

Supplementary Materials for the First Three Quarters of the Year Ending March 31, 2019

February 14, 2019



Key Results for First Three Quarters of the Fiscal Year Ending March 31, 2019

(Million yen)

	First three quarters of year ended March 2018		First three quarters of year ending March 2019		Change		Third quarter (for reference)		
							Q3 of FY2018	Change from Q3 of FY2017	
Sales	106,989	100.0%	110,601	100.0%	3,612	3.4%	38,351	1,992	5.5%
Operating income	2,868	2.7%	1,932	1.7%	(935)	(32.6%)	1,494	358	31.5%
Recurring income	2,693	2.5%	1,981	1.8%	(712)	(26.4%)	1,638	523	46.9%
Net income	2,360	2.2%	(1,285)	–	(3,645)	–	(1,648)	(2,753)	–
EPS (yen)	91.26		(49.63)						

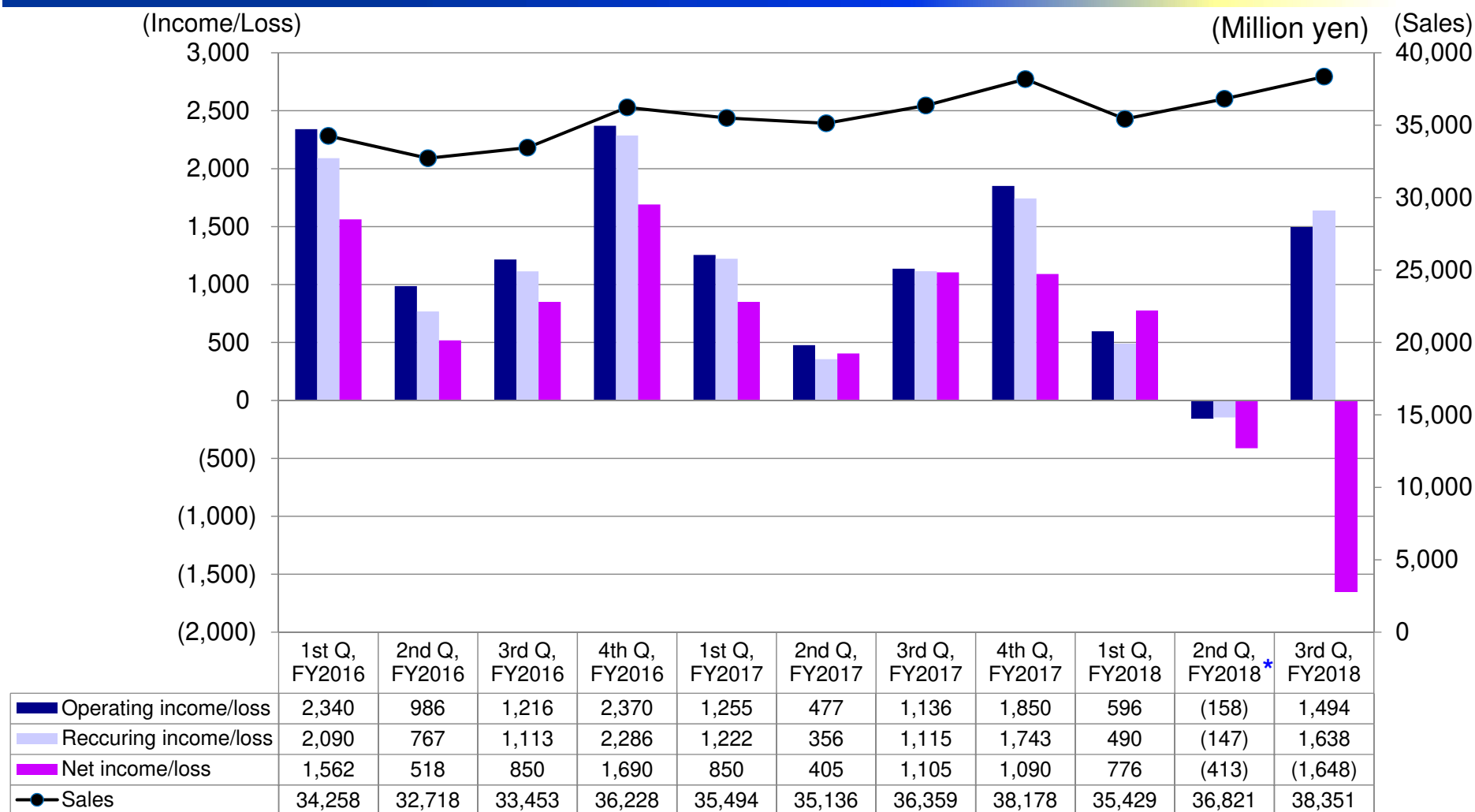
<<Total for Q3 of FY2018>>

- Sales: Rose thanks largely to an increase in orders received, particularly from Asia.
- Operating income: Although income in the third quarter increased, total income for the first three quarters was down due to rising fuel prices, slow revenue growth in the US, an increase in depreciation expenses, and other factors.
