

# Results Briefing for the First Three Quarters of the Year Ending March 31, 2018

February 20, 2018



# Key Results for First Three Quarters of the Fiscal Year Ending March 31, 2018

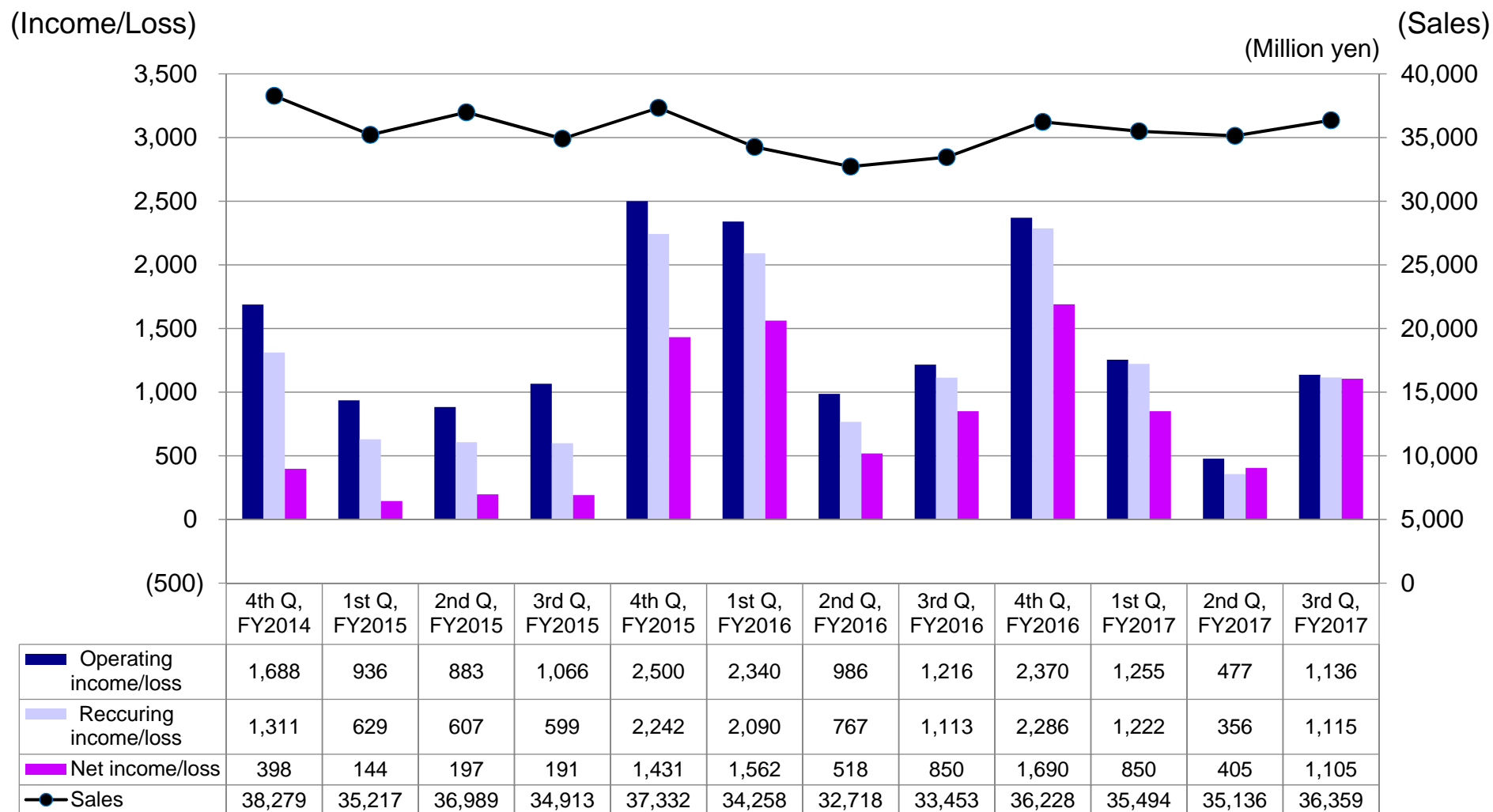
(Million yen)

|                  | First three quarters of year ended March 2017 |        | First three quarters of year ending March 2018 |        | Change  |         |
|------------------|---|--------|--|--------|---------|---------|
|                  | Value   | %      | Value  | %      | Value   | %       |
| Sales            | 100,429                                       | 100.0% | 106,989  | 100.0% | 6,559   | 6.5%    |
| Operating income | 4,542   | 4.5%   | 2,868  | 2.7%   | (1,674) | (36.9%) |
| Recurring income | 3,970   | 4.0%   | 2,693  | 2.5%   | (1,277) | (32.2%) |
| Net income       | 2,930   | 2.9%   | 2,360  | 2.2%   | (570)   | (19.5%) |
| EPS (yen)        | 113.4   |        | 91.26  |        |         |         |

