

# Consolidated Financial Results (Japanese Accounting Standards) for the Fiscal Year Ended March 31, 2019

May 15, 2019

Company Name	Ahresty Corporation	Stock Exchange Listing	Tokyo
Code Number	5852	URL	<a href="https://www.ahresty.co.jp">https://www.ahresty.co.jp</a>
Representative	President & CEO Arata Takahashi		
Contact for inquiries	Director, Managing Executive Officer Shinichi Takahashi		TEL 03-6369-8660
Planned date for regular general meeting of shareholders		June 19, 2019	
Planned date for start of dividend payments		June 3, 2019	
Planned date for submission of securities report		June 19, 2019	
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 2019 (April 1, 2018 – March 31, 2019)

(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 2019	145,428	0.2	3,228	(31.6)	2,905	(34.5)	421	(87.8)
Year ended March 2018	145,167	6.2	4,718	(31.7)	4,436	(29.1)	3,450	(25.3)

(Note) Comprehensive income

Year ended March 31, 2019: -3,574 million yen (-%)      Year ended March 31, 2018: 3,971 million yen (25.2%)

(For reference) EBITDA

Year ended March 31, 2019: 19,239 million yen (-1.9%)      Year ended March 31, 2018: 19,617 million yen (-5.2%)

\* 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 2019	16.26	16.07	0.7	2.2	2.2
Year ended March 2018	133.40	131.94	5.4	3.3	3.3

(For reference) Investment gain or loss under equity method

Year ended March 2019: – million yen      Year ended March 2018: – 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, 2019	128,222	61,293	47.7	2,357.98
As of March 31, 2018	137,751	65,439	47.4	2,522.55

(For reference) Shareholders' equity

As of March 31, 2019: 61,105 million yen      As of March 31, 2018: 65,251 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 2019	16,018	(14,150)	(1,392)	2,901
Year ended March 2018	16,908	(16,795)	(1,391)	2,630

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			
Year ended March 2018	–	12.00	–	14.00	26.00	672	19.5	1.1
Year ended March 2019	–	10.00	–	12.00	22.00	570	135.3	0.9
Year ending March 2020 (projection)	–	10.00	–	12.00	22.00		33.5	

3. Forecast of consolidated results for year ending March 2020 (April 1, 2019 – March 31, 2020) (% 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	65,800	(8.9)	700	59.6	600	74.6	400	10.2	15.44
Full year	134,000	(7.9)	2,700	(16.4)	2,500	(13.9)	1,700	303.7	65.60

\* 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 2019: 26,076,717 shares

Year ended March 2018: 26,027,720 shares

(ii) Number of treasury stock at end of year

Year ended March 2019: 162,347 shares

Year ended March 2018: 160,364 shares

(iii) Average number of shares

Year ended March 2019: 25,900,783 shares

Year ended March 2018: 25,862,856 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.

## Accompanying Materials – Contents

1.	Outline of Operating Results, Etc. ....	2
(1)	Outline of Operating Results for the Fiscal Year under Review.....	2
(2)	Outline of Financial Position for the Fiscal Year under Review .....	4
(3)	Basic Policy on Profit Distribution .....	5
2.	Basic Concept for Choice of Accounting Standards .....	5
3.	Consolidated Financial Statements and Key Notes.....	6
(1)	Consolidated Balance Sheet .....	6
(2)	Consolidated Income Statements and Statements of Comprehensive Income .....	8
	Consolidated Income Statements.....	8
	Consolidated Statements of Comprehensive Income.....	9
(3)	Consolidated Statement of Changes in Net Assets.....	10
(4)	Consolidated Statement of Cash Flows.....	12
(5)	Notes.....	14
	Notes on Going Concern Assumptions.....	14
	Additional Information.....	14
	Segment Information .....	14
	Per Share Information .....	16
	Important Subsequent Events .....	16

## 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. Overseas, the U.S. economy continued its solid performance. In Asia, although the Chinese economy slowed, the Indian economy remained strong overall. Nonetheless, economic prospects continue to be uncertain due to concerns over rising fuel prices, damage caused by a string of natural disasters in Japan, the impact of US trade issues on the global economy, and other factors.

