

## Consolidated Financial Results (Japanese Accounting Standards) for the Fiscal Year Ended March 31, 2018

May 11, 2018

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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Planned date for regular general meeting of shareholders		June 20, 2018	
Planned date for start of dividend payments		June 4, 2018	
Planned date for submission of securities report		June 20, 2018	
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 2018 (April 1, 2017 – March 31, 2018)

(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 2018	145,167	6.2	4,718	(31.7)	4,436	(29.1)	3,450	(25.3)
Year ended March 2017	136,657	(5.4)	6,912	28.4	6,256	53.5	4,620	135.3

(Note) Comprehensive income

Year ended March 31, 2018: 3,971 million yen (25.2%)    Year ended March 31, 2017: 3,171 million yen (–%)

(For reference) EBITDA

Year ended March 31, 2018: 19,617 million yen (-5.2%)    Year ended March 31, 2017: 20,693 million yen (2.1%)

\* EBITDA = operating income + depreciation and amortization

	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 2018	133.40	131.94	5.4	3.2	3.3
Year ended March 2017	178.77	177.18	7.6	4.6	5.1

(For reference) Investment gain or loss under equity method

Year ended March 2018: – million yen

Year ended March 2017: – million yen

(2) Consolidated financial position

	Total assets	Net assets	Equity ratio	Net assets per share
	million yen	million yen	%	yen
As of March 31, 2018	138,998	65,439	46.9	2,522.55
As of March 31, 2017	135,044	62,053	45.8	2,394.58

(For reference) Shareholders' equity

As of March 31, 2018: 65,251 million yen

As of March 31, 2017: 61,888 million yen

(3) State of consolidated cash flows

	Cash flows from operating activities	Cash flows from investing activities	Cash flows from financing activities	Term-end balance of cash and cash equivalents
	million yen	million yen	million yen	million yen
Year ended March 2018	16,908	(16,795)	(1,391)	2,630
Year ended March 2017	21,779	(12,932)	(9,004)	4,100

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 2017	–	8.00	–	12.00	20.00	516	11.2	0.9
Year ended March 2018	–	12.00	–	14.00	26.00	672	19.5	1.1
Year ending March 2019 (projection)	–	12.00	–	14.00	26.00		18.7	

3. Forecast of consolidated results for year ending March 2019 (April 1, 2018 – March 31, 2019) (% 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	74,100	4.9	2,300	32.7	2,000	26.7	1,400	11.5	54.12
Full year	152,000	4.7	5,800	22.9	5,300	19.5	3,600	4.3	139.17

\* 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.: None

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

(iii) Changes in accounting estimates: None

(iv) Restatement: None

(3) Number of shares outstanding (common stock)

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

Year ended March 2018: 26,027,720 shares

Year ended March 2017: 26,027,720 shares

(ii) Number of treasury stock at end of year

Year ended March 2018: 160,364 shares

Year ended March 2017: 182,502 shares

(iii) Average number of shares

Year ended March 2018: 25,862,856 shares

Year ended March 2017: 25,845,810 shares

\* This report of consolidated financial results does not require audit procedures to be performed by a certified public accountant or audit corporation.

\* 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. Outline of Operating Results, Etc. (1) Outline of Operating Results for the Fiscal Year under Review (Future outlook)" on [page 3](#) of the accompanying materials.

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## 1. Outline of Operating Results, Etc.

### (1) Outline of Operating Results for the Fiscal Year under Review

#### (Operating results)

During the fiscal year under review, the Japanese economy remained on a gradual recovery path as consumer spending picked up, capital expenditure increased moderately, and corporate earnings and the employment situation improved. The global economy has been gradually recovering overall. The U.S. economy continued its steady improvement, and in Asia, the Chinese economy picked up while the Indian economy showed moderate growth, mainly on the strength of domestic demand.

In this environment, while total net sales for the Group increased based on the growth of orders received, particularly in Japan and other Asian countries, total consolidated profit fell with a decline in earnings in the Japanese and U.S. segments, offsetting the additional profit as a result of a steady rise in orders received in Asia. The decline in net income attributable to owners of parent was smaller than that in recurring income due to a decrease in deferred income taxes in the U.S. and Mexico. The Group will continue to steadily implement measures under its medium-term management plan (2016-2018), which commenced in fiscal year 2016, and will strive to improve its productivity and profitability.

