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For Immediate Release

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Notice Concerning Posting of Extraordinary Losses and Extraordinary Gains and Revision of Full-Year Results Forecasts

Ahresty Corporation (the “Company”) hereby announces that it recorded an impairment loss on fixed assets under extraordinary losses in the settlement of accounts for the third quarter of the fiscal year ending March 31, 2019 on a consolidated basis and will post a gain on sale of investment securities under extraordinary gains in the settlement of accounts for the fiscal year ending March 31, 2019 on consolidated and non-consolidated bases following the sale of part of the shares which the Company held for the purpose of cross-shareholding on February 12 and 13, 2019.

Upon posting the said extraordinary losses and gains, the Company has revised its forecasts for the full-year consolidated results for the fiscal year ending March 31, 2019 (April 1, 2018 - March 31, 2019) that were released on October 19, 2018. Details are as follows.

1. Posting of extraordinary losses (on a consolidated basis)

The Company conducted an impairment test on its consolidated subsidiary, Ahresty Wilmington Corporation, according to the Generally Accepted Accounting Principles of the United States, because of a delay in improvement in the profitability of the subsidiary, despite signs of a strengthening of its productivity resulting from an improvement project that continued from the beginning of the year. As a result, the Company decided to reduce the book value of the assets for business which the said consolidated subsidiary has to the recoverable amount and post an impairment loss of 3,015 million yen under extraordinary losses in the settlement of accounts for the third quarter of the fiscal year ending March 31, 2019 on a consolidated basis.

In addition, due to the posting of this impairment loss, the burden of depreciation of fixed assets is expected to be reduced from the following fiscal period.

2. Posting of extraordinary gains (on consolidated and non-consolidated bases)

To increase the efficiency of its assets and build up its financial strength, the Company sold part of the shares which it held for the purpose of cross-shareholding on February 12 and 13, 2019, and will post a gain on sale of investment securities of 1,040 million yen under extraordinary gains in the settlement of accounts for the fiscal year ending March 31, 2019 on consolidated and non-consolidated bases.

3. Revision of results forecasts

(1) Revision of consolidated full-year forecasts for the fiscal year ending March 31, 2019 (April 1, 2018 - March 31, 2019)

	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
Previous forecasts (A)	149,300	3,100	3,150	2,300	88.80
Revised forecasts (B)	149,300	3,100	3,150	200	7.72
Change (B-A)	-	-	-	-2,100	
Ratio of change (%)	-	-	-	-91.3%	
(Reference) Operating results for the previous fiscal year (the fiscal year ended March 2018)	145,167	4,718	4,436	3,450	133.40

(2) Reasons for the revision

Consolidated net sales, operating income, and recurring income are expected to be generally in line with the previous forecasts. In addition, net income attributable to owners of parent is estimated at 200 million yen due to the posting of the impairment loss and gain on sales of investment securities described above.

(Note) This material contains results forecasts and similar based on information in the Company's possession as of the date of its publication, as well as certain assumptions that the Company believes to be reasonable. A variety of factors may cause the actual results to differ materially from these projections.