In this environment, while net sales increased based largely on an increase in orders received, particularly in the Asian segment, profit was reduced by cost growth factors such as a rise in fuel prices and an increase in depreciation and amortization. In addition, the plant in the United States has been undertaking an improvement project since 2018 and its productivity is showing signs of increasing; however, slow income growth and other factors have caused a decrease in profit. The Group steadily executed measures under the medium-term management plan (2016-2018), which commenced in fiscal 2016, and endeavored to increase its productivity and profitability. As a result, the Group recorded consolidated net sales of ¥145,428 million (up 0.2% year on year), consolidated operating income of ¥3,228 million (down 31.6% year on year), recurring income of ¥2,905 million (down 34.5% year on year), and net income attributable to owners of parent of ¥421 million (down 87.8% year on year) for the fiscal year under review.

Operating results by segment are as follows:

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

In the Japanese automobile market, both domestic sales and production for exports remained at almost the same levels as the previous year. Orders received remained almost unchanged from the year-ago level until the third quarter but declined year on year on a full-year basis, reflecting the impact of production adjustments made by some customers. Improved conditions in the aluminum market and an increase in die sales contributed to year-on-year growth of 1.8% in net sales, which totaled ¥67,998 million. Segment profit decreased by 40.3% year on year, to ¥871 million, mainly due to the impact of rising fuel expenses and increased depreciation expenses.

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

In the North American automobile market, car manufacturers as the Company's major customers saw their sales peak out. While the sales share of regular passenger cars fell, that of small trucks and SUV continued to rise. The Company's plant in the United States received steady orders for components for small trucks and SUV, which offset the impact of the termination of the production of some components in the previous year, resulting in the same level of orders as in the previous year. Meanwhile, at the plant in Mexico, orders decreased due to the impact of sales of car manufacturers, the Company's main customers, in the North American market, despite an increase in orders after the mass production of new components commenced on a full-scale basis. Consequently, net sales in the North American segment reached ¥39,801 million, down 0.3% year on year. The segment recorded profit of ¥123 million (down 57.5% year on year), mainly reflecting a temporary increase in depreciation and amortization and the delayed contribution of the improvement project at the United States plant to revenues.

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

In China, sales at car manufacturers, the Company's main customers, made a downturn in the second half, and this had an impact on orders received by the Company. In India, orders received by the Company increased, primarily thanks to the full-scale mass production of new components, although car sales, which had been strong, began to decline slightly. Partly due to the impact of the appreciation of the yen against the Indian rupee, despite the increase in orders and the rise in the aluminum market, Asian sales declined 1.5% year on year, to ¥29,971 million. Segment profit decreased 22.6% year on year, to ¥1,841 million, mainly due to the impact of rising labor costs in China.

#### (iv) Aluminum Business

In the Aluminum business, while the sales volume decreased year on year, net sales increased by 1.8% year on year, to ¥4,679 million, chiefly because of a higher unit sales price than in the previous fiscal year. The segment recorded a profit of ¥112 million (down 47.5% year on year), principally due to the effect of raw material prices resulting from the market price of aluminum, which remained high.

#### (v) Proprietary Products Business

In the Proprietary Products business, net sales amounted to ¥2,976 million (down 11.7% year on year), which was largely attributable to a decrease 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 declined to ¥314 million (down 19.8% year on year), mainly as a result of decreased orders.

(Future outlook)

With respect to the economic outlook going forward, while the Japanese economy is expected to continue its moderate recovery backed by economic measures taken by the Japanese government and the continued improvement of employment and income conditions, uncertainties are likely to remain, including the impact of prolonged trade friction due to the trade 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 107.0 yen to 1 USD, 16.0 yen to 1 RMB, 1.50 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 2020 forecast	134,000	2,700	2,500	1,700
Fiscal year ended March 2019 actual	145,428	3,228	2,905	421
Changes	(11,428)	(528)	(405)	1,278
Change Ratio (%)	(7.9)	(16.4)	(13.9)	303.7

Business segment	Net sales		Segment profit	
	Fiscal Year ended March 2019	Fiscal Year ending March 2020	Fiscal Year ended March 2019	Fiscal Year ending March 2020
Die Casting Business: Japan	67,998	64,600	871	200
Die Casting Business: North America	39,801	34,000	123	1,000
Die Casting Business: Asia	29,971	28,500	1,841	1,200
Aluminum Business	4,679	4,400	112	200
Proprietary Products Business	2,976	2,500	314	100
Elimination of intersegment transactions	–	–	(35)	–

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

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

#### (Assets)

Assets at the end of the consolidated fiscal year under review decreased ¥9,529 million from the end of the previous consolidated fiscal year, to ¥128,222 million. Current assets stood at ¥42,267 million, a decrease of ¥457 million from the end of the previous consolidated fiscal year. Major factors behind this included a decline of ¥2,053 million in trade notes and accounts receivable, despite an increase of ¥1,397 million in cash and deposits. Non-current assets were ¥85,954 million, down by ¥9,072 million from the end of the previous consolidated fiscal year. This was primarily due to decreases of ¥5,482 million in tangible fixed assets and ¥4,033 million in investment securities.