## Overview

- Sales: Sales grew thanks largely to an increase in orders received and an improvement in the state of the aluminum market.
- Operating income: Decreased primarily as a result of a slow increase in productivity at the U.S. and Tochigi plants and the revision of product prices.
- Recurring income: Decreased due to reduced operating income.
- Net income: Decreased due to reduced recurring income, which was, however, partly offset by the tax effect in North America.
- EPS: Decreased 22.14 yen per share due to the decrease in net income.

# Overview of the (Quarterly) Consolidated Results



# Die Casting Business

(Million yen)

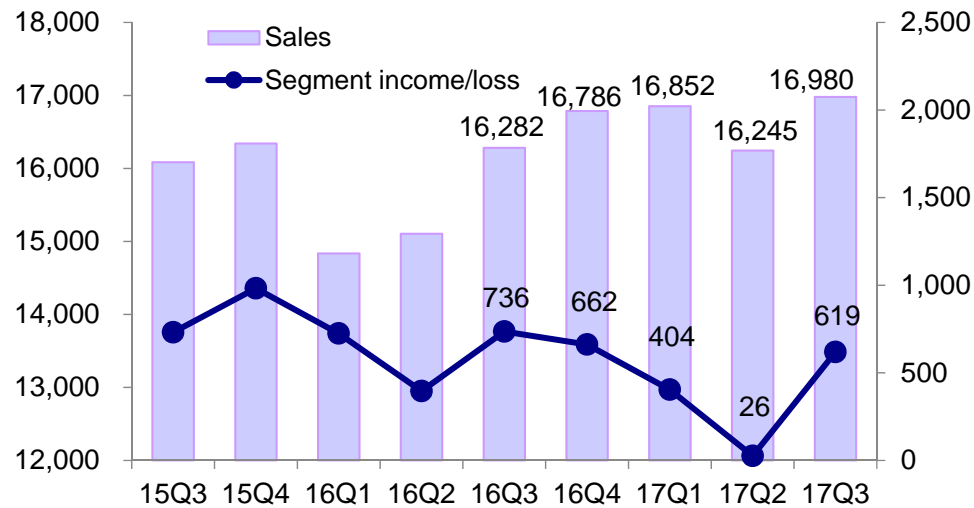
|                  |                        | First three quarters<br>of year ended<br>March 2017 |        | First three quarters<br>of year ending<br>March 2018 |        | Change  |         |
|------------------|------------------------|---|--------|--|--------|---------|---------|
|                  |                        |   |        |  |        |         |         |
| Japan            | Sales                  | 46,222  | 100.0% | 50,077   | 100.0% | 3,854   | 8.3%    |
|                  | Segment<br>income/loss | 1,857   | 4.0%   | 1,049  | 2.1%   | (808)   | (43.5%) |
| North<br>America | Sales                  | 30,789  | 100.0% | 30,158   | 100.0% | (630)   | (2.0%)  |
|                  | Segment<br>income/loss | 1,531   | 5.0%   | 151  | 0.5%   | (1,380) | (90.1%) |
| Asia             | Sales                  | 18,484  | 100.0% | 21,527   | 100.0% | 3,042   | 16.5%   |
|                  | Segment<br>income/loss | 772   | 4.2%   | 1,283  | 6.0%   | 511     | 66.2%   |

- ✓ The overseas sales ratio in the Die Casting Business:  
 Q3 of fiscal year ended March 2017: 51.6%  
 ⇒ Q3 of fiscal year ending March 2018: 50.8%

\* An explanation of the factors behind changes in segment results begins on the next page.