- Recurring income: Decreased due to reduced operating income.
- Net income: Fell due to extraordinary losses posted in the third quarter.

<<Q3 of FY2018>>

- Both sales and income increased due to an increase in orders received in Japan and Asia.
- Net loss was recorded due to the impairment loss posted in the US.

Overview of the (Quarterly) Consolidated Results



* In the second quarter of FY2018, a temporary increase in depreciation expenses had an impact (amount of impact: -645).

Die Casting Business

(Million yen)

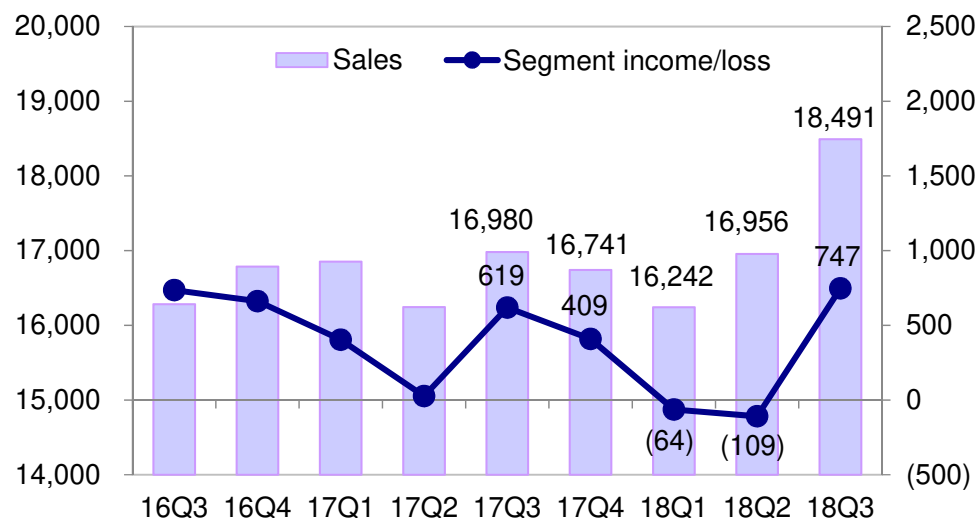
		First three quarters of year ended March 2018		First three quarters of year ending March 2019		Change	
Japan	Sales	50,077	100.0%	51,689	100.0%	1,612	3.2%
	Segment income/loss	1,049	2.1%	574	1.1%	(474)	(45.2%)
North America	Sales	30,158	100.0%	30,170	100.0%	11	—
	Segment income/loss	151	0.5%	(283)	(0.9%)	(434)	—
Asia	Sales	21,527	100.0%	22,899	100.0%	1,371	6.4%
	Segment income/loss	1,283	6.0%	1,382	6.0%	99	7.7%

- ✓ The overseas sales ratio in the Die Casting Business:
Q3 of fiscal year ended March 2018: 50.8%
⇒ Q3 of fiscal year ending March 2019: 50.6%