For the fiscal year under review, the Group recorded consolidated net sales of ¥145,167 million (up 6.2% year on year), consolidated operating income of ¥4,718 million (down 31.7% year on year), recurring income of ¥4,436 million (down 29.1% year on year), and net income attributable to owners of parent of ¥3,450 million (down 25.3% year on year).

Operating results by segment are as follows:

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

In Japan, the production at automakers, the Company's main customers, increased from the previous year, in which the 2016 Kumamoto earthquakes occurred. Strong exports, particularly to the North American and Asian markets, also contributed to an increase in orders received by the Company. In addition to the increase in orders received, improvements in the aluminum market situation contributed to 6.0% year-on-year growth in net sales, which totaled ¥66,818 million. Segment profit was reduced by 42.1% year on year, to ¥1,458 million, largely due to manufacturing cost-cutting at the Tochigi plant, which was less than the reduction in selling prices, and an increase in fuel and other expenses.

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

In the North American automotive market, automakers, the Company's key customers, have indicated a slowdown in sales, which had been strong for several years. In addition to this slowdown in the market, delays in the improvement of productivity at the Company's U.S. plant contributed to a decrease in profit amid a decline in orders received due to engine downsizing. The Company initiated an improvement project in January 2018 and has been striving to increase the productivity of its U.S. plant at an early stage. Meanwhile, in Mexico, orders received have been growing thanks to the launch of new components and full-scale mass production. However, factors such as an increase in payments for employee profit sharing (PTU) resulted in a decline in profit. Consequently, in the North American segment, net sales decreased 2.2% year on year, to ¥39,937 million, and segment profit fell by 86.5% year on year, to ¥291 million.

#### (iii) Die Casting Business: Asia

In China, sales of SUVs made by Japanese automakers, the Company's main customers, continue to increase, which is offsetting a slowdown in sales of compact vehicles caused by a reduction in tax benefits, and orders of related parts received by the Company remained strong. In India, the volume of orders received by the Company rose on the back of the ongoing strong performance of the automotive market. In addition to this steady increase in orders received, improvements in the condition of the aluminum market, particularly in China, resulted in net sales in Asia climbing to 30,442 million (up 16.5% year on year) and the segment profit rising to ¥2,378 million (up 35.2% year on year).

#### (iv) Aluminum Business

In the Aluminum business, while the sales volume decreased year on year, the condition of the aluminum market helped increase net sales by 4.4% year on year, to ¥4,597 million. The segment recorded a profit of ¥213 million (down 22.2% year on year), reflecting the impact of the rising cost of raw materials and fuel expenses, which offset the Company's cost reduction efforts.

#### (v) Proprietary Products Business

In the Proprietary Products business, net sales amounted to ¥3,371 million (up 49.0% year on year), which was largely attributable to an increase in orders received for clean rooms from semiconductor-related companies, the Company's main customers, and for data centers from telecommunications companies. The segment profit grew to ¥392 million (up 151.6% year on year), mainly as a result of profit growth generated by a larger volume of orders received.

(Future outlook)

With respect to the economic outlook going forward, 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, uncertainties are likely to remain, including the effect of the normalization of the monetary policy of the United States, trends in emerging economies in Asia, including China, and the effect of policy uncertainty.

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, the outlook is as described below.

The consolidated financial forecasts assume foreign exchange rates of 110.0 yen to 1 USD, 16.0 yen to 1 RMB, 1.75 yen to 1 INR and 19.0 MXN to 1 USD.\*

\* Although the Company’s consolidated subsidiary in Mexico uses U.S. dollars as a functional currency, its tax expenses and other amounts are calculated in Mexican pesos, which are therefore affected by the MXN/USD exchange rate.

