales	Operating income	Recurring income	Net income attributable to owners of parent company	Net income per share
	million yen	million yen	million yen	million yen	yen
Previous forecast (A)	146,200	4,250	3,300	2,000	77.45
Revised forecast (B)	143,900	4,200	2,800	1,750	67.72
Change (B – A)	(2,300)	(50)	(500)	(250)	–
Rate of change (%)	(1.6)	(1.2)	(15.2)	(12.5)	–
Results for previous fiscal year	138,727	2,521	1,622	1,054	40.85

### Reference (segment information for the full-year consolidated forecast)

Segment	Net sales (million yen)			Segment profit (million yen)		
	Previous forecast	Revised forecast	Change	Previous forecast	Revised forecast	Change
Die Casting Business: Japan	62,600	63,800	1,200	2,200	2,350	150
Die Casting Business: North America	44,500	45,300	800	1,400	1,150	(250)
Die Casting Business: Asia	32,100	27,600	(4,500)	500	400	(100)
Aluminum Business	5,200	4,900	(300)	100	230	130
Proprietary Products Business	1,800	2,300	500	50	70	20

Assumed foreign exchange rates (average for the full year): 119.45 yen against the US dollar; 19.25 yen against the renminbi; 1.90 yen against the Indian rupee  
 (Previous forecast): 115.00 yen against the US dollar; 19.00 yen against the renminbi; 1.90 yen against the Indian rupee

## 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 half 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 September 30, 2015
	Amount (million yen)	Amount (million yen)
<b>(Assets)</b>		
Current assets		
Cash and time deposits	5,885	6,337
Trade notes and accounts receivable	24,229	23,744
Electronically recorded monetary claims - operating	1,450	1,795
Merchandise and products	4,166	3,549
Partly finished goods	4,549	4,635
Raw materials and inventories	3,887	3,734
Others	4,296	3,640
Allowance for doubtful accounts	(1)	(1)
<b>Total current assets</b>	<b>48,464</b>	<b>47,435</b>
Fixed assets		
Tangible fixed assets		
Buildings and structures, net	16,737	17,058
Machinery and delivery equipment, net	49,570	50,473
Land	5,294	5,282
Construction in progress	7,591	8,516
Others, net	8,939	8,197
<b>Total tangible fixed assets</b>	<b>88,133</b>	<b>89,528</b>
Intangible fixed assets	1,541	1,642
Investments and other assets		
Investments in securities	7,160	7,033
Others	3,532	3,778
Allowance for doubtful accounts	(0)	(0)
<b>Total investments and other assets</b>	<b>10,692</b>	<b>10,811</b>
<b>Total fixed assets</b>	<b>100,367</b>	<b>101,983</b>
<b>Total assets</b>	<b>148,831</b>	<b>149,419</b>

	As of March 31, 2015	As of September 30, 2015
	Amount (million yen)	Amount (million yen)
<b>(Liabilities)</b>		
Current liabilities		
Notes and accounts payable	14,388	13,497
Electronically recorded obligations-operating	6,548	6,357
Short-term loans	6,187	6,567
Current portion of long-term loans	11,806	11,805
Accrued income taxes	777	545
Bonus allowances	1,532	1,448
Directors' bonus allowances	13	—
Provision for product warranties	196	135
Others	7,051	8,069
Total current liabilities	48,502	48,428
Long-term liabilities		
Long-term loans	28,845	28,535
Net defined benefit liability	4,816	4,854
Others	4,563	4,431
Total long-term liabilities	38,225	37,821
Total liabilities	86,728	86,249
<b>(Net assets)</b>		
Shareholders' equity		
Common stock	6,939	6,939
Additional paid-in capital	10,180	10,180
Retained earnings	32,730	33,428
Treasury stock	(304)	(270)
Total shareholders' equity	49,545	50,277
Other accumulated comprehensive income		
Difference on revaluation of other marketable securities	3,468	3,384
Foreign currency translation adjustments	9,301	9,657
Remeasurements of defined benefit plans	(324)	(280)
Total other accumulated comprehensive income	12,446	12,761
Share warrants	111	131
Total net assets	62,103	63,169
Total liabilities and net assets	148,831	149,419