* 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)



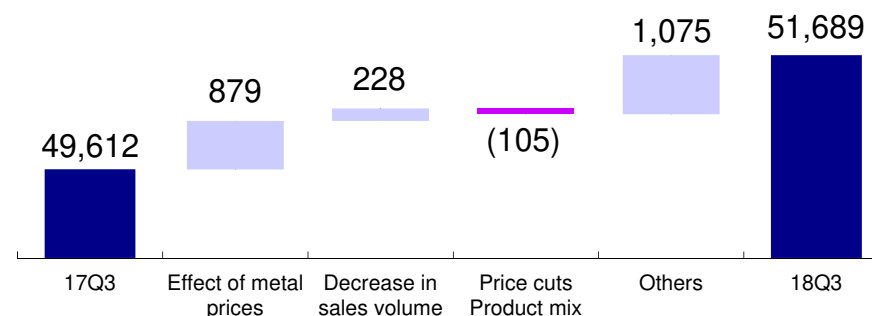
Sales: Increased ¥1,610 million (up 3.2% year on year)

- Sales volumes of the third quarter increased 4.3% year on year; those in total for the first three quarters were almost the same as those of the same period of the previous fiscal year.
- Net sales grew, chiefly as a result of improved conditions in the aluminum market and sales of dies.

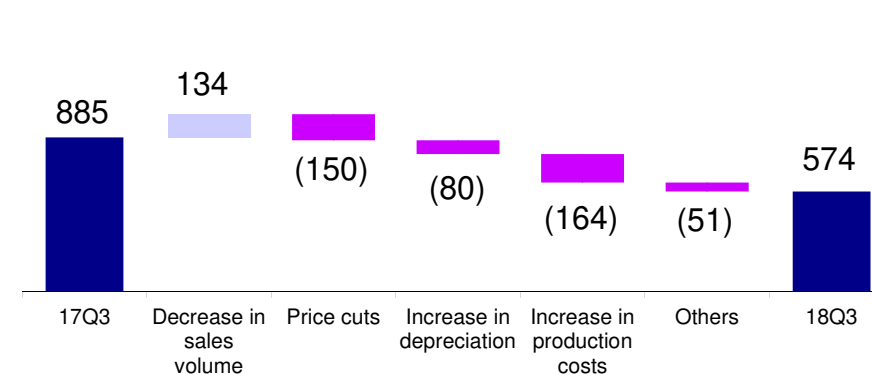
Segment income: Decreased ¥470 million
(down 45.2% year on year)

- Income of the third quarter exceeded the level of the same period of the previous year due to an increase in sales volumes.
- Total income for the first three quarters decreased mainly due to rising fuel prices and an increase in depreciation expenses; however, income improved from the level of the second quarter.

Factors of change in die casting sales (Million yen)



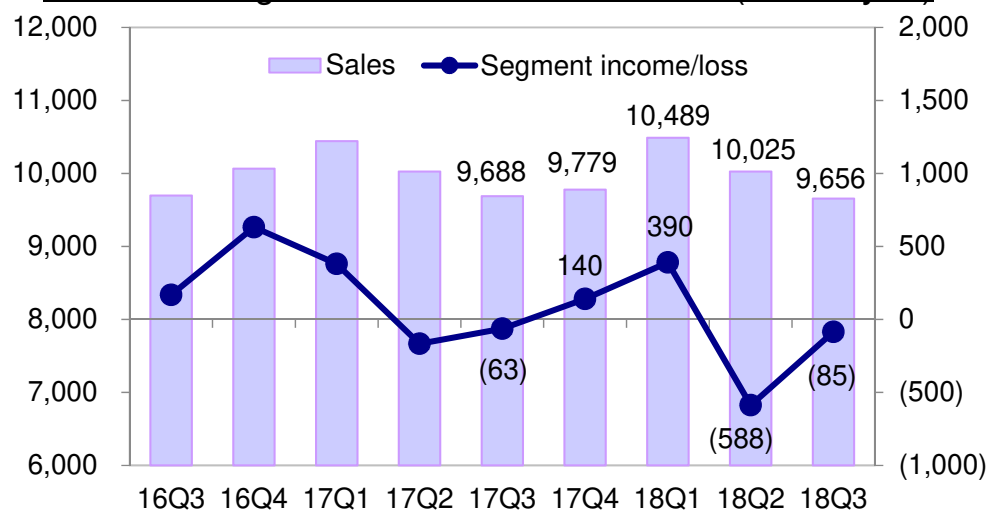
Factors of change in segment income (Million yen)



