

Consolidated Financial Results (Japanese Accounting Standards) for the Fiscal Year Ended March 31, 2016

May 9, 2016

Company Name	Ahresty Corporation	Stock Exchange Listing	Tokyo
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Planned date for regular general meeting of shareholders			June 15, 2016
Planned date for start of dividend payments			May 30, 2016
Planned date for submission of securities report			June 15, 2016
Supplementary documents for financial results			Yes
Financial results briefing			Yes (for securities analysts and institutional investors)

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

1. Consolidated performance for year ended March 2016 (April 1, 2015 – March 31, 2016)

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

	Net sales		Operating income		Recurring income		Net income attributable to owners of parent	
	million yen	%	million yen	%	million yen	%	million yen	%
Year ended March 2016	144,451	4.1	5,385	113.6	4,077	151.4	3,062	190.3
Year ended March 2015	138,727	9.4	2,521	(43.3)	1,622	(59.6)	1,054	(83.2)

(Note) Comprehensive income

Year ended March 31, 2016: -366 million yen (-%) Year ended March 2015: 7,839 million yen (-36.3%)

	Net income per share	Fully diluted net income per share	Return on equity	Return on total asset	Operating profit on sales
	yen	yen	%	%	%
Year ended March 2016	118.50	117.67	5.0	2.8	3.7
Year ended March 2015	40.85	40.61	1.8	1.1	1.8

(For reference) Investment gain or loss under equity method

Year ended March 2016: – million yen Year ended March 2015: – million yen

(2) Consolidated financial position

	Total assets	Net assets	Equity ratio	Net assets per share
	million yen	million yen	%	yen
Year ended March 2016	141,694	61,460	43.3	2,372.85
Year ended March 2015	148,831	62,103	41.7	2,400.55

(For reference) Shareholders' equity

Year ended March 2016: 61,329million yen Year ended March 2015: 61,991million yen

(3) State of consolidated cash flows

	Cash flows from operating activities	Cash flows from investing activities	Cash flows from financing activities	Term-end balance of cash and cash equivalents
	million yen	million yen	million yen	million yen
Year ended March 2016	18,062	(14,648)	(4,372)	4,505
Year ended March 2015	12,502	(15,211)	(538)	5,789

2. Dividend payments

(Date of record)	Dividend per share					Total dividend (for year)	Dividend payout ratio (consolidated)	Dividend ratio to net asset (consolidated)
	End of first quarter	End of second quarter	End of third quarter	End of year	For the year			
	yen	yen	yen	yen	yen	million yen	%	%
Year ended March 2015	–	6.00	–	6.00	12.00	309	29.4	0.5
Year ended March 2016	–	6.00	–	8.00	14.00	361	11.8	0.6
Year ending March 2017 (projection)	–	8.00	–	8.00	16.00		13.3	

3. Forecast of consolidated results for year ending March 2017 (April 1, 2016 – March 31, 2017) (% 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	66,800	(7.5)	2,300	26.4	1,900	53.7	1,100	26.1	42.56
Full year	136,000	(5.9)	5,500	2.1	4,700	15.3	3,100	1.2	119.94

* Notes

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

New: –

Exception: –

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

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

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

(iii) Changes in accounting estimates: None

(iv) Restatement: None

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

(3) Number of shares outstanding (common stock)

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

Year ended March 2016: 26,027,720 shares Year ended March 2015: 26,027,720 shares

(ii) Number of treasury stock at end of year

Year ended March 2016: 181,586 shares Year ended March 2015: 203,748 shares

(iii) Average number of shares

Year ended March 2016: 25,841,489 shares Year ended March 2015: 25,824,355 shares

(For reference) Outline of non-consolidated performance

1. Non-consolidated performance for year ended March 2016 (April 1, 2015 - March 31, 2016)

(1) Non-consolidated operating results

(% shows change from previous term)

	Net sales		Operating income		Recurring income		Net income	
	million yen	%	million yen	%	million yen	%	million yen	%
Year ended March 2016	76,029	3.9	1,960	(17.6)	2,243	(25.4)	1,510	(30.5)
Year ended March 2015	73,193	2.5	2,379	21.3	3,008	20.9	2,173	(52.6)

	Net income per share	Fully diluted net income per share
	yen	yen
Year ended March 2016	58.45	58.04
Year ended March 2015	84.16	83.66