# Die Casting in Japan

Changes in sales and segment income in Die Casting Business in Japan (Million yen)



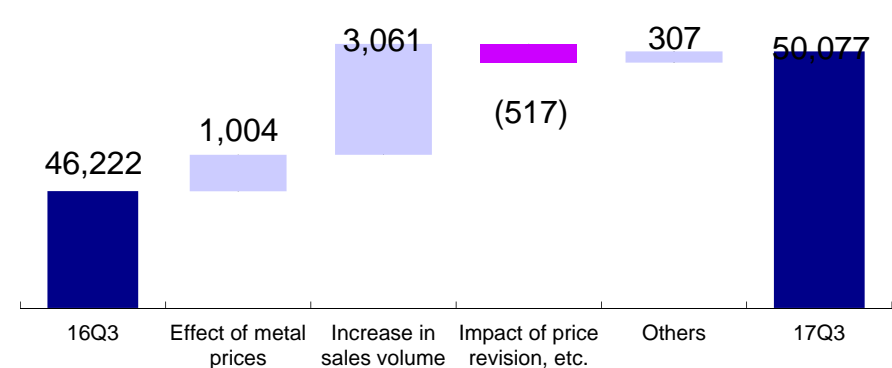
Sales: Increased ¥3,850 million (up 8.3% year on year)

- Orders received increased based on strong exports of key customers.

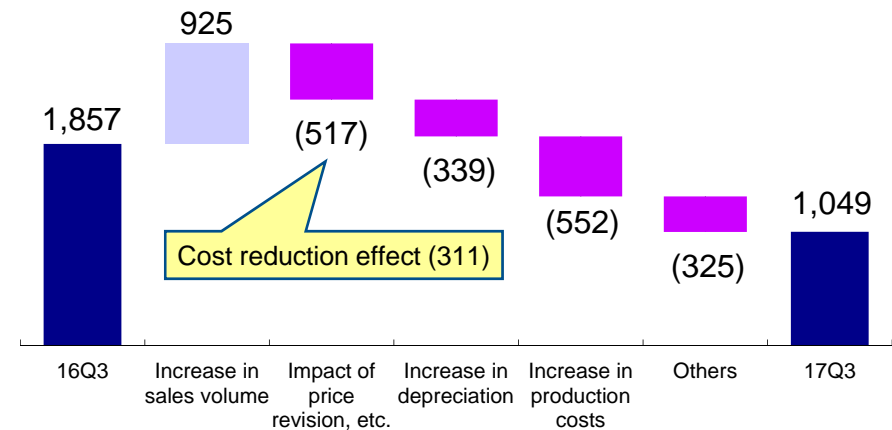
Segment income: Decreased ¥800 million (down 43.5% year on year)

- Income decreased due partly to an increase in labor and fuel expenses.
- Income has been growing thanks to increased productivity at domestic plants.
- Tochigi plant is promoting manpower savings, etc. to reduce manufacturing costs.

Factors of change in die casting sales (Million yen)

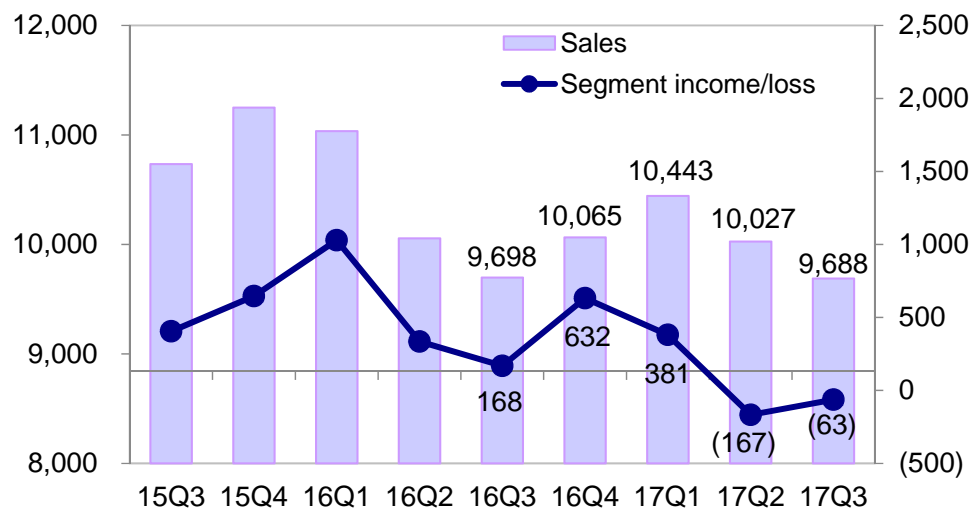


Factors of change in segment income (Million yen)



# Die Casting in North America

Changes in sales and segment income in Die Casting Business in North America (Million yen)



**Sales:** Decreased ¥630 million (down 2.0% year on year)

- Orders received decreased in the U.S. in response to downsizing.
- Orders received generally increased in Mexico.