* The changes in sales and segment income for Q3 of FY2017 disregard the impact of the fiscal year-end change.

Die Casting in North America

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



Sales: Increased ¥10 million (– year on year)

- Although the entire sales volumes of North America decreased, net sales remained almost the same as those of the same period of the previous year partly due to improved conditions in the aluminum market.
- Sales volumes of the US almost remained the same as those of the previous year; meanwhile, those of Mexico were rather small in the third quarter.

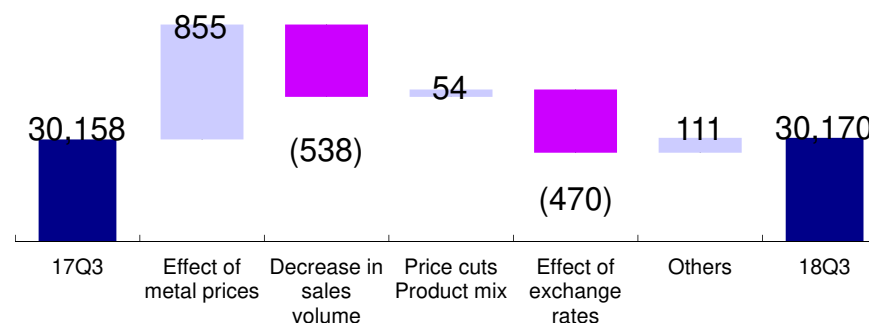
Segment income: Decreased ¥430 million (– year on year)

- There was a delay in the contribution to profits of a project for increasing productivity at the U.S. plants.
- Decreased due partly to a temporary increase in depreciation expenses.

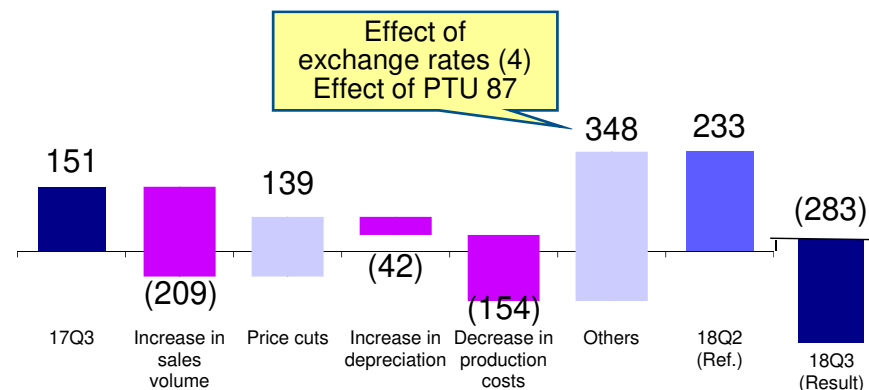
Fiscal year end: U.S.: March; Mexico: December

Exchange rate (17Q3 ⇄ 18Q3): U.S. dollar: ¥111.83 ⇄ ¥110.82; Mexican peso: ¥112.28 ⇄ ¥109.98

Factors of change in die casting sales (Million yen)