#### (Liabilities)

Liabilities at the end of the consolidated fiscal year under review fell ¥5,383 million from the end of the previous consolidated fiscal year, to ¥66,928 million. Current liabilities stood at ¥46,490 million, a decrease of ¥2,485 million from the end of the previous consolidated fiscal year. The principal factors contributing to this result included a decrease of ¥2,611 million in notes and accounts payable, despite an increase of ¥433 million in short-term loans. Long-term liabilities stood at ¥20,438 million, down ¥2,897 million from the end of the previous consolidated fiscal year. The main factors included decreases of ¥1,338 million in long-term loans and ¥1,396 million in deferred tax liabilities.

#### (Net assets)

Net assets at the end of the consolidated fiscal year under review decreased ¥4,146 million from the end of the previous consolidated fiscal year, to ¥61,293 million. This was primarily attributable to a fall of ¥2,320 million in difference on revaluation of other marketable securities and a decrease of ¥1,684 million in foreign currency translation adjustments.

As a result, the equity ratio was up from 47.4% to 47.7%.

### (ii) Cash flows

Cash and cash equivalents ("cash") increased ¥270 million from the end of the previous fiscal year during the consolidated fiscal year under review, coming to ¥2,901 million.

The status of each of the cash flow segments and contributing factors for the consolidated fiscal year under review are as follows.

#### (Cash flows from operating activities)

Net cash provided by operating activities totaled ¥16,018 million (net cash provided of ¥16,908 million in the previous fiscal year). This result was mainly due to factors to increase cash such as income before income taxes and others of ¥1,745 million, a decrease in notes and accounts receivable to ¥1,586 million, depreciation and amortization of ¥16,011 million and impairment losses of ¥3,293 million, as well as factors to decrease cash such as a decrease in notes and accounts payable of ¥2,382 million, gain on sales of investment securities of ¥2,194 million, and income taxes paid of ¥2,594 million.

#### (Cash flows from investing activities)

Net cash used in investing activities was ¥14,150 million (net cash used of ¥16,795 million in the previous fiscal year). This was chiefly due to factors to increase cash such as proceeds from sales of investment securities of ¥2,901 million, and factors to decrease cash such as expenditures from purchases of tangible fixed assets of ¥15,490 million and payments into time deposits of ¥1,113 million.

#### (Cash flows from financing activities)

Net cash used in financing activities was ¥1,392 million (net cash used of ¥1,391 million in the previous fiscal year). This result was primarily due to factors to increase cash such as proceeds from short-term loans of ¥60,861 million and proceeds from long-term loans of ¥14,318 million, as well as factors to decrease cash such as payments of short-term debt of ¥60,380 million, payments of long-term debt of ¥15,510 million, and dividends paid of ¥619 million.

#### Transition of index related to cash flows

	Fiscal year ended March 2015	Fiscal year ended March 2016	Fiscal year ended March 2017	Fiscal year ended March 2018	Fiscal year ended March 2019
Equity Ratio (%)	41.2	42.4	45.8	46.9	47.7
Market Capitalization Equity Ratio (%)	13.5	13.6	21.8	17.7	12.8
Liabilities with Interest to Cash Flows (%)	374.6	235.0	150.6	186.6	191.9
Interest Coverage Ratio	10.2	14.4	25.0	26.0	29.4

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 ¥22 per share (including an interim dividend of ¥10 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 14, 2018	259	10
Board of Directors meeting on May 15, 2019	310	12

Further, regarding dividends in the next fiscal year, they are scheduled to be ¥22 per share (¥10 at the end of the interim period and ¥12 at the end of the fiscal year).