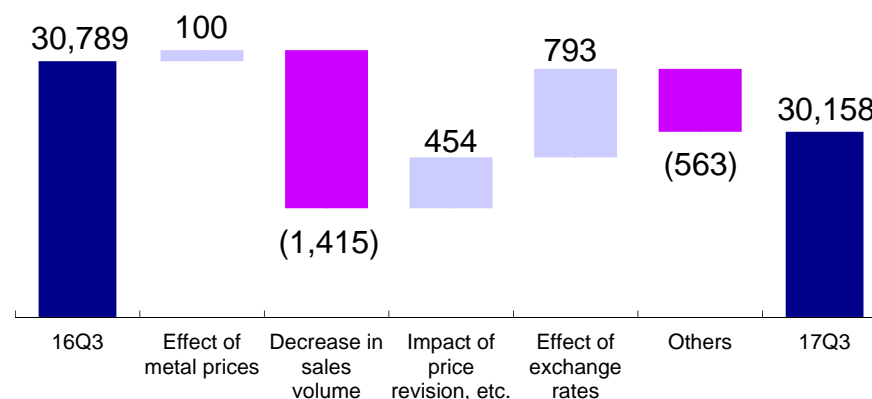
**Segment income:** Decreased ¥1,380 million (down 90.1% year on year)

- U.S.: Decreased due to a decline in sales and a slow increase in productivity  
Project started in January, seeking an increase in productivity.
- Mexico: an increase in profit from sales growth was offset by higher fuel expenses, etc. (PTU has been included in operating income since the first quarter of FY2017.)

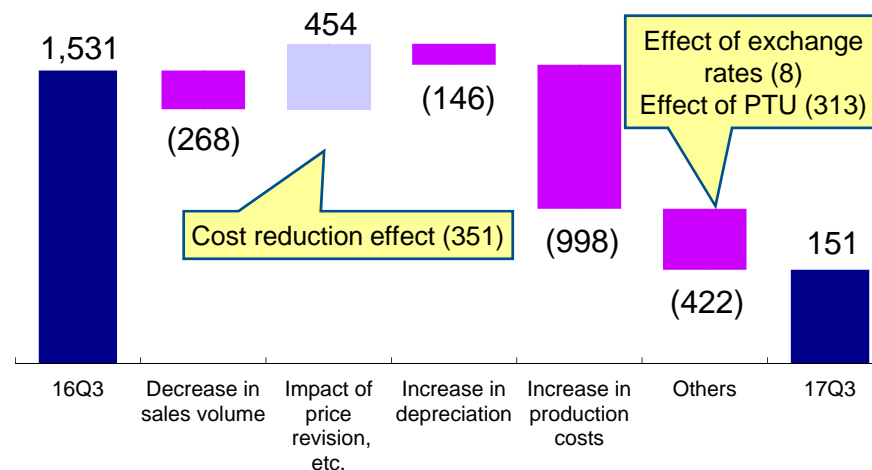
Fiscal year end: U.S.: March; Mexico: December

Exchange rate ('16Q3 ⇨ '17Q3): U.S. dollar: ¥108.09 ⇨ ¥111.83; Mexican peso: ¥110.02 ⇨ ¥112.28

Factors of change in die casting sales (Million yen)

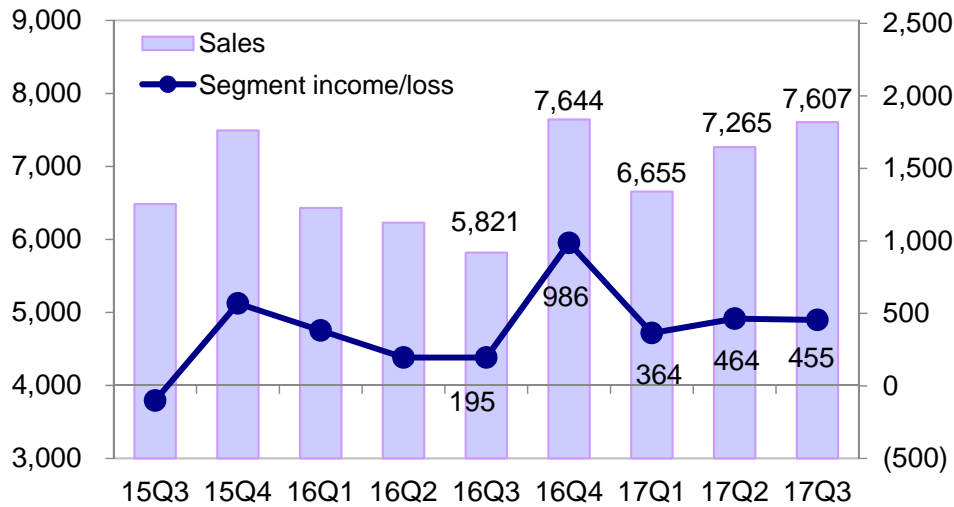


Factors of change in segment income (Million yen)