(2) Non-consolidated financial position

	Total assets	Net assets	Equity ratio	Net assets per share
	million yen	million yen	%	yen
Year ended March, 2016	83,293	43,298	51.8	1,670.15
Year ended March 2015	83,993	42,686	50.7	1,648.66

(For reference) Shareholders' equity

Year ended March 2016: 43,166 million yen

Year ended March 2015: 42,575 million yen

* Presentation of status of audit procedures

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

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

This material contains forward-looking statements based on information obtained by the management as of the day of publication, as well as certain assumptions that the management believes to be reasonable. A number of factors could cause actual results to differ materially from expectations. For notes on the use of the results forecasts and assumptions as the basis for the results forecasts, please see “1. Analysis of Operating Results and Financial Position (1) Analysis of Operating Results (Outlook for fiscal year ending March 2017)” on page 3 of the accompanying materials.

Accompanying Materials – Contents

1.	Analysis of Operating Results and Financial Position.....	2
(1)	Analysis of Operating Results.....	2
(2)	Analysis of Financial Position	4
(3)	Basic Policy on Profit Distribution	5
2.	Management Policies	5
(1)	Basic Management Policies.....	5
(2)	Target Management Indicators.....	5
(3)	Medium- to Long-Term Management Strategies and Operational Issues	5
3.	Basic Concept for Choice of Accounting Standards.....	6
4.	Consolidated Financial Statements	
(1)	Consolidated Balance Sheet	7
(2)	Consolidated Income Statements and Statements of Comprehensive Income	9
	Consolidated Income Statements.....	9
	Consolidated Statements of Comprehensive Income	10
(3)	Consolidated Statement of Changes in Net Assets.....	11
(4)	Consolidated Statement of Cash Flows.....	13
(5)	Notes.....	14
	Notes on Going Concern Assumptions.....	14
	Changes in Accounting Principles	14
	Segment Information, Etc.	14
	Per Share Information.....	16
	Important Subsequent Events	16
5.	Non-Consolidated Financial Statements	17
(1)	Non-Consolidated Balance Sheet.....	17
(2)	Non-Consolidated Income Statements	19

1. Analysis of Operating Results and Financial Position

(1) Analysis of Operating Results

(Operating results)

During the consolidated fiscal year under review, the Japanese economy maintained a gradual recovery path as consumer spending remained firm and corporate earnings improved. Overseas, the U.S. economy continued to recover. In Asia, the Chinese economy slowed moderately. Despite weaknesses, the global economy overall is slowly recovering.

In this environment, the Ahresty Group expanded its production capacity, primarily in North America, and implemented initiatives focusing on MONOZUKURI, pursuing its basic policy of winning customers' absolute trust.

For the consolidated fiscal year under review, the Company recorded net sales of ¥144,451 million (up 4.1% year on year), operating income of ¥5,385 million (rising 113.6% year on year), recurring income of ¥4,077 million (up 151.4% year on year), and net income attributable to owners of parent of ¥3,062 million (up 190.3% 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. In this environment, orders received by the Company were roughly on a par with the year-ago level. Net sales came to ¥63,583 million (up 0.6% year on year). The segment recorded a profit of ¥2,769 million (down 14.3% year on year), primarily due to an increase in depreciation expenses.

(ii) Die Casting Business: North America

In North America, net sales amounted to ¥45,760 million (up 12.6% year on year), mainly reflecting an increase in orders due to record-high auto sales, the launch of new parts, and the impact on foreign currency translation from the weakening yen. The segment recorded a profit of ¥1,521 million (compared with a segment loss of ¥1,295 million in the previous fiscal year), mainly reflecting an improvement in earnings in the plants in the United States and Mexico chiefly due to initiatives to improve productivity.

(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. In India, sales increased with the start of mass production of new parts. Given those factors and the impact of the weaker yen on foreign currency translation, net sales in Asia reached ¥27,594 million (compared with net sales of ¥27,584 million in the previous fiscal year). The segment recorded a profit of ¥573 million (down 13.5% 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, net sales stood at ¥4,921 million (down 1.9% year on year), reflecting a slight decline in orders from a year ago. The segment recorded a profit of ¥338 million (compared with a segment profit of ¥5 million in the previous fiscal year), mainly reflecting the effects of changes in the market prices of raw materials and cost reduction activities.

(v) Proprietary Products Business

In the Proprietary Products business, net sales amounted to ¥2,590 million (up 15.4% 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 ¥212 million (up 153.3% year on year), mainly due to the effect of increased profit on the back of the net sales increase.