## 2. Basic Concept for Choice of 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, 2018)	Current consolidated fiscal year (March 31, 2019)
<b>(Assets)</b>		
Current assets		
Cash and time deposits	2,630	4,028
Trade notes and accounts receivable	24,783	22,382
Electronically recorded monetary claims - operating	2,902	3,249
Merchandise and products	3,232	3,463
Partly finished goods	4,890	4,760
Raw materials and inventories	3,208	3,070
Others	1,090	1,363
Allowance for doubtful accounts	(13)	(50)
Total current assets	42,724	42,267
Fixed assets		
Tangible fixed assets		
Buildings and structures	29,023	30,624
Accumulated depreciation and impairment loss	(14,218)	(15,808)
Buildings and structures, net	14,805	14,816
Machinery and delivery equipment	127,659	130,943
Accumulated depreciation and impairment loss	(83,880)	(91,512)
Machinery and delivery equipment, net	43,778	39,430
Tools, furniture and fixtures	48,808	49,981
Accumulated depreciation and impairment loss	(40,662)	(41,573)
Tools, furniture and fixtures, net	8,145	8,408
Land	5,425	5,461
Lease assets	288	421
Accumulated depreciation and impairment loss	(117)	(121)
Lease assets, net	171	300
Construction in progress	10,556	8,982
Total tangible fixed assets	82,882	77,399
Intangible fixed assets	1,786	2,067
Investments and other assets		
Investments in securities	8,266	4,232
Deferred tax assets	1,784	1,762
Others	330	515
Allowance for doubtful accounts	(24)	(24)
Total investments and other assets	10,357	6,486
Total fixed assets	95,026	85,954
Total assets	137,751	128,222



(Amount: million yen)

	Previous consolidated fiscal year (March 31, 2018)	Current consolidated fiscal year (March 31, 2019)
<b>(Liabilities)</b>		
Current liabilities		
Notes and accounts payable	13,413	11,162
Electronically recorded obligations-operating	7,882	7,522
Short-term loans	5,307	5,740
Current portion of long-term loans	10,109	10,199
Accrued income taxes	1,032	872
Bonus allowances	2,157	2,143
Directors' bonus allowances	15	–
Provision for product warranties	87	70
Others	8,971	8,779
Total current liabilities	48,976	46,490
Long-term liabilities		
Long-term loans	16,136	14,798
Long-term accounts payable	589	154
Deferred tax liabilities	3,269	1,872
Net defined benefit liability	2,867	2,949
Others	473	663
Total long-term liabilities	23,336	20,438
Total liabilities	72,312	66,928
<b>(Net assets)</b>		
Shareholders' equity		
Common stock	6,939	6,964
Additional paid-in capital	10,180	10,206
Retained earnings	40,272	40,071
Treasury stock	(238)	(239)
Total shareholders' equity	57,153	57,002
Other accumulated comprehensive income		
Difference on revaluation of other marketable securities	4,335	2,015
Foreign currency translation adjustments	4,168	2,484
Remeasurements of defined benefit plans	(406)	(397)
Total other accumulated comprehensive income	8,098	4,102
Share warrants	187	187
Total net assets	65,439	61,293
Total liabilities and net assets	137,751	128,222

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

(Amount: million yen)

	Year ended March 31, 2018	Year ended March 31, 2019
Sales	145,167	145,428
Cost of goods sold	128,811	130,613
Gross profit	16,356	14,814
Selling, general and administrative expenses		
Transportation expenses	2,013	1,948
Salaries and bonuses	3,414	3,290
Retirement and severance expenses	210	199
Provision for bonuses	348	354
Provision for bonuses for directors	15	–
Allowance for depreciation	303	312
Research and development expenses	501	561
Other expenses	4,830	4,918
Total Selling, general and administrative expenses	11,637	11,586
Operating income (loss)	4,718	3,228
Non-operating income		
Interest income	36	102
Dividends received	179	205
Gain on sales of scraps	115	156
Others	143	107
Total non-operating income	475	571
Non-operating expenses		
Interest expenses	642	531
Foreign currency exchange loss	37	292
Others	78	71
Total non-operating expenses	757	894
Recurring income	4,436	2,905
Extraordinary gains		
Gain on sale of fixed assets	17	64
Gain on sales of investment securities	–	2,194
Subsidy income	24	134
Gain on insurance adjustment	51	207
Total extraordinary gains	94	2,600
Extraordinary losses		
Loss on sale of fixed assets	304	311
Impairment loss	–	3,293
Special retirement expenses	55	–
Product warranty expenses	16	–
Expenses for advance loan repayments	–	154
Total extraordinary losses	376	3,760
Income before income taxes and others	4,153	1,745
Income taxes and enterprise taxes	2,039	1,722
Deferred income taxes	(1,335)	(397)
Total income taxes	703	1,324
Net income	3,450	421
Net income attributable to owners of parent	3,450	421