# Die Casting in Asia

Changes in sales and segment income in Die Casting Business in Asia (Million yen)



Sales: Increased ¥3,040 million (up 16.5% year on year)

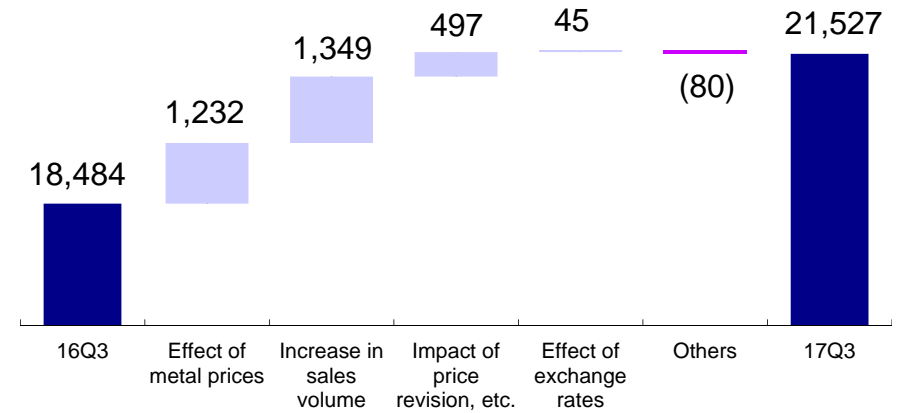
- Orders received in China rose thanks to increased production of SUVs.
- Sales in India also grew based on a higher volume of orders received.

Segment income: Increased ¥510 million (up 66.2% year on year)

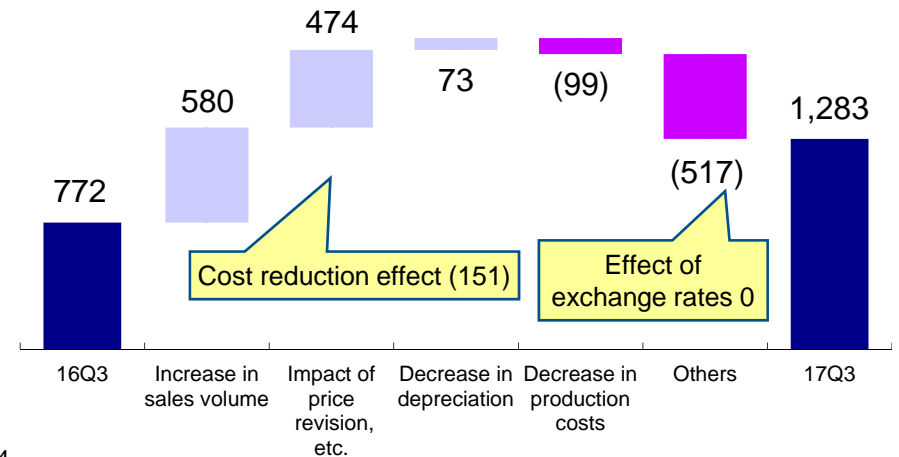
- Growth in orders received in China and India resulted in increased profit.
- Higher productivity in China also facilitated profit growth.

Fiscal year end: China: December; India: March  
Exchange rate (16Q3 ⇒ 17Q3): Chinese yuan: ¥16.68 ⇒ ¥16.50; Indian rupee: ₹1.61 ⇒ ₹1.74

Factors of change in die casting sales (Million yen)



Factors of change in segment income (Million yen)



# Aluminum Business and Proprietary Products Business

(Million yen)

|                                      |                     | First three quarters of year ended March 2017 |        | First three quarters of year ending March 2018 |        | Change |         |
|--------------------------------------|---------------------|---|--------|--|--------|--------|---------|
|                                      |                     |   |        |  |        |        |         |
| <b>Aluminum Business</b>             | Sales               | 3,222   | 100.0% | 3,432  | 100.0% | 210    | 6.5%    |
|                                      | Segment income/loss | 198   | 6.1%   | 173  | 5.0%   | (24)   | (12.5%) |
| <b>Proprietary Products Business</b> | Sales               | 1,710   | 100.0% | 1,792  | 100.0% | 82     | 4.8%    |
|                                      | Segment income/loss | 100   | 5.8%   | 255  | 14.2%  | 155    | 155.0%  |

## Aluminum Business

- Sales: Increased thanks to changes in the state of the aluminum market (up 6.5% year on year).
- Segment income: Decreased due primarily to rising fuel expenses (down 12.5% year on year).