(Outlook for fiscal year ending March 2017)

With respect to the economic outlook going forward, the domestic market environment is expected to remain severe due to the recent situations of domestic auto sales and the effect of the stronger yen, 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 continued improvement of employment and income conditions. Advanced economies, including the U.S. economy, are expected to recover moderately, but uncertainties are expected to remain, including the effect of the normalization of the monetary policy of the United States, the trends of emerging economies in Asia, including China, and the effect of falling oil prices.

In this operating environment, the Group aims to achieve sustainable growth by implementing initiatives, primarily for evolving MONOZUKURI and establishing an Ahresty production way, based on the basic policy "Winning customers' absolute trust 2025" of the "Ahresty 10-Year Vision," which sets out our long-term management direction. In the next fiscal year, we forecast a decline in net sales due to the effects of the market situation of ingots and a stronger yen, but an improvement in earnings, chiefly overseas.

The consolidated business results forecast assumes foreign exchange rates of 110.0 yen to 1 USD, 17.0 yen to 1 RMB, and 1.7 yen to 1 INR.

(Million yen)

	Net sales	Operating income	Recurring income	Net income attributable to owners of parent
Fiscal year ending March 2017 forecast	136,000	5,500	4,700	3,100
Fiscal year ended March 2016 actual	144,451	5,385	4,077	3,062
Changes	(8,451)	114	622	37
Change Ratio (%)	(5.9)	2.1	15.3	1.2

Business segment	Net sales		Segment profit	
	Fiscal Year ended March 2016	Fiscal Year ending March 2017	Fiscal Year ended March 2016	Fiscal Year ending March 2017
Die Casting Business: Japan	63,583	63,900	2,769	2,300
Die Casting Business: North America	45,760	39,400	1,521	2,200
Die Casting Business: Asia	27,594	26,200	573	700
Aluminum Business	4,921	4,300	338	200
Proprietary Products Business	2,590	2,200	212	100
Elimination of intersegment transactions	–	–	(30)	–

(2) Analysis of Financial Position

(i) Assets, liabilities and net assets

Assets declined ¥7,137 million from the end of the previous fiscal year, to ¥141,694 million. Major factors were a decrease of ¥2,327 million in tangible fixed assets due to the impact of the strong yen, a decrease of ¥2,244 million in inventories, and a decrease of ¥1,380 million in cash and time deposits due to the repayment of debt.

Liabilities fell ¥6,494 million, to ¥80,233 million. Principal factors were a decrease of ¥4,390 million in loans and a decrease of ¥2,322 million in notes and accounts payable.

Net assets decreased ¥643 million, to ¥61,460 million. Major factors were net income attributable to owners of parent of ¥3,062 million, a decrease of ¥2,529 million in foreign currency translation adjustments, and a decrease of ¥593 million in the difference on the revaluation of other marketable securities attributable to a fall in the stock prices of holding stocks. As a result, the equity ratio was up from 41.7% to 43.3%.

(ii) Cash flows

(Cash flows from operating activities)

Net cash provided from operating activities increased ¥5,560 million from the previous consolidated fiscal year, to ¥18,062 million. This result was mainly due to income before income taxes and others of ¥3,760 million (up ¥2,108 million from the previous consolidated fiscal year), depreciation and amortization of ¥14,877 million (up ¥1,920 million from the previous consolidated fiscal year), a decrease in inventories of ¥2,162 million (up ¥3,305 million from the previous consolidated fiscal year), and a decrease in notes and accounts payable of ¥2,496 million (down ¥2,924 million from the previous consolidated fiscal year).

(Cash flows from investing activities)

Net cash used for investing activities decreased ¥563 million from the previous consolidated fiscal year, to ¥14,648 million. The main factor for this result was expenditure of ¥14,480 million for the acquisition of tangible fixed assets (down ¥662 million from the previous consolidated fiscal year).

(Cash flows from financing activities)

Net cash used for financing activities increased ¥3,834 million from the previous fiscal year, to ¥4,372 million. The main factor was a decrease of ¥3,804 million in interest-bearing debt, including loans.

As a consequence, cash and cash equivalents at the end of the fiscal year become ¥4,505 million.