(Million yen)

	Net sales	Operating income	Recurring income	Net income attributable to owners of parent
Fiscal year ending March 2019 forecast	152,000	5,800	5,300	3,600
Fiscal year ended March 2018 actual	145,167	4,718	4,436	3,450
Changes	6,832	1,081	863	149
Change Ratio (%)	4.7	22.9	19.5	4.3

Business segment	Net sales		Segment profit	
	Fiscal Year ended March 2018	Fiscal Year ending March 2019	Fiscal Year ended March 2018	Fiscal Year ending March 2019
Die Casting Business: Japan	66,818	69,800	1,458	2,150
Die Casting Business: North America	39,937	41,000	291	1,470
Die Casting Business: Asia	30,442	33,000	2,378	1,900
Aluminum Business	4,597	5,000	213	110
Proprietary Products Business	3,371	3,200	392	170
Elimination of intersegment transactions	–	–	(15)	–

## (2) Outline of Financial Position for the Fiscal Year under Review

### (i) Assets, liabilities and net assets

Assets increased ¥3,954 million from the end of the previous consolidated fiscal year, to ¥138,998 million. Major factors were an increase of ¥2,512 million in trade notes and accounts receivable and a rise of ¥902 million in investment securities due to higher prices of shares held.

Liabilities rose ¥568 million, to ¥73,558 million. Principal factors were an increase of ¥1,790 million in notes and accounts payable, which exceeded a decrease of ¥1,251 million in loans.

Net assets increased ¥3,385 million, to ¥65,439 million. Major factors were an increase of ¥2,808 million in retained earnings, due largely to net income attributable to owners of parent and growth of ¥607 million in the difference on the revaluation of other marketable securities derived from a rise in the prices of shares held. As a result, the equity ratio was up from 45.8% to 46.9%.

### (ii) Cash flows

#### (Cash flows from operating activities)

Net cash provided from operating activities decreased ¥4,870 million from the previous consolidated fiscal year, to ¥16,908 million. This result was mainly due to income before income taxes and others of ¥4,153 million (up ¥2,624 million year on year), a decrease of ¥2,391 million in trade notes and accounts receivable (down ¥2,998 million year on year), and depreciation and amortization of ¥14,899 million (up ¥1,118 million year on year).

#### (Cash flows from investing activities)

Net cash used for investing activities increased ¥3,862 million from the previous consolidated fiscal year, to ¥16,795 million. The main factor for this result was expenditure of ¥16,554 million from purchases of tangible fixed assets (up ¥2,885 million year on year).

#### (Cash flows from financing activities)

Net cash used for financing activities decreased ¥7,612 million from the previous fiscal year, to ¥1,391 million. The main factor was an increase of ¥7,790 million in interest-bearing debt.

As a consequence, cash and cash equivalents at the end of the fiscal year become ¥2,630 million.

### Transition of index related to cash flows

	Fiscal year ended March 2014	Fiscal year ended March 2015	Fiscal year ended March 2016	Fiscal year ended March 2017	Fiscal year ended March 2018
Equity Ratio (%)	39.5	41.2	42.4	45.8	46.9
Market Capitalization Equity Ratio (%)	16.2	13.5	13.6	21.8	17.5
Liabilities with Interest to Cash Flows (%)	363.4	374.6	235.0	150.6	186.6
Interest Coverage Ratio	11.4	10.2	14.4	25.0	26.0

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 ¥26 per share (including an interim dividend of ¥12 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 8, 2017	310	12
Board of Directors meeting on May 11, 2018	362	14

Further, regarding dividends in the next fiscal year, they are scheduled to be ¥26 per share (¥12 at the end of the interim period and ¥14 at the end of the fiscal year).

## 2. 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.

### 3. Consolidated Financial Statements and Key Notes

#### (1) Consolidated Balance Sheets

(Amount: million yen)