## Proprietary Products Business

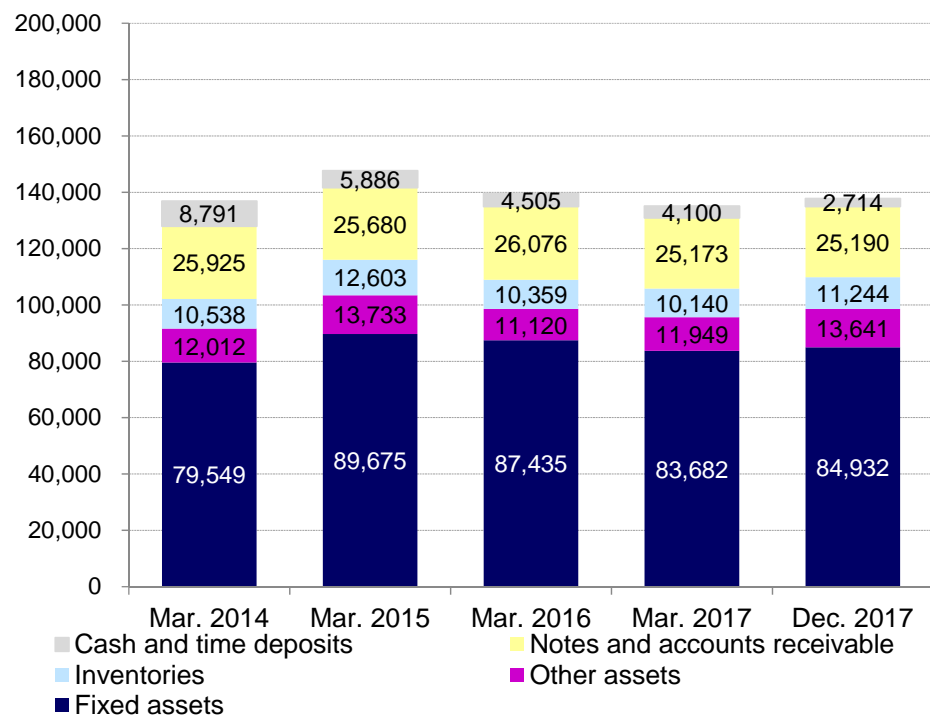
- Sales: Grew after orders received increased (up 4.8% year on year).
- Segment income: Rose chiefly as a result of cost reduction efforts (up 155.0% year on year).



# Consolidated Balance Sheet

## Assets

(Million yen)



### Changes from March 31, 2017

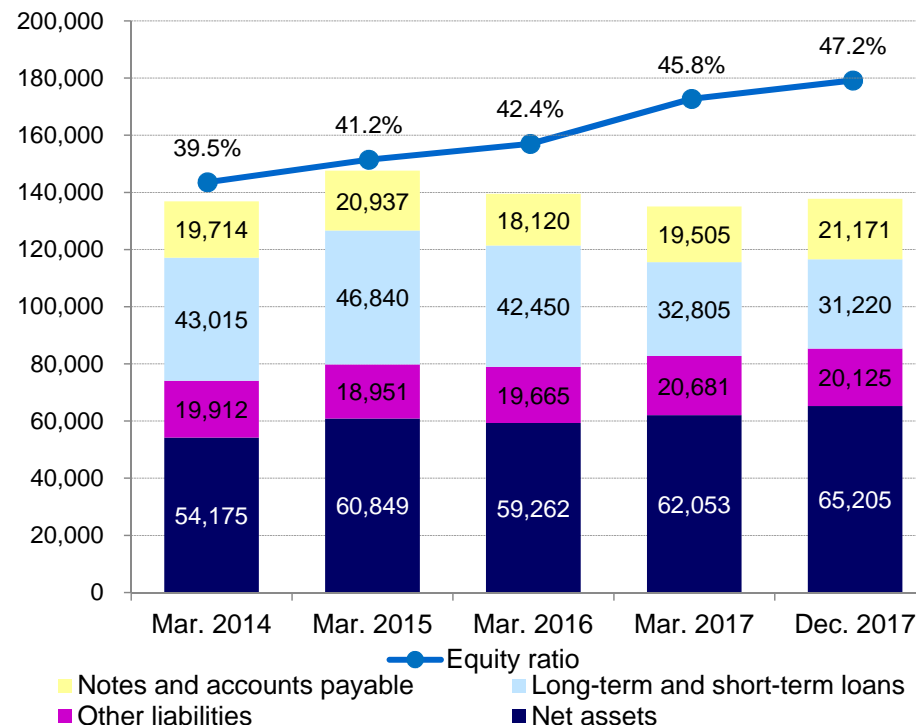
Effect of exchange rates: Increase of ¥2.7 bn → Net change: Increase of 2.8bn