Transition of index related to cash flows

	Fiscal year ended March 2012	Fiscal year ended March 2013	Fiscal year ended March 2014	Fiscal year ended March 2015	Fiscal year ended March 2016
Equity Ratio (%)	33.6	35.5	39.7	41.7	43.3
Market Capitalization Equity Ratio (%)	14.7	9.5	16.2	13.3	13.4
Liabilities with Interest to Cash Flows (%)	504.5	282.3	363.4	374.6	235.0
Interest Coverage Ratio	10.3	17.2	11.4	10.2	14.4

Equity ratio: Shareholders' equity / Total assets

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

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

Interest coverage ratio: Cash flows / Interest paid

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

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

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

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

(3) Basic Policy on Profit Distribution

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

In principle, we pay a dividend twice a year (interim dividend and year-end dividend). The Board of Directors determines a dividend. Based on this policy, the Company decided to pay dividends of ¥14 per share (including an interim dividend of ¥6 per share) for the fiscal year under review.

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

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

Date of resolution	Total dividend (million yen)	Dividend per share (yen)
Board of Directors meeting on November 10, 2015	155	6
Board of Directors meeting on May 9, 2016	206	8

Further, regarding dividends in the next fiscal year, they are scheduled to be ¥16 per share (¥8 at the end of the interim period and ¥8 at the end of the fiscal year).

2. Management Policies

(1) Basic Management Policies

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

In the "Ahresty 10-Year Vision," which sets out our long-term management direction, establishing the basic policy of "Winning customers' absolute trust 2025," we have defined what we need to be as "Become the most reliable supplier in the eyes of our customers," "Contribute to the weight reduction of automobiles on a global basis" and "Achieve a sales target exceeding 200 billion yen," setting down the basic strategies for winning the absolute trust of customers and achieving sustainable growth in a stable manner through categorization into business strategy, functional strategy and management initiatives.

In our Medium-Term Management Policy "1618 3-year Ahresty Policy" based on this new 10-Year Vision, we devised more specific measures and goals and expanded this to department policy, to pursue Company-wide policy management activities.

(2) Target Management Indicators

Our company's long-term management direction is indicated in "Ahresty 10-Year Vision", and concrete targets for management indicators are defined in medium-term management policies. In order to become a company with investing value, we defined target values for sales, the ratio of operating income to sales, return on assets (ROA) and return on equity (ROE). (These values for 2018 to sales: ¥150 billion, ratio of operating income to sales: 5.5%, ROA: 3%, ROE: 7%.)

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

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

In this environment, we have adopted the 1618 3-year Ahresty Policy, whose basic goals are pursuing and developing

MONOZUKURI and establishing an Ahresty production way, based on the “Ahresty 10-Year Vision,” which sets out our long-term management direction. With the following five initiatives as the pillars of the policy, all of our employees take positive action and apply themselves 100 percent to achieving the projections.

1. Become the most reliable supplier of large products requiring high precision, in the eyes of our customers
Aim to attain first place in customer ratings by improving QCD for large products requiring high precision
2. Pursue MONOZUKURI
Unify the organized structure globally, and realize MONOZUKURI and Quality by the same level
3. Build up a Corporation taking pride in our work
Create a corporate culture for all employees to practice RST Way and cultivate human resources
4. Enhance profitability
Reduce the cost of manufacturing through initiative to enhance MONOZUKURI and enhance the quality of earnings management
5. Pursue comprehensive risk management
Enhance business continuity capabilities in case of assumed risk through BCP training, among other initiatives

The progress of initiatives in the 1315 medium-term management policy (the fiscal year under review was the final year) is as follows:

- Pursuit and sharing of the best MONOZUKURI (manufacturing)
We have been building manufacturing that integrates actual sites with design, and productivity has been improving in Japan and overseas.
- Development of technologies utilized on the MONOZUKURI shop-floor
We have been implementing measures based on a technological road map in casting, molding, and processing roughly as planned and have been accumulating technologies to improve productivity and contribute to the reduction of vehicle weight.
- Development of human resources to support MONOZUKURI
We have been taking steps to cultivate people with skills backed by practical experience and 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), including lectures based on a professional education system, practical education for improvement, and meetings for technologists in Japan and overseas. Technologists have been cultivated in Japan and overseas.
- Pursuit of Healthy Profit
Profitability has been improving through MONOZUKURI and earnings management initiatives.