## (Consolidated Statements of Comprehensive Income)

(Amount million yen)

	Year ended March 31, 2018	Year ended March 31, 2019
Net income	3,450	421
Other comprehensive income		
Difference on revaluation of other marketable securities	607	(2,320)
Foreign currency translation adjustments	(158)	(1,684)
Remeasurements of defined benefit plans, net of tax	73	8
Total other comprehensive income	521	(3,995)
Comprehensive income	3,971	(3,574)
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	3,971	(3,574)
Comprehensive income attributable to non-controlling interests	—	—

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

Previous 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

Current consolidated fiscal year (April 1, 2018 through March 31, 2019)

(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	40,272	(238)	57,153
Changes					
Issuance of new shares	25	25			50
Cash dividend from retained earnings			(621)		(621)
Net income (loss) attributable to owners of parent			421		421
Purchase of own shares				(0)	(0)
Changes (net) in non-shareholders' equity items					
Total changes	25	25	(200)	(0)	(150)
Balance at end of current fiscal year	6,964	10,206	40,071	(239)	57,002

	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	4,335	4,168	(406)	8,098	187	65,439
Changes						
Issuance of new shares						50
Cash dividend from retained earnings						(621)
Net income (loss) attributable to owners of parent						421
Purchase of own shares						(0)
Changes (net) in non-shareholders' equity items	(2,320)	(1,684)	8	(3,995)		(3,995)
Total changes	(2,320)	(1,684)	8	(3,995)	–	(4,146)
Balance at end of current fiscal year	2,015	2,484	(397)	4,102	187	61,293

## (4) Consolidated Statement of Cash Flows

(Amount: million yen)

	Year ended March 31, 2018	Year ended March 31, 2019
Cash flows from operating activities		
Income before income taxes and others	4,153	1,745
Depreciation and amortization	14,899	16,011
Impairment loss	–	3,293
Increase (decrease) in allowances for bonuses	499	18
Increase (decrease) in provision for product warranties	16	(17)
Increase (decrease) in net defined benefit liability	63	91
Interest and dividend income	(216)	(307)
Interest expenses	642	531
Loss (gain) on sales and retirement of tangible fixed assets	283	247
Loss (gain) on sales of investment securities	–	(2,194)
Subsidy income	(24)	(134)
Gain on insurance adjustment	(51)	(207)
Expenses for advance loan repayments	–	154
Special retirement expenses	55	–
Decrease (increase) in notes and accounts receivable	(2,391)	1,586
Decrease (increase) in inventories	(1,043)	(17)
Increase (decrease) in notes and accounts payable	1,729	(2,382)
Increase (decrease) in accrued expenses	(90)	(33)
Increase (decrease) in accrued consumption taxes and others	171	292
Increase (decrease) in long-term accounts payable - other	(477)	(434)
Others	966	287
Subtotal	19,187	18,531
Interest and dividends received	216	256
Interest paid	(650)	(544)
Income taxes paid	(1,871)	(2,594)
Income taxes refund	18	76
Extra retirement payments	(55)	–
Expenses for advance loan repayments paid	–	(154)
Proceeds from subsidy income	12	214
Proceeds from insurance income	51	233
Net cash provided by operating activities	16,908	16,018
Cash flows from investing activities		
Payments into time deposits	–	(1,113)
Expenditures from purchases of tangible fixed assets	(16,554)	(15,490)
Proceeds from sales of tangible fixed assets	216	107
Proceeds from sales of investment securities	–	2,901
Others	(456)	(555)
Net cash used in investing activities	(16,795)	(14,150)

(Amount: million yen)

	Year ended March 31, 2018	Year ended March 31, 2019
Cash flows from financing activities		
Proceeds from short-term loans	20,705	60,861
Repayment of short-term loans	(16,226)	(60,380)
Proceeds from long-term debt	6,000	14,318
Repayment of long-term debt	(11,056)	(15,510)
Dividends paid	(620)	(619)
Others	(194)	(62)
Net cash used in financing activities	(1,391)	(1,392)
Effect of exchange rate changes on cash and cash equivalents	(191)	(205)
Net increase (decrease) in cash and cash equivalents	(1,469)	270
Cash and cash equivalents at beginning of year	4,100	2,630
Cash and cash equivalents at end of period	2,630	2,901

(5) Notes

**Notes on Going Concern Assumptions**

Not applicable.