	Previous consolidated fiscal year (March 31, 2017)	Current consolidated fiscal year (March 31, 2018)
<b>(Assets)</b>		
Current assets		
Cash and time deposits	4,100	2,630
Trade notes and accounts receivable	23,015	24,783
Electronically recorded monetary claims - operating	2,158	2,902
Merchandise and products	2,801	3,232
Partly finished goods	3,994	4,890
Raw materials and inventories	3,344	3,208
Deferred tax assets	1,342	1,498
Others	1,520	1,090
Allowance for doubtful accounts	(1)	(13)
<b>Total current assets</b>	<b>42,275</b>	<b>44,223</b>
Fixed assets		
Tangible fixed assets		
Buildings and structures	28,808	29,023
Accumulated depreciation and impairment loss	(13,352)	(14,218)
Buildings and structures, net	15,455	14,805
Machinery and delivery equipment	124,699	127,659
Accumulated depreciation and impairment loss	(79,219)	(83,880)
Machinery and delivery equipment, net	45,480	43,778
Tools, furniture and fixtures	46,062	48,808
Accumulated depreciation	(38,694)	(40,662)
Tools, furniture and fixtures, net	7,367	8,145
Land	5,199	5,425
Lease assets	1,043	288
Accumulated depreciation	(450)	(117)
Lease assets, net	592	171
Construction in progress	8,051	10,556
<b>Total tangible fixed assets</b>	<b>82,146</b>	<b>82,882</b>
Intangible fixed assets	1,535	1,786
Investments and other assets		
Investments in securities	7,363	8,266
Deferred tax assets	1,385	1,533
Others	337	330
Allowance for doubtful accounts	(0)	(24)
<b>Total investments and other assets</b>	<b>9,086</b>	<b>10,106</b>
<b>Total fixed assets</b>	<b>92,768</b>	<b>94,775</b>
<b>Total assets</b>	<b>135,044</b>	<b>138,998</b>



(Amount: million yen)

	Previous consolidated fiscal year (March 31, 2017)	Current consolidated fiscal year (March 31, 2018)
<b>(Liabilities)</b>		
Current liabilities		
Notes and accounts payable	12,903	13,413
Electronically recorded obligations-operating	6,601	7,882
Short-term loans	837	5,307
Current portion of long-term loans	10,608	10,109
Accrued income taxes	899	1,032
Bonus allowances	1,644	2,157
Directors' bonus allowances	30	15
Provision for product warranties	73	87
Others	8,277	8,971
Total current liabilities	41,877	48,976
Long-term liabilities		
Long-term loans	21,359	16,136
Long-term accounts payable	1,066	589
Deferred tax liabilities	5,321	4,515
Net defined benefit liability	2,919	2,867
Others	446	473
Total long-term liabilities	31,112	24,582
Total liabilities	72,990	73,558
<b>(Net assets)</b>		
Shareholders' equity		
Common stock	6,939	6,939
Additional paid-in capital	10,180	10,180
Retained earnings	37,463	40,272
Treasury stock	(272)	(238)
Total shareholders' equity	54,311	57,153
Other accumulated comprehensive income		
Difference on revaluation of other marketable securities	3,728	4,335
Foreign currency translation adjustments	4,327	4,168
Remeasurements of defined benefit plans	(479)	(406)
Total other accumulated comprehensive income	7,576	8,098
Share warrants	165	187
Total net assets	62,053	65,439
Total liabilities and net assets	135,044	138,998

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

(Amount: million yen)

	Year ended March 31, 2017	Year ended March 31, 2018
Sales	136,657	145,167
Cost of goods sold	118,774	128,811
Gross profit	17,882	16,356
Selling, general and administrative expenses		
Transportation expenses	1,896	2,013
Salaries and bonuses	3,266	3,414
Retirement and severance expenses	208	210
Provision for bonuses	334	348
Provision for bonuses for directors	30	15
Allowance for depreciation	266	303
Research and development expenses	451	501
Other expenses	4,516	4,830
Total Selling, general and administrative expenses	10,970	11,637
Operating income (loss)	6,912	4,718
Non-operating income		
Interest income	24	36
Dividends received	165	179
Gain on sales of scraps	160	115
Others	256	143
Total non-operating income	607	475
Non-operating expenses		
Interest expenses	872	642
Foreign currency exchange loss	193	37
Others	198	78
Total non-operating expenses	1,263	757
Recurring income	6,256	4,436
Extraordinary gains		
Gain on sale of fixed assets	318	17
Gain on sales of investment securities	380	–
Subsidy income	55	24
Gain on insurance adjustment	–	51
Total extraordinary gains	754	94
Extraordinary losses		
Loss on sale of fixed assets	151	304
Impairment loss	80	–
Special retirement expenses	–	55
Product warranty expenses	–	16
Total extraordinary losses	232	376
Income before income taxes and others	6,778	4,153
Income taxes and enterprise taxes	1,441	2,039
Deferred income taxes	716	(1,335)
Total income taxes	2,158	703
Net income	4,620	3,450
Net income attributable to owners of parent	4,620	3,450