3. Basic concept for the choice of the accounting standards

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

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

4. Consolidated Financial Statements

(1) Consolidated Balance Sheets

(Amount: million yen)

	Previous consolidated fiscal year (March 31, 2015)	Current consolidated fiscal year (March 31, 2016)
(Assets)		
Current assets		
Cash and time deposits	5,885	4,505
Trade notes and accounts receivable	24,229	24,055
Electronically recorded monetary claims - operating	1,450	2,021
Merchandise and products	4,166	2,999
Partly finished goods	4,549	4,006
Raw materials and inventories	3,887	3,351
Deferred tax assets	828	1,091
Others	3,468	2,150
Allowance for doubtful accounts	(1)	(1)
Total current assets	48,464	44,181
Fixed assets		
Tangible fixed assets		
Buildings and structures	28,538	29,000
Accumulated depreciation and impairment loss	(11,800)	(12,566)
Buildings and structures, net	16,737	16,434
Machinery and delivery equipment	119,684	123,145
Accumulated depreciation and impairment loss	(70,114)	(74,768)
Machinery and delivery equipment, net	49,570	48,376
Tools, furniture and fixtures	46,274	47,066
Accumulated depreciation	(38,146)	(39,771)
Tools, furniture and fixtures, net	8,127	7,295
Land	5,294	5,268
Lease assets	1,113	1,092
Accumulated depreciation	(301)	(385)
Lease assets, net	811	707
Construction in progress	7,591	7,724
Total tangible fixed assets	88,133	85,806
Intangible fixed assets	1,541	1,628
Investments and other assets		
Investments in securities	7,160	6,201
Deferred tax assets	3,077	3,499
Others	454	376
Allowance for doubtful accounts	(0)	(0)
Total investments and other assets	10,692	10,077
Total fixed assets	100,367	97,512
Total assets	148,831	141,694

(Amount: million yen)

	Previous consolidated fiscal year (March 31, 2015)	Current consolidated fiscal year (March 31, 2016)
(Liabilities)		
Current liabilities		
Notes and accounts payable	14,388	12,065
Electronically recorded obligations-operating	6,548	6,053
Short-term loans	6,187	4,536
Current portion of long-term loans	11,806	10,850
Accrued income taxes	777	475
Bonus allowances	1,532	1,568
Directors' bonus allowances	13	20
Provision for product warranties	196	121
Others	7,051	8,612
Total current liabilities	48,502	44,304
Long-term liabilities		
Long-term loans	28,845	27,062
Long-term accounts payable	137	1,671
Deferred tax liabilities	3,502	3,553
Net defined benefit liability	4,816	2,985
Others	923	655
Total long-term liabilities	38,225	35,929
Total liabilities	86,728	80,233
(Net assets)		
Shareholders' equity		
Common stock	6,939	6,939
Additional paid-in capital	10,180	10,180
Retained earnings	32,730	35,462
Treasury stock	(304)	(271)
Total shareholders' equity	49,545	52,311
Other accumulated comprehensive income		
Difference on revaluation of other marketable securities	3,468	2,875
Foreign currency translation adjustments	9,301	6,772
Remeasurements of defined benefit plans	(324)	(629)
Total other accumulated comprehensive income	12,446	9,017
Share warrants	111	131
Total net assets	62,103	61,460
Total liabilities and net assets	148,831	141,694

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

(Amount: million yen)

	Year ended March 31, 2015	Year ended March 31, 2016
Sales	138,727	144,451
Cost of goods sold	125,865	128,271
Gross Profit	12,861	16,180
Selling, general and administrative expenses		
Transportation expenses	1,771	1,813
Salaries and bonuses	3,051	3,238
Retirement and severance expenses	249	223
Provision for bonuses	305	322
Provision for bonuses for directors	13	20
Allowance for depreciation	180	239
Research and development expenses	448	493
Other expenses	4,321	4,444
Total Selling, general and administrative expenses	10,340	10,795
Operating income (loss)	2,521	5,385
Non-operating income		
Interest income	18	17
Dividends received	127	153
Gain on sales of scraps	141	115
Others	184	195
Total non-operating income	471	482
Non-operating expenses		
Interest expenses	1,254	1,260
Foreign currency exchange loss	50	448
Others	66	81
Total non-operating expenses	1,370	1,790
Recurring income	1,622	4,077
Extraordinary gains		
Gain on the sale of fixed assets	51	15
Subsidy income	99	65
Total extraordinary gains	150	80
Extraordinary losses		
Loss on the sale of fixed assets	121	140
Loss on revision of retirement benefit plan	—	257
Total extraordinary losses	121	397
Income before income taxes and others	1,651	3,760
Income taxes and enterprise taxes	812	862
Deferred income taxes	(215)	(164)
Total income taxes	596	698
Net income	1,054	3,062
Net income attributable to owners of parent	1,054	3,062