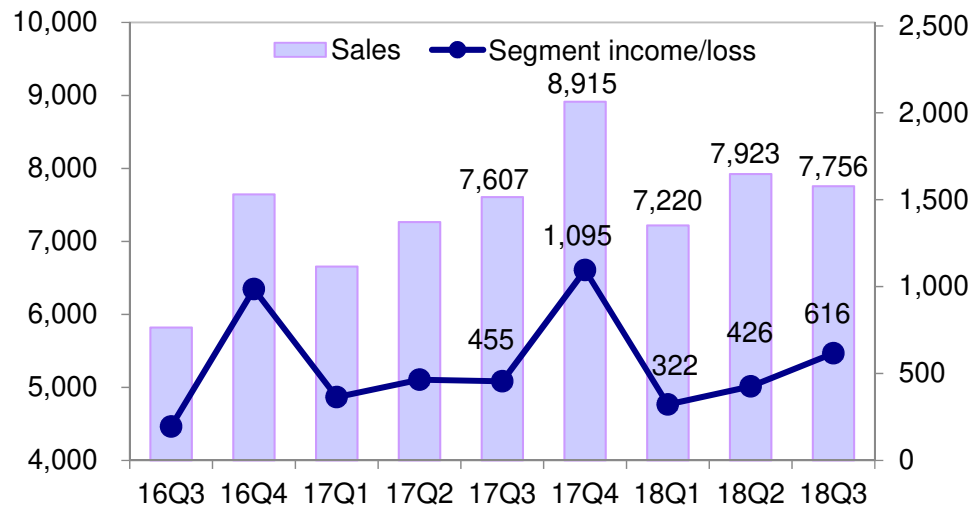
Factors of change in segment income (Million yen)



* The reference value is the segment income after excluding the temporary increase in depreciation expenses.

Die Casting in Asia

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



Sales: Increased ¥1,370 million (up 6.4% year on year)

- Major customers' strong sales of SUVs and other cars contributed to sales in China, despite signs of a market slowdown.
- Increase in orders received following the expansion of the car market in India
- Sales increased partly due to improved conditions in the aluminum market.

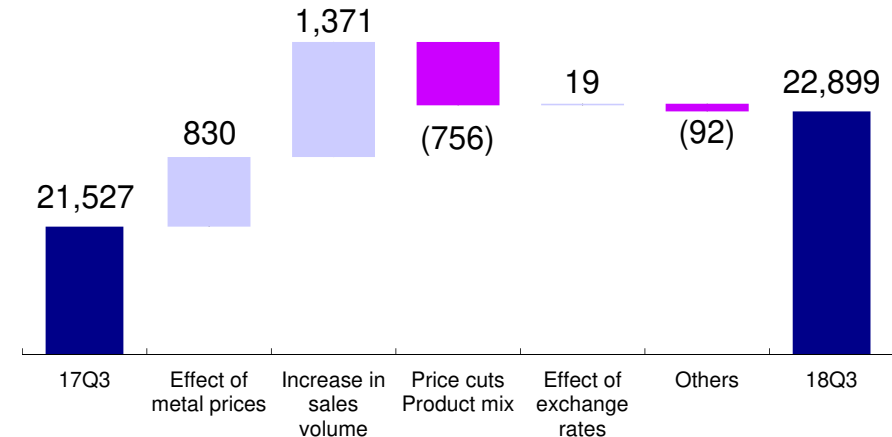
Segment income: Increased ¥80 million (up 6.3% year on year)

- Profit increased mainly due to the effect of an income increase resulting from a sales increase.

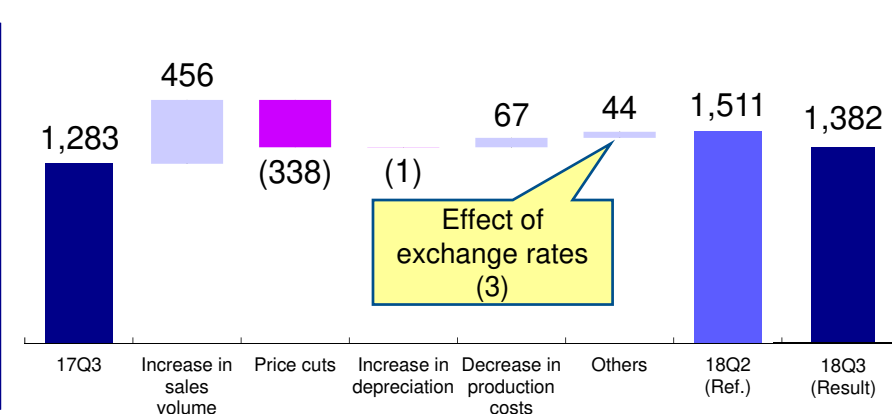
Fiscal year end: China: December; India: March

