

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

February 9, 2016

Company Name	Ahresty Corporation	Stock Exchange Listing	Tokyo
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Filing date of quarterly securities report	February 10, 2016		
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 December 31, 2015)

(1) Consolidated operating results (For the nine months ended December 31) (% shows change from previous first three quarters)

	Net sales		Operating income		Recurring income		Net income attributable to owners of parent company	
	million yen	%	million yen	%	million yen	%	million yen	%
Nine months ended December 31, 2015	107,119	6.6	2,885	246.2	1,835	489.3	1,552	897.8
Nine months ended December 31, 2014	100,448	10.0	833	(64.8)	311	(86.3)	155	(96.0)

(Note) Comprehensive income Nine months ended December 31, 2015: 1,012 million yen (-70.6%)

Nine months ended December 31, 2014: 3,448 million yen (-58.6%)

	Net income per share	Fully diluted net income per share
	yen	yen
Nine months ended December 31, 2015	60.08	59.67
Nine months ended December 31, 2014	6.02	5.99

(2) Consolidated financial position

	Total assets	Net assets	Equity ratio
	million yen	million yen	%
As of December 31, 2015	147,240	62,839	42.6
As of March 31, 2015	148,831	62,103	41.7

(For reference) Shareholders' equity 62,708 million yen at December 31, 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 -	yen 6.00	yen -	yen 6.00	yen 12.00
Year ending March 31, 2016	-	6.00	-		
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
	million yen	%	million yen	%	million yen	%	million yen	%	yen
Full year	143,900	3.7	4,200	66.6	2,800	72.6	1,750	65.9	67.72

(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 December 31, 2015

26,027,720 shares at March 31, 2015

(ii) Number of treasury stock at end of period

181,442 shares at December 31, 2015

203,748 shares at March 31, 2015

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

25,839,907 shares at December 31, 2015

25,824,448 shares at December 31, 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 Three Quarters (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 Three Quarters

(1) Qualitative Information Concerning Consolidated Operating Results

During the first three quarters of the consolidated fiscal year under review, the Japanese economy maintained a gradual recovery partly on the strength of various government policies, amid continued improvements in corporate earnings and the employment and income environment. Overseas, the U.S. economy continued to improve. In Asia, the Chinese economy slowed and growth in consumption has generally leveled out. The Indian economy is making gradual recovery. Overall the global economy is slowly recovering despite weaknesses in emerging economies in Asia and other areas.

In this environment, for the first three quarters of the consolidated fiscal year under review, the Company recorded net sales of ¥107,119 million (up 6.6% year on year), operating income of ¥2,885 million (rising 246.2% year on year), recurring income of ¥1,835 million (up 489.3% year on year), and net income attributable to owners of parent of ¥1,552 million (up 897.8% year on 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 and a slowdown in domestic sales due to the light motor vehicle tax hike. 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 ¥47,242 million (up 1.7% year on year). The segment recorded a profit of ¥1,787 million (down 12.4% year on year), primarily thanks to an increase in depreciation expenses.

(ii) Die Casting Business: North America

In North America, net sales amounted to ¥34,510 million (up 18.8% year on year), mainly reflecting an increase in orders due to record-high auto sales, the launch of new parts, the impact on foreign currency translation from the weakening yen, and effects of fluctuations in the bare metal market. The segment recorded a profit of ¥875 million (compared with a segment loss of ¥1,320 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, orders from Japanese automakers, the Company's main customers, fell, chiefly reflecting their situation of model-based sales. The value of sales rose slightly in yen terms, however, 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 ¥20,102 million (up 1.1% year on year). The segment recorded a profit of ¥5 million (down 97.4% year on year) mainly due to the significant impact from the decline in orders received in China, only partly offset by an improvement in earnings at the India Plant and positive effects of cost reduction activities in China.

(iv) Aluminum Business

In the Aluminum business, although orders declined slightly compared to a year ago, net sales stood at ¥3,805 million (rising 1.7% year on year) thanks to the increase in selling prices. The segment recorded a profit of ¥229 million (compared with a segment loss of ¥27 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 ¥1,459 million (up 12.7% 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 ¥59 million (rising 244.7% year on 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 three quarters under review decreased ¥1,591 million from the end of the previous consolidated fiscal year, to ¥147,240 million. Major factors included a decrease of ¥752 million in notes and accounts receivable-trade, a decrease of ¥537 million in inventories, and a decrease of ¥403 million in tangible fixed assets due to foreign exchange effects, etc.

Liabilities at the end of the consolidated first three quarters under review declined ¥2,327 million from the end of the previous consolidated fiscal year, to ¥84,400 million. Principal factors included a decrease of ¥1,374 million in notes and accounts payable and a decrease of ¥694 million in loans.

Net assets at the end of the consolidated first three quarters under review increased ¥736 million from the end of the previous consolidated fiscal year, to ¥62,839 million. Major factors included an increase of ¥1,222 million in retained earnings mainly due to the posting of net income attributable to owners of parent and a decrease of ¥879 million in foreign currency translation adjustment. As a result, the equity ratio was up from 41.7% to 42.6%.