(Consolidated Statements of Comprehensive Income)

(Amount million yen)

	Year ended March 31, 2015	Year ended March 31, 2016
Net income	1,054	3,062
Other comprehensive income		
Difference on revaluation of other marketable securities	928	(593)
Foreign currency translation adjustments	5,640	(2,529)
Remeasurements of defined benefit plans, net of tax	215	(305)
Total other comprehensive income	6,784	(3,429)
Comprehensive income	7,839	(366)
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	7,839	(366)
Comprehensive income attributable to non-controlling interests	—	—

(3) Consolidated Statement of Changes in Net Assets

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

(Amount: million yen)

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

	Other accumulated comprehensive income				Share warrants	Total net assets
	Difference on revaluation of other marketable securities	Foreign currency translation adjustments	Remeasurements of defined benefit plans	Total other accumulated comprehensive income		
Balance at beginning of current fiscal year	2,540	3,660	(539)	5,661	79	54,592
Cumulative effects of changes in accounting policies						(50)
Restated balance	2,540	3,660	(539)	5,661	79	54,541
Changes						
Cash dividend from retained earnings						(309)
Net income (loss) attributable to owners of parent						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, 2015 through March 31, 2016)

(Amount: million yen)

	Shareholders' equity				
	Common stock	Additional paid-in capital	Retained earnings	Treasury stock	Total shareholders' equity
Balance at beginning of current fiscal year	6,939	10,180	32,730	(304)	49,545
Changes					
Cash dividend from retained earnings			(310)		(310)
Net income (loss) attributable to owners of parent			3,062		3,062
Purchase of own shares				(0)	(0)
Disposal of treasury stock			(19)	34	14
Changes (net) in non-shareholders' equity items					
Total changes	-	-	2,732	33	2,766
Balance at end of current fiscal year	6,939	10,180	35,462	(271)	52,311

	Other accumulated comprehensive income				Share warrants	Total net assets
	Difference on revaluation of other marketable securities	Foreign currency translation adjustments	Remeasurements of defined benefit plans	Total other accumulated comprehensive income		
Balance at beginning of current fiscal year	3,468	9,301	(324)	12,446	111	62,103
Changes						
Cash dividend from retained earnings						(310)
Net income (loss) attributable to owners of parent						3,062
Purchase of own shares						(0)
Disposal of treasury stock						14
Changes (net) in non-shareholders' equity items	(593)	(2,529)	(305)	(3,429)	19	(3,409)
Total changes	(593)	(2,529)	(305)	(3,429)	19	(643)
Balance at end of current fiscal year	2,875	6,772	(629)	9,017	131	61,460

(4) Consolidated Statements of Cash Flows

(Amount: million yen)

	Year ended March 31, 2015	Year ended March 31, 2016
Cash flows from operating activities		
Income before income taxes and others	1,651	3,760
Depreciation and amortization	12,956	14,877
Increase (decrease) in allowances for bonuses	244	53
Increase (decrease) in provision for product warranties	8	(72)
Increase (decrease) in net defined benefit liability	167	(2,196)
Interest and dividend income	(145)	(171)
Interest expenses	1,254	1,260
Loss (gain) on sales and retirement of tangible fixed assets	68	125
Subsidy income	(99)	(65)
Decrease (increase) in notes and accounts receivable	1,555	(927)
Decrease (increase) in inventories	(1,143)	2,162
Increase (decrease) in notes and accounts payable	428	(2,496)
Increase (decrease) in accrued expenses	(49)	533
Increase (decrease) in accrued consumption taxes and others	(252)	649
Increase (decrease) in long-term accounts payable - other	1	1,533
Others	(1,242)	940
Subtotal	15,402	19,967
Interest and dividends received	145	171
Interest paid	(1,230)	(1,252)
Proceeds from subsidy income	89	55
Income taxes paid	(2,144)	(1,201)
Income taxes refunded	239	322
Net cash provided by operating activities	12,502	18,062
Cash flows from investing activities		
Payments into time deposits	(86)	(38)
Proceeds from withdrawal of time deposits	-	134
Expenditures from purchases of tangible fixed assets	(15,143)	(14,480)
Proceeds from sales of tangible fixed assets	205	22
Others	(187)	(286)
Net cash used in investing activities	(15,211)	(14,648)
Cash flows from financing activities		
Proceeds from short-term loans	31,053	31,792
Repayment of short-term loans	(32,295)	(33,346)
Proceeds from long-term debt	10,958	10,698
Repayment of long-term debt	(9,725)	(12,959)
Dividends paid	(308)	(311)
Others	(220)	(246)
Net cash used in financing activities	(538)	(4,372)
Effect of exchange rate changes on cash and cash equivalents	245	(326)
Net increase (decrease) in cash and cash equivalents	(3,002)	(1,283)
Cash and cash equivalents at beginning of year	8,791	5,789
Cash and cash equivalents at end of period	5,789	4,505