Current assets: Net decrease of ¥0.6bn (Decrease due to the optimization of cash on hand)

Fixed assets: Net increase of ¥3.4bn (Increases in capital expenditures for bases in China, Revaluation of securities)

## Liabilities

(Million yen)



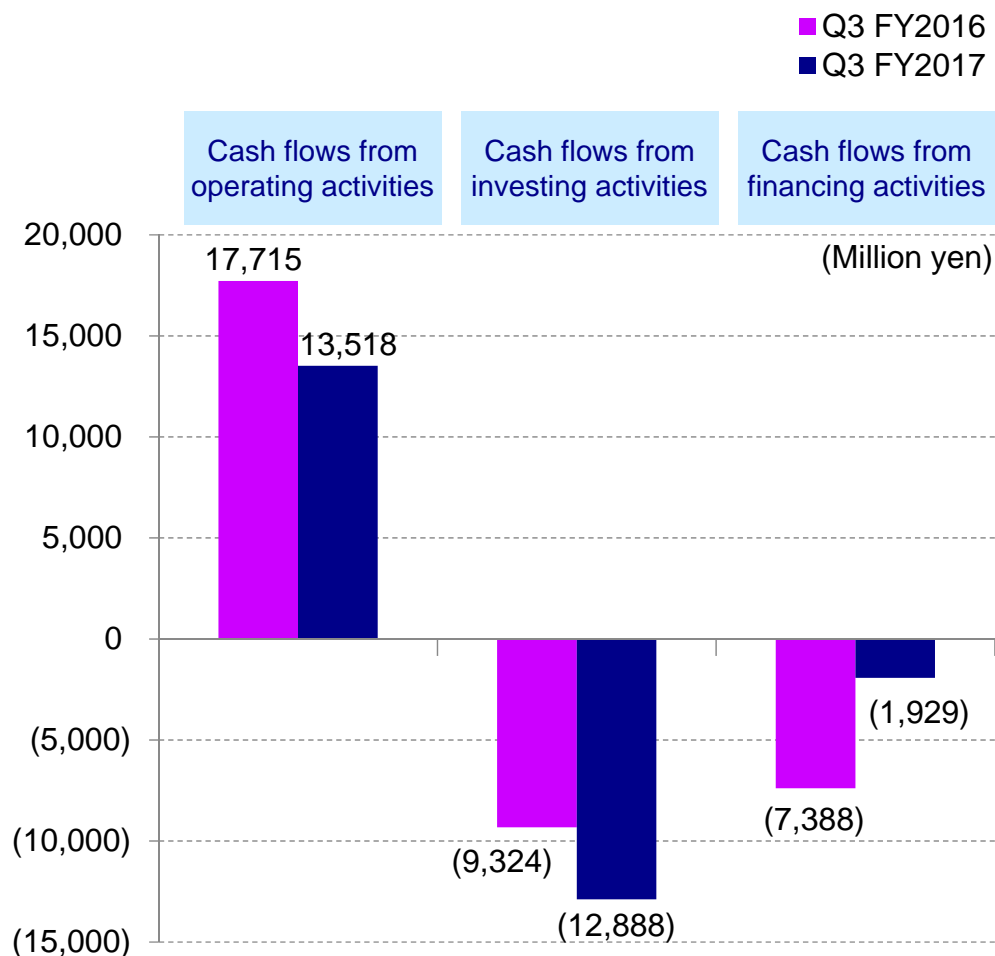
### Changes from March 31, 2017

Liabilities: Effect of exchange rates: decrease of ¥0.5bn → Net change: Decrease of ¥0.2bn  
Net increase of ¥4.7bn in current liabilities, net decrease of ¥4.9bn in long-term liabilities (decrease in long-term and short-term interest-bearing debt)

Net assets: Increase of ¥3.2bn with increase of mainly net income, net increase of ¥3.0bn offset by foreign currency translation adjustments of -¥0.2bn.