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

	Six months ended September 30, 2014	Six months ended September 30, 2015
	Amount (million yen)	Amount (million yen)
Sales	65,606	72,206
Cost of goods sold	60,078	64,947
Gross profit	5,527	7,259
Selling, general and administrative expenses	5,048	5,440
Operating income (loss)	478	1,819
Non-operating income		
Interest income	10	9
Dividends received	70	77
Foreign currency exchange gain	0	—
Gain on sales of scraps	69	72
Others	83	83
Total non-operating income	234	243
Non-operating expenses		
Interest expenses	598	665
Foreign currency exchange loss	—	139
Others	68	21
Total non-operating expenses	667	826
Recurring income	45	1,236
Extraordinary gains		
Gain on sales of fixed assets	6	5
Subsidy income	14	55
Total extraordinary gains	20	60
Extraordinary losses		
Loss on sales of fixed assets	62	68
Total extraordinary losses	62	68
Income before income taxes and others	3	1,228
Income taxes and enterprise taxes	700	610
Deferred income taxes	(588)	(253)
Total income taxes	111	356
Net income (loss)	(107)	872
Net income (loss) attributable to owners of parent	(107)	872

Quarterly Consolidated Statements of Comprehensive Income  
 First Half

	Six months ended September 30, 2014	Six months ended September 30, 2015
	Amount (million yen)	Amount (million yen)
Net income (loss)	(107)	872
Other comprehensive income		
Difference on revaluation of other marketable securities	590	(83)
Foreign currency translation adjustments	(922)	355
Remeasurements of defined benefit plans, net of tax	41	43
Total other comprehensive income	(290)	314
Comprehensive income	(398)	1,187
Comprehensive income attributable to		
Comprehensive income attributable to owners of the parent	(398)	1,187
Comprehensive income attributable to non-controlling interests	—	—

(3) Quarterly Consolidated Statement of Cash Flows

	Six months ended September 30, 2014	Six months ended September 30, 2015
	Amount (million yen)	Amount (million yen)
Cash flows from operating activities		
Income before income taxes and others	3	1,228
Depreciation and amortization	5,984	7,520
Increase (decrease) in allowances for bonuses	(38)	(87)
Increase (decrease) in provision for product warranties	(22)	(60)
Increase (decrease) in net defined benefit liability	107	99
Interest and dividend income	(80)	(87)
Interest expenses	598	665
Loss (gain) on sales and retirement of tangible fixed assets	54	62
Subsidy income	(14)	(55)
Decrease (increase) in notes and accounts receivable	837	285
Decrease (increase) in inventories	(495)	777
Increase (decrease) in notes and accounts payable	(462)	(1,139)
Increase (decrease) in accrued expenses	170	187
Increase (decrease) in accrued consumption taxes and others	(320)	237
Others	(585)	327
Subtotal	5,736	9,962
Interest and dividends received	80	87
Interest paid	(561)	(660)
Proceeds from subsidy	14	50
Income taxes paid	(1,843)	(836)
Income taxes refunded	247	293
Net cash provided by (used in) operating activities	3,673	8,897
Cash flows from investing activities		
Proceeds from withdrawal of time deposits	—	96
Expenditures from purchases of tangible fixed assets	(7,403)	(7,783)
Proceeds from sales of tangible fixed assets	45	10
Others	(54)	(90)
Net cash provided by (used in) investing activities	(7,412)	(7,767)
Cash flows from financing activities		
Proceeds from short-term loans	14,677	17,540
Repayment of short-term loans	(14,975)	(17,209)
Proceeds from long-term debt	6,858	5,382
Repayment of long-term debt	(4,626)	(6,019)
Dividends paid	(153)	(156)
Others	(108)	(122)
Net cash provided by (used in) financing activities	1,670	(584)
Effect of exchange rate changes on cash and cash equivalents	(129)	3
Net increase (decrease) in cash and cash equivalents	(2,198)	548
Cash and cash equivalents at beginning of year	8,791	5,789
Cash and cash equivalents at end of period	6,593	6,337

(4) Notes on Going Concern Assumptions

Not applicable.

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

Not applicable.

(6) Segment Information

Segment information

I. Six months ended September 30, 2014 (from April 1, 2014 to September 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	30,348	19,063	12,979	2,345	869	65,606
Intersegment	2,220	5	454	1,482	0	4,162
Total	32,568	19,068	13,433	3,827	870	69,768
Segment profit (loss)	1,120	(608)	67	(33)	(12)	533

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	533
Elimination of intersegment transactions	(55)
Operating income in the quarterly consolidated statement of income	478

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

Not applicable.

II. Six months ended September 30, 2015 (from April 1, 2015 to September 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	31,157	23,776	13,618	2,590	1,063	72,206
Intersegment	2,160	0	901	2,407	0	5,470
Total	33,318	23,777	14,520	4,997	1,063	77,677
Segment profit	1,056	470	106	149	41	1,824

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	1,824
Elimination of intersegment transactions	(5)
Operating income in the quarterly consolidated statement of income	1,819

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

Not applicable.