Exchange rate (17Q3 ⇒ 18Q3): Chinese yuan: ¥16.50 ⇒ ¥16.83; Indian rupee: ₹1.74 ⇒ ₹1.60

Factors of change in die casting sales (Million yen)



Factors of change in segment income (Million yen)



* The reference value is the segment income after excluding the temporary increase in depreciation expenses.

Aluminum Business and Proprietary Products Business

(Million yen)

		First three quarters of year ended March 2018		First three quarters of year ending March 2019		Change	
Aluminum Business	Sales	3,432	100.0%	3,458	100.0%	26	0.8%
	Segment income/loss	173	5.0%	72	2.1%	(101)	(58.4%)
Proprietary Products Business	Sales	1,792	100.0%	2,383	100.0%	590	32.9%
	Segment income/loss	255	14.2%	232	9.8%	(22)	(9.0%)

Aluminum Business

- Sales: Increased thanks to changes in the state of the aluminum market, despite a decrease in sales volumes (up 0.8% year on year).
- Segment income: Down due mainly to the impact of raw material prices arising from improved conditions in the aluminum market (down 58.4% year on year).

Proprietary Products Business

- Sales: Orders for projects for clean rooms, data centers of telecommunications carriers, etc. increased (up 32.9% year on year).
- Segment income: The decrease in profit was smaller than that of the second quarter, due to an increase in orders received in the third quarter (down 9.0% year on year)

Forecast for FY2018

(Million yen)

	FY2017		FY2018 Announced plan (October 19)		FY2018 Revised plan (February 14)		Change from the announced plan	
Sales	145,167	100%	149,300	100%	149,300	100%	—	—
Operating income	4,718	3.3%	3,100	2.1%	3,100	2.1%	—	—
Recurring income	4,436	3.1%	3,150	2.1%	3,150	2.1%	—	—
Net income	3,450	2.4%	2,300	1.5%	200	0.1%	(2,100)	(91.3%)
EPS	133.40		88.80		7.72			
Dividend (yen)	26.00		22.00		22.00			

Exchange rate for FY2018 assumptions: ¥107/USD, ¥16.0/RMB, ¥1.60/IDR

Revision to the Forecasts

Progress in the project for increase in productivity at the U.S. plants

- Improvement of/training under the standard operating procedures and observation and evaluation of the state of operations were conducted.
 - => The number of complaints was significantly reduced; the productivity of the products which the project covers was improved; and the orders received were almost the same as the volume of those of the previous year.
- While the unemployment rate remains at a historically low level due to a robust economy in the U.S., there have been gradually seen effects of measures to secure and retain human resources.

Review of asset valuation at the U.S. plants

- Change to aggressive management toward the new medium-term management plan which starts from the fiscal year 2019
- Expansion of production on order of components for electric products
 - => Assets for business of the U.S. plants were revalued in the third quarter and impairment loss of 3,015 million yen was posted.

Impact on operating results

Fiscal year ending March 31, 2019: net income of 200 million yen (upon revision to the announced value)

- * However, the forecasts for net sales, operating income, recurring income and dividends are not revised.
- * The financial indicators for the third quarter of the fiscal year 2018 remained sound.

Equity ratio: 46.3% (as compared to 46.9% at the end of the fiscal year 2017)

Net interest-bearing debt
(ratio as compared to monthly sales): 2.08 months (as compared to 2.39 months at the end of the fiscal year 2017)



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
URL: <https://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.