## (Consolidated Statements of Comprehensive Income)

(Amount million yen)

	Year ended March 31, 2017	Year ended March 31, 2018
Net income	4,620	3,450
Other comprehensive income		
Difference on revaluation of other marketable securities	853	607
Foreign currency translation adjustments	(2,453)	(158)
Remeasurements of defined benefit plans, net of tax	150	73
Total other comprehensive income	(1,449)	521
Comprehensive income	3,171	3,971
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	3,171	3,971
Comprehensive income attributable to non-controlling interests	—	—

## (3) Consolidated Statement of Changes in Net Assets

Previous consolidated fiscal year (April 1, 2016 through March 31, 2017)

(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	33,256	(271)	50,105
Changes					
Cash dividend from retained earnings			(413)		(413)
Net income (loss) attributable to owners of parent			4,620		4,620
Purchase of own shares				(0)	(0)
Changes (net) in non-shareholders' equity items					
Total changes	–	–	4,206	(0)	4,205
Balance at end of current fiscal year	6,939	10,180	37,463	(272)	54,311

	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	2,875	6,780	(629)	9,025	131	59,262
Changes						
Cash dividend from retained earnings						(413)
Net income (loss) attributable to owners of parent						4,620
Purchase of own shares						(0)
Changes (net) in non-shareholders' equity items	853	(2,453)	150	(1,449)	34	(1,414)
Total changes	853	(2,453)	150	(1,449)	34	2,790
Balance at end of current fiscal year	3,728	4,327	(479)	7,576	165	62,053

Current consolidated fiscal year (April 1, 2017 through March 31, 2018)

(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	37,463	(272)	54,311
Changes					
Cash dividend from retained earnings			(620)		(620)
Net income (loss) attributable to owners of parent			3,450		3,450
Purchase of own shares				(0)	(0)
Disposal of treasury stock			(21)	33	12
Changes (net) in non-shareholders' equity items					
Total changes	–	–	2,808	33	2,841
Balance at end of current fiscal year	6,939	10,180	40,272	(238)	57,153

	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	3,728	4,327	(479)	7,576	165	62,053
Changes						
Cash dividend from retained earnings						(620)
Net income (loss) attributable to owners of parent						3,450
Purchase of own shares						(0)
Disposal of treasury stock						12
Changes (net) in non-shareholders' equity items	607	(158)	73	521	22	543
Total changes	607	(158)	73	521	22	3,385
Balance at end of current fiscal year	4,335	4,168	(406)	8,098	187	65,439

## (4) Consolidated Statements of Cash Flows

(Amount: million yen)

	Year ended March 31, 2017	Year ended March 31, 2018
Cash flows from operating activities		
Income before income taxes and others	6,778	4,153
Depreciation and amortization	13,781	14,899
Impairment loss	80	–
Increase (decrease) in allowances for bonuses	99	499
Increase (decrease) in provision for product warranties	(47)	16
Increase (decrease) in net defined benefit liability	127	63
Interest and dividend income	(190)	(216)
Interest expenses	872	642
Loss (gain) on sales and retirement of tangible fixed assets	(166)	283
Loss (gain) on sales of investment securities	(380)	–
Subsidy income	(55)	(24)
Gain on insurance adjustment	–	(51)
Special retirement expenses	–	55
Decrease (increase) in notes and accounts receivable	607	(2,391)
Decrease (increase) in inventories	196	(1,043)
Increase (decrease) in notes and accounts payable	1,604	1,729
Increase (decrease) in accrued expenses	52	(90)
Increase (decrease) in accrued consumption taxes and others	364	171
Increase (decrease) in long-term accounts payable - other	(605)	(477)
Others	120	966
Subtotal	23,240	19,187
Interest and dividends received	190	216
Interest paid	(870)	(650)
Income taxes paid	(1,146)	(1,871)
Income taxes refund	320	18
Extra retirement payments	–	(55)
Proceeds from subsidy income	46	12
Proceeds from insurance income	–	51
Net cash provided by operating activities	21,779	16,908
Cash flows from investing activities		
Expenditures from purchases of tangible fixed assets	(13,669)	(16,554)
Proceeds from sales of tangible fixed assets	439	216
Proceeds from sales of investment securities	461	–
Others	(164)	(456)
Net cash used in investing activities	(12,932)	(16,795)
Cash flows from financing activities		
Proceeds from short-term loans	12,052	20,705
Repayment of short-term loans	(15,391)	(16,226)
Proceeds from long-term debt	6,022	6,000
Repayment of long-term debt	(11,050)	(11,056)
Dividends paid	(413)	(620)
Others	(223)	(194)
Net cash used in financing activities	(9,004)	(1,391)
Effect of exchange rate changes on cash and cash equivalents	(246)	(191)
Net increase (decrease) in cash and cash equivalents	(404)	(1,469)
Cash and cash equivalents at beginning of year	4,505	4,100
Cash and cash equivalents at end of period	4,100	2,630