(3) Qualitative Information Concerning Consolidated Earnings Forecasts

Consolidated earnings forecasts for the full year periods of the fiscal year under review remain unchanged from those announced on November 10, 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 three quarters 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 December 31, 2015
	Amount (million yen)	Amount (million yen)
(Assets)		
Current assets		
Cash and time deposits	5,885	6,171
Trade notes and accounts receivable	24,229	22,665
Electronically recorded monetary claims - operating	1,450	2,261
Merchandise and products	4,166	3,975
Partly finished goods	4,549	4,639
Raw materials and inventories	3,887	3,450
Others	4,296	3,156
Allowance for doubtful accounts	(1)	(4)
Total current assets	48,464	46,317
Fixed assets		
Tangible fixed assets		
Buildings and structures, net	16,737	16,940
Machinery and delivery equipment, net	49,570	49,423
Land	5,294	5,283
Construction in progress	7,591	8,119
Others, net	8,939	7,963
Total tangible fixed assets	88,133	87,729
Intangible fixed assets	1,541	1,628
Investments and other assets		
Investments in securities	7,160	7,567
Others	3,532	3,997
Allowance for doubtful accounts	(0)	(0)
Total investments and other assets	10,692	11,564
Total fixed assets	100,367	100,922
Total assets	148,831	147,240

	As of March 31, 2015	As of December 31, 2015
	Amount (million yen)	Amount (million yen)
(Liabilities)		
Current liabilities		
Notes and accounts payable	14,388	13,124
Electronically recorded obligations-operating	6,548	6,437
Short-term loans	6,187	6,278
Current portion of long-term loans	11,806	11,121
Accrued income taxes	777	248
Bonus allowances	1,532	1,092
Directors' bonus allowances	13	-
Provision for product warranties	196	128
Others	7,051	7,881
Total current liabilities	48,502	46,313
Long-term liabilities		
Long-term loans	28,845	28,745
Net defined benefit liability	4,816	4,846
Others	4,563	4,495
Total long-term liabilities	38,225	38,086
Total liabilities	86,728	84,400
(Net assets)		
Shareholders' equity		
Common stock	6,939	6,939
Additional paid-in capital	10,180	10,180
Retained earnings	32,730	33,952
Treasury stock	(304)	(271)
Total shareholders' equity	49,545	50,801
Other accumulated comprehensive income		
Difference on revaluation of other marketable securities	3,468	3,742
Foreign currency translation adjustments	9,301	8,422
Remeasurements of defined benefit plans	(324)	(258)
Total other accumulated comprehensive income	12,446	11,906
Share warrants	111	131
Total net assets	62,103	62,839
Total liabilities and net assets	148,831	147,240

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

	Nine months ended December 31, 2014	Nine months ended December 31, 2015
	Amount (million yen)	Amount (million yen)
Sales	100,448	107,119
Cost of goods sold	91,973	96,154
Gross profit	8,475	10,965
Selling, general and administrative expenses	7,641	8,079
Operating income (loss)	833	2,885
Non-operating income		
Interest income	13	13
Dividends received	110	135
Foreign currency exchange gain	51	—
Gain on sales of scraps	99	103
Others	139	126
Total non-operating income	414	378
Non-operating expenses		
Interest expenses	902	970
Foreign currency exchange loss	—	413
Others	34	44
Total non-operating expenses	937	1,429
Recurring income	311	1,835
Extraordinary gains		
Gain on sales of fixed assets	7	16
Subsidy income	69	59
Total extraordinary gains	77	76
Extraordinary losses		
Loss on sales of fixed assets	88	85
Total extraordinary losses	88	85
Income before income taxes and others	300	1,826
Income taxes and enterprise taxes	813	611
Deferred income taxes	(668)	(336)
Total income taxes	144	274
Net income	155	1,552
Net income attributable to owners of parent	155	1,552

Quarterly Consolidated Statements of Comprehensive Income
 First Three Quarters

	Nine months ended December 31, 2014	Nine months ended December 31, 2015
	Amount (million yen)	Amount (million yen)
Net income	155	1,552
Other comprehensive income		
Difference on revaluation of other marketable securities	683	273
Foreign currency translation adjustments	2,547	(879)
Remeasurements of defined benefit plans, net of tax	62	65
Total other comprehensive income	3,292	(539)
Comprehensive income	3,448	1,012
Comprehensive income attributable to		
Comprehensive income attributable to owners of the parent	3,448	1,012
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. Nine months ended December 31, 2014 (from April 1, 2014 to December 31, 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	46,473	29,058	19,878	3,742	1,295	100,448
Intersegment	3,105	12	698	2,388	0	6,205
Total	49,578	29,071	20,577	6,131	1,295	106,653
Segment profit (loss)	2,041	(1,320)	208	(27)	17	919

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	919
Elimination of intersegment transactions	(85)
Operating income in the quarterly consolidated statement of income	833

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

Not applicable.

II. Nine months ended December 31, 2015 (from April 1, 2015 to December 31, 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	47,242	34,510	20,102	3,805	1,459	107,119
Intersegment	3,188	6	1,203	3,547	0	7,945
Total	50,430	34,517	21,305	7,352	1,459	115,064
Segment profit	1,787	875	5	229	59	2,958

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	2,958
Elimination of intersegment transactions	(72)
Operating income in the quarterly consolidated statement of income	2,885

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

Not applicable.