(5) Notes

Notes on Going Concern Assumptions

Not applicable.

Changes in Accounting Principles

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

Effective from 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.

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 consolidated fiscal year under review.

These changes had no effect on profits or losses.

Segment Information, Etc.

Segment Information

1. Overview of reported segments

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

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

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

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

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

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

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

Intersegment sales and transfers are based on current market values.

3. Information related to net sales, profits or losses, assets, liabilities and amounts for other items by reported segment

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

(Million yen)

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

Current consolidated fiscal year (April 1, 2015 through March 31, 2016)

(Million yen)

	Reported segments					Total
	Die Casting Business			Aluminum Business	Proprietary Products Business	
	Japan	North America	Asia			
Sales						
Customers	63,583	45,760	27,594	4,921	2,590	144,451
Intersegment	4,169	48	1,356	4,723	0	10,298
Total	67,753	45,809	28,950	9,644	2,590	154,749
Segment profit (loss)	2,769	1,521	573	338	212	5,415
Segment assets	48,372	47,469	40,378	2,527	1,797	140,546
Other items						
Depreciation and amortization	4,047	6,303	4,683	28	3	15,066
Increase in tangible fixed assets and intangible fixed assets	7,025	5,812	3,050	48	6	15,945

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

(Million yen)

Net sales	Previous consolidated fiscal year	Current consolidated fiscal year
Total sales in reported segments	147,744	154,749
Elimination of intersegment transactions	(9,017)	(10,298)
Net sales in the consolidated financial statement	138,727	144,451

(Million yen)

Profit	Previous consolidated fiscal year	Current consolidated fiscal year
Total profit in reported segments	2,686	5,415
Elimination of intersegment transactions	(165)	(30)
Operating income in the consolidated financial statement	2,521	5,385

(Million yen)

Assets	Previous consolidated fiscal year	Current consolidated fiscal year
Total assets in reported segments	146,691	140,546
Elimination of intersegment transactions	(2,216)	(1,674)
Company-wide assets	4,356	2,821
Assets in the consolidated financial statement	148,831	141,694

(Million yen)

Other items	Total amount in reported segments		Adjustment		Amount recorded in consolidated financial statements	
	Previous consolidated fiscal year	Current consolidated fiscal year	Previous consolidated fiscal year	Current consolidated fiscal year	Previous consolidated fiscal year	Current consolidated fiscal year
Depreciation and amortization	13,101	15,066	(145)	(189)	12,956	14,877
Increase in tangible fixed assets and intangible fixed assets	15,664	15,945	(330)	(172)	15,334	15,773

Per Share Information

(Yen)

	Year ended March 31, 2015	Year ended March 31, 2016
Net assets per share	2,400.55	2,372.85
Net income per share	40.85	118.50
Diluted net income per share	40.61	117.67

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

	Year ended March 31, 2015	Year ended March 31, 2016
Net income per share		
Net income (loss) attributable to owners of parent (million yen)	1,054	3,062
Amount that does not belong to ordinary shareholders (million yen)	-	-
Net income (loss) attributable to owners of parent (related to common shares) (million yen)	1,054	3,062
Average number of shares during the period	25,824,355	25,841,489
Diluted net income per share		
Net income (loss) attributable to owners of parent (million yen)	-	-
Increase in number of common shares	153,759	182,347
Outline of latent shares without dilution effect not taken into account for calculation of diluted net income per share	_____	_____

Important Subsequent Events

Not applicable

5. Non-Consolidated Financial Statements

(1) Non-Consolidated Balance Sheets

(Amount: million yen)