(5) Notes

**Notes on Going Concern Assumptions**

Not applicable.

**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, 2016 through March 31, 2017)

(Million yen)

	Reported segments					Total
	Die Casting Business			Aluminum Business	Proprietary Products Business	
	Japan	North America	Asia			
Sales						
Customers	63,008	40,854	26,128	4,402	2,263	136,657
Intersegment	3,768	28	2,217	3,907	0	9,921
Total	66,776	40,882	28,345	8,310	2,263	146,578
Segment profit	2,519	2,163	1,758	274	155	6,872
Segment assets	51,614	41,409	36,995	2,773	1,213	134,006
Other items						
Depreciation and amortization	4,465	5,471	3,967	29	5	13,940
Increase in tangible fixed assets and intangible fixed assets	7,295	4,471	2,003	68	0	13,838

Current consolidated fiscal year (April 1, 2017 through March 31, 2018)

(Million yen)

	Reported segments					Total
	Die Casting Business			Aluminum Business	Proprietary Products Business	
	Japan	North America	Asia			
Sales						
Customers	66,818	39,937	30,442	4,597	3,371	145,167
Intersegment	4,228	8	1,629	4,728	13	10,609
Total	71,047	39,945	32,072	9,325	3,385	155,776
Segment profit	1,458	291	2,378	213	392	4,734
Segment assets	55,040	38,905	39,271	3,344	1,997	138,560
Other items						
Depreciation and amortization	5,434	5,640	3,948	41	4	15,069
Increase in tangible fixed assets and intangible fixed assets	7,685	4,896	4,959	67	-	17,609

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	146,578	155,776
Elimination of intersegment transactions	(9,921)	(10,609)
Net sales in the consolidated financial statement	136,657	145,167

(Million yen)

Profit	Previous consolidated fiscal year	Current consolidated fiscal year
Total profit in reported segments	6,872	4,734
Elimination of intersegment transactions	40	(15)
Operating income in the consolidated financial statement	6,912	4,718

(Million yen)

Assets	Previous consolidated fiscal year	Current consolidated fiscal year
Total assets in reported segments	134,006	138,560
Elimination of intersegment transactions	(1,955)	(1,723)
Company-wide assets	2,992	2,161
Assets in the consolidated financial statement	135,044	138,998

(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	13,940	15,069	(159)	(169)	13,781	14,899
Increase in tangible fixed assets and intangible fixed assets	13,838	17,609	(149)	(261)	13,688	17,348



**Per Share Information**

(Yen)

	Year ended March 31, 2017	Year ended March 31, 2018
Net assets per share	2,394.58	2,522.55
Net income per share	178.77	133.40
Diluted net income per share	177.18	131.94

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

	Year ended March 31, 2017	Year ended March 31, 2018
Net income per share		
Net income attributable to owners of parent (million yen)	4,620	3,450
Amount that does not belong to ordinary shareholders (million yen)	—	—
Net income (loss) attributable to owners of parent (related to common shares) (million yen)	4,620	3,450
Average number of shares during the period	25,845,810	25,862,856
Diluted net income per share		
Net income attributable to owners of parent (million yen)	—	—
Increase in number of common shares	231,103	286,379
Outline of latent shares without dilution effect not taken into account for calculation of diluted net income per share	—	—

**Important Subsequent Events**

Not applicable