**Additional Information**

(Application of the Partial Amendment to Accounting Standards for Tax Effect Accounting and Others)

The Partial Amendment to Accounting Standards for Tax Effect Accounting (Statement No. 28 issued by the Accounting Standards Board of Japan on February 16, 2018) and others began to apply at the beginning of the first quarter of the consolidated fiscal year under review. Accordingly, deferred tax assets are stated in the category of investments and other assets, and deferred tax liabilities are stated in the category of long-term liabilities.

The consolidated balance sheet for the previous fiscal year therefore displays deferred tax assets and deferred tax liabilities in a manner in which those of the same taxpayer are offset against each other. As a result, deferred tax assets in investments and other assets rose ¥251 million, while deferred tax assets in current assets and deferred tax liabilities in long-term liabilities decreased by ¥1,498 million and ¥1,246 million, respectively. For these reasons, total assets declined by ¥1,246 million.

**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, 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	54,525	38,173	39,271	3,344	1,997	137,313
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



Current consolidated fiscal year (April 1, 2018 through March 31, 2019)

(Million yen)

	Reported segments					Total
	Die Casting Business			Aluminum Business	Proprietary Products Business	
	Japan	North America	Asia			
Sales						
Customers	67,998	39,801	29,971	4,679	2,976	145,428
Intersegment	3,701	10	1,915	4,525	6	10,158
Total	71,699	39,811	31,887	9,204	2,982	155,587
Segment profit	871	123	1,841	112	314	3,263
Segment assets	54,834	32,954	37,943	3,019	2,194	130,946
Other items						
Depreciation and amortization	5,925	6,052	4,183	44	4	16,209
Increase in tangible fixed assets and intangible fixed assets	6,788	3,858	5,787	67	26	16,528

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	155,776	155,587
Elimination of intersegment transactions	(10,609)	(10,158)
Net sales in the consolidated financial statement	145,167	145,428

(Million yen)

Profit	Previous consolidated fiscal year	Current consolidated fiscal year
Total profit in reported segments	4,734	3,263
Elimination of intersegment transactions	(15)	(35)
Operating income in the consolidated financial statement	4,718	3,228

(Million yen)

Assets	Previous consolidated fiscal year	Current consolidated fiscal year
Total assets in reported segments	137,313	130,946
Elimination of intersegment transactions	(1,723)	(5,339)
Company-wide assets	2,161	2,615
Assets in the consolidated financial statement	137,751	128,222

(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	15,069	16,209	(169)	(198)	14,899	16,011
Increase in tangible fixed assets and intangible fixed assets	17,609	16,528	(261)	(206)	17,348	16,322

5. Impairment losses in fixed assets or goodwill by reported segment

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

Not applicable.

Current consolidated fiscal year (April 1, 2018 through March 31, 2019)

For some of the business assets of Higashimatsuyama Plant in the Die Casting Business of Japan, from which the initially anticipated revenues became no longer able to be expected due to a fall in the utilization rate, the Company reduced their book value to a recoverable amount and posted the reductions as an impairment loss of 280 million yen. The Company conducted an impairment test on Ahresty Wilmington Corporation, which is part of the Die Casting Business of North America, according to the U.S. Generally Accepted Accounting Principles, because of a delay in improving its profitability. As a result, the Company reduced the book value of the business assets owned by the company to a recoverable amount and posted an impairment loss of 3,012 million yen.

**Per Share Information**

(Yen)

	Year ended March 31, 2018	Year ended March 31, 2019
Net assets per share	2,522.55	2,357.98
Net income per share	133.40	16.26
Diluted net income per share	131.94	16.07

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

	Year ended March 31, 2018	Year ended March 31, 2019
Net income per share		
Net income attributable to owners of parent (million yen)	3,450	421
Amount that does not belong to ordinary shareholders (million yen)	—	—
Net income (loss) attributable to owners of parent (related to common shares) (million yen)	3,450	421
Average number of shares during the period	25,862,856	25,900,783
Diluted net income per share		
Net income attributable to owners of parent (million yen)	—	—
Increase in number of common shares	286,379	304,130
Outline of latent shares without dilution effect not taken into account for calculation of diluted net income per share	—	—

**Important Subsequent Events**

Not applicable