Equity ratio: 47.2%, an increase of 1.4 percentage points

# Consolidated Cash Flows



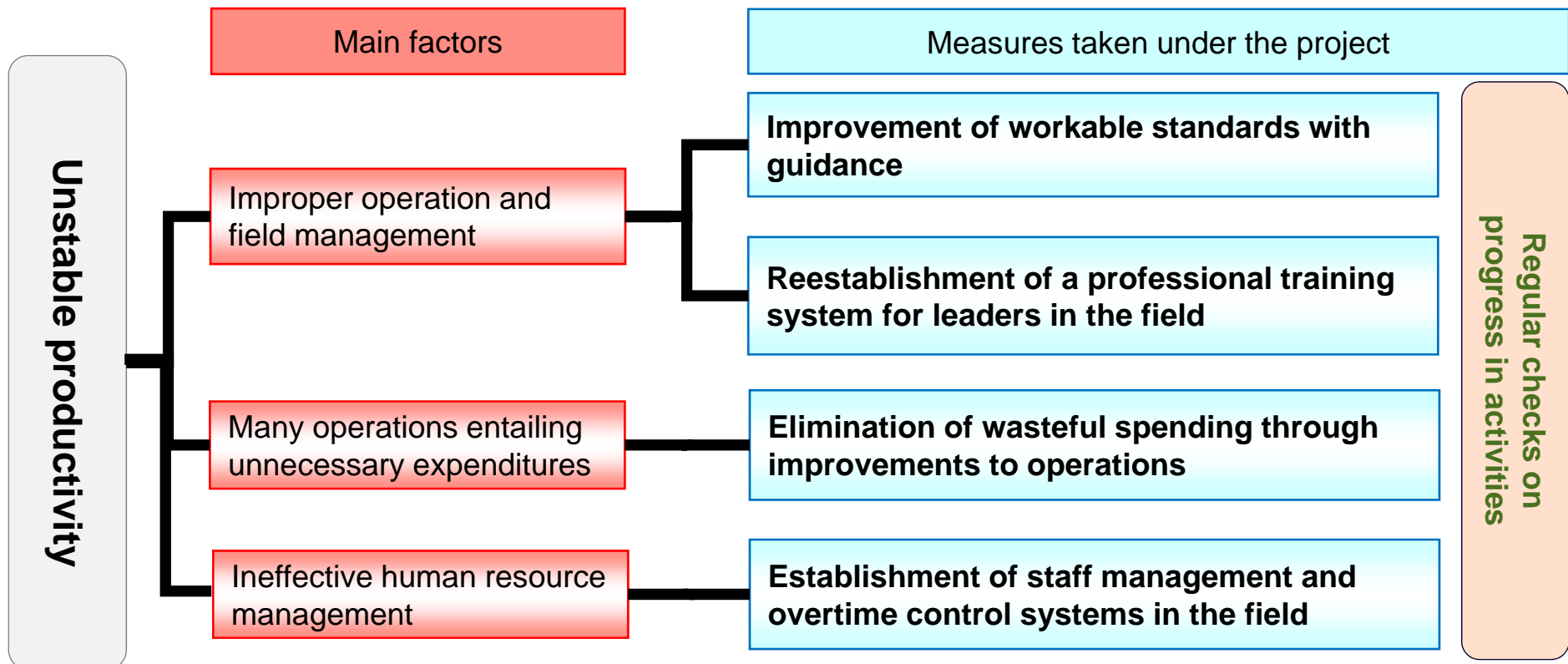
## Cash flow factors for Q3 FY2017

- **Cash flows from operating activities**
  - Income before income taxes and others: 2.6bn
  - Depreciation and amortization 11.1bn
  - Increase in inventories -1.0bn
  - Increase in notes and accounts payable +1.6bn
- **Cash flows from investing activities**
  - Increase in capital expenditures, mainly in Asia
- **Cash flows from financing activities**
  - Decrease in long-term and short-term loans  
(March 31, 2017: 32.8 bn → December 31, 2017: 31.2 bn)

# Project to improve the US Plant

Deteriorated results for 2014 and 2015 picked up temporarily, but did not continue to consistently improve thereafter. **Launched a project in January 2018 to carry out improvement activities, while maintaining stable conditions.**

**Introducing consistent measures for both maintenance and improvement is important.**





# Casting Our Eyes on the Future

---

**Contact for inquiries about this document and the Company's IR:  
Management Planning Section, Management Planning Department, Ahresty Corporation  
Phone: +81-3-6369-8664  
E-mail: [ahresty\\_MP0\\_IR@ahresty.com](mailto:ahresty_MP0_IR@ahresty.com)  
URL: <http://www.ahresty.co.jp>**

This document and what has been said in the results briefing include forecasts that the Company has made based on data available when the document was prepared. Actual results could be different from the forecasts for a range of reasons.