	Previous fiscal year (March 31, 2015)	Current fiscal year (March 31, 2016)
(Assets)		
Current assets		
Cash and time deposits	2,695	1,486
Trade notes receivable	1,424	1,294
Electronically recorded monetary claims - operating	1,434	2,012
Accounts receivable	13,036	13,231
Merchandise and products	752	884
Partly finished goods	1,178	1,022
Raw materials and inventories	1,081	742
Prepaid expenses	84	107
Deferred tax assets	354	440
Accounts receivable—other	772	738
Others	77	77
Allowance for doubtful accounts	(1)	(1)
Total current assets	22,892	22,037
Fixed assets		
Tangible fixed assets		
Buildings	3,071	2,946
Structures	83	91
Machinery and equipment	1,868	1,995
Delivery equipment	16	14
Tools, furniture and fixtures	1,373	1,408
Land	3,530	3,530
Lease assets	8	24
Construction in progress	977	1,354
Total tangible fixed assets	10,930	11,364
Intangible fixed assets		
Software	144	227
Others	20	67
Total intangible fixed assets	164	294
Investments and other assets		
Investments in securities	6,750	5,755
Stocks of subsidiaries and affiliates	43,042	43,617
Others	212	225
Total investments and other assets	50,006	49,598
Total fixed assets	61,101	61,256
Total assets	83,993	83,293

(Amount: million yen)

	Previous fiscal year (March 31, 2015)	Previous fiscal year (March 31, 2016)
(Liabilities)		
Current liabilities		
Notes payable	1,520	1,219
Electronically recorded obligations-operating	4,414	4,099
Accounts payable	6,031	6,058
Current portion of long-term loans	5,456	5,609
Accounts payable—other	868	1,361
Accrued expenses	311	221
Accrued income taxes	529	67
Advances received	21	40
Deposits received	7,475	7,926
Bonus allowances	681	696
Directors' bonus allowances	12	20
Provision for product warranties	96	39
Others	567	417
Total current liabilities	27,986	27,779
Long-term liabilities		
Long-term loans	8,348	8,087
Long-term accounts payable - other	128	1,662
Deferred tax liabilities	1,707	1,581
Allowances for employees' retirement benefits	3,089	830
Others	46	54
Total long-term liabilities	13,320	12,216
Total liabilities	41,307	39,995
(Net assets)		
Shareholders' equity		
Common stock	6,939	6,939
Additional paid-in capital		
Legal capital surplus	9,999	9,999
Total additional paid-in capital	9,999	9,999
Retained earnings		
Legal retained earnings	393	393
Other retained earnings		
Reserve for dividends	120	120
Reserve for reduction entry of replaced property	2,249	2,194
General reserve	13,240	13,240
Retained earnings brought forward	6,491	7,727
Total retained earnings	22,495	23,676
Treasury stock	(304)	(271)
Total shareholders' equity	39,129	40,343
Revaluation / Translation differences		
Difference on revaluation of other marketable securities	3,445	2,823
Total revaluation / translation differences	3,445	2,823
Share warrants	111	131
Total net assets	42,686	43,298
Total liabilities and net assets	83,993	83,293

(2) Non-Consolidated Income Statements

(Amount: million yen)

	Year ended March 31, 2015	Year ended March 31, 2016
Sales	73,193	76,029
Cost of goods sold	66,018	68,960
Gross Profit	7,175	7,069
Selling, general and administrative expenses	4,795	5,108
Operating income (loss)	2,379	1,960
Non-operating income		
Interest income	0	0
Dividends received	514	291
Rent income	67	81
Foreign currency exchange gain	109	–
Others	98	74
Total non-operating income	791	447
Non-operating expenses		
Interest expenses	150	118
Foreign currency exchange loss	–	35
Others	12	10
Total non-operating expenses	162	164
Recurring income	3,008	2,243
Extraordinary gains		
Gain on the sale of fixed assets	1	0
Subsidy income	8	6
Total extraordinary gains	10	7
Extraordinary losses		
Loss on the sale of fixed assets	14	12
Loss on revision of retirement benefit plan	–	257
Total extraordinary losses	14	269
Income before income taxes and others	3,003	1,980
Income taxes and enterprise taxes	844	290
Deferred income taxes	(13)	180
Total income taxes	830	470
Net income	2,173	1,510